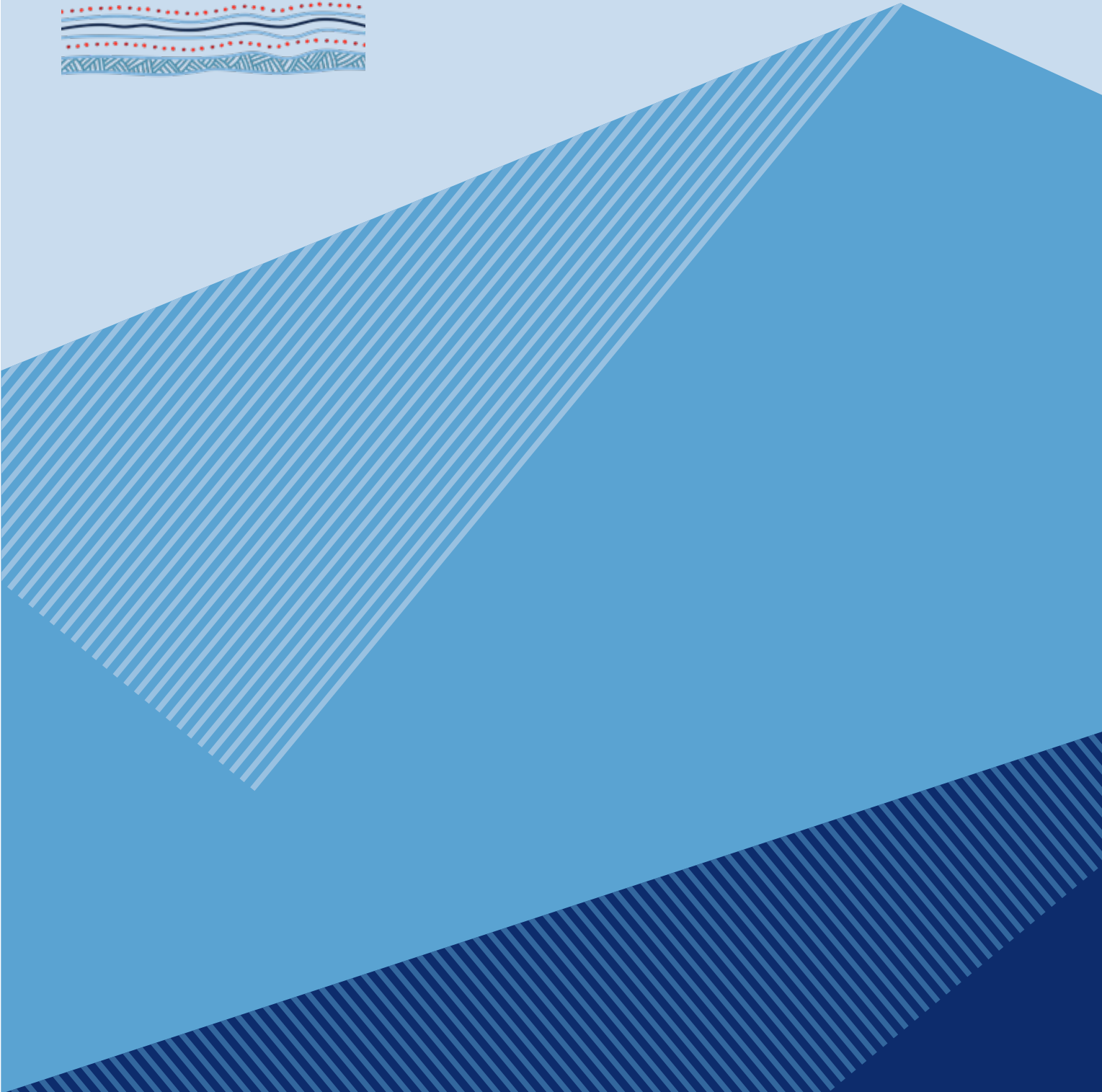
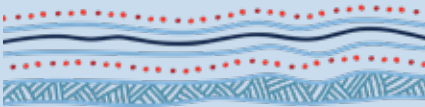


Annual
Report
2023-24

DHA acknowledges the Traditional Owners of the land and communities in which we work. We pay our respects to Elders past, present and future.



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Letter of transmittal

30 September 2024

The Hon Matt Keogh MP
Minister for Defence Personnel
Parliament House
Canberra ACT 2600

Senator the Hon Katy Gallagher
Minister for Finance
Parliament House
Canberra ACT 2600

Dear Ministers

On behalf of the Board of Directors, I am pleased to present Defence Housing Australia's (DHA) Annual Report 2023–24 for the year ended 30 June 2024 (the report).

The report has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), related instruments and guidance material, including the *Public Governance, Performance and Accountability Rule 2014* and *Commonwealth Government Business Enterprise Governance and Oversight Guidelines*.

In the Board's opinion, the report is based on properly maintained records and accurately reflects DHA's performance against the purpose and performance measures set out in DHA's Corporate Plan 2023–24 to 2026–27 and Statement of Corporate Intent 2023–24.

I trust that while this report is primarily a mechanism of accountability to the Australian Government, it will also be a valuable source of information for the Parliament and the public about the achievements and performance of DHA for the reporting year. The report highlights how DHA is invested in supporting Defence capability and will progress tactical areas of reform, while strategic changes to its funding are under review.

I commend this report to you as a record of DHA's achievements and compliance, and request that you present it to the Parliament in accordance with section 46(1) of the PGPA Act.

Yours sincerely



Dr Robert Lang
Acting Chair

About this report

This report is the Board of Directors' (Board) primary mechanism of accountability to the Parliament of Australia and has been prepared in accordance with legislative and parliamentary reporting requirements.

This report describes Defence Housing Australia's (DHA) performance against stated objectives and performance measures for the period 1 July 2023 to 30 June 2024 as set out in DHA's Corporate Plan 2023–24 to 2026–27 (Corporate Plan 2023–24) and publicly available Statement of Corporate Intent 2023–24 (www.dha.gov.au/sci). In accordance with section 16E(4) of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the Board has chosen not to make DHA's Corporate Plan publicly available to protect DHA's commercial interests. Rather, DHA prepares and publishes a Statement of Corporate Intent annually, based on the Corporate Plan. The Statement of Corporate Intent 2023–24 provides a high level, overview of DHA's key priorities for the financial year and was published in August 2023.

Guide to this report

Part 1 provides a review of the year from DHA's Acting Chair and Acting Managing Director and details of DHA's significant highlights and achievements over the reporting period.

Part 2 provides an overview of DHA's purpose, responsibilities, services to the Department of Defence (Defence) and landlords, DHA's property portfolio, organisational structure, and financial structure as at 30 June 2024.

Part 3 contains DHA's Annual Performance Statement and a detailed assessment of the performance in 2023–24.

Part 4 contains DHA's financial statements for 2023–24.

Part 5 details DHA's management and accountability processes, including corporate governance, external scrutiny, and workforce management.

Part 6 contains appendices and reference information.

The appendices provide supplementary information on specific areas of the business, including those required under legislation.

The reference information includes a list of acronyms and abbreviations, a compliance index, a directory of DHA's services and offices, and an alphabetical index.

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Contact details

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PO Box 4923
Kingston ACT 2604
E. annualreport@dha.gov.au
P: 139 342
www.dha.gov.au

Digital Report

An electronic version of this report is available at transparency.gov.au.

2023–24 in summary

The DHA Corporate Plan 2023–24 objectives were to **provide adequate and suitable housing and housing related services**, and **provide value to shareholders**. This year, DHA supported over 53,000 members and their families:



17,104

Residences



16,000

Rent Allowance



116,695

Living in Accommodation requests



6,565

Housing allocations

DHA met or exceeded most of its **performance measures** for delivering housing solutions and services



Provide and manage a portfolio of housing

Provisioning of housing solutions to the approved provisioning schedule

103%

TARGET \geq 99%

Note: DHA provisioned above the target to meet future Defence demand, which is projected to increase significantly over the next four years. By overachieving now, DHA is minimising future provisioning risk.

ADF member satisfaction with housing solutions

85%

TARGET \geq 80%



Partner with Defence to shape and administer housing policy

DHA is a trusted advisor

Rating of 'Good'

MEETS TARGET



Provide housing services to ADF members and their families

ADF member customer service satisfaction

83%

TARGET \geq 85%

Note: while below the target for customer service satisfaction, the result was a one per cent improvement on the 2022–23 result.



Operate effectively, efficiently and sustainably as a better practice Commonwealth entity

Return on equity

3.2%

RETURN

ISO 9001
(Quality Management Systems)

Certified

MEETS TARGET

Staff engagement

71%

TARGET \geq 70%

These additional indicators highlight DHA's **financial performance over the 2023–24 reporting period:**

\$170m

Total debt

\$339.6m

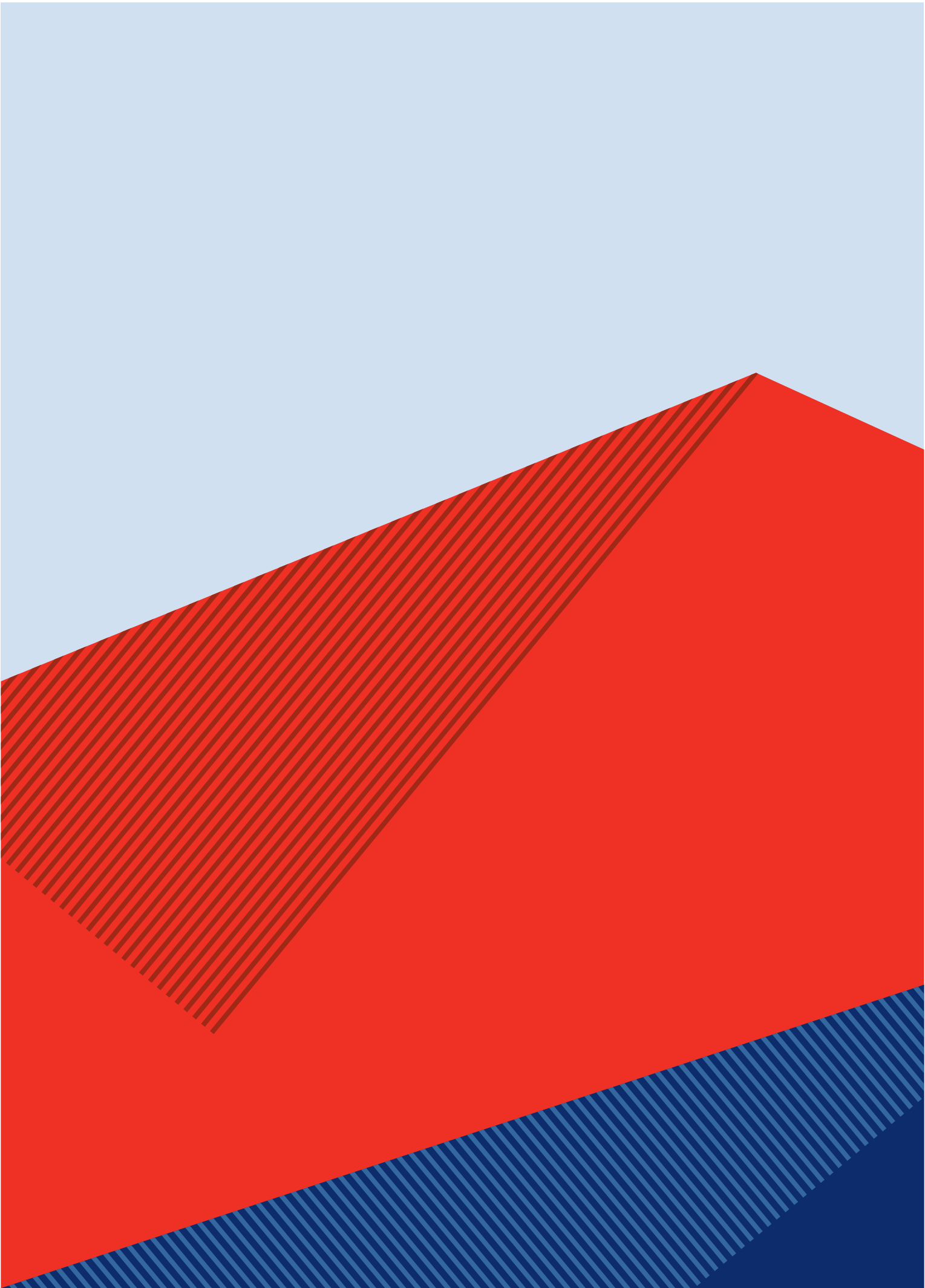
Debt headroom

\$53.9m

Net profit after tax

0.4

Current ratio



Part 1 Year in review

Acting Chair's review

Acting Managing Director's review

1



Acting Chair's review

It gives me great pleasure to introduce Defence Housing Australia's (DHA's) Annual Report 2023–24.



Over the previous year, DHA achieved its purpose, supporting Defence capability through the provision of housing and housing related services to Australian Defence Force (ADF) members and their families.

DHA's provisioning plan balances certainty in supply and flexibility in housing solutions. As at 30 June 2024, DHA's provisioned portfolio comprised of 17,104 properties, housing 15,643¹ ADF members and members with partners and their families, assisted over 6,500 ADF members and their families to find a home in their posting location and administered Rent Allowance payments to over 16,000 ADF members.

DHA is also focused on ensuring that ADF members and their families are at the centre of our operations. To support recruitment and retention of ADF personnel, DHA continues to improve its services and inform Defence in policy and practice. DHA staff conducted over 64,000 property inspections and over 6,300 welcome visits, facilitated over 2,900 self-service welcome visits, processed over 10,000 Rent Allowance applications, and managed over 116,000 Living in Accommodation (LIA) requests. ADF member surveys show that DHA met satisfaction benchmarks relating to DHA's housing solutions.

The Acting Managing Director will comment more specifically on DHA's operational achievements; however, I would like to highlight some key areas.

Support of the Australian Government

In 2023–24, DHA worked very closely with Shareholder Ministers and their departmental representatives to ensure we continue to meet the current and future needs of the Australian Government.

I look forward to working with the Minister for Defence Personnel, the Hon Matt Keogh MP, the Minister for Finance, Senator the Hon Katy Gallagher, and the Deputy Prime Minister and Minister for Defence, the Hon Richard Marles MP, over the coming year.

Support of the Defence community

DHA remains committed to delivering on our primary purpose to provide housing and related services for ADF members and their families. We are also proud members of the broader Defence community and play an important role in supporting Defence capability to defend our country.

In 2023–24, DHA participated in four major sponsorships. DHA supported Legacy Australia's Centenary Torch Relay, which is a campaign to acknowledge veterans' families, salute their sacrifice and particularly to acknowledge the role that Legacy has played over the past 100 years.

¹ DHA-managed tenancies under an ADF entitlement.

DHA supports Integra Service Dogs Australia (Integra) to enable it to support veterans and first responders suffering from Post Traumatic Stress Disorder and other mental health-related illnesses, as a result of trauma during service. Integra specialises in the sourcing, matching, placement, ongoing training and development of high-quality Labrador trainee Service Dogs in most States and Territories.

DHA continued its sponsorship of a Hut at Oasis Townsville, QLD, which supports Oasis in providing services to the Veteran community. The hut is known as the Lil Somers Hut, named after Lilian 'Lil' Somers, known as QF265125 Gunner Gerahty, who served in the Australian Women's Army Service in Townsville during World War II. The Oasis Townsville is a veteran-focused organisation that aims to facilitate the connection between the veteran community through its Planning and Linkages, Employment and Education and Social Connections programs.

DHA also supported ANZAC Day through collaboration with the Canberra Raiders during ANZAC Round of the National Rugby League competition raising approximately \$18,000 for Kookaburra Kids, which delivers the Defence Kids Program across Australia.

As well as our major sponsorships, we have a long history of supporting small community organisations that play a key role in the Defence community. In 2023–24, we supported the Military Wives' Choir, the Northern Territory Officers' Ball and the Sydney Legacy Remembrance Day lunch.

Our presence at these events provides a positive interaction between DHA, ADF members and their families. It highlights our brand and services to other Defence support groups and key stakeholders.

Appointments and acknowledgements

Board

The Australian Government appoints DHA Board members. The current composition of members brings together a diverse range of skills and experience. I thank them for their service.

In 2023–24, the Board welcomed the appointment of Ms Monique Hamilton PSM as the nominee of the Secretary of Defence and Dr Robert Lang initially as a commercial director and then as Acting Chair.

I acknowledge and thank DHA's former Chair, the Hon Sandy Macdonald AM, for his service to DHA since 2009 as a commercial director and Chair since 2014. The Board and I will miss his counsel and wish him well in his future endeavours.

Managing Director

I wish to acknowledge Mr Barry Jackson and his exemplary leadership of DHA during the year. The Board and I thank him for his efforts, particularly in relation to implementation of DHA's Technology Refresh program, and oversight of the development of DHA's Corporate Plan 2024–25 to 2027–28, including driving consideration of DHA's capital structure and exploring new ways for DHA to meet its provisioning targets.

Staff

I would like to acknowledge and thank the Leadership Team and all staff for their ongoing efforts and achievements in 2023–24.

The Board and I are consistently impressed and thankful for the professionalism and commitment to service that is displayed. DHA has highly motivated people at every level of our decentralised organisation.

There are always challenges in a business as large and complex as DHA, but I am confident we will continue to navigate them and deliver quality outcomes for ADF families, landlords and shareholders in 2024–25.



Dr Robert Lang
Acting Chair

Acting Managing Director's review



Performance highlights

As at 30 June 2024, our provisioned portfolio comprised of 17,104 properties exceeding the Approved Provisioning Schedule target for provisioning. The better than anticipated result was achieved primarily due to record leasing arrangements. DHA established a Strategic Provisioning function which is responsible for developing strategies and industry partnerships to deliver ongoing large-scale leasing arrangements in critical regions.

DHA recognises the importance of the services that it provides to ADF members and their families, and how those services assist with Defence capability. In 2023–24, DHA continued its strong commitment to improving its service offering, including leveraging technology to enhance the way we do business, and giving greater consideration to environmental and social impacts of DHA's provision of services. Central to how DHA provides these services are the DHA staff. I'd like to thank all the staff for their hard work, their commitment to improving the services DHA provides, and embracing the challenges that lay ahead.

DHA has implemented a range of provisioning strategies to address Defence's expanding needs, including building on our extensive existing portfolio right around the country, working with industry partners to secure housing, and working with our defence stakeholders to ensure the housing we provide meets the modern expectations of ADF members and their families. DHA is actively engaged and committed to delivering housing in line with the National Defence Strategy (NDS) with a focus on key regions including Rockingham (WA), Townsville (QLD), Canberra (ACT), Sydney (NSW) and Nowra (NSW). Approaches in these key regions are supported by new industry partnerships to provide large volumes of housing through existing industry capability.

2023–24 saw the development of a national Quality Framework to better articulate property inspection milestones and inform quality assurance practices in operational teams. DHA also enhanced Online Services functionality, including a refined online enquiry interface, and the introduction of dynamic help text. DHA continues to monitor online services usage trends and customer feedback to maintain a contemporised self-service platform that is customer centric for all user groups.

The Defence Strategic Review (DSR), NDS, and the Integrated Investment Program (IIP) highlighted a growing Defence force with a Northern Australia geographical focus. This growth and geographical focus accounts for the increase in the provisioning demand for housing which is expected to continue. DHA continued to work with Defence to enable workforce engagement through the Defence Housing Forecast (DHF) process and adapt to this increase in provisioning demand. DHA worked closely with Defence to support the Defence Housing Support Review sharing some of the key insights from member survey data and engagement. DHA will work to implement the review's endorsed recommendations once finalised.

DHA has continued its focus on improving customer service, including improvements to self-service options for members and their families, refinement of the Living in Accommodation (LIA) booking and allocation system. DHA worked on uplifting technology and automation of manual tasks to streamline the Rent Allowance (RA) Review process, simplifying survey completion and reducing administrative burden for members and their families.

Priorities for the year ahead

DHA remains committed to our purpose of providing housing, and housing related services, to ADF members and their families to support Defence's operational needs. 2023–24 saw the emergence of the 2024 NDS which details the ambitious transformation of the ADF and the repositioning towards a National Defence approach. DHA aims to support this generational uplift in Defence's capabilities to meet housing demand and to leverage technology to improve DHA's operational performance and the Defence members' experience.

DHA has developed a range of initiatives to meet Defence's requirements for housing (and housing services) in support of Australia's future Defence capability, while managing the influences of property market conditions and undertaking critical initiatives related to the implementation of sustainable funding and a scalable operating model that meets the needs of the evolving Defence landscape. DHA's goal is to balance certainty in supply and flexibility in the housing solutions being provided, while uplifting DHA's operational model to incorporate broader environmental and social considerations into how DHA provides its service to the ADF.

DHA recognises the ongoing changes to Defence membership and the wider Defence community with shifts in demographics over time observed in ADF member data collected. Member surveys have highlighted changing expectations for transparent and quality services which evolve over time. DHA aims to meet these expectations in partnership with Defence with an initial focus on aligning policy objectives.

DHA continues to engage with representatives from the Departments of Defence and Finance to work towards supporting the anticipated growth outlined in the NDS and resolving any funding model constraints. Interim measures are in place to enable short term provisioning needs are met.

DHA's success lies in having a strong relationship with Defence and, together, putting ADF members and their families at the heart of our operations, supporting and enabling the recruitment and retention of Defence capability.



Mr Brett Jorgensen
Acting Managing Director

Contributing to the community

DHA's partnerships with charitable organisations are designed to provide vital support to ADF members and their families. Notable initiatives include:

- Collaborating with Integra Service Dogs Australia to hire additional instructors, enabling them to expand their reach and assist more individuals in need.
- Supporting Anzac Day in collaboration with the Canberra Raiders, which contributed to the Kookaburra Kids Foundation, supporting the wellbeing of children from Defence families impacted by mental illness.
- Continued partnership with The Oasis Townsville to provide a welcoming space for veterans to connect and participate in programs and initiatives aimed at easing their transition to civilian life.
- Continued support of the Legacy Century Torch Relay to aid in its important work caring for families of ADF personnel who have lost their lives or health due to service.
- Supporting the Australian Military Wives' Choir to strengthen connections among partners, daughters, mothers, and sisters of serving ADF members.

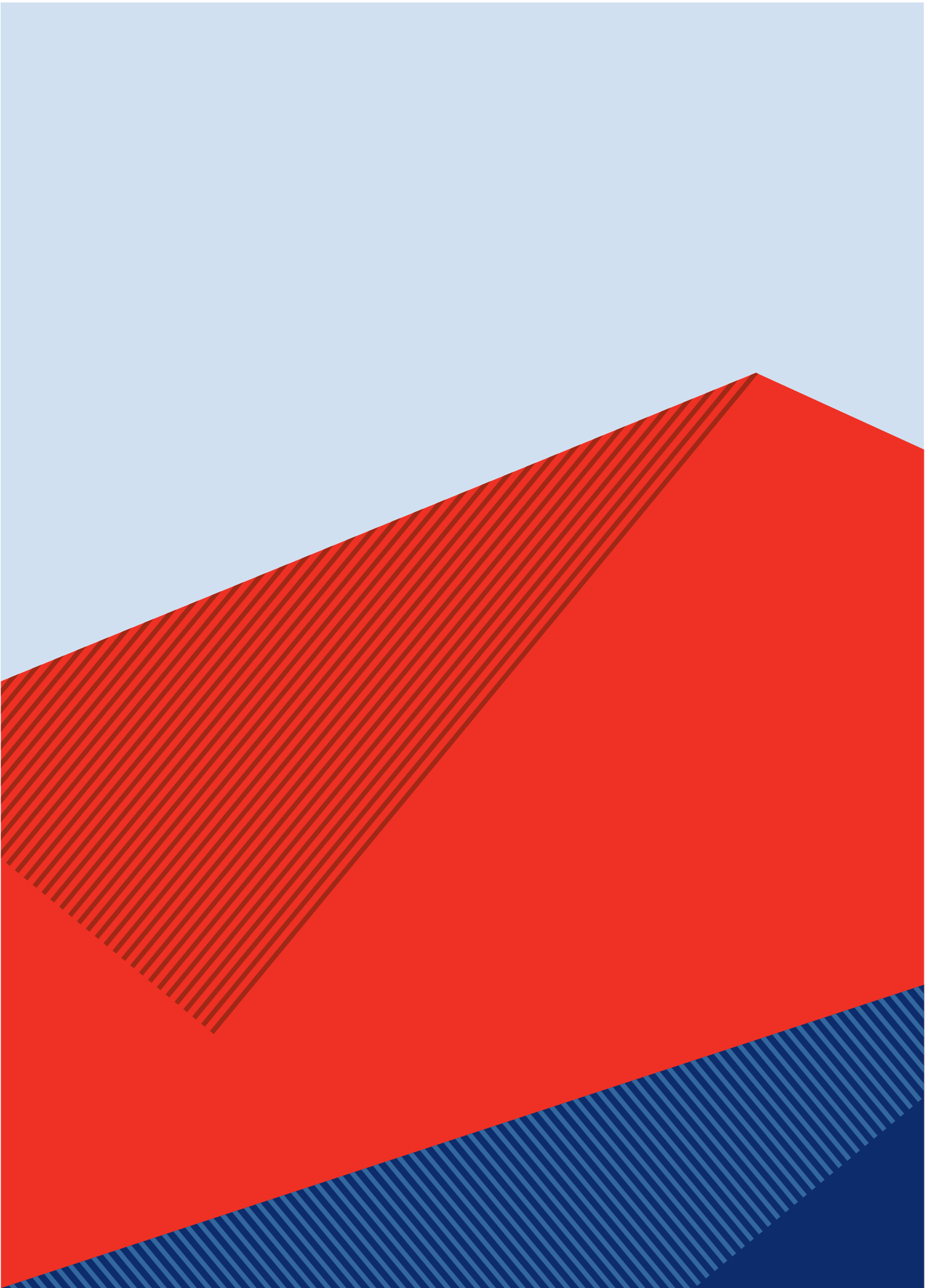
In terms of individual contributions, the DHA Community program comprises various corporate initiatives aimed at empowering employees to support one another and their communities. Key components of the program include:

- A Workplace Giving program that allows employees to voluntarily donate to charities through one-time or recurring donations directly from their pay.
- A Shared Benefits Scheme enabling employees to donate a portion of their accrued personal leave to a registry that assists colleagues requiring extended leave, often due to serious personal or family health issues. 266 hours of personal leave were donated to this scheme during the reporting period.

In 2023–24, DHA's employees generously contributed to several organisations, including:

- Integra Service Dogs Australia
- Beyond Blue
- Cancer Council
- Fred Hollows Foundation
- Indigenous Literacy Foundation.

DHA also encourages its employees to volunteer in the local community. Depending on operational needs, they may enter flexible work agreements or take paid or unpaid leave to participate in these efforts.



Part 2 Agency overview

Purpose

Operating context

Organisational structure

Services to Defence

Housing solutions

Housing portfolio

Corporate governance structure

2

Purpose

Defence Housing Australia (DHA) was established in 1988² to meet the operational needs of the Defence Force and the requirements of the Department [of Defence] by providing adequate and suitable housing for, and housing related services to:

- members of the Defence Force and their families
- officers and employees of the Department and their families
- persons contracted to provide goods or services to the Defence Force, and their families
- persons contracted to provide goods or services to the Department, and their families.

DHA delivers committed support for Australian Defence Force (ADF) capability through the provision and management of over 17,104 housing solutions for ADF members and their families. DHA also provides additional housing support services to Defence through the provision of housing benefit administration, temporary accommodation management, housing project management and heritage housing management services.

DHA is a corporate Commonwealth entity and Government Business Enterprise (GBE) operating under the provisions of the *Defence Housing Australia Act 1987* (the DHA Act), the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the PGPA Rule. At 30 June 2024, DHA's Shareholders were the Assistant Minister for Defence and the Minister for Finance acting on behalf of the Australian Government.

More information can be found in the *Organisational structure and Legislative framework* sections of this report.

Contributing to Defence outcomes

DHA's contribution to Defence capability is described in the 2023–24 Portfolio Budget Statements as being to contribute to Defence outcomes by providing total housing services that meet Defence Operational and client needs through a strong customer and business focus.

This involves four key activities:

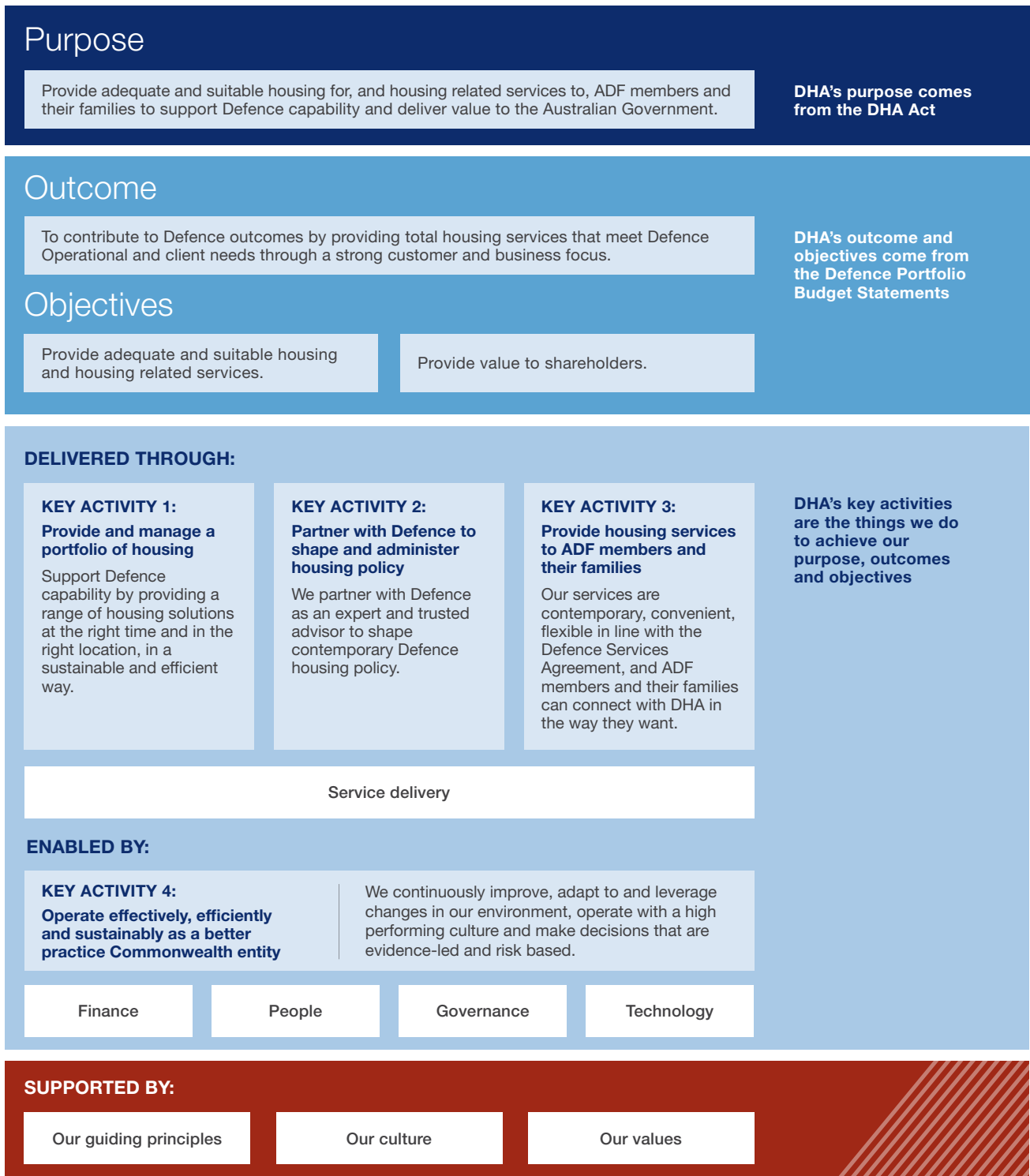
1. Providing and managing a portfolio of housing
2. Partnering with Defence to shape and administer housing policy
3. Providing housing services to ADF members and their families
4. Operating effectively, efficiently and sustainably as a better practice Commonwealth entity.

The relationship between DHA's Purpose, its Outcome and Objectives as set out in the Portfolio Budget Statements and its Activities is demonstrated by DHA's strategic framework, refer to Figure 2.1.

Further information on how DHA has delivered on its purpose through four key activities are detailed in *Part 3 – Report on performance*.

² *Defence Housing Australia Act 1987*.

FIGURE 2.1: DHA's strategic framework



Operating context

DHA monitors a range of internal and external factors that could impact its ability to meet the future housing requirements of the ADF. Each of the following strategic drivers are considered to have had a notable impact in 2023–24 and are also expected to shape future DHA strategies and activities.

Defence's needs are changing rapidly

2024 National Defence Strategy and Integrated Investment Program

The NDS provides a blueprint to deliver an ambitious transformation of the ADF. The culmination of the NDS, DSR and IIP is a growing Defence force with a Northern Australia geographical focus. This growth and geographical focus accounts for the increase in the provisioning demand for housing which is expected to continue. DHA is working closely with the ADF to enable workforce engagement via the DHF process, noting the rapidly evolving requirements.

Defence members and their families' preferences have changed

Housing preferences

DHA's Annual Occupant Survey provides insight into the changing housing preferences of members and their families. The location of DHA housing was identified as the biggest potential area of improvement, followed by more flexibility in the size of properties and the diversity of dwelling type. DHA intends to increase flexibility in its portfolio, with a primary focus on provisioning housing in closer proximity to Defence bases / places of work. To meet this condition within DHA's capital funding model, a blend of traditional detached houses, townhouses and units will be provisioned, to ensure that DHA caters for members and their families who weight other factors more prominently and are more flexible with the size and type of dwelling.

Digital service preferences

The largest trend in interactions with members and their families is the increase in the use of online services. From 2010 to 2023, distinct user logins to online services have grown by 726 per cent, with a 31 per cent increase occurring between 2019 and 2023. Member surveys show that the preferred channels for members and their families to engage with DHA is self-service through Online Services, telephone and email. However, while the Annual Occupant Survey 2023 report indicated that 72 per cent of members are satisfied with the online services experience, this satisfaction level had fallen from 81 per cent (-9 per cent) since 2020.

TABLE 2.1: Survey responses from 2023, 2022 and 2021

Which of the following property features would you most like to see improved with regards to DHA's housing?*				
Property features	2023	2022	2021	Net increase (decrease)
Location of DHA properties	58%	38%	34%	24%
Size of DHA properties	43%	32%	35%	8%
Diversity of dwelling type (detached house, townhouse, unit etc.)	32%	21%	24%	8%
Other	16%	9%	8%	8%
Not applicable	12%	No N/A option available	No N/A option available	N/A

*Note: members can select multiple options

Defence Housing Support Review / Defence Employee Value Proposition

In May 2023, the Government announced the commencement of the Defence Housing Support Review. The review seeks to assess the adequacy of Defence housing across the country, both the Defence Home Ownership Assistance Scheme and the rental scheme. Its objective is to ensure that Defence housing meets the needs of Defence Force personnel – in addition to serving a key role as an attraction and retention mechanism for Defence Force personnel.

Defence housing policy

Defence housing policy is the key driver for housing style, service and related entitlements for ADF members and their families. The Defence Pay and Conditions Manual (PACMAN) outlines these policies to the extent that the minimum requirements of a typical Service Residence are described and remains focused on a traditional freestanding house model. The last major change to housing policy in PACMAN was in 2007. DHA remains committed to supporting Defence to inform opportunities for policy change to meet the changing preferences of ADF members and their families.

The cost of housing is increasing

Macroeconomic supply and demand

As an intermediary and participant in the market, DHA’s ability to deliver against its purpose is impacted by the housing market and economic environment. Property values and weekly rent continue to trend upwards, driven by limited supply and increased demand for housing. The Federal Budget 2024–25, Paper 1, Statement 4: *Meeting Australia’s Housing Challenge* outlined that both the number of homes being offered for sale (Figure 2.2) and the number of homes available for rent (Figure 2.3) have been falling rapidly.

There is and will continue to be a low supply of houses available to buy or rent coupled with increasing demand for housing through population growth, at a time of growing housing needs for ADF members and their families. Current market conditions mean that the supply of dwellings is expected to remain constrained in the short to medium term.

Landlord sentiment

Landlords continue to provide DHA with feedback that economic factors are impacting investor capacity to retain their properties with DHA.

