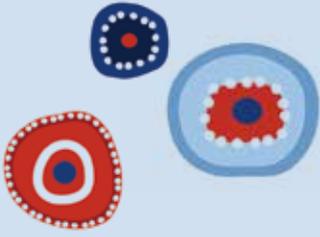


Statement of Corporate Intent 2023-24

31 August 2023





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



Further information please contact:

Chief Financial Officer
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PART 1

Introduction and overview

Introduction

Statement of preparation

Overview

Priorities



Introduction

We are pleased to present Defence Housing Australia's (DHA) Statement of Corporate Intent 2023–24. This Statement sets out how we will pursue our purpose in support of Defence capability.

DHA was established in 1988 following passage of the *Defence Housing Australia Act 1987* (DHA Act) to provide adequate and suitable housing for, and housing related services to, members of the Australian Defence Force (ADF) and their families. We remain committed to our purpose of providing housing, and housing related services, to ADF members and their families to support Defence's operational needs. As at 30 June 2023, we manage a portfolio of 16,929 housing solutions, provide housing for 15,681 ADF members and their families and administer Rent Allowance for 16,119 ADF members and their families in private rental accommodation.

Our Statement of Corporate Intent takes into account our evolving operating environment and our response to maximise opportunities.

We will continue to focus on digitisation and transforming the way we work to achieve customer centric, efficient, and sustainable ways to do business, meeting the needs of Defence and the Government as the owner of the business. We are enormously proud of and dedicated to the work we do.

The next four years will see nearly 6,000 leased property arrangements coming to an end which must be replaced in order to maintain our current levels of provisioning. We anticipate that a significant rise in the volume of market interactions will be necessary to obtain the many lease arrangements and property investments required. We know, too, that the implementation of the Defence Strategic Review and other Defence housing policy reforms will further impact the quantity, type and location of housing required.

Our 2023–24 Statement of Corporate Intent identifies the key activities we will undertake to meet the housing needs of Defence, including how we will maintain our portfolio, enhance the experience of ADF members using our services and strengthen our organisational capability to enable us to continue to meet the evolving needs of the ADF.

Statement of preparation

The Defence Housing Australia's Statement of Corporate Intent 2023–24 was prepared for the reporting period of 2023–24 and covers the financial years from 2023–24 to 2026–27 in accordance with paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).



Hon J.A.L. (Sandy) Macdonald AM
Chair

31 August 2023



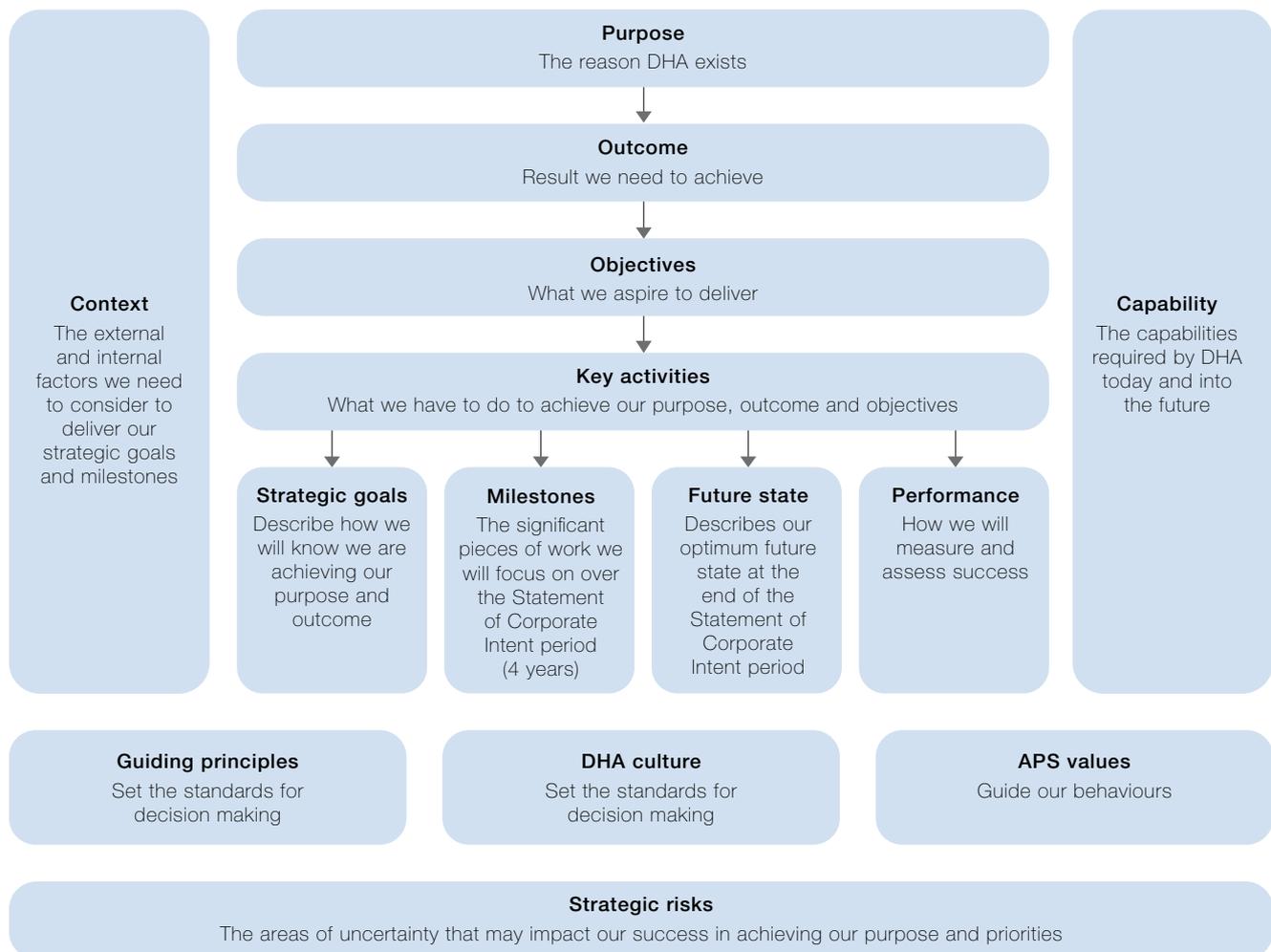
Barry Jackson
Managing Director

31 August 2023

Guide to reading this Statement of Corporate Intent

Figure 1 below sets out how the elements of our planning approach interrelate.

Figure 1:
DHA planning framework



Overview

DHA has entered a critical period of reform to uplift our capacity to meet the ongoing housing needs of the ADF.

This 2023–24 Statement of Corporate Intent reflects the influence of property market conditions and the evolving Defence landscape we operate within.

The Statement of Corporate Intent describes the initiatives and activities that we will undertake to meet Defence's requirements for housing and housing related services and continue to provide, and expand to meet future ADF growth, the housing and housing related services provided to ADF members and their families. It reflects our ongoing commitment to our purpose of providing housing in support of Defence operational needs, and recognition that the Defence Strategic Review will result in changes for the services we provide.

Provisioning suitable housing for the ADF

We enter the Statement of Corporate Intent period affected by several intersecting pressures—nearly 6,000 lease arrangements expire over the four years, a lack of supply and availability of suitable housing for property investment, high property prices and comparatively low yield returns. We plan to source as many properties as possible through leases—renewal of existing arrangements and the sourcing of new lease agreements. While this low capital provisioning method is preferred, it does increase provisioning risk and decrease security of supply of housing for ADF members. Direct housing investment through constructions and acquisitions will also be necessary to meet Defence housing requirements.

This Statement of Corporate Intent is based on current estimates of housing demand which do not anticipate growth associated with Defence's broader future capacity and capability objectives. We are focused on strengthening capabilities to support scalability of our operations to meet future ADF growth and strategically building the portfolio through holding properties for longer.

Contributing to housing insights and policy

The Defence Strategic Review recommends changes in Defence force structure, capability and capacity requirements, requiring significant focus and effort to recruit and retain sufficient Defence personnel. Housing is a key element of the Defence value proposition for ADF members, and a review of housing policy was announced before the May 2023 Federal Budget. We are actively seeking to engage in the review of housing support and discussions on housing requirements that occur through the implementation of the Defence Strategic Review. Changing needs of both Defence and individual ADF members and their families directly impacts our ability to achieve our purpose. As well as building scalability in our services, we are focused on expanding our provisioning methods and working with industry to set us up to meet future ADF housing needs that flow from the implementation of the Defence Strategic Review.

Strengthening foundational capabilities

We will continue to invest in our people, systems and processes to improve service and broader business outcomes. Further technology investments will reduce technical deficits and provide contemporary, efficient, flexible and scalable services for ADF members, better enabling us to meet Defence needs in the future.

With ongoing support and active engagement from our Shareholders, the Departments of Defence and Finance, we will pursue our purpose. These actions are described in each of our key activities, refer to *Part 4 – Performance*.

Priorities

A priority for the year ahead is ensuring the provision of housing solutions for ADF members and their families.

We will continue to develop provisioning initiatives, focusing on leveraging industry networks and partnerships to expand opportunities to source properties and expedite the time taken to bring new properties into the portfolio, as well as providing choice in housing solutions for ADF members.

We will also work with Defence to understand how the outcomes of the Defence Strategic Review and the Defence Housing Review will impact our business. We will continue to support Defence to increase flexibility in housing solutions through the ADF Employment Offer Modernisation Program and explore new provisioning methods in response to changes in the types of housing available in the market and evolving demographics of ADF members and their families.

We expect to continue to undertake significant volumes of provisioning activity. In 2023–24 alone, over 1,200 property arrangements will need to be renewed or found to maintain the current size of our housing portfolio in line with the current forecast housing demand from Defence.

We anticipate the amendments to the DHA Act will be implemented, marking the acquittal of the final outstanding recommendation of the Australian National Audit Office's *Management of Defence Housing Australia* Auditor-General Report No. 31 of 2019–20. This will deliver efficiencies, eliminating administrative burden through simplified and streamlined tenancy arrangements, with benefits for ADF members, Defence, DHA and our landlords.

We will continue to develop key capabilities across our workforce to ensure we have the right people and skills to deliver into the future. This includes leadership, business management, government acumen, stakeholder relations and digital literacy.





PART 2

Our purpose

Our purpose

Our services

Our purpose

Defence Housing Australia (DHA) was established in 1988¹ 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; and*
- › *officers and employees of the Department and their families; and*
- › *persons contracted to provide goods or services to the Defence Force, and their families; and*
- › *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 almost 17,000 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* (DHA Act), the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). DHA's Shareholders are the Assistant Minister for Defence and the Minister for Finance acting on behalf of the Australian Government. Further information on DHA's organisational structure is available in *Appendix A – DHA organisational structure*.

DHA does not receive funding directly through budget appropriations. Our operations are principally funded through rents, fees, and charges for our services from Defence, and other revenue related to maintaining our housing portfolio, including the disposal of excess land and finished product from our developments, and properties that no longer meet minimum Defence standards or requirements.

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's Operational and client needs through a strong customer and business focus*.

This involves four key activities:

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

¹ *Defence Housing Australia Act 1987*.





DHA strategic framework

DHA's strategic framework articulates our purpose, outcome, objectives and key activities, see Figure 2. This framework underpins our planning activities.

Further information on how DHA achieves its purpose through three key activities focused on service delivery and one key activity that provides the enabling frameworks is provided in *Part 4 – Performance*.

DHA's performance measures are based on meeting the requirement for housing, ADF member satisfaction and operational effectiveness indicators. Refer to *Part 5 – Measuring performance* for more information.

Figure 2:

DHA's strategic framework



Our services

We support ADF capability through:

- › the provision of a portfolio of suitable housing
- › housing services that support the mobility of the ADF
- › administration of Rent Allowance and ADF member contributions for housing
- › managing heritage listed Defence owned properties
- › administration of some elements of Defence housing policy, and providing housing and related services for ADF members and their families in accordance with our agreements with Defence.

We provide a number of housing services to ADF members and their families including:

- › access to, and assistance to find, a range of housing solutions in the DHA portfolio
- › tenancy 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
- › administration of allowances to ADF members occupying private rental accommodation.

Defence Services Agreement

The Defence Services Agreement (the Agreement) is the principal document governing the relationship between DHA and Department of Defence. The Agreement intends to achieve the efficient and effective provision of contemporary housing solutions for ADF members and their families on behalf of Defence (outcome statement). There are three objectives of the 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 Agreement deliver value for money for the Australian Government.

