

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

ANNUAL REPORT

2017-18



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Government Department of Housing
and Community Development**

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ABOUT THIS ANNUAL REPORT

The annual report has been prepared to inform the Northern Territory Legislative Assembly through the Minister for Housing and Community Development, The Hon. Gerald McCarthy MLA, stakeholders, partners and the public about the functions, activities, people, performance, strategic intent and outcomes of the Department of Housing and Community Development for 2017–18.

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

The annual report has seven chapters:

- Chapter 1:** Our values
- Chapter 2:** The organisation
- Chapter 3:** Our people
- Chapter 4:** Our performance
- Chapter 5:** Corporate and governance
- Chapter 6:** DHCD Financial reports
- Chapter 7:** NT Home Ownership and Financials

Chapter 1

Chapter 1 gives readers an overview of the department's operations and services in the Northern Territory and a message from the Chief Executive Officer.

Chapters 2–4

These chapters outline the department's functions and activities, its people, performance and strategic intent.

Chapters 5

Chapter 5 outlines the department's governance performance for 2017–18, including insurance information, audits, findings and actions.

Chapter 6

Chapter 6 contains financial statements for the department.

Chapter 7

Chapter 7 contains a summary of NT Home Ownership's outcomes and its financial statements.

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 Northern Territory.

Legislative requirements

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

- ▶ *Cemeteries Act*
- ▶ *Community Housing Providers (National Uniform Legislation) Act*
- ▶ *Crown Lands Act* (section 79)
- ▶ *Housing 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 Minister for the Department of Housing and Community Development has responsibility for:

- ▶ Aboriginal housing
- ▶ remote 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 the Australian Government
- ▶ 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.



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 2017–18 Annual Report

I am pleased to present the Department of Housing and Community Development's annual report for the financial year 1 July 2017 to 30 June 2018.

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:

- ▶ The department has kept proper records of all transactions affecting the department and employees have observed the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions.
- ▶ Procedures within the agency afford proper internal control and a current description of such procedures has been recorded in the accounting and property manual which was 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 (or, where this is not the case, the department has provided details of any such instances).
- ▶ In accordance with the requirements of section 15 of the *Financial Management Act*, the internal audit capacity available to the agency 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 Treasurer's Directions.
- ▶ All employment instructions issued by the Commissioner for Public Employment have been satisfied.
- ▶ The agency has complied with the provisions as prescribed in the *Information Act*, including information access, privacy protection, records and archives management.

Yours sincerely



Jamie Chalker
Chief Executive Officer

28 September 2018

INTRODUCTION



Chief Executive Officer, Jamie Chalker

Chief Executive Officer's Message

I am proud to present our 2017–18 annual report for the Department of Housing and Community Development.

The department is responsible for providing key services to Territorians, particularly to those living in remote communities and the disadvantaged.

This includes providing services and support for urban and remote housing, homelessness, town camps, local government and interpreting services.

The department is committed to improving access to housing, reducing overcrowding, increasing community development and local decision making and providing governance support to councils and regional communities.

The annual report details numerous successes in these areas, and I would like to highlight the following:

Our people

- ▶ recognised the dedication and initiative of staff involved in the department's response to the Daly River flood and Tropical Cyclone Marcus emergencies
- ▶ supporting and participating in the 2017 Alice Springs and Darwin Skills, Employment and Careers expo
- ▶ delivered 36 different corporate training initiatives covering 172 sessions to encourage and facilitate the education and workplace wellbeing of our staff.

Housing

- ▶ launched the \$1.1 billion remote housing investment package: Our Community. Our Future. Our Homes. which is delivering new, innovative and upgraded housing, in consultation with the local decision makers and residents in remote communities
- ▶ Successfully negotiated with the Australian Government a further \$550 million over five years to 30 June 2023 for further investment in remote community
- ▶ delivered the joint Australian Government agreements on the National Partnership on Remote Housing and the Remote Australia Strategies
- ▶ negotiated and secured land tenure of 64 housing leases for approximately 4286 parcels of land occupied by remote public housing
- ▶ provided 150 separate grants for the delivery of homelands services, including municipal and essential services, housing repairs and maintenance and homelands job funding
- ▶ delivered the NT Government's \$69 million urban stimulus program that created an immediate economic injection into the construction sector and expedited repairs and maintenance resulting in improved liveability for our tenants

- ▶ continued to grow the community housing sector by transferring the management of 22 units in Alice Springs to the non-government sector
- ▶ facilitated home ownership for 108 Territory families through the HomeBuild Access initiative
- ▶ introduced body worn video cameras to the standard Public Housing Safety Officer equipment
- ▶ redeveloped the Public Housing Garden Award Competition into the Pride In Your Place Awards.

Homelessness

- ▶ developed the draft NT Homelessness Strategy to reform services to people experiencing homelessness, enabling government to better respond to growing demand
- ▶ conducted a rough sleepers survey which identified options to help those sleeping rough, gaps in service delivery and areas for improvement
- ▶ transitioned to five-year grant funding agreements for housing and homelessness support services to allow greater operational efficiency by service providers.

Town camps

- ▶ responded to a review of the Northern Territory's 43 town camps, which resulted in the establishment of a Town Camps Futures work unit, which will be responsible for working with town camp residents and landowners to develop policies and long term plans for town camps.

Governance

- ▶ consulted with key stakeholders during the review of the *Cemeteries Act*
- ▶ provided oversight and regulatory services to the local government sector
- ▶ participated in a working group with the Northern Territory Electoral Commission and Local Government Association of the NT to coordinate election awareness in remote and regional areas in preparation for the August 2017 local government general elections

- ▶ attended and supported in excess of 177 local authority meetings in remote communities
- ▶ introduced our three-year corporate plan to 2020 setting our organisation's purpose, vision and mission
- ▶ participated in regional show displays as part of the NT Government's whole-of-government stand.

Interpreting services

- ▶ delivered 37 080 interpreting hours in Aboriginal languages and 4851 hours in ethnic languages through the Aboriginal Interpreter Service and the Interpreting and Translating Service NT
- ▶ launched two recording booths for the Aboriginal Interpreter services.

Information sharing

- ▶ launched our Facebook page
- ▶ upgraded the Bushtel internet site, which provides a central point for information about our remote communities, their people and cultural and historical influences.

I firmly believe that every staff member in the department is equally important to our organisation's success. The achievements detailed above are due to the commitment, passion and skills of our people, and I will continue to invest in developing our staff's capacity, capability and knowledge to enable them to best serve Territorians.



Jamie Chalker
Chief Executive Officer

28 September 2018



Notice

Item	Quantity	Unit Price	Total
...

ENTITLED

Item	Quantity	Unit Price	Total
...

001-2500

1 OUR VALUES



OUR VALUES

The department is guided by and promotes the Northern Territory Public Sector (NTPS) values. The NTPS values are:



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.



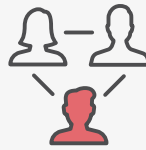
ACCOUNTABILITY

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.

Purpose and Direction Strategy

Consistent with our values, the department's Purpose and Direction Strategy 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.

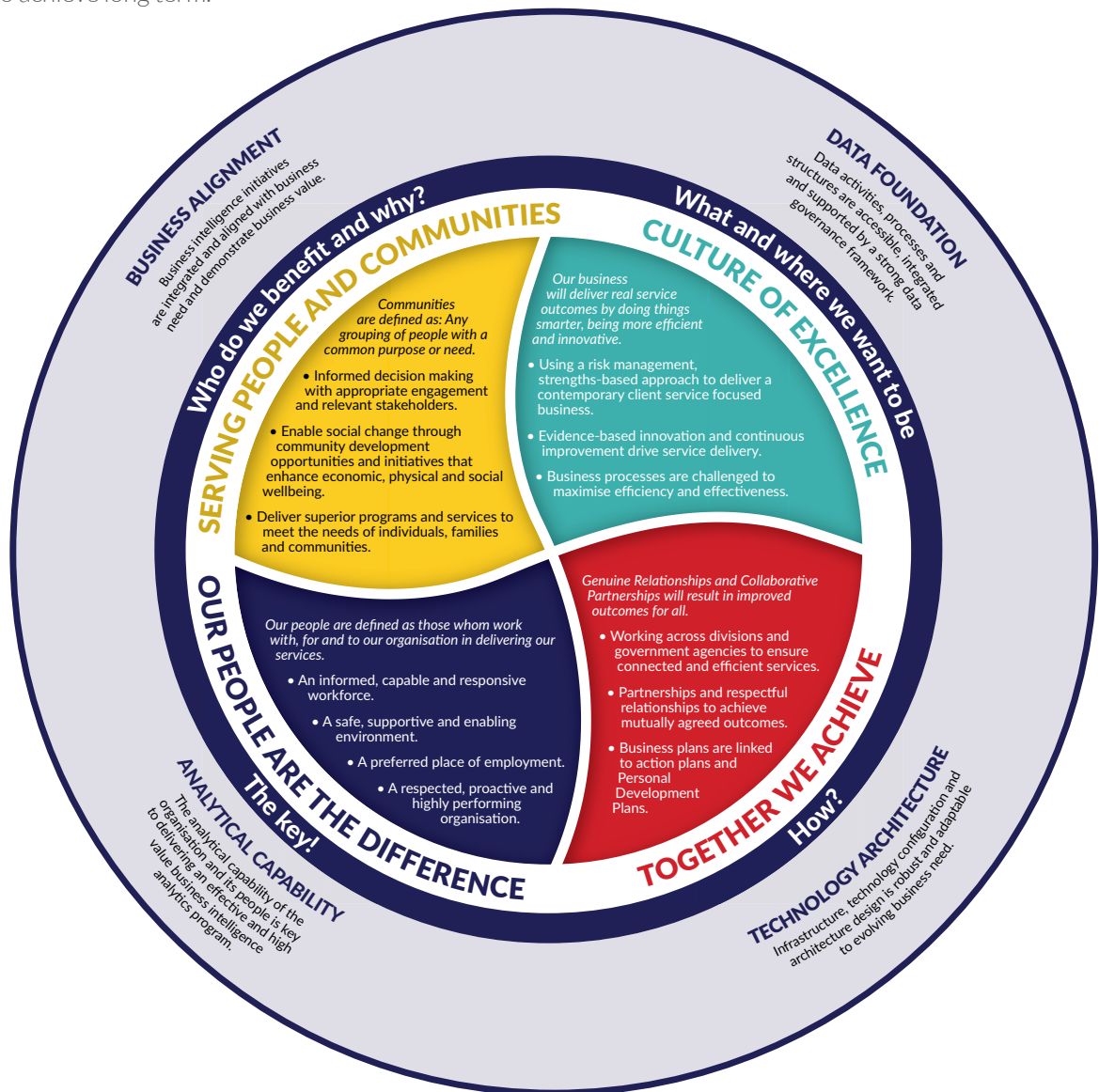


MISSION

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

Corporate Plan

The Corporate Plan and the Purpose and Direction Strategy both provide our clear purpose, vision and mission. Combined they highlight who we are, the work we do, how we do it and guidance on what we want to achieve long term.



Our stakeholders and partners

We work with a broad range of stakeholders and partners in developing sustainable communities, primarily:

- ▶ Northern Territory Government
- ▶ non-government organisations, including the housing and homelessness sector
- ▶ legal advocates and peak bodies
- ▶ 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
- ▶ Australian Government
- ▶ other government agencies.



Staff member Shiraline Wurrawilya and Community Housing Officers at Umbakumba



2 THE ORGANISATION



THE ORGANISATION

Overview of the department

The Northern Territory Department of Housing and Community Development comprises 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; the Remote Housing Program Delivery Office; Strategy, Policy and Performance; Tenancy, Support and Compliance; Community Services; and Local Government and Community Development. The Corporate and Governance output group incorporates Human Resources; Finance; Procurement; Information Technology and Business Support; Governance and Information Management; and Corporate Communications.

The department manages more than 12 500 dwellings across the NT's 1.35 million square kilometres. In partnership with government and non-government agencies, the department strives to:

- ▶ provide accommodation pathways and housing options for Territorians in need
- ▶ 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 2017–18, the department had one portfolio minister.

The Hon. Gerald McCarthy, MLA, was appointed Minister for Housing and Community Development on 8 September 2016.

Jamie Chalker became Chief Executive Officer on 19 December 2016.

Our structure

The department sits within the NT Government's Children and Families cluster along with the departments of:

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

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

Functions of the department

Office of the Chief Executive

The Office of the Chief Executive provides executive support to the Chief Executive Officer, oversees the Secretariat and the Public Housing Appeals Board.

The Secretariat liaises between the department and the office of the minister.

Staff allocate, coordinate and maintain quality control of all ministerial-related correspondence including ministerial briefs, Cabinet submissions, Executive Council submissions and departmental Cabinet comments on other agency's Cabinet submissions.

The office supports and enhances corporate performance and ministerial communications and liaison.

This division is also responsible for coordinating the functions of the Public Housing Appeals Board. 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 are from diverse backgrounds from across the NT. Appointments are for two-year terms.

Deputy Chief Executive Officer Housing Services, Local Government and Community Development

The office is responsible for key operational services, including client-centric social housing services and day-to-day management of housing.

It drives urban renewal and leasing programs and NT Home Ownership. It oversees tenancy and client support services in conjunction with non-government sector service providers and the Public Housing Safety program. It also provides grant funding, capability development and monitoring and compliance for the local government sector as well as underpinning support for community development.

Deputy Chief Executive Officer Remote Program Delivery Office and Community Services

The Remote Housing Program Delivery Office (RPDO) is responsible for delivering construction of new homes and improvements to existing homes in remote communities, community consultation, land tenure, Aboriginal Business Enterprise (ABE) development, and related land servicing and essential services infrastructure to support remote housing programs. Complementary to these functions, Community Services is responsible for providing Aboriginal and other interpreter and translator services as well as leading and coordinating the delivery of services to homelands, outstations and town camps.

CEO Jamie Chalker with tenant Elaine Quinn from Hoppy's Camp in Alice Springs



Strategy, Policy and Performance

The 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.

Corporate Services

The division provides strategic advice and coordination in developing, implementing and delivering financial and budget management, human resources services, marketing and communication and stakeholder relations, information management, workplace health and safety services, business systems, office management services, governance, risk and audit services, procurement and grants management.

It supports the department's service delivery

areas by providing systems and processes that enable the efficient conduct of the department's business.

The division comprises the following branches:

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



Staff in our Alyangula office

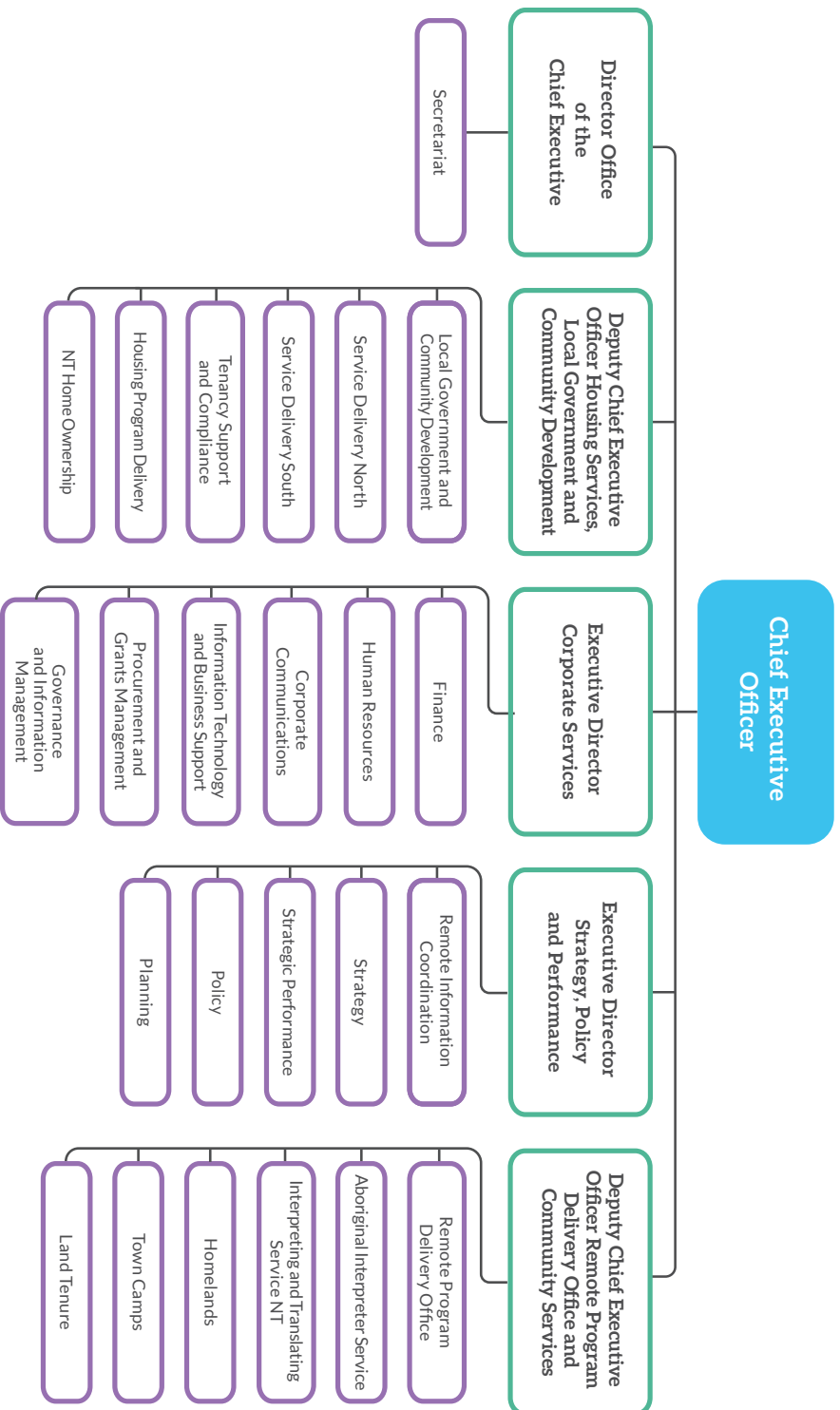


Figure 1: Organisational chart as at 30 June 2018



NORTHERN TERRITORY GOVERNMENT

3 OUR PEOPLE



OUR PEOPLE

Our people are paramount to the department delivering its strategic objectives.

The positioning of our workforce ensures we have the right people with the right skills in the right jobs. In collaboration with senior management, our Human Resources team supports and encourages a positive workplace culture. We achieve this by delivering advisory services, developing programs, policies and frameworks complying with the legislated requirements for employment.

Table 1: Workforce profile - full time equivalent (FTE)

Category	2016-17 FTE	2017-18 FTE
FTE	584.23	607.95
Part-time	77.94	77.59
Ongoing (permanent)	411.32	406.83
Fixed period	117.29	146.41
Casual	55.62	53.99
Female	372.86*	379.35
Aboriginal	163.33*	173.92

* Note: Data reported in 2016-17 annual report was changed due to incorrect reporting.

The department builds its employee capability by facilitating and delivering a range of learning and development programs which include:

- ▶ 'growing our own' through an effective early careers program
- ▶ comprehensively inducting new employees
- ▶ providing targeted training programs across the department to build skills and improve performance.

This increase is a result of recruitment to key positions across the agency, which included the Remote Program Delivery Office, Public Housing Safety Officers in Katherine and Tennant Creek and the Town Camps Futures Unit. The increase in fixed period employment is largely a result of standing up a project team to deliver the \$69 million Stimulus Package to the urban and regional construction sector.

At 30 June 2018 the department had 607.95 FTE employees, an increase of 23.72 compared with 30 June 2017. Our employees' average age was 47, with 66 per cent under 50. Just over half our employees were Aboriginal or Torres Strait Islander by headcount. A total of 26.54 per cent of our employees were located outside the Darwin region.

The department increased its Aboriginal employee numbers by 55 in 2017-18 compared with 2016-17. This equated to an FTE increase of 23.72. The difference between our employee headcount and FTE can be explained by our employment of casual staff in the Aboriginal Interpreter Services (AIS) branch.

Table 2: Staff profile by equal employment opportunity groups (Headcount)

Equal employment opportunity group	Department headcount 30 June 2017	Department whole-of-government target	Department headcount 30 June 2018
Aboriginal and Torres Strait Islander	523 or 48.52%	43.8%* (by 2020)	578 or 50.61%
Non-English speaking background	178 or 16.51%	No set target	185 or 16.2%
People with disability	20 or 1.86%	4%	22 or 1.93%
Women in executive roles SAO2^	34 or 58.62%	40%	41 or 60.3%

Source: Personnel Information Payroll System

* The department's June 2020 target is in line with the released Indigenous Employment and Career Development Strategy.



(L-R): Elvina and Aimie have enjoyed their participation in the AEP

Confidence blooms under the Aboriginal Employment Program

Elvina Smith and Aimie Carey-Saltmer from our Katherine office completed the Aboriginal Employment Program (AEP) in June 2018.

The AEP is a pre-employment program designed to attract Aboriginal jobseekers wishing to enter or return to the workforce. It equips participants with the foundation skills relevant to entry level positions, while undertaking targeted training incorporating accredited vocational training.

At the same time as working with our housing operations in the Big Rivers Region, Elvina and Aimie found time to study a Certificate II in Business.

Aimie said the AEP has allowed her to work in a professional environment she thought she would never be part of. 'I have developed a lot more confidence in myself, my decisions and when talking to people. As well as confidence, I have built upon skills essential for the workplace, including communication, leadership, conflict management and independence,' Aimie said.

Elvina has really enjoyed becoming familiar with the remote areas of the NT.

Elvina stated that 'This program has really changed my outlook on the NT, I have learnt a lot about many remote areas.'

Both participants valued their time with our department, saying they felt welcomed and supported.

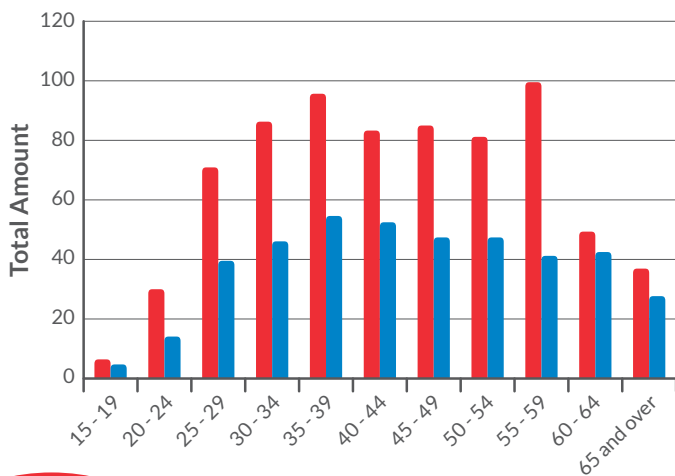
Table 3: FTE employees by classification

Category	FTE employees 30 June 2017	FTE employees 30 June 2018
Trainee	3	1
School Based Apprentice	0	0
Graduate	2	1
Administrative Officer 2	27	18.85
Administrative Officer 3	53.09	52.68
Administrative Officer 4	67.95	75.91
Administrative Officer 5	88.96	89.29
Administrative Officer 6	72.5	79.48
Administrative Officer 7	64.18	64.25
Aboriginal Interpreter	47.86	48.06
Professional 2	1	1
Professional 3	0.8	1.8
Senior Professional 1	2.8	3
Technical 5	32.93	30.98
Technical 6	2.5	8
Senior Administrative Officer 1	62.36	68.68
Senior Administrative Officer 2	30.3	34.25
Executive Officer 2	0	1
Executive Contract Officer 1	17	17
Executive Contract Officer 2	6	8
Executive Contract Officer 3	0	0
Executive Contract Officer 4	1	2
Executive Contract Officer 5	0	0
Executive Contract Officer 6	1	1
Board member	0	0.72
Total	584.23	607.95

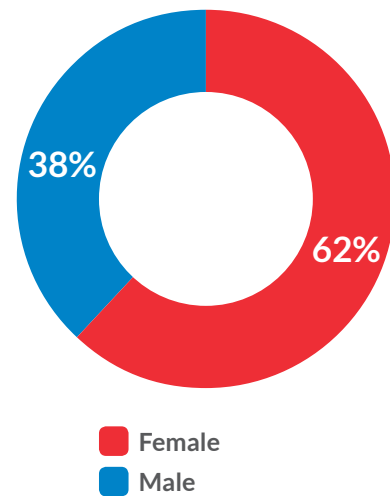
*Source: Personnel Information Payroll System

Figure 1: Employee profiles: Age profile by gender

Age profile by gender



Employee profiles: Gender profile



▶ The average age of our employees was 47, with 66 per cent under 50.

Aboriginal Leadership Network

In December 2016 the department sought nominations to re-establish its Aboriginal Leadership Network. In collaboration with our Human Resources team, the network helped to develop the Indigenous Employment and Career Development Strategic Action Plan 2016-18. The plan's development was in response to the Northern Territory Government Aboriginal Employment Career Development Strategy 2015-2020.

The plan positions the department to deliver on the objectives outlined in the strategy. We have met 48 per cent of these targets, with 37 per cent being works in progress. The department values the diversity and unique contributions Aboriginal employees make to delivering our business outcomes, which the plan recognises and reflects.

Encouraging diversity

The department is committed to creating a workplace that is accessible and inclusive for all staff. Encouraging and valuing diversity provides the department with a strong foundation to shape our culture and the way we work.

The agency continuously reviews its workforce diversity profile and implements programs such as:

- ▶ the Aboriginal Leadership Network
- ▶ Aboriginal Employment Program
- ▶ cross-cultural training
- ▶ Aboriginal Employment and Career Development Strategy
- ▶ special measures recruitment plans
- ▶ NAIDOC week celebrations
- ▶ mentoring and coaching of Aboriginal employees
- ▶ flexible work arrangements to support employees with a disability
- ▶ the promotion of Harmony Day.

A TOTAL OF 26.54% OF OUR EMPLOYEES WERE LOCATED OUTSIDE THE DARWIN REGION



Ramesh Jeffrey, Tenancy Support and Compliance

Work, health and safety (WHS)

The department is committed to providing a socially responsible, physically safe and healthy working environment for all staff, contractors and other affected parties. We are committed to ensuring WHS practices are integral to our management and operational systems.

We maintained a rigorous consultation process through WHS committees and health and safety representatives in each workplace throughout the territory. The committees and their representatives facilitated communication between all employees, the WHS Steering committee and the Person Conducting a Business or Undertaking (CEO). The department ran a territory-wide 'Working in the NTPS' refresher training initiative incorporating important WHS information.

The department is dedicated to increasing staff awareness about WHS. To communicate urgent WHS matters the department publishes news items on the intranet telling staff about issues that may adversely affect their safety and well-being at work. We also publish a monthly WHS item in the staff newsletter.

Our online incident reporting tool lets us monitor trends and identify gaps in training to address them as quickly as possible. Because of the increased rate of mental factor incidents affecting staff who may have experienced antisocial or aggressive behaviour in the line of duty or other stressors at work, the department introduced specific Mental Health Training to support staff. Staff deal with a variety of complex social and mental health issues when servicing our clients.



Staff showcasing career opportunities at the 2017 Skills and Employment careers Expo

Situational awareness training, specific to our work context, was made available for frontline staff who may deal with antisocial or aggressive behaviour in the line of duty. The department delivered this training in addition to the Predict, Assess and Respond To (PART) aggressive and challenging behaviours training in Katherine, Nhulunbuy and Darwin.

We provided:

- ▶ Mental Health First Aid training in Darwin and Katherine
- ▶ Mindfulness and Managing Stress sessions in Alice Springs, Casuarina, Darwin and Palmerston
- ▶ Brain Change and Resilience workshops in Nhulunbuy, Darwin, Casuarina, Palmerston, Katherine, Tennant Creek and Alice Springs
- ▶ Combat Bullying - Call It Like It Is workshops in Darwin, Katherine, Nhulunbuy and Alice Springs with a separate session for managers: Combat Bullying – Leading the Way.

Due to increased incidents of body stressing, the department ran a Trainer-Workstation Ergonomics session providing basic ergonomic training about workstation ergonomics and assessment, manual handling assessments and vehicle assessment.

We attributed the increase in hazard reporting to increased WHS awareness across the department. Our WHS team held WHS awareness training initiatives for staff and separate sessions for managers throughout the year.

The increase in the department's hazard reporting is positive, as it shows we have moved to a more proactive safety culture. A hazard is a potential source of harm to a person or persons where no injury has occurred.

We introduced Personal Safety Quick Reference Cards across the agency, which were provided to all new staff. Work Health and Safety staff also conducted regional staff visits.



Trainee Khaila Fuller's graduation morning tea, here with CEO Jamie Chalker

Table 4: Work Health and Safety reported incidents

Incident type	2016-17	2017-18	Variance
Being hit by object	33	19	- 14
Biological factors	7	3	- 4
Body stressing	6	15	+ 9
Chemicals and substances	3	6	+ 3
Environmental factors	0	6	+ 6
Hazard (notifications)	0	96	+ 96
Hitting objects	8	6	- 2
Mental factors	27	53	+ 26
Slips, trips and falls	14	15	+ 1
Vehicle incidents and other	37	15	- 22
Sound and pressure	0	1	+ 1
Total	135	235	+100

Early careers

Developing our capability and performance

The department is committed to the professional development of its employees. Building the capability of our workforce is central to delivering our services and meeting our objectives. Through the Northern Territory Public Sector Employment Programs initiative, we offered a range of employment pathways.

Skills, employment and careers expo

In 2017, we participated in the Alice Springs and Darwin skills, employment and careers expos to promote the department as an employer of choice, with an emphasis on attracting talented locals.

Aboriginal Employment Program

The department continued its strong commitment to increasing the number of Aboriginal employees. The Aboriginal Employment Program is a six-month program for Aboriginal jobseekers incorporating accredited training, work readiness development and work-based learning. In partnership with the Department of Corporate and Information Services, the program placed three participants in our Darwin and Katherine offices.



Trainee Shania Dolby's graduation

Early careers programs

Our early career development programs comprise best practice recruitment strategies for developing new generations of employees. They reaffirm government's commitment to encouraging local job creation. Fresh ideas, ambition and new leadership will help shape the NT Government. Our staff-in-development programs are a valuable resource, with a vested interest in developing successful long-term careers in government.

Graduate development program

We designed our graduate development program with the future in mind. A graduate with a Master of Accounting and a graduate with a Bachelor of Information Technology completed the program in late 2017. In early 2018 we recruited a Bachelor of Business graduate who majored in Human Resources and Management.

Trainee employment program

Under this program we gave trainees structured employment and training. Two trainees completed a Certificate II and Certificate III in Community Services which are frontline-focused certificates providing core skills in case management, stakeholder engagement and client-focused customer service. We also recruited a trainee to undertake a Certificate III in Business.

Table 5: Expenditure on learning and development for 2016-17 and 2017-18

	2016-17	2017-18
FTE employees	584.23	607.95
Corporate Training Program Expenditure	\$542 689	\$674 605
Total employee expenditure	\$61 098 104	\$64 908 307
Corporate Training and development expenses as a percentage of total employee expenditure	0.88%	1.04%
Average per FTE employee	\$929	\$1 110

Source: Personnel Information Payroll System and Government Accounting System.



Project Management training



Combat Bullying training

Key training initiatives

The department develops and invests in a dedicated training program for staff each year. For 2017-18 the department spent \$674,605. These programs are listed below.

Further to this list, each division also invests in individual staff training. This primarily includes enrolment in OCPE initiatives and study assistance.

Combat Bullying – call it like it is

We held a series of Combat Bullying workshops in Alice Springs, Darwin, Katherine and Nhulunbuy. In total, 71 staff members attended from across the regions. The program equipped employees to face workplace bullying behaviour and to respond to inappropriate behaviour. It developed our staff's confidence in creating an empowered and performance-based culture. Managers and supervisors in the Darwin region attended a full day session.

Corporate induction

We provided new employees with a full day induction that imparted information on the department's history, its corporate plan, values, strategic direction and organisational structure. In total, 50 employees attended the induction.

Cross-cultural training

As part of our commitment to cultural awareness, the department supported 97 employees to attend cross-cultural awareness training in Alice Springs, Darwin, Katherine, Nhulunbuy and Tennant Creek. The training gave participants a better understanding of the challenges, barriers and enablers in a culturally diverse environment.

Dealing with the Tough Stuff

The program provided managers and supervisors with the skills to undertake hard conversations. It also provided staff with tools to optimise their performance management discussions.

Drug and alcohol awareness and domestic and family violence awareness

The department provided this training to 115 staff through all regions. The training provider was a specialised locally sourced company. The training was followed by an information session on recently revised departmental policies and processes.

Four-wheel drive

The training improved staff knowledge and skills in safely operating four-wheel drive vehicles in the hazardous conditions and variable weather experienced in regional and remote areas.

Mental health first aid

We aimed this training at our managers and frontline staff. It allowed 73 participants to:

- ▶ learn about the signs and symptoms of common mental health problems
- ▶ provide initial help
- ▶ know where and how to get professional help
- ▶ know what sort of help is effective
- ▶ provide first aid in a crisis.

We are now a nationally recognised Gold Level Mental Health First Aid Skilled Workplace.

Mindfulness and managing stress

For Mental Health Week in 2017 we made one-hour sessions on mindfulness and stress management available to all staff in Darwin and Alice Springs. Mindfulness has psychological, personal and professional benefits. In this introductory session staff learned how to manage stress and become more aware of their mind's activity.

Quality customer service training

Areas covered in this half-day training were:

- ▶ understanding excellent customer service skills
- ▶ identifying ways to develop and maintain a positive customer-focused work culture
- ▶ improving communication skills
- ▶ adapting to specific customer behaviour styles.

We provided this training to 148 staff in 15 sessions across all regions.

Punctuation Unpacked

The department ran nine half-day Punctuation Unpacked workshops in Alice Springs and Darwin on the critical skill of punctuation. The workshops covered apostrophes, commas, colons, semi colons, capital letters, lists and mixed-up words.

Project management training

The Australian Institute of Management provided training to 115 staff over six cohorts, with 39 staff enrolling to complete a Certificate IV in Project Management and 44 staff enrolling in the Diploma of Project Management.

The training was contextualised to the department. Staff undertook meaningful on-the-job project assessments using best practice project management knowledge and methodology.

Situational awareness training

Frontline staff from Darwin, Katherine and Nhulunbuy undertook situational awareness training, also known as Predict, Assess and Respond To, or PART. PART training provided skills to de-escalate direct client aggression and challenging behaviours.

Brain change and resiliency

Formatted as a workshop, this training gave staff an understanding of resilience and the key components that can strengthen their ability to bounce back in the face of adversity.

A total of 91 staff across all regions attended nine half-day workshops.

Work health and safety awareness (WHS)

Four half-day workshops delivered an understanding of the general principles of WHS legislation. Training focused on:

- ▶ duties and obligations
- ▶ understanding the risk management process
- ▶ identifying hazards in the workplace
- ▶ undertaking the process of reporting and elimination
- ▶ understanding the consultation process in relation to WHS issues.

Work health and safety awareness for managers and supervisors

Managers and supervisors attended a one-day session on:

- ▶ key objectives in interpreting and applying WHS legislation
- ▶ understanding roles and responsibilities within the workplace
- ▶ applying the principles of risk management
- ▶ consultation and incident responses to practical situations
- ▶ understanding the importance of safety at work.

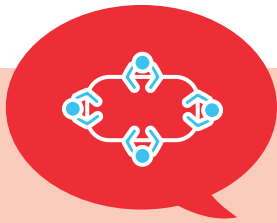
Working in the Northern Territory Public Sector

The Human Resources team delivered this in-house training which focussed on core values, employee entitlements, Employment Instruction 12 – Code of Conduct and internal policy and procedures. In total, 59 staff attended.

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. The department provided the following leadership and development programs to 184 employees:

- ▶ Communicate with Influence
- ▶ Emotional Intelligence
- ▶ Machinery of Government
- ▶ Public Sector Management
- ▶ Simplified Recruitment and Special Measures.



▶ Our Human Resources team coordinated 36 different corporate training initiatives over 172 sessions. This resulted in 2219 staff attendances at training.

