



**Australian Government**  
**Aboriginal Hostels Limited**

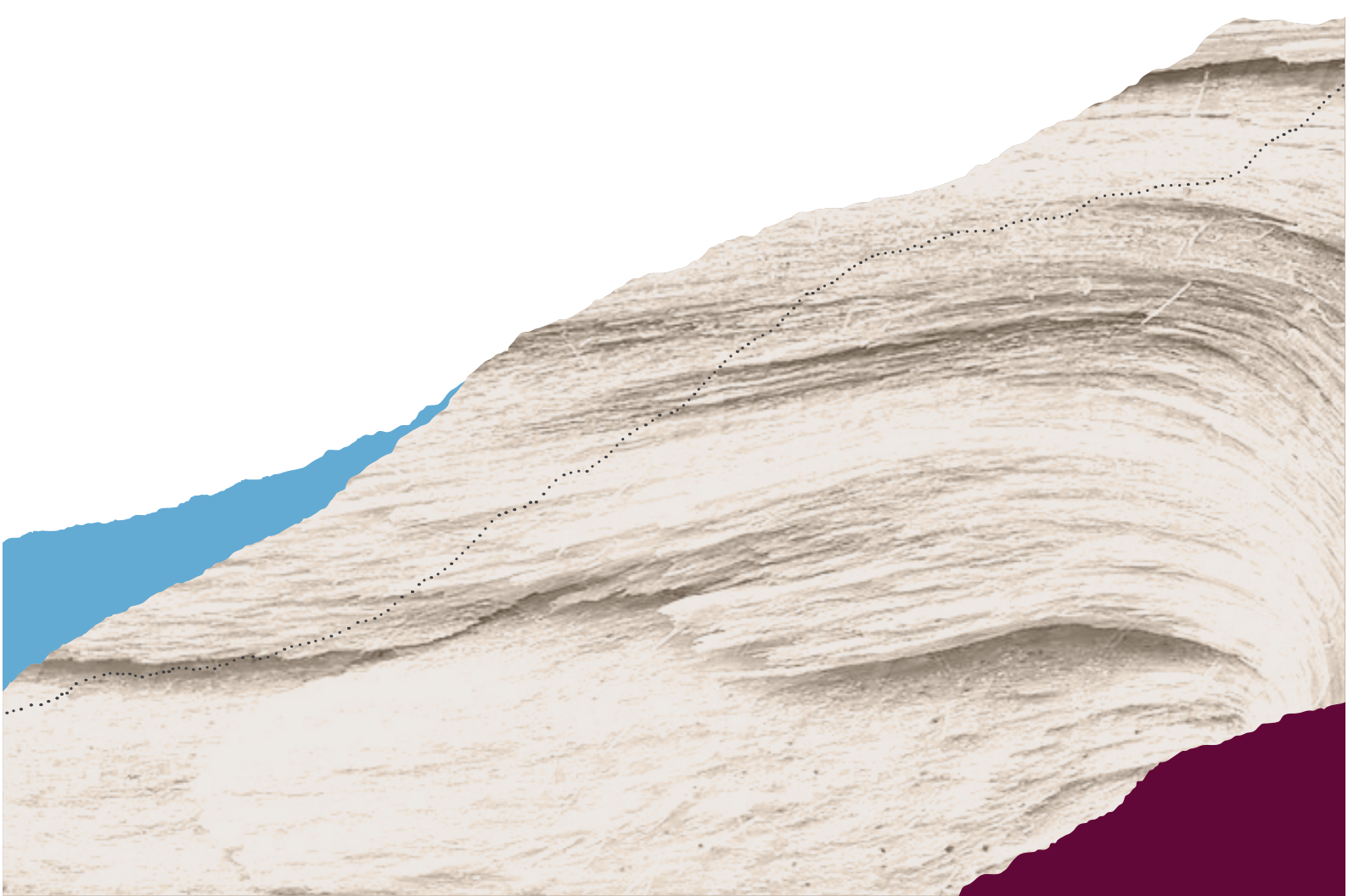


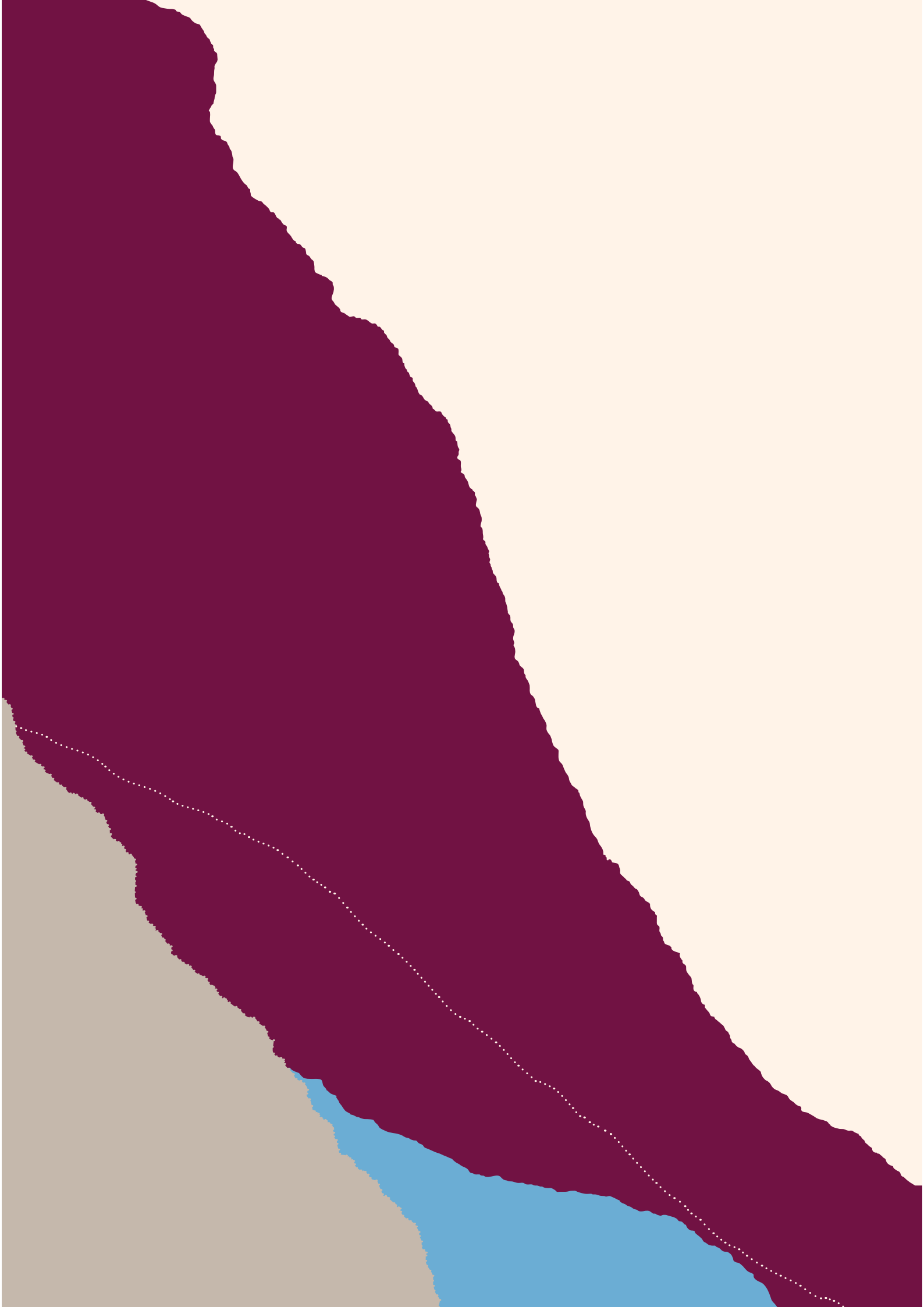
ABORIGINAL HOSTELS LIMITED

.....

# Annual Report

## 2018–19





## **Aboriginal Hostels Limited**

Level 1 Capital Centre  
2-6 Shea Street  
Phillip ACT 2606

PO Box 30  
Woden ACT 2606

**Phone:** 02 6212 2001

**Fax:** 02 6212 2022

**Email:** [marketing@ahl.gov.au](mailto:marketing@ahl.gov.au)

**Website:** [ahl.gov.au](http://ahl.gov.au)

© Aboriginal Hostels Limited 2019

**ISSN:** 0313-2129 (Print)

**ISSN:** 1447-3410 (Online)

With the exception of the Commonwealth Coat of Arms, and where otherwise noted, all material presented in this document is provided under a Creative Commons Attribution 4.0 Australia licence.



The details of the relevant licence conditions are available on the Creative Commons website (<https://creativecommons.org/licenses/by/4.0/>), as is the full legal code for the licence (<https://creativecommons.org/licenses/by/4.0/legalcode>).

Use of Aboriginal flag colours is by permission of the original artist, Mr Harold Thomas (agreement in relation to past and future use enacted December 2016).

This document must be attributed as the Aboriginal Hostels Limited Annual Report 2018-19.

ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE ARE ADVISED THAT THIS PUBLICATION MAY CONTAIN REFERENCES TO PEOPLE WHO HAVE PASSED AWAY.

# Letter of transmittal

20 September 2019

The Hon Ken Wyatt AM MP  
Minister for Indigenous Australians  
Parliament House  
CANBERRA ACT 2600

Dear Minister

On behalf of the Board of Aboriginal Hostels Limited (AHL), I am pleased to submit our Annual Report for the financial year ended 30 June 2019.

This report was prepared in accordance with section 97 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Chapter 2M of the *Corporations Act 2001*. Under section 97 of the PGPA Act, AHL is required to provide you a copy of its Annual Report, which includes its Financial Report and Directors' Report and the Independent Auditor's Report.

This Annual Report and the audited Financial Statements were approved in accordance with a resolution of the AHL Board of Directors on 20 September 2019.

AHL delivers essential accommodation services to Aboriginal and Torres Strait Islander families, students and people pursuing life opportunities that are not accessible in their home communities. This report covers those activities for the 2018–19 financial year.

I commend this report to you as a record of AHL's achievements and compliance.

Yours sincerely



**Dr Susan Gordon AM**  
Chairperson  
Aboriginal Hostels Limited

**Better Lives, Better Futures...**

National Office • PO Box 30, WODEN ACT 2606 • p 02 6212 2001 • f 02 6212 2022 • ahl.gov.au

---

# Guide to the report

This Annual Report describes the management and performance of Aboriginal Hostels Limited (AHL) in the financial year from 1 July 2018 to 30 June 2019.

It fulfils the reporting requirements set out in legislation, including the *Corporations Act 2001* and the *Public Governance, Performance and Accountability Act 2013*, and performance measures set out in the Australian Government Portfolio Budget Statements.

The report is in four parts:

- 1. Overview** delivers messages from the Chairperson and the Chief Executive Officer, and describes AHL's purpose and service network.
- 2. Performance** sets out AHL's planning and reporting framework and reports on AHL's performance against its Budget measures and strategic goals in 2018–19.
- 3. Organisation** describes the structure, governance and people that determine AHL's strategic direction, accountability and operational outcomes.
- 4. Financial Report** presents the Directors' Report and Financial Statements for 2018–19.

AHL's current and previous annual reports are available from AHL's website, [ahl.gov.au](http://ahl.gov.au).

For more information, or to comment on this Annual Report, please contact AHL by email at [marketing@ahl.gov.au](mailto:marketing@ahl.gov.au) or by telephone on 02 6212 2001.

---

# Contents

<b>1</b>	<b>Overview</b>	<b>1</b>
	Message from the Chairperson	2
	Message from the CEO	3
	About AHL	4
<b>2</b>	<b>Performance</b>	<b>9</b>
	Planning and reporting framework	10
	Accommodation services	12
	Support for Indigenous advancement	15
	Business efficiency and asset management	30
	Financial summary	32
<b>3</b>	<b>Organisation</b>	<b>37</b>
	Structure	38
	Board	39
	Executive	40
	Governance	41
	People	45
<b>4</b>	<b>Financial Report</b>	<b>53</b>
	Directors' Report	54
	Financial Statements	61
	<b>Alphabetical index</b>	<b>96</b>
	<b>Compliance index</b>	<b>102</b>

---

# Tables and figures

---

## Tables

Table 1: Occupancy rate overall, 2018–19	13
Table 2: Occupancy rate by accommodation segment, 2018–19	13
Table 3: Distribution of bed nights available, 2018–19	14
Table 4: Business efficiency and asset management initiatives, 2018–19	31
Table 5: Sources of operating income, 2018–19	33
Table 6: Operating income, 2016–17 to 2018–19 (\$m)	33
Table 7: Operating expenditure by location, 2018–19	34
Table 8: Capital expenditure by location, 2018–19	35
Table 9: Ecologically sustainable development activities	44
Table 10: Indigenous employees, 2018–19	46
Table 11: All ongoing employees, current reporting period (2018–19)	47
Table 12: All non-ongoing employees, current reporting period (2018–19)	47
Table 13: All ongoing employees, previous reporting period (2017–18)	48
Table 14: All non-ongoing employees, previous reporting period (2017–18)	48
Table 15: Work health and safety statistics, 2016–17 to 2018–19	50
Table 16: Details of directors, 2018–19	55

---

## Figures

Figure 1: Service delivery network at 30 June 2019	6
Figure 2: Planning and reporting framework in 2018–19	10
Figure 3: Portfolio Budget Statements outcomes and program in 2018–19	11
Figure 4: Organisational structure at 30 June 2019	38





# 1

# Overview

Message from the Chairperson	2
Message from the CEO	3
About AHL	4

---

## Message from the Chairperson

**Aboriginal Hostels Limited has made great strides in the past year in terms of strengthening its governance framework, increasing its usage by Indigenous Australians, and directing further resources towards frontline hostel services.**

Having said that, AHL faces challenges in the coming year which will place significant pressure on the organisation's ability to maintain its place as a leading provider of accommodation for Indigenous Australians. Those challenges include increasing cost pressures against an ostensibly fixed income, continued shifts in customers' needs and ability to pay for accommodation, and ongoing workforce shortages in many locations in which AHL operates.

On this last point, the Board and I have taken a long-term approach to making workforce development a key priority for the organisation going forward.

I am pleased to advise that my own term as Chairperson has been extended to 2020, and that several other directors' terms have also been extended. This ensures stability and continuity as the Board moves ahead with its program of organisational reform.

On behalf of the Board I take this opportunity to congratulate the Hon Ken Wyatt AM MP on his appointment as Australia's first Indigenous Minister for Indigenous Australians. We look forward to working with the Minister in meeting the challenges ahead.

I would also like to take this opportunity to thank my fellow directors, the Executive Management Team, and all of AHL's dedicated staff for their continued hard work and commitment to providing quality accommodation services for Australia's First Peoples.

**Dr Susan Gordon AM**  
Chairperson

---

## Message from the CEO

**In considering the past year's performance, I am proud of the outcomes AHL has seen as a result of concerted efforts to focus the business on its core accommodation mandate, and to reconfigure back-end operations to support this focus on frontline services.**

As a result, we saw a rise in occupancy across hostels to 65 per cent, and more than 700 additional residents stayed with AHL during the year. This rise is indicative of strong demand for homeless accommodation, and in particular medical accommodation, which is increasingly being met in both medical and multipurpose hostels.

A strong focus on AHL's secondary education segment has halted a decline in student numbers and I expect those numbers to rise in the year ahead.

Following concerted efforts on the work health and safety front we have reduced the company's annual Comcare insurance premium by more than \$1 million.

Targeted strategic engagement has resulted in new partnerships, across government, and new funding — including the Australian Government's investment of \$2.25 million through AHL to alleviate homelessness pressures in Tennant Creek as part of the Barkly Regional Deal. The additional capacity in Tennant Creek made possible by this funding, and in Darwin under a new homelessness project with the Northern Territory Government, has been well utilised and has contributed to the rise in occupancy during the period.

We are also working closely with both the Northern Territory Government and the National Indigenous Australians Agency following the Australian Government's announcement of a multimillion-dollar investment in new transitional accommodation for Aboriginal and Torres Strait Islander people in Darwin.

That said, the operating loss incurred in 2018–19 is indicative of financial headwinds facing AHL in the coming year.

In 2019–20, the organisation will face unique financial pressures and further difficult decisions, given limited options to make further savings.

I thank the Board for its continued support and direction, as well as the entire staff of the organisation — so many of whom continue to inspire me with their unwavering commitment to providing the best experience possible for the tens of thousands of Aboriginal and Torres Strait Islander Australians who stay with AHL each year.

**Tony Usher GAICD**  
Chief Executive Officer

---

## About AHL

**AHL is a not-for-profit company wholly owned by the Australian Government, with an independent non-executive Board of Directors.**

Each year, AHL provides a place to stay for more than 20,000 Aboriginal and Torres Strait Islander men, women and children.

Residents are charged a tariff that is affordable for recipients of Australian Government income support. Through an annual appropriation, the Australian Government provides funds to cover the gap between tariff income and the cost of providing hostel services.

AHL is one of the largest Australian Government providers of employment and training for Aboriginal and Torres Strait Islander people, with 53 per cent of the company's workforce identifying as Indigenous.

### **AHL's purpose**

AHL's purpose is to provide culturally safe, fit-for-purpose, affordable accommodation for Indigenous Australians who need to be away from home to access employment opportunities, and health, education and other services.

---

## AHL's services

Across a network of hostels, AHL staff provide accommodation and meals in an environment which supports the cultural wellbeing of residents, including through strong relationships with local Indigenous service providers and referral agencies. AHL builds and creates partnerships that help to maximise the use of our facilities year round.

