

A photograph of a family in a kitchen. A man with a beard, wearing a light green shirt and blue jeans, is leaning forward and holding the hand of a young child in a striped shirt and blue jeans. The child is standing on a wooden floor. To the right, a pregnant woman in a white sleeveless dress is smiling and looking at the man and child. In the foreground, the head of a brown dog is visible. The kitchen has light-colored wooden cabinets and a window in the background.

Homes Tasmania

Building homes,
creating communities.

Annual Report
2022-23

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Acknowledgement

Homes Tasmania acknowledges Tasmanian Aboriginal communities, their culture and their rights as the first peoples of this Land, the island of lutruwita/Tasmania.

Homes Tasmania is committed to a safe and inclusive community for people of LGBTIQ+ communities and their families.

Submission to the Minister

Section 26 of the *Homes Tasmania Act 2022* (the Act) requires the Homes Tasmania Board to prepare for Homes Tasmania an annual report for each financial year. The Act states that the annual report is to include the following information and documents:

- A summary of the corporate plan in force for the financial year and a report on the performance of Homes Tasmania, including the targets to be met by Homes Tasmania in achieving its objectives, policies, programs and financial plans, and the criteria for assessment of those targets.
- Details of the Ministerial Statement of Expectations in force for the financial year and a report on actions taken by Homes Tasmania with respect to the Statement of Expectations, together with a report on the operations of Homes Tasmania during the financial year.
- Details of each Ministerial direction and Homes Tasmania's response to each direction.
- A report on all contracts or other arrangements to develop land or buildings, or both, where Homes Tasmania is to expend more than the prescribed amount or more than \$8 000 000, whichever is greater.
- The Homes Tasmania financial statements, including a copy of the opinion of the Auditor-General in respect of those financial statements.
- Any other information the Minister has requested, or the Homes Tasmania Board considers relevant, appropriate or necessary.

Accordingly, we have pleasure in submitting to you for presentation to Parliament the first report on the affairs and activities of Homes Tasmania for the financial year ended 30 June 2023.

Yours sincerely



Michele Adair
Chair
Homes Tasmania Board



Eleri Morgan-Thomas
Chief Executive Officer
Homes Tasmania

October 2023

Executive Statements

Chair's statement

For close to a century, the Tasmanian Government has provided housing assistance to Tasmanians in need. That assistance is essential to maintaining a just, healthy society and fostering safe, stable and connected communities. This assistance continues to help thousands of Tasmanians every year.

In 2022, the Tasmanian Government established Homes Tasmania, a contemporary and dynamic statutory housing organisation designed to confront the challenges of the current housing market and improve the lives of more Tasmanians.

We have seen the housing market tighten and housing need increase in recent years. Tasmania's population has experienced significant growth, an increase of almost 60 000 people in 10 years. This additional demand, and economic and market forces, has resulted in increased demand for social housing.

Affordability has declined due to low vacancy rates, rising house prices and interest rate rises. The median price of private rentals increased by 45 per cent over the past five years, and median price of houses sold increased by 75 per cent in the same period¹.

There are early indicators that the market is easing, and that housing affordability is stabilising as population growth slows. Rental and purchase prices for homes and vacancy rates for private rentals are also easing. Whether these trends are material or continue remains to be seen.



While this may be the case, demand for housing assistance remains strong.

To reduce housing pressure, a critical focus is the delivery of social and affordable homes. The supply pipeline will reduce housing pressure into the future, stimulate the economy and improve health and wellbeing.

Homes Tasmania began on 1 December 2022. On behalf of the inaugural Board, it is a privilege to oversee this organisation, working to ensure it exercises its functions and powers appropriately as an exemplar of public administration.

This is the first annual report for this seven-month-old organisation. Although young, we share the legacy of delivering housing assistance by Government agencies over many decades. As such, this annual report provides performance information on housing assistance for the full financial year, incorporating the activities of the former Department of Communities Tasmania. As a separate legal entity, the financial statements are provided for the seven months of Homes Tasmania's operations.

1 Real Estate Institute of Tasmania, Quarterly Reports.

This annual report is delivered as a requirement under the *Homes Tasmania Act 2022* (the Act). The corporate plan provides Homes Tasmania's strategic direction and goals over the next three years and will be updated annually as required under section 25 of the Act. The Board looks forward to providing more detailed reporting on our achievements against the corporate plan in subsequent annual reports.

[Our] primary purpose is to provide housing and housing assistance to eligible Tasmanians and to strategically supply and manage housing across Tasmania, giving consideration to the requirements of the whole housing system and inform policy to best meet the needs of all Tasmanians, both now and into the future.

In our first seven months, the Board has gained a detailed understanding of the organisation's operations and worked with the leadership team to understand and formulate new approaches that will mean Homes Tasmania innovates in response to the complexities of the housing system and the needs of Tasmanians. This has included oversight of the capital development program and maintaining momentum to deliver on the Government's ambitious \$1.5 billion housing

plan for 10 000 social and affordable homes by 2032. We have worked closely with our partners to draft the State's first 20-year Housing Strategy with the Minister's Housing Reference Group and welcomed significant input from private industry, local government and government agencies, and the public. We have also embraced the opportunities arising from the Australian Government's housing initiatives.

Homes Tasmania's work is being led by the inaugural CEO, Eleri Morgan-Thomas, who brings immense knowledge, experience, insight and passion to the role. Her appointment is a coup for the housing sector in Tasmania. Her influence will be felt across the State and nationally. Eleri is supported by an exceptionally experienced and dedicated team and the Board is privileged and grateful for all that has been achieved to date and anticipates a very exciting future. On behalf of the Board, I would like to take this opportunity to share my sincere thanks with each and every one of you.

I would also like to acknowledge the work of Peter White who, as the deputy secretary for the housing portfolio in the Department of Communities Tasmania, led the transition to the new organisation. Thank you, Peter, we wish you all the very best.

I am very pleased to present the Homes Tasmania Annual Report 2022-23.

CEO statement

The establishment of Homes Tasmania is a significant achievement for our State.

It marks a new paradigm of housing assistance, moving away from the days of housing commissions with their singular focus and narrow policy parameters. Homes Tasmania has a substantially broader remit – significant funding, a system-wide approach, a skills-based Board and, with housing enshrined as a fundamental human right under the *Homes Tasmania Act 2022*, a social justice framework.

Safe, secure, appropriate, affordable housing is a fundamental human right that supports people to reach their goals and potential in every area of their lives. Every Tasmanian deserves a roof over their head and with it, the opportunity to thrive.

Our focus is on providing Tasmanians with more social and affordable homes that allows them to continue to improve their housing situation and enjoy all the opportunities that better housing makes possible.

Housing is my passion, and I am extremely proud of my role as CEO and pleased to be working with our committed and accomplished Board whose insight and advice is fundamentally helping to shape our new organisation.



Homes Tasmania owns a portfolio of around 13 000 properties and over the next decade we will do everything within our capabilities to deliver at least 10 000 homes as part of the Tasmanian Government's \$1.5 billion housing plan. We will do this with our delivery partners in the non-government and construction sectors. I recognise Tasmania's community housing providers who work with us and the Australian Government to increase social and affordable housing in Tasmania.

By 30 June 2023, Homes Tasmania successfully delivered 2 643 social and affordable homes towards the Tasmanian Government's housing plan. We are also maintaining momentum with a significant pipeline underway having already identified projects for almost 1 000 homes to be delivered over the next four years by the end of 2027.

To meet our commitment to deliver 10 000 social and affordable homes, our organisation will be innovative, flexible and responsive because we must continue to prosecute new ways of working to grow our pipeline and deliver new homes. Meeting this commitment is more than building or acquiring more properties. It requires an acute focus on delivering homes that are socially, economically, and environmentally sustainable; housing that is integrated into the community and valued by the people who live in and around it.

Improving the lives of Tasmanians requires a range of housing solutions based on their varying circumstances and stages of life. For those Tasmanians doing it the toughest, it is critical our approach includes immediate shelter for people sleeping rough.

Tasmania has experienced an increase in the number of people who are homeless. We are continuing to invest in specialist homelessness services and working to improve the effectiveness of our service delivery model with our Housing Connect partners by codesigning an improved housing assistance service system through Housing Connect 2.0.

At 30 June 2023, Tasmanians experiencing homelessness could access 465 units of crisis and transitional accommodation provided on the basis of age and gender, and 656 units of supported accommodation, along with brokerage assistance into emergency accommodation. I recognise the commitment and effort of our community partners who deliver accommodation and wrap-around services to people at risk daily.



Launceston Women's Shelter play area

Finally, I acknowledge the staff of Homes Tasmania and their commitment to providing housing assistance for Tasmanians. We do this through front-end programs delivered by tenancy services, community infrastructure and housing policy and programs. And these programs are supported by our essential administrative services of business and information services, financial services and the office of the CEO. I am reassured that our new organisation has commenced on strong foundations with the results of our first staff satisfaction survey demonstrating a staff profile that is optimistic, resilient and motivated to help Tasmanians.

I look forward to moving ahead with our team and our partners to continue delivering more housing assistance for Tasmanians.

About Homes Tasmania

Tasmanians need more homes and Homes Tasmania is committed to increasing social and affordable homes for people in need.

To achieve this, we are delivering more diverse and contemporary housing. That is, housing that is socially, economically, and environmentally sustainable, and that makes better use of available, well-located land.

Homes Tasmania has been tasked with delivering a 10-year, \$1.5 billion housing plan aimed at providing 10 000 social and affordable homes by 2032, which we will achieve with our delivery partners. At the end of the financial year, Homes Tasmania had successfully delivered 2 643 social and affordable homes towards this goal.

Homes Tasmania is doing more than building and acquiring homes, we recognise the role that safe and secure homes play as a platform for people to live their best lives.



Homes Tasmania owns a portfolio of around **13 000** properties.



5 000 properties are provided to Homes Tasmania social housing tenants.



6 000 properties are managed by four Tier 1 community housing providers.



Over **300** social housing properties are allocated to Aboriginal housing.



1 400 properties are leased to supported accommodation providers.

Building homes,
creating communities.



*Karuna, youth
worker at Malana*

Homes Tasmania provides tenancy and property management services and intervention and support if needed to help sustain tenancies and good housing outcomes.

Jenny is one of Homes Tasmania's Tenancy Intervention Officers.

She helps prevent tenants losing their homes after they breach their tenancy, and she says there are many reasons that need to be considered to understand why someone is struggling to maintain their tenancy.

"Factors such as family breakdowns, family violence, addiction, community issues, whether a person has been in hospital or suffers from a physical or mental health disability, and mobility and ageing need to be considered when assessing a situation and providing the appropriate wrap-around support," Jenny said.



Jenny,
Homes Tasmania

About our tenants:



2 735 are
living with disability.

444 identify as Aboriginal
or Torres Strait Islander.



Average
54.6 years of age.

Average **11.1** years
living in our social housing.



87.4 per cent receive
a Government benefit.

Homes Tasmania delivers specialist homelessness and supported accommodation and specialist disability services with funding arrangements including grant funding, Head Leases and Residential Management Agreements to over 100 community organisations statewide. During the financial year:

16 community organisations

managed 19 homelessness services delivering crisis, transitional and emergency accommodation for Tasmanians who are homeless or at risk of homelessness with a total annual funding investment of **\$38 million**.



Four community organisations

delivered longer-term supported accommodation with **\$3.5 million** in funding.



30 disability support providers

delivered supported accommodation for people living with disability across 244 Homes Tasmania sites.



Cassie and Chelsea, youth workers at Malana

Homes Tasmania is a significant contributor to the economy in Tasmania. During the financial year:

We directly employed **184 people**.



We provided a total of **\$51.64 million** in grant funding to community organisations for housing and homelessness services.



Through capital grants, Homes Tasmania delivered **\$165.3 million** in indirect and direct economic benefit to the Tasmanian economy.



Homes Tasmania is a public non-financial corporation.

The following report summarises the key activities for the 2022-23 financial year.

Homes Tasmania Board

Homes Tasmania is governed by a skills-based Board, whose Directors are appointed by the Minister under section 14 of the *Homes Tasmania Act 2022*, ensuring they in aggregate have:

- (a) the relevant knowledge and skills to ensure that the functions and powers of Homes Tasmania are performed and exercised appropriately; and
- (b) commercial skills and experience; and
- (c) skills and experience in the provision or management of housing and homelessness services.

A Ministerial Statement of Expectations guides our operational and performance objectives.

All Board members were appointed on 1 December 2022.

During the seven months of its operation, the Board met on 10 occasions.

For more information on our Board visit www.homestasmania.com.au/about-us/About-Homes-Tasmania/Our-Board

Michele Adair (Chair)

Appointed as Chair for a three-year period.

Michele is the CEO of Housing Trust, New South Wales, the Chair of the Community Housing Industry Association (CHIA) in NSW and a member of the Illawarra Property Council Committee.

Michele attended all 10 meetings of the Board.



Robert Pradolin

Appointed as a Board Director for a two-year period.

Rob is a qualified engineer and has been active in the property industry for over 30 years. He is the founder and Director of Housing All Australians.

Robert attended all 10 meetings of the Board.





Alice Spizzo

Appointed as a Board Director for a two-year period.

Alice is the founder and director of Alice Spizzo Advisory, a law firm that specialises in planning and environmental law.

She is Chair of the Women's Housing Company in NSW.

Alice attended all 10 meetings of the Board.



Daryl Lamb

Appointed as a Board Director for a three-year period.

Daryl is a highly experienced Senior Executive with 40 years' experience in the community services industry, including senior positions with Anglicare in Tasmania.

Daryl attended nine of the 10 meetings of the Board.



Ellen Witte

Appointed as a Board Director for a one-year period.

Ellen leads climate change adaptation, mitigation, and risk services at SGS Economics and Planning. She has specialist expertise in housing policy.

Ellen attended nine of the 10 meetings of the Board.



Tim Gourlay

Appointed as a Board Director for a three-year period.

Tim has had an extensive career with experience in building and construction, education, governance, Board directorships, and delivering social and affordable housing and support services to Tasmanians in need.

Tim attended all 10 meetings of the Board.

Report on the Corporate Plan

Homes Tasmania delivered our corporate plan for 2023-26 on 15 August 2023.

Section 26 of the *Homes Tasmania Act 2022* (the Act) requires the annual report to summarise the corporate plan and report on our performance against the corporate plan. For this year, the annual report will comment on early activity commenced prior to completing the corporate plan.

Our corporate plan

The corporate plan articulates our purpose, our proposal, and our strategic goals for the period.

Our proposal is our statement of intent and responds to the Ministerial Statement of Expectations, February 2023.

Our proposal is to develop new housing models and ensure housing solutions best meet the diverse needs of all Tasmanians and are informed by lived experience, the expertise of our housing and homelessness system, and collaboration with our partners.

To achieve this end, Homes Tasmania will be a values-based organisation, supporting our people, partners and infrastructure to achieve our goals.

Our values:

We will be bold.

We will have heart.

We will show trust and be trusted.

We will adapt.

The corporate plan will be updated annually as required by the Act. This will ensure Homes Tasmania continues to be agile and responsive to emerging opportunities and advice from our stakeholders, including people with lived experience and our delivery partners. It will evolve with work which has now commenced on our performance measures.

Our objectives:

Increased housing supply.

Collaboration and partnership.

Improving the operating environment.

Support and develop people.