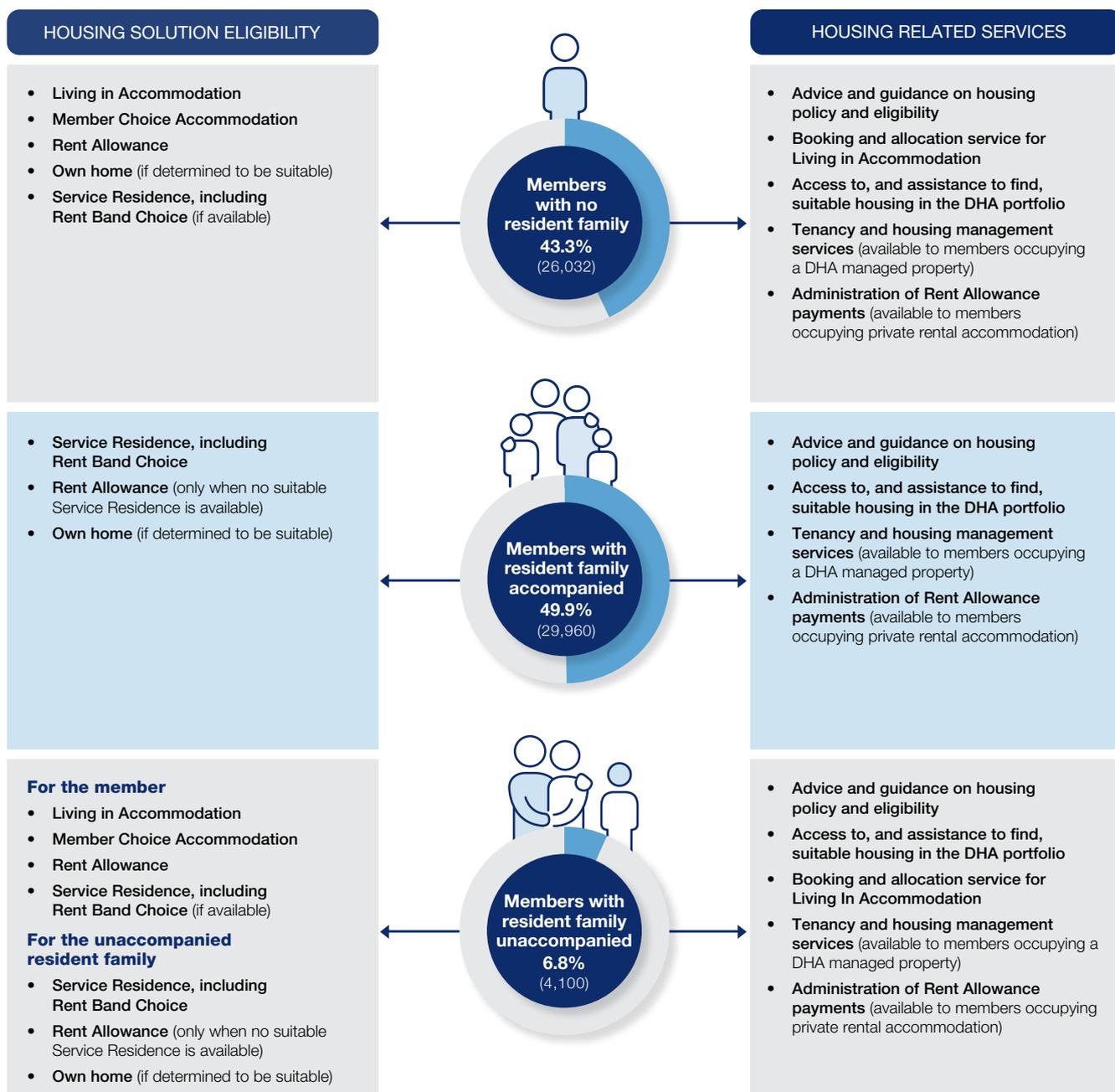
The Agreement sets out the mechanism to determine the agreed number of houses DHA is to make available for ADF members and their families, additional services that DHA provides, as well as the associated charges and performance metrics. Suitable houses must comply with standards as set out in the Agreement and the ADF Pay and Conditions Manual (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 3 details the housing eligibility and housing related services provided to ADF members and their families. Our housing and related services are described in more detail in *Appendix B – Property portfolio and provisioning*.

We also provide 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 3:

Housing and housing related services available to ADF members, by categorisation, as at 30 June 2023







PART 3

Operating context

Operating environment

Key environmental trends

Cooperation

Organisational capability

Risk oversight and management

Operating environment

We continue to monitor our operating environment and plan for the future beyond the Statement of Corporate Intent period to proactively manage our exposure to external risks.

While many factors influence our operations, the greatest impacts are likely to come from the implementation of the recommendations from the Defence Strategic Review, volatile property markets, a national rental crisis and lack of new constructions. In this context, we continue to work closely with Defence to provide housing and housing related services to Australian Defence Force (ADF) members and ensure we have the capability and flexibility to support the Government and Defence's strategic vision of a highly skilled and fit for purpose Defence Force.

While Australia's economic conditions, property markets and evolving ADF member demographics and preferences provide enduring challenges, we are also presented opportunities to enhance our digital technology capability to improve the customer experience for ADF members.

Defence strategy

Defence Strategic Review

In August 2022, the Australian Government commissioned an independent review to take holistic consideration of Australia's Defence force posture and force structure. The public report, the Defence Strategic Review (the Review), and Government's response was published on 24 March 2023. The Review concluded that the ADF, as currently constituted and equipped, is not fully fit for purpose. The Review provided a number of recommendations which the Government has agreed to, or agreed to in principle, which included the need to invest in the growth and retention of a highly skilled Defence workforce. One key recommendation is the development of the inaugural National Defence Strategy in 2024, which will be updated biennially. The National Defence Strategy will encompass a comprehensive plan of Defence policy, planning, capabilities and resourcing. Any changes to the ADF's structure, posture and preparedness as a result of the review has the potential to impact the volume, type and location of the housing we provide.

The Review does not provide details on the quantum of change in terms of personnel, but does point to a significant change in capability and capacity requirements, particularly as lower priority projects and programs cease and personnel are redirected to activities that align with the outcomes of the review, all of which will likely impact housing requirements and could require DHA to make changes to the housing portfolio within this Statement of Corporate Intent period.

Defence Housing Support Review

In May 2023, the Minister for Defence, the Hon Richard Marles MP, and the Assistant Minister for Defence, the Hon Matt Thistlethwaite MP, announced a review into Defence housing. The review will be coordinated by the Department of Defence and will consider:

- › contemporary and future housing needs of ADF members
- › policies relating to Defence residences and rental assistance
- › current home ownership support benefits and policies with a view to identifying new opportunities to encourage and enable home ownership for ADF members.

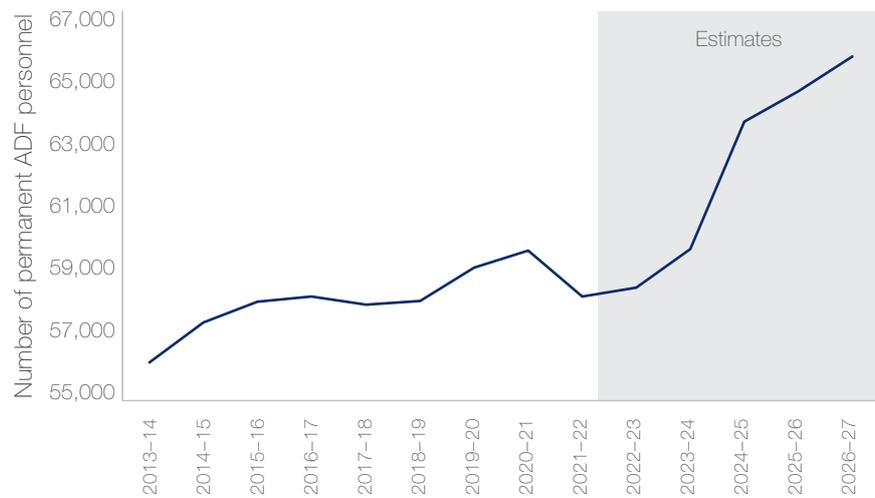
It is highly likely that any changes to housing requirements, policy and benefits as a result of this review will impact on our operations, however, the degree to which will not be known until the review is complete.

Growing Defence force

The planned workforce allocation outlined in the Defence Portfolio Budget Statements for 2023–24 forecasts growth in the ADF workforce from 58,197 personnel in 2021–22 to 65,595 personnel by 2026–27. Figure 4 illustrates the trajectory of the ADF's workforce from 2013 into the forward estimates, with the most significant growth forecast to occur between 2024 and 2025. In recent years the ADF has fallen short of recruitment targets, with the ADF decreasing by 1,422 between 2021 and 2022. Defence is responding to challenges related to recruiting, retaining and growing its workforce and will be implementing a range of initiatives from 2023–24. The Defence Strategic Review reinforces the projected growth of the ADF. How this growth impacts DHA provisioning and service delivery depends on timing, location and Force structure. We need to start planning for this increase immediately and continue to build capability of our service delivery channels to meet the long-term demand.

Figure 4:

Permanent ADF workforce forward estimates²



To achieve this planned growth, the ADF is reviewing recruitment and retention strategies. The ADF Employment Offer Modernisation Program seeks to modernise pay and conditions, reduce complexity in policy and be cognisant of community standards while recognising the unique nature of military service. Through this program, Defence is progressing three streams of work concurrently:

- › Providing greater flexibility and choice in housing, balanced with meeting Defence capability needs.
- › Contemporising the categorisation system that determines member benefits and allowances.
- › Modernising and simplifying the complex ADF allowances framework.

² Defence Annual Reports from 2013–14 to 2021–22 and Portfolio Budget Statements 2023–24, Budget Related Paper No. 1.4A Defence Portfolio.

Evolving ADF member demographics and preferences

A number of improvements have been implemented, with more still to come. The changes to Defence policy through the Flexible Housing Trial has supported us to provide more flexible housing options. Further policy changes to pay and conditions as part of the program have the potential to impact DHA operations and services to Defence, including through requiring process and system changes. Further flexibility also has potential to impact utilisation rates within our portfolio provisioned for ADF members and their families and creates greater uncertainty in housing requirement forecasts which are based on ADF member service locations.

The change in demographics and family composition across the ADF also has an impact on the types of housing solutions preferred by ADF members. Family households (i.e. couples with children) continue to be the most common Defence household type, however the number of couples with no children is increasing. Households of couples with no children are more willing to live in housing that does not meet Defence housing specifications in favour of properties that are well located in metropolitan centres and closer to amenities.

ADF members increasingly have dependents other than children (i.e. multi-generational houses) due to caring responsibilities for older family members and adult children remaining in the family home longer. This will influence the property features required by these members, as they may require additional bedrooms or amenities to meet their family needs.

The level of success of Defence's retention strategies will also impact housing needs, as length of service is related to family composition, with longer serving members more likely to need housing solutions that cater for a family with children.

Property amenity is becoming increasingly important. Working from home continues to be a popular option for workers across Australia and often changes how the home is used, necessitating flexible workspaces and reliable digital connectivity. In addition, the rising cost of living pressures and conscious consumerism have increased the demand for sustainability features that can reduce a household's expenditure and carbon footprint, such as solar panels and water tanks.

It will be increasingly important that we provide flexible housing options to suit the full range of ADF families. While location is still a significant factor for ADF member satisfaction, we acknowledge that ADF members have many considerations influencing their preferred housing, including suitability to lifestyle, family needs and access to employment and study opportunities for family members. The potential impact of these demographics and preferences is considered in consultation with Defence when developing provisioning plans for housing for ADF members and their families.

Unstable property market

The ability to deliver on our purpose is impacted by Australia's economic environment and state of the property market. In 2022–23, property prices cooled from the post-COVID peaks, driven primarily by rising interest rates, however, property values are now trending up again due to limited supply in the market (refer to Figure 5).

New supply has been constrained by the property development environment which has faced cost challenges, supply chain issues and shortage of skilled labour and materials, increasing construction timelines. These issues have reduced the incentive to build new dwellings evidenced by a decline in the number of private dwellings being approved and commenced (refer to Figures 6 and 7). The Reserve Bank of Australia is forecasting this trend to continue, with low buyer sentiment stemming from the pressure on household budgets, and higher construction costs, construction delays and builder insolvencies which are expected to continue.⁴

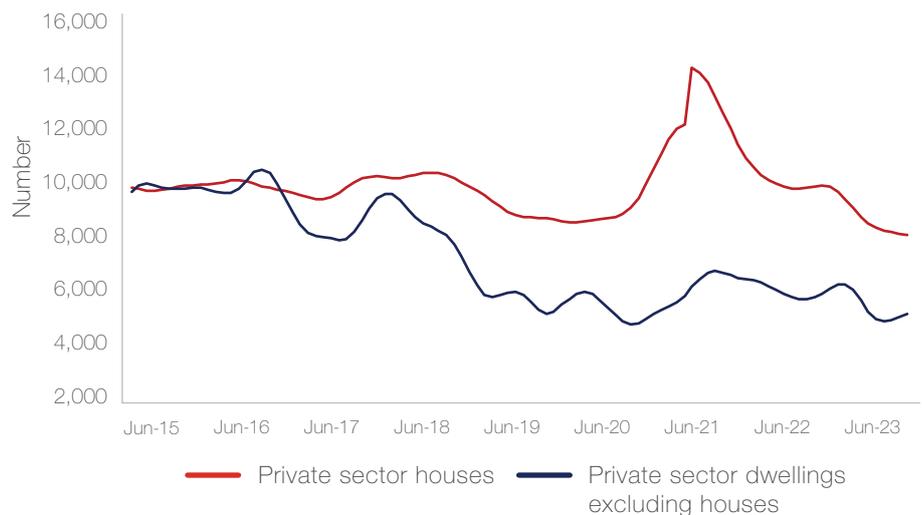
Figure 5:

Rolling three-month change in dwelling values³



Figure 6:

Private dwellings approved, trend, as at June 2023⁵



3 https://www.corelogic.com.au/__data/assets/pdf_file/0016/15910/CoreLogic-HVI-Jul-2023-FINAL.pdf

4 Reserve Bank of Australia, Statement on Monetary Policy, May 2023.

5 Australian Bureau of Statistics, Building Approvals, Australia.

Figure 7:

Private dwellings commenced, seasonally adjusted, as at March 2023⁶



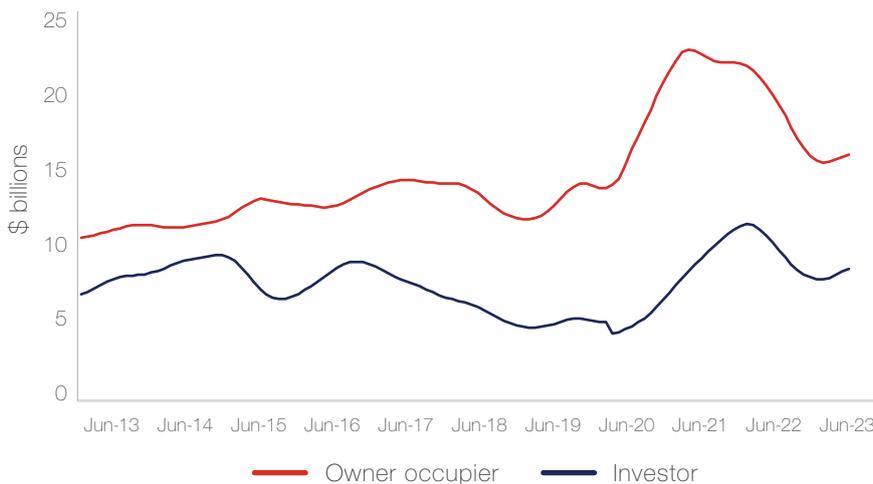
Investment in housing, specifically established dwellings, is expected to begin to correct, following a decline in investor commitments over 2022 (refer to Figure 8), supported by rising rental yields and increased population growth driving demand. However, growth will be somewhat subdued due to the ongoing supply constraints and relatively high property prices.

