

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

ANNUAL REPORT

2016-17





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This report

This report has been prepared to inform the Northern Territory Parliament through the Minister for Housing and Community Development, Gerry McCarthy MLA, stakeholders, partners and the general public about the functions, activities, people, performance, strategic intent and outcomes of the Department of Housing and Community Development against the approved budget for 2016–17.

The report satisfies the requirements of the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*.

The annual report for 2016–17 has five chapters:

Chapter 1: Introduction

Chapter 2: Our people

Chapter 3: The Department of Housing and Community Development

Chapter 4: Corporate governance

Chapter 5: Financial reports.

Chapter 1

This section gives readers an overview of the department's operations and services in the Northern Territory (NT) along with a message from the Chief Executive Officer.

Chapters 2–4

This section outlines the department's functions and activities—its people, performance, strategic intent and outcomes against the 2016–17 approved budget.

Chapter 5

The financial statements for the department and for NT Home Ownership, a government business division (GBD).

Acknowledging traditional owners

The Department of Housing and Community Development respectfully acknowledges the past and present traditional custodians of this land on which we work. We show our recognition and respect for Aboriginal and Torres Strait Islander people, their culture and their heritage while working towards improved social outcomes for the NT.

Legislative requirements

In accordance with the Administrative Arrangements Order, the Department of Housing and Community Development administers the following Acts of the Northern Territory Parliament and subordinate legislation:

- *Cemeteries Act*
- *Community Housing Providers (National Uniform Legislation) Act*
- *Crown Lands Act* (section 79)
- *Housing Act*
- *Jabiru Town Development Act*
- *Local Government Act* (except Chapter 8)
- *Local Government Grants Commission Act*
- *Local Government (Katherine Rates) Act*
- *Northern Territory Rates Act*
- *Nudity Act*
- *Pounds Act*
- *Status of Darwin Act*
- *Status of Palmerston Act*.

Under the Northern Territory Administrative Arrangements Order dated 12 September 2016, the Chief Executive Officer for the Department of Housing and Community Development has responsibility for:

- Aboriginal housing
- communities and homelands
- community and social housing
- community development for regional centres, remote communities and homelands
- coordination of funding of essential services to remote Aboriginal communities not serviced by Commonwealth programs
- coordination of municipal essential services for regional centres, remote communities and homelands
- essential services for remote communities and homelands
- government employee housing
- homelessness services
- housing
- interpreting and translating services
- local government
- local government funding
- public housing
- remote communities and homelands.

Letter from the Chief Executive Officer

The Hon. Gerald McCarthy MLA
Minister for Housing and Community Development
Parliament House
DARWIN NT 0800

Dear Minister

Department of Housing and Community Development 2016–17 Annual Report

I am pleased to present to you the Department of Housing and Community Development's annual report for the financial year 1 July 2016 to 30 June 2017.

Pursuant to the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, I advise that, to the best of my knowledge and belief:

- Proper records of all transactions affecting the department are kept and that the department's employees observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's directions.
- Department procedures provide proper internal control, and a current description of those procedures is recorded in the Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*.
- No indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists.
- In accordance with the requirements of section 15 of the *Financial Management Act*, the internal audit capacity available to the department is adequate, and the results of internal audits have been reported.
- The financial statements in this annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's directions.
- In accordance with the requirements of section 28 of the *Public Sector Employment and Management Act*, all public sector principles have been upheld.
- Procedures in the department complied with the requirements of the *Information Act*.

Yours sincerely



Jamie Chalker
Chief Executive Officer

29 September 2017





01

INTRODUCTION

2016–17 Chief Executive Officer's message

Having been appointed to the role of Chief Executive Officer of the Department of Housing and Community Development in December 2016, I am proud to present the department's 2016–17 annual report.



The Department of Housing and Community Development was formed through the amalgamation of the former Department of Housing and the Department of Local Government and Community Services as a result of machinery-of-government changes after the August 2016 general election.

Bringing together these two agencies, and streamlining operations and services to Territorians, has formed a key part of this year's achievements under my tenure.

The department is responsible for providing a number of key services to Territorians, particularly those living in remote communities and those who are disadvantaged. These services and operations encompass:

- providing accommodation pathways and housing options from short-term and crisis accommodation through social housing, affordable rental and home ownership, for those who need them
- supporting development of a strong local government sector
- promoting Aboriginal languages and providing interpreting and translating services
- developing towns, regions and remote areas through respectful engagement
- leading homelands, land tenure and provision of Aboriginal essential services.

I am proud to lead an agency that is responsible for managing more than 12 000 properties and 9000 tenancies throughout urban, regional and remote areas of the NT. Our department also leads the way with Aboriginal employment in the NTPS.

The department recorded a net deficit of \$132.7 million for this financial year, compared to a budgeted deficit of \$170.2 million.

There are a number of achievements I would like to highlight from 2016–17, including:

- restructuring the agency as a result of machinery-of-government changes to better align the department's services and increase its efficiency
- introducing a Purpose and Direction Strategy that shifts the agency towards a social service as opposed to a provider of housing and infrastructure assets
- initiating an independent probity audit into town camp contracts and strengthening the independence and oversight of the department's procurement function

- participating in the regional show display with the department's cluster agencies under Children and Families, namely Territory Families and the Department of Education
- implementing \$3.53 million in ongoing budget improvement measures
- establishing a program management office to support the delivery of the Northern Territory Government's \$1.1 billion Remote Housing Investment program over the next 10 years, which this department has the lead on delivering
- delivering \$15 million in early works brought forward under the \$1.1 billion Remote Housing Investment Program
- delivering the government's \$5 million urban public housing stimulus program to stimulate the construction sector and repair urban public housing
- continuing to deliver the joint Commonwealth agreements on the National Partnership on Remote Housing and the Remote Australia Strategies
- implementing a Homelessness Innovation Fund project, providing \$2 million in funding over two years for four projects across Darwin, Katherine and Alice Springs to trial innovative and transformational ways to deliver homelessness services
- delivering the Central Australian Renal Accommodation project, which provides housing in Alice Springs and Tennant Creek for Aboriginal renal patients from remote communities with end-stage kidney disease
- conducting needs analysis modelling with the homelessness and housing sector to improve service delivery in future years
- publishing a revised, more accurate wait time calculation for urban public housing
- continuing to grow the community housing sector through transferring management of 22 units in Alice Springs to the non-government sector, and seeking proposals for management of a further 39 units and three houses
- facilitating home ownership for Territorians through NT Home Ownership
- drafting instructions for the revised *Local Government Act* and *Cemeteries Act*
- providing ongoing support to regional councils to strengthen local authorities
- administering more than \$86 million in local government grants
- providing oversight and regulatory services to the local government sector
- participating in a working group with the Northern Territory Electoral Commission and Local Government Association of the NT to provide in-kind support, enrolment activities, promotion and awareness in preparation for the August 2017 local government elections
- managing the most comprehensive review to date of the Northern Territory's 43 town camps, which encompasses an analysis of lease arrangements, infrastructure, service delivery, housing, legislation and economic opportunities
- upgrading and relaunching the Bushtel website, which provides a central point for information about the Northern Territory's remote communities, their people, and their cultural and historical influences
- delivering 30 787 interpreting hours in Aboriginal languages and 4983 hours in ethnic languages through the Aboriginal Interpreting Service and the Interpreting and Translating Service of the Northern Territory
- launching the first on-demand Aboriginal video interpreter service in Australia
- administering 908 grants and co-funding 141 positions worth \$54.053 million to 36 service providers for more than 425 homelands and outstations.

The above achievements would not be possible without the dedication, passion and support of the department's staff, who work across all regions throughout the Northern Territory. An organisation is only as strong as its people, and I will continue to focus on developing our people through a robust professional development program that will, in turn, provide staff with the tools, knowledge, expertise and confidence to continue to do their jobs well and to serve the people of the Northern Territory with professionalism and pride.



• **Jamie Chalker**
• **Chief Executive Officer**

29 September 2017

Overview of the Department

The Northern Territory Department of Housing and Community Development is made up of two output groups: Housing and Community Development, and Corporate and Governance. The Housing and Community Development output group incorporates Housing Services Delivery, Housing Program Delivery Office, Strategy, Policy and Performance, Tenancy, Support and Compliance, Community Development and Engagement, and Local Government.

The department manages more than 12 000 dwellings across the Northern NT's 1.35 million square kilometres. In partnership with government and non-government agencies, the department strives to:

- build stronger regions and communities through effective local government
- deliver and coordinate essential infrastructure projects and services to remote communities
- provide interpreting and translating services to support members of our community who speak a language other than English.

During 2016–17, the department had two portfolio ministers.

From 1 July 2016 until the caretaker period started on 8 August 2016 ahead of the Northern Territory election, it was former minister Mrs Bess Price.

After the new government was sworn in, the Honourable Gerald McCarthy, MLA, was appointed as the Minister for Housing and Community Development on 8 September 2016.

From 1 July to August 2016, Ms Leah Clifford was the Chief Executive Officer for the Department of Housing, and Mr Michael Chiodo was the Chief Executive Officer for the Department of Local Government and Community Development.

Under administrative arrangements for the newly elected Northern Territory Government, Mr Andrew Kirkman was appointed as the acting Chief Executive Officer until the appointment of Mr Jamie Chalker, who was made Chief Executive Officer on 19 December 2016.

Our values

The Northern Territory Public Service (NTPS) promotes collaboration and professionalism and gives us a shared understanding of the values that underpin how we work in delivering services to Territorians. They guide us in achieving our best performance and set common expectations across the sector for all public servants.

The department's values identify appropriate behaviours in the workplace and how we should interact with each other in our everyday work.

Commitment to service

The NTPS is professional, hardworking, effective, innovative and efficient, working collaboratively to achieve the best results for the NT.



Ethical practice

The NTPS upholds the highest standards of practice and acts with integrity in all it does.



Respect

the NTPS respects all people and in particular, their rights as individuals.



Accountability

the NTPS is transparent and accountable in all its actions.



Impartiality

the NTPS is apolitical and gives the government advice that is objective, timely and based on the best available evidence.



Diversity

the NTPS values the diversity of its workforce and the NT population it serves.





(L-R): Euan Hawthorne, Bianca Bogoev, Peta Butler, Jane McCrory, Karen Elligett, Jennifer Sekulich, John Sheppard accepting the award.



INTRODUCTION

Corporate Communications rewarded for support resource

Our department took out the 'Delivering Quality Customer Service' category for the new tenancy agreement support resource at the 2016 Chief Minister's Awards for Excellence in the Public Sector. This is the second year in a row the department's focus on delivering services for tenants and clients has been recognised, following the joint win by Tenancy Support and Compliance in 2015 with the award going to the Public Housing Safety Officers.

The Corporate Communications team was recognised for the tenancy agreement support resource, which was developed to ensure tenants who may not understand complex legal terms understand their rights and responsibilities as a public housing tenant. The resource breaks down the 28 sections of the department's new tenancy agreement and explains them using plain English, illustrations, and audio translations in 15 Aboriginal and nine ethnic languages.

The resource is easy to use and compatible with iPad, iPhone, laptop and Android devices.

The support resource is part of the department's new tenancy agreement roll-out, a significant project involving implementing the new agreement across all urban and remote public housing tenancies in the NT. The Minister for Housing and Community Development thanked members of the project team at a lunch at Parliament House on 17 November.

Thank you and congratulations to everyone involved in the project, including (but not limited to) Tenancy Support and Compliance (Capability Development), Service Delivery, ITC, Legal and Risk Management, our executives, the Aboriginal Interpreting Service and Interpreting and Translating Service NT, and James Carter from Big Picture Graphics.

Purpose and direction

After consulting with staff, the department developed a Purpose and Direction Strategy that clearly outlines our purpose, vision and mission.



PURPOSE

develop sustainable communities through partnerships to enhance the physical and social wellbeing of Territorians through connected and resourceful service delivery.



VISION

an engaged, dynamic social service that maximises opportunities for Territorians to strive, thrive and prosper.



MISSION

we will know our business, our people and our community to deliver improved social outcomes for the NT.

Our stakeholders and partners

The Department of Housing and Community Development works with a broad range of stakeholders to develop sustainable communities. These partnerships enhance the physical and social wellbeing of Territorians through connected and resourceful service delivery. Our stakeholders and partners include:

- non-government organisations (including in the housing and homelessness sector)
- legal advocates and peak bodies (e.g. NT Shelter)
- homelands service providers
- Aboriginal corporations
- local government councils and the Local Government Association of the Northern Territory
- land councils
- Aboriginal peak bodies
- Aboriginal business enterprises
- the construction and property development sectors.

02

OUR PEOPLE



Overview

Our people are essential to the Department of Housing and Community Development achieving our vision and delivering on our strategic objectives. We strive to position our workforce to ensure we have the right people in the right jobs with the right skills.

The department is dedicated to delivering best practice in human resources management.

Working with the senior management team, the Human Resources team supports and encourages a positive workplace culture through delivering a consistent advisory service and developing programs, policies and frameworks to comply with legislative requirements for employment.

The department is building its employee capability by delivering learning and development programs. This includes 'growing our own' through an early careers program, ensuring all new employees are properly inducted and providing whole-of-department training programs to build skills and improve performance.

Table 1: Workforce profile

Employee category	2015-16	2016-17
Full-time equivalent	621.1	584.23
Part-time	74.85	77.94
Ongoing (permanent)	442.54	411.32
Fixed period	125.9	117.29
Casual	52.66	55.62
Female	386.39	245
Aboriginal	221.4	205

Source: Personnel Information Payroll System and Government Accounting System
 Note: FTE figures represented at 30 June 2016 incorporates both the previous Department of Housing and the Department of Local Government and Community Services.

As at 30 June 2017, the department had 584.23 full-time equivalent (FTE) employees. This is a decrease of 36.57 FTE employees compared to the former Department of Housing and Department of Local Government and Community Services at 30 June 2016. Of those employees, 26.54 per cent are outside the Darwin region.





JB keeps doing the things that matter most.



OUR PEOPLE

Jeremiah (Larrwanbuy) Baker – The man from north east Arnhem Land

Spending quality time with his wife and kids, owning his home and working for the agency that provides housing support services for his mob out in remote communities—these are the things that matter most to Jeremiah Baker, an Aboriginal Employment Program Coordinator based in Darwin.

Known as ‘JB’ by his friends and peers, Jeremiah spent the first 24 years of his life on a “very” remote community and never got to see the inside of a year nine classroom—he started working at 16.

A self-described “talking machine”, Jeremiah’s first job was hosting community radio shows with Top End Aboriginal Bush Broadcasting Association (TEABBA).

Jeremiah grew up speaking four Yolngu languages, 12 dialects and the Yolngu sign language, so perhaps it’s no surprise that his

early NTPS work was as an interpreter, offering a crucial channel of communication between his people (or countrymen) and service providers.

Since his first NTPS interpreting job in 1999, Jeremiah has forged a career spanning 18 years and numerous roles, including working with the Department of Health.

In 2007, he joined us as an Intense Tenancy Support Officer.

Jeremiah’s experience building his own NTPS career makes his work helping Aboriginal staff even more rewarding. He also enjoys educating non-Aboriginal staff about working effectively with Aboriginal staff and clients.

Table 2: Employees by classification

Classification	Full-time equivalent (FTE) staff as at 30 June 2016**	Full-time equivalent (FTE) staff as at 30 June 2017
Trainee	2.7	3
Graduate	1	2
Administrative Officer 2	18.7	27
Administrative Officer 3	54.65	53.09
Administrative Officer 4	73.6	67.95
Administrative Officer 5	95.36	88.96
Administrative Officer 6	84.1	72.5
Administrative Officer 7	71.8	64.18
Aboriginal Interpreter	47.79	47.86
Professional 2	1	1
Professional 3	0.8	0.8
Senior Professional 1	2	2.8
Technical 5	32.5	32.93
Technical 6	2	2.5
Senior Administrative Officer 1	60.2	62.36
Senior Administrative Officer 2	40	30.3
Executive Officer 2	2	0
Executive Contract Officer 1	14.9	17
Executive Contract Officer 2	9	6
Executive Contract Officer 3	3	0
Executive Contract Officer 4	2	1
Executive Contract Officer 5	1	0
Executive Contract Officer 6	0	1
Board member	1	0
Total	621.1	584.23

Source: Personnel Information Payroll System and Government Accounting System

**Note: FTE figures represented at 30 June 2016 incorporates both previous Department of Housing and Department of Local Government and Community Services

Table 3: Staff profile by equal employment opportunity groups

Equal employment opportunity group	Staff in our department as at 30 June 2016**	Whole-of-government target	Our department as at 30 June 2017
Aboriginal	472 or 45.56%	43.8%*	523 or 48.52%
Non-English-speaking background	140 or 13.51%	No set target	178 or 16.51%
People with a disability	16 or 1.54%	4%	20 or 1.86%
Women in executive roles (SAO2^)	37 or 50.68%	40%	34 or 58.62%

Source: Personnel Information Payroll System

* The Department of Housing and Community Development target to be reached by June 2020 in line with the Indigenous Employment and Career Development Strategy (IECDS).

**Note: headcount figures represented at 30 June 2016 incorporate the previous Department of Housing and the Department of Local Government and Community Services.

On 12 September 2016, the newly elected government announced new administrative arrangements for the Northern Territory Public Sector. The former Department of Housing and the Department of Local Government and Community Services amalgamated to form the Department of Housing and Community Development.

The department includes the functions of local government, public housing and community development. The Office of Aboriginal Affairs, Office of Men's Policy, Office of Women's Policy and Domestic Violence Directorate functions, formerly housed under the Department of Local Government and Community Services, were transferred to the Department of the Chief Minister and the newly created Territory Families agency.

As part of these changes, the department undertook a change management process, including establishing a Change Management Committee, which met regularly to discuss staff issues and concerns. The Chief Executive Officer communicated with all staff regularly and requested their feedback, which was considered when the new structure was developed.

Staff survey

The Office of the Commissioner for Public Employment (OCPE) released the biennial People Matter Survey to all NTPS employees in May 2016. The department received its finding report in October 2016.

The department developed a survey response plan with a commitment to activities to improve in the categories where staff satisfaction was low.

The survey response plan was shared with staff, and the executive management board monitors its progress.

The main elements from this plan were included in the department's draft 2017–2021 Strategic Workforce Plan.

Aboriginal leadership network (ALN)

The ALN was established in 2015 and gives Aboriginal employees from across the department the opportunity to contribute to department plans, committees, and coaching and mentoring programs. In collaboration with Human Resources, the ALN helped develop the 'Aboriginal Employment and Career Development Strategic Action Plan 2016–18'. The plan was developed in response to the Northern Territory Government Aboriginal Employment Career Development Strategy 2015–2020. The plan ensures the department is well placed to deliver on the objectives outlined in the strategy. The department values the diversity and contributions Aboriginal employees make in delivering its business outcomes, and the plan recognises the contribution Aboriginal employees make to good public administration across our operations.

Anil has spent time in many areas of the department while gaining his qualification.



OUR PEOPLE

Finance trainee earns his stripes

Finance staff member Anil Basnet attained CPA status in 2016–17. This is a highly regarded and widely recognised qualification.

Anil joined the department as a graduate trainee in January 2016 and completed his traineeship in December.

He started his CPA studies in 2013 and completed them in 2016. The program involved six units of study and three years of professional experience in the finance and accounting fields. Attaining a CPA is a sign of a person's knowledge, integrity and commitment to maintaining a high level of professional ethics and standards. From 2017–18, Anil will work to achieve 120 hours of continuing professional development every three years to maintain his CPA qualification.

Outside work, Anil is involved in a range of community activities, including volunteering as Treasurer with the Nepalese Association of the NT and more recently with the Multicultural Council of Northern Territory in a similar capacity. Anil said that ultimately, he would like to make a contribution to ensuring non-government organisations maintain a high standard of financial management and accountability.

Early Careers

The department is committed to the professional development of its employees. Building the capability of its workforce is a central element in delivering its services and objectives. The department offers a range of employment pathways through the Northern Territory Public Sector Employment Programs initiative.

Skills, employment and careers expo

In August 2016, HR staff participated in the Skills, Employment and Careers Expo in Darwin, Alice Springs and Katherine to promote the department as an employer of choice and to attract new employees.

Indigenous Employment Program (IEP)

The department continues its commitment to increase its number of Aboriginal employees through its Indigenous Employment Program (IEP) - a six-month program for Aboriginal jobseekers that includes accredited training, work readiness development and work-based learning. In partnership with the Department of Corporate and Information Services (DCIS), in 2016–17 the department placed three participants across the Darwin offices under the IEP.

Graduate Development program

The Graduate Development program is designed to develop new generations of employees whose ideas, ambitions and leadership potential will help shape the future of the Northern Territory Government.

In February 2017, the department recruited a graduate with a Masters of Accounting and another with a Bachelor of Information Technology.

Trainee employment program

The department gives trainees structured employment and training under this program. In 2016–17, three trainees were recruited to undertake a Certificate II and Certificate III in Community Services. At year end, a Certificate IV in Business apprentice remained with the department to continue their studies under the program.



Brianna Wright, Khalia Fuller, Shania Dolby, Javielle (Jal) Liwanag and Ma Concepcion Villamer were welcomed by Jamie Chalker.



OUR PEOPLE

2017 Early Careers Program kicks off

A morning tea was held on 15 February to welcome five new starters as part of the 2017 Early Careers Program.

Brianna Wright and Khalia Fuller joined Service Delivery North, and Shania Dolby is with the Aboriginal Interpreter Service. All three are completing their Certificate III in Community Services through Charles Darwin University.

Javielle Liwanag and Ma Concepcion Villamer are both graduates from Charles Darwin University and undertaking placements with the department. Javielle completed a Masters of Accounting and has started with the Finance team. Mari completed a Bachelor of Information Technology and has joined Business Systems.

“Congratulations on your accomplishments, and enjoy these traineeships,” said CEO Jamie Chalker at the morning tea. *“They are a good starting point, and we hope to have each of you on board for a long time.”*

2016 Certificate IV Business apprentice Meg Sheppard completed her qualification at the end of February 2017, and Indigenous Employment Program participant Karrawa Quall has completed her qualification. She will complete a six-month employment placement in Corporate Services in 2017–18.

The Early Careers Program is an important part of building the capability of our workforce and a central element in delivering services and on our objectives. Early Careers includes the Graduate Development, Trainee Employment and Indigenous Employment programs.

“Everyone has a role to play, whether it’s in administration or supporting our frontline staff with finance or moving people around with access to vehicles,” Jamie Chalker said. *“All roles are interrelated, and you can’t do business without the back-end support. Our back end, especially Corporate Services, is critical”.*

Learning and development

Table 4: Expenditure on learning and development 2015-16 and 2016-17

	2015-16	2016-17
Full-time equivalent employees	621.1	584.23
Learning and development expenditure	\$772 232	\$542 689
Total employee expenditure	\$65 865 766	\$61 098 104
Learning and development expenses as a % of total employee expenditure	1.1%	0.88%
Average per FTE employee	\$1 243	\$929

Source: Personnel Information Payroll System and Government Accounting System

OUR PEOPLE



Key learning and development initiatives

Asbestos awareness

In October 2016 and April 2017, asbestos awareness training was provided for staff working in asset, property and contract management roles. The course covered an introduction to asbestos, health hazards and effects, risk management, asbestos hazard management and codes of practice for asbestos hazard management. This training is accredited and awarded participants the unit of competency 10314NAT under the building training package to identify and report asbestos materials and/or products.

Clear writing

Twelve half-day workshops were held in Alice Springs, Darwin and Katherine on the basic mechanics of clear writing. The workshop covered planning, writing in plain English and the importance of reviewing work to ensure quality and accuracy.

Combat Bullying – call it like it is

A series of Combat Bullying workshops were held in August 2016 and May and June 2017 in Alice Springs, Darwin, Nhulunbuy and Tennant Creek. In total, 170 staff members attended the workshops across the regions. Combat Bullying aims to equip employees with the knowledge and skills to face up to bullying behaviour in the workplace and to respond to potential grievances quickly and professionally. It aims to develop the confidence of individuals to help create an empowered and performance-based culture.

Corporate induction

In 2016–17, the department ran full-day inductions for new employees on the history of the department, its corporate plan, values, strategic direction and organisational structure. In total, 40 employees attended the inductions in Darwin and Alice Springs.

Cross-cultural training

As part of its commitment to cultural awareness, the department supported 42 employees to attend cross-cultural awareness training in Alice Springs and Darwin. The training gives participants a better understanding of the challenges, barriers and enablers in a culturally diverse environment.

Another two full-day sessions were held for managers and supervisors in the Darwin region.

Dealing with the Tough Stuff

This program aims to provide managers and supervisors with the skills to undertake hard conversations and give staff tools to have effective performance management discussions.

Domestic family violence awareness and policy training

The department delivered a combined initiative on domestic family violence with the Alice Springs Women's Shelter across all regions in July and August 2016. Training was tailored to include department policy and process.

Four-wheel-drive training

This training helps improve the knowledge and skills of staff to safely operate a four-wheel-drive vehicle in hazardous conditions and all-weather situations in regional and remote areas. A number of sessions were provided in Alice Springs, Nhulunbuy and Tennant Creek in November and December 2016.

Situational awareness training – PART

Situational awareness training—Predict, Assess and Respond To (PART)—was delivered to frontline staff across the department. This training aims to provide skills to de-escalate direct client aggression and challenging behaviours.

Mental health first aid

Participants learned about the signs and symptoms of common and disabling mental health problems, how to provide initial help, where and how to get professional help, what sort of help can be effective and how to provide first aid in a crisis situation. Training was delivered in November 2016 for frontline staff and managers.

Work health and safety (WHS) awareness

Six half-day workshops aimed at developing WHS awareness for all staff were delivered in February 2017. The workshops covered the general principles of the work health and safety legislation and focussed on duties and obligations, understanding the risk management process,

identifying hazards in the workplace, hazard reporting and elimination, and the consultation process for work health and safety issues.

Two full-day sessions were also held for managers and supervisors.

Working in the Northern Territory Public Sector

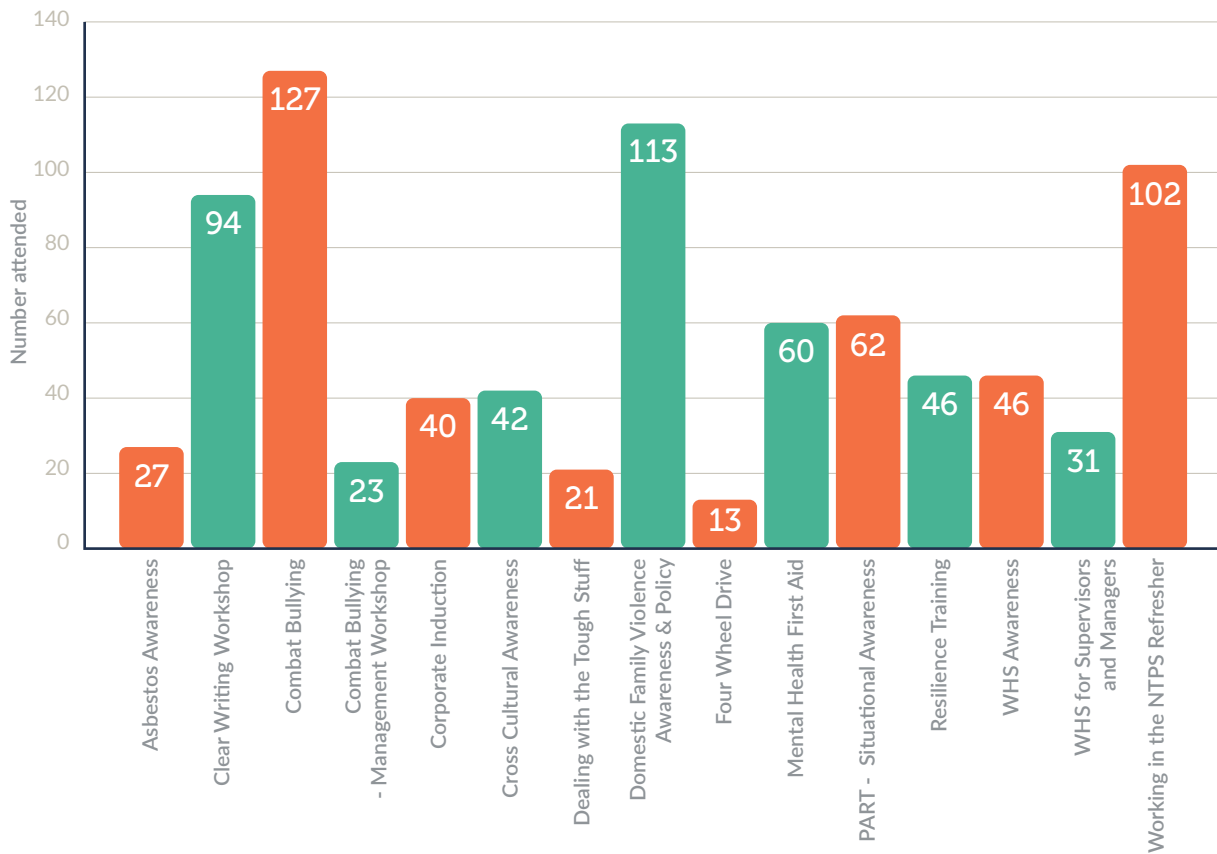
An in-house 'working in the NTPS' training course was delivered, focussing on core NTPS values, employee entitlements, Employment Instruction 12 – Code of Conduct, and internal policies and procedures. A total of 102 staff attended this training throughout 2016–17.

Office of the Commissioner for Public Employment training and development programs

The department uses cross-government training and development programs provided by the Office of the Commissioner for Public Employment (OCPE). Sixty-one employees participated in leadership and development programs:

- Public Sector Management program
- Future Leaders program
- machinery of government
- performance management
- Merit Selection and Simplified Recruitment
- Lookrukin – Indigenous Women’s Leadership Development program
- Australia and New Zealand School of Government (ANZSOG) leadership programs.

Figure 1: Training courses and attendances



Study assistance

The department supports employees to increase their learning through formal studies in areas relevant to its core business. Study assistance and support was provided to 25 employees through reimbursement of fees and paid study leave to attend tutorials, lectures and examinations. Approved courses undertaken included:

- Certificate III in Business
- Certificate IV in Accounting
- Certificate IV in Alcohol and Other Drugs
- Certificate IV in Project Management
- Certificate IV in Leadership and Management
- Diploma of Government (Investigations)
- Bachelor of Behavioural Science
- Bachelor of Communications
- Bachelor of Commerce
- Bachelor of Information Technology
- Bachelor of Humanitarian and Community Studies
- Bachelor of Laws
- Diploma of Leadership
- Bachelor of Science (Honours)
- Bachelor of Behavioural Science
- Master of Business Administration
- Master of Statistics
- CPA Professional Program.

Senior leaders forum

These forums bring together senior staff to share knowledge and ideas and promote business improvement. Forums were held in July 2016 and in June 2017, which were attended by 43 senior staff.



Senior leaders forum.



Health and wellbeing

The health and wellbeing program aims to help staff make informed choices and suggests activities and initiatives to inspire healthy decisions.

Some of the initiatives to raise awareness and fundraise for charities in 2016–17 included a monthly newsletter and supporting initiatives such as Australia’s Biggest Morning Tea, R U OK? Day, the Fight Cancer Foundation, and SIDS and Kids NT. The department also provided general health checks, Cancer Council information sessions on smoking, healthy eating and sun smart advice as well as annual flu vaccinations for staff.

In June 2017, staff participated in a 10 000 steps challenge, which saw teams of four take 10 000 steps per day to reach a virtual destination. The initiative was a success, with 51 teams and 204 participants joining the challenge.

Overcoming the challenges of distance

Working in Nhulunbuy can be complex. Due to its remote location, there is often limited access to services that are easily accessible in an urban setting. The Nhulunbuy office can be subject to network issues and frequent power outages, which mean staff have to think creatively to overcome the challenges. Jessica Harris is the Regional Business Manager for Service Delivery North, Arnhem Region, and a large part of her role is to liaise with divisional staff in Darwin using teleconference and video conference technology rather than meeting in person.

“It can be quite challenging”, Jess said.

Jess has worked for the department since she moved to the Northern Territory from Queensland in 2011 and has always been part of the Service Delivery North team. She was previously in tenancy management until she was offered the opportunity to move into her current role in 2016. *“This is a great career opportunity and one of the best things to happen to me since I started working for the department”, she said. “I am truly grateful for the opportunity”.*

Jess knows that sometimes people get the wrong idea about the Territory lifestyle. *“People might have a preconception that working remote is easier because our lifestyle is more relaxed, but that is far from the case”, she said.* When Jess is not managing the busy remote office, she likes to escape from it all through sewing, exercising and the most popular NT pastime, fishing with her family.

What people might not know about Jess is that she has a passion for work health and safety and is due to complete her Certificate IV in WHS in 2017–18. *“I am very passionate about this role and enjoy my work and responsibilities,” she said. “My position offers a great work/life balance and also gives me opportunities for training in both management and personal development areas. I work with a great team in Nhulunbuy, who are very knowledgeable in the business of the department, and it’s great to feed off that knowledge and apply it to my profession”.*

Work health and safety

The department is committed to providing a socially responsible, physically safe and healthy working environment for all staff and contractors.

The department has committed to ensure work health and safety (WHS) is an integral part of its management and operational systems so preventing occupational injury and illness becomes embedded in its culture. The department has established and maintained a rigorous consultation process through WHS committees and representatives in each building and region throughout the NT.

The department is dedicated to increasing staff awareness about WHS. It posts news on the intranet to inform staff about anything that could

affect their safety and wellbeing at work. A WHS item is also published in the monthly staff newsletter.

The statistics from the department's online incident reporting tool allow it to monitor trends, identify gaps in training and address them as quickly as possible. This table summarises the number and type of incidents for the year and the variance to the last financial year.

Table 5: WHS incidents reported, 2015-16 and 2016-17

Incident type	2015-16	2016-17	Variance
Being hit by objects includes items being thrown at staff and swooping birds	29	33	+4
Biological factors such as contracting an infection or transferring of blood	3	7	+4
Body stressing may include back pain caused by manual lifting	11	6	-5
Chemicals and substances such as a mould growth from excess moisture or strong chemical smells	3	3	-
Environmental factors includes dog bites scorching from hot food	6	0	-6
Hazards, may include the threat of loose light covers falling	40	0	-40
Hitting objects such as other people entering or exiting doors and injuries to self	7	8	+1
Mental factors can include verbal harassment from clients	26	27	+1
Slips, trips and falls may be incurred from falling off a chair or slipping on a wet surface	15	14	-1
Vehicle incidents and others, such as employees experiencing dizziness and damage to vehicles	12	37	+25
Total	152	135	-17

Note: totals varied due to machinery-of-government changes in August 2016.
Source: Department of Corporate and Information Services.

The reduction in hazard reporting between the periods is attributable to an improved understanding of reporting categories. All incidents reported for the 2016–17 period have been reviewed to ensure the correct category has been applied. There will continue to be a focus on training staff on the importance of reporting hazards and the difference between a hazard and an incident.

As a result of a rise in the number of incidents described as ‘mental factors’, the department identified a need for situational awareness training

for frontline staff who may be confronted with antisocial or aggressive behaviour in the line of duty. This specialised training was contextualised and delivered as an additional element of the PART training that was delivered to staff in Alice Springs, Casuarina and Palmerston offices in June 2017.

As a result of the increase in ‘vehicle incidents and other’ reports received, four-wheel-drive training was provided for staff across the regions.





03

THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Our structure

The Department of Housing and Community Development:

- provides accommodation pathways, housing options and client support for those in need
- empowers and supports communities to grow through respectful engagement, including by delivering interpreting and translating services
- delivers remote essential services and land tenure outcomes
- assists in developing and supporting local government and homelands.

Under changes introduced by the current government following the Northern Territory general election in August 2016, major agencies and departments were reduced from 23 to 15 and were grouped into four clusters that reflect the priorities of the government. They are:

- Chief Minister and Central Agencies
- Children and Families
- Development
- Tourism, Environment and Culture.

The Department of Housing and Community Development sits under the Children and Families cluster along with:

- Department of Territory Families
- Department of Health
- Department of Education
- Department of Police, Fire and Emergency Services.

These community-facing social service agencies come together to better coordinate policy and service delivery.



Functions of the department

Office of the Chief Executive Officer

This division undertakes a liaison service between the department and the office of each minister.

Staff allocate, coordinate and maintain quality control of all ministerial-related correspondence. This includes ministerial briefs, Cabinet submissions, Executive Council submissions and departmental Cabinet comments on other agencies' Cabinet submissions. Services support and enhance corporate performance and ministerial communications and liaison.

Office of the Deputy Chief Executive Officer

This unit is responsible for all operational services, including client-centric social housing services and day-to-day management of housing and local government assets.

It oversees tenancy and client support services in conjunction with non-government sector service providers and the Public Housing Safety program, local government support and grants administration, and community development support, including interpreting services in Aboriginal and foreign languages. The unit also oversees direction of housing program delivery for urban areas, the National Partnership Agreement on Remote Aboriginal Housing (NPARAH) and the roll-out of the \$1.1 billion government investment in housing for Territorians living in remote communities.

