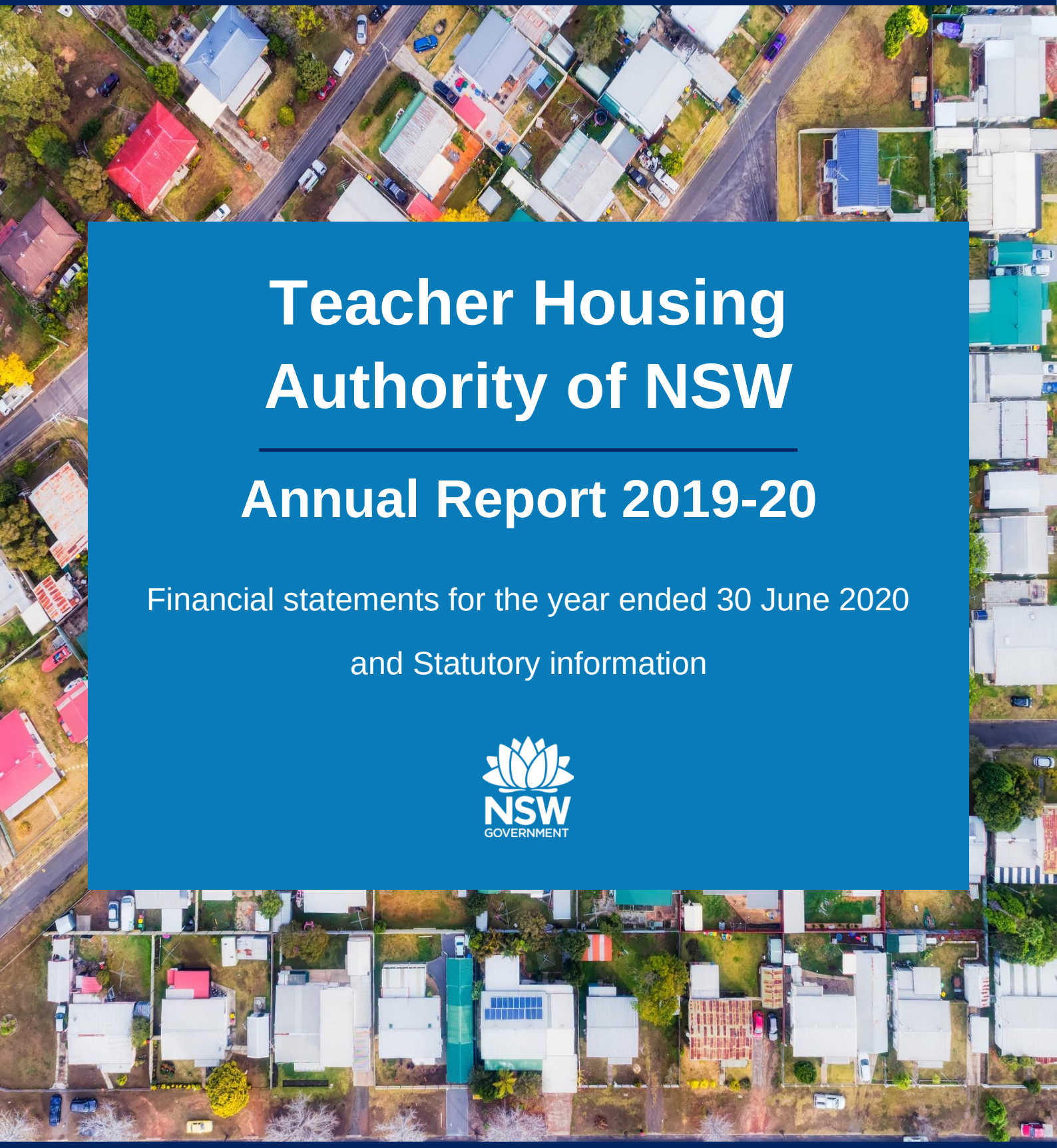

# Teacher Housing Authority of NSW

## Annual Report 2019-20

Financial statements for the year ended 30 June 2020

and Statutory information

NSW GOVERNMENT

Teacher Housing Authority of NSW
Level 4, 66 Harrington Street, Sydney NSW 2000
PO Box N408, Grosvenor Place NSW 1220
Tel 02 8276 8000 | www.dpie.nsw.gov.au/housing-and-property

The Hon Melinda Pavey MP
Minister for Water, Property and Housing
GPO Box 5341
SYDNEY NSW 2001

Dear Minister

**Teacher Housing Authority of NSW Annual Report 2019-20**

We are pleased to submit the Annual Report for Teacher Housing Authority of NSW, for the year ended 30 June 2020, for presentation to Parliament.

This report has been prepared in accordance with the Annual Reports (Statutory Bodies) Act 1984, the Public Finance and Audit Act 1983 and regulations under those Acts.

Yours sincerely

Adam Howarth
Chairperson
Teacher Housing Authority

Gregory Phipson
Director, Housing Services
Housing and Property Group

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## 1. Charter

The Teacher Housing Authority of New South Wales (THA) is a statutory corporation constituted under the *Teacher Housing Authority Act 1975* (the **'Act'**).

Under the Act, the principal objective of the THA is to provide and maintain suitable and adequate housing accommodation for teachers. The THA also:

- initiates, promotes, commissions and undertakes surveys and investigations into the housing needs of teachers;
- undertakes, promotes and encourages research into the design, construction and maintenance of housing suitable for teachers;
- plans the provision of a comprehensive and coordinated housing service for teachers throughout NSW (including rural and remote areas);
- provides, conducts, operates and maintains a housing service for teachers; and
- advises and makes reports and recommendations to the Minister in respect of matters relating to the housing of teachers.

## 2. Aims and objectives

The aims and objectives of the THA are to provide:

- a responsive, dependable, empathetic and competent service;
- a high standard of housing stock;
- a relevant and efficient organisation covering all aspects of tenancy service and asset management; and
- an organisation that engages its workforce, creates a culture of continuous improvement, with appropriate resourcing and informed decision making.

## 3. Access

**Teacher Housing Authority of NSW**

66 Harrington Street, Sydney NSW 2000
PO Box N408, Grosvenor Place NSW 1220
T: 02 8276 8000

housingservices@property.nsw.gov.au
www.dpie.nsw.gov.au/housing-and-property/housing-services

Core business hours are 8:30am – 4.30pm Monday to Friday.

## 4. Management and structure

From 1 July 2019, THA became part of the Housing and Property Group (**HAP Group**) in the Department of Planning, Industry and Environment (**DPIE**).

Prior to 1 July 2019, THA was part of the Property and Advisory Group within the Department of Finance, Services and Innovation.

In accordance with the Act, THA continues to be recognised as a statutory body. Further, under the Act, THA's seven Board members are responsible for determining policies and ensuring its activities are carried out properly and efficiently.

The Director, Housing Services, Housing and Property Group, controls and manages THA activities.

### Method and term of appointment of THA Members

The seven Board members of THA are appointed in accordance with section 7 of the Act. Four are appointed by the Governor, and three are ex officio. Of the four members appointed by the Governor:

- one was nominated by the then Minister for Housing, (currently the Minister for Water, Property and Housing), and is Deputy Chairperson of the Board;
- one was nominated by the Secretary, Department of Education (**DoE**), being an officer of that Department serving in the western or north-western region of the State;
- one was nominated by the Managing Director of the NSW TAFE Commission, being a senior financial manager of that Commission; and
- one was nominated by the Minister for Education on the recommendation of the NSW Teachers' Federation.

Of the three ex-officio members:

- one was the nominee of the then Secretary of the Department of Finance, Services and Innovation (now, the Department of Customer Service (**DCS**), being an officer of that Department and is the Board's Chairperson;
- one is a person employed by the DoE, appointed by the Secretary of that Department; and
- one is a person employed by the Public Service, whose principal duty is the management of THA's activities and currently is the Director of Housing Services.

Members may be appointed for a term of up to five years and may be reappointed after the completion of a five-year term under section 10(1) of the Act.

## THA Members

**Adam Howarth**
**Executive Director, Asset Management, Property & Development NSW**
Chairperson (March 2019 - current). Nominee of the then Secretary of DCS.

**Catrina Kim**
BArch, BSc (Arch)
**Regional Portfolio Director (SE), Land and Housing Corporation, DPIE**
Deputy Chairperson (September 2018 - current). Nominee of the then Minister for Housing (currently the Minister for Water, Property and Housing).

**Richard Wiseman**
BA Arts, DipEd
**Organiser, Riverina Area, Teachers Federation of NSW**
Member (May 2017 - current). Nominee of the Minister for Education, on the request of the NSW Teachers' Federation.

**Rian Thompson**
MappFin, BEcon
**Director Strategy & Governance, Human Resources, DoE**
Member (March 2019 - current). Nominee of the Secretary of the DoE.

**James Mills**
BEcon.
**Senior Finance Business Partner – West Region TAFE NSW**
Member (November 2017 - current). Nominee of the Managing Director of TAFE NSW.

**Adelia Fuller**
BA, Dip Ed
**Director, Educational Leadership, Macquarie Schools Network, DoE**
Member (June 2019 – current), Nominee of the Secretary of the DoE.

**Greg Phipson**
AAPI
**Director, Housing Services**
Executive Member
(February 2017 - current)

(and together known as the '**THA Board**').