Overall high property prices, supply issues, and weaker consumer sentiment present in the property market presents risk for DHA, as leasing continues to be our primary method of sourcing properties for Defence. Current market conditions, including record low vacancy rates of around one per cent nationally have limited the availability of stock to grow the portfolio in preparation for the anticipated ADF member growth.

We have implemented a range of strategies to address this, including increasing the takeout of our developments and we will continue to take a proactive approach to mitigate these environmental impacts where possible. These strategies are discussed further in *Key activity 1 – Provide and manage a portfolio of housing*.

Figure 8:

New loan commitments by value, trend, as at June 2023⁷



6 Australian Bureau of Statistics, Building Activity, Australia.

7 Australian Bureau of Statistics, Lending indicators, Australia.

Changing housing standards and preferences

We provision housing in line with Defence housing compliance specifications—Service Residences are generally detached dwellings with three to four bedrooms, separate lounge and dining areas and specified outdoor spaces. New housing being built in Australia is moving more towards medium to high density with smaller lot sizes, particularly in metropolitan centres.⁸ In recent years Defence policy has evolved to reflect the changing housing standards creating greater flexibility and ease for us to provision and provide greater choice to ADF members, including through increasing provisioning of Rent Band Choice Housing. However, there are still some elements of Defence housing specifications that continue to limit our ability to provision a compliant Service Residence. This includes minimum standards relating to the size of outdoor spaces and property amenities, such as requiring toilets to be separate to the bathroom.

Technology and digital transformation

At DHA, our digital footprint is broad: our online platforms are banks of invaluable data, our people work remotely across the country, and many thousands of ADF members and suppliers interact with DHA systems every day. Cyber security and the potential threat on our operations is enduring. Proactive measures continue to be needed to protect the sensitive data of ADF members and their families to ensure their ongoing safety.

Technology will continue to provide opportunities to enhance the way customers access our services. Moving to the cloud and shifting to modular architecture provides greater flexibility in delivering our service offerings. We are already working to realise benefits associated with automation by optimising our processes. We recognise information is an asset and continued investment in data and analytic capability will benefit DHA through a greater ability to recognise relationships and patterns in larger sets of data. Subjective assessments can be confirmed with insights, resulting in sound, property-specific decisions.

⁸ Australian Bureau of Statistics, *New houses being built on smaller blocks* 7 June 2022.



Key environmental trends



Defence strategy

- › Development of the National Defence Strategy to uplift Defence capability and capacity will have an impact on housing requirements in the long-term.
- › The ADF workforce is forecast to increase. The impact on DHA depends on timing, location and force structure. Significant growth in the portfolio and uplift of service delivery capability will be required to meet the long-term demand.

Property market

- › Current market conditions, including record low vacancy rates, have limited the amount of suitable stock available to grow the portfolio in preparation for the anticipated ADF member growth.
- › We are exploring alternative provisioning strategies to minimise market impacts and secure the housing required to support Defence capability.

Evolving ADF member demographics

- › Changes in family composition impacts the type of dwellings required by ADF members and will continue to be a consideration in our provisioning decisions.
- › The number of ADF members with a partner only (i.e. no children) is increasing, and ADF members increasingly have other dependents – i.e. caring responsibilities for older family members and adult children remaining in the family home longer.

Changing housing standards and preferences

- › Flexible workspaces, digital connectivity, environmental sustainability, and energy efficiency are increasingly desirable features. Newly built housing in Australia is moving more towards medium to high density with smaller lot sizes, particularly in metropolitan centres.
- › We will need to continue to balance the evolving preferences of ADF members with Defence housing policy and housing supplied in the market.



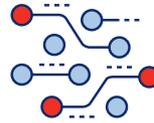
Environment and climate change policy

- › DHA takes environmental policy and issues seriously and fully complies with all legislative and regulatory obligations.
- › Environmental standards of dwellings will be increasingly influential as DHA looks to retain properties in the portfolio for longer. Properties may require upgrades to remain compliant to evolving environmental and efficiency standards.



Natural environment

- › Climate change is predicted to bring increasingly severe and frequent weather events and disasters that result in property damage.
- › There will be increased importance assessing property locations and assurance to protect assets and minimise the potential impact on ADF members and their families.



Technology

- › Cyber security threats are becoming more common and sophisticated. Proactive actions in line with cyber security best practice will be our best defence against these enduring threats.
- › Technology will continue to provide opportunities to enhance the way our customers access our services, through automation, and data and analytic capability to provide a more individualised service.



Labour market

- › To compete for talent in a challenging labour market, we need to invest in our employee value proposition and ensure our offering meets the needs of in-demand workforce segments.
- › Through effective employee relations and workforce planning, we will ensure that DHA uses people capability flexibly and effectively to meet requirements in an evolving workplace relations landscape.

Cooperation

For 35 years, DHA has provided ADF members and their families with the housing and related services they need while delivering value to the Australian Government as represented by the Departments of Defence and Finance.

Figure 9:
Key relationships



We work closely with a range of stakeholders to deliver on our purpose (refer to Figure 9). We collaborate with both the Department of Defence and the Department of Finance, through formal and informal mechanisms, including engagement and consultation on planning and performance reporting activities. Regular engagement with Defence occurs in line with arrangements set out in the Defence Services Agreement and as required to inform Defence policy.

We seek advice and feedback from Defence Force Personnel and key Defence organisations through the DHA Advisory Committee. The DHA Advisory Committee's role is to provide general advice and information on the performance of DHA's role and includes representatives from the National Convenor of Defence Families of Australia, the Chief of the Australian Defence Force and Service Chiefs. This feedback is used to inform and improve our services.

We engage a diverse range of contractors ranging across construction, repairs and maintenance, and realty industry sectors. DHA's contractor engagement framework effectively manages contractor service delivery to assure compliance with DHA's legislative, corporate and Defence Services Agreement requirements.

We partner with industry builders and developers to support our provisioning strategy and engage industry bodies to access up to date industry information that may impact national and regional development and construction activities to ensure optimal commercial and provisioning outcomes. In addition, we engage a number of small, and small to medium enterprises throughout our supply chains and seek opportunities to build engagement with Indigenous owned businesses, particularly in the property and construction industry.

Environmental, social and governance activities

Following the creation of the International Sustainability Standards Board in 2021, there has been an increased focus on environmental, social and governance activities across business. We are committed to positive action to embed sustainable and ethical considerations in decision making to support better outcomes for our stakeholders.

Environmental

We provide energy efficient fittings in our housing in line with our Services Agreement with Defence and meet Defence environmental policy when constructing housing on Defence land. Our developments are assessed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), and we consider building materials, insulation requirements, building orientation and floorplans to determine the appropriate dwelling for each location and to ensure our developments meet the applicable energy rating.

We consider environmental sustainability in office premises including by making efficient use of space. Where possible, we reduce electricity consumption through the installation of energy efficient lighting (LED and sensor lighting) and window coverings. We further enable reduction of environmental impact associated with our offices by:

- › selecting office accommodation close to public transport
- › providing amenities that encourage staff to use non-motorised transport options like riding bicycles, walking or jogging to work
- › offering flexible work practices that enable staff to work from home
- › embracing technology that enables paperless meetings through the use of online collaboration tools
- › providing recycling bins to reduce landfill waste.

We maintain a fleet of vehicles that are managed through a Whole of Australian Government arrangement. Our fleet of non-plugin Toyota hybrid vehicles balances practical operational requirements and sustainability requirements. We are replacing our fleet with vehicles that will meet the revised Commonwealth Fleet Vehicle Selection Policy.

The Australian Public Service (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 report on its emissions from 2022–23. The APS Net Zero Emissions by 2030 target does not apply to DHA as a corporate Commonwealth entity, however, we consider actions to reduce emissions where practicable. We will implement more comprehensive reporting of our environmental performance in our 2022–23 Annual Report as required under Section 516A of the EPBC Act and in line with the Government's APS Net Zero 2030 policy.

Social

We engage with the communities in which we operate and organise events to support ADF members and their families to build a sense of belonging in their service location. We partner with, and sponsor charitable organisations which provide support to ADF members and their families. These include:

- › Partnership with Integra Service Dogs Australia to employ additional instructors for their program to reach more people who require their services.
- › Partnership with The Oasis Townsville to provide a space for veterans to meet, and attend programs and initiatives focussed on transition into civilian life.
- › Partnership with Kookaburra Kids to provide a tailored program to support children of ADF members. The Kookaburra Kids Defence Program supports serving and ex-serving ADF families affected by mental illness.

- › Sponsorship of the Legacy Century Torch relay 2023. This sponsorship will assist Legacy to continue to provide care for the families of ADF personnel who have lost their lives or their health as a result of their service.
- › Sponsorship of the Australian Military Wives' Choir to support kinships for partners, daughters, mothers and sisters connected to serving ADF members.

We are committed to Reconciliation. We work closely with a range of stakeholders to deliver meaningful partnerships and opportunities for Aboriginal and Torres Strait Island peoples and support increased cultural awareness of Indigenous matters. Our commitment to reconciliation is outlined in our new Innovate Reconciliation Action Plan. We invest in initiatives including the Jawun APS Secondment Program, the Services Australia Indigenous Apprenticeship Program, participation in National Reconciliation Week and NAIDOC week events. Our Indigenous Procurement Strategy is aligned with the Australian Government's Indigenous Procurement Policy and we partner with Supply Nation to increase our engagement with Indigenous owned businesses.

We have a range of initiatives that embrace and celebrate the diversity of our workforce, such as our Diversity and Inclusion Working Group, a network of Affinity Groups, and our Diversity and Inclusion Strategy. We are recognised as an Inclusive Employer 2022–23 by the Diversity Council Australia. We are committed to providing a safe and healthy work environment for our people—workers, visitors to our offices and those who have the potential to be affected by our activities. Our Health and Safety Committee advocates for and develops measures to keep all employees physically and psychologically safe, and ensure compliance with the *Work Health and Safety Act 2011* (Cth) and associated regulations.

As an Australian Government agency, we join the global effort to combat modern slavery and are committed to reducing the risk of modern slavery through the implementation of policies and procedures that provide transparent and accountable procurement and purchasing. Our ongoing commitment to improve our controls and strategies to contribute to the eradication of modern slavery are detailed in our Modern Slavery Statements available at the Modern Slavery Register (<https://modernslaveryregister.gov.au>).

Personal information relating to the administration of our services are protected by the *Privacy Act 1988* (Cth). Our Privacy Policy details the comprehensive policies and processes in place to protect the personal information of our customers. We are committed to uplifting levels of compliance with the Australian Signals Directorate Essential Eight Mitigation Strategies to further protect our data and information assets.

Governance

We maintain fit for purpose frameworks and internal controls to support achievement of our purpose. The Board, as DHA's Accountable Authority maintains oversight of organisational risk, management systems and internal controls. Our internal audit program is a central component of our governance framework and is designed to strengthen accountability and promote good governance and transparency through independent and objective assurance. The program focuses on our objectives and risks and meets our performance reporting obligations under the *Public Governance, Performance Accountability Act 2013* (PGPA Act).

We maintain our fraud and corruption control framework to ensure it is fit for purpose and consistent with the Commonwealth fraud control framework. We prevent, detect, monitor and encourage our staff to report potential fraudulent or corrupt conduct to mitigate the damage fraud and corruption has on the performance and reputation of our business.



Organisational capability

We are focused on building strong organisational capabilities so we can deliver on priorities for the ADF and the Government and are prepared for the challenges and opportunities brought by our ever changing operating context.

Our workforce

An efficient, capable, and high performing workforce is critical to the achievement of DHA's purpose. We continue to invest in frameworks that support effective and sustainable workforce management, uplift capability, mitigate workforce risk, and support attraction, retention, flexibility, fairness and administrative efficiency. We are the only Government Business Enterprise (GBE) that employs staff under the *Public Service Act 1999* (Cth), which contains the APS values, Employment Principles, and Code of Conduct, which set out the standard of behaviour expected of APS employees.

Guiding principles and values

Our guiding principles and values support DHA in achieving our purpose by setting standards for decision making and the behaviours we incorporate into everything we do. Developed in consultation with staff representatives from all areas of DHA, our five guiding principles reflect our operating environment and customers' expectations of contemporary services.

Our five guiding principles are:

- › Focus on the customer – We deliver an excellent customer experience 24/365 through accessible services and in line with the Defence Services Agreement.
- › Digital first, human always – While humans always have a role to play, we look at every interaction and how we can deliver all our services digitally, both internally and externally.

- › Connected, coordinated and committed - As a team we are connected, coordinated and committed, working together to deliver our purpose.
- › Measure, evaluate and keep evolving – Our operating environment is continually changing so we will continue to measure, evaluate, and evolve our services to remain contemporary.
- › Be driven by data – Data and evidence drives our decisions, so we know we are continually improving our approaches to ensure they are servicing our customers' needs.

Our values are consistent with the APS values (Impartial, Committed to Service, Accountable, Respectful and Ethical)⁹ and, as an expression of good public administration, guide the behaviours we will apply in the activities we undertake.

9 APS values | Australian Public Service Commission (apsc.gov.au).

Culture and wellbeing

We are committed to building a culture that promotes high performance with holistic wellbeing. We are proud of our Inclusive Employer status and understand that continued commitment is required to sustain this achievement. DHA's Culture and Wellbeing, and Diversity and Inclusion strategies prioritise actions to create a productive and healthy workplace where employees feel respected, valued, supported at work, and thrive in their roles.

Future ready workforce

Building upon the capability uplift achieved through DHA's leadership development program, we will focus on embedding leadership practice across DHA and preparing our high potential employees to ensure that DHA has a sustainable leadership pipeline to meet future challenges. In addition to maintaining the core capabilities of our workforce, we will focus on strategic capability uplift aligned with DHA's strategic direction. We will establish tailored and targeted interventions to support workforce transition as new technology and operating models are implemented.