AHL's hostel network is segmented into three service categories: multipurpose; education (including secondary and tertiary education); and health and medical.

### Multipurpose

*22 facilities, 1,152 beds, 64 per cent of capacity*

Multipurpose hostels provide accommodation in towns and cities for individuals and families awaiting housing, seeking employment or meeting general business and other commitments away from their homes and communities.

Multipurpose hostels generally provide short-stay accommodation, but some residents stay until they are able to access long-term accommodation elsewhere.

## Secondary and tertiary education

*12 facilities, 399 beds, 19 per cent of capacity*

Secondary education hostels provide a safe, comfortable environment for secondary students while they attend high school to pursue their educational goals, including the year 12 certificate and their potential transition to higher education and training.

ABSTUDY assistance is available to help with the cost of secondary education hostel accommodation.

Tertiary education hostels provide accommodation for Indigenous students who undertake higher education and training — opening doors to degrees, diplomas and employment opportunities.

## Health and medical

*11 facilities, 308 beds, 17 per cent of capacity*

Health and medical hostels cater for Indigenous people who need to be away from home to access medical treatment, including renal dialysis and antenatal or postnatal care for mothers and babies.

Financial assistance and help with transport are available through state and territory patient-assisted travel schemes.

## AHL's network

AHL's network operates in locations of greatest need so that Aboriginal and Torres Strait Islander Australians in remote communities can access services in the areas of education, training, employment and health.

AHL's services are managed by its National Office and delivered through its network of accommodation facilities (Figure 1 and Figure 2).

**Figure 1: Service delivery network at 30 June 2019**



---

## CANBERRA

National Office

## QUEENSLAND

### Brisbane

Elley Bennett Hostel *TET*

Yumba Hostel *MP*

### Cairns

Kuiyam Hostel *MP*

### Mackay

Mackay Hostel *MP*

### Mount Isa

Kabalulumana Hostel *MP*

### Rockhampton

Neville Bonner Hostel *MP*

### Thursday Island

Canon Boggo Pilot Hostel *SE*

Jumula Dubbins Hostel *MP*

### Townsville

Iris Clay Hostel *MP*

Tonky Logan Hostel *R*

## SOUTH EASTERN AUSTRALIA

### Dubbo

Grey Street Hostel *SE*

### Melbourne

William T Onus Hostel *MP*

### Newcastle

Durungaling Hostel *TET*

Kirinari Hostel—Newcastle (boys only) *SE*

### Sydney

Biala Hostel (girls only) *SE*

Kirinari Hostel—Sydney (boys only) *SE*

Tony Mundine Hostel *TET*

### Tamworth

Tamworth Hostel *MP*

## SOUTHERN CENTRAL AUSTRALIA

### Adelaide

Luprina Hostel *MP*

Mulgunya Hostel *M*

Nindee Hostel *MP*

## Alice Springs

Alyerre Hostel *M/R*

Apmere Mwerre Visitor Park *MP*

Ayiparinya Hostel *MP*

Sid Ross Hostel *M*

Topsy Smith Hostel *R*

## Tennant Creek

Wangkana Kari Hostel *MP*

Tennant Creek Student Accommodation Centre *SE*

## TOP END

### Darwin

Daisy Yarmirr Hostel *MP*

Galawu Hostel *MP*

Gudang Dalba Hostel *AP*

Nagandji Nagandji-Ba Hostel *R*

Silas Roberts Hostel *MP*

### Katherine

Corroboree Hostel *MP*

Fordimail Student Hostel *SE*

Katherine Women's Medical Hostel *AP*

### Kununurra

Kununurra Hostel *SE*

### Nhulunbuy

Nhulunbuy Hostel *MP*

### Wadeye

Kardu Darrikardu Numida Hostel *SE*

## WESTERN AUSTRALIA

### Broome

Broome Hostel *R*

### Derby

Kabayji Booroo Hostel *MP*

### Kalgoorlie

Trilby Cooper Hostel *MP*

### Perth

Allawah Grove Hostel *MP*

Derbal Bidjar Hostel *M*

### South Hedland

South Hedland Hostel *M/R*

---

*AP* Antenatal and Postnatal

*M* Medical

*MP* Multipurpose

*R* Renal

*SE* Secondary education

*TET* Tertiary education and training

*(offline)* Temporarily offline for repurposing





# 2

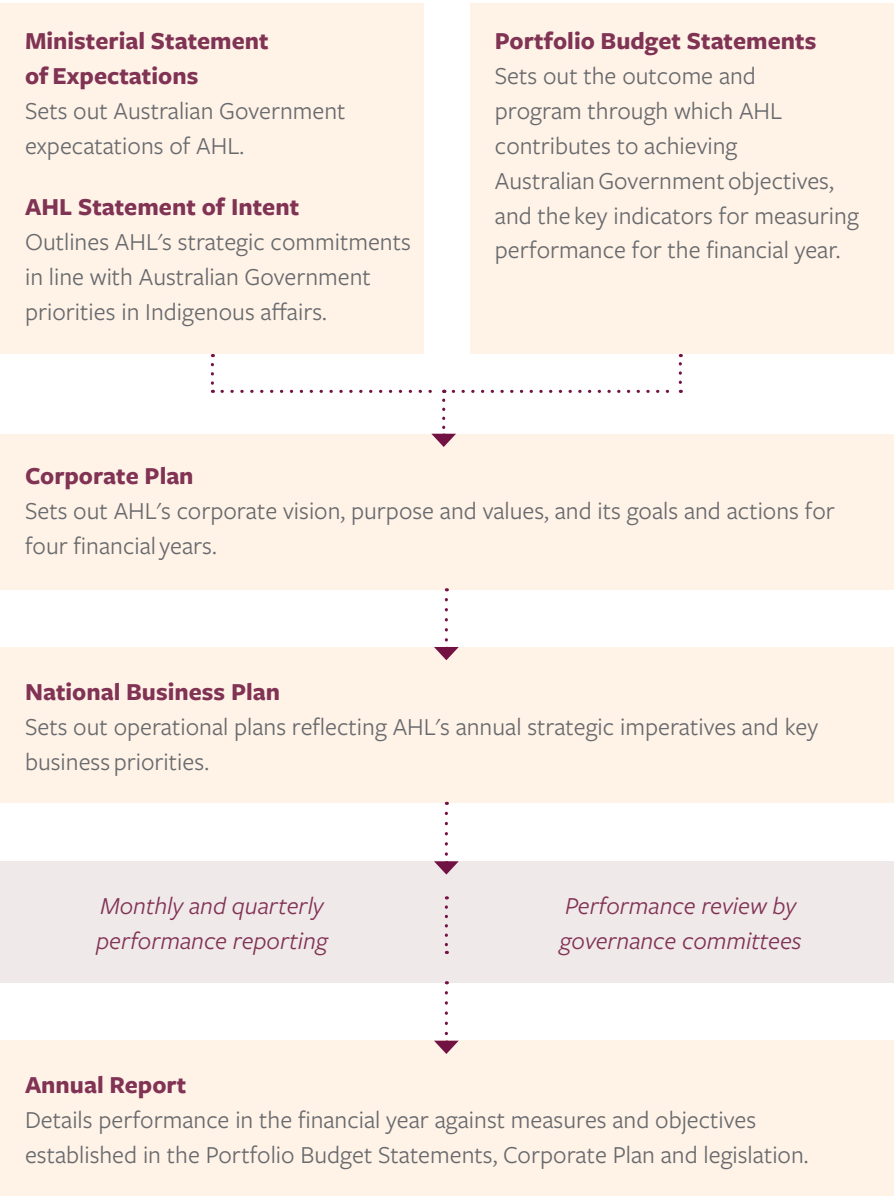
# Performance

Planning and reporting framework	10
Accommodation services	12
Support for Indigenous advancement	15
Business efficiency and asset management	30
Financial summary	32

# Planning and reporting framework

AHL’s strategic planning and performance reporting framework guides the company in meeting its objectives. In 2018–19, the central element of that framework was the 2018–2022 Corporate Plan, as shown in Figure 2.

**Figure 2: Planning and reporting framework in 2018–19**



In 2018–19, AHL contributed to the objectives of the Prime Minister and Cabinet portfolio through its Company Operated Hostels program under Outcome 1, as set out in the Portfolio Budget Statements (Figure 3). AHL contributes to improved results for Indigenous Australians by supporting school attendance, employment opportunities and community safety through its core accommodation services.

**Figure 3: Portfolio Budget Statements outcomes and program in 2018–19**

<p><b>Department of the Prime Minister and Cabinet<sup>1</sup></b></p>	<p><b>Outcomes</b></p> <ol style="list-style-type: none"> <li>1. Prime Minister and Cabinet Provide high-quality policy advice and support to the Prime Minister, the Cabinet, Portfolio Ministers and Assistant Ministers, including through the coordination of government activities, policy development and program delivery.</li> <li>2. Indigenous Improve results for Indigenous Australians, including in relation to school attendance, employment and community safety, through delivering services and programs, and through measures that recognise the special place that Indigenous people hold in this nation.</li> </ol>
<p><b>Aboriginal Hostels Limited</b></p>	<p><b>Outcome</b></p> <ol style="list-style-type: none"> <li>1. Improved access to education, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating, through the operation of temporary hostel accommodation services.</li> </ol> <hr/> <p><b>Program</b></p> <p>1.1 Company Operated Hostels</p> <p><i>Objective:</i> To provide temporary accommodation for Indigenous Australians who must live away from home to access services and economic opportunities.</p> <hr/> <p><b>Performance measure</b></p> <p>Occupancy level as a percentage of resident bed nights available per annum (target: 70%).</p>

<sup>1</sup> From 1 July 2019, the Indigenous Affairs Group within the Department of Prime Minister and Cabinet became the National Indigenous Australians Agency.

---

# Accommodation services

## Performance Measures

### PBS Outcomes

- Occupancy level as a percentage of resident bed nights available per annum (target: 70%).

### AHL Corporate Plan

- Minimum 70% occupancy rate
- Number of residents accommodated (measured as unique occasions of stay)
- Minimum 80% resident satisfaction rating.

### Achievements in 2018–19

AHL's network occupancy rose in 2018–19. At 65 per cent (up from 64 per cent in 2017–18), full-year occupancy was marginally below AHL's target of 70 per cent.

Overall utilisation remained high, increasing to 23,255 Indigenous men, women and children staying with AHL in 2018–19 (up from 22,493 in the previous period). AHL saw 762 additional residents stay in its hostels in 2018–19.

The increase in occupancy over the previous reporting period is attributable to the strong demand for homelessness and medical accommodation, to which AHL responded through an increase in beds associated with new projects in Tennant Creek (as part of the Barkly Regional Deal), and in Darwin under new homelessness funding received from the Northern Territory Government. In both cases, tariff subsidisation made possible by the additional funding has resulted in high utilisation rates.

AHL's medical hostels continued to be the highest performing accommodation segment, with demand for medical accommodation increasingly being met through AHL's multipurpose hostels during the reporting period. Nine of AHL's 22 multipurpose hostels, including 3 in Darwin, are now seeing medical stays as a proportion of overall stays reaching upwards of 75%.

Delays in bringing a planned education strategy online in 2018 were in part responsible for the decline in performance of AHL's secondary education segment. The decline in secondary education enrolments stabilised late in the reporting period as a result of targeted student recruitment plans and the appointment of a dedicated education manager in early 2019. Resources to support parental and community engagement have been increased in order to strengthen student recruitment and retention activities, with higher enrolments expected to flow in the 2020 calendar year.

AHL did not conduct a resident satisfaction survey in 2018–19 and no measure against the 80 per cent resident satisfaction target is reported. This decision followed a review of AHL's previous resident survey methodology, which recommended changes in order to ensure cultural appropriateness of the survey process. AHL will implement a new resident satisfaction process in 2019–20.

Tables 1–3 illustrate occupancy rates and beds available in 2018–19.

**Table 1: Occupancy rate overall, 2018–19**

Performance measure	Available bed nights	Occupied bed nights	Target occupancy (%)	Actual occupancy (%)
Occupancy level as a percentage of resident bed nights available <sup>2</sup>	600,875	390,568	70%	65%

**Table 2: Occupancy rate by accommodation segment, 2018–19**

Accommodation category	Occupancy (%)
Health and medical	71
Multipurpose	67
Secondary education	48
Tertiary education and training	58

<sup>2</sup> Portfolio Budget Statements key performance indicator.

**Table 3: Distribution of bed nights available, 2018–19**

Distribution category	Bed nights
<b>Type of accommodation</b>	
Health	110,217
Multipurpose	403,373
Secondary education	64,555
Tertiary education and training	22,730
<b>Location by region</b>	
Queensland	136,739
South Eastern Australia	48,959
Southern Central Australia	167,384
Top End	148,732
Western Australia	99,061
<b>Location by remoteness</b>	
Regional	179,958
Remote or very remote	305,573
Urban	115,344
<b>Total</b>	<b>600,875</b>

---

# Support for Indigenous advancement

## Education and school attendance

### Performance Measures

#### PBS Outcomes

- Improve results for Indigenous Australians, including in relation to **school attendance**, employment and community safety
- Improved access to **education**, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating, through the operation of temporary hostel accommodation services.

#### AHL Corporate Plan

- Implementation of secondary education strategy
- Increase in secondary student enrolments (measured as occupancy rate)
- Number of children staying in multipurpose facilities (and attending school)
- Expand presence in areas of greater accommodation need, including Darwin and Tennant Creek, NT.

### Achievements in 2018–19

In addition to 251 students staying in secondary education hostels in 2018–19, a further 761 children staying with parents at multipurpose hostels were required to attend primary or secondary school in order to comply with AHL's Conditions of Stay, which require school enrolment and attendance for children staying more than one week.

AHL provides bus transport to school for secondary students across its nine secondary education hostels in urban and remote locations in Western Australia, the Northern Territory, Queensland and New South Wales, ensuring the students' attendance at school and enabling their participation in extracurricular activities.

AHL engages with parents and other stakeholders, including Indigenous cultural, health, sporting and education institutions.

Residential youth workers provide study assistance and help to ensure a culturally safe and nurturing environment. All secondary education facilities offer fully equipped facilities, tailored support services and extracurricular activities.

---

## Secondary education strategy

In 2018, AHL saw a decline in enrolments across its nine secondary education hostels. This decline prompted a review of AHL's secondary education segment, and a number of new initiatives were put in place to increase enrolments and drive stronger outcomes for Aboriginal and Torres Strait Islander students in AHL's care. Secondary education occupancy stabilised at 48 per cent by the close of the reporting period.

In January 2019, AHL appointed an education manager, based in Sydney, to oversee the development of a targeted education strategy to achieve better student recruitment, engagement and learning outcomes across AHL's nine secondary education hostels.

Broadly, the strategy covers four key areas:

1. **Community Engagement:** AHL secondary education boarding will provide a trusted service that is in high demand, responsive to Aboriginal and Torres Strait Islander community needs, and valued by stakeholders and the broader community.
2. **Student Success:** AHL will provide a culturally and academically rich secondary education boarding environment and deliver a program that is individualised to the strengths and aspirations of each student to promote academic and personal growth.

3. **Operational Excellence:** AHL will ensure that all secondary education boarding sites are operating at the highest standard.
4. **Staff Leadership:** AHL will develop passionate and innovative staff who work together to build a culture of continuous improvement within secondary education boarding.

## Tennant Creek student model

In 2019, AHL repurposed its Wangkana Kari Student Hostel in Tennant Creek, Northern Territory, to provide short-term visitor accommodation. The changes were undertaken to alleviate Indigenous homelessness pressures in community, one of a number of initiatives funded under the Barkly Regional Deal.

AHL's student accommodation was moved to two adjoining houses in Tennant Creek and remodelled to create a more home-like environment. A range of after-school and weekend activities are offered under a memorandum of understanding with Tennant Creek High School and local services, to enhance students' engagement and strengthen their connection with school and the broader Tennant Creek community.

AHL expects that this new model will lead to students feeling more at home, in a supportive environment that is responsive to their needs and promotes academic achievement. This new house-model is intended to increase students' engagement with local learning, social and cultural activities — and increase the likelihood of students returning each term to continue to attend school.



---

## Case study: Contributing to further education and employment opportunities

AHL's Durungaling Hostel has been proudly providing accommodation to Indigenous tertiary students in Newcastle, New South Wales, for more than 40 years. Since it was opened in 1975 by the then Minister for Aboriginal Affairs, the hostel has provided a safe, affordable, culturally appropriate place to stay for hundreds of Aboriginal and Torres Strait Islander students while they undertake their studies.

Providing meals, accommodation and close proximity to tertiary campuses in Newcastle, the hostel is well regarded as a home-like environment by current students and former alumni. It has attracted increasing numbers of Indigenous medical students in recent years.

Durungaling is a successful example of AHL's education vision and objectives in action:

### VISION

- Contributing to future learning and employment opportunities

### IMPACT

- Students have sufficient education and life skills to progress to further education and/or work

### OUTCOME OBJECTIVES

- Students are more confident, resilient and self-reliant
- Students feel physically, socially and culturally secure
- Students attend and stay at their chosen post-school studies

*"From not knowing anyone to building friendships — it's been great. It feels like a family environment that's encouraging."*

– Maya

---

## Student feedback

In 2019, students were asked about the impact AHL has had on their lives as a result of their stay at Durungaling Hostel. With permission from the students (whose names have been disguised for privacy), some of the responses are shared here.