Strategy, Policy and Performance

This division provides strategic planning and review of housing programs, policy development, business intelligence, performance monitoring and reporting. The division comprises the following branches:

- Remote Information Coordination
- Strategy
- Strategic Performance
- Policy
- Planning.

Strategic, Legal and Risk Management

This unit is responsible for coordinating the functions of the Public Housing Appeals Board and the Business Improvement Risk Management (BIRM) group.

The board is a non-statutory body, appointed by the Chief Executive Officer with the approval of the Minister for Housing and Community Development. Members from diverse backgrounds are recruited from across the NT and are appointed for a two-year term.

The (BIRM) drives business improvement for the department through the development of risk mitigation strategies, noting that any improvements must align with recommendations made by the Risk and Audit Committee.

Corporate Services

This division provides strategic advice and coordination for the development, implementation and delivery of financial and budget management, human resources, communication and stakeholder relations, information management, workplace health and safety, business systems, office management services, governance, risk and audit, procurement and grants management.

It supports the service delivery areas of the department through the provision and administration of systems and processes that enable the efficient conduct of the department's business.

The division comprises the following branches:

- Finance
- Human Resource Management
- Corporate Communications
- Procurement and Grants Management
- Governance
- Information Technology and Business Support.



Telstra Business Women's Award finalist

Michelle Walker's 16 years of hard work in the department were recognised when she was named as a finalist in the 2016 Northern Territory Telstra Business Women's Awards in the Public Sector and Academia category.

Michelle was chosen as one of 16 finalists from more than 1000 applicants across the Territory who demonstrated 'the unique combination of skills required for professional excellence: the courage to take risks, sound financial management, strong leadership skills and sophisticated business acumen.'

Starting with the department as an AO2 in 2000, Michelle found her passion. "Before starting with the Department of Housing, I'd had various management roles in retail and hospitality, but nothing really challenged me", she said. "After about three months with the department, I knew that was it—I wanted to stay." Michelle worked in tenancy, client services, system administration and management roles and spent time as the Department Liaison Officer under two previous ministers. These roles gave her experience in service delivery, policy and legislation, business

improvement, disaster management and leadership development, which guides her in her current role as Executive Director, Service Delivery North.

"I am passionate about housing" Michelle said. "Housing is fundamental to people's wellbeing. A home gives people opportunities to improve all other aspects of their lives. We are one of the only agencies to have long-term relationships with our clients. We provide services to people for decades, often work with generations of families, and are a constant in people's lives. Working with people who face adversity is a humbling experience, and if I can clear the way to make someone's life a little better then I have made a difference."

Michelle said working with passionate frontline staff is one of the most important and rewarding parts of her role.

"My advice is to always believe in yourself—instead of asking 'why me', you should be asking 'why not me?' And never be afraid to go against the norm. Someone has to!"

2016–17 year in review

Housing services delivery

Our department has the following categories of properties:

- *public housing*
- *social head-leasing*
- *community housing*
- *government employee housing*
- *industry housing*
- *emergency accommodation*
- *affordable rental housing.*

Public housing is further distinguished as:

- urban public housing, which includes social head-lease dwellings
- remote public housing (which includes communities and the Alice Springs and Tennant Creek town camps).

Community housing are dwellings that are owned by the department and transferred to a community housing provider to manage.

Government employee housing dwellings are head-leased to government agencies and their eligible employees.

Industry housing dwellings are predominantly head-leased to non-government organisations.

Emergency accommodation is allocated in Galiwin'ku to clients whose dwellings were affected by Cyclone Lam.

Affordable rental housing dwellings are head-leased to individuals who are key service industry workers with low or moderate incomes.

Dwellings can be transferred from public housing stock to government employee housing or industry housing and vice versa.

Dwellings that are approved for sale/ redevelopment, awaiting disposal, reinvestment decision, or requiring major works are considered to be non-operational dwellings as they are not tenatable.

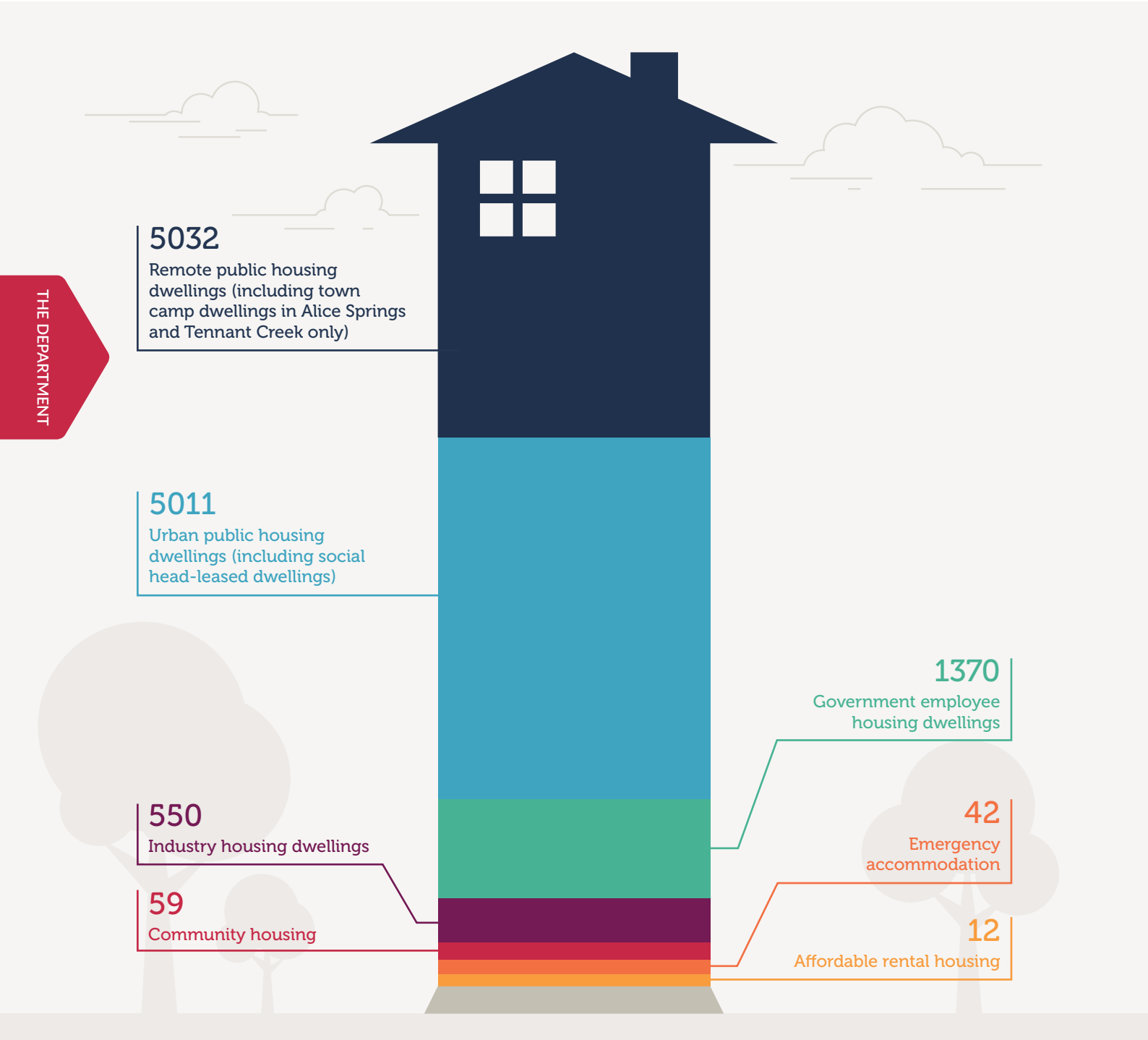
At 30 June 2017, the Department of Housing and Community Development managed a total of 12 076 dwellings consisting of 10 706 public housing dwellings and 1370 government employee housing dwellings.

Of the 10 706 public housing dwellings:

- 4888 were urban public housing
- 123 were social head-leased dwellings
- 5032 were remote public housing
- 550 were industry housing assistance scheme dwellings
- 42 were emergency accommodation dwellings at Galiwin'ku
- 59 were community housing provider-managed dwellings
- 12 were affordable rental dwellings managed by a community housing provider.

The 5011 urban public housing and social head-lease dwellings across the NT's main towns have some 11 000 occupants. The 5032 remote public housing dwellings have some 22 000 occupants.

Figure 5: Housing stock



The housing continuum

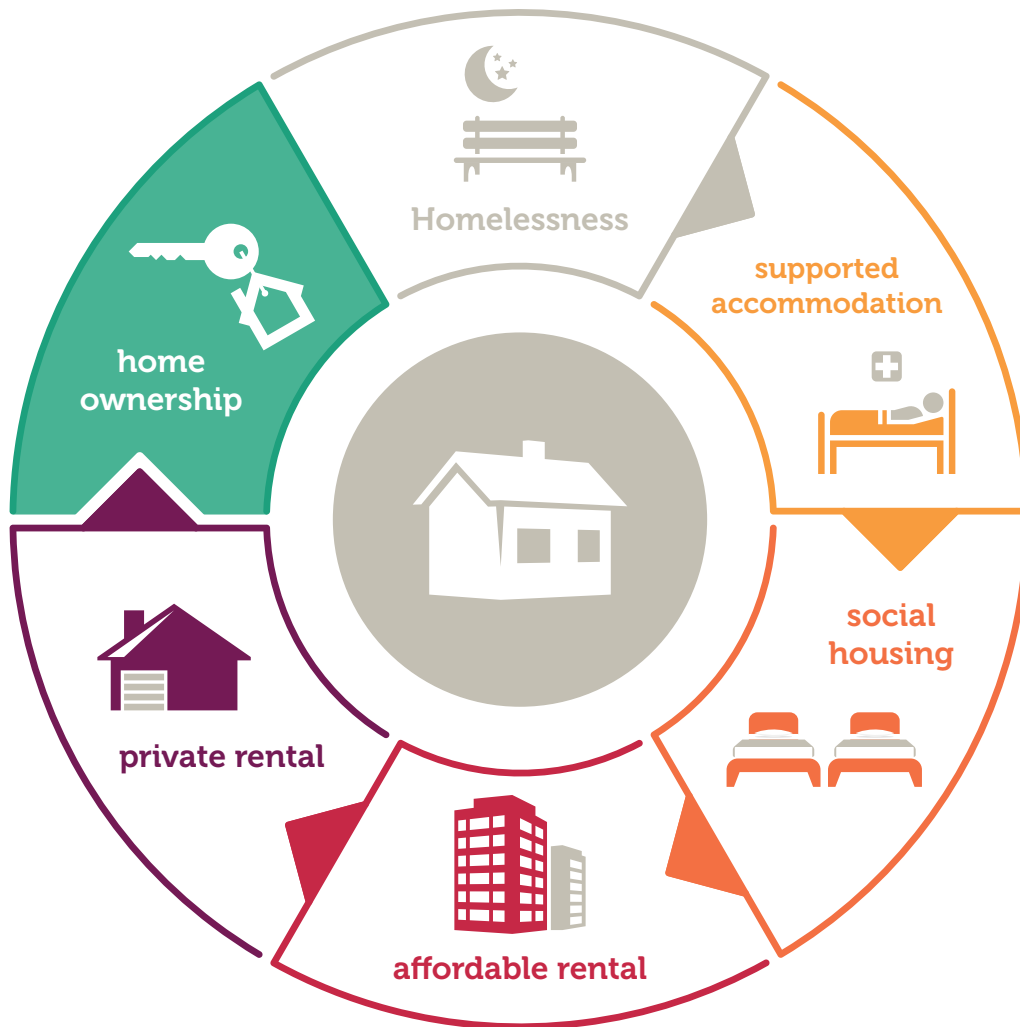
An effective housing system supports individuals and families to access safe, affordable and secure housing. The system must also provide safeguards for vulnerable members of the community who are homeless or at risk of homelessness.

The housing continuum refers to a range of housing and shelter options:

- emergency shelters and transitional housing
- supported accommodation for vulnerable people, such as people with mental illness
- social housing provided by government and non-government organisations

- affordable rentals for low- to medium-income earners
- private rental
- home ownership.

The department delivers and funds programs across the housing continuum. It aims to support client movement along the housing continuum towards stable, safe, affordable housing and accommodation and away from the vulnerabilities and risks of not having access to appropriate accommodation.





Wayne is delivering the 'wright' message

'How are seniors living in public housing coping with ageing dwellings?' was the question Senior Project Officer Wayne Wright posed to attendees of the Planning Institute of Australia Congress held in Sydney in May 2017.

Delivered to an audience of approximately 90 people, the presentation was a result of research Wayne had completed while undertaking a Bachelor of Environmental Science (Hons) at Charles Darwin University, graduating at the beginning of June 2017.

Wayne had been a student member of the Planning Institute of Australia for some time when an opportunity to speak at the conference came up.

"The topic was one I felt very strongly about", he said. "I felt like it was a message I had to get out. As planners, we have to take into account all segments of society, and seniors is one group of people we can't ignore".

Overall, Wayne said the response from other delegates was very positive.

Wayne said completing university study and working full-time was "full-on and time consuming", noting he had to allow time for research, collecting field data and meeting with participants, which he "leaned heavily on the department" for to identify a sample of tenants that fit the criteria of being over 55 and living in ageing dwellings (constructed before 1980) in the greater Darwin area.

"Most subjects were single tenancies and had been tenants in their current house for more than 44 years", he said.

Wayne is next taking on some home renovations, would like to have his research published and will spend time 'reconnecting with his family', having committed the last seven years to his academic pursuits.

Homelessness in the NT

According to 2011 Census data, there are 730.7 homeless people per 10 000 people in the NT, compared with 48.9 people per 10 000 across Australia². Of the total number of homeless people in the NT, about half are female and half are male. Twenty-seven per cent, the largest group, are aged 12 or under³.

In remote areas of the NT, the leading cause of homelessness is overcrowding of dwellings. However, a significant and growing number of people are also homeless in urban and regional centres across the NT and are seeking assistance from Specialist Homelessness Services (SHS).

Domestic and family violence is far more prevalent in the NT than it is nationally, with 144 people per 10 000 affected⁴—more than three times the national average of 44 people per 10 000⁵.

The figure below shows that in 2015–16, domestic and family violence was cited as the most common reason people needed support from homelessness services. Whereas nationally, the majority of clients sought assistance because they had no accommodation. During 2015–16, more than 30 per cent of all clients accessing services in the NT sought assistance for domestic and family violence-related reasons⁶.

2 <http://www.abs.gov.au/> – ABS 2011, Census data

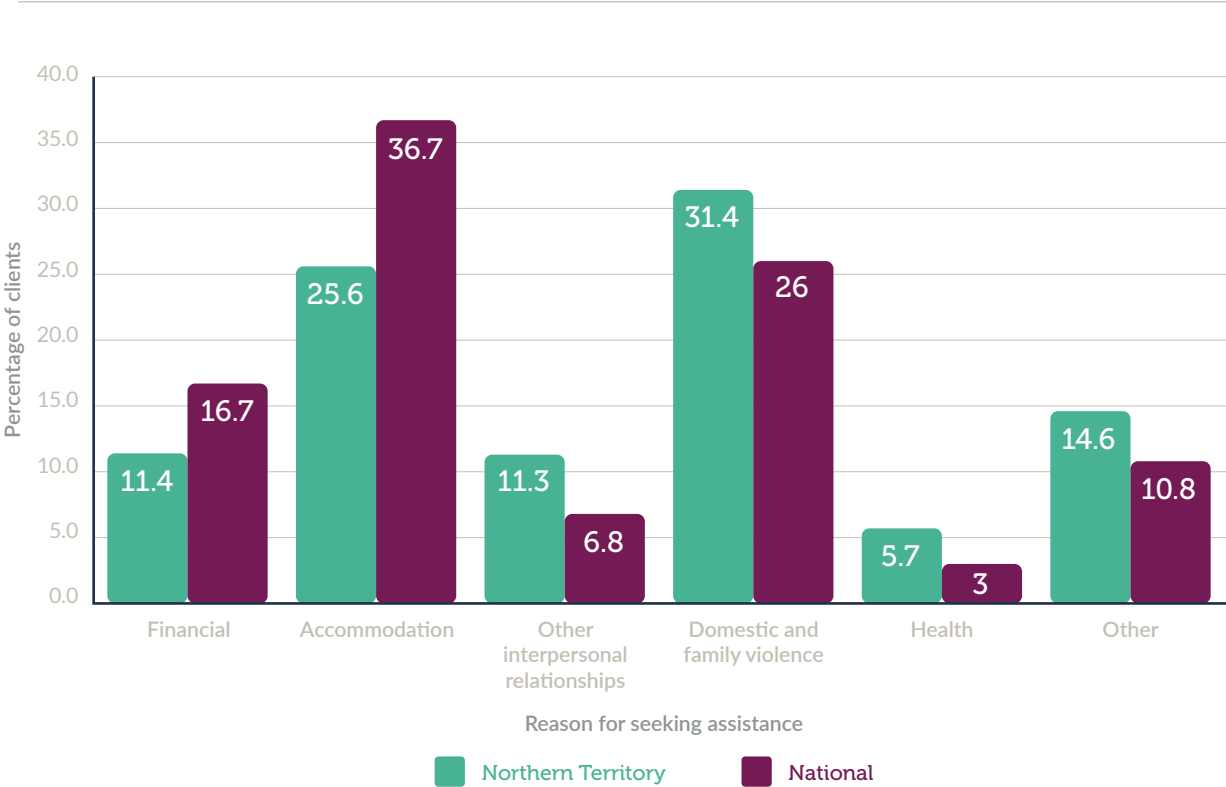
3 <http://www.abs.gov.au/> – ABS 2011, Census data

4 <http://www.aihw.gov.au/homelessness-publications/> - AIHW Specialist homelessness service 2015–16 supplementary tables (note 2015–16 data was the most recent data available at the time of publishing this annual report).

5 <http://www.aihw.gov.au/homelessness-publications/> - AIHW Specialist homelessness service 2015–16 supplementary tables (note 2015–16 data was the most recent data available at the time of publishing this annual report).

6 <http://www.aihw.gov.au/homelessness/specialist-homelessness-services-2015-16/supplementary-tables/>

Figure 6: Main reasons clients sought assistance, 2015-16 data



Social Housing

Public housing provides housing for eligible Territorians who are unable to enter the private rental market. The department's social responsibility to actively provide and manage dwellings for low socio-economic residents at this point of the housing continuum is crucial to support Territorians who, without the ability to access social housing, would be at risk of homelessness.

In 2016-17, urban public housing dwellings increased by 32 from 2015-16 (4979), largely due to new social housing head-leased dwellings. Remote public housing dwellings decreased by 14 from the 2015-16 year (5046) due to previous

properties being demolished and under construction as new replacement homes at 30 June 2017.

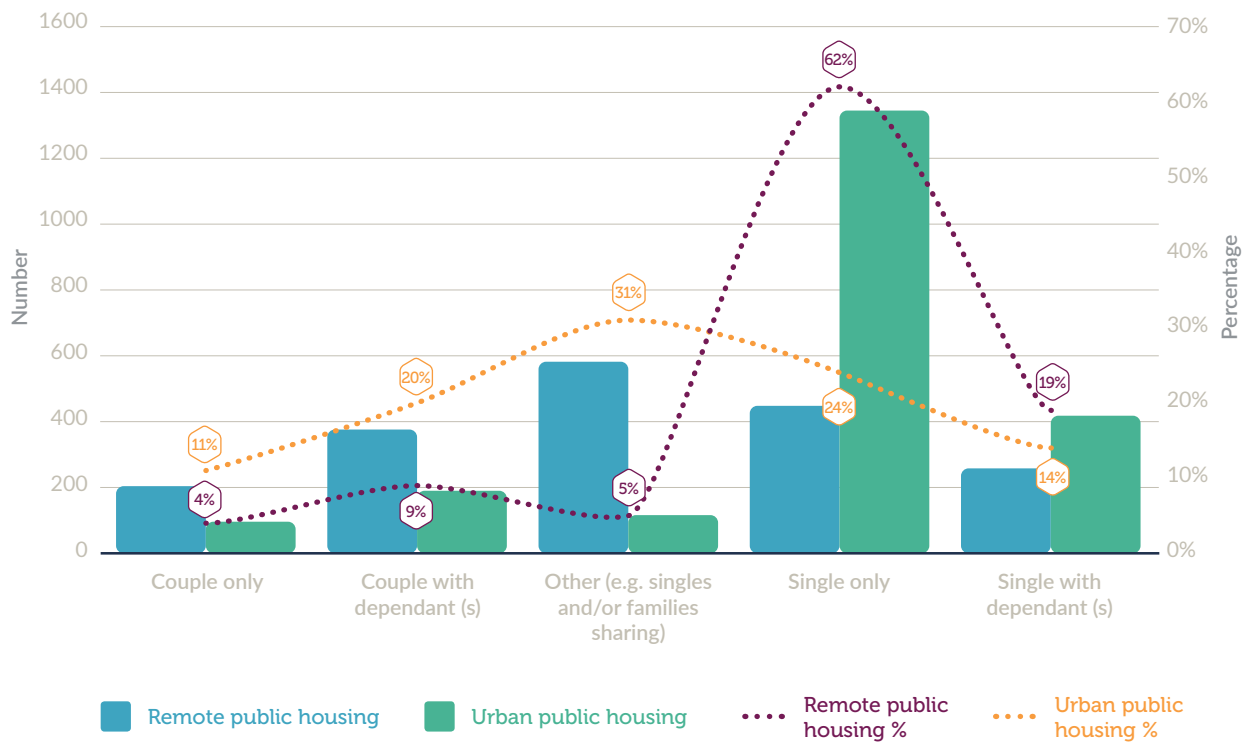
The majority of tenants occupying urban public housing dwellings are single households (44 per cent); however, most tenants occupying remote public housing dwellings are singles and families sharing a house (55 per cent) as shown in the figure below. This difference is predominantly due to a greater number of existing tenants in urban areas aged 55 and over, while in remote areas, many people are sharing a house due to severe over-crowding.

Figure 7: Profile of urban and remote public housing households at 30 June 2017



The vast majority of clients in urban areas who are on the public housing wait list are from single households (62 per cent). In remote areas, they are from sharing households (31 per cent), as shown in the figure below.

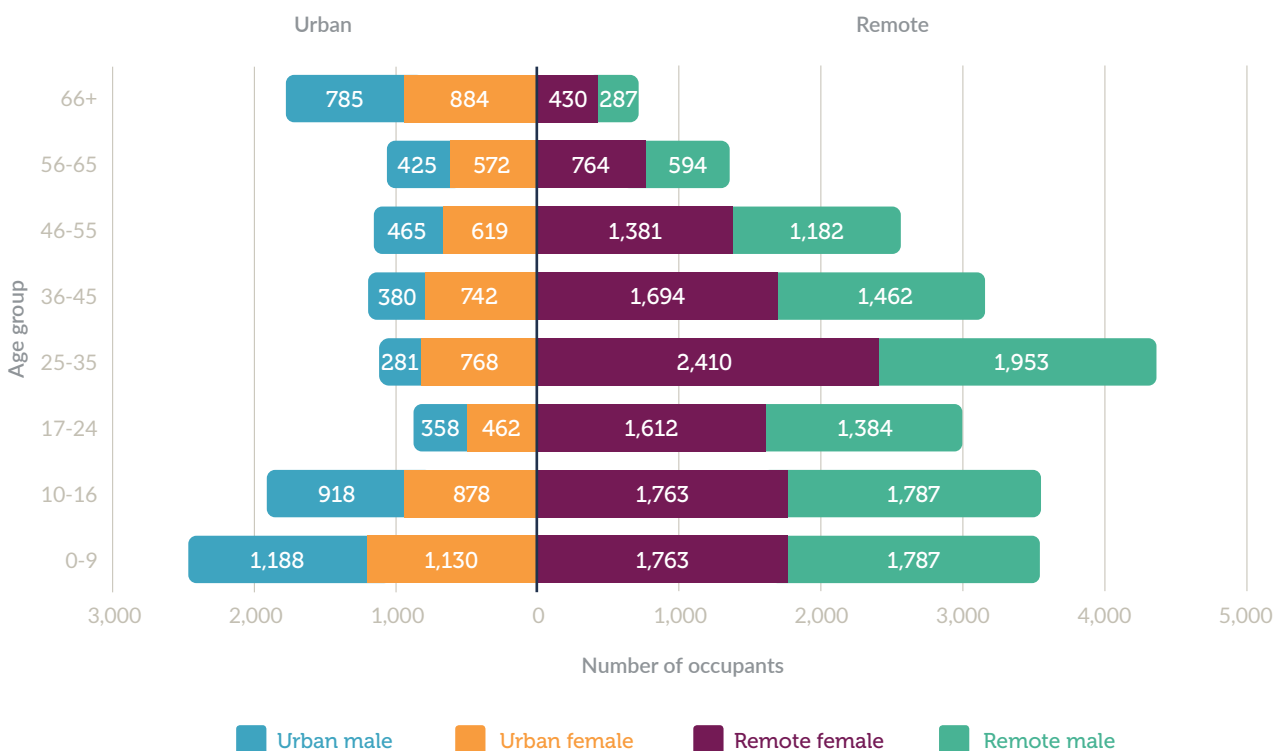
Figure 8: Public housing waitlist household profile at 30 June 2017



There is a high proportion of occupants (45 per cent) under the age of 25 in both urban and remote areas. However, occupants aged 55 and over in urban areas represent 25 per cent of all urban area occupants, which correlates with the significant proportion of urban single households reported below.

In remote areas, only nine per cent of occupants are aged over 55, as shown below.

Figure 9: Age distribution of public housing occupants by gender at 30 June 2017

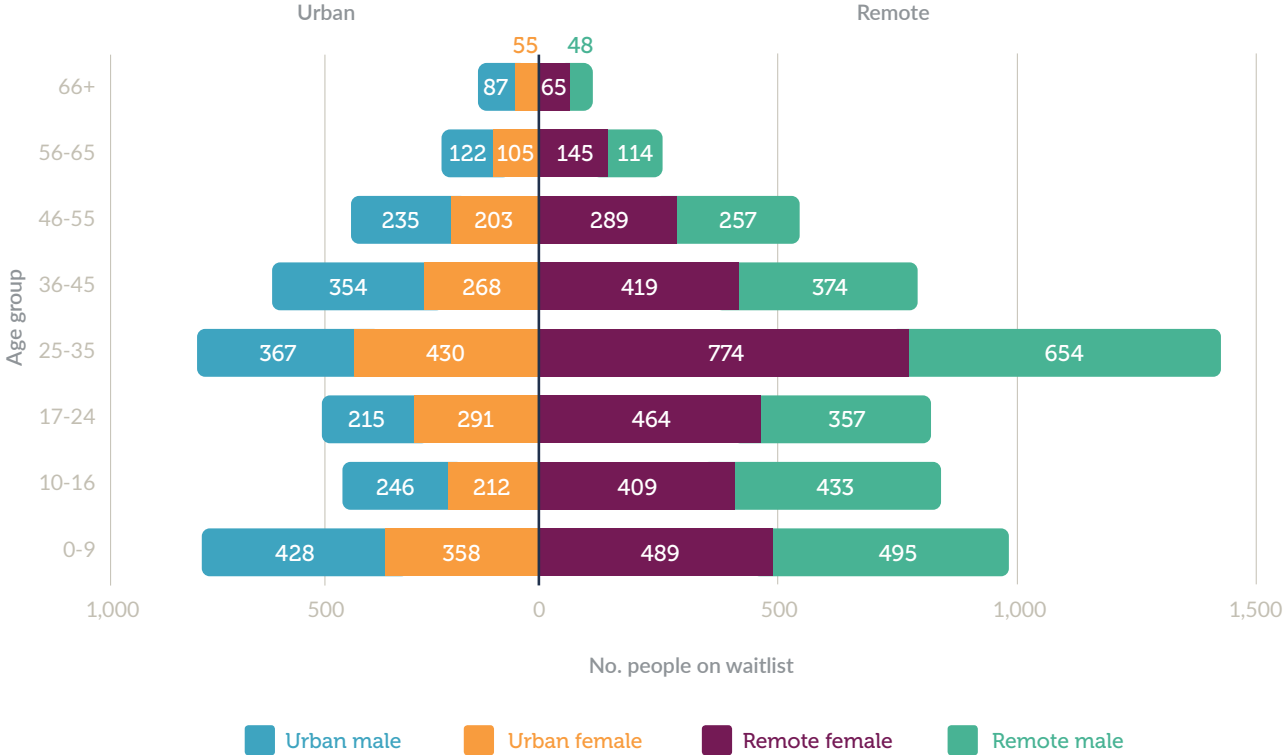


In remote areas, females represent 53 per cent of the public housing wait list. Of those, 25 per cent of women are aged between 25 and 35, as shown in [Figure #](#).

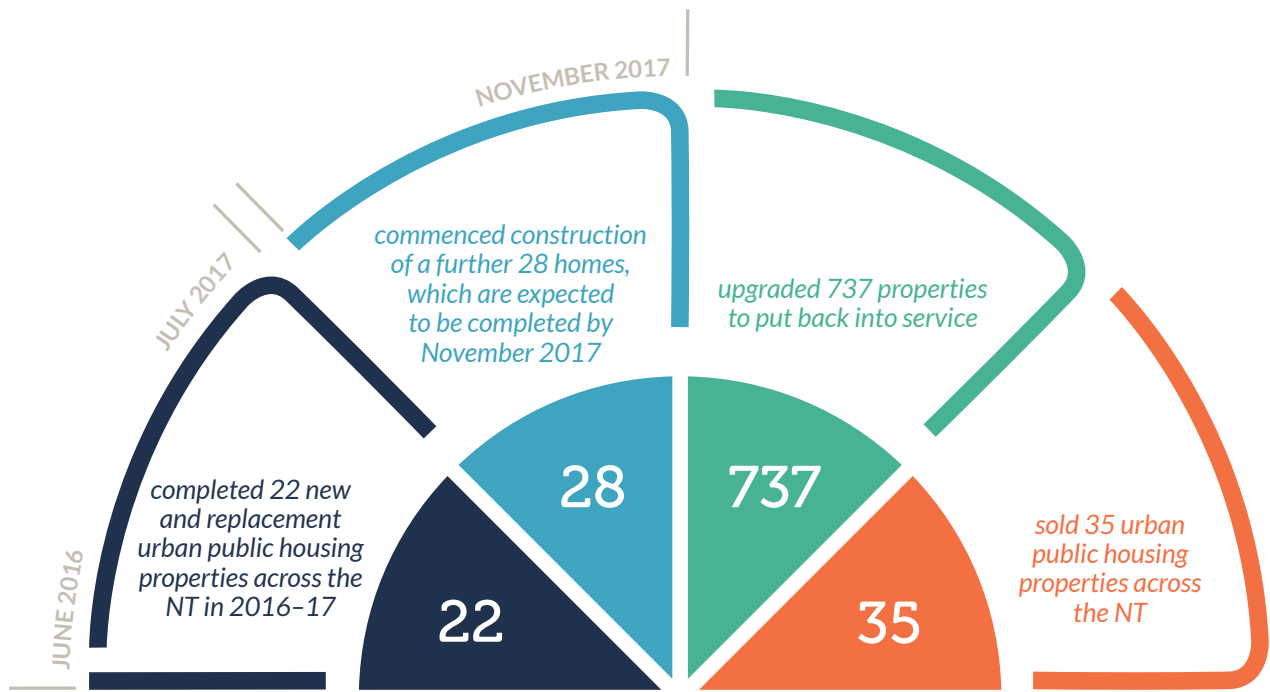
Remote households have a high proportion of 25 to 35 year olds on the wait list who are currently sharing. This is most likely a consequence of young families living with their parents because there is no housing for them to move to. This lack of supply exacerbates overcrowding.

In urban areas, males represent 52 per cent of the public housing wait list. Of the urban children and youth 16 and under on the wait list, 62 per cent are part of a single-parent household.

Figure 10: Age distribution of public housing waitlist applicants by gender at 30 June 2017



The department achieved the following milestones:



Proceeds from the sale of public housing properties is used to build new public housing.

A total of 340 affordable rental dwellings were delivered in 2016-17. This includes 328 affordable rental head-leased dwellings in the greater Darwin area, Tennant Creek and Alice Springs and 12 affordable rental properties in Alice Springs.

The department facilitated the sale of the first remote public housing property to a tenant in March 2017 in the community of Wurrumiyanga.



Taking pride in her place

Elaine Quinn and her grandchildren live at Hoppy's Camp on the outskirts of Alice Springs. She takes great pride in her garden and keeping her yard tidy.

Elaine's home is an expression of her personality, with its front veranda trimmed by a multitude of hanging potted plants displaying bursts of colour and stone animal statues perched on the edge of the brickwork.

If you peek around any corner of Elaine's house, you will notice garden tools, the lawn mower and hose at the ready for her next project. *"I'm going to start on the backyard next and plant some trees for shade and set up a barbeque area"*, Elaine said.

Elaine grew up in Alice Springs and moved into her current property in November 2016. She believes keeping her yard tidy is important *"for health and safety"*.

When she is not pottering around her little piece of paradise, Elaine likes to visit Garden Bore outstation near Yuelamu, a 290-kilometre drive from Alice Springs, to visit extended family.

Public housing garden competition

The annual public housing garden competition is designed to recognise tenants who look after their garden and encourage a sense of pride in their home. The competition has been running for more than 30 years.

In 2016–17, the competition in Darwin, Casuarina and Palmerston was run in conjunction with the Royal Agricultural Society of the Northern Territory Inc. (Royal Darwin Show). It received 13 entries across five categories.

The Katherine competition received only three entries and the central competition that covers Alice Springs and Tennant Creek received 17 entries, including two town camp residents. There were six categories for this region.

Christmas cakes for seniors

The department has been distributing Lions Christmas cakes and cards to seniors living in public housing properties in Darwin, Katherine, Alice Springs and Tennant Creek for more than 20 years.

Each year, staff from across the department come together to deliver cakes in Katherine, Alice Springs, Tennant Creek, Darwin, Casuarina and Palmerston.

Hand-delivering cakes is a great opportunity for department staff to chat with senior tenants and offer a little company and support at a time of year that can be very lonely for many.

Waitlist management and allocation, including vacancy turnaround times

When a person applies for public housing and their application is approved, they are placed on the public housing wait list until a suitable property becomes available. The wait time is constantly changing and is influenced by many factors, which means it is different for every applicant.

Factors influencing wait times include preferred location, suitability of dwellings, the number of priority applications and the condition properties are left in by previous tenants.

Wait lists fluctuate according to demand and management of deferred applicants. The department has a strategy in place to reduce the wait list and wait times for public housing by realigning tenancies with eligible properties as suitable properties become available, ensuring maximum use.

Allocations are based on a variety of factors, such as greatest need and entitlement (number of bedrooms required and location). The department generally allocates priority housing applicants ahead of non-priority applicants, but this is not always the case.





Kit Holtham was one of the many tenants to receive a Lions cake.



Applicants are advised that wait times can be long and can vary based on availability of appropriate dwellings and demand for public housing in the requested region.

Estimated wait times for urban public housing are published on www.NT.GOV.AU twice a year as at 31 December and 30 June.

The department uses a median wait time calculation methodology to calculate wait times.

Smoke alarm and residual current device (RCD) audit

An RCD is an electrical safety device that helps prevent death from electric shock by monitoring the flow of electricity and immediately switching the electricity off when electricity 'leaking' to earth is detected at a level harmful to a person. Installing RCDs in the electrical switchboard offers the most complete protection because it covers all areas in the home.

Since February 2015, the department has engaged six contractors to:

- inspect all public housing properties in the greater Darwin area for smoke alarm and RCD compliance under the applicable legislation, codes and standards
- install or replace photoelectric 10-year lithium battery smoke alarms or hardwired photoelectric smoke alarms where required
- install RCDs or entire switchboard upgrades in properties across Darwin, Casuarina and Palmerston where required.

The target number of properties in the reporting period to be inspected and have corrective works undertaken was 3796, with the final three properties to be completed in the 2017–18 financial year.

Sharing a slice of the Christmas spirit

Nothing says Christmas like the department's annual delivery of Christmas cards and Lions Christmas cakes to senior tenants.

In 2016, 52 staff from across the department came together to help deliver more than 1700 Lions Christmas cakes and cards to senior public housing tenants across Darwin, Casuarina and Palmerston and more than 700 cakes across Katherine, Alice Springs and Tennant Creek.

Delivery in Darwin started on 7 December in a 'rally'-style event as staff formed teams and checked in at points along the way.

Ken McAloon from the Lions Club said it had been a pleasure to manage the department's orders for the past 10 years and he greatly appreciates the hard work staff put into the annual event. delivery of Christmas cakes. *"We are especially pleased that these senior residents get to experience our wonderful cakes when they may not normally get the opportunity,"* he said.

Asbestos inspection program

In 2016–17, independent licensed asbestos contractors were engaged to inspect identified urban public housing properties (for asbestos-containing material (ACM), assess the condition of the ACM and determine ongoing management.

The contractors inspected, tested, labelled and reported on those properties to establish the true nature of ACM. At year end, asbestos management plans were being developed for each property and information provided to the department's asbestos register.