Study assistance

We helped staff improve their educational qualifications through formal studies in areas relevant to our core business. In the reporting period 29 employees received study assistance and support through reimbursement of fees and paid study leave. Approved courses undertaken by employees included:

- ▶ Bachelor of Accounting
- ▶ Bachelor of Applied Social Science
- ▶ Bachelor of Behavioural Science
- ▶ Bachelor of Humanitarian Community Studies
- ▶ Bachelor of Information Technology
- ▶ Bachelor of Laws
- ▶ Certificate IV Accounting
- ▶ Certificate IV Business (Governance)
- ▶ Certificate IV Building and Construction (Site Management)
- ▶ Certificate IV Training and Assessment
- ▶ Certificate IV Work Health and Safety
- ▶ Certified Practising Accountant Professional Program

- ▶ Diploma of Accounting
- ▶ Diploma of Business Administration
- ▶ Diploma of Government Investigations
- ▶ Diploma of Law
- ▶ Diploma of Management and Leadership
- ▶ Diploma of Public Safety
- ▶ Master of Business Administration
- ▶ Master of Public Policy.

Senior leaders forums

A total of 77 senior leaders attended our senior leaders forums, which are half-yearly events bringing senior staff together to share knowledge and ideas to promote business improvement.

Organisational culture inventory

The department engaged an independent research company to undertake an organisational culture inventory (OCI). The OCI is a diagnostic tool that was provided to all staff in the form of an online survey. Pleasingly, 61 per cent of staff responded. The survey explored how staff feel they should behave in the organisation, how they approach their work and how they interact.

On release of the survey findings, the survey provider delivered an accredited Culture Coach program to the human resources team. The program gave our human resources consultants the ability to understand, interpret and present survey findings and to take lead roles in distributing results to divisions. We held 24 workshops across all divisions and regions with 290 employees attending a session. The sessions also provided an opportunity to workshop the department's ideal workplace culture and to develop divisional and departmental culture plans to build constructive culture styles.

Senior Leaders Forum



Table 6: Training courses and attendances

Training	Attendees
Four-wheel Drive Training	13
Applied Project Management	115
Assessment Panel Training - Alice Springs	10
Combat Bullying	71
Combat Bullying - Management Workshop	9
Connecting Through Change	17
Corporate Induction	50
Cross-Cultural Awareness Training	97
Dealing with the Tough Stuff	11
Directors Forum	39
Drug Alcohol Awareness and Domestic and Family Violence Awareness	115
Executive Assistant Toolkit Masterclass Training	12
How to Write in Plain English	11
Job Evaluation Systems (JES) Introductory	9
Leading Through Change – Become the Boss of Busy in 2018	22
Mental Health First Aid Training	73
Mindfulness and Managing Stress	67
Organisational Culture Inventory – Culture Coach	10
Organisational Culture Inventory – Divisional Findings	391
P.A.R.T. – Situational Awareness Training	48
Procurement Awareness Training	153
Project Management Practitioner	48
Punctuation Unpacked	77
Quality Customer Service Training	148
Recruitment Workshop	47
Senior Leaders Forum	77
Simplified Recruitment and Special Measures Training Session	174
Team Building and Team Management	13
The Brain and Change and Resiliency	109
Tenancy Management System Profile Workshop	12
Train the Trainer – Workstation Ergonomics Assessment	19
Work Health and Safety Awareness Training	58
Work Health and Safety Committee training	10
Work Health and Safety for Supervisors and Managers	11
Working in the NT Public Sector	59
Writing a Job Analysis Questionnaires (JAQ)	14

Health and wellness

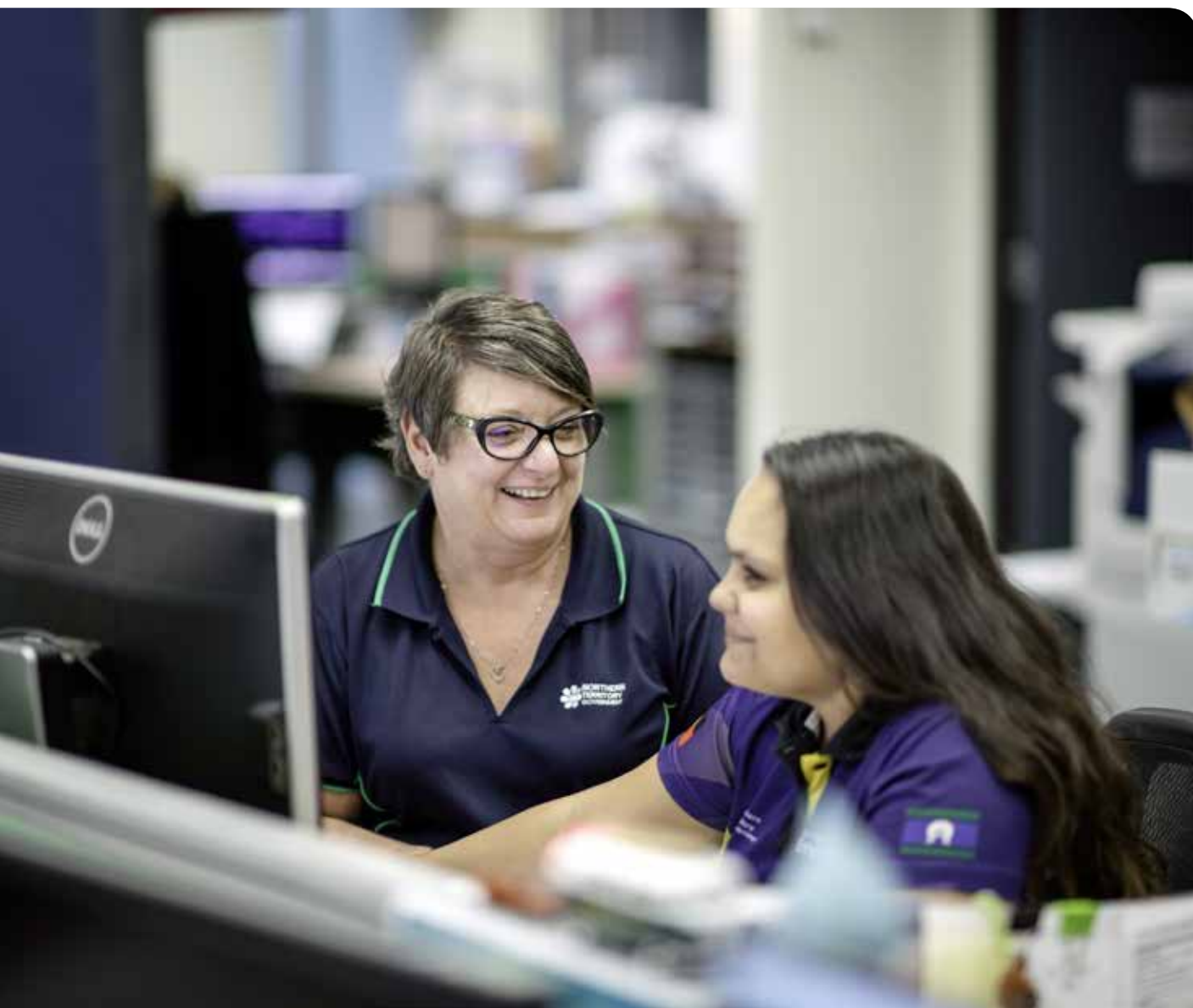
The department's health and wellness program helped staff make informed choices and suggested activities and initiatives to inspire healthy decisions.

Initiatives to raise awareness, and where appropriate, funds for charities, included:

- ▶ our monthly newsletter
- ▶ Australia's Biggest Morning Tea
- ▶ R U OK? Day
- ▶ Harmony Day
- ▶ RSPCA Cupcake Day
- ▶ Bandanna Day
- ▶ Cancer Council information sessions on skin cancer and sun protection
- ▶ annual flu vaccinations
- ▶ a 10 000 steps challenge with teams of four walking 10 000 steps per day. The initiative was a huge success, with 45 teams joining the challenge.

Our health and wellness program was nominated for two awards for best health and wellbeing program for 2018.

Amanda Orwell and Elvina Smith from our Katherine Office





4 OUR PERFORMANCE



OUR PERFORMANCE

Housing, strategy, policy and performance

The housing continuum

Housing is fundamental to health and wellbeing. Appropriate housing directly contributes to a person's ability to be safe, engage in education, maintain employment and participate in social and community life.

An effective housing system supports individuals and families to have housing appropriate to their needs. The department's housing programs provide safeguards for people who are homeless or at risk of homelessness.

The department delivered and funded programs across a continuum of housing options that supported vulnerable Territorians transitioning

towards stable, safe, affordable housing. Housing and accommodation services provided through the department included:

- ▶ emergency shelters and transitional housing
- ▶ managed and supported accommodation
- ▶ social housing provided directly by the department as well as through non-government housing providers
- ▶ affordable rental housing for low-to-medium income earners
- ▶ private rental assistance through interest free loans for bonds
- ▶ financial products to help people into home ownership.

Figure 1: The housing continuum





HOUSING STRATEGY, POLICY AND PERFORMANCE

HOMELESSNESS STRATEGY

- ▶ 95 individuals from 45 organisations attended regional consultation forums in July 2017.

Homelessness in the NT

Homelessness is a complex issue extending beyond the notion of rooflessness. The Australian Bureau of Statistics (ABS) considers a person homeless if they do not have security of tenure, access to adequate basic facilities, privacy, safety and the ability to control their living space. This includes those living in overcrowded housing and people sleeping rough or living in improvised dwellings, people staying in homelessness accommodation services, people staying in boarding houses and other temporary lodging, and people who are ‘couch surfing’.

The NT has Australia’s highest rate of homelessness, at almost 12 times the national rateⁱ. Homelessness among Aboriginal Territorians is 5.8 times greater than the national rate, while homelessness among non-Aboriginal Territorians is 2.2 times greaterⁱⁱ. On Census night 2016, there were 599 homeless people

per 10 000 in the NT, significantly more than the national rate of 50 people per 10 000ⁱⁱⁱ. The NT also has the highest rate across all types of homelessness defined by the ABS, when compared to national rates. Rates were highest for people living in improvised dwellings, tents or sleeping out, at 13.7 times the national rate, and for people living in severely crowded dwellings at 22 times the national rate.

Aboriginal people are considerably over-represented in the homeless population, making up 88 per cent of homeless Territorians^{iv}. Overcrowding is the major driver of homelessness in the NT, with 81 per cent of all homelessness caused by overcrowding^v. Overcrowding in remote NT communities^{vi} is a major challenge, having a severe impact on community health, wellbeing and social cohesion. The department is responding to the acute levels of overcrowding in remote communities through the \$1.1 billion Our Community. Our Future. Our Homes. remote housing program.

In NT urban areas in 2016–17, 9187 people accessed urban-based specialist homelessness services^{vii}. Non-government specialist homelessness services play a central role in the delivery of housing and support to the homeless or those at risk of homelessness and form part of the range of service responses and housing options across the housing continuum^{viii}. Specialist homelessness services provide a safety net for those in housing crisis and support their re-entry into longer term housing options such as public, social or affordable housing.

Non-government organisations deliver specialist homelessness services programs in Darwin, Katherine, Nhulunbuy, Tennant Creek and Alice Springs.

- i ABS. (2016a). 2049.0 - Census of Population and Housing: Estimating Homelessness. Canberra: ABS. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.
- ii ABS. (2016a). 2049.0 - Census of Population and Housing: Estimating Homelessness. Canberra: ABS. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.
- iii ABS. (2016a). 2049.0 - Census of Population and Housing: Estimating Homelessness. Canberra: ABS. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.
- iv ABS. (2016a). 2049.0 - Census of Population and Housing: Estimating Homelessness. Canberra: ABS. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.
- v ABS. (2016a). 2049.0 - Census of Population and Housing: Estimating Homelessness. Canberra: ABS. Retrieved from <http://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>.
- vi ABS. (2016b). 2049.0 - Census of Population and Housing: Estimating Homelessness, State and Territory by place of enumeration, Statistical Area Level 2, 3, and 4. Retrieved from <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2049.02016?OpenDocument>.

AIHW. (2017), 2016-17 Specialist Homelessness Services Collection, NT Supplementary tables

- iv AHURI. (2017). Understanding the housing continuum. Melbourne: AHURI.

NT Homelessness Strategy 2018–23

Throughout 2017–18, the department led the development of the draft NT Homelessness Strategy 2018–23. The strategy aims to help reduce homelessness and deliver improved housing and support to vulnerable Territorians, using specialist homelessness services.

A strengthened focus on prevention and early intervention responses can effectively support people at risk. Critical to this is an integrated approach focused on improving responses across a range of social supports and services. Accordingly, the strategy is the NT's first system-wide approach to homelessness. The strategy will build on existing efforts.

Throughout the strategy's development, the department consulted widely to identify priorities and seek input about proposed actions. We held regional consultation forums in Alice Springs, Nhulunbuy, Tennant Creek, Katherine and Darwin. A total of 95 individuals from 45 organisations attended, including departmental staff, other NT Government agencies, non-government service providers, advocates and peak organisations. Stakeholders also made written submissions. We further consulted with 45 regional participants to receive feedback on the draft strategy.

Following final approval, we will work with key stakeholders across the NT Government and the non-government sector to implement the strategy.



HOUSING STRATEGY, POLICY AND PERFORMANCE

- ▶ Rough sleeper survey of 292 participants in Darwin and Palmerston and 104 in Katherine.

Homelessness Innovation Fund

The Homelessness Innovation Fund initiative saw new programs trialled to help people who are homeless or at risk of homelessness to access accommodation and support services. Three trial programs operated throughout 2017–18:

- ▶ The Salvation Army's Katherine Doorways Hub provided access to dignity services and support through a day centre to facilitate referrals and provide case management, thereby breaking down barriers preventing people from accessing services. The hub also facilitated supervised visitations for parents of children in care who did not have adequate housing to allow for visitations. In its first six months clients used the hub 7615 times. Even allowing for repeat users, this demonstrated the high need for the hub's facilities and services. The Katherine community strongly supported the hub. Numerous government and non-government agencies used the hub to deliver a range of services including legal assistance, health, counselling and family support. A partnership with the Katherine District Hospital enabled clients to receive soup for lunch each day. Together with bread supplied by a local bakery, the hub provided lunches from Monday to Friday. From 1 October 2017 to 31 March 2018, the hub provided over 3000 lunches.
- ▶ Operating in Darwin, The Salvation Army's program The Nest delivered a private rental housing program featuring case management, mentoring and personal development to support participants' transition to independent living. The Nest is based on the Victorian model supported by the Collingwood Football Club. The Nest provided participants with subsidised housing in a co-tenanted environment. In partnership with the NT Thunder Football Club, The Nest offered social and recreation opportunities. Since commencement, The Nest received 47 referrals and assessed 21 people as eligible for participating in the program. Four houses operated under the program, housing 11 participants.
- ▶ My Place, operated by the Central Australian Affordable Housing Company (CAAHC), partnered with local service providers and real estate businesses to enable access to the private rental market. Under the subsidised private rental program, CAAHC leases properties for a 12-month period to sublease to participants. At the end of 12 months, successful participants take over the lease. In addition, the private rental liaison program operated by CAAHC assists people who are facing challenges in securing a lease in the private rental market. The program provides ongoing support for 12 months to ensure that tenants maintain stable housing. Since commencement both programs housed a total of 16 participants.

Housing program delivery

\$69 million stimulus program delivered

The Housing Program Delivery Team, along with other units, worked hard to deliver the \$69 million stimulus program.

The program aimed to create an immediate economic boost to the construction industry, by expediting repairs, maintenance and upgrades to our public housing.

Owen Dutton, Director of Housing Program Delivery, Major Projects, saw firsthand the stimulus program's positive effects.

'This has been achieved through a massive individual and team effort right across the agency. It couldn't have happened without significant collaboration between so many different business units,' he said.

Jim Demetriou managed the stimulus program in Katherine.

Jim said, 'The stimulus program will have a great effect on the appearance of the complexes in Katherine. They are not finished yet but when they have been rendered and painted these complexes will look more up-to-date than the old red brick buildings they were.'

'Working on the stimulus project was not only a great challenge but a fantastic opportunity to learn more about procurement and contracts on a different scale to urban maintenance.'

Rick Gosper, a Project Officer in the Darwin team, worked on awarding contracts to businesses.

'It was pleasing to see the co-operation between contractors, who usually compete, engage with each other to increase their ability to complete the works on time to the standard required, with little disruption to tenants,' he said.

One aspect of the program that positively affected the lives of clients



Housing program delivery team outside Tomaris Court

was the program's Industry Housing (IHAS) stream. With input from disability services, the \$2 million in IHAS funds were used to upgrade homes with fresh paint, suitable door handles and suitable flooring – things most of us take for granted.

Hadi Kafkas, Senior Program Project Officer in the Housing Delivery team, dealt predominantly with IHAS providers.

'Through the repair works and revitalisation of our properties, the stimulus program has given people living with disabilities an improved sense of wellbeing,' Hadi said. 'Being a part of these works was rewarding because of the opportunity we had to make a positive impact on people's lives and the massive effort made by so many people across the department, all striving to achieve that common goal.'

Project agreement for renal infrastructure in the Northern Territory

The department oversaw the delivery of family-centric housing and renal infrastructure to improve access to renal care for people living in remote communities. Eight refurbished dwellings in Alice Springs and two in Tennant Creek provided accommodation for remote renal patients, with all dwellings allocated in early 2017–18. The Central Australian Affordable Housing Company will provide property and tenancy management to eligible families for a period of ten years.

Renal nurses were accommodated in new dwellings in the remote communities of Kaltukatjara and Papunya.

Survey of rough sleepers in Darwin and Katherine

The department contracted KPMG and Darwin company Cross Cultural Consultants to investigate homelessness and accommodation options for rough sleepers in Darwin, Palmerston and Katherine. Under the project Cross Cultural Consultants surveyed people sleeping rough. A project advisory group guided the survey. The group comprised representatives from non-government service providers and peak organisations, Aboriginal organisations, local government and NT Government agencies.

The survey involved 292 participants who were sleeping rough in Darwin and Palmerston and 104 in Katherine. It provided insight into the needs and experiences of the participants. The department is working with stakeholders across the NT Government and the non-government sector to identify potential service responses to help people sleeping rough improve their wellbeing and social inclusion.

**905 HOUSEHOLDS
FROM THE WAITLIST
INTO PUBLIC HOUSING**

Case studies of services to the homeless

My Place

Accessing the private rental market was difficult for Ms B. Even with casual part-time employment, Ms B struggled to get accommodation due to high rental costs. The anxiety of couch surfing combined with not

having stable accommodation had a negative effect on Ms B's ability to get permanent full-time employment. Participating in My Place gave Ms B the stability needed in her life. Ms B got a full-time job. Full-time work has given Ms B the income required to cover the cost of rent. In September 2018, Ms B will take over the lease on a unit she now calls home.

The Hub

Ms H has been a regular participant at The Hub since it opened in October 2017. After staff recognised a positive change in her presentation, Ms H told staff that she had reduced her alcohol consumption to allow reunion with her children, who were in the care of Territory Families. Hub staff developed a case plan that linked Ms H to counselling services for parenting and to financial assistance to manage her debt.

Ms H had a public housing tenancy but had problems with visitors. Ms H worked with The Hub staff to develop techniques to manage visitors. In March 2018, through hard work and the support of The Hub and other services, Ms H made the changes needed to have one of her children returned to her care.

Ms H continues to attend The Hub and aspires to securing employment as a care worker. Ms H regularly volunteers at The Hub, providing support to elderly participants. The Hub staff have worked with Ms H and her job services provider to have her volunteer work recognised as experience towards permanent employment in the field.

The Nest

Mr X had experienced setbacks in life and had not worked since 2015. After time caring for terminally ill relatives, Mr X decided to go to Darwin to look for work. Without stable accommodation, finding work was difficult. Setbacks like these, and the anxiety of his past, led to a diagnosis of depression.

The Sunrise Homelessness Program referred Mr X to The Nest. Before entering The Nest in January 2018, Mr X was living in his car. Mr X was keen to find a job and immediately began working with The Nest case manager to improve his employability. With support from the case manager, Mr X obtained an Ochre Card, updated his resume and signed on with a recruitment company. A business offered Mr X a cleaning job within a week. Mr X remains employed in that position and has now set his sights on moving up to a more challenging role.



Kerri Butler transitioned to the private rental market

Agency funded program is making a difference.

Kerri Butler is a recent success story of the My Place program.

Funded by the Department of Housing and Community Development, My Place is an initiative of the Central Australian Affordable Housing Company (CAAHC) which aims to prevent and alleviate homelessness for the community of Alice Springs.

While having two part time jobs, Kerri was struggling to enter the private rental market.

She contacted and met with CAAHC, who introduced her to the My Place program.

Through the assistance of My Place, Kerri moved into her own one-bedroom unit in January.

“I feel more confident, also with (my mentor’s) help as well, checking to see how I’m going, or I’m going to them, and ringing them, and saying ‘hey, how’s my rent going? I’ve paid it.’ Yeah, it’s been pretty good,” Kerri said.

CAAHC CEO John McBryde said Kerri is the “star of the program”.

“She’s exactly the kind of person we’re trying to work with here, who has an issue with access into something like the private rental market, has the capacity and the means to live completely independently, but just hasn’t had that ability to get into the private rental market,” he said.

“People just need to be given that chance, in that home, with some support from a provider like CAAHC, they can make that transition fairly easily,” John said.

Kerri Butler has been able to transition to the private rental market through the My Place initiative, which is funded through the Homelessness Innovation Fund.

Table 1: Public housing stock as at 30 June 2018

	Urban Public Housing	Social Head Lease	Remote Public Housing	Town Camp	Government Employee Housing	Industry Housing	Community Housing	Emergency Housing	Affordable Rental Housing	Total
Darwin	1 028	92				65	10		103	1 298
Casuarina	1 113	50				106			50	1 319
Palmerston	1 303	33			32	39			109	1 516
Central Australia	786		1 077	285	274	216	52		57	2 747
Big Rivers	445		1 379		320	49				2 193
Arnhem	37		909		423	14		42		1 425
Barkly	133	4	293	101	89	43			18	681
Arafura			1 076		248	29				1 353
Total	4 845	179	4 734	386	1 386	561	62	42	337	12 532

In 2017-18, the number of public housing dwellings across the Territory increased by 101 (13 in urban areas and 88 in remote areas) compared to 2016-17. Table 2 shows the number of dwellings by program and region as at 30 June 2018.

Table 2: Allocations for urban locations, including social head-lease as at 30 June 2018

	1 bedroom	2 bedroom	3+ bedrooms	Total
Darwin	69	69	29	167
Casuarina	18	31	96	145
Palmerston	36	67	70	173
Alice Springs	26	27	38	91
Katherine	16	13	25	54
Nhulunbuy	1		2	3
Tennant Creek	6		13	19
Total	172	207	273	652

Table 2 shows the number of allocations during 2017-18 assisting households into urban and social housing.

Table 3: Wait list summary as at 30 June 2018

	Priority / General	Transfer	Total
Darwin	474	59	533
Casuarina	848	164	1,012
Palmerston	565	75	640
Alice Springs	939	98	1,037
Katherine	379	17	396
Nhulunbuy	77	1	78
Tennant Creek	169	8	177
Total	3,451	422	3,873

Table 4: Wait times as at 30 June 2018

	1 bedroom	2 bedroom	3 bedroom
Darwin	4-6 years	2-4 years	4-6 years
Casuarina	6-8 years	2-4 years*	2-4 years
Palmerston	4-6 years	2-4 years	2-4 years
Alice Springs	6-8 years*	4-6 years	4-6 years
Katherine	2-4 years	2-4 years	2-4 years
Nhulunbuy	6-8 years	6-8 years	4-6 years
Tennant Creek	6-8 years	6-8 years	4-6 years

*Due to limited stock and turnover, median value cannot be applied

Turnaround time - urban public housing dwellings

Turnaround time measures the average number of days it takes to allocate a dwelling to a new tenant after it has been vacated by the previous tenancy.

We achieved a turnaround time of 99 days compared to Budget Paper BP3 turnaround estimate of 93 days for 2017-18.

Turnaround times are affected by the condition of the property and the repairs and maintenance required to allocate it to a new tenant.

When properties become vacant the department assesses their condition and focuses upgrades, repairs and maintenance investment on those in sound condition whose life will be extended

through the maintenance.

The high maintenance costs associated with a legacy of ageing stock contributes to the number of longer term vacant urban public housing dwellings.

Prior to the stimulus package being implemented, properties that remained vacant long term due to high maintenance costs inflated the turnaround time.

The \$69 million stimulus program has helped to complete upgrade and maintenance works to return some longer-term vacant housing to a standard able to be tenanted.



BOND ASSISTANCE:

- ▶ The department allocated 423 bond assistance grants to help tenants and wait list applicants enter into the private rental market.

Staff assisting at front counter



Figure 1: Age profile of public housing occupants as at 30 June 2018

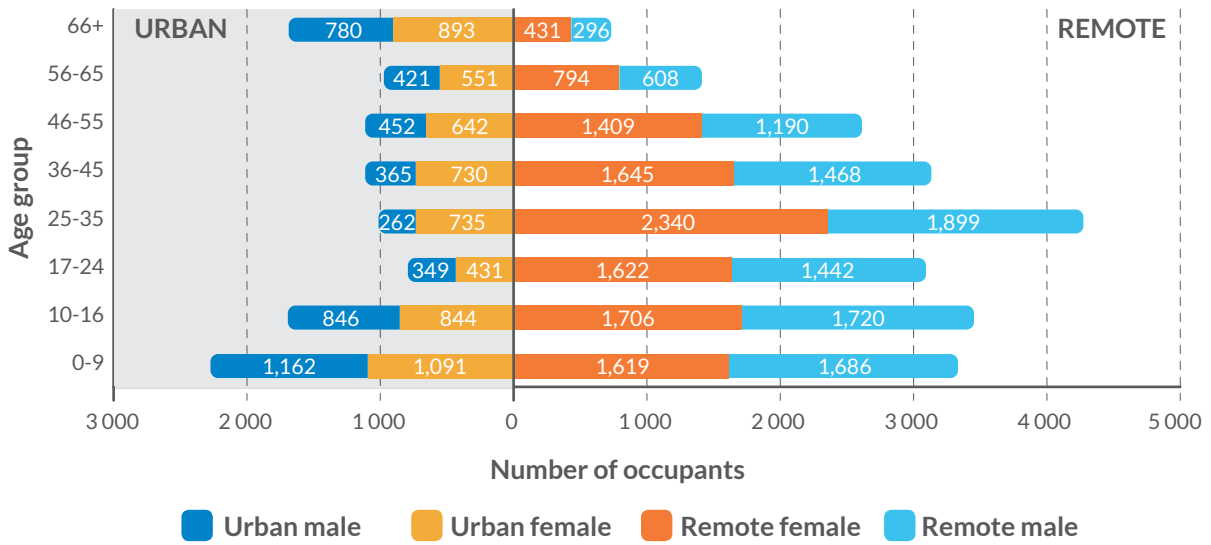


Figure 2 shows that the largest proportion of occupants were aged 25 to 35. Occupants aged 55 years and over in urban areas represented 25 per cent of all urban area occupants, compared with 10 per cent for remote areas.

The profile of clients waiting for public housing remained stable across the reporting period and reflected the profile of households already occupying public housing.

As shown in Figure 3, most urban households in public housing were single person households. Most households in remote public housing were singles and families sharing. The difference was predominantly due to severe overcrowding in remote areas and the requirement for multiple family units to share a house.

Figure 2: Profile of urban and remote public housing households as at 30 June 2018

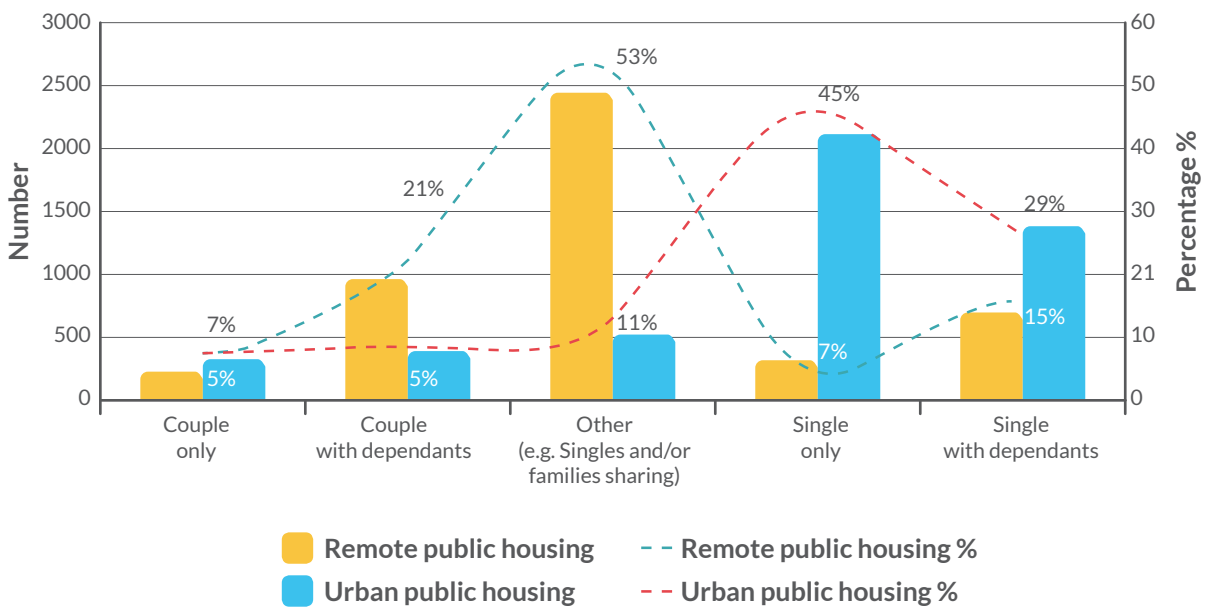


Figure 4 shows that most urban applications for public housing were from single person households. The next largest applicant group were singles with dependants. Most applications for public housing in remote areas were from singles and families sharing, with applications from single person households the next largest applicant group.

Figure 3: Public housing waitlist profile as at 30 June 2018

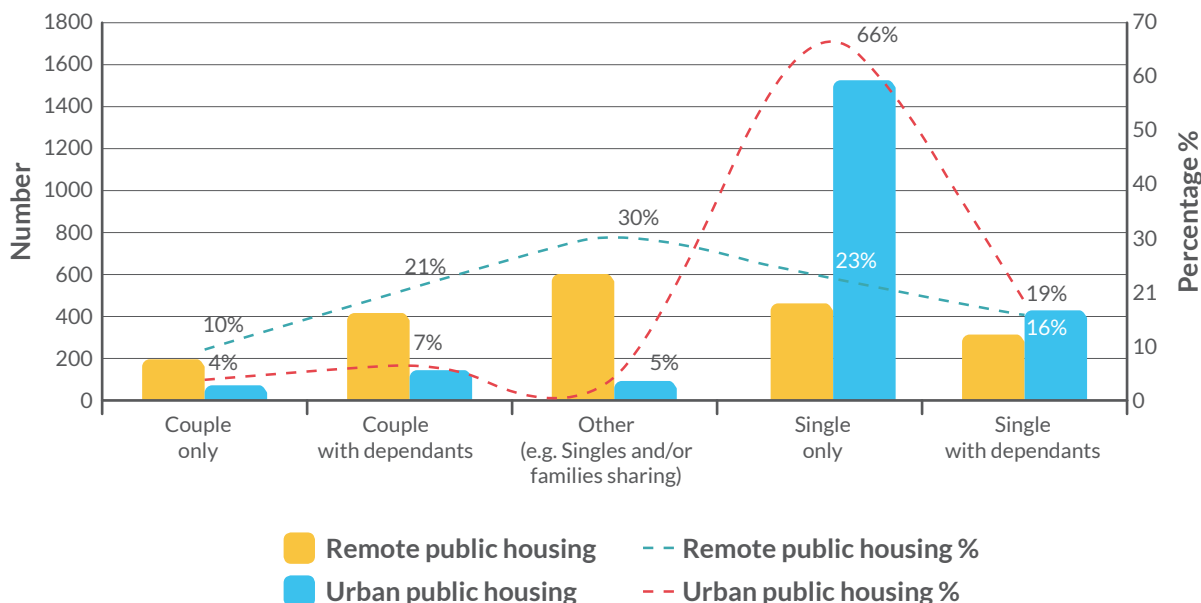
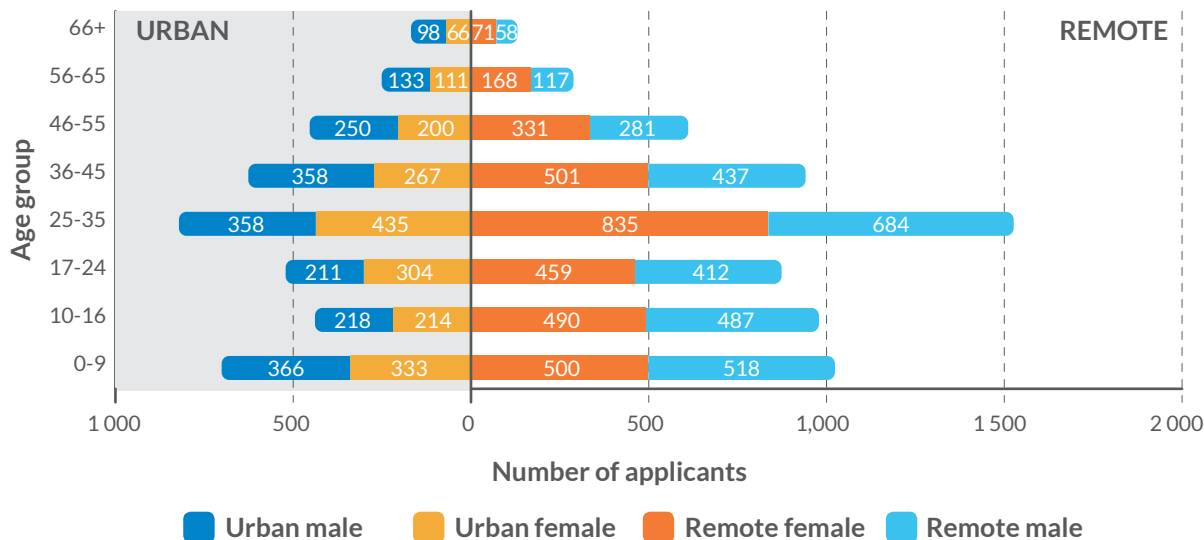


Figure 5 shows that overall, most applicants were aged 25 to 35. In remote areas, females represented 53 per cent of the public housing wait list, compared with 49 per cent in urban areas.

Figure 4: Age profile of public housing waitlist applicants as at 30 June 2018





\$5 million urban stimulus program

The 2017–18 urban program provided an additional \$5 million to the construction industry for repairs and upgrades to urban public housing throughout the NT.

The department spent \$4.998 million on the program, with 229 work orders completed and 120 dwellings receiving work.

By expediting repairs, maintenance and upgrades to our public housing, the program created an immediate economic boost to the construction industry and tenants are now enjoying the new facilities the work delivered.

\$69 million urban stimulus package

In February 2018, the Treasurer approved a \$69 million urban stimulus package for delivery by the department. Programs under the stimulus package were:

- ▶ complex upgrades
- ▶ additional minor new works
- ▶ town camp upgrades
- ▶ industry housing upgrades
- ▶ roof replacements
- ▶ community hall upgrades
- ▶ remote preventative maintenance
- ▶ government employee housing security upgrades
- ▶ the Laramba water pipe
- ▶ smart water meters
- ▶ additional Room to Breathe living spaces in Santa Teresa
- ▶ transitional accommodation.

By 26 June 2018, the package was fully committed. Orders raised by 30 June 2018 totalled \$70.2 million with \$41.2 million paid out and the remainder to be acquitted in 2018-19.