**Authority meetings**
The THA Board met on four occasions during 2019/20. Member attendance was as follows:

| Board member | Eligible to Attend | Attended |
|---|---|---|
| Adam Howarth | 4 | 3 |
| Catrina Kim | 4 | 3 |
| Richard Wiseman | 4 | 4 |
| James Mills | 4 | 2 |
| Rian Thompson | 4 | 4 |
| Adelia Fuller | 4 | 3 |
| Greg Phipson | 4 | 4 |

## 5. Summary review of operations

As at 30 June 2020, the THA portfolio consisted of 1,310 properties, comprising of 1,287 dwellings and 23 parcels of vacant land. Included in the 1,287 properties are 103 dwellings owned by the DoE and managed by THA. During the year, the average occupancy rate was 81.5%.

The average teacher utilisation rate was 75%.

Where a property is vacant due to a lack of teacher demand, extracted for development or refurbishment, or intentionally left vacant as it is earmarked for disposal, the THA (through its managing agents) may lease it to a private tenant.

THA completed refurbishment of 20 residences for a total cost of $1.9 million in 2019-20.

Seven properties, deemed surplus to needs, were sold during the year, contributing $1.2 million towards the supply of new teacher housing.

A total of $4.4 million was spent in 2019-20 on refurbishments of existing properties, heating and cooling program and hazardous material audits.

## 6. Management and activities

The THA continues to support DoE by providing teachers with quality housing services in 199 rural and remote communities where the private rental market is unable to meet their accommodation needs.

The THA meets with the DoE on a quarterly basis to establish:

- teacher demand from vacant roles and recruitment activity;
- teacher demographics used to aid in determining the type of accommodation needed; and
- any requirements for housing because of special programs.

This process assists THA in prioritising housing needs and identification of surplus accommodation for possible disposal. Funds received from disposals are retained in the THA and reinvested back into the portfolio.

Major achievements in 2019-20 include:

- delivery of the Housing Services portal to tenants and agents providing an improved process for the application and management of housing and maintenance services;
- disposal of seven properties for a total of $1.2 million;
- acquisition of five properties in West Wyalong and Leeton totalling $1.3 million;
- completion of the refurbishment program for 20 properties totalling $1.9 million;
- commencement of the hazardous materials audit program and completion of 396 residence reports;
- commencement of the heating and cooling program for the 15 hottest communities;
- completion of the annual customer survey for teachers;
- issue of new agency agreements to our local agent network; and
- refresh to the Work, Health and Safety (WHS) pack to agents and subsequent audit program.

The Housing Services team visited 46 out of 199 communities since the start of school term 1 and 2, amidst the COVID-19 pandemic.

THA's major programs for 2019-20 include:

- refurbishment of ageing residences;
- heating and cooling upgrade; and
- hazardous materials auditing

THA's extension of these programs into FY 2020-21 and beyond is essential for the continuous improvement in accommodation for teachers across the State.

## Case Study 1

### Refurbishment of residences in Menindee

In 2019-20, THA refurbished 14 residences and upgraded heating and cooling to 17 residences in Menindee.

**Why in Menindee**

Menindee was included into THA's refurbishment program after a review of the properties condition, consideration of its remoteness and serviceability, and high level of utilisation. Menindee is 114kms from Broken Hill.

**What we completed**

THA refurbished and upgraded heating and cooling to one DoE residence and 13 THA residences. THA also upgraded heating and cooling to three other residences which were built in later years and did not require refurbishment. The refurbishment works included external and internal painting, upgrade to electrical and lighting, replacement of kitchen, bathroom and laundry, and floor coverings.

*92 Paradise Way, Menindee*

*Units 1-2, 7 Yartla St Menindee*

*51 Candilla St Menindee*

*5 Yartla St, Menindee*

**Key steps in delivery**

- Consulting tenants and managing agents;
- Inspecting residences and scoping works;
- Preparation of tender documents and tender process;
- Construction and completion of works; and
- Final inspection and remediation of defects.

**Positive Outcome**

This program resulted in a significant improvement in quality of accommodation for teachers, extending the useful life of the asset, delivering benefit to the local community and local businesses through local participation.

## Case Study 2

### Heating and cooling upgrade in Tibooburra, White Cliffs and Bourke

**Why upgrade**

With support from Public Works Advisory (PWA), THA conducted a review into existing methods of heating and cooling in residential properties across the THA portfolio. The review was prompted by an increase in feedback from tenants, including feedback in our annual customer satisfaction survey. The review recommended the following:

- phased removal of the ageing and failing evaporative coolers, with priority given to hottest towns;
- installation of ducted air-conditioning within houses and units with more than one bedroom; and
- installation of photo voltaic panels to offset additional power requirements (above and beyond evaporative coolers).

THA allocated $750k towards this heating and cooling project.

**Why Tibooburra, White Cliffs and Bourke**

THA's focus was to start the upgrade with the hottest towns. According to the Bureau of Meteorology data, Tibooburra, White Cliffs, and Bourke are localities with a maximum average temperature in January.

Bourke was considered a suitable location to pilot a broader program. The town has an average January maximum temperature of 37.3$^{o}$c, with 26 days in January 2019 that had a maximum temperature of over 40 $^{o}$c. There were 53 residences in Bourke, 31 built before 2004, all of which had ageing evaporative coolers.

**What we did**

THA completed heating and cooling upgrades to four residences in Tibooburra, two residences in White Cliffs and 40 residences in Bourke, at a total cost of $750,000.

Works included:

- decommissioning the evaporative cooler, making good the roof structure and plastering and painting vent holes left behind from diffusers and control panels;
- installing reverse cycle air-conditioning system to two-bedroom units and houses;

- installing reverse cycle air-conditioning split system to one-bedroom units (one unit in lounge and one unit in bedroom); and
- installing 1.5KW photovoltaic solar panels to units and 3KW photovoltaic solar panels to the houses.

*Bourke Installation*

*Units 1-3/47 Candilla Street, Menindee*

**Positive outcome**

- Significant improvement in teacher comfort and improved customer satisfaction.
- Benefit to local small businesses and the community through local participation in the project.
- The project piloted a partnership with PWA, TAFE NSW and Bourke Shire Council, to provide training, and employment opportunities to predominantly Aboriginal people through work experience with our locally engaged contractors. The training delivered a literacy and numeracy “refresher” and supported the advancement to Certificate I and II in Construction.
- Of 42 applications, 13 local students were selected to participate.

## 7. Human resources

**Employment Statistics (# of FTE)**

| Division | 2016[1,2] | 2017[1,2] | 2018[1,2] | | 2019[1,2,3] | 2020[1,2,3] |
|---|---|---|---|---|---|---|
| Senior Executive | - | 1.0 | 1.0 | | 1.0 | 0.8 |
| Senior Officer | 1.0 | - | - | | - | - |
| Ongoing | 15.0 | 11.0 | 12.0 | | 14.0 | 15.2 |
| Temporary | 1.0 | 1.0 | 2.0 | | 1.0 | - |
| **Total** | **17.0** | **13.0** | **15.0** | | **16.0** | **16.0** |

| | 2019[4,5,6] | | | | 2020[4,5,6] | | | |
|---|---|---|---|---|---|---|---|---|
| **Senior Executive Band** | **Female** | **Male** | **Total** | **% Representation by Women** | **Female** | **Male** | **Total** | **% Representation by Women** |
| **Band 4 (Secretary)** | 0 | 0 | 0 | **0%** | 0 | 0 | 0 | **0%** |
| **Band 3 (Deputy Secretary)** | 0 | 0 | 0 | **0%** | 0 | 0 | 0 | **0%** |
| **Band 2 (Executive Director)** | 0 | 0 | 0 | **0%** | 0 | 0 | 0 | **0%** |
| **Band 1 (Director)** | 0 | 1 | 1 | **0%** | 0 | 1 | 1 | **0%** |
| **Total** | **0** | **1** | **1** | **0%** | **0** | **1** | **1** | **0%** |

[1] Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

[2] Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017, 28 June 2018 and 25 June 2019.

[3] Staff numbers exclude team members allocated to managing the NSW Police Force residential assets.

[4] Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

[5] Statistics are based on Workforce Profile census data as at 29 June 2017, 28 June 2018 and 25 June 2019.

[6] All employees reported in 2018 and 2019 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.

**Employee related costs**

| | 2019[7] | | 2020[7] | |
|---|---|---|---|---|
| **Senior Executive Band** | **Range $** | **Average Remuneration $** | **Range $** | **Average Remuneration $** |
| Band 4 (Secretary) | 475,151 - 548,950 | 0 | 487,051 - 562,650 | 0 |
| Band 3 (Deputy Secretary) | 337,101 - 475,150 | 0 | 345,551 – 487,050 | 0 |
| Band 2 (Executive Director) | 268,001 - 337,100 | 0 | 274,701 – 345,550 | 0 |
| Band 1 (Director) | 187,900 - 268,000 | 227,463 | 192,600 – 274,700 | 233,150 |

| Employee related costs 2019-20 | Amount |
|---|---|
| Executive | $206,943 |
| Non-Executive | $1,462,898 |
| Total | $1,669,841 |
| Ratio Senior Executive | 12.39% |

In 2019/20, 12.39% of employee related expenditure was for senior executives, compared with 2018/19 which was 14.3%.