The inspection supports the Asbestos Management Policy for the NTG Built Environment and the department's Asbestos Management Plan.

As part of the plan, the department must establish an asbestos register for all occupied and unoccupied residential dwellings constructed before the asbestos prohibition of 31 December 2003. Registers must record the presence or presumed presence of ACM in all dwellings.

The program currently only targets homes in Darwin, Casuarina and Palmerston with a recorded build date prior to 1984. An internal review of all public housing assets identified 1567 properties in those areas that met these criteria.

This list does not represent the total of all public housing properties in Darwin, Casuarina and Palmerston that may contain asbestos or ACM. Following the expiration of the contract in October 2017, further work will be needed before the department can be sure all relevant properties have been inspected.





Responding to natural disasters – flooding in Kintore

26
DEC

On Boxing Day in 2016, 96 residents of Kintore, a remote community west of Alice Springs, were evacuated from their homes due to a one-in-50-year flood caused by severe rainfall in the region.



This quick work, combined with an air delivery of stretchers, blankets, clothing, cooking facilities and electric frying pans meant affected residents could leave the evacuation facility on the Friday night and move back into their homes.



On 27 December 2016, a Department of Housing and Community Development housing officer arrived in Kintore to assess the damage to public housing. All houses had sustained damage to fences and yards, and 28 suffered internal water damage during the event.



Department staff and contractors returned to Kintore on 3 January 2017 to complete outstanding urgent works.



The department quickly mobilised a team, sending additional housing officers and local contractors to Kintore to complete the majority of urgent works by Friday afternoon - less than one week after the event.

Housing maintenance officer Jeremy Dhunbarr tightens a tap to stop leaks.



Yurrawi integrated water efficiency trial

Yurrawi is an island community 500 kilometres east of Darwin. Until recently, a dwindling water supply threatened the community's long-term viability.

Enter the Yurrawi Integrated Water Efficiency Trial.

The trial was based on an agreement between our department and the Power and Water Corporation that established price incentives to encourage water saving and set a target of reducing water loss in department houses to 10 per cent of total water supplied.

Innovative thinking incorporated the following strategies:

- 'smart' meters monitored water use to identify leaks and wastage in almost real time
- the housing maintenance officer (HMO) contractor was involved to ensure identified leaks were fixed quickly
- locals were employed to engage with the community and tell 'the water story' in local language.

Already a huge success, the project has exceeded the targets set and recently received the Australian Water Association NT Branch Water Award for Program Innovation.

"Over the long term, we have saved significant amounts of water and greatly improved the long-term sustainability and viability of the community," said project leader Jason Randall (Director, Arnhem Region).

To Jason, the project represents *"proactive, productive, effective collaboration across agencies to achieve tangible results for remote communities"*.

The award-winning project has generated interest from far and wide, with implications not only for water-stressed communities within the NT but across the country.

Milingimbi water trial

Milingimbi is one of the most water-stressed communities of the 72 Aboriginal communities serviced by the NT's Power and Water Corporation.

In 2014, the community demand for water exceeded the estimated sustainable yield of the freshwater source.

Historically, public housing dwellings have accounted for approximately 59 per cent of water demand in Milingimbi.

The department and the Power and Water Corporation have been working collaboratively in Milingimbi since 2014 to improve water use and reduce water demand in public housing dwellings through a suite of tools. This has included information sharing from smart metering, water loss audits, repairing water leaks and customer education programs.

In May 2015, the department and Power and Water signed an agreement to conduct a 12-month trial to test the benefits of introducing consumptive-based water charging (including fixed daily water and sewerage charges as with a regular billed customer) to the landlord as an extra strategy to reduce water wastage in public housing properties. This agreement was extended for another year from 26 May 2016. It finished by 30 June 2017.

The outcome from the first year was a 16 per cent reduction in water lost through leaks and taps left on in public housing properties—equal to a saving of 30 megalitres. Along with measures to reduce water demand in other parts of the community, this helped bring water demand to within the estimated sustainable yield of the freshwater source.

In the second year, the progress in reducing water loss in public housing was maintained and further improved, with an extra 3 per cent reduction in water loss.

At year end, discussions were underway to continue the agreement at Milingimbi for another two years and extend the approach to other water-stressed Aboriginal communities.

Grants

The department administers grant funding for a range of homelessness support services across the NT, including:

- crisis and short-term accommodation
- managed, supported and transitional accommodation
- tenancy support programs
- outreach and case management
- peak body funding.

The NT has the highest homelessness rate in Australia—15 times the national average—but it has the least supply of services relative to the size

of its homeless population. Aboriginal people made up 74.69 per cent⁷ of people accessing homeless services in 2015–16. More than half of the clients accessing services were under the age of 24.

The Department of Housing and Community Development provides funding to the non-government sector to support vulnerable Territorians by giving them access to short-term accommodation and specialist homeless and mainstream community services. The department also leases houses to the non-government sector to support this service.

In 2016–17, the department funded **\$22 606 000*** to 18 non-government organisations to provide more than 50 services to support Territorians who were homeless or at risk of homelessness.



⁷ Australian Government Australian Institute of Health and Welfare 12 Month NT Statistical Summary for 2015–16, Workbook Indigenous Status of Clients

*(GST exclusive)

For 2016–17, the department also funded a number of new initiatives to help address the NT's high rate of homelessness and assist in the delivery of an integrated, person-centred approach for housing, accommodation and support. These initiatives were:

- Homelessness Response Group: a group of non-government organisations that work together to deliver wrap-around services to people in the Darwin region who are homeless or at risk of homelessness and have long-term, severe and persistent mental illness or complex needs.
- The ShelterME website: provides an up-to-date directory for homelessness services across the NT. The website was updated in 2016–17 so it could be used on phones and tablets and included new information on vacancies in accommodation services.
- Alice Springs Neighbourhood Enhancement Project: employs a neighbourhood enhancement worker to work with clients across all Anglicare NT Housing Support Service accommodation complexes in Alice Springs with the aim of building a safe and healthy community environment.

The homelessness support services are funded by the department through a mix of federal and Northern Territory Government funds under the:

- National Affordable Housing Agreement
- National Partnership Agreement on Homelessness 2015–2017
- Northern Territory Government direct investment.

In 2016–17, the department sought to ensure future funds to the non-government organisations will have a positive impact on the overall social wellbeing of vulnerable Territorians. In November 2016, it engaged a consultant to conduct a needs assessment of the housing and homelessness sector across the NT. The consultancy analysed available homelessness data and consulted with government and non-government organisations on current service models, service delivery gaps and emerging needs.

A summary report of the consultancy's outcomes was circulated to all stakeholders in January 2017. The report presented a case for change in the way the homelessness service sector is funded into the future. This included the department moving away from simply being a funder of homelessness



services and moving towards a greater collaboration with the homelessness service sector regarding the delivery of an integrated, person-centred system of housing, accommodation and support. The report also identified the benefits of moving towards a regional commissioning approach for homelessness services.

Domestic and family violence awareness, including care and protection of children

The department's approach to supporting victims of domestic and family violence is guided by the Northern Territory Government's 'Domestic and Family Violence Reduction Strategy 2014–2017: Safety is Everyone's Right' and the 'National Plan to Reduce Violence Against Women and their Children 2010–2022'.

As part of these initiatives, the department is an active participant in the Family Safety Framework, an integrated, multiagency approach to supporting women and children at high risk of death or serious injury due to domestic violence.

From July to December 2016, the department rolled out training on the Domestic and Family Violence and Care and Protection of Children policies. The training guided staff in delivering services that are respectful and responsive to the sensitivities and complexities in supporting clients and their children who have been or are currently affected by domestic and family violence and to help them rebuild their lives. A total of 146 staff attended the training.

A collaborative training approach was delivered with the support of the Alice Springs Women's Shelter to emphasise the significant impact of domestic and family violence on communities and society. Training was included around the obligations of staff on mandatory reporting of domestic and family violence and child abuse. This also included the introduction of an Integrated Services Framework that allows staff to refer clients that need social support services electronically through SupportLink.

Disposal of housing properties

The Disposal of Housing Properties policy was updated in 2016–17. The policy guides the appropriate disposal of the department's housing properties and to maximise the opportunities for public housing tenants to transition into home ownership. Training on the new streamlined procedures and revised forms was delivered to a total of 65 staff. The updated policy is easier to follow and less administratively burdensome.

The updated policy includes a new process for existing tenants who want to purchase the public housing dwelling they live in. It gives the tenant all the information they need up front to apply to buy their house.

New Application for Public Housing

In 2016–17, the Application for Public Housing process was updated to make applying for public housing easier. The new process has clear instructions and people can apply for urban public housing, remote public housing, transfers between public housing properties and priority housing all on the one form. This new process helps both tenants and frontline staff because it is easier to understand and process. The department ran training regarding the new form for 137 staff in October 2016.





Sailing into a future filled with hope

A group of young sailors graduated from Mission Australia's Spin180 Youth Sailing program in 2016-17. The program aims to provide a pathway for young people to return to mainstream education or take on training and employment through their experiences in learning to sail.

The sailing program fits within Mission Australia's Spin180 Youth Homelessness program, funded by the department to provide support and advocacy to young people at risk of homelessness, drug and alcohol misuse, antisocial behaviour, mental health issues, employment issues, disengagement from education and family breakdown.

Mission Australia NT Regional Leader Christine Knight said the program gave young people aged between 12 and 21 an opportunity to build life skills, manage conflict and build self-confidence.

"For some young people, the path to adulthood isn't straightforward", Ms Knight said. "Early intervention programs such as this are extremely important, and the benefits are twofold. Socially, we assist young people to build positive relationships and a sound support network. Economically, we reduce the cost to society of failing to support vulnerable young people who are homeless or at high risk of homelessness".

Mission Australia and the department met to discuss value-adding to existing programs. This discussion led to a beginner sailing course that linked the challenges sailors experience on the water to those faced in everyday life. Then the Darwin Sailing Club came on board with a beginners' sailing program tailored to the needs of Spin180 clients.



Daniel Paolucci and Rouven Rohler
at the stand in Darwin.



New tenancy agreement

In July 2016, the department launched a new tenancy agreement for the whole of the NT, which has simplified management of tenancy agreements for the staff and tenants and enabled the department to continue to improve services to tenants.

Rolling out the new tenancy agreement was a major project for the department during the year; training for staff was run across the NT from July to September 2016. All new public housing tenants in both urban and remote areas were signing the new agreement at year end.

Implementation of phase one of the project is complete, and implementation planning for phase two continues. That focusses on offering the new agreement to current tenants.

Public housing safety

Strategies to curb antisocial behaviour

The department's Public Housing Safety Strategy aims to address antisocial behaviour in and around public housing using a range of preventative initiatives. These initiatives include public housing safety officers based in Darwin and Alice Springs, the Red Card and Visitor Management policies, Acceptable Behaviour Agreements and cross-agency collaboration with Northern Territory Police.

Public housing safety officers frontline response case officers' improved management of problematic tenancies and improved housing support programs are helping to reduce antisocial behaviour at public housing premises.

Public housing safety officers exercise their legislative powers to intervene in and reduce antisocial behaviour on public housing premises, including behaviour caused by non-residents, which cannot be attributed to a tenancy.

Public housing safety officers play a key role in promoting community safety and managing antisocial behaviour and regularly undertake community engagement, working with tenants, neighbours and visitors to resolve and reduce antisocial behaviour.

Crime Prevention and Safety Expo

Public Housing Safety Officers from Darwin took part in the inaugural Crime Prevention and Safety Expo held at the Peter McAulay Centre in Darwin on 25 March 2017. The expo was hosted by NT Police, Fire and Emergency Services in partnership with TIO and provided information on reducing and preventing crime.

The department's Liam Musgrave, Daniel Paolucci and Rouven Rohler spoke with members of the public about safety for public housing tenants and their neighbours, how to make a complaint to the department, using mediation to resolve situations and ways to help tenants continue their tenancy.

The PHSOs judged the expo to be a success based on the number of people they provided with useful information that will help them in the future.

An expo was also held on 8 April 2017 in Alice Springs, which Alice Springs PHSO Coordinator Leon Spurling described as "a really worthwhile exercise".



Well deserved 'thanks' to PHSOs

Alice Springs PHSOs received a thank you letter from a local resident in 2016–17.

In the letter, resident John Matteucci thanked Leon Spurling and Damien Hearn for the support they provided during ongoing concerns raised over antisocial behaviour.

"The department through this time have been fantastic," Mr Matteucci wrote, going on to say that "frontline staff have shown amazing resolve over these times to investigate complaints in general and in some way try to resolve the situations as they had occurred".

Mr Matteucci also said *"efforts of staff in responding to situations of abuse and intimidation stopped nothing short of fantastic, both in response and trying to resolve the mayhem at times. Please accept our thanks to housing staff in Alice Springs for continuing to be there when you were needed to investigate any complaints that may have been filed through the police reports to help us to some sort of normality in life".*

When he received the letter, Leon said *"it's nice to get some positive feedback."* Director, Client Relations Sas Clark said it was a very deserving acknowledgement and praise.

In 2016–17, public housing safety officers conducted a number of successful joint operations with Northern Territory Police, targeting antisocial behaviour in and around public housing complexes in Nightcliff, Coconut Grove, Parap, Palmerston and Alice Springs.

The Public Housing Safety Strategy is now in its fifth year. An increase in community awareness and confidence is reflected in the rising number of requests from tenants and the public to seek assistance from public housing safety officers.

In 2016–17, the department recorded 7297 allegations of antisocial behaviour, of which 6290 were associated with public housing tenancies and 1637 were associated with the general public.

In total, 3567 incidents of antisocial behaviour were substantiated, of which 3134 were associated with a tenancy and 433 were associated with the general public.

Public housing safety officers removed 9963 people from public housing properties during 2016–17. Of those people, 6641 were considered visitors of public housing tenants and 3322 were members of the general public and not associated with any public housing tenancies.

Public housing safety officers also issued 451 demerit points to 214 tenancies under the Red Card policy, confirmed 912 incidents of people trespassing on public housing premises and confirmed 478 incidents of liquor offences occurring in restricted premises or areas.

Red Card and Visitor Management policies

In July 2016, 70 staff were trained on procedures and tools to implement the department's new Red Card policy in time for the policy's launch in August 2016.

The policy helps the department respond appropriately to incidents of antisocial behaviour related to public housing while adhering to the principles of natural justice.

When the new policy was launched, the department also established clear reporting channels to identify public housing tenancies associated with antisocial behaviour and those at risk.

In dealing with these matters, the department considers all the circumstances, including the psychological and social needs of the tenancy, and attempts to engage with tenants to develop strategies to help them sustain their tenancy. This includes referring tenants to tenancy support programs delivered by non-government organisations that are funded by the department.

The Visitor Management Policy helps the department manage public housing visitors. It supports tenants to maintain positive neighbourhood community relationships, manage their private space and protect the quiet environment of their properties and the neighbourhood.

Terminations and possessions of public housing

Public housing properties are managed in accordance with the *Housing Act* and the *Residential Tenancies Act*. When a tenant breaches their legal obligations, the department may initiate compliance action, including terminating a tenancy and taking possession of a premises.

The department makes every effort to help tenants sustain their tenancy. However, it may launch compliance action to terminate a tenancy and take possession of a public housing property when required.

The department may also terminate a tenancy if the premises has become inhabitable or if a drug premises order has been made.

In 2016–17, the department terminated 11 tenancies. Six tenancies were terminated through orders granted by the Northern Territory Civil and Administrative Tribunal and five by issuing a Notice of Termination.

Body-worn video cameras

After the NT Police's successful trial and deployment of body-worn video cameras, the department drafted instructions to introduce them for all public housing safety officers in Darwin and Alice Springs.

Ground work to implement the cameras was done in 2016–17, including work with IT and Business Support teams to develop a project implementation plan.

The cameras will be a safety tool for officers to reduce incidents of complaints and assaults and to gather evidence and record antisocial behaviour, damage and other issues with public housing premises.

Central Australia Renal Accommodation project

On 22 June 2015, the Australian and Northern Territory governments struck a \$10 million agreement for the delivery of family-centric renal accommodation in Alice Springs and Tennant Creek and dialysis infrastructure and staff accommodation in Kaltukatjara, Papunya and Mount Liebig. The renal infrastructure and accommodation will allow better access to renal care and accommodation for remote Central Australian renal patients and their families.

Following a public competitive process, the Central Australian Affordable Housing Company (CAAHC) was selected to refurbish and manage 10 homes - eight in Alice Springs and two in Tennant Creek. In August 2016, CAAHC started upgrading the houses. Two homes were allocated to families in June 2017, and the remaining homes will be completed and ready for clients and their families to move into from July 2017.

The construction of new renal clinics and three-bedroom renal nurse accommodation in Kaltukatjara and Papunya commenced in March 2017 and is expected to be completed by the third quarter of 2017. The dialysis clinic upgrade work at Mount Liebig also commenced in early 2017 and is now complete, with services to commence in the third quarter of 2017.

Homelessness innovation

In 2016–17, the department established the Homelessness Innovation Fund to run over two years to trial innovative responses to help people experiencing homelessness find stable housing with wrap-around support.

In February 2017, three initiatives were given funding approval and had started at year end.

The Salvation Army's 'Katherine Doorways Hub' offers referral and support services to homeless people in the Katherine region. It also provides access to dignity services through a day centre, including showers and washing facilities for homeless people.

Operating in Darwin, the Salvation Army's 'The Nest' is a private rental housing program with case management, mentoring and personal development to help participants transition to independent living. In partnership with the NT Thunder Football Club, The Nest will also offer social and recreation opportunities for participants.

In Alice Springs, the Central Australian Affordable Housing Company's 'My Place' initiative comprises two programs:

- The Subsidised Private Rental Program provides a rental subsidy to help people in need secure a private rental property and wrap-around support to ensure tenants maintain stable housing. The program focusses on helping people experiencing mental health issues or escaping domestic violence.
- The Private Rental Liaison program helps people who are on low to moderate incomes but are facing challenges to secure a lease for a property in the private rental market. The program provides support for 12 months to ensure tenants maintain stable housing.

The department will consider the outcomes from the three models funded under the Homelessness Innovation Fund as part of its development of the NT Homelessness Strategy.





Remote information coordination

The BushTel website has been used to share information with people in NT remote communities for 20 years. Since 2008, more than 120 000 users have accessed the site. Given its continued use, the site was upgraded in 2016–17.

The department launched the updated site in January 2017. It gives information on more than 700 remote communities and homelands about:

- population
- features, accessibility and available services
- news and events
- travel tips
- main languages spoken.

From the relaunch of the site in January 2017 to 30 June 2017, 6289 unique users accessed the site. Other key statistics include:

- 14 087 total site visits
- 42.2 per cent of the 6289 users were new to the site
- 51.08 per cent of users were from the NT Government.

Urban public housing asset management

The department's five-year Urban Housing Strategy commenced in July 2016. It focusses on:

- a diversity of housing to meet the community's needs
- a lifecycle approach to asset planning, investment and management decisions
- opportunities for the non-government and community housing sectors to provide tailored and diverse client-centered housing solutions, including innovation in the housing and homelessness areas.

The strategy will see significant investment into urban public housing across the NT, with a focus on renewal and rejuvenation.

In 2016–17, 737 properties were upgraded and put back into service under the strategy.

At 30 June 2017, the department had sold 35 properties, including five properties (one in Palmerston and four in Darwin's northern suburbs) as tenant purchases.



Bush telegraph revamp is a tale worth telling

Did you know there is a homeland named Itchy Koo Park? You can find information about it on the redeveloped the BushTel website, which went live in February 2017.

The site was originally launched by the Northern Territory Government in the early 2000s and is the ideal landing point to coordinate remote information across government. BushTel gets its name from the famous bush telegraph, which was the unofficial method of communication used to share news, stories and rumours across Australia in the 1800s.

BushTel currently has more than 2000 users per month and more than 100 000 users since 2008.

This first step in the redevelopment involved updating existing information and contacts across remote Aboriginal communities and homelands. The site will expand to provide more information to better understand the makeup of remote communities and potential impacts on engagement while also helping coordinate information across government.

Work on the site has been a labour of love, with the team responsible overcoming many challenges (such as making changes to a system that is a decade old) and experiencing many highlights, like developing their understanding of the complexities of working and travelling in remote areas.

BushTel and its sister site Bushready are two useful resources to help anyone travelling to a remote location effectively engage and plan their trip.

Construction and renewal of public housing dwellings across the NT includes demolition of existing dwellings on appropriate size blocks of land to redevelop the site. In 2016–17, the program included the completion of 12 units in Katherine east, two houses in Stuart Park and eight houses in the Palmerston suburb of Johnston. Construction had started on:

- two new dwellings in Katherine
- five new dwellings in Nightcliff, Ludmilla and Leanyer
- eight new dwellings in Rosebery
- one new dwelling in Moulden
- four new dwellings in Alice Springs
- three new dwellings in Tennant Creek
- two new dwellings in Elliott
- one new dwelling in Woodroffe.

Construction is expected to be completed by November 2017.

Rejuvenation of public housing complexes in Moulden and Karama has focussed on adopting the Crime Prevention Through Environmental Design (CPTED) principles. CPTED is a crime-prevention strategy that focusses on addressing poor environmental design, such as insufficient street lighting, security lighting and landscaping, to remove conditions that encourage or facilitate antisocial behaviour.

Real Housing for Growth

The Northern Territory Government has a suite of affordable rental housing programs, including affordable rental head-leasing, the National Rental Affordability Scheme and the Venture Housing Company. These programs were previously part of the former Real Housing for Growth initiative.

Affordable rentals

At 30 June 2017, a total of 340 affordable rental dwellings were delivered. That includes 328 affordable rental head-leased dwellings in greater Darwin, Tennant Creek and Alice Springs and 12 affordable rental dwellings in Alice Springs owned by the department's Chief Executive Officer.

National Rental Affordability Scheme

The National Rental Affordability Scheme is a partnership between the Australian Government and the states and territories to invest in affordable rental housing. There are 960 dwellings across the NT approved for the National Rental Affordability Scheme, of which the department has 173 as part of the affordable rental head-leasing program. Financial incentives are offered to people or organisations for renting new dwellings to low- and moderate-income households. The scheme will run for 10 years from the date the Australian Government approves the dwellings. Financial incentive payments will be phased out from 2018 to 2026.

HomeBuyer initiative

The department helped 15 Territorian families purchase affordable land lots in Palmerston under its Home Buyer initiative in 2016–17.

Social housing head-leasing

The department secured an additional 27 leases through agreements to lease. Over the next four years, another 211 social housing dwellings will be sourced from the private market through head-leasing. A total of 374 social housing head-leases are forecast to be in place after five years under the social housing head-leasing strategy. The strategy is an innovative method of delivering more public housing by using existing properties from the private sector.

Remote home ownership

The Remote Home Ownership program focusses on offering existing public housing tenants living in Wurrumiyanga, Milikapiti, Umbakumba, Milyakburra and Angurugu, which have township leasing arrangements in place, the option of buying their home. The program was later expanded to include Elliott and Kalkarindji and in 2016–17 it was expanded further to include the communities of Binjari, Mutitjulu and Gunyangara after successful community lease negotiations between the department and the Executive Director of Township Leasing.

One property located in Wurrumiyanga was sold under the program.

Community housing

The department's Urban Housing Strategy identifies a need to grow the community housing sector by working with and providing opportunities for the industry across the NT.

In December 2016, after the release of a public competitive process, the department transferred the management of a 22-unit complex at 103-105 Bloomfield Street in Alice Springs to Anglicare NT to provide supported and affordable accommodation.

After releasing a request for proposals seeking property maintenance and tenancy management services, the department commenced negotiations to transfer management of three houses in Alice Springs and a 39-unit complex in Katherine.

At year end, the department commenced the development of a Community Housing Strategy. The strategy will guide how the department will work to create opportunities to grow the community housing sector and transfer initially up to 750 dwellings to community housing providers in urban areas.

Community housing registrar

The NT is a participating jurisdiction under the National Regulatory System Community Housing (NRSCH) and has adopted the national community housing legislation. The department takes the lead role in the NT for community housing providers.

The NRSCH aims to ensure a well-governed, well-managed and viable community housing sector that meets the housing needs of tenants and provides assurance for government and investors.

The scope of a registrar's functions under the system is limited to regulatory activities. Policy and funding decisions to meet housing need will continue to be 'at arm's length' from the registrar.



Remote Housing Investment

The department is delivering the Northern Territory Government's 10-year, \$1.1 billion Remote Housing Investment package consisting of funding for:

- new remote housing under HomeBuild NT
- more or improved living spaces to existing houses through Room to Breathe
- expanding government employee housing, including housing for local recruits and funds for additional repairs and maintenance.

In 2016–17, additional funding of \$5 million was brought forward for repairs and maintenance focussing on preventative maintenance. Works were undertaken through existing contracts, including local and Aboriginal businesses.

Work was undertaken in 2016–17 to increase the amount of new housing, living space and rooms available to Territorians living in remote communities, including government employee housing.

Type of work	Completed 2016–17	Underway 2016–17
New government employee housing	14	15
Upgraded government employee housing	74	1
Room to Breathe early works	n/a	64





The long cement driveway and new carport make access much easier.



Needing a home fit for a family

When a tenant from Wadeye was injured in an accident and required ongoing treatment, his daughters went to live with a family member in their two-bedroom unit, allowing them to continue their schooling in Katherine.

Recognising that growing children need space, the department transferred the family to a three-bedroom house, but the unsealed driveway made visits from their father difficult particularly in the wet season.

Using funding from the \$5 million urban public housing stimulus package, the house had the driveway cemented and a new carport installed.

Big Rivers Region Property Coordinator Frank Day said, *“The carport has made the dwelling cooler as it shades the house from the afternoon sun and allows some protection from the weather for the girls’ father to get in and out of the vehicle when he visits, and the covered carport can also be used as an outdoor living space”*.

The tenant said the works have made living a lot easier and that the house no longer has red dirt going in all the time, making it a lot cleaner and access much easier.



New homes allocated to tenants in Galiwin'ku

Good things were happening in the community of Galiwin'ku in 2016–17, with two newly built homes allocated to tenants in May 2017.

The houses were built as part of the post-Cyclone Lam recovery in the area.

Before the cyclone, Judy Djilipana lived in a beachfront home with views of the beach and surrounding ocean, so it's understandable she was keen to move back ever since her family were displaced in 2015.

When she got the keys to her new house, Judy was almost moved to tears.

Her family are impressed with the design, which incorporates extended verandas at the front and a covered veranda at the back that overlooks the ocean.

Arnhem region staff Cheryle Russell and Brad Searle have been working tirelessly, ensuring the capital works program progressed smoothly, coordinating tenancy and asset management in Galiwin'ku.

Construction of the homes by Nhulunbuy-based DRG Industries provided employment and training opportunities to many local workers.

Numerous local trade assistants and trainees were employed in the construction of the dwellings, including a painting crew of seven Galiwin'ku Yolngu men.

Other works completed included building 26 new houses and a new health clinic and renovating 45 houses.

At year end, there were also nine new homes underway in Gunyangara, where eight local Yolngu trainees were working toward their Pathways to Construction course in conjunction with Charles Darwin University.

Room to Breathe early works

In 2016–17, \$10 million of funding was fast-tracked and allocated to building extra living spaces in 21 selected communities as part of the early works program.

The communities are Ampilatwatja, Areyonga, Beswick, Bulman, Engawala, Gapuwiyak, Hermannsburg, Kintore, Kybrook Farm, Lajamanu, Maningrida, Milikapiti, Milyakburra, Ngukurr, Numbulwar, Ramingining, Titjikala, Weemol, Wadeye, Warruwi and Wurrumiyanga.

During May and June 2017, the program achieved an average of 43 per cent Aboriginal employment through the 14 Aboriginal business enterprises and two regional councils that were contracted for the delivery of the early works.

In addition to the \$1.1 billion program, the Northern Territory Government announced \$44.5 million over two years in Budget 2017 to prepare land and establish electrical, water and sewerage infrastructure to support new houses in remote Aboriginal communities.

The department has been working closely with the Department of Infrastructure, Planning and Logistics and the Power and Water Corporation to carry out headworks and establish essential services infrastructure for new serviced remote housing lots in Wadeye, Maningrida, Yirrkala, Galiwin'ku, Gapuwiyak, Ramingining, Santa Teresa, Hermannsburg, Gunbalanya and Beswick.

In 2016–17, 10 contracts were awarded to five engineering firms for concept design subdivision works, and infrastructure study contracts were awarded in three communities.

National Partnership on Remote Housing

The National Partnership Agreement on Remote Indigenous Housing was replaced by the National Partnership on Remote Housing for the period 2016–2018. The National Partnership Agreement on Stronger Futures in the Northern Territory was replaced by the National Partnership Agreement on Remote Aboriginal Investment, with the Remote Australia Strategies Implementation Plan 2015–2018 forming part of the agreement. The department continued to deliver new and upgraded housing under the National Partnership on Remote Housing and the Remote Australia Strategies.

A 50 per cent Aboriginal employment rate was achieved as at 30 June 2017 in capital housing works and property and tenancy management. A total of 40 new houses were completed, an additional 94 were under construction and 420 upgrades were completed, with a further 164 underway.

A federal review into remote housing commenced in October 2016, covering the current National Partnership on Remote Housing (NPRH) 2016 to 2018 and the previous National Partnership Agreement on Remote Aboriginal Housing (NPARAH).

The department provided advice and support to the review on behalf of the Northern Territory Government, which included providing a written information brief to the expert review panel in December 2016.

The review aimed to assess the effectiveness of the program, identify the level of residual demand for remote Aboriginal housing and options for meeting these needs, the development of more sustainable housing management models, and opportunities to leverage stronger outcomes in housing and support services such as property and tenancy management, Aboriginal employment and business engagement.

A consultative committee with representatives from each of the jurisdictions that are party to the NPRH was formed to support the review. A panel made up of independent experts selected by the Australian Government Minister for Indigenous Affairs was also formed to engage with stakeholders and develop a final report with recommendations.

It is anticipated that the review will be released in early 2017–18.





Chair of the Binjari Community Aboriginal Corporation, May Barron, with Executive Director of Township and Leasing, Greg Roche, and Leanne Evans signing the lease.



A historic occasion for Binjari

The Binjari Community Aboriginal Corporation signed a historic 99-year lease in March 2017 with the Australian Government over public housing in the community living area of Binjari, putting in place secure and long-term tenure arrangements over public housing.

The lease is the first 99-year housing lease over all public housing lots in a community in the Northern Territory and the first in a community living area. It is expected to lead to positive outcomes for residents and will allow government investment in housing.

Signing the lease means 11 new houses will be built in Binjari and 16 existing houses will receive upgrade work. Residents will also be able to access housing services like repairs and maintenance, and tenancy management reform can now be considered.

The department's Land Tenure Director, Leanne Evans, played a key role in negotiating the terms and conditions of the sub-lease to the Executive

Director of Township Leasing, which expires on 30 June 2018. *"Negotiations are hard fought to ensure the best outcome is achieved for all parties involved"* she said. *"The lease demonstrates the department's commitment to working with the residents of Binjari to deliver better housing outcomes"*.

The lease provides a mix of housing options in Binjari and the option for residents to buy their own home in the future.

The Binjari Community Aboriginal Corporation also received \$300 000 to purchase capital equipment to boost its building and construction business, which employs local residents and delivers community-managed housing maintenance services.

Indigenous Essential Services

Indigenous Essential Services (IES) coordinates funding and provides strategic planning and policy advice on delivering electricity, water and sewerage services in 72 remote Aboriginal communities and 66 nearby homelands.

Services are funded by an annual grant provided by the department under a purchaser/provider model and is supplemented by revenue raised from the sale of electricity, water and sewerage services. In 2016–17, the total value of the IES program was around \$95 million.

A number of major initiatives have been running throughout this period across remote communities funded through the program. These initiatives include the roll-out of major capital works to reduce IES program risks, solar generation upgrades to reduce greenhouse emissions and remote water metering to reduce water loss.

Major Capital Works

The department works with Power and Water Corporation – Remote Operations to reduce the risk to the IES program from ageing physical assets and issues to do with capacity and water quality.

A \$31 million capital works program covering 12 communities is underway to address the highest risks in the IES program while promoting remote economic development and Aboriginal employment. Most projects were out to tender or had commenced construction at the end of 2016–17. The Angurugu sewer replacement project (stage 1) achieved more than 30 per cent Aboriginal employment rate based on hours worked.

Remote water metering

The department has been working with the Power and Water Corporation to target key water-stressed communities and stakeholders to reduce water loss. To identify losses, smart water meters have been installed in nine remote communities. Smart water metering achieved a 20 to 30 per cent reduction in water usage at Yurrawi due to prompt identification and repair leaks in partnership with customers and tenants.



Land tenure

Secure tenure arrangements are required before significant infrastructure works can commence in remote locations. During 2016–17, 64 community housing leases over the equivalent of 4200 parcels of land occupied by public housing in remote communities across the NT were negotiated. Long-term leases were negotiated over 1029 parcels of land occupied by NT Government infrastructure in remote communities.

Negotiations have also been undertaken with the Australian Government to secure funding for infrastructure projects and future land administration initiatives, resulting in two memorandums of understanding for a total of \$19.35 million.

Work commenced on a 20-lot subdivision in Ngukurr as part of the \$5 million allocated for remote infrastructure priorities for Aboriginal communities in the NT. This project will contribute to economic development, Aboriginal employment and home ownership outcomes.

The remaining \$14.35 million will assist the general economic and social benefits of Aboriginal Australians through effective and sustainable management of their land. It will also progress land and sea claims and township leases under Australian and land rights legislation.

Activities taking place under this funding are:

- land administration and township leasing
- a 24-lot subdivision in Pirlangimpi
- registration of leases and publication of land information.

A 'fit for purpose' community planning framework is being created for 50 remote Aboriginal communities to deliver a place-based, responsive planning regime that complements community aspirations and guides future development and home ownership. The communities are:

1. Acacia	18. Engawala	35. Rittarangu
2. Alpururulam	19. Imanpa	36. Nyirripi
3. Arlparra	20. Laramba	37. Pmara Jutunta
4. Amoonguna	21. Imangara	38. Tara
5. Ampilatwatja	22. Kintore	39. Pirlangimpi
6. Amanbidji	23. Minjilang	40. Santa Teresa
7. Atitjere	24. Kaltukatjara	41. Warruwi
8. Barunga	25. Milikapiti	42. Robinson River
9. Areyonga	26. Mutitjulu	43. Wallace Rockhole
10. Beswick	27. Manyallaluk	44. Wilora
11. Binjari	28. Mount Liebig	45. Titjikala
12. Belyuen	29. Nturiya	46. Willowra
13. Bulman	30. Minyerri	47. Yuelamu
14. Haasts Bluff	31. Palumpa	48. Weemol
15. Bulla	32. Pigeon Hole	49. Wutunugurra
16. Gonyangara	33. Nauiyu (Daly River)	50. Yarralin
17. Jilkminggan	34. Peppimenarti	



Trainees created new tables from old doors.



The framework will provide an understanding of appropriate land use, the capacity or constraints for infrastructure to support future growth, and community land use plans developed through community consultations.

The plans use cadastral mapping and town planning to create a blueprint for potential development and existing services.

Gunyangara, in East Arnhem Land, and Binjari, outside Katherine, have been completed so far. At year end, draft plans were being prepared for other communities, including Pirlangimpi on the Tiwi Islands, Mutitjulu in Central Australia and Yarralin in the Victoria Daly region.

The department has been working with the Arlparra community and other government departments to make substantial infrastructure improvements in the form of 15 new homes. In April 2017, three new houses were delivered that were specifically designed for elderly residents. Another 12 new homes are expected to be completed by late 2018 for families and other residents.

When opportunity knocks

Located 173 kilometres from Tennant Creek, Ali Curung is one of the communities receiving housing upgrades under the Stronger Futures for the NT (SFNT) funding. In 2016–17, 11 Aboriginal trainees worked on the upgrades, which include internal and external painting, tiling and electrical work such as installing fans, lights and power points. Some houses also received new kitchens. On completion, the trainees will receive training in practical remote housing maintenance skills, which includes seven units of accreditation towards a Certificate II in Construction Pathways and Construction Induction White Card Training.

However, there was more to this project than the normal refurbishment. Morrow Builders saw an opportunity for the community to benefit even further by recycling some of the old doors that were removed from the houses.

During the works, trainees recycled and repurposed the solid core doors from the houses into tables with bench seating. Repurposing the old doors provided a sense of community pride, prevented waste going to landfill and gave workers some practical skills and furniture for the homes.



A perfect landing. TC lands safely as part of the official welcome to Darwin for the 'Ovation of the Seas' cruise ship.



The sky is the limit

It is fair to say that Trevor Collins—or TC to many who know him—has been around the ridges for a while, having spent the past 47 years working in the public sector. Beginning in Maryborough, Queensland, at the Post Master General's department, TC moved to the Northern Territory in 1974 where he spent his first five years in Katherine with the previous Australian Government Department of Works. He was then in Darwin with the Department of Transport and Works, Roads before joining the Housing department in 1992 where he has stayed "because it is different and interesting".

Currently the Director of Contract Delivery, TC manages capital works and acts as superintendent on housing maintenance Territory-wide.