Table 5: Key statistic number of contractors registered for the 2017-18 \$69 million stimulus package as at 30 June 2018

Region	Number of Contractors Registered	Orders placed	Value of Orders committed \$'000	Panel and stimulus contractors receiving works	Assets receiving works	Orders expended	Orders expended \$'000
Greater Darwin ¹	348	635	36 013	71	537	171	21 487
Arnhem	2	163	2301	11	754	39	1935
Arafura	0	117	1677	7	149	12	1125
Katherine	24	1090	6856	24	1050	37	2704
Tennant Creek	6	98	3430	6	150	37	1545
Alice Springs	56	614	9415	26	409	110	3407
Total	436	2717	^{3/4} 59 692	137 ²	3049	406	³ 32 203

¹ includes Casuarina and Palmerston.

² singularly counts the contractors used across all regions.

³ Indigenous Essential Services programs were paid as a lump sum of \$9 million through Grants Payment System and not included in the table.

⁴ \$1.5 million Additional Room to Breathe program has been committed, although not processed through the Asset Information System. It is not included in the table.

Social housing head-leasing

The strategy is an innovative method of delivering more public housing options available to low income Territorians and their families by using existing or to be constructed private sector properties. The department offers long-term leases to property owners and subleases the dwellings to tenants who qualify for public housing.

In 2017-18 the department added 48 social housing head-lease dwellings to its stock. We secured a further five leases through agreements to lease that will commence in 2018-19 and are negotiating head-leases for more than 150 dwellings to increase the number of social housing dwellings over the next three years.

Under the social housing head-leasing initiative, we forecast that 336 social housing head-leases will be in place by June 2020. The department is also seeking to increase the availability of dwellings suitable for seniors and people with a disability.

Real Housing for Growth

The department delivers a suite of affordable rental housing programs, including affordable rental head-leasing and the National Rental Affordability Scheme. The programs are part of the Real Housing for Growth initiative.

Affordable rentals

Affordable rentals are subsidised private rental accommodation targeted at people on low to medium incomes who are at risk of needing social housing or transitioning out of social housing. Another aim of the program is to help retain key workers in the NT.

At 30 June 2018, the department had 337 affordable rental head-leased dwellings in Greater Darwin, Tennant Creek and Alice Springs.

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. A total of 1007 dwellings across the NT are part of the scheme, of which 173 are part of the department's affordable rental head-leasing program.

The scheme offers financial incentives to individuals and organisations to rent new dwellings to low and medium income households. The scheme runs for 10 years from the date the Australian Government approves the dwellings. Phasing out of financial incentive payments will occur from 2018 to 2026.

Community housing

Community housing is a form of social housing where non-government organisations deliver accommodation.

The department's Urban Housing Strategy identified a need to grow the community housing sector by working with and providing opportunities for the sector. After the release of a public competitive process in December 2017, the department transferred the management and property maintenance of three dwellings in Alice Springs to the Central Australian Affordable Housing Company.

After releasing a request for proposals seeking property maintenance and tenancy management services, the department commenced negotiations with St Vincent de Paul Society (NT) to transfer maintenance and management of a 39-unit complex in Katherine.

Hazel, a respected Ngukurr elder, received keys to her new home from Katherine staff members





Katherine tenant, Tulleitha George

Public housing tenants praise \$69 million stimulus work

Katherine tenants welcomed the \$69 million stimulus package with its much-appreciated repairs, maintenance and upgrades to public housing properties.

Tulleitha George was all smiles when she was handed the keys after her public housing property received a full internal upgrade.

'It's a big relief. The kids are a lot happier,' Tulleitha said.

Works were carried out on individual properties and complexes throughout the Katherine region.

Vacant properties are also being returned to housing stock.

Alice Springs Women’s Centre gifting of asset

The centre has provided women’s crisis accommodation and related domestic violence services in Alice Springs for 40 years.

The centre requested the gifting, or long-term leasing, of a department-controlled property in Telegraph Terrace, Alice Springs, from where the centre operates its domestic and family violence outreach services.

The centre had spent over \$1 million on maintaining the facility and requested the department gift the asset to the centre. In January 2018 the NT Government approved the request, with the department retaining responsibility for repairs, maintenance and associated utility costs.

Urban public housing asset management

The department’s five-year Urban Housing Strategy commenced in July 2016. The strategy focuses on providing:

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

With its focus on renewal and rejuvenation, the strategy saw significant investment in urban public housing across the NT including upgrades to 615 properties.

Construction and renewal of public housing dwellings across the NT included demolition of dwellings on appropriate sized blocks of land to redevelop the sites. The department replaced 22 new urban public housing dwellings across the NT: three in Alice Springs, two in Katherine, five in Darwin, nine in Palmerston and three in Tennant Creek.

The department released tenders for the construction of a further 52 dwellings, with completion of all 52 expected in 2018–19. A total of 14 tenders were released in Alice Springs, nine in Tennant Creek, five in Katherine, 12 in Darwin and 12 in Palmerston.



Senior public housing tenant after receiving work as part of the \$69 million Stimulus program

Table 7: Department expenditure against infrastructure program

	2017-18 original program \$'000	2017-18 revised program \$'000	2017-18 final cash budget \$'000	2017-18 actual expenditure \$'000
Major new works	502 729	532 699	185 091	175 513
Public housing ¹	31 018	49 118	9 671	20 005
Government employee housing	18 514	18 514	8 999	8 885
Aboriginal housing and infrastructure	449 455	460 927	162 954	143 156
Construct and refurbish remote morgues ²	3 742	4 140	3 467	3 467
Minor new works	17 368	39 872	16 899	30 375
Public housing ¹	13 441	33 941	13 441	26 127
Government employee housing	3 086	5 486	3 086	3 911
Other ³	841	445	372	337
Total capital works	520 097	572 571	201 990	205 888
Public housing ¹	44 459	83 059	23 112	46 132
Government employee housing	21 600	24 000	12 085	12 796
Aboriginal housing and infrastructure	449 455	460 927	162 954	143 156
Construct and refurbish remote morgues ²	3 742	4 140	3 467	3 467
Other ³	841	445	372	337

¹ actual expenditure exceeded cash budget due to the NT Government's Urban Stimulus Program

² construct and refurbish remote morgues managed by NT Department of Infrastructure, Planning and Logistics

³ other - minor new works managed by NT Department of Infrastructure, Planning and Logistics

Public housing safety

Strategies to curb antisocial behaviour

The department's Public Housing Safety Strategy addresses antisocial behaviour in and around public housing using a range of preventative initiatives, including:

- ▶ Public Housing Safety Officers based in Darwin and Alice Springs
- ▶ Red Card and Visitor Management policies
- ▶ Acceptable Behaviour Agreements
- ▶ collaboration with Northern Territory Police.

The department had 20 Public Housing Safety Officers in the reporting period, with 14 based in Darwin to respond to antisocial behaviour incidents across the Greater Darwin and Palmerston areas. The Darwin-based officers made regular visits to locations such as Batchelor. Six officers were based in Alice Springs.

Officers play a key role in promoting community safety and managing antisocial behaviour. Our officers regularly undertook community engagement activities, working with tenants, neighbours and visitors to resolve and reduce antisocial behaviour.

The department commenced recruitment for six

officers to expand the service to Katherine and Tennant Creek. Three will be based in Katherine and three in Tennant Creek. The officers will service the urban community in these locations.

The combined approach of frontline responses by Public Housing Safety Officers, case officers managing problematic tenancies, and improved housing support programs are helping to reduce antisocial behaviour. Our officers exercised their legislative powers to intervene in and reduce antisocial behaviour, including behaviour caused by non-residents not linked to a tenancy.

The memorandum of understanding between the



**A DECREASE OF 7 PER CENT IN
SUBSTANTIATED INCIDENTS OF
ANTISOCIAL BEHAVIOUR ON
ALCOHOL RESTRICTED PREMISES.**



Pitcheneder mural adds colour to the city

A competition on social media to find a mural design for our Pitcheneder public housing complex in Parap was won by Polly Johnstone, whose entry depicted a woman among tropical foliage. Artists were asked for submissions that embodied the spirit of the NT.

In her submission, Polly said she took into consideration the location of the complex.

‘When I think about Parap, I think of the markets and the beautiful food and flowers that you can buy there, and the people that you find in the Northern Territory.’

Polly’s artwork received 569 likes which was ahead of Jason Lee’s representation of multiculturalism and unity in the NT, which received 301. Carla Russo’s colourful jabiru had 274.



Public Housing Safety Officers

department and the Northern Territory Police was reviewed. The memorandum establishes the framework and working relationship that defines roles and responsibilities of the parties in reducing antisocial behaviour and prescribed offences in public housing premises.

Officers conducted successful joint operations with police, targeting antisocial behaviour in and around public housing complexes, such as Operation Haven in Alice Springs and ongoing joint operations in Darwin. Our Public Housing Safety Unit arranged community engagement exercises, including an event at Shiers Street, The Narrows. The Salvation Army and the Northern Territory Police 'Coffee with a Cop' community engagement team took part.

In the reporting period the department received 7556 allegations of antisocial behaviour and prescribed offences, a 5 per cent decrease from the 7927 allegations received in the previous period. Of the 7556 allegations:

- ▶ 2596 resulted from Public Housing Safety Officer patrols, a 12 per cent decrease compared with 2016–17
- ▶ 4960 were complaints from the public, a 1 per cent decrease compared with 2016–17.

A total of 3392 (45 per cent) of the 7556 allegations were substantiated as antisocial behaviour incidents. In 2016–17 a total of 3567 out of 7927 allegations were substantiated.

Of the allegations made:

- ▶ 505 related to trespass, a 45 per cent reduction compared with 2016–17
- ▶ 444 related to alcohol restricted premises or areas and offences under the *Liquor Act*, a decrease of 7 per cent compared with 2016–17
- ▶ 252 were failures to comply with a Public Housing Safety Officer direction, an increase of 19 per cent compared with 2016–17

- ▶ 325 resulted in the tipping out of a total of 379.4 litres of alcohol, an increase of 99 litres compared with 2016–17.

Body worn video cameras

Body worn video cameras are a useful tool to support Public Housing Safety Officers, who are often the first responders to incidents at public housing complexes. The cameras allow for more accurate recording of incidents and interactions between officers, tenants and the public. Cameras record in circumstances where there may be a risk to the safety of the officer or a member of the public.

The department successfully trialed cameras in early 2018 when six officers used cameras in their day-to-day duties. The trial allowed the department to establish operating procedures and methodology for storing and retrieving footage. Due to the trial's success, the department will implement the use of cameras by all officers by the end of 2018. To support this initiative, we developed a suite of training materials and work instructions.

A key performance indicator from Northern Territory Treasury's Budget Paper 3 (2017–18) was an annual increase in the number of incidents where officers assisted with removal of non-residents from public housing premises.

There were 2707 incidents where officers removed non-residents from public housing premises, which was a 7 per cent decrease from 2910 incidents recorded in the previous period. The number of incidents reflected the actual number of people removed, which decreased by 4 per cent from 9963 in 2016–17 to 9565.

Seasonal trends and external factors such as major sporting events and regional shows can lead to an influx of visitors and non-residents to public housing properties, which can affect the need to remove non-residents from public housing properties.



The new body worn cameras

Responding to natural disasters

Cyclone Marcus and the Daly River Floods had substantial impacts on Territorians living in the affected areas. The response to both events required significant support and input from the department.

Daly River flood evacuation

Following flooding of the Daly River, residents were evacuated to Darwin where volunteers from our service delivery section and the Aboriginal Interpreter Service (AIS) were ready to assist.

As the department's Northern Region Emergency Management Welfare Group representative, Cheryl Wall ensured the department had volunteers ready and arranged for the assistance of the AIS and Public Housing Safety Officers.

Our department's involvement in the emergency included having an engineering group on stand-by to assist in the rapid assessments of tenants' homes once it was safe to return to the community, and having staff, including AIS interpreters, based at the evacuation centre, updating residents and supporting them through the cleanup and recovery process.

The AIS provided more than 216 interpreting hours, playing a key role in helping Daly River residents understand and manage the evacuation.

Cyclone Marcus support

The effects of Tropical Cyclone Marcus in March 2018 were felt across Darwin and Palmerston for some time, with the cleanup continuing for several weeks.

Our Public Housing Safety Officers and tenancy staff were happy to lend a hand to tenants in need of assistance. Aside from providing personal on-ground support, our staff worked at the welfare recovery centres directly after the cyclone.

Our Service Delivery North team conducted numerous inspections of public housing premises across the Greater Darwin area to check dwellings and ensure the safety of tenants. They also contacted every senior Territorian in public housing by phone or in-person to check on their safety and to identify any immediate repairs required.

Our staff's prompt action ensured contractors were on the ground undertaking urgent repairs to public housing dwellings as soon as it was safe. Staff made over 1400 telephone calls to senior public housing tenants to undertake welfare checks and delivered food hampers for those in need. Cyclone damage resulted in around 1773 work orders being raised for our public housing properties.

The Aboriginal Interpreter Service and the Interpreting and Translating Service helped tenants by providing interpreter and translation services.



Aboriginal Interpreter Service providing assistance to Daly River residents



Works under the \$69 million stimulus program

Service Delivery

Public Housing Garden Competition and Pride in Your Place Awards

The Public Housing Garden Competition rewards tenants who look after their gardens and generally encourages a sense of pride in place. It has been running for over 30 years.

In 2017, the competition was open to all public housing tenants in Darwin, Palmerston, Katherine, Alice Springs, Tennant Creek and Nhulunbuy.

The department redesigned the garden competition and in February 2018 launched the Pride in Your Place Awards. The awards are structured to more accurately reflect the profile of public housing tenants and are more inclusive, open to all public housing tenants in urban and remote areas. They encourage a general sense of pride in residents' places, instead of being specifically about garden quality. Tenants can be nominated multiple times throughout the year but can only win once.

The awards are designed to reward tenants who look after their outdoor areas. Prizes are awarded each month from February to November. All department staff are encouraged to nominate tenants. Each winner receives a certificate signed by the Minister for Housing and Community Development and a \$200 gift card to spend on their house or garden.

Our Arafura team recognised for their commitment

Our Arafura Region team, led by Director Jules Hudd, won the 2018 Intract NT NAIDOC award for demonstrating strong commitment to engaging with Aboriginal enterprises and for demonstrating leadership and a commitment to Closing the Gap on Aboriginal employment.



The Arafura Region team receiving their award

Housing Reference Groups

Housing Reference Groups (HRGs) are a voluntary group that provide direct advice and recommendations to the department on remote public housing issues, and associated social, cultural and local considerations.

HRG members are sought through nomination and open to anyone from the community that may be interested.

Department staff and tenancy contractors work with HRG members in each community to ensure that housing decisions are fair, and that housing is provided to those families most in need.

Service Delivery North, Arnhem region, has nine established HRGs in the remote communities of Milingimbi, Ramingining, Lake Evella (Gapuwiyak), Galiwin'ku, Yirrkala, Gunyangara, Angurugu, Umbakumba and Milyakburra.

The Arnhem region remote tenancy team has worked closely with its HRGs to embed good governance structures within each group and map out the priorities that each HRG identified for its community.

The Big Rivers region under Service Delivery North held 50 HRG meetings across remote communities over the past 12 months.

Service Delivery South held at least three reference group meetings in each of its communities. Meetings held across north and south regions often coincided with community engagement by our Remote Program Delivery Office on the Our Community. Our Future. Our Homes initiatives.

HRGs in communities welcomed more frequent meetings and appreciated the enhanced consultative approach and recognition of local decision making. A pleasing development was the increase in housing reference group member participation. We attributed this to the quality of department responses to resolving issues raised by members.

Housing officers holding HRG meetings noted increased interest from regional council staff in the meetings and in housing program delivery. Such interest had a positive effect on communication and engagement about works in communities and service delivery outcomes. Most meetings achieved quorums and community members willingly participated in consultations. We saw more enquiries from community members contacting housing officers after meetings, all of which better connected communities and the department in the process of delivering social housing.



A community update meeting in Yarralin

Housing maintenance

The department's housing maintenance contractors employ community housing officers (CHOs) or housing maintenance officers (HMOs) who may be based in one community and provide services to surrounding communities. Where possible, people from the local community are employed in these roles.

In Service Delivery South four housing maintenance officer contracts created 24 jobs, with 19 held by Aboriginal employees. Eight housing maintenance officers were local community members.

The contractors trained and certified new staff in working at heights, use of power tools, work health and safety and the use of information technology in the workplace. Contractors also facilitated White Card training for their staff.

Service Delivery North, Big Rivers region has six housing maintenance contractors who employ 21 Aboriginal HMOs.

Arnhem Region has established effective and efficient HMO and CHO contracts in the four regional clusters. With the exception of the community of Lake Evella, the HMO and CHO are employed locally in the community in which they reside. In Lake Evella, the CHO resides locally but the HMO travels in from Nhulunbuy as required.

The HMO and CHO contracts have created approximately 50 jobs within Arnhem Region, 38 of which are held by Aboriginal employees.

Housing maintenance and tenancy management services are provided to 1356 remote community and government employee housing in the Arafura region. On the Tiwi Islands, the department delivers tenancy management services.

The department has done a great deal to improve collaboration with contractors and build strong working relationships, which has had a positive effect on productivity. The department worked closely with contractors to improve understanding of contract requirements.

Contract management

Service Delivery South managed 26 maintenance contracts and two tenancy contracts: Central Australian Affordable Housing Company and Zodiac, which totalled \$22 728 784 (excluding GST). The department met with housing maintenance contractors monthly, and quarterly with panel contractors. The purpose of the meetings was to resolve contractor performance and capability issues, work towards continuous improvement in contract management and to ensure contractors met key performance indicators. The meetings have resulted in improved response times and stronger working relationships with contractors.

Service Delivery North have managed contracts in the Big Rivers, Arnhem and Arafura regions. The Big Rivers region manages six housing maintenance contracts and six tenancy management contracts, which totalled \$3,375,014.64 expenditure (excluding GST) over the past twelve months. In addition to the housing maintenance and tenancy management contracts, the region also manages 16 remote trade panel contracts.

Arnhem region works with 14 panel contractors who provide services to remote public and government employee housing in 11 communities. These services include minor new works, repairs and maintenance, and scoped works.

The Arafura region manages 21 property and tenancy management contracts, with contractor performance monitored via monthly reports and managed via monthly meetings.



Contractor work in Angurugu



Housing call centre and QMaster

Service delivery south installed the QMaster system in 2017. QMaster improves handling and reporting of phone calls when there is a need for call queuing of clients. The desktop module allows staff to manage calls on their desktop computer and access information on current calls and queues. The system performs call and voicemail actions from one application.

Use of QMaster was part of a realignment of resources that created an integrated repairs and maintenance call centre to improve the management of housing repairs and maintenance. Our housing maintenance section, which receives about 800 calls per week, now uses QMaster extensively. QMaster has led to greater efficiency in repairs and maintenance.

Christmas cakes delivery to senior tenants

The department has delivered Christmas cakes to senior tenants for over 20 years. The department has a tradition of buying the cakes from the Lions Club, which then uses the funds to support projects like its Children's Mobility Foundation.

In December 2017 our staff delivered Christmas cards and cakes to 2489 senior tenants in Darwin, Palmerston, Casuarina, Katherine, Alice Springs and Tennant Creek in time for Christmas.



A senior tenant receiving her Christmas cake



Contractor working on a home at Wallace Rockhole

Upgrades in Central Australian non-lease communities

A total of 79 properties in the three non-leased communities of Wallace Rockhole, Yuelamu and Haasts Bluff received upgrades totalling \$9 million. Upgrades included carpentry, electrical, plumbing, evaporative air-conditioning, painting, tiling and fencing.

The department engaged four contractors to complete the works. Before the project commenced, staff explained to tenants that contractors would be working on their homes.

Due to regular engagement by the department, community members were very understanding, and the fast delivery meant their inconvenience was not lengthy. Members of the Wallace Rockhole Local Authority expressed happiness about the work done to their homes.

Supporting Aboriginal employment and business development through remote housing delivery

Through our remote housing program, the department helped build greater capability and capacity for Aboriginal businesses along with increased employment opportunities for Aboriginal people.

In Yuelamu MPH Carpentry and Constructions employed local Aboriginal workers for an upgrade project, thereby providing pathways for future work.

Next Generation Workforce, an Aboriginal business based in Wallace Rockhole, was subcontracted by S&R Constructions to complete fencing works as part of the upgrades to community housing. The quality of the work led to Next Generation Workforce gaining fencing works in Laramba. Such opportunities have allowed Next Generation Workforce to grow toward being able to tender for contracts in its own right.



Completed fences, Wallace Rockhole



Julie Clyne and her daughters at Little Sisters town camp

Stimulus program helping Territorians in the southern region

Julie Clyne moved to Little Sisters town camp to be closer to dialysis facilities. While it was a significant move from her community in Kings Canyon, she was thankful for her new home.

Julie is a member of the housing reference group for the Little Sisters town camp.

The stimulus package saw the house Julie and her daughter live in refurbished. The house received new floors, doors, a veranda and roof. It was fully repainted.

Julie and her daughter share the house with two other people. Each have their own bedroom.

'I love it here, it's peaceful and quiet,' Julie said.

Removal of car bodies in Alice Springs town camps

Town camp housing associations asked for help from the department and Tangentyere Council to clean up the car wrecks littering yards and common areas in Alice Springs town camps. The wrecks posed a threat to safety, particularly to children.

As part of a broader plan to improve the amenity of the camps by clearing yards and removing rubbish, the first stage was to remove around 200 vehicles. With the assistance of Tangentyere Council and \$15 000 funding from the department and the NT Department of the Chief Minister, 214 cars were removed over five months.

Upgrades to government employee housing

In response to reported safety incidents, the department completed security upgrades to 38 government employee houses in Yuendumu and two in Yuelamu. Contractors completed works totalling \$500 000, including doors, triple locks, security lights, screens and electrical works.

When employees raised safety concerns, the department responded quickly. Despite being 300 kilometres from Alice Springs and the nearest available contractors, work to secure homes commenced on the same day.



A world of experience

A trip to Alice Springs with a group of Adelaide mates in 1977 was all it took to convince Brian McClurg to make the NT his permanent home.

Brian started his first 10-year stint with the Northern Territory Housing Commission in Alice Springs in 1984, where he was a Housing Building Inspector. After some time in other positions in both the public and private sector, Brian returned to the newly named Territory Housing in 2002 and has stayed ever since.

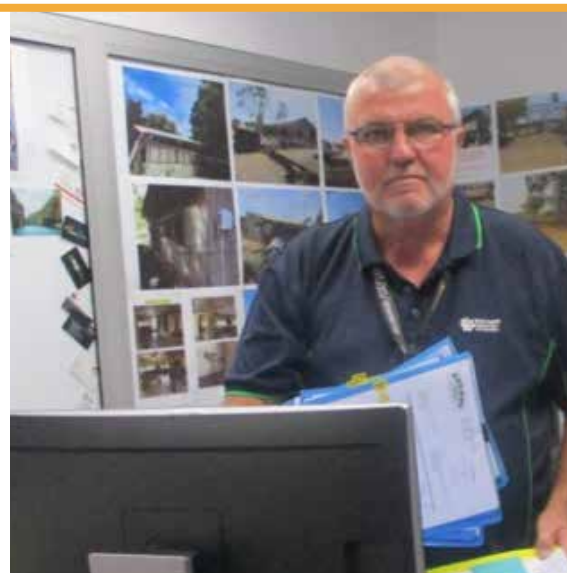
'It was only supposed to be a couple of months,' Brian said.

With a career spanning a variety of roles, Brian has gained a wealth of knowledge which has assisted in his current position as Project Manager for Town Camp Infrastructure.

Brian said, 'I can safely say that during my time in the NT I have been to every community.'

'I find my role very rewarding – I enjoy helping people get into safe and healthy accommodation.'

Arriving in Australia at the age of 13, Brian



 Brian McClurg

quickly learned one of the most important things in Aussie culture – staunch support for an AFL team. During the AFL season, you'll find him in prime position, barracking for Collingwood.

Between Brian's love for the job and his footy team, he collects historical knives.

'My favourite is an 1879 model bayonet that was made in Germany for the Chilean Army. My son in law picked it up at a lawn sale for \$20. I can promise you it's worth more than that.'

Percy Court

The department leases Percy Court to Mission Australia and funds services to homeless people through a grant. Services include accommodation management and support. The Percy Court facility houses families and individuals for up to 12 months. The programs at Percy Court prepare people to transition to public housing by assisting them in understanding the mutual obligations of tenancy agreements. Training modules about money management, hygiene, understanding leases and other living skills facilitate the transition. The service also provides intensive assistance to people at high risk of homelessness.

Apmere Mwerre Visitor Park

The department-owned visitor park is managed by Aboriginal Hostels. It relieves pressure put on public housing when people visit Alice Springs, which becomes more severe when visitors arrive to attend major events. The department facilitates major repairs and maintenance for the visitor park and promotes the park to our housing tenants as accommodation for their visitors.

In 2017-18, the department replaced 17 permanent tent structures due to age and disrepair at a cost of \$149 930. Permanent tent structures accommodate additional visitors during times of increased demand.

From tourist to bona fide community life member

Motorsports pulses through the veins of Antony Yoffa – and, living in Alice Springs, it would almost have to. Originally from Melbourne, Antony and his wife Trish arrived in the Territory in 1988. What was meant to be a stop in a round-Australia trip turned into home.

‘We ran out of money and stayed,’ he said.

Antony joined the department in 2012 in Alice Springs after 12 years with Group Training Northern Territory.

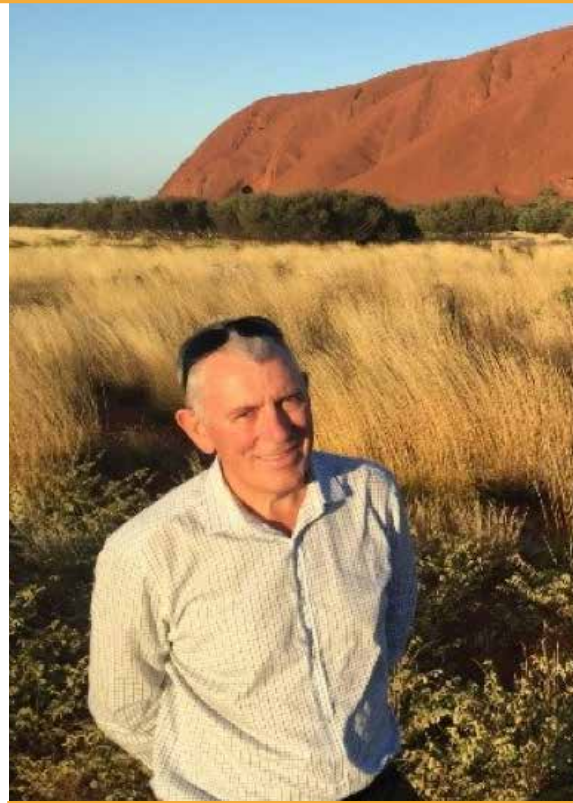
Antony works across town camps, outstations and on key projects in Mutitjulu and the Utopia homelands. He is a familiar voice on the Alice airways, having spent six years on the ABC as a Saturday breakfast and sports presenter.

But it’s his involvement in the Territory’s largest sporting event that has ignited a previously hidden passion for motorsports. Antony has started the Finke Desert Race 11 times since 1996, completing nine.

He took over the reins of Finke Desert Race as president 15 years ago.

Antony said ‘It was virtually insolvent, we managed to turn it around, and it’s now one of the Territory’s biggest events.’

It now has an international following and annually injects \$6 million into the Alice Springs economy.



*Senior Director Community Development,
Alice Springs - Antony Yoffa*

That dedication earned him a club life membership. Antony is also a life member of the Alice Springs Netball Association, for which he served as president for six years.

He says he and his wife will eventually complete that caravanning journey, which landed them here in the first place.

Increased engagement of Aboriginal interpreters

Service delivery actively increased its engagement of Aboriginal interpreters to assist with explaining tenancy agreements to new tenants. This occurred at management meetings, housing reference group meetings, community consultations and at front counters. This has resulted in strengthened communication and engagement with clients and communities.



An AIS Aboriginal interpreter assisting a tenant

Work towards the NT's first alcohol-free public housing complex at Mokari Complex, Alice Springs

Following upgrades to fencing, increased security lighting and proactive work by the department's Public Housing Safety Officers and property and tenancy officers, police reported a 22 per cent reduction in call-outs to the complex compared to the previous year.

These early successes encouraged the department and residents to consider whether the complex could become entirely alcohol restricted. Common areas were already alcohol-free but a declared alcohol restricted complex would mean that residents agree not to consume alcohol anywhere on the premises, including inside their premises.

The department commenced engagement with the tenants of Mokari Complex to work towards the possibility of all 31 units being alcohol restricted, by agreement of each tenant. Immediately, five tenants agreed to have their unit declared alcohol restricted.

At the end of the financial year, 35 per cent of residents had agreed to be alcohol restricted. Four tenants who did not agree elected to be relocated to another public housing property.

The project is a partnership between the department, the residents, Licensing NT and NT Police.

Housing and infrastructure work at Barkly town camps

As part of the town camp review immediate works program, the department allocated \$5.5 million to Elliott's two town camps and the Marlinja homeland at Daly Waters for housing and infrastructure upgrades.

A community meeting at Elliott gave residents the opportunity to hear about the proposed works and to contribute to prioritising works.

There will be a complete scoping and packaging of works as the project progresses.

Urban public housing repairs and minor new works

Repairs and maintenance works carried out in Tennant Creek totalled \$788 537, with an additional \$157 646 spent as part of the repairs and maintenance stimulus package. Minor new works totalled \$206 978.

The 2018–19 repairs and maintenance budget allocation for Tennant Creek is \$593 030 with \$735 371 for minor new works.

Head-leasing in Tennant Creek

The department head-leases dwellings from the private sector to provide more affordable rental homes around the NT. There are 18 head-leased dwellings in Tennant Creek.

The department awarded Julalikari Council Aboriginal Corporation a two-year contract, valued at \$37 482, to undertake tenancy and property management for our head-leased dwellings in Tennant Creek.



One of 12 three-bedroom new builds in Epenarra



Newly constructed three-bedroom house at Ampilatwatja

\$69 million stimulus package for 2017–18

We awarded a total of \$1 545 017 in contracts in the Barkly region as part of the package.

Works under the package included:

- ▶ capital works to upgrade public housing complexes at Haddock Street and Blackmore Road
- ▶ upgrades to over 211 public housing properties
- ▶ upgrades to industry housing dwellings including the Tennant Creek Women's Refuge.

A large portion of these works were completed by the end of financial year with the remainder due for completion by 31 August 2018.

Remote capital works

Under the Barkly remote capital works program:

- ▶ Epenarra received 12 newly constructed dwellings, replacing 12 run-down dwellings
- ▶ Ampilatwatja had two new dwellings constructed on vacant serviced land. Two houses were refurbished and received an additional modular bedroom and bathroom combination to reduce overcrowding.
- ▶ Alpururulam received seven newly constructed houses, comprising six replacement dwellings and one new building.

A local legend contributing to the community

Largely due to his contributions to sport in Alice Springs, Phillip (Budgie) Preece gained selection as a baton carrier in the Queen's Baton Relay for the Commonwealth Games as it passed through Alice Springs in 2018. Phillip, a Property Contract Officer with Service Delivery South, received the baton from his wife Sally. Budgie is a quiet achiever, a person who just gets on with the job, but he felt honoured to be part of the historical event. Sally's recognition came from her contributions to the community through sport.

Budgie felt especially proud to receive the baton from Sally and really appreciated that they were both recognised in this special way for their long-term contribution to the community.

Other than baton carrying, Budgie's duties included speaking to the children of the School of the Air and addressing a school assembly at Braitling Primary School.



Phillip with the baton



Mokari complex

Prison work crew cleaning up complexes in Alice Springs

Two Alice Springs housing complexes received upgrades:

- ▶ the Keith Lawrie complex which was constructed in 1969 and consists of 17 two-bedroom, and five three-bedroom townhouses, last upgraded in 2006
- ▶ the Mokari complex which has 23 one-bedroom units and eight two-bedroom townhouses and was constructed in 1968. There have been some upgrade works.

Contractors were appointed to undertake a range of repairs and maintenance works to improve the complexes' appearance and amenity, such as installing boundary fencing, and replacing rusted gutters and fascias.

A prison work crew comprising an officer and six inmates, overseen by a department technical officer, carried out small jobs that did not require trade qualifications such as rubbish removal, spot painting and cleaning.

The aim of this initiative was to rehabilitate prisoners, and to help them to gain skills that could assist in getting a job in the future. Employment is one of the critical factors in reducing re-offending.

Prisoners also worked on fencing upgrades and replacement of letter boxes at Wauchope Flats seniors complex.

OUR PERFORMANCE

Remote Program Delivery Office

The \$1.1 billion remote housing investment program Our Community. Our Future. Our Homes. is the NT Government's largest ever investment into remote housing. The program is about improving housing, creating jobs and restoring local decision making to communities through the delivery of a range of housing related programs:

- ▶ **HomeBuild NT** – constructing new homes in remote communities, including housing for people who are elderly or have a disability; \$500 million
- ▶ **Room to Breathe** – adding extensions to existing homes like additional rooms, granny flats, living and sleeping spaces and outdoor cooking areas to reduce overcrowding in existing dwellings; \$200 million
- ▶ **Expanded government employee housing** – including accommodation for locally recruited government employees in remote communities; \$200 million
- ▶ **Additional repairs and maintenance for remote houses; \$200 million.**

A further \$466 million over 10 years from 2016–17 has been dedicated to address headworks, land servicing and to build new or replace existing essential services infrastructure required to support the program.

Room to Breathe works at Milikapti



The key principles underpinning the program's delivery are:

- ▶ a focus on Aboriginal business developing and being ready for work over the life of the program, thus supporting long-term employment and training programs
- ▶ community engagement and consultation about when and where work will happen
- ▶ most importantly, local decision making, with each community having input to inform the delivery of suitable accommodation options within the program's financial parameters.



Aboriginal business development

Our Aboriginal Business Enterprise Development team is responsible for establishing and delivering a strategy to create more opportunity for Aboriginal businesses, which is critical to achieving progress against the program's objectives.

We work in partnership with the NT Department of Trade, Business and Innovation to identify and determine the capacity of local Aboriginal businesses to assist in the delivery of the program. We then work with those businesses to develop their capacity and, where required, encourage sustainable enterprise, employment and training opportunities in their communities.

In April 2018 the department hosted a two-day industry forum that encouraged industry representatives and stakeholders to participate and contribute to the delivery of the program. Over 200 people attended, including 55 Aboriginal business enterprises and one regional council. The forum was an opportunity



Connecting with Territorians

The department launched a Facebook page in June 2017 and has since published around 290 posts, reaching people's news feeds around 163 000 times. The page has more than 900 followers.

The DHCD Facebook page plays an important role in helping us connect with Territorians, sharing our stories and letting them know what we are doing to help Territorians as an agency.

One of the page's most popular posts was about one of our trainees, Shania Dolby, who was congratulated on receiving a Certificate II in Community Services. This post reached 2707 people and received 257 reactions.

to review historically fixed remote housing designs and promote government's desire for innovative designs at lower costs.

The keynote speaker was Kieran Wong from Cox Architecture, who discussed innovative housing and community-led design. The Industry Capability Network Northern Territory introduced the ICNGateway, an online tool connecting suppliers and project managers in the construction sector.

Under the Room to Breathe program, 12 Aboriginal business enterprises, two eligible enterprises and one joint venture were contracted to deliver work. A total of 52 per cent of those employed by the private sector on the program were Aboriginal. Our program management team on the program featured 16 per cent Aboriginal employment.

Community engagement and consultation

Our Community Engagement team is responsible for ensuring ongoing, culturally appropriate and timely engagement with remote communities. Community engagement visits inform all aspects of the Our Community. Our Future. Our Homes. program, including procurement. Input from communities, such as that coming from local authorities and housing reference groups, is key to ensuring that place-based approaches are developed for new housing and refurbishments.

Our Community Engagement team established and maintained communication channels between each community and our regional offices. They worked continuously to improve our community engagement practices and stakeholder engagement to achieve inclusive, interactive participation.