Workplace relations

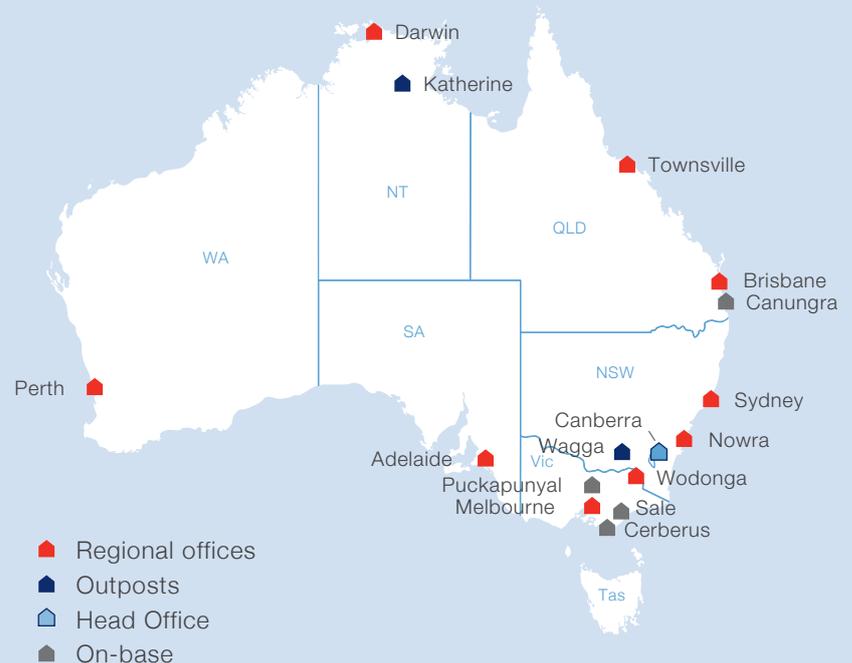
Across 2023–24, the workplace relations environment will continue to evolve as labour law reforms and public sector workplace relations policy take effect. In managing DHA's employee relations, we seek to achieve a balance between commitments to enhance employee experience and DHA's capacity to utilise its workforce flexibly and effectively.

Our offices

DHA has offices in 17 locations nationally (refer to Figure 10). Our offices, in conjunction with our 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 our regional offices deliver customer facing services to ADF members, their families, and our 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 10:

Office network as at 30 June 2023



User-friendly, effective governance

We invest in practical, user-friendly governance, both as an essential element of organisational hygiene as well as a key part of delivering against our priorities. This includes maintaining certification against the International Organisation for Standardisation Quality Management (ISO9001) embedding risk based decision making at all levels, as well as maintaining a strong focus on compliance, privacy, integrity, security, records management and work health and safety.

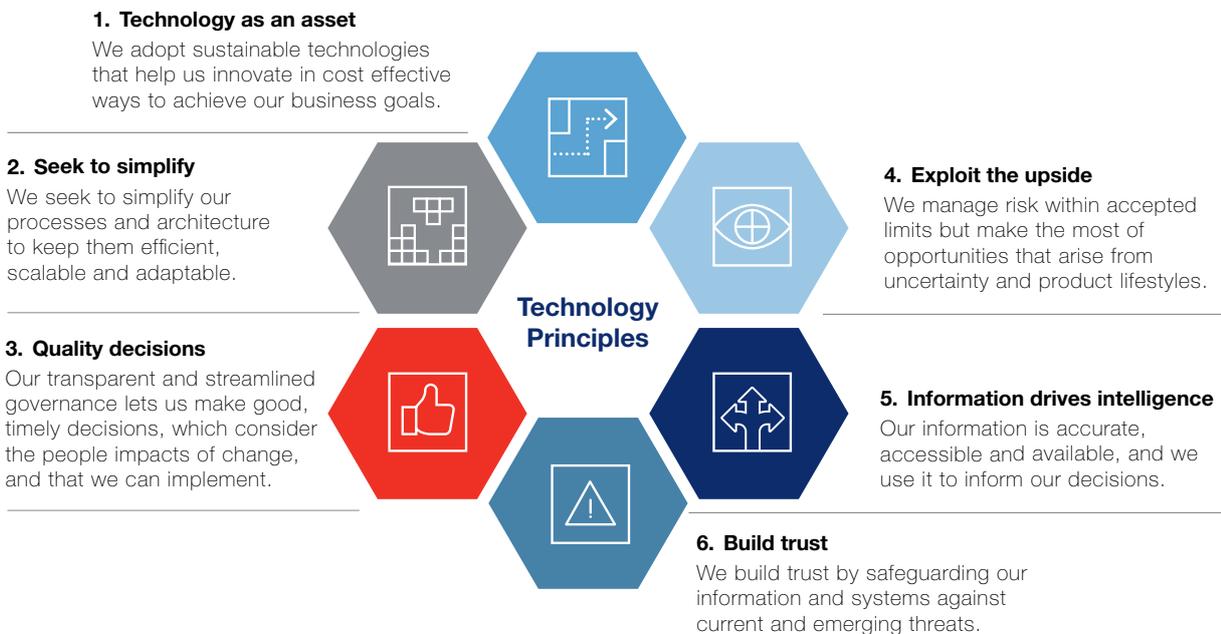
Information technology

DHA's Technology Strategy provides a principles-based framework for decisions supporting ongoing investment in future focused technology solutions. Our six technology principles, refer Figure 11, lay the foundation for the priorities within our long-term modernisation and improvement program, ensuring our IT investments continue to deliver efficient digital services that best serve ADF members, their families and key partners such as landlords.

In the current cyber landscape, we continue to build capability towards a cyber resilient organisation. A security by design approach provides the framework for investment across prevention, detection, and response readiness activities to protect DHA's critical assets. In addition to uplifting maturity against the Australian Signals Directorate's Essential Eight controls, we focus on education and awareness by bringing together cyber security, risk management, change and culture to better manage the human element of cyber security.

Figure 11:

DHA technology principles



Risk oversight and management

Risk management is an integral element of governance. It is embedded into our everyday business, whether staff work to deliver services directly to ADF members and their families or in an enabling capacity. It forms an essential part of our planning prioritisation and decision making.

DHA staff work collaboratively to identify, assess, and manage risks, including those risks directly within their area of control, broader strategic risks, and risks we share with our external stakeholders.

Risk management is also an important element of our continuous improvement journey and will support us to deliver our purpose to provide adequate and suitable housing and housing related services to ADF members. Our approach to risk management is detailed in *Appendix C – Risk oversight and management*.

Our strategic risks

We have six enduring strategic risks that, if they were to eventuate, may affect our ability to achieve our purpose. Preventative, detective, and corrective controls have been identified for each strategic risk.

These controls have been assessed with a control effectiveness rating assigned, enabling us to understand the control environment. Table 1 provides a summary of our strategic risks.

Table 1: DHA strategic risks

#	Strategic risk	Summary
1	Provisioning	DHA is unable to provide suitable housing for Defence members.
2	Financial sustainability	DHA is unable to maintain a capital base that would enable it to meet the ongoing provisioned housing needs of Defence.
3	Adaptability	DHA is unable to keep pace with the changing external environment or changed Defence or government requirements.
4	Information management	DHA is not able to effectively manage, use and protect its information.
5	People	DHA does not attract, develop, and retain the right people/capability.
6	Compliance	DHA does not comply with legislative and regulatory requirements.



Our emerging risks

We maintain an emerging risk register to monitor risks that could potentially have a material impact on DHA if they occurred, but there is insufficient detail to assess if they would impact DHA.

Table 2: DHA emerging risks

#	Strategic risk	Summary
1	Climate change	<p>Potential risks to DHA's existing property portfolio, insurance coverage (i.e. climate related exclusions), increased repairs and maintenance and/or land zoning restrictions attributed to climate change risk.</p> <p>There is now increased whole of government focus on initiatives and policies relating to climate change, with Australian Public Sector Net Zero by 2030, climate disclosure requirements and an expectation that other climate related initiatives may be introduced. The impact of these initiatives on DHA as a corporate Commonwealth entity and Government Business Enterprise are currently unclear.</p>
2	Changes to Government appetite on environmental issues	Potential risk of changes to government policy and uncertainty of impact on DHA particularly in relation to current development program.
3	Strategic decisions relating Defence	Potential risks to DHA if there was a significant change to the type, requirements, or number of Defence's housing requirements. While the Government response to the Defence Strategic Review has been released and a review into Defence housing announced, impact for DHA is as yet unclear.
4	Changing economic conditions	<p>Risks associated with a potential economic downturn such as rising inflation, interest rates and the associated risk to DHA's operations.</p> <p>Economic conditions changing the Australian housing profile could potentially reduce DHA's ability to purchase property, and/or attract or retain leased properties.</p>
5	Changes to the regulatory and judicial environment in relation to developments	<p>Recent judicial decisions with respect to developments appears to have shifted, with increasing liability placed on developers.</p> <p>Further, the statute of limitations may not remove liability after certain time periods have passed, to the same extent as previously available. This could result in exposure to legal actions outside of previous limitation time periods.</p>
6	Supplier risk	Procurement issues stemming from supply chain disruptions and/or geopolitical factors.





PART 4

Performance

Performance framework

Achieving our purpose

Key activity 1 – Provide and manage a portfolio of housing

Key activity 2 – Partner with Defence to shape and administer housing policy

Key activity 3 – Provide housing services to ADF members and their families

Key activity 4 – Operate effectively, efficiently and sustainably as a better practice

Commonwealth entity

Performance framework

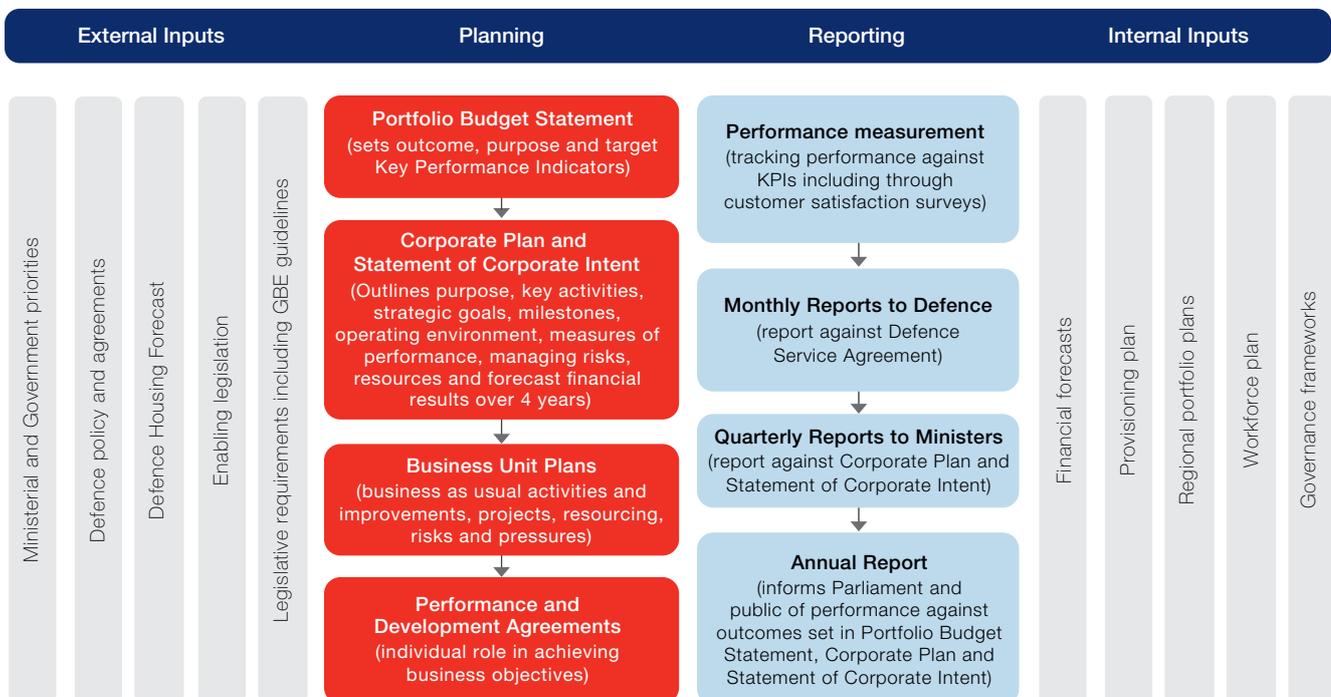
Defence Housing Australia (DHA) delivers on its functions through the DHA performance framework (Figure 12). This is in line with the Commonwealth Performance Framework and shows our planning and reporting functions, ensuring strategic direction and alignment across the business is provided by a clear line of sight through all strategic planning and reporting activities.

The Corporate Plan and Statement of Corporate Intent are our primary planning documents and a key component of our performance framework. They set out how we will work towards the outcomes mandated by the Government in the Portfolio Budget Statements and reflect the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). They are updated annually to reflect changes in DHA's operating environment.

Performance against the Corporate Plan and Statement of Corporate Intent will be reported through Quarterly Shareholder Reports, and the 2023–24 Annual Report.

Figure 12:

DHA's performance framework





Defence

Selection Panel Training
People and Capability

DHA

Achieving our purpose

Our purpose has not changed, but we continue our journey to transform how we do business (refer to Figure 13). As we continue on our transformation journey—our aim is to ensure we can continue to support Defence capability through the provision of housing and related services and strengthen organisational capabilities to be efficient, effective and scalable to meet the needs of a growing Defence force. We are still in our second phase and remain focused on being connected, coordinated and committed as we transform how we work. In phase 3 we will continue to evolve to anticipate and respond to our operating environment.

Our strategic direction

We are not doing different things, but we are doing things differently. This Statement of Corporate Intent articulates how we achieve our purpose and the outcome mandated by Government in line with our strategic framework (refer to Figure 2, under *Our purpose*). Our key activities deliver our purpose, outcomes and objectives, supported by our guiding principles, culture and Australian Public Service (APS) values, and are underpinned by our operating context, strategic risks and the required capability. We have established strategic goals against each of our key activities. These goals define our vision for each key activity, they are the results we are aiming for to achieve our objectives. This is articulated in our strategic direction (refer to Figure 14).