### Choosing a field of study and a place to stay

*I chose medicine after I'd been caring for my grandparents. I thought, 'I could do that', and there's such a need for medical officers in rural areas. I moved to Durungaling when I first started my degree, it was all about location — convenient to uni and the hospital.*

**Rochelle, from Northern New South Wales, studying medicine**

*I was working in the health field in administration, and I was very interested in oral health. I wanted to further my education and help my community — so I chose Dentistry at University of Newcastle, and Durungaling because it's close by, culturally safe and affordable.*

**Maya, from the New South Wales Mid-north Coast, studying dentistry**

*My cousin stayed here years ago and told me how good it was.'*

**Craig, from the New South Wales South Coast, studying medicine**

### Leaving home and family

*It was difficult leaving my family and familiar surroundings, hard to adjust. It gets easier to leave knowing I have something to look forward to back at Durungaling.*

**Rochelle**

*I had caring responsibilities for a sick grandparent, it was hard to leave ... and I was in a new environment out of my comfort zone. Durungaling gave me a family environment, support, good routine and good food. I miss my family and friends but now I get excited to come back to study each term.*

**Maya**

### Building relationships and networks

*It's great to connect with other medical students, but also other students studying various courses.*

**Rochelle**

*From not knowing anyone to building friendships — it's been great. It feels like a family environment that's encouraging.*

**Maya**

*Other students in the year above me in medicine who are staying at Durungaling give me guidance and support.*

**Craig**

---

<b>Safe, secure accommodation while studying</b>	<p><i>Staying at Durungaling is one thing I don't have to stress about — I can focus more on my studies.</i></p> <p><b>Rochelle</b></p> <p><i>I love the hostel, the staff at Durungaling are supportive and helpful. We're fed well, our rooms are cleaned and the other students all support each other.</i></p> <p><b>Craig</b></p>
<b>Alternative accommodation options</b>	<p><i>Without Durungaling, I might have been couch surfing.</i></p> <p><b>Maya</b></p> <p><i>Possibly sleeping on the beach, otherwise something small and expensive or in a shared house with people I don't really know or like. I would have struggled to afford to live and study and would probably have needed to work. With the workload studying medicine I would not have passed or completed my studies.</i></p> <p><b>Craig</b></p>
<b>Looking back on their time at Durungaling</b>	<p><i>Great opportunities, great memories.</i></p> <p><b>Maya</b></p> <p><i>I think I will look back and remember great times and many laughs. I know I will stay in contact with the manager at Durungaling, and all the others I have come into contact with, especially the other medical students.</i></p> <p><b>Craig</b></p>

### Impact statement

AHL Business Manager Jacinta Mack, who spoke with students, summed up the impact on their lives:

*I think what I heard students saying more than anything is that Durungaling is a place where you can be yourself. I know the staff go above and beyond to make staying at Durungaling a great experience — and the students value that. They look forward to coming back each term, and because they're seen as role models at home it's important for them to return. Family sometimes come to visit, so the connection to home is always there.*

*Not only are the basics taken care of, but it's also an environment where education is valued, culture is valued, and the students themselves are valued. If someone is struggling they're always taken care of.*

*We're seeing Indigenous medical professionals develop and grow with us, and we're proud of the part we play in that.*

---

## Employment and economic and social participation

### Performance Measures

#### Government priorities for Indigenous Australians (PBS Outcomes)

- Improve results for Indigenous Australians, including in relation to school attendance, **employment** and community safety
- Improved access to education, **employment**, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating, through the operation of temporary hostel accommodation services.

#### AHL Corporate Plan

- Foster a professional, outcomes-focused corporate culture
- Provide recognition and career pathways for staff
- Maintain/increase staff retention.

### Achievements in 2018–19

AHL's accommodation services continue to offer a safe, stable and supportive environment for job-seekers and vocational education students while they pursue employment opportunities.

AHL is itself a leading national employer of Indigenous Australians — with 53 per cent of AHL's workforce identifying as Aboriginal and Torres Strait Islander and 120 new Indigenous employees engaged during 2018-19.

While this figure remains much higher than comparator Australian Public Service agencies, AHL's 60 per cent Indigenous workforce target was not met during the reporting period — primarily as a result of increased turnover and staff shortages across AHL's network. A number of strategies have been put in place to increase Indigenous workforce participation in the coming year, including an expansion of special measures positions and broadening recruitment channels to gain access to Indigenous tertiary and vocational graduate candidates.



## Staff development

AHL's core accommodation services are conducted in a people-focussed, customer service environment — the success of which is dependent on AHL's more than 300-strong hostel workforce. The ability to attract and retain staff emerged as a key operational issue in 2018–19, with AHL experiencing critical shortages across its network of hostels in both regional/remote and urban areas.

In addition to expanding recruitment activity during the reporting period, AHL introduced a new induction program in 2019 to assist people transitioning into AHL's workforce.

The new program is designed to introduce employees to AHL policies, procedures and values and to provide clarity regarding duties and work requirements across all roles in the organisation. Induction packs containing key documentation are supported by face-to-face orientation and ongoing on-the-job training and instruction for new employees.

In accordance with AHL's unique place as an intergenerational employer of Aboriginal and Torres Strait Islander Australians, the new program is part of a platform of workforce development initiatives, including a new recognition and reward program to commence in 2019–20.

In line with modern approaches to performance management in Australian Public Service agencies and industry-based organisations, AHL reviewed and reconfigured its Performance Management Framework to achieve a simpler and more meaningful process for managers and staff engaged in annual performance reviews.

Duties and responsibilities across all hostel-level positions have been realigned to ensure consistency across recruitment advertisements, contracts, and induction materials. A review of policies supporting the new Performance Management Framework was completed ahead of the commencement of AHL's performance cycle in August 2019.

These workforce development initiatives are being consolidated under a new staff Cultural Statement. Featuring a 'P.R.O.U.D.' campaign message, the Cultural Statement aims to reinforce a proactive, supportive and engaged staff culture across the organisation.



---

## Case study: Contributing to Indigenous employment and economic participation

AHL's Adelaide hostel cluster has been providing accommodation to Indigenous people from South Australia and neighbouring communities in the Northern Territory and Western Australia since the 1970s. Across its three facilities in Adelaide, AHL has also been a long-term employer for Aboriginal and Torres Strait Islander people, often introducing family members into an intergenerational employment history with the organisation.

### Staff feedback

AHL staff in Adelaide were asked about the impact AHL has had on their lives as a result of their long-term career with AHL; with their permission, some of their responses are shared here.

#### Experience working for AHL

*Initially I thought I would stay for 12 months, and here I am 20 years later!*

**Kara, 20 years with AHL**

*It's been a great journey, meeting different people and being able to speak in language.*

**Roy, 28 years with AHL**

*It's been very enjoyable meeting relatives you didn't know you had. My mother was from the Stolen Generation and I was able to connect with family.*

**Des, 23 years with AHL**

*I've loved working with AHL ... the people I meet, making a lot of friends and talking to older residents who tell me their stories.*

**Gretel, 9 years with AHL**

*The environment, the staff, the work I do with residents ... it's so welcoming and inclusive.*

**Val, 8 years with AHL**

#### AHL's cultural context

*The biggest difference working for AHL is that I'm able to come to work and not be looked down on because I'm Aboriginal. I feel comfortable in the working environment. Being able to give back to the community and support our Aboriginal people has been great.*

**Pat, 10 years with AHL**

*The traditions, art and culture make this a special place to work.*

**Val, 8 years with AHL**

---

### AHL's contribution to life and family

*Working for AHL has been a huge contribution to my life and my family's life. I first started as a casual cook, and worked my way up through cleaning and other positions to a management role.*

**Jazmin, 18 years with AHL**

*It's allowed me to give back to community, to help and support our people as they come in from their communities.*

**Pat, 10 years with AHL**

*AHL made me a strong person and makes me want to one day be a manager.*

**Gretel, 9 years with AHL**

*It's made a huge difference as I have the flexibility in my hours to look after my son with special needs.*

**Sandra, 15 years with AHL**

*Working for AHL has given me security in my life.*

**Roy, 28 years with AHL**

---

### Impact statement

AHL's Adelaide-based staff are unique in that so many are long-term employees with the company. While similar examples exist across AHL's network, many staff choose to take short-term and casual roles to support their families at a particular point in time. In either case, AHL has been able to provide secure employment for thousands of Aboriginal and Torres Strait Islander staff since its inception in 1973.

Along with Australian Public Service salaries and conditions come mobility and the opportunity to transfer across AHL's network. AHL's workplace flexibility and career progression opportunities mean that many staff can track their career progression through multiple roles in hostels across several states and territories.

It is not surprising that, when asked about their future aspirations, almost all of the staff who contributed to this case study responded that they wanted to 'keep working for AHL until retirement'.

In 2019, the following AHL staff were recognised for their long-term service with AHL.

10 years	15 years	20 years
<b>Barbara Carter</b> , Tamworth	<b>Bobby Verrent</b> , National Office	<b>Karen Joslyn</b> , Adelaide
<b>Jason Clarke</b> , Alice Springs	<b>Sandra Creed</b> , Adelaide	<b>Helen Tucker</b> , Adelaide
<b>Mitchell Farhat</b> , Alice Springs	<b>Jeffrey Congreve</b> , Adelaide	
<b>Steven Rankine</b> , Alice Springs	<b>Julie Taranta</b> , Adelaide	
<b>Arthur Schnitzer</b> , Alice Springs		
<b>Ellen Mills</b> , Thursday Island		

---

---

## Healthy and safe communities

### Performance Measures

#### Government priorities for Indigenous Australians (PBS Outcomes)

- Improve results for Indigenous Australians, including in relation to school attendance, employment and **community safety**
- Improved access to education, employment, **health** and other services for Aboriginal and Torres Strait Islander people travelling or relocating, through the operation of temporary hostel accommodation services.

#### AHL Corporate Plan

- Duty of care standards and legislative requirements are met
- Extend child protection and working with vulnerable people frameworks to multipurpose hostels
- Expand presence in areas of greater accommodation need, including Darwin and Tennant Creek, NT

### Achievements in 2018–19

AHL continued to leverage its referral networks to enhance residents' ability to access the services and support they need. Conditions of Stay are applied by hostel staff to ensure an accommodation environment which is free from overcrowding, family violence and substance misuse.

The safety and protection of children continued to be priorities in 2018–19, with an expansion of AHL's Child Protection Framework into multipurpose hostels. Following a risk assessment of AHL's multipurpose facilities, a new suite of child protection activities for 2018–19 was established, focussing on creating child safe environments in multipurpose hostels that typically have higher than average numbers of children in residence.

A new training model was trialled with managers in those hostels, using guided-learning materials and remote telephone coaching to embed best practice at selected sites in the Northern Territory, Western Australia and Queensland.



---

## **Implementing AHL's Child Protection Framework**

A revised child protection roadmap was finalised during the reporting period and is due to commence in the second half of 2019. The program aims to maintain child safety and meet duty of care requirements under AHL's Child Protection Framework and the Commonwealth working with vulnerable people program, by:

- rebuilding staff knowledge and practice in AHL's nine secondary education hostels
- promoting/enabling student rights and self-protective behaviours in secondary education hostels
- further expanding child safe principles/practices in selected multipurpose hostels
- maintaining compliance with mandatory reporting requirements.

## **Alleviating homelessness in Tennant Creek**

Officially launched in April 2019, the Barkly Regional Deal commits \$78.4 million over 10 years in new investment from the Australian Government, the Northern Territory Government and the Barkly Regional Council. The collaborative investment and agreement on jointly managed implementation commit all three levels of government to addressing economic and social challenges facing the Barkly Region.

As part of the 28 initiatives funded through the regional deal, Tennant Creek will receive a new multipurpose visitor park and new 40-bed student boarding facility. The repurposing of AHL's Wangkana Kari Hostel and the introduction of its new secondary school student residential program are key components of the regional deal.

AHL's new multipurpose accommodation service in Tennant Creek is guided by a service agreement with partner agencies in community, based on extensive community consultation. Within its first three months of operation, from February 2019, the repurposed Wangkana Kari Hostel was at 80 per cent capacity, providing 42 additional beds for homeless men, women and children.

Dedicated renal/medical beds within the facility provide accommodation to Indigenous renal patients accessing dialysis treatment in Tennant Creek. This initiative is supported by additional funding through an affordability trial under the Barkly Regional Deal to further reduce the cost of accommodation and enable residents to have more stable living arrangements while accessing treatment.

---

## Responding to accommodation needs in Darwin

During 2019, AHL moved to significantly increase the service impact of its operations in Darwin, Northern Territory. A new service arrangement which commenced in May 2019 delivered immediate relief to Aboriginal and Torres Strait Islander rough sleepers in Darwin by providing a guaranteed 30 prepaid beds in AHL's Galawu Hostel.

The new arrangements at Galawu will reduce homelessness in Darwin by increasing the supply of short-term temporary accommodation — at no cost to residents. Funded by the Northern Territory Department of Local Government, Housing and Community Development, AHL has worked closely with Darwin-based stakeholders to ensure that the new approach meets local need.

Beds are offered to residents through an arrangement with three local referring services to provide transitional accommodation for their clients.

The new service offers:

- 30 dedicated beds at Galawu Hostel for use by clients of referring services
- strengthened continuity of care for residents through service provider linkages
- stable living arrangements for residents, so that they can improve their life circumstances
- safe, comfortable accommodation including three meals each day.

Direct referrals are managed into and out of Galawu Hostel through the nominated referral partners: Larrakia Nation, City of Darwin Council and Danila Dilba Health Service. Regular interagency meetings ensure that the service continues to provide coordinated approaches in response to residents' needs.

---

## Case Study: Contributing to health outcomes in Indigenous communities

AHL's Topsy Smith Hostel has been providing accommodation to Indigenous medical and renal patients in Alice Springs, Northern Territory, since 1978. Originally a general medical facility, the hostel was repurposed to focus on renal patients coming into Alice Springs to receive dialysis treatment following an extensive redevelopment in 2007.

The hostel's name was changed in 1984 to Topsy Smith Hostel, in recognition of well-known Arabunna woman Topsy Smith, a pioneer of Central Australia in the early to mid-1900s, who spent her life caring for Indigenous children at an institution known as The Bungalow in Alice Springs.

Providing meals and safe accommodation in a culturally engaged environment in close proximity to dialysis services in Alice Springs, the hostel is well regarded as a home-like environment by its predominately older resident cohort.

### Resident feedback

In 2019, residents were asked about the impact AHL has had on their lives as a result of their stay at Topsy Smith Hostel; with their permission, some of their responses are shared here.

<b>Culturally supportive environment</b>	<i>I get to do my art work — I paint water colours, like Namatjira, he is my family. We come from different language groups, but it doesn't matter, we are all family. We check on each other, make sure that everyone is alright. We talk our stories with each other. Cooking kangaroo at the fire pit is good. Sometimes we sing, singing is good. We are all friends.</i>
<b>Needing a safe place to stay</b>	<i>I came here because I needed a transplant. I am on a waiting list for housing — but it's a long list and a long wait, you know. My family likes that I live here. Everyone cares for each other, we look out for each other. I am glad that there is no drinking or humbugging allowed — it is good. We feel safe</i>
<b>Alternatives to staying with AHL</b>	<i>I would be with family drinking, getting sicker. Staying with family, but is not good, there is too much drinking, too much humbugging for my money all the time. Out there, probably homeless.</i>
<b>AHL's contribution to health and wellbeing</b>	<i>My doctor told me my health was getting better, it's because of the food I eat at Topsy. I can rest and take care of my health. I was very sick, I was in ICU, they said I was going to die, but I didn't and now I stay here at Topsy, it has helped me feel better. I have more energy, I can dance now.</i>

---

## Impact statement

Given their ongoing dialysis treatment, many residents at AHL's Topsy Smith Hostel stay for extended periods of time, ranging from several months to several years, only returning to visit their home communities if and when they are able to travel.

Having moved to Alice Springs from communities elsewhere in the Northern Territory and as far away as South Australia, men and women often spend time together around the fire pit at Topsy Smith, sharing stories of growing up in their home communities. Those communities include Santa Teresa, Hermannsberg, Tennant Creek, Imanpa, Pukatja (Ernabella), Indulkana, Titjikala, Tara and Mimili.

A common theme among residents is appreciation for the initial welcome they are given when they arrive at the hostel, setting the tone for a home-like environment from the moment they move in. Many residents said that they feel very safe living in the hostel; that they enjoy the food, and especially enjoy having regular meal times; and that the food is much healthier than they might have had back home.

The surroundings, clean rooms and proximity to bus transport and nearby shops make life easier for residents as they settle into their new life in Alice Springs.

One of Topsy Smith's most strongly acknowledged benefits for residents, many of whom are elderly and vulnerable, is safety. Many residents told AHL that they feel less stress in an environment where they are not being humbugged. When family members visit they are able to spend time with them in a safe place — and if they do not feel up to having visitors, staff will let the family know. This sense of agency over their own time and space is important for people who are unwell and dealing with the strain of long-term dialysis treatment.

When asked where they would be staying if not at Topsy Smith, most residents simply said that they would be homeless. Many did not want to stay with family due to drinking, humbugging and overcrowding.

In many ways the simplest service models can bring about the greatest change. Good food and a quiet, safe, welcoming environment where residents can express their cultural identity are factors which have immediate and lasting benefits for the health and wellbeing of residents at Topsy Smith. Many residents, as well as their doctors and health workers, report improvements in their health and sense of wellbeing as a result of their stay.