Homes Tasmania is committed to transparency in reporting on how we assist Tasmanians. We are developing a reporting framework against our corporate plan and our activities under the Tasmanian Housing Strategy that will be implemented over subsequent years.

Our corporate plan is available on our webpage. Visit www.homestasmania.com.au/about-us/Publications

Pictured from left to right: Quincy, Susie and Shanii, Homes Tasmania



Early work towards the corporate plan

Over the next three years the corporate plan focuses on:

- how Homes Tasmania will deliver more homes for Tasmanians who need them most
- improving frontline housing and homelessness services and reforming Housing Connect
- finalising the Tasmanian Housing Strategy.

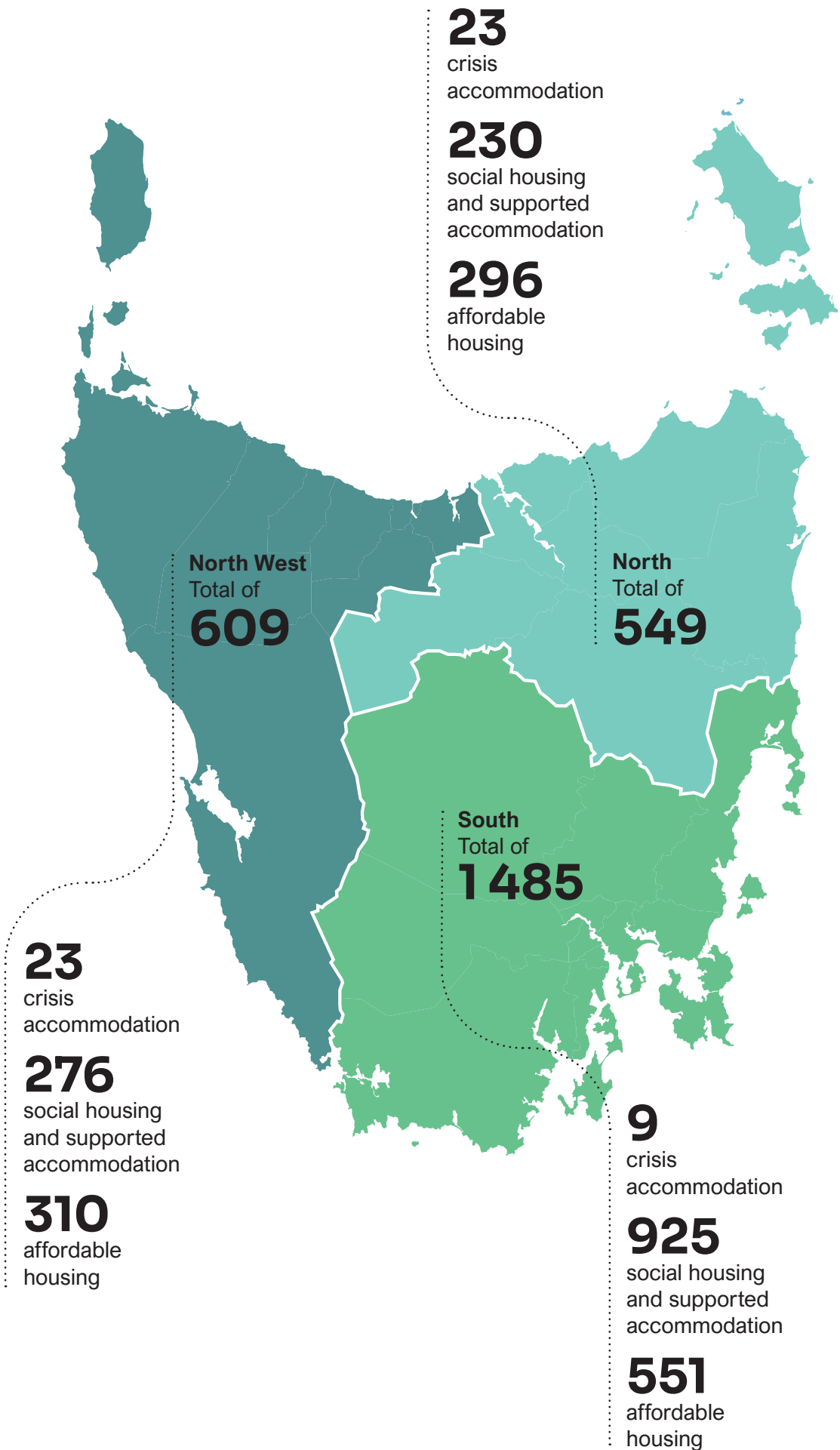
Delivering more homes

In responding to the Tasmanian Government's 10-year, \$1.5 billion housing plan, we will build and strategically acquire social and affordable homes across the housing continuum including homelessness accommodation, supported accommodation, social housing, affordable private rentals, release of affordable land parcels, and affordable home ownership assistance.

In 2022-23, Homes Tasmania delivered 1 468 social and affordable homes.

The Tasmanian Government announced its initial housing plan commitment on 1 October 2020, which was subsequently significantly expanded to delivering 10 000 homes by the end of 2032. Between 1 October 2020 and 30 June 2023, we successfully delivered 2 643 social and affordable homes towards our target of 10 000 homes by 2032. The regional breakdown of this new housing is shown on page 18.

10 000 social and affordable homes								
Crisis accommodation		Social housing				Affordable housing		
Safe Spaces	Crisis and transitional	Public housing	Community housing	Supported accommodation	Specialist accommodation	Affordable land	Affordable private rental	Affordable home ownership





*Tarleton Street,
East Devonport*



*Cook Crescent,
Mayfield*



*King Billy Crescent,
Rocherlea*



*Lindrum Road,
Clarendon Vale*

Examples of projects delivered by our community housing partners.

In 2022-23, this included the expansion of the Thyne House Youth2Independence (Y2I) facility for young people in the North, supported homes for young people in all regions, and the new Wirksworth Integrated Aged Care facility for older people in the South.

In June 2023, the Australian Government agreed to a one-off Social Housing Accelerator payment of \$50 million to the Tasmanian Government, providing additional funding for new supply of social housing across the State. Funding under this program will be transferred to Homes Tasmania in the 2023-24 financial year to support the commencement of identified projects.

Our successes

Homes Tasmania continued to provide safe and affordable housing for people experiencing homelessness or at risk of homelessness. It also continued programs to assist people into private rental accommodation.

This included through support for Wintringham, an award-winning provider of affordable, high-quality care for older Tasmanians. Wintringham provides specialist services in southern Tasmania and will expand to the North and North-West in 2024 as part of the Housing Connect reform.

The innovative Safe Spaces program provided overnight emergency accommodation for up to 88 people across the state through Hobart City Mission in the South, Launceston City Mission in the North and Salvation Army Housing in the North-West.

The Private Rental Incentives program provides an incentive for landlords to make their homes available to people on low incomes who have low or no support needs. At 30 June 2023, 540 tenancies had been secured through the program.

Our future initiatives

Housing First is a guiding principle that responds to homelessness by providing housing that is not conditional on addressing a person's social, health and wellbeing issues. It builds upon the legislative principle that housing is a fundamental human right. For people experiencing primary homelessness, the provision of support is one of the critical levers in improving opportunities to secure housing. People who have the capacity to manage the challenges they experience with healthy coping skills and support networks will have better life outcomes, including housing outcomes. Homes Tasmania will work towards a Housing First approach (through the Tasmanian Housing Strategy) to address

primary homelessness in Tasmania and provide permanent and stable housing as a means of early intervention.

Homes Tasmania is improving housing assistance to people at risk of homelessness with Housing Connect 2.0. Housing Connect is a single-entry point to access all housing and homelessness services in Tasmania with three types of services: the Front Door; housing support; and crisis and transitional accommodation. Housing Connect 2.0 is being codesigned with homelessness service providers, Homes Tasmania and an independent Chair. The improved service delivery model will offer more housing assistance options through an online portal, personalised support, mobile response, and co-located Housing Connect hubs.

The Huntingfield Land Release Project is part of Tasmania's Affordable Housing Action Plan 2019-2023. It aims to provide approximately 460 lots for new housing and increase affordable and social housing options in southern Tasmania. This innovative project will address diverse housing needs by delivering homes of various sizes, price points and ownership types.

Homes Tasmania will be innovative and creative in how it increases housing supply in Tasmania. We will not only continue to build and purchase social housing properties but will pursue new initiatives to address housing affordability for Tasmanians through our ability to borrow and invest.

From a corporate perspective, Homes Tasmania will continue to develop internal management strategies to support our work including the development of: an assets management plan that focuses on redeveloping our ageing assets; a comprehensive risk management plan, which will have oversight from the Finance, Risk and Audit Committee; and a new outcomes framework that will report on performance across the range of policies and programs that Homes Tasmania delivers.

Building the Tasmanian Housing Strategy

Homes Tasmania is leading the work to develop the Tasmanian Government's first long-term, whole-of-system housing strategy. The development of the Tasmanian Housing Strategy (the Strategy) recognises that ongoing strategic action is needed to make comprehensive change and build a sustainable housing system for all Tasmanians.

During 2022-23, Homes Tasmania led broad consultation across the Tasmanian community on a Discussion Paper and an Exposure Draft of the Strategy.

The development of the Strategy is the first time experts in government, research, community, business and construction have been brought together to provide advice on all the housing market levers.

The Tasmanian community was also invited to have their say through a statewide advertising campaign targeting all Tasmanian demographics and via an online community engagement platform to support broad community consultation.

It was also the first opportunity for Homes Tasmania to actively involve people with lived experience of housing stress and homelessness in consultation, providing a safe place for them to have a voice in the development of whole-of-Government policy.

More than 180 key stakeholder partners were engaged throughout the six-week consultation on the Discussion Paper. This involved direct contact through information sessions and meetings and written feedback.

In addition, 86 organisations and individuals made written and online submissions to the Exposure Draft.


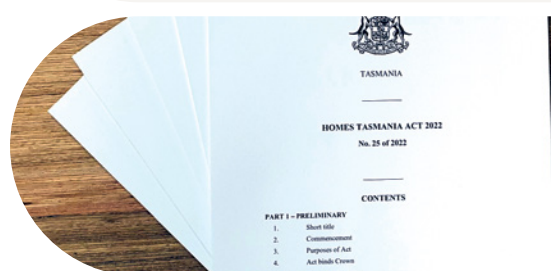
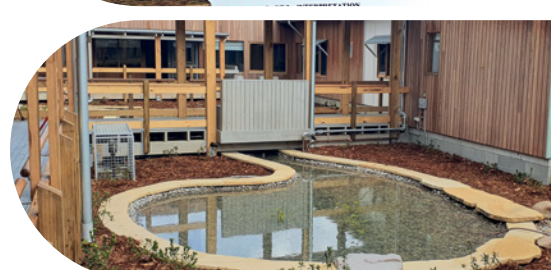



The Strategy will be publicly released by the Tasmanian Government in late 2023.



*Brad, project manager
Tasmanian Housing Strategy*

A Year in a Snapshot

A year in a snapshot provides one example per month of the types of strategies and activities Homes Tasmania has undertaken over the year to achieve its purpose.

	July	Increased assistance to help Tasmanians build or buy their own home was launched with the new shared equity program, MyHome, delivered in conjunction with the Bank of us.
	August	Legislation to create Homes Tasmania was tabled in the Tasmanian Parliament following public consultation.
	September	The 40-bed Wirksworth Integrated Aged Care facility opened in Bellerive, the first of its kind in the State, providing affordable, high-quality care and accommodation for Tasmanians aged over 50 who are financially disadvantaged, homeless or at risk of becoming homeless.
	October	Malana Youth at Risk Centre, the first emergency accommodation facility for young people aged 12-15 years in Launceston was completed, responding to an identified shortage of services.
	November	Community and not-for-profit housing providers were invited to submit proposals to deliver 200 new homes by the end of 2025 in round 2 of the Community Housing Growth Program.
	December	Homes Tasmania began operations on 1 December 2022 as the steward of the State's housing and homelessness system.



January

The completion of 15 new units more than doubled the Launceston Women's Shelter's capacity to help women and their children escaping family violence or experiencing homelessness.



February

A major expansion of the Thyne House Y2I facility in Launceston resulted in an additional 20 self-contained, one-bedroom units, boosting the site to 50 units.



March

Three successful suppliers were announced for the innovative ModHomes program that will deliver at least 200 modular housing units around the state by June 2027 on Homes Tasmania land.



April

National Youth Homelessness Matters Day is held in April. It is where we recognise the lived experience of young people facing homelessness and the people who support them.



May

The 460-lot Huntingfield land release project broke ground, one of the most significant subdivisions in the State's history.



June

Homes Tasmania partnered with Salvation Army Housing to deliver 21 new social housing units for women on the Housing Register who are aged over 55 and are homeless or at risk of homelessness.

Actions towards the Ministerial Statement of Expectations

The Ministerial Statement of Expectations, approved by the former Minister for State Development, Construction and Housing on 15 February 2023, sets out comprehensive requirements of the Homes Tasmania Board.

The Ministerial Statement of Expectations can be read by visiting our webpage – www.homes-tasmania.com.au/about-us/About-Homes-Tasmania/Our-Board

This section of the annual report responds to the strategic, governance and performance and operational expectations outlined in the Ministerial Statement of Expectations relevant to our activities during the financial year and which are not reported on elsewhere in the annual report.

Strategic expectations

Section 3 of the Ministerial Statement of Expectations outlines the strategic expectations of the Homes Tasmania Board and Homes Tasmania as an organisation.

Overarching expectations

Recruitment for Board membership was undertaken by the Department of Premier and Cabinet in 2022.

At its first meeting on 2 December 2022, the Board received briefings from the Crown Solicitor and senior officers from the Department of Premier and Cabinet in relation to relevant legislation, managing conflicts of interest, appropriate board governance and legal matters that affect Homes Tasmania.

All Board members have identified and disclosed interests that are relevant to their participation on the Board and their involvement with Homes Tasmania. A register of interests has been established and Board members are required to update their interests at the beginning of each board meeting. Strategies are in place to manage interests where there is a perceived or actual conflict.

At all meetings of the Board, minutes of the meetings and actions to be undertaken are recorded. Agendas are agreed between the Chair and CEO to ensure that strategic matters are submitted to the Board for consideration and decision, and relevant operational matters are reported to the Board for information. Briefings and presentations from government and external stakeholders have been provided to the Board to ensure its decision-making and operations are undertaken using current evidence and information.

Key Government policy priorities

Homes Tasmania is involved in the implementation of a number of key Government policy priorities, including those articulated in the Ministerial Statement of Expectations. Homes Tasmania is an active participant in intergovernmental processes that are in place for these policy priorities. Homes Tasmania is leading the work to develop the Tasmanian Housing Strategy. We engage regularly with the Department for Education, Children and Young People about accommodation support for young people, including those leaving Ashley Youth Detention Centre and those transitioning from care to independence. Homes Tasmania also made submissions to the Review of Local Government, which included commentary on planning reforms.

As an organisation, Homes Tasmania is obliged to comply with relevant legislation and policy frameworks. Homes Tasmania operates within the spirit of the Treasurer's Instructions to ensure its financial management is effective, efficient, and compliant.

The CEO and senior members of the Homes Tasmania Executive meet with the Minister for Housing on a fortnightly basis. The CEO and Chair of the Board meet with the Minister following each Board meeting. Advice is provided to the Minister in a timely way and either in response to requests from the Minister or proactively to ensure the Minister is aware of important operational and strategic issues being managed by Homes Tasmania.