Figure 13:
DHA transformation journey



Refresh the operating model

We delivered the plan over a longer period to balance the refresh with managing the unexpected impacts of COVID-19.

Connected, coordinated and committed

Our priorities are working with Defence on implications for housing from the Defence Strategic Review and strengthening organisational capabilities to enable efficient and effective service delivery.

Evolve

Deliver refreshed technology to enable contemporary, efficient and scalable service delivery. This phase will position DHA to adapt and respond to challenges in our operating context to ensure ongoing support for Defence capability.

Figure 14: DHA strategic direction



1. Provide and manage a portfolio of housing

Support Defence capability by providing a range of housing solutions at the right time and in the right location, in a sustainable and efficient way.

2. Partner with Defence to shape and administer housing policy

We partner with Defence as an expert and trusted advisor to shape contemporary Defence housing policy.

GUIDING PRINCIPLES

FOCUS ON CUSTOMER EXPERIENCE

DIGITAL FIRST, HUMAN ALWAYS

CONNECTED, COORDINATED, COMMITTED

MEASURE, EVALUATE, EVOLVE

DRIVEN BY DATA

OUR VALUES

Impartial, Committed to service, Accountable, Respectful and Ethical.



Key activity 1 – Provide and manage a portfolio of housing

Strategic goal – We support Defence capability by providing a range of housing solutions at the right time and in the right location, in a sustainable and efficient way.

We provide and manage a portfolio of housing in line with our Services Agreement with Defence and in accordance with Defence policy. We strategically manage the housing portfolio to:

- › deliver services in accordance with the *Defence Housing Australia Act 1987* (DHA Act) and the service standards set out in the Defence Services Agreement, and
- › manage our exposure to the property market by leasing, buying and building what we need to meet operational requirements of Defence.

DHA's focus is on delivering housing solutions to meet the Approved Provisioning Schedule as agreed with the Department of Defence. With a high volume of lease arrangements expiring over the next four years, the focus of our efforts in this key activity will be to utilise a broad range of provisioning methods to meet housing demand and leverage industry to increase potential sources of property to provide certainty and choice for Australian Defence Force (ADF) members and their families.

Our provisioning principles guide how we centrally manage the housing portfolio (refer to Table 3). To deliver on our portfolio intent and principles we meet regularly with Defence to discuss provisioning activities and inform our portfolio planning and review process. These discussions support our supply of best fit provisioning methods with region specific considerations, taking into account occupancy rates and levels of Rent Allowance, enabling the delivery of flexible, customer centric responses and sustainable levels of housing.

Table 3: DHA provisioning principles

1	Complete all property transactions for the sole or predominant purpose of meeting the housing needs of Defence in accordance with the Defence Services Agreement and Approved Provisioning Schedule.
2	Maintain a property portfolio that meets the needs of Defence as defined by the policy under which we operate.
3	Manage exposure to property markets.
4	Operate within a sustainable business model which is responsive to market changes.
5	Take an efficient, whole-of-life approach to delivering housing products and related services.
6	Continuously improve through capability uplift, innovation, streamlining and simplifying processes, leveraging technology where appropriate.

Over this Statement of Corporate Intent period our activities to provide and manage a portfolio of housing are focused on achieving the following strategic objectives:

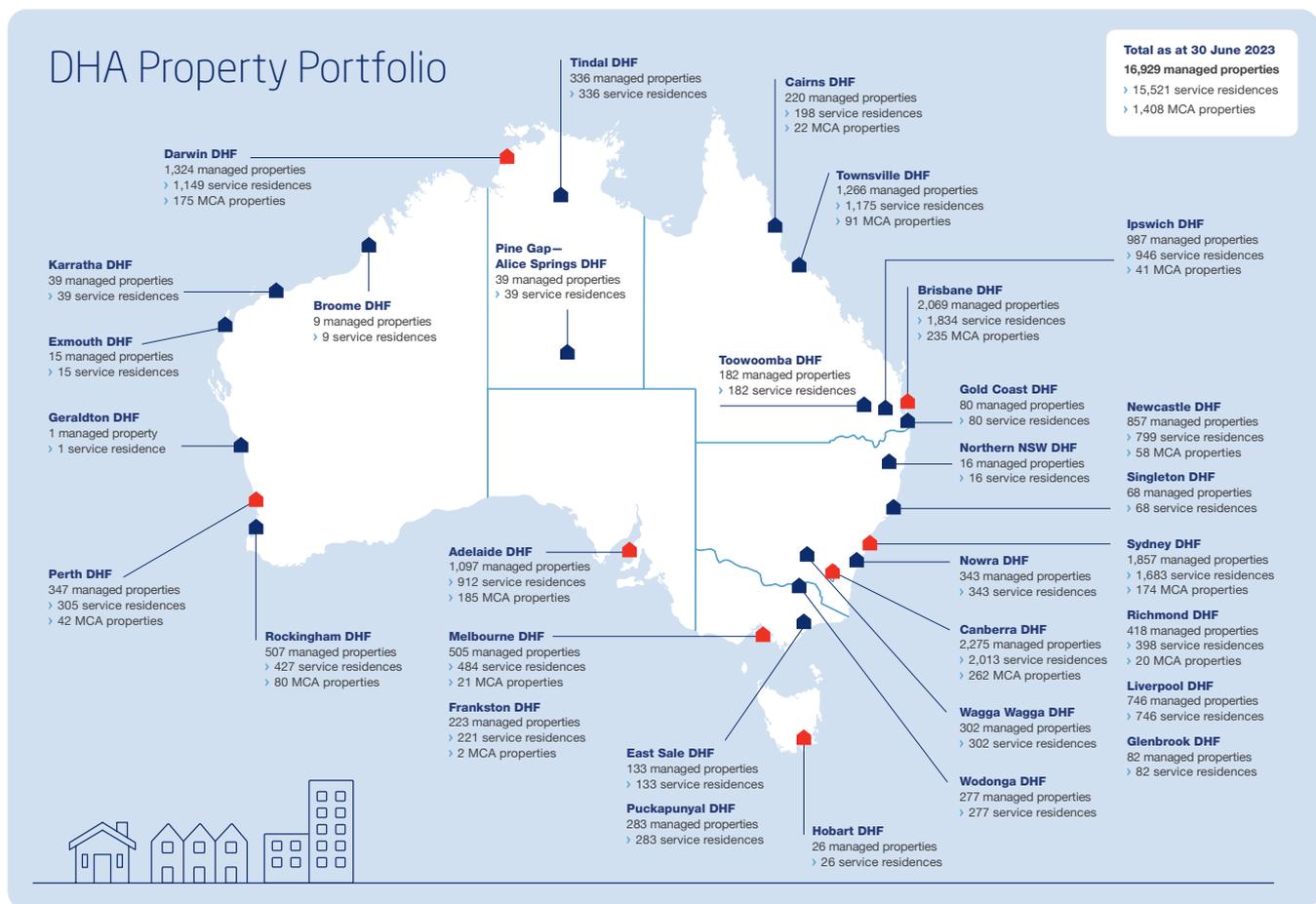
- › The portfolio is maintained at current size in line with the Defence Housing Forecast.
- › Increase flexibility in housing solutions and provisioning methods to address challenges in types of housing available in the market and changing demographics of ADF members and their families.
- › Build strong industry networks and partnerships to provision housing.
- › Efficiently manage and utilise portfolio assets.

DHA's housing portfolio

Our portfolio covers all capital cities, major regional centres, remote parts of Australia, and includes houses located on Defence bases and establishments. A snapshot of our housing portfolio is provided in Figure 15.

Figure 15:

Snapshot of DHA property portfolio as at 30 June 2023



We provision housing based on the Defence Housing Forecast (DHF) and in accordance with the Defence Services Agreement. The DHF is provided by the Department of Defence and details the five year forecast of regional housing requirements for ADF members. 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 current DHF sees a drop of 479 properties for 2022–23 and an increase over the Statement of Corporate Intent period of 162 properties. The DHF is the source of all our portfolio planning activities.

We undertake extensive provisioning processes and activities, which facilitate a whole of business approach (refer to Figure 16). This planning process results in the Approved Provisioning Schedule which sets the closing balance targets for the number of housing solutions required for the next three years (refer to Table 4).

Figure 16:
Annual provisioning planning cycle

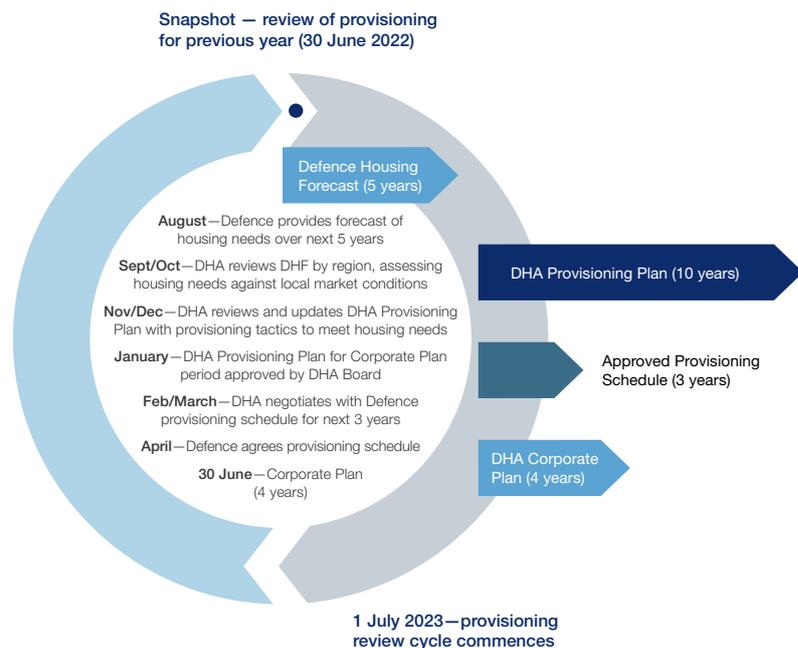


Table 4: Defence Housing Forecast and Approved Provisioning Schedule of housing for members with accompanied resident family

Financial Year	Defence Housing Forecast	De facto Rent Allowance ¹	DHA target demand ²	DHA provisioning target ³	Opening balance	Total additions	Total subtractions	Closing balance
2023–24	18,457	2,097	16,360	14,724	15,598	2,245	2,626	15,217
2024–25	18,491	2,097	16,394	14,755	15,217	2,359	2,371	15,205
2025–26	18,546	2,097	16,449	14,804	15,205	2,410	2,294	15,321

- 1 Members with accompanied resident family Rent Allowance recipients approved on basis of Defence policy that recognises the ADF member as a member with accompanied resident family under Interdependent Partnership (IDP) or 'de facto' policy.
- 2 DHF less Rent Allowance approved on basis of Interdependent Partnership policy (these members are not included in DHA Target Demand for Service Residences on the assumption they remain housed in Rent Allowance).
- 3 Provisioning target agreed between DHA and Defence through the Approved Provisioning Schedule. Generally calculated as 90 per cent of DHA Target Demand for each rent band in each region unless regional requirements determine a different target. This acknowledges that not all members with accompanied resident family will be housed in a Service Residence and may instead be approved for Rent Allowance or live in their own home.



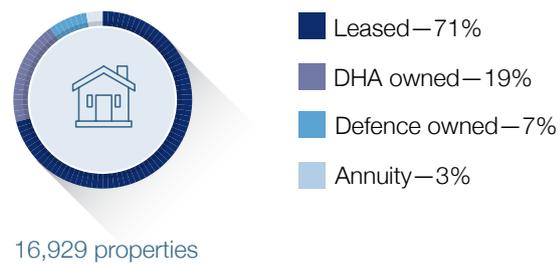
Widely anticipated growth in the Defence Force is not presently indicated in the DHF and as such is not factored into our provisioning plans.

The 2023–24 Approved Provisioning Schedule sets the current housing demand below the previous housing requirements and identifies a modest increase in housing requirements between 2023–24 and 2025–26. To ensure we are responsive to changes to Defence housing needs we will continue to work with Defence to develop a clearer understanding of the anticipated growth and demographic makeup of military bases and regions to guide ADF member housing requirements and preferences over the long-term.

The majority of our portfolio is owned by private landlords and leased to us (refer to Figure 17). We own a portion of our portfolio to provide security in housing supply for Defence and for strategic reasons. This includes if they are well located properties that would be difficult to replace if sold, properties for future redevelopment and properties that we are required to hold for their financial benefit. Maintaining a majority leased portfolio has enabled us to manage our portfolio in a flexible and sustainable manner, however, it also exposes us to a degree of long-term risk and uncertainty. From 2024 we are exposed to a significant increase in the number of leases expiring in our portfolio. We will need to increase the volume of housing solutions sourced to maintain the current portfolio size to replace the leases expiring.

Figure 17:

DHA portfolio by ownership type as at 30 June 2023



Provisioning methods and challenges

We will continue to favour low capital forms of provisioning (i.e. leasing) where possible, however, as outlined in the operating environment, we will focus on responding to the range of external factors that impact our provisioning activities. These include:

- › the limited stock currently available in the housing market that meets Defence requirements, coupled with current market conditions including low vacancy rates
- › housing standards for residential constructions do not always align to Defence policy expectations.

To minimise the impact of these factors and provide long-term security of supply of housing for Defence in key regions, we aim to supplement leasing with other forms of provisioning. We will continue to employ strategies aimed at adding new stock to the portfolio through

leasing, debt funded acquisitions and takeout of our development sites, while minimising disposals, maximising lease options and renewals, and extending the life of DHA owned properties through our maintenance and upgrade programs. In addition, we will seek to maximise future opportunities by pursuing new provisioning strategies that complement current methods and deliver a continuous supply of suitable products as required. This includes:

- › offering flexible lease terms
- › partnering with builders or developers to provide leased properties
- › utilising more complex procurement processes with the aim of securing bulk lease arrangements
- › increase Rent Band Choice Housing and alternative housing solutions which may include apartments and townhouses.

Management of the DHA portfolio

Asset Management Strategy

We are developing an Asset Management Strategy to establish a structured approach to maintaining our existing housing portfolio in a consistent, efficient, and sustainable way. We will change the way we manage our housing portfolio and optimise our approach to asset management, maintenance planning and procurement, while addressing recommendations from recent internal audits.