While many residents are not in a position to go back home, their life at Topsy Smith is akin to home away from home.



**Kutungu — Tjitji Tjuncurpa**, by artist and resident at Topsy Smith Hostel, Tjunkaya Tapaya. This work was donated to the hostel in 2019.



*"We come from different language groups, but it doesn't matter, we are all family."*

– Resident feedback

---

# Business efficiency and asset management

## Performance Measures

### AHL Corporate Plan

- Food safety compliance program in place
- Network-wide hostel condition audits completed and Strategic Asset Management Plan developed
- ICT Strategy (stage 1) developed

## Achievements in 2018–19

Table 4 outlines key activities in 2018–19 supporting improved business efficiency and asset management objectives.

**Table 4: Business efficiency and asset management initiatives, 2018–19**

Objective	Activity
<p><b>Focus on food safety and quality assurance</b></p>	<p>Given that AHL serves in the order of 3,000 meals each day across Australia, maintenance of appropriate food safety standards is a high-order priority for the company.</p> <p>During 2018–19, AHL finalised the rollout of a new food safety plan across hostels, addressing purchasing, storage, thawing, cooking and refrigeration of food as well as cleaning of kitchens and food utensils/equipment.</p> <p>The rollout of an associated food safety manual to hostel managers, cooks and other hostel workers will continue in 2019–20.</p> <p>AHL has committed resources in 2019–20 to develop and implement a 12-month demonstration project in Darwin to deliver tailored solutions to medical residents’ needs, in line with recommendations made by the Deeble Institute in a 2019 Issues Brief, <i>Improving access to housing for Aboriginal and Torres Strait Islander renal patients with complex care needs</i>.</p> <p>The demonstration project will specifically address improved food and nutrition, enhanced independent living options, improved amenity and accessibility, as well as options for the removal/reduction of cost barriers.</p> <p>Outcomes from the demonstration project will be used as the basis for a new model of accommodation designed for long term renal/medical residents across AHL’s network more broadly.</p>
<p><b>Development of a strategic Asset Management Plan and associated site-based management plans</b></p>	<p>Significant progress was made following completion of site-based asset profiles for all 45 hostels, using standardised performance criteria.</p> <p>Assessment commenced in July 2019, using the 45 reports, to develop a comprehensive asset management plan and rolling program of works in 2019–20.</p> <p>Based on issues identified in the asset assessment process, priorities in 2019–20 will include a network-wide approach to:</p> <ul style="list-style-type: none"> <li>• disability access (including for sight-impaired residents)</li> <li>• security at student hostels</li> <li>• fit-for-purpose applicability of multipurpose hostels, given the growth in the proportions of medical residents in those facilities.</li> </ul>
<p><b>Development of an ICT Strategy</b></p>	<p>Stage 1 (assessment and analysis) of a planned agency-wide ICT strategy, incorporating an ICT architecture and service management framework, was completed in mid-2019.</p> <p>Representing a substantial investment in business infrastructure, the strategy is expected to achieve the following objectives over time:</p> <ul style="list-style-type: none"> <li>• deliver significant savings in back-end operations</li> <li>• streamline front-end user operability</li> <li>• meet new ICT security standards</li> <li>• ensure critical ICT business continuity.</li> </ul> <p>An implementation plan is due to be finalised later in 2019.</p>
<p><b>Improved performance reporting</b></p>	<p>AHL’s 2019–23 Corporate Plan outlines more specific measurables under the company’s three core activity streams of quality accommodation services, business efficiency and sustainable asset management. In addition to measuring the company’s performance in delivering its core services, further data analysis in AHL’s 2019–20 Annual Report will more clearly demonstrate AHL’s contribution to social impacts for Aboriginal and Torres Strait Islander Australians, including through more detailed analysis of:</p> <ul style="list-style-type: none"> <li>• AHL’s resident cohort by age, gender, reasons for stay and length of stay</li> <li>• Changing patterns of usage across AHL’s three accommodation segments</li> <li>• Secondary student retention and attainment, including comparisons to national data</li> <li>• Factors impacting AHL’s Indigenous workforce participation.</li> </ul>

---

## Financial summary

This section provides an overview of AHL's income and expenditure in 2018–19. The audited Financial Statements are provided in Part 4 of the Annual Report.

### Income

In 2018–19, of AHL's \$55.4 million operating income, 65 per cent came from the Australian Government and 27 per cent was generated through tariffs collected from residents.

The remaining income comprised funding from the Australian Government and state and territory governments to operate hostels on behalf of other agencies (7 per cent) and interest earned from investments in term deposits (1 per cent).

Table 5 shows where AHL's income came from in 2018–19.

Table 6 includes information from the previous two reporting periods for comparison.



**Table 5: Sources of operating income, 2018–19**

Source	\$m	%
Australian Government appropriation	36.3	65
Hostel accommodation revenue	14.8	27
Other government fundings <sup>3</sup>	3.7	7
Interest and rent received	0.6	1
<b>Total operating income</b>	<b>55.4</b>	<b>100</b>

**Table 6: Operating income, 2016–17 to 2018–19 (\$m)**

Source	2016–17	2017–18	2018–19
Australian Government — appropriation	37.1	36.6	36.3
Hostel accommodation revenue	14.9	16.4	14.8
Australian Government — other funding agreements	2.1	4.4	0.9
State and territory governments	2.5	2.7	2.8
Gain on sale of property, plant and equipment	0	0	0
Interest and rent received	0.5	0.5	0.6
Reversal of previous asset write-downs and impairments	0	0	0
<b>Total</b>	<b>57.1</b>	<b>60.6</b>	<b>55.4</b>

<sup>3</sup> Operational grants received from the Northern Territory Government and Australian Government to operate hostels on their behalf.

---

## Expenditure

AHL's total operating expenditure for 2018–19 was \$55.6 million.

AHL's capital expenditure for 2018–19 was \$2.5 million.

Tables 7 and 8 show where AHL's income was spent in 2018–19.

**Table 7: Operating expenditure by location, 2018–19**

Location	\$m	%
NSW	4.4	7.9
QLD	10.5	18.9
SA	1.4	2.5
VIC	0.7	1.2
WA	7.9	14.2
ACT (National Office)	10.6	19.1
NT	20.1	36.2
<b>Total</b>	<b>55.6</b>	<b>100</b>

Table 8: Capital expenditure by location, 2018–19

Location	\$m	%
NSW	0.3	5.0
QLD	0.67	27
SA	0.05	2.0
VIC	0.32	13
WA	0.36	14
ACT (National Office)	0.18	7.0
NT	0.79	32
<b>Total</b>	<b>2.5</b>	<b>100</b>



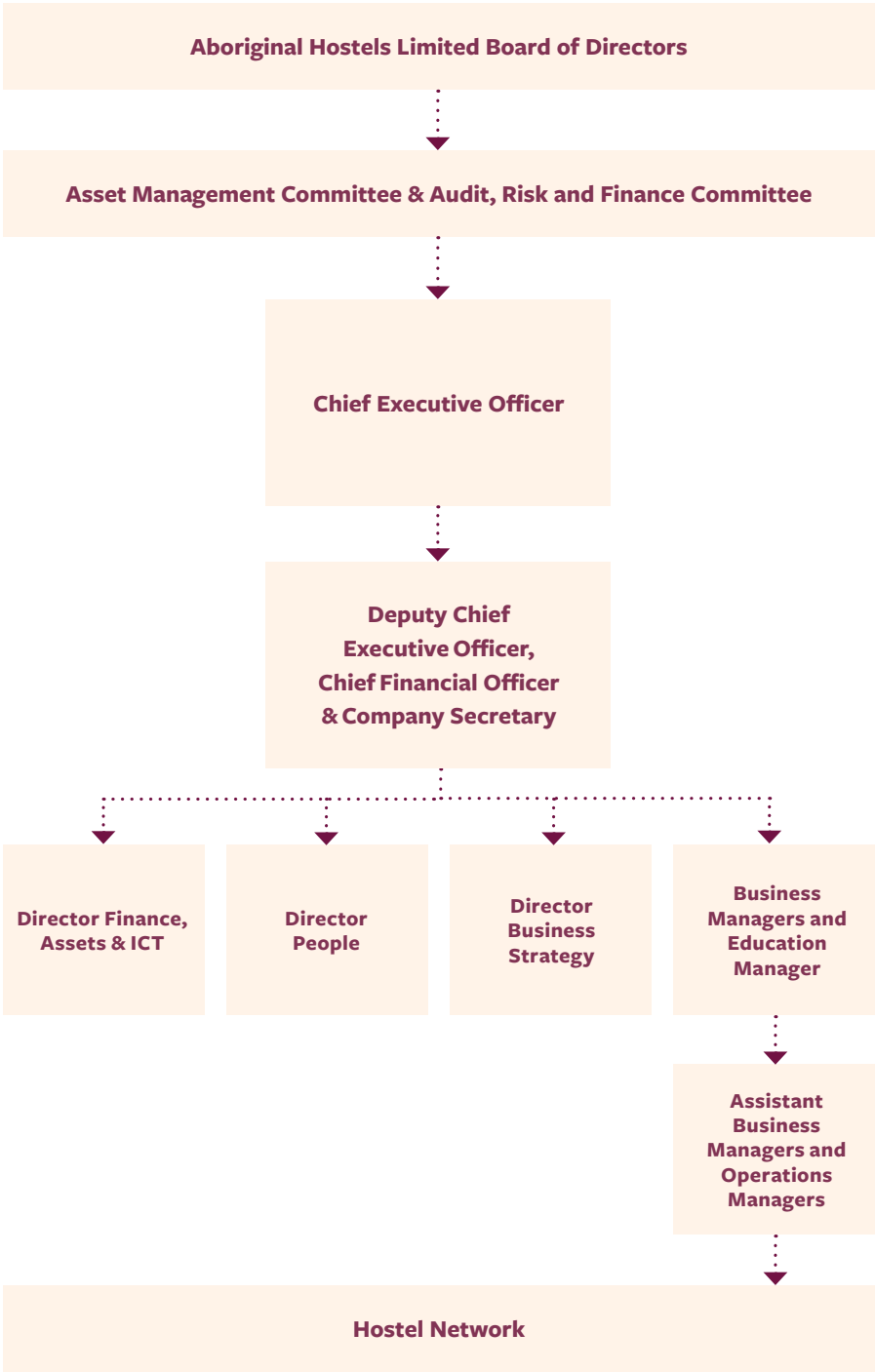
# 3 Organisation

Structure	38
Board	39
Executive	40
Governance	41
People	45

# Structure

Figure 4 shows the structure of the organisation at 30 June 2019.

**Figure 4: Organisational structure at 30 June 2019**



---

# Board

## **The Board of Directors is responsible for the overall corporate governance and successful operation of AHL and is accountable to the Minister.**

In carrying out its governance role, the Board ensures that AHL complies with its contractual, statutory and other legal obligations. The powers and duties of the Board are specified in AHL's Constitution and in legislation.

Key accountabilities and matters reserved for the Board include:

- setting and reviewing objectives, goals and strategic direction and assessing performance against those benchmarks
- ensuring that AHL is financially sound and has appropriate financial reporting practices
- ensuring that a process is in place to maintain the integrity of internal controls, risk management, delegations of authority, and financial and management information systems
- appointing, supporting and evaluating the CEO
- ensuring high business standards and ethical conduct and fostering a culture of compliance and accountability
- reporting to the Minister on the Board's stewardship of AHL and monitoring its achievement against the Corporate Plan
- ensuring that AHL submits an annual report that is compliant with the *Public Governance, Performance and Accountability Act 2013*.

The Chairperson is responsible for ensuring that the Board receives accurate, timely and clear information to enable the directors to analyse and constructively critique the performance of AHL and its management. The Chairperson is responsible for representing the Board to the Minister.

The Company Secretary is an ancillary role of the Chief Financial Officer (CFO), appointed by the CEO. The Company Secretary is responsible for developing and maintaining information systems that enable the Board to fulfil its role. The Company Secretary is also responsible for ensuring compliance with Board procedures and provides advice to the Board, through the Chairperson, on governance matters.

---

## Executive

The Executive Management Team implements the Board's strategic direction and oversees governance in AHL's daily operations.

The key management personnel are:

- Mr Tony Usher, Chief Executive Officer
- Ms Michelle Deavin, Deputy Chief Executive Officer, Chief Financial Officer and Company Secretary.



---

# Governance

AHL is accountable to the Australian community, through the Australian Parliament, for the effective delivery of its accommodation services and administration. AHL's governance framework is built on principles of accountability, leadership, executive instruction, quality control and duty of care for residents.

## Legal framework

AHL is a wholly owned Australian Government company within the portfolio of the Prime Minister and Cabinet.

From 1 July 2018 to 28 May 2019, Senator the Hon Nigel Scullion was the Minister responsible for AHL as Minister for Indigenous Affairs. From 29 May 2019 to 30 June 2019, the Minister responsible for AHL was the Hon Ken Wyatt AM MP, Minister for Indigenous Australians.

The Minister did not issue any directions to AHL, and AHL was not subject to any general government policy orders, in 2018–19.

AHL complies with all relevant legislation, including the:

- *Aboriginal and Torres Strait Islander Act 2005*
- *Archives Act 1983*
- *Auditor-General Act 1997*
- *Commonwealth Electoral Act 1918*
- *Corporations Act 2001*
- *Environment Protection and Biodiversity Conservation Act 1999*
- *Fair Work Act 2009*
- *Freedom of Information Act 1982*
- *Privacy Act 1988*
- *Public Governance, Performance and Accountability Act 2013*
- *Public Interest Disclosure Act 2013*
- *Public Service Act 1999*
- *Remuneration Tribunal Act 1973*
- *Safety, Rehabilitation and Compensation Act 1988*
- *Work Health and Safety Act 2011.*

---

## Business structure

AHL is a wholly owned Commonwealth company, limited by guarantee. It does not have any subsidiaries and is not a government business enterprise. The Australian Government, through the Minister, is the sole member of the company.

AHL is incorporated under the *Corporations Act 2001*.

## Internal control framework

The AHL Board is responsible for determining AHL's overall internal control framework and for reviewing its effectiveness — recognising that no cost-effective internal control system will prevent all errors and irregularities.

AHL's internal control processes are intended to provide reasonable assurance on:

- the effectiveness and efficiency of operations and programs
- the reliability of financial reporting
- compliance with applicable laws and regulations.

## Risk management

During 2018–19, AHL maintained its proactive approach to risk management through a comprehensive Enterprise Risk Management (ERM) Framework.

ERM is embedded as a structured, consistent and continuous process across AHL at the strategic and operational

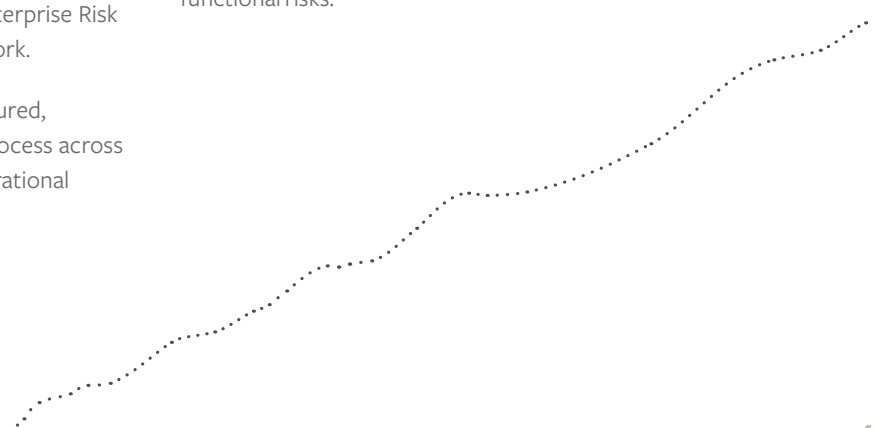
levels, and is applied to individual project areas to identify, assess, respond to and report on opportunities and threats that affect the achievement of AHL's business objectives.

Risk tolerances are set at an appropriate level for the company, with reference to the company's Risk Management Plan. Within this framework, AHL's Risk Appetite Statement establishes the degree of risk exposure that the company is willing to accept in pursuit of its goals.

Regular review mechanisms during 2018–19 included:

- the annual review of AHL's ERM Framework as part of the continual improvement process set out in ASISO 31000:2018
- quarterly reviews of AHL's Enterprise Risk Register by the Audit, Risk and Finance Committee, presented to quarterly Board meetings
- an annual full assessment of risks, controls and strategies by the Audit, Risk and Finance Committee, presented to the Board
- regular Board appraisal of mitigation strategies for significant risk
- a comprehensive internal audit program across all areas of the organisation's business.

Risk management plans are in place for each key risk and satisfactory mitigation is undertaken for operational risks and functional risks.



---

## External scrutiny

No reports on AHL were made by the Auditor-General, parliamentary committees, the Commonwealth Ombudsman, the Office of the Australian Information Commissioner, or the Australian Securities and Investments Commission during 2018–19.

No judicial decisions or decisions of administrative tribunals made during 2018–19 significantly affected, or may significantly affect, the operations of AHL.

The Auditor-General (through the Australian National Audit Office) audits the records and financial statements of AHL in accordance with the *Public Governance, Performance and Accountability Act 2013*.

## Ethical standards

Each AHL director agrees to abide by the code of conduct in the Board's Governance Charter on:

- commitment and knowledge
- conduct in Board meetings
- confidentiality and collegiality
- relationship with management.