The Community Engagement Team using 3D interactive models

Community Engagement staff undertook the International Association for Public Participation Australasia (IAP2) Certificate in Engagement. Our community engagement practices are consistent with those of the NT Government's Remote Engagement and Coordination Strategy.

Community engagement visits for the Room to Breathe program involved up to three separate visits per community to:

- ▶ undertake community consultation on the first visit
- ▶ conduct household consultations on the second visit, including identifying individual household needs and undertaking technical scoping
- ▶ present tenants with household-specific architectural drawings to confirm and finalise the scope of works during the third visit.

During 2017–18 our Community Engagement team delivered 103 community visits across 46 communities including 83 visits for the HomeBuild NT and Room to Breathe programs. Other community visits covered multiple issues, including land servicing and essential services, land tenure, repairs and maintenance and Australian Government programs and strategies.

The department sponsored Aboriginal Housing Northern Territory, in cooperation with Aboriginal Peak Organisations Northern Territory, to host the 2018 Aboriginal Housing Forum titled Home is Where the Heart Is. The forum provided an opportunity to engage with stakeholders on Aboriginal housing matters including remote community housing and homelands, outstations and town camps. The forum enabled information sharing on Australian Government funding, housing reform, the Our Community. Our Future. Our Homes. program and local decision making for housing.

Pirlangimpi community consultation



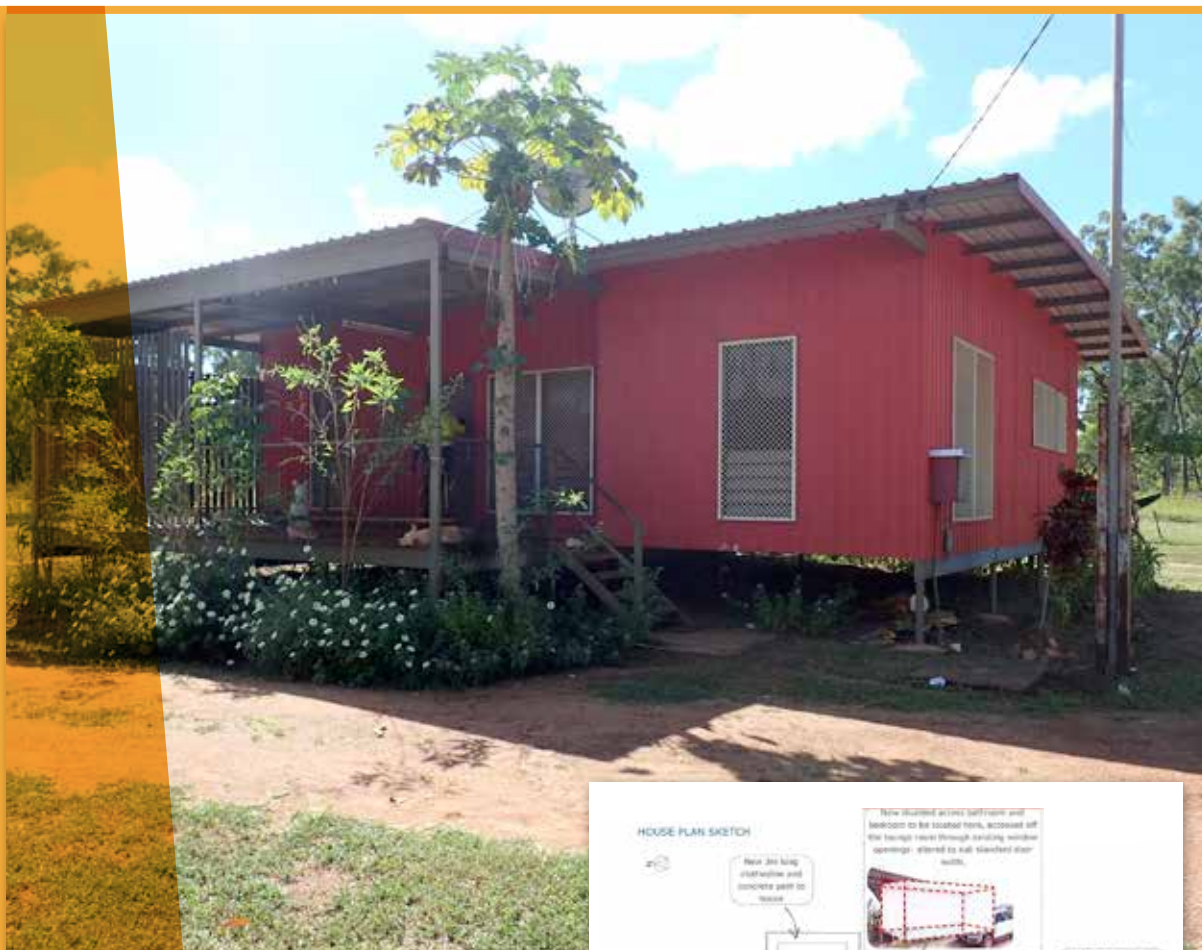
Local decision making

Consistent with the Northern Territory Government's local decision making framework, the department has undertaken community consultation activities with the presence of key decision makers in communities such as traditional owners, housing reference groups and local authorities.

Community consultation and local decision making has allowed residents and tenants to be involved in planning works on their existing and future homes.

To ensure we develop the framework in true partnership with Aboriginal communities, trained interpreters are being used to improve communication in all phases of the housing program, from basic consultation and planning, training and employment delivery, through to maintenance and management activities. An additional \$1 million per annum has been provided to support the use of Aboriginal interpreters in the delivery of Our Community. Our Future. Our Homes. This additional investment resulted in:

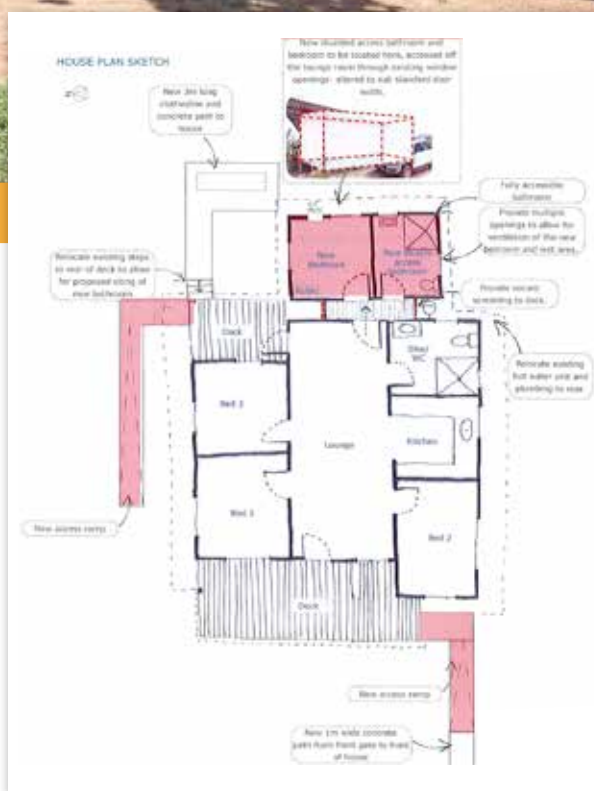
- ▶ a 300 per cent increase in the number of interpreting hours conducted for housing consultations
- ▶ three interpreters trained at Ali Curung
- ▶ five new interpreters at Peppimenarti and Palumpa completed induction to be job ready
- ▶ two new interpreters recruited at Santa Teresa.



Room to Breathe

Roughly 630kms south east of Darwin was a family living in an overcrowded house. The three bedroom, one bathroom house in the remote community is home to up to nine people.

Two elders have individual bedrooms, a family of four share the third. An uncle sleeps in the lounge room, while a further two nephews also call this place home. The main tenant had firm ideas of what he wanted for his home. An additional bathroom and bedroom connected securely by a screened deck. He asked that the existing hot water system be relocated to the rear of the new bathroom. A concrete pathway to the front of the house, and accessible ramps with handrails to the front and rear decks.



We are committed to local decision making, appropriate engagement, ensuring our tenants are involved in decisions about what work will happen and where and when it will take place. We were able to provide the tenant with a home that suited his family's needs.



Our Community. Our Future. Our Homes. key achievements

HomeBuild NT

This program will see \$500 million spent over 10 years for the construction of new public housing in remote Aboriginal communities.

HomeBuild NT has a strong focus on local decision making, and looks at housing solutions that meet the needs of individual tenants and households. It looks at innovation in building design, materials and transitional accommodation. The program will work with industry to be creative and produce solutions that are cost-effective while meeting the needs of individual communities.

For 2017–18 the program focused heavily on planning and community engagement. This resulted in agreement with 21 communities to

progress work to construct 79 houses.

At 30 June 2018, contracts have been awarded to construct 14 dwellings. Of these, three dwellings are complete with one in Peppimenarti and two in Minyerri.

It is anticipated that 126 new homes will be completed in 2018–19 under the HomeBuild NT program and a further 92 dwellings are in various stages of planning and procurement.

Room to Breathe

This program is designed to ease the pressure of overcrowding on existing dwellings in communities, allowing dwellings to be better utilised, reduce wear and tear and provide opportunity for family based accommodation options for kinship care, the aged and high dependency tenants in a culturally appropriate setting.

Since commencement, the program has completed work on 118 remote homes in 21 remote communities, adding 75 additional bedrooms, 75 living spaces and other improvements such as dust suppression and home insulation.

Local decision making frameworks ensured that housing solutions were place-based, directly related to local priorities and underpinned by sustainable local employment initiatives.

RPDO staff working with an AIS interpreter in community





CEO Jamie Chalker (L) and Fred Ruzsicska (R) from our RPDO Project Management Office are pictured with Mel Hood and Jennifer Molloy.

Full house for first remote housing industry forum

Around 260 participants registered for the first Our Community. Our Future. Our Homes. Remote Housing Industry Forum in 2018. The two-day forum focused on the NT Government's \$1.1 billion remote housing program, under the theme of driving local innovation, local enterprise and generating local employment.

There was a strong representation from Aboriginal and non-Aboriginal business enterprises, industry stakeholders, NT and Australian government agencies and many more, providing a great networking opportunity for those in the housing and construction sector.

Our Chief Executive Officer Jamie Chalker and Deputy Chief Executive Officer – Remote Program Delivery Office and Community Services, Dwayne McInnes both presented and answered many questions from the floor about the program and its future.

A group of industry representatives was selected to present innovative housing solutions on day two of the forum, which was also well received.



Handing over the keys to a happy tenant in Gunbalanya

Creating room to breathe means the homes will be safer and healthier and many of our most vulnerable Territorians will have a better chance of succeeding in education and employment.

Communities that benefited from the Room to Breathe program in 2017–18 were: Ali Curung (four homes), Ampilatwatja (five), Areyonga (two), Beswick (four), Bulman (three), Weemol (one), Engawala (two), Gapuwiyak (five), Hermannsburg (14), Kintore (four), Lajamanu (six), Maningrida (25), Milikapiti (eight), Milyakburra (two), Ngukurr (eight), Numbulwar (four), Ramingining (seven), Titjikala (three), Wadeye (eight), Warruwi (two) and Wurrumiyanga (one).

In 2018–19, works on 268 homes have been targeted, which will see widespread improvement to the homes of many Aboriginal Territorians living in remote communities.

To this end, scoping for additional works has been completed at Milyakburra, Ali Curung, Tara, Kybrook Farm, Weemol, Areyonga, and Nyirripi.

During June 2018, a total of 105 dwellings were scoped at Maningrida (30), Nauiyu (23), Laramba (22) and Santa Teresa (30).

A panel contract has been established for architectural services with nine providers. This will enable simultaneous scoping of works in many communities and progress planning for a

five year program to support local employment and build capacity of Aboriginal Business Enterprises.

Remote government employee housing

The provision of Government Employee Housing for locally recruited remote government employees is a part of the Northern Territory Government's 10 year, \$1.1 billion remote housing investment program.

To support this initiative over 10 years, \$200 million has been set aside.

Significant planning and consultation was undertaken in 2017–18, resulting in agreement being reached for the construction of 20 new dwellings in the following communities: Borroloola (two homes), Engawala (two), Lajamanu (two), Mataranka (two), Nganmariyanga (one), Numbulwar (four), Ramingining (one), Yuendumu (two), Beswick (two) and Arlparra (two).

At 30 June one house was completed in Yuendumu. Other dwellings were at various stages of completion in the communities of Ramingining, Borroloola, Lajamanu, Mataranka, Nganmariyanga, Numbulwar, Engawala and Yuendumu.

Remote repairs and maintenance

An additional \$200 million over 10 years has been allocated for the repairs and maintenance of remote community housing. As well as increasing the level of repairs and maintenance, a portion of the \$20 million per annum is dedicated to a preventative maintenance program and an enhanced in-community tenant education program.

In 2017–18, a total of \$8.7 million has been committed to improving housing conditions in the communities of Kalkarindji and Lajamanu. This investment will improve the condition of 100 dwellings across both communities and will pave the way for future cyclical maintenance programs to be undertaken by a local workforce.

Condition assessments on existing remote housing will be completed over the next two years. These assessments will inform and prioritise future maintenance programs from 2018–19.

National Partnership on Remote Housing

The Australian Government replaced the National Partnership Agreement on Remote Indigenous Housing with the National Partnership on Remote Housing for the period 2016–18. 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 2015–18 (RAS) forming part of the agreement.

In 2017–18 the department continued to deliver new and upgraded housing under the National Partnership Agreement on Remote Indigenous Housing and Remote Australia Strategies Implementation Plan.

Achievements for 2017–18 include:

- ▶ 172 new homes constructed in 32 remote communities
- ▶ June 2018 was a record month with 44 new homes completed
- ▶ upgrades completed on 288 homes with another 142 underway at 30 June 2018
- ▶ against a 35 per cent Aboriginal employment target for 2017–18, we achieved an average of 52 per cent.

Overall, for the period of the National Partnership agreements the department has delivered 212 new homes and in excess of 1000 upgrades since 2015–16.

Land servicing and essential services infrastructure

A significant challenge for the delivery of Our Community. Our Future. Our Homes. package is the limited number of serviced lots in remote communities. In partnership with the NT

Department of Infrastructure, Planning and Logistics and the Power and Water Corporation we continued to prepare scoping briefs and facilitated the creation of new subdivisions to support development of new dwellings.

There were fewer than 200 available serviced lots across 73 remote communities to support new housing to be built under the Remote Housing Investment Package.

To facilitate the roll out of new housing, the Northern Territory Government committed \$426 million over eight years from 2016-17 to develop subdivisions, including serviced housing lots.

This included \$44.5 million in 2017–18. A further \$24.3 million has been made available to progress the land servicing requirements across 11 communities for 205 new lots. The remaining targeted lots are through a mixture of vacant infill lots, and include some locations where buildings have been demolished and services need to be reinstated.

Subject to community agreements through local decision making processes and securing of tenure with land councils, major subdivision works are programmed for completion before the end of the 2018 calendar year.

Combined, this new investment will make available around 450 serviced housing lots across remote communities over the next 18 months.

Jenny Henwood from the RPDO working with the Yarralin Housing Reference Group





CEO Jamie Chalker presents to the consultative forum meeting in Mutitjulu

Paving the way for employment opportunities in Mutitjulu

Some exciting work is underway in Mutitjulu following significant consultation with the community. The Executive Director Township Leasing has entered into a whole of township sublease with Parks Australia and Traditional Owners.

Four new houses will be built and three upgraded quickly.

Meanwhile, a further 26 houses will be upgraded through a slow build program, which will enable opportunities for local training and employment.

Department representatives will continue to consult with the community to form a housing reference group. The reference group will become the local decision making forum for future housing works and allocations.

In 2017–18 project briefs have been prepared and provided to the Department of Infrastructure, Planning and Logistics for project development, including detailed design, construction procurement and construction in numerous communities.

Construction contracts have been awarded for Stage One (six lots) and Stage Two (20 lots) in Lake Evella in addition to 22 lots in Ngukurr.

Construction tenders have been called for subdivisions in Wadeye (16 lots) and Maningrida (30 lots).

Design works are underway for proposed subdivision works in Pirlangimpi, Galiwin'ku, Gunbalanya, Ramingining, Beswick, Yirrkala and Hermannsburg.

Indigenous Essential Services program

Our Indigenous Essential Services section 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 annual grants from the department under a purchaser/provider model

and through revenue raised from the sale of electricity, water and waste services.

The department provided \$75 million in grant funding to the program. The total value of the program, including the grant and revenue from sales, was over \$115 million.

Power and Water Corporation's not-for-profit subsidiary, Indigenous Essential Services Pty Ltd, delivers the essential services under a service level arrangement.

The program introduced initiatives such as the roll-out of capital works to reduce program risks, solar generation upgrades to reduce greenhouse emissions and remote water metering to reduce water loss.

Smart prepayment electricity meters

Over 3200 dwellings in remote communities are now using smart prepayment electricity meters. Progressive introduction of the smart prepayment electricity meter technology to remote communities with 3G mobile network coverage has ensured ongoing provision of electricity supply.

The new meters can be read, and tariffs can be remotely updated, which improves outcomes to customers, improves electrical safety and reduces labour and travel costs in remote locations.

Other projects

Barunga, Ngukurr and Robinson River Water received water supply upgrades. Construction work on the Ali Curung sewer replacement and Numbulwar water supply tank upgrade were significantly progressed.

Land tenure

The Land Tenure Unit is responsible for negotiating and securing leases over parcels of land occupied by NT Government infrastructure in remote communities to underpin existing and new investment. The unit works within 73 remote communities and 25 of the 43 town camps.

A major focus of the unit was securing tenure over remote community housing assets. Security of tenure was important given the NT Government's commitment to investing \$1.1 billion over the next 10 years and the Australian Government's commitment to matching NT funding to support the remote housing program for five years commencing 1 July 2018.

The unit negotiated 64 community housing leases for approximately 4286 parcels of land occupied by public housing in remote communities during 2017-18. The unit negotiated long-term leases of over 1076 parcels of land occupied by NT Government infrastructure in remote communities.

The unit progressed a range of projects and land administrative initiatives under two memoranda of understanding for a total of \$19.35 million.

The department allocated \$5 million to remote infrastructure priorities for Aboriginal communities including a 20-lot subdivision in Ngukurr. The subdivision will support planned housing construction and will contribute to community economic development.





Bagot resident Desmond in front of his upgraded home

Yilli Rreung Aboriginal Corporation

Yilli Rreung Aboriginal Corporation been funded to deliver 74 projects commencing late March 2018 for town camps in Darwin and Adelaide River.

A broad range of works have been completed or are underway including upgrades to homes, pest control for electrical pillars, arboreal works, replacement water mains, street light upgrades, road infrastructure, solar hot water services, disability modifications, sewerage network and demolishing unsafe structures.

A total of \$14.35 million in funding assisted in producing general economic and social benefits through effective and sustainable management of Aboriginal land. It will also assist in progressing land and sea claims and township leases under Australian and land rights legislation.

Significant progress included:

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

The unit developed a fit-for-purpose community planning framework to deliver a place-based, responsive planning regime to complement community aspirations and guide future development and home ownership. The framework will identify appropriate land use, and the capacity or constraints for infrastructure to support future growth. It will also see community land use plans developed through community consultations.

Community land use plans have been completed for Gunyangara and Binjari. Additionally, the unit oversaw the development of a further 14 community land use plans in remote communities. Once endorsed by traditional owners, through land councils, these plans become the strategic land use documents to guide future development. The plans will be published on the department's Bushtel website.

The department registered leases in 41 communities. Following on from the whole of town subdivision program, the registration of leases of over 12 years is enabled where communities comply with Part 5 of the Northern Territory Planning Scheme. The Lands Titles Office registers leases. The leases then become part of the Integrated Land Information System. The system hosts all land related information across the NT.

The unit developed a leasing database to process and record leases over NT Government assets in remote communities. Information recorded includes remote public housing leases, government employee housing leases and essential services infrastructure leases. The next step will see information stored within the Land Tenure database shared with the department and additional information recorded, such as other interests and multiple lease structures over lots.



Upgraded home at One Mile Dam Town Camp

Town camps independent report released

In April 2018 the NT Government released an independent review into the NT's 43 town camps. The subsequent report, *Living on the Edge*, is the most comprehensive government-commissioned review to date.

The areas reviewed included:

- ▶ **legislation and governance arrangements**
- ▶ **leasing and tenure arrangements**
- ▶ **housing quality, management and ownership**
- ▶ **municipal and essential infrastructure**
- ▶ **service delivery arrangements**
- ▶ **community aspirations**
- ▶ **potential economic development opportunities.**

To ensure residents were able to participate, and to ensure a complete picture was formed, the review included multiple visits to each town camp and extensive consultation with stakeholders and service providers.

The report is a comprehensive document that details complex and longstanding issues.

A total of \$25 million has been allocated towards generational change for people living in town camps, starting with addressing urgent repairs to housing and infrastructure and the establishment of a Town Camps Futures Unit.

Service providers delivering works under the Town Camps Housing Program are required to use local sub-contractors and local materials suppliers.

OUR PERFORMANCE

Community Services

Homelands

The department contributed to the cost of maintaining homelands through our shared responsibility program. During 2017–18 we provided 150 separate grants totalling \$43.203 million for the delivery of homelands services programs, including municipal and essential services; housing repairs, maintenance and upgrades; and homelands jobs funding.

The Homelands Services Unit managed 138 separate capital projects across 79 homelands and provided funding for plant and equipment for use across homelands serviced by our service providers. Projects included improvements to electricity, water and septic infrastructure; municipal works; new rubbish dumps and water treatment systems.

Funding was as follows:

- ▶ \$21.012 million for municipal and essential services in 434 homelands and town camps of which \$6.024 million was capital grants for homelands
- ▶ \$2.726 million for municipal services in 43 town camps
- ▶ \$7.055 million as a contribution to housing, repairs and maintenance in 18 town camps and 378 homelands
- ▶ \$5.891 million to fund 143 Aboriginal workers delivering the homelands programs
- ▶ \$6.019 million for the Homelands Extra Allowance program which funded housing upgrades
- ▶ \$400 000 for housing upgrades in Marlinja
- ▶ \$100 000 for assistance to Mutitjulu.

Homelands Extra Allowance

A total of 29 service providers made 1055 applications to the Homelands Extra Allowance program. Funding went to 977 applicants in 282 homelands for a total of \$6.019 million. Projects funded included upgrades to kitchens and bathrooms, disability modifications, extensions to dwellings and provision of outside lighting, covered verandas, security doors and windows railings. The funding improved the liveability of dwellings and reduced the burden of overcrowding.

Homelands Services technical officers conducted inspections of 490 funded homeland and town camp locations. To assess eligibility for funding under the program there were 19 visits to unfunded locations.

Projects delivered by Milingimbi and Outstations Progress Resource Association

Solar lighting and internet boosters to remote homelands funded under Municipal and Essential Services. Additional bedrooms funded under Homelands Extra Allowance.



A project delivered by Marthakal Homelands Resource Centre

Additional bedrooms at Mapuru funded under Homelands Extra Allowance.



A project delivered by Dinybulu Regional Services

Tiling and kitchens at Yathalamara funded under Homelands Extra Allowance.



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AIS interpreter Edna Garrawurra

Aboriginal Interpreter Service

The Aboriginal Interpreter Service (AIS) provides effective cross-cultural communication between service providers and Aboriginal people who do not speak English as a first or second or third language.

The Australian and NT governments established the service in 2000 under a joint agreement. In the NT there are about 35 000 Aboriginal people who speak an Aboriginal language at home. The AIS provides a 24-hour booking service for interpreters. It has offices in Darwin, Alice Springs, Katherine, Tennant Creek, Wadeye, Groote Eylandt and Wurrumiyanga.

The AIS is one of the Australia's largest employers of Aboriginal people. It employed 234 registered interpreters. Of these, 123 were nationally accredited through the National Accreditation Authority for Translators and Interpreters or had a Diploma of Interpreting. Our formally qualified interpreters provided services in 57 per cent of interpreting jobs.

The service supported communication between service providers and Aboriginal Territorians through 7288 individual interpreting jobs,



AIS

- ▶ **The service delivered 163 Communicating Across Language training sessions to 460 participants from the Australian and Northern Territory governments and non-government organisations.**

completing a total of 32 229 hours interpreting in 33 different Aboriginal languages.

The service delivered 163 Communicating Across Language training sessions to 460 participants from the Australian and NT governments and non-government organisations.

Interpreting is a chance to 'be someone in your community'

Lance McDonald has been a community-based interpreter with our Aboriginal Interpreter Service (AIS) for six years. He completed his Diploma of Interpreting in 2013.

'I grew up at Papunya speaking my mother's language, Luritja Pintupi, my father's language of Warlpiri (Lajamanu) and my maternal nana's language - Pitjantjatjara/Yankunytjatjara,' Lance said.

He learned English while travelling with the Warumpi band across the NT. From school visits, Lance learned to speak and understand another three languages – Kriol, Gumatj and Galpu – before returning home to Papunya where he became the Chairperson of the Papunya Community Council.

Lance then become an interpreter. Lance says the AIS induction training opened his mind to improving his communication skills between languages.

'I like working at the Alice Springs Courthouse because it feels more like a family. It feels really good when the judge says "Mr McDonald you did a good job helping us understand each other";' Lance said.

'Everyone in my language group



Lance McDonald would like to see more young people become interpreters

recognises me and calls out to me 'Interpreter!'. I like to encourage the young people to keep learning and studying so that they can be what they want to be.'

He encourages more young people to join the AIS. 'It is not about someone else, it is about you as a young Aboriginal person reaching out and be someone in your community. It is a really good job, well supported and a happy environment.'

Figure 6: Aboriginal Interpreter Service number of individual languages interpreted

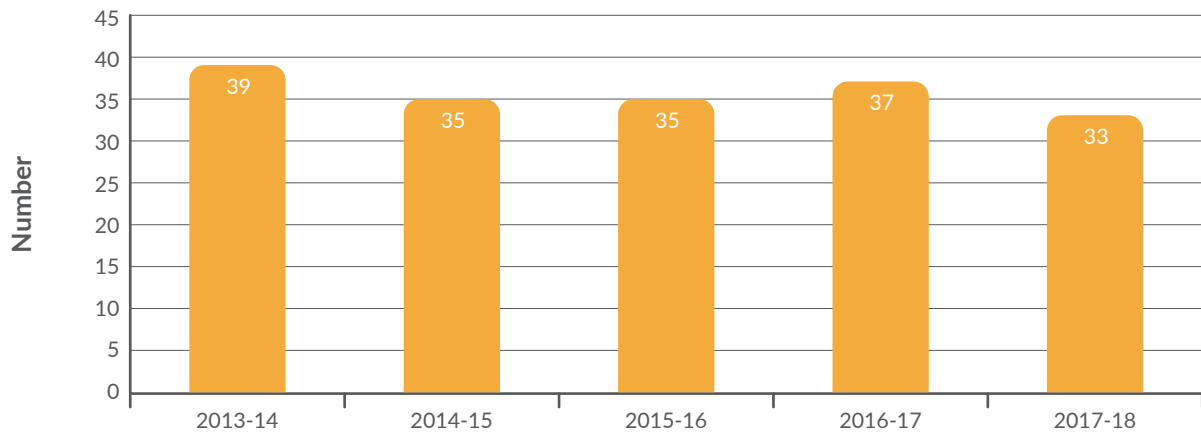


Figure 7: Aboriginal Interpreter Service individual interpreters employed per year

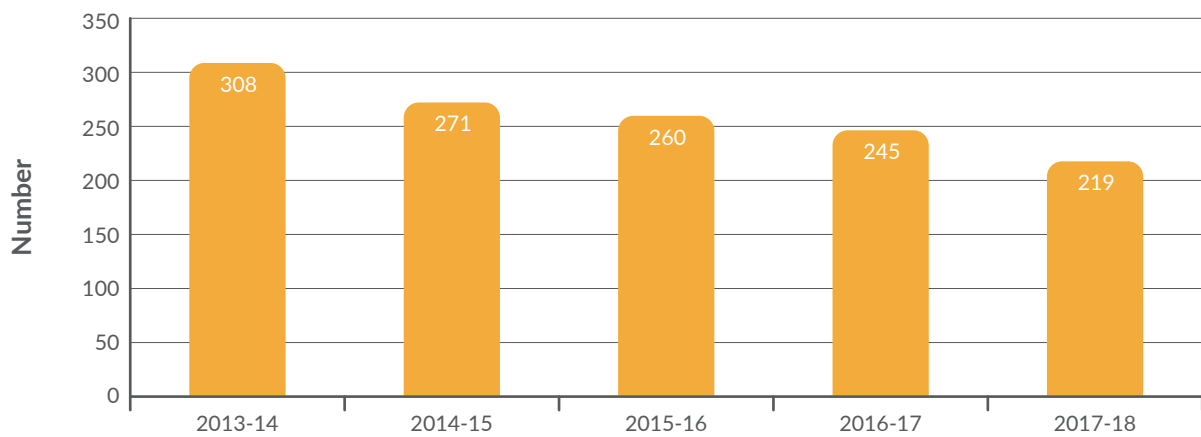


Figure 8: Aboriginal Interpreter Service per cent of qualified interpreting (NAATI and Diploma)

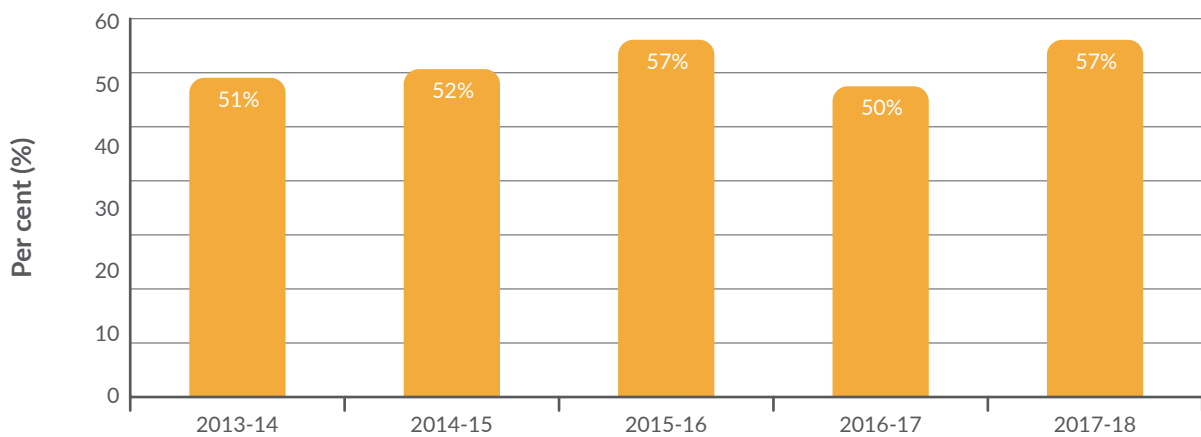


Figure 9: Aboriginal Interpreter Service hours of interpreting

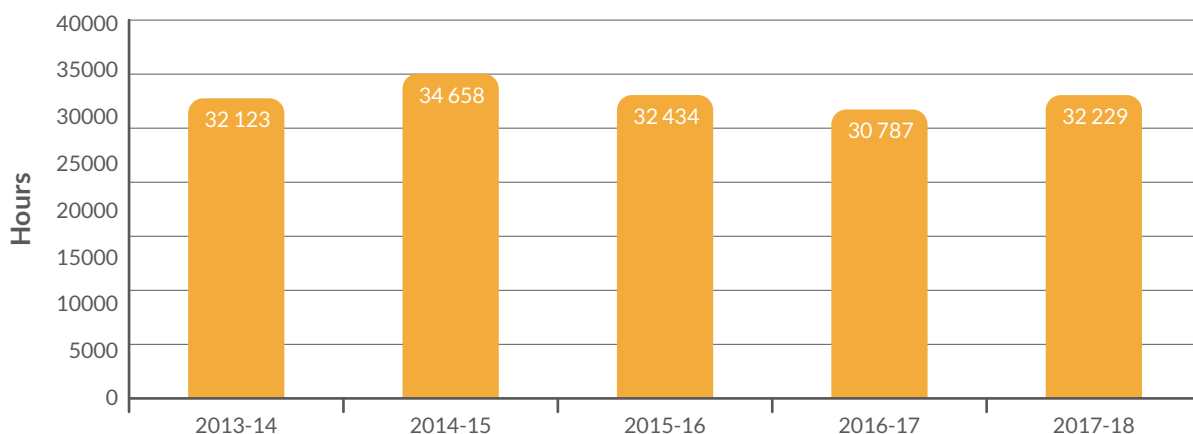
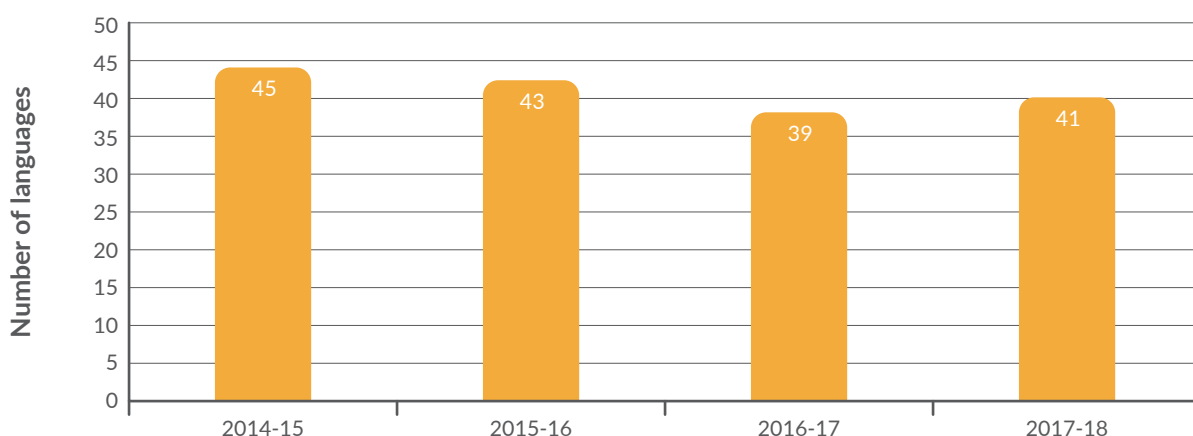


Figure 10: Interpreting and Translating Service NT languages interpreted



Interpreting and Translating Service of the Northern Territory

The Interpreting and Translating Service of the Northern Territory, in operation since 1987, helps government and non-government agencies make their programs and services more accessible by providing an effective and efficient on-site interpreting and translating service.

When possible, the service uses interpreters and translators with accreditation from the National Accreditation Authority for Translators and Interpreters. For languages that are relatively recent to Australia, interpreters or translators have not attained accreditation but must pass a language assessment before employment with the service.

In 2017-18 the service completed 5078 interpreting assignments in 41 different languages. The major languages interpreted were Vietnamese, Greek, Mandarin, Swahili and Arabic. The service completed 836 translations into 45 different languages with the major languages being Chinese, Greek, Indonesian, Thai and Vietnamese.