Many will be familiar with TC through his recreation activities; he is one of only 150 people in the NT and 3000 nationally who jump out of planes and one of only a handful who are qualified in the specialised area of 'flag jumping'. "We're a pretty small family", TC said.

Throughout his 42 years of skydiving, TC has been involved in many iconic events in the Territory, including the Darwin Cup, V8s, Freds Pass and Royal Darwin shows. Most recently, TC could be seen following the flag with streamers as part of the official welcome for the 'Ovation of the Seas' cruise ship in February 2017. "I'm still scared of heights," he said.

When he is not working for the department or jumping from planes, TC breeds the Gouldian Finch, an endangered species native to northern Australia, and grows some amazing bromeliads.

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Arnhem region staff participated in Australasian Inter-service Incident Management System (AIIMS) training in May 2017.



AIIMS training prepares staff in Nhulunbuy for emergency management

In 2016–17, NT Police, Fire and Emergency Services delivered Australasian Inter-service Incident Management System (AIIMS) training to NT Government staff in Nhulunbuy, with six Arnhem region department staff attending.

The course prepares employees for involvement in emergency incidents and provides essential experience in working within an incident management team (IMT).

The sessions also included an Introduction to Emergency Management Arrangements and Critical Incident Management System training.

Among the attendees were staff who have previous cyclone response experience.

In 2015, Steve Howe, a Property Contract Officer in Nhulunbuy, was involved in the aftermath of Cyclone Lam at Ramingining.

Steve said that the training would benefit future responses to cyclones and other emergencies.

"It's good to know who takes control in that situation, where you stand within that system and how to prioritise the work that needs to be done", he said.

Steve noted that it can be hard to keep track of the high volume of work that occurs post-emergency. "In the rush to repair as much as possible in a short time, it's good to know what needs to be recorded in terms of repair and recovery work done".

Community Development

Across the NT, Aboriginal people live on traditional lands in very small communities known as homelands or outstations. Most of these are located in very remote areas where there are few permanent residents and the availability of adequate housing and infrastructure is limited. Many Aboriginal people also live in town camps or Aboriginal urban living areas located mostly on special-purpose or Crown lease areas near the major urban centres.

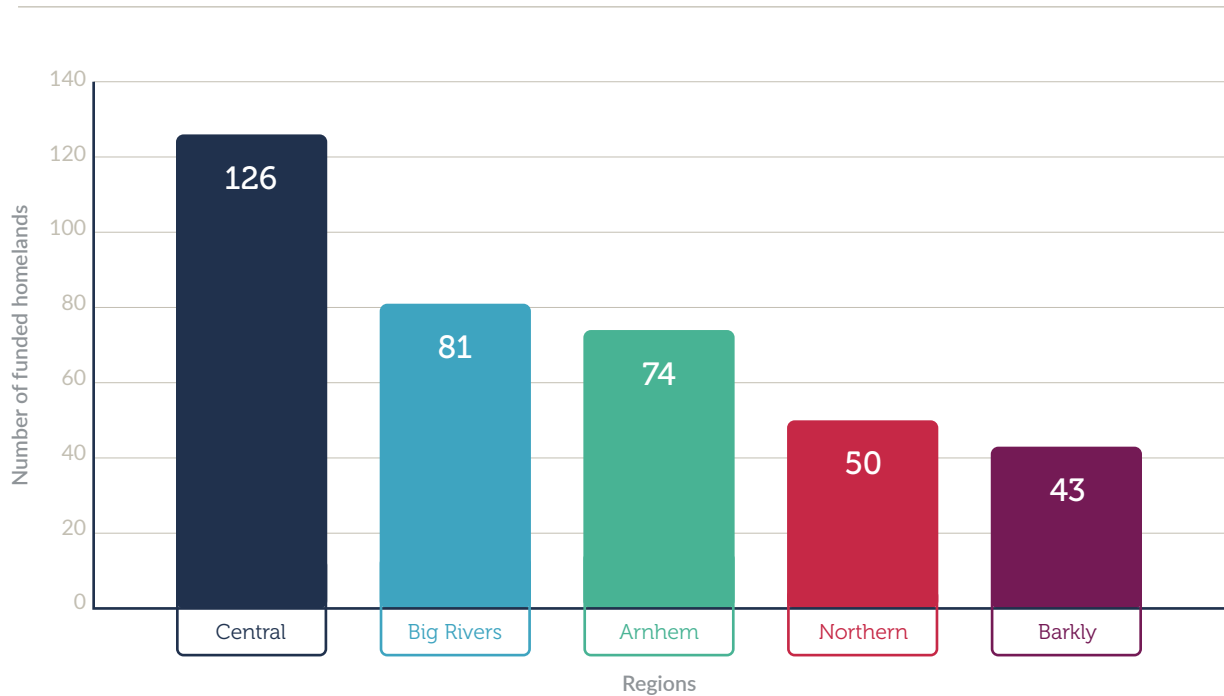
Annual grant funding is provided to assist the delivery of municipal and essential services in

homelands and town camps and to assist with housing maintenance where there are no public housing sub-leases.

The Department of Housing and Community Development administers the homelands and town camps grants program. In 2016–17, 37 grants were provided to approved service providers across the NT for the delivery of services in 383 homelands, eight minor community locations and 43 town camps, with 18 town camps benefitting from housing maintenance grants.

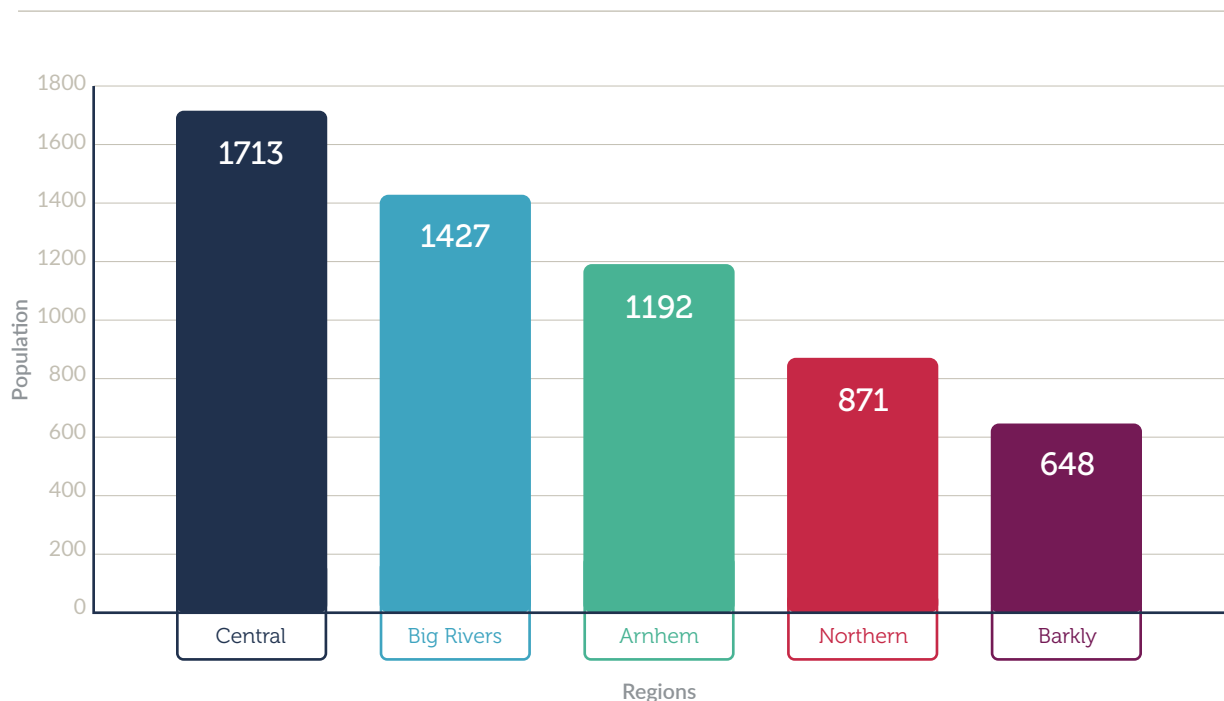


Figure 2: Funded homelands by region at 30 June 2017



The total estimated population for all locations funded by the homelands grants program is 9615 people¹. The population of funded homelands is estimated at 5851 people, with homelands in the Central region having the highest number of residents.

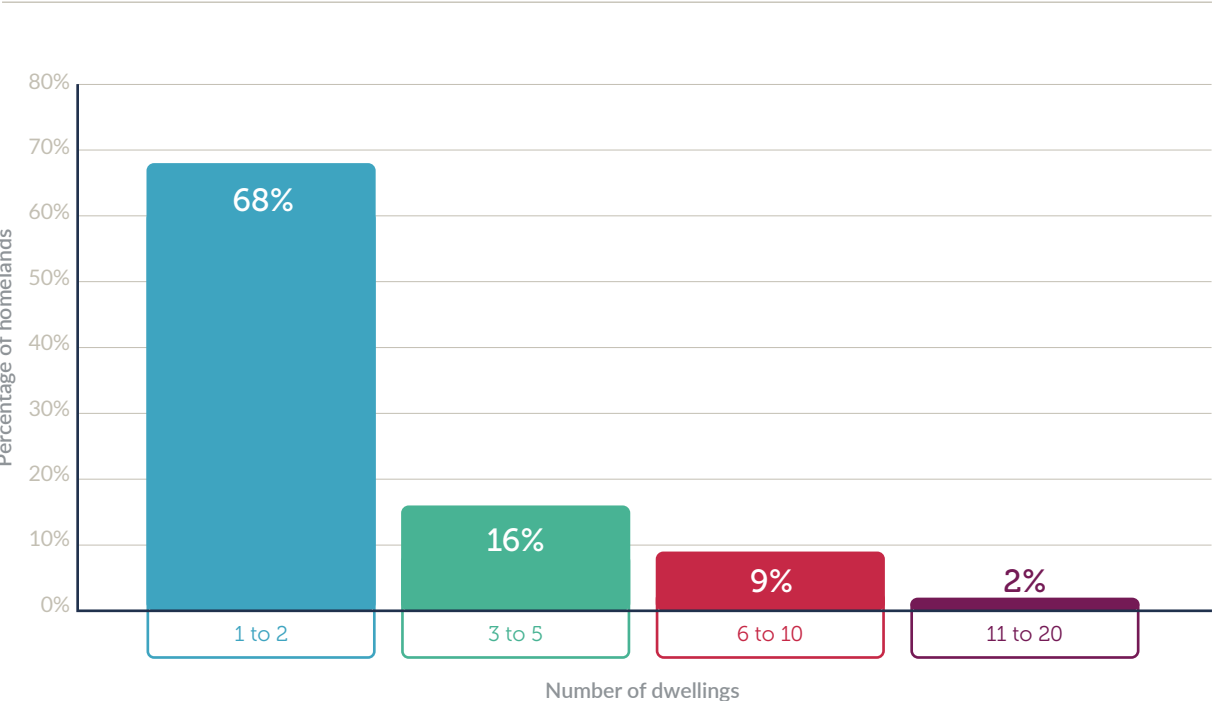
Figure 3: Estimated population of funded homelands by region at 30 June 2017



¹ Department of Housing and Community Development internal data, 30 June 2017

At 30 June 2017, a total of 2406 dwellings were funded by Homelands Grants. Of those, 1505 were located on a homeland, and the remaining 901 were located in town camps and other funded community locations. The majority of funded homelands had only one or two dwellings.

Figure 4: Funded homelands by number of dwellings at 30 June 2017





Homelands

The Department of Housing and Community Development contributes to the cost of maintaining homelands through the shared responsibility homelands program. During 2016–17, grant funding was provided to 37 designated service providers, and 265 separate grants were offered to improve homeland infrastructure or to purchase equipment to maintain homelands. Of these, 116 projects provided upgrades to water waste or septic systems and 88 projects improved or upgraded power supply. The department is upgrading power supply infrastructure and changing to hybrid solar systems wherever possible to reduce electricity costs and the impact on the environment.

In 2016–17, grants funding of \$53.6 million was provided for the delivery of municipal and essential services in 383 homelands and 43 town camps and for housing maintenance services in 383 homelands and 18 town camps as follows:

- \$19 million for municipal and essential services grants
- \$7.4 million for housing maintenance services grants
- \$4 million for municipal and essential services special-purpose grants
- \$12.4 million for additional capital projects investment grants
- \$5.8 million for the homelands jobs program
- \$5 million for the homelands extra allowance.

Homelands Jobs

The Homelands Jobs program provided grants funding of \$5.8 million to employ 141 local Aboriginal people in homelands and town camps to assist in the delivery of municipal, essential and housing maintenance services and in works funded in homelands by special-purpose capital grants and the Homelands Extra Allowance.

Homelands Extra Allowance (HEA)

In 2016–17, the Northern Territory Government allocated \$5 million at \$10 000 per dwelling. The program received 692 applications, of which 636 were eligible for funding. Funding was shared among 25 service providers in 206 communities.

Upgrades to dwellings included health and safety improvements, disability modifications to houses, more sustainable electricity and water supplies, concreting, upgrades to kitchen and bathrooms and additional living space.

The HEA program was expanded to a three-year program until 2019–20, with funding of \$6 million per year from 2017–18.



Martin Plumb accepting the Indigenous Projects award.



Regional engagement coordination

The department supported improved engagement and coordination practices in the NTPS by developing and providing specialised training. In 2016–17, nine two-day 'Remote Engagement Essentials' workshops were made available free of charge to all NT agencies.

These sessions aimed to equip public servants with the knowledge and inter-cultural skills to effectively carry out their day-to-day engagement work and to plan and deliver more complex engagement projects. The workshops were delivered in collaboration with the International Association for Public Participation and the Aboriginal Interpreter Service. A total of 181 public servants attended the workshops offered in Darwin, Alice Springs, Nhulunbuy, Katherine and Tennant Creek.

The department also developed a Remote Engagement executive leaders course and piloted it in February 2017. A total of 24 NTPS directors and executive directors attended the half-day workshops, which focussed on the unique role of senior leaders in maintaining the integrity of engagement projects.

The Northern Institute of Charles Darwin University received funding to work with local Aboriginal researchers in four NT communities to develop an approach for evaluating the department's engagement work that reflects the engagement priorities of local people. The Remote Engagement and Coordination – Indigenous Evaluation research project is scheduled for completion in October 2017. Work with Galiwin'ku and Ngukurr local Aboriginal researchers have produced an engagement evaluation framework, a scorecard evaluation tool and recommendations for improved communication techniques. A similar project has been initiated in Central Australia with Ninti One Foundation.

RECS wins Core Values Award

The department's Remote Engagement and Coordination Strategy (RECS) was awarded the Indigenous Projects award and a highly commended for Project of the Year in the 2016 International Association for Public Participation (IAP2) Australasia Core Values Awards.

The strategy aims to change the behaviour of visitors to remote communities through a common engagement and coordination framework.

RECS promotes the importance of capturing and acting on community feedback and reducing the burden of engagement on remote community members by avoiding duplication and unnecessary consultation. It also provides practical tips and tools to build the capacity of staff to better engage with community decision-makers.

Program coordinator Martin Plumb said, 'We are thrilled with the recognition the strategy has received through these awards.'

"The benefit to communities of implementing this strategy will hopefully mean less unnecessary engagement, reducing the burden to meet with government representatives as often and a clearer understanding of what visitors want to discuss before they arrive in a remote community."

The strategy is based on IAP2's internationally recognised engagement methodology, and the department partners with IAP2 to deliver training to Northern Territory public servants in all regional centres.

The Core Values Awards encourage excellence, quality and innovation in public participation. They recognise and encourage projects that demonstrate leading practice and organisations that are at the forefront of public participation.



The AIS supported communication between Aboriginal language speakers and service providers through 6345 interpreting jobs in 2016–17, completing a total of 30 787 interpreting hours in 37 languages.

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Aboriginal Interpreter Service

The Aboriginal Interpreter Service (AIS) remains one of the largest employers of Aboriginal people in Australia, employing approximately 335 registered interpreters to deliver its services across the NT as well as the cross-border regions of the APY Lands in South Australia and the Ngaanyatjarra Lands in Western Australia.

A total of 202 Communicating Across Language training sessions were delivered by the AIS to 829 participants from the Australian and Northern Territory governments and non-government organisations.

Significant interpreting jobs in 2016–17 included:

- Prime Minister’s visit to Fregon in the APY Lands
- constitutional recognition forums (Uluru and Ross River)
- Royal Commission into Institutional Responses to Child Sexual Abuse
- Royal Commission into the Protection and Detention of Children in the Northern Territory

- Referendum Council regional dialogue at Ross River and Uluru on constitutional reform
- South Australia Cabinet ministers’ (all portfolios) visit to APY Lands
- Western Australia Supreme Court appeal hearing a for cognitively-impaired Pintupi man from Kiwirrkurra in the Gibson Desert
- Scientific Inquiry into Hydraulic Fracturing in the NT community consultations
- launch of the audio-visual and phone interpreting (AVI) booths.

The AIS plays an important role in ensuring government services reach Aboriginal people who do not speak English as a first language.

The AIS launched the first on-demand Aboriginal video interpreting service in Australia in November 2016.

This new video and phone service means interpreters and clients do not have to travel, which saves expenses for both parties.



Kevin Rogers interpreting over the phone in the Katherine office.



There are more than 35 000 Aboriginal people in the NT who speak an Aboriginal language at home. The video interpreting service improves efficiency to help more people access government services.

In 2016–17, the AIS installed audio and visual software, provided staff with 12 months of video interpreting training and built soundproof booths to ensure confidentiality.

It also undertook interpreting assignments in 35 different Aboriginal languages and, as mentioned above, piloted the audio-visual interpreting using the most requested languages, with plans to expand to further languages.

Interpreting services are free for Aboriginal people who do not speak English as a first language.

The AIS provides a number of ongoing, including:

- news bulletins in Yolngu Matha, Warlpiri and Kriol through ABC radio, which are recorded each weekday and are available to listen to online
- urban and remote court interpreting across the NT and cross borders
- hospital interpreting
- hearing health remote visits.

Major recording jobs in 2016–17 were:

- an audio app for Central Australian and Top End renal patients on wellbeing and preventable chronic diseases (WPCD)
- Rheumatic Heart Disease program for the NT Centre for Disease Control
- NT health advice to patients seeking information on their medical records
- advice to the NT public to get their photo ID ready for the Banned Drinker Register commencing 1 September 2017
- a project to improve the preoperative experience of patients and allowing anaesthetists to review their practice
- developing a driver training app for 16 to 25-year-old pre-learner drivers in remote communities
- Plan Ahead – encouraging Aboriginal visitors to town to plan ahead for their safe return home

Interpreting the needs of others

Kevin Rogers is a Community-Based Interpreter (CBI) with the Aboriginal Interpreting Service in Katherine.

Kevin had previously worked for three years as a casual interpreter, including working with the Kimberley Interpreting Service in Broome, Western Australia.

“It’s a good job working as a CBI”, Kevin said. “It’s given me a lot of confidence, and it’s rewarding for an old bloke like me. I don’t think I’m going to find another good job like this”.

Kevin’s work involves interpreting in Kriol for a wide range of clients in person, over the phone or online. His clients include people communicating with hospitals, the courts and Centrelink, among others.

His job also involves travelling to off-site locations and filling in for other interpreters when they are away.

Kevin enjoys interpreting with the AIS and offers the following advice to anyone thinking of doing the same: *“Always be on time, talk clearly and turn off your phone during jobs”.*

Kevin admits that the job is not without challenges. Each client is different, and each job has its own issues and complexities to overcome. Common issues that can be frustrating are technical difficulties and key personnel changing.

While the job can be challenging Kevin said that *“seeing people with a big smile on their face, saying “thank you” makes it all worthwhile”.*

- NT Electoral Commission projects
- a training video as part of a public awareness campaign around the 2016 NT election
- radio ads about the 2017 council elections to inform NT voters how to correctly fill in their ballot papers and vote
- CareFlight recordings 'Useful tips by Tom' into audio
- interpretation of the Constitutional Reform Referendum Council's plain English discussion paper into a range of languages for audio to be uploaded onto the council website
- talking posters for Relationships Australia to help people understand family separation
- a corporate video for Territory Credit Union describing what they do and how it helps communities
- recording messages for the Hydraulic Fracturing Taskforce Inquiry to undertake a community consultation program across the NT
- Department of the Chief Minister audio files in language to explain the Early Childhood Development Plan project on the 'Have Your Say' website.

Interpreting and Translating Service NT

The Interpreting and Translating Service NT (ITSNT) currently employs 103 interpreters and 17 translators in Darwin, servicing 63 languages.

During 2016-17, a total of 4253 interpreting and 997 translating requests were received.

The top five in-demand languages were:

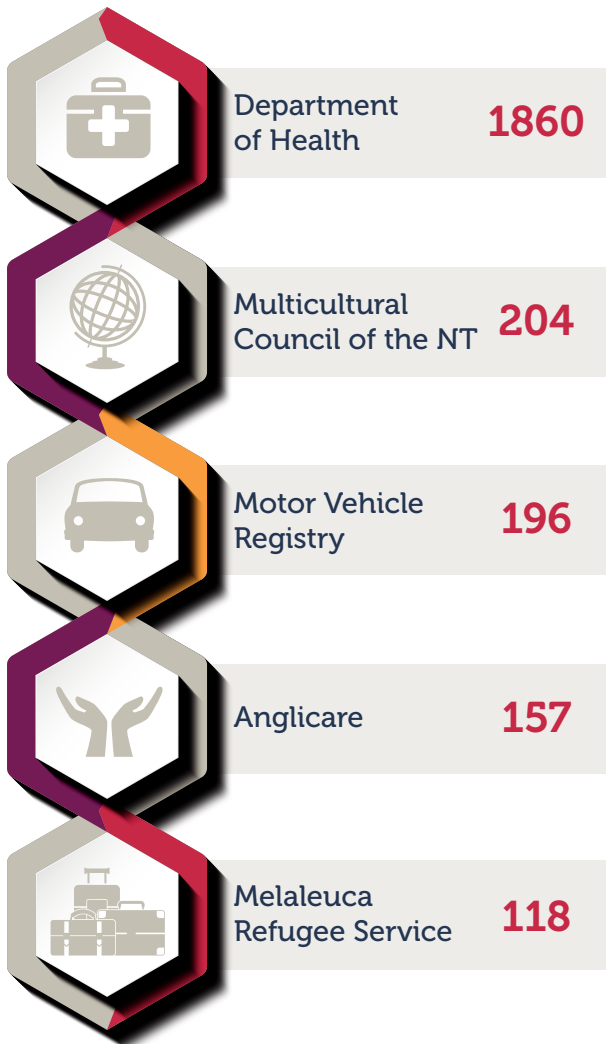




Mary at the Pirlangimpi airport during a Room to Breathe visit in March 2017.



The highest users of ITSNT services during 2016–17 were:



The ITSNT delivered a number of major translating assignments in 2016–17, including

- strengthening the NT relationship (Indonesian, Chinese, Japanese)
- NT Work Safe bulletins (Greek)
- Department of Health malaria health bulletin (Indonesian)
- Centre for Disease Control tuberculosis bulletin (Hindi, Tetum, Vietnamese)
- Department of Health tuberculosis bulletins
 - Latent Tuberculosis Infection factsheet (simplified Chinese and Traditional Chinese)
 - Mautoux test tuberculosis skintest factsheet (Thai, Hindi, Vietnamese and Tetum).

Interpreting a lifetime of language

Mary Dunn has been a Tiwi interpreter for “a very long time”—more than five years full-time and casually for many years before that.

Mary is from Pirlangimpi on the Tiwi Islands but moved to Wurrumiyanga (also on the Tiwi Islands) in 2011 when the Aboriginal Interpreter Service office opened there. She is a mother and a grandmother.

“What I enjoy most about my job is helping our people understand English and communicate with professionals”, she said. “Tiwi is the first language for a lot of our people”.

When asked what the biggest challenges are, Mary responded “I’m already over all the challenges!” which is no surprise for an interpreter as experienced as Mary.

To make the job easier for interpreters, Mary suggested using diagrams and pictures instead of just scripts because sometimes there are no equivalent words in Tiwi to interpret from English.

Mary works on a range of jobs, including housing, health, Centrelink and legal. She was recently also part of the team doing the scoping for Room to Breathe early works.

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160 interpreters across 18 languages
were engaged during the reporting period.



Local government

The Department of Housing and Community Development conducts local government compliance reviews, manages the payment and acquittal of local government grants, and supports and monitors sustainability of the local government sector.

It provides strategic advice and assessment of regional issues and coordinates government support to councils, including local authorities. The department delivers community development support to 17 councils across the NT, including nine regional councils, five municipal councils and three shire councils.

Compliance reviews

The department administers a program of compliance reviews for councils as required by the *Local Government Act* to ensure councils are conducting their business lawfully. All councils are subject to a compliance review at least once every three years. Compliance reviews are undertaken by local government inspectors.

In 2016–17, the department conducted a compliance review of the West Daly Regional Council, West Arnhem Regional Council, MacDonnell Regional Council and Barkly Regional Council.

In 2016–17, it also helped prepare for the local government general elections scheduled for August 2017. Action was taken as required under the *Local Government Act* for the Belyuen Community Government Council to participate in the August general elections along with 15 other councils across the NT.

All local government councils' compliance is regulated in line with the Local Government Act. The actions and decisions of the City of Palmerston council were closely monitored in relation to a borrowing application and a multi-storey carpark contract due to a number of concerns regarding this transaction. As a result, on 29 June 2017, the City of Palmerston was placed under official management as the minister was satisfied that serious deficiencies were identified in the conduct of council's affairs.

The department provided ongoing support to the Tiwi Islands Regional Council in 2016–17 to address the findings of its 2014 compliance review report. A grant was provided to the council to assist with funding two senior positions to help finalise the report findings.

Local government sustainability

The department supports and monitors the sustainability of the local government sector and provides a robust framework for councils to have appropriate governance and business skills to manage and maintain services, expenditure and assets. During the year, the department:

- issued 16 exemptions to councils pursuant to Local Government (Accounting) Regulations and General Instruction No. 4 regarding procurement (two councils withdrew their requests for exemptions)
- reviewed council caretaker policies to ensure compliance with section 96A of the *Local Government Act* in preparation for the general election on 26 August 2017
- advised all councils of their roles and responsibilities during the caretaker period and circulated a 'Council caretaker policy checklist' and a 'Guide for the first meeting of local government councils after a general election'
- was represented at the National Local Government Inter-Jurisdictional Forum in Adelaide.
- worked with the Local Government Association of the Northern Territory (LGANT) to:
 - deliver elected member training sessions through the Australian Institute of Company Directors
 - provide an information session at the Finance Reference Group meeting on asset management plans and valuations
 - deliver training to regional council members on roles and responsibilities of elected members, code of conduct, meeting procedures and community engagement
 - develop a local government-specific records disposal schedule.



NAIDOC Week 2017 Top End patron named

Aboriginal Interpreter Service Director Colleen Rosas was announced as the patron for 2017 NAIDOC Week celebrations in the Top End.

The 2017 NAIDOC Week theme was 'Our languages matter' and focussed on the role and importance of language to Aboriginal and Torres Strait Islander people.

'As the Patron of Top End NAIDOC, among other things, I will be promoting the use of Aboriginal languages in everyday interactions', Colleen said.

As Director of the Aboriginal Interpreter Service (AIS), Colleen oversees the delivery of interpreting services by more than 300 Aboriginal interpreters across 33 languages. AIS interpreters undertake assignments in a range of areas across government, private enterprise and non-government organisations. Interpreting assignments also cross borders, with interpreters regularly assisting on interstate matters.

When Colleen joined the service in 2000 in its infancy, it had only two staff and six interpreters. The AIS now boasts around 370 staff, many of whom are permanent public servants. The Aboriginal Interpreter Service has 98 per cent Aboriginal staffing, which is unique.

"The Aboriginal Interpreter Service has been operating for 17 years and plays a critical role in assisting Aboriginal Territorians to access mainstream services", Colleen said.

"We at the AIS are very pleased NAIDOC has chosen to focus on our Aboriginal languages. So many of our languages haven't been used, or have been lost, and until recently, our languages have only been preserved by family and clan connections. We are happy that our languages are finally being acknowledged as the first Australian languages."

AIS has been involved in a number of innovative projects, including interpreting police cautions into language for an app and the launch of Australia's first on-demand Aboriginal video interpreter service.

Supporting regional governance

The Local Government Regions and Operations output supports regional local government performance through strategic advice and assessment of regional issues, coordinating government support to councils, local authorities and community development.

Local authorities are established in 63 remote communities. In delivering a stronger local voice, local authorities are directly involved in the development of regional councils' annual plans, budgets and local priority projects.

In 2016–17, \$5 million was allocated to councils for local priority projects. The projects are determined by each local authority to reflect local needs. Local authority project funding has been used for a range of small and large projects, including solar street lighting, public toilets, playgrounds, water parks, shade structures, sporting ground upgrades, sporting uniforms and local recreational facilities.

During 2016–17, two local authority snapshot surveys were conducted. They found that local authorities are empowering local decision-making in local government and creating greater accountability for service delivery.

In 2016–17, 287 local authority meetings were held. Department staff attended 255 of these meetings to provide support and respond to issues about NT Government service delivery.



Elle Mather in action at the cyclone recovery centre in Cannonvale, Queensland.



Local Government Disciplinary Committee

Local Government Disciplinary Committees are established under section 80 of the *Local Government Act* to deal with complaints made against any member of a council, local board, local authority or council committee for any alleged breach of a council's code of conduct.

A disciplinary committee must consist of three members—one from each of three classes of appointed eligible members, namely:

- a legal practitioner nominated by the Attorney General
- a person nominated by the Minister for Housing and Community Development
- a person nominated by the Local Government Association of the Northern Territory.

The department provides secretariat services to the disciplinary committee.

In 2016–17, two council members were the subject of complaints heard by disciplinary committees. Complaints against one council member were rejected. Some complaints against the other member were rejected, and others were not determined during the 2016–17 financial year.

Local Government Accounting Advisory Committee

The Local Government Accounting Advisory Committee is established under Regulation 3 of the Local Government (Accounting) Regulations and provides advice to the department about local government financial management and accounting practices. The advisory committee also provides advice about legislative changes necessary to improve the standards of local government financial management and accounting. The Local Government Accounting Advisory Committee also provides advice to the minister as required.

The committee meets quarterly.

Facing the aftermath of Cyclone Debbie

When the NT Government called for employees to assist with recovery efforts in several Queensland communities affected by damaging winds and flooding from Ex-Tropical Cyclone Debbie, Barkly Region Director Elle Mather was among the first to put her hand up.

This is not the first time Elle has volunteered to help with natural disaster response and recovery operations, having previously been involved with cyclones Lam and Nathan in 2015 and the Daly River floods in the same year. *“Being involved in the recovery efforts of Cyclone Debbie was an opportunity to see what is applied in the Queensland context and build it into emergency management plans for the NT”*, Elle said.

Elle said that what made this deployment different was their involvement with the community as part of the recovery process. *“On Anzac Day, the team split up and went to Proserpine, Bowen or Airlie Beach and participated in the march and activities afterwards”*, she said. *“The group from the NT went to Bowen, where we were made to feel very welcome and received thanks from locals for coming to help”*.

Elle was one of 12 people deployed from the NT as part of the second rotation and teamed up with volunteers from South Australia, Victoria, Tasmania, Western Australia and the Australian Capital Territory. *“I’m grateful for the opportunity to take time out from work and go”*, she said. *“I would recommend to anyone to take up the opportunity in the future”*.



Grass-roots government going great guns in Ramingining

In the heart of Arnhem Land in the Top End, the Ramingining Local Authority is a shining example of the effectiveness of local decision making at work in remote communities. Supported and guided by its elected members Councillor Rose Wurrguwurrugu and Councillor Peter Djumbu, the 11-member Ramingining committee has set the bar high by maintaining a 100 per cent successful meeting record in 2016–17.

The Ramingining Local Authority is responsible for determining how the East Arnhem Regional Council can best support the community with its share of annual local government grant funding. The community's completed projects include building shade shelters at the barge landing, installing gates and fencing at the cemetery, and buying outdoor cinema equipment and a waterslide. Approved future projects include installing irrigation and fencing at the oval, refurbishing the community stage and purchasing iPads for local authority members to help with their governance role and to use in meetings.

The Ramingining Local Authority was just seven months old when the region was devastated by cyclones Lam and Nathan in February and March 2015. The community played an important role in sharing information about the emergency response and recovery process, which helped cement its place in Ramingining as the voice of the community. As a result, the local authority continues to play a role in the planned construction of a multipurpose cyclone shelter in the community.

Grass-roots government is clearly working in Ramingining thanks to the commitment and dedication of the local authority.



Sue Newton makes a friendly first impression in Katherine.



The Local Government Administration and Legislation Advisory Committee

The Local Government Administration and Legislation Advisory Committee is established under Regulation 3 of Local Government (Administration) Regulations.

The advisory committee provides advice to the Minister for Housing and Community Development about legislative, administrative and operational issues relevant to local government.

The committee meets quarterly.

Local government funding

Special-purpose grant funding

The Local Government Special-Purpose Grants are open to local councils to improve community infrastructure and service delivery.

Funding is available to purchase capital items, such as road plant and equipment, and to deliver recreation facilities, training programs and social infrastructure.

The grants aim to assist local government bodies and communities to become stronger and self-sustaining, with submissions required to show how the initiative will benefit the community.

Sue Newton - Making first impressions count

Sue Newton is the Administration Support Officer in the department's Big Rivers office. Since joining the department in August 2016 through the entry-level recruitment program, she has enjoyed the opportunity to learn new things.

Sue relocated to Katherine from New South Wales in 2004. Since then, she has built relationships with many of the locals and says one of the hardest parts of her job is not being able to help some of them as much as she would like to.

Described by colleagues as a 'cheeky little pixie who is down to earth', Sue's goal is to undertake more training to enable her to get more out of her job. "There are some things I just can't do, but I would like to try," she said.

In her spare time, Sue enjoys camping, fishing and going for drives to the rivers in the area, especially since she has bought a 2013 model four-wheel drive, something she is very proud of.

Table 6: 2016–17 special purpose-grant funding allocations

Council	Purpose	Funds allocated
Alice Springs Town Council	To improve safety and security at the 50-plus community centres	\$90 072
Barkly Regional Council	Purchase road equipment	\$238 550
Central Desert Regional Council	Purchase and install solar street lights in Atitjere, rubbish compactor for Lajamanu and rubbish truck for Nyirripi	\$225 614
City of Darwin	Construct a silent room with study booths at Casuarina Library	\$132 653
Coomalie Community Government Council	Improve waste service delivery and upgrade Batchelor swimming pool facilities	\$244 310
East Arnhem Regional Council	Stage 2 of the Angurugu Oval upgrade and purchase a mulcher attachment	\$140 798
Katherine Town Council	Construct car bays at Wurli-Wurlinjang Aboriginal Health Service	\$17 500
Litchfield Council	Work depot construction at Humpty Doo waste transfer station and irrigation system upgrade at Howard River Recreation Reserve	\$245 000
MacDonnell Regional Council	Purchase plant and machinery	\$445 878
Nhulunbuy Public Cemetery Trust	Towards Nhulunbuy Cemetery revitalisation	\$26 730
Robbie Robbins Reserve	For urgent remedial earthworks and landscaping	\$99 652
Roper Gulf Regional Council	Towards IT upgrades	\$239 636
Tiwi Islands Regional Council	New garbage truck, 4WD ride-on mowers and tractors	\$330 705
Victoria Daly Regional Council	Quad bike with trailer and backhoe for Kalkarindji, lawn mower and rubbish compactor for Nauiyu and consultancy costs for the new Timber Creek land-fill site	\$469 000
Wagait Shire Council	Towards purchase of 4WD ride on lawn mower	\$28 490
West Arnhem Regional Council	Rubbish truck and mini excavator plus trailer for Warruwi, operating tip truck, mini excavator/ backhoe and water tanker for Maningrida/ Gunbalanya, rubbish compactor for Minjilang	\$416 000
West Daly Regional Council	Mini road roller with trailer	\$65 855
Total		\$3 456 443

Aboriginal jobs development funding

The department provided funding from 1 July 2014 until 30 June 2017 to local councils that provide local government services to subsidise the employment of Aboriginal people working in local government service delivery.

The funding aims to subsidise the cost of employing Aboriginal people across regional councils and the Belyuen Community Government Council, support the delivery of local government outcomes in the council's strategic and operational plans, and support Aboriginal employment.

Table 7: 2016–17 Aboriginal jobs development funding allocations

Council	Funds allocated
Barkly Regional Council	\$900 000
Belyuen Community Government Council	\$36 000
Central Desert Regional Council	\$631 000
East Arnhem Regional Council	\$1 141 000
MacDonnell Regional Council	\$1 241 000
Roper Gulf Regional Council	\$1 530 000
Tiwi Islands Regional Council	\$531 000
Victoria Daly Regional Council	\$592 000
West Arnhem Regional Council	\$706 000
West Daly Regional Council	\$592 000
Total	\$7 900 000

Family Safe Environment Fund

The Family Safe Environment Fund gives NT councils financial assistance to address issues around antisocial behaviour and discourage acts of vandalism and graffiti in park and open spaces.