FIGURE 2.2: Total national established property market listings (,000)³

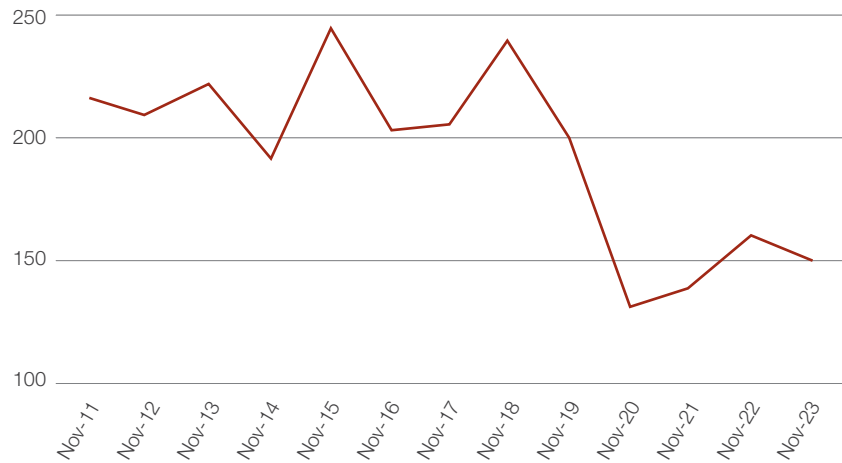
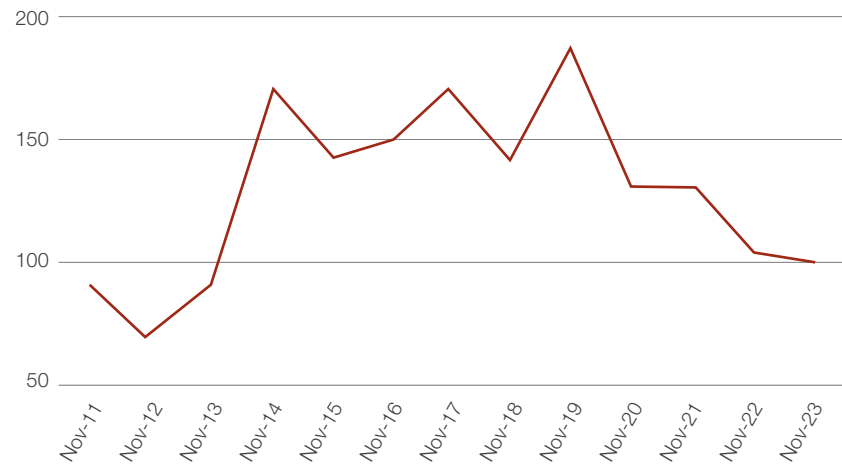


FIGURE 2.3: Total national rental market listings (,000)



³ Data sourced from The Federal Budget 2024–25, Paper 1 Statement 4: Meeting Australia’s Housing Challenge

DHA has progressed with technological change

Technology enabling digital customer interactions

The Australian Government's 2030 Data and Digital Strategy seeks to deliver simple, secure, and connected public services, for all people and business, through best practice data and digital capabilities. Customer expectations for a modern self-service approach is driving innovation in DHA customer service.

Cyber security

The Australian Signals Directorate Cyber Threat Report 2022–23 highlighted malicious cyber activity, which continues to pose a risk to Australia's security. The report identified the sustained increase in threats being reported or realised within Australia, noting Government entities were amongst the highest reporting classification.

DHA intends to respond to societal and community expectations on ESG

Environmental

The Australian Government is progressively introducing policies to mandate better practices and reporting for climate change impacts and prevention, such as APS Net Zero Emission targets for 2030, emissions disclosures, and obligations within the Commonwealth Procurement Rules. The DSR devoted a chapter to the climate threat and identified climate change as a national security issue. Climate,

environmental and sustainability factors are increasingly incorporated into DHA operations to ensure that the impacts of climate change, such as more intense weather and fire effects, are mitigated.

In April 2024, DHA released an Environment, Social and Governance (ESG) Policy, which establishes the:

- overarching principles and values
- minimum standards by which DHA seeks to operate
- targets and commitments DHA is adopting
- material factors to which DHA is committed and considers relevant in our operations and the governance
- oversight in place to support these endeavours.

The ESG Policy articulates DHA's approach to ESG to ensure that risks and opportunities are adequately considered and managed as an integral part of DHA's corporate activities and operations.

The ESG Policy provides a reference point for DHA stakeholders and service providers on the minimum standards required to abide by the targets and commitments DHA is adopting and the governance and oversight in place to support its endeavours.

Social and governance

ESG also extends to other areas, such as workforce safety, diversity, and accountable supply chains. These imperatives are driven by both societal expectations, and specific legislation (e.g. the *Modern Slavery Act 2018*). DHA's consideration of these issues, beyond legislative minimums, is important as a way to contribute to broader government initiatives and outcomes, while demonstrating DHA's guiding principles and Australian Public Service (APS) values in the way business is conducted.

In addition, evidence indicates that potential employees are increasingly assessing employers based on an alignment of values, of which these broader ESG factors are prominent.

DHA is working with Shareholders to ensure long-term financial stability

DHA's operations are principally funded through rents, fees, and charges, and other revenue related to maintaining DHA's housing portfolio, including the disposal of excess land and finished product from the developments. In order to meet the challenges of Defence's expanding needs, DHA continues to work with representatives from the Departments of Defence and Finance to address future funding requirements that support a portfolio of the future. Increasingly, DHA is partnering with private entities to provide agile and scalable housing solutions to meet Defence's strategic provisioning requirements.

Organisational structure

Shareholder Ministers

Two Shareholder Ministers oversee the Australian Government's interests in DHA, the Minister for Defence and the Minister for Finance. As DHA is a part of the Defence portfolio of the Australian Government, the Minister for Defence or their delegate is DHA's responsible Minister. The Minister for Defence delegated responsibility to the Assistant Minister for Defence. The Minister for Finance is responsible for overseeing DHA's funding arrangements and, amongst other things, providing Shareholder advice on all Government Business Enterprises, including DHA.

More information can be found in the *Corporate governance structure* section of this report.

Board of Directors

A Board of Directors (the Board) is established in accordance with Part III of the DHA Act and is the accountable authority of DHA under the PGPA Act. The Board is responsible for the proper and efficient performance of DHA's functions. The Board makes decisions on organisational direction and strategy, which are articulated through a Corporate Plan and publicly available Statement of Corporate Intent.

All Directors are appointed by the Minister for Defence, except the person nominated by the Secretary of the Department of Finance who is appointed by the Minister for Finance, and the Managing Director who is appointed by the Board.

More information on the Board can be found at the *Corporate governance structure* section of this report.

Managing Director

The Managing Director is responsible for conducting the affairs of DHA in accordance with the DHA Act and any policies determined by, and directions given by, the Board. The Managing Director oversees DHA's strategic direction, organisational structure, staff, performance, and relationships with key stakeholders.

Leadership Team

The Leadership Team supports the Managing Director to fulfill DHA's purpose by providing leadership, guiding performance, implementing and delivering against the Corporate Plan. Refer to Figure 2.4 for DHA's Organisational structure.

Service Delivery Group

The Service Delivery Group is responsible for management of the DHA housing portfolio, the management of housing allocation, housing administration, asset and tenancy management, heritage and upgrade projects, construction and development activity.

Service Operations is responsible for property management services including inspections and maintenance, together with the administration of housing benefits for ADF members and their families.

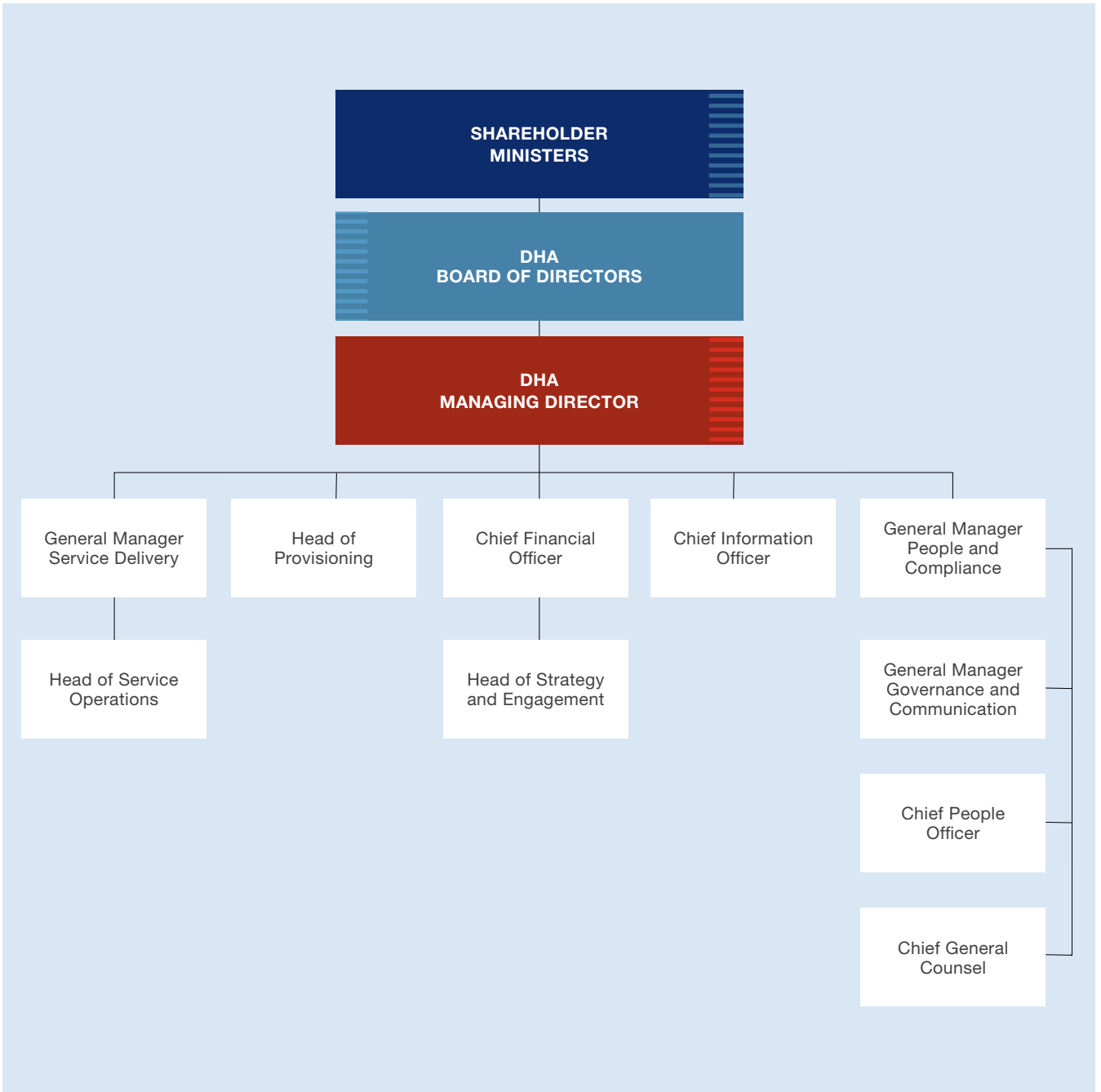
Provisioning

Provisioning is responsible for property sales and leasing activities, acquisition and disposals of residential property. Enhancements are delivered with the support of other groups across the business with the focus of improving DHA's customer experience.

Chief Financial Officer's Group

The Chief Financial Officer's Group leads DHA's strategic, business and portfolio planning, performance and corporate reporting and leads key points of stakeholder engagement and enterprise programs guiding the delivery of DHA's corporate objectives.

FIGURE 2.4: Organisational structure at 30 June 2024



People and Compliance Group

The People and Compliance Group comprises three sections: Governance and Communication, Legal Services and Human Resources.

Governance and Communication

Governance and Communication is an impartial and trusted internal adviser to DHA. The Group provides timely and quality advice that supports strategic, compliant and operational decision making. Governance and communication advice and products are user-friendly and help the business achieve its objectives.

Legal Services

Legal Services is responsible for the provision of high quality, strategic, legal advice on a broad range of property, commercial and corporate issues within DHA, including the provision of advice to the Leadership Team.

Human Resources

Human Resources work in partnership with stakeholders across the organisation to support DHA to have the right human capital to deliver business outcomes. The group is responsible for initiatives to promote an inclusive workplace culture that values the diversity of its people; together with strategies to build performance, leadership and engagement. Core operational functions include recruitment, payroll, learning and development, case management, wellbeing, and employee relations.

Business Solutions and Technology

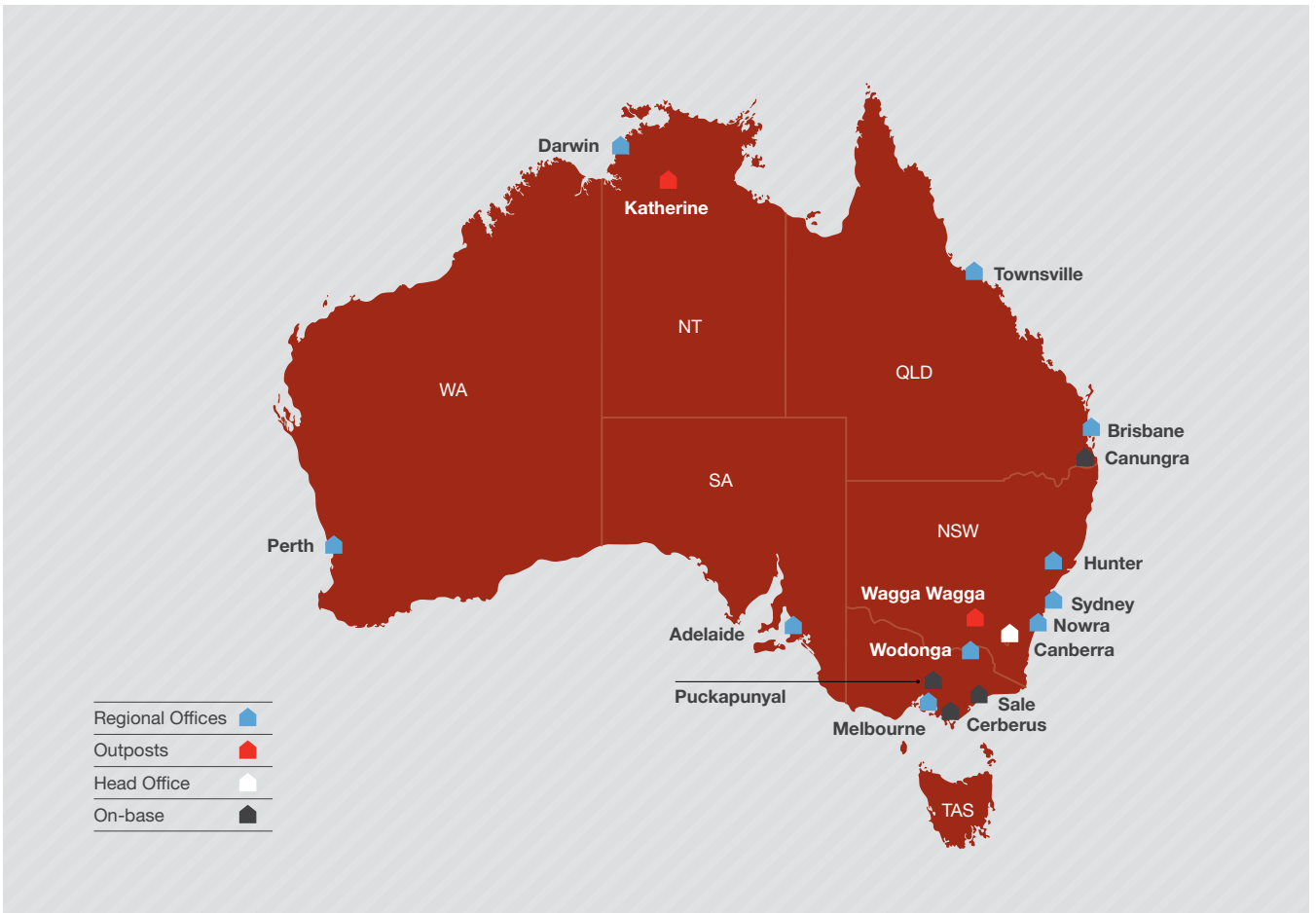
Business Solutions and Technology is responsible for the provision of information technology (IT) services, infrastructure, cyber security, the delivery of the Technology Refresh program and Enterprise Change Management. Leveraging DHA's technology principles, the team delivers innovative, efficiency driven programs with a focus on simplification, automation and benefits realisation.

The Technology Partnership Office works alongside business areas ensuring technology considerations drive strategic outcomes. The Enterprise Change Management team supports the transition of process improvements and adoption of digital solutions whilst concurrently investing in uplifting DHA's change maturity.

Office network

DHA has offices in 17 locations nationally (refer to Figure 2.5). DHA's offices, in conjunction with its technology systems, support flexible working arrangements, a culture of collaboration, and individual staff needs through multi-faith and carers facilities. DHA staff are also located in four on-base locations at Sale, Puckapunyal, Cerberus (Victoria) and Canungra (Queensland) in accordance with a license agreement with Defence. Staff in DHA's regional offices deliver customer facing services to ADF members, their families, and the landlords. Regional office staff are supported by staff in contact centres, who are the first point of contact for housing services, maintenance services and the allocation of on-base Living in Accommodation. Staff in Canberra's Head Office are responsible for overseeing strategy, operational programs, corporate governance and corporate support. The Canberra office also includes staff responsible for housing services in this region.

FIGURE 2.5: Office network 30 June 2024



Credit rating

Standard & Poor’s Global Ratings (S&P Global) conducts an annual credit rating assessment of DHA. S&P Global affirmed DHA’s AA+ long term and A-1+ short term issuer credit ratings on 24 July 2023. Contributing to this rating is DHA’s ownership by, and interaction with, the Australian Government and its strategic importance to the ADF.

S&P Global also provided a standalone credit profile rating for DHA of BBB+. This standalone credit profile rating is consistent with the target for GBEs of BBB as specified in the *Commonwealth Government Business Enterprise Governance and Oversight Guidelines* (GBE Guidelines).

Staff

An efficient, capable, and high performing workforce is critical to the achievement of DHA's purpose. As at 30 June 2024, DHA employed 580 staff across Australia. Figures 2.6 to 2.8 show its staff by gender, employment type, and broadband classification. Most of DHA's employees are female, located in regional offices, and work full-time.

More information about DHA's workforce can be found in *Workforce Management and Appendix B – Workforce statistics*.

FIGURE 2.6: Staff by gender 30 June 2024

STAFF BY GENDER



FIGURE 2.7: Staff by employment type 30 June 2024

STAFF BY EMPLOYMENT TYPE

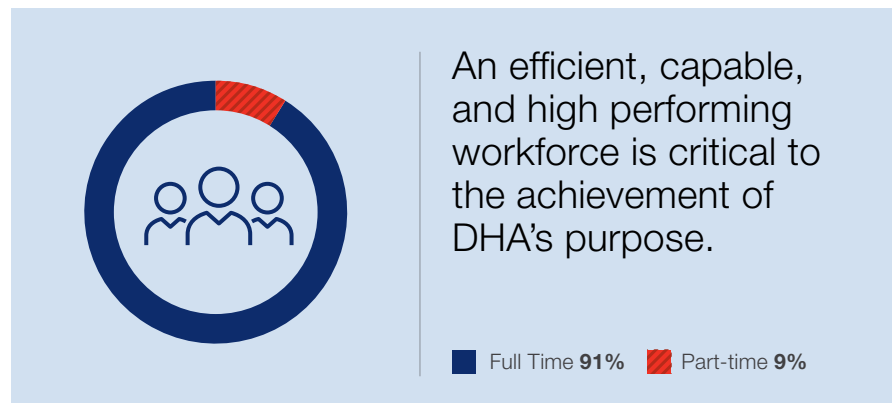
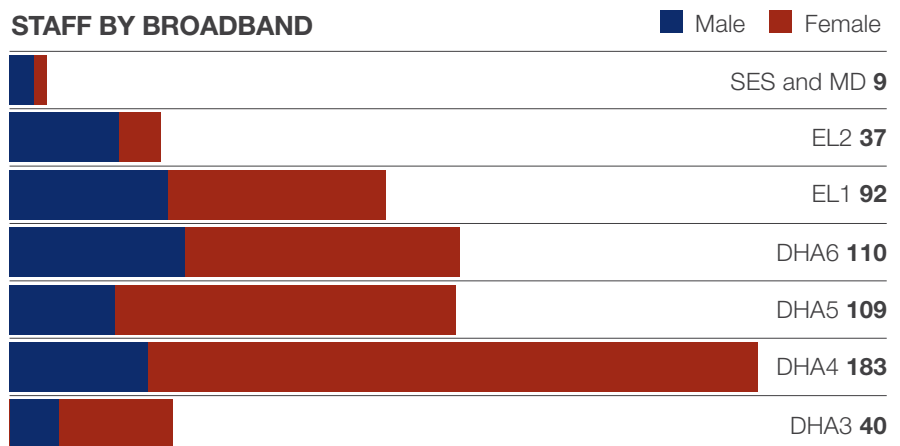


FIGURE 2.8: Staff by broadband classification 30 June 2024

STAFF BY BROADBAND



Services to Defence

DHA provides a range of services in support of ADF capability, growth and retention. DHA administers Defence housing policy in accordance with Defence Pay and Conditions, the Services Agreement, and its functions as outlined in the DHA Act.

DHA's services to Defence include:

- the provision of a portfolio of suitable housing
- housing services that support the mobility of the ADF
- administration of Rent Allowance and ADF member entitlements
- administration of Defence housing policy
- managing heritage-listed Defence owned properties.

The services provided to ADF members and their families include:

- access to, and assistance to find, a range of housing solutions in the DHA portfolio
- property and housing management services, including the management of repairs and maintenance
- advice and guidance on housing policy and eligibility
- booking and allocation services for Defence managed Living in Accommodation (LIA)
- administration of allowances to ADF members occupying private rental accommodation
- administration of reimbursements of payments, relating to utilities, pre and post occupancy rent amounts, and break lease fees.

In addition, DHA coordinates property care services such as booking inspections with occupants, property owners and third-party providers. DHA conducts property inspections in accordance with lease obligations and the Services Agreement and coordinates contractors to ensure that its housing solutions meet the standard and condition requirements agreed with Defence.

Defence Services Agreement

The Services Agreement is the principal document governing the relationship between DHA and the Department of Defence. The Services Agreement intends to achieve the efficient and effective provision of contemporary housing solutions for ADF members and their families on behalf of Defence. There are three objectives of the Services Agreement:

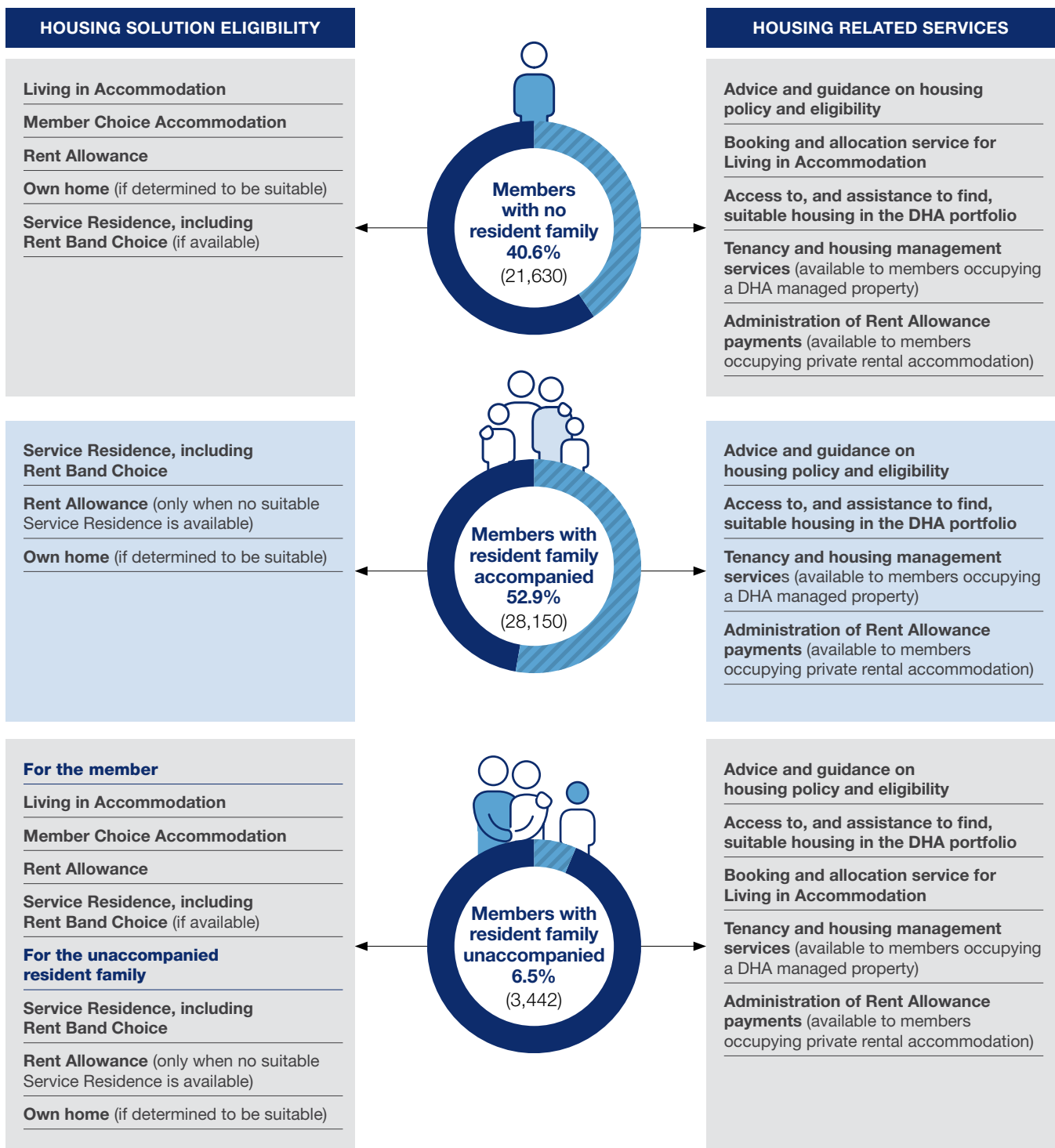
- To supply housing solutions that meet the agreed targets of the Approved Provisioning Schedule
- To provide the Services in accordance with the agreed targets and standards
- To ensure that the Services provided under the Services Agreement deliver value for money for the Australian Government.

The Services Agreement sets out the mechanism to determine the agreed number of houses DHA is to make available for ADF members and their families, additional services that DHA provides, as well as the associated charges and performance metrics. Suitable houses must comply with standards as set out in the Agreement and the PACMAN.

Consistent with Defence policy, ADF member eligibility and access to housing services is dependent on the member's categorisation and the type of housing solution they occupy. Figure 2.9 details the housing eligibility and housing related services provided to ADF members and their families.

DHA provides critical support to the Australian Government, in partnership with Defence, in responding to crises such as flooding, fires and other natural disasters. DHA provides national visibility of availability of on-base accommodation and in response to a crisis facilitates rapid temporary accommodation allocation, providing access to vacant housing and communication support.

FIGURE 2.9: Housing and housing related services available to ADF members and their families, by categorisation as at 30 June 2024



Housing solutions

DHA housing portfolio

DHA provisions properties to house ADF members and their families in accordance with Defence policy. Its portfolio covers all capital cities, major regional centres and remote parts of Australia, and includes houses located on Defence bases and establishments.

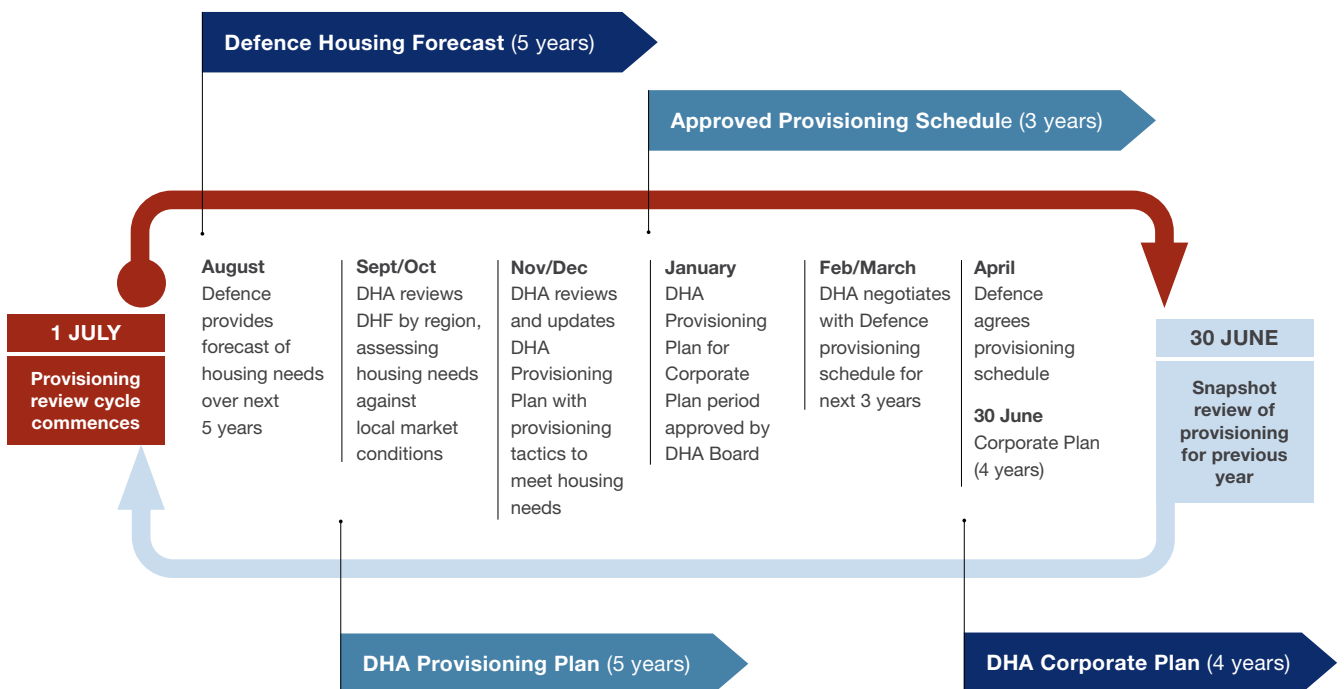
DHA provisions housing based on the DHF and in accordance with the Services Agreement. The DHF is provided by the Department of Defence and details the five-year forecast of regional housing requirements for ADF members and their families. Defence provides

annual updates to the DHF to adjust and confirm requirements for the current year and provide a forecast of housing needs for the following four years. The DHF is the source of all DHA's portfolio planning activities.

DHA undertakes extensive provisioning processes and activities, which facilitate a whole of business approach (refer to Figure 2.10). This planning process results in the Approved Provisioning Schedule. Under contractual arrangements with Defence, DHA aims to provide at least 99 per cent of properties in the Approved Provisioning Schedule.

DHA facilitates ADF members and their families finding a suitable DHA home in their posting location, based on their eligibility for housing solutions and services as determined by Defence housing policy. Housing solutions provided to ADF members and their families are based on factors including posting location, rank, family composition and other relevant circumstances.

FIGURE 2.10: Annual provisioning planning cycle



Living in Accommodation

Living in Accommodation (LIA) is on-base accommodation that caters for ADF members, reservists and Defence employees who require permanent, transit, temporary or course accommodation to fulfil Defence operational needs. DHA manages the booking service for LIA across 52 ADF bases. This includes management of user access permissions and providing advice on benefits and conflicting requests.

More information about DHA's housing portfolio, housing solutions, and provisioning in 2023–24 can be found in the *Housing portfolio, Key activity 1 – Provide and manage a portfolio of housing and regional report on operational performance* section of this report.

Housing related services

Policy advice and guidance

In administering Defence housing policy, DHA provides advice and guidance to ADF members and their families on housing related matters including eligibility for housing benefits. This includes providing advice on different elements of eligibility and guidance on how to find a suitable Service Residence or apply for a benefit such as Rent Allowance.

Rent Allowance

Rent Allowance is a subsidy payable to eligible ADF members who require housing other than service accommodation. DHA administers Rent Allowance and undertakes an annual review of Rent Allowance eligibility on behalf of Defence.

Tenancy and housing management

DHA supports ADF members and their families throughout the time they live in a housing solution managed by DHA. This includes supporting them through the relocation process when they receive new posting orders, selecting a new home, vacating their current home and administration of maintenance services.

DHA offers a personal welcome to ADF members and their families into their new home and conduct inspections to ensure the properties are well maintained. DHA provides ADF members choice in how they engage with the organisation, offering online services including housing selection, self-service welcome visits, and online maintenance requests.

DHA manages all maintenance and repairs to properties in accordance with Defence standards. It engages third parties such as external contractors to undertake all maintenance and repairs to provide prompt and professional services which also supports local and regional economies.

Property upgrades

DHA project manages upgrades to Defence owned properties across Australia, including properties located on-base and in regional and remote localities. Properties are upgraded so they remain suitable housing options for ADF members and their families.

Managing Commonwealth Heritage Listed properties

DHA manages, protects and conserves 72 Commonwealth Heritage Listed (CHL) properties on behalf of Defence. These properties are located at ADF bases and establishments across Australia. DHA owns, manages, and maintains two properties with Commonwealth Heritage Listing status. DHA plans and undertakes conservation activities in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), the Heritage Management Framework and Heritage Strategy to preserve the historical and cultural significance of these sites.

More information about DHA's CHL properties can be found in the *Key activity 1 – Provide and manage and portfolio of housing and Appendix G: Environmental and heritage performance* section of this report.

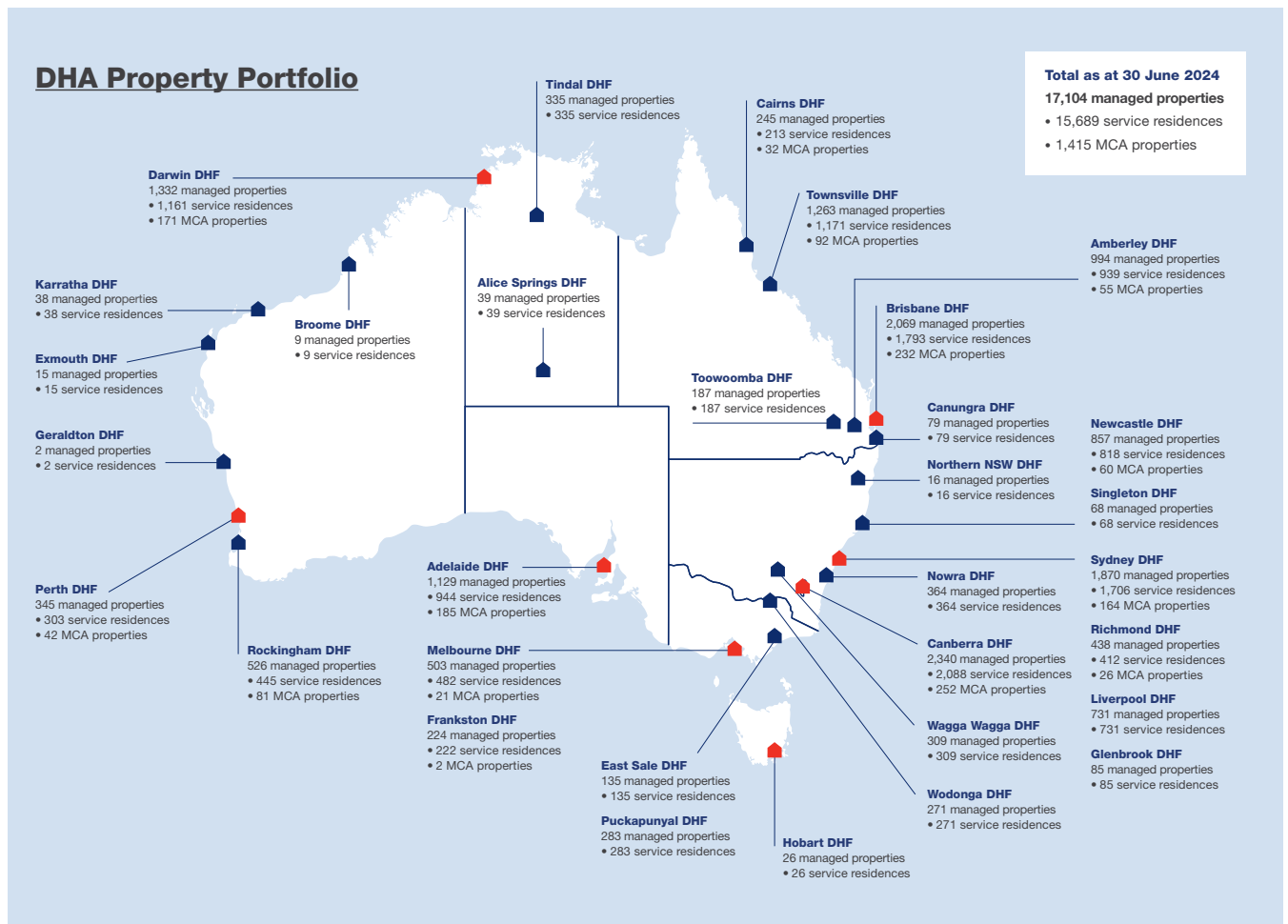
Housing portfolio

As at 30 June 2024, DHA managed 17,104 properties located across Australia, including in all capital cities, major regional centres and in remote areas where the ADF has a presence (refer to Figure 2.11).⁴ DHA provides a range of housing options

to ADF members and their families, integrating properties throughout communities close to ADF bases and establishments, and amenities and services such as transport, shopping facilities and schools.