AHL employees are bound by standards of ethical behaviour communicated by the Australian Public Service Values, Employment Principles and Code of Conduct. AHL promotes fraud awareness and ethical behaviour to all employees.

## Ecologically sustainable development

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Australian Government agencies to report against the core criteria:

- how agencies accord with and contribute to ecologically sustainable development
- the impact of agencies' activities on the natural environment, how that impact is mitigated and how it will be further mitigated.

Table 9 details AHL's response to the criteria.

**Table 9: Ecologically sustainable development activities**

Reporting requirement	AHL response
<b>How AHL accords with and contributes to the principles of ecologically sustainable development</b>	AHL continues to focus on identifying and embedding better practice in the sustainable management of energy, water and waste.
<b>Activities that affect the environment</b>	AHL's core function — accommodation — consumes energy, water and materials, such as packaging, that contribute to landfill, pollution and greenhouse gas emissions. Energy is required to power AHL's offices and hostels and provide hot water, heat for cooking, and air conditioning in some of AHL's hottest regions.
<b>Measures taken to minimise the effect of activities on the environment</b>	<p>AHL applies environmental principles in procurement, particularly through its capital works program.</p> <p>AHL has solar panels installed at more than half of its hostels.</p> <p>AHL encourages staff to adopt sustainable waste management practices and educates residents in minimising energy use and following recycling practices.</p> <p>In 2018–19, AHL improved the energy efficiency of its new offices, hostels and major refurbishment projects by replacing electrical equipment such as lighting systems with more energy-efficient solutions.</p>
<b>Mechanisms for reviewing and increasing the effectiveness of measures to minimise</b>	<p>AHL collected data on its water and energy use, and assessed the environmental performance of its activities.</p> <p>AHL's utility category spend will be analysed in 2019–20 to identify areas of potential efficiency gains and financial benefits.</p>

---

# People

## Performance Measures

### AHL Corporate Plan

- Workforce strategy indicators
  - maintain minimum 60% Indigenous employment
  - targeted recruitment of suitably skilled/qualified hostel staff
- Work Health & Safety indicators
  - reduce staff injury incidents
  - reduce Comcare reportable incidents
  - reduce/maintain Comcare premium in line with APS comparator agencies

## Achievements in 2018–19

AHL staff are integral to delivering safe, comfortable and culturally appropriate accommodation services to Aboriginal and Torres Strait Islander Australians. AHL strongly supports workplace diversity, recognising the value of the diverse knowledge, skills, backgrounds and perspectives that people bring to their work.

---

## Staff profile

AHL employed 247 full-time and 67 part-time staff (a total of 314) at 30 June 2019.

Tables 10–14 show details of AHL’s staffing in 2018–19. With an average staffing level (ASL) equivalent of 330 in 2018–19, AHL remains well within its ASL cap of 386.

In 2018–19, AHL’s staffing profile included strong representation of Aboriginal and Torres Strait Islander people (53 per cent of the total workforce) and women (60 per cent).

**Table 10: Indigenous employees, 2018–19**

Indigenous Employees			
Measure	Male	Female	Total
Number	53	114	167
Proportion of total workforce	17%	36%	53%

Table 11: All ongoing employees, current reporting period (2018–19)

Location	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	4	1	5	6	4	10	0	0	0	15
QLD	8	2	10	16	3	19	0	0	0	29
SA	4	0	4	4	2	6	0	0	0	10
TAS	0	0	0	0	0	0	0	0	0	0
VIC	2	0	2	0	0	0	0	0	0	2
WA	1	2	3	3	2	5	0	0	0	8
ACT	10	1	11	8	0	8	0	0	0	19
NT	14	0	14	16	3	19	0	0	0	33
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>43</b>	<b>6</b>	<b>49</b>	<b>53</b>	<b>14</b>	<b>67</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116</b>

Note: Does not include casual employees.

Table 12: All non-ongoing employees, current reporting period (2018–19)

Location	Male			Female			Indeterminate			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	5	4	9	4	5	9	0	0	0	18
QLD	13	5	18	10	8	18	0	0	0	36
SA	0	0	0	0	4	4	0	0	0	4
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	1	1	4	0	4	0	0	0	5
WA	10	1	11	22	5	27	0	0	0	38
ACT	8	0	8	8	0	8	0	0	0	16
NT	29	1	30	38	13	51	0	0	0	81
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>65</b>	<b>12</b>	<b>77</b>	<b>86</b>	<b>35</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198</b>

Note: Does not include casual employees.

Table 13: All ongoing employees, previous reporting period (2017–18)

Location	Male			Female			Indeterminate			Total
Measure	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	8	2	10	9	6	15	0	0	0	<b>25</b>
QLD	9	2	11	23	6	29	0	0	0	<b>40</b>
SA	4	0	4	3	2	5	0	0	0	<b>9</b>
TAS	0	0	0	0	0	0	0	0	0	<b>0</b>
VIC	2	0	2	0	0	0	0	0	0	<b>2</b>
WA	3	2	5	6	2	8	0	0	0	<b>13</b>
ACT	12	0	12	15	0	15	0	0	0	<b>27</b>
NT	19	1	20	22	5	27	0	0	0	<b>47</b>
Overseas	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>57</b>	<b>7</b>	<b>64</b>	<b>78</b>	<b>21</b>	<b>99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>163</b>

Note: Includes casual employees.

Table 14: All non-ongoing employees, previous reporting period (2017–18)

Location	Male			Female			Indeterminate			Total
Measure	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	2	9	11	3	8	11	0	0	0	<b>22</b>
QLD	9	13	22	5	27	32	0	0	0	<b>54</b>
SA	0	0	0	0	7	7	0	0	0	<b>7</b>
TAS	0	0	0	0	0	0	0	0	0	<b>0</b>
VIC	1	0	1	0	0	0	0	0	0	<b>1</b>
WA	10	6	16	14	18	32	0	0	0	<b>48</b>
ACT	9	0	9	15	0	15	0	0	0	<b>24</b>
NT	17	19	36	23	35	58	0	0	0	<b>94</b>
Overseas	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>48</b>	<b>47</b>	<b>95</b>	<b>60</b>	<b>95</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>

Note: Includes casual employees.



---

## Recruitment and retention

AHL completed 265 new recruitment activities in 2018–19, including the engagement of 120 Aboriginal and Torres Strait Islander employees.

Of the 265 engagements, five were ongoing, 104 were non-ongoing and 156 were casual.

## Enterprise Agreement

The AHL Enterprise Agreement nominally expires on 27 July 2020. Bargaining for a new Enterprise Agreement is expected to commence in late 2019 or early 2020.

## Learning and development

During 2018–19, various staff in AHL's network received training in child protection and food safety.

## Performance management

The performance management cycle in AHL commences each year on 1 August and concludes on 31 July with an annual review. In 2018–19, 95 per cent of eligible AHL staff participated in the performance management process and completed their annual reviews.

## Work health and safety

Improved safety outcomes were pursued during the reporting period as part of AHL's ongoing work health and safety (WHS) framework, which addressed:

- bullying and harassment
- chemical management
- first aid
- staff health and safety representation
- incident reporting
- staff wellbeing
- WHS risk assessment and management.

AHL staff made five compensation claims in 2018–19, one more than in 2017–18. The majority of new claims were high-cost psychological injury claims.

Table 15 provides a summary of notifiable incidents that occurred during the year, as required by the *Work Health and Safety Act 2011*. One investigation was conducted by Comcare and no notices were served during the year.

**Table 15: Work health and safety statistics, 2016–17 to 2018–19**

Notifiable incident classification	2016–17	2017–18	2018–19
Death	0	0	3
Serious injury/illness	5	1	0
Dangerous incident	3	3	2
<b>Total</b>	<b>8</b>	<b>4</b>	<b>5</b>

### Comcare audit

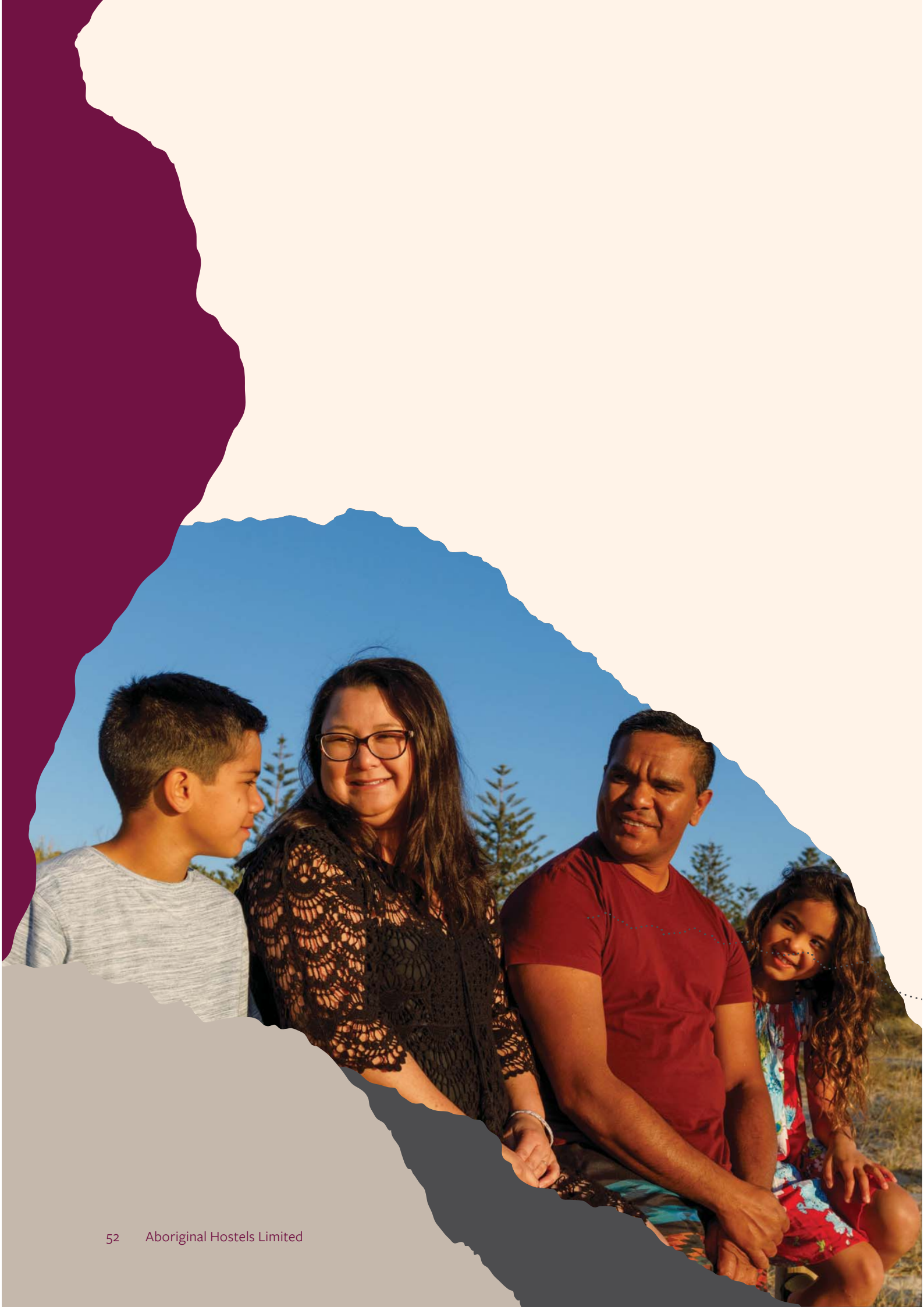
In March 2018, Comcare undertook an audit of AHL’s WHS management system. As a result of the audit and subsequent report, a Corrective Action Plan was developed to address 45 non-conformances and eight observations made in the Comcare report.

AHL has worked closely with Comcare in managing the Corrective Action Plan. Almost all findings were addressed and/or remediated by the close of the reporting period.

### Comcare workers compensation premium

AHL’s premium for the 2019–20 financial year fell by \$1.6 million as a result of stronger Comcare scheme performance together with AHL’s improved claims performance. AHL’s improved claims performance flowed from proactive management of injury cases and a strengthened program of WHS policy, training and compliance initiatives during 2018–19.





# 4

# Financial Report

Directors' Report	54
Financial Statements	61



---

# Directors' Report

The Board of Directors presents its report on Aboriginal Hostels Limited for the financial year ended 30 June 2019.

## Corporate information

AHL is a company wholly owned by the Australian Government and is limited by guarantee. The registered office of the company is located at 2-6 Shea Street, Phillip, ACT 2606.

AHL is recognised as a public benevolent institution by the Australian Taxation Office and has deductible gift recipient status.

## Principal activities

The principal activity of the company during 2018-19 was the operation of hostels for Aboriginal and Torres Strait Islander Australians.

The objective of the company is to provide safe, comfortable, culturally appropriate and affordable accommodation for Aboriginal and Torres Strait Islander Australians who must live away from home to access services and economic opportunity.

To help achieve the aims of the company, the Australian Government provides funding for the construction, operating costs, repairs and maintenance of hostels.

AHL also enters into contracts with the Australian Government and state and territory governments to operate their hostels on a fee-for-service basis.

## Operating results

The operating result in 2018-19 was a deficit of \$0.235 million (the result in 2017-18 was an operating surplus of \$4.8 million).

## Financial position

The net assets of the company at 30 June 2019 were valued at \$149.321 million, a marginal decrease from \$149.556 million in 2017-18.

## Significant activities or changes in state of affairs

There were no significant changes in AHL's state of affairs during the reporting period.

## Significant events subsequent to reporting period

There were no significant events subsequent to the reporting period.

## Board of Directors

At 30 June 2019, the AHL Board had six members (up to nine directors may be appointed as prescribed by the AHL Constitution).

In 2018-19, an annual Board performance survey was undertaken and the Chairperson undertook performance reviews and skills audits with directors to maximise the governance capacity of the Board.

In 2018-19, the Board met five times; the Audit, Risk and Finance Committee met five times; and the Asset Management Committee met four times.

## Directors' details

Table 16 outlines the names and details of the Directors in 2018–19.

Ms Karen Sheldon resigned from the Board, effective 23 September 2018.

**Table 16: Details of directors, 2018–19**

Name	Qualifications	Experience	Position	Period of appointment	Board meetings attended	
				From	To	
<b>Dr Susan Gordon AM</b>	Bachelor of Laws	A retired magistrate who served for 20 years on the bench of the Children's Court of Western Australia. Member of the first board of the Aboriginal and Torres Strait Islander Commission, who chaired the National Indigenous Council and led the Gordon Inquiry and the Northern Territory Emergency Response Taskforce. Member of the Order of Australia in recognition of her commitment to Aboriginal people and community affairs.	Chairperson Non-executive director	11/09/2015	10/09/2020	5/5
<b>Mr David Evans</b>	Master of Business Administration Bachelor of Commerce International Company Directors Course Fellow, CPA Australia Fellow, Financial Services Institute of Australasia Fellow, Australian Institute of Company Directors	Consultant and facilitator for the Australian Institute of Company Directors, with over 30 years' experience in banking and finance in Australia and the Asia-Pacific. Active in governance roles in the public and private sectors. Recipient of the Centenary Medal for his services to the health industry through the National Heart Foundation.	Deputy Chairperson Non-executive director Chair, Audit Risk & Finance Committee	24/06/2013	23/09/2019	5/5

Name	Qualifications	Experience	Position	Period of appointment	Board meetings attended
<b>Mr Mike Allen PSM</b>	Graduate Diploma in Urban Estate Management Member, Australian Institute of Company Directors Fellow, Institute of Public Administration Australia Life Member, Australasian Housing Institute	Former CEO of Housing NSW, with over 30 years' experience in social housing management and asset services, homelessness, and community and Aboriginal housing. Leader of major housing reforms, including the development of the National Regulatory System for Community Housing. Recipient of the Public Service Medal in recognition of his services to the community and strong commitment to the values and principles of social housing.	Non-executive director Chair, Asset Management Committee	02/03/2016 03/06/2022	5/5
<b>Prof. MaryAnn Bin-Sallik AO</b>	Doctor of Education (Harvard)	Internationally recognised pioneer of Indigenous higher education in Australia. Officer of the Order of Australia in recognition of her distinguished service to tertiary education, particularly in the area of Indigenous studies and culture.	Non-executive director	02/03/2016 03/06/2022	5/5
<b>Ms Jennifer Ullungura Clancy</b>		Senior Mantiyupwi woman from the Wurrumiyanga Community, Bathurst Island. Board member of several Tiwi Islands corporations and former registrar of the Tiwi Land Council.	Non-executive director	10/05/2017 10/05/2020	4/5
<b>Ms Denise Bowden</b>		Northern Territory Indigenous woman with extensive knowledge and experience of Aboriginal and Torres Strait Islander affairs, particularly relating to the delivery of services for the Yolngu clans of north-east Arnhem Land and the reform of Indigenous education in the remote north. Chief Executive Officer of the Yothu Yindi Foundation and Director of the Garma Festival.	Non-executive director	02/03/2016 02/06/2019	4/5



Name	Qualifications	Experience	Position	Period of appointment	Board meetings attended
<b>Ms Karen Sheldon AO</b>		<p>Managing Director, Karen Sheldon Group; renowned entrepreneur in Darwin.</p> <p>Established an award-winning catering company and the Northern Territory's first Vocational Training and Employment Centre.</p> <p>Member of the Order of Australia in recognition of her significant service to the community, through the development of Indigenous employment and training opportunities, and to the hospitality industry.</p>	Non-executive director	10/05/2017 10/05/2020 Resigned effective 23/09/2018	4/5
<b>Mr Daniel Bourchier</b>		<p>Experienced senior journalist, including as a political reporter for NITV and National Indigenous Affairs Correspondent for Sky News.</p> <p>Presenter of ABC television news and breakfast radio in Canberra.</p> <p>Former resident of Tennant Creek, with coastal Victorian Aboriginal heritage and an interest in the culture, history and social justice issues of Aboriginal and Torres Strait Islander Australians.</p> <p>Mr Bourchier is a Director on the Board of Outback Stores.</p>	Non-executive director	2/06/2019 1/09/2019	1/5

---

## Board committees

To assist in the performance of its responsibilities, the Board has established two subcommittees: the Audit, Risk and Finance Committee and the Asset Management Committee.