The Homes Tasmania Executive meets monthly. Minutes of each meeting are recorded, along with actions to be undertaken. The Executive provides governance for a range of operational projects, including information, technology and communication systems.

Relationship with other agencies and authorities

The Homes Tasmania CEO and members of the Executive meet regularly with a range of State Government agencies, and representatives from relevant Commonwealth bodies.

There is close collaboration with the Department of Premier and Cabinet over intergovernmental responsibilities and the working relationship between the two agencies on funding, policy development, administration and the interaction with Cabinet and the Parliament.



*Tennille and Deklan,
social housing tenants*

Governance and performance

Section 4 of the Ministerial Statement of Expectations addresses communication with the Minister, corporate governance and values, strategic performance, and financial performance.



Our partners Sherry and Mitch from Thyne House Y2I, Launceston

Strategic performance

Our partners

We partner with community housing providers, private enterprise and service providers to maximise capacity to deliver government policy agenda.

During the year we partnered directly with:

16 housing providers and around 20 civil and building companies, to deliver homes. Delivery of these projects also relied on the expertise of numerous consultants and sub consultant teams. The social and affordable housing opportunities delivered this year have engaged the vast majority of the residential construction industry in our State.



30 disability support providers

to deliver supported accommodation for people living with disability across **244 Homes Tasmania sites**.



21 community organisations

to provide housing and homelessness support services with a funding investment of **\$51.64 million**.



4 of these organisations

to deliver supported accommodation statewide to young people, adults and men (see Table 1).





Courtyard and recreational space, special intensive support unit, Launceston

Homes Tasmania provides homes for people living with disability and is constructing purpose-built new homes for participants of the National Disability Insurance Scheme with exceptional needs who require tailored integrated housing and support.

Four special intensive support, two-bedroom, group-style homes are being constructed with materials that allow a high level of robust finishes, reducing maintenance while providing the best possible level of amenity and safety for the residents and support staff.

Table 1: Supported accommodation programs

Organisation	Facility type	Number of facilities	Number of units/beds
Anglicare	Youth2Independence facilities (Y2I), young people 16-24 years.	3	121
Anglicare	Supported Accommodation Facilities (SAF), adults.	7	208
Bethlehem House	SAF, adult men.	1	24
CatholicCare	Y2I Homes, young people 16-24 years.	3	15
Salvation Army	SAF, adults.	1	50
Wintringham	Supported accommodation unit complexes and aged residential care, people 50 years and older.	5	238
		18	656

Anglicare was successful in two Request for Grant Proposal (RFGP) during the year and will manage new Y2I facilities in Hobart and Burnie when construction is completed next year, and the Campbell Street Supported Accommodation Facility from 1 July 2023.

This year, we also expanded our Y2I program to provide dispersed homes for young people at risk of homelessness and who need supported accommodation in a home-like environment. When fully implemented, the expanded program will provide 20 new modular homes and convert 10 larger public housing properties. The four dispersed home sites – in Burnie, Devonport, Launceston and Clarence – will each provide five studio units and access to shared amenities, with a sixth unit to house onsite support staff.

CatholicCare was successful in the RFGP for the expanded Y2I program and commenced operations from 5 June 2023.

Homes Tasmania partnered with Centacare Evolve Housing to provide private rental interventions through Housing Connect:

- Private rental incentives help by making more homes available and affordable to eligible people on low incomes.
- Family violence rapid rehousing helps by making safe homes available and affordable to people escaping family violence.

Homes Tasmania also funds Shelter Tasmania, Tasmania's peak body for housing and homelessness services.



CatholicCare Tasmania's Andy and Michael at the Launceston Y2I Homes site

The second ‘Madison House’ charity project was launched in June raising around \$550 000.

Homes Tasmania paid market value for the construction of the home to meet the specific needs of a family living with significant disability.

Under Andrew Lyden’s vision, Lyden Builders and 60 subcontractors and suppliers who donated labour, materials or their time and skills, delivered a beautiful, purpose-built, three-bedroom home. Lyden Builders donated all the profits to Variety, the Children’s Charity of Tasmania.

Madison House is a tangible way that leaders in our community are working with Homes Tasmania to help people in need.

Madison House is named after Madison Lyden – the daughter of builder Andrew Lyden – who died tragically in New York in 2018.



Homes Tasmania project manager Euan, right, with Andrew Lyden

Our pipeline

Ensuring a pipeline of works is essential to maintaining momentum so we continue to deliver housing assistance to Tasmanians in need. Homes Tasmania has a significant number of projects in the pipeline of works, which continues to grow (see Table 2).

Table 2: Pipeline of works	
Housing program type	Total number of dwelling/units started
Social housing	843
Supported accommodation	57
Crisis accommodation	87
Total	987

*The pipeline includes all dwellings that have started, ie when land is secured (if applicable) and progress towards milestones has commenced. It is subject to change as projects progress or if there is a change to the number of dwellings on a site for unforeseen reasons. It excludes progress milestones for new supply generated from home ownership and land release.



Bethlehem House replacement, image courtesy of Fairbrother Pty Ltd



*Stephen, Homes Tasmania
project manager for the
Launceston Women's
Shelter expansion*

Services for people who are homeless

During the year, \$38 million was invested in specialist homelessness services, including Housing Connect, Safe Spaces, and crisis and transitional accommodation, see Table 3. Specialist homelessness services assist between 6 000 and 7 000 people per year. Brokerage funding is also available to assist people into emergency accommodation if required.

All organisations provide short-term housing and support on the basis of gender and/or age, providing 19 shelters and three Safe Spaces.

During the year, CatholicCare was successful in a RFGP to manage the Devonport Men's Shelter currently under construction. The Devonport Men's Shelter will be the first specific shelter on the North-West Coast for men with or without children.

There have been 124 new units of crisis and transitional accommodation provided, including 55 in the past year, with another 87 units in the pipeline as at 30 June 2023. In 2022-23, this included the construction of the new Malana Youth at Risk Centre in the North, additional accommodation for women through the expansion of Jireh House in the South and Launceston Women's Shelter in the North, a new shelter for older men in the South, and new accommodation provided by Youth, Family and Community Connections for young people in the North-West.

Table 3: Short term housing and support

Program type	Organisations	Target group	Location
Safe Spaces	Hobart City Mission	All	South
	Launceston City Mission	All	North
	Salvation Army Housing	All	North West
Housing Connect Front Door	Colony 47	All	South
	Anglicare Tasmania	All	North and North West (Burnie and Devonport)
	Wyndarra Centre	All	North West (Smithton)
Housing Connect support Services	Anglicare	All	Statewide
	CatholicCare	All	Statewide
	Colony 47	All	South
	Hobart City Mission	All	South
	Wintringham	Older Tasmanians, 50 years +	Statewide
	Wyndarra	All	North West (Circular Head)
	Crisis and transitional	Colville Place Youth at Risk Centre	Boys and girls
Malana Youth at Risk Centre		Boys and girls	North
AK (CatholicCare)		Young women	South
Mara House (Colony 47)		Young women	South
Pathways Launch		Young men	South
Youthcare		Young men	South
Karinya and Karinya Mums and Bubs		Young women and young women with or expecting a child	North
Youth Futures		Young men	North
Youth Family and Community Connections		Young women and men	North West (Burnie and Devonport)
Hobart Women's Shelter		Women with or without children	South
Jireh House		Women with or without children	South
McCombe House		Women with or without children	South
Hobart City Mission – Small Steps Program		Young women with or expecting a child	South
Launceston Women's Shelter		Women with or without children	North
Warawee Inc		Women with or without children	North West
Oakleigh Accommodation Services (Salvation Army Housing)		Women with or without children	North West
Bethlehem House		Men	South
DIY Dads		Men with children	South
Launceston City Mission		Men with or without children	North

Housing Register

People apply for social housing through Housing Connect. Applicants are prioritised through the Housing Assessment Prioritisation System according to their need as Highest Priority, Standard Priority or General. They are then matched to appropriate properties based on their location preferences, bedroom eligibility, level of need, wait time and other relevant factors (such as accessibility requirements).

Eligible applicants are assessed on four key circumstances.

1. Affordability
2. Homelessness
3. Safety
4. Health and mobility

The highest priority is afforded to applicants transitioning from crisis or transitional accommodation or exiting an institutional facility into homelessness. Homes Tasmania manages the Housing Register on behalf of all social housing applicants in the State as per the Social Housing Policy.

Who is on the Housing Register?



50 per cent have a preference to live in the South.



78 per cent are priority.



59 per cent are female.



11 per cent are without conventional accommodation.



47 per cent are families with children.

There is a greater need for stock:

- more one- and two bedroom homes for older people
- more three or more-bedroom homes for single parents and families
- more accessible homes that meet standards for people living with disability.

Addressing the demand for social housing by delivering more homes and reducing the waiting time for people with the highest needs is a key priority for Homes Tasmania.

Housing design

Homes Tasmania has been tasked with delivering homes that are socially, economically, and environmentally sustainable.

All new social housing dwellings constructed by or on behalf of Homes Tasmania must adhere to the Design Policy for Social Housing which allows them to be adapted to meet the changing needs of residents, including people living with disability. Around 20 per cent of new social housing builds under the Affordable Housing Strategy were disability accessible at Gold Level standard or above.

Homes Tasmania is also improving the energy efficiency of existing homes. In 2022-23, approximately \$8.6 million was expended in energy efficiency upgrades and improvements for public housing, including cladding, window replacements, heat pump installations, floor covering, and insulation/ventilation enhancements. These energy efficiency initiatives will not only extend the life of public housing assets but also enhance the living conditions, energy efficiency, and cost-effectiveness for residents.

Improving the overall stock quality through renewal and redevelopment of existing stock to reduce the average age of properties from 38 years will continue to be a priority for Homes Tasmania.

Tenancy and asset management

Together with delivering new supply, Homes Tasmania is working to ensure our existing social housing portfolio is being used efficiently. In 2022-23, the rolling 12 month average occupancy rate for social housing dwellings was consistently more than 99 per cent. Homes Tasmania and its partners continued to perform well in housing people most in need with 91.3 per cent of allocations made to priority applicants across the year.

We kept our properties well-maintained and meeting the conditions of the *Residential Tenancy Act 1997* with over 18 000 work orders undertaken during the year (not including landscaping in the South). The average turnaround time for properties to be re-tenanted was 29.7 days, which is a positive outcome in the current buoyant construction industry.



Cindy, Homes Tasmania

Affordable Housing Strategy

Tasmania's Affordable Housing Strategy 2015-2025 provided direction and a clear framework for action and investment to improve affordable housing and help those most in need into safe and secure accommodation options.

The Affordable Housing Strategy Action Plan 2019-2023 (Action Plan 2) was implemented with an additional \$125 million over five years, taking the total investment in affordable housing under the strategy to nearly \$200 million over eight years.

Homes Tasmania has continued to deliver a significant program of new supply and housing assistance.

Affordable Housing Strategy assistance for the 2022-23:

633 new long-term homes.

987 new homes in the pipeline.

99 households in the Private Rental Incentive program.

61 households in the Rapid Rehousing program.

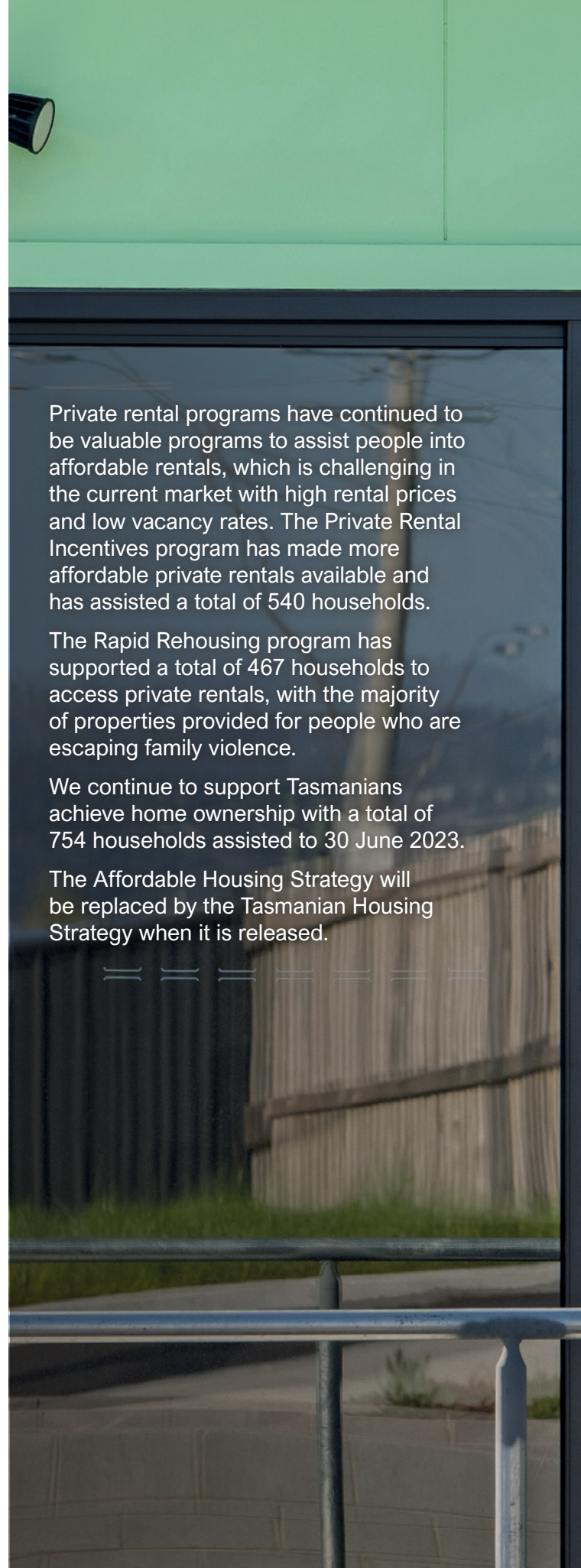
235 households assisted with home ownership.

Private rental programs have continued to be valuable programs to assist people into affordable rentals, which is challenging in the current market with high rental prices and low vacancy rates. The Private Rental Incentives program has made more affordable private rentals available and has assisted a total of 540 households.

The Rapid Rehousing program has supported a total of 467 households to access private rentals, with the majority of properties provided for people who are escaping family violence.

We continue to support Tasmanians achieve home ownership with a total of 754 households assisted to 30 June 2023.

The Affordable Housing Strategy will be replaced by the Tasmanian Housing Strategy when it is released.





Operational expectations

Section 5 of the Ministerial Statement of Expectations outlines the operational expectations of the Homes Tasmania Board and Homes Tasmania as an organisation.

Homes Tasmania complies with the range of Government policies that apply to it including, for example, policies issued by the State Service Management Office in relation to recruitment and employment, and the policies issued by WorkSafe Tasmania in relation to work, health and safety of its employees.

In preparing this annual report, Homes Tasmania is complying with sections 26 and 27 of the *Homes Tasmania Act 2022*, and the Treasurer's Instruction FR-4 in relation to annual reports.

Homes Tasmania provides data on its activities to internal and external agencies including the Australian Institute of Health and Welfare and the Productivity Commission for the Report on Government Services.

Employees of Homes Tasmania are employed under the provisions of the *State Service Act 2000*. Homes Tasmania complies with the provisions of the Act and associated Regulations, and all relevant Employment Directions.