The program improves public safety by helping councils:

- provide a safe environment for park users and nearby residents
- reduce antisocial behaviour in council parks and open spaces
- reduce wilful vandalism and graffiti of park infrastructure
- improve park layouts and infrastructure to increase amenity and safety for park users
- encourage the community to use public parks and open spaces.

Table 8: 2016–17 Family Safe Environment funding allocations

Council	Purpose	Funds allocated
Belyuen Community Government Council	Purchase 14 solar street lights to be installed in the central area of the community	80 171
Central Desert Regional Council	Purchase and install 12 solar street lights in and near Laramba parks	50 109
East Arnhem Regional Council	Purchase and install five solar LED lighting on 6.5-metre-high poles at the Gapuwiyak Lake	40 000
MacDonnell Regional Council	Purchase and install LED solar park lighting in the 13 communities of the council	48 100
Roper Gulf Regional Council	Purchase four solar lights to be installed at Policeman Lookout Park in Ngukurr	18 320
Total		\$236 700

Natural disaster relief and recovery arrangements

The department administers grants to local government bodies to recover local government assets and services after a natural disaster or emergency. This financial assistance is subject to funding availability. The Alice Springs Town Council received \$347 561 to assist with damage caused by a hail storm in June 2016, and the MacDonnell Regional Council received a \$500 000 progress payment to assist with repairs following flash flooding in Central Australia during December 2016 and January 2017.

Local authority project funding

Local authority project funding supports projects that encourage the continued development of local authorities and their communities.

The funding aims to:

- build stronger communities
- help local governing bodies and their communities become stronger and self-sustaining
- provide quality community infrastructure that facilitates community activity and integration
- develop local government capacity to provide legitimate representation, effective governance, improved service delivery and sustainable development.

The funding pool is \$5 million each year and is distributed to local authorities through a methodology developed by the Northern Territory Grants Commission.

Table 9: 2016–17 Local authority project funding allocations

Council	Funds allocated
Barkly Regional Council	373 791
Central Desert Regional Council	497 018
East Arnhem Regional Council	1 129 063
MacDonnell Regional Council	585 717
Roper Gulf Regional Council	737 217
Tiwi Islands Regional Council	343 544
Victoria Daly Regional Council	301 552
West Arnhem Regional Council	615 812
West Daly Regional Council	416 286
Total	\$5 000 000



Northern Territory operational subsidy

An operational subsidy is the main support the NT Government offers councils to help provide local government services. It is paid to the nine local government regional councils as well as the Belyuen, Coomalie and Wagait councils. The subsidy is not available to municipal councils.

Table 10: 2016–17 Northern Territory operational subsidy allocations

Council	Funds allocated
Barkly Regional Council	3 831 611
Belyuen Community Government Council	73 386
Central Desert Regional Council	2 210 633
Coomalie Community Government Council	500 198
East Arnhem Regional Council	5 783 045
MacDonnell Regional Council	3 587 965
Roper Gulf Regional Council	3 774 052
Tiwi Islands Regional Council	1 333 387
Victoria Daly Regional Council	1 449 413
Wagait Shire Council	149 582
West Arnhem Regional Council	3 281 956
West Daly Regional Council	1 524 772
Total	\$27 500 000

Reserves and other organisations

This program funds organisations that are not local governing bodies but by reason of necessity provide local government services around the NT.

Table 11: 2016–17 Reserves and other organisations fund allocations

Council	Purpose	Funds allocated
Australia Day Council Incorporated of the NT	2017 Australia Day awards sponsorship	10 000
Barkly Regional Council	Local authority project funding	100 000
Blatherskite Park Reserve	Operational funding and one-off grant assistance of \$50 000 to develop internal administrative and governance processes and procedures	195 000
Daly Waters Progress Association	Operational funding	8 963
Jabiru Town Development Authority	Operational funding	90 000
Katherine Town Council	Community of Binjari operational funding	229 936
Nhulunbuy Public Cemetery Trust	Operational funding	10 000
Robbie Robins Reserve	Operational funding	75 000
Roper Gulf Regional Council	Operational funding for the communities of Larrimah and Mataranka (Elsey Cemetery)	10 922
Total		\$729 821

Regional council budget assistance

This is Cabinet-approved funding to provide financial assistance of \$700 000 to the recently formed West Daly Regional Council and \$1 800 000 to the now reconfigured Victoria Daly Regional Council.

One-off grants

A number of one-off grants were approved in 2016–17 because the timing was outside the scheduled funding rounds of the special-purpose grants.

Table 12: 2016–17 one-off grant funding allocations

Council	Purpose	Funds allocated
Central Desert Regional Council	Implement improved business grade connectivity to council offices in remote communities	165 000
Coomalie Community Government Council	Belyuen, Coomalie, Wagait local government advisory group	27 800
Barkly Regional Council	Enable Barkly Regional Council to replace software	60 087
Litchfield Council	Commissioning of the Thorak Regional Cemetery service review	11 200
MacDonnell Regional Council	Part contribution to employ a Central Australian waste management coordinator	50 000
Tiwi Islands Regional Council	Funding of two senior positions in council for 2017–18	550 000
Total		\$864 087

Service funding agreement

In 2014–15, the department entered into a three-year service level agreement with the Local Government Association of the Northern Territory (LGANT) to provide a range of services previously undertaken by the department. The department provided grant funding to LGANT to assist with the cost of delivering key outcomes under this agreement, which ended on 30 June 2017.

Commonwealth financial assistance (general purpose and local roads funding)

The NT Grants Commission is an independent body established by statute whose primary role is to provide annual funding recommendations in relation to the Commonwealth financial assistance general purpose and local road grants.

These grants are distributed on a needs-basis formula developed by the NT Grants Commission. This takes into account a number of factors such as revenue-raising capacity, expenditure requirements, how spread out a council is and how difficult it is to access communities in the council area.

The road allocations are determined on a council's weighted road length as a proportion of the total NT weighted local road length.

Table 13: 2016–17 Commonwealth financial assistance funding allocations

Organisation	General purpose funds 2016–17	Roads funds 2016–17
Alice Springs Town Council	705 947	913 808
Barkly Regional Council	1 725 729	435 276
Belyuen Community Government Council	25 624	31 712
Central Desert Regional Council	945 345	821 938
Coomalie Community Government Council	26 443	402 785
City of Darwin	1 692 384	1 752 269
East Arnhem Regional Council	3 078 353	1 170 698
Katherine Town Council	552 509	607 742
Litchfield Council	482 011	2 458 581
MacDonnell Regional Council	1 736 304	958 820
City of Palmerston	707 313	797 215
Roper Gulf Regional Council	1 821 674	1 026 793
Tiwi Islands Regional Council	430 400	938 781
Local Government Association of the NT	n/a	1 446 831
Victoria Daly Regional Council	491 355	678 873
Wagait Shire Council	8 706	53 121
West Arnhem Regional Council	1 196 804	1 144 127
West Daly Regional Council	534 287	838 198
Total	\$16 161 188	\$16 477 568

Table 14: 2016–17 Power Water Corporation street light repairs and maintenance reimbursement

Council	Funds allocated
Barkly Regional Council	102 473
Central Desert Regional Council	2 614
City of Palmerston	811 063
Coomalie Community Government Council	27 140
City of Darwin	2 004 851
Katherine Town Council	170 476
Litchfield Council	62 060
Roper Gulf Regional Council	42 914
Victoria Daly Regional Council	23 090
West Arnhem Regional Council	57 017
Total	\$3 303 698





Congratulations, Shelley Toia, on 20 years with the department.



Local Government Act review

The *Local Government Act* sets out the legislative framework for local government councils in the NT and has been operating since 2008. It is being reviewed to ensure the legislation is effective and up to date.

The process has been progressive, collaborative and rigorous, involving experienced people representing the local government sector, including regional and municipal councils, elected members and chief executive officers.

Public feedback has been received on the *Local Government Act* consultation paper, and at year end, a new Act was being developed.

Review of the Cemeteries Act

The *Cemeteries Act* regulates the establishment, maintenance and control of cemeteries and the time, manner and place of burials, cremations and exhumations in the NT. The Cemeteries Regulations cover administrative matters such as keeping registers, burial times, depth of graves and visiting hours.

During the reporting period, the department completed a full review of the cemeteries legislation in the NT after two rounds of consultation. The review considered an innovative approach to cemetery legislation to give appropriate legal recognition to cemeteries on Aboriginal land.

At year end, new legislation was being drafted and will include:

- new categories for cemeteries in the NT
- recognition of cemeteries on Aboriginal land
- provision for contemporary burial practices such as vertical burials and natural burials
- provision for various means of disposal of human remains such as cremations and alkaline hydrolysis procedures
- a consistent and coherent regime for the governance and regulation of cemeteries and other facilities that dispose of human remains.

The department continues to hold information sessions for key stakeholders, including local government councils, local authorities, land councils and funeral service providers. It is anticipated that the new legislation will be enacted in 2018.

Finding rewards each day

On 8 July in 2017, Shelley Toia will celebrate 20 years with the department. As a teenager, however, she had other career ideas.

Growing up in New Zealand, Shelley wanted to be a hairdresser. At 17, after studying and training for more than a year, she was offered a better-paid position as an administration assistant and never looked back.

Years later, after hearing Australia was the 'lucky country' and 'the land of opportunity' and just how fast Darwin was growing, Shelley, her husband, Russell, and young daughter, Jean, followed her parents to Darwin to make a new life. Not long after, she entered the NT Public Service and found a home with the then Department of Housing.

Shelley says the most rewarding part of her position is working with contractors and stakeholders. "To have properties maintained to a high standard and finished on time is very important to our tenants," she said. "It makes a difference in their lives".

Although Shelley says she could almost write a book about her time with the department and the interesting characters she's met, what she most looks forward to is spending time with her grandchildren, Talan and Tahlia, and planning the next trip to Bali.

Asked if there was one thing she wanted people to know about the department, Shelley said "this job is very challenging, and every day is different. But we will always do the best we can for our tenants".

Legal and compliance

Complaints, compliance, legal and appeals

The department's Tenancy Support and Compliance team manages complaints, compliance matters and first-tier appeals.

Complaints

Complaints management includes receiving, recording, processing and responding to complaints from the department's tenants, the general public, Ombudsman NT, advocates or other departments. The team ensures complaints management processes are undertaken fairly, consistently and effectively.

During 2016–17, the department implemented our Complaints Management Framework. This framework is to ensure that complaints are handled fairly, consistently and effectively.

The Complaints Management Framework is intended to:

- guide staff and people wishing to make a complaint on the principles and concepts of our complaint management system
- enable us to respond to issues raised by people making complaints in a timely and cost effective way across the department
- boost public confidence in the department's administrative processes
- provide information the department can use to deliver quality improvements in its services, systems, practices, procedures, products and complaint handling.

This framework applies to all staff receiving or managing complaints from clients, the general public, the minister's office, the Ombudsman NT, advocates, Electoral offices or other departments. Complaints can relate to:

- services
- decision making
- people
- complaint handling.

Compliance

The department manages public housing premises in accordance with the *Housing Act* and the *Residential Tenancies Act*.

The department may only let a premises to an eligible person, in accordance with the *Housing Act* and an eligible person enters into a tenancy agreement with the department as provided by the *Residential Tenancies Act*.

A tenant agrees to terms and conditions via a tenancy agreement, including being respectful of neighbours and contributing towards a peaceful neighbourhood, maintaining the dwelling and being a responsible tenant.

The department provides housing to many people with complex needs and where necessary, it makes every effort to assist tenants to sustain their tenancy.

The department will consider the nature and circumstances, including the psychological and social needs of that tenancy, and will attempt to engage with the tenant to develop and implement strategies to support and assist the tenant to sustain their tenancy. This will include referring tenants to programs provided by key service providers, such as those non-government organisations that are funded by the department, who provide support and assistance to the tenant to work towards creating sustainable tenancies.

Further, where required, the department will also support tenants to exit public housing into supported managed accommodation or private accommodation options.

However, where appropriate and where a tenant breaches their legal obligations, the department may initiate compliance action, including terminating a tenancy and taking possession of a premises.

The Department may also terminate a tenancy if the premises has become inhabitable, or if a drug premises order has been made.

During 2016–17, the department terminated 11 tenancies, six tenancies through orders granted by the Northern Territory Civil and Administrative Tribunal, and five tenancies through the issuing of a Notice of Termination to the tenant.

Appeals

Public housing applicants and tenants have the opportunity to request a review of most department decisions through a two-tiered appeals process.

The department's internal appeals process is two tiered to ensure a strong focus on transparency, fairness and accountability of decision making. The first tier is an internal review by a senior officer who was not involved in the original decision. The second tier appeal is by way of an external review by the Public Housing Appeals Board, which is a non-statutory, independent board.

The role of the board is to review the original decision and determine whether relevant policy has been correctly interpreted and fairly applied and if the processes and procedures were equitable.

The Minister for Housing and Community Development approves the appointment of all Public Housing Appeals Board members, who are recruited from across the NT and appointed for two years. The board comprises a Chairperson, Deputy Chairperson(s) and members of the community including public housing tenants, members of non-government organisations and industry service organisations.

A minimum of three Public Housing Appeals Board members must convene for a hearing, including the Chairperson or Deputy Chairperson. The board makes recommendations to the department, which are considered by the Deputy CEO.

There are three possible outcomes to a second-tier appeal. The Public Housing Appeals Board may:

- uphold the department's original decision
- recommend a change or partial change of the department's original decision
- recommend that the department reconsider its original decision.

During 2016–17, the department considered 67 tier-one appeals and eight tenants or applicants sought a second-tier review by the Public Housing Appeals Board, two of which were resolved without convening a board.

Independent review into town camps

In May 2016, the Public Accounts Committee report titled 'Report on Repairs and Maintenance of Housing in Town Camps' was handed down, detailing a number of findings and recommendations. The then Minister for Local Government and Community Services subsequently announced that a comprehensive independent review of town camps will be undertaken.

A public tender process was used to engage a suitable consultant to undertake the comprehensive and independent review. In October 2016, a contract was awarded to Deloitte Touche Tohmatsu to undertake the independent review of the 43 Northern Territory town camps. The review included the following key areas:

- Legislation and governance arrangements
- Leasing and tenure arrangements
- Housing quality, management and ownership
- Municipal and essential services infrastructure
- Service delivery arrangements
- Community aspirations
- Potential economic development opportunities

The timeline for completion of the report was extended due to delays in accessing some of the town camps to inspect the infrastructure. Deloitte finalised the report in May 2017.

Probity audit into town camp contracts

In February 2017, the department announced it would conduct an independent probity audit into the previous tenancy management contract awarded in December 2015. The audit, conducted by Merit Partners, identified a number of deficiencies in the department's procurement processes. A copy of the report was released publicly on 19 May 2017. Since then, the matter has also been referred to the Auditor General for review.



In-country training taking place at Bagot community, conducted by consultant, Helen Fejo-Frith.



Aboriginal employment is ACES

Twenty Aboriginal Territorians living in or connected to town camp communities took up training and employment opportunities during 2016-17 to assist the Town Camp Review engagement process.

Called Aboriginal Community Engagement Specialists, or 'ACES', their role included facilitating access to each community and establishing effective working relationships between the project team and community.

The ACES received employee induction training that covered safety awareness and employment responsibilities, as well as 'Place, Space and Interface' training, which taught them how to complete culturally appropriate and client-focussed data collection.

The ACES helped to deliver cross-cultural training and site-specific in-country orientation for the project team.

One of the ACES, Sammy Evans, said, *"I enjoyed working on this project a lot. It is good the government used local people to talk with our community. Our community felt good speaking with locals about how to solve problems. We think government should do more work this way. I hope this work helps us move forward"*.

Outputs and performance

Output group: Housing and Community Development

Outcome: an affordable and accessible housing system for eligible Territorians and community engagement models that supports good governance, equity, local decision-making, economic development opportunities and local jobs.

Housing Services Delivery

- Provides tenancy and property management services for eligible Territorians and employees for properties managed by the department.
- Applies effective asset management principles to deliver capital works and maintenance programs for housing assets, and strategic planning, policy advice and funding to deliver essential services in 72 remote Aboriginal communities.
- Undertakes strategic planning to provide tenancy and accommodation programs that support Territorians to access appropriate housing options, including the advancement of community housing.

Housing Program Delivery Office

- Plans and delivers the remote housing program, including local engagement and decision-making.

Community Development and Engagement

- Improves community development and engagement. Provides interpreter and translator services to overcome language barriers.
- Leads and coordinates the delivery of services for homelands, outstations and town camps.

Local Government

- Provides engaged and supported regional governance to support local decision-making, a relevant and effective governance framework and a more sustainable local government sector.



Table 15: Key performance indicators, Budget Paper 3

Key performance indicators	2016-18 estimate	2016-17 actual
Housing Services Delivery		
Households assisted into public housing	1 005	986
Households assisted into private housing through the Bond Assistance Loan Scheme	403	460
Average number of days to occupy vacant public housing stock	83	89
Annual increase in the number of incidents where public housing safety officers assisted with removal of non-residents from public housing premises	2%	1%
People provided with support to sustain their tenancy	1 450	1 435
New public housing head-leased dwellings	90	88
Housing Program Delivery Office		
Remote Aboriginal employment	45%	50%
New constructed public housing dwellings	134	62
Upgrades to remote public housing dwellings	425	416
Dwellings receiving additional bedrooms or living spaces	25	16
Community Development and Engagement		
Aboriginal interpreting assignments completed	65%	57%
Aboriginal interpreting hours provided by qualified interpreters	49%	51%
Ethnic interpreting assignments completed	89%	84%
Proportion of service providers meeting delivery standards in homelands and town camps	95%	95%
Local Government		
Councils and local authorities funded and supported	80	80
Council and local authority meetings attended	> 250	255
Grants and subsidies acquitted	> 80%	83%
Scheduled compliance reviews completed	100%	100%



Housing Services Delivery

Households assisted into public housing

The allocation of housing is based on a variety of factors, including the number of bedrooms required by an applicant and suitable location of the dwelling. Priority applicants are generally allocated ahead of non-priority applicants, but this is not always the case.

Allocations of urban and remote public housing properties to eligible tenants decreased from 1073 in 2015–16 to 986 in 2016–17. The department continues to focus on assessing the public housing wait list and reaching a quicker turnaround time of vacant dwellings to efficiently and effectively use public housing stock and reduce the wait list.

Allocations are also subject to existing tenants exiting public housing and public housing stock becoming available to allocate.

Households assisted into private housing through the Bond Assistance Loan Scheme

Clients who are on a low income and need help to enter the private rental market can apply for an interest-free loan to cover expenses such as bond and up to two weeks rent in advance.

Applicants must meet a number of eligibility criteria including Australian residency and income and asset limits. 452 bond loans were provided to assist people into private rental accommodation during the year.

This indicator is demand driven, and as a new indicator was established based on year-to-date results during budget development. The indicator would be affected by prevailing socio-economic conditions, such as reduced rents and higher availability of affordable rentals in the private market, a greater number of people meeting the low income eligibility requirements, or just seasonal movement of people to the Territory.

Average number of days to occupy vacant public housing stock

The average time to re-tenant urban public housing stock across the NT was 89 days. This is two days more than the Budget Paper 3 target of 87 days and an increase of 16 days on 2016–17. This may be due to factors such as properties located in problematic areas, streets or locations being difficult to allocate, or available dwellings not meeting the needs of clients on the wait list.

Annual increase in the number of incidents where public housing safety officers assisted with removal of non-residents from public housing premises

The need to remove non-residents from public housing properties is affected by seasonal trends and external factors such as sporting events and regional show circuits. These instances can lead to a high influx of visitors to public housing properties causing overcrowding and this can occasionally lead to antisocial behaviour. The numbers will fluctuate throughout the year, which may affect the cumulative total of incidents where public housing safety officers are providing assistance by removing trouble makers.

People provided with support to sustain their tenancy

This data is derived from individual agency level Specialist Homelessness Services Collection Statistical Summary Reports for the nine-month period of 1 July 2016 to 31 March 2017.

Annual (12-month) data is not expected to be available through the Australian Institute of Health and Welfare until the end of October 2017.

New public housing head-leased dwellings

Social housing head-leasing aims to increase the number of properties available to low-income Territorians and their families, seniors and people with a disability.

The department offers long-term leases to property owners, which are then subleased to tenants who qualify for social housing.

The preference is for one or two-bedroom properties, with adequate parking, access and proximity to local amenity and essential services such as transport, shops, schools and employment.

During the reporting period, 72 dwellings were delivered across Darwin plus 12 in Palmerston and four dwellings in Tennant Creek. A further three outstanding head-leases are awaiting CEO approval.



Housing Program Delivery Office

Remote Aboriginal employment

Under the National Partnership Agreements, this measurement is defined as Indigenous FTE for capital works and property and tenancy management. Effective recruitment can be attributed to the higher achievement than the estimated target.

New constructed public housing dwellings

The remaining 72 new dwellings are either under construction or will be completed in 2017–18.

Upgrades to remote public housing dwellings

The remaining nine dwellings are to be completed in 2017–18.

Dwellings receiving additional bedrooms or living spaces

Work was brought forward for the Room to Breathe program that was due to start in 2017–18. A total of 22 communities were identified for early works in 2016–17, with the majority of the works expected to be completed late 2017.



Community Development and Engagement

Aboriginal interpreting assignments completed

The variance in the target measurement and the actual achievement can be attributed to a small number of assignments commencing in the 2016–17 year and continuing as a carry-over in to the new financial year.

Aboriginal interpreting hours provided by qualified interpreters

The service experienced an increase in demand for qualified interpreters for a range of significant assignments, including two royal commissions.

Ethnic interpreting assignments completed

This was affected by the cancellation of interpreting assignments due to clients' failure to attend and/or the availability of interpreters for the job or language requested, in particular in emerging languages (where there is no NAATI testing available).

Proportion of service providers meeting delivery standards in homelands and town camps

The target measurement for the proportion of service providers meeting delivery standards in homelands and town camps was achieved through contractor performance audits and quality of completed work.



Local Government

Councils and local authorities funded and supported

The KPI of 80 represents 17 councils and 63 local authorities. During the year, the Local Government division provided grant funding to all councils and their respective local authorities. Officers from the division also provided support and assistance as required to the councils and their respective local authorities.

Council and local authority meetings attended

This represents the total number of local authority meetings where Department of Housing and Community Development staff attended.

Grants and subsidies acquitted

A way to measure accountability of public money paid as grants to the local government sector is by ensuring terms and conditions of funding agreements are being met by councils and ensuring public funds are being diligently acquitted back to the department. This key deliverable aims to assess how well local government grant funding agreements are managed.

This deliverable will be measured by comparing the number of grant agreements due for acquittal back to the department for the year ended 30 June and the number of actual annual acquittals received by the due date (per the funding agreement).

Scheduled compliance reviews completed

Each year the department's CEO sets the local government compliance program, which includes approving specific councils to be subject to a compliance review. In 2016-17, the CEO approved four councils to be subject to the compliance review, and all were completed within the financial year. The councils were:

1. West Daly Regional Council (August 2016)
2. West Arnhem Regional Council (October 2016)
3. MacDonnell Regional Council (February 2017)
4. Barkly Regional Council (March 2017).



The department's delivery of the infrastructure program is outlined in the table below.

Table 16: Expenditure against the Infrastructure program

	2016-17 original program \$'000	2016-17 revised program \$'000	2016-17 final cash budget \$'000	2016-17 actual expenditure \$'000
Major new works	321 399	349 193	152 306	96 661
Public housing	29 696	15 314	14 105	11 356
Government employee housing	27 931	28 037	18 052	15 390
Aboriginal housing and infrastructure ¹	263 772	305 842	120 149	69 915
Minor new works	16 475	16 472	16 062	17 539
Public housing	12 941	12 941	12 941	14 828
Government employee housing	3 086	3 086	3 086	2 676
Other ²	448	445	35	35
Total capital works	337 874	365 665	168 368	114 200
Public housing	42 637	28 255	27 046	26 184
Government employee housing	31 017	31 123	21 138	18 066
Aboriginal housing and infrastructure ¹	263 772	305 842	120 149	69 915
Other ²	448	445	35	35

1. Includes cash budget and actual expenditure for 'Construct and refurbish remote morgues' \$5.54 million program (managed by DIPL).

2. Minor new work managed by DIPL.

Business line: NT Home Ownership

Outcome: Provide opportunities for Territorians to own their own home, with a focus on new supply at the affordable end of the housing market.

The NT Home Ownership program provides home loan products and services to help eligible Territorians achieve affordable home ownership.

HomeBuild Access loans

HomeBuild Access loan products are targeted at the purchase and construction of new homes, increasing housing supply and providing home ownership opportunities for Territorians unable to access the private finance market.

The Territory-wide purchase price limits aim to provide home ownership opportunities at the more affordable end of the housing market.

To access HomeBuild Access loan products, the maximum purchase price of a home is \$475 000 for one or two-bedroom homes and \$550 000 for homes with three or more bedrooms.

There are two primary home loan products available:

1. The HomeBuild Access low deposit loan that:

- provides a home loan of up to 17.5 per cent of the purchase price
- has first mortgage finance of 80 per cent of the purchase price provided by People's Choice Credit Union
- has a minimum deposit contribution of 2.5 per cent from the purchaser
- does not have any income eligibility criteria
- is available to Territorians who have previously or currently own another property in Australia.

2. The HomeBuild Access Subsidised Interest Rate loan that:

- provides home loan finance of up to 98 per cent of the purchase price
- is only available to first home buyers
- has income eligibility limits of between \$80 000 for a single applicant through to \$127 500 for a household of six or more people.

HomeBuild Access also offers an off-the-plan deposit loan for Territorians who have been approved for finance through a HomeBuild Access low deposit loan. This loan provides up to 10 per cent of the purchase price on a new property or land for a deposit on an off-the plan purchase.

Territorians accessing the HomeBuild Access Subsidised Interest Rate loan can also access an interest free Fee Assistance loan of up to \$10 000. This loan provides help with the costs associated with the purchase a home, including conveyancing costs. Surplus funds can be used as a part of the applicant's 2 per cent deposit.



Details of the low deposit loans and subsidised interest loans funded during the 2015–16 and 2016–17 financial years are as follows:

Financial year	Low deposit loans funded		Subsidised interest loans	
	Quantity	Value \$'000	Quantity	Value \$'000
2015–16	146	\$12 649	2	\$779.2
2016–17	145	\$12 435	5	\$1,831

Loan portfolio balance

The loan portfolio balance at 30 June 2017 is \$165.1 million, which is in line with the budget estimate of \$165 million.

The 2016–17 movement in closing balance is negligible due to the value of existing loans being repaid being similar to the value of new loans funded throughout the financial year.

The 2017–18 estimate for the loan portfolio balance is \$166 million, which reflects the expectation that current relative movements within the loan portfolio will continue for another year.

Loan turnover rate

The 2016–17 estimated loan turnover rate was 11 per cent. The actual turnover rate was 10 per cent.

The forecasted rate is impacted by the value of accounts of existing clients who choose to pay out or refinance their product type home loans and the value of new clients who take up the HomeBuild Access-type loans.

The 2017–18 forecasted turnover rate is 10 per cent.

Loan accounts in arrears greater than 30 days

The 2016–17 actual loan accounts in arrears is 3.34 per cent, marginally higher than the estimated rate of 3 per cent.

The number of accounts in arrears is usually a response to general economic conditions.

Table 17: Key performance indicators

	2016–17 budget	2017–18 estimate	actual
NT Home Ownership Loan portfolio balance	\$165M	\$166M	\$165.1M
Loan turnover rate	11%	10%	10%
Loan accounts in arrears greater than 30 days	3%	2.8%	3.34%

Priorities for 2017–18 and beyond

Homelessness strategy and associated services

Develop and launch the NT Homelessness Strategy and five-year action plan in conjunction with the NGO sector. Work with the NGO sector to review current funding arrangements, including a review of service provision for most effective coverage to address areas of need. Contribute to negotiation of the new National Housing and Homelessness Agreement with the Australian Government and other states and territories. Commission a survey of rough sleepers in the Darwin and Katherine sector to inform the strategy and service provision. Monitor the outcome of the Homelessness Innovation Fund and Outcomes Framework launched in 2016–17. Build on the Homelessness Response Group initiative coordinated by NT Shelter and funded by the department to break the cycle of homelessness.

Urban Housing renewal, community housing and social head leases

Develop and launch the urban NT Community Housing Strategy to guide the development of the sector, informed by a public request for information to the industry to glean insight and learnings from the community housing sector in the NT and interstate. Begin the transfer of 750 dwellings to the community housing sector, building on earlier transfers. Expand on social head leasing to increase the availability of social housing dwellings to address the wait list. Continue the urban dwelling refurbishment and redevelopment program, including the urban stimulus program in all urban centres. Review the Urban Housing Strategy published in June 2016. Continue to promote affordable housing rentals as a housing pathway for social housing tenants, complemented by private rental bond assistance and the NT Home Ownership program.

Remote housing delivery

Implement the first year of the NT Government's 10-year \$1.1 billion remote housing program including:

- \$500 million in new remote housing
- \$200 million in additional repairs and maintenance focussed on preventative maintenance and local promotion of tenant education
- \$200 million in the Room to Breathe program to improve living spaces in existing dwellings
- \$200 million in additional repairs and maintenance focused on preventative maintenance and local promotion of tenant education.

Spend \$44.5 million on essential services infrastructure, including subdivisions, land servicing and headworks to support new dwellings. Complete the new dwelling and upgrade programs under the National Partnership Remote Housing programs. Work with communities to promote local employment, local delivery and local decision-making in communities throughout the program.

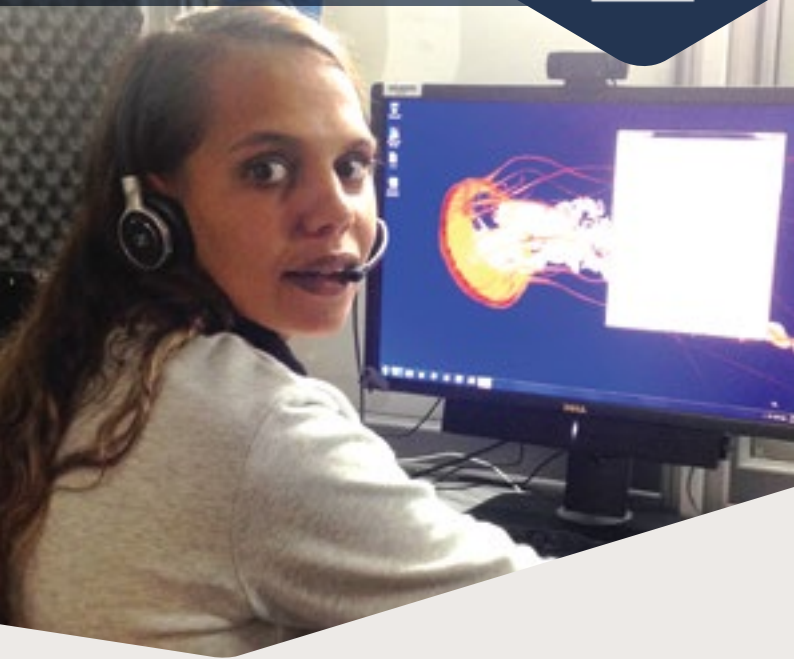
Homelands

Continue to fund and coordinate municipal and housing service delivery contribution for more than 400 homelands and outstations throughout the NT, over and above the 73 remote communities. Continue to fund municipal services in town camps.

Local Government sector funding and support

Work with the NT Electoral Commission and communities to ensure a successful outcome for the first local government elections in five years. Work with newly elected councils to promote effective governance and delivery of local government services. Continue to work with the local government sector and represented communities to promote effective local decision-making through strengthening the local authorities. Deliver the NT Government's commitment through the \$5 million Strategic Local Government Infrastructure Fund to support enhanced regional and community infrastructure. Finalise major revisions of the *Local Government Act* and *Cemeteries Act*.

Letitia Bartlett prepares to take a call in one of the audio visual booths.



THE DEPARTMENT

Interpreting runs in the family for Letitia

Letitia Bartlett has been a Warlpiri casual interpreter in the Alice Springs office for three years.

Letitia heard about the opportunity to work as an interpreter through her family, one of whom was also an interpreter.

What Letitia enjoys most about her job is the variety of different tasks and different people she works with.

She enjoys court house and hospital jobs because they have a good level of complexity and variety.

“Mental health interpreting is challenging,” Letitia said. “It’s hard to interpret because we don’t have an understanding of mental health in our culture, so it’s a new concept. Not many people talk about it. Sometimes there is no word in our language that corresponds with the English word”.

Letitia works around this by *“breaking the word down to get the meaning and choosing a different word with the same meaning”.*

Town Camps review

Finalise the independent report into the 43 town camps. Process findings and recommendations coming from the independent review, including submissions to the NT Government based on recommendations from the review.

Language services

Continue the expansion of the Aboriginal Interpreter Service including services outside the NT with increased employment of interpreters in urban and remote communities. Continue to use online technologies to promote and deliver interpreter services. Continue to deliver international language support services in the NT.

Enhanced service focus

Actively foster collaborative partnerships with partner government agencies, especially in the Children and Families cluster of agencies, NGO sector, industry, peak representative bodies and the communities themselves. Promote a focus on customer service at individual and community levels rather than an asset-intensive focus.

Organisation improvement

Deliver improved systems and tools, including tenancy management, procurement and asset management systems with effective mobility solutions enabling remote field-based data capture. Enhance call-taking and complaint management systems and enhance the customer experience in dealings with the department. Focus training and development in the organisation to provide staff with the skills and knowledge to deliver on their objectives. Promote a constructive can-do organisation culture for enhanced customer service and collaborative service delivery. Internal organisation improvement to maximise the benefit of shared effort and resources, particularly in remote areas. Deliver improved procurement and contract management. Deliver on the NT Government’s commitment to five-year grant funding arrangements.

04

CORPORATE GOVERNANCE





Governance

The Department of Housing and Community Development has a robust corporate governance regime with a range of structures, systems and processes that promote transparency, accountability, efficiency and effectiveness.

At 31 March 2017, the following committees provided governance and oversight of specific matters:

- Information Management Governance Committee
- Department and Union Consultative Committee
- Change Management Committee
- Work Health and Safety Steering Committee
- WHS worksite committee, Alice Springs
- WHS worksite committee, Barkly
- WHS worksite committee, Katherine
- WHS worksite committee, RCG Centre
- WHS worksite committee, Nhulunbuy
- WHS worksite committee, Service Delivery North
- Business Improvement and Risk Mitigation Group
- Asset Planning and Delivery Working Group.

The roles and responsibilities of each committee are detailed in their terms of reference.

The department strives to improve its governance arrangement by reviewing and refining its committees. None of the committees incur financial costs to the department.

Output group: Corporate and Governance

Outcome: Improved organisational performance through strategic and governance leadership and the provision of appropriate corporate functions.

Corporate and governance

Provide a range of enabling functions including executive services, financial services, human resource management, information and communication technology, communications and media, governance, procurement, and office services that support the department and NT Home Ownership to efficiently deliver services.

Governance in the Department of Housing and Community Development is guided by the following principles:

Service delivery

Professional, responsive and client-centric.

Community development

Strong and regular engagement of clients and stakeholders developing partnerships.

Leadership and management

A robust and transparent governance structure and strong executive leadership.

Integrity

Ethical behaviour and responsible decision making.

Financial management

Safeguarded financial integrity and accountability.

People

Caring for the wellbeing of our clients, contractors and staff.