From time to time, the Board may create time-limited working groups to assist the Executive Management Team with specific issues or projects.

### Audit, Risk and Finance Committee

The role of the Audit, Risk and Finance Committee is to provide independent assurance to the Board on:

- financial reporting
- performance reporting
- risk oversight and management
- compliance
- the system of internal controls.

This includes:

- monitoring AHL's funding, financial and planning strategies
- monitoring the flow of funds to ensure AHL's financial viability
- overseeing the investment/divestment strategy (cash and property), and monitoring its performance
- reporting regularly to the Board on significant financial matters
- providing input into new projects and proposals
- advising on annual key performance indicators in relation to finance and resources, including human resources, and performance against them.

## Asset Management Committee

The Asset Management Committee provides oversight of matters relating to longer term strategic asset management, including providing the Board with assurance that AHL is appropriately and sustainably managing and maintaining its asset portfolio.

## Remuneration policy

The Remuneration Tribunal determines the company's remuneration policy for the directors and the CEO. The tribunal approves the company's terms and conditions of remuneration relating to the appointment and retirement of the Board members and of the CEO.

The remuneration and terms of conditions of employment for the senior executives are in accordance with the *Public Service Act 1999* and common law contracts.

The non-executive directors receive the superannuation guarantee contribution required by the Australian Government, which is currently 9.5 per cent, and do not receive any other retirement benefits.

The total remuneration of the directors and senior executives of the company in 2018–19 is shown in Table 17.

Table 16: Details of directors, 2018–19

Name	Position title	Short term benefits (\$)			Post employment benefits (\$)	Other long term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
		Base salary	Bonuses	Other benefits and allowances		Long service leave	Other long term benefits		
<b>Dr Susan Gordon</b>	Non-executive Director	76,078	0	0	7,227	0	0	0	83,305
<b>Mr David Evans</b>	Non-executive Director	42,544	0	0	4,042	0	0	0	46,586
<b>Mr Mike Allen</b>	Non-executive Director	42,544	0	0	4,042	0	0	0	46,586
<b>Prof. MaryAnn Bin-Sallik</b>	Non-executive Director	38,044	0	0	3,614	0	0	0	41,658
<b>Ms Jennifer Ullungura Clancy</b>	Non-executive Director	38,044	0	0	3,614	0	0	0	41,658
<b>Mr Daniel Bouchier</b>	Non-executive Director	2,634	0	0	250	0	0	0	2,887
<b>Ms Denise Bowden</b>	Non-executive Director	35,410	0	0	3,364	0	0	0	38,774
<b>Ms Karen Sheldon</b>	Non-executive Director	9,068	0	0	861	0	0	0	9,929
<b>Mr Anthony Usher</b>	CEO	283,708	0	110,820	42,982	6,915	0	0	444,425
<b>Ms Michelle Deavin</b>	Deputy CEO, CFO	206,258	0	30,954	28,695	7,709	0	0	273,616
								<b>Total</b>	<b>1,029,424</b>

a Includes vehicle, reunion travel, accommodation, salary packaging and associated Fringe Benefits Tax.

b Includes SES and vehicle allowances, salary packaging and associated Fringe Benefits Tax.

---

## Indemnities and insurance

AHL maintains directors' and officers' liability insurance. The insurance covers AHL officers in respect of legal liabilities (including legal expenses) that a director or officer may be legally obliged to pay in certain circumstances. The policy has some exclusions, such as wilful breach of duty, breach of professional duty and any claim arising out of libel, slander or defamation.

The company also covers personal accident and travel insurance for directors travelling on official company business.

## Proceedings on behalf of company

No person has applied for leave of a court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

## Related party disclosures

There were no related party transactions in 2018-19.

## Rounding

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the Financial Statements and the Directors' Report have been rounded to the nearest \$1,000.

## Auditor's independence

The directors received an Independence Declaration from the Auditor-General for the year ended 30 June 2019. A copy of the report has been included with the Financial Statements.

## Resolution of directors

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



**Dr Susan Gordon AM**

Chairperson  
Aboriginal Hostels Limited

20 September 2019

# Financial Statements



Dr Susan Gordon AM  
Chairperson  
Aboriginal Hostels Limited  
3-6 Shea St  
Capital Centre Phillip  
Phillip ACT 2606

## **ABORIGINAL HOSTELS LIMITED FINANCIAL REPORT 2018–19 AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Aboriginal Hostels Limited for the year ended 30 June 2019, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

A handwritten signature in blue ink, appearing to read 'R. Tejani'.

Rahul Tejani  
Audit Principal  
Delegate of the Auditor-General

Canberra  
19 September 2019

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777



## INDEPENDENT AUDITOR'S REPORT

To the members of Aboriginal Hostels Limited

### Opinion

In my opinion, the financial report of Aboriginal Hostels Limited ('the Company') for the year ended 30 June 2019 is in accordance with the *Corporations Act 2001* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The financial report of the Company, which I have audited, comprises the following statements as at 30 June 2019 and for the year then ended:

- Declaration by Aboriginal Hostels Limited Chairperson and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Directors' responsibility for the financial report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial report**

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

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

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

---

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

Australian National Audit Office

A handwritten signature in blue ink, appearing to read 'R. Tejani', is written over a circular stamp or seal.

Rahul Tejani  
Audit Principal  
Delegate of the Auditor-General

Canberra  
20 September 2019



---

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

## Declaration by Aboriginal Hostels Limited Chairperson and Chief Financial Officer

For The Period Ended 30 June 2019

1. The financial statements and notes are in accordance with the Corporations Act 2001 and satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012; and

- a) comply with Accounting Standards and the Corporations Regulations 2001; and
- b) give a true and fair view of the financial position of the company as at 30 June 2019 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Signed



Dr Susan Gordon AM

Chairperson

20 September 2019

Signed



Michelle Deavin CPA

Chief Financial Officer

20 September 2019

## Financial Statements

For The Period Ended 30 June 2019

### Contents

---

Statement of comprehensive income	
Statement of financial position	
Statement of changes in equity	
Cash flow statement	

---

<b>Financial Performance</b>	
1. Expenses	77
2. Own-source revenue	80
<b>Funding</b>	
3. Grant received from portfolio department	81
<b>Financial Position</b>	
<b>Financial Assets</b>	
4. Cash and cash equivalents	82
5. Trade and other receivables	82
6. Other financial assets	83
<b>Non-Financial Assets</b>	
7. Schedule of property, plant and equipment, art and artefacts and intangible assets	84
<b>Liabilities</b>	
8. Trade payables	89
9. Lease incentive payable	89
10. Minimum lease payable	89
11. Other payables	89
<b>Other</b>	
12. Cash flow reconciliation	90
<b>People and relationships</b>	
13A. Employee provisions	91
13B. Name of directors and key management personnel	92
13C. Key management personnel remuneration	93
13D. Related party disclosures	93
<b>Managing uncertainties</b>	
14. Resources received and provided free of charge	94
15. Economic dependency	94
16. Contingent assets and liabilities	94
<b>Other information</b>	
17. Assets held in trust	95

---

## Statement of Comprehensive Income

For The Period Ended 30 June 2019

	Note	Full Year 2019 \$'000	Original 2018 Budget \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1A	27,015	28,364	31,539
Hostel accommodation expenses	1B	4,105	4,697	3,817
Administration expenses	1C	6,888	7,590	7,984
Property operating expenses	1D	10,308	10,487	9,285
Depreciation and amortisation	1E	5,153	4,103	4,088
Grants refund to portfolio department		1,000	-	-
Write-down and impairment of assets and bad debts	1F	1,128	449	626
Finance and borrowing costs		58	75	71
<b>Total expenses</b>		<b>55,655</b>	<b>55,765</b>	<b>57,410</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Other operational funding received	2A	3,725	7,126	5,375
Hostel accommodation revenue	2B	14,746	16,387	15,163
Interest	2C	620	529	516
Other revenue	2D	6	34	33
<b>Total own-source revenue</b>		<b>19,097</b>	<b>24,076</b>	<b>21,087</b>
<b>Gains</b>				
<b>Total own-source income</b>		<b>19,097</b>	<b>24,076</b>	<b>21,087</b>
<b>Net (cost of)/contribution by services</b>		<b>(36,558)</b>	<b>(31,689)</b>	<b>(36,323)</b>
Revenue from Commonwealth Government				
Grant received from portfolio department	3	36,323	36,563	36,323
<b>Total revenue from Commonwealth Government</b>		<b>36,323</b>	<b>36,563</b>	<b>36,323</b>
<b>Surplus/(Deficit) on continuing operations</b>		<b>(235)</b>	<b>4,874</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Revaluation of land		-	(776)	-
Revaluation of buildings		-	(2,359)	-
Revaluation of art and artefacts		-	714	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>(2,421)</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(235)</b>	<b>2,453</b>	<b>-</b>

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

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Budget variances commentary – Statement of comprehensive income

Employee benefits	During 2018-19 AHL undertook a staffing restructure as part of a program of necessary savings measures. The actual employee headcount during the year was lower than budgeted which resulted in a reduction in employee benefits paid.
Administration expenses	This variance mainly relates to the lower than expected expenditure in workers compensation premiums and premium bonus for 2018-19. At the time of preparing the PBS, these amounts could not be reliably estimated.
Property operating expenses	This variance mainly relates to the higher than expected expenditure in repairs and maintenance and security services. At the time of preparing the PBS, these amounts were not known and could not be reliably estimated.
Depreciation and amortisation	This variance mainly relates to the increase in depreciation due to revaluation of buildings in 2017-18. The result of the building revaluation of 2017-18 has decreased the overall average useful life of buildings which in turn has increased the overall building depreciation rate. At the time of preparing the PBS, the impact from the revaluation was not known and could not be reliably estimated.
Grant refund to portfolio department	This variance relates to the return of unspent operational funding received for the Wadeye Secondary Education Boarding Facility which was received in 2017-18 from the Department of Prime Minister and Cabinet. At the time of preparing the PBS, the amounts were not known and could not be reliably estimated.
Write-down and impairment of assets and bad debts	This variance relates to the disposal of leasehold improvements of some of the properties provided to AHL free of charge (Broome, Durangaling and Biala Hostels) as AHL do not have total control of these assets.
Other operational funding received	This variance is mainly due to the reduction of operational funding provided by the Department of Prime Minister and Cabinet for the operation of the Wadeye Secondary Education Boarding Facility
Other revenue	This variance is mainly due to AHL ceasing the rental agreement for the Karinga hostel to an external party. This was not known during the preparation of the PBS and could not be reliably estimated.

## Statement of Financial Position

As at 30 June 2019

	Note	Full Year 2019 \$'000	Original 2018 \$'000	Budget \$'000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4	34,557	29,566	30,626
Trade and other receivables	5A	1,382	2,999	291
Other financial assets	6	248	243	180
<b>Total financial assets</b>		<b>36,187</b>	<b>32,808</b>	<b>31,097</b>
<b>Total current assets</b>		<b>36,187</b>	<b>32,808</b>	<b>31,097</b>
<b>NON CURRENT ASSETS</b>				
<b>Non-financial assets</b>				
Land	7A	37,794	37,794	38,570
Buildings	7A	79,033	82,621	82,232
Art and artefacts	7A	2,105	2,125	1,439
Plant and equipment	7A	1,324	1,415	3,742
Computer software	7A	28	38	269
<b>Total non-financial assets</b>		<b>120,284</b>	<b>123,993</b>	<b>126,252</b>
<b>Total non current assets</b>		<b>120,284</b>	<b>123,993</b>	<b>126,252</b>
<b>Total assets</b>		<b>156,471</b>	<b>156,801</b>	<b>157,349</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
<b>Payables</b>				
Trade payables	8	1,196	1,837	999
Lease incentive payable	9	43	43	43
Minimum lease payables	10	20	20	20
Other payables	11	1,990	1,138	629
<b>Total payables</b>		<b>3,249</b>	<b>3,038</b>	<b>1,691</b>
<b>Provisions</b>				
Employee provisions	13	1,276	1,562	1,992
<b>Total current liabilities</b>		<b>4,525</b>	<b>4,600</b>	<b>3,683</b>
<b>NON CURRENT LIABILITIES</b>				
<b>Operating lease payable</b>				
Minimum lease payables	10	543	522	543
Unearned lease incentive payable	9	293	336	293
<b>Total operating lease payable</b>		<b>836</b>	<b>858</b>	<b>836</b>
<b>Provisions</b>				
Employee provisions	13	1,789	1,787	1,406
<b>Total provisions</b>		<b>1,789</b>	<b>1,787</b>	<b>1,406</b>
<b>Total non current liabilities</b>		<b>2,625</b>	<b>2,645</b>	<b>2,242</b>
<b>Total liabilities</b>		<b>7,150</b>	<b>7,245</b>	<b>5,925</b>
<b>Net assets</b>		<b>149,321</b>	<b>149,556</b>	<b>151,424</b>
<b>EQUITY</b>				
Contributed equity		94,243	94,243	94,243
Reserves		53,744	53,744	56,165
Retained surplus/(Accumulated deficit)		1,334	1,569	1,016
<b>Total equity</b>		<b>149,321</b>	<b>149,556</b>	<b>151,424</b>

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

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Budget variance commentary - Statement of financial position

Cash and cash equivalents	This variance mainly relates to the receipt of an operational grant for additional accommodation services in the Northern Territory and a lower capital expenditure in 2018-19.
Trade and other receivables	This variance relates mainly to the treatment of resident tariff credits. In the PBS resident tariff credits are recorded as a net figure in trade and other receivables, in the financial statements resident tariff credits are recorded as a liability.
Other financial assets	This variance is mainly due to the prepayment of expenses at the end of financial year being higher than what was budgeted in the PBS.
Buildings, Art and artefacts	This variance relates to the independent revaluation of land, building and art and artefacts undertaken as at 30 June 2018 which resulted in a higher depreciation expenditure than budgeted. In addition, AHL reprioritised spend on capital works to expenditure on repairs and maintenance which resulted in lower than budgeted capital spend.
Plant and equipment	During 2018-19, AHL reprioritised spend on capital works to expenditure on repairs and maintenance across the hostel network resulting in a lower than budgeted capital spend.
Computer software	AHL deferred projects relating to the purchase of new software to focus on the repairs and maintenance program. At the time of preparing the PBS this program of work was not known.
Other payables	This variance relates mainly to accrued employee benefits payable and revenue received in advance which is recorded as a liability until it can be recognised. At the time of preparing the PBS these amounts were not known and could not be reliably estimated.
Employee provisions (current and non-current)	This variance mainly relates to long service leave payments that were made as a result of redundancies in 2018-19 and 2017-18. At the time of preparing the PBS, these estimates were not known and could not be reliably estimated.

## Statement of Changes in Equity

For The Period Ended 30 June 2019

	Note	Full Year 2019 \$'000	2018 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
Opening balance				
Balance carried forward from previous period		94,243	94,243	94,243
<b>Closing balance as at 30 June 2019</b>		<b>94,243</b>	<b>94,243</b>	<b>94,243</b>
<b>RETAINED EARNINGS</b>				
Opening balance				
Balance carried forward from previous period		1,569	(3,305)	1,016
<b>Comprehensive income</b>				
Surplus/(Deficit) for the period		(235)	4,874	-
<b>Total comprehensive income</b>		<b>(235)</b>	<b>4,874</b>	<b>-</b>
Transfers between equity components		-	-	-
<b>Closing balance as at 30 June 2019</b>		<b>1,334</b>	<b>1,569</b>	<b>1,016</b>
<b>ASSET REVALUATION RESERVE</b>				
Opening balance				
Balance carried forward from previous period		53,744	56,165	56,165
<b>Comprehensive income</b>				
Other comprehensive income		-	(2,421)	-
<b>Total comprehensive income</b>		<b>-</b>	<b>(2,421)</b>	<b>-</b>
<b>Closing balance as at 30 June 2019</b>		<b>53,744</b>	<b>53,744</b>	<b>56,165</b>
<b>TOTAL EQUITY</b>				
Opening balance				
Balance carried forward from previous period		149,556	147,103	151,424
<b>Comprehensive income</b>				
Surplus/(Deficit) for the period		(235)	4,874	-
Other comprehensive income		-	(2,421)	-
<b>Total comprehensive income</b>		<b>(235)</b>	<b>2,453</b>	<b>-</b>
Contributions by owners				
<b>Closing balance as at 30 June 2019</b>		<b>149,321</b>	<b>149,556</b>	<b>151,424</b>

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

---

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### **Budget Variance Commentary – Statement of Changes in Equity**

Surplus/(Deficit) for the period    No major variance against budget noted.