Whole of life cost modelling will be undertaken to improve understanding of property costs particularly across asset classes and to optimise capital expenditure ensuring appropriate investment when and where it is required. We will leverage opportunities with industry partners to achieve efficiencies and address supplier risks and support our capacity to respond to future changes. This new approach will support provisioning and benefit ADF members by extending the life of existing assets.

Managing heritage properties

We are committed to the care of heritage values of DHA and Defence property, to identify, protect, conserve, preserve and transfer to all generations any Commonwealth heritage values of the place. These properties are managed in line with operational obligations arising from legislation and good practice in conservation and property management.

On behalf of the Department of Defence, we manage and maintain 72 properties with Commonwealth Heritage Listing status in the following locations:

- › The Royal Military College – Duntroon
- › HMAS Creswell – Jervis Bay
- › HMAS Watson – Sydney
- › HMAS Cerberus – Mornington Peninsula
- › Anglesea Barracks – Hobart
- › Victoria Barracks Sydney – Paddington
- › Spectacle Island – Drummoyne
- › RAAF Base Glenbrook¹⁰
- › RAAF Base Richmond
- › Garden Island Precinct – Sydney
- › Gun House – Fremantle.

We own, manage, and maintain two properties with Commonwealth Heritage Listing status in the following locations:

- › Belconnen Naval Transmitting Station – Lawson
- › Fort Wallace – Stockton.

Further detail on our housing portfolio and planning cycle can be found in *Appendix B – Property portfolio and provisioning*.

¹⁰ While RAAF Base Glenbrook is not on the Commonwealth Heritage List, it meets the requirements to be included on the list and is listed on the Defence Heritage Register. Therefore we manage the property in line the requirements of heritage properties.

Key activity 2 – Partner with Defence to shape and administer housing policy

Strategic goal – We partner with Defence as an expert and trusted advisor to shape contemporary Defence housing policy.

We administer Defence housing policy in accordance with the pay and conditions for ADF members, our Services Agreement with Defence, and our functions as outlined in the DHA Act. The Services Agreement is the contract that governs the operational relationship between Defence and DHA and sets out agreed servicing requirements.

Defence determines the pay and conditions for ADF members including their eligibility for subsidised housing. Housing policy specifies the types of housing solutions that are adequate and suitable for ADF members and their families. The administration of policy and benefits includes the allocation of all housing solutions, calculation and reporting of payments and reimbursements to Defence, maintenance of member information and providing advice to ADF members on how to access benefits. Additionally, we support the occupation and vacation of DHA managed housing solutions through the booking of inspections and provision of advice to Defence on ceasing and commencing

benefits. In administering housing policy, we provide advice and guidance to ADF members on eligibility and housing related matters. 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.

In addition, we undertake quality assurance processes as stipulated in our Services Agreement with Defence. This includes annual reconciliation of benefits for rate changes, review of Rent Allowance payments as part of Defence's fraud control program and reporting on lead indicators such as member debts and refunds.

We work closely with Defence to review and reform policy, processes, and systems, that support more flexible housing solutions and deliver improved outcomes for ADF members and their families. Our role in partnering with Defence will be increasingly important over the coming years as the Department undergoes reform to deliver a well-equipped, fit for purpose ADF.

Over this Statement of Corporate Intent period our activities to partner with Defence to shape and administer housing policy are focused on achieving the following strategic objectives:

- › Coordinated engagement with and reporting to Shareholders.
- › Improve understanding of Defence housing demand and review forecasting methodology, to inform portfolio planning.
- › Support implementation of the outcomes of the Defence Strategic Review and the Defence modernisation of employment conditions program.
- › Work closely with Defence on housing policy, process and administration simplification.
- › Establishing clearly defined service levels and aligned pricing.

Support Defence reform

As a longstanding and trusted provider of housing and housing related services to ADF members and their families we will work closely with Defence to support continuous improvement activities related to Defence housing policy. We will work with Defence, where appropriate, to understand and inform the implementation of recommendations of the Defence Strategic Review and support and participate in the Defence initiated review into Defence housing.

We will continue to support the Defence ADF Employment Offering Modernisation Program to provide greater flexibility for ADF members and their families, through the application of the Defence led Flexible Housing Trial. The Trial allows members with dependants to live further away from their place of duty to support their partner's employment, study, or children's schooling.

Defence Services Agreement

DHA will continue to work with Defence on required service levels for customer facing activities, including process improvements, pricing, and consideration of relevant performance measures where they support outcomes that result in improved service delivery processes. This will build on changes to housing policy implemented over 2022–23 which delivered simplification of process, greater diversity of housing stock and reduced administration.

The Defence Services Agreement contains provisions for a major review every five years, with a review undertaken in 2022–23. In this Statement of Corporate Intent period, DHA will work with Defence to implement the outcomes of the 2022–23 Defence Services Agreement major review, including updates to occupancy agreements and housing services guidelines, and other process improvements. Completion of the major review enables an extension to the term of the Defence Services Agreement to 30 June 2028, with the maximum term of the Defence Service Agreement being to 8 December 2032.

Amendments to the Defence Housing Australia Act 1987 (DHA Act)

DHA, with Defence, will align Defence requirements for housing philanthropic organisations assisting the ADF, and foreign exchange and visiting military personnel, with the DHA Act and address the outstanding recommendation from the Australian National Audit Office's (ANAO) *Management of Defence Housing Australia* Auditor-General Report No. 31 of 2019–20.

The proposed amendments to the DHA Act have received Government approval and form part of the Defence Omnibus Bill 2023 which will be introduced to Parliament in accordance with the Government's legislative agenda.

The proposed amendments to the DHA Act are as follows:

- ▶ A limited expansion of DHA's functions to explicitly include the provision of adequate and suitable housing for broader categories of persons than currently provided for by the DHA Act (i.e. philanthropic organisations, foreign exchange officers, visiting military personnel and other persons).
- ▶ An amendment to clarify that State and Territory residential tenancy laws do not apply to leases entered into by DHA.

These amendments to the DHA Act address the ANAO recommendation from 2019–20 as well as enabling us to streamline operations and improve our service delivery for the benefit of ADF members and their families.

Key activity 3 – Provide housing services to ADF members and their families

Strategic goal – Our services are contemporary, convenient, flexible, in line with the Defence Services Agreement, and ADF members and their families can connect with DHA in the way they want.

DHA provides a range of tenancy and housing related services to ADF members and their families in accordance with our Services Agreement with Defence, including:

- › access to, and assistance to find, suitable housing in the DHA portfolio
- › tenancy and housing management services, including the management of repairs and maintenance
- › advice and guidance on housing policy and eligibility
- › booking and allocation service for Defence managed Living in Accommodation
- › 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, we coordinate property care services such as booking inspections with occupants, property owners and third party providers. We manage enquiries from occupants, property owners and contractors in relation to maintenance, inspections, and general property management. We conduct property inspections in accordance with lease obligations and the Defence Services Agreement and coordinate contractors to ensure that our housing solutions meet the standards agreed with Defence.

We continue to evolve the way we provide housing services to meet the expectations of ADF members for contemporary services and to drive efficiency while increasing our capability to better serve members during peak posting periods.

Enhancing the way ADF members access our services

Over this Statement of Corporate Intent period our activities to provide housing services to ADF members and their families are focused on achieving the following strategic objectives:

- › ADF members and their families can access consistent services and connect with DHA in the way they want through omni-channel service delivery mechanisms.
- › Service-related processes are simplified and administrative burden is reduced.
- › Tenancy services are contemporary, convenient, flexible and in line with the Defence Services Agreement.

We will continue to contemporise our service offering, enabling ADF members to access our services in the ways they want. We will work with Defence to define the customer experience they seek for ADF members and transform our processes and systems to deliver the majority of services through a personalised omni-channel strategy. We will implement our customer experience framework, which will support the alignment of our services with the Defence Services Agreement and ensure that the Defence agreed customer experience is consistent across our service delivery channels.

In addition, we will pursue ongoing capability uplift in technology and automation of manual tasks. Our Online Services functionality will be improved, including a refined online enquiry interface, increased prompts, and additional information to support ease of navigation. We will automate and streamline administrative workflows to reduce our service response times and increase self-service options to make it easier for ADF members to access our services at a time convenient to them. This will allow our frontline staff to concentrate on complex property management and allocations issues, providing a higher value service to ADF members and their families.

Key activity 4 – Operate effectively, efficiently and sustainably as a better practice Commonwealth entity

Strategic goal – We continuously improve, adapt to and leverage changes in our environment, operate with a high performing culture and make decisions that are evidence-led and risk based.

As a corporate Commonwealth entity and Government Business Enterprise (GBE) DHA is required to provide value to its Shareholders. We continue to invest in several key areas, including technology, our workforce and governance arrangements to enable DHA to evolve and respond to changes in our operating environment so that we can meet Defence's housing needs now and into the future, effectively, efficiently, and sustainably.

We will continue to deliver technological solutions to contemporise service delivery to meet the needs of ADF members and their families, create efficiencies through automation and leverage the data we hold to make decisions that are evidence-led and risk based. This will also improve our capability to analyse the cost of our services and forecast potential impacts of economic conditions as we continue to move towards sustainability.

We will uplift staff engagement, workforce capability and culture, and strengthen and mature our governance arrangements. We will enhance our enabling functions including change management, project management, procurement and contract management, finance, communications, risk management, internal audit, security, fraud and anti-corruption, privacy, and work health and safety. This will support staff to deliver against DHA's key activities to maintain compliance with GBE Guidelines, the Commonwealth Performance Framework and associated legislative or regulatory requirements.

Over this Statement of Corporate Intent period our activities to operate effectively, efficiently and sustainably as a better practice Commonwealth entity are focused on achieving the following strategic objectives:

- ▶ Revenue from core services is sufficient to maintain service levels required.
- ▶ Strategic workforce plan is implemented and key capabilities developed, including in leadership, business management, government acumen, stakeholder relations and digital literacy.
- ▶ Uplift internal capability and maturity of governance frameworks.
- ▶ Deliver the Technology Refresh Program to provide fit for purpose systems and capability that will enable increases in capacity and capability to meet Defence needs.

Technology Refresh, and Modernisation and Improvement Programs

We will continue to deliver flexible and contemporary solutions as part of our Technology Refresh Program and our Modernisation and Improvement Program. Aligned with our technology principles, we are embedding seamless integration and simplified processes, leveraging our data assets and Artificial Intelligence driven automation to support best practice and efficient operations across all activities.

Corporate Solution Program

The Corporate Solution Program is an integrated suite of best of breed technologies which will provide a seamless experience for DHA employees through a solution that creates standardised and simplified processes, provide consistent information, and allows them to focus on delivering better customer outcomes. Encompassing a cloud contact centre solution, workforce scheduling, knowledge management and customer relationship management applications, the program will create operational efficiencies by providing a 360-degree view of the customer. End to end integration will provide an omni-channel experience for customers and reduce time spent by employees on repetitive and manual tasks. Delivered across four releases, the solution will replace legacy systems and embed a simpler, flexible architecture automating processes and reducing cyber security risks.

Digital workplace

Leveraging the transition to Microsoft365 in 2022–23, we will finalise the implementation of OneDrive and SharePoint with a focus on best practice records and data management, while leveraging additional security features. The undertaking will deliver an increased suite of collaboration and productivity tools as part of the Microsoft365 offering. We will continue to operationalise uplifted data analysis and visualisation tools for staff and decision makers.

FinTech Program

The FinTech Program will continue to overhaul the systems and business processes that underpin our financial services. A key deliverable is the shift of the TechnologyOne Platform to the cloud, mitigating current on-premise risks and optimising automated workflows to generate operational efficiencies. New end to end functionality supporting procure to pay and assets are among the enhancements in scope. In addition, our TM1 project will deliver a new suite of financial modelling capability, empowering analysis and decision making supporting both operational sustainability and provisioning outcomes.

The Modernisation and Improvement Program

Building on the new capabilities and extensible solutions delivered as part of the Technology Refresh Program, the Modernisation and Improvement Program will focus on technology investments across human resources, risk management, asset management and cloud infrastructure. This program will seek to consolidate applications and infrastructure and provide improved operational efficiencies with greater flexibility in delivering continuous improvement across our services into the future.

Invest in our workforce capability and culture

We will continue to uplift our workforce capability and enhance the culture and commitment of our workforce, by implementing the DHA People Strategy 2022–25 (People Strategy). The People Strategy guides how we will achieve our strategic people capability objectives while responding to workforce impacts driven by our internal and external operating environment and the changing needs of the ADF.

We will focus on achieving a purposeful and sustainable culture, and future ready workforce. This will be underpinned by leadership at all levels, recognising the fundamental role of managers and champions across the business in delivering capability and culture outcomes. The Board oversees implementation of DHA's People Strategy, with a strong focus on culture and wellbeing, through the People and Culture Committee.

DHA is unique as the only GBE that employs staff under the *Public Service Act 1999* (Cth), and the only APS agency outside the scope of service-wide bargaining. DHA's existing enterprise agreement has a nominal expiry date of January 2024. We will work towards a new agreement within the parameters of government workplace relations policy, and cognisant of our role as a 'model employer' in the APS. As well as ensuring that workplace arrangements are compliant with evolving labour laws through updated policies and frameworks, we are focused on supporting employees and line managers through proactive engagement and education.





PART 5

Measuring Performance

Measuring performance

We regularly review performance measures to ensure they remain relevant and accurate. We have implemented changes for this Statement of Corporate Intent, as detailed in *Appendix D – Changes to performance measures*.

DHA's 2023–24 Statement of Corporate Intent performance measures are aligned to the:

- › Defence Services Agreement to ensure clarity and consistency in service delivery and to drive continuous improvement.
- › 2023–24 Portfolio Budget Statements for the Defence Portfolio, to demonstrate achievement of our outcome.
- › Department of Finance *Commonwealth Government Business Enterprise – Governance and Oversight Guidelines: Resource Management Guide No. 126* (RMG 126) where applicable.

We measure performance using various methods including analysis of internal data as well as internal and external surveys and align to Australian Public Service (APS) benchmarks where applicable. Progress on key activities set out in this Statement will be shared with Shareholders through quarterly reporting and meetings, in line with Government Business Enterprise (GBE) reporting requirements. We also publish an Annual Report in accordance with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The performance measures and targets for each key activity are detailed below.