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[7] Salary ranges effective at the Workforce Profile census dates of 29 June 2017, 28 June 2018, 27 June 2019 and 25 June 2020.

## 8. Workforce diversity

| Trends in the Representation of Workforce Diversity Groups | | | | | |
|---|---|---|---|---|---|
| **Workforce Diversity Group** | **Benchmark** | **2017[8,9]** | **2018[8]** | **2019[8]** | **2020[8]** |
| Women[10] | **50%** | 57.1% | 60.0% | 68.8% | 72.73% |
| Aboriginal People and/or Torres Strait Islander People[11] | **3%** | 0.0% | 0.0% | 0.0% | 0.0% |
| People whose First Language Spoken as a Child was not English[12] | **22.3%** | 35.7% | 26.7% | 12.5% | 23.75% |
| People with a Disability | **5.6%** | 0.0% | 0.0% | 0.0% | 0.0% |

## 9. Disability inclusion action plans

As part of DPIE, the THA supports the Department's Disability Inclusion Action Plan 2019-23. The plan sets out how DPIE will achieve:

- developing positive attitudes and improve inclusion for people with disability by increasing disability awareness and education programs;
- having 5.6% of roles held by people with disability by 2025, with the Department becoming an employer of choice for people with disability;
- identifying and removing barriers caused by our systems and processes that hinder access by staff and users with disability; and
- ensuring our Departmental buildings and facilities are accessible and inclusive for all people who access them.

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[8] Statistics are based on Workforce Profile census data as at 30 June 2016, 29 June 2017, 28 June 2018, 27 June 2019 and 25 June 2020.

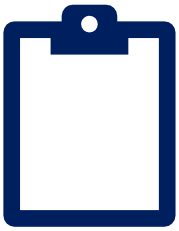
[9] Workforce diversity statistics for 2016 and 2017 reflected the current composition of the department and may vary from those reported in previous annual reports.

[10] The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

[11] The NSW Public Sector Aboriginal Employment Strategy 2019-25 aims to fill at least 114 NSW public sector senior leadership roles and represent 3% of all staff in non-executive salary classes.

[12] A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 22.3% is the percentage of the NSW general population born in a country where English is not the predominant language.

## 10. Consumer response



**Extent and main features of complaints**

THA introduced an annual Customer Satisfaction (CSAT) Survey in 2018.

**CSAT Survey**

In May 2020, THA issued 998 surveys to teacher tenants. The depth of the survey questions related to levels of satisfaction with the managing agent, the property and service delivery of THA, and the quality and condition of the properties. There were 277 respondents, giving a response rate of 27%. THA received a satisfaction score of 72 from the possible 100. The issues below have been observed by the survey:

- a high number of respondents who believe it takes too long to have maintenance issues rectified; and
- occupants raised concerns over the overall condition standard of accommodation inadequate heating and cooling, however the number of issues has reduced from prior year.

**Services improved/changed in response to surveys**

In 2019-20 the THA commenced work to address customer concerns by initiating the following:

- a customer portal, that streamlines the tenant housing application process and provides teachers with portfolio location details;
- commenced installation of reverse cycle heating and cooling systems to address the weather extremes experienced in rural and remote NSW;
- commenced installation of solar panels in seven localities experiencing weather extremes in rural and remote NSW;
- a reduction in the repair and maintenance response times and the implementation of a streamlined, responsive escalation channel; and
- implementation of refreshed furniture standards.

## 11. Payment of accounts

The table below highlights THA's account payment performance for 2019-20.

| Account Payment Performance | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR | Total |
|---|---|---|---|---|---|
| **All Suppliers** | | | | | |
| **Value of Invoices Paid ($'000)** | | | | | |
| Paid before due | 3,692 | 2,949 | 4,475 | 5,336 | 16,453 |
| <30 Days Overdue | 1,084 | 411 | 413 | 235 | 2,143 |
| 30-60 Days Overdue | 39 | 53 | 19 | 35 | 147 |
| 60-90 Days Overdue | 40 | 2 | 24 | 12 | 78 |
| >90 Days Overdue | 66 | 25 | 58 | 34 | 182 |
| **Total Value of Invoices Paid ($'000)** | **4,922** | **3,440** | **4,989** | **5,653** | **19,003** |
| | | | | | |
| **% Paid on Time** | **75%** | **86%** | **90%** | **94%** | **87%** |
| | | | | | |
| Number of Invoice Paid | | | | | |
| Paid Before Due Date | 5,105 | 9,932 | 16,341 | 5,182 | 36,560 |
| Paid Past Due Date | 863 | 389 | 688 | 271 | 2,211 |
| **Total Number of Invoices Paid** | **5,968** | **10,321** | **17,029** | **5,453** | **38,771** |
| | | | | | |
| **% Paid on Time** | **86%** | **96%** | **96%** | **95%** | **94%** |
| | | | | | |
| **Interest Paid** | | | | | |
| Interest Paid on Overdue Invoices | - | - | - | - | - |

| Account Payment Performance | 1st QTR | 2nd QTR | 3rd QTR | 4th QTR | Total |
|---|---|---|---|---|---|
| **Small Business Suppliers** | | | | | |
| **Value of Invoices Paid ($'000)** | | | | | |
| Paid before due | - | - | - | - | - |
| <30 Days Overdue | 39 | 23 | 15 | 8 | 85 |
| 30-60 Days Overdue | 8 | 2 | - | 0 | 11 |
| 60-90 Days Overdue | 1 | - | - | 1 | 3 |
| >90 Days Overdue | 2 | 2 | 6 | 0 | 10 |
| **Total Value of Invoices Paid ($'000)** | **51** | **27** | **21** | **9** | **109** |
| | | | | | |
| **% Paid on Time** | **0%** | **0%** | **0%** | **0%** | **0%** |
| | | | | | |
| **Number of Invoice Paid** | | | | | |
| Paid Before Due Date | - | - | - | - | - |
| Paid Past Due Date | 29 | 9 | 8 | 5 | 51 |
| **Total Number of Invoices Paid** | **29** | **9** | **8** | **5** | **51** |
| | | | | | |
| **% Paid on Time** | **0%** | **0%** | **0%** | **0%** | **0%** |
| | | | | | |
| **Interest Paid** | | | | | |
| Interest Paid on Overdue Invoices | - | - | - | - | - |

## 12. Risk management and insurance activities

**Risk management**

THA, an entity within the Land and Housing Corporation (LAHC), under the HAP Group, constantly monitors its environment to assess the risks in its operations and uses its resources to manage these risks in conjunction with the Risk & Resilience team (R&R). THA's approach to risk management seeks to balance risk, cost and growth for the benefits of its stakeholders. THA continued to provide uninterrupted services to its stakeholders and regional communities, despite additional challenges due to Covid-19.

Key achievements during FY 19-20 are:

- adoption and integration with DPIE's Risk & Resilience Policy to manage its key risks and achievement of its objectives, which is consistent with THA's objectives and responsibilities to its stakeholders;
- effective risk governance and reporting to the Audit and Risk Committee (ARC), relevant Boards, Executive Committee and senior leadership team; and
- continue to deliver housing services to its stakeholders, amid COVID to ensure disruption on housing issues is minimal across NSW.

**ARC**

THA had an ARC in place during the 2019-20 financial year. The ARC provides independent assistance to the THA by monitoring, reviewing and providing advice about its governance processes, risk management and control framework, and its external accountability requirements.

THA has entered a collaborative shared arrangement and has established a shared ARC in compliance with:

- NSW Treasury Policy Paper (TPP- 15-03): *Internal Audit and Risk Management Policy for NSW Public Sector*; and
- NSW Treasury Policy Paper (TPP16-02): *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees.*

## 13. Internal Audit and Risk Management Attestation Statement for 2019-20 financial year

### Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for the Teacher Housing Authority

I, Adam Howarth, Chair of the Board, Teacher Housing Authority, am of the opinion that the Teacher Housing Authority has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

**Core Requirements**

| | | |
|---|---|---|
| **Risk Management Framework** | | |
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency | **Compliant** |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | **Compliant** |
| **Internal Audit Function** | | |
| 2.1 | An internal audit function has been established and maintained | **Non-Compliant** |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | **Compliant** |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the 'model charter' | **Compliant** |
| **Audit and Risk Committee** | | |
| 3.1 | An independent ARC with appropriate expertise has been established | **Non-Compliant** |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | **Compliant** |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' | **Compliant** |

## Membership

The Chair and members of the collaborative shared Audit and Risk Committee are:

| Role | Name | Start Term Date | Finish Term Date |
|---|---|---|---|
| Independent Chair | Carol Holley | 30/03/2020 | 29/03/2023 |
| Independent Member | Peter Scarlett | 30/03/2020 | 29/03/2023 |
| Independent Member | Alan Zammit | 30/03/2020 | 29/03/2023 |

***Note:*** Audit and Risk Committee oversight for THA was previously provided by an Audit and Risk Committee managed by the former Department of Finance Services and Innovation which continued to meet in the latter half of 2019 to complete the 2018/19 financial reporting cycle. THA transitioned to the DPIE Housing collaborative shared Audit and Risk Committee in early 2020.