## Cash Flow Statement

For The Period Ended 30 June 2019

	Note	Full Year 2019 \$'000	2018 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Receipts from Commonwealth Government		39,435	39,203	38,722
Receipts from State and Territory Governments		3,236	2,999	2,976
Receipts from hostel accommodation customers		14,723	16,286	15,500
Interest		614	522	516
Net GST received		1,531	1,576	1,345
Other		18	78	58
<b>Total cash received</b>		<b>59,557</b>	<b>60,664</b>	<b>59,117</b>
<b>Cash used</b>				
Employees		26,715	29,081	32,146
Suppliers		24,321	24,497	22,098
Grant refunded to portfolio department		1,000	-	-
<b>Total cash used</b>		<b>52,036</b>	<b>53,578</b>	<b>54,244</b>
<b>Net cash from/(used by) operating activities</b>	<b>12</b>	<b>7,521</b>	<b>7,086</b>	<b>4,873</b>
<b>INVESTING ACTIVITIES</b>				
<b>Capital cash used</b>				
Payment for property, plant and equipment		2,519	3,516	3,886
Payment for intangibles		11	-	114
<b>Total capital cash used</b>		<b>2,530</b>	<b>3,516</b>	<b>4,000</b>
<b>Net cash from/(used by) investing activities</b>		<b>(2,530)</b>	<b>(3,516)</b>	<b>(4,000)</b>
<b>Net increase/(decrease) in cash held</b>		<b>4,991</b>	<b>3,570</b>	<b>873</b>
Cash and cash equivalents at the beginning of the reporting period		29,566	25,996	29,753
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4</b>	<b>34,557</b>	<b>29,566</b>	<b>30,626</b>

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

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Budgetary variance commentary – Cash flow statement

Receipts of hostel accommodation customers	This variance is mainly due to the lower than budgeted amounts of tariff revenue received in 2018-19, particularly in relation to lower than budgeted student numbers.
Operating cash net GST received	Due to the nature of cash inflows and outflows this amount could not be reliably estimated at the time of preparing the PBS.
Operating cash used for employees	During 2018-19 AHL undertook a staffing restructure as part of a program of necessary savings measures. The actual employee headcount during the year was lower than budgeted which resulted in a reduction in employee benefits paid.
Operating cash used for suppliers	This variance mainly relates to the higher than budgeted accrued expenditure in 2018-19 that related to 2017-18.
Operating cash grant refund to portfolio department	This variance relates to the return of unspent operational funding received for the Wadey Secondary Education Boarding Facility which was received in 2017-18 from the Department of Prime Minister and Cabinet. At the time of preparing the PBS, this amount was not known and could not be reliably estimated.
Investing activities cash used – Payment for property, plant and equipment	During 2018-19 AHL continued a major program of repairs and maintenance work which saw a decrease in the purchase of items of a capital nature as against budget.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Overview

Aboriginal Hostels Limited (AHL) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of AHL is to provide safe, comfortable, culturally appropriate and affordable accommodation for Indigenous Australians who must live away from home to access services and labour markets.

AHL is structured to meet the following outcome of improving access to education, employment, health and other services for Aboriginal and Torres Strait Islander people travelling or relocating through the operation of temporary hostel accommodation services.

The continued existence of the entity in its present form and with its present programmes is dependent on Government policy and on continuing funding by Parliament for the entity's administration and programmes.

Entity activities contributing toward these outcomes are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right. AHL does not have any Administered items.

### Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001*, the *Australian Charities and Not-for-profits Commission Act 2012*, and the Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). AHL is classified for financial reporting purposes as a not-for-profit (NFP) entity under the *Corporations Act 2001* and the Australian Accounting Standards.

The financial report, except for cash flow information, has been prepared on an accrual basis and on a historical cost basis modified where applicable by the measurement at fair value of selected assets and liabilities.

AHL's financial instruments are limited to cash, trade and other receivables and trade and other payables. AHL financial instruments are not complex and therefore are not further disclosed in the notes.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

### Accounting Policy Changes

The accounting policies adopted by AHL during 2018-19 are consistent with those of the previous financial year.

### New Accounting Standards

#### *Adoption of New Accounting Standard Requirements*

No accounting standard has been adopted earlier than the application date as stated in the standard. There have been no other new, revised or amended standards or interpretations issued by the Australian Accounting Standards Board prior to the sign off date that are applicable to the current reporting period that have a material effect, or that are expected to have a future material effect on Aboriginal Hostels Limited's statements.

#### *Future Accounting Standard requirements*

The following new, revised and amending standards and interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Chairperson and Chief Financial Officer (CFO), and are expected to have a financial impact on Aboriginal Hostels Limited's financial statements for future reporting periods:

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### AASB 16 Leases

*Nature:*

The revised standard replaces AASB 117 *Leases* and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with AASB 16's approach to lessor accounting substantially unchanged from its predecessor, AASB 117.

*Likely impact:*

Effective date of AASB 16 is 1 July 2019. The Standard is expected to have an impact on the recognition, measurement and disclosure of the following leased assets and liabilities:

*Right-to-use assets: Buildings.*

AHL's right-to-use assets (buildings) are the leased National office, Kirinari Newcastle Hostel and Kirinari Sylvania Hostel. The impact of AASB 117 in relation to minimum lease liability is estimated to be \$0.56 million against retained earnings.

*Right-to-use assets: Plant and equipment.*

AHL's right-to-use assets (plant and equipment) are the leased motor vehicle fleet. The impact of AASB 117 in relation to minimum lease liability will be immaterial.

### AASB 1058 Income of Not-for-Profit Entities and AASB 2016-7 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

*Nature:*

AASB 1058, AASB 2016-7 and AASB 2016-8 clarify and simplify the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. They supersede all income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

The requirements of AASB 1058 more closely reflect the economic reality of NFP entity transactions that are not contracts with customers (as defined in AASB 15). The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

*Likely impact:*

The recognition, measurement and disclosure of funding received from State and Territory Government's and the Commonwealth funding for the operation of the Wadeye Hostel will be accounted as defined by AASB 15.

All other new, revised and amending standards and interpretations that were issued prior to signing date and are applicable to future reporting periods are not expected to have a material impact on the Agency's financial statements.

### Events after balance date

No events after balance date requiring reporting have occurred.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Financial performance

This section analyses the financial performance of AHL for the year ended 30 June 2019.

Expenses	Note	2019	2018
Note 1A: Employee benefits		\$'000	\$'000
Wages and salaries		20,287	21,532
Annual leave		1,456	1,483
Long service leave		501	302
Other leave		1,202	1,189
Superannuation		3,180	3,531
Termination benefits		389	327
<b>Total employee benefits</b>		<b>27,015</b>	<b>28,364</b>

### Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

### Note 1B: Hostel accommodation expenses

Food and beverages		3,434	3,967
Cleaning and hygiene		667	726
Medical sundries		4	4
<b>Total hostel accommodation expenses</b>		<b>4,105</b>	<b>4,697</b>

### Note 1C: Administration expenses

Consultants and contractors		838	1,043
Travel and accommodation		1,479	1,231
Training and recruitment		310	216
Information technology and communications		1,366	1,229
Insurance		246	234
Directors' fees	13C	311	342
Audit fees		112	112
Workers compensation expenses		1,434	2,473
Other		792	710
<b>Total administration expenses</b>		<b>6,888</b>	<b>7,590</b>

## Notes to the Financial Statements

For The Period Ended 30 June 2019

<b>Note 1D: Property operating expenses</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
Operating lease expense		761	867
Repairs and maintenance		4,510	4,703
Minor furnishings		301	562
Fuel and power		2,183	2,053
Rates		848	815
Other		1,705	1,487
<b>Total property operating expenses</b>		<b>10,308</b>	<b>10,487</b>
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>			
Within 1 year		940	962
Between 1 to 5 years		3,576	3,090
More than 5 years		2,459	3,006
<b>Total operating lease commitments</b>		<b>6,975</b>	<b>7,058</b>

### Accounting policy

#### Leasing commitments

AHL, in its capacity as lessee, has entered into an operating lease for its National office operations. Details are as follows:

<u>Location</u>	<u>Expiry date</u>	<u>Annual rental</u>	<u>Annual rental increases</u>
<b>Canberra - National office</b>	<b>31/03/2027</b>	<b>\$ 683 982</b>	<b>3% Fixed on anniversary</b>

AHL also holds operating leases for its motor vehicle fleet which are primarily used as official hostel pool cars. The fleet includes a number of passenger transport buses to provide transportation to students at the secondary education hostels.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

<b>Note 1E: Depreciation and amortisation</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation:</b>			
Buildings		4,386	3,260
Plant and equipment		560	624
Art and artefacts		22	15
<b>Total depreciation</b>		<b>4,968</b>	<b>3,899</b>
<b>Amortisation:</b>			
Leasehold improvements		164	165
Intangibles		21	39
<b>Total amortisation</b>		<b>185</b>	<b>204</b>
<b>Total depreciation and amortisation<sup>1</sup></b>		<b>5,153</b>	<b>4,103</b>

<sup>1</sup>AHL engaged an independent valuer in 2017-18 to review the remaining useful life of its buildings resulting in an increase in depreciation expenditure.

### **Note 1F: Write-down and impairment of assets and bad debts**

#### **Write-down and impairment of assets**

Building	1,040	212
Plant and equipment	46	26
Art and artefacts	-	46
Intangibles	-	42
<b>Total write-down and impairment of assets</b>	<b>1,086</b>	<b>326</b>
Bad debts write off and provision for bad debts	42	123
<b>Total write-down and impairment of assets and bad debts</b>	<b>1,128</b>	<b>449</b>

### **Accounting Policy**

Accounting policies for depreciation expenses are located after Note 7B.

#### **Expense recognition**

##### *Resources provided free of charge*

Resources provided free of charge by AHL are recognised as expenses when and only when the 'fair value' can be reliably determined and the services would have been sold if they had not been donated. Resources provided free of charge are recorded as either an expense or a loss depending on their nature.

AHL utilises five hostels under a rent offset agreement. The properties are Durungaling Hostel, Kirinari Newcastle Hostel, Kirinari Sylvania Hostel, Broome Hostel and Biala Hostel.

#### **Income tax**

No provision for income tax has been raised as AHL is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable or payable to the Australian Taxation Office is included with other receivables and payables in the statement of financial position. Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office are presented as operating cash flows.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Own-Source revenue and gains

<b>Note 2A: Other operational funding received<sup>1</sup></b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Funding for operation of hostels managed by AHL on behalf of other agencies</b>			
Department of Prime Minister and Cabinet (PM&C)			
<i>Wadeye Secondary Education Boarding Facility</i>		829	2,400
<i>Operational funding</i>		-	2,000
Northern Territory Housing			
<i>Akangkentye Hostel</i>		889	717
<i>Apmere Mwerre Visitor Park</i>		1,452	1,600
Northern Territory Department of Health			
<i>Alyerre Hostel</i>		555	409
<b>Total Funding for operation of hostels managed by AHL on behalf of other agencies</b>		<b>3,725</b>	<b>7,126</b>

<sup>1</sup> These grants are defined as non-reciprocal transfers under accounting standard AASB 1004

Contributions, therefore revenue is accounted for at the time of receipt and liabilities are not raised for unearned revenue received in advance.

### Note 2B: Hostel accommodation revenue

Tariff collected	14,735	16,348
Other revenue	11	39
<b>Total hostel accommodation revenue</b>	<b>14,746</b>	<b>16,387</b>

### Accounting policy

#### Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to AHL and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised.

#### Rendering of services

Revenue received for the provision of hostel accommodation is recognised upon the delivery of the service to customers, with all outstanding hostel tariff revenue accounted for as trade receivables and revenue payable by State and Territory organisations.

#### Other income

Other income is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to AHL and the income can be reliably measured.

#### Contributions

A contribution occurs when AHL receives an asset or cash without returning approximately equal value to the parties that provided the cash or asset for example property donations, grant funding to deliver administered programs. Contributions are referred to under Accounting Standard AASB 1004 as non-reciprocal transfers of economic benefits. Income from contributions is recognised at the time the revenue is received, not in the period when the expense is incurred.

#### Resources received free of charge

Resources received free of charge by AHL are recognised as revenue when the 'fair value' can be reliably determined and the services would have been purchased if they had not been donated. AHL does not include an estimate of the value of hostels provided to AHL free of charge to operate in its financial statements as these arrangements always result in nil impact to the financial position of AHL. AHL would not have purchased these resources if they were not provided free of charge. No value has been recognised in AHL's current or prior year financial statements for resources received free of charge.



## Notes to the Financial Statements

For The Period Ended 30 June 2019

	Note	2019	2018
		\$'000	\$'000
<b>Note 2C: Interest income</b>			
Interest income		620	529
<b>Total interest income</b>		<u>620</u>	<u>529</u>
<b>Note 2D: Other income</b>			
Rent received		6	34
<b>Total other income</b>		<u>6</u>	<u>34</u>
<b>Note 3: Revenue from Commonwealth Government</b>			
Department of Prime Minister and Cabinet (PM&C)			
Grant received from portfolio department		36,323	36,563
<b>Total Grant received from Commonwealth Government</b>		<u>36,323</u>	<u>36,563</u>

### Accounting policy

#### *Interest revenue*

Interest revenue is recognised using the effective interest method.

#### *Sale of assets*

Gain from disposal of assets are recognised when control of the assets has passed to the buyer.

#### *Revenue from Government*

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the Department of Prime Minister and Cabinet for payment to corporate entities) is recognised as Revenue from Government by AHL unless the funding is in the nature of an equity injection or a loan.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Financial Position

This section analyses AHL's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the people and relationships section.

<b>Note 4: Cash and cash equivalents</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>
Cash at bank		34,389	29,398
Donation account		168	168
<b>Total cash and cash equivalent</b>		<b>34,557</b>	<b>29,566</b>
<b>Note 5A: Trade and other receivables</b>			
Trade receivables		642	414
Less: Provision for impairment		(104)	(104)
<b>Total trade receivables</b>		<b>538</b>	<b>310</b>
GST receivable		270	269
Operational grant receivable		-	2,000
Other receivables		574	420
<b>Total other receivable</b>		<b>844</b>	<b>2,689</b>
<b>Total trade and other receivables</b>		<b>1,382</b>	<b>2,999</b>

### Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) deposits held at call at bank; and
- c) other short-term deposits.

### Note 5B: Provision for impairment of receivables

A review is undertaken at 30 June each year of all outstanding trade receivables to identify impaired and uncollectable debts. Individual debts deemed uncollectable are written off at year end and a provision for impairment (doubtful debts) is recognised.

Total trade and other receivables are expected to be recovered no more than 12 months from reporting date.

### Accounting policy

#### *Trade and other receivables*

Receivables for goods or services are recognised at the nominal amounts due, less any allowances for impairment. The collectability of debts is reviewed at year end. An allowance is recognised when the collectability of the debt is no longer probable and reported as a provision for impairment. The 'No Pay No Stay' policy is in place to reduce the level of irrecoverable debts from residents and hostel accommodation tariff payable by institutional debtors (e.g. State and Territory government agencies). Debts are either paid upfront or due within 60 days of the accommodation being provided to residents.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

Reconciliation of the impairment allowance for trade receivables are noted below:

<b>Note 5B: Movement in relation to 2019</b>	<b>2019</b>
	<b>\$'000</b>
<b>As at 1 July 2018</b>	<b>(104)</b>
Amount written off	42
Increase/(Decrease) recognised in net cost of service	<u>(42)</u>
<b>Closing balance provision for impairment as at 30 June 2019</b>	<b><u>(104)</u></b>
 <b>Note 5B: Movement in relation to 2018</b>	 <b>2018</b>
	<b>\$'000</b>
<b>As at 1 July 2017</b>	<b>(75)</b>
Amount written off	94
Increase/(Decrease) recognised in net cost of service	<u>(123)</u>
<b>Closing balance of provision for impairment as at 30 June 2018</b>	<b><u>(104)</u></b>

	Note	2019	2018
		\$'000	\$'000
<b>Note 6: Other current assets</b>			
Prepayments		<u>248</u>	<u>243</u>
<b>Total other current assets</b>		<b><u>248</u></b>	<b><u>243</u></b>

## Notes to the Financial Statements

For The Period Ended 30 June 2019

<b>Note 7A: Schedule of property, plant and equipment and intangible assets</b>	<b>Note</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Land and buildings</b>			
Land at fair value		37,794	37,794
<b>Total land</b>		<b>37,794</b>	<b>37,794</b>
Buildings at fair value		82,201	79,681
Add: Work in progress at historic cost		130	1,184
Less: Accumulated depreciation		(4,369)	-
<b>Total buildings at fair value</b>		<b>77,962</b>	<b>80,865</b>
Leasehold improvements at historic cost		1,824	2,420
Less: Accumulated depreciation		(753)	(664)
<b>Total leasehold improvements</b>		<b>1,071</b>	<b>1,756</b>
<b>Total land and buildings</b>		<b>116,827</b>	<b>120,415</b>
<b>Plant and equipment</b>			
Plant and equipment at historic cost		3,743	3,661
Less: Accumulated depreciation		(2,419)	(2,246)
<b>Total plant and equipment at historic cost</b>		<b>1,324</b>	<b>1,415</b>
<b>Art and artefacts</b>			
Art and artefacts at fair value		2,127	2,125
Less: Accumulated depreciation		(22)	-
<b>Total art and artefacts</b>		<b>2,105</b>	<b>2,125</b>
<b>Software</b>			
Software at historic cost		511	500
Less: Accumulated depreciation		(483)	(462)
<b>Total software</b>		<b>28</b>	<b>38</b>
<b>Total property, plant and equipment</b>		<b>120,284</b>	<b>123,993</b>

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Note 7B: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles 2019

	Land	Buildings	Buildings	Buildings	Leasehold	Total Land	Total	Total	Total	Total
	\$'000	\$'000	Work In	Progress	Improvements	and	Plant and	Art and	Computer	\$'000
						Buildings	Equipment	Artefacts	Software	
						\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2018										
Closing gross book value	37,794	79,681	1,184		2,420	121,079	3,661	2,125	500	127,365
Closing accumulated depreciation	-	-	-	-	(664)	(664)	(2,246)	-	(462)	(3,372)
<b>Closing net book value at 30 June 2018</b>	<b>37,794</b>	<b>79,681</b>	<b>1,184</b>		<b>1,756</b>	<b>120,415</b>	<b>1,415</b>	<b>2,125</b>	<b>38</b>	<b>123,993</b>
Additions:										
By acquisition	-	-	2,530	-	-	2,530	-	-	-	2,530
Capitalised from work in progress	-	2,939	(3,584)	-	117	(528)	515	2	11	-
Disposal of assets	-	(402)	-	-	(638)	(1,040)	(46)	-	-	(1,086)
Depreciation expense	-	(4,386)	-	-	(164)	(4,550)	(560)	(22)	(21)	(5,153)
<b>Closing net book value as 30 June 2019</b>	<b>37,794</b>	<b>77,832</b>	<b>130</b>		<b>1,071</b>	<b>116,827</b>	<b>1,324</b>	<b>2,105</b>	<b>28</b>	<b>120,284</b>
Net book value as at 30 June 2019 represented by										
Closing gross book value	37,794	82,201	130		1,824	121,949	3,743	2,127	511	128,330
Closing accumulated depreciation	-	(4,369)	-	-	(753)	(5,122)	(2,419)	(22)	(483)	(8,046)
<b>Closing net book value as 30 June 2019</b>	<b>37,794</b>	<b>77,832</b>	<b>130</b>		<b>1,071</b>	<b>116,827</b>	<b>1,324</b>	<b>2,105</b>	<b>28</b>	<b>120,284</b>

In 2018-19 AHL wrote off the net book value of leasehold improvements (\$638k) that related to three hostels that are provided to AHL to operate free of charge. These hostels are the Durangaling Hostel and Biala Hostel, where AHL is deemed to have no control over the assets due to the nature of the trust deeds and the Broome hostel which is a rent rebatable property where AHL is deemed to have no control over the asset.