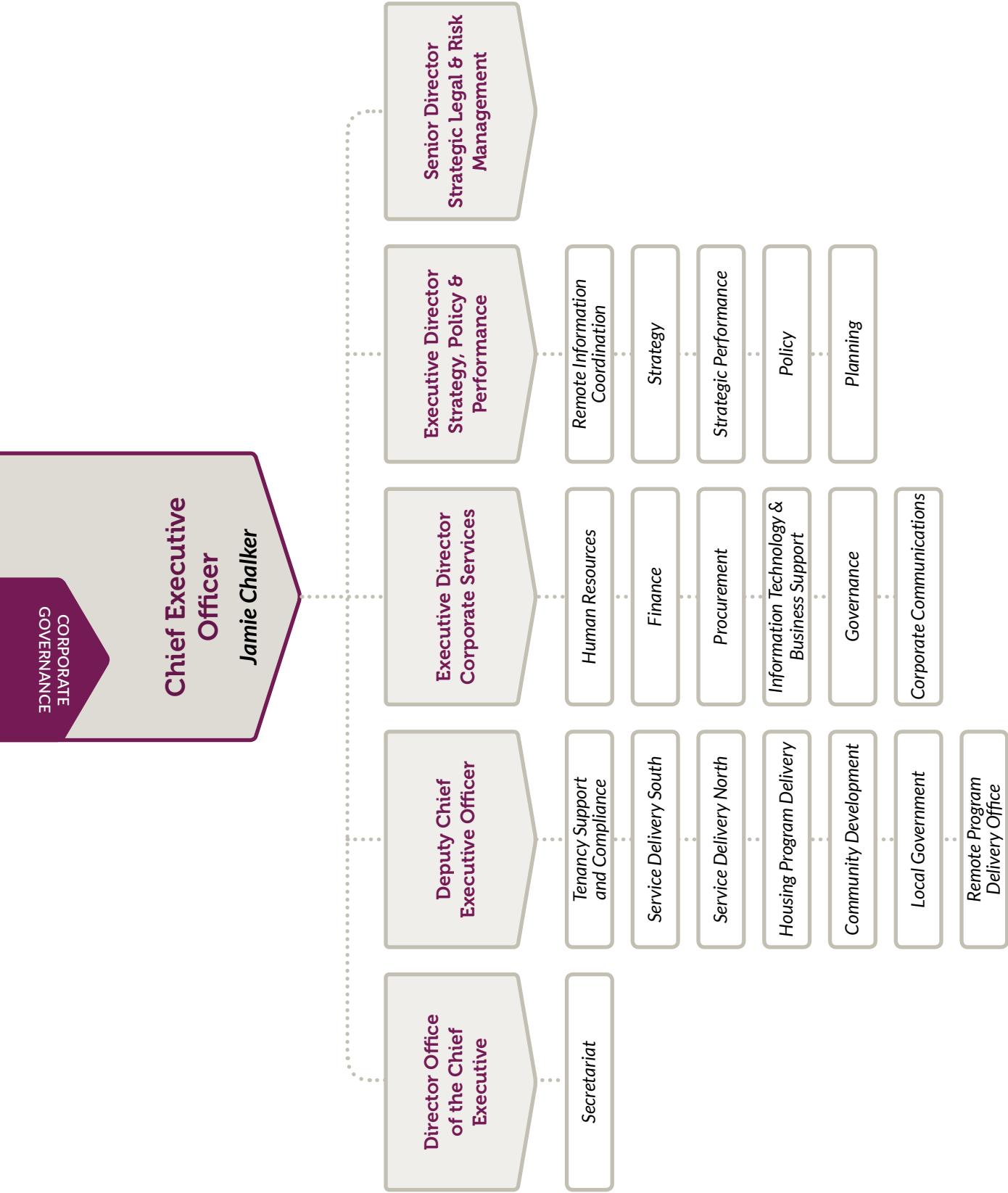
Communication

Open responsive and accessible communication and information processes.

Continuous improvement

Across all levels of the department including regions.

Organisation Chart



Audit findings and actions

The department participated in a high number of audits this year. The findings assured the department about what was working well and what could be improved. The requests for these audits were from a variety of sources. Details of the audits, including their source, identified findings and actions, are provided below.

Table 18: Department of Housing and Community Development external audits 2016–17

Focus of audit	Findings and actions
The End of Year Review, 2015–16 Department of Housing (NT Auditor-General)	<p>There were two findings, related to tenancy rebate processing times and appropriate evidence regarding valuation of land and buildings.</p> <p>There were five recommendations, and the department noted that one recommendation would not be relevant in the future due to scheduled activity. The department either accepted the remaining four recommendations as provided or agreed to alternative action.</p>
The End of Year Review, 2015–16 Department of Local Government and Community Services (NT Auditor-General)	<p>There were two findings, related to liabilities not being recognised and a receivable being incorrectly recognised.</p> <p>There were three recommendations. The department disagreed with one finding and its associated recommendations as it noted the relevant sections of the Treasurer’s Directions that were complied with. The department agreed to alternative action for the remaining recommendation.</p>
Local Government (Financial Assistance) Act Acquittal, 2015–16 Department of Local Government and Community Services (NT Auditor-General)	<p>There were no findings or recommendations for this audit.</p> <p>In accordance with the <i>Local Government (Financial Assistance) Act 1995</i>, a letter accompanied with the audit findings and acquittal was sent to the Commonwealth Department of Infrastructure and Regional Development on 10 October 2016.</p>
Northern Territory Government Travel Policy Framework Audit, July 2016 Department of Housing and Community Development (Department of the Chief Minister)	<p>There were eight findings, related to the inclusion of explicit justifications for travel, approvals prior to travel, acquittal within timeframes, approvals prior to bookings and inaccurate record management related to taxi e-ticket management.</p> <p>There were 11 recommendations. The department disagreed with two recommendations and either accepted the remaining nine recommendations as provided or agreed to alternative action.</p> <p>The recommendation to establish a control with the corporate travel provider that travel cannot be booked without an approved movement requisition was not agreed to as the department noted it was inappropriate for the travel provider to be responsible for NT Government internal approval processes.</p> <p>The recommendation to reinforce all staff to retain travel documents for acquittal purpose was noted as non-relevant because travellers are not part of the workflow for payment or retaining invoices, nor are invoices required for travel acquittal by travellers. This is checked by other staff.</p>



James Teh - Celebrating a decade of life in the Territory

A tenth anniversary is traditionally celebrated by receiving a gift of tin, but James Teh wanted to do something different. Instead, he gave the gift of ivory through a public piano recital at the Charles Darwin University Theatre in October 2016.

"It is a pleasure to celebrate a really nice milestone here in the NT", James said. "The decade has included lots of exciting opportunities and experiences, including living in the remote community of Yuendumu in Central Australia, where I was lucky enough to learn with the Warlpiri people. Spending that time out in the desert was a life-changing experience".

James's journey has taken him from a family mediation coordinator with the then Central Desert Shire Council in Yuendumu to various positions in the NT Government, including local government, lands administration and planning, and housing supply and delivery.

When James was deciding how to mark this special anniversary, he asked himself what his experience in the NT had meant so far.

"My experience in the Territory has shown there are lots of journeys to be taken, whether that's to a particular place that you are fond of or a life moment or experience you won't forget, and I thought that was a really nice theme to explore".

"As a whole, the Territory has got such marvellous landscapes, the vast geography and the stories, the people that you come across—there are so many adventures to be had, and these endear the NT to me".

In a recital featuring pieces that explored memories and journeys, James played the world premiere of two new piano works by Darwin composers Cathy Applegate and Nora Lewis. He will be holding more recitals across the Territory in 2017–18 to promote these local works. He has played the piano for around 30 years and has also been the Darwin Chorale's rehearsal pianist since 2011.

Focus of audit	Findings and actions
<p>Northern Territory Government Travel Policy Framework Audit, January 2017 Department of Housing and Community Development (Department of the Chief Minister)</p>	<p>There were four findings, related to timing of approvals of movement requisitions, the use of 'best fares' delegations and acquittals. The department agreed with three findings. The department agreed in part to the finding regarding delegations, noting that the delegations that were used could be interpreted in different ways and that this had been rectified.</p> <p>There were six recommendations, and the department accepted them in full.</p>
<p>Contract Management Audit Department of Housing (NT Auditor-General)</p>	<p>There were 19 findings, relating to formal procedures to confirm the accuracy of data in the Tenancy Management System, procedure manuals, Finance Fixed Assets Register, reconciliation of the housing stock information systems, property inspections and associated record management, pending finalisation of the results of the Future Intent Framework Assessment review, contract management, repairs cost threshold for non-trade works, inconsistent interpretation of contractors' KPI requirements, ASNEX reporting fields limitations, inspecting work on remote properties, open orders, turnover of unoccupied properties, 'available' dwellings, and management of damaged and abandoned goods.</p> <p>There were 19 recommendations. The department accepted 17 recommendations as provided or agreed to alternative action. The department disagreed with the finding regarding inspections on remote properties, confirming the activity was already occurring. The department noted the finding regarding the turnover of unoccupied dwellings and confirmed the current contract model is designed to employ people based in community for improved local knowledge and improved response times.</p>
<p>Own motion investigation – Tenancy Management Audit Department of Housing and Community Development (Ombudsman, Northern Territory)</p>	<p>Further information was provided to the Ombudsman upon request and a final audit report was not issued.</p>
<p>Contract Compliance Audit – Business Terms and Conditions, 2015 Department of Housing and Community Development (Department of Human Services)</p>	<p>The department participated in a subsequent educational activity with the Department of Human Services and a final audit report was not issued.</p>
<p>Contract Compliance Audit – Business Terms and Conditions, 2017 Department of Housing and Community Development (Department of Human Services)</p>	<p>There were two key findings, related to consent forms and notification of change of business details.</p> <p>There were four recommendations, which the department accepted.</p>

Focus of audit	Findings and actions
<p>Contract Compliance - Whole of Government - Employee Assistance Providers</p> <p>Department of Housing and Community Development (Department of Corporate and Information Services)</p>	<p>There were no findings specific to the Department of Housing and Community Development.</p>
<p>Fraud Assessment Framework</p> <p>Department of Housing and Community Development (NT Auditor-General)</p>	<p>There were nine findings at a whole-of-government level. The department noted the findings, acknowledged the review as a timely reminder of the increasing incidence of fraud and committed to address the issues raised.</p>
<p>Excessive Leave Entitlement Analysis</p> <p>Department of Housing and Community Development (NT Auditor-General)</p>	<p>There were three findings regarding monitoring and managing excess annual leave and reconciling staff numbers on long-service and annual leave reports.</p> <p>There were two recommendations. The department confirmed it had been reducing the liability that excessive leave entitlements could create for the department through regular assessment of recreation and long-service leave and that the department encourages staff to use leave to have adequate breaks from the workplace.</p>
<p>Agency Compliance Audit, 2017</p> <p>Department of Housing and Community Development (NT Auditor-General)</p>	<p>There were four key findings. These referenced accountability controls relating to payments and procurement, the Risk and Audit committee, internal audits and reconciliations of property, plant and equipment.</p> <p>There were seven recommendations. The department disagreed with the finding and recommendation referencing accountability controls relating to payments and procurement and was able to produce the information originally requested. The department agreed in part to the finding relating to the reconciliation of property, plant and equipment and agreed to the related recommendations in full.</p> <p>The department accepted in full the remainder of the findings and recommendations.</p>

Table 19: Department of Housing and Community Development internal audit, 2016-17

Focus of audit	Findings and actions
<p>Independent Probity Audit – Awarding of Contract A15-0031 - Alice Springs Town Camps (Chief Executive Officer, Department of Housing and Community Development)</p>	<p>There were 12 findings. These referenced aberrant pricing, value for money score, Aboriginal development plan proposals, allegations of bias, the tender assessment plan, objectivity of the assessment panel, publishing of the future tender opportunity, probity advisor appointment, communication with tenderers during assessment, referee checks, declaration of interests and confidentiality forms and maintenance of records. There were 22 recommendations. The department accepted the findings and recommendations in full.</p>



Table 20: NT Home Ownership external audits, 2016–17

Focus of audit	Findings and actions
Financial Statement Audit, 2015–16 (NT Auditor-General)	There was one finding, that NTHO did not obtain assurance that the information technology control environment at its outsourced service provider was effective. The department agreed to obtain this assurance.
Interim Financial Statement audit, 2016–17 (NT Auditor-General)	There was one finding, that NTHO did not obtain assurance that the information technology control environment at its outsourced service provider was effective. The department confirmed it would continue to pursue an appropriate and compliant letter of assurance.
Excessive Leave Entitlement Analysis (NT Auditor-General)	There were no findings and one recommendation to monitor and manage excess annual leave. NTHO confirmed it had been monitoring the liability that excessive leave entitlements could create for NTHO through regular assessment of recreation and long-service leave and that NTHO encourages staff to use leave to have adequate breaks from the workplace.
Fraud Assessment Framework (NT Auditor-General)	There were nine findings at a whole-of-government level. The department noted the findings, acknowledged the review as a timely reminder of the increasing incidence of fraud and committed to address the issues raised.

The department has been ensuring a strong focus on procurement compliance, performance and risk mitigation at a whole of agency level. This has fostered a more collaborate procurement process that is seeing procurement managed more efficiently and has raised the profile of the importance of the procurement function in the department. The department is also instigating extensive project management training throughout the department to further support management of services.



Sharon MacMillen and Norman George are both based in the Katherine office.

Risk management

Risk management is most effective when integrated in core business and based on processes that are consistent, transparent, repeatable, controlled and regularly reviewed.

The department manages risks at strategic, operational and project levels. A risk and audit manual provides consistency, and risk management is embedded in procurement and project development activities to provide increased assurance in these areas.

In 2016–17, the department considered a broad range of risks, including the safety of people, business continuity, reduced community confidence, legislative or regulatory compliance and financial and or asset losses.

A Business Improvement and Risk Mitigation Group identified and addressed risks that arose from frontline service delivery, and committees monitored risks in their areas of work.



Helping our people understand and get the right message

Sharon MacMillen has been a Community-Based Interpreter in Katherine for the past four years and has been interpreting in communities since 1999.

Most of Sharon's work is based in the courts, hospital and Centrelink where she interprets in Kriol, Gurindji and Ngarinyman.

Sharon says the most rewarding part of her work is the role she plays in the bush courts in Yarralin, Lajamanu, Kalkarindji, Timber Creek, Ngukurr and Borroloola. *“Helping people understand why they are facing the court, what the terms of reference are and the conditions they have to abide by is important,”* she said.

Having one of their own people there to explain the legal workings of the Supreme Court, like why the jury is leaving the courtroom and when they will return, is important, Sharon explained. There are lots of big and intimidating words used in courts, so having someone there to explain what everything means *“makes things a bit easier”*.

In her role in the Katherine office, Sharon is also a mentor to new staff, providing encouragement and support by having them shadow the more experienced interpreters for three jobs before going out on their own. *“For a new interpreter, going into court for the first time can be really scary, but we give them extra support”*, she said.

CORPORATE GOVERNANCE

Insurance arrangements

Treasurer’s Directions (TD) M2.1 Insurance arrangements requires that Northern Territory Government agencies provide information about self-insurance and commercial insurance arrangements, including:

- mitigation strategies and processes employed to reduce the risk for each insurable risk category
- the total number, value and average cost of self-insurance claims for each insurable risk category
- total commercial insurance premium expenditure.

The insurable risk categories are workers’ compensation, property and assets, public liability and indemnity.

Table 21: Department of Housing insurable risk categories and mitigation strategies, 2016-17

Insurable risk category	Mitigation strategies
Workers’ compensation	The department has a structured work health and safety management system that provides all staff with a range of policies, guidelines, reference material and practical tools to mitigate personal risk and minimise the potential for work-related illness or injury.
Property and assets	A repairs and maintenance program is in place for property and asset management and is implemented by both the Department of Infrastructure for staff-occupied buildings and by the Department of Housing and Community Development for housing stock and assets.
Public liability	Procurement policies and processes ensure contractors and service providers have appropriate credentials and insurances in place. Operational processes and procedures are in place to ensure the timely repair and maintenance of assets to minimise risk to tenants and clients. Early identification of hazards helps to minimise risk of harm.
Indemnity	Risk assessment is conducted in relation to contracts and agreements. Advice is sought to identify potential issues affecting the department on strategic projects. The department keeps a list of indemnities.

Workers compensation¹

There were three new claims against the department in 2016–17.

Table 22: Workers' compensation claims against the department, 2015–16 and 2016–17.

Status of claims	2015–17
Open claims at the beginning of the report period (1 July 2015)	5
New claims received, 1 July – 30 June	3
Claims resolved or closed off, 1 July – 30 June	5
Current claims as at the end of the reporting period (30 June 2016)	4

Source: Department of Corporate and Information Services

Table 23: Self-insured risks and claims, 2015–16 and 2016–17

Workers' compensation	2015–16	2016–17
Total value of claims	\$217,726	\$368,484
Number of claims	7	9
Average cost of claims	\$31,104	\$40,943

A total of 395 days 'lost time' (where the employee was unable to attend work), which relates to four workers' compensation claims, was recorded during 2016–17.

Note: Lost days is claim based from Figtree (Risk Management Information) Systems and does not include any use of personal leave or leave without pay (i.e. PIPS leave).

¹ Data sourced from Workplace Injury Solutions, Department of Corporate and Information Systems

Public liability

During 2016–17, the department had \$52 470 in approved public liability insurance premiums. There were no claims made under this policy during the reporting period.

Table 24: Commercial insurance expenditure, 2015–16 and 2016–17

Insurance type	2015–16 actual \$	2016–17 actual \$
Public liability insurance	\$51,422	\$52,470
Total insurance expenses	\$51,422	\$52,470

Motor vehicle

During 2016–17, 37 vehicles were repaired for damage. A comparison of vehicles damaged over the past two financial years is below.

Table 25: Motor vehicle damage comparison

Motor vehicles damaged	2015–16	2016–17
Number of vehicles	19	18
Value of claims*	\$32 939	67 978
Average cost of claim	\$1 734	\$3 777

Source: NT Fleet

*Value of claims includes motor vehicle accident repairs and cost of vehicles written off in accidents

**Figures represented at 30 June 2016 incorporate both previous Department of Housing and Department of Local Government and Community Services.

The *Information Act* and the department

The Department of Housing and Community Development holds information relevant to its functions and services, including a high volume of personal and sensitive information.

Under the provisions of the *Information Act*, the department ensures all information relating to its operations is recorded and documented in accordance with the Records Management Standards and Part 9 of the *Information Act* and complies with the Information Privacy Principles of the Act.

Information Access unit

The Information Access unit provides advice and assistance to the department and enables stakeholders and clients to access government or personal information in accordance with the formal process of the *Information Act* or where possible, through the department's informal process for personal information.

The unit ensures the department complies with the provisions of the *Information Act* and the Information Privacy Principles as well as providing assistance in information support to law enforcement agencies such as the Australian Federal Police, Northern Territory Police, animal welfare inspectors and council rangers. The unit also works closely with the Office of the Coroner, Ombudsman NT, Territory Families, non-government support agencies, and local, state and federal courts.

Informal access provisions are in place, allowing an individual to access their personal information without having to lodge a formal request under the *Information Act*. On production of adequate identification, documents can be released to the individual. Only an individual's own personal information can be accessed through this process. Requests for government information or complete personal files must be made through the formal *Information Act* process.

More information on how to access government and/or personal information or how to apply for correction of personal information is available at www.dhcd.nt.gov.au/our-services/access-to-information.

Information requests

A total of 165 new information requests were made to the department in 2016–17. The majority of requests received were for personal information relating to tenancies, with most of these being from legal advocates and other organisations assisting clients to access their personal information.

Table 26: Information requests made, 2015–16 and 2016–17

Applications received under the <i>Information Act</i>	2015–16	2016–17
Accepted applications outstanding	1	1
Applications to access personal information	165	151
Applications to access government information	17	11
Applications to access government and personal information (mixed application)	4	2
Total applications received 1 July to 30 June	187	165

Source: Department of Housing and Community Development

Table 27: Outcome of information requests, 2015-16 and 2016-17

Outcome of applications processed	2015-16	2016-17
Accepted applications withdrawn	9	4
Applications transferred to another agency	1	0
Unaccepted applications	0	0
Applications completed within 30 days	177	161
Applications completed in more than 30 days	0	0
Open applications at end of period	0	0
Total applications completed 1 July 2016 to 30 June 2017	187	165

Source: Department of Housing and Community Development

05

FINANCIAL REPORTS

DEPARTMENT OF HOUSING
AND COMMUNITY
DEVELOPMENT



Financial statement overview

For the year ended 30 June 2017

The Department of Housing and Community Development's key functions are to provide services in affordable and accessible housing, local government and community development across the NT.

The Department of Housing and Community Development's key functions are to provide services in affordable and accessible housing, local government and community development across the NT.

The department provides housing support across a continuum from homelessness, supported accommodation, public housing and affordable housing, through to the private rental market and home ownership. The department builds stronger regions and communities through effective local government, delivers and coordinates essential infrastructure projects and services to remote communities, and provides interpreting and translating services to support members of our community who speak a language other than English.

This department was formed with effect from 1 July 2016, following the issue of Administrative Arrangement Orders by the new government

on 12 September 2016. The functions of this department were transferred from the former Department of Housing and the former Department of Local Government and Community Services. Elements of the former Department of Local Government and Community Services also transferred to other agencies. As a result, references to the 'Original Budget' relate to the combined budget of the former agencies following consolidation for the 2016-17 mid-year report.

The department's financial performance is reported in the following financial statements consisting of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement, and the notes accompanying those statements.

Key financial results for the department are:

	2016-17 actual \$M	2016-17 original budget \$M
Revenue	488.62	471.81
Expenditure	621.27	642.01
Net surplus/(deficit)	(132.65)	(170.20)
Comprehensive income	738.35	
Comprehensive result	605.70	(170.20)

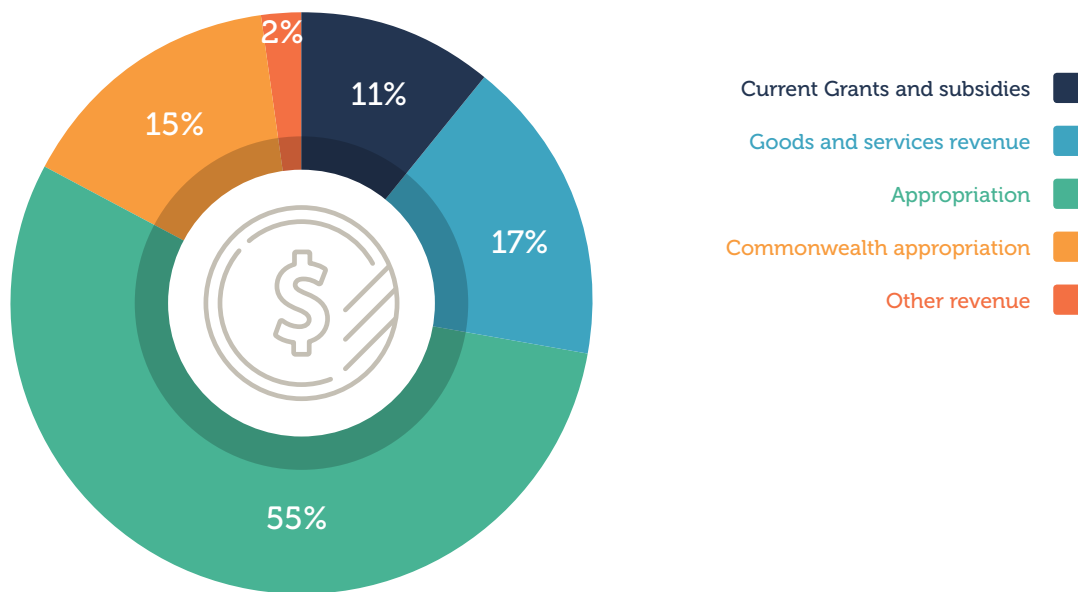
Comprehensive Operating Statement

The Comprehensive Operating Statement shows that \$488.62 million of revenue was received by the department but was exceeded by \$621.3 million of expenditure resulting in a net deficit of \$132.7 million for the financial year, compared to a budgeted deficit of \$170.2 million.

Other comprehensive income of \$738.4 million relates to \$632.6 million due to the revaluation of remote dwellings to fair value at 30 June 2017. These dwellings were previously carried in the books at nil value. The remaining \$105.7 million relates to the transfer-in of revaluation reserves as a result of machinery of government changes.

This adjusted the overall comprehensive result of the department to \$605.7 million.

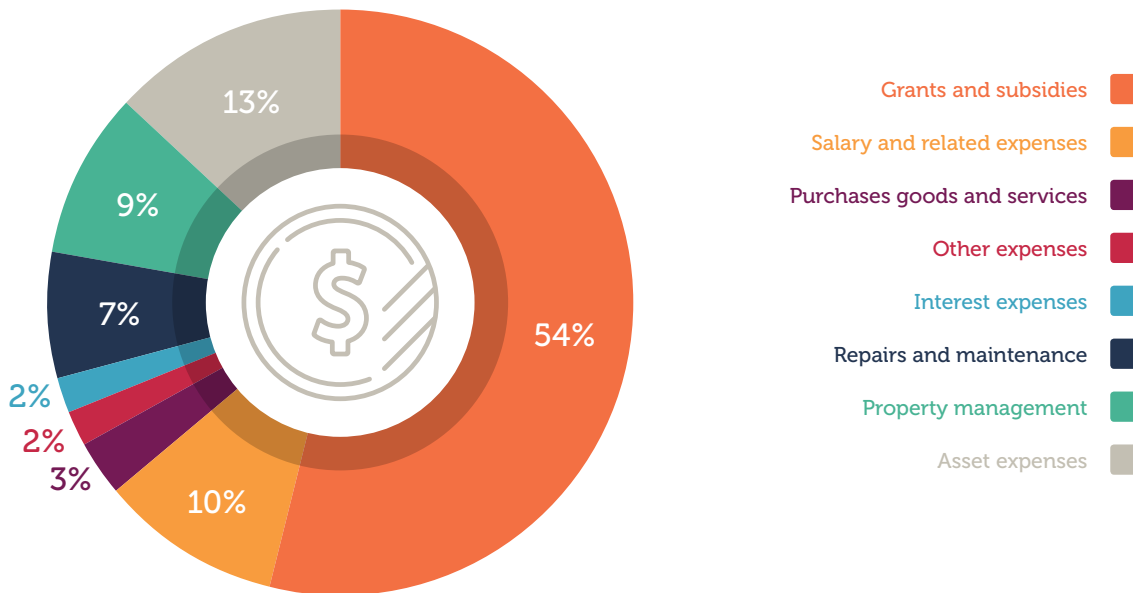
Chart 11: Operating revenue



Operating revenue received for the year was \$488.6 million. This includes, goods and services revenue of \$81.6 million from housing tenancy charges and income earned from language interpreter services.

The highest portion of revenue received was from Northern Territory Appropriation (\$268.8 million). Commonwealth Appropriation was \$74.4 million. Current grants and subsidies of \$53.3 million were also primarily received from the Commonwealth for Local Government grants, Aboriginal interpreting services, asbestos removal and homelands grants.

Chart 12: Expenditure



The department's operational expenditure was \$621.3 million. The payment of grants and subsidies contributes to 54 per cent (\$331 million) of total operational expenditure. These are largely grants to local councils and non-government organisations for the provision management services, repairs and maintenance to remote communities.

Personnel expense is 10 per cent (\$61.7 million) of our total expenditure, with goods and services expenditure being \$19.7 million. Interest expense from borrowings and finance leases is \$12.1 million. The remainder of operational expenses directly relate to expenditure on our housing assets, these being repairs and maintenance of \$42.4 million and property management of \$56.6 million. Non-cash asset expenses are \$83.4 million including \$80.2 million in depreciation and amortisation charges across the urban and remote housing portfolios.

Balance Sheet

Total assets of the agency are \$3.57 billion consisting mainly of \$3.283 billion in public housing assets.

Total liabilities is \$118.4 million, which consists largely of borrowings from NT Treasury Corporation.

Cash Flow statement

The department received \$10.5 million from the proceeds of asset sales through public auctions and invested \$114.5 million in capital works, upgrading dwellings and building new dwellings in 2016-17. Capital works were largely funded through capital appropriation of \$185 million.

Certification of the Financial Statements

We certify that the attached financial statements for the Department of Housing and Community Development have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer’s Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2017 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



JAMIE CHALKER
Chief Executive Officer

31 August 2017



KEN TINKHAM
Chief Financial Officer

31 August 2017

Comprehensive Operating Statement

For the year ended 30 June 2017

	Note	2017 \$'000
INCOME		
Grants and subsidies revenue		
Current		53 305
Appropriation		
Output		268 756
Commonwealth		74 488
Sales of goods and services		81 586
Goods and services received free of charge	4	8 311
Other income		2 169
TOTAL INCOME	3	488 615
EXPENSES		
Employee expenses		61 719
Administrative expenses		
Purchases of goods and services	5	19 682
Repairs and maintenance	6	42 358
Property Management		56 626
Depreciation and amortisation		80 280
Asset Expenses	7	418
Other administrative expenses	8	13 646
Grants and subsidies expenses		
Current		267 785
Capital		60 473
Community service obligations		3 445
Interest expenses	9	12 113
Loss on disposal of assets	10	2 722
TOTAL EXPENSES	3	488 615
NET SURPLUS/(DEFICIT)		(132 652)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to net deficit		
Changes in asset revaluation surplus		738 352
TOTAL OTHER COMPREHENSIVE INCOME		738 352
COMPREHENSIVE RESULT		605 700

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

Balance Sheet

For the year ended 30 June 2017

	Note	2017 \$'000
ASSETS		
Current Assets		
Cash and deposits	12	243 353
Receivables	13	17 584
Prepayments		1 999
Advances		667
Total current assets		263 603
Non-current Assets		
Property, plant and equipment	14,15	3 283 029
Leased property, plant and equipment	14	21 061
Total non-current assets		3 304 090
TOTAL ASSETS		3 567 693
LIABILITIES		
Current liabilities		
Deposits held	19	1 962
Payables	16	3 790
Borrowings and advances	17	2 540
Provisions	18	7 564
Other liabilities	19	4 762
Total current liabilities		20 618
Non-current liabilities		
Borrowings and advances	17	92 835
Deposits held	19	4 911
Total non-current liabilities		97 746
TOTAL LIABILITIES		118 364
NET ASSETS		3 449 329
EQUITY		
Capital		1 955 920
Asset revaluation reserve	21	1 755 418
Accumulated funds		(262 009)
TOTAL EQUITY		3 449 329
TOTAL ASSETS		3 567 693

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
2016-17					
Accumulated Funds					
		(235 099)	(132 652)	-	(367 751)
Transfers from reserves		-	105 742	-	105 742
		(235 099)	(26 910)	-	(262 009)
Asset Revaluation Reserve	21	1 112 808	642 914	-	1 765 722
Transfers to Accumulated Funds		-	(10 304)	-	(10 304)
		1 122 808	632 610	-	1 755 418
Capital – Transactions with Owners		1 729 345	-	-	1 729 345
Equity injections					
Capital appropriation		-	-	56 304	56 304
Equity transfers in		-	-	8 317	8 317
Other equity injections		-	-	136 332	136 332
National partnership payments		-	-	128 722	128 722
Equity withdrawals					
Capital withdrawal		-	-	(7 662)	(7 662)
Equity transfers out		-	-	(95 438)	(95 438)
		1 729 345	-	226 575	1 955 920
Total Equity at End of Financial Year		2 617 054	605 700	226 575	3 449 329

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 30 June 2017

	Note	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
Grants and subsidies received		
Current		53 305
Appropriation		
Output		268 756
Commonwealth		74 488
Commonwealth		74 488
Receipts from sales of goods and services		92 390
Total Operating Receipts		488 939
Operating Payments		
Payments to employees		(59 117)
Payments for goods and services		(128 981)
Grants and subsidies paid		
Current		(267 785)
Capital		(60 473)
Community service obligations		(3 445)
Interest paid		(12 113)
Total Operating Payments		(531 914)
Net Cash from Operating Activities	22	(42 975)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing Receipts		
Proceeds from asset sales	10	10 486
Total Investing Receipts		10 486
Investing Payments		
Purchases of assets		(114 312)
Advances and investing payments		(168)
Total Investing Payments		114 480
Net Cash from Investing Activities		(103 994)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Proceeds of borrowings		1 973
Deposits received		
Equity injections		
Capital appropriation		56 304
Commonwealth appropriation		128 721
Other equity injections		136 332
Total Financing Receipts		323 330

For the year ended 30 June 2017

Financing Payments	Note	2017 \$'000
Repayment of borrowings		(2 004)
Finance lease payments		1 935
Equity withdrawals		(7 662)
Total Financing Payments		(7 731)
Net Cash from Financing Activities		315 599
Net increase in cash held		168 630
Cash at beginning of financial year		74 723
CASH AT END OF FINANCIAL YEAR	12	243 353

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

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Notes to the Financial Statements

For the year ended 30 June 2017

1. Objectives and funding

The Department of Housing and Community Development provides accommodation pathways, housing options and client support for those in need, empowers and supports communities to grow through respectful engagement, including through the delivery of interpreting and translating services, delivers remote essential services and land tenure outcomes, and assists in developing and supporting local governments and homelands.

Additional information in relation to the Department of Housing and Community Development and its principal activities may be found in the performance section of the Annual Report.

The Department is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. Approximately seventeen per cent of all operating revenue is collected from tenants and the public. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the agency are summarised into two output groups:

1. Housing and Community Development output group with the following outputs:

- Housing Services Delivery
- Housing Program Delivery Office
- Community Development and Engagement
- Local Government

2. Corporate and Governance outgroup with the following output:

- Corporate and Governance

Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by output group.

a) Machinery of Government Changes

Transfers In

Details of Transfer:

Local Government and Community Services units transferred from the Department of Local Government and Community Services

Basis of Transfer:

Administrative Arrangements Order
12 September 2016

Date of Transfer:

Effective from 1 July 2016

The assets and liabilities transferred as a result of this change were as follows:

Assets	\$'000
Cash	132 263
Receivables	5 681
Property, Plant and Equipment	9 572
	147 516
Liabilities	
Payables	228
Provisions	2 391
Other liabilities	1 737
	4 356
Net Assets	143 160

Notes to the Financial Statements

For the year ended 30 June 2017

2. Statement of significant accounting policies

a) Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department of Housing and Community Development to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- i. a Certification of the Financial Statements
- ii. a Comprehensive Operating Statement
- iii. a Balance Sheet
- iv. a Statement of Changes in Equity
- v. a Cash Flow Statement
- vi. applicable explanatory notes to the Financial Statements

b) Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17:

AASB 124 Related Party Disclosures

This standard applies to not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value.

Notes to the Financial Statements

For the year ended 30 June 2017

The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

While for lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that approximately \$107 million in operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the comprehensive income statement the operating lease expense will be replaced with a depreciation expense relating to the right to use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from contracts with customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue with Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

While the full impacts are yet to be determined, potential impacts identified include:

- Grants received to construct or acquire a non-financial asset will be recognised as a liability, and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt.
- Grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt.
- Grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on future financial reporting.

c) Reporting Entity

The financial statements cover the department as an individual reporting entity.

The Department of Housing and Community Development is a Northern Territory department established under the *Interpretation Act Administrative Arrangements Order*.

The principal place of business of the department is: 47 Mitchell Street, Darwin, Northern Territory 0800.

Notes to the Financial Statements

For the year ended 30 June 2017

d) Agency and Territory items

The financial statements of the Department of Housing and Community Development include income, expenses, assets, liabilities and equity over which the Department of Housing and Community Development has control (agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements.

The Department of Housing and Community Development does not collect any Territory items on behalf of the Central Holding Authority.

e) Comparatives

Comparative information for the 2015–16 financial year has not been provided in these statements due to the machinery of government changes disclosed at note 1(a) making detailed comparatives not able to be measured reliably.

f) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2016–17 as a result of management decisions.

h) Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

For the year ended 30 June 2017

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

i) Goods and Services tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

j) Contributions by and distributions to Government

The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Comprehensive operating statement by output group

	Note	Housing and Community Development 2017 \$'000	Corporate and Governance 2017 \$'000	Total 2017 \$'000
INCOME				
Grants and subsidies revenue				
Current		53 305	-	53 305
Appropriation				
Output		253 694	15 062	268 756
Commonwealth		74 488	-	74 488
Sales of goods and services		81 586	-	81 586
Goods and services received free of charge	4	8 207	104	8 311
Other income		2 169	-	2 169
TOTAL INCOME		473 449	15 166	488 615
EXPENSES				
Employee expenses		50 912	10 807	61 719
Administrative expenses				
Purchases of goods and services	5	16 956	2 726	19 682
Repairs and maintenance	6	42 231	127	42 358
Property management		55 224	1 402	56 626
Depreciation and amortisation		79 523	757	80 280
Asset expenses	7	418	-	418
Other administrative expenses ¹	8	13 542	104	13 646
Grants and subsidies expenses				
Current		267 785	-	267 785
Capital		60 473	-	60 473
Community service obligations		3 445	-	3 445
Interest expenses	9	12 113	-	12 113
Loss on disposal of assets	10	2 722	-	2 722
TOTAL EXPENSES		605 344	15 923	621 267
NET (DEFICIT)		(131 895)	(757)	(132 652)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net deficit				
Changes in asset revaluation surplus		738 352	-	738 352
TOTAL OTHER COMPREHENSIVE INCOME		738 352	-	738 352
COMPREHENSIVE RESULT		606 457	(757)	605 700

¹ Includes DCIS service charges.

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

Income

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then on passed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
 - the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
 - the amount of revenue can be reliably measured
 - it is probable that the economic benefits associated with the transaction will flow to the agency
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably
- Rendering of Services
- Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:
 - the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
 - it is probable that the economic benefits associated with the transaction will flow to the entity.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Goods and services received free of charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense. See Note 4.

Disposal of assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 10.