More information about DHA's housing portfolio can be found in the *Regional report on operational performance* section of this report.

FIGURE 2.11: National housing portfolio 30 June 2024



⁴ Total portfolio managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.

Property type, amenity and location

Service Residences

Service Residences must comply with Defence standards in terms of location and amenity. Depending on the location, Service Residences are either classified by market rent (known as rent bands) or by property amenity. In accordance with Defence policy, Service Residences are generally no more than 30 kilometres from the base or establishment where the ADF member works.

Service Residences generally comprise three or four bedrooms, separate lounge and dining areas, kitchen, laundry, bathroom, ensuite, single garage (or carport in the Northern Territory) and a 35 square metre backyard (25 square metre backyard in Sydney).

Rent Band Choice Housing

DHA's portfolio includes a portion of properties categorised as Rent Band Choice Housing. These properties include inner-city apartments and townhouses that do not meet the

Service Residence requirements. ADF members and their families typically choose to live in these properties because the location and proximity to amenity suits their lifestyle.

The majority of DHA's Service Residence and Rent Band Choice Housing portfolio features modern, freestanding houses that have three or four bedrooms as shown in Figures 2.12 and 2.13.

FIGURE 2.12: Service Residence and Rent Band Choice Housing portfolio by type 30 June 2024

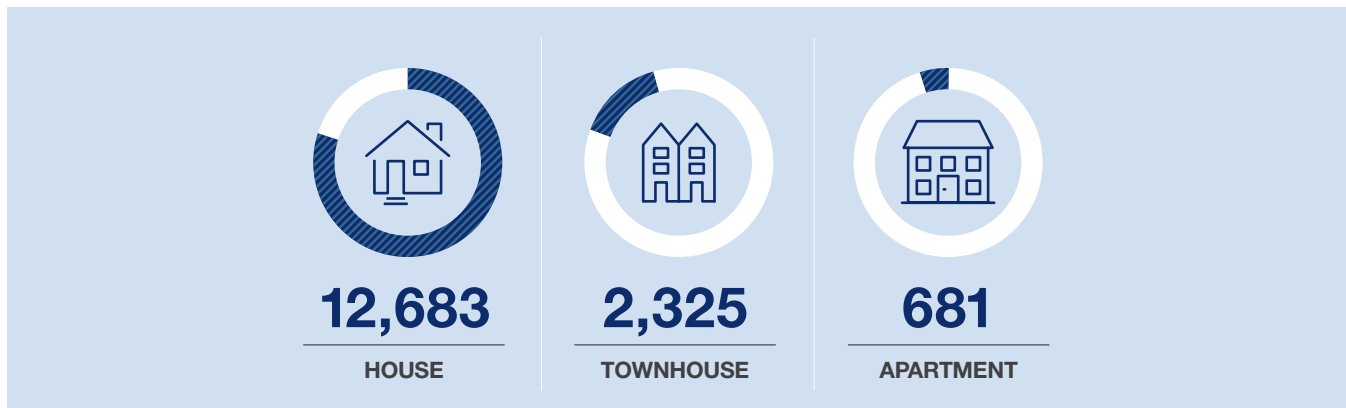
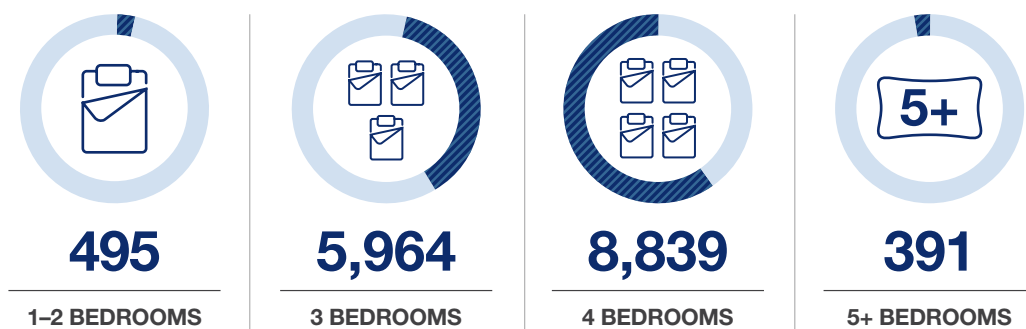


FIGURE 2.13: Service Residence and Rent Band Choice Housing portfolio by number of bedrooms 30 June 2024



Member Choice Accommodation

DHA's Member Choice Accommodation (MCA) properties offer eligible ADF members an attractive alternative to renting privately. Benefits include a simple move-in move-out process with no bond or rent in advance required. Eligible ADF members may also share MCA properties with other eligible ADF members.

There are no minimum standards defined in Defence policy for MCA properties. The majority of these properties are two-bedroom apartments as shown in Figures 2.14 and 2.15. This is quite different in nature to the Service Residence and Rent Band Choice Housing, and demonstrates the range of options available to members and their families.

FIGURE 2.14: MCA portfolio by type 30 June 2024

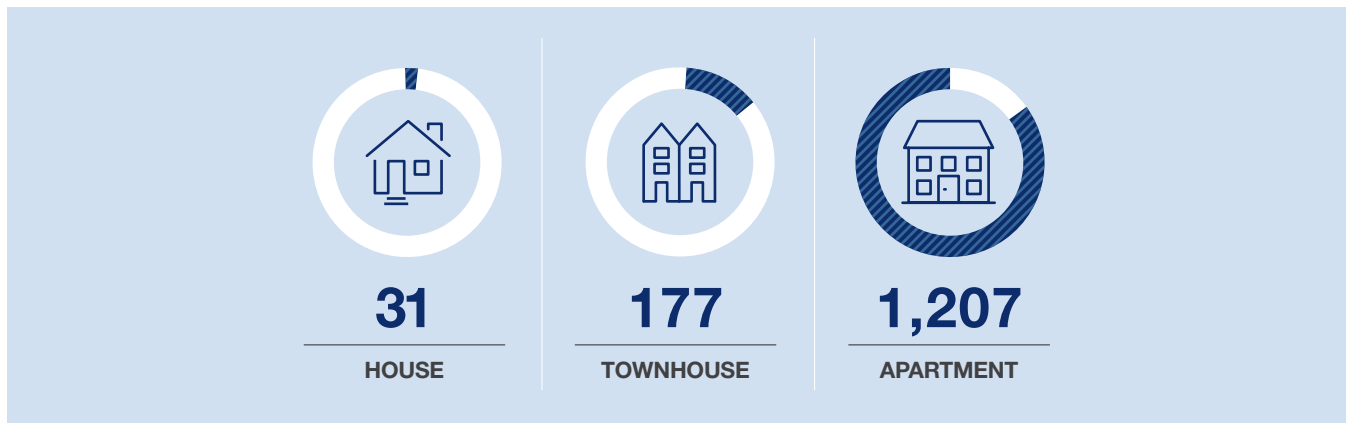
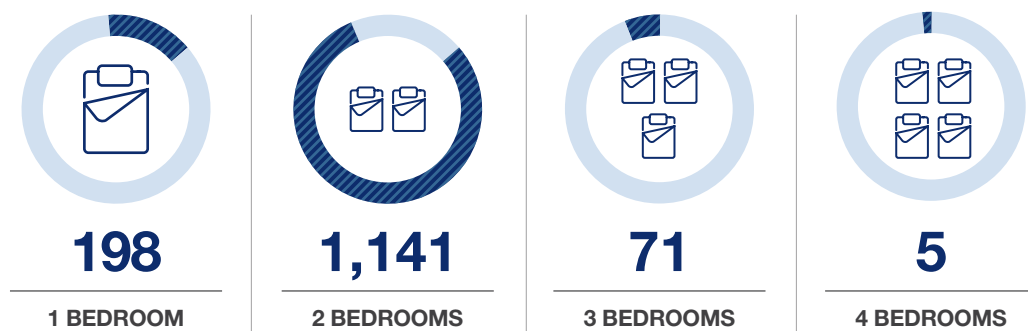


FIGURE 2.15: MCA portfolio by number of bedrooms 30 June 2024



Portfolio ownership type

Ownership of DHA's portfolio is segmented into four categories.

Leased

The majority of the portfolio is owned by private landlords and leased to DHA. This enables DHA to manage its portfolio in a flexible and sustainable manner.

DHA owned

DHA owns a portion of the portfolio to enable greater portfolio certainty and flexibility in support of Defence housing requirements.

Defence owned

Defence owns a portion of the Service Residence and Rent Band Choice Housing portfolio. These properties are generally located on or near ADF bases or establishments.

Annuity

A portion of the portfolio is classified as annuity properties. DHA constructs or acquires these properties on and off base in selected locations as requested by Defence. Defence holds the economic risk associated with holding these properties.

Figures 2.16 and 2.17 provides a breakdown of DHA's Service Residence and Rent Band Choice Housing, and MCA portfolios by ownership type.

FIGURE 2.16: portfolio by ownership type at 30 June 2024

SERVICE RESIDENCE AND RENT BAND CHOICE HOUSING PORTFOLIO BY OWNERSHIP

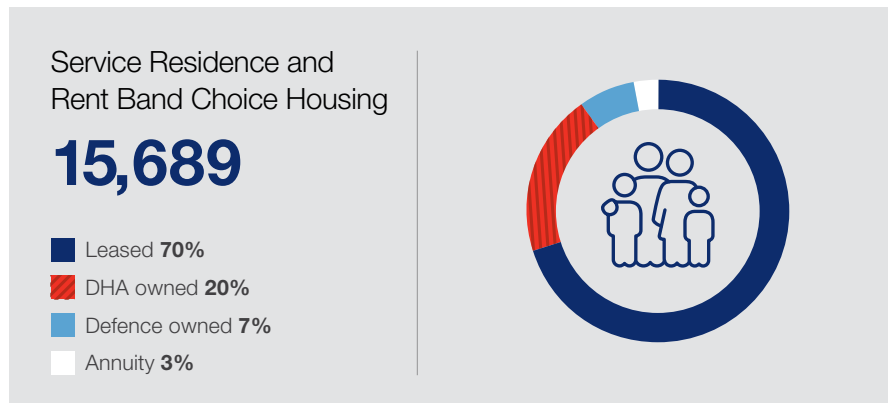
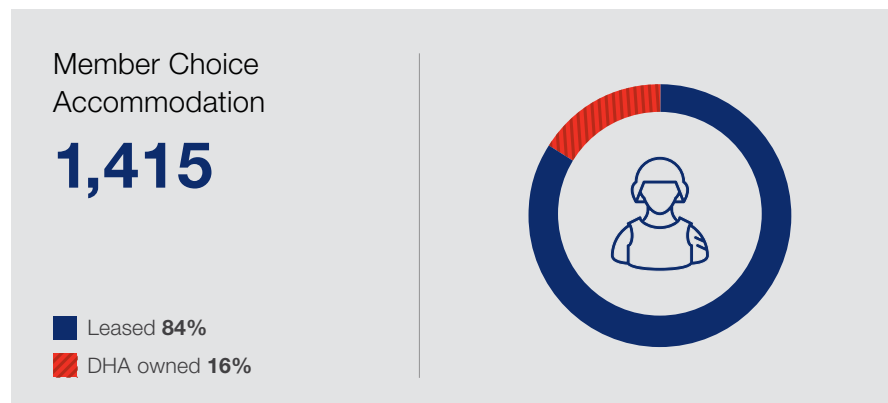


FIGURE 2.17: MCA portfolio by ownership type at 30 June 2024

MCA PORTFOLIO BY OWNERSHIP



Corporate governance structure

DHA is a corporate Commonwealth entity and Government Business Enterprise (GBE) operating under the provisions of the DHA Act, the PGPA Act, and the PGPA Rule.

DHA's performance framework provides strategic direction and alignment across the business through a clear line of sight through all planning and reporting activities, including:

- coordinated business planning as reflected in DHA's Corporate Plan objectives
- performance monitoring and reporting through regular reviews of strategic and organisational performance measures—refer to *Part 3 – Report on performance* for more detail.

Shareholder Ministers

The Australian Government's interests in DHA were overseen by two Shareholder Ministers: the Assistant Minister for Defence and the Minister for Finance.

As DHA is within the Defence portfolio of the Australian Government, the Assistant Minister for Defence was the responsible minister.

Shareholders Ministers in 2023–24

DHA's Shareholder Ministers were:

- Assistant Minister for Defence:
 - The Hon Matt Thistlethwaite MP.
- Minister for Finance:
 - Senator the Hon Katy Gallagher.

Ministerial directions and policy orders

DHA did not receive any new ministerial directions or policy orders in 2023–24.

Board of Directors

The Board is established in accordance with Part III of the DHA Act and is the accountable authority for DHA under the PGPA Act. The Board is responsible for the proper and efficient performance of DHA's functions. The Board makes decisions on organisational direction and strategy, which are articulated through the Corporate Plan and Statement of Corporate Intent.

Board members

In accordance with section 12 of the DHA Act, the DHA Board consists of:

- eight non-executive members with a mix of APS, Defence and commercial experience
- one executive member who is also DHA's Managing Director.

As at 30 June 2024, one non-executive Board position was vacant.

Refer to *Appendix A: Accountable Authority* for further details as required by the PGPA Rule.

**Board members
as at 30 June 2024**



Dr Robert Lang
Acting Chair

Dr Lang was appointed to the board as a commercial director in October 2023. He was appointed as the Acting Chair in February 2024 for a three-month term and then appointed in May 2024 for a six-month term. He has over 35 years' experience in local and state governments including as the Chief Executive Officer of Parramatta City Council, the Sydney Harbour Foreshore Authority and Pacific Power. He is currently the Chair of Olympus Solutions and Ability Options, and sits on the boards of Evolve Housing, Sydney Festival, Western Sydney Parklands Trust, Greater Sydney Parklands Trust and is a member of the Riverside Theatre Advisory Committee. Dr Lang is also an Adjunct Professor at the University of Western Sydney School of Business.

Dr Lang has a longstanding interest in liveable cities, affordable housing, social inclusion and the arts. He holds postgraduate qualifications in Engineering, Information Technology and Business Management, and is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Engineers Australia. He is an expert on government and stakeholder relations, corporate governance and change management.



Mr Barry Jackson
Managing Director

Mr Jackson was appointed as Managing Director in May 2019 and reappointed in May 2024 for a term of up to three months. Prior to DHA he was Deputy Secretary, Service Delivery Operations at the Department of Human Services. His Australian Public Service career includes senior executive roles within the Department of Human Services, the Department of Finance and the Department of Foreign Affairs and Trade. He also has more than 25 years' experience in the private sector, primarily in the areas of construction, property management, and strategic and business process management. He was Chief Executive Officer of UGL Services Australia and New Zealand from 2009–11, Australia's largest provider of property management services.



Mr Simon Lewis AO PSM
Director

Mr Lewis was appointed to the Board as the nominee of the Department of Finance Secretary in April 2019 and was reappointed in April 2022. He had a distinguished career in the Australian Public Service spanning more than four decades, including a five-year term as the Secretary of the Department of Veterans Affairs and senior roles at the Department of Defence and the Department of Finance. He was made an Officer of the Order of Australia (AO) in 2019 for distinguished service to public administration, transformational change and organisational design. He was awarded a Public Service Medal (PSM) in 2007 for outstanding public service and the Centenary Medal in 2001 for his contribution to Australian society and government. His former board appointments include President of the Repatriation Commission, Chair of the Military Rehabilitation and Compensation Commission and a member of the ANZAC Centenary advisory board.



Brigadier Leigh Wilton AM

Director

Brigadier Wilton was appointed to the Board as the nominee of the Chief of the Defence Force in December 2019. She graduated from the Royal Military College to the Royal Australian Army Ordnance Corps in 1991. Her early appointments included regimental and staff positions as a supply officer and as a project manager. Her command experience includes a posting as the Officer Commanding Supply Company, 7th Combat Service Support Battalion and the inaugural Commanding Officer/Chief Instructor of the Army School of Ordnance. Brigadier Wilton has held a range of staff appointments at both Lieutenant Colonel and Colonel. She has held positions as the Senior Officer Manager within the Career Management Agency, directing staff at both the Australian Command and Staff College and the Centre for Defence and Strategic Studies, and as the Chief of Staff for Headquarters 633 – Afghanistan and Chief of Staff for Army Headquarters. Brigadier Wilton was appointed as the Director General Personnel – Army in 2016. In this role she also held the appointment as Deputy Head Army People, and was recognised for her work by being awarded the Member of the Order of Australia (AM) on the Queen’s Birthday 2018. In 2019 Brigadier Wilton was appointed as the Director General Career Management – Army. In March 2022, Brigadier Wilton transferred to the Australian Army Reserve.



Ms Monique Hamilton PSM

Director

Ms Hamilton was appointed to the Board as the nominee of the Secretary of Defence on 1 August 2023. She has extensive experience in service delivery across government with the Health Insurance Commission, Services Australia and the Department of Defence. Ms Hamilton is the First Assistant Secretary, Group Operations where she is responsible for oversight of the Defence Digital Group’s (DDG) central functions and driving the consistency and efficiency of the DDG business to ensure a focus on core ICT capabilities. Her prior role was as the First Assistant Secretary, Service Delivery where she managed the large-scale delivery of corporate and essential on-the-ground services to sustain the Defence estate and support personnel across Australia.

On 10 June 2024, Ms Hamilton’s achievements were recognised in The King’s Birthday 2024 Honours List (Meritorious Awards). She was awarded a Public Service Medal (PSM) for her outstanding public service in delivering significant and enduring reform in project and contract management.



Mr Robert Fisher AM

Director

Mr Fisher was appointed to the Board as a commercial director in February 2016 and was reappointed in 2019 and 2022. He had a distinguished career in the public service spanning more than four decades, including being a member of the Australian Trade Commissioner Service and Chief Executive Officer or Director General of various Western Australian (WA) government departments. He was Agent General for WA, based in London, from 2001 to 2006. He was one of five commissioners on the Australian Government’s National Commission of Audit in 2013–14. He was made a Member of the Order of Australia (AM) in 2003 for service to the public sector in WA.



Ms Andrea Galloway

Director

Ms Galloway was appointed to the Board as a commercial director in November 2016 and reappointed in November 2022. She has over 30 years of executive management experience for national and multinational commercial organisations, including leading Spherion, Lucent Technologies and AT&T in the Asia Pacific and South Pacific region. She was Managing Director of Evolve Housing, one of Australia's largest community housing providers, from 2011–19. Most recently she was the CEO of Coleman Greig Lawyers. In 2014, she was awarded the Australian Telstra Business Woman of the Year and the NSW Telstra Business Woman of the Year for Innovation.



Ms Gai Brodtmann

Director

Ms Brodtmann was appointed to the board as a commercial director in February 2021 and reappointed in 2024. She is a board member of the Museum of Australian Democracy at Old Parliament House, chair of the Australian Strategic Policy Institute, co-founder and chair of Fearless Women and a distinguished advisor at the National Security College. Ms Brodtmann is also a regular presenter and panellist on national security, public policy and women's leadership.

Elected as the Member for Canberra from 2010–2019, Ms Brodtmann served as Shadow Parliamentary Secretary for Defence from 2013–2016 and Shadow Assistant Minister for Cyber Security and Defence from 2016–2019. She also served on various committees, including the Joint Standing Committee on Foreign Affairs, Defence and Trade and Joint Committee of Public Accounts and Audit.

Prior to her political career, Ms Brodtmann was a small business owner from 2000–2010 and non-executive director, and a federal public servant, mostly with the Department of Foreign Affairs and Trade and the Attorney-General's Department from 1990–2000.

Board and legislated committees

In accordance with section 26(1) of the DHA Act, the Board may establish committees to assist in the discharge of its duties. The Board and each of its committees has a charter that sets out its purpose, composition and meeting and administrative arrangements. The Board considers the charters and the composition of committees periodically.

Amendments to the DHA Act in 2006 established the DHA Advisory Committee (DHA AC) to advise on the performance of DHA's functions (refer to Part IIIA of the DHA Act).

TABLE 2.2: Board committees 2023–24

Committee	Role	Members
Board Audit and Risk Committee (BARC)	Assist the Board to discharge its responsibilities by providing oversight, ensuring appropriateness and review of financial reporting, performance reporting, system of risk oversight and management, and system of internal control.	Simon Lewis (Chair) Gai Brodtmann ² Andrea Galloway Geoff Knuckey ¹ Paul Logan ¹
Board Investment Committee (BIC)	Provide advice and assurance and, where appropriate, make recommendations to the Board on investment related proposals, transactions, projects and related issues to ensure decisions take account of DHA's legislative obligations, contractual obligations with Defence and DHA's commercial interests.	Andrea Galloway (Chair) ³ Robert Fisher ⁴ Gai Brodtmann
People and Culture Committee (PCC)	Assist the Board by providing oversight of DHA's people and culture arrangements and initiatives.	Gai Brodtmann (Chair) Leigh Wilton
Nomination and Remuneration Committee (NRC)	Assist the Board to review the Managing Director's remuneration and performance, consider key appointments and inform Shareholder Ministers of impending reappointments or vacancies on the Board, including recommending possible candidates, where appropriate.	Robert Lang (Chair) ⁵ Simon Lewis Andrea Galloway Gai Brodtmann Robert Fisher ⁴ J.A.L. (Sandy) Macdonald ⁶

Notes

1. Geoff Knuckey and Paul Logan are independent members of the BARC appointed by the Board.
2. Gai Brodtmann's term on the BARC commenced 8 September 2023.
3. Andrea Galloway's term on the NRC and as the BIC Chair commenced on 8 September 2023.
4. Robert Fisher's term on the NRC and as the BIC Chair ceased on 7 September 2023.
5. Robert Lang's term as Chair commenced on 12 February 2024.
6. J.A.L. (Sandy) Macdonald's term concluded on 11 February 2024.

Board and legislated committee meetings

TABLE 2.3: Board and committee meeting attendance 2023–24

Meeting	Board	Board Audit and Risk Committee (BARC)	Board Investment Committee (BIC)	People and Culture Committee (PCC)	Nomination and Remuneration Committee (NRC)	DHA Advisory Committee (DHA AC)
Number of meetings held in 2023–24	9	4	4	2	2	4
Robert Lang ¹	6	1	2	1	n/a	1
Barry Jackson	9	4	3	2	n/a	4
Simon Lewis	9	4	n/a	n/a	2	n/a
Leigh Wilton	8	n/a	n/a	2	n/a	4
Robert Fisher ²	9	n/a	4	n/a	1	n/a
Andrea Galloway ³	9	4	4	n/a	1	n/a
Gai Brodtmann ⁴	9	3	3	2	2	n/a
Monique Hamilton ⁵	8	n/a	n/a	n/a	n/a	n/a
Paul Logan ⁶	n/a	4	n/a	n/a	n/a	n/a
Geoff Knuckey ⁷	n/a	4	n/a	n/a	n/a	n/a
J.A.L. (Sandy)Macdonald ⁸	7	n/a	2	n/a	3	n/a

Notes

1. Robert Lang's term on the Board commenced on 19 October 2023. He attended all Board meetings following his appointment.
2. Robert Fisher's term as BIC Chair and on the NRC Ceased on 7 September 2023. He attended all NRC meetings during his term. He remains a member of the BIC.
3. Andrea Galloway's term as the BIC Chair and term on the NRC commenced 8 September 2023. She has attended all NRC meetings following her appointment.
4. Gai Brodtmann's term on the BARC commenced on 8 September 2023. She attended all BARC meetings following her appointment.
5. Monique Hamilton's term on the Board commenced on 1 August 2023. She attended all Board meetings following her appointment.
6. Paul Logan is an independent member of the BARC appointed by the Board.
7. Geoff Knuckey is an independent member of the BARC appointed by the Board.
8. J.A.L. (Sandy) Macdonald's term on the Board expired on 11 February 2024. He attended all NRC meetings during his term.

Board member related party transactions 2023–24

DHA Board members did not disclose any related party transactions in 2023–24.

A related party transaction is where a Board member approved payment for a good or service from another

entity or provisioning of a grant to another entity where the member is a director of DHA's Board and a director of the other entity, and the value of the transaction (or if more than one transaction, the aggregate value of those transactions) exceeds \$10,000 (GST inclusive).

Board Audit and Risk Committee

Information on DHA's BARC is provided below in accordance with section 17BE(taa) of the PGPA Rule.

The charter determining the functions of the BARC is published on the DHA website (<https://www.dha.gov.au/docs/default-source/governance/barc-charter-june-2023>).

TABLE 2.4: Board Audit and Risk Committee 2023–24

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Annual remuneration ¹
Simon Lewis AO PSM	Qualifications <ul style="list-style-type: none">Bachelor of Arts (Economics, Statistics)Graduate Diploma of Computing StudiesGraduate Diploma in Administrative StudiesGraduate Diploma of Strategic StudiesCompleted the Harvard and Wharton Business School's Advanced Management ProgramsGraduate of the Australian Institute of Company Directors Experience <ul style="list-style-type: none">Various executive and senior roles in the APSSecretary of the Department of Veterans' Affairs (2013–18)Other board appointments	4 of 4	\$17,376
Andrea Galloway	Qualifications <ul style="list-style-type: none">Bachelor of Business AdministrationDiploma of Computer NetworksGraduate of the Executive Program (University of Michigan)Fellow of the Australian Institute of Company Directors (AICD)Justice of the PeaceCertified Chair Experience <ul style="list-style-type: none">30+ years in executive management for national and multinational commercial organisationsFormer Managing Director and CEO of Evolve HousingCEO of Coleman Greig LawyersWinner of the Australian and NSW Telstra Women's Award 2014 (Business Innovation category)Other board appointments	4 of 4	\$8,693

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Annual remuneration ¹
Gai Brodtmann	<p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Arts (Politics, Sociology and English) Bachelor of Arts (Public Relations) Graduate Certificate in Business Graduate of the Australian Institute of Company Directors Fellow of the Public Relations Institute of Australia <p>Experience</p> <ul style="list-style-type: none"> Federal Member for Canberra from 2010–2019 Shadow Parliamentary Secretary for Defence from 2013–2016 Shadow Assistant Minister for Cyber Security and Defence from 2016–2019 Other Board appointments and audit and risk committees 	3 of 4	\$6,828
Paul Logan²	<p>Qualifications</p> <ul style="list-style-type: none"> Bachelor of Commerce A Fellow Certified Practising Accountant (CPA) <p>Experience</p> <ul style="list-style-type: none"> 25+ years' experience in the air traffic management and civil aviation safety industry across finance, senior management and executive roles 	4 of 4	\$0
Geoff Knuckey³	<p>Qualifications</p> <ul style="list-style-type: none"> Fellow of the Institute of Chartered Accountants in Australia Registered Company Auditor (since 1995) Graduate Member of Australian Institute of Company Directors Member of Institute of Internal Auditors Bachelor of Economics (ANU) <p>Experience</p> <ul style="list-style-type: none"> Significant Board and Audit Committee experience in the private and public sector Office Managing Partner of Ernst & Young (retired 2009) 	4 of 4	\$10,208

Notes

1. Remuneration presented in this table reflects the Audit Committee Allowance component of their remuneration only.
2. The Commonwealth employs Paul Logan on a full-time basis. For this reason, in accordance with sub-section 7(11) of the *Remuneration Tribunal Act 1973*, he is not entitled to be remunerated as an independent member of the Board Audit and Risk Committee. He can receive travel allowance for official travel associated with fulfilling the requirements of the office.
3. Geoff Knuckey is an independent member of the BARC and was appointed by the Board on 20 October 2020 and was reappointed on 20 October 2023.

Leadership

Managing Director

The Managing Director is appointed by the Board in accordance with Part VI (Division 1) of the DHA Act and is its only executive member. The Managing Director is responsible for conducting the affairs of DHA in accordance with the DHA Act and any policies determined by and directions given by the Board. The Managing Director oversees strategic direction, organisational structure, staff, performance and relationships with key stakeholders.

Leadership Team

The Leadership Team supports the Managing Director in fulfilling DHA's purpose. The team's broad role is to provide leadership, guide performance, implement and deliver against the Corporate Plan and ensure accountability of DHA's activities.

Executive profiles as at 30 June 2024



Mr Barry Jackson
Managing Director

New Zealand Certificate in Quantity Surveying |
Quantity Surveyors Registration Board |
Member of the AICD

Mr Jackson was appointed as Managing Director in May 2019 and reappointed in May 2024 for a term of up to three-months. Prior to DHA he was Deputy Secretary, Service Delivery Operations at the Department of Human Services. His Australian Public Service career includes senior executive roles within the Department of Human Services, the Department of Finance and the Department of Foreign Affairs and Trade. He also has more than 25 years' experience in the private sector, primarily in the areas of construction, property management, and strategic and business process management. He was Chief Executive Officer of UGL Services Australia and New Zealand from 2009–11, Australia's largest provider of property management services.

Key responsibilities:

- Operational affairs in accordance with the DHA Act and policies or directions of the Board
- Strategic direction and achievement against the Corporate Plan
- Compliance oversight with the PGPA Act, the Public Service Act 1999 and other relevant legislation
- Key stakeholder relationship management with Shareholder Ministers, departmental Secretaries and the Chief of the Defence Force
- Management of the Leadership Team
- Oversight of organisational structure, staff and performance.



Mr Paul Groenewegen

Chief Financial Officer (CFO)

Bachelor of Commerce | Graduate Diploma of Applied Corporate Governance | Certified Practising Accountant | Graduate Member of the AICD

Mr Groenewegen joined DHA in August 2018. He is an experienced executive and consultant with a background in governance practice, strategy development and implementation, fiscal management, compliance and risk activities and government operations involving regulation and policy. His previous roles include governance and review work with government and industry organisations, executive roles with prudential regulators and several financial management roles involving a range of functions from the oversight of whole of government payments through to the financial management of complex multi-program organisations.

Key responsibilities:

- Financial management services
- Strategic planning, valuations and capital planning
- Investment management and funding strategies
- Financial and taxation compliance
- Performance reporting.



Mr Brett Jorgensen

General Manager, Service Delivery

Bachelor of Engineering (Honours) | Advanced Business Diploma | Real Estate Management Diploma | Diploma of Contract | Management Master of Business | Graduate Member of the AICD

Mr Jorgensen joined DHA as the National Manager, Governance in August 2008. He was appointed General Manager, Property and Tenancy Services in May 2012 and General Manager, Property Provisioning Group in August 2018. In February 2020, he was designated General Manager, Service Delivery. Before joining DHA, he held a number of appointments at the Department of Defence as a civilian and was a member of the Royal Australian Air Force.

Key responsibilities:

- Housing portfolio management
- Property development, construction, acquisitions
- Heritage, upgrades, sales and marketing
- Service operations, including property management services, contact centre operations and maintenance
- Customer service strategy and design.



Ms Lisa Barlin

Acting General Manager, People and Compliance

Bachelor of Arts/Laws | Graduate Diploma of Legal Practice | Diploma of Leadership and Management

Ms Barlin joined DHA in September of 2019 as Chief General Counsel and in June 2024 assumed the role of acting General Manager People and Compliance.

Before joining DHA, Ms Barlin was a Partner at independent commercial law firms. She brings more than 20 years' experience as a lawyer, predominantly working in commercial litigation and government law. She has routinely provided legal advice on corporate governance matters, business management, and provided crisis management services at a board level. For the last 15 years she has also been a director for not-for-profit community boards across the education, health and safety, screen, and sporting sectors.

Key responsibilities:

- Oversight of the Governance and Communication, Human Resources and Legal functions
- Champion – Diversity & Inclusion
- Chair, Health and Safety Committee.

Executive and national committees or groups

The Managing Director and the Leadership Team establish executive and national committees as needed to assist them in the discharge of their duties. Each committee has a charter or terms of reference that sets out its purpose, composition, and meeting and administrative arrangements.

TABLE 2.5: Executive and national committees 2023–24¹

Committee	Role	Members
Command Activation Team	Provides a management mechanism that ensures reporting lines and responsibilities are clear following activation of DHA's Business Continuity Plan.	General Manager, Service Delivery (Chair) Leadership Team and selected staff
IT Steering Committee	Provides strategic-level oversight of the Technology Refresh program to assure delivery of the required capability within the agreed timeframes, continued alignment of the program roadmap with corporate objectives, and realisation of intended benefits from the program's activities.	Head of Strategy and Engagement (Chair) Leadership Team

Note

1. Excludes committees and groups that have governance oversight of projects or programs.



Financial structure

As a GBE, DHA's principal financial objective is to provide value to the shareholders by operating efficiently and sustainably optimising revenue and profit to reinvest in DHA's operations.

In accordance with the Commonwealth Competitive Neutrality Policy Statement, DHA does not enjoy competitive advantages over private sector entities operating in the same or similar markets. DHA is a full tax paying entity in relation to Australian Government taxes e.g., corporate income tax, goods and services tax (GST), capital gains tax and fringe benefit tax (FBT) and is subject to payment of state and territory-based tax equivalents (e.g., stamp duty, land tax and payroll tax).

Funding

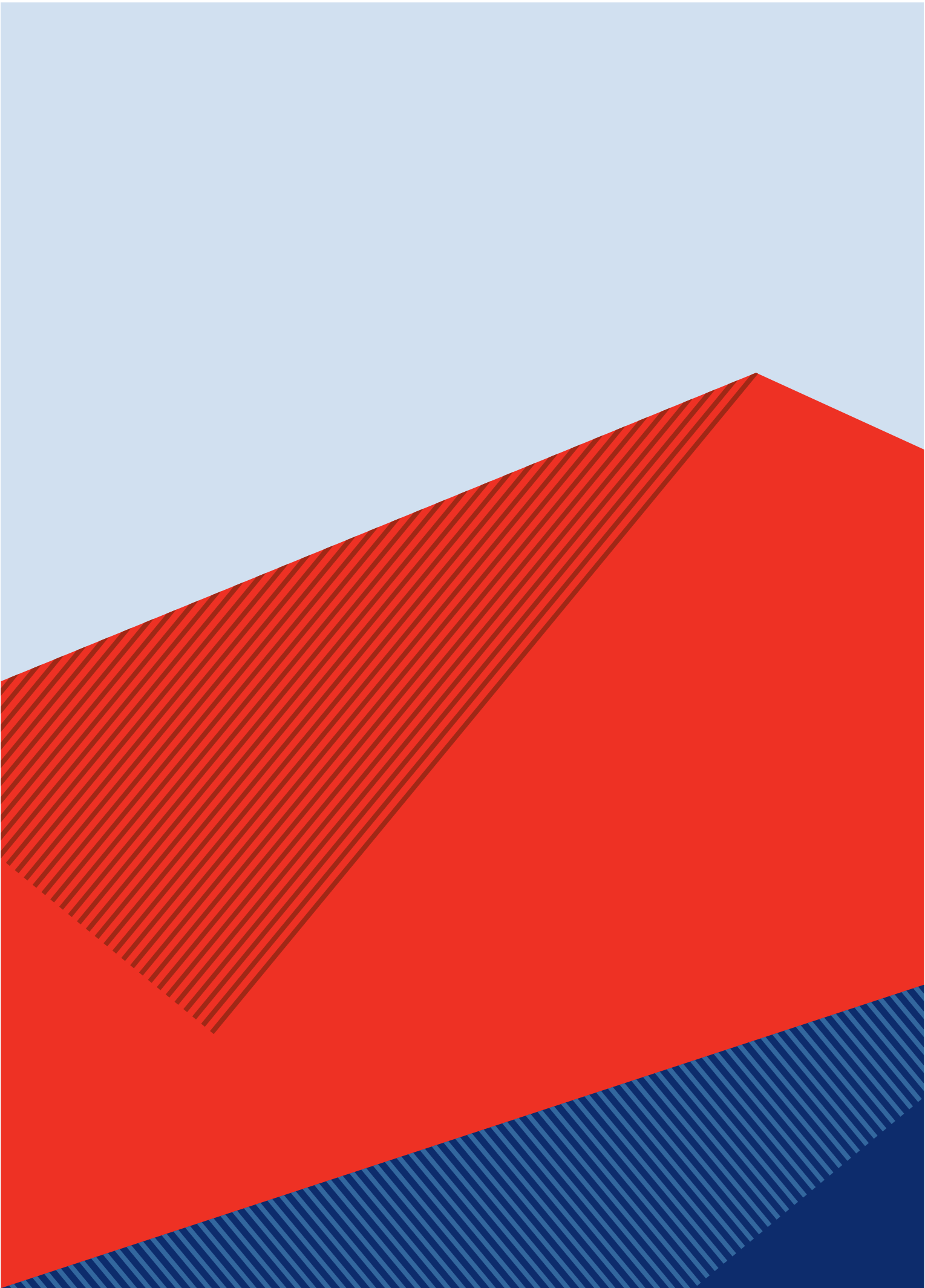
DHA does not receive funding through budget appropriations.