## Departures from Core Requirements

I, Adam Howarth, Chair of the Board, Teacher Housing Authority, advise that the internal audit and risk management processes for the Teacher Housing Authority depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector:*

The circumstances giving rise to these departures have been determined by the Portfolio Minister and the Teacher Housing Authority has implemented the following practicable alternative measures to meet the core requirements:

| Departure Non-compliant | Reason for departure and description of practicable alternative measures being implemented |
|---|---|
| Core Requirement 2.1 Internal Audit Function | An internal audit function has been established and maintained.<br><br>The Department of Planning, Industry and Environment's (the Department) Director responsible for internal audit will fulfil the role of Chief Audit Executive for the Teacher Housing Authority (THA).<br><br>The CAE has direct access to the THA Agency Head who is supported by the internal audit function.<br><br>The THA is overseen by and included within the scope of the Department's internal audit program. |
| Core Requirement 3. 1 Audit and Risk Committee | An independent Audit and Risk Committee with appropriate expertise has been established.<br><br>A collaborative shared Audit and Risk Committee will provide independent oversight and advice on the operations of the THA. The THA is a party to the collaborative shared Audit and Risk Committee.<br><br>The Audit and Risk Committee will review the financial statements and provide support to the THA, to manage risk. Internal audit and financial management activities. |

| | |
|---|---|
| | This shared arrangement is made up of agencies with housing responsibilities and is supported by the Departments secretariat unit. |

These processes including the practicable alternative measures demonstrate that the Teacher Housing Authority has established and maintained frameworks including systems processes and procedures for appropriately managing audit and risk within the Teacher Housing Authority.

Adam Howarth
**Chair of the Board**
**Teacher Housing Authority**

Date: 27 August 2020

Agency Contact:

Simonne Daly
Executive Director Governance
02 9585 6184

## 14. Digital information security policy attestation

**Cyber Security Annual Attestation for the 2019-2020 Financial Year for**

**Teacher Housing Authority of NSW**

I, Greg Phipson, Director Housing Services, am of the opinion that the Teacher Housing Authority of NSW have an Information Security Management System (ISMS) in place via the Department of Customer Service Cluster and have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of the Teacher Housing Authority of NSW.

Risks to the information and systems of the Teacher Housing Authority of NSW have been assessed and are managed.

The Teacher Housing Authority of NSW currently leverages the Department of Customer Service cyber security response plan, which has been exercised during the 2019-2020 financial year. The plan will continue to be reviewed in conjunction with departmental governance frameworks and operational feedback to further improve its effectiveness.

Independent audits of cyber security controls in place during the 2019-2020 financial year, and an assessment of the Department of Customer Service's maturity against the NSW Government Cyber Security Policy have been performed and found to be adequate or being properly addressed in a timely manner. On-going assurance of cyber security will be managed through an ISMS aligned to the ISO 27001 standard, and independently audited.

**Greg Phipson**
**Director Housing Services**

**Teacher Housing Authority of NSW**

## 15. Multicultural Policies and Services Program

THA has multicultural policies and service programs guided by the Premier's Priorities, DPIE Values, Aboriginal Outcomes Strategy 2020-23, Aboriginal Dual Names Policy, and Aboriginal Events Engagement Policy, which prioritises diversity in the workforce.

At an agency level, DPIE promotes multiculturalism and diversity through a range of initiatives, including, but not limited to:

- supporting Aboriginal led cultural activities such as NAIDOC Week, Yabun Festival and the Koori Knockout;
- ATSI Employment and development programs including Aboriginal Mentoring Program, Nguluway; Aboriginal Pathways Program, I'm Deadly; NSW Government Aboriginal Internships Program and Diverse and Inclusive Talent Shortlist;
- Aboriginal Cultural Capability Framework, DPIE Aboriginal Branding;
- supporting Aboriginal businesses and helping provide economic independence for Aboriginal people by using Aboriginal suppliers where possible under DPIE *Aboriginal Procurement Policy* and *Aboriginal Participation in Construction Policy*;
- promoting diversity initiatives, including 'Wear it Purple Day', to support the LGBTQI+ community and the Rainbow Connection Workplace Group;
- DPIE Women's Network on Workplace and Male Champions of Change program, designed to get men to champion changes for gender equality focusing on subjects such as sexism, flexible work and removing barriers for carers and diverse women;
- the Harmony Council acting on behalf of the organisation to help manage the diversity and inclusion process; and
- events held for International Day for People with Disability, International Women's Day, Pride and Harmony Day.

## 16. Work Health and Safety (WHS)

In 2019-20, THA continued to take a proactive approach in managing the safety of all employees, other workers and visitors to its properties, sites and activations. THA's WHS activities for 2019- 20 were impacted by COVID-19. However, some of the activities completed during the year include:

- THA integrating with the LAHC WHS system;
- roll-out of LAHC's SafetyNet reporting tool to THA for reporting WHS incidents, near misses and hazards;
- THA closely monitoring the impact of COVID-19 pandemic on safety of staff, agents, contractors and tenants, as well as delivery of emergency R&M;
- updating the process for managing risk including contractors and managing agents. This will be implemented by end September 2020;
- Hazmat audit program for THA residences well underway with over 390 inspections completed. Nine issues have been detected and addressed;
- DPIE COVID Office Inspection Checklist completed 29 May 2020; and
- ssisting in the coordination of health and wellbeing initiatives such as the flu vaccination program.

**WHS incidents – Teacher Housing Authority**

There were zero WHS incidents reported during the period 2019-20.

There were no SafeWork NSW notifiable incidents or dangerous occurrences affecting staff.

**WHS induction and training**

THA staff members were required to complete seven LAHC WHS mandatory courses:

- LAHC/DPIE COVID-19 WHS Awareness;
- LAHC WHS Office Ergonomics eLearn;
- LAHC WHS Safety In The Field eLearn;
- LAHC WHS Asbestos Awareness eLearn;
- LAHC WHS Managing Workplace Violence eLearn;
- LAHC Work Health and Safety (WHS) Foundations; and
- LAHC Reporting WHS Events.

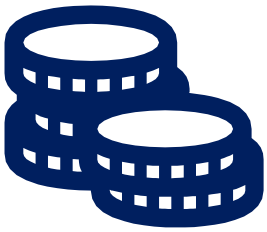
**WHS consultation**

The WHS Consultative Committee has continued to be active in consultation on WHS issues including:

- the LAHC WHS team continued to provide new information and regular updates around WHS and COVID-19 issues;
- conducting executive interactions with Senior Managers to demonstrate leadership by example and increase safety awareness; and
- delivering timely WHS information with staff via multiple means of communication to raise awareness.

## 17. Budgets

**Performance against budget**



THA continues to deliver accommodation to teachers in rural areas within tight capital and operating expenditure budgets. THA finished the year with a net operating loss of $5.8 million. This includes non-cash depreciation of $6.3 million.

**Budget overview**

THA's total budgeted revenue of $18.3 million in 2020/21 is made up of:

- rental income of $10.9 million, generated from a property portfolio of over 1,300 residences;
- a grant from the DoE for $0.6 million, towards the maintenance of DoE owned residences; and
- a government contribution of $6 million delivered via the DoE; and interest of $0.1 million.

THA is forecasting to have a net result of a $6.4 million deficit principally made up of non-cash depreciation in 2020-21.

| Teacher Housing Authority | 2018/19 actual $'000 | **2019-20 actual $'000** | 2019-20 budget $'000 | 2019-20 variance $'000 | **2020/21 budget $'000** |
|---|---|---|---|---|---|
| Expenses | 22,660 | **24,669** | 25,510 | (841) | **24,790** |
| Revenues | 17,175 | **19,038** | 18,551 | 487 | **18,309** |
| Other gains/(losses) | (25) | **(185)** | 94 | (279) | **86** |
| **Net operating result - surplus/(deficit)** | (5,510) | **(5,816)** | (6,865) | (1,049) | **(6,395)** |

## 18. Additional matters for inclusion

**Privacy and Personal Information Protection Act 1998 (PPIP Act)**

The PPIP Act contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the PPIP Act.

Additional information about how Property NSW, under which THA has been consolidated, manages its obligations under the PPIP Act is available at https://www.property.nsw.gov.au/government-property-nsw-privacy-statement.

## 19. Numbers and remuneration of senior executives

See Human Resources above.

## 20. Credit card certification

In accordance with the Treasurer's Direction TPP17-09, credit card usage at the THA during the reporting period was in accordance with relevant Government policy, Premier's Memoranda and Treasurer's Directions.

## 21. Government information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (**GIPA Act**) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

Section 125 of the GIPA Act requires agencies to report annually on their obligations (GIPA reporting).

Under Schedule 3 of the GIPA Act, THA is a subsidiary agency for the purposes of the GIPA Act. Therefore, all statistical information about access applications required to be included in an annual report regarding THA, in compliance with section 125 and Clause 8 of the GIPA Act are included in the annual report for DPIE.

**Review of proactive release program**

Under section 7(3) of the GIPA Act, agencies must review its program for the release of government information to identify the kinds of government information held by the agency that should in the public interest be made publicly available, at least once every 12 months.

The THA complies with this by proactively releasing information via the DPIE website:

https://www.dpie.nsw.gov.au/housing-and-property

## 22. Public Interest Disclosures

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations. This information is captured in DPIE's Annual Report as all public interest disclosures are managed centrally by the Department.

There was one public interest disclosure made by THA officials for the period 1 July 2019 to 30 June 2020.