Figure 11: Interpreting and Translating Service NT individual interpreters employed

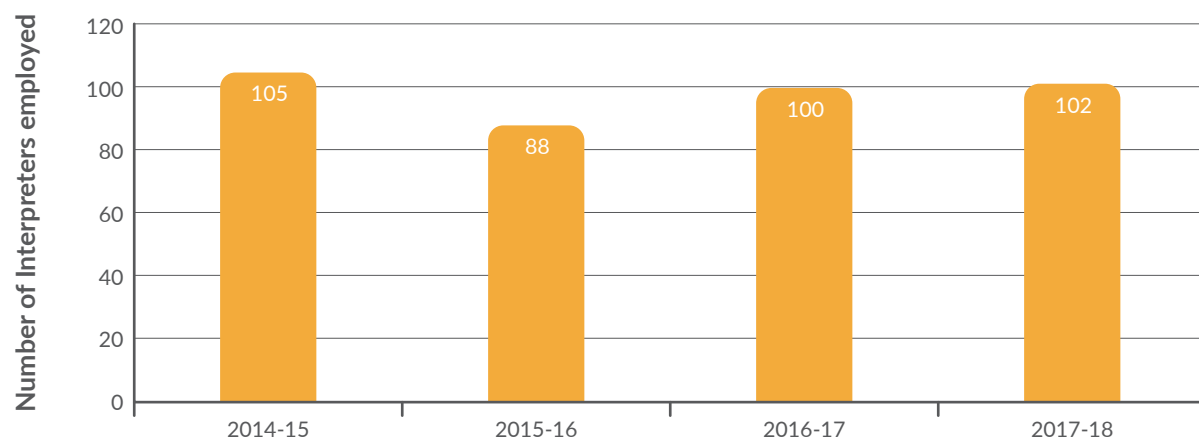
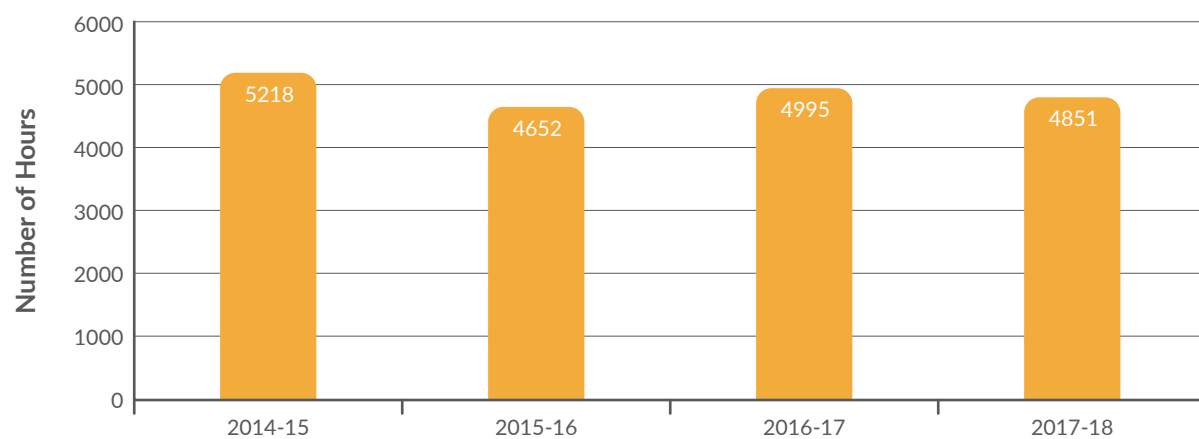


Figure 12: Interpreting and Translating Service NT hours of interpreting



Remote Engagement and Coordination Unit

The Remote Engagement and Coordination Unit continued to promote the implementation of the Remote Engagement and Coordination Strategy in the department and build capacity through a program of professional learning, online advice and engagement evaluation projects.

By offering Remote Engagement Essentials training workshops to all NT Government employees in Alice Springs and Darwin, the unit supported staff from other agencies in improving their engagement knowledge and practices. A licensed trainer from the International Association for Public Participation in collaboration with the Aboriginal Interpreter Service delivered the training. Staff from a wide range of NT Government agencies as well as invitees from regional councils and non-government organisations attended the workshops.

The website www.bushready.nt.gov.au provides advice, community information, planning resources and practical tips for anyone visiting and working in remote Aboriginal communities.

To assess remote engagement and coordination performance, the department funded the Northern Institute of Charles Darwin University to work with Aboriginal researchers in Ntaria, Ngukurr and Galiwin'ku on the Remote Engagement and Coordination – Indigenous Evaluation Research Project. One of the main objectives of the project was designing frameworks for evaluating engagement and coordination practices appropriate to each community. The project identified the engagement priorities of individual communities and used these to inform tailored evaluations of engagement performance at each site.

Project insights are at <http://recier.cdu.edu.au/>.

A celebration of words

The year of 2017 was notable for translators. Following a resolution adopted on 24 May, the United Nations officially recognised the role interpreters play in fostering peace and understanding.

Our Interpreting and Translation Service NT employs 103 interpreters, along with 17 Darwin-based translators in 63 different languages. The Aboriginal Interpreter Service is one Australia's largest employers of Aboriginal people, with 234 interpreters registered to deliver services across 100 different Aboriginal languages and dialects.

Translating and interpreting are highly skilled roles that can be intellectually demanding. Ongoing training is required to ensure work is not only accurate, but also impartial.

Our staff play a critical role in ensuring those who do not speak English as a first language remain connected to the community and to services provided through NT Government agencies. Our staff must abide by the Australian Institute of Interpreters and Translators Code of Ethics.



 *Interpreters from Interpreter and Translation Service NT*



ITSNT

- ▶ 5078 interpreting assignments in 41 different languages. The major languages interpreted were Vietnamese, Greek, Mandarin, Swahili and Arabic. The service completed 836 translations into 45 different languages with the major languages being Chinese, Greek, Indonesian, Thai and Vietnamese.



Aboriginal interpreter, Maggie Napurrula Burns

Interpreter works to correct miscarriage of justice

In 2014, a Western Australia court sentenced Pintupi man Gene Gibson, 25, to seven and a half years in prison for manslaughter after his guilty plea. His lawyer had advised a guilty plea would attract a shorter sentence.

Gene is from the remote Western Desert community of Kiwirrkurra and speaks Pintupi. He was provided with interpreters during his police interviews, but they were not qualified interpreters and were not Pintupi speakers. At no time was he provided a qualified Pintupi interpreter.

In 2015 the WA Corruption and Crime Commission (CCC) found 'significant failures' and 'serious flaws' in the police interviews with Gene. The CCC Report

also found that there were systemic failures and a deep lack of knowledge and skill by WA police when interviewing Aboriginal people. The CCC Report made seven recommendations to WA police – all of which centred on the need for police to make better use of Aboriginal language services.

Maggie Napurrula Burns, a qualified Pintupi interpreter from our Aboriginal Interpreter Service was employed to provide interpreting services between Gene, who was then in jail, and the State of Western Australia. This included a seven-day Court of Appeal hearing with lawyers appointed pro bono by the Australian Human Rights Commission.

Maggie said, ‘When I met him, I introduced myself – who I was, where I’m from and he told me who he was, and I found out we were distantly related. He was like a son through kinship connections. He was a very, very shy person. He had no expressions, he wasn’t emotive – he wouldn’t smile. And a couple of times I went and saw him, he was really shy and I didn’t get much out of him. Over time, he got more used to me and trusted me and that’s when he started talking to me. That’s when he really opened up about what had happened.’

This was an intense process over 18 months that required Maggie to travel between the NT and WA.

‘It was draining and tiring but at the end of the day I was just doing my job as an interpreter.’

Gene had been diagnosed as having Foetal Alcohol Spectrum Disorder and had little education, or literacy in English.

‘It made me really see that interpreting is much more than just verbal words – there is a whole world of cultural issues I had to consider and be sensitive to. Like, for example, normally for Pintupi people a man would never seek this kind of serious help from a woman – it’s against our law for a man to ask for help from a woman and vice versa – this would not normally happen on a community or anywhere. Women and men have their own autonomy, women’s business and men’s business and we don’t get involved [in each other’s business]. There are also kinship laws for us Pintupi which mean it’s inappropriate for some family members to interact with others in certain ways.

‘In the end, I would say it took over a year for him to know that he could trust me.

‘I felt satisfied at the end that he understood his human and legal rights and the equal rights that he deserved as an Aboriginal person.’

After Gene spent three years in prison, the court quashed his conviction in 2017 and awarded him a \$1.3 million payment.

As our interpreter service’s pre-eminent Pintupi qualified interpreter, Maggie received letters of commendation from the CEO, NT Department of Housing and Community Development, and the WA Attorney-General for her contribution to overturning this significant miscarriage of justice.

This case highlighted the important work interpreters do and why Aboriginal languages need to be preserved. Having a qualified interpreter was life-changing for this client.

OUR PERFORMANCE

Local Government

2017 local government elections

In 2017 general elections were held for all council areas except the City of Palmerston. The City of Palmerston election was held in March 2018. The general elections were the third held since the *Local Government Act* commenced in 2008.

The 295 nominations received for the general elections were a record, with 149 councillors elected.

The 2017 elections were the first since the introduction of local authorities in 2014. The NT Government established 65 local authorities in the nine regional councils to give regional and remote communities a stronger voice in local government. The department played a leading role in coordinating election awareness in remote and regional areas and in encouraging interested individuals to nominate as candidates.

A total of 21 of the new local government councillors were former members of their local authority, indicating that local authority members are getting valuable exposure to local decision making and that they are obtaining the confidence to represent their communities at council level.



LOCAL AUTHORITIES

- ▶ 65 local authorities in remote communities
- ▶ Attended 177 local authority meetings

Local government compliance reviews

The department administers the *Local Government Act*, Regulations, Ministerial Guidelines and General Instructions. As required by section 205 of the *Local Government Act*, we have a program of compliance reviews for councils. The purpose of compliance reviews is to check, via a method of sampling, that councils are conducting their business lawfully.

Inspectors of local government, appointed under the *Local Government Act*, conduct the reviews. Identification of councils for review is part of a rolling program ensuring review of each municipal, regional and shire council once every four years.

The department completed reviews of:

- ▶ Roper Gulf Regional Council
- ▶ East Arnhem Regional Council.

Due to local government elections, there were no reviews in the first quarter of the reporting period.

Under section 207 of the *Local Government Act*, compliance reviews must bring all issues identified to the attention of the council. Inspectors maintain a record of all outstanding issues and liaise with the council until the council addresses the issues.

In 2017-18 the department undertook follow-up site visits to support the resolution of outstanding issues identified in compliance reviews in previous years. Councils visited were West Daly Regional Council, Barkly Regional Council and Tiwi Islands Regional Council.

We are working with the local government sector and the Local Government Association of the Northern Territory to provide a range of training and resources to better address issues identified through the compliance reviews. Issues commonly occur in the areas of procurement, record keeping, publication of information on council websites and the need to undertake more timely policy reviews.



Josef Kulda, working with the Maningrida Housing Reference Group

Staff Profile – Josef Kulda

For the past 11 years, Josef Kulda has worked as a Remote Housing Officer. Josef has visited a range of remote communities, since starting his career in the Wadeye and Daly region. Josef now services the large areas of Maningrida and Gunbalanya in the Arafura region.

‘I manage a team of four. We are all focused on getting homes allocated to families, and easing overcrowding’, Josef said.

Having personally allocated more than 200 homes, Josef says he makes sure he gets a thorough understanding of the family or individual he is placing before a decision is finalised.

Josef said, ‘Talking to other departments such as Territory Families and Health about a particular person or family can help make a decision.

‘I also speak to many local organisations.

‘I like to do a lot of research as I always try to find a solution to make everyone happy, along with not disrupting the flow of the community. After 11 years in this role you start to get contacted regularly, my phone rings off the hook!’

Josef says he enjoys spending time with his wife and family.

‘For the past four years my wife and I have looked after two foster children. We keep their Indigenous connection alive through hunting and fishing, it’s also good for our kids.’

Being a born and bred Territorian, Josef has seen the transition of remote housing through the years.

Josef noted that ‘Housing can make a huge, positive impact on someone’s life. I enjoy what I do and am passionate about finding healthy housing solutions.’



Department staff assisting with the 2017 local government elections

To promote robust procurement processes in the sector, the department supported the Local Government Association of the Northern Territory in undertaking a three-day procurement training workshop for council officers.

City of Palmerston

Following the identification of deficiencies in the conduct of the council's affairs, the Minister for Housing and Community Development suspended the City of Palmerston Council on 29 June 2017 and placed it under official management.

The minister appointed an official manager to conduct the council's affairs over the period of official management and appointed an investigator to review the actions of the suspended councillors. On 31 November 2017 the investigator delivered the investigation report to the minister and provided a copy of the report to suspended councillors. The suspended councillors had the opportunity to provide a written response to the review to the minister by 8 January 2018.

On 23 January 2018, the minister, after considering the investigator's report and the councillors' responses, dismissed the council.



The City of Palmerston council general election was held on 24 March 2018, and results were announced on 3 April 2018.

Sustainability and governance

The major focus in 2017–18 was providing support to elected members after the 2017 local government elections. The department delivered presentations on leadership and local government roles and responsibilities to new mayors, presidents and chief executive officers. We presented to council meetings on request.

The department funded the Local Government Association of the Northern Territory to host two-day elected member training workshops through the Australian Institute for Company Directors. More than 45 elected members participated in training on local government essentials and financial management. The department developed good governance audio resources on code of conduct and conflict of interest matters and then recorded them into 18 Aboriginal languages. The department also developed 31 short training videos on key elected member skills and knowledge areas. The resources are available on our website.

Other activities in 2017–18 included:

- ▶ providing budget assistance grants to the Victoria Daly Regional and West Daly Regional councils
- ▶ providing responses to over 96 governance and compliance queries received from councils through the department's generic email account
- ▶ consideration and approval of 15 exemptions from compliance with the Local Government (Accounting) Regulations, most of which were for exemptions from tendering in special circumstances



Pirlangimpi BBQ shade built with grant assistance

Local authorities help to build communities

Through its grants program, the department provides more than \$5 million each year to local authorities for projects that make a difference to the lives of people living in communities.

With a focus on community beautification works, the Maningrida Local Authority (West Arnhem Regional Council) budgeted \$70 000 to install rubbish bin stands. The authority partnered with the Bawinanga Aboriginal Corporation and took on 20 Community Development Program participants to work with council staff. The authority was happy to report that the project provided workers with new skills and achieved a 90 per cent attendance rate.

In Pirlangimpi, a new barbecue and shade area was constructed, taking the total of shade and barbecue areas in the community to three. Construction was coordinated by the local Alcohol Management Group and done by Community Development Program participants.



Titjikala Basketball Court Mural funded with grant assistance

- ▶ quarterly desktop reviews of council webpages to ensure councils are meeting legislative requirements
- ▶ annual feedback on all councils' draft plans and budgets, which are usually done by councils in May or June for public consultation
- ▶ regular face-to-face meetings and other guidance provided to council chief executive
- ▶ officers and other senior council personnel on the *Local Government Act* and its regulations
- ▶ participation in sector-wide forums arranged by the Local Government Association of the Northern Territory such as Finance Reference Group meetings and Environment, Transport and Infrastructure Reference Group meetings.



A total of 45 elected members from NT councils participated in two-day elected member training workshops



Roper Gulf Regional Council Deputy Mayor Helen Lee (left) with Katherine staff member Amanda Haigh

New elected member, Helen Lee

In 2017 Roper Gulf Regional Council chose Helen Lee to become their deputy mayor. Helen was elected to the council in August 2017, having been chair of the Barunga Local Authority. She had talked to department staff about becoming a councillor and what she needed to do to stand as an elected member. Having this encouragement and information helped Helen decide to stand for council.

For Helen the best part about being the deputy mayor is having the chance to discuss the issues important to her at a higher level. Helen still chairs the local authority and is passionate about helping it run smoothly. She makes sure information given to members is clear and interprets information into the local language to help her fellow local authority members discuss issues. Helen's goal is to train a new local authority chair to build up more experience in the community.

Community Development

The department's Community Development division commenced in November 2017 to progress community development initiatives and implement our new community development policy. The policy outlines an approach to community development based on mutual respect, shared commitment and trusted relationships. The policy's intended outcomes include:

- ▶ having a common understanding of community development within the department
- ▶ communities having more participation in decision making and a greater ability to influence decisions on government policy, programs and service delivery
- ▶ development of sustainable communities and improved wellbeing for Territorians through respectful partnerships and connected service delivery.

To achieve these place-based outcomes, the work of the Community Development division is organised into three streams:

- ▶ building community capacity by supporting community development projects identified and progressed by the community, based on community aspirations for development
- ▶ place-based support for department programs including the Remote Information Coordination System, the Remote Area Issue and Engagement Register, the Remote Engagement and Coordination Strategy, remote housing programs and regional councils and local authorities
- ▶ place-based collaboration and coordination in complementary government policies and programs.

Local authorities

The Community Development branch continued the department's dedicated support to local authorities. The NT now has 65 local authorities in remote communities. They provide a stronger voice for remote communities and deliver priority projects that local authority members have identified and planned.

The department attended 177 local authority meetings in 2017–18. Strong relationships exist between departmental officers and local authority members.

The department supported the establishment of two new local authorities in Amanbidji and Bulla, both in the Victoria Daly Regional Council area.

The department allocated \$5 452 000 in local authority project funding to regional councils for local authority projects.

Councils have two years to expend their local authority project funding. Some choose to combine multiple years of funding to support major projects. For example, the Numbulwar local authority built a roof over the local basketball court. The most common local authority projects are those that improve the amenity of their communities or upgrade critical community infrastructure. These include projects like fencing local cemeteries and upgrading public parks with seating and shade structures.



Djuwalpi Marika, Deputy Chair, Yirrkala Local Authority using one of the new iPads

Yirrkala Local Authority meetings go paper-free with new iPads

The Yirrkala Local Authority began using iPads in December 2017.

Inspired by council members using iPads at their meetings, the Yirrkala Local Authority elected to use funds provided under the Local Authority project funding to buy the iPads.

Introducing iPads saved paper, with members able to see meeting agendas, associated papers, reports and other information on the East Arnhem Regional Council website. Members gained valuable skills using the iPad technology. Several other East Arnhem local authorities have since used the Local Authority Project Funding to purchase iPads.

According to Arnhem Region Community Development Officer, Sharon Norris, local authority members agreed it was better to save paper by using the iPads.

‘Members agreed that it was better to use the iPads although they found it a bit challenging to use the devices at first’, she said.

East Arnhem Regional Council encouraged local authority members to visit the local council office to practise using the devices between meetings.

Review of the *Local Government Act*

The current *Local Government Act* has been operating since 2008. Reviewing the *Local Government Act* ensures that the legislation underpinning local government is working effectively for the benefit of the community and the sector generally.

The consultation process for the review of the *Local Government Act* began before 2017–18, with an invitation to the public and stakeholders to comment on local government legislation.

The department has prepared drafting instructions for new local government legislation. Significant changes proposed include:

- ▶ clarification of conflict of interest rules
- ▶ referral of code of conduct complaints to a Local Government Association of the Northern Territory panel, rather than to a disciplinary committee constituted by the department
- ▶ an expert independent panel to perform representation reviews
- ▶ member allowances to be determined by an independent remuneration tribunal
- ▶ changing local authority quorum rules to allow more meetings to achieve a quorum.

The department will release a draft bill to the local government sector for comments, suggestions and feedback.

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. Under the act, the *Cemeteries Regulations* cover administrative matters like keeping registers, burial times, depth of graves and visiting hours.

The department has completed a full review of cemeteries legislation. We invited stakeholders to comment through two rounds of public consultation. Direct consultation with land councils was part of the review.

The department made the public consultation papers available on its website.

The Office of the Parliamentary Counsel is drafting the new legislation, which will provide:

- ▶ proper recognition of cemeteries on Aboriginal land
- ▶ new categories of cemeteries
- ▶ modern options for burial and disposal of human remains
- ▶ a consistent and coherent regime for the governance and regulation of cemeteries and other facilities that facilitate the disposal of human remains.

The department conducted extensive information sessions with stakeholders, including local government councils, local authorities, land councils and funeral service providers.

The NT Government has given a commitment to stakeholders to consult on the bill prior to introduction. We anticipate that an Exposure Draft Bill will be available for public consultation and comment in late 2018 for introduction to the Legislative Assembly in 2019.

Local government committees

Local government disciplinary committees

Section 80 of the *Local Government Act* establishes local government disciplinary committees.

Disciplinary committees are independent of the department. They deal with complaints about alleged breaches of a council's code of conduct by a member of a council, local board, local authority or council committee.

Three members must constitute a disciplinary committee, one from each of three classes of eligible members:

- ▶ a legal practitioner nominated by the NT 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.

A total of 20 people were eligible to be members of a local government disciplinary committee.

In the reporting period, seven elected council members were the subject of complaints referred to a disciplinary committee. Two of the complaints were dismissed. With one complaint the disciplinary committee was satisfied a breach of the code was established but no disciplinary action was taken. Consideration of the remaining matters is ongoing.

Local Government Accounting Advisory Committee

Regulation 3 of the Local Government (Accounting) Regulations establishes the Local Government Accounting Advisory Committee. The committee advises the department and the Minister for Housing and Community Development on local government financial management and accounting practices. It also provides advice about legislative changes needed to improve the standard of local government financial management and accounting.

The committee comprises members from Chartered Accountants Australia and New Zealand, Certified Practising Accountants Australia, Local Government Professionals Australia (NT), the Local Government Association of the Northern Territory, the Local Government Association of the Northern Territory's Finance Reference Group and the department.

The department provides secretariat services to the committee, which meets quarterly.

Local Government Administration and Legislation Advisory Committee

Regulation 3 of the Local Government (Administration) Regulations establishes the Administrative and Legislation Advisory Committee. The committee advises the department and the Minister for Housing and Community Development on legislative, administrative and operational issues relevant to local government.

The committee comprises members from Local Government Professionals Australia and the Local Government Association of the Northern Territory, as well as council and department officers.

The department provides secretariat services to the committee, which meets quarterly.

Local government funding

Special purpose grant funding

Local government special purpose grants are available to all local councils to improve community infrastructure and service delivery. Councils must provide submissions showing how the initiative will benefit the community.

Funding is available to purchase capital items like 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.



A new Titjikala sign built with grant assistance

Organisation	Purpose	Grant \$
Alice Springs Town Council	Upgrade lighting inside the Alice Springs Aquatic and Leisure Centre's main indoor pool facility	80 895
Alice Springs Town Council	Purchase a mobile grandstand for use at council and community events	35 565
Alice Springs Town Council	Assist in the purchase and installation of four outdoor fitness stations, including softfall, near the Todd River walking tracks	72 330
Barkly Regional Council	Purchase and install eight LED street lights on existing poles to augment CCTV in poorly lit streets in Tennant Creek	68 160
Barkly Regional Council	Install spear top, powder coated fencing at the Tennant Creek Public Library, council chambers and offices at the council precinct	52 455
Barkly Regional Council	Design, purchase and install solar pool heating at the Tennant Creek Swimming Pool	80 850
Barkly Regional Council	Assist implementation of an animal management program across the Barkly region	200 000
Belyuen Community Government Council	Purchase a tilt back tyre changer, wheel balancer and a wheel camera aligner with alignment hoist	55 000
Blatherskite Park Reserve	Upgrade 14 grandstands, refurbish four existing seating amenities and install 12 new seating amenities	20 861
Central Desert Regional Council	Purchase a room container unit, drop deck semi-trailer, second hand service vehicle and dolly to allow road crews to camp out when conducting road maintenance works	239 500
City of Darwin	Assist redevelopment of Chrisp Street Oval including resurfacing three tennis courts for multi-use, fencing, access paths and spectator seating	231 164
City of Palmerston	Install CCTV cameras and operating systems at Palmerston's Recreation Centre, swimming and fitness centre, library and civic building public areas	47 000
Coomalie Community Government Council	Upgrade and refurbish public toilets at the Batchelor and Adelaide River ovals and at Myrtle Fawcett Park	130 000
Coomalie Community Government Council	Assist in removal of asbestos and reinstatement with suitable material in the Batchelor Swimming Pool filter room and toilets, Batchelor Playgroup ceiling and Rum Jungle Bowls Club power meter box	45 000
Coomalie Community Government Council	Resurface sports courts in Batchelor and Adelaide River	56 000
Coomalie Community Government Council	Purchase and install 121 units of replacement LED lighting in the Coomalie shire	86 000
East Arnhem Regional Council	Towards the supply and installation of additional security fencing around council owned aged care and disability staff houses in Angurugu	93 000
East Arnhem Regional Council	Towards battery recycling infrastructure across six landfill/resource recovery facilities, council offices and external organisations	41 325
East Arnhem Regional Council	Purchase and install 31 container deposit cages across all council communities to reduce ground litter	98 894
Katherine Town Council	Towards the construction of a public multiuse facility in the Katherine Sportsgrounds precinct	150 000
Litchfield Council	Purchase and install a solar photo-voltaic system on council's main office building at Freds Pass	78 720
Litchfield Council	Update furniture and fittings at the Humpty Doo Village Green Community Hall, including kitchen upgrade, large ceiling fan, tables and chairs	33 824
MacDonnell Regional Council	Purchase a backhoe to assist with waste management and maintenance of roads and municipal works at Imanpa	164 800
MacDonnell Regional Council	Towards the installation of softfall around playground equipment in seven parks across the communities of Haasts Bluff, Hermannsburg, Kintore, Docker River and Papunya	152 735
Roper Gulf Regional Council	Repair Ngukurr Swimming Pool	173 853

Organisation	Purpose	Grant \$
Roper Gulf Regional Council	Towards the purchase of three front end loaders; one each for Ngukurr and Numbulwar and a shared loader for the Central Arnhem area	322 500
Tiwi Islands Regional Council	Purchase a second-hand grader to service the 845 kilometre road network across the Tiwi Islands	278 621
Tiwi Islands Regional Council	Purchase and install security alarm systems and invisigard security window and door screens to 38 staff housing lots across Wurrumiyanga, Milikapiti and Pirlangimpi	279 734
Tiwi Islands Regional Council	Installation of a recreational dump barge pontoon at Pirlangimpi, including feasibility assessment, design, certification and construction of pylons, anchor footings and connections	238 844
Tiwi Islands Regional Council	Purchase plant and equipment for Pirlangimpi, including two tractors with slasher, three brush cutters, box trailer, chainsaw and pole saw	45 000
Victoria Daly Regional Council	Purchase a small grader to improve the efficiency of council's civil works	83 100
Victoria Daly Regional Council	Purchase a compaction roller to undertake a broader range of civil works	49 682
Victoria Daly Regional Council	Towards the removal of non-compliant playground equipment and accessories and replacement with new, including additional playground equipment and accessories in the communities of Kalkarindji and Daguragu	50 000
Wagait Shire Council	Construct a green waste fenced compound for residents of Wagait Beach	10 214
Wagait Shire Council	Towards the installation of CCTV to protect and safeguard council infrastructure	6 126
Wagait Shire Council	Purchase a zero-turn mower	5 590
Wagait Shire Council	Towards the installation of solar panels and replacement of solar hot water system at Cloppenburg Park	16 258
Wagait Shire Council	Towards the provision of an undercover picnic area at Cloppenburg Park	14 666
West Arnhem Regional Council	Purchase a mobile car crusher/baler	200 000
West Arnhem Regional Council	Towards the purchase of a tractor with accessories including a loader with bucket, slasher and pallet forks for the Warrawi community	41 350
West Daly Regional Council	Implement an animal management program in Wadeye, Peppimenarti and Nganmariyanga in association with Animal Management in Rural and Remote Indigenous Communities and Thamarrurr Development Corporation Ltd	82 920
West Daly Regional Council	Purchase a tip truck and a 3000 litre water tank	84 320
Total		4 296 856

Indigenous jobs development funding

The department funds local councils to promote the employment of Aboriginal people working in local government service delivery.

The funding subsidises the employment costs of Aboriginal people across regional councils and Belyuen, supports the delivery of local government outcomes in the councils' strategic and operational plans and supports Aboriginal employment.

Council	Grant \$
Barkly Regional Council	968 000
Belyuen Community Government Council	39 000
Central Desert Regional Council	679 000
East Arnhem Regional Council	1 228 000
MacDonnell Regional Council	1 335 000
Roper Gulf Regional Council	1 601 000
Tiwi Islands Regional Council	571 000
Victoria Daly Regional Council	727 000
West Arnhem Regional Council	760 000
West Daly Regional Council	592 000
Total	8 500 000

Strategic infrastructure funding

The Local Government Strategic Infrastructure Fund commenced in 2017–18. It provides funds to regional and remote councils for infrastructure-related projects that promote community development.

Council	Purpose	Grant \$
Barkly Regional Council	Upgrade council communication infrastructure across the council's seven communities	375 847
Belyuen Community Government Council	Upgrade the community store	189 886
Central Desert Regional Council	Upgrade traffic signage and traffic furniture in Yuendumu, Yuelamu, Lajamanu, Nyirripi, Atitjere, Engawala, Pmara Jutunta and Nturiya	354 777
Coomalie Community Government Council	Complete Stage Three of Coach Road	414 608
East Arnhem Regional Council	Replace roof structure on municipal services depot and vehicle storage shed in Umbakumba	193 385
East Arnhem Regional Council	Upgrade municipal services security fencing in Galiwin'ku, Milingimbi and Lake Evella	237 638
MacDonnell Regional Council	Upgrade staff housing and pool infrastructure	731 380
Tiwi Islands Regional Council	Design, construct, purchase and deliver a new passenger and car ferry to operate between Bathurst and Melville islands	500 000
Victoria Daly Regional Council	Upgrade council waste management facilities in Kalkarindji and Yarralin	647 755
Wagait Shire Council	Towards irrigation of Cloppenburg Park	83 694
West Arnhem Regional Council	Install a hard shade cover over Maningrida's basketball court	272 680
West Daly Regional Council	Towards priority staff housing works in Wadeye	201 350
Total		4 203 000

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.

Distribution of the funding pool to local authorities is under methodology developed by the Northern Territory Grants Commission.

Council	Grant \$
Barkly Regional Council	460 880
Central Desert Regional Council	545 920
East Arnhem Regional Council	1 249 260
MacDonnell Regional Council	571 710
Roper Gulf Regional Council	829 620
Tiwi Islands Regional Council	359 880
Victoria Daly Regional Council	336 220
West Arnhem Regional Council	630 170
West Daly Regional Council	468 340
Total	5 452 000

Natural disaster relief and recovery arrangements

The department provides grants to local government bodies to recover local government assets and services after a natural disaster or emergency, subject to funding availability.

Council	Purpose	Grant \$
Barkly Regional Council	Central Australia flash flooding December 2016– January 2017	500 000
Central Desert Regional Council	Central Australia flash flooding December 2016– January 2017	4 000 000
MacDonnell Regional Council	Central Australia flash flooding December 2016– January 2017	2 370 000
Total		6 870 000

Northern Territory operational subsidy

The Northern Territory operational subsidy funding is the main support the NT Government offers councils to provide local government services. It is only available to the nine local government regional councils as well as the Belyuen, Coomalie and Wagait councils. Municipal councils do not have access to this funding.

Council	Grant \$
Barkly Regional Council	4 022 992
Belyuen Community Government Council	76 728
Central Desert Regional Council	2 285 255
Coomalie Community Government Council	523 873
East Arnhem Regional Council	6 058 086
MacDonnell Regional Council	3 725 766
Roper Gulf Regional Council	3 953 317
Tiwi Islands Regional Council	1 397 659
Victoria Daly Regional Council	1 499 820
Wagait Shire Council	157 513
West Arnhem Regional Council	3 442 425
West Daly Regional Council	1 606 566
Total	28 750 000

Smart irrigation installed in Katherine housing

Irrigation control boxes were installed in all housing complex common areas in Katherine. Staff can now monitor and change running times using a mobile phone app.

The control boxes identify water leaks, monitor usage, communicate with local weather stations and automatically turn off watering following rain. This is particularly effective during the wet season where significant water savings will be achieved.

Once flow meters are installed, water leaks or sprinkler damage can be reported directly via the app, allowing repairs to be done immediately rather than after weekly inspections.



The new way of monitoring water use will save time and money and will change the way grounds maintenance contracts are serviced in the future. The app can also be installed on work computers and operated in the same way as on the mobile phone.

Reserves and other organisations

The department funds organisations that provide local government-type services.

Organisation	Purpose	Grant \$
Australia Day Council NT Incorporated	Towards sponsorship of the 2017–18 Australia Day Awards	10 000
Blatherskite Park Reserve	Operational funding	145 000
Katherine Town Council	Operational funding for the community of Binjari	229 936
Nhulunbuy Public Cemetery Trust	Operational funding	10 000
Robbie Robbins Reserve	Operational funding	75 000
Roper Gulf Regional Council	Operational funding for the community of Larrimah	8 922
Roper Gulf Regional Council	Operational funding for Elsey Cemetery at Mataranka	2 000
Total		480 858

Regional council budget assistance

The recently formed West Daly Regional Council and the reconfigured Victoria Daly Regional Council received this funding.

Council	Grant \$
Victoria Daly Regional Council	1 000 000
West Daly Regional Council	300 000
Total	1 300 000

One-off grants

The department approved the following one-off grants in 2017–18:

Organisation	Purpose	Grant \$
Belyuen Community Government Council	Cover the cost of elected member allowances for 2017–18 and 2018–19	137 185
City of Darwin	Upgrade air conditioning at Darwin Entertainment Centre	2 000 000
Coomalie Community Government Council	Progress the proposed merging with Belyuen Community Government Council including conducting an asset due diligence assessment	140 590
Local Government Association of the Northern Territory	Final payment for the by-laws project and funding to develop a range of initiatives to support regional and shire councils in the broad areas of health, safety and security	3 612 500
Robbie Robbins Reserve	Towards the cost of removal of damaged and uprooted trees caused by Cyclone Marcus at the reserve and acting on the arborist's report recommendations	359 187
Across-councils	Various funded initiatives	115 865
Total		6 365 327

Australian Government financial assistance – general purpose and local roads funding

The Northern Territory Grants Commission is an independent body established by statute. The commission's primary role is providing annual funding recommendations in relation to Australian Government financial assistance, general purpose and local road grants.

Distribution of these grants uses a needs-basis formula developed by the commission. Factors considered include:

- ▶ revenue-raising capacity
- ▶ expenditure requirements
- ▶ a council's geographical dispersal
- ▶ how difficult it is to access communities in the council area.

Road funding allocations are determined using a council's weighted road length as a proportion of the total NT weighted local road length.

Organisation	General purpose 2017-18 \$	Grant 2017-18 \$
Alice Springs Town Council	353 810	460 441
Barkly Regional Council	919 979	219 324
Belyuen Community Government Council	14 162	15 980
Central Desert Regional Council	458 236	414 150
City of Darwin	869 415	921 740
City of Palmerston	369 401	469 993
Coomalie Community Government Council	13 306	235 076
East Arnhem Regional Council	1 491 965	612 433
Katherine Town Council	330 463	306 223
Litchfield Council	249 860	1 258 587
Local Government Association of the NT	-	771 653
MacDonnell Regional Council	866 235	484 389
Roper Gulf Regional Council	916 731	517 371
Tiwi Islands Regional Council	222 183	473 024
Victoria Daly Regional Council	262 345	342 064
Wagait Shire Council	4 428	26 766
West Arnhem Regional Council	640 793	576 492
West Daly Regional Council	270 603	426 347
Total	8 253 915	8 532 053

In 2017–18, councils, via the NT Government, received advance payment of about 50 per cent of Australian Government financial assistance funding for 2018–19.

Organisation	Brought forward general purpose 2018–19 \$	Brought forward roads 2018–19 \$
Alice Springs Town Council	364 389	483 843
Barkly Regional Council	918 772	230 470
Belyuen Community Government Council	13 897	16 791
Central Desert Regional Council	480 049	435 199
City of Darwin	884 347	947 931
City of Palmerston	372 674	457 541
Coomalie Community Government Council	13 677	229 932
East Arnhem Regional Council	1 563 096	631 560
Katherine Town Council	312 419	321 787
Litchfield Council	253 012	1 312 030
Local Government Association of the Northern Territory	-	788 186
MacDonnell Regional Council	894 208	508 333
Roper Gulf Regional Council	942 194	543 666
Tiwi Islands Regional Council	225 451	497 065
Victoria Daly Regional Council	261 802	359 449
Wagait Shire Council	4 527	28 127
West Arnhem Regional Council	638 588	605 792
West Daly Regional Council	277 220	445 886
Total	8 420 322	8 843 588

Streetlight repairs and maintenance reimbursement

Concluding in 2017–18, this three-year grant program was paid to the councils that entered into an agreement with Power and Water Corporation to transfer street light assets in open towns from 1 January 2018.