Notes to the Financial Statements

For the year ended 30 June 2017

Contributions of assets

Contributions of assets and contributions to assist in the acquisition of assets, being non reciprocal transfers, are recognised, unless otherwise determined by government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

4. Goods and services received free of charge

	2017 \$000
Department of Corporate and information services	8 311
	8 311

5. Purchases of goods and services

	2017 \$000
The net deficit has been arrived at after charging the following expenses	
Goods and services expenses:	
Consultants	5 005
Advertising	6
Marketing and promotion	211
Document production	39
Legal expenses	398
Recruitment	26
Training and study	569
Official duty fares	1 064
Accommodation	483
Travelling allowance	619
Agency service arrangements	2 902
Motor vehicle expenses	2 212
Information Technology expenses	4 021
Communications	870
Audit Fees	159
Other operating expenses	1 098
	19 682

Notes to the Financial Statements

For the year ended 30 June 2017

6. Repairs and maintenance

	2017 \$000
Repairs and maintenance program	38 892
Capital works projects which could not be capitalised	3 466
	42 358

Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with agency assets as part of output appropriation. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

7. Asset expenses

	2017 \$000
Assets demolished	418

8. Other administrative expenses

	2017 \$000
Doubtful debts expense	4 412
Write offs and losses	781
Commonwealth repayments	142
Goods and services received free of charge	8 311
	13 646

9. Interest

	2017 \$000
Interest Expense – Borrowings	9 732
Interest Expense – Finance Leases	2 381
	12 113

Notes to the Financial Statements

For the year ended 30 June 2017

Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

10. Loss on disposal of assets

	2017 \$000
Net proceeds from the disposal of non-current assets	10 486
Less: Carrying value of non-current assets disposed	(13 208)
Total loss on disposal of assets	(2 722)

11. Write-offs, postponements, waivers, gifts and ex gratia payments

	2017 \$000	No. of Trans.
Write-offs, postponements and waivers under the <i>Financial Management Act</i>		
Represented by:		
<i>Amounts written off, postponed and waived by delegates</i>		
Irrecoverable amounts payable to the Territory or an agency written off	235	165
Total written off, postponed and waived by delegates	235	165
<i>Amounts written off, postponed and waived by the Treasurer</i>		
Irrecoverable amounts payable to the Territory or an agency written off	523	101
Waiver or postponement of right to receive or recover money or property	23	1
Total written off, postponed and waived by the Treasurer	546	102
Write-offs, postponements and waivers authorised under other legislation		
Gifts under the <i>Financial Management Act</i>	-	-
Gifts authorised under other legislation	-	-
Ex-gratia payments under the <i>Financial Management Act</i>	-	-

Notes to the Financial Statements

For the year ended 30 June 2017

12. Cash and deposits

	2017 \$000
Cash on hand	5
Cash at bank	243 348
	243 353

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 19.

13. Receivables

Current	2017 \$000
Accounts receivable	45 893
Less: allowance for impairment losses	(35 549)
	10 344
GST receivables	3 840
Other receivables	3 400
	7 240
Total receivables	17 584

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 23 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days and other receivables within 60 days.

Allowance for impairment losses - rental and other charges

The collectability of debts is assessed at year end for current rental, current maintenance and other debtors. An allowance for doubtful debts is made when there is objective evidence that a rental receivable is impaired. It is not considered practical to provide a specific allowance. The amount of the allowance as such has been measured as the difference between the carrying amount and the future cash flows expected to be received within the next 12 months from each category of rental debtor. This practice diverges from the accounting standard AASB 137.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Notes to the Financial Statements

For the year ended 30 June 2017

14. Property, plant and equipment

Buildings: Housing Rental Properties	
Urban rental properties	
Urban vacant land at fair value	15 868
Urban improved land at fair value	809 976
Urban buildings at fair value	781 054
	1 606 898
Remote rental properties	
Remote buildings at fair value	2 933 590
Less: accumulated depreciation	(1 307 989)
	1 625 601
Total rental dwellings	3 232 499
Public buildings – remote training centres	
At fair value	12 761
Less: accumulated depreciation	(7 765)
	4 996
Land – cemeteries and land under training centres	
At fair value	3 700
Construction (work in progress)	
At capitalised cost	40 262
Plant and equipment	
At fair value	8 327
Less: accumulated depreciation	(6 755)
	1 572
Total property plant and equipment	3 283 029
Leased property, plant and equipment	
Land under finance lease - at capitalised cost	21 320
Less: accumulated amortisation	(259)
	21 061
Total non-current assets	3 304 090

2017 property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016–17 is set out below:

	Land - cemeteries and land under training centres \$'000	Land - urban rental properties \$'000	Buildings - urban rental dwellings \$'000	Buildings - remote rental dwellings \$'000	Training centres \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000	Leased property, plant and equipment \$'000	Total \$'000
Carrying amount as at 1 July 2016	-	846 734	855 017	912 589	-	687	2 127	18 675	2 635 829
Additions	-	296	-	-	-	113 955	62	586	114 899
Disposals	-	-	(13 561)	(229)	-	-	-	-	(13 790)
Depreciation	-	-	-	(1 307 989)	(245)	-	(757)	(500)	(1 309 491)
Additions/(disposals) from administrative restructuring	3 670	-	-	-	-	-	54	-	3 724
Additions/(disposals) from asset transfers	30	63	22 506	48 382	5 241	(74 380)	86	576	2 504
Revaluation increments/ (decrements)	-	(12 972)	(91 264)	1 972 927	-	-	-	1 724	1 870 415
Other movements <i>Transfers between asset classes</i>	-	(8 277)	8 356	(79)	-	-	-	-	-
Carrying amount as at 30 June 2017	3 700	825 844	781 054	1 625 601	4 996	40 262	1 572	21 061	3 304 090

Notes to the Financial Statements

For the year ended 30 June 2017

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset. The department's policy is not to componentise assets with values less than \$5 million.

Subsequent additional costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (work in progress)

Rental dwellings

The capital works for the construction of urban, remote and government employee dwellings are funded through capital appropriation directly to the Department of Housing and Community Development, the expenditure as it is incurred is recognised in construction work in progress. Capital works funded through the NPRH is also recognised in construction work in progress. On completion, the projects are recognised as either an asset or an expense, dependent on our capitalisation policy.

Acquisitions

Constructed rental dwellings, upgrading costs and minor capital works carried out on existing rental dwellings are recorded at their expended completed contract price, including tendering costs, contract management and supervision fees and all fees and charges relating to construction as property assets. Rental dwelling contracts not completed at 30 June 2017 are stated as works in progress.

Demolitions/gifts

Obsolete rental dwellings demolished and dwellings which are gifted or reverted under land rights legislation are written off in the financial year of occurrence. The write-offs represent the written down historical cost component of such dwellings. Appropriate adjustments are made against the asset revaluation reserve where previous revaluations have occurred.

Sales

Dwellings to be sold are valued immediately prior to the sale. The department's policy is to record the difference between the sale price and the asset carrying amount as a gain or loss on sale.

Remote training centres and leased office accommodation

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for remote training centres and office accommodation capital works is provided directly to them and the cost of construction work in progress is recognised as an asset of that department. Once completed, the capital works assets is transferred to the Department of Housing and Community Development.

Notes to the Financial Statements

For the year ended 30 June 2017

Revaluations and impairment

Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date.

The Department of Housing and Community Development revalued the following class of assets as at 30 June 2017:

- urban rental land and dwellings
- remote rental land and dwellings including, Government Employee Housing (GEH) remote rental dwellings.

All revaluations completed have been endorsed by the Northern Territory Valuer General.

Asset classes not re-valued during the 2017 financial year include:

- local government cemeteries are specialised assets in nature and are stated at Unimproved Capital Value
- training centres are stated at historical cost less depreciation, which is deemed to equate to fair value
- plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

Urban rental dwellings

An independent valuation of urban rental dwellings was completed at 30 June 2017 by Territory Property Consultants Pty Ltd, the results of which are reflected in these financial statements. The basis for the valuation of urban rental dwellings is that of 'fair value' being the estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The agency has adopted the policy of revaluing its urban rental land and dwellings every year to ensure that the carrying amount does not differ materially from their fair value at reporting date. Urban rental dwellings consist of land, houses, flat complexes and interest in body corporate.

Where the carrying amount of any urban rental property was determined to be greater than its recoverable amount the carrying amount of that dwelling has been written down to its recoverable amount. Details of the related carrying amount written down and any recoverable amount write downs have been disclosed in the financial statements.

Existing urban rental properties that have incurred major renovations or upgrading costs are revalued as soon as possible after the contract has been completed for those works. Useful lives of all urban rental dwellings have been reassessed at the time of valuation.

Remote rental land and dwellings including, Government Employee Housing (GEH) remote rental dwellings

Territory Property Consultants Pty Ltd completed an independent valuation of the remote rental dwellings at 30 June 2017, the results of which are reflected in these financial statements. The agency has adopted the policy of revaluing its remote rental dwellings at 30 June each year. Remote rental dwellings are measured on the basis of 'fair value' using the depreciated replacement cost methodology. The useful lives of all remote rental dwellings are also reassessed at the time of valuation.

Impairment of assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

The agency has adopted the policy of revaluing its urban and remote rental property assets annually to ensure that assets are carried at amounts that are not in excess of their recoverable amounts. Where indications of impairment exist the agency determines the asset's recoverable amount as the asset's depreciated replacement cost for remote assets and fair value less costs to sell for urban assets. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Other non-current physical agency assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the agency determines the asset's

Notes to the Financial Statements

For the year ended 30 June 2017

recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Asset classes found to have impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a

revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 21 provides additional information in relation to the asset revaluation surplus.

Department of Housing and Community Development assets were assessed for impairment after revaluation and impairment was identified to be immaterial to overall asset values.

Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2017
Urban dwellings	50 years
Remote public housing dwellings	30 years
GEH(a) remote area dwellings	40 years
Plant and equipment	5 years
Land under finance lease	Remaining period of lease
Leased building upgrades	Remaining period of lease

(a) Government employee housing (GEH)

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. Where an asset is revalued due to capital construction or upgrade, or due to market movements, the useful life is reassessed and the annual depreciation charge is adjusted to reflect the new value of the asset.

Notes to the Financial Statements

For the year ended 30 June 2017

Assets Held for Sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probably within one year from the date of classification.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

Leased assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

The Department of Housing and Community Development holds long-term leases of Aboriginal land for remote government employee housing.

Operating leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

Notes to the Financial Statements

For the year ended 30 June 2017

15. Fair value measurement of non-financial assets

a) Fair value hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

2016-17	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
Asset classes				
Land - Cemeteries and Land under training centres	-	-	3 700	3 700
Land - urban rental properties	-	825 844	-	825 844
Buildings - urban rental dwellings	-	781 054	-	781 054
Buildings - remote rental dwellings	-	-	1 625 601	1 625 601
Buildings -training centres	-	-	4 996	4 996
Construction work in progress	-	-	40 262	40 262
Plant and equipment	-	-	1 572	1 572
Total	-	1 606 898	1 676 131	3 283 029

There were no transfers between level 1 and levels 2 or 3 during 2016-17.

b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2016-17 are:

	Level 2 Techniques	Level 3 Techniques
Asset classes(a)		
Land - urban rental properties	Market approach	-
Buildings - urban rental dwellings	Market approach	-
Buildings - remote rental dwellings	-	Cost approach
Land - cemeteries and land under training centres	-	Cost approach
Buildings -training centres	-	Cost approach
Construction work in progress	-	Cost approach
Plant and equipment	-	Cost approach

There were no changes in valuation techniques from 2015-16 to 2016-17.

Notes to the Financial Statements

For the year ended 30 June 2017

Territory Property Consultants Pty Ltd has provided valuations for the urban and remote rental land and buildings assets.

- Level 2 fair values of rental land and buildings were based on market evidence of sales price of comparable land and buildings in similar locations.
- Level 3 fair values of rental properties were determined by computing their depreciated replacement costs because an active market does not exist for such locations. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.
- Level 3 fair values (Cemeteries and Land under training centres) are based on unimproved capital value of the land when last re-valued in the (ILIS) Integrated Land Information System.
- Level 3 fair values for remote training centres is depreciated historical cost because an active market does not exist for such assets.
- Level 3 fair values (construction work in progress) are based on initial acquisition historical cost until completion, when the projects are recognised as either an asset or an expense, in line with the department's capitalisation policy.
- Level 3 fair values for plant and equipment is depreciated historical cost because an active market does not exist for such assets.

Notes to the Financial Statements

For the year ended 30 June 2017

c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements

2016-17	Land - cemeteries and land under training centres \$'000	Buildings - remote rental dwellings \$'000	Training centres \$'000	Construction (work in progress) \$'000	Plant and equipment \$'000
Fair value as at 1 July 2016	-	912 589	-	687	2 127
Additions	-	-	-	113 955	62
Disposals	-	(229)	-	-	-
Additions from administrative restructuring	3 670	-	-	-	54
Additions from asset transfers	30	48 382	5 241	(74 380)	86
Depreciation	-	(1 307 989)	(245)	-	(757)
Gains/losses recognised in other comprehensive income	-	1 972 927	-	-	-
Transfers from Level 2	-	(79)	-	-	-
Transfers between asset classes	-	-	-	-	-
Fair value as at 30 June 2017	3 700	1 625 601	4 996	40 262	1 572

Transfers out of level 3 are due to updated land tenure data.

Notes to the Financial Statements

For the year ended 30 June 2017

(ii) Sensitivity analysis

Training centres and plant and equipment – Unobservable inputs used in computing the fair value of buildings include the historical cost and the consumed economic benefit for each building. Given the locations and number of agency buildings, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

Remote rental dwellings – Unobservable inputs used in computing the fair value of buildings include the new replacement costs on a per structure basis, have been ascertained from analysis of remote residential construction contracts for new constructions over the past year, on either a whole or part basis, information received from major construction contractors/architects/quantity surveyors and engineers cross referenced to Rawlinson's, Cordell's and the Building Economists guidelines to derive construction cost rates on a per square metre/net area modern equivalent basis.

Useful economic life determinations on a per structure basis have been undertaken with reference to historic information, individual construction/engineering characteristics

and associated obsolescent factors (to include technical, structural, economic and functional features) and industry standards as identified by the Australian Taxation Office and the Institute of Chartered Accountants in Australia. Remote residential housing and associated infrastructure are generally accepted to have useful economic lives of between 20-40 years, however individual units will vary dependent on construction type, location, utility, alternate use and related service features and functions. For the purposes of this valuation a useful economic life of 30 years has been applied in all instances with the exception of Government Employee Housing (GEH) which have a higher quality of internal fit-out and fittings, and these have had a useful economic life of 40 years applied.

Given the locations and number of agency buildings, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher replacement cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

16. Payables

	2017 \$000
Accounts payable	2 185
Accrued expenses	1 579
Interest payable	26
Total Payables	3 790

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

Notes to the Financial Statements

For the year ended 30 June 2017

17. Borrowings and advances

	2017 \$000
Current	
Loans and advances	2 279
Finance lease liabilities	261
	2 540
Non-Current	
Loans and advances	72 071
Finance lease liabilities	20 764
	92 835
Total Borrowings and Advances	95 375

18. Provisions

	2017 \$000
<i>Employee benefits</i>	
Recreation leave	5 711
Leave loading	896
Recreation leave fares	23
Purchased leave	16
	6 646
<i>Other current provisions</i>	
Fringe benefits tax	75
Payroll tax	386
Superannuation contributions	457
	918
Total Provisions	7 564

The department employed 584 employees as at 30 June 2017.

Notes to the Financial Statements

For the year ended 30 June 2017

19. Deposit held and other liabilities

	2017 \$000
Current	
Deposits held – unclaimed monies	370
Deposits held – Jabiru Town Development Authority	1 592
	1 962
Other liability - Unearned revenue – rent charged / paid in advance	4 762
	6 724
Non-current	
Deposits held – rental security bond deposits	4 911
Total other liabilities	11 635

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The department makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

20. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital expenditure commitments

Capital expenditure commitments primarily related to the construction of urban and remote dwellings and morgues. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2017 Internal \$000	2017 External \$000
Within one year	-	5 831
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	5 831

(ii) Operating lease commitments

The department leases property under non-cancellable operating leases expiring from 1 to 11 years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year	1 257	18 233
Later than one year and not later than five years	2 341	40 572
Later than five years	-	44 994
	3 598	103 799

(iii) Other expenditure commitments

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

Within one year	-	18 667
Later than one year and not later than five years	-	13 759
Later than five years	-	7 711
	-	40 137

Notes to the Financial Statements

For the year ended 30 June 2017

21. Reserves

(i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

(ii) Movements in the asset revaluation surplus

Asset Revaluation Surplus	2017 \$000
Balance as at 1 July 2016	1 122 808
Transfer realised revaluation to accumulated funds	(10 304)
Transfers in	1 876
Decrement – land	(12 972)
Increment – buildings	1 881 663
Transfer depreciation to reserve	(1 227 653)
Balance as at 30 June 2017	1 755 418

22. Notes to the cash flow statement

Reconciliation of Cash	2017 \$000
The total of agency 'Cash and deposits' of \$243.35 million recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.	
Reconciliation of Net (Deficit) to Net Cash from Operating Activities	
Net (Deficit)	(132 652)
<i>Non-cash items:</i>	
Depreciation and amortisation	80 280
Asset write-offs/write-downs	418
Loss on disposal of assets	2 722
Repairs and maintenance expense (non-cash)	3 466
<i>Changes in assets and liabilities:</i>	
Decrease in receivables	1 578
Increase in prepayments	(320)
Decrease in payables	(887)
Increase in provision for employee benefits	2 114
Increase in other provisions	287
Increase in other liabilities	19
Net Cash from Operating Activities	(42 975)

Notes to the Financial Statements

For the year ended 30 June 2017

Non-cash financing and investing activities

Finance lease transactions

During the financial year the agency acquired plant and equipment/computer equipment and software with an aggregate fair value of nil by means of finance leases.

23. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Department of Community Development include cash and deposits, receivables, payables and finance leases. The Department of Community Development has limited exposure to financial risks as discussed below.

Financial Instruments

Financial assets and liabilities are recognised on the Balance Sheet when the agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a

contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation. These include statutory receivables arising from taxes including GST and penalties.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The agency's investments, loans and placements, and borrowings are predominantly managed through the NTTC adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

Notes to the Financial Statements

For the year ended 30 June 2017

a) Categorisation of Financial Instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss							Total \$'000
	Held for trading \$'000	Designated at fair value \$'000	Held to maturity investments \$'000	Financial assets - Loans and receivables \$'000	Financial assets - available for sale \$'000	Financial liabilities - amortised cost \$'000		
Cash and deposits	-	243 353	-	-	-	-	-	243 353
Receivables ¹	-	13 744	-	-	-	-	-	13 744
Prepayments	-	1 999	-	-	-	-	-	1 999
Advances	-	667	-	-	-	-	-	667
Other financial assets	-	-	-	-	-	21 061	-	21 061
Total Financial Assets	-	259 763	-	-	-	21 061	-	280 824
Deposits held ¹	-	6 874	-	-	-	-	-	6 874
Payables ¹	-	3 790	-	-	-	-	-	3 790
Advances	-	4 762	-	-	-	-	-	4 762
Loans	-	-	-	74 350	-	-	-	74 350
Finance Lease Liabilities	-	-	-	-	-	21 025	-	21 025
Total Financial Liabilities	-	15 426	-	74 350	-	21 025	-	110 801

1. Total amounts disclosed here exclude statutory amounts

Notes to the Financial Statements

For the year ended 30 June 2017

Classification of financial instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL)
- financial liabilities at amortised cost.

Financial assets or financial liabilities at fair value through profit or loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL
- financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Notes to the Financial Statements

For the year ended 30 June 2017

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial liabilities at amortised cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Derivatives

The department enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The department does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the Comprehensive Operating Statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the Comprehensive Operating Statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

Netting of Swap Transactions

The department, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the Comprehensive Operating Statement.

b) Credit Risk

The department has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Notes to the Financial Statements

For the year ended 30 June 2017

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2016-17			
Not overdue	3 529	-	3 529
Overdue for less than 30 days	1 131	303	828
Overdue for 30 to 60 days	971	501	470
Overdue for more than 60 days	55 968	34 745	21 223
Total	61 599	35 549	26 050

Reconciliation of the Allowance for Impairment Losses

Opening	31 030
Written off during the year	(781)
Recovered during the year	107
Increase in allowance recognised in profit or loss	5 193
Total	35 549

Notes to the Financial Statements

For the year ended 30 June 2017

c) Liquidity Risk

Liquidity risk is the risk that the department will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the department's remaining contractual maturity for its financial assets and liabilities.

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate		Fixed Interest Rate			Non-interest bearing \$'000	Total \$'000	Weighted average %
	Less than a year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Less than a year \$'000	1 to 5 years \$'000			
Assets								
Cash and deposits	-	-	-	-	-	243 353	243 353	-
Receivables	-	-	-	-	-	13 744	13 744	-
Prepayments	-	-	-	-	-	1 999	1 999	-
Advances	-	-	-	-	-	667	667	-
Total Financial Assets	-	-	-	-	-	259 763	259 763	-
Liabilities								
Deposits held	1 593	-	-	-	-	10 043	11 636	1.5%
Payables	-	-	-	-	-	3 790	3 790	-
Provisions	-	-	-	-	-	7 564	7 564	-
Loans	-	-	-	11 736	46 943	88 210	146 889	12.9%
Finance lease liabilities	-	-	-	1 228	4 911	35 110	41 249	4.6%
Total Financial Liabilities	1 593	-	-	12 964	51 854	123 320	21 397	211 128

Notes to the Financial Statements

For the year ended 30 June 2017

d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

Interest Rate Risk

The Department of Housing and Community Development is not exposed to interest rate risk as department financial assets and financial liabilities, with the exception of NTTC loans and remote land finance leases are non interest bearing. NTTC loans and finance lease arrangements are established on a fixed interest rate and as such do not expose the Department of Housing and Community Development to interest rate risk.

Market Sensitivity Analysis

(i) Price Risk

The Department of Housing and Community Development is not exposed to price risk as Department of Housing and Community Development does not hold units in unit trusts.

(ii) Currency Risk

The Department of Housing and Community Development is not exposed to currency risk as Department of Housing and Community Development does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

e) Net Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/ functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable.

Notes to the Financial Statements

For the year ended 30 June 2017

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost;
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument; and
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

2017	Total Carrying Amount \$000	Net Fair Value Level 1 \$000	Net Fair Value Level 2 \$000	Net Fair Value Total \$000	Net Fair Value Total \$000
Financial Assets					
Cash and deposits	243 353	243 353	-	-	243 353
Receivables	13 744	13 744	-	-	13 744
Prepayments	1 999	1 999	-	-	1 999
Advances	667	667	-	-	667
Total Financial Assets	259 763	259 763	-	-	259 763
Financial Liabilities					
Deposits Held	6 873	6 873	-	-	6 873
Unearned Revenue	4 762	4 762	-	-	4 762
Payables	3 790	3 790	-	-	3 790
Provisions	7 564	7 564	-	-	7 564
Borrowings and Advances	74 350	-	115 263	-	115 263
Total Financial Liabilities	97 339	22 989	115 263	-	138 252

The net fair value of level 1 instruments are based on initial acquisition costs or charges and will be realised in the next 12 months.

The net fair value of level 2 instruments are based on based on discount of future cash flows by applying current market interest rates. Current market interest rates are determined with reference to the Australian Financial Markets Association sub reference rates plus margin.

The Department of Housing and Community Development does not hold level 3 instruments.

There were no changes in valuation techniques during the period.

Transfer between categories

There were no transfers between categories during the period.

Notes to the Financial Statements

For the year ended 30 June 2017

24. Related parties

i) Related Parties

The Department of Housing and Community Development is a government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of the department include:

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly
- spouses, children and dependents who are close family members of the Portfolio Minister or KMP
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMP's or the Portfolio Minister or controlled or jointly controlled by their close family members

ii) Key Management Personnel (KMP)

Key management personnel of the Department of Housing and Community Development are those persons having authority and responsibility for planning, directing and controlling the activities of Department Housing and Community Development. These include the Minister for Housing and Community Development, the Chief Executive Officer and 13 members of the executive team.

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits of Minister for Housing and Community Development as the Minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's Annual Financial Statements.

The aggregate compensation of key management personnel of Department Housing and Community Development is set out below:

	2016-17 \$000
Short-term benefits	2 940
Termination benefits	301
Total	3 241

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

The departments' primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific purpose payments.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities apart from the Central Holding Authority payments listed above.

Notes to the Financial Statements

For the year ended 30 June 2017

Related Party	Revenue from related parties \$'000	Payments to related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
All NT Government departments	17 571	140 875	2 693	78 759

The departments' transactions with other government entities relate to:

- Revenue for employee housing from other agencies
- Payments for vehicles, information technology systems, corporate services provided by other agencies and loans from Northern Territory Treasury Corporation
- Amounts owed by other agencies relate to employee housing to other agencies
- Amounts owed to other agencies are loans from Northern Territory Treasury Corporation

Other related party transactions are as follows:

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory Public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed.

The Department of Housing and Community Development does not have transactions with the other related parties.

25. Contingent liabilities and contingent assets

a) Contingent Liabilities

Territory Housing Appeals Board members in Alice Springs and Darwin are indemnified against all actions, proceedings, claims, demands, liabilities, losses, expenses (legal or otherwise) and payments whatsoever arising out of or in respect of an act or thing done or omitted to be done by members in their capacity as a member of the board. To date there have been no claims.

Department of Housing and Community Development also holds contingent liabilities in operating and finance lease agreements. The risk associated with these agreements is assessed and considered to be low and unquantifiable.

b) Contingent Assets

The Department of Housing and Community Development had no contingent assets as at 30 June 2017.

Notes to the Financial Statements

For the year ended 30 June 2017

26. Events subsequent to balance date

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

27. Accountable officer's trust account

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of Trust Money	Opening balance 1 July 2016 \$000	Receipts \$000	Payments \$000	Closing balance 30 June 2017 \$000
Jabiru Town Development Authority	-	3 643	2 050	1 593
Security Deposits	4 611	393	93	4 911
Unclaimed money	289	206	125	370
	4 900	4 242	2 268	6 874

Notes to the Financial Statements

For the year ended 30 June 2017

28. Budgetary information

Comprehensive Operating Statement	2016-17 actual \$'000	2016-17 original budget \$'000	Variance \$'000	Note
INCOME				
Grants and subsidies revenue				
Current	53 305	34 417	18 888	1
Appropriation				
Output	268 756	259 645	9 111	
Commonwealth	74 488	95 792	(21 304)	2
Sales of goods and services	81 586	74 210	7 376	
Goods and services received free of charge	8 311	6 633	1 678	
Other income	2 169	1 112	1 057	
TOTAL INCOME	488 615	471 809	16 806	
EXPENSES				
Employee expenses	61 719	63 903	(2 184)	
Administrative expenses				
Purchases of goods and services	76 308	85 613	(9 305)	
Repairs and maintenance	42 358	34 611	7 747	
Depreciation and amortisation	80 280	80 395	(115)	
Asset expenses	418	-	418	
Other administrative expenses	13 646	6 633	7 013	
Grants and subsidies expenses				
Current	267 785	265 173	2 612	
Capital	60 473	95 465	(34 992)	3
Community service obligations	3 445	2 489	956	
Interest expenses	12 113	9 731	2 382	
Loss on disposal of assets	2 722	(2 000)	4 722	
TOTAL EXPENSES	621 267	642 013	(20 746)	
NET (DEFICIT)	(132 652)	(170 204)	37 552	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net deficit				
Changes in asset revaluation surplus	738 352	-	738 352	4
TOTAL OTHER COMPREHENSIVE INCOME	738 352	-	738 352	
COMPREHENSIVE RESULT	605 700	(170 204)	435 496	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$10 million.

1. Local Government, infrastructure and operational grant funds received in advance for the 2017-18 financial year.
2. Commonwealth funding due in June not received until July 2017.
3. Underspend related to Commonwealth programs to be carried forward to 2017-18 financial year.
4. Increase in comprehensive income due to the revaluation of remote dwellings previously held at nil value.

Notes to the Financial Statements

For the year ended 30 June 2017

Balance Sheet	2016-17 actual \$'000	2016-17 original budget \$'000	Variance \$'000	Note
ASSETS				
Cash and deposits	243 353	46 615	196 738	1
Receivables	17 584	23 739	(6 155)	
Advances	667	667	-	
Prepayments	1 999	1 707	292	
Property, plant and equipment	3 304 090	2 835 958	468 132	2
TOTAL ASSETS	3 567 693	2 908 686	659 007	
LIABILITIES				
Deposits held	6 873	6 638	235	
Payables	3 790	4 623	(833)	
Borrowings and advances	95 375	93 437	1 938	
Provisions	7 564	7 587	(23)	
Other liabilities	4 762	4 743	19	
TOTAL LIABILITIES	118 364	117 028	1 336	
NET ASSETS	3 449 329	2 791 658	657 671	
EQUITY				
Capital	1 955 920	1 976 840	(20 920)	
Reserves	1 755 418	1 124 683	630 735	2
Accumulated funds	(262 009)	(309 865)	47 856	3
TOTAL EQUITY	3 449 329	2 791 658	657 671	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$10 million.

1. Territory and Commonwealth grants and funding received for use in 2017-18 financial year, combined with underspend in Commonwealth funded remote programs and projects due to revised timing of program delivery.
2. Increase in property plant and equipment primarily due to the revaluation of remote dwellings previously held at nil value.
3. Variation consists net deficit from the Comprehensive Operating Statement and \$10 million transferred from the revaluation reserve to accumulated funds.

Notes to the Financial Statements

For the year ended 30 June 2017

Cash Flow Statement	2016-17 actual \$'000	2016-17 original budget \$'000	Variance \$'000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Grants and subsidies received				
Current	53 305	34 417	18 888	1
Appropriation				
Output	268 756	259 645	9 111	
Commonwealth	74 488	95 792	(21 304)	2
Receipts from sales of goods and services	92 390	119 824	(27 434)	3
Total operating receipts	488 939	509 678	(20 739)	
Operating payments				
Payments to employees				
	(59 117)	(61 448)	2 331	
Payments for goods and services				
	(128 981)	(169 413)	40 432	3
Grants and subsidies paid				
Current	(267 785)	(265 173)	(2 612)	
Capital	(60 473)	(95 465)	34 992	4
Community service obligations	(3 445)	(2 489)	(956)	
Interest paid	(12 113)	(9 732)	(2 381)	
Total operating payments	(531 914)	(603 720)	71 806	
Net cash from/(used in) operating activities	(42 975)	(94 042)	51 067	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales				
	10 486	20 200	(9 714)	
Total investing receipts	10 486	20 200	(9 714)	
Investing payments				
Purchases of assets				
	(114 312)	(289 146)	174 834	5
Advances and Investing Payments				
	(168)			
Total investing payments	(114 480)	(289 146)	174 834	

Notes to the Financial Statements

For the year ended 30 June 2017

Cash Flow Statement	2016-17 actual \$'000	2016-17 original budget \$'000	Variance \$'000	Note
Net cash from/(used in) investing activities	(103 994)	(268 946)	165 120	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	1 973	1 737	236	
Equity injections				
Capital appropriation	56 304	56 304	-	
Commonwealth appropriation	128 721	136 085	(7 364)	
Other equity injections	136 332	147 835	(11 503)	
Total financing receipts	323 330	341 961	(18 631)	
Financing payments				
Repayment of borrowings	(2 004)	(2 004)	-	
Finance lease payments	1 935	583	1 352	
Equity withdrawals	(7 662)	(5 660)	(2 002)	
Total financing payments	(7 731)	(7 081)	(650)	
Net cash from/(used in) financing activities	315 599	334 880	(19 281)	
Net increase in cash held	168 630	(28 108)	196 738	6
Cash at beginning of financial year	74 723	74 723	-	
CASH AT END OF FINANCIAL YEAR	243 353	(46 615)	196 738	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$10 million.

1. Local Government, infrastructure and operational grant funds received in advance for the 2017-18 financial year.
2. Commonwealth funding due in June not received until July 2017.
3. The difference is the inclusion of GST receivable and payable respectively in the budget figures.
4. Underspend largely relates to unexpended Commonwealth funded remote programs and projects due to revised timing of program delivery.
5. Underspend relates to large timing of capital works programs particularly in remote communities.
6. Territory and Commonwealth grants and funding and funding received for use in 2017-18 financial year. Combined with underspend in Commonwealth funded remote programs and projects due to revised timing of program delivery.

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06

FINANCIAL REPORTS

NT HOME
OWNERSHIP



Financial statement overview

For the year ended 30 June 2017

NT Home Ownership operates as a Government Business Division (GBD) as determined by the Treasurer under the *Financial Management Act*. GBDs are required to operate in a competitively neutral manner and adopt commercial practices. These include paying tax equivalents and dividends under the Northern Territory Tax Equivalents and Dividend Regimes. The recipient of these payments is the Northern Territory Government, as owner.

NT Home Ownership operates to provide home loan products and services to increase supply at the more affordable end of the housing market. It provides home ownership opportunities for Territorians otherwise unable to enter the housing market, and reduces pressure on the rental market.

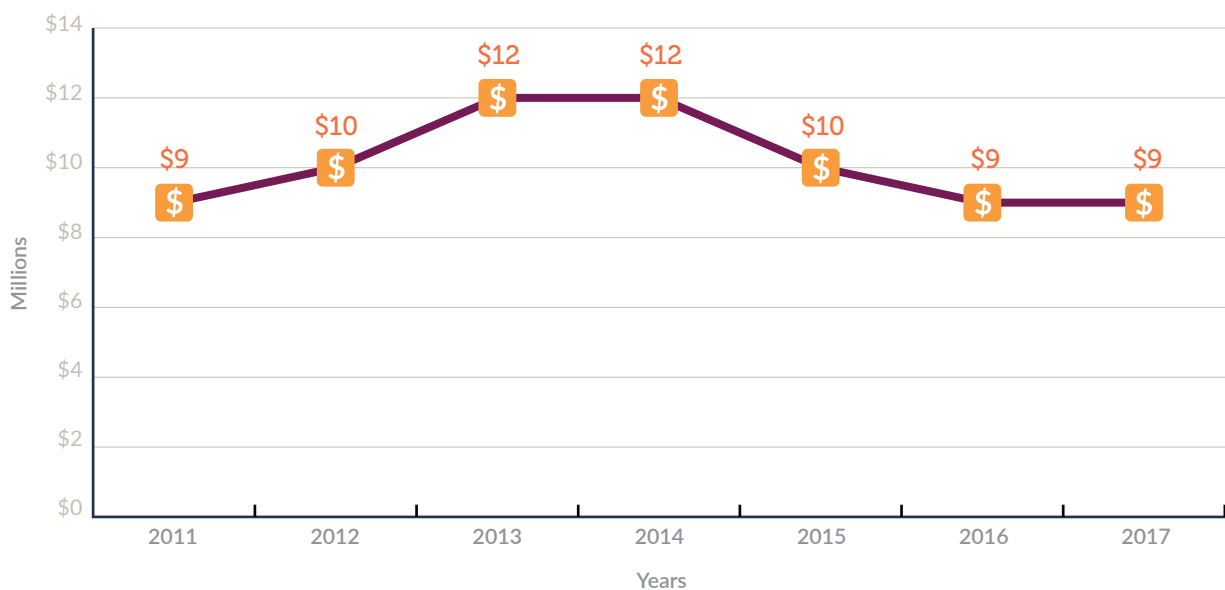
NT Home Ownership loans are administered by the People's Choice Credit Union under a management agreement, to provide efficiencies and ensure access to appropriate skills and knowledge.

The operating deficit of \$5.218 million (2016: \$7.187 million) in the 2017 financial year has resulted in a decline in total equity of NT Home Ownership. The operating deficit is largely a result of loss on revaluation or disposal of shared equity investments, and greater operating expenses compared to revenue received.

Revenue

The principal source of revenue for NT Home Ownership is interest earned on home loans to clients, revenue earned in 2017 was \$8.602 million (2016: \$9.5 million). With interest rates continuing to be low, the rate of return on the loan portfolio has decreased (see chart below).

Interest revenue earned on home loans



Expense

NT Home Ownership incurred a loss of \$5.22 million in fiscal 2017 (2016: \$7.2 million). As in 2016, major variations in expenditure for 2017 relate to the state of the housing market and general economic conditions in the Northern Territory, with shared equity values reducing by \$3.82 million, and losses of \$0.38 million on NT Home Ownership's equity share as majority shareholders sold their properties.

Impairment of loans, whilst remaining low, also increased by \$622 000 in 2017 (2016: \$528 000).

Shared Equity Investments are a key strategy for NT Home Ownership to assist Territorians otherwise unable to enter into home ownership. NT Home Ownership invests in a portion of the equity in the purchase of a home, with the expectation that over time capital gains are likely to accrue from the equity share. Over the past 15 years this has been the case in all but the past 3 years (see chart below).