## 23. Exemptions and nil reports

| Reporting requirement | Reason for exemption |
|---|---|
| Consultants | The THA did not engage consultants during 2019-20. |
| Legal changes | There were no changes to the THA's legislation during 2019-20. |
| Economic or other factors | There were no economic factors affecting THA's operational objectives. |
| Research and development | No research and development was conducted during 2019-20. |
| Funds granted to non-government community organisations | The THA does not grant funds to non-government community organisations. |
| Disclosure of controlled entities | The THA does not control any entities of the kind referred to in section 39 (1A) of the *Public Finance and Audit Act 1983.* |
| Disclosure of subsidiaries | The THA does not control or hold shares in any subsidiaries within the meaning of *the Corporations Act 2001*. |
| Implementation of price determination | The THA was not subject to an IPART determination or recommendation. |
| Land disposal | No properties with a value greater than $5 million were disposed of by THA during 2019-20. The THA keeps a register of government contracts. All contracts greater than $150,000 are published on the site https://tenders.nsw.gov.au/. |
| Promotion | No Board or staff member travelled overseas on official business during 2019-20. |
| Investment Performance | All THA investment powers are in accordance with Division 6.4 of the *Government Sector Finance Act 2018*. However, all cash reserves are held in Treasury Banking System (TBS) bank accounts. |
| Liability management performance | Not applicable, as the THA does not have a level of debt greater than $20 million. |
| Agreements with Multicultural NSW | The THA does not have any agreements with Multicultural NSW. |
| Requirements arising from employment arrangements | N/A |

# THA

# Annual Report 2019-20

Financial statements for the year ended 30 June 2020

# INDEPENDENT AUDITOR'S REPORT

**Teacher Housing Authority**

To Members of the New South Wales Parliament

## Opinion

I have audited the accompanying financial statements of the Teacher Housing Authority (the Authority), which comprises the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the Authority's financial position as at 30 June 2020 and of their performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

My opinion should be read in conjunction with the rest of this report.

## Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Other Information

The Authority's annual report for the year ended 30 Jun 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Members of the Authority are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Members' Responsibilities for the Financial Statements

The Members are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, and for such internal control as the Members determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Min Lee
Director, Financial Services
Delegate of the Auditor-General for New South Wales

14 October 2020
SYDNEY

# Teacher Housing Authority of NSW

## Financial Statements

### For the Year Ended 30 June 2020

**Statement by Members**

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, we declare on behalf of the Teacher Housing Authority of NSW, that in our opinion:

(a) The accompanying financial statements exhibit a true and fair view of the Authority's financial performance for the year ended 30 June 2020 and financial position as at 30 June 2020; and

(b) The financial statements comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and, the Financial Reporting Directions mandated by Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

**Adam Howarth**
Chair

Date: 8 October 2020

**Gregory Phipson**
Director, Housing Services

Date: 8 October 2020

## TEACHER HOUSING AUTHORITY OF NSW

**Start of Audited Financial Statements**

### Statement of Comprehensive Income

**For the Year Ended 30 June 2020**

| | Note | Actual 2020 $'000 | Actual 2019 $'000 |
|---|---|---|---|
| **Continuing Operations** | | | |
| **Expenses Excluding Losses** | | | |
| Operating Expenses: | | | |
| Property maintenance | 2(a) | 9,903 | 8,607 |
| Property rates | 2(b) | 2,409 | 2,657 |
| Personnel services | 2(c) | 2,518 | - |
| Other operating expenses | 2(d) | 3,514 | 5,517 |
| Depreciation and amortisation expense | 2(e) | 6,325 | 5,879 |
| **Total Expenses Excluding Losses** | | **24,669** | **22,660** |
| **Revenue** | | | |
| Sale of goods and services | 3(a) | 10,892 | 10,422 |
| Investment revenue | 3(b) | 61 | 126 |
| Service payment | 3(c) | 7,141 | 6,627 |
| Other revenue | 3(d) | 944 | - |
| **Total Revenue** | | **19,038** | **17,175** |
| Gain/(loss) on disposal of non-current assets | 4(a) | (185) | (25) |
| **NET RESULT** | | **(5,816)** | **(5,510)** |
| **Other Comprehensive Income** | | | |
| *Items that will not be reclassified to the net result in subsequent period:* | | | |
| Net increase/(decrease) in property, plant and equipment revaluation surplus | 8(a) | 11,698 | 4,022 |
| **Total Other Comprehensive Income** | | **11,698** | **4,022** |
| **TOTAL COMPREHENSIVE INCOME/(LOSS)** | | **5,882** | **(1,488)** |

[The accompanying notes form part of these financial statements]

## TEACHER HOUSING AUTHORITY OF NSW

### Statement of Financial Position

**As at 30 June 2020**

| | Note | Actual 2020 $'000 | Actual 2019 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and Cash Equivalents | 5 | 6,510 | 6,888 |
| Receivables | 6 | 1,130 | 670 |
| Non-current Assets Held for Sale | 7 | 233 | 990 |
| **Total Current Assets** | | **7,873** | **8,548** |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 8 | 173,165 | 166,952 |
| Intangible Assets | 9 | 562 | - |
| **Total Non-Current Assets** | | **173,727** | **166,952** |
| **TOTAL ASSETS** | | **181,600** | **175,500** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Payables | 11 | 4,953 | 4,735 |
| **Total Current Liabilities** | | **4,953** | **4,735** |
| **TOTAL LIABILITIES** | | **4,953** | **4,735** |
| **NET ASSETS** | | **176,647** | **170,765** |
| **EQUITY** | | | |
| Asset Revaluation Reserve | 12(a) | 113,414 | 105,689 |
| Accumulated Funds | 12(b) | 63,233 | 65,076 |
| **TOTAL EQUITY** | | **176,647** | **170,765** |

[The accompanying notes form part of these financial statements]

## TEACHER HOUSING AUTHORITY OF NSW

### Statement of Changes in Equity

**For the Year Ended 30 June 2020**

| | Note | Accumulated Funds $'000 | Asset Revaluation Reserve $'000 | Total Equity $'000 |
|---|---|---|---|---|
| **Balance at 1 July 2019** | | **65,076** | **105,689** | **170,765** |
| **Net Result for the Year** | | (5,816) | - | (5,816) |
| **Other comprehensive income:** | | | | |
| Net increase/(decrease) in property, plant and equipment revaluation surplus | 12(a) | - | 11,698 | 11,698 |
| Transfer from asset revaluation reserve on disposal of property, plant and equipment | 12(a) | 3,973 | (3,973) | - |
| **Total other comprehensive income** | | 3,973 | 7,725 | 11,698 |
| **Total comprehensive income for the Year** | | (1,843) | 7,725 | 5,882 |
| **Balance as at 30 June 2020** | | **63,233** | **113,414** | **176,647** |
| **Balance at 1 July 2018** | | **70,609** | **101,644** | **172,253** |
| **Net Result for the Year** | | (5,510) | - | (5,510) |
| **Other comprehensive income:** | | | | |
| Net increase/(decrease) in property, plant and equipment revaluation surplus | 12(a) | - | 4,022 | 4,022 |
| Transfer from asset revaluation reserve on disposal of property, plant and equipment | 12(a) | (23) | 23 | - |
| **Total other comprehensive income** | | **(23)** | **4,045** | **4,022** |
| **Total comprehensive income for the Year** | | **(5,533)** | **4,045** | **(1,488)** |
| **Balance at 30 June 2019** | | **65,076** | **105,689** | **170,765** |

[The accompanying notes form part of these financial statements]

## TEACHER HOUSING AUTHORITY OF NSW

### Statement of Cash Flows

**For the Year Ended 30 June 2020**

| | Note | Actual 2020 $'000 | Actual 2019 $'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Payments** | | | |
| Property and Administration | | (15,287) | (14,623) |
| Personnel Services Expenses | | (2,518) | - |
| **Total Payments** | | **(17,805)** | **(14,623)** |
| **Receipts** | | | |
| Rental Income | | 11,058 | 10,180 |
| Investment Income | | 61 | 126 |
| Service payment | | 7,139 | 6,627 |
| **Total Receipts** | | **18,258** | **16,933** |
| **NET CASH FLOWS FROM OPERATING ACTIVITIES** | 5(b) | **453** | **2,310** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from Disposal of Non-Current Assets | | 1,038 | 1,503 |
| Purchases of Property, Plant and Equipment | | (1,869) | (6,381) |
| **NET CASH FLOWS FROM INVESTING ACTIVITIES** | | **(831)** | **(4,878)** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **(378)** | **(2,568)** |
| Opening Cash and Cash Equivalents | | 6,888 | 9,456 |
| **CLOSING CASH AND CASH EQUIVALENTS** | 5(a) | **6,510** | **6,888** |

[The accompanying notes form part of these financial statements]

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Reporting Entity

The Teacher Housing Authority of NSW (the Authority) was established under the *Teacher Housing Authority Act 1975* (THA Act). The Authority's principal objective is to provide and maintain suitable and adequate housing accommodation for NSW teachers. The provision of housing accommodation is one of several incentives which assist the Department of Education (DOE) in attracting and retaining teachers in parts of NSW where the private rental market is considered to be inadequate to suit their needs.