DHA's operations are principally funded through rents, fees, and charges for its services from Defence, and other revenue related to maintaining its housing portfolio, including:

- the disposal of excess land and finished product from developments
- the disposal of properties that no longer meet minimum Defence standards or requirements.

DHA's Loan Agreement with the Commonwealth provides access to capital for investment and short-term liquidity support.

More information on DHA's financial performance in 2023–24 can be found in the *Part 3 – Report on Performance* and *Part 4 – Financial statements* section of this report.



Part 3 Report on performance

Annual Performance Statement

Operational performance

3

Annual Performance Statement

The Annual Performance Statement has been prepared in accordance with guidelines provided by the Department of Finance. It shows how DHA performed against its purpose, the objectives of the four key activities, and associated Performance Measures as set out in the 2023–24 Corporate Plan. The Performance Measures are aligned to the:

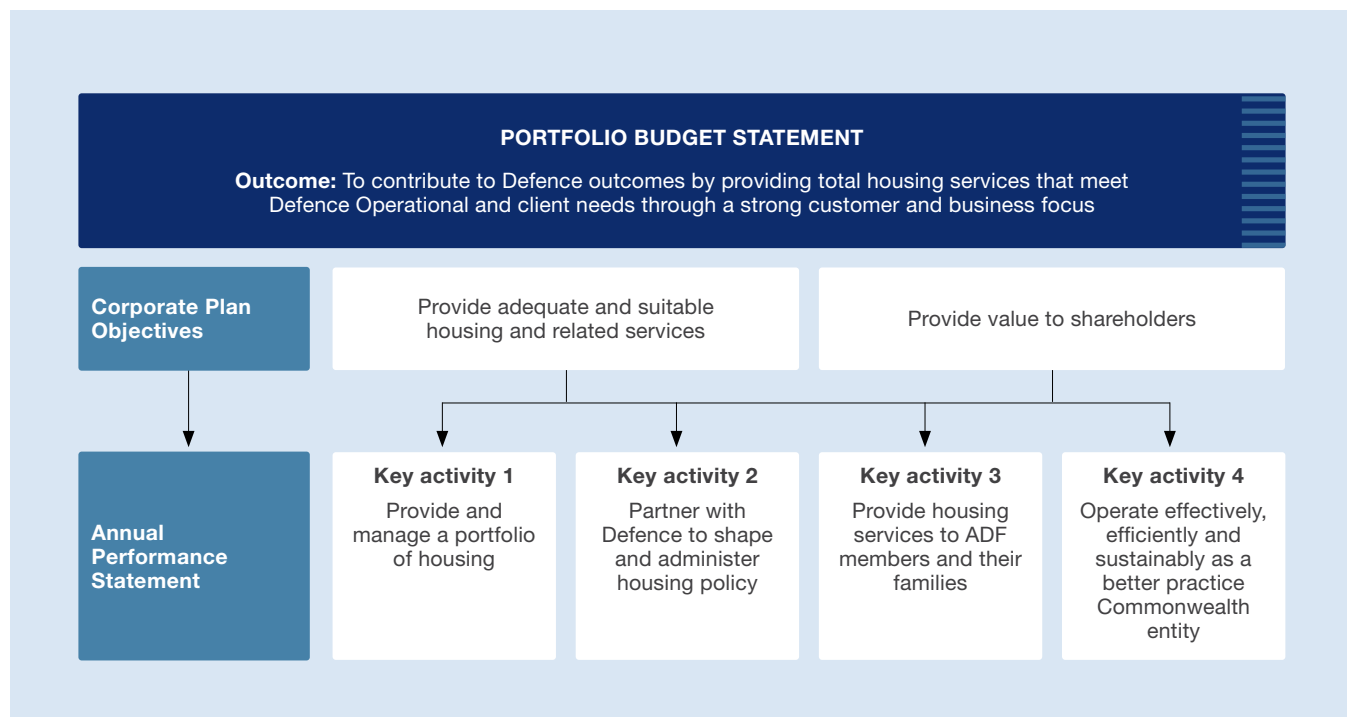
- Services Agreement to ensure clarity, consistent service delivery and to drive continuous improvement

- 2023–24 Defence Portfolio Budget Statements to demonstrate achievement of DHA’s outcome
- Department of Finance *Commonwealth Government Business Enterprise – Governance Oversight Guidelines: Resource Management Guide No. 126* (RMG 126) where applicable.

Relationship between the Corporate Plan and Annual Performance Statement

Figure 3.2 sets out the relationship between reporting measures outlined in the Corporate Plan and the Annual Performance Statement for 2023–24.

FIGURE 3.1: Relationship between the Corporate Plan and Annual Performance Statement



Statement of preparation

On behalf of the Board, the accountable authority of Defence Housing Australia (DHA), we present DHA's 2023–24 Annual Performance Statement, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In the Board's opinion, this Annual Performance Statement is based on properly maintained records, accurately reflects the performance of the agency, and complies with subsection 39(2) of the PGPA Act.



Dr Robert Lang
Acting Chair
30 September 2024



Mr Brett Jorgensen
Acting Managing Director
30 September 2024

Approach

This statement is presented according to the four key activities in DHA's Corporate Plan 2023–24 to 2026–27 and describes DHA's performance in the reporting period against the key performance indicators and initiatives.

Results summary

In 2023–24, DHA achieved its purpose, supporting Defence capability through the provision of housing and housing related services to Australian Defence Force (ADF) members and their families.

As at 30 June 2024, DHA's provisioned portfolio comprised of 17,104 properties, housing 15,643 ADF members and members with partners and their families. During 2023–24, DHA assisted over 6,500 ADF members and their families to find a home in their posting location and administered Rent Allowance payments to over 16,000 ADF members.

DHA provisioned 103 percent of the target number of dwellings in the Approved Provisioning Schedule to reduce the risk of not delivering future Defence demand. ADF member surveys show that DHA met satisfaction benchmarks relating to DHA's housing solutions.

DHA continued to make enhancements to online services to improve self-service options for members and their families. The Living in Accommodation (LIA) Booking and Allocation System Refresh project delivered a range of features to simplify accommodation booking. The Technology Refresh program delivered key improvements to operational systems to support and enable a digital solution which is contemporary, transparent, and able to be adapted to the changing needs of the ADF.

For DHA staff, a new learning and performance management system was developed, incorporating new APS performance management expectations to improve engagement with performance and development frameworks. DHA developed and implemented initiatives to invest in the development of high potential employees through formal learning and acting opportunities.

DHA's Reconciliation Action Plan (RAP) 2023–25 was launched in July 2023 and DHA's Culture and Wellbeing Strategy 2023–26 commenced. Finally, a modernised enterprise agreement (EA) was negotiated with staff including new provisions.

DHA pursued measures to improve operational effectiveness and financial sustainability, through improved internal practices and the use of assets to maximise capital strength.

Overall, DHA met six of seven performance measures. Full results and detailed performance analysis are detailed in the following sections.

TABLE 3.1: Summary results against key performance indicators 2023–24

Performance indicator	Target	2023–24 Result
Key activity 1 – Provide and manage a portfolio of housing		
1a. Provisioning of housing solutions to the Approved Provisioning Schedule	≥99%	103%
1b. ADF member satisfaction with housing solutions	≥80%	85%
Key activity 2 – Partner with Defence to shape and administer housing policy		
2a. DHA is a trusted advisor	Rating of 'Good' or above	Rating of 'Good'
Key activity 3 – Provide housing services to ADF members and their families		
3a. ADF member customer service satisfaction	≥85%	83%
Key activity 4 - Operate effectively, efficiently and sustainably as a better practice Commonwealth entity		
4a. Return on equity	>2%	3.2%
4b. Maintain validity and certification against International Organisation for Standardisation Quality Management (ISO9001)	Certified	Certified
4c. Staff engagement	≥70%	71%



Angle Park housing development official opening

April 2024 saw the official opening of DHA's first dwellings in the Angle Park housing development, near Adelaide, by the then Assistant Minister for Defence and Veterans Affairs, The Hon. Matt Thistlethwaite MP.



The 186-lot, 6.48-hectare development will initially accommodate 54 Defence members and their families, with 14 of the DHA-owned dwellings complete. An additional 31 residents will be available for Defence members through DHA's Build to Lease program, where investors purchase house and land packages and enter into a long-term lease agreement with DHA.

The location of Angle Park provides convenience and amenity for Defence members and their families, located 25 kilometres from the Royal Australian Air Force Base Edinburgh and nine kilometres from Adelaide CBD. Accessible public transport and linking roads will provide convenience for residents and foster a thriving community among Defence members.

Then Assistant Minister for Defence, the Hon Matt Thistlethwaite MP, formally opened the first completed modern dwellings with a ribbon-cutting ceremony alongside DHA's Chair, Managing Director, General Manager of Service Delivery and Federal Member for Adelaide, Steve Georganas MP.

The remaining dwellings are planned for completion in 2025.

Key activity 1 –

Provide and manage a portfolio of housing

As at 30 June 2024, DHA managed 17,104 properties and housed 15,643 ADF members and their families located across Australia, including in all capital cities, major regional centres and in remote areas where the ADF has a presence.

DHA provided a range of housing options to ADF members and their families, integrating properties throughout communities close to ADF bases and establishments, and amenities and services such as transport, shopping facilities and schools.

Performance results

In 2023–24, DHA met the demand for housing solutions, providing enough housing for ADF members and their families, and the target number of housing solutions in the Approved Provisioning Schedule (refer to Table 3.2).

ADF members and their families continue to be satisfied with DHA's housing solutions with 85 per cent of respondents stating they are satisfied with their DHA managed accommodation (refer to Table 3.2).

TABLE 3.2: Key performance results for Key activity 1 – Provide and manage a portfolio of housing

Performance indicator	Target	2023–24 Result
Provisioning of housing solutions to the Approved Provisioning Schedule	≥99%	103%
<p>DHA met demand from ADF members and their families for housing and provisioned 103% of the Approved Provisioning Schedule. This equates to 500 properties above the Approved Provisioning Schedule. The achievement above the Approved Provisioning Schedule was to reduce the risk of delivering future Defence demand, which is projected to increase over the next four years.</p> <p>As DHA has provisioned over the 2023–24 Schedule, housing vacancy required close management to ensure portfolio efficiency prior to the anticipated growth in demand being realised. Vacancy management plans are in place to help minimise vacancy, including use of active singles in vacant residences, civilian tenancies and Rent Allowance (RA) recall initiatives to bring members and their families on RA back into serviced residences.</p> <p>As member numbers increase in line with projections from Defence, it is expected that vacancy will continue to decrease as DHA meets the new requirements. Members and their families in receipt of RA were successfully maintained within the national target of 15 per cent.</p>		
ADF member satisfaction with housing solutions	≥80%	85%
<p>DHA met the target for satisfaction of ADF members and their families with housing solutions, with 85 per cent of survey participants stating they were overall 'very satisfied' or 'satisfied' with their DHA accommodation.</p>		

Provisioning summary

Service Residence and Rent Band Choice Housing

The Service Residence and Rent Band Choice Housing portfolio closing balance exceeded the Approved Provisioning Schedule target of 15,217 dwellings by 472, finishing the year with 15,689 properties. As provisioning is expected to increase over the next four years, DHA opted to exceed the requirements of the Approved Provisioning Schedule in the current year to smooth the rapid growth required in the future.

For full results for Service Residence and Rent Band Choice Housing, please refer to Table 3.3.

TABLE 3.3: Service Residence and Rent Band Choice Housing portfolio performance as at 30 June 2024

	Actual 2023–24	Approved Provisioning Schedule 2023–24 ¹	Variance
Opening balance 1 July 2023	15,521	15,598	(77)
Acquisitions	112	105	7
Constructions	44	72	(28)
Leases	1,310	935	375
Total additions	1,466	1,112	354
Lease ends	1,291	1,463	(172)
Disposals and handbacks	7	30	(23)
Total subtractions	1,298	1,493	(195)
Transfers ²	0	0	0
Closing balance 30 June 2024	15,689	15,217	472

Notes

1. Refers to the 2023–24 Approved Provisioning Schedule.
2. Transfers refer to portfolio movements due to properties pending sale or disposal, being taken offline for maintenance and transferring between Service Residence and Rent Band Choice Housing portfolio and MCA portfolio.

Members' Choice Accommodation provisioning summary

The MCA portfolio closing balance exceeded the Approved Provisioning Schedule target of 1,387 dwellings by 28, finishing the year with 1,415 properties. With low levels of vacancy across the portfolio, the opportunity exists to increase the MCA numbers above targets to assist Defence in the housing of single members.

The better than anticipated result was once again achieved primarily through the leasing performance.

For full results for MCA, please refer to Table 3.4.

TABLE 3.4: MCA portfolio performance as at 30 June 2024

	Actual 2023–24	Approved Provisioning Schedule 2023–24 ¹	Variance
Opening balance 1 July 2023	1,408	1,430	(22)
Acquisitions	13	0	13
Constructions	0	0	0
Leases	161	146	15
Total additions	174	146	28
Lease ends	153	189	(36)
Disposals and handbacks	0	0	0
Total subtractions	153	189	(36)
Transfers ²	(14)	0	(14)
Closing balance 30 June 2024	1,415	1,387	28

Notes

1. Refers to the 2023–24 Approved Provisioning Schedule.
2. Transfers refer to portfolio movements due to properties pending sale or disposal, being taken offline for maintenance and transferring between Service residence and Rent Band Choice Housing portfolio and MCA portfolio. These transfers have left the MCA portfolio.

Provisioning challenges and responses

The primary challenge for DHA is generating sufficient new leases to meet Defence's housing requirements. To meet this requirement DHA has been developing strategies for working with industry to deliver ongoing large-scale tranches of newly built properties for leases in critical regions.

During 2023–24, DHA released Requests for Information (RFI) in South-East Queensland and the Australian Capital Territory, and subsequent Expressions of Interest (EOI) to deliver newly built properties for lease to DHA in Rockingham, WA and Townsville, QLD. Further EOIs covering Adelaide, Canberra, Sydney, Newcastle and Nowra were released in July 2024. The EOIs undertaken to date have received strong responses from industry with significant interest in being involved in the program.

Property upgrades

DHA upgrades properties in its portfolio to ensure they meet Defence compliance requirements, remain suitable housing options for ADF members and their families, and extend the life of properties allowing properties to be retained in the portfolio. In 2023–24, DHA completed upgrade work to 141 properties.

Commonwealth Heritage Listed properties

As at 30 June 2024, DHA managed 72 CHL properties across Australia on behalf of Defence, including on ADF bases and establishments, in accordance with the EPBC Act.

DHA owns two development sites: the Belconnen Naval Transmitting Station at Lawson, ACT, and Fort Wallace at Stockton, NSW, which are CHL due to the significance they hold in Australia's military history. Four additional sites have Commonwealth Heritage Values and are managed in accordance with the DHA Heritage Strategy.

DHA undertook conservation activities in accordance with the EPBC Act and the DHA Heritage Strategy. Implementation of the DHA Heritage Strategy is monitored through annual evaluation and requires:

- the maintenance and conservation of any identified heritage property
- heritage studies, conservation management planning and other activities relating to the identification, protection, conservation, presentation and transmission of any Commonwealth Heritage Values of a place
- identification of Commonwealth Heritage Values on all DHA owned sites and properties.

In 2023–24, DHA continued a program of works to conserve and upgrade Defence owned properties, including:

- completion of a major upgrade and refurbishment program on the heritage listed married quarter precinct at HMAS Creswell, Jervis Bay
- remediation of asbestos, lead dust and lead paint issues
- upgrade works to Heritage residences at HMAS Watson in Sydney.

More information on the management of CHL properties can be found in *Appendix G – Environmental and heritage performance*.

DHA upgrades properties in its portfolio to ensure they meet Defence compliance requirements, remain suitable housing options for ADF members and their families, and extend the life of properties.



Key activity 2 –

Partner with Defence to shape and administer housing policy

DHA administered Defence housing policy in accordance with the pay and conditions for ADF members and their families, the Services Agreement with Defence and DHA's functions as outlined in the DHA Act. DHA worked closely with Defence to support the Defence Housing Support Review, through the sharing of key insights from survey data and engagement with members and their families.

DHA is working closely with Defence to meet the growth in key regions via the DHF process in light of the planned ambitious transformation of the Australian Defence Force highlighted by the NDS.

Performance results

DHA partnered with Defence as a trusted advisor to shape and administer housing policy, reflected in achievement of the performance target in 2023–24 (refer to Table 3.5).

2024 National Defence Strategy and Integrated Investment Program

The NDS and IIP builds on the DSR to provide a blueprint for the delivery of an ambitious transformation of the Australian Defence Force (ADF). The culmination of the NDS, DSR and IIP is a growing Defence force with a Northern Australia geographical focus. This growth and geographical focus accounts for the increase in the provisioning demand for housing which is expected to continue.

DHA works closely with Defence to meet housing requirements of members and their families through the DHF process, noting the rapidly evolving requirements.

Defence Housing Support Review / Defence Employee Value Proposition

In May 2023, the Government announced the commencement of the Defence Housing Support Review. The review seeks to assess the adequacy of Defence housing across the country. Its objective is to ensure that Defence housing meets the needs of Defence Force personnel – in addition to serving a key role as an attraction and retention mechanism for Defence Force personnel.

Some of the key themes from the review are:

- The current housing model allows member to access suitable housing easily compared to the general Australian population
- Member preferences with regards to housing features vary across members and are changing

TABLE 3.5: Key performance results for Key activity 2 – Partner with Defence to shape and administer housing policy

Performance indicator	Target	2023–24 Result
DHA is a trusted advisor	Rating of 'Good' or above	Rating of 'Good'

DHA achieved the performance target in 2023–24. Feedback from annual guided discussions with representatives from the Department of Defence revealed that DHA is a valued part of the Defence enterprise and meeting the commitments to partner with Defence to shape and administer housing policy.

Defence recognised DHA's efforts and willingness to continue to improve its services to Defence, with the housing and housing related services DHA provide among the most valued services for ADF members and their families.

Areas for improvement were also identified, specifically in relation to engagement and communication of the services provided by DHA. DHA is committed to addressing these areas for improvement, particularly as its role in partnering with Defence will be increasingly important over the coming years as the Department of Defence undergoes reform to deliver a well-equipped, fit for purpose ADF.

- Members appreciate the flexibility provided by Member Choice Accommodation, Rent Band Choice, the Flexible Housing Trial, and Living Environment Accommodation Precinct accommodation, and
- A quality housing product accompanied by accessible, consistent, and efficient support services.

DHA has actively engaged with Defence as part of the review and will continue to work to implement its endorsed recommendations once finalised.

Defence Housing Policy

Defence housing policy is the key driver for housing style, service and related entitlements for ADF members and their families. The PACMAN outlines these policies to the extent that the minimum requirements of a typical Service Residence are described and remains focused on a traditional freestanding house model. The last major change to housing policy in the PACMAN was in 2007 with the move from an attribute-based housing entitlement to a market rent entitlement (with a minimum standard of entitlement).

DHA has partnered with Defence to ensure contemporary and sustainable housing solutions are readily available. To support this work, DHA and Defence are focused on the delivery of a suite of housing model enhancements to enable greater choice and flexibility.

DHA continues to engage with members and their families, seeking key insights from survey data and demographic data to inform housing policy improvements. Our most recent Annual Occupant Survey provides insight into the changing housing preferences of ADF members and their families, with location being the biggest potential area of improvement followed by the size of properties.

DHA intends to increase flexibility and diversity within its portfolio by providing a blend of traditional detached houses, townhouses and units to ensure DHA caters for the preferences of ADF members and their families.

Defence Services Agreement

The Services Agreement has provided a long-standing foundation to support the delivery of housing and housing related services to Defence.

Defence and DHA are working to refresh the Services Agreement, informed by Defence's housing policy and entitlement framework, to better enable Defence's operational needs and to meet preferences of members and their families, both current and future. This refresh will enable DHA to enhance its suite of services and transform with changing market conditions, demand requirements and member preferences. When implemented, DHA will provide scalable housing solutions with a wider range of housing options for ADF members and their families.



Revitalising Puckapunyal A Community Reimagined

Puckapunyal, a historic military training base 90 minutes north of Melbourne, is home to over 1,000 Defence personnel and their families.



Puckapunyal, a historic military training base 90 minutes north of Melbourne, is home to over 1,000 Defence personnel and their families. Since its establishment in 1920, the base has evolved into a close-knit community, and in recent years, Defence Housing Australia (DHA) has been at the forefront of its transformation.

Steven George, a Project Manager at DHA, has been instrumental in the ongoing upgrades at Puckapunyal. Under his guidance, 129 of the 300 dwellings on base have been restored, reflecting DHA's commitment to enhancing the quality of life for Defence members. These upgrades are not just about bricks and mortar—they are about renewing a sense of community and providing a safe, comfortable environment for the families who live there.

The work at Puckapunyal is a testament to DHA's dedication to supporting Defence communities by ensuring that their housing needs are met with the highest standards. This project underscores our ongoing efforts to invest in the well-being of those who serve our nation.

Key activity 3 –

Provide housing services to ADF members and their families

In 2023–24, DHA provided a range of housing and tenancy services to ADF members and their families in accordance with the Services Agreement, including:

- facilitating access to and allocation of suitable housing in the DHA portfolio
- coordination of repairs and maintenance for DHA managed properties through effective contractor panel arrangements
- providing a 24/7 contact centre service to manage emergency and routine maintenance requests
- administration of ADF member allowances and entitlements, and
- booking and allocation services for on-base accommodation.

A summary of the property and tenancy services are provided at Table 3.6.

DHA provides support for ADF members and their families in private rental accommodation by supporting them to locate and occupy housing for which they receive a Rent Allowance. Inflationary forces in the private rental market in 2023–24 increased demand for reassessment of Rental Allowance entitlements through the contact centre. Maintenance work orders increased as part of a renewed focus on quality assurance standards, with several recovery initiatives completed in Defence's remote property portfolio.

TABLE 3.6: National property and tenancy services performance summary

Property and tenancy management service	2022–23	2023–24
Housing allocations	6,715	6,565
ADF members and their families receiving Rent Allowance	16,119	16,119 ¹
Rent Allowance applications processed	9,955	10,343
Maintenance work orders raised	237,996	264,482
Living-in accommodation bookings	121,305	116,695
Property inspections	56,317	64,612

Note

1. As at 30 June 2024

Performance results

Survey results show that ADF member customer service satisfaction improved by one per cent, compared to the 2022–23 result. However, the target for 2023–24 was not met.

The improvement from the previous year is attributable to DHA’s focus on a customer-centric operating model, which meets the contemporary needs of members and their families.

Member satisfaction

Annual Occupant Survey results show that the majority of ADF members and their families were satisfied with DHA’s customer service (83 per cent satisfied), showing a one per cent improvement over the previous year. However, the 85 per cent target for ADF member satisfaction (refer to Table 3.7) was not met. Improving capability, standardising the service offering and uplifting the customer experience of ADF members and their families is a key priority.

Member feedback in the Annual Occupant Survey is reflective of growing consumer preferences for more energy efficient housing and fixtures. DHA works closely with Defence to provide evidence-based recommendations on housing location and amenity which are supported by policy change.

TABLE 3.7: Key performance results for Key activity 3 – Provide housing services to ADF members and their families

Performance indicator	Target	2023–24 Result
ADF member customer service satisfaction	≥85%	83%

DHA did not meet the target for ADF member customer service satisfaction, with 83 per cent of survey participants stating they were overall ‘very satisfied’ or ‘satisfied’ with DHA’s customer service.

The result was a one per cent improvement on the 2022–23 result.

Customer experience framework

In 2023–24, DHA commenced a review of its service offering to better meet the evolving needs of a diverse customer base. Service Delivery teams partnered with Business Solutions and Technology and Defence to simplify a range of critical business processes with a view to delivering quality services consistently and efficiently. This meant leveraging DHA's online services channel to incorporate a more diverse customer base, streamlining processes for ADF members and their families and focusing on enhancing capability in operational teams.

DHA's Online Services functionality has been enhanced, including a refined online enquiry interface, the introduction of dynamic help text, and additional information to provide an improved customer experience. DHA has streamlined administrative workflows to reduce its service response times and increased self-service options to make it easier for ADF members and their families to access services at a time that is convenient to them. These initiatives have released skilled frontline staff to add value by supporting ADF members and their families to navigate complex housing and tenancy issues.

Online enquiries

Further enhancements have been made to online services to improve self-service options for members and their families. Throughout 2023–24, these enhancements have been extended to facilitate more efficient service responses and workflow oversight. Features such as dynamic help text and new enquiry classifications have augmented self-service capability and increased first contact resolution with members and their families. DHA continues to monitor online services usage trends and customer feedback to maintain a contemporised self-service platform that is customer centric for all user groups.

Rent Allowance (RA) Review

To minimise administrative burden on members and their families and streamline the process, Service Delivery partnered with Defence and Business Solutions and Technology teams to implement a streamlined approach for members and their families declaring 'no change' in their personal circumstances. This has resulted in simplification of survey completion for members and their families, improved processing efficiency and improved response times. Upwards of 7,000 review surveys were immediately resolved in the opening weeks of the review, providing members and their families with confidence in their entitlement.

LIA Booking and Allocation System (BAS) Refresh

DHA collaborated with Defence delivery partners throughout 2023–24 to further refine the LIA booking and allocation system. The BAS Refresh project delivered a range of features to simplify the accommodation booking process, improve system efficiency, increase self-service capability and enhance user experience.

Categorisation and Location Framework – ADF Employment Offer Modernisation Project

In July 2023, the ADF Categorisation and Location Framework was introduced by Defence in recognition of the evolving requirements of a diverse workforce and to optimise access to flexible work and housing entitlements. DHA worked closely with Defence and Toll Transitions to ensure the transition to the new framework was seamless for ADF members and their families. System enhancements and comprehensive training programs for staff have ensured DHA was well equipped to support members and their families in understanding how the categorisation and location changes applied to their personal circumstances and housing benefits.

Key activity 4 –

Operate effectively, efficiently and sustainably as a better practice Commonwealth entity

DHA continued to position itself to meet Defence’s housing needs now and into the future effectively, efficiently and sustainably. DHA focused on uplifting its organisational capability through ongoing investment in the Technology Refresh program, strengthening and maturing governance arrangements and implementing workforce strategies to support staff engagement and delivery of the strategic objectives.

Performance results

DHA met targets for return on equity, staff engagement, and maintaining validity and certification against International Organisation for Standardisation Quality Management (ISO9001).

TABLE 3.8: Key performance results for Key activity 4 – Operate effectively, efficiently and sustainably as a better practice Commonwealth entity

Performance indicator	Target	2023–24 Result
Return on equity	>2%	3.2%
DHA exceeded the return on equity target due to profit being \$18.6m higher than expected. A higher profit was attributed to lower operating costs due to timing of projects and staffing levels.		
Maintain validity and certification against International Organisation for Standardisation Quality Management (ISO9001)	Certified	Certified
DHA achieved its performance target in 2023–24 confirmed by the recommendation of the certification service provider during a surveillance audit, conducted from 28 May to 4 June 2024.		
DHA is committed to the continual improvement of its quality management system by addressing the opportunities identified and will continue to focus on ensuring that documents required by the organisation are adequately controlled.		
Staff engagement	70%	71%
DHA achieved this performance target in 2023–24. The index remains an indicator of positive sentiment, demonstrating the continuing impact of DHA’s commitment to employee experience and work environment over the past few years.		

Improving governance maturity and capability

Over 2023–24 DHA focused on strengthening and maturing governance arrangements to support staff to deliver against DHA's key activities and ensure it remains compliant with obligations.

DHA worked to improve the management of its strategic and enterprise risks. Following on from the review and update of DHA's Risk Management Policy in December 2023, a new category of 'enterprise risks' has been introduced.

Enterprise risks are uncertainties that affect the whole of DHA's service and support operations. DHA continues to develop enterprise risk assessments and has developed a Standard Operating Procedure (SOP) to facilitate Board Audit and Risk Committee (BARC) and Board oversight.

To further embed good practice for risk, there is a heightened focus on identifying and managing critical controls for strategic and enterprise risks, with the development of control management plans to drive improved maturity in approach, and assurance.

DHA improved its management of compliance with legislative requirements under the *Archives Act 1983* through continual improvement to recordkeeping practices and technology enhancements. DHA implemented a record management governance tool to identify, register and classify digital records in several core information systems to determine minimum legal retention periods and improve discoverability.

DHA has continued to identify improvements to the corporate policy framework and library, including the implementation of the pilot of an improved policy template. Further improvements are planned and will continue to be delivered in uplifting the corporate policy framework and library.

ICT refresh

DHA's Technology Refresh program is well-progressed in delivering core technology to support and enable a digital solution which is contemporary, transparent, and able to be adapted to the changing needs of the ADF. DHA is replacing aged business applications with modern cloud solutions and simplifying a legacy of overly complex system integration. The Technology Refresh program is delivering the foundations required for the continuous improvement of DHA's technology, so it remains fit for purpose, operationally efficient and enables services that satisfy Defence members and their families, and investors.

The Technology Refresh program delivered key improvements, including moving the financial management system to the cloud, additional business intelligence solution capabilities, telephony and workforce management tools, and the first release of the CRM and Marketing Cloud has progressed ready for go live in the new financial year.

DHA's IT governance model is embedded and supported through the IT Steering Committee and

Technology Partnership Office (TPO). This year has seen a focus on defining the Modernisation and Improvement program to capture DHA's enduring ICT management portfolio activities. DHA's ICT Enterprise Architecture Principles were also expanded in early 2024 to include Privacy as a core consideration. This addition provides guidance for conducting Privacy Assessments when selecting, designing and implementing DHA's ICT solutions. DHA's ICT Enterprise Architecture Principles work to influence the Software Delivery Lifecycle and ICT designs to ensure IT investment remains fit-for-purpose and aligned to DHA's strategic objectives.

DHA's cyber security maturity continued with further work undertaken to align the ICT environment with the Essential Eight and Excellent Nine. DHA will continue to invest in its cyber security capability and culture to ensure it remains effective and supports secure digitally enabled interactions with customers, industry, and people.

Invest in DHA's workforce capability and culture

DHA is implementing APS Reform initiatives through, and in addition to, its existing planned program of work. The approach is to integrate APS Reform priorities into deliverables outlined in the DHA People Strategy 2022–25 where appropriate, to achieve alignment, embed change, and reduce duplicate effort.



New Reconciliation Action Plan artwork

DHA's Reconciliation Action Plan 2023–25 (RAP) was launched in July 2023, with a welcome to country from Aunty Violet Sheridan, Ngunnawal Elder.

DHA's Reconciliation Action Plan 2023–25 (RAP) was launched in July 2023, with a welcome to country from Aunty Violet Sheridan, Ngunnawal Elder. The RAP includes an artwork created for DHA by Indigenous artist Anna Dowling a proud descendant of the Badimia, Yamatji people from Western Australia. The artwork shows a network of people — ADF members and their families, DHA employees, and people contracted to provide goods or services to the ADF and DHA. The gathering circle is an ancient Aboriginal symbol that is widely used and recognised across Australia. Ideas, stories, knowledge and perspectives are shared within these gathering circles. Footprints represent people passing through the space. Each person is on their own journey from diverse backgrounds and places. Traditional symbols for dwellings or homes are used to show the different homes that DHA provides through their service as people use these homes on their diverse journeys.

DHA is committed to the reconciliation journey. With DHA's national footprint and our role in provisioning the ADF with suitable housing and housing services, we have a unique opportunity to foster and promote ongoing engagement and relationships.



DHA integrated new APS performance management expectations into the development of its new learning and performance management system in pursuit of the objective to improve engagement with performance and development frameworks through contemporary and fit for purpose systems. In line with APS reform expectations, this will strengthen behaviour and outcomes-based performance management while meeting DHA's commitment to uplift leadership capabilities across all levels of the organisation.

The workforce planning framework continues to mature with improved workforce analytics for senior leaders and enhanced workforce planning templates to guide effective planning and decision making in alignment with operational planning processes, supporting DHA to transition its workforce to meet emerging business requirements. Of particular focus in 2023–24 was the development and implementation of initiatives to address turnover including enhanced onboarding, training and support for frontline staff. Building on this work, DHA undertook a review into frontline staff experiences of work with the aim of informing decisions on work design and workforce management practices.

Implementation of DHA's Culture and Wellbeing Strategy 2023–26 commenced with a key initiative being employee workshops to define positive workplace behaviours at DHA. These workshops were facilitated by line managers in partnership with HR, with the interactive approach supporting strong employee engagement with the APS values.

Reconciliation Action Plan

DHA's Reconciliation Action Plan (RAP) 2023–25 was launched in July 2023, with a welcome to country from Aunty Violet Sheridan, Ngunnawal Elder. The RAP includes an artwork created for DHA by Indigenous artist Anna Dowling a proud descendant of the Badimia people from the Yamatji region in Western Australia. The artwork represents the members of the ADF and DHA community, and the different homes that DHA provides through their service as people use these homes on their diverse journeys. Ongoing initiatives to continue DHA's reconciliation journey include:

- Providing meaningful employment opportunities for Aboriginal and Torres Strait Islander peoples through participating in Services Australia's Indigenous Apprenticeship Program (IAP).

- Promoting opportunities to participate in immersive opportunities such as Jawun, the Australian Public Service Secondment Program and Garma Festival of Traditional Cultures.
- Aligning DHA's Indigenous procurement strategy with the Australian Government's Indigenous Procurement Policy and continued partnership with Supply Nation to support Indigenous businesses.
- Acknowledging National Reconciliation Week and NAIDOC Week by promoting and providing opportunities for employees to attend local events and activities.

Diversity and Inclusion

DHA is committed to providing a respectful and inclusive workplace where all its employees feel safe and confident to bring their whole selves to work and can perform to their best. DHA's active Diversity and Inclusion working group and employee affinity groups with representation from various regions, business areas and sections of the workforce provide professional networking, support, and advocacy. DHA is a proud member of peak bodies including the Diversity Council Australia, Pride in Diversity, and Australian Disability Network.

Workplace relations

DHA is unique as the only GBE that employs staff under the *Public Service Act 1999* (Cth) and the only APS agency that was out of scope of APS service-wide bargaining. Recognising the APS role as a model employer, and the need to maintain consistency with core public sector entitlements, DHA's new EA was developed with strong regard for the APS Statement of Common Conditions and in close consultation with the Australian Public Service Commission (APSC).

DHA undertook an extensive and robust negotiation process, ensuring that all employee voices were heard, whether or not individuals were represented at the bargaining table. Over a period of several months, the DHA bargaining team worked with staff and their representatives to develop a modernised enterprise agreement that meets DHA's operational objectives while advancing its employee value proposition.

Three principles underpin the new EA:

- Delivering on DHA's purpose: an improved ability to support Defence capability through the provision of housing and housing related services.
- Employee experience: building a working environment that enables high performance and which promotes inclusion and wellbeing.
- Sustainability and stewardship: enabling DHA to operate effectively and efficiently in the long term.

The resulting EA includes new provisions to support DHA's afterhours requirements and the operational demands of client facing areas, ensuring that DHA effectively delivers core services to ADF members and their families while protecting the workplace rights and wellbeing of employees.

DHA created an attractive employment stream for specialist professionals and aligned its offering with APS common conditions, ensuring that DHA is an employer of choice, positioned to secure in-demand skilled talent in a challenging labour market.

Financial performance

DHA pursued measures to improve operational effectiveness and financial sustainability, focusing on revealing efficiencies created through improved internal practices and by continuing to manage the use of assets to maximise capital strength.

At 30 June 2024, DHA reported net profit after tax of \$53.9 million. During the year, DHA implemented a range of strategies to support the agency's capital strength and financial capability.

DHA has realised higher than anticipated property levels which have resulted in increased rental income. A focus on portfolio management has achieved lower than expected vacancy rates, and the improving property market has resulted in higher than forecast rental valuations. An increase in leased properties provisioned for Defence use supports DHA's higher occupancy rates nationally. DHA's annual valuations reflect an increase in property values at 31 December 2023 and growth in rental incomes from 1 January 2024. These factors have led to an increase in rental revenue and a net write back of impairment on owned and leased assets. In addition, DHA had lower than forecast operating expenditure due to timing of consultancies, projects and recruitment activities.