People and Culture

Our organisational chart

Our business is delivered across three programs and is supported by two corporate support services. For further information please visit our website – www.homestasmania.com.au/about-us/About-Homes-Tasmania/Our-organisation



Cameron and Emily



Matilda



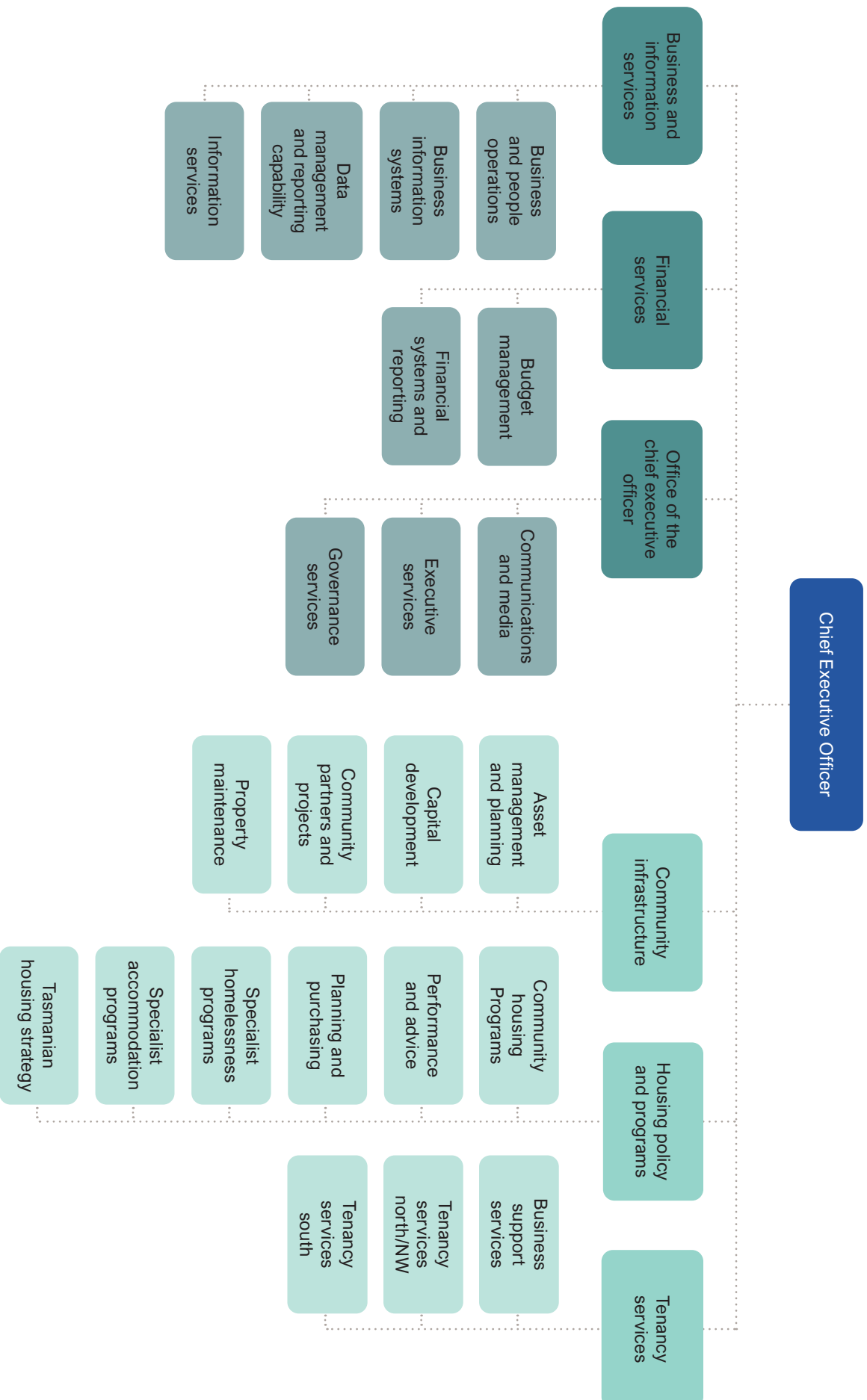
Anita and Rachel



David and Karen

Homes Tasmania Organisation chart

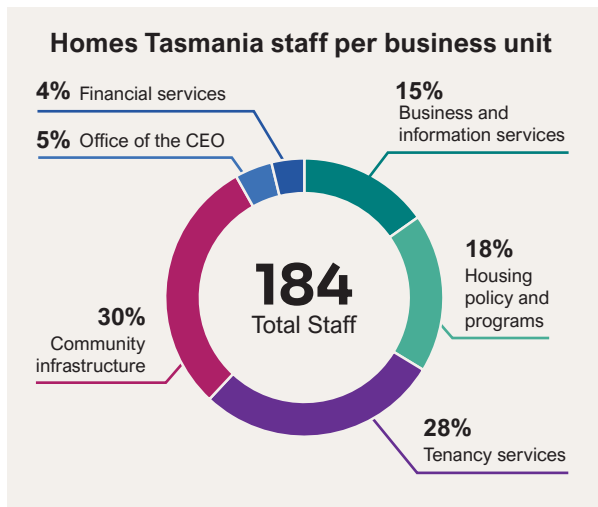
as at January 2023



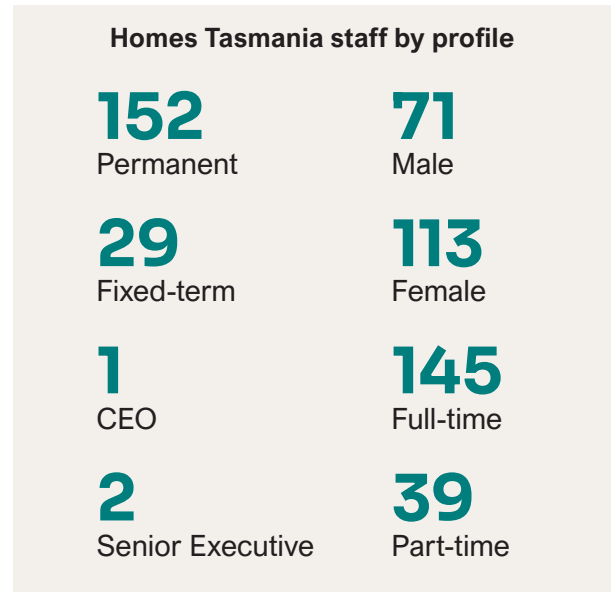
Our staff

Homes Tasmania staff are employees under the Health and Human Services (Tasmanian State Service) Award.

Homes Tasmania employs 184 people in 172.49 full-time equivalent positions. Almost 60 per cent of our staff work in either the community infrastructure program (30 per cent), which includes the maintenance team for our public housing properties, or in tenancy services, which provides our tenancy management services (almost 27 per cent).



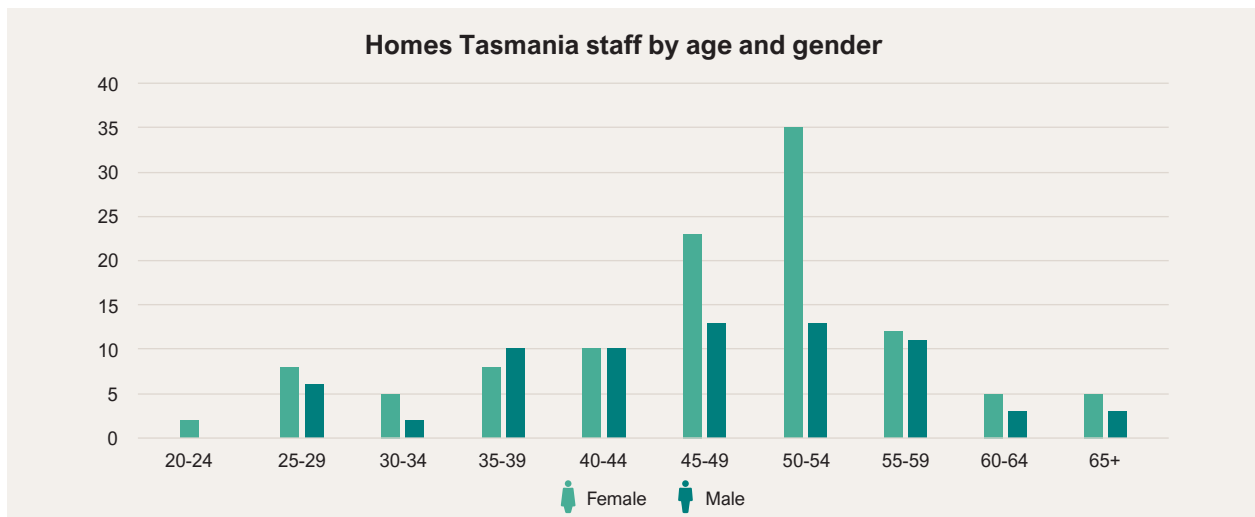
Most of our staff are women (61 per cent), in permanent positions (almost 84 per cent), work in a full-time capacity (79 per cent) and are 45 years or older.



Notes:

Homes Tasmania has six Board Members (three male and three female) in addition to these numbers.

During the financial year, all Homes Tasmania staff identified as either female or male.



Leave management

Recreation and Long Service Leave (LSL) information for Homes Tasmania staff is presented in Table 4.

Table 4: Recreation and LSL	
Average number of days of recreation leave per employee (leave balance)	20.13
Employees with more than 40 days of recreation leave	17
Average number of days of LSL per employee with minimum 10 years' service	49.46
Employees with more than 100 days of LSL	0

Homes Tasmania employees took an average of 10.10 days of personal leave in 2022-23.

Superannuation declaration

I, Eleri Morgan-Thomas, CEO
Homes Tasmania, hereby certify that:

All Homes Tasmania employee payments in respect of which an employer superannuation liability arises have been identified.

The appropriate rate of employer superannuation liability has been applied to those employee payments.

Payment of Homes Tasmania employer superannuation contributions has been made to employee-nominated complying superannuation funds in accordance with all legislative requirements and within legislated timeframes.



Eleri Morgan-Thomas
Chief Executive Officer
Homes Tasmania

October 2023



*David and Veronica,
Homes Tasmania*

Workplace wellbeing

A staff satisfaction survey was undertaken to support the transition to Homes Tasmania.

The results showed that of the more than 50 per cent of staff participating in the survey:



77 per cent felt either fairly or very optimistic about their job and their capacity to perform in their role.



91 per cent felt they were able to cope well with new situations, either most of the time or all of the time.



91 per cent expressed a willingness to help work colleagues whenever they were asked.



91 per cent indicated they were able to use strategies to manage their emotional responses to new or challenging situations.



75 per cent indicated they were probably or definitely motivated about working as part of Homes Tasmania.



74 per cent indicated they were clear about their role within Homes Tasmania.

Homes Tasmania is working on improvements to information management systems, training and resources to support staff as a result of the survey's findings.



*Anna and Tom,
Homes Tasmania*

Ministerial Directions

The *Homes Tasmania Act 2022*, section 26(c)(i) requires Homes Tasmania to report on each Ministerial direction in force during the financial year.

One Ministerial direction was received between 1 December 2022 and 30 June 2023.

On 24 February 2023, the then Minister for State Development, Construction and Housing, Hon Guy Barnett MP, wrote to the Chair of Homes Tasmania to seek formal advice on the challenges facing the delivery of more social and affordable homes in Tasmania and requested recommendations be made to him to address the challenges identified.

Specifically, Minister Barnett sought advice on recommendations on the adequacy of the Land Use Planning Scheme and its application to social and affordable housing, including timeframes for delivery. He asked that Homes Tasmania note existing Tasmanian Government policy positions in developing the advice. He also requested that any legislative changes that may need to be considered be included in the advice, along with pathways to achieve the legislative change.

In response to the Minister's request, Homes Tasmania provided advice and recommendations including some case studies that support the recommendations.

Statutory Information

Right to information

During 2022-23, Homes Tasmania received 22 applications under the *Right to Information Act 2009*. Information was provided in full for eight applications and in part for 13 applications. One application was transferred to the relevant Government Agency.

Of the 13 applications for which information was provided in part, information that was assessed as being the personal information of another person was exempt from release.

Of the 22 applications assessed for disclosure, nine were decided between one and 20 working days, and 13 were decided after 20 working days.

Public interest disclosures

There were no matters raised with Homes Tasmania under the *Public Interest Disclosures Act 2022*.

There were no matters referred to Homes Tasmania for investigation by the Ombudsman in the 2022-23 financial year.

Contracts and Tenders

The *Homes Tasmania Act 2022*, section 26(c)(iii) requires Homes Tasmania to report on each project, for the development of land or buildings, or both, in relation to which Homes Tasmania has, during the financial year, entered into a contract, or other arrangement, under which Homes Tasmania is to expend more than the prescribed amount or more than \$8 000 000, whichever is greater. For the financial year, two contracts were entered into to a value of over \$8 000 000 as indicated in Table 5.

Table 5: Contracts for the financial year to the value of more than \$8 000 000				
Contractor name	Location	Contract description	Period of contract	Total value \$ ¹
DCS Civil Tas Pty Ltd	Tas	Huntingfield land release – stages 1a, 1b & 1i	27/04/2023 - 26/04/2025	\$13 496 056
Vos Construction and Joinery Pty Ltd	Tas	Mental health supported accommodation – Bellette Place, Chigwell	23/03/2023 - 31/07/2024	\$12 480 943

Homes Tasmania ensures procurement is undertaken in accordance with the mandatory requirements of the Treasurer’s Instructions relating to procurement, including that Tasmanian businesses are given every opportunity to compete for business. Table 6 provides a summary of the level of participation by local businesses for contracts, tenders and/or quotations with a value of \$50 000 or over.

Table 6: Summary of participation by local businesses	
Total number of contracts awarded	9
Total number of contracts awarded to Tasmanian businesses	6
Value of contracts awarded ^{1,2}	\$45 794 195
Value of contracts awarded to Tasmanian businesses ^{1,2}	\$29 729 952
Total number of tenders called and/or quotation processes run	4
Total number of bids and/or written quotations received	13
Total number of bids and/or written quotations received from Tasmanian businesses	10

Notes:

1. All values exclude GST.
2. In accordance with the requirements of the Treasurer’s Instructions, the values in this table do not include the value of any options to extend.