The Authority has assessed its profit status for the financial period ended 30 June 2020 and determined its status as not-for-profit for financial reporting purposes, as profit is not its principle objective. The Authority is consolidated as part of the NSW Total State Sector Accounts.

The Authority commenced operations in 1975 and is domiciled in Australia. Its principal business address is Foreshore House, 66 Harrington St, The Rocks, Sydney NSW 2000.

Under the THA Act, the Authority is unable to employ staff. However, to enable it to exercise its functions, the Authority can obtain personnel services from Government agencies who are able to engage staff under Part 4 of the Government Sector Employment Act 2013. During 2019-20, personnel services were provided by the Department of Planning, Industry and Environment (DPIE) (Department of Finance, Services and Innovation (DFSI) in 2018-19). The DPIE, a principal department, is a separate reporting entity and does not control THA for financial reporting purposes.

As a result of Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019, in pursuance of part 7 of the Constitution Act 1902, the Authority was transferred from DFSI cluster to a newly created DPIE cluster, effective 1 July 2019.

These financial statements have been authorised for issue by the Authority's Board on 8 October 2020.

### (b) Basis of Preparation

The Authority's financial statements are general-purpose financial statements which have been prepared in accordance with:

(i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
(ii) the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
(iii) Financial Reporting Directions mandated by the Treasurer.

Property, Plant and Equipment, Non-Current Assets Held for Sale and Other Non-Current Assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars ($'000) and are expressed in Australian currency.

**(c) Statement of Compliance**

The financial statements and accompanying notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Accounting for the Goods and Services Tax (GST)**

The Authority is classified as a full input-taxed entity as all core-business revenues are generated from input-taxed supplies. Accordingly, all expenses, assets, payables and commitment amounts relating to these supplies are recognised inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis.

**(e) Comparative Information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

**(f) Fair Value Measurement and Hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Authority's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices in active markets for identical assets/liabilities that the Authority can access at the measurement date.
Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Authority recognises transfers between levels of the fair value hierarchy at the end the reporting period during which the change has occurred. Refer to Notes 9 and 12 for further disclosures regarding fair value measurements of financial and non-financial assets.

**(g) Changes in Accounting Policy including New or Revised Australian Accounting Standards**

(i) Effective for the First Time in 2019-20

The Authority applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019-20, but do not have an impact on the financial statements of the Authority.

- **AASB 15 Revenue from Contracts with Customers**

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the Authority has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. The Authority has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of AASB 15 did not have any significant impact on the Authority's financial statements.

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the Authority has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. The Authority has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have any significant impact on the Authority's financial statements.

- **AASB 16 Leases**

  AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

  *Lessor accounting*

  Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

  *Lessee accounting*

  AASB 16 requires the Authority to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the Authority recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates for dismantling and removing the asset or restoring the site on which it is located.

  The Authority has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

  In applying AASB 16 for the first time, the Authority has used the following practical expedients permitted by the standard:

  - not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
  - applying a single discount rate to a portfolio of leases with reasonably similar characteristics
  - relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
  - not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
  - excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
  - using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

  The adoption of AASB 16 did not have any significant impact on the Authority's financial statements as the Authority is a lessor and not lessee in its leasing arrangements.

- **AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059**

  This Standard makes amendments to AASB 1059 Service Concession Arrangements: Grantors (July 2017).
  This Standard amends the mandatory effective date (application date) of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019.

  The adoption of AASB 1059 is not expected to have any significant impact on the Authority's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods.

The impact of the following standards in the period of initial application is not expected to be significant:

- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059
- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
- AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
- AASB 17 Insurance Contracts
- AASB 2020-1 Classification of Liabilities as Current or Non-Current
- AASB 1060 Simplified Disclosures for Profit and Not for Profit Tier 2 Entities

**(h) COVID-19 and Delayed 2020-21 NSW Budget**

COVID-19 has a minimal impact on the Authority's rental income in 2019-20. NSW Government has announced that the 2020-21 NSW Budget will be deferred from June 2020 until later in the year. The delayed 2020-21 NSW Budget is not expected to have any significant impact on the Authority's operation as the Authority has the legal right to draw down on the Consolidated Fund through DPIE Principal Department arising from the Treasurer authorising expenditure under section 4.10 of the GSF Act. In particular, the temporary measures introduced for COVID-19. Therefore, it is appropriate for the 2019-20 Financial Statements to be prepared under going concern basis.

## 2. EXPENSES EXCLUDING LOSSES

### (a) Property Maintenance

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Property Refurbishment | 2,038 | 4,447 |
| General Maintenance | 2,571 | 1,212 |
| Ground/Yard Maintenance | 904 | 942 |
| Furnishings, Fixtures and Fittings | 695 | 699 |
| Plumbing | 663 | 520 |
| Electrical | 312 | 336 |
| Air Cooling Installation and Maintenance | 455 | 320 |
| Air Conditioners & Fans | 2,149 | 98 |
| Fire Protection | 116 | 33 |
| **Total Property Maintenance** | **9,903** | **8,607** |

Day-to-day servicing costs or maintenance on the Authority's Property, Plant and Equipment are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### (b) Property Rates

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Annual Rates | 1,713 | 1,655 |
| Water Rates | 622 | 792 |
| Electricity Rates | 51 | 196 |
| Gas Rates | 23 | 14 |
| **Total Property Rates** | **2,409** | **2,657** |

### (c) Personnel Services

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Salaries and Wages (including Recreation Leave) | 2,201 | - |
| Payroll Tax and Fringe Benefits Tax | 109 | - |
| Superannuation | 140 | - |
| Contractors | 68 | - |
| **Total Personnel Services** | **2,518** | **-** |

From 28 January 2017 to 30 June 2019, all administrative and operational services (including personnel services) to enable the Authority to exercise its functions, were transferred to Property NSW (PNSW) under formal agreement. Services provided by Property NSW to the Authority are recognised as an administration charge within Other Operating Expenses under Shared Service Fees (Note 2(d)).

From 1 July 2019, personnel services were provided by DPIE and recognised under Personnel Services expenses.

## (d) Other Operating Expenses

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Shared Service Fees (i) | 1,219 | 2,532 |
| Property Management Fees | 952 | 788 |
| Other General Administration | 151 | 535 |
| Property Valuations | 152 | 474 |
| Insurance (ii) | 776 | 420 |
| Contractors | - | 353 |
| Computer Systems Development | 21 | 199 |
| Travel Expenses | 124 | 124 |
| Audit Fees | 91 | 85 |
| Legal Fees | 28 | 7 |
| **Total Other Operating Expenses** | **3,514** | **5,517** |

(i) Shared Service Fees include fees charged by GovConnectNSW for shared transactional services, by DCS for corporate services provided under the DCS Corporate Operating Model arrangements and by Property NSW for all administrative and operational services (including personnel services up to 30 June 2019) to enable the Authority to exercise its functions. The decrease in Shared Service Fees in 2019-20 mainly due to change in personnel services provider from PNSW to DPIE since 1 July 2019 (Note 2(c)).

(ii) The Authority's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claims experience.

## (e) Depreciation and Amortisation Expense

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Depreciation of: | | |
| Buildings (Note 8(a)) | 6,292 | 5,879 |
| | **6,292** | **5,879** |
| Amortisation of: | | |
| Computer System & software (Note 9(b)) | 33 | - |
| | **33** | - |
| | **6,325** | **5,879** |

**Recognition and Measurement**

Depreciation and amortisation are provided for on a straight-line basis for all depreciable non-current assets to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The starting useful lives of the Authority's items of property, plant and equipment are based on the following:

| Asset Class | 2020 Years | 2019 Years |
|---|---|---|
| Buildings | 20-50 | 20-50 |
| Computer System & software | 3 | - |

In accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", any assets held for sale are not depreciated. Land is also not depreciated as land is not a depreciable asset.

## 3. REVENUE

**Recognition and Measurement - Revenue**

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition and measurement of revenue is discussed within each revenue category below.

### (a) Sale of Goods and Services

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Gross Rental Income | 10,892 | 10,422 |
| | **10,892** | **10,422** |

Rental income arising from operating leases is accounted for in accordance with AASB 16 "Leases" on a straight-line basis over the lease term. The Authority's tenants are charged full market rental in accordance with government policy.

### (b) Investment Revenue

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Interest Revenue | 61 | 126 |
| | **61** | **126** |

(i) Interest income is calculated in accordance with AASB 9 "Financial Instruments" by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses). The Authority's interest revenue is earned on the Authority's account daily bank balance at the monthly average NSW Treasury Corporation 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

**(c) Service Payment**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| NSW Treasury Contribution | 6,541 | 6,027 |
| Annual DoE Contribution | 600 | 600 |
| | **7,141** | **6,627** |

(i) The Authority receives service payment from the DoE under a Memorandum of Understanding for services provided. In accordance with the *Teacher Housing Act 1975*, the Authority is not required to return any excess funds collected under the MoU.

**(d) Other Revenue**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Insurance Recoveries | 944 | - |
| | **944** | **-** |

(i) Recoveries of insurance claims for fire damaged properties from insurer.