Returns to the Australian Government

DHA and shareholders have agreed to a dividend moratorium in respect of the 2023–24 financial year. DHA has declared a nil dividend payment for 2023–24 with the funds to be reinvested into delivering housing requirements to effectively support Defence capability.

Taxation

DHA makes tax equivalent payments with respect to state and territory taxes that would apply were it not a Commonwealth entity. These taxes are paid in equivalence to the Commonwealth under arrangements set out in the DHA Act.

During 2023–24, tax paid to the Australian Taxation Office was \$22.3 million, whilst state tax equivalents paid to the Commonwealth totalled \$47.4 million.

Management of DHA's loans

DHA has access to a \$509.6 million loan facility, of which it has currently drawn down \$170 million to invest in housing to support Defence capability.

DHA's capital strength

DHA's capital strength is critical to secure and maintain a portfolio of housing to meet Defence requirements. DHA continued to focus on building its capital strength through:

- continued consultation with shareholders on future capital needs
- implementation of asset management strategies to moderate the own to lease program and other asset divestments to retain capital in anticipation of growth in ADF housing needs.

Sustaining financial capability

DHA implemented a range of measures to help sustain the agency's financial capability and establish an environment through which business outcomes will support capital strength. These included:

- Reducing the need for capital by focusing on provisioning through leasing, including direct leasing, renewals, and options. Further detail on the provisioning strategy and outcomes can be found in Key activity 1 – Provide and manage a portfolio of housing.

- Risk sharing arrangements established in the contemporised Services Agreement, reducing vacancy and relocation costs.
- Investment in a Technology Refresh program to expand DHA's digital service delivery channels for ADF members and their families, and lowering the cost of delivering services.
- Continued phasing out of rental floor lease incentives, reducing operating costs and exposure to market volatility.

DHA will continue to pursue measures to improve operational effectiveness and financial sustainability, focusing on realising efficiencies created through improving internal practices and continuing to manage the use of assets to maximise capital strength.

Operational performance

As at 30 June 2024, DHA's provisioned portfolio comprised of 17,104 properties, housing 15,643 ADF members and members with partners and their families. Over the same period, DHA assisted over 6,500 ADF members and their families to find a home in their posting location and administered Rent Allowance payments to over 16,000 ADF members. Refer to table 3.9 for a breakdown of movements in the number of properties provisioned in 2023–24, and information about the volumes of services provided to members and their families.

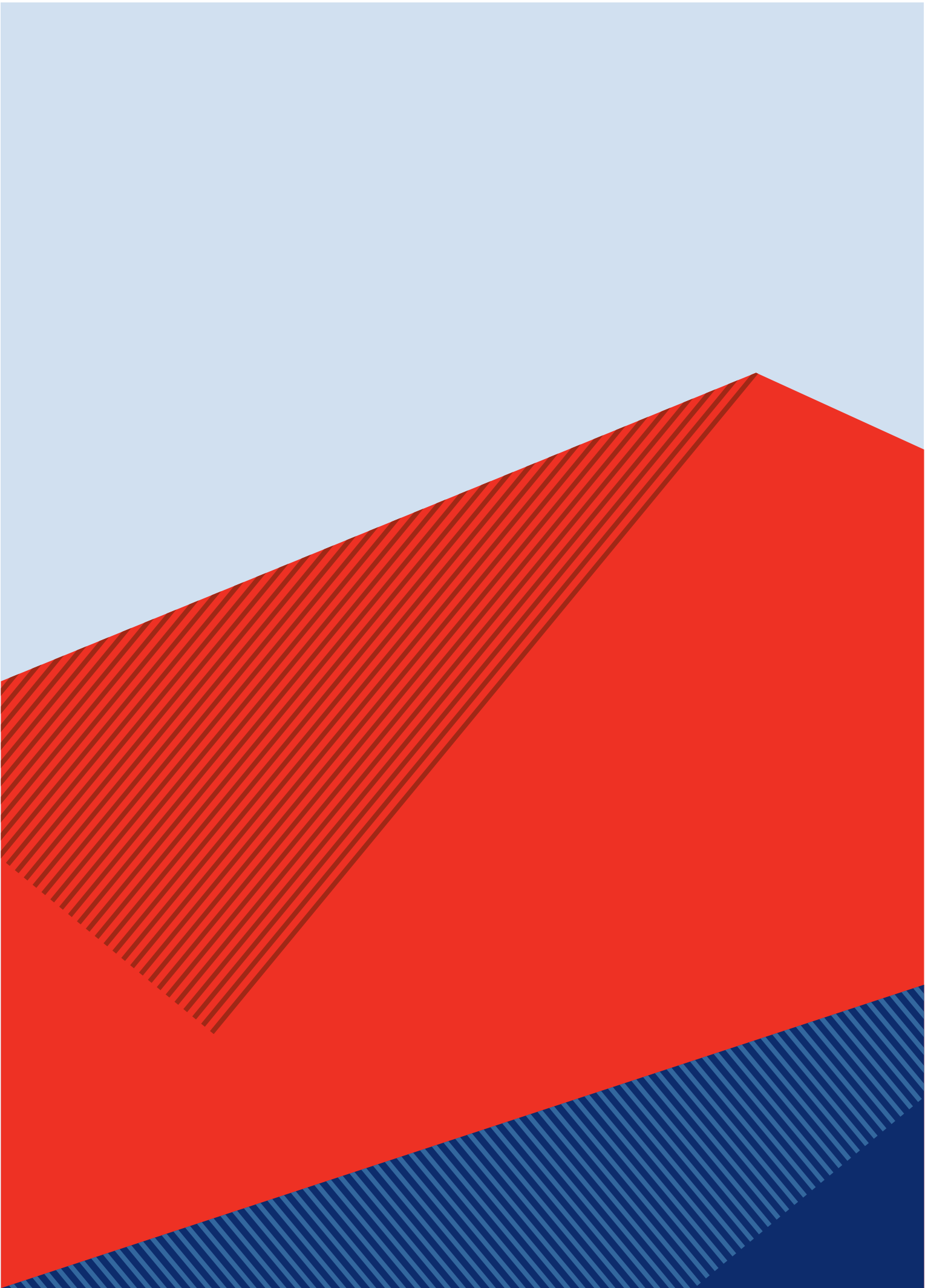
TABLE 3.9: National property provisioning and related services 2023–24

	Total
Service Residence and Rent Band Choice Housing property provisioning	
Opening balance (1 July 2023)	15,521
Acquisitions	112
Constructions	44
Leases	1,310
Total additions	1,466
Lease ends	1,291
Disposal and handbacks	7
Total subtractions	1,298
Transfers ¹	0
Closing balance (30 June 2024)	15,689

	Total
MCA property provisioning	
Opening balance (1 July 2023)	1,408
Acquisitions	13
Constructions	0
Leases	161
Total additions	174
Lease ends	153
Disposals and handbacks	0
Total subtractions	153
Transfers ¹	14
Closing balance (30 June 2024)	1,415
Property and tenancy services	
Housing allocations	6,565
Property inspections	64,612
ADF members receiving Rent Allowance ²	16,119
Leases managed ²	12,052
Maintenance work orders raised	264,482

Notes

1. Transfers refer to portfolio movements due to properties pending sale or disposal, being taken offline for maintenance and transferring between Service Residence and Rent Band Choice Housing and MCA portfolios.
2. As at 30 June 2024.



Part 4
Financial
statements

4

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence and the Minister for Finance

Opinion

In my opinion, the financial statements of Defence Housing Australia (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Directors, Managing Director and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Sean Benfield
Senior Executive Director
Delegate of the Auditor-General

Canberra
9 September 2024

Statement by Directors, Managing Director and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Defence Housing Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors.



Dr Robert Lang
Acting Chair



Mr Brett Jorgensen
Acting Managing Director



Mr Paul Groenewegen
Chief Financial Officer

6 September 2024

Statement of Comprehensive Income

		2024	2023
	Notes	\$'000	\$'000
INCOME			
Revenue			
Revenue from contracts with customers	2	193,669	249,900
Housing services lease rentals	3	607,462	557,758
Interest received		5,112	4,593
Other income		121	73
Total revenue		806,364	812,324
GAINS/LOSS			
Gains from disposal of investment properties	4	-	177
Net reversal of write down and impairment of assets	9	23,874	26,794
Impairment loss reversal on financial instruments	12	28	26
Total gains/loss		23,902	26,997
Total income		830,266	839,321
EXPENSES			
Employee expenses	5	84,644	78,313
Loss from Disposal of Investment Properties	4	28	-
Rates, repairs and maintenance	6	177,620	153,179
Depreciation and amortisation	7	368,665	339,280
Cost of inventories sold		18,334	42,967
Finance costs	8	60,004	43,374
Other expenses		44,769	39,208
Total expenses		754,064	696,321
Profit before income tax on continuing operations		76,202	143,000
Income tax expense	10	22,261	42,789
Profit after income tax		53,941	100,211
Other comprehensive income		-	-
Total comprehensive income		53,941	100,211

The above statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	108,073	97,531
Trade and other receivables	12	43,240	60,682
Investment properties held for sale		-	642
Inventories	13	177,781	62,444
Current Tax Assets	10	12,005	-
Other current assets		6,730	4,571
Total current assets		347,829	225,870
Non-current assets			
Inventories	13	14,436	118,835
Investment properties ¹	14	3,272,715	3,064,881
Property, plant and equipment ¹	15	48,285	41,348
Deferred tax assets	10	36,356	45,225
Other receivables		9	25
Total non-current assets		3,371,801	3,270,314
Total assets		3,719,630	3,496,184
LIABILITIES			
Current liabilities			
Trade and other payables	16	30,597	37,837
Lease liabilities	18	323,911	305,582
Provisions	19	51,395	53,482
Financial Liabilities	21	2,814	-
Current tax liabilities		-	5,537
Other liabilities	20	13,806	24,972
Total current liabilities		422,523	427,410
Non-current liabilities			
Borrowings	17	170,000	40,000
Lease liabilities	18	1,313,897	1,271,391
Provisions	19	76,529	75,292
Financial Liabilities	21	649	-
Other liabilities	20	26,511	26,511
Total non-current liabilities		1,587,586	1,413,194
Total liabilities		2,010,109	1,840,604
Net Assets		1,709,521	1,655,580
EQUITY			
Contributed equity		403,863	403,863
Retained Earnings		1,305,658	1,251,717
Total equity		1,709,521	1,655,580

1. Right of use assets are included in the Investment properties and Property, plant and equipment balance.
The above statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Retained Earnings \$'000	Contributed Equity \$'000	Total Equity \$'000
Balance as at 1 July 2022	1,151,506	403,863	1,555,369
Profit for the year	100,211	-	100,211
Other comprehensive income	-	-	-
Total comprehensive income	100,211	-	100,211
Balance as at 30 June 2023	1,251,717	403,863	1,655,580
Balance at 1 July 2023	1,251,717	403,863	1,655,580
Profit for the year	53,941	-	53,941
Other comprehensive income	-	-	-
Total comprehensive income	53,941	-	53,941
Balance as at 30 June 2024	1,305,658	403,863	1,709,521

The above statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows

		2024	2023
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Sales of goods and services		719,682	641,445
Sales of inventory		62,960	146,879
Interest		4,962	4,576
Stamp duty and land tax equivalents received		41,962	35,508
GST received		13,131	6,706
Total cash received		842,697	835,114
Cash used			
Employees		76,644	75,599
Suppliers		212,827	183,825
Borrowing costs		5,174	433
Interest on leased assets		54,325	42,467
Income taxes paid		30,934	51,008
Acquisition and construction of inventories		56,992	80,777
Stamp duty and land tax equivalents paid		62,936	17,884
GST paid		8,457	5,497
Other expenses		1,664	18,096
Total cash used		509,953	475,586
Net cash from operating activities	22	332,744	359,528
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investment properties		1,459	3,355
Total cash received		1,459	3,355
Cash used			
Acquisitions and construction of investment properties		125,962	103,188
Acquisition of property, plant and equipment		5,229	600
Total cash used		131,191	103,788
Net cash (used by) investing activities		(129,732)	(100,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received			
Borrowings		130,000	40,000
Total cash received		130,000	40,000
Cash used			
Principal repayment on leased assets		322,470	306,358
Dividend paid		-	78,194
Total cash used		322,470	384,552
Net cash (used by) financing activities		(192,470)	(344,552)
Net (decrease)/increase in cash and cash equivalents		10,542	(85,457)
Cash and cash equivalents at the beginning of the financial year		97,531	182,988
Cash and cash equivalents at end of financial year	11	108,073	97,531

The above statements should be read in conjunction with the accompanying notes.

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1. Overview Accounting Policy

a. Objectives of DHA

Defence Housing Australia (DHA) is an Australian Government (Government) controlled for profit entity. The main function of DHA is to provide housing for, and related services to, members of the Australian Defence Force (ADF) and their families, in line with the Department of Defence (Defence) operational requirements.

DHA is structured to meet one outcome:

- *To contribute to Defence's outcomes by providing total housing services that meet Defence's operational and client needs through a strong customer and business focus.*

The continued existence of DHA in its present form and with its present operations is dependent on Government policy. DHA receives no appropriations from Government, and its activities are considered 'Departmental' for Government reporting purposes.

b. Basis of preparation of the financial statements

The financial statements are required by section 42 of the PGPA Act and are general purpose financial statements.

The financial statements and notes have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

DHA is classified as a Government Business Enterprise (GBE) as stipulated in section 5(1)(c) of the PGPA Rule 2014 and is a for-profit entity. DHA is governed by the *Defence Housing Australia Act 1987* (DHA Act).

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities, which as noted, are stated at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

The financial statements are prepared on a going concern basis. DHA has a net current liability position of \$74.7m. In order for DHA to meet its short-term funding requirements, DHA has a loan facility with the Department of Finance of \$509.6m of which \$339.6m remains undrawn. If required, DHA will draw down on this in order to meet its short-term liabilities and will continue to remain a going concern.

New and amended accounting standards adopted by DHA

In the current year, DHA adopted all new and revised standards issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

AASB 18 *Presentation and Disclosure in Financial Statements* was issued by the AASB in June 2024, and DHA is still assessing the impact on our financial statements.

Reclassification and change to prior year

Certain comparative amounts have been reclassified to conform with the current year presentation.

- a. Intangible Assets \$15,346 (2023 \$40,513) has been combined with Property, Plant and Equipment
- b. In the prior year DHA incorrectly recognised \$17,170,909 as cost of inventories sold. This has been reclassified to Contracts with Customers since DHA acts as Defence's agent. This has resulted in deduction in prior year Cost of Inventory and increase of Contracts with Customers.

2. Revenue from contracts with customers

	2024	2023
	\$'000	\$'000
REVENUE FROM DEFENCE		
Allocation services provided	15,910	14,571
Defence property management services	74,721	65,511
Construction services	24,715	27,787
Defence other charges	11,917	10,328
Total revenue from Defence	127,263	118,197
Revenue from other customers		
Sale of inventories	53,276	120,581
Lessor management fee revenue	13,030	10,923
Non-Defence other charges	100	199
Total revenue from other customers	66,406	131,703
Total revenue from contracts with customers	193,669	249,900
Timing of revenue recognition		
Over time	128,476	118,991
At a point in time	65,193	130,909
Total revenue from contracts with customers	193,669	249,900

Accounting policy

Revenue recognition accounting policies with respect to DHA's business activities within the scope of *AASB 15 Revenue from Contracts with Customers* are as follows:

	Timing of revenue recognition
Revenue from Defence	
Allocation services provided	Over time
Defence property management services	Over time
Defence other charges	Point in time
Construction services revenue	Over time
Revenue from Non-Defence Customers	
Constructions services	Over time
Sales of inventories	Point in time
Lessor management fee revenue	Over time

Allocation services provided

DHA provides the service of allocating ADF members to available and suitable accommodation. For these services, DHA receives annual fixed fees from Defence as per the Defence Service Agreement (DSA). The transaction price relating to the provision of each of these services comprises fixed annual amounts which remain unchanged across the contract term and cover a specified number of annual allocations.

The provision of the allocation services with Defence represents a series of distinct services that are substantially the same and have the same pattern of transfer to Defence. They are treated as one performance obligation satisfied over time. The fixed fees DHA receives for these services are considered to be the stand-alone selling price for the services being provided. All fees receivable under these arrangements will be recognised in full within the financial year.

Additional fees are receivable by DHA should allocations exceed the contractual annual amounts. DHA considers the additional services in relation to allocations to be options to purchase additional goods and services. Therefore, these will only be recognised as revenue as and when the additional allocation services are provided. The additional amounts relating allocation services are considered to represent a material right to receive additional services at a discount and hence a separate performance obligation. However, the underlying services and the related revenue are not recognised until the option is exercised (so no amount of consideration for these transactions is estimated and included in the transaction price initially allocated). In all situations, revenue recognised in a year will relate to all allocations performed during that year. DHA invoices Defence on a monthly basis for the services provided and Defence pays within 30 days.

There is an annual performance payment which DHA may be entitled to receive from Defence should specific KPIs be met. This performance payment relates to all services provided to Defence under the DSA. The performance payment is regarded as variable consideration at contract inception and fully constrained at this date given the nature of the payment. However, by the end of each financial year, the uncertainty of the performance payment is resolved as the performance payment is recognised using the variable consideration allocation exemption. It is allocated between the Allocation Services Provided, the other services provided to Defence, and other services which are in scope of AASB 15 *Revenue from contracts with customers*, i.e., the Defence property management services. DHA invoices Defence for such performance payments and Defence pays within 30 days.

Defence Property Management Services

DHA receives a range of fees and charges for managing and maintaining residential properties owned by Defence used to house ADF Members. DHA receives payments:

- weekly, when a property is tenanted by an ADF member
- annually, for properties managed by DHA
- ad hoc, on an actual cost incurred basis plus a management fee percentage.

The management services provided under this part of the DSA are considered to be a series of distinct services that form a single performance obligation that is recognised over time. The transaction price is variable as it depends on:

- how many properties are managed by DHA and for how many years;
- how often the property is tenanted; and
- costs incurred by DHA in providing specific services.

The variable allocation exemption is used to allocate the variable consideration to the services provided in each month. DHA invoices Defence on a monthly basis for the services provided and Defence is required to pay within 30 days; state taxes are invoiced quarterly and paid by Defence within 30 days.

Defence Other Charges

Defence Other Charges include expenses which are recovered from Defence under the DSA. This includes amounts such as: upgrades to Defence owned properties; reimbursements of rates, municipal charges, insurance and utilities incurred by DHA on behalf of Defence.

When incurring these costs, DHA assesses whether it is principal or agent in such transactions. DHA is the principal if DHA controls the good or service before the good or service is transferred to Defence. Where DHA is the principal, the consideration received from Defence is recognised as revenue when the service is performed.

Where DHA is the agent, the consideration received, and the expense incurred will have no net impact on profit or loss as these amounts are reimbursed by Defence on a cost recovery basis with no margin or commissions retained by DHA.

Revenue received to upgrade properties to the required Defence standard is considered to be a distinct performance obligation satisfied at the point in time when the property is first tenanted by an ADF member, as this is when control of the upgrade is transferred to Defence. DHA performs these services on a cost recovery basis. DHA invoice Defence for the services provided and Defence is required to pay within 30 days.

Construction Services—Defence

DHA will often manage the construction of property developments on behalf of Defence. DHA project manages the construction using sub-contractors for on-base housing constructions and particular off-base properties. The transaction price DHA receives represents the costs incurred plus a management fee. The construction services provided for each project represent a single performance obligation satisfied over time as the construction occurs. Revenue is recognised over time using an input method, being the costs incurred to date plus the management fee.

Sale of Inventories

DHA develops properties with the primary purpose of using these properties to house ADF members. In the event that DHA has properties which become surplus to its requirements for meeting this purpose, properties will be disposed of through sale to third parties.

Where DHA sells property that has been developed as inventory, it considers each sale of property to be single performance obligation which is satisfied at a point in time i.e. when control of the property transfers to the customer. This is deemed to occur upon final settlement. The transaction price is fixed and is determined at the time when it is sold.

Lessor Management Fee Revenue

DHA receives a fixed percentage management fee based on the rent paid to lessors in exchange for performing management and maintenance services on the property.

The lessor management fee that compensates DHA for the provision of separate services is recognised as lessor management fee revenue. DHA considers these services to be a series of distinct services that form a single performance obligation that is recognised over time. The transaction price is calculated as a set percentage of the monthly rent paid and will increase when the annual market rents are reset, and the variable allocation exemption is used to allocate the variable consideration to the services performed in each month.

These lessor management fees are deducted from the monthly rental bill paid by DHA to the lessor.

Accounting Judgement and Estimates

Lessor Management Fee Revenue

DHA has analysed the services provided in return for lessor management fees and applied judgement to conclude that some activities do not represent the transfer of goods or services from DHA to the lessor. Specifically, bill paying services and market rent review services are considered a performance obligation and recognised as revenue under *AASB 15 Revenue from contracts with customers*; while property administration, annual market rent reviews as defined by the lease and maintenance and restoration services are part of the overall lease related to DHA's use of the property and accounted for as a reduction to rental expense under *AASB 16 Leases*.

Judgement is required to determine the split between the portion that represents the transfer of goods or services to the lessor (herein called 'lessor management fee revenue') and the portion that relates to the lease. DHA uses internal costing methodologies called 'lessor management fee revenue' and the portion that relates to the lease. DHA uses internal costing methodologies across historical financial data, to determine the split each financial year.

3. Housing services lease rentals

	2024	2023
	\$'000	\$'000
Housing services lease rentals		
Defence rent	606,695	556,490
Other rentals	767	1,268
Total housing services lease rentals	607,462	557,758

Accounting policy

Defence Rent

Defence Rent represents lease revenue received from Defence for properties provided under the DSA.

Other Rentals

Other Rentals comprise rental income received from the private rental market, where there are excess rental properties, not currently occupied by ADF members. Revenue is recognised when a property is tenanted and occupied by a civilian on a monthly basis for the term of the tenancy.

Accounting Judgement

AASB 16 Leases states that a lease is present if a contract "conveys the right to control the use of an identified asset for a period of time in exchange of consideration." *AASB 16 Leases* further sets out that to assess whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the customer has both of the following:

- a. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- b. the right to direct the use of the identified asset.

DHA has analysed the agreements between DHA, Department of Defence and the Australian Defence Force Member in order to determine if there is a lease agreement under *AASB 16 Leases*. DHA considers it is necessary to read the DSA, the *Defence Housing Australia Act 1987* (DHA Act) and the Defence Housing Australia Residence Agreement (DRA) as a whole to understand the commercial arrangements between the three parties. DHA has concluded that the DSA between DHA and Defence satisfies the definition of a lease under *AASB 16 Leases*, based on the following key judgements:

- i. In order to understand the arrangements, the DSA should be considered together with the DRA and the DHA Act. On assessing the substance of these arrangements, DHA considers that the DSA, through the provisioning process, identifies the portfolio of properties that Defence has the right to control the use of, and benefit from.
- ii. The DSA provides Defence the right to control the properties because it directs when the properties are to be used, including the allocations policy and when properties must be vacated. The ADF members only have a right to occupy a DHA property as a result of their employment with Defence and, if the employment is terminated the entitlement under the DRA ends. The DSA is therefore a lease in an arrangement where the property is ultimately occupied by the ADF member.
- iii. Defence does not act as an agent for DHA by collecting rental contributions from members. Defence's obligation to pay rent under the DSA is independent of the member's contribution under the DRA. Defence bears the credit risk on contributions by ADF members, and Defence payments to DHA continue regardless of any default by an ADF member.

4. Gains/loss from disposal of investment properties

	2024	2023
	\$'000	\$'000
Net gains/loss from disposal		
Proceeds from sale	1,410	2,692
Carrying value of assets sold	(1,406)	(2,452)
Selling expenses	(32)	(63)
Total gains/loss from disposal of investment properties	(28)	177

Accounting policy

Profits or losses from the disposal of investment properties are recognised when all specified conditions relating to the sale are satisfied and there is an unconditional sale. This is when settlement occurs.

5. Employee benefits

	2024	2023
	\$'000	\$'000
Employee benefits		
Wages and salaries	67,918	61,472
Superannuation		
Defined contribution plans	8,114	7,598
Defined benefit plans	1,800	1,991
Leave and other entitlements	6,258	7,057
Separation and redundancies	554	195
Total employee benefits	84,644	78,313

Accounting policy

Superannuation

DHA staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other superannuation funds held outside the Government.

The CSS and PSS are defined benefit schemes for the Government. The PSSap is an accumulation scheme.

The liability for defined benefits is recognised in the financial statements of the Government and is settled by the Government in due course. This liability is reported in the Department of Finance's (Finance) administered schedules and notes.

DHA makes employer contributions to CSS and PSS at rates determined by an actuary to be sufficient to meet the current cost to the Government. DHA accounts for these contributions as if they were contributions to defined contribution plans in accordance with *AASB 119 – Employee Benefits*.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Leave and other entitlements

The liability for employee benefits includes provisions for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including DHA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Payroll tax equivalent is a related party transaction with Defence and is reported on the Statement of Comprehensive Income as Other Expenses. All other employee benefits are incurred with external parties. At 30 June 2024 the provision for payroll tax for related parties was \$4,135,015 (2023: \$3,948,876)

6. Rates, repairs and maintenance

	2024	2023
	\$'000	\$'000
Rates, repairs and maintenance		
Rates and municipal charges	19,362	16,181
Stamp duty and land tax equivalents	42,497	37,580
Repairs and maintenance	55,987	41,915
Other property charges	59,774	57,503
Total rates, repairs and maintenance	177,620	153,179

Accounting policy

Rates, repairs and maintenance includes expenditure for investment properties of \$69,822,651 (2023: \$55,711,398).

Rates and Municipal Charges

Rates and municipal charges include council and water rates for DHA's property portfolio, which are not recoverable from Defence. The expenses are incurred from external parties and are expensed in the period they are incurred.

Stamp Duty and Land Tax Equivalents

Stamp Duty and Land Tax Equivalents are related party transactions associated with Defence.

DHA provides services on a for-profit basis. Under the Competitive Neutrality arrangements, DHA is required to make State Tax Equivalent payments, including payroll tax, land tax and stamp duty.

DHA includes State Tax Equivalent payments in the expenditure items to which they relate. Payroll tax is included in Other Expenses.

Repairs and Maintenance

Repairs and maintenance include repairs and maintenance expenses on the DHA property portfolio, which are not recoverable from Defence.

Expenses are incurred from external contractors and are expensed in the period they are incurred.

Other Property Charges

Other property charges include recoverable repairs and maintenance, and Defence funded capital project expenses. DHA, in accordance with the DSA, is entitled to recover from Defence these expenses.

Expenses are incurred from external parties and sub-contractors and are expensed in the period they are incurred.

7. Depreciation and amortisation

	2024	2023
	\$'000	\$'000
Depreciation		
Investment properties ¹	362,864	331,589
Plant and equipment	1,493	1,734
	364,357	333,323
Amortisation		
Software	25	1,666
Right of use assets – PPE	4,283	4,291
	4,308	5,957
Total depreciation and amortisation	368,665	339,280

1. Includes \$329,697,962 depreciation of right of use assets which meet the definition of investment properties under *AASB 140 Investment Properties* (2023: \$303,083,082).

Accounting policy

Depreciable assets are written down to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. Office fit outs are depreciated over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation and amortisation rates applicable to each class of depreciable assets are based on the straight-line method over the following useful lives:

	2024	2023
Investment properties	40 years or the term of the lease	40 years or the term of the lease
Plant and equipment	over a period of time	over a period of time
Software	6 years	2.5 to 6 years
Right of use assets – PPE	Term of lease	Term of lease

Depreciation and amortisation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

8. Finance costs

	2024	2023
	\$'000	\$'000
Finance costs		
Interest on loans	5,174	433
Interest on lease liabilities	54,830	42,941
Total finance costs	60,004	43,374

Accounting policy

DHA has an unsecured borrowing facility with the Commonwealth. On 28 September 2020, an Amended and Restated Loan Facility Agreement was signed, effective from 1 October 2020. This affords DHA the flexibility to borrow at either fixed or floating market interest rates which include a competitive neutrality charge. The amended facility with the Commonwealth requires DHA to pay interest on the amounts drawn down from Department of Finance.

The interest on loans is accrued based on effective interest rates on the outstanding balance of the loan. Interest paid on loans is a related party transaction.

Interest on lease liabilities is calculated using the effective interest rate of the lease liabilities over the period.

9. Net (reversal of)/write down and impairment of assets

	2024	2023
	\$'000	\$'000
NON-FINANCIAL ASSETS		
Write downs and impairments		
Investment properties	7,160	10,399
Inventories	3,757	8,161
	10,917	18,560
Reversal of write downs and impairments		
Investment properties	(34,597)	(44,588)
Inventories	(194)	(766)
	(34,791)	(45,354)
Net (reversal of)/write down and impairment¹	(23,874)	(26,794)

1. Includes \$23,361,715 net reversal of impairment on right of use assets which meet the definition of investment properties under *AASB 140 Investment Properties* (2023: \$25,436,022 net reversal of impairment).

Accounting policy

Inventories

To ensure compliance with *AASB 102 Inventories*, an independent valuation to assess the net realisable value of inventory properties held by DHA is undertaken by a registered valuer as at 31 December 2023. The carrying value of individual properties, where the cost of the property exceeded the net realisable value, are written down accordingly. At the end of the reporting period, DHA reassesses the net realisable value based on internal and external market data, and recognises a further write down or write back where there is evidence of a change in property market values. A write back, where applicable, will not exceed cost. Refer to *Note 13 Inventories* for more information.

Investment Properties

Investment properties include right of use assets that meet the definition of investment properties in accordance with *AASB 140 Investment Property*.

Investment properties are initially recognised at cost. The carrying amount includes the cost of replacing parts of existing investment properties, at the time those costs are incurred. The carrying amount excludes costs of day-to-day servicing and maintenance of the investment property.

Investment properties are subsequently recognised at the lower of carrying value and recoverable amount. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use where the property is not identified for future sale or is a leased property.

Investment properties are derecognised when they have been disposed of, when they are withdrawn from use and no future economic value is expected from its disposal, or when the lease has expired.

The fair value of investment properties is assessed annually by an independent valuer and a value in use calculation is prepared internally for assets not identified for future sale and for right of use assets. Where the fair value less costs to sell and the value in use calculation for an individual property is less than its cost, the carrying value of the property is written down to the higher of the two valuation methods, and the loss is recognised as an impairment loss in the statement of comprehensive income. Refer to *Note 14 Investment Properties*.

DHA uses a discounted cash flow model to determine the value in use of investment properties. In determining the value in use, DHA applies the following assumptions:

- Capital growth rate by using state-level growth assumptions using combination of Australian Bureau of Statistics indexes and other externally available economic data and estimates a rental growth rate by using long term historical average.
- CPI using a single national level assumption referencing external benchmark (Reserve Bank of Australia website) with a short-term/long-term split.
- A discount rate that is determined in accordance with the requirements of *AASB 136 Impairment*, calculated internally on an individual asset basis.
- Cash inflow estimates including rental income and other Defence fees and charges paid to DHA in accordance with the DSA.
- Cash outflow estimates including annual repairs and maintenance and capital work expenditure on state level assumptions based on historical data and judgements.

Material Accounting Judgement and Estimates

Rental and Capital Growth

The discounted cash flow model used to determine the value in use of investment properties includes an assumption on the forecast rental and capital growth for the remaining expected holding period for the investment property or rental growth for the term of the lease. DHA applies judgement to assume a capital growth rate using state-level growth assumptions using combination of Australian Bureau of Statistics indexes and other externally available economic data and estimates a rental growth rate by using long term historical average.

10. Taxation

a. Income tax expense

	2024	2023
	\$'000	\$'000
Income tax expense		
Current tax expense	17,718	38,930
Adjustments for current tax of prior periods	(4,326)	(572)
Deferred tax	5,049	3,859
Adjustments for deferred tax of prior periods	3,820	572
	22,261	42,789
Income tax expense attributable to:		
Profit from continuing operations	76,202	143,000
	76,202	143,000

b. Reconciliation of income tax expense to prima facie tax payable

	2024	2023
	\$'000	\$'000
Reconciliation of income tax expense:		
Profit from continuing operations before income tax	76,202	143,000
Tax expense at the Australian tax rate of 30%	22,861	42,900
Tax effect of amounts not deductible/(assessable):		
Derecognition of deferred tax balances	(568)	-
Tax cost base valuations	-	(59)
Adjustments relating to prior periods	61	(2)
Other	(93)	(50)
	22,261	42,789

10. Taxation (continued)

c. Deferred tax assets/(liabilities) recognised in the Statement of Comprehensive Income

	2024	2023
	\$'000	\$'000
Net deferred tax assets/(liabilities)		
Employee benefits	4,741	4,452
Revenue in advance	(1,557)	(1,449)
Inventory properties	3,577	2,122
Investment properties	(18,424)	(11,837)
Right of use asset – investment properties	(478,446)	(452,910)
Right of use asset – property, plant and equipment	(10,355)	(9,624)
Lease liabilities	491,388	473,149
Prepayments	11,635	10,168
Make good provisions	23,782	23,688
Provisions – other	7,686	6,757
Property, plant and equipment	2,110	1,347
Other	219	(638)
Net deferred tax asset	36,356	45,225
Comprising:		
Deferred tax assets	545,138	522,164
Deferred tax liabilities	(508,782)	(476,939)
Net deferred tax asset	36,356	45,225
Movements:		
Opening balance at 1 July	45,225	49,655
Charged to the statement of comprehensive income	(8,869)	(4,430)
Net deferred tax asset	36,356	45,225

Accounting policy

DHA became a Commonwealth income taxpayer on 1 July 2007, following an amendment of the DHA Act. On 1 July 2007, an unrecognised temporary difference (Deferred Tax Asset) was created between the accounting carrying value and the tax value for properties held as Investment Properties. The unrecognised value of the temporary difference at 30 June 2024 is \$430,820,724 (2023: \$430,820,724). The tax effect of this temporary difference is \$129,246,217 (2023: \$129,246,217).

Income Tax Expense

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A deferred tax asset will be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination;
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
- at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the ATO, is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

11. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash and cash equivalents		
Cash at bank	108,073	87,531
Term deposits	-	10,000
Total cash and cash equivalents	108,073	97,531

Accounting policy

Cash and cash equivalents means notes and coins held, and any deposit held at call or readily convertible to cash with a bank or financial institution. As part of managing working capital, DHA invests in term deposits. These term deposits are classified as cash equivalents as they are readily convertible to a known amount of cash and are not subject to a risk of change in value. Cash is recognised at its nominal amount.

As part of bank management, DHA operates a net settlement arrangement of all operating accounts with its bank. As such, total cash and cash equivalents presented on the Statement of Financial Position is net of bank overdraft.

12. Trade and other receivables

a. Trade and other receivables

	2024	2023
	\$'000	\$'000
Current receivables for good and services		
Receivables	11,712	45,375
Allowance – expected credit loss	(29)	(57)
	11,683	45,318
Accrued income	31,104	15,153
Other receivables	453	211
	43,240	60,682
Current receivables – Contracts and other sources		
Contracts with Customers	33,044	33,739
Other sources of revenue	10,196	26,943
	43,240	60,682
Current receivables for goods and services from		
Related entities	39,634	59,289
External parties	3,606	1,393
Total trade and other receivables	43,240	60,682

12. Trade and other receivables (continued)

b. Trade and Other Receivables (Net) expected to be recovered

	2024	2023
	\$'000	\$'000
Current receivables (net) expected to be recovered in:		
Less than 12 months	43,240	60,682

c. Receivables are aged as follows

	2024	2023
	\$'000	\$'000
Current receivables (net) expected to be recovered in:		
Not overdue	36,666	32,824
0 to 30 days	4,855	27,521
31 to 60 days	1,411	122
61 to 90 days	53	34
More than 90 days	255	181
Total trade and other receivables	43,240	60,682

d. Reconciliation of the impairment loss allowance

	2024	2023
	\$'000	\$'000
Movement in the impairment loss allowance:		
Impairment loss allowance at 1 July	57	281
Impairment loss increase	-	-
Amounts Written Off	-	(198)
Amounts to be recovered and reversed	(28)	(26)
Total as at 30 June	29	57

Accounting policy

Credit terms are between 7 and 30 days.

Receivables for goods and services are recognised at the nominal amounts due, less any provision for impairment allowance. Collectability of debts is reviewed at 30 June each year. Allowances for expected credit losses are based on a provision matrix that is in accordance with *AASB 9 Financial Instruments*. Refer to *Note 23 Financial Instruments*.