Homes Tasmania Financial Statements

For the reporting period ended 30 June 2023

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Statement of Certification

The accompanying Financial Statements of Homes Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with the *Homes Tasmania Act 2022* and the Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016* to present fairly the financial transactions for the period ended 30 June 2023 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Michele Adair
Chair and Director
Homes Tasmania Board
Accountable Authority

Dated 28th day of
September 2023



Eleri Morgan-Thomas
Chief Executive Officer
Accountable Authority

Dated 28th day of
September 2023



Rod Fazackerley
Principal Financial Officer
Accountable Authority

Dated 28th day of
September 2023

Statement of Comprehensive Income

for the period ended 30 June 2023

	Notes	2023 Actual \$'000
Income from continuing operations		
Grants	3.1	199 754
Sales of goods and services	3.2	2 734
Interest	3.3	1 607
Contributions received	3.4	5 000
Revenue from rental dwellings	3.5	26 245
Other revenue	3.6	21 660
Total revenue from continuing operations		257 000
Net gain/(loss) on non-financial assets	4.1	(12 381)
Net gain/(loss) on financial instruments and statutory receivables/payables	4.2	(542)
Other gain/(loss)	4.3	91
Total income from continuing operations		244 168
Expenses from continuing operations		
Employee benefits	5.1	17 521
Depreciation and amortisation	5.2	24 351
Maintenance	5.3	19 860
Supplies and consumables	5.4	34 436
Grants and subsidies	5.5	42 359
Finance costs	5.6	539
Other expenses	5.7	1 704
Total expenses from continuing operations		140 770
Net result from continuing operations		103 398
<i>Other comprehensive income</i>		
Items that will not be reclassified to net result in subsequent periods		
Net actuarial gains/(losses) on superannuation defined benefit plans	7.5	(342)
Changes in property, plant and equipment revaluation surplus	9.1	472 990
Total other comprehensive income		472 648
Comprehensive result		576 046

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2023

	Notes	2023 Actual \$'000
Assets		
<i>Financial assets</i>		
Cash and cash equivalents	10.1	87 019
Receivables	6.1	8 106
Loan advances	6.3	9 628
MyHome investments	6.4	54 455
Other financial assets	6.5	263
<i>Non-financial assets</i>		
Assets held for sale	6.6	13 753
Property, plant and equipment	6.7	2 168 156
Service Concession Assets	6.8	1 944 042
Right-of-use assets	6.9	134
Intangible assets	6.10	1 512
Other assets	6.11	82
Total assets		4 287 150
Liabilities		
Payables	7.1	26 837
Lease liabilities	7.2	138
Borrowings	7.3	60 641
Contract liabilities	6.2	1 862
Employee benefit liabilities	7.4	4 761
Superannuation	7.5	5 096
Unearned revenue - Grant of a right to operate liability under service concessions	7.6	46 847
Other liabilities	7.7	199
Total liabilities		146 381
Net assets		4 140 769
Equity		
Contributed capital	9.2	3 564 723
Reserves	9.1	472 990
Accumulated funds		103 056
Total equity		4 140 769

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the period ended 30 June 2023

	Notes	2023 Actual \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Grants – Continuing operations		160 961
Sales of goods and services		7 350
GST receipts		78
Interest received		1 607
Revenue from rental dwellings		26 588
Other cash receipts		16 223
Total cash inflows		212 807
<i>Cash outflows</i>		
Employee benefits		(12 176)
Finance costs		(154)
Grants and transfer payments		(42 359)
Maintenance		(19 860)
Supplies and consumables		(8 089)
Other cash payments		(1 858)
Total cash outflows		(84 496)
Net cash from / (used by) operating activities	10.2	128 311
Cash flows from investing activities		
<i>Cash inflows</i>		
Proceeds from the disposal of non-financial assets		924
Repayment of loans by other entities		(2 503)
Receipts from investments		1 674
Receipts from non-operational capital funding - Grants		33 889
Total cash inflows		33 984
<i>Cash outflows</i>		
Payments for acquisition of non-financial assets		(111 164)
Payments for investments		(18 734)
Payment of loan advances to other entities		(6 019)
Total cash outflows		(135 917)
Net cash from/(used by) investing activities		(101 933)
Cash flows from financing activities		
<i>Cash outflows</i>		
Proceeds from borrowings		60 641
Total cash outflows		60 641
Net cash from/(used by) financing activities		60 641
Net increase/(decrease) in cash and cash equivalents held		87 019
Cash and cash equivalents at the beginning of the reporting period		–
Cash and cash equivalents at the end of the reporting period	10.1	87 019

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the period ended 30 June 2023

	Contributed Equity \$'000	Reserves \$'000	Accumulated Funds \$'000	Total Equity \$'000
Balance as at 1 December 2022	–	–	–	–
Net result	–	–	103 398	103 398
Other comprehensive income	–	472 990	(342)	472 648
Total comprehensive result	–	472 990	103 056	576 046
Administrative restructure - Contributions by owners	3 564 723	–	–	3 564 723
Total	3 564 723	–	–	3 564 723
Balance as at 30 June 2023	3 564 723	472 990	103 056	4 140 769

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

for the period ended 30 June 2023

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Note 1 Expenditure under Australian Government Funding Arrangements

	State Funding	Australian Government Funding
	2023 Actual \$'000	2023 Actual \$'000
Special Purpose Payments		
Affordable Housing	–	16 131
Total	–	16 131

Specific Purpose Payments (SPPs) are payments from the Australian Government to the Tasmanian Government arising from national agreements that set out the Australian Government's agreed objectives and outcomes, outputs, roles and responsibilities and performance indicators for each sector. SPPs are distributed to the States on the basis of their population shares.

Note 2 Underlying Net Result

Non-operational capital funding is the income from continuing operations relating to funding for capital projects. This funding is classified as revenue from continuing operations and included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects.

	Notes	2023 Actual \$'000
Net result from continuing operations		103 398
<i>Less impact of:</i>		
<i>Non-operational capital funding</i>		
Net result from Capital Projects		186 321
Contributions received - fair value of assets assumed	3.4	5 000
Total		191 321
Underlying Net result from continuing operations		(87 923)

The net result from capital outputs is included to reflect that the revenue received is mainly expensed as grants to housing providers and not capitalised.

Note 3 Revenue

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*, dependent on whether there is a contract with a customer defined by AASB 15.

3.1 Grants

Grants revenue, where there is a sufficiently specific performance obligation attached, is recognised when Homes Tasmania satisfies the performance obligation and transfers the promised goods or services. Homes Tasmania has not received any grants that have specific performance obligations attached during the financial year.

Grant revenue received by Homes Tasmania is funded by the State Government under an agreement that does not have a sufficiently specific performance obligation and therefore is recognised when Homes Tasmania gains control of the asset (typically Cash).

Grant revenue in the reporting period represents the unspent Housing appropriation transferred from the former Department of Communities Tasmania as at 1 December 2022. This revenue includes the funding under the National Housing and Homelessness Agreement.

Grant revenue in the reporting period also includes the accrued revenue of \$4.9 million received in July 2023 but relating to the current reporting period, which includes \$2.8 million for additional Australian Government grants for National Housing and Homeless, \$1.8 million for the final disbursement of funds following the restructure of the former Department of Communities Tasmania, and \$288 000 for cost increases from the latest wage agreement.

In the reporting period, Homes Tasmania received this revenue directly from the Department of Treasury and Finance. In future years, Homes Tasmania will receive State Grant revenue through the Department of Premier and Cabinet (acting as the lead Tasmanian Government agency for Homes Tasmania).

	2023 \$'000
Continuing operations	
Grants from the State Government	
State Grants – Other	199 754
Total	199 754

3.2 Sales of goods and services

Revenue from Sales of goods and services is recognised when Homes Tasmania satisfies a performance obligation by transferring the promised goods or services to the customer.

	2023 \$'000
Other client revenue	39
Other user charges	2 695
Total	2 734

Other client revenue includes recoveries from boundary fencing.

Other user charges includes Commonwealth funding for safe places emergency accommodation.

3.3 Interest

Interest on funds is recognised as it accrues using the effective interest rate method.

	2023 \$'000
Interest from borrowings	8
Other interest	1 599
Total	1 607

Interest from borrowings relates to interest received from the Home Ownership Assistance program.

Other interest represents interest earned on Homes Tasmania's general and operational bank accounts.

3.4 Contributions received

Services received free of charge by Homes Tasmania, are recognised as income when a fair value can be reliably determined and when the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when Homes Tasmania obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to Homes Tasmania and the amount can be measured reliably. However, where the contribution received is from another government department as a consequence of restructuring of administrative arrangements, they are recognised as contributions by owners directly within equity. In these circumstances, book values from the transferor department have been used.

	2023 \$'000
Fair value of assets assumed at no cost or for nominal consideration	5 000
Total	5 000

The contribution received relates to a property that was transferred to Homes Tasmania by the Department for Education, Children and Young People. Please refer to note 6.7(b).

3.5 Revenue from rental dwellings

Revenue from rental dwellings arises from the renting of properties owned by Homes Tasmania. This is comprised of the market rent for each individual property reduced by the public rental subsidy, which is an income based subsidy derived from the clients' individual circumstances.

Rental income, together with the associated rebate, is recognised on an accruals basis in accordance with individual tenancy arrangements.

	2023 \$'000
Market rent	55 158
Less: Rebates	(8 913)
Total	26 245

3.6 Other revenue

Other revenue primarily relates to the recovery of costs incurred and is recognised when an increase in future economic benefits relating to an increase in an asset or a decrease of a liability has arisen that can be reliably measured.

Lease income from operating leases where Homes Tasmania is a lessor is recognised on a straight line basis. Homes Tasmania does not have any finance leases as lessor.

	2023 \$'000
Operating lease income – commercial rent	50
Wages and salaries recoveries	2
Operating recoveries	20 071
Donations	500
Service concession arrangements revenue	1 037
Total	21 660

Operating recoveries includes rates, service charges and insurance that are recouped from Community Housing Organisations (CHOs) managing tenancies under the Community Housing Growth Program and other arrangements. It also includes insurance recoveries from the Tasmanian Risk Management Fund.

Service Concession Arrangements revenue is related to the winding back of the liability for properties built by CHOs on behalf of Homes Tasmania under Service Concession Agreements.

Note 4 Net Gains/(Losses)

4.1 Net gain/(loss) on non-financial assets

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

Key Judgement

Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

Specialised non-financial assets are not used for the purpose of generating cash flows; therefore their recoverable amount is expected to be materially the same as fair value, as determined under AASB 13 *Fair Value Measurement*.

All other non-financial assets are assessed to determine whether any impairment exists, with impairment losses recognised in the Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2023 \$'000
Revaluation of non-current physical assets	(9 382)
Net gain/(loss) on disposal of physical assets	(2 999)
Total net gain/(loss) on non-financial assets	(12 381)

4.2 Net gain/(loss) on financial instruments and statutory receivables/payables

Financial assets are impaired under the expected credit loss approach required under AASB 9 *Financial Instruments*. The expected credit loss is recognised for all debt instruments not held at fair value through profit or loss.

Key Judgement

An impairment loss using the expected credit loss method for all trade debtors uses a lifetime expected loss allowance. The expected loss rates are based upon historical observed loss rates that are adjusted to reflect forward looking macroeconomic factors.

For other financial instruments that are not trade receivables, contract assets or lease receivables, Homes Tasmania has measured the expected credit loss using a probability-weighted amount that takes into account the time value of money and forward looking macroeconomic factors.

	Notes	2023 \$'000
Impairment of loans and receivables	6.1	(542)
Total net gain/(loss) on financial instruments		(542)

4.3 Other gain/(loss)

Other gains/(losses) include gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result.

	2023 \$'000
Net gain/(loss) on disposal of MyHome investments	209
Impairment of MyHome investments	(118)
Total net gain/(loss) from other economic flows	91

MyHome Investments are revalued biennially as at 1 July using a mix of valuations and/or updated suburb based indices adjustments. This revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years.

For these statements, MyHome Investments were revalued as at 1 July 2021. The next revaluation will occur during the year ending 30 June 2024.

Note 5 Expenses

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

5.1 Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

a Employee expenses

	2023 \$'000
Wages and salaries	9 601
Annual leave	899
Long service leave	24
Sick leave	356
Superannuation expenses – defined contribution and benefits schemes	1 448
Transfer of schemes	4 878
Other employee expenses – recruitment & staff development	298
Other employee expenses – other staff allowances	17
Total	17 521

Superannuation expenses relating to defined benefit schemes relate to payments into the Public Account. The amount of the payment is based on a department contribution rate determined by the Treasurer, on the advice of the State Actuary. The departmental contribution rate is deemed to apply to Homes Tasmania. The current department contribution is 12.95 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 10.5 per cent of salary. In addition, government entities are also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent of salary in respect of employees who are members of contribution schemes.

Other staff allowances relate to staff travel allowances and staff accommodation allowances.

b Remuneration of key management personnel

The following were key management personnel of Homes Tasmania at any time during the reporting period.

	Short-term benefits			Long-term benefits			Total
	Salary ¹ \$'000	Other Benefits ² \$'000	Superann- uation ³ \$'000	Other Benefits and Long-Service Leave ⁴ \$'000	Termination Benefits ⁵ \$'000	\$'000	
1 December 2022 - 30 June 2023							
Key management personnel							
Adair, Michele - Chair and Director Homes Tasmania Board	33	-	3	-	-	36	
Witte, Ellen - Director Homes Tasmania Board	18	-	2	-	-	20	
Gourlay, Timothy M - Director Homes Tasmania Board	17	-	2	-	-	19	
Lamb, Daryl G - Director Homes Tasmania Board	18	-	2	-	-	20	
Spizzo, Alice A - Director Homes Tasmania Board	18	-	2	-	-	20	
Pradolin, Robert - Director Homes Tasmania Board	17	-	2	-	-	19	
Morgan-Thomas, Eleri S - Chief Executive Officer from 06/03/2023)	92	77	10	2	-	181	
Acting Key management personnel							
White, Peter L - Chief Executive Officer (01/12/2022 until 05/03/2023)	66	7	8	(7)	-	74	
Total	279	84	31	(5)	-	389	

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Homes Tasmania, directly or indirectly.

Remuneration during the reporting period for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long term employee expenses include long service leave and superannuation obligations.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

Notes:

- 1 Salary includes all forms of consideration paid and payable for services rendered and compensated absences during the period.
- 2 Other benefits include all other forms of non-salary benefits such as motor vehicles and parking, relocation costs, fringe benefit tax payable in respect of these benefits, payments in lieu of leave, annual leave movements and any other compensation paid or payable.
- 3 Superannuation means the contribution to the superannuation fund of the individual.
- 4 Other long-term benefits and long service leave include the movements in the long service leave balances.
- 5 Termination Benefits include accrued annual and long service leave entitlements and termination payments.

c Related party transactions

There are no material significant party transactions requiring disclosure.

5.2 Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Artwork, being assets with unlimited useful lives, are not depreciated.

The depreciable amount of improvements to or on leaseholds is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

Key estimate and judgement

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually.

Depreciation of Homes Tasmania's rental dwellings and community rental stock is based on a useful life of 50 years in accordance with the *State Housing Authority's Accounting Policies and Reporting Framework (March 1995)*. All other buildings are depreciated over their remaining useful life.

Depreciation of Homes Tasmania's service concession assets is based on the useful lives provided by the Office of the Valuer-General. Depreciation occurs over the expected useful life of each asset.

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by Homes Tasmania.

a Depreciation

	Major depreciation period	2023 \$'000
Plant and equipment	2-20 years	601
Buildings	40-50 years	456
Rental dwellings	50 years	13 718
Community housing stock	50 years	780
Service Concession Assets buildings	29-105 years	8 518
Leasehold Improvements	3 years	45
Right-of-use assets	3-5 years	78
Total		24 196

b Amortisation

	Major depreciation period	2023 \$'000
Intangible assets	20 per cent	155
Total		155

5.3 Maintenance

	2023 \$'000
Maintenance	19 860
Total	19 860

5.4 Supplies and consumables

	2023 \$'000
Audit fees	85
Consultants	528
Insurance	17 477
Rates and charges	10 168
Property services and rental payments	1 700
Communications	423
Information technology	407
Travel, transport and vehicle leasing payments	234
Advertising and promotion	300
Client services	658
Other leasing and licencing costs	241
Equipment and furniture	1
Administration	255
Food production costs	4
Bureau Service charge	1 071
Service fees	617
Other supplies and consumables	267
Total	34 436

Audit fees paid or payable to the Tasmanian Audit Office for the audit of Homes Tasmania's financial statements were \$85 290.

Bureau Service Charge primarily represents payments to Department of Health for the provision of corporate services under a bureau service arrangement.