Council	Grant \$
Barkly Regional Council	9 017
City of Darwin	460 047
City of Palmerston	237 908
Coomalie Community Government Council	7 252
Katherine Town Council	7 235
Litchfield Council	16 321
Roper Gulf Regional Council	12 935
Victoria Daly Regional Council	7 115
West Arnhem Regional Council	7 511
Total	765 341

Local Government Association of the Northern Territory funding

The department supported the association to deliver a range of initiatives to strengthen the local government sector. In the reporting period the association delivered the following activities through funding provided by the department:

- ▶ supported the effective staging of local government general elections
- ▶ hosted a symposium for mayors and presidents
- ▶ engaged a consultant to prepare an asset management strategy paper
- ▶ coordinated the two Australian Institute of Company Directors courses held for local government elected members
- ▶ coordinated submissions
- ▶ delivered the local government procurement workshop.

In June 2018 the department provided the association with \$3.5 million to develop and support new projects in the areas of health, safety and security over the next two years. The projects must primarily benefit regional and shire councils.

Near Timber Creek



OUR PERFORMANCE

Procurement and grants management

The department established a centralised Procurement and Grants Management Unit. The unit reports through the chief procurement officer. The unit is responsible for providing whole-of-agency policy advice, operational support, compliance, capability development, systems administration and reporting in relation to procurement and grants activities.

Key achievements

Procurement

During the reporting period, the unit:

- ▶ embedded the new NT Government Procurement Governance Framework and Procurement Rules
- ▶ facilitated cross agency coordination and assisted the departments Homelessness and Homelands Programs implement the NT Government's policy of providing 5 year funding agreements for recurrent funded services from 2018–19. Note that 5 year agreements were implemented for homelessness and homelands programs, and the central grants unit was the key contact

for DCM and coordinated the redrafting of agreements with SFNT to suit 5 years, in partnership with Program Areas.

- ▶ implemented revised procurement and contracts delegations to give more decision-making authority to staff to expedite procurement processes
- ▶ introduced consolidated procurement and grants management tracking and exception reporting for senior executives
- ▶ commenced delivery of compulsory procurement awareness training for staff involved in procurement activities
- ▶ supported the delivery of the \$69 million Urban Public Housing Stimulus Program and designed customised workflows and procurement documentation
- ▶ worked with the NT Department of Corporate and Information Services to plan the implementation of Contrax, the new whole-of-government contract management system, with implementation scheduled for the second half of 2018
- ▶ supported key employees to participate in nationally accredited procurement and contracts and project management training.

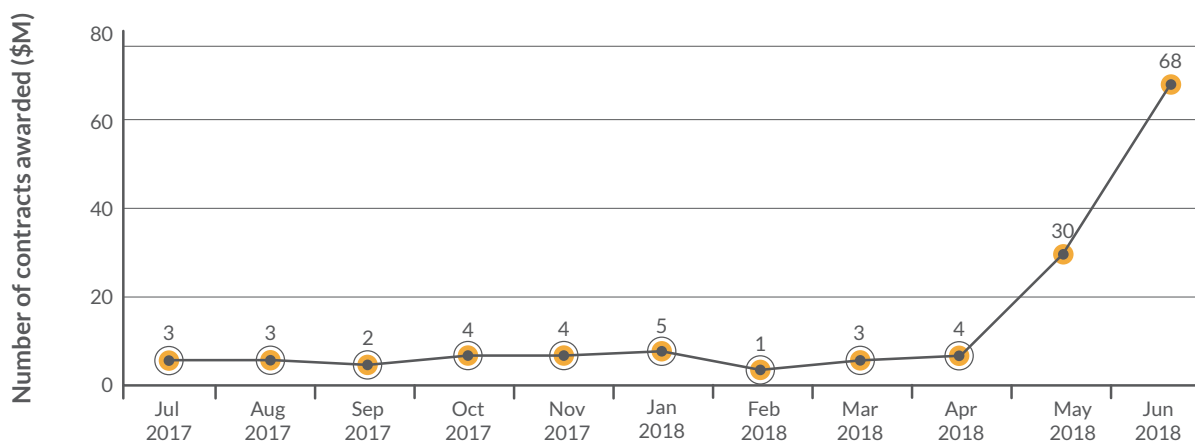
Staff (L) Wayne Wright and Vicki Campbell (R) at procurement training



Key activity statistics

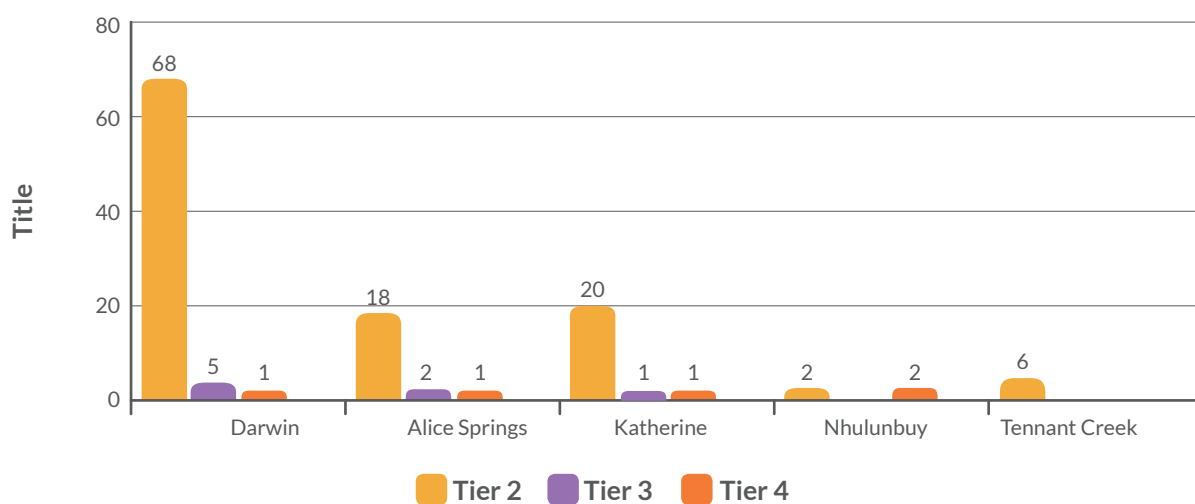
Procurement

Figure 13: Contracts awarded



The department awarded 127 procurements at an awarded value of \$16.47 million, including Tier Two \$69 million Urban Public Housing Stimulus Program projects.

Figure 14: Regional distribution



Of the 127 procurements awarded, 74 were in Darwin, 21 in Alice Springs, 22 in the Katherine region, four in Nhulunbuy and six in Tennant Creek.

Grants

During the reporting period, the unit:

- ▶ finalised the change management process to transfer staff and functions from program areas to the unit
- ▶ implemented the NT Government's policy of providing 5 -year duration funding agreements to the not-for-profit sector from 2018-19
- ▶ represented the department on cross-agency working groups led by the NT Department of the Chief Minister to develop a new whole-of-government grants management policy and a standard funding agreement
- ▶ participated in designing and testing of the new whole-of-government GrantsNT system and started planning for the implementation of the system during the second half of 2018
- ▶ implemented a new Procurement and Grants Management Governance and Accountability Framework that identifies key internal controls and the roles and responsibilities of employees involved in procurement and grants management activities
- ▶ commenced a review of the department's contract act and grants management delegations to align with the new 5-year funding agreement lifecycle, empower staff and to streamline internal decision-making processes.

Key activity statistics – Grants

In 2017-18 DHCD:

- ▶ processed over 1000 grant payment transactions
- ▶ expended more than \$200 million in grant funding.



A box containing door knobs to be reused.

Salvage operation saves materials in Yirrkala

Our staff are focused on working efficiently and thinking outside the square, which includes coming up with innovative ways to use available resources.

Staff in Yirrkala, with the help of housing maintenance officers, salvaged building materials from dwellings scheduled for demolition and replacement.

Dan Riordan, Housing Maintenance Officer from YBE(2), was asked by our Arnhem Region Property Contract Officer Steve Howe to undertake these salvage works.

Steve said, 'Because there was a very short time between when the dwellings were vacated and their demolition, it was great to have a local resource that could respond quickly to get the work done.'

'Salvaging these materials will save our department thousands of dollars off the purchase of new materials that would otherwise have gone to the dump if we could not get in there quickly and get them removed.'

Usable items recovered included stoves, louvre galleries and blades, laundry tubs and a hot water system.

Future Priorities

Priorities for 2018–19 and beyond

Homelessness strategy and associated services

Launch the Northern Territory Homelessness Strategy 2018–2023.

The strategy aims to improve government and non-government services providing pathways out of homelessness and strengthen assistance to people at risk of homelessness. Grant funding will continue to be provided for a range of housing and homelessness support services across the NT, with Homeless Innovation Fund projects continuing during 2018–19.

Royal Commission into the Protection and Detention of Children in the Northern Territory

Implement the Housing Accommodation for Care Leavers Program, in response to the findings of the Royal Commission into the Protection and Detention of Children in the Northern Territory.

The program will see dwellings head-leased from the private rental market and sublet at subsidised rates to young tenants throughout their supported transition to independence. The department will work in partnership with Territory Families to ensure participants receive tailored case management and wraparound support appropriate to their needs. Facilitated engagement in education, training or employment will form part of the program.

Remote housing delivery

The department will continue to implement the NT Government's 10 year \$1.1 billion remote housing program including \$500 million in new remote housing, \$200 million in new government employee housing, \$200 million in the Room to Breathe program to improve living spaces in existing dwellings and \$200 million in additional repairs and maintenance focused on preventative maintenance and local promotion of tenant education. We will continue to invest in essential services infrastructure including subdivisions, land servicing and headworks to support new dwellings and complete the new dwelling and upgrade programs under the National Partnership Remote Housing. Work will continue with communities to promote local employment, local delivery and local decision making in communities throughout the program, through extensive consultation and engagement.

Town Camps

Establish the Town Camps Futures Unit, which will review and process the findings and recommendations arising from the independent review of the NT's 43 town camps. It will work with town camp residents and landowners to develop a comprehensive approach across all the key elements identified in the review.

The unit will be responsible for developing future government policy and long-term planning for each of the 43 town camps. This will be achieved through the Town Camps Policy and Implementation Plan to be developed by mid-2019.

Homelands

Continue supporting homelands through funding and coordinating municipal and housing service delivery for more than 400 homelands and outstations throughout the NT.

Local government sector funding and support

Continue to work with the local government sector and its represented communities to promote effective local decision making through strengthening local authorities.

We will deliver the NT Government's commitment to strengthening local government through our \$5 million Strategic Local Government Infrastructure Fund to support enhanced regional and community infrastructure. Major revisions to the *Local Government Act* and *Cemeteries Act* will be finalised.

Language services

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

Enhanced service focus

We will actively foster partnerships with NT Government agencies, particularly with our Children and Families Cluster of agencies, the non-government sector, industry, peak representative bodies and the communities themselves. We will focus on client service at individual and community levels rather than using an asset-intensive focus.

Organisational improvement

We will deliver improved systems and tools, including tenancy management, procurement and asset management systems. We will enhance call-taking and complaint management systems to improve the client experience in dealings with the department.

There will be a focus on training and development to provide staff with the skills and knowledge to deliver their objectives. A

constructive can-do organisational culture will be promoted to enhance client service and more collaboratively deliver services. We will make internal organisational improvements to maximise the benefit of shared effort and resources, particularly in remote areas. The department will continue to improve procurement and contract management and will deliver on the NT Government's commitment to five-year grant funding arrangements.

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KEY PERFORMANCE INDICATORS

Table 8: Key performance indicators - Budget paper 3

	2017-18 Estimate	2017-18 Actual
Housing and Community Development		
Housing Services Delivery		
Households assisted into public housing	870	905
Households assisted into private housing through the Bond Assistance Loan Scheme	410	423
Average number of days to occupy vacant public housing stock	93	99
Annual increase in the number of incidents where public housing safety officers assisted with removal of non-residents from public housing property	2%	-7%
People provided with support to sustain their tenancy	1 520	1 633
New public housing head-leased dwellings	43	48
Additional new constructed urban public housing dwellings	10	10
New constructed replacement urban public housing dwellings	12	12
Housing Program Delivery Office		
Remote Housing Investment Package:		
- proportion of Aboriginal people employed to deliver housing works and services	50%	52%
- dwellings receiving additional bedrooms or living spaces	108	102
- additional new constructed remote housing dwellings	3	3
- new constructed replacement remote housing dwellings		
- Aboriginal business enterprises contracted to deliver services	13	14
Land servicing and infrastructure – new remote lots developed	67	72
Community Services		
Aboriginal interpreting assignments completed	70%	72%
Aboriginal interpreting hours provided by qualified interpreters	55%	57%
Ethnic interpreting assignments completed	90%	87%
Local Government and Community Development		
Locations visited to progress community development initiatives	65	62
Percentage of locations visited a minimum of four times during the year to progress community development initiatives	33%	36%
Scheduled compliance reviews completed	4	2
Number of training and workshop sessions funded or delivered by the department to improve council capabilities	8	8

Housing Services Delivery

Households assisted into public housing

We consider several factors in the allocation of housing, including the number of bedrooms required by an applicant and suitability of the dwelling's location. On most occasions, we give allocations to priority applicants ahead of other applicants, but this is not always the case.

In 2017-18, the allocations of urban and remote public housing properties to eligible tenants decreased to 905 from 986 in 2016-17. The department continued to focus on cutting the turnaround time of vacant dwellings and reducing the public housing wait list.

Households assisted into private housing through the Bond Assistance Loan Scheme

To help enter the private rental market, low income clients can apply for interest-free loans to assist with paying a bond and up to two weeks rent in advance.

Eligibility criteria exist, which include Australian residency and income and asset limits. We provided 423 bond loans to help people into private rental accommodation.

A range of socioeconomic factors influence demand for assistance under the scheme, mainly:

- ▶ lower rents in the private market
- ▶ greater availability of affordable rentals in the private market
- ▶ more people meeting the low-income eligibility requirements
- ▶ 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 99 days, which was 6 days more than the 2017-18 Budget Paper 3 target of 93 days and an increase of 10 days on 2016-17. Factors that may have contributed to the increase included available dwellings not meeting the needs of clients on

the wait list the difficulty of allocating properties in areas perceived to be problematic or the stimulus program putting high cost long standing vacancies back into stock.

Annual increase in the number of incidents where Public Housing Safety Officers assisted with removal of non-residents from public housing property

External factors such as sporting events and regional shows can lead to an influx of visitors to public housing properties, causing overcrowding and, occasionally, antisocial behaviour. Over the reporting period there were fluctuations in the number of incidents where Public Housing Safety Officers assisted.

People provided with support to sustain their tenancy

We supported 1633 people to sustain their tenancy. We derived this data from individual agency level Specialist Homelessness Services Collection Statistical Summary Reports for the nine-month period of 1 July 2017 to 31 March 2018.

We expect annual data to be available through the Australian Institute of Health and Welfare at the end of October 2018.

New public housing head-leased dwellings

To assist in managing housing demand, the department offers long-term leases to property owners, which we sublease to tenants who qualify for social housing. Social housing head-leasing increases the number of properties available to low-income Territorians and their families, seniors and people with a disability.

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

We leased 48 dwellings across Darwin.



NEW CONSTRUCTED PUBLIC HOUSING DWELLINGS

- ▶ 172 public housing dwellings
- ▶ 137 new dwellings underway

Housing Program Delivery office

Remote Aboriginal employment

Under the definition of Indigenous FTE for capital works and property and tenancy management, our effective recruitment practices saw the target of 50 per cent exceeded by 2 per cent.

New constructed public housing dwellings

The department built 172 public housing dwellings. A further 137 new dwellings were either underway or in the planning and tender stage.

New constructed remote housing program dwellings

With an investment of \$1.1 billion over 10 years, the NT Government is committed to improving housing in remote communities. Integral to this is a focus on local participation, which provides jobs, promote local economic development and develops local skills to build and manage housing.

The initiative saw the construction of three dwellings, with a further 112 in the planning stage. Local input and decision making were part of the planning process.

Upgrades to remote public housing dwellings

We made upgrades to 288 dwellings, with further upgrades underway.

Community Services

Aboriginal interpreting assignments completed

The service tracked above the target of 70 per cent.

Aboriginal interpreting hours provided by qualified interpreters

The service tracked above the target of 50 per cent through prioritising qualified interpreters.

Ethnic interpreting assignments completed

The service tracked slightly below the target by 3 per cent.

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

Contractor performance audits and the quality of completed work indicated that the proportion of service providers meeting delivery standards in homelands and town camps was 95 per cent.

Local Government and Community Development

Councils and local authorities funded and supported

During the year, the department provided grant funding, as well as support and assistance, to all councils and local authorities.

Council and local authority meetings attended

The number of council and local authority meetings attended by departmental staff exceeded 250.

Grants and subsidies acquitted

Each year local government bodies receive public money paid as grants. To measure accountability and ensure compliance with the terms and conditions of the funding agreement, recipients must acquit funding back to the department. The key deliverable of successful acquittals assesses how well local government bodies manage grant funding agreements.

Scheduled compliance reviews completed

Each year the department's Chief Executive Officer sets the local government compliance program, which includes determining which councils will be subject to a compliance review. Four councils were subject to a compliance review, with the reviews of Roper Gulf and East Arnhem councils completed. The councils reviewed were:

- ▶ Roper Gulf Regional Council
- ▶ East Arnhem Regional Council
- ▶ Wagait Council
- ▶ Litchfield Council.

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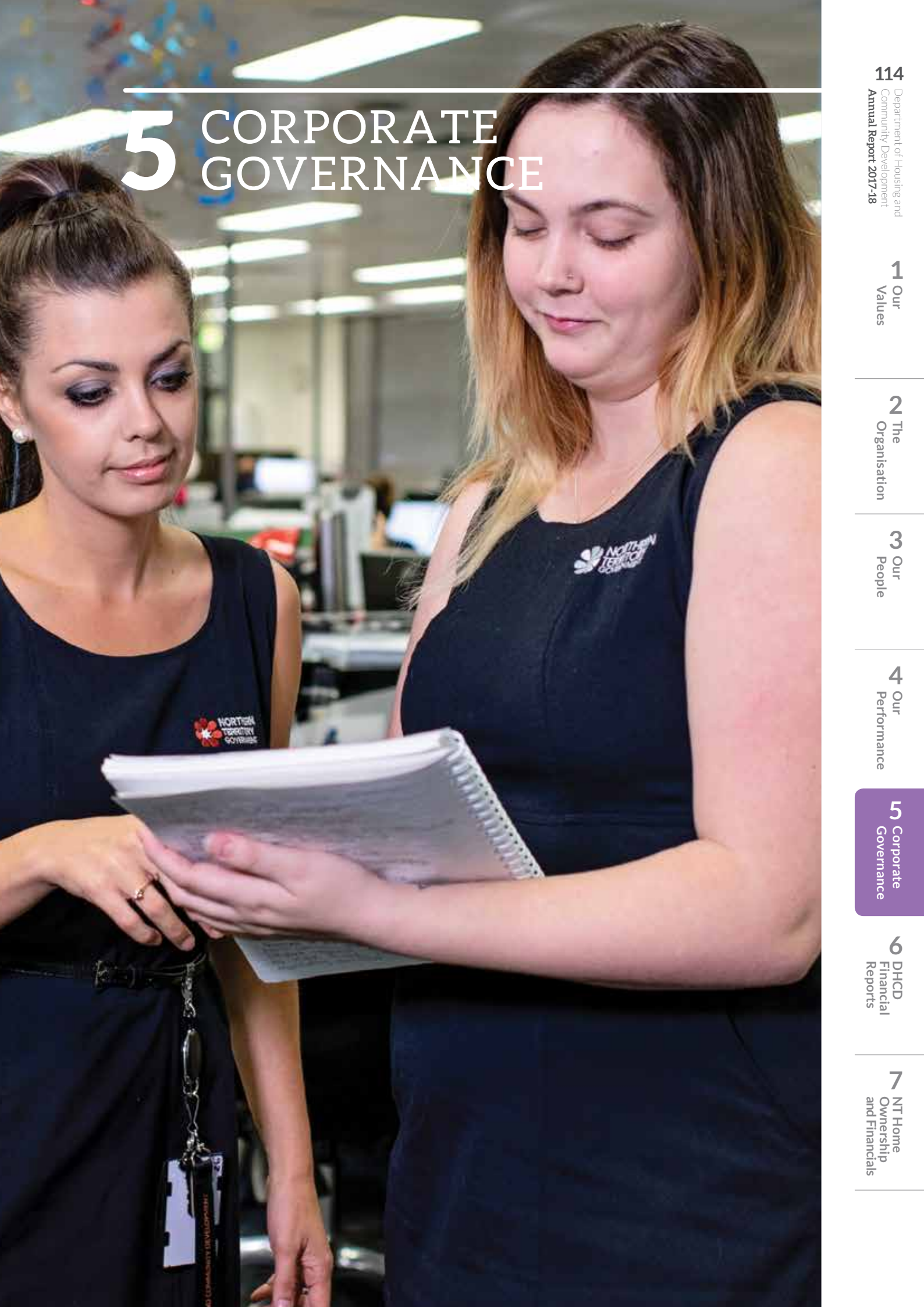
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5 CORPORATE GOVERNANCE



CORPORATE AND GOVERNANCE

Governance and information management

As part of the department's governance program, we regularly conducted legislative compliance checks, risk assessments and audits to ensure high quality corporate management services to clients and stakeholders.

To deliver the high levels required in compliance and governance, the department merged the Information Access Unit and Governance teams. The new Governance and Information Management Branch is responsible for managing activities to ensure the department complies with legislative provisions, policy and Treasurer's Directions, and ensuring our business practices are of the highest quality.

Groups and committees

Our corporate objective is to deliver efficient operational services. To do this a strong governance foundation featuring leadership and oversight is necessary. As part of ensuring effective operations through sound business practices, the department invested in developing the expertise of its senior leaders and staff.

We maintained a strong focus on leadership and governance through a range of high level committees and working groups.

Senior Executive Group

The group comprises:

- ▶ Chief Executive Officer
- ▶ Deputy Chief Executive Officer Housing Services, Local Government and Community Development
- ▶ Deputy Chief Executive Officer Remote Program Delivery Office and Community Services
- ▶ Executive Director Corporate Services
- ▶ Senior Director of the Office of the Chief Executive.

The group held daily meetings to consider the department's strategic priorities and critical issues, as well as key whole-of-government matters.

Executive Management Board

The board monitored the department's performance in the areas of finance, people, procurement and ministerial indicators. The board considered and shaped the reporting of key data and metrics to provide robust decision making and informed risk management practices. It also reviewed high level policies and strategic documentation, ensuring they were fit for purpose, reflected best practice and supported future departmental direction. An important function of the board was seeing that critical operational information was shared with peers to ensure the department was united on sensitive and high priority issues.



Brian Duncan and Sheena Hayes from our Alice Springs office

Risk and Audit Committee

The committee provided objective assurance and assistance to allow the Chief Executive Officer to meet responsibilities under relevant legislation. The committee has an independent chair and oversaw the department's governance framework, which involved developing governance, risk management and audit policies, setting strategic direction and reviewing and endorsing best practice initiatives consistent with our business objectives.

Finance subcommittee

The committee monitored the implementation of strategic budget objectives and financial performance against those objectives. It ensured consistent reporting of financial achievements and emerging budget risks to the Executive Management Board. If needed, the committee recommended corrective action to ensure that the department's fiscal objectives were met. The committee met monthly before Executive Management Board meetings. The Chief Financial Officer chaired the committee, which comprised:

- ▶ Deputy Chief Executive Officer Housing Services, Local Government and Community Development
- ▶ Deputy Chief Executive Officer Remote Program Delivery Office and Community Services
- ▶ Executive Director Corporate Services.

Task coordination group

The group's objective was to achieve the performance measures set out in the department's housing strategy. The group did this by monitoring and analysing finance, staffing, procurement and ministerial indicators. Another of the group's roles was exploring and sponsoring opportunities for innovation in the department's operations to achieve service delivery efficiencies. The group comprised all Executive Directors. Either the Deputy CEO or a Senior Director from the Remote Program Delivery Office chaired the group.

Information Management Governance committee

The committee adjusts its terms of reference according to changes in departmental structure. To ensure appropriate governance and compliance, the group provided oversight of project proposals and business cases in line with departmental strategic priorities. It also monitored project risks in information and communications technology and business systems. In the reporting period the committee focused on ASNEX, Tenancy Management System (TMS) and the e-Tenant projects that delivered public housing safety, tenancy and asset management business improvements.



Acting Director Governance and Information Management Karan Aitken.

A reward for commitment to privacy awareness

Collating information, statutory interpretation and being aware of sensitive matters – this is all in a day’s work for Acting Director Governance and Information Management Karan Aitken.

‘I love what I do, I see purpose in it,’ she said. ‘There is a lot of variety in my work, so every day is different.’

Karan moved to Darwin on Boxing Day, 1985. ‘It was the most humidity I had ever experienced.’

The humidity didn’t affect her too much. As Karan puts it, she went on to have ‘three Territorian sons, and one Territorian granddaughter....so far’

Karan joined the department in 2008 as the Information Officer working largely with the *Information Act* and compliance. Over time, the role has changed, and the unit recently merged with our Governance team. To keep up-to-date with best research practices and needs, Karan uses her librarian background and studied investigative research. Karan is now studying a Diploma of Law at Charles Darwin University.

Karan became the first person to be recognised by the Information Commissioner during Privacy Awareness Week and was presented with the Office of the Information Commissioner’s Outstanding Performance and Lasting Contribution to Privacy Awareness Award.

‘Some days the information you read and deal with can be really daunting and it affects you emotionally, so being recognised by my peers was a huge honour,’ Karan said. In her spare time, Karan makes most of the bracelets she wears.

‘I make chainmail jewellery, which is sterling silver jump rings woven together with two pairs of pliers. It is very much like the metal amour worn by Knights of the Round Table.’

Although she’s artistic, don’t assume Karan is a pushover. She also holds a first-degree black belt in Taekwondo.



Department and Union Consultative Committee

The committee provided a forum for consultation and negotiation between the department and unions on issues of mutual concern. Such matters can relate to an individual employee, the workplace and management of change. Obligations of the employee and department are set out in the relevant enterprise agreement, *Public Sector Employment and Management Act*, by-laws, awards, determinations and other relevant legislation.

The committee comprised:

- ▶ Manager Human Resources
- ▶ up to four union delegates
- ▶ up to four nominated staff representatives.

The committee was chaired by the Executive Director Corporate Services, with the Director Human Resources as deputy chair.

Change Management Committee

The committee had oversight of the implementation of any significant changes within the department. It monitored all facets of change including communications and consultation, organisation and workforce development, employee support and resourcing. The committee managed, monitored and facilitated effective change management, using consultation and feedback processes to guide the implementation of change.

It was responsible for reviewing proposed organisational changes and job profiles to ensure alignment with departmental operations. The committee reported to senior management. The committee comprised staff from across the department and includes at least one member from a regional centre.

Work Health and Safety Steering Committee

The committee facilitated worker consultation and communication processes to ensure worker representation was considered in all Work Health and Safety matters. The primary focus was to ensure safety and environment considerations were prominent in all departmental decisions. The committee assisted the development, review and communication of Work Health and Safety related practices, procedures and policies.

Work Health and Safety Worksite committees

The committees identified local work, health and safety risks and implemented policies and practices that mitigated risks. They provided a consultative forum to effectively address Work Health and Safety matters arising at departmental worksites. The worksite committees operated in compliance with the *Work Health and Safety (National Uniform Legislation) Act*.

The committees facilitated consultation and cooperation between the department and staff and proactively identified, developed and implemented work health and safety measures at worksites and for external operations conducted away from worksites. A primary function of the committees was to make recommendations to the Work Health and Safety Steering Committee.

Audits

As part of our effective governance structure the department undertook internal and external audits. Audits ensure compliance with legislation and Treasurer's Directions. The department conducted the following internal and external audits in 2017-18.

Internal audits

Travel Audit 2018

The department conducts the audit annually. The objective is to report on the implementation and effectiveness of our Travel Policy Framework. The audit tested the department's compliance with travel controls for the period 1 January 2017 to 31 December 2017, which was the period required to be audited under the Travel Policy Framework. The audit produced six findings of low to medium risk. Findings included recommendations to remind travellers to ensure the correct delegate approves travel prior to departure and to guarantee that they acquit travel within 10 days of the travel being completed. The overall risk rating was low to medium.



New croc fence protects residents in Gunyangara

Living close to dangerous wildlife is a part of life in many NT communities.

For residents of the remote community of Gunyangara, one of these 'locals' was getting too close for comfort. Following reports a crocodile had come into residents' yards and taken a couple of dogs, department staff stepped in to help.

The presence of the croc meant it was vital that fences be repaired to ensure tenant safety.

Our Property Contract Officer Steve Howe completed the fencing repair project, which ensured the croc remained on the beach and didn't come into the yards.

Value for Territory Audit 2017

The audit, conducted annually, is in accordance with the Value for the Territory Assurance Program, which is an overarching program of audit and assurance activities evaluating government and industry compliance with the Value for the Territory Plan. It assesses the effectiveness and impact of the plan.

The audit also determines the efficiency and effectiveness of the Buy Local Procurement Plan. The findings of relevance to the department were primarily about non-compliance with procurement rules. The department accepted the findings and has started making changes to improve processes. The overall risk rating was high.

Public Housing Safety Officers Function Audit 2017

The audit assessed the functions of our Public Housing Safety Officers and the role they play in the community by testing operational roles and duties against relevant legislation. Preliminary findings highlighted:

- ▶ the importance of initial and ongoing training for officers
- ▶ the need for an integral system to accurately record events as they occur
- ▶ the need for complaint handling processes.

The final audit report was not available within the reporting period.

Stimulus Program High Level Review

Following implementation concerns, the department conducted a high-level review of business processes to ensure a best practice approach in securing the services of contractors to meet the works required under the \$5 million Urban Stimulus Program. The review found discrepancies in procurement processes, compliance and governance under Tier Two procurement principles. The finding related to existing and new contracts.

The department implemented all review recommendations and ensured future works under the \$5 million Urban Stimulus Program and the \$69 million Stimulus Package will meet all procurement, compliance and governance requirements in all contracts awarded.

External audits

External audits are those undertaken by the NT Auditor General or initiated by external bodies.

NT Home Ownership Interim Financial Statement 2017-18

The audit's objective was to facilitate meeting the end of financial year requirements of the financial statement, as required under section 10 of the *Financial Management Act*. The audit produced two findings for the department to address. The findings related to:

- ▶ the effectiveness of the information technology control environment of the outsourced service provider, People's Choice Credit Union
- ▶ the department's inability to enforce the requirement for homeowners of mortgaged properties to hold adequate insurance.

Agency Compliance Audit 2018

The NT Auditor General conducted this audit. It assessed and tested a representative number of transactions and other business process evidence to ensure the adequacy of systems accountable officers had developed to achieve compliance with accountability and control requirements. There were seven major and five minor findings. The department made significant progress in addressing the findings and recommendations by ensuring that we implemented and adhered to correct processes and procedures.

Information management

The department holds much personal and sensitive information about tenants and their families. To maintain public trust and accountability, we took a proactive approach to ensuring that all information collected and used in our records management processes is strictly in accordance with the provisions of the *Information Act* and the Records Management Standards for Public Sector Organisations in the Northern Territory.

On the way to Pigeon Hole



The *Information Act* and the department

As legislated, the department was diligent in assuring that staff and services providers operated in strict compliance with the provisions of the *Information Act (NT)*. The department ensured that all information it recorded, secured and retained relating to its operations complied with:

- ▶ Records Management Standards for Public Sector Organisations in the Northern Territory
- ▶ Part 9 of the *Information Act (NT)*
- ▶ the Information Privacy Principles as described by the Information Commissioner Northern Territory.

The Governance and Information Branch used the services of senior freedom of information and privacy practitioners to ensure the department maintained a high standard of compliance with legislation and addressed any potential breaches or operational inadequacies.

Under legislation and sharing arrangements, the department assisted, when needed, law enforcement agencies such as the Australian Federal Police, Northern Territory Police, animal welfare inspectors and council rangers. We provided investigative support, where required, to the Office of the Coroner, Ombudsman NT, Territory Families, non-government support agencies and local, state and federal courts.

Table 1: Applications received 2017-18 and 2016-17

Applications received under the <i>Information Act</i>	2017-18	2016-17
Applications received 1 July to 30 June	134	165
Accepted applications outstanding at start of year	0	1
Applications to access personal information	128	151
Applications to access government information	5	11
Application to access government and personal information (mixed)	1	2
Total applications received 1 July to 30 June	134	165

Source: Department of Housing and Community Development data

Table 2: Outcome of applications processed 2017-18 and 2016-17

Outcome of applications processed	2017-18	2016-17
Accepted applications withdrawn	3	4
Unaccepted applications	0	0
Applications completed within 30 days	131	161
Applications completed in more than 30 days	0	0
Open applications at end of period	0	0
Total applications completed 1 July - 30 June	134	165

Source: Department of Housing and Community Development data

Access to information

The department provides formal information access under the *Information Act* (NT) as well as under an informal access process. The informal process allows individuals to access their personal information without having to lodge a formal request under the Act. We restrict the provision of informal documents to those that do not contain information on another individual. They must relate specifically to the person requesting the information. As part of this process, the department requires the provision of adequate identification. Requests for government information or complete personal files are through the formal *Information Act* (NT) process.

Information Act request statistics

The department received 134 new information requests in 2017-18. Most requests 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.

Insurance arrangements

Workers compensation

In March 2017 the NT Government approved a new framework for the Northern Territory Workers Compensation Scheme. From 1 July 2017 the framework required agencies to pay a premium into a standalone self-insured fund in the Central Holding Authority within the NT Department of Treasury and Finance, with workers compensation expenditure paid from this fund.

Table 3: Self-insured risks and claims for 2016-17 and 2017-18

Workers compensation	2016-17	2017-18
Total value of claims (\$)	368 484	nil
Average cost of claims (\$)	40 943	nil
Number of claims	9	11

Table 4: Workers compensation insurance premiums for 2016-17 and 2017-18

Insurance premiums	2016-17	2017-18
Risk premium (\$)	nil	260 000
Pay down premium (\$)	nil	50 000
Total premiums (\$)	nil	310 000

Public liability

The department had \$52 470 in approved public liability insurance premiums. There were no claims made under this policy in 2017-18.

Table 5: Commercial insurance expenditure for 2016-17 and 2017-18

Insurance type	2016-17	2017-18
Public liability insurance	52 470	52 470
Total insurance expenses	52 470	52 470

Terminations and possessions of public housing

The department manages public housing properties in accordance with the *Housing Act* and the *Residential Tenancies Act*. We make every effort to help tenants sustain their tenancy. However, where a tenant breaches their legal obligations the department may undertake compliance action through the Northern Territory Civil and Administrative Tribunal to evict a tenant and take possession of a public housing property. The department provides housing to many people with complex needs and will always work with tenants to achieve a sustainable and satisfactory tenancy. Eviction is a last resort.

We attempt to engage with tenants in developing and implementing strategies to support and assist them in maintaining their tenancy. Actions include referring tenants to programs delivered by key service providers, such as non-government organisations funded by the department, to help tenants create sustainable tenancies. The department also helps tenants to exit public housing into supported managed accommodation or private accommodation.

In 2017-18 there were:

- ▶ terminations of three tenancies by order of the tribunal under section 108 (2) of the *Residential Tenancies Act*, when the tenants had vacated the properties but were still paying rent
- ▶ terminations of nine tenancies by order of the tribunal due to breaches of the act and the tenancy agreement. Three were evictions for antisocial behaviour and six for significant and unresolvable rent arrears.
- ▶ termination of one tenancy under section 88A of the Act due to the issue of a Drug Premises Order under the *Misuse of Drugs Act*.