## 4. GAINS AND LOSSES

**(a) Gain/(Loss) on Disposal of Non-Current Assets**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Net Proceeds from Disposal of Non-Current Assets | 1,132 | 1,503 |
| Written Down Value (Note 7(b) and 8(a)) | (1,317) | (1,528) |
| **Total Net Gain/(Loss) on Disposal of Non-Current Assets** | **(185)** | **(25)** |

## 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

### (a) Cash and Cash Equivalents

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Cash and Cash Equivalents - Current** | | |
| Cash at Bank | 6,510 | 6,888 |
| **Total Cash and Cash Equivalents** | **6,510** | **6,888** |

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include Cash at Bank and Cash on Hand. Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

**Interest Rate Risk**

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at 30 June 2020. The analysis is performed on the same basis as in 2019. The analysis assumes that all other variables remain constant.

Exposure to interest rate risk arises primarily through the Authority's Cash and Cash Equivalents. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of ± 1% has been used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

| **Interest Rate Risk - 2020** | Carrying Amount $'000 | -1% Profit $'000 | -1% Equity $'000 | +1% Profit $'000 | +1% Equity $'000 |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | 6,510 | (65) | (65) | 65 | 65 |

| **Interest Rate Risk - 2019** | Carrying Amount $'000 | -1% Profit $'000 | -1% Equity $'000 | +1% Profit $'000 | +1% Equity $'000 |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| Cash and Cash Equivalents | 6,888 | (69) | (69) | 69 | 69 |

### (b) Reconciliation of Cash Flows from Operating Activities to Net Result

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Net Cash Flow From Operating Activities** | **453** | **2,310** |
| **Non Cash Revenues/(Expenses):** | | |
| Depreciation and amortization | (6,325) | (5,879) |
| Loss/(Gain) on Disposal of Non Current Assets | (185) | (25) |
| **Changes in Operating Assets and Liabilities:** | | |
| Decrease/(Increase) in Payables and Other Liabilities | (219) | (2,099) |
| Increase/(Decrease) in Receivables | 460 | 183 |
| **Net Result** | **(5,816)** | **(5,510)** |

## 6. CURRENT ASSETS - RECEIVABLES

### (a) Receivables

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Current** | | |
| Rental Debtors | 436 | 338 |
| Less: Allowance for expected credit losses (i) | (36) | (36) |
| Subtotal - Rental Debtors | 400 | 302 |
| Other Receivables: | | |
| Tenancy Liaison Service Agent Advances | 730 | 358 |
| Accrued Income | - | 10 |
| Subtotal - Other Receivables | 730 | 368 |
| **Total Current Receivables** | **1,130** | **670** |

(i) Movement in the allowance for expected credit losses

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Balance at 1 July | 36 | 84 |
| Increase/(Decrease) in allowance recognised in net results | - | (48) |
| **Balance at 30 June** | **36** | **36** |

### (b) Recognition and Measurement - Receivables

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

(i) Subsequent measurement

The Authority holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(ii) Impairment

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that The Authority expects to receive, discounted at the original effective interest rate.

For trade receivables, The Authority applies a simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. The Authority has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

## 7. NON-CURRENT ASSETS HELD FOR SALE

### (a) Non-Current Assets Held for Sale

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Current** | | |
| Land and Buildings | 233 | 990 |
| **Total Non-Current Assets Held for Sale** | **233** | **990** |

**(b) Reconciliation of Opening and Closing Carrying Amounts**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Non-Current Assets Held for Sale** | | |
| Carrying Amount at 1 July | 990 | 1,421 |
| Reclassification from/(to) Property, Plant and Equip - Land and Buildings (Note 8(a)) | (22) | 664 |
| Disposals (Note 4(a)) | (735) | (1,095) |
| **Carrying Amount at 30 June** | **233** | **990** |

Most of the properties are held for sale for longer than 12 months. This is in line with the average times such properties are held for sale in regional and remote areas.

**(c) Recognition and Measurement - Non-Current Assets Held for Sale**

The Authority has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-Current Assets Held for Sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

## 8. PROPERTY, PLANT AND EQUIPMENT

**(a) Total Property, Plant and Equipment**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Non-Current** | | |
| **Land and Buildings** | | |
| At Fair Value | 174,651 | 166,848 |
| Less Accumulated Depreciation (iii) | (1,486) | (1,457) |
| **Carrying Amount at 30 June** | **173,165** | **165,391** |
| | | |
| **Work in Progress** | **-** | 1,561 |
| **Total Property, Plant and Equipment at 30 June** | **173,165** | **166,952** |

**Reconciliation of Opening and Closing Carrying Amounts**

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Land and Buildings** | | |
| Carrying Amount at 1 July | 165,391 | 160,053 |
| Additions | 2,834 | 8,292 |
| Disposals (Note 4(a)) | (488) | (433) |
| Reclassification from/(to) Non-Current Asset Held for Sale (Note 7(b)) | 22 | (664) |
| Net Revaluation Reserve Increment/(Decrement) (Note 11(a)) | 11,698 | 4,022 |
| Depreciation Expense (Note 2(e)) | (6,292) | (5,879) |
| **Carrying Amount at 30 June** | **173,165** | **165,391** |
| | | |
| **Work in Progress** | | |
| Carrying Amount at 1 July | 1,561 | 3,475 |
| Additions | - | 3,849 |
| Disposal | (94) | - |
| Transfers to Fixed Assets | (1,467) | (5,763) |
| **Carrying Amount at 30 June** | **-** | **1,561** |
| **Total Property, Plant and Equipment at 30 June** | **173,165** | **166,952** |

**(b) Property, Plant and Equipment where the Authority is Lessor under Operating Leases**

| | 2020 $'000 |
|---|---|
| **Non-Current** | |
| **Land and Buildings** | |
| At Fair Value | 174,651 |
| Less Accumulated Depreciation (iii) | (1,486) |
| **Carrying Amount at 30 June** | **173,165** |
| | |
| **Work in Progress** | **-** |
| **Total Property, Plant and Equipment at 30 June** | **173,165** |

**Reconciliation of Opening and Closing Carrying Amounts**

| | 2020 $'000 |
|---|---|
| **Land and Buildings** | |
| Carrying Amount at 1 July | 165,391 |
| Additions | 2,834 |
| Disposals (Note 4(a)) | (488) |
| Reclassification from/(to) Non-Current Asset Held for Sale (Note 7(b)) | 22 |
| Net Revaluation Reserve Increment/(Decrement) (Note 11(a)) | 11,698 |
| Depreciation Expense (Note 2(e)) | (6,292) |
| **Carrying Amount at 30 June** | **173,165** |
| | |
| **Work in Progress** | |
| Carrying Amount at 1 July | 1,561 |
| Additions | - |
| Disposal | (94) |
| Transfers to Fixed Assets | (1,467) |
| **Carrying Amount at 30 June** | **-** |
| **Total Property, Plant and Equipment at 30 June** | **173,165** |

**(c) Recognition and Measurement - Property, Plant and Equipment**

(i) Acquisitions of Assets

Acquisition of assets is recognised when the risks and rewards of the asset have passed to the buyer. On property asset, this usually coincides with when the legal title passes to the buyer, which is upon settlement of a contract.

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent (i.e. the deferred payment amount is effectively discounted at an asset-specific rate).

(ii) Capitalisation Thresholds

Plant and equipment, and intangible assets costing $10,000 and above individually are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement", AASB 116 "Property, Plant and Equipment".

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio- political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. The Authority revalues each class of property, plant and equipment on annual basis to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value.

When revaluing assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

A comprehensive revaluation of the Authority's land and buildings was last undertaken in 2019-20. Since 2015-16, the Authority has adopted the "Use of Sampling in Asset Valuation" method to determine the fair value of its land and buildings. This method is outlined in Appendix B of TPP14-01 "Accounting Policy: Valuation of Physical Non-Current Assets at Fair Value" issued by Treasury in February 2014. The net change in the value of assets was an increase of approximately 2.5%.

In 2019-20, the Authority engaged NSW Valuation Services (a division of the DPIE) to conduct the revaluation of its Land and Buildings. The Authority also engage an independent statistician, to review the NSW Valuation Services process and valuation results.

The effective valuation date adopted in 2019-20 for the Authority's Land and Buildings revaluations is 31 March 2020 (31 March 2019 in 2018-19).

Revaluation increments are credited directly to revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited directly to the revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 "Impairment of Assets" is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Authority estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(v) Restoration Costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(vi) Disposals

The Authority's assets are disposed when they are:
- At the end of their economic lives and it is unfeasible to upgrade them;
- In locations where the private rental market adequately provides rental properties;
- In locations where there is insufficient teacher demand and assets in that location are underutilised; or
- A combination of the above.