Investment revaluations



NT HOME OWNERSHIP

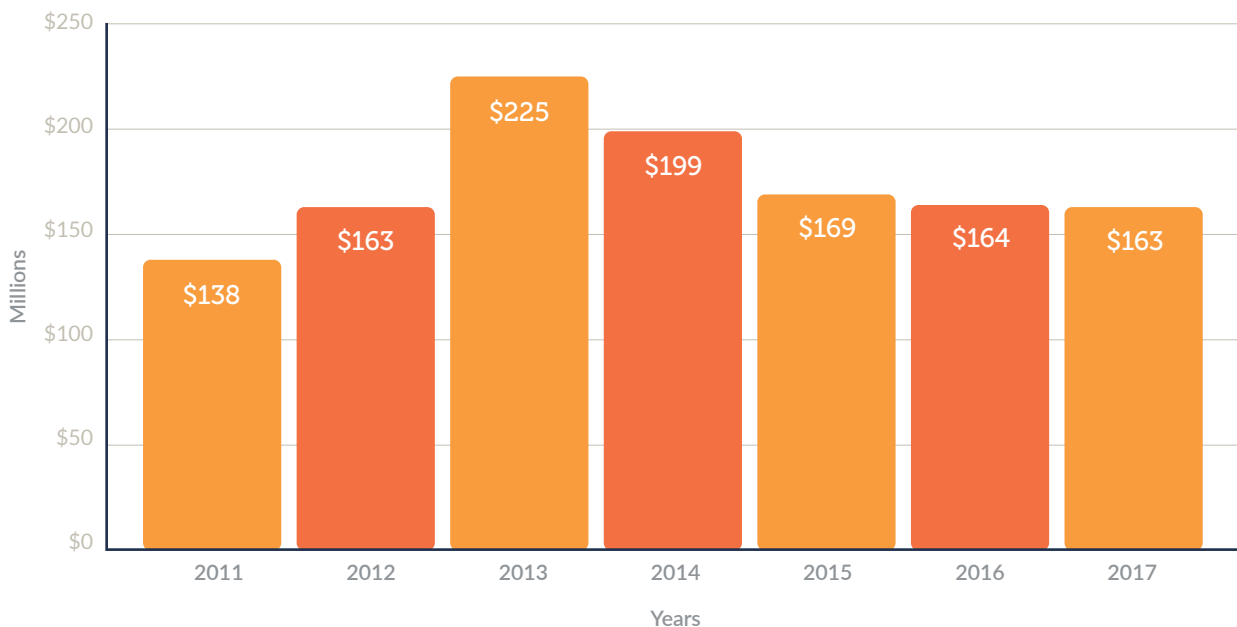
FINANCIAL REPORTS

Home Loan portfolio

At 30 June 2017 NT Home Ownership's loan portfolio comprised of 1726 loans issued to Territorian's totalling \$165 million. It held an interest in 621 shared equity investment properties valued at \$58.5 million.

The chart below shows NT Home Ownership loan portfolio remaining steady in recent years, with the pay down of loans by borrowers largely offset by new lending through Home Build Access loans. The lending is attributed to new land releases at Zuccoli and Johnston during 2016 and 2017.

NT Home Ownership loan portfolio



Source: NT Home Ownership Financial Statements 2011 - 2017

Borrowings

Financing of loans/advances to clients for the purchase of a home is funded through borrowings from NT Treasury Corporation, and the repayment of loans from existing clients. These borrowings are the major component of liabilities in the Balance Sheet and as at 30 June 2017 total \$202 million, a reduction of \$8.6 million from the previous year.

Cash at bank

Cash at bank has decreased to \$2.988 million from \$8.181 million in 2016. This is largely due to the repayment of NT Home Ownership borrowings.



Auditor-General
Independent Auditor's Report
to the Minister for Housing and Community Development
NT Home Ownership

Page 1 of 2

Opinion

I have audited the accompanying financial report of NT Home Ownership, which comprises the balance sheet as at 30 June 2017, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive Officer.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Home Ownership as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of NT Home Ownership in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Chief Executive Officer of the Department of Housing and Community Development is responsible for the other information. The other information comprises the information included in NT Home Ownership's financial statement overview for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for: the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing NT Home Ownership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate NT Home Ownership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NT Home Ownership's financial reporting process.



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NT Home Ownership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NT Home Ownership's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause NT Home Ownership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

8 September 2017

Certification of the financial statements

For the year ended 30 June 2017

We certify that the attached financial statements for NT Home Ownership have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2017 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



JAMIE CHALKER
Chief Executive Officer

6 September 2017



KEN TINKHAM
Chief Financial Officer

6 September 2017

Comprehensive operating statement

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
INCOME			
Sales of goods and services	3	3	7
Goods and services received free of charge	4	3 445	2 264
Other income	5	8 602	9 500
TOTAL INCOME		12 050	11 771
EXPENSES			
Employee expenses		241	235
Administrative expenses			
Purchases of goods and services	8	2 362	1 966
Write-offs and impairment expense	9	622	528
Loss on revaluation of shared equity investments	7	3 819	4 880
Loss on disposal of shared equity investments	6	376	187
Grants and subsidies expenses			
Current		31	18
Interest expenses		9 817	11 144
TOTAL EXPENSES		17 268	18 958
NET DEFICIT BEFORE INCOME TAX		(5 218)	(7 187)
NET DEFICIT AFTER INCOME TAX		(5 218)	(7 187)
COMPREHENSIVE RESULT		(5 218)	(7 187)

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

Balance sheet

For the year ended 30 June 2017

ASSETS	Note	2017 \$'000	2016 \$'000
Current Assets			
Cash and deposits	11	2 988	8 181
Advances	12	2 940	3 008
Receivables	12	17	42
Total Current Assets		5 945	11 231
Non-Current Assets			
Advances	12	160 532	161 284
Shared equity investments	13	58 495	66 194
Total Non-Current Assets		219 027	227 478
TOTAL ASSETS		224 972	238 709
LIABILITIES			
Current Liabilities			
Payables	15	930	863
Borrowings and advances	16	5 707	8 579
Provisions	17	18	25
Total Current Liabilities		6 655	9 467
Non-Current Liabilities			
Borrowings and advances	16	196 507	202 214
Total Non-Current Liabilities		196 507	202 214
TOTAL LIABILITIES		203 162	211 681
NET ASSETS		21 810	27 028
EQUITY			
Capital		22 745	22 745
Accumulated funds		(935)	4 283
TOTAL EQUITY		21 810	27 028

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

Statement of changes in equity

For the year ended 30 June 2017

	Note	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
2016-17					
Accumulated Funds		4 283	(5 218)	-	(935)
Capital - Transactions with Owners		22 745	-	-	22 745
Total Equity at End of Financial Year		27 028	(5 218)	-	21 810
2015-16					
Accumulated Funds		11 470	(7 187)	-	4 283
Capital - Transactions with Owners		22 745	-	-	22 745
Total Equity at End of Financial Year		34 215	(7 187)	-	27 028

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Cash flow statement

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services and community service obligations		3 607	2 415
Interest received		8 609	9 547
Total Operating Receipts		12 216	11 962
Operating Payments			
Payments to employees		(247)	(236)
Payments for goods and services		(2 447)	(2 230)
Grants and subsidies paid			
Current		(31)	(18)
Interest paid		(9 806)	(11 281)
Total Operating Payments		(12 531)	(13 765)
Net Cash Used in Operating Activities	19	(315)	(1 803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Repayment of advances		14 762	18 966
Sales of investments	6	3 503	5 782
Total Investing Receipts		18 265	24 748
Investing Payments			
Advances and investing payments		(14 564)	(14 473)
Total Investing Payments		(14 564)	(14 473)
Net Cash From Investing Activities		3 701	10 275
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Repayment of borrowings		(8 579)	(36 186)
Total Financing Payments		(8 579)	(36 186)
Net Cash Used in Financing Activities		(8 579)	(36 186)
Net decrease in cash held		(5 193)	(27 714)
Cash at beginning of financial year		8 181	35 895
CASH AT END OF FINANCIAL YEAR	11	2 988	8 181

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

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Notes to the Financial Statements

For the year ended 30 June 2017

1. Objectives and Funding

NT Home Ownership operates as a Government Business Division, (GBD) as determined by the Treasurer under the *Financial Management Act*. Under the Government Business Division (GBD) Framework, government businesses declared to be a GBD are required to operate in a competitively neutral manner and adopt commercial practices. These include paying tax equivalents under the Northern Territory Tax Equivalents Regime and Dividend Regime to Northern Territory Government, as owner.

NT Home Ownership provides home loan products and services to increase supply at the more affordable end of the housing market, provides more home ownership opportunities

for Territorians otherwise unable to enter the market and reduces pressure on the rental market. Where NT Home Ownership carries out activities which it would not elect to do on a commercial basis, Community Service Obligation funding is provided through the Department of Housing and Community Development appropriation for identifiable community or social benefits. See Note 4.

The home loans are administered under a management arrangement by the People's Choice Credit Union. Additional information in relation to NT Home Ownership and its principal activities may be found in the performance section of the Annual Report.

2. Statement of Significant Accounting Policies

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires NT Home Ownership to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- a Certification of the Financial Statements
- a Comprehensive Operating Statement
- a Balance Sheet
- a Statement of Changes in Equity
- a Cash Flow Statement
- applicable explanatory notes to the financial statements

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17:

AASB 124 Related Party Disclosures

This standard applies to not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

Notes to the Financial Statements

For the year ended 30 June 2017

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value. The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged.

For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that changes from operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the comprehensive income statement the previous operating lease expense will be replaced with a depreciation expense relating to the right-to-use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from contracts with customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue with Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

While the full impacts are yet to be determined, potential impacts identified include:

- grants received to construct or acquire a non-financial asset will be recognised as a liability, and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt.
- grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt.
- grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation.
- grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

Notes to the Financial Statements

For the year ended 30 June 2017

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on future financial reporting.

Reporting Entity

The financial statements cover the NT Home Ownership as an individual reporting entity.

NT Home Ownership (“the Agency”) is a Northern Territory agency established under the *Interpretation Act Administrative Arrangements Order* and a Government Business Division established under the *Financial Management Act*.

The principal place of business of the Agency is: 47 Mitchell Street Darwin, Northern Territory.

Agency and Territory Items

The financial statements of NT Home Ownership include income, expenses, assets, liabilities and equity over which NT Home Ownership has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the ‘parent body’ that represents the government’s ownership interest in Government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to

agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency’s financial statements.

NT Home Ownership does not have any Territory items other than unfunded superannuation and long service leave.

Comparatives

Where necessary, comparative information for the 2015–16 financial year has been reclassified to provide consistency with current year disclosures.

Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2016–17 as a result of management decisions.

Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the Financial Statements

For the year ended 30 June 2017

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

Contributions by and Distributions to Government

The department may receive contributions from Government where the Government is acting as owner of the department. Conversely, the department may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by,

and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

Dividends

The department provides for a dividend payable at the rate of 50 percent of net surplus after tax in accordance with the Northern Territory Government's dividend policy. No dividend is payable by NT Home Ownership in respect of the 2016-17 financial year.

Economic Dependence

The department, NT Home Ownership is established by the *Financial Management Act* as a Government Business Division, is subject to the direction of the Minister for Housing and Community Development. The department operates in a competitively neutral manner and adopts commercial practices. Where NT Home Ownership carries out activities which it would not elect to do on a commercial basis, Community Service Obligation funding is provided through the Department of Housing and Community Development appropriation for identifiable community or social benefits. Community Service Obligation payments are reflected separately as revenue in the Comprehensive Operating Statement. These statements are prepared on a "going concern" basis in the expectation that such funding will continue. See Note 4.

Nature and Purpose of Reserves

NT Home Ownership currently does not hold any reserves.

Administration Fees

Administration fees were paid by the agency throughout the year to People's Choice Credit Union, for services provided in respect of home loans. See (Note 8).

Notes to the Financial Statements

For the year ended 30 June 2017

Income

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the agency
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the department

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset. Refer Note 5.

Disposal of Assets - Investments

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer to Note 6.

Community Service Obligation funding

Community Service Obligation funding is received from the Northern Territory Government where the agency is required to carry out activities on a non-commercial basis. Revenue in respect of this funding is recognised in the period in which the agency gains control of the funds. Refer Note 4.

Contributions of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

Notes to the Financial Statements

For the year ended 30 June 2017

3. Sales of Goods and Services

	2017 \$'000	2016 \$'000
Valuation fees	3	5
Miscellaneous revenue	-	2
	3	7

4. Community Service Obligations

Interest subsidy – low interest rates

The department offers low interest rate loans for low to moderate income Territorians. The aim of providing subsidised interest loans is to increase the level of home ownership in the Territory and reduce the demand on public housing.

	2017 \$'000	2016 \$'000
Community service obligation funding received	3 414	2 246
Net cost of delivering service	(3 414)	(2 246)
CSO surplus/(deficit)	-	-

Stamp duty differential

The stamp duty differential is a grant paid to public housing tenants purchasing their public housing properties through private finance.

Community service obligation funding received	31	18
Net cost of delivering service	(31)	(18)
CSO surplus/(deficit)	-	-

Total Community Service Obligations	3 445	2 264
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Notes to the Financial Statements

For the year ended 30 June 2017

5. Interest Revenue

	2017 \$'000	2016 \$'000
Interest on cash at bank	85	440
Interest on advances	8 517	9 060
Total Interest Revenue	8 602	9 500

6. Loss on Disposal of Shared Equity Investments

	2017 \$'000	2016 \$'000
Net proceeds from the sale of shared equity investments	3 503	5 782
Less: Carrying value of shared equity investments disposed	(3 879)	(5 969)
Loss on the disposal of shared equity investments	(376)	(187)

7. Loss on Revaluation of Shared Equity Investments

	2017 \$'000	2016 \$'000
Revaluation of investments	58 495	66 194
Less: book value prior to revaluation	(62 314)	(70 851)
Less: revaluation of investments during year	-	(223)
Loss on the revaluation of shared equity investments	(3 819)	(4880)

Notes to the Financial Statements

For the year ended 30 June 2017

8. Purchase of Goods and Services

The net deficit has been arrived at after charging the following expenses:

	2017	2016
	\$'000	\$'000
Goods and services expenses:		
Advertising ⁽¹⁾	-	5
Loan administration fees	1 878	1 748
Marketing and promotion ⁽²⁾	17	-
Valuation fees	67	60
Legal expenses ⁽³⁾	35	32
Audit fees	49	51
Training and study	2	2
Official duty fares	-	2
Other operational expenditure	314	66
	2 362	1 966

(1) Does not include recruitment, advertising or marketing and promotion advertising.

(2) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

(3) Includes legal fees, claim and settlement costs.

9. Impairment Expense - Write-Offs, Postponements, Waivers, Gifts and Ex Gratia Payments

NT Home Ownership had no write-offs, postponements, waivers, gifts or ex gratia payments in 2016-17 and 2015-16.

	2017	2016
	\$'000	\$'000
Impairment expense – Receivable Loans and Advances	622	528

For further information on Impairment of receivable loans and advances see Note 12.

Notes to the Financial Statements

For the year ended 30 June 2017

10. Income Tax Expense and Tax Equivalent Regime

	2017 \$'000	2016 \$'000
Income Tax Payable		
Deficit before income tax	(5 218)	(7 187)
Revaluation of investments	3 819	4 880
Taxable Income (Loss)	(1 399)	(2 307)
Income tax expense @30%	-	-

Income tax is only payable where NT Home Ownership makes an accounting surplus for the financial year.

Taxation

The department is required to pay income tax on its taxable income, at the company tax rate of 30 per cent in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalents Regime. Taxable income is accounting surplus less revaluation gains on shared equity investments. No tax is payable by NT Home Ownership in respect to the 2016-17 or 2015-16 financial years.

11. Cash and Deposits

	2017 \$'000	2016 \$'000
Cash on hand	80	698
Cash at bank	2 908	7 483
	2 988	8 181

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Notes to the Financial Statements

For the year ended 30 June 2017

12. Receivables and Advances

	2017 \$'000	2016 \$'000
Current		
Interest receivable	4	12
GST receivable	13	30
Total current receivables	17	42
Loans to home purchasers	2 940	3 008
Total current advances	2 940	3 008
Total current receivables and advances	2 957	3 049
Non-Current		
Loans to home purchasers	162 238	162 368
Less impairment	(1 706)	(1 084)
Total non-current advances	160 532	161 284
Total Receivables and Advances	163 489	164 333

Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the department estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 20 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days and other receivables within 60 days.

Loans and Advances and Receivables

Loans and advances, and other receivables have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at fair value through profit and loss less impairment.

Home loans

All loans are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. The effective interest rate calculation includes the contractual terms of the loans together with fees and transaction costs.

Notes to the Financial Statements

For the year ended 30 June 2017

The collectability of debts is assessed at year-end for home loan debtors. The department will recognise an allowance for doubtful loans when objective evidence exists that all or part of a loan is impaired and unlikely to be collected. Loans are written off to the allowance account when they are assessed as not recoverable.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

13. Shared Equity Investments

	2017 \$'000	2016 \$'000
Minority interest holding at independent valuation	58 495	66 194
Total investments in shared equity	58 495	66 194
Shared Equity Investments		
Opening Balance as at July 1	66 194	77 043
Additions	-	-
Disposals	(3 880)	(5 969)
Revaluation	(3 819)	(4 880)
Total investments in shared equity as at 30 June	58 495	66 194

Shared Equity Investments

Shared Equity Investments are properties held under loan programs previously provided by the Northern Territory Government and properties purchased and/or constructed from/by external parties under these programs.

Shared Equity Investments are classified as Investment properties at fair value through profit or loss.

Gains or losses on Shared Equity Investments are recognised in Comprehensive Operating Statement and the related investments are classified as non-current investments in the Balance Sheet.

Shared Equity Investments are initially recognised at cost. Subsequently Shared Equity Investments are recorded at fair value. Fair value is determined using the market approach.

Notes to the Financial Statements

For the year ended 30 June 2017

Property, Plant and Equipment

NT Home Ownership does not hold any property plant or equipment.

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date.

Shared Equity Investments

Shared Equity Investments are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date.

Shared Equity Investments are measured on the market approach of fair value basis, being the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The department has adopted the policy of revaluing its Shared Equity Investments every year with any changes in fair value recognised as a gain or loss in the Comprehensive Operating Statement.

An independent valuation of all Shared Equity Investments was completed as at 30 June 2017 by Territory Property Consultants Pty Ltd, the results of which are reflected in these financial statements. The valuation method used was based on market evidence of sales prices of comparable land and buildings in similar locations.

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible NTHO assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, NTHO determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, except to the extent that reversal exceeds the previous impairment loss, in which case the impairment reversal results in an increase in the asset revaluation surplus.

Notes to the Financial Statements

For the year ended 30 June 2017

Impairment of financial assets - Loans and Advances

Financial assets are reviewed annually to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the agency will be unable to collect all amounts due. The carrying amount of a financial asset identified as impaired is reduced to its estimated recoverable amount.

Assets Held for Sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probably within one year from the date of classification.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

NT Home Ownership has no assets held for sale.

Leased Assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

NT Home Ownership has no finance or operating leases.

Finance Leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space are recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

Notes to the Financial Statements

For the year ended 30 June 2017

14. Fair Value Measurement of Non-Financial Assets

a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

2016-17 Asset Classes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Fair Value \$'000
Shared Equity Investments (Note 13)	-	58 495	-	58 495
Total		58 495		58 495
2015-16				
Asset Classes				
Shared Equity Investments (Note 13)	-	66 194	-	66 194
Total	-	66 194	-	66 194

There were no transfers between Level 1 and Levels 2 or 3 during 2016-17.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2016-17 are:

	Level 2 Techniques	Level 3 Techniques
Asset Classes	-	-
Shared Equity Investments	Market Approach	

There were no changes in valuation techniques from 2015-16 to 2016-17.

Territory Property Consultants Pty Ltd provided valuations for the Shared Equity Investments as at 30 June 2017.

Level 2 fair values of Shared Equity Investments were based on market evidence of sales prices of comparable land and buildings in similar locations.

Notes to the Financial Statements

For the year ended 30 June 2017

c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

NT Home Ownership does not have any Level 3 Fair Value Measurement assets

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and residual buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/ functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable

Notes to the Financial Statements

For the year ended 30 June 2017

15. Payables

	2017 \$'000	2016 \$'000
Accounts payable	331	167
Accrued expenses	29	137
Interest payable	570	559
Total Payables	930	863

Payables

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the department. Accounts payable are normally settled within 30 days.

Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

16. Borrowings and Advances

	2017 \$'000	2016 \$'000
Current		
Loans and advances	5 707	8 579
Non-Current		
Loans and advances	196 507	202 214
Total Borrowings and Advances	202 214	210 793

Borrowings

Government loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Four interest only loans valued at \$65 million will mature within the next financial year. NT Home Ownership has advised the lender, NT Treasury Corporation that it intends to refinance these loans as they mature. This is reflected in the 2017-18 budget and the loans are treated as non-current in these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

17. Provisions

	2017 \$'000	2016 \$'000
Current		
Employee benefits		
Recreation leave	11	19
Leave loading	5	4
Total current provisions	16	23
Other current provisions		
Employee superannuation	2	2
Total other provisions	2	2
Total Provisions	18	25

The department employed two employees as at 30 June 2017 (two employees as at 30 June 2016).

Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefits are classified as current liabilities and are measured at amounts expected to be paid.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including NT Home

Ownership and as such no long service leave liability is recognised in agency financial statements.

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The department makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

18. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

	2017 External \$'000	2016 External \$'000
(i) Capital Expenditure Commitments		
Capital expenditure commitments primarily related to the provision of HomeStart NT loans. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows within one year.		
(ii) Loans Approved not Funded		
Loan Commitments where approval for the facility has been given but drawdowns not commenced	185	390
	185	390
(iii) Other Expenditure Commitments		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	-	1 540
	-	1 540

Notes to the Financial Statements

For the year ended 30 June 2017

19. Notes to the Cash Flow Statement

Reconciliation of Cash

The total of agency 'Cash and deposits' of \$2.988m recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Net Deficit to Net Cash from Operating Activities

	2017 \$'000	2016 \$'000
Net Deficit	(5 218)	(7 187)
<i>Non-cash items:</i>		
Loss on disposal of investments	376	187
Loss on revaluation of investments	3 819	4 880
Doubtful debts expense	622	528
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	27	40
(Decrease)/Increase in payables	67	(257)
(Decrease)/Increase in provision for employee benefits	(7)	5
(Decrease) in other provisions	(1)	(1)
Net Cash from Operating Activities	(315)	(1 803)

Non-Cash Financing and Investing Activities

Finance Lease Transactions

During the financial year the department acquired no plant and equipment/computer equipment or software with an aggregate fair value by means of finance leases. (2016: \$nil)

20. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. NT Home Ownership has limited exposure to financial risks as discussed below.

Financial assets and liabilities are recognised on the balance sheet when the department becomes a party to the contractual provisions of the financial instrument. The department's financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received and borrowings.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation. These include statutory receivables arising from taxes including GST and penalties.

Notes to the Financial Statements

For the year ended 30 June 2017

a) Categorisation of Financial Instruments

The carrying amounts of the department's financial assets and liabilities by category are disclosed in the table below.

2016-17 Categorisation of Financial Instruments	Fair value through profit or loss		Held to maturity investments \$'000	Financial assets - Loans and receivables \$'000	Financial assets - available for sale \$'000	Financial Liabilities - amortised cost \$'000	Total \$'000
	Held for trading \$'000	Designated at fair value \$'000					
Cash and deposits	-	2 988	-	-	-	-	2 988
Receivables ¹	-	-	-	4	-	-	4
Advances	-	-	-	163 472	-	-	163 472
Total Financial Assets	-	2 988	-	163 476	-	-	166 464
Payables ¹	-	-	-	-	-	930	930
Loans	-	-	-	-	-	202 214	202 214
Total Financial Liabilities	-	-	-	-	-	203 144	203 144

¹ Total amounts disclosed here exclude statutory amounts

Notes to the Financial Statements

For the year ended 30 June 2017

2015-16 Categorisation of Financial Instruments	Fair value through profit or loss					Total \$'000
	Held for trading \$'000	Designated at fair value \$'000	Held to maturity investments \$'000	Financial assets - Loans and receivables \$'000	Financial assets - available for sale \$'000	
Cash and deposits	-	8 181	-	-	-	8 181
Receivables ¹	-	-	-	12	-	12
Advances	-	-	-	164 292	-	164 292
Total Financial Assets	-	8 181	-	164 304	-	172 485
Payables ¹	-	-	-	-	863	863
Loans	-	-	-	-	210 793	210 793
Total Financial Liabilities	-	-	-	-	211 656	211 656

¹ Total amounts disclosed here exclude statutory amounts

Notes to the Financial Statements

For the year ended 30 June 2017

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets
- Financial liabilities are classified into the following categories:
- financial liabilities at fair value through profit or loss (FVTPL)
- financial liabilities at amortised cost

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.
- A financial instrument may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of

financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the department has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Notes to the Financial Statements

For the year ended 30 June 2017

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

b) Credit Risk

Credit risk is the risk of financial loss and/or increased costs due to the failure of counterparty to meet its financial obligations. NTHO's exposure to credit risk arises from funds advanced to loan counterparties and the possibility that counterparty will not adhere to the terms of the contract with the department when settlement becomes due.

NTHO has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the department has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The exposure to credit risk is influenced mainly by the individual characteristics of each non-government debtor. In monitoring debtor credit risk, debtors are grouped according to their aging profile and existence of previous financial difficulties. Loans are provided to home purchasers subject to the retention of title clauses, so that in the event of non-payment, NTHO may have a secured claim.

NTHO has established an allowance for impairment that represents its estimate of incurred losses in respect of loan receivables. The main components of this allowance are a specific loss component that relates to individual exposures, and/or collective loss component established for groups of similar assets.

NTHO believes that no impairment allowance is necessary in respect of general receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Notes to the Financial Statements

For the year ended 30 June 2017

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

	Aging of Receivables \$'000	Aging of Impaired Receivables \$'000	Net Receivables \$'000
Internal Receivables			
2016-17			
Not overdue	4	-	4
Total	4	-	4
2015-16			
Not overdue	12	-	12
Total	12	-	12
External Receivables			
2016-17			
Not overdue	163 472	-	163 472
Overdue for less than 30 days	21	21	-
Overdue for 30 to 60 days	6	6	-
Overdue for more than 60 days	1 679	1 679	-
Total	165 178	1 706	163 472
Reconciliation of the Allowance for Impairment Losses			
Opening		1 084	
Written off during the year		-	
Recovered during the year		-	
Increase in allowance recognised in profit or loss		622	
Total		1 706	

Notes to the Financial Statements

For the year ended 30 June 2017

	Aging of Receivables \$'000	Aging of Impaired Receivables \$'000	Net Receivables \$'000
2015-16			
Not overdue	164 292	-	164 292
Overdue for less than 30 days	10	10	-
Overdue for 30 to 60 days	4	4	-
Overdue for more than 60 days	1 070	1 070	-
Total	165 376	1 084	164 292
Reconciliation of the Allowance for Impairment Losses			
Opening		556	
Written off during the year		-	
Recovered during the year		-	
Increase in allowance recognised in profit or loss		528	
Total		1 084	

c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the department's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

Notes to the Financial Statements

For the year ended 30 June 2017

2017 Maturity analysis for financial assets and liabilities	Variable Interest Rate			Fixed Interest Rate			Non-interest bearing \$'000	Total \$'000	Weighted average %
	Less than a year \$'000	1 to 5 years \$'000	More than 5 years \$'000	Less than a year \$'000	1 to 5 years \$'000	More than 5 years \$'000			
Assets									
Cash and deposits	2 988	-	-	-	-	-	-	2 988	1.52%
Receivables	-	-	-	-	-	-	4	4	-
Advances	10 968	86 216	167 882	-	-	-	-	265 066	5.19%
Total Financial Assets	13 956	86 216	167 882	-	-	-	4	268 058	
Liabilities									
Payables	-	-	-	-	-	-	930	930	-
Loans	-	-	-	78 728	73 746	93 395	-	245 869	4.75%
Other	-	-	-	-	-	-	2	2	-
Total Financial Liabilities	-	-	-	78 728	73 746	93 395	932	246 801	
2016 Maturity analysis for financial assets and liabilities									
Assets									
Cash and deposits	8 181	-	-	-	-	-	-	8 181	1.97
Receivables	-	-	-	-	-	-	12	12	-
Advances	11 522	88 778	181 169	-	-	-	-	281 469	5.30
Total Financial Assets	19 703	88 778	181 169	-	-	-	12	289 662	
Liabilities									
Payables	-	-	-	-	-	-	863	863	-
Loans	-	-	-	18 385	141 838	104 031	-	264 254	4.74
Other	-	-	-	-	-	-	2	2	-
Total Financial Liabilities	-	-	-	18 385	141 838	104 031	865	265 119	

Notes to the Financial Statements

For the year ended 30 June 2017

d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) Interest Rate Risk

Interest rate risk is the risk of financial loss and or increased costs due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates. NT Home Ownership's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out above. The average interest rate is based on the outstanding balance at the end of the year.

NT Home Ownership's operating account earns monthly interest at a variable interest rate Northern Territory Treasury Corporation's weighted average cash return less 50 basis points.

NT Home Ownership's exposure to interest rate risk by asset and liability classes is disclosed above under liquidity risk.

Market Sensitivity Analysis

Assuming the financial assets and liabilities at 30 June 2017 were to remain until maturity or settlement without any action by NT Home Ownership to alter the resulting interest rate risk exposure, an immediate and sustained increase or decrease of one per cent in market interest rates across all maturities would have the following impact on the NT Home Ownership's profit or loss and equity:

Changes in the variable rates of 100 basis points (one per cent) at reporting date would have the following effect on the NT Home Ownership's profit or loss and equity.

Profit or Loss and Equity	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2017		
Financial assets – cash at bank	30	(30)
Financial assets – receivable loans	1 635	(1 635)
Financial liabilities – borrowings	(2 022)	2 022
Net Sensitivity	(357)	357
30 June 2016		
Financial assets – cash at bank	82	(82)
Financial assets – receivable loans	1 643	(1 643)
Financial liabilities – borrowings	(2 108)	2 108
Net Sensitivity	(383)	383

Notes to the Financial Statements

For the year ended 30 June 2017

(ii) Price Risk

NT Home Ownership is not exposed to price risk as NT Home Ownership does not hold units in unit trusts or shares.

(iii) Currency Risk

NT Home Ownership is not exposed to currency risk as NT Home Ownership does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

Net Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/ functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

- The net fair value of level 1 instruments are based on initial acquisition costs or charges and will be realised in the next 12 months.
- The net fair value of Level 2 instruments are based on based on discount of future cash flows by applying current market interest rates. Current market interest rates are determined with reference to the Australian Financial Markets Association sub reference rates plus margin.
- NT Home Ownership does not hold level 3 instruments.

There were no changes in valuation techniques during the period.

Notes to the Financial Statements

For the year ended 30 June 2017

2017	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
Financial Assets					
Cash and deposits	2 988	2 988	-	-	2 988
Receivables	4	4	-	-	4
Advances	163 472	163 472	-	-	163 472
Total Financial Assets	166 464	166 464	-	-	166 464
Financial Liabilities					
Payables	930	930	-	-	930
Advances	202 214	-	203 349	-	203 349
Employee Benefits	16	16	-	-	16
Other	2	2	-	-	2
Total Financial Liabilities	203 162	948	203 349	-	204 297

2015-16 Categorisation of Financial Instruments	Fair value through profit or loss						Total \$'000
	Held for trading \$'000	Designated at fair value \$'000	Held to maturity investments \$'000	Financial assets - Loans and receivables \$'000	Financial assets - available for sale \$'000	Financial Liabilities - amortised cost \$'000	
Cash and deposits	-	8 181	-	-	-	-	8 181
Receivables ¹	-	-	-	12	-	-	12
Advances	-	-	-	164 292	-	-	164 292
Total Financial Assets	-	8 181	-	164 304	-	-	172 485
Payables ¹	-	-	-	-	-	863	863
Loans	-	-	-	-	-	210 793	210 793
Total Financial Liabilities	-	-	-	-	-	211 656	211 656

1. Total amounts disclosed here exclude statutory amounts

Notes to the Financial Statements

For the year ended 30 June 2017

21. Related Parties

i) Related Parties

NT Home Ownership is a Government Business Division of the Department of Housing and Community Development, which is a government administrative agency and is wholly owned and controlled by the Territory Government. Related parties of the agency include:

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the agency directly
- spouses, children and dependents who are close family members of the Portfolio Minister or KMP
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMP's or the Portfolio Minister or controlled or jointly controlled by their close family members.

ii) Key Management Personnel (KMP)

Key management personnel of the Department of Housing and Community Development and NT Home Ownership are those persons having authority and responsibility for planning, directing and controlling the activities of NT Home Ownership. These include the Minister for Housing and Community Development, the Chief Executive Officer and 2 members of the executive team of the Department of Housing and Community Development.

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits of Minister for Housing and Community Development as the Minister's remunerations and allowances are payable by the Agency of the Legislative Assembly and consequently disclosed within the Treasurer's Annual Financial Statements.

The aggregate compensation of key management personnel of NT Home Ownership is set out below:

	2016-17 \$'000
Short-term benefits	728
Termination benefits	-
Total	728

iv) Related party transactions:

Significant transactions with government related entities includes funding received from the Department of Housing and Community Government for community subsidy obligations and loans from Northern Territory Treasury Corporation.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

Notes to the Financial Statements

For the year ended 30 June 2017

Related Party	Revenue from related parties \$'000	Payments to related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
All NTG Government departments	3 530	18 503	4	202 812

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory Public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed.

NT Home Ownership has no other related party transactions with KMPs.

22. Contingent Liabilities and Contingent Assets

a) Contingent Liabilities

NT Home Ownership had no contingent liabilities as at 30 June 2017 or 30 June 2016.

b) Contingent Assets

NT Home Ownership had no contingent assets as at 30 June 2017 or 30 June 2016.

23. Events Subsequent to Balance Date

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

24. Budgetary Information

Comprehensive Operating Statement	2016-17 Actual \$'000	2016-17 Original Budget \$'000	Variance \$'000	Note
INCOME				
Sales of goods and services	3	-	3	
Interest revenue	8 602	10 234	(1 632)	1
Community Service Obligations	3 445	2 489	956	
TOTAL INCOME	12 050	12 723	(673)	
EXPENSES				
Employee expenses	241	267	(26)	
Administrative expenses				
Purchases of goods and services	2 362	2 195	167	
Write Offs / Impairment	622	-	622	
Loss on revaluation of assets	3 819	-	3 819	2
Loss on disposal of assets	376	-	376	
Grants and subsidies expenses				
Current	31	243	(212)	
Interest expenses	9 817	9 969	(152)	
TOTAL EXPENSES	17 268	12 674	4 594	
NET SURPLUS/(DEFICIT)	(5 218)	49	(3 921)	
COMPREHENSIVE RESULT	(5 218)	49	(3 921)	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$1 million.

- 1 Less interest earned in 2016-17 due to lower value of loans being taken out as well as lower interest earned on existing and new loans due to lower market interest rates.
- 2 End of year asset revaluations write down due to decline in the NT Housing Market.

Notes to the Financial Statements

For the year ended 30 June 2017

Balance Sheet	2016-17 Actual \$'000	2016-17 Original Budget \$'000	Variance \$'000	Note
ASSETS				
Current assets				
Cash and deposits	2 988	50 212	(47 224)	1
Receivables	17	81	(64)	
Advances and investments	221 967	187 296	34 671	2
TOTAL ASSETS	224 972	237 589	(12 617)	
LIABILITIES				
Current liabilities				
Payables	930	1 003	(73)	
Borrowings and advances	202 214	202 214	-	
Provisions	18	20	(2)	
TOTAL LIABILITIES	203 162	203 237	(75)	
NET ASSETS	21 810	34 352	(12 542)	
EQUITY				
Capital	22 745	22 745	-	
Accumulated funds	(935)	11 607	(12 542)	3
TOTAL EQUITY	21 810	34 352	(12 542)	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$1 million.

1 Budget not adjusted to reflect reduced balance due to repayment of loans with NT Treasury Corporation in 2015-16.

2 More new loans taken up with recent land releases than anticipated.

3 Loss on shared equity investments sales and revaluations not budgeted for.

Notes to the Financial Statements

For the year ended 30 June 2017

Cash Flow Statement	2016-17 Actual \$'000	2016-17 Original Budget \$'000	Variance \$'000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	3 607	2 489	1 118	1
Interest received	8 609	10 234	(1 625)	2
Total operating receipts	12 216	12 723	(507)	
Operating payments				
Payments to employees	(247)	(267)	20	
Payments for goods and services	(2 447)	(2 195)	(252)	
Grants and subsidies paid				
Current	(31)	(243)	212	
Interest paid	(9 806)	(9 960)	154	
Total operating payments	(12 531)	(12 665)	134	
Net cash used in operating activities	(315)	58	(373)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Repayment of advances	14 762	32 000	(17 238)	3
Sales of investments	3 503	11 000	(7 497)	3
Total investing receipts	18 265	43 000	(24 735)	
Investing payments				
Advances and investing payments	(14 564)	(15 000)	436	
Total investing payments	(14 564)	(15 000)	436	
Net cash from/(used in) investing activities	3 701	28 000	(24 299)	
Financing payments				
Repayment of borrowings	(8 579)	(8 579)	-	
Total financing payments	(8 579)	(8 579)	-	
Net cash from/(used in) financing activities	(8 579)	(8 579)	-	
Net increase/(decrease) in cash held	(5 193)	19 479	(24 672)	
Cash at beginning of financial year	8 181	30 733	(22 552)	
CASH AT END OF FINANCIAL YEAR	2 988	50 212	(47 224)	

Notes:

Explanations relate to significant variations greater than 10 per cent and \$1 million.

- 1 During the year an increase in the Community Service Obligation was approved to cover the loss on interest rate differentials.
- 2 Less interest earned in 2016-17 due to lower value of loans being taken out as well as lower interest earned on existing and new loans.
- 3 Repayment of loans less than anticipated; as well as reduction in value of property market.