13. Inventories

	2024	2023
	\$'000	\$'000
Total inventories		
Current inventories	177,781	62,444
Non-current inventories	14,436	118,835
Total inventories	192,217	181,279
Completed properties		
At cost	2,076	-
At net realisable value	-	-
Land held for sale		
At cost	23,638	12,320
At net realisable value	-	-
Work in progress		
At cost	123,374	163,915
At net realisable value	43,129	5,044
Total inventories	192,217	181,279

Accounting policy

The total fair value of inventory as at 30 June 2024 is \$222,788,655 (2023: \$247,336,323).

DHA accounts for inventory properties under *AASB 102 – Inventories*. Inventories are properties available for sale in the short to medium term in order to free capital for reinvestment.

Inventories are initially recognised at cost and are subsequently recognised at the lower of cost or net realisable value. Net realisable value is estimated based on the finished asset's gross expected realisation less costs to complete and selling costs. Inventory is measured at cost base on individual assets.

Inventories are separated into the following categories:

- completed properties – completed properties held for sale on normal trading cycle;
- land held for sale; or
- work in progress – incomplete construction projects.

Work in Progress

Development projects are classified as inventory properties whilst in progress where a majority of the property on completion of the development is expected to be sold as inventory stock.

Development project costs include variable and fixed costs as they relate directly to specific contracts, and those costs relating to general contract activity which can be allocated to the project on a reasonable basis.

Accounting Judgement and Estimates

Completed inventory properties

Where held, the net realisable value of completed inventory properties is assessed annually by independent valuers at 31 December and further considered at 30 June. Where the net realisable value for an individual property is less than its cost, the carrying value of the property is written down to its net realisable value.

Development inventory sites

The net realisable value of an inventory development site is the finished asset's gross realisable value less cost to complete and selling costs. Where the net realisable value is lower than cost to date for the development site, the cost to date is written down by the value of the estimated loss.

14. Investment properties

	2024	2023
	\$'000	\$'000
Investment properties		
Investment properties at cost	3,945,891	3,003,148
Less: accumulated depreciation	(1,144,663)	(731,452)
	2,801,228	2,271,696
Investment properties – impaired		
Investment properties at cost	923,734	1,378,211
Less: accumulated depreciation	(398,631)	(501,709)
Less: accumulated impairment	(53,616)	(83,317)
	471,487	793,185
Total investment properties¹	3,272,715	3,064,881

1. Total investment properties includes \$1,594,818,524 (2023: \$1,509,700,825) of right of use assets (measured at cost less accumulated depreciation and impairment) which meet the definition of investment properties under *AASB 140 Investment Properties*.

Accounting policy

The total fair value of Investment Properties (including Investment Properties - Held for Sale) as at 30 June 2024 is \$5,201,960,407 (2023: \$4,877,498,569). The fair value amount disclosed at 30 June 2024 includes \$1,594,818,524 (2023: \$1,509,700,825) of right of use assets measured at cost.

The fair value of DHA's investment properties as at 31 December 2023 and as at 31 December 2022 was on the basis of a valuation carried out on the respective date by external independent valuers. On 30 June 2024, DHA undertook a review of the fair values determined on 31 December 2023 and determined there is no material change from these values.

Independent valuers are members of the Institute of Valuers of Australia, hold appropriate qualifications and have recent experience in the valuation of properties in the relevant locations. The fair value of each property was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of properties, the highest and best use of each property is its current use. There has been no change to the valuation technique during the year. The fair value level in accordance with *AASB 13 Fair Value Measurement* is level 2.

To calculate impairment, the net realisable value of DHA's right of use assets that meet the definition of investment properties in accordance with *AASB 16 Leases* as at 30 June 2024 has been determined based on a discounted cash flow. In determining the net realisable value, DHA applies the following assumptions:

- Capital growth rate by using state-level growth assumptions using combination of Australian Bureau of Statistics indexes and other externally available economic data and estimates a rental growth rate by using long term historical average.
- CPI using a single national level assumption referencing external benchmark (Reserve Bank of Australia website) with a short-term/long-term split.
- A discount rate which is calculated internally on an individual asset basis, being the nominal pre-tax discount rate implied by the capital value of the individual property's expected future rent, determined in accordance with the requirement of *AASB 136 Impairment of Assets*.
- Cash inflow estimates including rental income and other Defence fees and charges paid to DHA in accordance with the DSA.
- Cash outflow estimates including annual repairs and maintenance based on historical data and judgements.

The fair value level in accordance with *AASB 13 Fair Value Measurement* is level 3.

Accounting Judgement and Estimates

DHA owned investment properties are assessed for indicators of impairment annually. Where there is an indicator of impairment, the recoverable amount of each investment property is estimated. *AASB 136 Impairment of Assets* requires that the recoverable amount is the higher of the property's fair value less costs of disposal (FVLCOD) and its value in use (VIU). FVLCOD is assessed annually by an independent valuer. VIU is calculated using various assumptions in relation to the cost of debt and equity and future rental income of the property (refer to *Note 9 Net reversal/write down and impairment of assets*). Where the recoverable amount is less than the carrying amount, the carrying amount of the investment property is impaired to the greater of the fair value less cost to sell and value in use.

DHA has applied judgement to determine the discount rate used in the calculation of the VIU. DHA has used a rate that reflects the nominal pre-tax discount rate implied by the capital value of related properties, the expected future rents from the properties and other cash flows for associated property related services.

DHA's right of use assets that meet the definition of investment properties are assessed for impairment as part of a cash generating unit (CGU). A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. DHA has determined that individual right of use asset for each property represents a CGU, as each property is capable of generating cash inflows which are largely independent of cash inflows of any other asset or CGU.

DHA has applied judgement to conclude that of the two methods available to determine the recoverable amount of right of use assets, the VIU will consistently generate a higher recoverable amount. DHA uses a VIU approach to assess and measure impairment on the right of use assets.

14. Investment properties (continued)

	2024	2023
	\$'000	\$'000
As at 1 July		
Cost or fair value	4,381,359	3,591,322
Less: accumulated depreciation and impairment	(1,316,478)	(1,045,526)
Net book value at start of period	3,064,881	2,545,796
For the year ended 30 June		
Additions	255,161	187,342
Lease adjustments	290,396	308,743
Transfer from inventory to investment property	-	339,708
Depreciation charge	(362,864)	(331,589)
Impairment write back/(loss)	27,437	34,158
Transfer to assets held for sale	-	(2,057)
Other disposals or lease expiries	(57,292)	(43,699)
Depreciation/impairment written back on disposal or transfer	54,996	26,479
Movement in net book value for the period	207,834	519,085
As at 30 June		
Cost or fair value	4,869,624	4,381,359
Less: accumulated depreciation and impairment	(1,596,909)	(1,316,478)
Total investment properties	3,272,715	3,064,881

Accounting policy

DHA accounts for investment properties under *AASB 140 Investment Property* and applies the cost model. Investment properties are properties held for strategic long-term provisioning requirements.

Investment properties are separated into the following categories:

- completed properties
- land held for future development; or
- work in progress – incomplete construction projects.

Transfers from inventory to investment are made when there is a change in use of a property in accordance with *AASB 140 Investment Property*.

Changes to the term of a lease or the weekly rental paid on a leased investment property is treated as a lease adjustment.

15. Property, plant and equipment

	2024	2023
	\$'000	\$'000
Property, plant and equipment		
Property, plant and equipment at cost	44,770	42,442
Less: accumulated depreciation	(31,003)	(33,173)
Net property, plant and equipment	13,767	9,269
Right of use assets		
Motor vehicles and office leases	47,765	43,502
Less: accumulated amortisation	(13,247)	(11,423)
Net motor vehicles and office leases	34,518	32,079
Total property, plant and equipment	48,285	41,348

Accounting policy

Asset Recognition

Purchases of property, plant and equipment are recognised at cost in the statement of financial position, except for purchases less than \$5,000, which are expensed in the year of acquisition, unless they form part of a similar group of items.

Following initial recognition at cost, property, plant and equipment is measured at cost less accumulated depreciation.

Right of Use Assets

Right of use leased assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received.

16. Current liabilities – trade and other payables

	2024	2023
	\$'000	\$'000
Trade and other payables		
Trade creditors	11,707	4,173
Accrued expenses	15,410	11,969
Stamp duty and land tax payable	3,480	21,695
	30,597	37,837
Trade payables expected to be settled no later than 12 months		
Related entities	15,653	21,736
External parties	14,944	16,101
Total trade and other payables	30,597	37,837

17. Borrowings

	2024	2023
	\$'000	\$'000
Loans from the Commonwealth		
Current borrowings	-	-
Non-current borrowings	170,000	40,000
	170,000	40,000
Maturity schedule for borrowings payable		
Within one year	-	-
Between two and five years	170,000	40,000
Total borrowings	170,000	40,000

Accounting policy

DHA has an unsecured borrowing facility with the Commonwealth. On 1 October 2020, an amended and restated Loan Facility Agreement took effect, affording DHA the flexibility to borrow and repay loans within the maximum facility limit of \$509.6 million.

The facility affords DHA the flexibility to borrow at floating interest at market rates which includes a competitive neutrality charge. The facility requires DHA to pay interest on the amounts drawn down from the Department of Finance.

All loans and borrowings drawn down under this facility are initially recognised at fair value less directly attributable transaction costs. Subsequent recognition of loans and borrowings is at amortised cost, and interest is charged as an expense as it accrues.

Borrowings are classified as current liabilities unless DHA has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

18. Lease liabilities

	2024	2023
	\$'000	\$'000
Lease liabilities		
Current lease liabilities	323,911	305,582
Non-current lease liabilities	1,313,897	1,271,391
	1,637,808	1,576,973
Maturity analysis – lease liabilities		
Undiscounted operating lease payments cash flows		
– Within one year	381,221	353,306
– One to two years	348,661	313,546
– Two to three years	300,383	277,351
– Three to four years	247,707	234,987
– Four to five years	200,150	192,338
– More than five years	418,498	424,378
	1,896,620	1,795,906

Accounting policy

(i) DHA's leasing activities

DHA leases residential and commercial properties, and vehicles. Rental contracts are typically made for fixed periods of 3 years to 15 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. DHA allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by DHA.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by DHA under residual value guarantees;
- the exercise price of a purchase option if DHA is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term reflects DHA exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that DHA would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, DHA:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk; and
- makes adjustments specific to the lease, e.g. term and security

DHA is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right of use assets are depreciated over the lease term on a straight-line basis.

(ii) Extension and termination options

Extension and termination options are included in a number of property leases and are used to maximise operational flexibility in terms of managing the assets used in DHA's operations. The majority of extension and termination options held are exercisable only by DHA and not by the respective lessor.

Significant accounting judgement

(i) Lease term

DHA has used judgement in determining where options for extension or termination contained in lease arrangements would or would not be considered reasonably certain of being exercised. DHA makes this judgement on a lease-by-lease basis and considers all relevant facts and circumstances that create an economic incentive for DHA from the commencement date until the exercise date of the option.

For most property leases, DHA has concluded it is reasonably certain to exercise options to extend the lease, and accordingly has included the period covered by those lease extensions in the lease term. DHA's assessment reflects, in part, DHA's past experience in exercising a high proportion of extension options, expectations of the housing needs of the Department of Defence, and costs to source alternative properties.

General extension options for motor vehicle leases have not been included in the lease liability, because DHA could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or DHA becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee.

(ii) Renewal of a lease arrangement

In some instances, DHA may renew a lease with an investor, often 1–2 years before the end of the lease term. DHA will typically incur legal costs to review the lease. DHA has used judgement to conclude that lease renewals are to be accounted for as lease modifications, rather than as new or separate leases under *AASB 16 Leases*. In the absence of specific requirements in *AASB 16 Leases* for costs associated with the modified lease, judgement is required to conclude that modification transaction costs, and associated recoveries will be capitalised by either including amounts in the lease payments, which forms an input to the cost of the right of use asset, or as an adjustment to the cost of the associated right of use asset.

(iii) Make good costs

A liability is recognised for make good costs to be incurred on the expiry of long-term leases. Assumptions have been made, based on historical data, regarding the future economic outflows associated with the make good expenditure. DHA is required under many lease agreements to undertake prescribed maintenance (make good) at the end of the lease period.

At the time of entering into the lease agreement the lease agreement is assessed to determine if DHA has a present obligation to perform make good at the end of the lease, in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. If a legal obligation is present in the lease agreement a provision is raised to recognise the make good obligation. The provision is based on an assessment of the present value of the necessary costs to make good properties at the end of their lease terms. The estimate includes an inflation factor of 2.50% (2023: 2.80%) and a discount rate of 3.93% (2023: 3.78%), being the five-year Australian Government bond rate as at 19 June 2024. Actual make good expenditure is charged, as incurred against the provision. The estimate of future make good maintenance is reviewed annually to ensure that the make good provision is adequate to meet the liability.

DHA's obligation to perform restoration activities at the end of the lease term vary depending on a number of factors including lease term and lease agreement.

19. Provisions

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Employee benefits						
Annual leave	5,809	-	5,809	5,452	-	5,452
Long service leave	951	9,042	9,993	818	8,437	9,255
Redundancy	-	-	-	130	-	130
	6,760	9,042	15,802	6,400	8,437	14,837
Other provisions						
Make good	12,151	67,122	79,273	12,475	66,485	78,960
Lease capital upgrades	24,857	-	24,857	21,692	-	21,692
Other general	7,627	365	7,992	12,915	370	13,285
	44,635	67,487	112,122	47,082	66,855	113,937
Total provisions	51,395	76,529	127,924	53,482	75,292	128,774

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, is set out below:

	Make good provision	Lease capital upgrades	Other general provision	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	78,960	21,692	13,285	113,937
Additional provisions recognised	11,162	6,509	397	18,068
Amounts used/reversed during the year	(10,849)	(3,344)	(5,690)	(19,883)
Carrying amount at 30 June 2024	79,273	24,857	7,992	112,122

Accounting policy

Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 - Employee Benefits*) and termination benefits expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave liability

A leave liability is recognised for benefits accruing to employees in respect of annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by DHA in respect of services provided by employees up to the reporting date.

DHA applies the Australian Government Actuary shorthand model to calculate the long service leave liability.

Make good provision

DHA assesses each lease agreement to determine if it is required to undertake prescribed maintenance (make good) at the end of the lease period, where the lease term is more than six years. The make good provision provides for the cost of refurbishing the leased property as set out in the lease agreement.

Lease capital upgrades provision

DHA is required to undertake capital upgrades on leased properties which were agreed to at the time the lease was signed. The capital upgrade provision provides for the costs of these obligations as set out in the lease.

Other general provisions

Other general provisions include amounts set aside for:

- Fringe Benefits Tax and Goods and Service Tax

Recognition of provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

20. Other liabilities

	2024	2023
	\$'000	\$'000
Current other liabilities		
Revenue in advance	13,806	24,972
	13,806	24,972
Non-current other liabilities		
Revenue in advance	26,511	26,511
	26,511	26,511

Accounting policy

Revenue in advance

Rental and property management fee revenues are billed to Defence one month in advance, in line with the DSA. For the year ended 30 June 2024, 74.27% of revenue in advance was in relation to payments received from Defence (2023: 78.94%).

The majority of revenue in advance received from non-Defence sources relates to development project income.

21. Financial liabilities

	2024	2023
	\$'000	\$'000
Current financial liabilities		
Deferred Land Sales	2,814	-
	2,814	-
Non-current financial liabilities		
Deferred Land Sales	649	-
	649	-

Accounting policy

DHA has entered into a number of contracts to sell land to an investor who is required to build a house to DHA specification. DHA has sold land to external investors and requires them to lease the property back to DHA once a suitable housing has been provided. This house will be used to house Defence members and their family. In accordance with *AASB 16 Leases* until control has passed to the purchaser, as determined in accordance with *AASB 15 Revenue from Contracts with Customers*, revenue cannot be recognised by DHA.

22. Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of operating results to net cash from operating activities		
Profit for the period after tax	53,941	100,211
Depreciation – plant and equipment	1,493	1,734
Depreciation – investment properties	362,864	331,589
Depreciation – right of use assets	4,283	4,291
Amortisation – software	25	1,666
Impairment (write back)	(27,437)	(34,189)
Gain on disposal of investment properties	28	(177)
Increase in other non-operating cash flow expense items	556	2,404
(Decrease)/Increase in supplier payments	(7,240)	9,438
(decrease) in provisions	(850)	(65,238)
(decrease) in other liabilities	(11,166)	(825)
(decrease) in tax liabilities	(17,542)	(13,014)
(Increase)/ decrease in net receivables	17,458	(5,512)
decrease in net deferred tax assets	8,869	4,430
(Increase)/decrease in inventories	(50,379)	24,849
(Increase) in prepayments	(2,159)	(2,129)
Net cash from operating activities	332,744	359,528

23. Financial instruments

The main risks arising from DHA's financial instruments are interest rate risk, credit risk and liquidity risk. DHA uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring the level of exposure to interest rates and assessments of forecasts for interest rates. Ageing analysis and monitoring of specific credit tolerances are undertaken to manage credit risk. Liquidity risk is monitored through the development of rolling cash flow forecasts.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- i. the financial asset is held in order to collect the contractual cash flows; and
- ii. the cash flows are Solely Payments of Principal and Interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12 months expected credit losses where risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a de-recognition event where the write-off directly reduces the gross carrying amount of the financial asset.

23. Financial instruments (continued)

Carrying value

The carrying value of DHA's financial assets and liabilities at the reporting date are as follows:

	2024	2023
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	108,073	97,531
Trade and other receivables	43,240	60,682
Carrying value of financial assets	151,313	158,213
Financial liabilities		
Borrowings – non-current	170,000	40,000
Trade and other payables	30,597	37,837
Deferred land sales (Current)	2,814	-
Deferred land sales (Non-Current)	649	-
Carrying value of financial liabilities	204,060	77,837
	2024	2023
	\$'000	\$'000
Net income from financial assets		
Interest	5,112	4,593
Net gain on loans and receivables	5,112	4,593
Net expenses from financial liabilities		
Interest on borrowings	5,174	433
Net loss on financial liabilities – amortised cost	5,174	433

Accounting policy

Fair Value

The Directors consider that the carrying amounts of all other financial assets and liabilities recorded at amortised cost in the financial statements approximates their fair values. In accordance with *AASB 7 - Financial Instruments*: The Government loans are executed using a floating or variable interest rate, therefore the carrying value is equal to fair value.

Credit Risk

Credit risk arises from the financial assets of DHA, which comprise cash and cash equivalents and trade and other receivables. Exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

DHA does not hold any credit derivatives to offset its credit exposure.

DHA trades only with recognised, creditworthy third parties. Department of Defence is the primary counterparty. As such collateral is not requested nor is it policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that DHA's potential exposure to bad debts is not significant.

There are no significant concentrations of credit risk within DHA and financial instruments are primarily with the Department of Defence.

Liquidity Risk

DHA manages liquidity risk by maintaining an appropriate level of cash and cash equivalents on hand to meet outgoing commitments in the event of failure to receive any revenue from the normal course of business and ensuring capacity exists to borrow under the Cash Advance Facility based upon regular cash flow forecasts prepared by DHA. Refer *Note 17 Borrowings*.

Interest Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. DHA has exposure to interest rate risk arising from fluctuations in interest rates applicable to cash and borrowings.

DHA manages interest rate risk by ensuring that investments mature commensurate with cash flow requirements to maximise interest income. DHA also seeks to ensure an appropriate mix of maturities across the yield curve to avoid concentration of maturities on any given date and higher volatility inherent in longer dated investments. Interest rate risk on borrowings is managed by ensuring maturing loans are paid or rolled over, taking into consideration the interest rate outlook and the maturity profile of existing borrowings.

Financial Risk Management

DHA's principal financial instruments comprise receivables, payables, government loans, leases, cash and cash equivalents.

DHA's Treasury Policy provides a framework to manage core risks, including financial risk management, which pertain to DHA's financial market investments, borrowings and associated activities.

Primary responsibility for the overall financial risk management rests with the Chief Financial Officer, supported by the Chief Risk Officer through the identification, assessment and regular reporting to the DHA Board.

Sensitivity analysis of the risk that DHA is exposed to in 2024 and 2023

The table below details the interest rate sensitivity analysis of the entity at the reporting date, holding all other variables constant.

Interest rate risk	Risk Variable	Change in risk variable %	Effect on	
			Average cash \$'000	Profit & loss and equity \$'000
2024	Interest	1.36	103,992	898
2023	Interest	1.04	58,736	611

Interest rate sensitivity analysis has been calculated on a "reasonable possible" basis. The rate of 136 basis points (2023: 104 basis points) was determined by using the standard parameters issued by the Department of Finance.

24. Auditors remuneration

	2024	2023
	\$	\$
Amount received or due and receivable by auditors		
Australian National Audit Office (ANAO) for the audit of the financial statements	357,636	310,000

Unrecognised Items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy recognition criteria.

- 25. Commitments
- 26. Contingent assets and liabilities
- 27. Events occurring after the reporting period

25. Commitments

	2024	2023
	\$'000	\$'000
Commitments receivable		
Undiscounted operating lease income receivable		
– Within one year	518,717	476,895
– One to two years	502,407	449,708
– Two to three years	467,782	424,603
– Three to four years	423,967	389,238
– Four to five years	380,844	345,892
– More than five years	1,035,072	1,009,856
	3,328,789	3,096,192
Commitments payable – capital expenditure		
– Within one year	74,040	44,932
– Between two and five years	60,693	73,486
	134,733	118,418
Total commitments payable	134,733	118,418
Net commitments receivable/(Payable)	3,194,056	2,977,774

Commitments are GST inclusive where relevant.

Accounting policy

Commitments are GST inclusive where relevant.

Operating Lease Income Receivable

The operating lease income commitments receivable is the expected future lease rent to be received from the Department of Defence, taking into consideration the number of properties available for lease by the Department of Defence adjusted for the estimated vacancy based on historical data. DHA has determined that the Defence DSA is a lease agreement in accordance with *AASB 16 Leases*.

Capital expenditure commitments

Capital expenditure commitments refer to construction project commitments and the payable figures above represent outstanding contractual payments for buildings under construction.

Accounting Judgement and Estimates

Operating Lease Income Receivable

DHA is reasonably certain that all options to extend the lease term will be exercised and applies judgement to estimate rental growth and property vacancy rates based on historical long-term averages.

26. Contingent assets and liabilities

	Guarantees		Total	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contingent assets				
Balance from previous period	-	-	-	-
New	-	-	-	-
Expired	-	-	-	-
	-	-	-	-
Contingent liabilities				
Balance from previous period	20,601	19,883	20,601	19,883
New	2,459	4,481	2,459	4,481
Expired	(9,976)	(3,763)	(9,976)	(3,763)
	13,084	20,601	13,084	20,601
Net contingent liability	(13,084)	(20,601)	(13,084)	(20,601)

Accounting policy

Quantifiable Contingencies

Contingent assets and liabilities take the form of bank guarantees and financial undertakings which arise as a result of DHA's normal business operations. The amount disclosed represents the aggregate amount of such guarantees and financial undertakings. No financial assets or liabilities are expected to arise from provisions of the guarantees or financial undertakings.

Unquantifiable Contingencies

As at 30 June 2024, DHA has no unquantifiable contingencies.

Remote Contingencies

As at 30 June 2024, DHA has no remote contingencies.

27. Events occurring after the reporting period

There are no events post 30 June 2024 which would have a material impact on the financial statements or operations of DHA.

Key management personnel and related parties

This section of the notes provides other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

28. Key management personnel remuneration

29. Related party disclosures

28. Key management personnel remuneration

a. Director remuneration

The total remuneration of the Directors of DHA is set out below:

	2024	2023
	\$	\$
Director remuneration		
Short term employee benefits	493,860	562,457
Post-employment benefits	58,934	76,032
Total director remuneration	552,794	638,489

Directors' remuneration includes fees and benefits, including travel and motor vehicle allowances, as prescribed by the Remuneration Tribunal's determination for part-time public office holders and superannuation payable in accordance with applicable legislation and fund requirements.

b. Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of DHA, directly or indirectly. DHA has determined key management personnel include the Managing Director, General Manager – Service Delivery, Chief Financial Officer and General Manager – People and Compliance, including in an acting capacity.

The aggregate remuneration of key management personnel of DHA during the financial year is set out below:

	2024	2023
	\$	\$
Short-term employee benefits		
Base salary	1,320,488	1,286,302
Other benefits and allowances	27,500	13,032
	1,347,988	1,299,334
Post-employment benefits		
Superannuation	242,059	234,795
	242,059	234,795
Other long-term employee benefits		
Long service leave	45,158	59,668
	45,158	59,668
Total employment benefits	1,635,205	1,593,797

Accounting policy

KMP remuneration note

The total number of key management personnel that are included in the above table are 4 individuals (2023: 4 individuals). The above key management personnel remuneration excludes the remuneration and other benefits of the Cabinet and Portfolio Ministers. The Portfolio Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

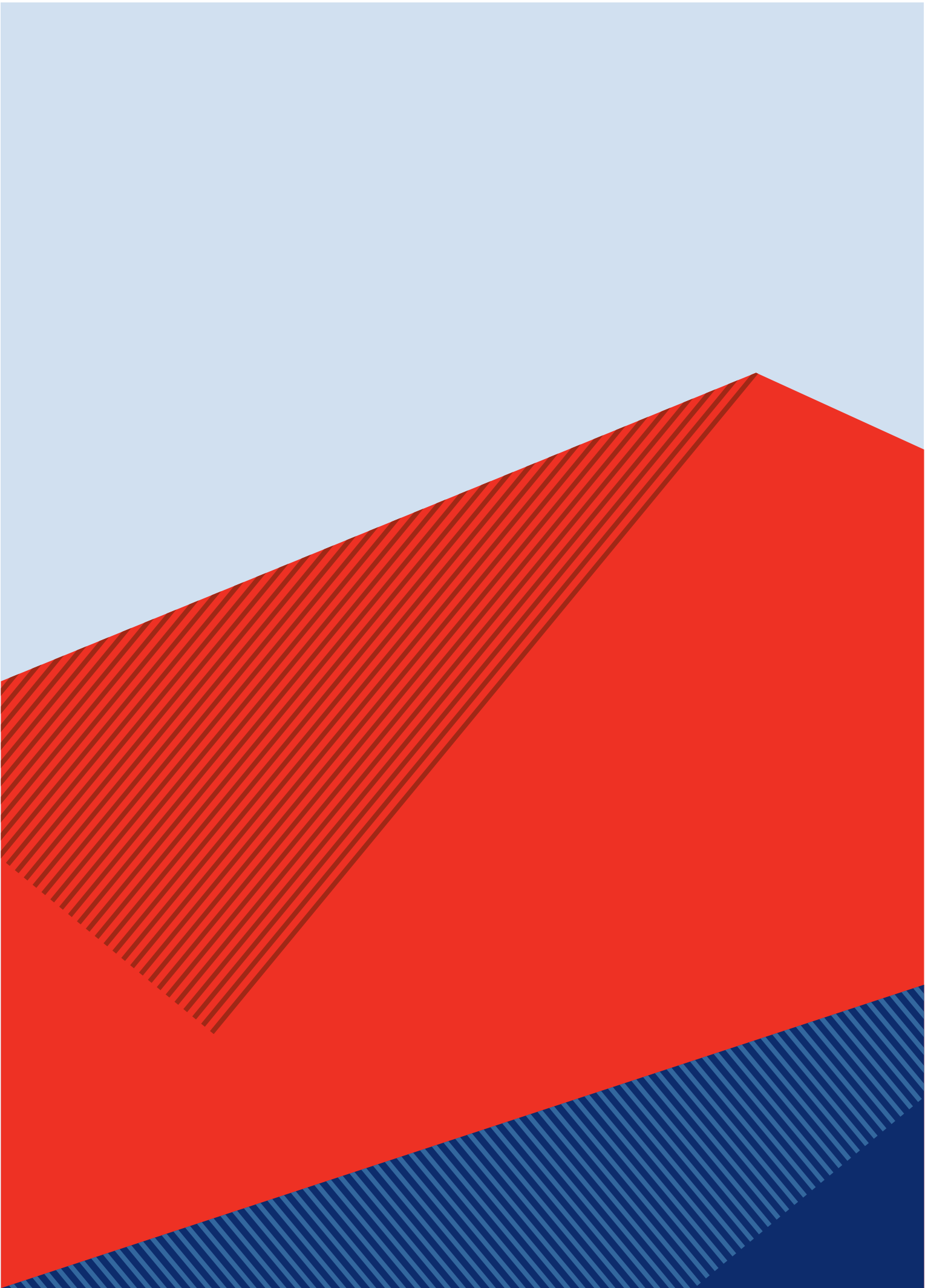
29. Related party disclosures

DHA is an Australian Government controlled entity. Related parties to this entity are the Directors, Key Management personnel and Executive, and other Australian Government entities. DHA forms part of the Defence Portfolio. DHA reports to two shareholder ministers: the Minister for Defence Personnel and the Minister for Finance.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed.

DHA and Defence have entered into a DSA on housing and related matters which details the provision of services to Defence. Transactions between Defence, Finance and DHA are highlighted throughout the financial statement notes.

There have been no financial transactions between the key management personnel and DHA outside the normal employment contracts under the *Public Service Act 1999*.



Part 5 Management and accountability

Workforce management

Legislative framework

Risk management, internal audit
and compliance

Procurement and consultancies

External engagement

Awards and achievements

5

Workforce management

At an operational level, the Managing Director and Leadership Team are accountable for DHA's workforce. They are committed to maintaining a skilled and productive workforce and a safe workplace contributing to high quality and professional outcomes.

DHA is focused on building organisational culture and capability to deliver on its core purpose.

Organisational culture

Reconciliation

DHA is committed to reconciliation, building relationships with Aboriginal and Torres Strait Islander employees and stakeholders. DHA's 'Innovate' Reconciliation Action Plan (RAP) 2023–25 identifies a series of ambitious actions aimed to increase cultural awareness, build relationships, and increase employment and business opportunities for Aboriginal and Torres Strait Islander communities. Ongoing initiatives to continue DHA's reconciliation journey include:

- Providing meaningful employment opportunities for Aboriginal and Torres Strait Islander peoples through participating in Services Australia's Indigenous Apprenticeship Program (IAP). The Indigenous Apprenticeship Program is a whole of government program, which sees Indigenous employees complete a nationally recognised qualification while working full-time in the public service.

- Promoting opportunities to participate in immersive opportunities such as Jawun, the Australian Public Service Secondment Program and Garma Festival of Traditional Cultures. These opportunities provide increased cultural awareness and make an active contribution to Indigenous organisations and communities.
- Aligning DHA's Indigenous procurement strategy with the Australian Government's Indigenous Procurement Policy and continued partnership with Supply Nation to support Indigenous businesses (refer to Table 5.1).
- Acknowledging National Reconciliation Week and NAIDOC Week by promoting and providing opportunities for employees to attend local events and activities.

As a result of the work to date, there is strong engagement and involvement from staff in the reconciliation journey. DHA acknowledges that continued effort is required to maintain representation of Aboriginal and Torres Strait Islander peoples in its workforce (refer Table 5.2).

TABLE 5.1: DHA's Indigenous procurement

	2022–23	2023–24
Number of suppliers	24	28
Number of contracts	2,075	2,668
Total value	\$4,088,626	\$11,104,050

TABLE 5.2: Workforce summary 2022–23 and 2023–24

Indicator	2022–23	2023–24
Headcount		
Total number of staff employed ¹	565	580
Diversity (as a percentage of the workforce)²		
Identify as a male	32%	32%
Identify as a female	68%	68%
Identified as Aboriginal or Torres Strait Islander	2%	1%
Identified as having a disability	2%	3%

Notes

1. Figures include ongoing and non-ongoing staff at their substantive classification as at 30 June 2023 or 30 June 2024. Inoperative staff (those on long-term leave), staff engaged through an employment agency and Board members are excluded.
2. Diversity figures as identified by staff. These figures exclude the Managing Director and Board members. No staff have identified as Non-binary, Prefers not to answer, or Uses a different term.



‘Nothing about us without us’: becoming a better employer for people with a disability

Diversity and inclusion is not a ‘nice to have’ strategy. It is fundamental to DHA’s success and to delivering truly inclusive services to the Defence community we serve.



Building on strong foundations including a proactive wellbeing strategy and progressive flexible working arrangements, DHA focused on improving accessibility and representation of people with a disability in our workplace.

Centring the voices of people with a disability was key to delivering meaningful change. An active Disability Affinity Group comprising of employees with lived experience, carers and allies brought forward voices of people with a disability,

which were amplified in Senior Executive and Board forums by DHA’s Executive Champion for People with a Disability. Recent initiatives delivered in collaboration with our Disability Affinity Group and the Australian Disability Network included a dignified access review of office layout and facilities; implementation of RecruitAbility (an APS affirmative recruitment measure); a new workplace adjustments guideline; improved access to personal leave including to manage chronic

conditions; and an executive leadership masterclass facilitated by a person with lived experience. Our efforts already show results. Representation of people who identify as having a disability has increased (see table 4.8). In DHA’s 2024 employee census, an inclusive workplace culture was reported as second highest area where DHA is doing well, after workplace flexibility.



Disability

Diversity and inclusion

DHA is committed to providing a respectful and inclusive workplace where all its employees feel safe and confident to bring their whole selves to work and can perform to their best. DHA is driven by an authentic intent to deliver strategic and meaningful actions to make the workplace better for everyone. DHA's commitment is reflected in the Diversity and Inclusion Strategy 2022–25 which details actions the organisation will undertake to create a more diverse and inclusive workplace.

DHA's active Diversity and Inclusion working group and employee affinity groups with representation from various regions, business areas and sections of the workforce provide professional networking, support, and advocacy. DHA is a proud member of peak bodies including the Diversity Council Australia, Pride in Diversity, and Australian Disability Network.

Flexible work culture

DHA fosters a contemporary flexible work culture, providing a variety of flexible work options to all employees, including home-based work, remote work, part-time work, and non-standard work patterns. Based on the 'if not, why not' principle, DHA ensures that all flexible work requests are given due consideration and accepted wherever possible.

Health and wellbeing

DHA takes an early intervention approach to support its employees to achieve better health outcomes at work. DHA supports the psychosocial wellbeing of its staff through various health, safety and welfare strategies and practices, which are detailed in the Culture and Wellbeing Strategy 2022–25. DHA's employee assistance provider offers accessibility for regional, mobile, and scheduled staff, and DHA's core supporting policies and procedures ensure that employees are well supported to navigate both workplace and personal life challenges.

Employment conditions

Remuneration

DHA is the only GBE to employ under the *Public Service Act 1999*. DHA's remuneration strategy is aligned to market practice and supports the interests of the shareholders. Remuneration of DHA employees is determined based on level and role. In summary:

- The DHA EA 2024–2027 sets out conditions of service and salary levels for employees employed from DHA Level 1 to DHA Executive Level (EL) 2.
- The remuneration and conditions of service of Senior Executive Service (SES) officers is set by the Managing Director in accordance with section 24(1) of the *Public Service Act 1999*.⁵
- The remuneration of the Managing Director is set by the DHA Board in accordance with the parameters of the Remuneration Tribunal's determination for Principal Executive Office holders (refer to section 50 of the DHA Act).
- The remuneration of Board members is decided upon by the Remuneration Tribunal's determination for holders of part-time public office (refer to section 17 of the DHA Act).

⁵ Senior executive service roles are benchmarked with comparable roles in the market. External benchmarks are determined by researching disclosed data from relevant Australian listed companies, the APSC, industry data and other GBEs.

- Each remuneration package consists of a base salary (or fees in the case of Board members) and employer superannuation contributions in accordance with applicable legislation and fund requirements.
- Employees are paid allowances (e.g., travel and motor vehicle) in accordance with the EA, or Remuneration Tribunal determinations for the Managing Director and Board members. Employees and the Managing Director accrue leave.

Refer to *Appendix B: Workforce statistics* for more information about salary rates and full disclosure on executive remuneration.

Managing Director

Performance requirements and related performance assessments are determined annually by the Board's Nomination and Remuneration Committee and referred to the Board for approval.⁶

Senior Executive staff

The Managing Director reviews performance measures for SES officers to ensure alignment with DHA's organisational goals, strategies and workforce resources.

For further detail on performance payments refer to *Appendix B: Workforce statistics*.

Flexibility arrangement

Staff members employed under the EA may request an Individual Flexibility Agreement (IFA) to vary arrangements about when work is performed, overtime rates, penalty rates, allowances, remuneration and leave. An IFA must meet the genuine needs of DHA and the employee and be agreed to by DHA and the employee in writing. IFAs are reviewed at least every 12 months.