## 9. INTANGIBLE ASSETS

### (a) Computer Software

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Non-Current** | | |
| **Land and Buildings** | | |
| At Fair Value | 595 | - |
| Less Accumulated Depreciation (iii) | (33) | - |
| **Carrying Amount at 30 June** | **562** | **-** |

### (b) Reconciliation of Opening and Closing Carrying Amounts

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Computer Software** | | |
| Carrying Amount at 1 July | - | - |
| Additions | 595 | - |
| Amortisation Expense (Note 2(e)) | (33) | - |
| **Carrying Amount at 30 June** | **562** | **-** |

**(c) Recognition and Measurement**

The entity recognises intangible assets only if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite

The entity's intangible assets are amortised using the straight-line method over a period of 3 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## 10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis (Refer to Notes 1(f), 7 and 8):

**(a) Fair Value Hierarchy**

| 2020 | Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Property, Plant and Equipment** | | | | |
| Land and Buildings | - | 173,165 | - | 173,165 |
| Non-Current Assets Held for Sale | - | 233 | - | 233 |
| | **-** | **173,398** | **-** | **173,398** |

| 2019 | Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 |
| **Property, Plant and Equipment** | | | | |
| Land and Buildings | - | 165,391 | - | 165,391 |
| Non-Current Assets Held for Sale | - | 990 | - | 990 |
| | **-** | **166,381** | **-** | **166,381** |

**(b) Valuation Techniques, Input and Processes**

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation processes refer note 8 (c)(iii).

| Class | Valuation Technique | Key Inputs |
|---|---|---|
| Land and Buildings | The Authority uses a mass valuation process (Appendix B of TPP14-01) to value its portfolio annually. A benchmark sample of 20% of portfolio is valued using the Market Approach valuation technique. The technique uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets. The changes in values in the benchmark sample is extrapolated to the entire portfolio. | • Location of property<br>• Type of residence<br>• Age of property<br>• Construction material<br>• Number of bedrooms<br>• Condition rating<br>• Effective life |

## 11. CURRENT LIABILITIES - PAYABLES

### (a) Payables

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| **Current** | | |
| Other Creditors and Accruals | 4,953 | 4,735 |
| **Total Current Payables** | **4,953** | **4,735** |

**Recognition and Measurement - Payables**

Payables are recognised for amounts due to be paid in the future for goods or services received, whether invoiced. Payables represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

The Authority's payables are all non-interest bearing.

**Liquidity Risk**

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk.

**Maturity Profile**

All Authority's payables and accruals have a maturity of less than 12 months. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Authority may automatically pay the supplier simple interest. The Authority was not required to make any interest payment in this respect during the current or prior years.

## 12. EQUITY

### (a) Asset Revaluation Reserve

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority's policy on the Revaluation of Property, Plant and Equipment as discussed in Note 8.

| Asset Revaluation Reserve Movement | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Carrying Amount at 1 July | 105,689 | 101,644 |
| Net Increase/(Decrease) on Revaluation (Note 8(a)) | 11,698 | 4,022 |
| Transfer to Accumulated Funds on Disposal of PP&E | (3,973) | 23 |
| **Carrying Amount at 30 June** | **113,414** | **105,689** |
| **Dissection by Asset Class:** | | |
| Land and Buildings | 113,414 | 105,689 |
| **Total Asset Revaluation Reserve at 30 June** | **113,414** | **105,689** |

### (b) Accumulated Funds

The category Accumulated Funds includes all current and prior period retained funds.

| Accumulated Funds Movement | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Carrying Amount at 1 July | 65,076 | 70,609 |
| Net Result for the Year | (5,816) | (5,510) |
| Transfer from Asset Revaluation Reserve on Disposal of PP&E | 3,973 | (23) |
| **Carrying Amount at 30 June** | **63,233** | **65,076** |

## 13. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Authority's management on a regular basis.

### (a) Financial Instrument Categories

(i) As at 30 June 2020

| Class | Notes | Category | Carrying amount $'000 |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | 5 | N/A | 6,510 |
| Receivables (i) | 6 | Amortised Cost | 400 |
| **Financial Liabilities** | | Financial Liabilities | |
| Payables (ii) | 11 | measured at Amortised Cost | 4,953 |

(i) Excludes statutory receivables and prepayments as they are not within scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within scope of AASB 7.

(ii) As at 30 June 2019 under AASB 9

| Class | Notes | Category | Carrying amount $'000 |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | 5 | N/A | 6,888 |
| Receivables (i) | 6 | Amortised Cost | 312 |
| **Financial Liabilities** | | Financial Liabilities | |
| Payables (ii) | 11 | measured at Amortised Cost | 4,735 |

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within scope of AASB 7.

The Authority determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

### (b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Authority has transferred substantially all the risks and rewards of the asset; or
- the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Authority has transferred its rights to receive cash flows from an asset or has entered a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Authority's continuing involvement in the asset. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified; such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net results.

## (c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## (d) Financial risks

(i) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash and receivables (Notes 5 and 6). No collateral is held by the Authority and the Authority has not granted any material financial guarantees, individually or in aggregate. Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Authority applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Authority has identified the GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2020 and 2019 was determined as follows:

| **30 June 2020** | | | | **$'000** | | |
|---|---|---|---|---|---|---|
| | **Current** | **<30 days** | **30-60 days** | **61-90 days** | **>91 days** | **Total** |
| Expected credit loss rate | 2.4% | 1.1% | 1.8% | 17.80% | 22.79% | 7.90% |
| Estimated total gross carrying amount at default | 4 | 273 | 19 | 16 | 124 | 436 |
| **Expected credit loss** | **-** | **3** | **-** | **3** | **30** | **36** |

| **30 June 2019** | | | | **$'000** | | |
|---|---|---|---|---|---|---|
| | **Current** | **<30 days** | **30-60 days** | **61-90 days** | **>91 days** | **Total** |
| Expected credit loss rate | | 1.1% | 1.8% | 17.8% | 22.8% | |
| Estimated total gross carrying amount at default | - | 157 | 28 | 17 | 136 | 338 |
| **Expected credit loss** | - | **2** | **-** | **3** | **31** | **36** |

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 6.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020 and 2019. The Authority debtors represent a large number of individual teachers whose particular credit rating will vary and are unknown to the Authority.

) Liquidity Risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Authority's financial liabilities included in Note 13(a) will mature in less than 1 year. The Authority does not have any credit facility at 30 June 2020 (2019: Nil).

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's Cash and Cash Equivalents (Note 5). The Authority has no exposure to foreign currency risk and does not enter commodity contracts.

(iv) Fair Value of Financial Instruments

The Authority's financial instruments are recognised at cost. The amortised cost of the Authority's financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of the financial instruments. The Authority has not identified any financial instruments whose fair value differs materially from the carrying amount.

## 14. COMMITMENTS FOR EXPENDITURE

The Authority is classified as a fully input-taxed entity. As such, the Authority is not eligible to claim input tax credits from the Australian Taxation Office for any Goods and Services Tax (GST) paid on taxable acquisitions. Any GST paid on such acquisitions are accounted for as part of the cost of that acquisition and expensed or capitalised accordingly. Where applicable, the following commitments for expenditure on goods or services include the GST payable.

### (a) Capital Expenditure Commitments

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Capital expenditure contracted at balance date but not provided for: | | |
| Payable within one year | 5 | 97 |
| **Total Capital Expenditure Commitments (Incl GST)** | **5** | **97** |

Total capital expenditure commitments relate to contracted capital works on residential housing. Capital expenditure commitments at 30 June 2020 include GST input tax credits of $0.01 million ($0.09 at 30 June 2019) that are expected to be not recoverable from the Australian Taxation Office and will be capitalised as part of the acquisition cost of Property, Plant and Equipment.

### (b) Other Operating Commitments - Property Maintenance & School Residence Refurbishment

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Operating expenditure contracted at balance date but not provided for: | | |
| Property Maintenance Commitments | 3,972 | 90 |
| **Total Property Maintenance Commitments** | **3,972** | **90** |

Expenditure commitments for property maintenance and school residence refurbishments arise from contracts entered into for the provision of contingent maintenance and programmed maintenance for dwellings included within the Authority's annual Property Refurbishment Program.

## 15. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Authority may be liable for payment of compensation arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund.

The Authority is not aware of any contingent assets or liabilities as at 30 June 2020 (Nil as at 30 June 2019).

## 16. RELATED PARTY DISCLOSURES

### (a) Key Management Personnel Compensation

During the year, the Authority did not pay any compensation directly to its key management personnel (Nil in 2018-19).

In 2019-20, the Authority incurred $0.21 million in respect of the Key Management Personnel services ($0.24 million in 2018-2019).

(i) Remuneration of Authority Members

Section 7(1)(c) of the *Teacher Housing Authority Act, 1975* provides for the appointment of a member to manage the Authority's activities. This member is appointed under the *Government Sector Employment Act 2013* and remuneration is in accordance with determinations of the Industrial Authority. No remuneration is paid to members of the Authority.

### (b) Transactions and Outstanding Balances with Other Related Parties

During 2019-20, the Authority has not entered other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof (Nil in 2018-19).

### (c) Transactions and Outstanding Balances with Other Government Entities

During 2019-20, the Authority entered transactions with other entities that are controlled/jointly controlled/ significantly influenced by the NSW Government. These transactions are collectively, but not individually, a significant portion of the Authority's property rental income, fees for services rendered and grant and contribution revenue.

| Related parties | Transactions | 2020 $'000 | 2019 $'000 |
|---|---|---|---|
| Department of Education | Receiving Rental subsidy | 5,120 | 4,926 |
| Department of Education | Receiving Operation funding | 7,120 | 6,627 |
| Department of Planning, Industry and Environment | Receiving Personnel Services | 2,518 | - |
| | | **14,758** | **11,553** |

## 17. AFTER REPORTING DATE EVENTS

Management is continuously evaluating the COVID-19 impact on the Authority and has concluded that while it is reasonably possible that the COVID-19 could have a negative effect on the results of its future operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Authority has not identified any events or transactions that are material to require adjustments or disclosures in the financial report.

**End of Audited Financial Statements**