6 FINANCIAL REPORTS

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Governance

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FINANCIAL REPORTS

Department of Housing and Community Development

Financial Statements Overview

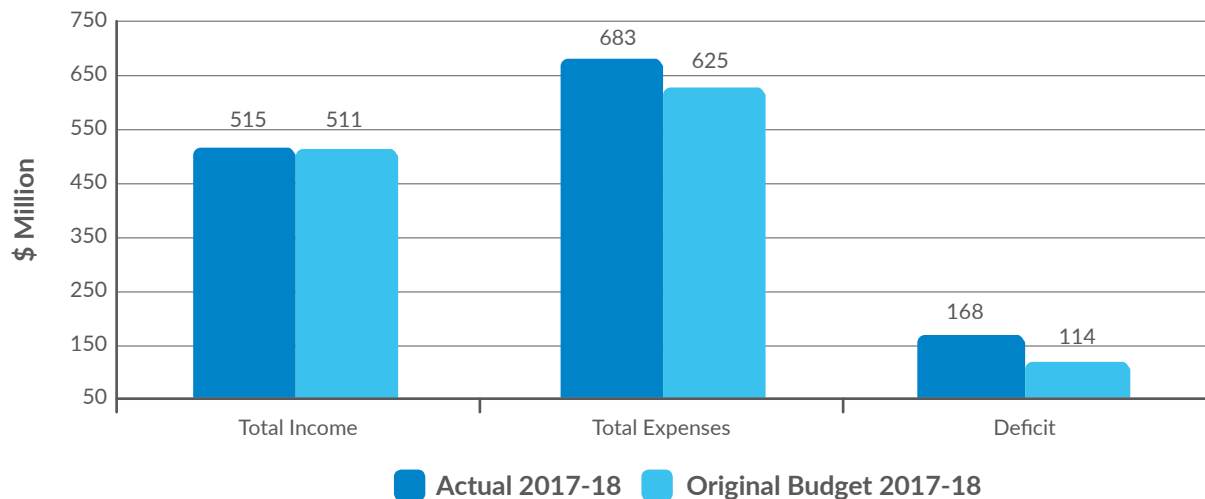
For the Year Ended 30 June 2018

The Department of Housing and Community Development (the department) provides accommodation pathways, housing options and client support for those in need, empowers and supports communities to grow through respectful engagement underpinned by local decision making, 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.

The department's financial performance for the financial year and its financial position as at 30 June 2018 are reported in the following financial statements consisting of Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement, and the notes accompanying these statements.

The department's output groups are Housing and Community Development, and Corporate and Governance. Refer to Note 3 of the Financial Statements for reporting by output groups.

Summary of Financial Performance



Summary of Financial Performance

The Department reports an operating deficit of \$168 million against a budgeted deficit of \$114 million. Deficit results were planned as depreciation expenses (\$81 million budget and \$131 million actual result) are not funded through output appropriation under the

Territory's Financial Management Framework. The deficit also included write off of remote and urban dwellings that have been demolished and non-cash expenses relating to the expenditure of completed capital works that did not meet the capitalisation criteria, all of which increased the deficit.

Comprehensive Operating Statement

Comprehensive Operating Statement shows that \$515 million of revenue was received by the department, exceeded by \$683 million of expenditure resulting in a net operating deficit of \$168 million for the financial year, compared to a budgeted deficit of \$114 million.

Other comprehensive deficit of \$174 million relates to changes in asset revaluation reserve, these changes relate to an asset revaluation decrement based on an asset revaluation to fair value at 30 June 2018. This adjusted the overall comprehensive result of the department to a \$341 million deficit.

Operating revenue received for the financial year was \$515 million. This included goods and services revenue of \$82 million from housing tenancy charges and income earned from language interpreter services.

The highest portion of revenue received was from Northern Territory Output Appropriation (\$308 million) and the Commonwealth Appropriation was \$72 million. Grants and subsidies of \$41 million were also primarily received from the Commonwealth for Local

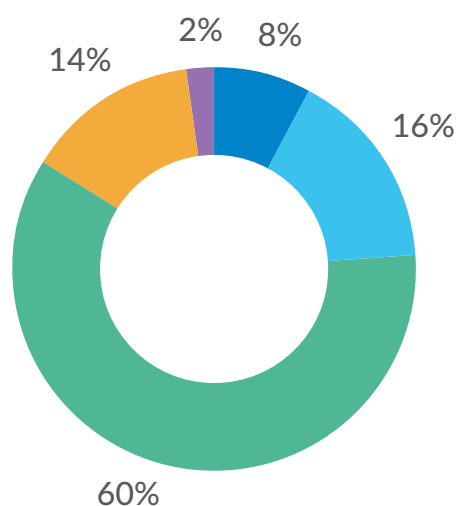
Government grants, Aboriginal interpreting services and transitional accommodation.

The department's operating expenses were \$683 million. The payment of grants and subsidies contributed to 47% (\$319 million) of total operating expenses. These were largely grants to local councils and non-government organisations for the provision of services, and included property and tenancy management services to remote communities, including repairs and maintenance.

Employee expense was 9% (\$65 million) of total operating expenses, with purchase of goods and services expenditure being \$20 million. Interest expense from borrowings and finance leases was \$11 million.

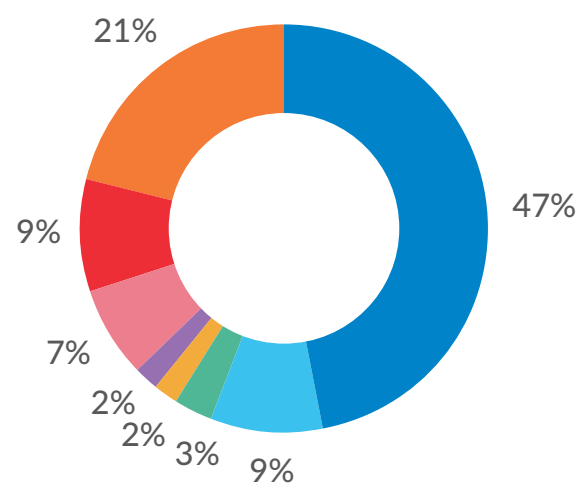
The remainder of operational expenses were directly related to expenses on the department's housing assets, these being repairs and maintenance of \$50 million, and property management of \$58 million. Non-cash asset expenses were \$144 million including \$131 million in depreciation and amortisation charges across the urban and remote housing portfolios.

Operating Revenue 2017-18



- Grants and Subsidies
- Goods and Services Revenue
- NT Output Appropriation
- Commonwealth Appropriation
- Other Revenue

Operating Expenses 2017-18



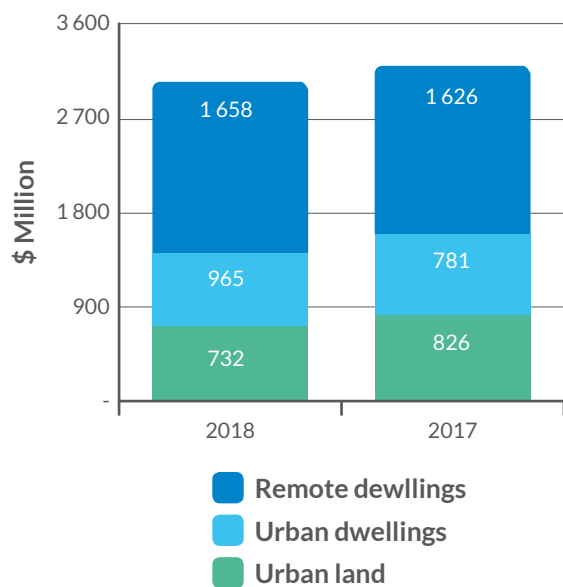
- Grants and Subsidies
- Salary and Related Expenses
- Purchases Goods and Services
- Other Expenses
- Interest Expenses
- Repairs and Maintenance
- Property Management
- Asset Expenses

Balance Sheet

Total assets of the department are \$3.301 billion consisting mainly of \$3.085 billion (2017: \$3.232 billion) of public housing assets, the reduction in value of public housing assets related to the asset revaluation decrement offset by capitalisation of newly constructed remote dwellings.

Total liabilities is \$125 million, which consists largely of borrowings from the NT Treasury Corporation.

Public Housing Assets



Cash Flow statement

The department received \$10 million from the proceeds of asset sales through public auctions and invested \$202 million in capital works, upgrading dwellings and building new dwellings in 2017-18. Capital works were largely funded through capital appropriation of \$69 million and use of cash balance from previous years.

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 2018 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 2018



KEN TINKHAM
Chief Financial Officer

31 August 2018

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
INCOME			
Grants and subsidies revenue			
Current		36 134	53 305
Capital		5 000	-
Appropriation			
Output		308 269	268 756
Commonwealth		72 305	74 488
Sales of goods and services		82 087	81 586
Goods and services received free of charge	4	8 854	8 311
Other income		2 346	2 169
TOTAL INCOME	3	514 995	488 615
EXPENSES			
Employee expenses		64 915	61 719
Administrative expenses			
Purchases of goods and services	5	20 452	19 682
Repairs and maintenance	6	49 536	42 358
Property management		58 162	56 626
Depreciation and amortisation		130 983	80 280
Asset expenses	7	11 991	418
Other administrative expenses ¹	8	14 291	13 646
Grants and subsidies expenses			
Current		268 131	267 785
Capital		47 365	60 473
Community service obligations		3 455	3 445
Interest expenses	9	10 586	12 113
Loss on disposal of assets	10	2 656	2 722
TOTAL EXPENSES	3	682 523	621 267
NET SURPLUS/(DEFICIT)		(167 528)	(132 652)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net deficit			
Changes in asset revaluation surplus		(173 822)	738 352
TOTAL OTHER COMPREHENSIVE INCOME		(173 822)	738 352
COMPREHENSIVE RESULT		(341 350)	605 700

¹ Includes DCIS service charges

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

BALANCE SHEET

As at 30 June 2018

	Note	2018 \$000	2017 \$000
ASSETS			
Current Assets			
Cash and deposits	12	105 706	243 353
Receivables	13	14 539	17 584
Prepayments		2 581	1 999
Advances		667	667
Total Current Assets		123 493	263 603
Non-Current Assets			
Property, plant and equipment	14,15	3 155 428	3 283 029
Leased property, plant and equipment	14	22 499	21 061
Total Non-Current Assets		3 177 927	3 304 090
TOTAL ASSETS		3 301 420	3 567 693
LIABILITIES			
Current Liabilities			
Deposits held	19	402	1 962
Payables	16	10 783	3 790
Borrowings and advances	17	2 893	2 540
Provisions	18	8 205	7 564
Other liabilities	19	5 326	4 762
Total Current Liabilities		27 609	20 618
Non-Current Liabilities			
Borrowings and advances	17	92 019	92 835
Deposits held	19	5 276	4 911
Total Non-Current Liabilities		97 295	97 746
TOTAL LIABILITIES		124 904	118 364
NET ASSETS		3 176 516	3 449 329
EQUITY			
Capital		2 024 458	1 955 920
Asset revaluation reserve	21	1 561 258	1 755 418
Accumulated funds		(409 200)	(262 009)
TOTAL EQUITY		3 176 516	3 449 329

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 2018

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2017-18					
Accumulated Funds		(262 009)	(167 528)	-	(429 537)
Transfers from reserves		-	20 338	-	20 338
		(262 009)	(147 191)	-	(409 200)
Asset Revaluation Reserve	21	1 755 418	(194 160)	-	1 561 258
Transfers to accumulated funds		-	-	-	-
		1 755 418	(194 160)	-	1 561 258
Capital – Transactions with Owners		1 955 920	-	-	1 955 920
Equity injections					
Capital appropriation		-	-	39 956	39 956
Equity transfers in		-	-	359	359
Other equity injections		-	-	-	-
National partnership payments		-	-	28 621	28 621
Equity withdrawals					
Capital withdrawal		-	-	(398)	(398)
Equity transfers out		-	-	-	-
		1 955 920	-	68 538	2 024 458
Total Equity at End of Financial Year		3 449 329	(341 351)	68 538	3 176 516

	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 2018

	Note	2018 \$000	2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and subsidies received			
Current		36 134	53 305
Capital		5 000	-
Appropriation			
Output		308 269	268 756
Commonwealth		72 305	74 488
Receipts from sales of goods and services		99 576	92 390
Total Operating Receipts		521 284	488 939
Operating Payments			
Payments to employees		(64 240)	(59 117)
Payments for goods and services		(137 401)	(128 981)
Grants and subsidies paid			
Current		(268 132)	(267 785)
Capital		(47 365)	(60 473)
Community service obligations		(3 455)	(3 445)
Interest paid		(10 587)	(12 113)
Total Operating Payments		(531 180)	(531 914)
Net Cash from (used in) Operating Activities	22	(9 896)	(42 975)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	10	9 826	10 486
Total Investing Receipts		9 826	10 486
Investing Payments			
Purchases of assets		(201 983)	(114 312)
Advances and investing payments		-	(168)
Total Investing Payments		(201 983)	(114 480)
Net Cash from (used in) Investing Activities		(192 157)	(103 994)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits received		(1 195)	1 973
Equity injections			
Capital appropriation		39 956	56 304
Commonwealth appropriation		28 621	128 721
Other equity injections		-	136 332
Total Financing Receipts		67 382	323 330

CASH FLOW STATEMENT (Continued)

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
Financing Payments			
Repayment of borrowings		(2 279)	(2 004)
Finance lease payments		(299)	1 935
Equity withdrawals		(398)	(7 662)
Total Financing Payments		(2 976)	(7 731)
Net Cash from (used in) Financing Activities		64 406	315 599
Net increase (decrease) in cash held		(137 647)	168 630
Cash at beginning of financial year		243 353	74 723
CASH AT END OF FINANCIAL YEAR	12	105 706	243 353

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

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1. OBJECTIVES AND FUNDING

The Department of Housing and Community Development (the department) 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 sixteen 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:

- ▶ Housing and Community Development output group with the following outputs:
 - ▶ Housing Services Delivery
 - ▶ Housing Program Delivery Office
 - ▶ Community Development and Engagement
 - ▶ Local Government
- ▶ 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.

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.

Standards and interpretations effective from 2017-18

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enable users of financial statements to evaluate changes in liabilities arising from financing activities. This disclosure is illustrated in Note 22(b).

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.

Standards and Interpretations Issued but not yet effective

On 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 be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, 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 approximately \$114 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 from 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.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors 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.

AASB 1059 addresses the accounting for arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services.

Where a transaction meets the definition of a service concession arrangement, a service concession asset and liability will be recognised on the balance sheet and valued in accordance with the new standard.

The Territory's public-private partnership arrangements are currently under review to determine the applicability of AASB 1059 and the full impact of the new standard.

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 ("the department") 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

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

Where necessary, comparative information for the 2017-18 financial year has been reclassified to provide consistency with current year disclosures.

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 2017-18 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.

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.

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Housing and Community Development		Corporate and Governance		Total	
		2018	2017	2018	2017	2018	2017
		\$000	\$000	\$000	\$000	\$000	\$000
INCOME							
Grants and subsidies revenue							
Current		36 134	53 305	-	-	36 134	53 305
Capital		5 000	-	-	-	5 000	-
Appropriation							
Output		295 396	253 694	12 873	15 062	308 269	268 756
Commonwealth		72 305	74 488	-	-	72 305	74 488
Sales of goods and services							
Goods and services received free of charge	4	-	-	8 854	8 311	8 854	8 311
Other income		2 273	2 169	73	-	2 346	2 169
TOTAL INCOME		493 193	465 242	21 802	23 373	514 995	488 615
EXPENSES							
Employee expenses		55 764	50 912	9 151	10 807	64 915	61 719
Administrative expenses							
Purchases of goods and services	5	17 420	16 956	3 032	2 726	20 452	19 682
Repairs and maintenance	6	49 438	42 231	98	127	49 536	42 358
Property management		57 495	55 224	667	1 402	58 162	56 626
Depreciation and amortisation		129 914	79 523	1 069	757	130 983	80 280
Asset expenses	7	11 991	418	-	-	11 991	418
Other administrative expenses ¹	8	5 437	13 542	8 854	104	14 291	13 646
Grants and subsidies expenses							
Current		268 131	267 785	-	-	268 131	267 785
Capital		47 365	60 473	-	-	47 365	60 473
Community service obligations		3 455	3 445	-	-	3 455	3 445
Interest expenses	9	10 586	12 113	-	-	10 586	12 113
Loss on disposal of assets	10	2 656	2 722	-	-	2 656	2 722
TOTAL EXPENSES		659 652	605 344	22 871	15 923	682 523	621 267
NET DEFICIT		(166 459)	(140 102)	(1 069)	7 450	(167 528)	(132 652)
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to net deficit							
Changes in asset revaluation surplus		(173 822)	738 352	-	-	(173 822)	738 352
TOTAL OTHER COMPREHENSIVE INCOME		(173 822)	738 352	-	-	(173 822)	738 352
COMPREHENSIVE RESULT		(340 281)	598 250	(1 069)	7 450	(341 350)	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.

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.

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.

2018	2017
\$000	\$000

4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

Department of Corporate and Information Services	8 854	8 311
	8 854	8 311

5. PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

Goods and services expenses:

Consultants ¹	2 308	5 005
Advertising ²	2	6
Marketing and promotion ³	392	211
Document production	57	39
Legal expenses ⁴	746	398
Recruitment ⁵	55	26
Training and study	1 017	569
Official duty fares	1 244	1 064
Accommodation	619	483
Travelling allowance	584	619
Agency service arrangements	4 197	2 902
Motor vehicle expenses	2 321	2 212
Information Technology expenses	4 382	4 021
Communications	930	870
Audit Fees	46	159
Other operating expenses	1 552	1 098
	20 452	19 682

⁽¹⁾ Includes marketing, promotion and IT consultants.

⁽²⁾ Does not include recruitment, advertising or marketing and promotion advertising.

⁽³⁾ Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

⁽⁴⁾ Includes legal fees, claim and settlement costs.

⁽⁵⁾ Includes recruitment-related advertising costs.

2018	2017
\$000	\$000

6. REPAIRS AND MAINTENANCE

Repairs and maintenance program	44 272	38 892
Capital works projects which could not be capitalised	5 264	3 466
	49 536	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

Assets demolished	10 981	418
Assets gifted - training centres	1 010	-
	11 991	418

8. OTHER ADMINISTRATIVE EXPENSES

Doubtful debts expense	4 373	4 412
Write offs and losses	1 064	781
Commonwealth repayments	-	142
Goods and services received free of charge	8 854	8 311
	14 291	13 646

9. INTEREST EXPENSES

Interest expense – borrowings	9 456	9 732
Interest expense – finance leases	1 130	2 381
	10 586	12 113

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

Net proceeds from the disposal of non-current assets	9 826	10 486
Less: Carrying value of non-current assets disposed	(12 482)	(13 208)
Total Loss on Disposal of Assets	(2 656)	(2 722)

11. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Agency		Agency	
	2018	No. of Trans.	2017	No. of Trans.
	\$000		\$000	
Write-offs, Postponements and Waivers Under the Financial Management Act				
Represented by:				
Amounts written off, postponed and waived by Delegates				
Losses or deficiencies of money written off	-	1	-	-
Irrecoverable amounts payable to the Territory or an agency written off	153	105	235	165
Total Written Off, Postponed and Waived by Delegates	153	106	235	165
Amounts written off, postponed and waived by the Treasurer				
Irrecoverable amounts payable to the Territory or an agency written off	911	199	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	911	199	546	102
Write-offs, Postponements and Waivers Authorised Under Other Legislation				
Gifts Under the Financial Management Act	1 010	3	-	-
Gifts Authorised Under Other Legislation	-	-	-	-
Ex Gratia Payments Under the Financial Management Act	-	-	-	-
Total	2 074	308	781	267

2018	2017
\$000	\$000

12. CASH AND DEPOSITS

Cash on hand	22	5
Cash at bank	105 684	243 348
	105 706	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		
Accounts receivable	49 602	45 893
Less: Allowance for impairment losses	(40 008)	(35 549)
	9 594	10 344
GST receivables	2 706	3 840
Other receivables	2 239	3 400
	4 945	7 240
Total Receivables	14 539	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.

2018	2017
\$000	\$000

14. PROPERTY, PLANT AND EQUIPMENT

Buildings: Housing Rental Properties		
Urban Rental Properties		
Urban Vacant Land at Fair Value	12 903	15 868
Urban Improved Land at Fair Value	719 131	809 976
Urban Buildings at Fair Value	695 412	781 054
	1 427 446	1 606 898
Remote Rental Properties		
Remote Buildings at Fair Value	2 989 359	2 933 590
Less: Accumulated depreciation	(1 331 774)	(1 307 989)
	1 657 585	1 625 601
Total Rental Dwellings	3 085 031	3 232 499
Public Buildings - Remote Training Centres		
At fair value	15 021	12 761
Less: Accumulated depreciation	(9 068)	(7 765)
	5 953	4 996
Land - Cemeteries and land under training centres		
At fair value	3 650	3 700
Construction (Work in Progress)		
At capitalised cost	59 582	40 262
Plant and Equipment		
At fair value	8 831	8 367
Less: Accumulated depreciation	(7 619)	(6 795)
	1 212	1 572
Total Property Plant and Equipment	3 155 428	3 283 029
Leased Property, Plant and Equipment		
Land under finance lease - at capitalised cost	23 435	21 320
Less: Accumulated amortisation	(936)	(259)
	22 499	21 061
Total Non-current Assets	3 177 927	3 304 090

14. PROPERTY, PLANT AND EQUIPMENT (continued)

2018 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2017-18 is set out below:

	Land - Cemeteries and Land under training centres	Land - Urban Rental Properties	Buildings - Urban Rental Dwellings	Buildings - Remote Rental Dwellings	Training Centres	Construction (Work in Progress)	Plant and Equipment	Leased Property, Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount as at 1 July 2017	3 700	825 844	781 054	1 625 601	4 996	40 262	1 572	21 061	3 304 090
Additions	-	-	-	-	-	206 157	107	2 115	208 379
Disposals	-	(11 440)	(6 304)	(5 719)	(1 010)	-	-	-	(24 473)
Depreciation	-	-	(34 816)	(94 421)	(245)	-	(824)	(677)	(130 983)
Additions/(Disposals) from administrative restructuring	-	-	-	-	-	-	-	-	-
Additions/(Disposals) from asset transfers	-	29	45 048	136 168	-	(186 837)	357	-	(5 235)
Revaluation increments/(decrements)	(50)	(82 399)	(89 570)	(4 044)	2 212	-	-	-	(173 851)
Other movements Transfers between asset classes	-	-	-	-	-	-	-	-	-
Carrying Amount as at 30 June 2018	3 650	732 034	695 412	1 657 585	5 953	59 582	1 212	22 499	3 177 927

14. PROPERTY, PLANT AND EQUIPMENT (continued)

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	Land - Urban Rental Properties	Buildings - Urban Rental Dwellings	Buildings - Remote Rental Dwellings	Training Centres	Construction (Work in Progress)	Plant and Equipment	Leased Property, Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$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 Transfers between asset classes	-	(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

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 of Housing and Community Development 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 National Partnership on Remote Housing is also recognised in construction work in progress. Upon 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 2018 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 agency'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 the Department of Infrastructure, Planning and Logistics and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

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:

Department of Housing and Community Development revalued the following class of assets as at 30 June 2018;

- ▶ Urban rental land and dwellings
- ▶ Remote rental land and dwellings including, Government Employee Housing (GEH) remote rental dwellings
- ▶ Training Centers

All revaluations completed have been endorsed by the Northern Territory Valuer General.

Asset Classes not re-valued during the 2018 financial year include;

- ▶ Local Government Cemeteries are specialised assets in nature and are stated at Unimproved Capital 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 2018 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 and training centres

Territory Property Consultants Pty Ltd completed an independent valuation of the remote rental dwellings and training centres at 30 June 2018, the results of which are reflected in these financial statements. The agency has adopted the policy of revaluing its remote rental dwellings and training centres at 30 June each year. Remote rental dwellings and training centres are measured on the basis of 'fair value' using the depreciated replacement cost methodology. The useful lives of all remote rental dwellings and training centres 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 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:

	2018
Urban Dwellings	50 years
Remote Public Housing Dwellings	30 years
GEH ^(a) remote area dwellings	40 years
Plant and Equipment	5-10 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.

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 probable 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 and some training centres.

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.

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:

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
2017-18				
Asset Classes				
Land - Cemeteries and Land under training centres	-	-	3 650	3 650
Land - Urban Rental Properties	-	732 034	-	732 034
Buildings - Urban Rental Dwellings	-	695 412	-	695 412
Buildings - Remote Rental Dwellings	-	-	1 657 585	1 657 585
Buildings - Training Centres	-	-	5 953	5 953
Construction Work in Progress	-	-	59 582	59 582
Plant and Equipment	-	-	1 212	1 212
Total	-	1 427 446	1 727 982	3 155 428

There were no transfers between Level 1 and Levels 2 or 3 during 2017-18.

15. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (Continued)

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
2016-17				
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

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2017-18 are:

Asset Classes	Level 2 Techniques	Level 3 Techniques
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
Public Buildings - Training Centres	-	Cost Approach
Construction Work in Progress	-	Cost Approach
Plant and Equipment	-	Cost Approach

There were no changes in valuation techniques from 2016-17 to 2017-18.

Territory Property Consultants Pty Ltd has provided valuations for the urban and remote rental land and buildings assets and training centres.

- (i) 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.
- (ii) Level 3 fair values of rental properties and training centres 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.
- (iii) 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.
- (iv) 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.
- (v) Level 3 fair values for plant and equipment is depreciated historical cost because an active market does not exist for such assets.

c) Additional Information for Level 3 Fair Value Measurements

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

	Land - Cemeteries and Land under training centres	Buildings - Remote Rental Dwellings	Training Centres	Construction (Work in Progress)	Plant and Equipment
	\$000	\$000	\$000	\$000	\$000
2017-18					
Fair value as at 1 July 2017	3 700	1 625 601	4 996	40 262	1 572
Additions	-	-	-	206 157	107
Disposals	-	(5 720)	(1 010)	-	-
Additions from administrative restructuring	-	-	-	-	-
Additions from asset transfers	-	136 168	-	(186 837)	357
Depreciation	-	(94 421)	(245)	-	(824)
Gains/losses recognised in other comprehensive income	(50)	(4 044)	2 212	-	-
Transfers from Level 2	-	-	-	-	-
Transfers between asset classes	-	-	-	-	-
Fair value as at 30 June 2018	3 650	1 657 585	5 953	59 582	1 212
2016-17					
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

(ii) Sensitivity analysis

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 and Training Centres – 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. The Training Centre generally has a useful economic life of between 30 to 40 years.

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.

2018	2017
\$000	\$000

16. PAYABLES

Accounts payable	3 303	2 185
Accrued expenses	3 533	1 579
Accrued expenses - works in progress	3 922	-
Interest payable	25	26
Total Payables	10 783	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.

2018	2017
\$000	\$000

17. BORROWINGS AND ADVANCES

Current		
Loans and advances	2 593	2 279
Finance lease liabilities	300	261
	2 893	2 540
Non-Current		
Loans and advances	69 479	72 071
Finance lease liabilities	22 540	20 764
	92 019	92 835
Total Borrowings and Advances	94 912	95 375

2018	2017
\$000	\$000

18. PROVISIONS

Current		
<i>Employee benefits</i>		
Recreation leave	6 228	5 711
Leave loading	928	896
Recreation leave fares	31	23
Purchased leave	34	16
	7 221	6 646
<i>Other current provisions</i>		
Fringe Benefits Tax	62	75
Payroll Tax	419	386
Superannuation contributions	503	457
	984	918
Total Provisions	8 205	7 564

The Agency employed 606 employees as at 30 June 2018.

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 benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

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 the Department of Housing and Community Development and as such no long service leave liability is recognised in agency financial statements.

2018

2017

\$000

\$000

19. DEPOSIT HELD AND OTHER LIABILITIES

Current		
Deposits Held – unclaimed monies	402	370
Deposits Held – Jabiru Town Development Authority	-	1 592
	402	1 962
Other liability - Unearned revenue - rent charged / paid in advance	5 326	4 762
	5 728	6 724
Non-Current		
Deposits Held – rental security bond deposits	5 276	4 911
Total Other Liabilities	11 004	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 agency 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.

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.

	2018		2017	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
(i) Capital Expenditure Commitments				
Capital expenditure commitments primarily related to the construction of urban and remote dwellings. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:				
Within one year	-	95 080	-	5 831
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	95 080	-	5 831
(ii) Operating Lease Commitments				
The agency 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	1 023	21 716	1 257	18 233
Later than one year and not later than five years	1 075	59 415	2 341	40 572
Later than five years	-	30 859	-	44 994
	2 098	111 990	3 598	103 799
(iii) Other Expenditure Commitments				
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:				
Within one year	-	95 935	-	18 667
Later than one year and not later than five years	-	151 740	-	13 759
Later than five years	-	2 103	-	7 711
	-	249 778	-	40 137

2018

2017

\$000

\$000

21. RESERVES

Asset Revaluation Surplus

(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

Balance as at 1 July	1 755 418	1 122 808
Transfer realised revaluation to accumulated funds	(20 338)	(10 304)
Transfers in	29	1 876
Decrement – land	(82 449)	(12 972)
Increment/(Decrement) – buildings	(177 091)	1 881 663
Transfer depreciation to reserve	85 689	(1 227 653)
Balance as at 30 June	1 561 258	1 755 418

22. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

The total of agency 'Cash and deposits' of \$105.706 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)	(167 528)	(132 652)
<i>Non-cash items:</i>		
Depreciation and amortisation	130 983	80 280
Asset write-offs/write-downs	11 991	418
Loss on disposal of assets	2 656	2 722
Repairs and maintenance expense (non-cash)	5 264	3 466
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	3 045	1 578
Increase in prepayments	(582)	(320)
Decrease in payables	3 070	(887)
Increase in provision for employee benefits	575	2 114
Increase in other provisions	66	287
Increase in other liabilities	564	19
Net Cash from Operating Activities	(9 896)	(42 975)

22. NOTES TO THE CASH FLOW STATEMENT (continued)

b) Reconciliation of liabilities arising from financing activities

	Cash Flows					Non Cash				
	1-Jul	Loans and advances	Appropriation	Equity Inj withdraw ¹	Finance lease	Total cash flows	Finance Lease	Other	Total non-cash	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	6 874	(1 195)	-	-	-	(1 195)	-	-	-	5 678
Borrowings	74 350	(2 278)	-	-	-	(2 278)	-	-	-	72 072
Lease Liabilities	21 025	-	-	-	(299)	(299)	2 114	-	2 114	22 840
Equity Inj & Wthdrw ¹	-	-	68 577	(398)	-	68 179	-	359	359	68 538
Total	102 249	(3 474)	68 577	(398)	(299)	64 406	2 114	359	2 473	169 128

¹Equity injection and withdrawal

c) 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

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 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.

a) Categorisation of Financial Instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

2017-18 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000					
Cash and deposits	-	105 706	-	-	-	-	105 706
Receivables ¹	-	11 833	-	-	-	-	11 833
Prepayments	-	2 581	-	-	-	-	2 581
Advances	-	667	-	-	-	-	667
Other financial assets	-	-	-	-	-	22 499	22 499
Total Financial Assets	-	120 787	-	-	-	22 499	143 286
Deposits held ¹	-	5 678	-	-	-	-	5 678
Payables ¹	-	10 783	-	-	-	-	10 783
Advances	-	5 326	-	-	-	-	5 326
Loans	-	-	-	72 072	-	-	72 072
Finance Lease Liabilities	-	-	-	-	-	22 840	22 840
Total Financial Liabilities	-	21 787	-	72 072	-	22 840	116 699

¹Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss						Total
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$000	\$000	\$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

¹Total amounts disclosed here exclude statutory amounts

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; and
- ▶ available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- ▶ financial liabilities at fair value through profit or loss (FVTPL); and
- ▶ 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 and accounts payable excluding statutory deposits 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.

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 agency enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The agency 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 agency, 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 agency 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.

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	Aging of Impaired Receivables	Net Receivables
	\$000	\$000	\$000
2017-18			
Not overdue	986	-	986
Overdue for less than 30 days	1 018	226	793
Overdue for 30 to 60 days	1 387	783	604
Overdue for more than 60 days	46 211	38 999	7 211
Total	49 602	40 008	9 594

Reconciliation of the Allowance for Impairment Losses

Opening	35 549
Written off during the year	(1 064)
Recovered during the year	86
Increase in allowance recognised in profit or loss	5 437
Total	40 008

Receivables	Aging of Receivables	Aging of Impaired Receivables	Net Receivables
	\$000	\$000	\$000
2016-17			
Not overdue	4 315	-	4 315
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	39 476	34 745	4 731
Total	45 893	35 549	10 344

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

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 agency's remaining contractual maturity for its financial assets and liabilities.

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate		Fixed Interest Rate			Non Interest Bearing	Total	Weighted Average
	Less than a Year	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000			
Assets								
Cash and deposits	-	-	-	-	-	105 706	105 706	-
Receivables	-	-	-	-	-	11 833	11 833	-
Prepayments	-	-	-	-	-	2 581	2 581	-
Advances	-	-	-	-	-	667	667	-
Total Financial Assets	-	-	-	-	-	120 787	120 787	-
Liabilities								
Deposits held	-	-	-	-	-	11 004	11 004	-
Payables	-	-	-	-	-	10 783	10 783	-
Provisions	-	-	-	-	-	8 205	8 205	-
Loans	-	-	11 736	46 943	84 898	-	143 577	12.90%
Finance lease liabilities	-	-	1 351	5 406	38 453	-	45 210	4.60%
Total Financial Liabilities	-	-	13 087	52 349	123 351	29 992	218 779	

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate		Fixed Interest Rate		Non Interest Bearing	Total	Weighted Average
	Less than a Year	More than 5 Years	Less than a Year	More than 5 Years			
	\$000	\$000	\$000	\$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	-	146 889	12.9%
Finance lease liabilities	-	-	1 228	4 911	-	41 249	4.6%
Total Financial Liabilities	1 593	-	12 964	51 854	21 397	211 128	

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 agency 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.

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.

2018	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash and deposits	105 706	105 706	-	-	105 706
Receivables	11 833	11 833	-	-	11 833
Prepayments	2 581	2 581	-	-	2 581
Advances	667	667	-	-	667
Total Financial Assets	120 787	120 787	-	-	120 787
Financial Liabilities					
Deposits Held	5 678	5 678	-	-	5 678
Unearned Revenue	5 326	5 326	-	-	5 326
Payables	10 783	10 783	-	-	10 783
Provisions	8 205	8 205	-	-	8 205
Borrowings and Advances	72 072	-	109 132	-	109 132
Total Financial Liabilities	102 064	29 992	109 132	-	139 124
2017	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$000	\$000	\$000	\$000	\$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 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.

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; and
- ▶ spouses, children and dependents who are close family members of the Portfolio Minister or KMP; and
- ▶ all public sector entities that are controlled and consolidated into the whole of government financial statements; and
- ▶ 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 18 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:

	2018	2017
	\$000	\$000
Short-term benefits	4 067	2 940
Termination benefits	99	301
Total	4 166	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.

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
2017-18				
All NTG Government departments	17 628	130 256	446	73 685
2016-17				
All NTG Government departments	17 571	140 875	2 693	78 759

The departments' transactions with other government entities relate to:

- ▶ Revenue from employee housing to 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.

Of 19 KMPs, 17 have provided a signed "Related party Disclosures Declaration Form" to the agency. Based on those declarations, the department has no other related party transactions with KMP's and could not identify for the other two, who have left the department.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent Liabilities

Trustees appointed to Reserves established under section 79 of the *Crown Lands Act* and 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 2018.