Key activity 1 – Provide and manage a portfolio of housing

Measure 1a. Provisioning of housing solutions to the Approved Provisioning Schedule					
Rationale	<p>Provision of housing solutions in line with the Defence Approved Provisioning Schedule directly aligns to DHA's purpose of providing adequate and suitable housing for ADF members and their families to support Defence capability. Measuring the quantity of housing supplied in line with the Approved Provisioning Schedule demonstrates how DHA supports Defence capability by enabling the efficient posting of Defence personnel to locations across Australia. This measure also aligns with the key performance indicator in the Defence Services Agreement.</p> <p>The target for this performance measure is developed in agreement with Department of Defence and reflected within the Defence Services Agreement.</p>				
Type	Output / Quantitative.				
Method	<p>Calculated by dividing the total number of properties provisioned by DHA under the Defence Services Agreement within the relevant year by the annual target number of properties set out in the Approved Provisioning Schedule.</p> <p>At least 99 per cent of housing solutions must be provided in compliance with the Approved Provisioning Schedule for the period 1 July to 30 June each year.</p>				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	98.3%	≥99%	≥99%	≥99%	≥99%



Measure 1b. ADF member satisfaction with housing solutions

Rationale	<p>Measuring ADF member satisfaction with DHA housing solutions supplied in line with Defence policy assesses how fit for purpose the housing solutions provided by DHA are, in alignment with DHA's purpose and outcome to contribution to Defence outcomes by providing total housing services that meet Defence's operational and client needs through a strong customer and business focus. This measure aligns with the key performance indicator in the Defence Services Agreement.</p> <p>The target for this performance measure is developed in agreement with Department of Defence and reflected within the Defence Services Agreement.</p>				
Type	Output / Quantitative.				
Method	<p>Calculated by dividing the total number of respondents who rated their satisfaction with DHA housing solutions as "satisfied" or "very satisfied" through DHA's survey program by the total number of respondents overall for that year.</p> <p>At least 80 per cent of respondents must rate their level of satisfaction with housing solutions as "satisfied" or "very satisfied".</p>				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	82%	≥80%	≥80%	≥80%	≥80%



Key activity 2 – Partner with Defence to shape and administer housing policy

Measure 2a. DHA is a trusted advisor					
Rationale	<p>This measure assesses DHA performance in meeting Defence’s operational and client needs through a strong customer and business focus by measuring the strength of DHA/ Defence relationships that support the administration of Defence housing policy.</p> <p>The target for this performance measure is based on a standard five-point performance scale (i.e. excellent, very good, good, fair, poor).</p>				
Type	Effectiveness / Qualitative.				
Method	Qualitative measure assessed through feedback received through the Advisory Committee and annual guided discussions with Senior Executives at the Department of Defence in relation to the quality of communication, commitment, collaboration, and contribution to partnership with Defence.				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	Achieved	Rating of ‘good’ or above			

Key activity 3 – Provide housing services to ADF members and their families

Measure 3a. ADF member customer service satisfaction					
Rationale	<p>This measure assesses ADF member satisfaction with DHA's customer service provided in line with the Defence Services Agreement and aligns to DHA's purpose of providing adequate and suitable housing related services to ADF members and their families. This measure aligns with the performance measure in the Defence Services Agreement.</p> <p>The target for this performance measure is developed in agreement with Department of Defence and reflected within the Defence Services Agreement.</p>				
Type	Output / Quantitative.				
Method	<p>Calculated by dividing the total number of respondents who rated their satisfaction with as "satisfied" or "very satisfied" by the total number of respondents.</p> <p>At least 85 per cent of respondents must rate their level of satisfaction with DHA's customer service (in respect of accessibility, timeliness, ability to provide information and resolve issues, and professionalism) as "satisfied" or "very satisfied" in DHA's surveys.</p>				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	82%	≥85%	≥85%	≥85%	≥85%

Key activity 4 – Operate effectively, efficiently and sustainably as a better practice Commonwealth entity

Measure 4a. Maintain validity and certification against International Organisation for Standardisation Quality Management (ISO9001)

Rationale	<p>The International Organisation for Standardisation Quality Management (ISO9001) is the international standard that specifies requirements for a quality management system. Certification against ISO9001 demonstrates DHA's ability to consistently provide housing and related services in line with our purpose and meet regulatory requirements.</p> <p>The target for this performance measure is based on outcomes of certification and assessment as being 'certified' or 'not certified'.</p>				
Type	Effectiveness / Qualitative.				
Method	Assessment undertaken and certification provided by external independent auditor.				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	Certified	Certified	Certified	Certified	Certified

Measure 4b. Staff engagement

Rationale	<p>Staff engagement measures the emotional connection and commitment employees have to working at DHA and reflects the extent to which employees are motivated, inspired and enabled to improve DHA's outcomes. This demonstrates DHA's ability to consistently provide housing and related services in line with our purpose as staff are critical to our service delivery. This measure is consistent with the key performance indicators required for performance measurement and reporting for Government Business Enterprises as defined in <i>Commonwealth Government Business Enterprise – Governance and Oversight Guidelines: Resource Management Guide No. 126 (RMG126)</i>.</p> <p>The target for this performance measure is benchmarked to the Australian Public Service Employee Census overall results for employee engagement.</p>				
Type	Output / Quantitative.				
Method	Calculated engagement score from Australian Public Service Employee Census undertaken by the Australian Public Service Commission.				
Result	Actual	Forecast			
	2022–23	2023–24	2024–25	2025–26	2026–27
	72%	≥70%	≥70%	≥70%	≥70%





PART 6

Appendices

Appendix A – DHA organisational structure

Shareholder Ministers

Two Shareholder Ministers oversee the Australian Government's interests in Defence Housing Australia (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 has 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.

Board

A Board of Directors is established in accordance with Part III of the *Defence Housing Australia Act 1987* (DHA Act) and is the Accountable Authority for DHA under the *Public Governance, Performance and Accountability Act 2013* (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 publicly available Statement of Corporate Intent.

All Directors are appointed by the Minister for Defence, or their delegate, except the Secretary of the Department of Finance's nominee who is appointed by the Minister for Finance, and the Managing Director who is appointed by the Board.

Board committees

In accordance with section 26(1) of the DHA Act, the Board has established four 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 composition of committees periodically. The committees include:

- › Board Audit and Risk Committee
- › Board Investment Committee
- › Nomination and Remuneration Committee
- › People and Culture Committee.

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

Refer to Table 5 for further details on the role of each committee.

Figure 18:

DHA Board and executive decision making bodies as at 30 June 2023



Table 5: Board committees as at 30 June 2023

Committee	Role
Board Audit and Risk Committee	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.
Board Investment Committee	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.
Nomination and Remuneration Committee	Assist the Board to review the Managing Director's remuneration and performance, considering key appointments, and informing Shareholder Ministers of impending reappointments or vacancies on the Board, including recommending possible candidates where appropriate.
People and Culture Committee	Assist the Board by providing oversight of DHA's people and culture arrangements and initiatives.
DHA Advisory Committee	Provide general advice and information on the performance of DHA's role.

Managing Director

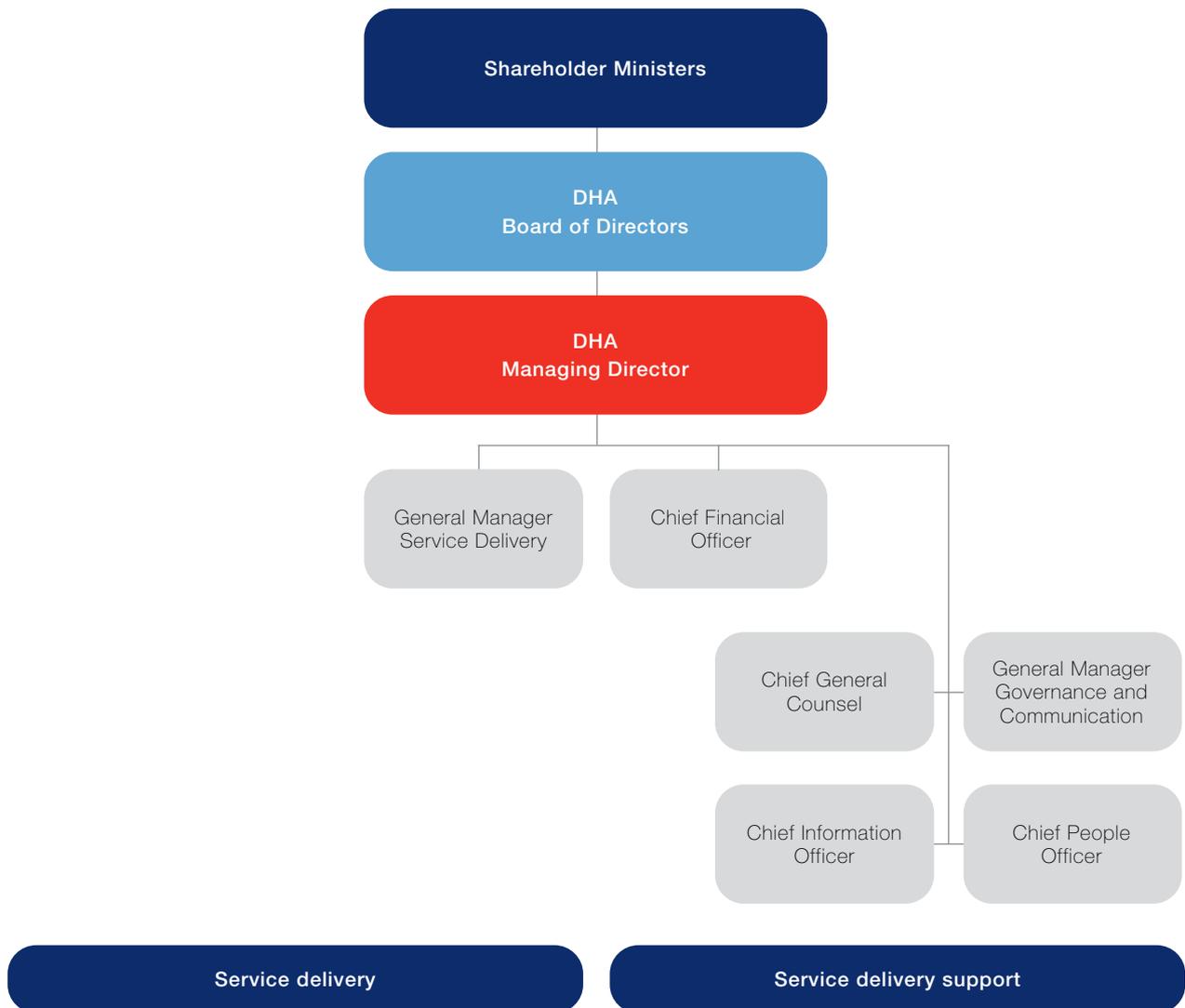
The Managing Director is appointed by the Board and is the only executive director of the Board. The Managing Director is responsible for conducting the affairs of DHA in accordance with the DHA Act and any policies determined by, and directions given by, the Board. The Managing Director oversees DHA's 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 Statement of Corporate Intent.

Figure 19:

Organisational structure as at 30 June 2023



Service Delivery Group

The Service Delivery Group is responsible for all additions and subtractions to the DHA housing portfolio, the management of housing allocation, housing benefit administration, asset and tenancy management, property sales and leasing activities. The Group is made up of two main functions comprising Property and Service Operations.

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

The Property Function is responsible for leasing activity, acquisition and disposals of residential property, heritage and upgrade projects, construction and development activity. Business improvement projects are managed by the Service Strategy and Design team. Enhancements are delivered with the support of other groups across the business with the focus of improving our customer experience.

Service Delivery Support Groups

Chief Financial Officer's Group

The Chief Financial Officer's Group supports effective decision making, resource allocation and accountability through strategic and portfolio planning, and the delivery of financial management services including performance reporting via the Corporate Plan and publicly available Statement of Corporate Intent, monthly and quarterly reports and the annual report incorporating full year audited financial statements. This group is also responsible for the strategic management of DHA's property portfolio.

Governance and Communication Group

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

Legal Services Group

The Legal Services Group 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 Group

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 our 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 Group

Business Solutions and Technology is responsible for the provision of information technology 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.

Appendix B – Property portfolio and provisioning

We work collaboratively with the Department of Defence to provide housing with a focus on regional requirements underpinned by insights from our customers and prudent financial practices. The Defence Housing Forecast (DHF) is made up of defined regional areas. Each region is managed to supply housing to Australian Defence Force (ADF) members and their families with consideration to ADF member needs, housing availability and market conditions within the policy parameters set by the Department of Defence.

Table 6 below provides a snapshot of the housing portfolio by region and ownership.