5.5 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when Homes Tasmania has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2023 \$'000
Affordable Housing Strategy Stage 2	5 540
Community Housing Growth Program	14 927
Extended Social Housing Program	239
Former CSHA Debt Funds	880
Homes Tasmania Capital Program	19
Supported Assistance Accommodation Program	13 637
Statewide Safe Spaces	1 399
Youth 2 Independence (Y2I) Homes	1 421
C19 - Private Rental Incentive Scheme	42
C19 - Housing and Homelessness Support	1 985
Other	2 270
Total Grants	42 359

Homes Tasmania provides supported accommodation assistance including crisis accommodation and related support for people who are experiencing homelessness or who are at imminent risk of becoming homeless and private rental support.

Grants under the Community Housing Growth Program reflect Homes Tasmania's agreed contribution towards new capital supply for social housing that is built by CHOs under agreement with Homes Tasmania.

5.6 Finance costs

All finance costs are expensed as incurred using the effective interest method.

Finance costs primarily include:

- interest on bank overdrafts and short term borrowings;
- interest on long term borrowings;
- interest on superannuation defined benefit plans; and
- Lease charges.

	Notes	2023 \$'000
Interest expense		
Interest on loans		385
Interest on superannuation defined benefit plans	7.5(b)	154
Total		539

Interest on loans refers to the accrued semi-annual coupon payments relating to the Forward Start bond loan provided by TASCORP. Please refer to note 7.3 for more information.

5.7 Other expenses

Other expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be reliably measured.

	2023 \$'000
Salary on-costs	252
Tasmanian Risk Management Fund premium	1 447
Other	5
Total	1 704

Note 6 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to Homes Tasmania and the asset has a cost or value that can be measured reliably.

6.1 Receivables

Homes Tasmania recognises receivables at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the reporting period when impaired, derecognised or through the amortisation process. Homes Tasmania recognises an allowance for expected credit losses for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

	2023 \$'000
Receivables	8 625
Less: Expected credit loss	(519)
Total	8 106
Comprised of	
Sales of goods and services (inclusive of GST)	8 064
Tax assets	42
Total	8 106
Settlement	
Settled within 12 months	8 106
Total	8 106
Transfer on administrative restructure on 1 December 2022	1 626
Increase during the reporting period	6 480
Carrying amount at end of reporting period	8 106

Tax assets refers to GST Receivable at 30 June 2023.

2023	
\$'000	
Reconciliation of movement in expected credit loss for receivables	
Carrying amount at 1 December	–
Amounts recovered during the year	(23)
Increase/(decrease) in provision recognised in profit or loss	542
Carrying amount at 30 June	519

For ageing analysis of the financial assets, refer to note 11.1.

6.2 Contract assets and liabilities

2023	Rental Revenue	Total
	\$'000	\$'000
Contract liabilities		
Balance as at 1 December 2022	–	–
Add: rental revenue	1 862	1 862
Balance as at 30 June 2023	1 862	1 862

Contract liabilities relate to Homes Tasmania rental revenue received in advance.

Disclosures for remaining performance obligations are not required due to the contract liability relating to rental revenue received in advance being less than 12 months (AASB15(120)).

6.3 Loan advances

Loan advances are borrowings provided to clients for the purchase of homes and are recognised as the balance of the outstanding principal less any impairment losses.

2023	
\$'000	
Loan advances	9 652
Less: Provision for impairment	(24)
Total	9 628
Settlement	
Settled within 12 months	5 418
Settled in more than 12 months	4 210
Total	9 628
Transfer on administrative restructure on 1 December 2022	1 106
Increase/(decrease) during the reporting period	8 522
Carrying amount at end of reporting period	9 628

Loan advances includes funding to CHOs and financial assistance provided by the Government to individual purchasers in the form of loans. The provision for impairment is the result of an audit undertaken by an external entity.

The majority of loan advances transferred on administrative restructure relate to individual purchasers. Loan advances during the reporting period primarily consist of financial assistance to the Migrant Resource Centre and funding to specific CHOs under the Community Housing Growth Program.

6.4 MyHome investments

Homes Tasmania holds investments via the MyHome Program.

MyHome investments are initially recorded at cost with any changes in the fair value being recorded as income or expenses in the Statement of Comprehensive Income. MyHome investments are not depreciated and are revalued on a biennial basis using information provided by the Valuer-General as detailed below.

	2023 \$'000
Transfer on administrative restructure on 1 December 2022	37 304
Add: Additions	18 734
Less: Disposals	(1 465)
	54 573
Less: Provision for impairment	(118)
Total	54 455
Settlement	
Settled in more than 12 months	54 455
Total	54 455

Homes Tasmania's MyHome investments were taken up at 1 December 2022 in accordance with final audited statements, noting associated values were based on the valuation dated 1 July 2021 by predecessor entity Housing Tasmania.

MyHome Investments are revalued biennially as at 1 July using a mix of valuations and/or updated suburb based indices adjustments. This revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years.

Therefore the next revaluation will occur during the year ending 30 June 2024.

Sixteen MyHome investments were disposed of during the period, and the relevant gain on sale of \$0.2 million is disclosed in Note 4.3.

6.5 Other financial assets

Other financial assets are held at fair value.

	2023 \$'000
Accrued revenue	263
Total	263
Settlement	
Settled within 12 Months	263
Total	263

6.6 Assets held for sale

Assets held for sale (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, fair value assets (or components of a disposal group) are remeasured in accordance with Homes Tasmania's policy. Upon initial classification to assets held for sale, assets are remeasured at the lower of carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write down from the carrying amount measured immediately before re-measurement to fair value less costs of disposal. Such assets are no longer amortised or depreciated upon being classified as held for sale.

a Carrying amount

	2023 \$'000
Transfer on administrative restructure on 1 December 2022	525
Land held for sale	
Add: Additions	5 256
Transfers between asset classes	7 989
Less: Disposals	(57)
Less: Estimated selling cost	(394)
Buildings held for sale	
Transfers between asset classes	447
Less: Estimated selling cost	(13)
Total	13 753
Settlement	
Settled within 12 Months	13 753
Total	13 753

Assets held for sale include residential dwellings from the public housing portfolio identified for sale as part of the ongoing Strategic Asset Management Plan (SAMP). Where appropriate, existing dwellings may be offered for sale to the sitting tenants supported by government programs such as the MyHome shared equity sales program or the Streets Ahead Assistance Program. All remaining properties are offered for sale through the open market, with all properties sold at a minimum of the market value as assessed by the Valuer-General. Capital sales proceeds are applied to both operational and capital business priorities, including asset-based payments.

Land and building disclosures represent activity net of new listings and sales.

The recognised fair value of non financial assets is classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements.

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

b Fair value measurement of Assets held for sale (including fair value levels)

2023	Carrying value at	Fair value measurement at end of reporting period		
	30 June \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	13 319	–	13 319	–
Buildings	434	–	434	–
Total	13 753	–	13 753	–

6.7 Property, plant and equipment

Key estimate and judgement

(i) Valuation basis

Land is recorded at fair value and is not depreciated. Buildings, rental dwellings and community housing stock are recorded at fair value less accumulated depreciation. All other non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or being occupied.

The recognised fair value of non financial assets is classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements.

Level 1 the fair value is calculated using quoted prices in active markets;

Level 2 the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to Homes Tasmania and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(iii) Asset recognition threshold

The asset capitalisation thresholds adopted by Homes Tasmania are:

Plant, equipment, and vehicles	\$10 000
Leasehold improvements	\$10 000
Land and buildings	\$10 000
Rental dwellings	\$10 000
Community housing stock	\$10 000
Intangibles	\$50 000
Artwork	\$10 000

Assets valued at less than \$10 000 (or \$50 000 for intangible assets) are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

Homes Tasmania's Land and Building assets were revalued independently by the Valuer-General of Tasmania as at 30 June 2023. These assets were valued in accordance with the Australian Accounting Standards (AASB 116 *Property, Plant and Equipment*) and Treasurer's Instructions (TI 303 and TI 206).

Revaluations are shown on a gross basis where a replacement cost basis of valuations has been used. Asset revaluations based on a market basis are disclosed on a net basis; however Homes Tasmania has endeavoured to obtain replacement cost valuations where possible to enable gross values to be disclosed.

Homes Tasmania's Rental Dwellings and Community Housing stock (excluding vacant land) were taken up at 1 December 2022, noting values were based on the valuation dated 1 July 2021. This valuation was undertaken by the predecessor entity Housing Tasmania.

These assets are revalued biennially as at 1 July using a mix of valuations and/or updated suburb based indices adjustments, based on a six year rolling cycle. This revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years.

Therefore, the next revaluation will occur during the year ending 30 June 2024, noting that this coincides with an update in the valuation methodology for this class of assets.

Vacant land was revalued this year in accordance with valuation cycles.

Impairment losses of a revalued asset are treated as a revaluation decrease in accordance with the revaluation model in AASB 116. That is, the loss is recognised in other comprehensive income to the extent that the loss does not exceed the amount in the revaluation surplus for that same asset. Any remaining loss is recognised in the net operating result.

(v) Service concession assets

Homes Tasmania has taken on service concession assets as at 1 December 2022, with associated values based on the valuation at 30 June 2021, and adopted AASB 1059 *Service Concession Arrangements: Grantors*.

These assets have been revalued by the OVG this financial year with valuations dated 30 June 2023.

Service concession arrangements are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

Initial recognition

Homes Tasmania recognises a service concession asset when it controls the asset. Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of Homes Tasmania, the asset is recognised at current replacement cost based on AASB 13 *Fair Value Measurement* principles.

Where an asset is an existing asset of Homes Tasmania, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference between the previous carrying amount and current replacement cost is recognised as if it is a revaluation of the asset.

Subsequent to initial recognition

Subsequent to the initial recognition or reclassification. The service concession asset is measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 *Property, Plant and Equipment* and AASB 136 *Impairment of Assets*.

At the end of the arrangement

At the end of the service concession arrangement Homes Tasmania accounts for the asset in accordance with Australian Accounting Standards, reclassifying the asset based on its nature and function. The asset fair value reverts from the mandated current replacement cost under AASB 1059, to the appropriate approach under AASB 13. The asset is derecognised when the entity loses control of the asset in accordance with AASB 116.

a Carrying amount

	2023 \$'000
Land	
Vacant land at fair value	74 796
Land at fair value	15 962
Total Land	90 758
Buildings	
Buildings at fair value	36 830
Total buildings	36 830
Rental dwellings	
Rental dwellings buildings at fair value	1 185 460
Less: Accumulated depreciation	(13 716)
Total Rental Dwellings Buildings	1 171 744
Rental dwellings land at fair value	680 309
Total rental dwellings	1 852 053
Community housing stock	
Community housing buildings at fair value	80 218
Less: Accumulated depreciation	(780)
Total Community housing stock buildings	79 438
Community housing land at fair value	15 317
Total community housing stock	94 755
Plant, equipment and vehicles	
At cost	10 414
Less: Accumulated depreciation	(601)
Total plant, equipment and vehicles	9 813
Leasehold Improvements	
At cost	96
Less: Accumulated depreciation	(45)
Total Leasehold Improvements	51
Total plant, equipment, vehicles and Leasehold Improvements	9 864
Work in progress	
Buildings	83 896
Total work in progress	83 896
Total Property, plant and equipment	2 168 156

b Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

	Community housing stock Level 2 \$'000	Rental Dwellings Level 2 \$'000	Land Level 2 \$'000	Buildings Level 3 \$'000	Plant, equipment, vehicles and Leasehold Improvements \$'000	Works in progress \$'000	Total \$'000
Carrying value at 1 December							
Net transfers through restructuring	77 814	1 817 638	42 692	34 535	4 345	90 169	2 067 193
Additions	-	-	-	-	-	93 921	93 921
Contribution received	5 000	-	-	-	-	-	5 000
Cost adjustment	-	(6 468)	-	-	-	-	(6 468)
Disposals	-	(1 220)	-	(127)	-	-	(1 347)
<i>Gains/losses recognised in operating result</i>							
Revaluation increments (decrements)	-	-	(259)	(1 433)	-	-	(1 692)
<i>Gains/losses recognised in other comprehensive income</i>							
Revaluation increments (decrements)	171	-	35 548	4 443	-	-	40 162
Assets held for sale	-	-	(7 989)	(447)	-	-	(8 436)
Transfers between classes	1 117	(1 964)	(1 935)	(1 738)	-	-	(4 520)
WIP transfers	11 433	57 785	22 701	2 053	6 165	(100 137)	-
WIP expensed	-	-	-	-	-	(57)	(57)
Depreciation	(780)	(13 718)	-	(456)	(646)	-	(15 600)
Carrying value at 30 June	94 755	1 852 053	90 758	36 830	9 864	83 896	2 168 156

The contribution received relates to a property that was transferred to Homes Tasmania by the Department for Education, Children and Young People. Please refer to note 3.4.

The cost adjustment relates to a correction to asset values reported under the former Department of Communities Tasmania. There is a contra adjustment reported under Service Concession Assets at Note 6.8(b). The net effect is Nil.

Transfers between classes primarily relate to vacant land transfers to Service Concession Assets (refer Note 6.8b) in support of housing development by CHOs in agreement with Homes Tasmania.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. It is based on the principle of exit price, and refers to the price an entity expects to receive when it sells an asset, or the price an entity expects to pay when it transfers a liability.

Valuation techniques used to measure fair value seek to maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Valuation techniques are classified based on the level of use of observable versus unobservable inputs as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

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 inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available.

c Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Buildings	36 830	A - Construction costs B - Age and condition of asset C - Remaining useful life	When valuing these assets, their existing and alternative uses are taken into account by valuers. As a result, it is unlikely that alternative values will arise unless there are changes in known inputs.	Tasmanian construction indexes have been extremely volatile resulting in a significant escalation in cost and value reflected in the 30 June 2023 Fair Value revaluation. Design and useful lives are reviewed regularly but generally remain unchanged. As a result, it is unlikely that significant variations in values will arise in the short term.

6.8 Service Concession Assets

a Carrying amount

	2023 \$'000
Service Concession Assets land at fair value	695 857
Service Concession Assets buildings at fair value	1 695 972
Less: Accumulated depreciation	(453 966)
Total Service Concession Assets buildings	1 242 006
Service Concession Assets buildings Work in progress	6 179
Total Service Concession Assets	1 944 042

Based on Homes Tasmania's assessment, the following arrangements fall in scope of AASB 1059:

Name of Service concession arrangement	Period	Terms of arrangement	Rights & obligations	Changes in arrangement during current year	Changes in arrangement during prior year	Carrying amount of arrangement 30 June 2023 \$'000
Community Housing Grants and Growth Programs	40 years from date of signing.	CHOs build properties on behalf of Homes Tasmania under Ground Lease Agreements. Homes Tasmania contribute to the construction costs via grant payments. Homes Tasmania holds the title to these properties. Dwellings retained for social housing with the CHOs being responsible for tenancy management.	Agreements include mandatory requirements including: *rent-setting methodology; *housing priority applicants; *retention of use for 30 years; and ongoing maintenance.	No major policy changes aside from capitalisation of assets.	Nil.	1 944 042
Total						1 944 042

b Reconciliation of movements

2023	Land Level 3 \$'000	Buildings Level 3 \$'000	Works in progress \$'000	Total \$'000
Carrying amount at 1 December	–	–	–	–
Net transfers through restructuring	491 501	970 163	15 278	1 476 942
Homes Tasmania funding contribution	–	–	10 179	10 179
CHOs funding contribution	–	–	31 422	31 422
Cost adjustment	1 068	5 400	–	6 468
Disposals	(90)	(2 021)	–	(2 111)
<i>Gains/losses recognised in operating result</i>				
Revaluation increments (decrements)	(2 002)	(5 688)	–	(7 690)
<i>Gains/losses recognised in other comprehensive income</i>				
Revaluation increments (decrements)	199 851	232 979	–	432 830
Transfers between asset classes	5 529	(1 009)	–	4 520
WIP transfers	–	50 700	(50 700)	–
Depreciation	–	(8 518)	–	8 518)
Carrying amount at 30 June	695 857	1 242 006	6 179	1 944 042

The CHOs funding contribution relates to the estimated CHOs' contribution towards construction costs. Please refer to note 7.6.