Further detail on employment instruments is in *Appendix B: Workforce statistics*.

Reward and recognition

DHA's reward and recognition framework includes formal recognition through annual awards and provides guidance on local recognition. The approach is aligned with public sector norms and community expectations and provides forms of recognition that support career progression and advanced capability development.

⁶ The Remuneration Tribunal is an independent statutory body established under the Remuneration Tribunal Act 1973 that oversees the remuneration of key Commonwealth officers.



HMAS Creswell: Preserving Naval Heritage Through Modernisation

Nestled in the picturesque setting of Jervis Bay, HMAS Creswell holds a unique place in Australia's military history.



Established in 1913 as the Royal Australian Naval College (RANC), this site is a Commonwealth heritage landmark, offering insights into early 20th-century military planning and architecture. The buildings, designed by John Smith Murdock, are a blend of garden city planning and beaux-arts features, executed in the Georgian revival style.

Over the years, HMAS Creswell has witnessed numerous changes, including its transformation into a holiday accommodation during the 1930s and its critical role during World War II. After its reopening in 1958, in honour of William Rooke Creswell—a pivotal figure in the establishment of the Royal Australian Navy (RAN)—the site continued to evolve to meet the needs of the Navy.

Today, HMAS Creswell is not just a historical site but a living, functioning base with modern housing for Defence personnel. Defence Housing Australia (DHA) has been a key player in maintaining and upgrading these residences, ensuring they meet contemporary living standards while preserving their historical significance. The most recent upgrade works, completed in June 2024, focused on asbestos removal and prevention, continuing from the initial renovations carried out in 2005–2006. These efforts are part of DHA's ongoing commitment to preserving Australia's military heritage while providing quality housing for Defence members.

Legislative framework

DHA operates in accordance with a range of Commonwealth, State and Territory legislation.

Legislation governing how Defence Housing Australia (DHA) is governed are as follows.

Defence Housing Australia Act 1987

DHA, formerly known as the Defence Housing Authority, was established as a statutory authority⁷ on 1 January 1988 under the *Defence Housing Authority Act 1987*.

On 23 November 2006, in accordance with the *Defence Housing Authority Amendment Act 2006*, the Authority was renamed Defence Housing Australia, and the principal Act was renamed *Defence Housing Australia Act 1987* (DHA Act).

The DHA Act sets out DHA's functions, powers, corporate structure and delegations. In accordance with section 5 of the DHA Act, the main function of DHA is to meet the operational needs of the ADF and the requirements of the Department [of Defence] by providing adequate and suitable housing for, and housing related services to:

- members of the Defence Force and their families
- officers and employees of the Department of Defence and their families, and
- persons contracted to provide goods or services to the Defence Force or the Department of Defence and their families.

Section 6 of the DHA Act states DHA may provide housing and housing related services to non-corporate Commonwealth entities other than Defence. DHA did not provide any such services in 2023–24.

Public Governance, Performance and Accountability Act 2013

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and its associated instruments, policies and guidance set the standards of governance, performance and accountability for Commonwealth entities and companies. The PGPA Act also imposes specific duties on DHA's Board members and officials relating to the use and management of resources.

DHA is a corporate Commonwealth entity⁸ and must comply with the following PGPA Act associated instruments and policies:

- *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule)
- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, and
- any relevant government policy orders.

⁷ A statutory authority is a generic term for an Australian Government body established through legislation for a public purpose.

⁸ A corporate Commonwealth entity is a body corporate, established by a law of the Commonwealth but legally separated from it. Corporate Commonwealth entities can act in their own right and exercise certain legal rights such as entering into contracts and owning property.

Significant issues relating to non-compliance with finance law

In accordance with section 19 of the PGPA Act, the Board (as the accountable authority of DHA) must notify the responsible Minister as soon as practicable after a significant non-compliance with finance law⁹ issue is identified. DHA must also include a statement of any significant issues reported to the responsible Minister in its Annual Report for that reporting period.

To assist the Board in fulfilling this requirement, DHA conducts a bi-annual finance law compliance reporting process. Informed by this, the Board did not determine any instances of significant non-compliance with finance law for the 2023–24 reporting period.

DHA as a Government Business Enterprise

In accordance with section 5 of the PGPA Rule, DHA is one of nine Government Business Enterprises (GBEs).¹⁰ As a GBE, DHA is expected to comply with Commonwealth Government Business Enterprises—*Governance and Oversight Guidelines Resource Management Guide No. 126* (RMG 126).

RMG 126 provides guidance in relation to board and corporate governance, planning and reporting, financial governance and other governance matters. A principal objective for each GBE is that it provides value to shareholders. Refer to *Part 3 – Report on performance* for detail on how DHA provided value to shareholders during 2023–24.

Other applicable legislation and processes

DHA is the only GBE that employs staff under the *Public Service Act 1999*. As an Australian Government employer, DHA must adhere to the provisions and statutes of various Commonwealth employment related legislation. As a statutory agency, DHA must also operate in accordance with Commonwealth legislation including, but not limited to, the following Acts.

Work Health and Safety Act 2011 (Cth)

The *Work Health and Safety Act 2011 (Cth)* (the WHS Act), and associated regulations and practices, provides a balanced and nationally consistent framework to secure the health and safety of workers and workplaces. The WHS Act requires Commonwealth entities to give regard to the principle that workers and other persons should be given the highest level of protection against harm to their health, safety and welfare from hazards and risks arising from work as is reasonably practicable.

TABLE 5.3: Significant non-compliance with the finance law

Description of non-compliance	Remedial action
N/A	N/A

9 Finance law incorporates the PGPA Act, any rules covered by the PGPA Act, any instrument under the PGPA Act and an Appropriation Act.

10 A GBE is a commercially focused government owned business that is established to fulfil a Commonwealth Government purpose.

As a corporate Commonwealth entity, DHA must comply with the WHS Act and associated regulations and practices:

- *Work Health and Safety Regulations 2011 (Cth)*
- Comcare¹¹ approved Codes of Practice.

DHA, and its officers,¹² must fulfil a range of duties to ensure risks to worker (or others) health and safety are either eliminated or minimised as is reasonably practicable. DHA also has a duty to notify Comcare of specific workplace incidents (a notifiable incident) as per Section 38 of the WHS Act.

Freedom of Information Act 1982

Individuals can submit a request to DHA under the *Freedom of Information Act 1982* (FOI Act) to access documents DHA holds. The responsibilities and functions under the FOI Act are delegated to a core group of staff.

Consistent with the Information Publication Scheme, an agency plan and FOI disclosure log is published on the DHA website (www.dha.gov.au/foi). DHA also submits quarterly and annual statistical returns to the Office of the Australian Information Commissioner (OAIC) within the statutory timeframes set out in the *Freedom of Information (Prescribed Authorities, Principal Offices and Annual Report) Regulations 2017*.

All staff complete FOI Act training as part of their induction training and annually as part of mandatory refresher training and may be called upon to assist in document assessment and searches.

In 2023–24, DHA received 33 requests for access to documents under the FOI Act. Of these:

- access was granted in full for three requests
- access was granted in part for nine requests with exceptions under sections 47F, 47E, and 45
- access was refused for seven requests under sections 47E, 47F, 47G and 24A
- nine requests were withdrawn
- five requests are ongoing as at 1 August 2024.

In addition, two requests for internal review were received, with one decision upheld and one additional release of documents. One notification of request for review by the Information Commissioner (IC) has been received with no review initiated by the IC as at 30 June 2024.

¹¹ Comcare is the Commonwealth work health and safety regulator whose functions are set out in Part 8 of the WHS Act.

¹² An officer is defined in Section 247 of the WHS Act.

Privacy Act 1988

Personal information relating to the administration of DHA's programs and services are protected by the *Privacy Act 1988* (Privacy Act). The Australian Privacy Principles guidelines outline the mandatory requirements for government agencies.

Adhering to these principles is a responsibility for all staff. All staff complete Privacy Act training as part of their induction and annually as part of mandatory refresher training. When undertaking new projects and programs, privacy impact assessments are undertaken to minimise privacy risks and ensure compliance with statutory obligations. Five privacy impact assessments have been completed this financial year with the assistance of third-party services.

A core group of staff is responsible for providing guidance, training and support to all staff, and to facilitate the fulfilment of mandatory requirements including:

- Maintaining the Privacy Policy published on the DHA website (www.dha.gov.au/policies/privacy)
- Maintaining the privacy impact assessment register published on the DHA website (www.dha.gov.au/about-us/governance/legislative-framework/pia-disclosure-log)

- Maintaining the Personal Information Holdings Register
- Maintaining the Data Breach Response Plan and supporting the Data Breach Response Team.

In 2023–24, 118 privacy breaches were reported and recorded on the Privacy Breach Register with 6 requiring the attention of the Data Breach Response Team. Two eligible data breaches were reported to the Office of the Australian Information Commissioner (OAIC) under the Notifiable Data Breaches Scheme.

Public Interest Disclosure Act 2013

DHA is committed to the highest standards of ethical and accountable conduct. The *Public Interest Disclosure Act 2013* (PID Act) allows for investigations of alleged wrongdoing by public officials¹³ and provides protections for individuals who disclose, or report suspected wrongdoing.

DHA's responsibilities and functions under the PID Act are delegated to a core group of staff. All staff are required to complete PID Act training as part of DHA's induction process and undertake mandatory refresher training annually.

DHA received two public interest disclosures in 2023–24 with one matter still under investigation as at 30 June 2024.

Modern Slavery Act 2018

The *Modern Slavery Act 2018* (the Act) prescribes a national modern slavery reporting requirement which applies to entities in the Australian market with an annual consolidated revenue of at least \$100 million. Entities are required to report annually on the risks of modern slavery in their operations and supply chains, as well as actions taken to address those risks. DHA is on track to submit its 2023–24 statement for publishing by 31 December 2024 in line with the requirements of the Act. For the 2023–24 financial year DHA has not identified any specific instances of modern slavery harm. DHA is committed to reducing the risk of modern slavery through the implementation of effective policies and procedures that provide for transparent and accountable procurement and purchasing. DHA is dedicated to obtaining goods and services through ethical means and not supporting domestic or international businesses that exploit individuals for profit.

DHA's Modern Slavery Statements are available to view on the Modern Slavery Register ([Statement #2023–2499 \(modernslaveryregister.gov.au\)](https://modernslaveryregister.gov.au)).

¹³ A public official includes current and former DHA staff and DHA contracted service providers.

Risk management, internal audit and compliance

The Board, as the accountable authority for DHA, assumes responsibility for ensuring robust risk management practices are in place. DHA has adopted a consolidated approach to risk management that encompasses governance, risk appetite, business continuity and crisis management, and compliance.

DHA fulfills its obligations under the PGPA Act and the Commonwealth Risk Management Policy, by establishing and maintaining appropriate systems for risk management and internal control.

The Managing Director and the senior leaders play a pivotal role in integrating risk management into DHA's decision-making processes. DHA's Leadership Team participate as risk owners in deep-dive workshops to review DHA's strategic and enterprise risks.

Risk management

DHA continuously reviews its strategic and enterprise risks, including providing greater assurance over critical controls, and in developing a program to enhance its risk management capabilities. Recently, DHA revised its Risk Management Framework, introduced enterprise risks into the risk hierarchy and developed and launched an e-learning module on risk management for all staff.

Climate change has been identified as a key source of risk and DHA has

commenced discussions with other government agencies for opportunities to collaborate on Commonwealth government initiatives. DHA is preparing for the commencement of reporting on climate risk management activities across the organisation.

Fraud control and anti-corruption

DHA consistently monitors and updates its fraud and corruption control framework to be consistent with the Commonwealth Fraud and Corruption Control Framework (section 10 of the PGPA Rule).

Fraud and corruption control is a subset of DHA's risk portfolio, and the disciplines reflect DHA's risk philosophy and principles. DHA prevents, detects, monitors and encourages its staff to report potential fraudulent or corrupt conduct to mitigate the damage fraud and corruption can have on the performance and reputation of the business. Improved staff awareness continues to result in increased reporting of potential fraudulent or corrupt conduct.

In 2023–24, there were:

- In 2023–24, there were no incidences of fraudulent or corrupt conduct by DHA employees. 21¹⁴ potential internal fraud matters were reported, however after triage and initial assessment, none were deemed to meet a criminal standard and

as a result were referred for line management or other administrative action or held for intelligence, training and thematic assessment purposes. As of 30 June 2024, there were no active investigations.

- Two potential external fraud matters were reported, with one found to be an external theft of mail event and the other a false invoicing phishing scam.
- 86 Requests for Information (RFI) were received from the Department of Defence and or law enforcement bodies in support of Defence Member fraud investigations or other criminal investigation processes.

Internal audit

The Board Audit and Risk Committee reviews DHA's three-year internal audit program annually. The program is flexible and emphasises topics that relate to DHA's transformation or response to external environmental factors that best support DHA to manage its operating environment.

DHA recognises that the continuous enhancement of its internal audit function is vital for upholding the highest standards of governance and risk management. As DHA moves forward, it remains committed to fostering a culture of integrity, transparency, and accountability.

14 In 2023–24, DHA commenced recording and reporting of all contact with DHA's Fraud and Corruption area, this has resulted in greater clarity around volume of contacts and related reporting as compared to previous years statistics.

Procurement and consultancies

DHA's approach to procuring goods and services, including consultancies, reflects the core policies and principles of the Commonwealth Procurement Rules.

DHA advertises open approaches to the market via AusTender (www.tenders.gov.au) to procure a range of goods and services. Interested parties can register their details with AusTender to receive push notifications about DHA's tender opportunities.

Senate Order on Entity Contracts

As a corporate Commonwealth entity, DHA complies with the Senate Order on Entity Contracts and publishes a list of contracts over \$100,000 (GST inclusive) on the agency's website for the relevant reporting period. Refer to DHA's website (www.dha.gov.au/entitycontracts) to read the report.

Consultancies

DHA engages consultants as required when specialist expertise is not available in house, or where there is a need for independent assessment, review or advice and the services are required for a defined period. In 2023–24, DHA entered into 40 new consultancy contracts with a total value of \$4.6 million (GST inclusive).

Most of these contracts relate to property provisioning and construction activities, including architectural design, town planning, engineering and assessments. The remaining contracts relate to legal and corporate related items, including ICT advisory and security services and financial analysis.

External engagement

DHA's operations are subject to scrutiny from a number of Parliamentary committees and external entities.

This section outlines the external scrutiny mechanisms under which DHA operates and reports, in accordance with the PGPA Rule.

Parliamentary committees

Senate Standing Committee on Foreign Affairs, Defence and Trade

DHA was not the subject of any inquiries or reports by the Senate Standing Committee on Foreign Affairs, Defence and Trade (the Committee) in 2023–24. Its officers and the Minister representing the Assistant Minister for Defence, Senator the Hon Jenny McAllister, Assistant Minister for Climate Change and Energy, appeared before the Committee on 6 June 2024. DHA was excused from appearing before the Committee on 25 October 2023 and 14 February 2024.

Parliamentary Standing Committee on Public Works

In accordance with subsection 6A(3) of the *Public Works Committee Act 1969*, DHA is exempt from scrutiny by the Public Works Committee (PWC) for works it undertakes in providing housing for, and related services to, ADF members and their families.

DHA notifies or refers any projects it undertakes on behalf of Defence on Commonwealth land to the PWC as follows:

- medium works with a proposed cost of over \$15 million but less than \$75 million
- major works with a proposed cost of more than \$75 million.

In 2023–24, DHA made one submission to the PWC for the redevelopment of housing on Thursday Island, QLD. This was approved at the PWC meeting of 2 April 2024.

Government agencies

Australian National Audit Office (ANAO) performance audit

DHA continues to work in consultation with Defence to implement the four recommendations from the ANAO Report No. 31 (2019–20) *Management of Defence Housing Australia* (refer Table 5.4). Work to address most of the recommendations is complete with recommendation one being progressed by Defence through amendments to the DHA Act, with support provided by DHA. DHA's Board Audit and Risk Committee continues to monitor progress and implementation of the recommendations on behalf of DHA's Board.

TABLE 5.4: ANAO identified recommendations from Report No. 31 (2019–20)
Management of Defence Housing Australia

Recommendation 1	DHA and Defence align Defence requirements for housing philanthropic organisations assisting the ADF, and foreign exchange and visiting military personnel, with the DHA Act.
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Commonwealth Ombudsman

DHA maintains a collaborative and productive working relationship with the Office of the Commonwealth Ombudsman. DHA reviews published reports and monitor the implementation of recommendations. The Commonwealth Ombudsman did not publish any reports relating to DHA under section 15 of the *Ombudsman Act 1976* in the reporting period.

In 2023–24, the Commonwealth Ombudsman received 15 complaints relating to DHA, in addition to seven outstanding complaints from 2022–23. As at 30 June 2024, 12 complaints were finalised: two were investigated and 10 were resolved without investigation. Ten complaints remain outstanding.

In addition to seeking feedback via surveys, DHA invites general feedback from its customers, stakeholders and the public. DHA manages all complaints in accordance with the resolution process set out in the complaints management policy and framework, which has been developed in accordance with international standard ISO 9001:2018. Wherever possible, complaints are resolved at a local level. DHA uses customer feedback to drive business change and develop future initiatives to improve customer service.

Information Publication Scheme

DHA is subject to the *Freedom of Information Act 1982* (FOI Act) and publishes information in relation to the Information Publication Scheme on the DHA website (www.dha.gov.au/foi). The published information includes a disclosure log and information about the FOI Act and DHA’s Information Publication Scheme Agency Plan.

Office of the Australian Information Commissioner

DHA maintains a collaborative and productive working relationship with the Office of the Australian Information Commissioner (OAIC). DHA reviews all published reports, determinations and decisions and implements any relevant recommendations.

DHA received notice of two requests made to the Information Commissioner for review of two freedom of information decisions that were in progress at the end of 2022–23.

DHA reported two privacy breaches to the OAIC under the Notifiable Data Breaches Scheme in 2023–24. The OAIC has closed both incidents.

Awards and achievements

Australian Business Award (ABA) 2023 – Change Management

DHA was selected as an ABA100 Winner for Change Management in The Australian Business Awards 2023.

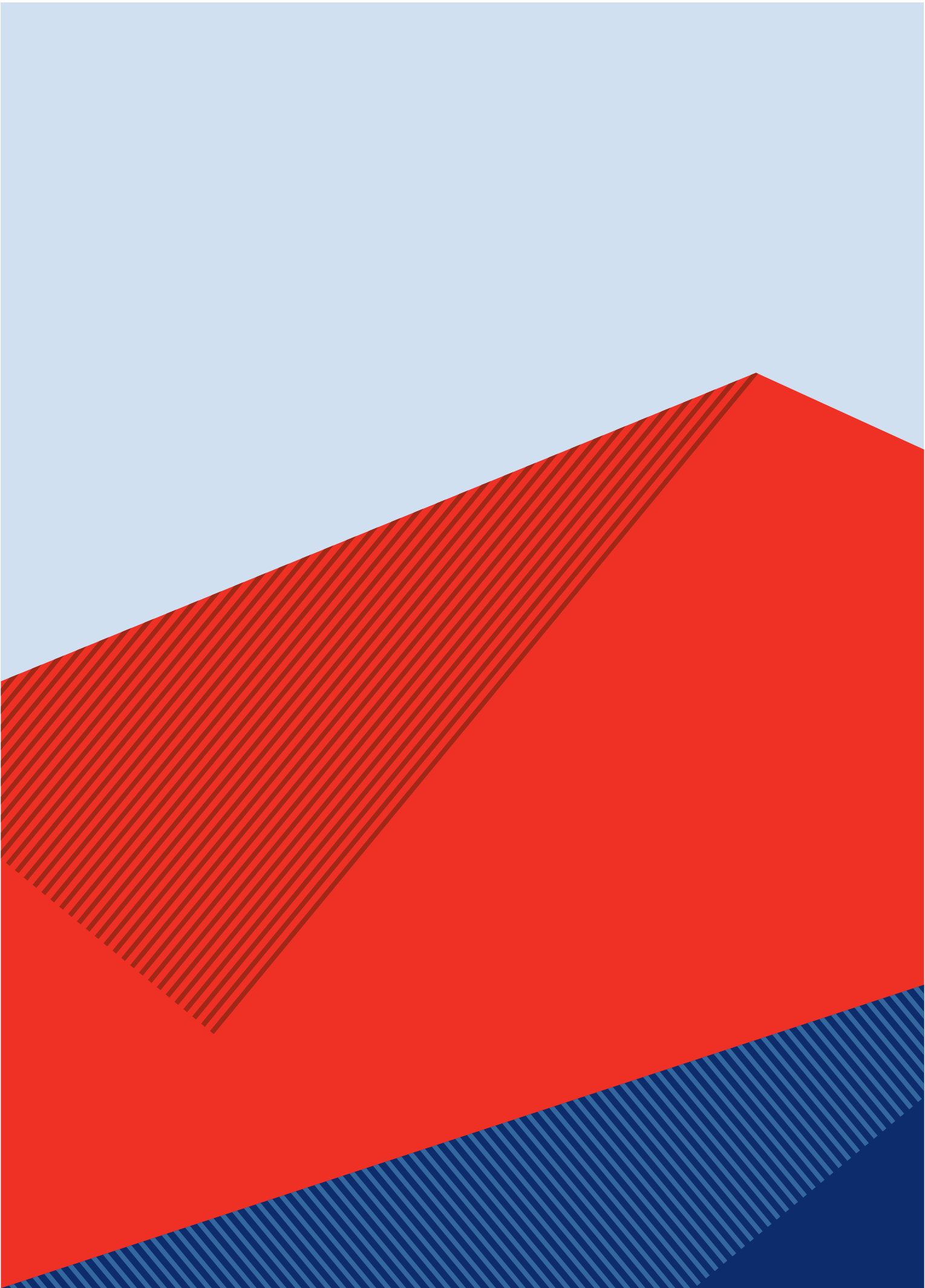
The Australian Business Awards for Change Management recognises organisations that have successfully implemented initiatives that demonstrate excellence in change management. This recognition is in response to the significant uplift in Change Maturity driven by a multifaceted change maturity program across 12 months. This program and the establishment of an in-house Enterprise Change Management function positions the organisation to continuously improve DHA's ability to manage change effectively.

Australasian Reporting Awards

DHA won a Gold Award for its 2022–23 Annual Report.

The Australasian Reporting Awards (ARA) provide all organisations that produce an annual report an opportunity to benchmark their reports against the ARA criteria which are based on world best practice and their peers. An important aspect of the ARA assessment process is that it focuses on the quality and completeness of the reporting about the organisation's behaviour and performance. The very high standard of Gold Award reports makes them model reports for other organisations to follow.





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Appendix A:

Accountable Authority

This appendix provides details of DHA's Accountable Authority for 2023–24 in accordance with the PGPA Rule.

TABLE 6.1: Accountable Authority 2023–24

Period as the Accountable Authority or member within the reporting period						
Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position title/ Position held Executive/ Non-Executive	Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Dr Robert Lang	<ul style="list-style-type: none"> PhD of Electrical Engineering Bachelor of Engineering, Electrical Engineering with First Class Honours Bachelor of Science, Computer Science Fellow of the Australian Institute of Company Directors Fellow of the Institute of Engineers Australia 	<ul style="list-style-type: none"> Chief Executive Officer of Parramatta City Council Chief Executive Officer of the Sydney Harbour Foreshore Authority Chief Executive Officer of Pacific Power Chair, Olympus Solutions and Ability Options Other Board appointments Adjunct Professor at the University of Western Sydney School of Business 	<ul style="list-style-type: none"> Acting Chair Chair of the Nomination and Remuneration Committee Non-Executive member 	19 October 2023 (commercial member)	-	6/6
Mr Barry Jackson	<ul style="list-style-type: none"> New Zealand Certificate in Quantity Surveying Quantity Surveyors Registration Board Member of the AICD 	<ul style="list-style-type: none"> Various executive and senior roles in the APS and Victorian government 25+ years in private sector (construction, property management, strategic and business process management) Other board appointments 	<ul style="list-style-type: none"> Managing Director Executive member 	May 2019	-	9/9

Period as the Accountable Authority or member within the reporting period						
Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position title/ Position held Executive/ Non-Executive	Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Mr Simon Lewis AO PSM	<ul style="list-style-type: none"> Bachelor of Arts (Economics, Statistics) Graduate Diploma of Computing Studies Graduate Diploma in Administrative Studies Graduate Diploma of Strategic Studies Completed the Harvard and Wharton Business School's Advanced Management Programs Graduate of the AICD 	<ul style="list-style-type: none"> Various executive and senior roles in the APS Secretary of the Department of Veterans' Affairs (2013 to 2018) Other board appointments 	Nominee of the Secretary of Finance Chair of the Board Audit and Risk Committee Non-Executive member	April 2019 Re-appointed April 2022	-	9/9
Brig Leigh Wilton AM	<ul style="list-style-type: none"> Master of Arts (Strategic Studies) Master of Management Bachelor of Business Graduate Diploma in Information Systems Graduate of the Australian Command and Staff College Graduate of the Centre for Defence and Strategic Studies Graduate of the AICD 	<ul style="list-style-type: none"> Member of the Australian Army Various senior appointments including Commanding Officer and Chief Instructor of the Army School of Ordnance and Director General Career Management – Army 	Nominee of the Chief of the Defence Force Chair of the DHA Advisory Committee Non-Executive member	December 2019	-	8/9

Period as the Accountable Authority or member within the reporting period

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position title/ Position held Executive/ Non-Executive	Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Mr Robert Fisher AM	<ul style="list-style-type: none"> Bachelor of Arts Bachelor of Education Member of the AICD 	<ul style="list-style-type: none"> 40+ year public service career Member of the Australian Trade Commission Service CEO/Director General of various WA government departments One of five commissioners on the Australian Government's National Commission of Audit Former board appointments 	<p>Commercial member Chair of the Board Investment Committee Non-Executive member</p>	<p>February 2016</p> <p>Re-appointed February 2019, February 2022 and May 2022</p>	-	9/9
Ms Andrea Galloway	<ul style="list-style-type: none"> Bachelor of Business Administration Diploma of Computer Networks Graduate of the Executive Program (University of Michigan) Fellow of the AICD Justice of the Peace Licensed Real Estate Agent 	<ul style="list-style-type: none"> 30+ years in executive management for national and multinational commercial organisations CEO Coleman Grieg Lawyers Former Managing Director and CEO of Evolve Housing Winner of the Australian and NSW Telstra Women's Award 2014 (Business Innovation category) Other board appointments 	<p>Commercial member Non-Executive member</p>	<p>November 2016</p> <p>Re-appointed November 2019, November 2022 and February 2023</p>	-	9/9

Period as the Accountable Authority or member within the reporting period

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position title/ Position held Executive/ Non-Executive	Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Ms Gai Brodtmann	<ul style="list-style-type: none"> Bachelor of Arts (Politics, Sociology and English) Bachelor of Arts (Public Relations) Graduate Certificate in Business Graduate of the AICD Fellow of the Public Relations Institute of Australia Fellow of the Australian Information Security Association 	<ul style="list-style-type: none"> Federal Member for Canberra (2010 to 2019) Shadow Parliamentary Secretary for Defence (2013 to 2016) Shadow Assistant Minister for Cyber Security and Defence (2016 to 2019) Other Board appointments and audit and risk committees 	Commercial member Non-Executive member	February 2021	-	9/9
Ms Monique Hamilton PSM	<ul style="list-style-type: none"> Diploma Customer Contract Management Oxford Advanced Management Leadership Programme 	<ul style="list-style-type: none"> Extensive experience in service delivery across government with the Health Insurance Commission, Services Australia and the Department of Defence 	Nominee of the Secretary of Defence Non-Executive member	August 2023	-	8/8
Hon J.A.L. (Sandy) Macdonald AM	<ul style="list-style-type: none"> Bachelor of Laws (Sydney) Member of the Australian Institute of Company Directors (AICD) 	<ul style="list-style-type: none"> Senator for New South Wales (1993 to 2008) Parliamentary Secretary to the Minister for Defence (2006 to 2007) Wool and beef producer Former board appointments 	Chair Chair of the Nomination and Remuneration Committee Non-Executive member	February 2015 Re-appointed February 2018 and February 2021	-	7/7

Appendix B:

Workforce statistics

This appendix provides statistics on DHA's workforce as at 30 June 2024 and 30 June 2023 for comparison (unless otherwise stated).¹⁵

¹⁵ Workforce statistics include ongoing and non-ongoing staff at their substantive classification as at 30 June 2023 or 30 June 2024. Inoperative staff (those on long-term leave), staff engaged through an employment agency and Board members are excluded.

Staffing profile (by headcount)

TABLE 6.2: All ongoing employees current reporting period 30 June 2024

	Man/Male		Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total	
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time		Total
NSW	30	1	31	55	9	64	0	0	0	0	0	0	0	0	0	95
Qld	30	0	30	75	19	94	0	0	0	0	0	0	0	0	0	124
SA	28	1	29	51	9	60	0	0	0	0	0	0	0	0	0	89
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	14	0	14	15	1	16	0	0	0	0	0	0	0	0	0	30
WA	3	0	3	10	0	10	0	0	0	0	0	0	0	0	0	13
ACT	60	2	62	101	11	112	0	0	0	0	0	0	0	0	0	174
NT	2	0	2	13	1	14	0	0	0	0	0	0	0	0	0	16
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	167	4	171	320	50	370	0	0	0	0	0	0	0	0	0	541

TABLE 6.3: All non-ongoing employees current reporting period 30 June 2024

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	2	0	2	4	1	5	0	0	0	0	0	0	0	0	0	7
Qld	1	0	1	3	0	3	0	0	0	0	0	0	0	0	0	4
SA	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	2
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	2
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	11	0	11	12	0	12	0	0	0	0	0	0	0	0	0	23
NT	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	16	0	16	22	1	23	0	0	0	0	0	0	0	0	0	39

TABLE 6.4: All ongoing employees previous reporting period 30 June 2023

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	28	1	29	50	11	61	0	0	0	0	0	0	0	0	0	90
Qld	28	0	28	71	13	84	0	0	0	0	0	0	0	0	0	112
SA	33	2	35	52	6	58	0	0	0	0	0	0	0	0	0	93
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	12	0	12	11	1	12	0	0	0	0	0	0	0	0	0	24
WA	4	0	4	10	1	11	0	0	0	0	0	0	0	0	0	15
ACT	55	2	57	93	16	109	0	0	0	0	0	0	0	0	0	166
NT	1	0	1	11	1	12	0	0	0	0	0	0	0	0	0	13
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	161	5	166	298	49	347	0	0	0	0	0	0	0	0	0	513

TABLE 6.5: All non-ongoing employees previous reporting period 30 June 2023

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	4	0	4	7	0	7	0	0	0	0	0	0	0	0	0	11
Qld	1	0	1	10	2	12	0	0	0	0	0	0	0	0	0	13
SA	0	0	0	5	0	5	0	0	0	0	0	0	0	0	0	5
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	1	0	1	1	0	1	0	0	0	0	0	0	0	0	0	2
WA	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
ACT	7	1	8	9	1	10	0	0	0	0	0	0	0	0	0	18
NT	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	14	1	15	34	3	37	0	0	0	0	0	0	0	0	0	52

TABLE 6.6: Staff by classification and gender 2022–23 and 2023–24

Classification	2022–23		2023–24	
	Female	Male	Female	Male
DHA1	0	0	0	0
DHA2	0	0	0	0
DHA3	32	11	28	12
DHA4	142	41	149	34
DHA5	76	32	83	26
DHA6	67	34	67	43
EL1	51	35	53	39
EL2	13	22	10	27
SES and MD	3	6	3	6
Total	384	181	393	187

TABLE 6.7: Staff by classification and employment type 2022–23 and 2023–24

Classification	2022–23		2023–24	
	Full-time	Part-time	Full-time	Part-time
DHA1	0	0	0	0
DHA2	0	0	0	0
DHA3	36	7	38	2
DHA4	162	21	157	26
DHA5	93	15	96	13
DHA6	92	9	101	9
EL1	81	5	88	4
EL2	34	1	36	1
SES and MD	9	0	9	0
Total	507	58	525	55

TABLE 6.8: Ongoing staff by length of service and classification 2022–23 and 2023–24

Length of service	2022–23			2023–24		
	DHA 1–4	DHA 5–6	EL 1–MD	DHA 1–4	DHA 5–6	EL 1–MD
<2 years	128	81	41	132	74	34
2-5 years	24	47	37	39	49	36
6-10 years	31	43	30	27	49	27
≥11years	43	38	22	25	47	41
Total	226	209	130	223	219	138

TABLE 6.9: Staff by office type 2022–23 and 2023–24

Office type	2022–23	2023–24
	Total	Total
Head office	184	197
Regional office	270	271
In Contact centre	111	112
Total	565	580

TABLE 6.10: Staff by location 2022–23 and 2023–24

State	Office type	2022–23	2023–24
ACT	Head Office	184	197
NSW	Hunter regional office	36	36
	Nowra regional office	6	6
	Sydney regional office	56	56
	Wagga Wagga regional office	3	4
NT	Darwin regional office	13	15
	Tindal regional office	2	2
QLD	Brisbane regional office	58	63
	Cairns regional office	1	1
	Canungra	0	1
	Toowoomba regional office	1	0
	Townsville regional office	65	63
SA	Adelaide regional office	98	91
VIC	Cerberus regional office	1	1
	Melbourne regional office	19	25
	Puckapunyal regional office ¹	2	2
	Sale regional office	1	1
	Wodonga regional office	3	3
WA	Perth regional office	16	13

Note

1. Defence personnel only.

TABLE 6.11: Staff by employment instrument 2022–23 and 2023–24

	2022–23	2023–24
Employment instrument	Number	Number
Enterprise Agreement (EA)	526	530
EA with individual flexibility agreement ¹	30	41
Common law contract	0	0
Public Service Act Section 24(1) determination ²	8	8
Remuneration Tribunal determination	1	1
Total	565	580

Notes

1. The *Fair Work Act 2009* requires that all EAs contain provision for an individual flexibility arrangement. Where DHA and a staff member agree to vary specific terms and conditions in DHA's EA, an Individual Flexibility Agreement is entered into. Refer to the DHA website (www.dha.gov.au/ea) for a full copy of the EA.
2. In accordance with section 24(1) of the *Public Service Act 1999*, an agency head may determine in writing the terms and conditions of employment applying to an Australian Public Service employee. Remuneration and conditions of service for Senior Executive Service (SES) staff in DHA are determined in this way.

TABLE 6.12: Staff gross salary ranges by classification 2022–23 and 2023–24

	2022–23	2023–24
Classification	Salary range	Salary range
DHA1	\$53,146 - \$61,832	\$57,457 - \$64,304
DHA2	\$60,461 - \$67,966	\$65,419 - \$70,685
DHA3	\$66,695 - \$76,784	\$72,165 - \$79,961
DHA4	\$74,931 - \$84,296	\$81,076 - \$87,667
DHA5	\$82,052 - \$92,763	\$88,781 - \$96,474
DHA6	\$90,191 - \$107,874	\$97,587 - \$112,189
EL1	\$109,482 - \$139,011	\$118,461 - \$144,571
EL2	\$135,674 - \$173,683	\$146,800 - \$180,630
SES and MD	\$173,683 - \$457,361	\$180,630 - \$492,314

Executive remuneration

Information about remuneration for Key Management Personnel (KMP)

During the reporting period ended 30 June 2024, DHA had seven non-executive Board members and four senior executives who met the definition of Key Management Personnel (KMP). In the notes to the financial statements for the period ending 30 June 2024, DHA disclosed the following KMP expenses.

TABLE 6.13 Key management personnel remuneration for the reporting period 2023–24¹⁶

Key management personnel remuneration for the reporting period	2024
Director remuneration	\$
Short-term employee benefits	493,860
Post-employment benefits	58,934
Total Director remuneration	552,794
Key management personnel remuneration	\$
Base Salary	1,320,488
Bonus	0
Other benefits and allowances	27,500
Total short-term benefits	1,347,988
Superannuation	242,059
Total post-employment benefits	242,059
Other long-term benefits	
Long service leave	45,158
Total long-term benefits	45,158
Termination benefits	0
Total key management personnel remuneration	1,635,205

¹⁶ The Managing Director's remuneration is included in the KMP figures.

In accordance with the PGPA Rule, Tables 6.15 to 6.17 comply with GBE remuneration disclosure requirements specified in Resource Management Guide No. 138 Commonwealth entities *Executive Remuneration Reporting Guide for Annual Reports*.