Table 6: Regional snapshot of DHA's portfolio of properties available for ADF members as at 30 June 2023

DHF Region	Service Residences and Rent Band Choice properties				Member Choice Accommodation		Total
	DHA owned	Leased	Defence owned	Annuity	DHA owned	Leased	
North Queensland Region	110	1,229	5	29	4	109	1,486
Cairns	13	158	4	23	4	18	220
Townsville	97	1,071	1	6	0	91	1,266
South Queensland Region	541	2,448	18	35	12	264	3,318
Brisbane	371	1,441	18	4	7	228	2,069
Ipswich	158	787	0	1	5	36	987
Gold Coast	5	45	0	30	0	0	80
Toowoomba	7	175	0	0	0	0	182
Sydney Region	1,068	1,751	87	3	63	131	3,103
Glenbrook	4	77	1	0	0	0	82
Liverpool	385	361	0	0	0	0	746
Richmond	74	300	21	3	9	11	418
Sydney	605	1,013	65	0	54	120	1,857
Hunter Region	120	757	0	6	16	42	941
Newcastle	106	690	0	3	16	42	857
Northern NSW	9	6	0	1	0	0	16
Singleton	5	61	0	2	0	0	68
Nowra Region	34	275	22	12	0	0	343
Canberra Region	193	1,639	181	0	8	254	2,275
Riverina Region	53	444	56	26	0	0	579
Wagga Wagga	28	193	56	25	0	0	302
Wodonga	25	251	0	1	0	0	277

DHF Region	Service Residences and Rent Band Choice properties				Member Choice Accommodation		Total
	DHA owned	Leased	Defence owned	Annuity	DHA owned	Leased	
Victoria Region	296	399	388	64	2	21	1,170
East Sale	2	80	1	50	0	0	133
Frankston	15	100	106	0	0	2	223
Hobart	16	4	5	1	0	0	26
Melbourne	263	215	6	0	2	19	505
Puckapunyal	0	0	270	13	0	0	283
Adelaide	191	711	7	3	24	161	1,097
West Australia Region	313	439	9	35	17	105	918
Broome	0	0	4	5	0	0	9
Exmouth	0	0	4	11	0	0	15
Geraldton	0	0	0	1	0	0	1
Karratha	11	11	0	17	0	0	39
Perth	186	118	0	1	12	30	347
Rockingham	116	310	1	0	5	75	507
Northern Territory Region	167	751	348	258	63	112	1,699
Darwin	167	751	146	85	63	112	1,324
Pine Gap (Alice Springs)	0	0	0	39	0	0	39
Tindal	0	0	202	134	0	0	336
National	3,086	10,843	1,121	471	209	1,199	16,929

Housing solutions

DHA provides a number of housing solutions, including:

- › Service Residences—compliant dwellings. These can be DHA owned, Defence owned or leased.
- › Rent Band Choice Housing—non-compliant Service Residences provided by DHA for members with a resident family.
- › Member Choice Accommodation—non-compliant Service Residences provided by DHA for members with no resident family and members with unaccompanied resident family who are eligible for Rent Allowance.
- › Rent Allowance—a reimbursement paid by Defence to an ADF member to secure a private rental where DHA is unable to provide a suitable Service Residence and they do not own their own home in the service locality.
- › Living in Accommodation—on-base accommodation.

Where ADF members own their own home in a service location and it is determined to be suitable, Defence policy requires the member to live in it.

Housing solution eligibility

The type of accommodation a member is eligible for depends on their rank, number, age and gender of dependants, their service location, and if they own a suitable own home in that location.

- › Member with accompanied resident family—Service Residences are the primary housing solution, or Rent Allowance when no suitable Service Residence is available. The member must live in their own home if deemed suitable.
- › Member with unaccompanied resident family—at the member's service location Rent Allowance, Living in Accommodation and Member Choice Accommodation are the primary housing solutions. In the service location of the member's family, the member is eligible for a Service Residence, or Rent Allowance when no suitable Service Residence is available. The member's family must live in their own home if deemed suitable.
- › Member with no resident family—Rent Allowance, Living in Accommodation, Member Choice Accommodation, or the member's suitable own home are the primary housing solutions. A Service Residence may be an option if surplus to requirements. The member must live in their own home if deemed suitable.

Service Residences

Service Residences must comply with minimum Defence standards in terms of location and amenity. Depending on the DHF area, Service Residences are either classified by market rent (known as rent bands) or by property amenity. In general, Service Residences should not be more than 30 kilometres from the base or establishment where the ADF member works.

Service Residences generally comprise a minimum of three bedrooms, separate lounge and dining areas, kitchen, laundry, bathroom, ensuite, single garage (or carport in NT) and a 35 square metre backyard (or 25 square metre backyards in Sydney).

Rent Band Choice Housing

Our portfolio includes a portion of properties categorised as Rent Band Choice Housing. These properties are generally inner-city apartments and other properties that do not meet the minimum Defence standards. ADF members and their families typically choose to live in a Rent Band Choice Housing property because the location and proximity to amenity that suits their lifestyle.

Townhouse Choice properties are a type of Rent Band Choice Housing property that will be increasingly available to ADF members in Canberra and Sydney. Townhouse Choice properties provide ADF members with a well located, lower maintenance housing option. ADF members are not obligated to reside in a Rent Band Choice or Townhouse Choice property.

Member Choice Accommodation

Member Choice Accommodation properties offer eligible ADF members an attractive alternative to renting privately, including a simple move-in move-out process with no bond or rent required in advance. ADF members may also share properties with other eligible ADF members. There are no minimum standards for Member Choice Accommodation properties, but they are usually a two bedroom dwelling, depending on the local market supply.

Figure 20:

Service Residence and Rent Band Choice Housing type as at 30 June 2023

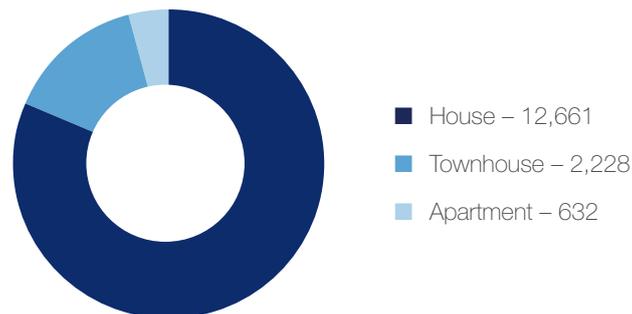
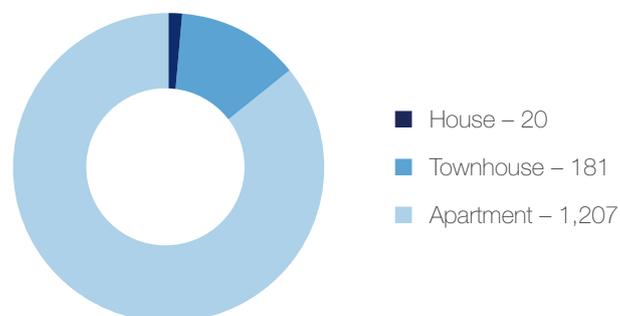


Figure 21:

Member Choice Accommodation housing type as at 30 June 2023



Rent Allowance

When a suitable Service Residence property is not available at the member's rent band classification, with required amenities, or if the home and grounds are not suitable for pets, an ADF member (and their family if applicable) may be approved to rent through the private market. ADF members are responsible for finding the accommodation but must engage with DHA (on behalf of Defence) to seek approval. DHA is then responsible for administering the payment of their Defence funded Rent Allowance.

DHA considers two elements of members receiving Rent Allowance who have an accompanied resident family:

1. Those members receiving Rent Allowance via recognition of an interdependent partnership (colloquially referred to as 'de facto RA')—these are nominally members already in receipt of Rent Allowance as a member with no resident family who have had their categorisation changed to member with accompanied resident family and remain in their existing rental accommodation. These are reflected in DHA planning as 'de facto adjusted RA' recipients.
2. Those members with an accompanied resident family receiving Rent Allowance on the basis of any other Defence housing policy.

Living in Accommodation

We manage the booking service for Living in Accommodation across 52 ADF bases. This includes management of user access permissions, providing advice on benefits and competing requests.

Provisioning programs

Leasing

We review and refine provisioning strategies in response to our environment, and continue to focus on leasing activities, ahead of retail acquisitions and construction programs.

We have a large leasing program that underpins our housing portfolio. Leases are sourced from the private market. With over 12,000 existing leases, the management of lease options, lease extensions and renewal of leases plays an essential role in maintaining a well located quality portfolio. Our leasing activity will need to meet a large portion of our provisioning additions across the Statement of Corporate Intent period.

Our direct leasing program is expanding over the next few years, as we target landlords who have property to lease. Once interest is received, the property is assessed to ensure it meets Defence requirements. Subject to meeting requirements, a lease can be negotiated, and any requisite upgrade works completed before the property is handed over and included in the DHA portfolio. The direct leasing program will continue to build over this Statement of Corporate Intent period and carries a significant provisioning risk in current market conditions.

Other provisioning programs support and complement the leasing program. We continue to seek new and innovative ways to manage provisioning requirements and have commenced implementation of several new approaches to provisioning.

Acquisitions

Our portfolio management approach balances retail acquisitions and construction programs, with a focus on leasing activities. This strategy will continue into the 2023–24 financial year, with a strategic approach to acquisitions in areas where leasing is not sufficient to meet provisioning needs.

Developments

The development and construction program will continue to support provisioning over the Statement of Corporate Intent period, delivering properties into the portfolio to be retained as investment. Key projects at Nirimba Fields, Deebing Heights, Aulds Road, Angle Park, Lee Point and Lawson North continue to support provisioning of quality housing.

New provisioning approaches, such as a builder leasing partner model utilising existing land within the development program, are being trialled. This strategy seeks to secure leased properties without needing to invest capital into built form construction, providing provisioning with lower capital and risk exposure.

Development risk mitigation

We focus on risk mitigation within the development and construction program. In 2022–23 further refinement in governance processes were implemented to provide improved operational and strategic oversight of development projects. These changes ensure the development program continues to be delivered in accordance with DHA's risk profile and support provisioning requirements.

Land holdings

We review our development projects to ensure that only properties required to support provisioning are brought into our portfolio. Where assets no longer meet provisioning needs and are surplus to requirements, we divest where appropriate. We are investigating the future provisioning needs for the Fort Wallace site in NSW and Mount Lofty in QLD.

Upgrades

We project manage upgrades to DHA and 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. The upgrades program allows us to retain properties in strategic locations, often near major Defence bases, by extending the life of the property for 15–20 years. To maintain a contemporary portfolio, we plan to double the volume of properties in the upgrades program in 2023–24 increasing out to 2025–26.

Appendix C – Risk oversight and management

Approach to risk management

Our approach to risk management is outlined in our risk management framework (refer Figure 22), which comprises the set of components that provide the foundations and organisational arrangements for implementing, monitoring, reviewing and continuously improving risk management in the organisation.

Figure 22:
DHA risk management framework



Key components of our risk management framework are:

- › **Policy and guidance:** Our approach to risk management, and roles and responsibilities, are described in our Risk Management Policy and Risk Management Guide. This includes our risk appetite and tolerance statement, which sets out the level of risk our Board is willing to accept, and our risk matrix which operationalises the risk appetite statement.
- › **Training and capability building:** We provide risk management training for all staff and maintain an informal network of Risk Champions, to uplift risk capability across the organisation.
- › **Levels of risk and reporting:** This sets out the different levels of risk in DHA and how these are managed and reported.

The framework is reviewed every two years (at a minimum) to ensure it is fit for purpose and reflects changes in our risk environment.

Our risk governance

Our Board of Directors, as our Accountable Authority, has overarching responsibility for the risk management framework. This is supported by the Board Audit and Risk Committee, which reviews and has oversight of the approach to risk management in DHA. Internally, the Chief Risk Officer and the central risk team drive a program of risk management improvements to promote a culture of active risk management and monitoring across the organisation.

Our strategic, business group, specialist, project, program, and operational risks are managed by Risk Stewards / Risk Owners and our preventative, detective and corrective controls are managed by Control Owners.

Appendix D – Changes to performance measures

DHA's performance measures have been reviewed and updated to reflect better practice techniques. A summary of changes and alignment to 2022–23 performance measures is provided below to maintain a line of sight to previously reported performance.

Table 7: Summary of changes to performance measures

2023–24 Performance measure	Change(s)	Rationale
Key activity 1 Provide and manage a portfolio of housing		
Provisioning of housing solutions to the Approved Provisioning Schedule	Unchanged.	–
ADF member satisfaction with housing solutions	Unchanged.	–
Key activity 2 Partner with Defence to shape and administer housing policy		
DHA is a trusted advisor	Change in result forecast. The result forecast for this performance measure is based on a standard five-point performance scale (i.e. excellent, very good, good, fair, poor). In 2022–23 the result forecast (performance target) was based on a result of 'achieved' or 'not achieved'.	To provide a measure of DHA's performance over time in line with better practice.
Key activity 3 Provide housing related services to ADF members and their families		
ADF member customer service satisfaction	Change in methodology. Performance will be measured by DHA's full survey program including quarterly surveys. In 2022–23 performance was measured through DHA's Annual Occupant Survey.	To align with the agreed performance measurement and reporting detailed in the Defence Services Agreement.
Key activity 4 Operate effectively, efficiently and sustainably as a better practice Commonwealth entity		
Maintain validity and certification against International Organisation for Standardisation Quality Management (ISO9001)	New measure.	To measure DHA's ability to consistently provide housing and related services in line with our purpose and meet regulatory requirements.
Staff engagement	Unchanged.	–

Appendix E – List of requirements

This Statement of Corporate Intent has been prepared in accordance with the requirements of:

- › subsection 35(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act); and
- › the PGPA Rule 2014.

The table details the requirements met by DHA's Statement of Corporate Intent 2023–24 and the page reference(s) for each requirement.

Table 13: Statement of Corporate Intent requirements

Requirement	Page(s)
Introduction <ul style="list-style-type: none"> › statement of preparation › the reporting period for which the plan is prepared › the reporting periods covered by the plan 	3
Purpose	10
Key activities	48–61
Operating context <ul style="list-style-type: none"> › Environment › Capability › Risk oversight and management › Cooperation › Subsidiaries 	18–27 33–36 37–39 28–31 N/A
Performance <ul style="list-style-type: none"> › Performance measures › Targets for each performance measures. 	64–69

Appendix F – Acronyms and abbreviations

ADF	Australian Defence Force
ANAO	Australian National Audit Office
APS	Approved Provisioning Schedule
APS	Australian Public Service
Cth	Commonwealth
DHA	Defence Housing Australia
DHA Act	<i>Defence Housing Australia Act 1987</i>
DHF	Defence Housing Forecast
Disposal	The sale of property
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
GBE	Government Business Enterprise
HMAS	His Majesty's Australian Ship
Investment	A property that is held as a strategic asset for the primary purpose of long-term provisioning
Leased/leasing	Leasing activity comprises direct leasing, renewals, lease options, variations and extensions
MCA	Member Choice Accommodation
NAIDOC	National Aborigines and Islanders Day Observance Committee
NSW	New South Wales
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
QLD	Queensland
RAAF	Royal Australian Air Force
RA	Rent Allowance – an amount paid by Defence to a member to secure a private rental where DHA is unable to provide a suitable service residence and they do not own an own home
Service Residence	A property provisioned for eligible ADF members which is compliant with Defence Minimum Housing Standards and required capital inclusions