The cost adjustment relates to a correction to asset values reported under the former Department of Communities Tasmania. There is a contra adjustment reported under rental dwellings at Note 6.7(b). The net effect is Nil.

Transfers between classes primarily relates to the commissioning of new assets built under agreement with CHOs. The transfers are vacant land lots that are under ground lease arrangements with the relevant CHOs, supporting the supply of affordable housing.

6.9 Right-of-use assets

AASB 16 requires Homes Tasmania to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Homes Tasmania has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Finance General has substantive substitution rights over the assets and leases for which the underlying asset is of low value. Substantive substitution rights relate primarily to major office accommodation and the motor vehicle fleet. An asset is considered low value when it is expected to cost less than \$10 000.

Right-of-use assets are depreciated over the shorter of the assets useful life and the term of the lease. Where Homes Tasmania obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that Homes Tasmania will exercise a purchase option, Homes Tasmania depreciates the right-of-use asset over its useful life.

2023	Buildings \$'000	Total \$'000
Carrying value at 1 December	–	–
Net transfers through restructuring	212	212
Depreciation	(78)	(78)
Carrying value at 30 June	134	134

6.10 Intangible assets

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to Homes Tasmania; and
- the cost of the asset can be reliably measured.

Intangible assets held by Homes Tasmania are valued at fair value less any subsequent accumulated amortisation and any subsequent accumulated impairment losses where an active market exists. Where no active market exists, intangible assets held by Homes Tasmania are valued at cost less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Intangible assets with a finite useful life held by Homes Tasmania principally comprise computer software.

a Carrying amount

	2023 \$'000
Intangible assets with a finite useful life	
Other non-current assets at cost	533
Less: Accumulated amortisation	(155)
Total	378
Capital work in progress	1 134
Total intangible assets	1 512

b Reconciliation of movements

	2023 \$'000
Carrying amount at 1 December	–
Net transfers through restructuring	888
Work in progress at cost	807
WIP expensed	(28)
Amortisation	(155)
Carrying amount at 30 June	1 512

6.11 Other assets

Other assets, which consists of prepayments, are valued at cost due to the short timeframe over which the benefits embodied in the asset will be utilised.

a Carrying amount

	2023 \$'000
Other current assets	
Prepayments	82
Total	82
Recovered within 12 months	82
Total	82

b Reconciliation of movements

	2023 \$'000
Carrying amount at 1 December	–
Additions	82
Carrying amount at 30 June	82

Note 7 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when Homes Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.

	2023 \$'000
Creditors	10 808
Accrued debt servicing	700
Other accrued expenses	15 329
Total	26 837
Settled within 12 months	26 837
Total	26 837
Transfer on administrative restructure on 1 December 2022	3
Increase/(decrease) during the reporting period	26 834
Carrying amount at end of reporting period	26 837

Accrued debt servicing relates to the coupon payment to TASCORP in accordance with the loan agreement. Please note that the reporting of this payment has been apportioned between expenditure and work-in-progress. This is in accordance with Homes Tasmania's debt management policy, which states that interest will be capitalised for Homes Tasmania managed stock where applicable. Please refer to Note 7.3. for further details on related to borrowings.

Other accrued expenses predominantly includes Homes Tasmania outstanding insurance claims of \$10.3 million, TasWater rates of \$1.2 million and work order and maintenance management fees raised in July 2023 but related to June 2023 of \$0.6 million.

Settlement is usually made within 30 days.

7.2 Lease liabilities

A lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined, the Tascorp indicative lending rate including the relevant administration margin is used.

Homes Tasmania has elected not to recognise right-of-use assets and lease liabilities arising from short term leases, rental arrangements for which Finance-General has substantive substitution rights over the assets and leases for which the underlying asset is of low value. Substantive substitution rights relate primarily to major office accommodation and motor vehicle fleet. An asset is considered low value when it is expected to cost less than \$10 000.

Homes Tasmania has entered into the following leasing arrangements:

Class of right of use asset	Details of leasing arrangements
Buildings	The use of the buildings is for office accommodation. The lease payments vary in accordance with CPI and there are options for lease extensions.
2023 \$'000	
Current	
Lease liabilities	138
Total	138
Transfer on administrative restructure on 1 December 2022	138
Carrying amount at end of reporting period	138

Maturity analysis of lease liabilities

	2023 \$'000
One year or less	138
Total	138

The lease liability in the maturity analysis is presented using undiscounted contractual amounts before deducting finance charges.

7.3 Borrowings

Loans are measured at the principal amount. Interest is charged as an expense as it accrues over the life of the loan and reported in the Statement of Comprehensive Income as part of finance costs.

	2023 \$'000
Loans from TASCORP Borrowings	60 641
Total	60 641

The entity has an external loan facility of \$60.6 million with a maximum borrowing term of 11 years with TASCORP. This loan supports the Government's plan to deliver more homes faster for vulnerable Tasmanians, including the delivery of 10 000 new social and affordable homes by 2032.

The 2023-24 coupon component of the above loan is reported under Note 7.1 Payables.

7.4 Employee benefit liabilities

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2023 \$'000
Accrued salaries	351
Annual leave	1 749
Long service leave	2 624
Other employee benefits	37
Total	4 761
Expected to settle wholly within 12 months	1 883
Expected to settle wholly after 12 months	2 878
Total	4 761
Transfer on administrative restructure on 1 December 2022	4 328
Increase/(decrease) during the reporting period	433
Carrying amount at end of reporting period	4 761

Other employee benefits are comprised of Purchased Leave and State Service Accumulated Leave Scheme entitlements.

7.5 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

With the exceptions noted below, Homes Tasmania does not recognise a liability for the accruing superannuation benefits of State Service employees. This liability is held centrally within Government and is recognised within the Finance-General Division of the Department of Treasury and Finance.

Key estimate and judgement

Homes Tasmania's superannuation obligations, in respect of the contributory service of current and past government employees, are recognised at the latest actuarial assessment of the members' entitlements, net of scheme assets. The valuation is determined by discounting to present value, the gross benefit payments at a current, market-determined, risk-adjusted discount rate appropriate to the respective plan.

Actuarial gains or losses arising from the actuarial revaluation of Homes Tasmania superannuation liabilities are recognised in the Statement of Comprehensive Income.

a Type of plan

Homes Tasmania Superannuation Provision

Homes Tasmania is required to meet the emerging cost of pension payments paid in respect of retired employees, where those employees had a superannuation entitlement that accrued before 1 July 1994.

Members of the Contributory Scheme receive lump sum or pension benefits on retirement, death, invalidity or upon reaching preservation age after resignation. The Contributory Scheme is closed to new members.

The Scheme operates under the Public Sector *Superannuation Reform Act 2016*.

The Superannuation Commission has fiduciary responsibility for, and oversees the administration of, the Scheme. The daily running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

There are a number of risks to which the Scheme exposes Homes Tasmania. The more significant risks relating to the defined benefits are:

- Inflation risk - The risk is that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.
- Pensioner mortality risk - The risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The State Actuary undertook a revaluation of the present value of the benefit obligation and the fair value of the plan assets as at 30 June 2023 using the process outlined in AASB 119 *Employee Benefits* issued on September 2011. As a result of the revaluation it was determined that Homes Tasmania Superannuation Provision was in deficit by \$5.096 million.

The valuation of the superannuation liability relates to the entitlements that accrued before 1 July 1994 for current employees of Homes Tasmania who are members of the Retirement Benefits Fund Contributory Scheme and former employees who were either contributors or non-contributors and who have retained benefits or are current pensioners.

b Reconciliation of movements in present value of superannuation liability

	Total Liability 2023 \$'000
Balance at 1 December	–
Included in profit or loss	
Interest cost	154
Past service cost	4 878
	5 032
Included in other comprehensive income	
<i>Re-measurement loss (gain):</i>	
Actuarial loss (gain)	342
Actuarial gains/(losses)	342
Other	
Employer contributions	(278)
	(278)
Balance at 30 June	5 096

c Plan assets at fair value

Homes Tasmania Superannuation Provision does not have any plan assets due to members being part of the RBF Contributory Scheme.

d Key actuarial assumptions

	Homes Tasmania Superannuation Provision 2023 %
Assumptions to Determine Defined Benefit Cost	
Discount rate	5.60
Future rate of salary increases	4.00
Future rate of increase of compulsory preserved amounts	4.00
Inflation (pension)	5.50

Assumptions to Determine Defined Benefit Obligation

Discount rate	5.70
Future rate of salary increases	4.00
Future rate of increase of compulsory preserved amounts	4.00
Inflation (pension)	5.50

As at 30 June 2023 the weighted average duration of the defined benefit obligation for Homes Tasmania was 8.4 years.

e Sensitivity analysis

Homes Tasmania Superannuation Provision

The defined benefit obligation as at 30 June 2023 is presented below under several scenarios.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

Scenario A: 1.0% pa lower discount rate assumption

Scenario B: 1.0% pa higher discount rate assumption

Scenario C: 1.0% pa lower than expected pension increase rate assumption

Scenario D: 1.0% pa higher than expected pension increase rate assumption

Defined benefit obligation	Base Case	Scenario A -1% pa discount rate	Scenario B +1% pa discount rate	Scenario C -1% pa pension increase rate	Scenario D +1% pa pension increase rate
Discount rate (% pa)	5.70	4.70	6.70	5.70	5.70
Pension increase rate (% pa)	2.50	2.50	2.50	1.50	3.50
Defined benefit obligation (A\$'000s)	5.096	5.534	4.718	4.726	5.519

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

f Funding arrangements

Contributions to Homes Tasmania Superannuation Provision in respect of defined benefit schemes are made on an emerging cost basis.

Homes Tasmania expects to make a contribution of \$523 000 for Homes Tasmania Superannuation Provision during the next financial year.

7.6 Unearned revenue - Grant of a right to operate liability under service concessions

CHOs construct social housing under ground lease agreements with Homes Tasmania, noting that Homes Tasmania contributes to the construction costs via grant payments. Unearned revenue - Grant of a right to operate liability under service concessions represents the CHOs contribution towards the construction costs of the same properties noting that the CHOs are compensated for this contribution by retaining the rental revenue from same properties over the period of the agreement.

	2023 \$'000
Unearned revenue - Grant of a right to operate liability under service concessions	46 847
Settled within 12 months	1 217
Settled in more than 12 months	45 630
Total	46 847
Transfer on administrative restructure on 1 December 2022	16 463
Increase/(decrease) during the reporting period	30 384
Carrying amount at end of reporting period	46 847

7.7 Other liabilities

Other liabilities and other financial liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

	2023 \$'000
Other liabilities	
Employee benefit liabilities – on-costs	26
Payroll accrual	158
Other liabilities	15
Total	199
Settled within 12 months	182
Settled in more than 12 months	17
Total	199
Transfer on administrative restructure on 1 December 2022	140
Increase/(decrease) during the reporting period	59
Carrying amount at end of reporting period	199

Other liabilities refers to GST at settlement.

Note 8 Commitments and Contingencies

8.1 Schedule of commitments

Commitments represent those contractual arrangements entered by Homes Tasmania that are not reflected in the Statement of Financial Position.

Leases are recognised as right-of-use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2023 \$'000
By Type	
Capital commitments	
Capital works	136 973
TASCORP borrowing coupon payments	12 672
Total Capital commitments	149 645
Commitments held with Finance-General	
Major office accommodation	4 857
Motor vehicle fleet (base usage charge)	53
Total Commitments held with Finance-General	4 910
Other commitments	
Miscellaneous grants	164 249
TASCORP borrowing coupon payments	15 489
Total other commitments	179 738
Total	334 293
By Maturity	
Capital commitments	
One year or less	99 386
From one to five years	43 018
More than five years	7 241
Total capital commitments	149 645
Commitments held with Finance-General	
One year or less	850
From one to five years	2 355
More than five years	1 705
Total Commitments held with Finance-General	4 910

Other commitments	
One year or less	56 501
From one to five years	114 386
More than five years	8 851
Total other commitments	179 738
Total	334 293

Capital Commitments (GST Inclusive)

This relates to the capital projects that are managed by Homes Tasmania, noting that the entity has capital commitments across a range of programs, including the Community Housing Growth Program and activity funded from the waiver of the former Commonwealth State Housing Agreement debt.

Major office accommodation (GST Inclusive)

Homes Tasmania leases a range of properties/tenancies around the State for service delivery purpose.

Motor vehicle fleet (base usage charge)

The Government Motor Vehicle Fleet is managed as part of a Whole-of-Government arrangement with the Department of Treasury and Finance as lessor. Lease payments vary according to the type of vehicle and, where applicable, the price received for trade-in vehicles. Lease terms for the majority of existing vehicles are for a period of three years or 60 000 km's, whichever comes first, with no change to the lease rate. No restrictions or purchase options are contained in the lease.

Miscellaneous Grants (GST Inclusive)

This relates to grants provided to CHOs for both the construction of social housing under agreement with the entity and for the provision of homelessness services.

8.2 Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position due to uncertainty regarding any possible amount or timing of any possible underlying claim or obligation.

a Quantifiable contingencies

A quantifiable contingent asset is any possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A quantifiable contingent liability is any possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or any present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. To the extent that any quantifiable contingencies are insured, details provided below are recorded at net value.

Quantifiable contingent liabilities*Contingent claims*

Legal Claims	83
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Total quantifiable contingent liabilities	83
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Quantifiable contingent assets**Community housing properties**

Transfer on administrative restructure on 1 December 2022	11 807
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Less accumulated depreciation	(80)
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Better Housing Futures properties

Transfer on administrative restructure on 1 December 2022	333
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Total quantifiable contingent assets	12 060
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Legal Claims

At 30 June 2023, Homes Tasmania had \$0.083 million in legal claims against it for other liability claims.

Community Housing properties

Quantifiable contingent assets represent assets that are currently not under the control of Homes Tasmania but it is probable that control will return to Homes Tasmania in the future.

These assets were taken up at 1 December 2022, noting values were based on the valuation dated 1 July 2021. This valuation was undertaken by the predecessor entity Housing Tasmania.

Quantifiable contingent assets are dwellings for which the legal title is retained by Homes Tasmania, however some components of tenancy and property management have been transferred to CHOs. Most of these assets fall under older legacy agreements.

These assets (excluding vacant land) are revalued biennially as at 1 July using a mix of valuations and/or updated suburb based indices adjustments, based on a six year rolling cycle. This revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years.

These assets were revalued on 1 July 2021 under the former Housing Tasmania. The next revaluation will be undertaken during the year ending 30 June 2024, noting that there will be a change in valuation methodology.