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 2017	Receipts	Payments	Closing Balance 30 June 2018
	\$000	\$000	\$000	\$000
Jabiru Town Development Authority	1 593	-	1 593	-
Security Deposits	4 911	467	102	5 276
Unclaimed money	370	60	28	402
	6 874	527	1 723	5 678

28. BUDGETARY INFORMATION

	2017-18 Actual	2017-18 Original Budget	Variance	Note
	\$000	\$000	\$000	
INCOME				
Grants and subsidies revenue				
Current	36 134	35 246	888	
Capital	5 000	5 000	-	
Appropriation				
Output	308 269	292 762	15 507	
Commonwealth	72 305	94 924	(22 619)	1
Sales of goods and services	82 087	74 818	7 269	
Goods and services received free of charge	8 854	8 128	726	
Other income	2 346	30	2 316	
TOTAL INCOME	514 995	510 908	4 087	
EXPENSES				
Employee expenses	64 915	64 740	175	
Administrative expenses				
Purchases of goods and services	20 452	29 598	(9 146)	
Repairs and maintenance	49 536	52 611	(3 075)	
Property management	58 162	54 512	3 650	
Depreciation and amortisation	130 983	80 824	50 159	2
Asset expenses	11 991	-	11 991	3
Other administrative expenses	14 291	8 128	6 163	
Grants and subsidies expenses				
Current	268 131	256 601	11 530	
Capital	47 365	66 705	(19 340)	4
Community service obligations	3 455	3 657	(202)	
Interest expenses	10 586	9 456	1 130	
Loss on disposal of assets	2 656	(2 000)	4 656	
TOTAL EXPENSES	682 523	624 832	57 691	
NET (DEFICIT)	(167 528)	(113 924)	(53 604)	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net deficit				
Changes in asset revaluation surplus	(173 822)	-	(173 822)	
TOTAL OTHER COMPREHENSIVE INCOME	(173 822)	-	(173 822)	
COMPREHENSIVE RESULT	(341 350)	(113 924)	(227 426)	

Notes: Explanations relate to significant variations greater than 10 per cent and \$10 million.

1. Commonwealth funding expected during 2017-18, to be received in 2018-19.
2. 2017-18 actual reflects the recognition of values of remote legacy assets in the asset base for the first time at 30 June 2017. The timing of recognition means that the related depreciation was not captured in the original budget for 2017-18.
3. Assets demolished and gifted.
4. Variation largely relates to revised timing of Commonwealth funded programs to be carried forward in the 2018-19 financial year.

28. BUDGETARY INFORMATION (continued)

Balance Sheet	2017-18	2017-18	Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
ASSETS				
Current Assets				
Cash and deposits	105 706	139 121	(33 415)	1
Receivables	14 539	23 739	(9 200)	
Prepayments	2 581	1 707	874	
Advances	667	667	-	
Total Current Assets	123 493	165 234	(41 741)	
Non-Current Assets				
Property, plant and equipment	3 177 927	2 810 914	367 013	2
Total Non-Current Assets	3 177 927	2 810 914	367 013	
TOTAL ASSETS	3 301 420	2 976 148	325 272	
LIABILITIES				
Current Liabilities				
Deposits held	402	6 638	(6 236)	
Payables	10 783	4 622	6 161	
Borrowings and advances	2 893	1 548	1 345	
Provisions	8 205	7 587	618	
Other liabilities	5 326	4 743	583	
Total Current Liabilities	27 609	25 138	2 471	
Non-Current Liabilities				
Borrowings and advances	92 019	89 610	2 409	
Deposits held	5 276	-	5 276	
Total Non-Current Liabilities	97 295	89 610	7 685	
TOTAL LIABILITIES	124 904	114 748	10 156	
NET ASSETS	3 176 516	2 861 400	315 116	
EQUITY				
Capital	2 024 458	2 132 557	(108 099)	3
Reserves	1 561 258	1 124 683	436 575	2
Accumulated funds	(409 200)	(395 840)	(13 360)	
TOTAL EQUITY	3 176 516	2 861 400	315 116	

Notes: Explanations relate to significant variations greater than 10 per cent and \$10 million.

- Variations are detailed in the Cash Flow Statement. The variation reflects the net result of a lower deficit from Operating Activities than budgeted, higher than budgeted cash outflows from Investing Activities, and lower than budgeted financing receipts from the Commonwealth.
- 2017-18 original budget does not reflect the values of remote legacy assets included in the asset base for the first time at 30 June 2017. The balance of movements reflect the delivery of upgraded and new dwellings during the year, offset by disposals, revaluation decrement and depreciation. Full details of property, plant and equipment movements can be found in note 14.
- Commonwealth funding expected during 2017-18, to be received in 2018-19.

28. BUDGETARY INFORMATION (continued)

Cash Flow Statement	2017-18	2017-18	Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Grants and subsidies received				
Current	36 134	35 246	888	
Capital	5 000	5 000	-	
Appropriation				
Output	308 269	292 762	15 507	
Commonwealth	72 305	94 924	(22 619)	1
Receipts from sales of goods and services	99 576	74 848	24 728	2
Total operating receipts	521 284	502 780	18 504	
Operating payments				
Payments to employees	(64 240)	(64 740)	500	
Payments for goods and services	(137 401)	(136 721)	(680)	
Grants and subsidies paid				
Current	(268 132)	(256 601)	(11 531)	
Capital	(47 365)	(66 705)	19 340	3
Community service obligations	(3 455)	(3 657)	202	
Interest paid	(10 587)	(9 457)	(1 130)	
Total operating payments	(531 180)	(537 881)	6 701	
Net cash from/(used in) operating activities	(9 896)	(35 101)	25 205	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	9 826	20 200	(10 374)	4
Total investing receipts	9 826	20 200	(10 374)	
Investing payments				
Purchases of assets	(201 983)	(196 293)	(5 690)	
Total investing payments	(201 983)	(196 293)	(5 690)	
Net cash from/(used in) investing activities	(192 157)	(176 093)	(16 064)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	(1 195)	-	(1 195)	
Equity injections				
Capital appropriation	39 956	40 456	(500)	
Commonwealth appropriation	28 621	118 637	(90 016)	5
Total financing receipts	67 382	159 093	(91 711)	
Financing payments				
Repayment of borrowings	(2 279)	(2 279)	-	
Finance lease payments	(299)	-	(299)	
Equity withdrawals	(398)	-	(398)	
Total financing payments	(2 976)	(2 279)	(697)	
Net cash from/(used in) financing activities	64 406	156 814	(92 408)	
Net increase (decrease) in cash held	(137 647)	(54 380)	(83 267)	
Cash at beginning of financial year	243 353	193 501	49 852	
CASH AT END OF FINANCIAL YEAR	105 706	139 121	(33 415)	

Notes: Explanations relate to significant variations greater than 10 per cent and \$10 million.

1. Commonwealth funding expected during 2017-18, to be received in 2018-19.
2. The variance relates to GST receivables from the Australian Taxation Office that are not budgeted for.
3. Underspend largely relates to revised timing of Commonwealth funded programs to be carried forward in the 2018-19 financial year.
4. Reflective of sales volume and current housing market condition.
5. Commonwealth funding expected during 2017-18, to be received in 2018-19.



7 NT HOME OWNERSHIP



1 Our
Values

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Organisation

3 Our
People

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Performance

5 Corporate
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NORTHERN TERRITORY HOME OWNERSHIP

Through Northern Territory Home Ownership, a government business division, the department provided HomeBuild Access Loans and access to properties offered through our Home Buyer Initiative. Northern Territory Home Ownership assisted Territorians on the pathway to home ownership and housing independence.

The number of Territorians accessing Northern Territory Home Ownership loan products decreased this financial year, reflecting changing market conditions over the past year.

Home Buyer Initiative

The NT Government's Home Buyer Initiative allows Territory families to become home owners. The Home Buyer Initiative gives eligible low to middle income Territorians an opportunity to purchase vacant residential land through government land releases on which to build their own home.

At 30 June 2018, a total of 89 Home Buyer Initiative pre-approved eligible purchasers had bought properties.

HomeBuild Access Loans

Our home loan products help Territorians buy their own home by providing access to deposit loans and loans with a subsidised interest rate.

We target HomeBuild Access Loan products at

the purchase and construction of new homes to increase housing supply and to provide home ownership opportunities for Territorians unable to access the private finance market.

With Territory-wide purchase price limits of \$475 000 for a one or two-bedroom home and \$550 000 for homes with three or more bedrooms, HomeBuild Access provides home ownership opportunities at the more affordable end of the housing market.

There are two primary home loan products available under this scheme:

The HomeBuild Access Low Deposit Loan, which:

- ▶ provides second mortgage home loans of up to 17.5 per cent of the purchase price
- ▶ provides first mortgage finance of 80 per cent of the purchase price through People's Choice Credit Union
- ▶ is available to Territorians, including those who may own or have previously owned a home in Australia.

The HomeBuild Access Subsidised Interest Rate Loan, which:

- ▶ 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 between \$80 000 for single applicants through to \$127 500 for households of six or more people.

Details of the Low Deposit Loans and Subsidised Interest Rate Loans funded during the 2016-17 and 2017-18 financial years are as follows:

Financial Year	Number of Low Deposit Loans	Low Deposit Loans funded \$000	Number of Subsidised Interest Rate Loans	Subsidised Interest Rate Loans funded \$000
2016-17	145	12 435	5	\$1 831
2017-18	105	8 792	3	\$1 192

Territorians accessing the HomeBuild Access Subsidised Interest Rate Loan can also access an interest free Fee Assistance Loan of up to \$10 000. The loan helps with the costs associated with purchasing a home, including conveyancing costs. Applicants can use surplus funds as a part of their 2 per cent deposit.

HomeBuild Access also offers an Off-the-Plan Deposit Loan for Territorians with approved finance through a HomeBuild Access Low Deposit Loan. The Off-the-Plan Deposit 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.

Key Performance Indicators

Key Deliverables	2017-18 Budget	2017-18 Actual
Output Group		
Loan portfolio balance ¹	\$166M	\$160M
Loan turnover rate	10%	5%
Loan accounts in arrears greater than 30 days ²	2.80%	3.31%

Notes:

1. Budget reflective of consistent levels of new and repaid loans.
2. Variation reflective of market conditions.



Home sweet home for the Marcal family

Lila Marcal worked closely with her housing officer to secure the perfect home their growing family.

‘When I came here, I fell in love with this house,’ Lila said. ‘I declared then, it will be my house.’

About 12 years later, that dream became a reality.

The department has pathways to help eligible public housing tenants purchase the property that they live in. Not all public housing is for sale, but eligible tenants can apply for an assessment.

‘It was a journey,’ Lila said – a journey that saw Lila and her family spend Christmas 2017 in their own home.

Since buying the property, the Marcals have repainted the fence and exterior of the house, personalised the garden, and renovated the kitchen.

‘My husband lost everything in Timor,’ Lila said. ‘He was a refugee in Portugal for 10 years. He has never been rooted in one place. Now he has a home. Now he has roots in Darwin.’

Lila encourages all public housing tenants to go on the same journey to home ownership.

‘Don’t lose hope, no matter how many times you hear no. It will happen – and start saving.’

FINANCIAL REPORTS

NT Home Ownership

Financial Statements Overview

For the Year Ended 30 June 2018

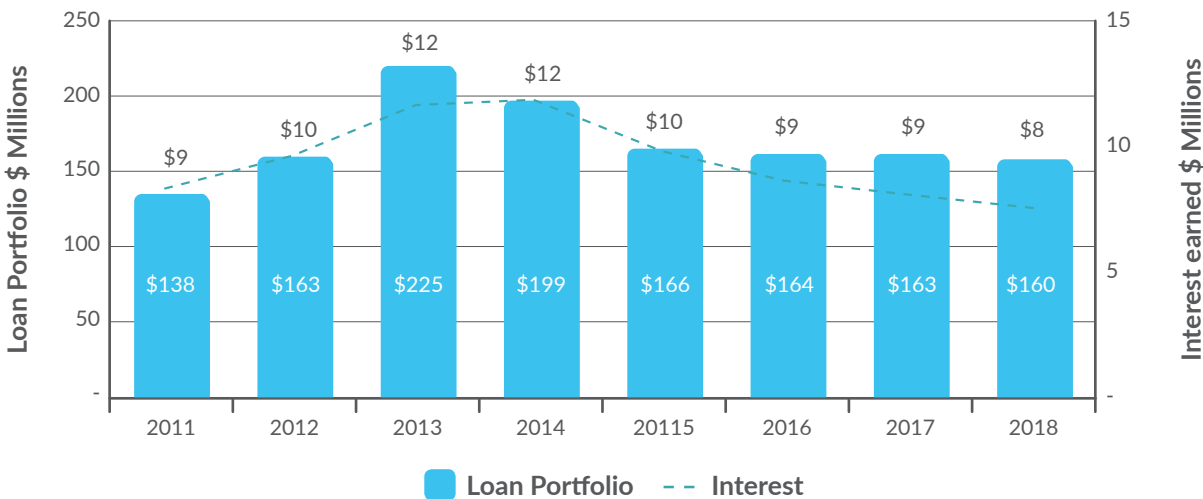
NT Home Ownership operates as a Government Business Division (GBD) as determined by the Treasurer under the *Financial Management Act*. GBDs are required to operate in a competitively neutral manner and adopt commercial practices. These include paying tax equivalents and dividends under the Northern 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 mortgage management agreement, to provide efficiencies and ensure access to appropriate skills and knowledge.

The operating deficit of \$6.288 million (2017: \$5.218 million) in the 2018 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.

Figure 1: NT Home Ownership Loan Portfolio and Interest Revenue Earned



Revenue

The principal source of revenue for NT Home Ownership is interest earned on home loans to clients. Revenue earned in 2018 was \$8.602 million (2017: \$8.602 million). With interest rates continuing to be low and a declining loan portfolio, interest revenue on the loan portfolio has decreased.

Where NT Home Ownership is required to carry out activities which it would not elect to do on a commercial basis, such as subsidised or below market rate loans, it can apply for Community Service Obligation (CSO) funding. In 2018 the funding received was \$3.455 million (2017: \$3.445 million).

Expense

NT Home Ownership incurred total expenses of \$18.361 million in the 2017-18 financial year.

(2017: \$17.268 million). As in 2017, major variations in expenditure for 2018 relate to the state of the housing market and general economic conditions in the Northern Territory, with shared equity values reducing by \$5.075 million (2017: \$3.82 million), and losses of \$0.52 million on NT Home Ownership's equity share as shareholders sold their properties.

Impairment of loans, whilst remaining low, also increased to \$842 000 in 2018 (2017: \$622 000).

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. The downturn in the real estate market over the past four years has seen the value of equity share investments decline (see figure 2).

Figure 2: Investment Revaluations



Home Loan portfolio

At 30 June 2018 NT Home Ownership's loan portfolio comprised 1 688 loans issued to Territorians totalling \$160 million (2017: \$163 million); a decrease of \$3 million with the pay down of loans by borrowers (\$12.77 million) largely offset by new lending of \$10.40 million through Home Build Access loans. The movement in the value of the loan portfolio over the years is illustrated in figure 1. At 30 June 2018, NT Home Ownership held an interest in 575 shared equity investment properties valued at \$49.65 million.

Borrowings

Financing of loans and 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 2018 were \$207 million, an increase of \$4.3 million from the previous year.

Cash at bank

Cash at bank has increased to \$12.519 million from \$2.988 million in 2017. This is largely due to the take up of an additional \$10 million borrowings from NT Treasury Corporation.



Auditor-General
Independent Auditor's Report
to the Minister for Housing and Community Development
NT Home Ownership

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Opinion

I have audited the accompanying financial report of NT Home Ownership, which comprises the balance sheet as at 30 June 2018, 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 2018, 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	Audit scope response to the Key Audit Matter
<i>Use of an outsourced service provider</i>	
As disclosed in Note 1 to the financial statements NT Home Ownership home loans are administered by an external service provider under a management arrangement.	My audit procedures included but were not limited to: <ul style="list-style-type: none">▪ obtaining an understanding of the key controls associated with the establishment and discharge of loans, the application of interest rates and the calculation of provision for doubtful debts;▪ testing the controls in place at NTHO and the service organisation in relation to the establishment and discharge of loans;
The service provider did not provide an independent assurance in relation to the internal controls environment including those relating to the information technology systems.	<ul style="list-style-type: none">▪ testing the mathematical accuracy of reports provided by the service provider;▪ undertaking substantive analytical tests of interest on loans and the provision for doubtful debts;▪ substantively testing a sample of debts written off during the year; and▪ assessing the results of reviews undertaken by NT Home Ownership in relation to services delivered by the service provider.



Auditor-General

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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 2018, 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'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.



Auditor-General

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- 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.

A handwritten signature in cursive script, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

26 September 2018

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for NT Home Ownership have been prepared based on 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 2018 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 2018



KEN TINKHAM
Chief Financial Officer

31 August 2018

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
INCOME			
Sales of goods and services	3	16	3
Community service obligations	4	3 455	3 445
Interest revenue	5	8 602	8 602
TOTAL INCOME		12 073	12 050
EXPENSES			
Employee expenses		228	241
Administrative expenses			
Purchases of goods and services	6	2 105	2 362
Write-offs and impairment expense	7	842	622
Loss on revaluation of shared equity investments	8	5 075	3 819
Loss on disposal of shared equity investments	9	518	376
Grants and subsidies expenses			
Current		41	31
Interest expenses		9 552	9 817
TOTAL EXPENSES		18 361	17 268
NET DEFICIT BEFORE INCOME TAX		(6 288)	(5 218)
NET DEFICIT AFTER INCOME TAX		(6 288)	(5 218)
COMPREHENSIVE RESULT		(6 288)	(5 218)

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

BALANCE SHEET

As at 30 June 2018

	Note	2018 \$000	2017 \$000
ASSETS			
Current Assets			
Cash and deposits	11	12 519	2 988
Advances	12	3 110	2 940
Receivables	12	49	17
Total Current Assets		15 678	5 945
Non-Current Assets			
Advances	12	157 323	160 532
Shared equity investments	13	49 650	58 495
Total Non-Current Assets		206 973	219 027
TOTAL ASSETS		222 651	224 972
LIABILITIES			
Current Liabilities			
Payables	15	607	930
Borrowings and advances	16	5 988	5 707
Provisions	17	15	18
Total Current Liabilities		6 610	6 655
Non-Current Liabilities			
Borrowings and advances	16	200 519	196 507
Total Non-Current Liabilities		200 519	196 507
TOTAL LIABILITIES		207 129	203 162
NET ASSETS		15 522	21 810
EQUITY			
Capital		22 745	22 745
Accumulated funds		(7 223)	(935)
TOTAL EQUITY		15 522	21 810

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 2018

Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2017-18				
Accumulated Funds	(935)	(6 288)	-	(7 223)
Capital – Transactions with Owners	22 745	-	-	22 745
Total Equity at End of Financial Year	21 810	(6 288)	-	15 522
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

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 2018

	Note	2018 \$000	2017 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services and community service obligations		3 629	3 607
Interest received		8 590	8 609
Total Operating Receipts		12 219	12 216
Operating Payments			
Payments to employees		(231)	(247)
Payments for goods and services		(2 306)	(2 447)
Grants and subsidies paid			
Current		(41)	(31)
Interest paid		(9 851)	(9 806)
Total Operating Payments		(12 429)	(12 531)
Net Cash Used in Operating Activities	19	(210)	(315)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Repayment of advances		12 600	14 762
Sales of investments	9	3 280	3 503
Total Investing Receipts		15 880	18 265
Investing Payments			
Advances and investing payments		(10 432)	(14 564)
Total Investing Payments		(10 432)	(14 564)
Net Cash From Investing Activities		5 448	3 701
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings		10 000	-
Total Financing Receipts		10 000	-
Financing Payments			
Repayment of borrowings		(5 707)	(8 579)
Total Financing Payments		(5 707)	(8 579)
Net Cash from Financing Activities		4 293	(8 579)
Net increase/(decrease) in cash held		9 531	(5 193)
Cash at beginning of financial year		2 988	8 181
CASH AT END OF FINANCIAL YEAR	11	12 519	2 988

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

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For the year ended 30 June 2018

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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 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 the 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

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 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:

- (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.

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.

Standards and interpretations effective from 2017-18

The following new and revised accounting standards and interpretations were effective for the first time in 2017-18:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enable users of financial

statements to evaluate changes in liabilities arising from financing activities. This disclosure is illustrated in Note 19(b).

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.

Standards and Interpretations Issued but not yet effective

On 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 be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, 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.

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 from 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.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors 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.

AASB 1059 addresses the accounting for arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services.

Where a transaction meets the definition of a service concession arrangement, a service concession asset and liability will be recognised on the balance sheet and valued in accordance with the new standard.

The Territory's public-private partnership arrangements are currently under review to determine the applicability of AASB 1059 and the full impact of the new standard.

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 NT Home Ownership (NTHO) 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.

d) 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.

e) Comparatives

Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

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 2017-18 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.

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.

k) Dividends

The agency 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 2017-18 financial year.

l) Economic Dependence

The agency, NT Home Ownership, is established by the Financial Management Act as a Government Business Division and is subject to the direction of the Minister for Housing and Community Development. The agency 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.

m) Nature and Purpose of Reserves

NT Home Ownership currently does not hold any reserves.

n) 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 6.

o) 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 agency

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 9.

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 to 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.

2018

2017

\$000

\$000

3. SALES OF GOODS AND SERVICES

Valuation fees	3	3
Miscellaneous revenue	13	-
	16	3

4. COMMUNITY SERVICE OBLIGATIONS

Interest subsidy – low interest rates

The agency 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.

Community service obligation funding received	3 414	3 414
Net cost of delivering service	(3 414)	(3 414)
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	41	31
Net cost of delivering service	(41)	(31)
CSO surplus/(deficit)	-	-

Total Community Service Obligations	3 455	3 445
--	--------------	--------------

5. INTEREST REVENUE

Interest on cash at bank	167	85
Interest on advances	8 435	8 517
Total Interest Revenue	8 602	8 602

6. PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

Goods and services expenses:

Loan administration fees	1 834	1 878
Marketing and promotion ⁽¹⁾	24	17
Valuation fees	50	67
Legal expenses ⁽²⁾	69	35
Audit fees	52	49
Training and study	2	2
Other operational expenditure	74	314
	2 105	2 362

⁽¹⁾ Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the other operational expenditure' category.

⁽²⁾ Includes legal fees, claim and settlement costs.

2018	2017
\$000	\$000

7. IMPAIRMENT EXPENSE - WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

NT Home Ownership had no write-offs, postponements, gifts or ex gratia payments in 2017-18 and 2016-17.

Amounts waived by Treasurer under the Financial Management Act¹	657	-
1.Number of waived transactions for 2018 was eight and nil for 2017		
Impairment expense - Receivable Loans & Advances	185	622
Total	842	622

For further information on impairment of receivable loans and advances see Note 12.

8. LOSS ON REVALUATION OF SHARED EQUITY INVESTMENTS

Revaluation of investments	49 650	58 495
Less: book value prior to revaluation	(54 729)	(62 314)
Add: revaluation increment of investments during year	4	-
Loss on the revaluation of shared equity investments	(5 075)	(3 819)

9. LOSS ON DISPOSAL OF SHARED EQUITY INVESTMENTS

Net proceeds from the sale of shared equity investments	3 280	3 503
Less: carrying value of shared equity investments disposed	(3 798)	(3 879)
Loss on the disposal of shared equity investments	(518)	(376)

10. INCOME TAX EXPENSE AND TAX EQUIVALENT REGIME

Income Tax Payable		
Deficit before income tax	(6 288)	(5 218)
Revaluation of investments	5 075	3 819
Taxable Income (Loss)	(1 213)	(1 399)
Income tax expense @30%	-	-

Income tax is only payable where NT Home Ownership makes an accounting surplus for the financial year.

Taxation

The agency is required to pay income tax on its taxable income, at the company tax rate of 30 percent 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 2017-18 or 2016-17 financial years.

2018	2017
\$'000	\$'000

11. CASH AND DEPOSITS

Cash on hand	110	80
Cash at bank	12 409	2 908
	12 519	2 988

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.

12. RECEIVABLES AND ADVANCES

Current		
Interest receivable	16	4
GST receivable	33	13
Total current receivables	49	17
Advances to home purchasers		
	3 110	2 940
Total current advances	3 110	2 940
Total current receivables and advances	3 159	2 957
Non-Current		
Advances to home purchasers	159 214	162 238
Less impairment	(1 891)	(1 706)
Total non-current advances	157 323	160 532
Total Receivables and Advances	160 482	163 489

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 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 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.

The collectability of debts is assessed at year-end for home loan debtors. The agency 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.

2018	2017
\$000	\$000

13. SHARED EQUITY INVESTMENTS

Minority interest holding at independent valuation	49 650	58 495
Total investments in shared equity	49 650	58 495

Shared Equity Investments

Opening balance as at 1 July	58 495	66 194
Additions	29	-
Disposals	(3 799)	(3 880)
Revaluation	(5 075)	(3 819)
Total investments in shared equity as at 30 June	49 650	58 495

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 the 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.

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 agency 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 2018 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.

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 probable 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.

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:

	Level 1	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
2017-18				
Asset Classes				
Shared Equity Investments (Note 13)	-	49 650	-	49 650
Total	-	49 650	-	49 650
2016-17				
Asset Classes				
Shared Equity Investments (Note 13)	-	58 495	-	58 495
Total	-	58 495	-	58 495

There were no transfers between Level 1 and Levels 2 or 3 during 2017-18.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2017-18 are:

	Level 2 Techniques	Level 3 Techniques
Asset Classes		
Shared Equity Investments	Market Approach	-

There were no changes in valuation techniques from 2016-17 to 2017-18.

Territory Property Consultants Pty Ltd provided valuations for the Shared Equity Investments as at 30 June 2018.

Level 2 fair values of Shared Equity Investments were based on market evidence of sales prices of comparable land and buildings in similar locations.

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.

2018	2017
\$000	\$000

15. PAYABLES

Accounts payable	303	331
Accrued expenses	33	29
Interest payable	271	570
Total Payables	607	930

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 agency. Accounts payable are normally settled within 30 days.

Interest Expense

Interest expenses include interest on borrowings. Interest expenses are expensed in the period in which they are incurred.

2018	2017
\$000	\$000

16. BORROWINGS AND ADVANCES

Current		
Loans and advances	5 988	5 707
Non-Current		
Loans and advances	200 519	196 507
Total Borrowings and Advances	206 507	202 214

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.

Two interest only loans valued at \$30 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 2018-19 budget and the loans are treated as non-current in these financial statements.

17. PROVISIONS

Current		
Employee benefits		
Recreation leave	8	11
Leave loading	5	5
Total current provisions	13	16
Other current provisions		
Employee superannuation	2	2
Total other provisions	2	2
Total Provisions	15	18

The Agency employed two employees as at 30 June 2018 (two employees as at 30 June 2017).

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 agency 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.

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.

	2018 External	2017 External
	\$000	\$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	125	185
	125	185
(iii) Other Expenditure Commitments		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	-	-
	-	-

2018	2017
\$000	\$000

19. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

The total of agency 'Cash and deposits' of \$12.519 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	(6 288)	(5 218)
<i>Non-cash items:</i>		
Advance written off	657	-
Loss on disposal of investments	518	376
Loss on revaluation of investments	5 075	3 819
Doubtful debts expense	185	622
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(32)	27
(Decrease)/Increase in payables	(323)	67
(Decrease)/Increase in provision for employee benefits	(2)	(7)
(Decrease)/Increase in other provisions	-	(1)
Net Cash from Operating Activities	(210)	(315)

b) Reconciliation of liabilities arising from financing activities

2017-18

	Cash Flows					Non Cash			
	1 Jul	Loans and advances	Securities	Finance lease	Total cash flows	Securities	Fair value	Total non-cash	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Borrowings	202 214	4 293	-	-	4 293	-	-	-	206 507
Total	202 214	4 293	-	-	4 293	-	-	-	206 507

c) Non-Cash Financing and Investing Activities

Finance Lease Transactions

During the financial year the agency acquired no plant and equipment/computer equipment or software with an aggregate fair value by means of finance leases (2017: \$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 agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits; receivables; advances; investment loans 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.

a) Categorisation of Financial Instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

2017-18 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000					
Cash and deposits	-	12 519	-	-	-	-	12 519
Receivables ¹	-	-	-	16	-	-	16
Advances	-	-	-	160 433	-	-	160 433
Total Financial Assets	-	12 519	-	160 449	-	-	172 968
Payables ¹	-	-	-	-	-	607	607
Loans	-	-	-	-	-	206 507	206 507
Total Financial Liabilities	-	-	-	-	-	207 114	207 114

¹Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$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

¹Total amounts disclosed here exclude statutory amounts

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 and accounts payable excluding statutory deposits 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 agency 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.

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 agency when settlement becomes due.

NTHO 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 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.

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.

Internal Receivables	Aging of	Aging of	Net
	Receivables	Impaired	Receivables
	\$000	\$000	\$000
2017-18			
Not overdue	16	-	16
Total	16	-	16
2016-17			
Not overdue	4	-	4
Total	4	-	4

External Receivables	Aging of	Aging of	Net
	Receivables	Impaired	Receivables
	\$000	\$000	\$000
2017-18			
Not overdue	160 433	-	160 433
Overdue for less than 30 days	16	16	-
Overdue for 30 to 60 days	7	7	-
Overdue for more than 60 days	1 868	1 868	-
Total	162 324	1 891	160 433

Reconciliation of the Allowance for Impairment Losses

Opening	1 706
Written off during the year	(657)
Recovered during the year	-
Increase in allowance recognised in profit or loss	842
Total	1 891

	Aging of Receivables	Aging of Impaired Receivables	Net Receivables
	\$000	\$000	\$000
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

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 agency'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.

2018 Maturity analysis for financial assets and liabilities

	Variable Interest Rate		Fixed Interest Rate		Non Interest Bearing	Total	Weighted Average
	Less than a Year	More than 5 Years	Less than a Year	More than 5 Years			
	\$000	\$000	\$000	\$000			
Assets							
Cash and deposits	12 519	-	-	-	-	12 519	1.50%
Receivables	-	-	-	-	16	16	
Advances	11 389	89 819	164 701	-	-	265 909	5.22%
Total Financial Assets	23 908	89 819	164 701	-	16	278 444	
Liabilities							
Payables	-	-	-	-	607	607	
Loans	-	-	44 951	124 395	-	252 105	4.48%
Other	-	-	-	-	2	2	
Total Financial Liabilities	-	-	44 951	124 395	609	252 714	

2017 Maturity analysis for financial assets and liabilities

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	-	245 869	4.75%
Other	-	-	-	-	2	2	
Total Financial Liabilities	-	-	78 728	73 746	932	246 801	

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 of 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 2018 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:

	Profit or Loss and Equity	
	100 basis points increase	100 basis points decrease
	\$000	\$000
30 June 2018		
Financial assets – cash at bank	125	(125)
Financial assets – receivable loans	1 604	(1 604)
Financial liabilities – borrowings	(2 065)	2 065
Net Sensitivity	(336)	336
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

(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.

(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

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 is 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 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.

2018	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash and deposits	12 519	12 519	-	-	12 519
Receivables	16	16	-	-	16
Advances	160 433	160 433	-	-	160 433
Total Financial Assets	172 968	172 968	-	-	172 968
Financial Liabilities					
Payables	607	607	-	-	607
Advances	206 507	-	207 552	-	207 552
Employee Benefits	13	13	-	-	13
Other	2	2	-	-	2
Total Financial Liabilities	207 129	622	207 552	-	208 174
2017					
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

21. RELATED PARTIES

i) Related Parties

NT Home Ownership NTHO 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 Northern 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 three members of the executive team of Department of Housing and Community Development.

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits of the 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 KMP employment benefits provided below are paid by Department of Housing and Community Development and is not included in NTHO's accounts.

The aggregate compensation of key management personnel of NT Home Ownership is set out below:

	2018	2017
	\$000	\$000
Short-term benefits	940	728
Termination benefits	51	-
Total	991	728

iv) Related party transactions:

Significant transactions with government related entities includes funding received from the Department of Housing and Community Government for Community Service 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.

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
2017-18				
All NT Government departments	3 636	15 361	16	206 809
2016-17				
All NT Government departments	3 530	18 503	4	202 812

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern 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.

Of four KMPs, three have provided a signed "Related Party Disclosures Declaration Form" to NTHO. Based on three declarations, NTHO has no other related party transactions with KMPs and could not identify for one, who left the department during the year.

22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent Liabilities

NT Home Ownership had no contingent liabilities as at 30 June 2018 or 30 June 2017.

b) Contingent Assets

NT Home Ownership had no contingent assets as at 30 June 2018 or 30 June 2017.

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.

24. BUDGETARY INFORMATION

Comprehensive Operating Statement	2017-18	2017-18	Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
INCOME				
Sales of goods and services	16	-	16	
Community Service Obligations	3 455	3 657	(202)	
Interest revenue	8 602	10 239	(1 637)	1
TOTAL INCOME	12 073	13 896	(1 823)	
EXPENSES				
Employee expenses	228	267	(39)	
Administrative expenses				
Purchases of goods and services	2 105	2 195	(90)	
Write Offs / Impairment	842	-	842	
Loss on revaluation of assets	5 075	-	5 075	2
Loss on disposal of assets	518	-	518	
Grants and subsidies expenses				
Current	41	243	(202)	
Interest expenses	9 552	9 450	102	
TOTAL EXPENSES	18 361	12 155	6 206	
NET SURPLUS/(DEFICIT)	(6 288)	1 741	(8 029)	
COMPREHENSIVE RESULT	(6 288)	1 741	(8 029)	

Notes: Explanations relate to significant variations greater than 10 per cent and \$1 million.

1. Interest revenue is lower than budget due to lower interest earned on existing and new home loans to Territorians as a result of ongoing low market interest rates
2. Annual asset revaluations have resulted in lower value of share equity investments due to decline in housing values across the Northern Territory housing market.

24. BUDGETARY INFORMATION (continued)

Balance Sheet	2017-18 Actual	2017-18 Original Budget	Variance	Note
	\$000	\$000	\$000	
ASSETS				
Cash and deposits	12 519	50 135	(37 616)	1
Advances and investments	210 083	177 358	32 725	1
Receivables	49	43	6	
TOTAL ASSETS	222 651	227 536	(4 885)	
LIABILITIES				
Payables	607	866	(259)	
Borrowings and advances	206 507	196 507	10 000	1
Provisions	15	25	(10)	
TOTAL LIABILITIES	207 129	197 398	9 731	
NET ASSETS	15 522	30 138	(14 616)	
EQUITY				
Capital	22 745	22 745	-	
Accumulated funds	(7 223)	7 393	(14 616)	
TOTAL EQUITY	15 522	30 138	(14 616)	

Notes: Explanations relate to significant variations greater than 10 per cent and \$1 million.

1. The 2016-17 end of year position varied significantly from the 2017-18 original budget. The variance largely relates to that difference combined with the movements in the loan portfolio for the year.

24. BUDGETARY INFORMATION (continued)

Cash Flow Statement	2017-18	2017-18	Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services and community service obligations	3 629	3 657	(28)	
Interest received	8 590	10 239	(1 649)	1
Total operating receipts	12 219	13 896	(1 677)	
Operating payments				
Payments to employees	(231)	(267)	36	
Payments for goods and services	(2 306)	(2 195)	(111)	
Grants and subsidies paid				
Current	(41)	(243)	202	
Interest paid	(9 851)	(9 459)	(392)	
Total operating payments	(12 429)	(12 164)	(265)	
Net cash used in operating activities	(210)	1 732	(1 942)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Repayment of advances	12 600	30 564	(17 964)	2
Sales of investments	3 280	11 000	(7 720)	3
Total investing receipts	15 880	41 564	(25 684)	
Investing payments				
Advances and investing payments	(10 432)	(16 436)	6 004	2
Total investing payments	(10 432)	(16 436)	6 004	
Net cash from/(used in) investing activities	5 448	25 128	(19 680)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing Receipts				
Proceeds of Borrowings	10 000	-	10 000	2
Total Financing Receipts	10 000	-	10 000	
Financing payments				
Repayment of borrowings	(5 707)	(5 707)	-	
Total financing payments	(5 707)	(5 707)	-	
Net cash from/(used in) financing activities	4 293	(5 707)	10 000	
Net increase/(decrease) in cash held	9 531	21 153	(11 622)	
Cash at beginning of financial year	2 988	28 982	(25 994)	
CASH AT END OF FINANCIAL YEAR	12 519	50 135	(37 616)	

Notes: Explanations relate to significant variations greater than 10 per cent and \$1 million.

- Interest revenue is lower than budget due to lower interest earned on existing and new home loans to Territorians as a result of ongoing low market interest rates.
- The 2016-17 end of year position varied significantly from the 2017-18 original budget. The variance largely relates to that difference combined with the movement in the loan portfolio for the year.
- Fewer Shared Equity Investments payouts during the year than anticipated.

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