TABLE 6.14: Details and length of term for key management personnel

Name	Position	Term as KMP
Dr Robert Lang	Acting Chair	12 February 2024 – 30 June 2024
J.A.L. (Sandy) Macdonald	Chair	1 July 2023 – 11 February 2024
Robert Fisher	Board Member	Full term
Andrea Galloway	Board Member	Full term
Simon Lewis	Board Member	Full term
Gai Brodtmann	Board Member	Full term
Leigh Wilton	Board Member	Full term
Monique Hamilton	Board Member	1 August 2023 – 30 June 2024
Barry Jackson	Managing Director	Full term
Paul Groenewegen	Chief Financial Officer	Full term
Brett Jorgensen	General Manager, Service Delivery	Full term
Lisa Barlin	General Manager, People and Compliance	Full term

As per the PGPA Rule, this information is further disaggregated in Table 6.15.

TABLE 6.15: Details of executive remuneration for key management personnel 30 June 2024

Name	Position title	Short-term benefits				Post-employment benefits			Other long-term benefits		Termination benefits	Total remuneration ¹
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits					
Dr Robert Lang	Acting Chair	68,872.57	0	0	7,543.66	0	0	0	0	0	76,416.23	
Robert Fisher ²	Board Member	63,476.65	0	0	7,856.90	0	0	0	0	0	71,333.55	
Andrea Galloway	Board Member	63,476.65	0	8,693.07	8,082.91	0	0	0	0	0	80,252.63	
Simon Lewis	Board Member	63,476.65	0	17,376.01	12,067.62	0	0	0	0	0	92,920.28	
Gai Brodtmann	Board Member	63,476.65	0	6,827.88	7,756.25	0	0	0	0	0	78,060.78	
Leigh Wilton	Board Member	63,476.65	0	0	7,004.92	0	0	0	0	0	70,481.57	
Monique Hamilton ¹⁷	Board Member	0	0	0	0	0	0	0	0	0	0	
J.A.L. (Sandy) Macdonald	Chair	74,706.99	0	0	8,621.28	0	0	0	0	0	83,328.27	
Barry Jackson	Managing Director	453,753.20	0	5,470.82	80,621.94	16,048.92	0	0	0	0	555,894.89	
Paul Groenewegen	Chief Financial Officer	323,366.19	0	18,608.46	59,120.34	9,396.57	0	0	0	0	410,491.56	
Brett Jorgensen	General Manager Service Delivery	293,819.22	0	3,421.14	57,491.03	11,129.87	0	0	0	0	365,861.26	
Lisa Barlin	General Manager People and Compliance	249,549.69	0	0	44,825.72	8,582.66	0	0	0	0	302,958.07	

Notes

- The sum of benefits may not equal the total remuneration for each key management personnel due to total remuneration being calculated using unrounded numbers.
- Short term benefits were overstated in 2022–23 due to overpayments made to Robert Fisher. DHA recovered the amounts in 2023–24. These figures reflect the remuneration benefits for the 2023–24 year.

¹⁷ Ms Hamilton is remunerated by the Department of Defence.

Information about remuneration for senior executives

During the reporting period ended 30 June 2024, DHA had seven senior executives who are not key management personnel.

TABLE 6.16: Details of remuneration for seven senior executive members who are not key management personnel 30 June 2024

Total remuneration bands	Number of senior executives	Short-term benefits				Post-employment benefits		Other long-term benefits		Termination benefits		Total remuneration ¹
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration			
\$0 - \$220,000	2	4,591	0	0	573	9	0	52,587	57,761	0	0	
\$220,001 - \$245,000	0	0	0	0	0	0	0	0	0	0	0	
\$245,001 - \$270,000	1	226,050	0	2,703	38,984	0	0	0	267,737	0	0	
\$270,001 - \$295,000	3	235,991	0	3,711	35,921	4,401	0	0	280,023	0	0	
\$295,001 - \$320,000	1	243,425	0	2,762	45,924	6,702	0	0	298,814	0	0	
\$320,001 - \$345,000	0	0	0	0	0	0	0	0	0	0	0	
\$345,001 - \$370,000	0	0	0	0	0	0	0	0	0	0	0	
\$370,001 - \$395,000	0	0	0	0	0	0	0	0	0	0	0	
\$395,001 - \$420,000	0	0	0	0	0	0	0	0	0	0	0	
\$420,001 - \$445,000	0	0	0	0	0	0	0	0	0	0	0	
\$445,001 - \$470,000	0	0	0	0	0	0	0	0	0	0	0	
\$470,001 - \$495,000	0	0	0	0	0	0	0	0	0	0	0	
\$495,001 +	0	0	0	0	0	0	0	0	0	0	0	

Notes

1. The sum of benefits may not equal the total remuneration for each remuneration band due to total remuneration being calculated using unrounded numbers.

Information about remuneration for other highly paid staff

During the reporting period ended 30 June 2024, DHA had three other highly paid staff.

TABLE 6.17: Details of remuneration for three other highly paid staff 30 June 2024

Total remuneration bands	Short-term benefits			Post-employment benefits		Other long-term benefits		Termination benefits		Total remuneration ^{1,2}
	Number of other highly paid staff	Average base salary	Average bonuses ³	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration	
\$250,000 - \$270,000	1	166,363	40,000	3,188	36,126	4,848	0	0	0	250,524
\$270,001 - \$295,000	0	0	0	0	0	0	0	0	0	0
\$295,001 - \$320,000	1	128,018	0	2,314	26,479	3,209	0	153,682	0	313,701
\$320,001 - \$345,000	0	0	0	0	0	0	0	0	0	0
\$345,001 - \$370,000	1	176,404	70,000	56,548	42,529	4,848	0	0	0	350,328
\$370,001 - \$395,000	0	0	0	0	0	0	0	0	0	0
\$395,001 - \$420,000	0	0	0	0	0	0	0	0	0	0
\$420,001 - \$445,000	0	0	0	0	0	0	0	0	0	0
\$445,001 - \$470,000	0	0	0	0	0	0	0	0	0	0
\$470,001 - \$495,000	0	0	0	0	0	0	0	0	0	0
\$495,001 +	0	0	0	0	0	0	0	0	0	0

Notes

- The sum of benefits may not equal the total remuneration for each remuneration band due to total remuneration being calculated using unrounded numbers.
- Consistent with Commonwealth entities' executive remuneration reporting guide for annual reports Resource Management Guide No. 138 total remuneration includes taxable value of fringe benefits tax which are not included elsewhere in the table.
- Bonuses listed in this column are retention bonuses provisioned for in Individual Flexibility Agreements (IFAs). IFAs are only used in select circumstances where DHA requires specialist skills from the employment market and where demand for those skills warrant varying the terms and conditions listed in the EA beyond the existing salary ranges.

Appendix C:

Work health and safety

This appendix outlines DHA's Work health and safety (WHS) performance in accordance with the WHS Act.

Work health and safety performance

DHA is committed to maintaining the highest possible standard of health and safety for all who enter its workplaces, whether it is in an office, a construction site or one of the properties in DHA's portfolio. Table 6.18 compares DHA's WHS performance in 2022–23 and 2023–24.

TABLE 6.18: Work health and safety performance, 2022–23 and 2023–24

Indicator	2022–23	2023–24
Incident reporting¹		
Total incidents reported	448	499
WHS incidents		
Staff	67	97
Contractors	24	39
Others ²	59	34
Recordable injury rate		
Total recordable injury frequency rate	11	8
Lost time rate		
Lost time injury frequency rate	3	3
Audits and office inspections		
Contractor and internal audits conducted		
Desktop	293	207
Onsite	16	184
Safety interaction	53	252
Office inspections conducted	20	16
Workers' compensation		
Workers' compensation claims (accepted in financial year)	0	0

Notes

1. Incidents (WHS and non-WHS) are reported from the date of occurrence. Figures in this table can vary from previous DHA Annual Reports as incidents which occurred in one financial year may be reported in another year, incidents may be reclassified following investigation, or figures may be varied following greater data analysis (i.e., to remove duplicate reports). The variances are not considered material or statistically significant.
2. Under Section 19(2) of the WHS Act, DHA has an obligation to ensure the health and safety of other persons is not put at risk from work carried out as part of DHA's business or undertaking. Others includes visitors and DHA managed housing tenants.

Reported incidents and hazards

DHA has focused on improving staff and contractor awareness of safety reporting requirements, including the identification and reporting of potential hazards. The total number of WHS incidents and hazards increased from 150 (2022–23) to 170 (2023–24), which is likely driven by an increase in the awareness and reporting of potential hazards, due to improvements in the awareness of safety reporting requirements. There was an increase in incidents and hazards related to staff and contractors, whilst there was a decrease in the number of incidents

and hazards reported by other persons (i.e., tenants or visitors), see Figure 6.1.

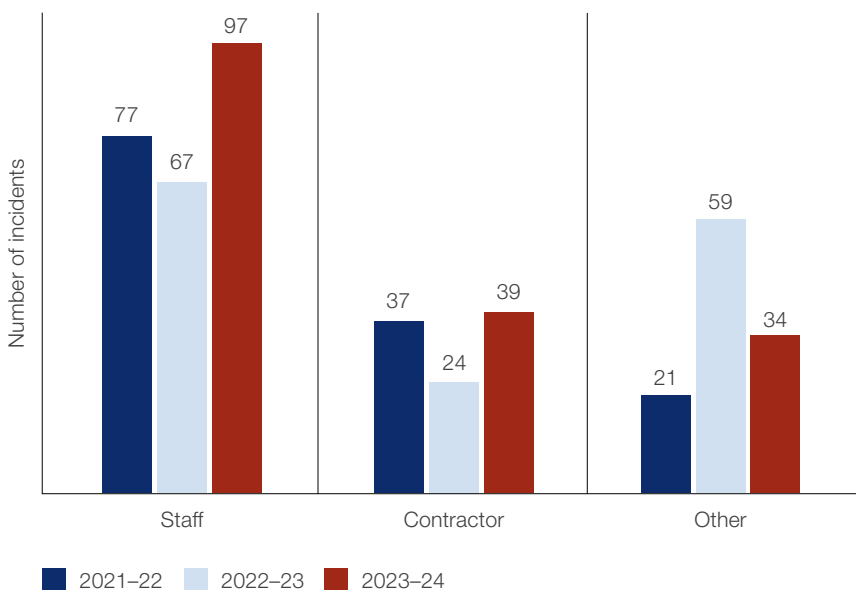
Notifiable incidents

In 2023–24, DHA notified Comcare of eleven incidents as required by the WHS Act. In each case, Comcare closed ten of its investigations with no further action required by DHA, whilst one Notifiable Incident remains open. All internal investigations of notifiable incidents have been completed with corrective actions within DHA's control undertaken to mitigate reoccurrence of incidents.

Investigations

There were no WHS investigations into the business or undertaken during 2023–24 (excluding those related to notifiable incidents as mentioned above). There was one notice provided for breach of notification within a timely manner given to DHA under Part 10 of the WHS Act. Comcare, however, conducted a proactive engagement activity in September 2023 to review DHA's incident management processes. The Comcare inspector did not identify any non-compliance with the WHS Act/WHS Regulations with respect to the scope of the inspection.

FIGURE 6.1: Work health and safety incidents and hazards by person involved 2021–22 to 2023–24



Work health and safety initiatives

DHA fosters a positive health and safety culture, embedding better practice policies to enhance its workers' wellbeing. DHA's WHS Statement of Commitment provides the overarching direction to follow that ensures, so far as is reasonably practicable, there is no harm to workers or others while working for DHA. The mitigation of work, health and safety hazards, and identification of potential WHS risks, is of high importance. All staff are encouraged to raise any WHS concerns they may have with their manager and/or local Health and Safety Representative.

The WHS team leads the development and implementation of programs and projects to provide ongoing skill development to support staff and contractors. Employees are made aware of their WHS responsibilities through induction training, awareness sessions, specific role descriptors, the WHS Statement of Commitment and regular communications. DHA's contractual processes and regular reviews keep contractors informed of their WHS responsibilities. All WHS activities are regularly reviewed to ensure they align with WHS Quality Standards and related legislation.

In 2023–24 DHA undertook a range of initiatives to improve WHS outcomes, including:

- Recertification to Australia/ New Zealand WHS Quality Standards (ISO:45001). This accreditation confirms that DHA maintains appropriate WHS systems that support compliance with applicable laws governing DHA's operations. Alignment of DHA's WHS processes with these standards assures good governance practices by DHA and authorised persons.
- Increased controls and prohibitions on the use of engineered stone products containing high volumes of silica to reflect the hazards and subsequent ban on the manufacture and installation of such products. Provide extensive information and awareness to Staff and Repairs Contractors to ensure that engineered stone products already in place remain undisturbed with no dust creation works carried out of such surfaces.

- Enhancement of DHA's hazardous materials management system to include items containing engineered stone to enable DHA's and Repairs and Maintenance Contractors to properly understand the risk of a whole range of hazardous materials in its housing stock and share that information with the contractors, lessors and Defence occupants through the online environments. This change aligns with regulatory changes and improves DHA's ability to keep its contractors informed and safe in relation to hazardous materials.
- DHA is committed to the highest standards of safety and security for its people. As such a Lead Officer has been identified for each of DHA's offices throughout Australia. The Lead Officer is the key contact, conduit and central coordination point in the event of any extraordinary event, incidents and/or hazards, emergencies or potential threats. They have responsibility for the oversight of emergency management and incident response reporting – including escalation to senior officers within DHA. Nationally there are 21 Lead Officers across Australia.

Work health and safety outcomes

The Health and Safety Committee (HSC) met 4 times, in accordance with the WHS Act, in 2023–24. The HSC's membership includes PCBU officers, managers, Health and Safety Representatives and employee representatives. The HSC's main function is to consult on WHS matters affecting DHA workers (employees and contractors). The HSC meets quarterly with a focus on reviewing DHA's WHS risk profile in consultation with its workforce.

Safety newsletters have been published in 2023–24 with each newsletter containing topical safety information and inviting contributions from employee and contractor cohorts in the spirit of consultation and collaboration. DHA's education strategy involving periodic safety newsletters supports an overall program to enhance the safety culture, contributing to its aim to mitigate (where possible) future workplace incidents and injuries.

Appendix D:

Five-year financial summary

This appendix provides a comprehensive overview of DHA's key financial performance results for the last five financial years.

TABLE 6.19: Financial performance 2019–20 to 2023–24

	2019–20	2020–21	2021–22	2022–23	2023–24
Financial performance					
Net profit after tax (\$m)	\$42.7	\$78.5	\$130.3	\$100.2	\$53.9
Annual dividend (\$m)	\$25.6	\$47.1	\$78.2	\$0.0	\$0.0
Return on equity	2.7%	5.3%	8.5%	6.2%	3.2%
Property investment revenue (\$m) ¹	\$167.2	\$155.9	\$88.2	\$2.7	\$1.5
Disposal program revenue (\$m)	\$10.8	\$18.4	\$10.8	\$2.1	\$0.6
Development land and property sales revenue (\$m)	\$204.5	\$156.6	\$164.9	\$139.7	\$56.3
Business efficiency					
Return on capital employed	6.3%	11.0%	16.0%	12.2%	7.8%
Leverage/solvency					
Gearing ratio	25.7%	11.0%	46.3%	47.9%	49.9%
Interest times cover	8.5	7.0	10.9	11.4	7.9
Current ratio	2.3	1.4	1.1	0.4	0.4
Liquidity ratio ²	1.0	0.5	0.5	0.4	0.2
Portfolio management					
Value of portfolio under management (\$b)	\$11.0	\$10.9	\$12.5	\$12.9	\$13.4
Total properties under management ³	17,925	17,503	16,955	16,929	17,104
New constructions and acquisitions	450	152	59	226	169

Notes

1. Property investment revenues reported are the gross sale proceeds, excluding GST. In 2019–20 the accounting treatment under AASB 16 Leases reports the net gain \$15.2 million, with a portion of the gain deferred over the term of the lease. This program was paused from August 2022.
2. Liquidity ratio excludes current borrowings as borrowed items are rolled on maturity and not considered to be a risk.
3. Figures include all properties managed by DHA (leased and owned).

Appendix E:

Government Business Enterprise (GBE) performance indicators

Table 6.20 details the key performance indicators required for performance measurement and reporting for all GBEs as defined in *Resource Management Guide – 126: Commonwealth Government Business Enterprise – Governance and Oversight Guidelines*.

TABLE 6.20: Additional GBE key performance indicators

Key Performance Indicator	Definition (RMG 126)	Full year 2023–24		
		Actual	Corporate Plan	Variance
Total shareholder return	(Commercial value at end, less commercial value at start plus dividends paid less equity injected)/ commercial value at start	6.2%	6.2%	0.0%
Dividend yield	Dividends paid/average commercial value	0%	0%	0%
Dividend payout ratio	Dividends/net profit after tax (NPAT)	0%	0%	0%
Earnings before interest and tax ¹	Earnings before net interest and tax	\$131.1	\$102.3	\$28.8
Earnings before interest, tax, depreciation and amortisation ¹	Earnings before net interest, tax, depreciation, amortisation and fair value adjustments for financial instruments	\$476.4	\$452.5	\$23.8
Net profit after tax ¹	The bottom line of the Income Statement	\$53.9	\$35.4	\$18.6
Underlying net profit after tax ¹	The bottom line of the Income Statement adjusted for one-off items and AASB fair value movements	\$53.9	\$35.4	\$18.6
Operating margin	EBITDA/operating revenue	65.4%	60.3%	5.1%
Return on capital employed	EBIT adjusted for benefits fair value movements (net of tax)/average capital employed. Capital employed is defined as total assets less current liabilities	7.8%	6.1%	1.7%
Debtors age (days)	(Debtors/revenue) x 365	21.7	19.9	1.8
Gearing ratio	Net interest bearing debt/net interest bearing debt plus equity	49.9%	45.9%	4.0%
Interest cover	EBITDA/interest paid	7.9	8.5	(0.6)
Current ratio	Current assets/current liabilities	0.4	0.3	0.1
Liquidity ratio ²	Cash and equivalents/current liabilities	0.2	0.2	0
Staff retention and turnover rate	Number of staff replaced/average number of staff for the period	15.8%	≤22%	6.22%
Lost time injury frequency rates and OHS incident rate	Lost time injuries per million hours worked	2.8	4	1.2
Wages expense ratio	Cost of wages and salaries/operating revenue	12.1%	13.7%	1.8%

Notes

1. These results are reported in \$millions.
2. In order to differentiate this figure from the current ratio, the calculation applied here follows the formula: Cash and equivalents/current liabilities; rather than the calculation set out in the Corporate Plan, which is identical to the current ratio.

Appendix F:

Advertising and market research

In accordance with section 311A of the *Commonwealth Electoral Act 1918*, this appendix discloses payments of \$16,300 or more (including GST) for advertising and market research services provided during the reporting period. There was no direct mail expenditure to be reported against for 2023–24.

TABLE 6.21: Advertising expenditure 2023–24

Organisation	Purpose of services	Expenditure (\$ incl. GST)
Heard Agency	Creative and account management for Akuna Vista, Nirimba Fields development	\$80,499.83
Mude Pty Ltd	Direct leasing program creative refresh of assets and videos.	\$180,400.00

TABLE 6.22: Direct mail expenditure 2023–24

Organisation	Purpose of services	Expenditure (\$ incl. GST)
Not applicable	Not applicable	\$0

TABLE 6.23: Media advertising expenditure 2023–24¹

Organisation	Purpose of services	Expenditure (\$ incl. GST)
Urban Land Housing	Media advertising placement to promote land sales for Akuna Vista, Nirimba Fields development	\$58,223.30
Heard	Media advertising placement to promote land sales for Akuna Vista development	\$231,756.43
Universal McCann (UM)	Media advertising placement to promote the Direct leasing program.	\$723,304.32 (ex GST)

TABLE 6.24: Market research expenditure 2023–24

Organisation	Purpose of services	Expenditure (\$ incl. GST)
Not applicable	Not applicable	\$0

Appendix G:

Environmental and Heritage performance

DHA is committed to improving the environmental performance in accordance with government policy. DHA manages environmental impacts through a number of policies, administrative controls and communication to mitigate environmental impacts.

Objective

DHA's objective, scope and approach for conserving heritage value is set out in its Heritage Strategy, last updated in June 2024.

DHA's objective is to care for any heritage values of DHA property, so as to identify, protect, conserve,

present and transmit to all generations any Commonwealth Heritage values of the place, consistent with:

- DHA's operational obligations arising from legislation, and
- good practice in conservation and property management.

Commonwealth Heritage Listed properties

On behalf of Defence, DHA manages and conserves 72 CHL properties. These sites are located on ADF bases around the country and are managed in accordance with the EPBC Act.

DHA owns and manage two CHL sites located at Stockton, Fort Wallace, NSW and Lawson North, ACT (refer to Table 6.25). These sites are managed in accordance with the EPBC Act.

- Four development sites are identified as having Commonwealth Heritage Values and have been placed on the DHA Heritage Register (DHAHR) in accordance with the DHA Heritage Strategy, and the EPBC Act.

TABLE 6.25: Commonwealth Heritage Listed sites

DHA Heritage Register	Commonwealth Heritage List
Mount Lofty QLD	-
Stockton Rifle Range, Fern Bay NSW	-
Stockton Fort Wallace NSW (CHL)	105335
Lawson North ACT (CHL)	105535 / 105519
Lee Point NT	-
Nirimba Fields Schofields NSW	-

TABLE 6.26: Maintenance work expenditure 2023–24

Project/Site	Maintenance expenditure	Management Plans expenditure	Conservation / Refurbishment expenditure
Mount Lofty QLD	\$324	\$0	\$0
Stockton Rifle Range, Fern Bay NSW	\$53,269	\$0	\$0
Stockton Fort Wallace NSW	\$90,289	\$1,001	\$0
Lawson North ACT	\$226,115	\$0	\$210,999
Lee Point NT	\$10,000	\$15,000	\$0
Nirimba Fields Schofields NSW	\$0	\$0	\$0
Total	\$379,997	\$16,001	\$210,999

Maintenance and conservation of any identified heritage property

For the sites listed on the DHAHR, DHA invested \$379,997 on maintenance and \$227,000 on management and conservation activities across 5 sites in 2023–24 (refer to Table 6.26). Maintenance expenditure for Lee Point heritage is for temporary fencing costs to secure heritage sites and ad hoc heritage consultant costs. Management plans expenditure is for consultant’s advice on heritage and engineering.

Heritage studies, conservation management planning and other activities relating to the identification, protection, conservation, presentation and transmission of any Commonwealth Heritage Values of a place

DHA’s development projects have allowance for the establishment and review of Heritage Management Plans (HMP) to ensure DHA meets its obligations under the EPBC Act. These plans enable the continued management of the sites during and after delivery. DHA has several development sites currently under various stages of planning and development. Each development project has allowed for the ongoing maintenance and protection of the heritage values identified.

DHA undertakes a review of Heritage Management Plans every five years in accordance with the EPBC Act or within two years of purchasing a known listed CHL place. DHA is currently reviewing plans for Fort

Wallace and Lawson North. The Fort Wallace HMP was last updated in 2023. DHA is seeking a detailed scope that reflects the current state of heritage items in order to tender and undertake conservation works to help preserve heritage significant items. The HMP will be reviewed and updated following conservation works, before being submitted to the Australian Heritage Council for review and endorsement.

The DHAHR is updated when any change in heritage values is identified within an existing site, or when a new site is identified as having heritage values. The DHAHR is accessible on the DHA intranet and externally on the [DHA website](http://www.dha.gov.au/housing/heritage-properties) (www.dha.gov.au/housing/heritage-properties). During 2023–24, a review of Heritage Attributes was undertaken on the DHA Development sites. One particular site (Lee Point Development) requires further expert review and has been added to the DHAHR in the interim.

Identification of heritage values

While DHA undertakes a management function across all dwellings in its portfolio, private landlord owned, detached dwellings, leased to DHA fall outside the effective control of DHA with respect to the EPBC Act. Further, the Defence owned dwellings are captured by the Defence Heritage Strategy and reviewed by its Environmental teams. Should DHA acquire or take control over any new property, an assessment is undertaken to identify any potential Commonwealth Heritage values in accordance with the strategies under Section 8B of the DHA Heritage Strategy. However, in the case of newly constructed property or developments on brown-field sites, it is expected that such assessments will be very minimal in nature, if any, notwithstanding the original reviews of the land prior to development being undertaken.

During 2023–24 one development site, Lee Point, was reviewed for Commonwealth Heritage Values and subsequently added to the DHAHR. An expert review is being programmed to fully document the Commonwealth Heritage Values of the site, and any requirements for ongoing management and protection of those values identified.

Development and maintenance of the DHAHR

The DHAHR was created and maintained in accordance with the DHA Heritage Strategy.

Properties brought into the portfolio are reviewed to identify if heritage values are present. Newly constructed housing stock brought into the DHA portfolio does not undergo a heritage value review unless the allotment or estate have been identified to hold those values. Development sites undergo a comprehensive review to identify Heritage Values that may require the sites addition to the DHAHR. During 2023–24, the Lee Point site was added to the DHAHR and is undergoing further expert review of its Heritage Values. DHA will update its Heritage Register pending review findings. If any heritage values change on existing heritage listed properties, the status is reviewed and updated on the register.

Referrals made under the EPBC Act

The EPBC Act referral for the Lawson North development site was lodged for adequacy review on 22 December 2021. This is an informal process whereby the Department of Climate Change, Energy, the Environment and Water (DCCEEW) can review and provide feedback on the proposed referral content in advance of formal lodgement. The EPBC Act referral was formally lodged on 1 July 2022 and advice was provided on 7 October 2022 that the proposed action is a 'controlled action' and that the project would require assessment and approval under the EPBC Act, via environmental impact statement before it can proceed. Preparation for the environmental impact statement included the lodgement of a variation to the EPBC referral, to reduce the masterplan. This variation was approved in January 2024 and work on the environmental impact statement commenced in May 2024.

Disposal or acquisition of property with heritage values

There were no disposals of properties with identified heritage values in 2023–24.

Office energy use

Where possible, DHA seeks to occupy premises that achieve a 5 star National Australian Built Environment Rating System (NABERS) rating and reduce energy consumption through the use of automated essential lighting, heating and cooling outside of business hours.

The DHA Head Office, located in Gungahlin, ACT was designed to achieve a WELL Gold rating, a premier standard for buildings, interior spaces and communities seeking to implement, validate and measure features that support advance human health and wellness.

During 2023–24, DHA relocated its office in Adelaide. The new building is capable of achieving a 5 star rating under the 'Green Star Buildings v1' (administered by the Green Building Council of Australia) and capable of achieving and operating at a 5 star NABERS rating. The fit out is designed to suit flexible work with plentiful natural light.

DHA's ICT equipment, including printers, digital signage TVs, monitors and laptops or tablets are set to standby when not in use. Screens in meeting rooms are set to sleep mode outside of business hours.

Resource efficiency and waste

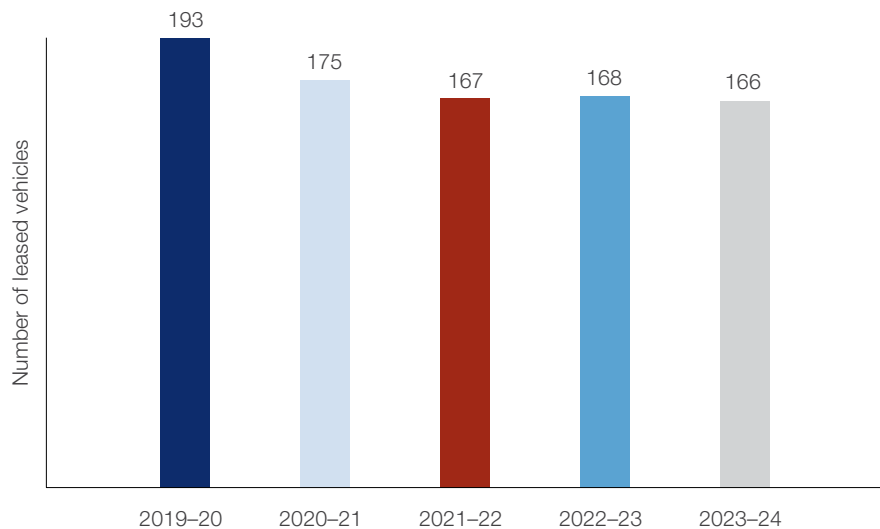
All offices are encouraged to reuse, recycle and reduce the amount of waste that ends up in landfill. DHA reduce waste by providing amenities that support the separation and collection of recyclable and landfill materials.

Travel and transport

DHA's travel volume has slightly increased this financial year. However, this year's total is half of the volume seen in the pre COVID-19 year (2018-19).

DHA's fleet, which is comprised entirely of hybrid vehicles, was reduced to 166 vehicles as at 30 June 2024 (refer Figure 6.2). DHA continues to investigate optimal fleet size and composition to ensure value for money and the most efficient use of DHA resources. Further to this DHA is undertaking ongoing fleet replacement activities, and for the financial year an 86% replacement rate was achieved. Replacement vehicles continue to be new hybrid models to ensure best environmental outcomes.

FIGURE 6.2: Number of DHA leased vehicles¹



Note

1. Reflects number of leased vehicles at 30 June for each financial year.

APS Net Zero 2030

APS Net Zero 2030 is the Australian Government's policy for the Australian Public Service to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on emissions. Tables 6.27 and 6.28 show DHA's emissions for 2023–24.

TABLE 6.27: DHA 2023–24 greenhouse gas emissions inventory (location-based method)¹

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (location-based approach)	-	594.414	77.733	672.146
Natural Gas	-	-	-	-
Solid Waste ^{2,3}	-	-	14,617.666	14,617.666
Refrigerants ^{2,4}	-	-	-	-
Fleet and Other Vehicles	233.882	-	59.486	293.368
Domestic Commercial Flights	-	-	372.823	372.823
Domestic Hire Car ^{2,5}	-	-	11.407	11.407
Domestic Travel Accommodation ²	-	-	130.121	130.121
Other Energy	-	-	-	-
Total t CO₂-e	233.882	594.414	15,269.236	16,097.532

Notes

1. The table presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.
2. Indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.
3. Solid waste data was estimated based on container volume or average container weight, or split in shared offices using the net area leased or number of staff, because measuring waste weight is not standard practice across the industry.
4. Indicates optional emission source for 2023–24 emissions reporting.
5. Emissions from hire cars for 2023–24 have been sourced from a third party and may be incomplete due to a lack of robust data. The quality of data is expected to improve over time as emissions reporting matures as we are only including data from Hertz Rent-A-Car in 2023–24.

TABLE 6.28: DHA 2023–24 electricity greenhouse gas emissions¹

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Electricity (location-based approach)	594.414	77.733	672.146	100%
Market-based electricity emissions	489.934	60.486	550.419	62%
Total renewable electricity:	-	-	-	38%
<i>Mandatory renewables</i> ²				19%
<i>Voluntary renewables</i> ³				19%

Notes

1. The table presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent.
2. Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.
3. Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Appendix H:

Office directory

ACT

Head office

35 Hinder Street
Gungahlin ACT 2912

NSW

Sydney office

Level 5, 111 Phillip Street
Parramatta NSW 2150

Hunter regional office

Suite 2, 45D Fitzroy Street
Carrington NSW 2294

Wagga Wagga regional office

Ground Floor T3
193–195 Morgan Street
Wagga Wagga NSW 2650

Nowra regional office

1/19 Nowra Lane
Nowra NSW 2541

NT

Darwin regional office

Level 1, Building
631 Stuart Highway
Berrimah NT 0828

Tindal regional office

By appointment only
42 Katherine Terrace
Katherine NT 0828

SA

Adelaide regional office

Levels 6 & 7, 185 Pirie Street
Adelaide SA 5000

WA

Perth regional office

Level 2, 1 Swan Street
North Fremantle WA 6159

QLD

Brisbane regional office

Level 4, 76 Skyring Terrace
Newstead QLD 4006

Townsville regional office

63–65 Bamford Lane
Kirwan QLD 4817

Canungra outpost office

Defence personnel only
Building No. 3, Papang Road
Kokoda Barracks
Canungra QLD 4275

VIC

Melbourne regional office

Suite 305, Level 3
120 Bay Street
Port Melbourne VIC 3207

Wodonga regional office

83 Hume Street
Wodonga VIC 3690

Cerberus outpost office

Defence personnel only
Building 192, Cook Road
HMAS Cerberus
Cerberus VIC 3920

Puckapunyal outpost office

Defence personnel only
Building A0548, Vivi Street
Puckapunyal VIC 3662

Sale outpost office

Defence personnel only
Building 115, Catalina Street
RAAF Base East Sale VIC 3662

Appendix I:

Acronyms and abbreviations

Acronym	Description
AASB	Australian Accounting Standards Board
ABA	Australian Business Award
ACT	Australian Capital Territory
ADF	Australian Defence Force
AM	Member of the Order of Australia
AICD	Australian Institute of Company Directors
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
APSC	Australian Public Service Commission
ARA	Australian Reporting Awards
ARF	Accompanied Resident Family
ATO	Australian Taxation Office
BARC	Board Audit and Risk Committee
BAS	Booking and Allocation System
Board	Board of Directors
BIC	Board Investment Committee
CFO	Chief Financial Officer
CGU	Cash generating unit
CHL	Commonwealth Heritage Listed
CSS	Commonwealth Superannuation Scheme
Cth	Commonwealth
Defence	Department of Defence
DHA	Defence Housing Australia
DHA AC	DHA Advisory Committee
DHA Act	<i>Defence Housing Australia Act 1987</i>
DHAHR	DHA Heritage Register
DHF	Defence Housing Forecast
DRA	Defence Housing Australia Residence Agreement
DSA	Defence Services Agreement

Acronym	Description
DSR	Defence Strategic Review
EA	Enterprise Agreement
EL	Executive Level
EOI	Expressions of interest
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FBT	Fringe Benefits Tax
FOI Act	<i>Freedom of Information Act 1982</i>
FVLCOD	Fair value less costs of disposal
GBE	Government Business Enterprise
GBE Guidelines	<i>Commonwealth Government Business Enterprises – Governance and Oversight Guidelines (Resource Management Guide No 126)</i>
GST	Goods and Services Tax
HMP	Heritage Management Plan
Hon	Honourable
IC	Information Commissioner
Integra	Integra Service Dogs Australia
IIP	Integrated Investment Program
ISO9001	International Organisation for Standardisation Quality Management
IT	Information technology
KMP	Key management personnel
KPIs	Key performance indicators
LIA	Living in Accommodation
MCA	Member Choice Accommodation
MD	Managing Director
MP	Member of Parliament
NABERS	National Australian Built Environment Rating System
NDS	National Defence Strategy
NPAT	Net Profit After Tax
NRC	Nomination and Remuneration Committee
NSW	New South Wales
NT	Northern Territory

Acronym	Description
OAIC	Office of the Australian Information Commissioner
PACMAN	The Defence Pay and Conditions Manual
PID Act	<i>Public Interest Disclosure Act 2013</i>
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PSM	Public Service Medal
PSS	Public Sector Superannuation Scheme
PSSap	PSS accumulation plan
PWC	Public Works Committee
QLD	Queensland
RA	Rent Allowance
RAP	Reconciliation Action Plan
Rent Bands	Classification of Service Residences by market rent
RFI	Requests for information
RMG 126	<i>Commonwealth Government Business Enterprise – Governance Oversight Guidelines: Resource Management Guide No. 126</i>
SA	South Australia
S&P	Standard & Poor's Global Ratings
Services Agreement	Defence Services Agreement
SES	Senior Executive Service
TAS	Tasmania
VIC	Victoria
VIU	Value in use
WA	Western Australia
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>

Appendix J:

Index of annual report requirements

PGPA Rule Reference	Part of Report	Page	Description	Requirement
17BE	Contents of annual report			
17BE(a)	Legislative framework	132	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Legislative framework Annual Performance Statement	132 46	A summary of the objectives and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Agency Overview	12–13	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Corporate governance structure	31	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Organisational structure	31	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Organisational structure	31	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not applicable	–	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual Performance Statement	46–67	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Significant issues relating to non-compliance with finance law	133	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	Board of Directors Appendix A: Accountable Authority	31–34 144–147	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Page	Description	Requirement
17BE(k)	Organisational structure	18–21	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Staff Appendix B – Workforce statistics	22 148–161	Statistics on the entity’s employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	Office network Appendix H: Office directory	20–21 175	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Corporate governance structure	31–41	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Board member related party transactions 2023–24	37	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Annual Performance Statement	46–67	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Not applicable	–	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	External engagement	138–139	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not applicable	–	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory

PGPA Rule Reference	Part of Report	Page	Description	Requirement
17BE(t)	Not applicable	–	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Board and legislated committees	35–38	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Executive remuneration	157–161	Information about executive remuneration	Mandatory
17BF	Disclosure requirements for government business enterprises			
17BF(1)(a)(i)	Financial structure Financial performance	43 66–67 166	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Financial performance	66–67	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Returns to the Australian Government	67	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	Not applicable	–	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	Not applicable	–	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

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