Better Housing Futures properties

The majority of the assets under this agreement have transferred to the Community Housing Growth Program in previous reporting periods and are reported as SCAs. However, some of the components of the former BHF agreement are still active, including the potential transfer of vacant land blocks to relevant CHOs.

Note 9 Reserves

9.1 Reserves

2023	Service Concession Assets \$'000	Community housing stock \$'000	Land \$'000	Buildings \$'000	Total \$'000
Asset revaluation reserve					
Balance at beginning of reporting period	–	–	–	–	–
Revaluation increments	432 829	171	35 548	4 442	472 990
Balance at the end of reporting period	432 829	171	35 548	4 442	472 990

a Nature and purpose of reserves

Asset revaluation reserve

The Asset revaluation reserve is used to record increments and decrements on the revaluation of non-financial assets, as described in Notes 6.7 and 6.8.

9.2 Contributed capital

	2023 \$'000
Contributed capital	
Administrative restructure - net assets received / (contributed capital transferred)	3 564 723
Balance at the end of reporting period	3 564 723

Note 10 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in Specific Purpose Accounts, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

10.1 Cash and cash equivalents

Cash and cash equivalents include the balance of Homes Tasmania's cash at bank, and petty cash advances.

	2023 \$'000
Cash at bank	87 018
Petty cash advances	1
Total cash and cash equivalents	87 019

10.2 Reconciliation of Net result to Net cash from operating activities

	2023 \$'000
Net result	103 398
Depreciation and amortisation	24 351
Recognition of assets as a result of stocktake/donations	(5 000)
Capital grants income	(33 889)
WIP expensed	85
Accrued interest payable	385
Net gain/(loss) on non-financial assets	12 381
Other gain/(loss)	(91)
Decrease (increase) in Receivables	(6 481)
Decrease (increase) in Other assets	(345)
Increase (decrease) in Employee benefit liabilities	433
Increase (decrease) in Superannuation	4 754
Increase (decrease) in Payables	26 449
Increase (decrease) in Contract liabilities	1 862
Increase (decrease) in Other liabilities	19
Net cash from/(used by) operating activities	128 311

10.3 Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

2023	Lease liabilities \$'000
Balance as at 1 December 2022	138
Balance as at 30 June 2023	138

Note 11 Financial Instruments

11.1 Risk Exposures

a Risk management policies

Homes Tasmania has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk; and
- market risk.

The Board has overall responsibility for the establishment and oversight of Homes Tasmania's risk management framework. Risk management policies are established to identify and analyse risks faced by Homes Tasmania, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

b Credit risk exposures

Credit risk is the risk of financial loss to Homes Tasmania if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		
Loans and Receivables	<p>Loans and Receivables are recognised at the nominal amounts due, less any provision for impairment.</p> <p>Collectability of debts is reviewed on a monthly basis. Provisions are made when the collection of the debt is judged to be less rather than more likely.</p>	<p>Receivables credit terms are generally 45 days.</p> <p>Loan advances are secured by a mortgage and/or a ground lease over real property.</p>
MyHome investments	<p>MyHome Investments are recognised at Homes Tasmania's proportional share of the fair value of the underlying property value, less any provision for impairment.</p> <p>These investments are revalued on a biennial basis.</p>	<p>MyHome investments credit terms require the repayment of Homes Tasmania's MyHome interest in a land and building asset, in cash, within a maximum term of 30 years.</p>
Other financial assets	<p>Other financial assets are recognised at the nominal amounts due, less any provision for impairment.</p>	<p>Other financial assets credit terms are generally 45 days.</p>
Cash and cash equivalents	<p>Cash and cash equivalents are recognised at face value.</p>	<p>Cash means notes, coins and any short-term deposits held at call with a bank or financial institution.</p>

Homes Tasmania does not hold any security instrument for its cash and deposits, other financial assets and receivables.

Loan advances are secured by a mortgage over real property. MyHome investments represent Homes Tasmania's interest in land and building assets sold to clients and payable in cash within 30 years. The MyHome investments are revalued on a biennial basis.

No credit terms on any Homes Tasmania's financial assets have been renegotiated.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents Homes Tasmania's maximum exposure to credit risk without taking into account any collateral or other security.

Receivables age analysis - expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June 2023 are as follows.

Sundry Receivables

Expected credit loss analysis of receivables as at 30 June 2023						
	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due >91+ days \$'000	Total \$'000
Expected credit loss rate (A)	0.0003	0.0020	0.0049	0.0049	0.0049	0.0021
Total gross carrying amount (B)	5 157	160	1 744	1 185	519	8 765
Expected credit loss (A x B)	2	–	8	6	3	19

Homes Tasmania Rental Receivables

Expected credit loss analysis of receivables as at 30 June 2023						
	Not past due \$'000	Past due 1-30 days \$'000	Past due 31-60 days \$'000	Past due 61-90 days \$'000	Past due >91+ days \$'000	Total \$'000
Expected credit loss rate (A)	–	–	–	–	0.3293	0.3293
Total gross carrying amount (B)	–	–	–	–	1 519	1 519
Expected credit loss (A x B)	–	–	–	–	500	500

Homes Tasmania pursue recovery for a minimum of 90 days and would not consider a write-off within that time as per management policy. Therefore, the disclosure of the expected credit loss is all "past due > 90 days".

Homes Tasmania also retains a record of the debt and if a client represents they are required to pay a minimum of 80 per cent of the existing debt prior to re-housing.

c Liquidity risk

Liquidity risk is the risk that Homes Tasmania will not be able to meet its financial obligations as they fall due. The entity maintains a rolling 12 month cash flow budget, maintaining minimum cash reserves at a level sufficient to satisfy short term financial liabilities and commitments and reviewing debt renewal options.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period equates to face value, when Homes Tasmania becomes obliged to make future payments as a result of a purchase of assets or services.	Settlement is usually made within 30 days.
Borrowings	Loans are measured at the principal amount. Interest is charged as an expense as it accrues over the life of the loan and reported in the Statement of Comprehensive Income.	Contractual payments are made in accordance with contractual terms.
Other financial liabilities	Other financial liabilities are recognised at amortised cost, which due to the short settlement period equates to face value, when Homes Tasmania becomes obliged to make payments as a result of the purchase of assets or services. Homes Tasmania regularly reviews budgeted and actual cash outflows to ensure that there is sufficient cash to meet all obligations.	Settlement is usually made within 30 days.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by Homes Tasmania by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2023	1 Year \$'000	2 Years \$'000	3 Years \$'000	4 Years \$'000	5 Years \$'000	More than 5 Years \$'000	Undis- counted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	26 837	–	–	–	–	–	26 837	26 837
Borrowings	641	–	–	–	–	60 000	60 641	60 641
Other financial liabilities	1 862	–	–	–	–	–	1 862	1 862
Total	29 340	–	–	–	–	60 000	89 340	89 340

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. The primary market risk, that Homes Tasmania is exposed to, is interest rate risk.

Homes Tasmania currently has the majority of its financial liabilities at fixed interest rates with the effect that any exposure to movements in interest rates is minimised. The net fair value of cash, investments, trade receivables and trade and other payables are determined by valuing them at their carrying amounts. Due to their short-term maturity, their carrying amounts approximate their fair values.

The major exposure for the entity is its long-term borrowings, all of which are all borrowed at fixed rates and so mitigating the exposure to price risk.

The net fair value of long-term borrowings is determined by valuing them at their carrying amount as the carrying amount approximates fair value.

At the reporting date, the interest rate profile of Homes Tasmania's interest bearing financial instruments was:

	2023 \$'000
Fixed rate instruments	
Financial assets	87 018
Financial liabilities	60 641
Total	147 659
Variable rate instruments	
Financial assets	9 628
Financial liabilities	–
Total	9 628

Sensitivity analysis of Homes Tasmania's exposure to possible changes in interest rate

Changes in variable rates of 100 basis points at reporting date would have the following effect on Homes Tasmania's profit or loss and equity.

This sensitivity is mitigated due to Homes Tasmania receiving state grant funding equivalent to the full estimated value of the debt service costs.

Sensitivity Analysis of Homes Tasmania's Exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000	100 basis points increase \$'000	100 basis points decrease \$'000
30 June 2023				
Financial assets	96	(96)	96	(96)
Net sensitivity	96	(96)	96	(96)

This analysis assumes all other variables remain constant.

11.2 Categories of financial assets and liabilities

	2023 \$'000
Financial assets	
Cash and cash equivalents	87 019
Loans and receivables	17 997
MyHome investments	54 455
Total	159 471
Financial Liabilities	
Payables	26 837
Borrowings	60 641
Contract liabilities	1 862
Total	89 340

11.3 Derecognition of financial assets

No derecognition of Financial Assets occurred during the reporting period.

11.4 Comparison between carrying amount and net fair value of financial assets and liabilities

	Carrying Amount 2023 \$'000	Net Fair Value 2023 \$'000
Financial assets		
Cash at bank	87 018	87 018
Petty cash advances	1	1
Other financial assets		
Receivables	8 106	8 106
Loan advances	9 628	9 628
MyHome investments	54 455	54 455
Other	263	263
Total financial assets	159 471	159 471
Financial liabilities (Recognised)		
Payables	26 837	26 837
Borrowings	60 641	60 641
Contract liabilities	1 862	1 862
Total financial liabilities (Recognised)	89 340	89 340

11.5 Net fair value of financial assets and liabilities

2023	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Total \$'000
Financial assets				
Cash at bank	87 018	–	–	87 018
Petty cash advances	1	–	–	1
Other financial assets				
Receivables	8 106	–	–	8 106
Loan advances	9 628	–	–	9 628
MyHome investments	54 455	–	–	54 455
Other	263	–	–	263
Total financial assets	159 471	–	–	159 471
Financial liabilities (Recognised)				
Payables	26 837	–	–	26 837
Borrowings	–	60 641	–	60 641
Contract liabilities	1 862	–	–	1 862
Total financial liabilities (Recognised)	28 699	60 641	–	89 340

The recognised fair values of financial assets and financial liabilities are classified according to the fair value hierarchy that reflects the significance of the inputs used in making these measurements. Homes Tasmania uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1* the fair value is calculated using quoted prices in active markets;
- Level 2* the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3* the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

a Transfer between categories

Homes Tasmania did not transfer any Financial Assets or Financial Liabilities between Level 1 and Level 2.

b Reconciliation of Level 3 fair value movements

Homes Tasmania does not have any Level 3 instruments.

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

The net fair values of MyHome investments are based on Homes Tasmania's interest in the underlying land and building assets. An active market exists for the underlying assets that provides for a reliable measurement of the fair value of the MyHome investment. The underlying Homes Tasmania land and building assets are revalued on a biennial basis using information provided by the Valuer-General.

The carrying amount of trade receivables is assumed to approximate its fair value due to its short-term nature.

Financial Liabilities

The net fair values of Borrowings are based on the outstanding value owed by Homes Tasmania and are approximated by their carrying amounts with interest recognised when incurred.

The net fair values for trade creditors are approximated by their carrying amounts.

Unrecognised Financial Instruments

The net fair values of indemnities are regarded as the maximum possible loss which Homes Tasmania faces while the indemnity remains current.

Note 12 Other Significant Accounting Policies and Judgements

12.1 Objectives and funding

Homes Tasmania's objectives are to work with government, industry, the private sector, and the social housing and homelessness sector to improve the housing market and provide more housing opportunities.

As Tasmania's housing and homelessness system manager, Homes Tasmania is structured to support access to affordable and appropriate housing across the entire housing continuum. This includes: short-term homeless accommodation and support; social housing including supported accommodation, public and community housing and specialist accommodation for vulnerable people; affordable housing including affordable land, affordable private rentals and affordable home ownership; and key worker and regional housing supply.

Homes Tasmania's activities are classified as controlled. and. involve the use of assets, liabilities, revenues and expenses controlled or incurred by Homes Tasmania in its own right.

Homes Tasmania is established under the *Homes Tasmania Act 2022*. Operating on a 'for-profit' basis, Homes Tasmania derives income from rental revenue, asset sales, borrowings from TASCORP and State Government funding. The financial statements encompass all funds through which Homes Tasmania controls resources to carry on its functions.

12.2 Basis of accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- *Homes Tasmania Act 2022*
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The Financial Statements were signed by the Accountable Authority on 28 September 2023.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

The Financial Statements have been prepared as a going concern. The continued existence of Homes Tasmania in its present form, undertaking its current activities, is dependent on Government policy and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Homes Tasmania's ability to continue as a going concern.

Homes Tasmania has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

12.3 Reporting entity

The Financial Statements include all the controlled activities of Homes Tasmania. The Financial Statements consolidate material transactions and balances of Homes Tasmania.

12.4 Functional and presentation currency

These Financial Statements are presented in Australian dollars, which is Homes Tasmania's functional currency.

12.5 Changes in accounting policies

a Impact of new and revised Accounting Standards

In the current reporting period, Homes Tasmania has not adopted any new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

12.6 Comparative figures

Given that 1 December 2022 - 30 June 2023 is the first period of the reporting entity comparative figures are not reported.

12.7 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero.

12.8 Taxation

Homes Tasmania is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

12.9 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Independent Auditor's report



Independent Auditor's Report
To the Members of Parliament
Homes Tasmania
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Homes Tasmania, which comprises the statement of financial position as at 30 June 2023 and statements of comprehensive income, changes in equity and cash flows for the period then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and the statement of certification signed by the Chair.

In my opinion, the accompanying financial report:

- (a) present fairly, in all material respects, the financial position of Homes Tasmania as at 30 June 2023 and its financial performance and its cash flows for the period then ended
- (b) is in accordance with the *Homes Tasmania Act 2022* and Australian Accounting Standards.

Basis for Opinion

I conducted the 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 Homes Tasmania in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of property and service concession assets <i>Refer to notes 6.7 and 6.8</i>	
<p>At 30 June 2023, Homes Tasmania’s property assets included vacant land, land, buildings, rental dwellings and community housing stock totalling \$2.07 billion and service concession assets totalling \$1.94 billion recognised at fair value.</p> <p>The fair value of these assets is based on market values and current replacement cost. Homes Tasmania undertakes formal revaluations on a regular basis and considers the need to apply indexation between valuations to ensure carrying values represent fair values.</p> <p>In 2022-23, Homes Tasmania revalued vacant land, land, buildings and service concession assets. In determining the value of these assets, Homes Tasmania exercises significant judgement and the valuations are highly dependent on a range of assumptions and estimates. For these reasons, the valuations are an area requiring particular audit focus.</p>	<ul style="list-style-type: none"> Assessing the scope, expertise and independence of experts involved in the valuations. Evaluating the appropriateness of the valuation methodology applied to determine fair values. Critically assessed assumptions and other key inputs into the valuation model. Reviewing, on a sample basis, the mathematical accuracy of the valuation model calculations. Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register. Evaluating the adequacy of relevant disclosures made in the financial report, including those regarding key assumptions used.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the financial reporting requirements of *Homes Tasmania Act 2022* and for such internal control as determined necessary to enable the preparation of the financial report that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing Homes Tasmania'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 Homes Tasmania is to be dissolved by an Act of Parliament, or the Board intends to cease operations, or has no realistic alternative but to do so.

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 the 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 Homes Tasmania's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Homes Tasmania'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Homes Tasmania 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 represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board 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.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, appearing to read 'D Bond', with a stylized flourish at the end.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

6 October 2023
Hobart

Homes Tasmania

Building homes,
creating communities.

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