The disposal of buildings value of \$402k relates to the write down of replaced building assets.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Accounting policy

#### Property, plant and equipment (includes fit out in leased properties, art and artefacts)

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total) or they are art and artefacts, where AHL has no capitalisation threshold.

Art, artefacts, land and buildings are carried at 'fair value' less depreciation, whereas leasehold improvements, plant and equipment are carried at historic cost less accumulated depreciation and less any identified impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

#### *Independent valuations*

The last independent valuation of land and buildings was undertaken by Jones Lang LaSalle (JLL) as at 30 June 2018.

These independent valuations were undertaken by AHL to: obtain the current values of land and buildings for accounting and insurance purposes, identify potential impairment to historical values, and ensure AHL's assets are not carried at amounts greater than 'fair value' as required by accounting standard AASB 136, Impairment of Assets.

AHL undertakes revaluations of its land, buildings, art and artefacts, every three years and reflect these valuations and remaining useful lives in AHL's asset register and accounts.

#### *Valuation policy for art and artefacts*

AHL adopted a revaluation model in 2012-13 as a policy for subsequent measurement of its art and artefacts. Accordingly, in 2017-18 AHL engaged an independent valuer to revalue its art and artefacts as at 30 June 2018 on the basis of 'fair value'. Any art and artefacts received as a gift or donation or that were identified for the first time during the 2014-15 stocktake were assigned a minimum management valuation of \$50. All valuation increases have been recognised in the 'Art and Artefacts Revaluation Reserve'. All art and artefacts continue to be depreciated over 100 years. Although all care is taken by AHL to protect its art and artefacts, AHL does not have a formal 'preservation plan' in place to protect these assets indefinitely. Consequently, these assets cannot be classified as heritage assets and have not been assigned unlimited useful lives.

#### *Valuation policy for land and buildings*

AHL adopted a revaluation model in 2012-13 as a policy for subsequent measurement of its land, buildings and building improvements. Accordingly, in 2017-18 AHL engaged an independent valuer to revalue its land and buildings as at 30 June 2018. The remaining useful lives of all buildings and building improvements in 2017-18 were also reviewed and updated. AHL will depreciate all building and building improvements over the revised remaining useful lives of the assets until the next revaluation to be conducted in 2020-21. The net valuation increases were recognised in AHL's Land and Buildings Revaluation Reserves.

Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

In 2014-15 AHL updated its accounting policy to include other plant and equipment that are permanently fitted to the building and form an integral part of the building achieving its expected economic benefit.

New acquisitions are initially valued at 'historic cost' and subsequently revalued to 'fair value' as part of the next scheduled independent tri-annual revaluation process.

#### *Disclosure of leasehold improvements*

AHL records the cost of office fit outs and capital improvements over \$2,000 undertaken by AHL in leased properties at 'historic cost' and depreciates the cost over the life of each lease.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Accounting policy (continued) - Property, plant and equipment

AHL reviews its leasehold makegood liabilities with respect to each leasehold improvement agreement. For 2018-19, there was no evidence, past or present, of any damage to the leasehold premises that would require a provision for makegood to be accounted for.

#### *Depreciation of property, plant and equipment*

Depreciable property, plant and equipment with the exception of leasehold improvement assets are written off to their estimated residual values over their estimated useful lives using the straight line method of depreciation commencing from the time the asset is available for use. Leasehold improvements are depreciated on a straight line basis over the estimated useful life of the improvements.

Depreciation rates (useful lives) at the end of each reporting period together with necessary adjustments are recognised in the current and future reporting periods as appropriate. Depreciation rates applying to each class of depreciable asset are based on the following average useful lives:

Asset category	2019	2018
Buildings – infrastructure	32 Years	32 Years
Buildings – structure	53 Years	53 Years
Buildings – plant and equipment	17 Years	17 Years
Buildings – fit out	24 Years	24 Years
Buildings – health and safety equipment	20 Years	20 Years
Art and artefacts	100 Years	100 Years
Leasehold improvements*	5-15 Years	5-15 Years
Furniture and fittings	5 Years	5 Years
Computer equipment	3 Years	3 Years
Office machinery	5 Years	5 Years
Electrical equipment	5 Years	5 Years

#### **Notes:**

\* Leasehold improvements include fit out of AHL's National Office which is depreciated over the 15 years lease and improvements to all other leased offices.

The aggregate amounts of depreciation and amortisation expenses allocated for each class of asset during the reporting period are disclosed in notes 1E and 7A.

#### *Gains and losses on disposal*

Gains and losses on disposals are determined by comparing proceeds from sale of assets with the carrying value of each asset. These gains or losses are included in the statement of comprehensive income.

#### *Work in progress – Property, plant and equipment*

The full cost of construction work undertaken on AHL owned projects is capitalised in work in progress (WIP) at historical cost. Once completed, these assets are transferred from WIP to the respective asset classes within property, plant and equipment. However, where AHL receives funding to construct hostels or maintain hostels on behalf of other agencies, the full cost is immediately expensed and not capitalised. These hostels are capitalised by the respective owners upon completion and handover by AHL.

### Intangibles

#### *Software*

AHL's intangibles comprise purchased software which is carried at cost less accumulated amortisation and less any impairment losses. Software is amortised on a straight line basis over its anticipated useful life commencing when the software is installed ready for use. The useful life of

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Accounting policy (continued) Property, plant and equipment

AHL's software is estimated at five years and the value is assessed annually for impairment. AHL's capitalisation threshold for software is \$2,000.

#### *Work in progress – software*

The full cost of purchasing IT software and customising it for AHL's business operations is capitalised in WIP at historical cost until the IT systems are installed ready for use. The full cost of purchasing and developing the completed software is then transferred from WIP to the appropriate software category in the asset register and amortised over the estimated useful life of the software.

Any software development costs not directly related to the development of the final installed software is expensed. Software licence fees are capitalised separately from the software and amortised over the life of each licence.

### Impairment of assets

At the end of each reporting period, AHL reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists because the recoverable amount of the asset, (i.e. Fair value less selling costs) is lower than the asset's carrying value, the difference is recognised as an expense.

AHL believes that all property, plant, equipment and software are accurately valued and reflect the current condition of these assets.

### Fair value measurement

AHL engaged the services of Jones Lang LaSalle (JLL) to conduct a comprehensive revaluation for all land, building and artwork non-financial assets as at 30 June 2018. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations carried out at least once every three years with the previous valuation conducted as at 30 June 2018. JLL has provided written assurance to AHL that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical depreciation and obsolescence - assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the depreciated replacement cost approach. Under the depreciated replacement cost approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

AHL's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



## Notes to the Financial Statements

For The Period Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
<b>Note 8: Trade payables</b>			
<b>Trade payables</b>			
Trade payables		1,196	1,837
<b>Total trade payables</b>		<b>1,196</b>	<b>1,837</b>
<b>Suppliers expected to be settled</b>			
No more than 12 months		1,196	1,837
<b>Total trade payables</b>		<b>1,196</b>	<b>1,837</b>
<b>Note 9: Unearned lease incentive payable</b>			
Unearned lease incentive payable			
		336	379
<b>Total Unearned lease incentive payable</b>		<b>336</b>	<b>379</b>
<b>Unearned lease incentive payable expected to be settled</b>			
No more than 12 months		43	43
More than 12 months		293	336
<b>Total Unearned lease incentive payable</b>		<b>336</b>	<b>379</b>
<b>Note 10: Minimum lease payables</b>			
Minimum lease payables			
		563	542
<b>Total Minimum lease payable</b>		<b>563</b>	<b>542</b>
<b>Minimum lease payable expected to be settled</b>			
No more than 12 months		20	20
More than 12 months		543	522
<b>Total minimum lease payables</b>		<b>563</b>	<b>542</b>
<b>Note 11: Other payables</b>			
Employee payables			
		1,172	578
Revenue received in advance		818	560
<b>Total other payables</b>		<b>1,990</b>	<b>1,138</b>
<b>Other payable expected to be settled</b>			
No more than 12 months		1,990	1,138
<b>Total Unearned lease incentive payable</b>		<b>1,990</b>	<b>1,138</b>

Credit terms for goods and services were within 30 days (2018: 30 days). AHL has not made loans to any entity.

### Accounting policy

#### Trade payables

Trade creditors represent the liability outstanding at the end of the financial year for goods and services received by AHL before year end which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### Provisions

Provisions are recognised when AHL has a legal or constructive obligation as a result of past events, where it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions record AHL's best estimate of the amounts required to settle the obligations at the end of the financial year.

#### Leases

All lease payments relate to operating leases where all the risks and benefits substantially remain with the lessor and are recognised as an expense on a straight-line basis over the lease term.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Accounting policy (continued)

Lease incentives incorporated in operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term. AHL does not hold any finance leases.

<b>Note 12: Cash flow reconciliation</b>	<b>Note</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Reconciliation of cash and cash equivalents as per statement of financial position and cash flow statement</b>			
Cash flow statement		34,557	29,566
Statement of financial position	4	34,557	29,566
<b>Discrepancy</b>		<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities			
Net(cost of)/contribution by services		(36,558)	(31,689)
Revenue from Government		36,323	36,563
<b>Adjustments for non-cash items</b>			
Depreciation/amortisation		5,153	4,103
Net write down and impairment of non-financial assets		1,086	326
<b>Movement in assets and liabilities</b>			
<b>Assets</b>			
(Increase)/Decrease in net receivables		1,617	(2,371)
(Increase)/Decrease in prepayments		(5)	(66)
<b>Liabilities</b>			
Increase/(Decrease) in unearned lease incentive payable		(43)	(44)
Increase/(Decrease) in employee provisions		(284)	(428)
Increase/(Decrease) in suppliers payables		(641)	831
Increase/(Decrease) in other payables		873	(139)
Net cash from/(used by) operating activities		<u><b>7,521</b></u>	<u><b>7,086</b></u>

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

	Note	2019 \$'000	2018 \$'000
<b>Note 13A: Provision for employee benefits</b>			
Provision for annual leave		1,447	1,676
Provision for long service leave		1,618	1,673
<b>Total employee benefits</b>		<b>3,065</b>	<b>3,349</b>
<b>Employee benefits expected to be settled</b>			
No more than 12 months		1,276	1,562
More than 12 months		1,789	1,787
<b>Total employee benefits</b>		<b>3,065</b>	<b>3,349</b>

### Accounting policy

#### Employee benefits

##### *Leave provisions*

A provision is made for AHL's liability for employee entitlements arising from services rendered by employees at the reporting date to the extent that they have not been settled. These benefits include wages and salaries, annual leave and long service leave.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Other employee entitlements payable later than twelve months have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave, as it is non-vesting and the average sick leave taken in future years by employees of AHL is estimated to be less than the annual entitlement for sick leave.

##### *Superannuation*

Staff at AHL are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or of each employee's chosen superannuation fund.

The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme. From 1 July 2005, new employees are eligible to join the PSSap scheme. Where staff do not indicate a preference, PSSap is the default superannuation fund.

Contributions are made by AHL to the above schemes at the rates determined by an actuary to be sufficient to meet the costs to the Commonwealth Government of the superannuation entitlements of AHL's employees. AHL recognises contributions as expenses when incurred.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Accounting policy (continued) – Employee benefits

#### *Accounting Judgements and Estimates*

In 2014-15 AHL adopted the Shorthand method as per PGPA rule 2015.24(b).(iii) as the calculation methodology for employee entitlements. Each year AHL updates the calculation parameters as published in the Standard Parameters table by the Department of Finance as at reporting date.

In 2017-18 AHL reviewed its employee profile for the purposes of determining the parameters for on-cost factor application and to estimate the pattern of the employees likely to access their long term entitlements whilst in service and on termination of their contract with AHL. AHL will continue to review its employee profile with a sufficient regularity to ensure the parameters applied do not differ materially against the employee profile of the reporting period. In 2018-19 AHL had estimated its 10 year salary growth as 2% for the purposes of employee provision discounting.

#### **Note 13B: Names of directors and key management personnel in office at any time during the financial year are:**

The key management personnel include the non-executive directors of the AHL Board, the CEO and the Deputy CEO.

<b>Directors</b>	<b>Position</b>	<b>Term</b>
Dr Susan Gordon AM	Chair, non-executive director	11/09/2015 to 10/09/2020
Mr David Evans	Deputy Chair, non-executive director	24/06/2013 to 23/09/2019
Prof. MaryAnn Bin-Sallik AO	Non-executive director	02/03/2016 to 03/06/2022
Mr Mike Allen	Non-executive director	02/03/2016 to 03/06/2022
Ms Denise Bowden	Non-executive director	02/03/2016 to 02/06/2019
Ms Jennifer Ullungura Clancy	Non-executive director	10/05/2017 to 10/05/2020
Ms Karen Sheldon AO	Non-executive director	10/05/2017 to 10/05/2020*
Mr Daniel Bouchier	Non-executive director	02/06/2019 to 01/12/2019

\* Resigned effective 23/09/2018

<b>Key management personnel</b>	<b>Position</b>
Mr Tony Usher	Chief Executive Officer
Ms Michelle Deavin	Deputy CEO, Company Secretary and Chief Financial Officer

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Note 13C: Key management personnel remuneration

	2019	2018
	\$	\$
<b>Short-term employee benefits</b>		
Salary	449,009	607,187
Motor vehicle and other allowances <sup>4</sup>	141,774	103,097
<b>Total short-term employee benefits</b>	<b>590,783</b>	<b>710,284</b>
<b>Post-employment benefits</b>		
Superannuation	71,677	97,821
<b>Total post-employment benefits</b>	<b>71,677</b>	<b>97,821</b>
<b>Other long-term employee benefits<sup>1</sup></b>		
Annual leave	40,958	38,828
Long-service leave	14,624	8,769
<b>Total other long-term employee benefits</b>	<b>55,582</b>	<b>47,597</b>
<b>Total senior executive remuneration<sup>2</sup></b>	<b>718,042</b>	<b>855,702</b>
<b>Directors' remuneration<sup>3</sup></b>		
<b>Short-term benefits</b>		
Directors' fees <sup>5</sup>	284,367	307,344
<b>Total directors' fees</b>	<b>284,367</b>	<b>307,344</b>
<b>Post-employment benefits</b>		
Superannuation	27,015	29,198
<b>Total superannuation</b>	<b>27,015</b>	<b>29,198</b>
<b>Total directors' remuneration</b>	<b>311,382</b>	<b>336,542</b>
<b>Total key management personnel remuneration</b>	<b>1,029,424</b>	<b>1,192,244</b>

<sup>1</sup> The comparatives for key management personnel's leave benefits have been updated to represent the change of the calculation methodology from a cash to accrual basis.

<sup>2</sup> The total number of senior management personnel that are included in the above table are 2 for 2018-19 and 4 for 2017-18, which includes part year positions of two senior management personnel.

<sup>3</sup> The above Directors' fee calculation includes 7 members including the Chairperson of the Board.

At the time of reporting the AHL Board had 6 directors.

<sup>4</sup> This amount includes an additional \$2,000.00 made in rental payments that was above the Remuneration Tribunal Determination.

<sup>5</sup> This amount includes an additional \$10,224.00 made in respect of two Directors (\$5,112.00 each) who attend and Chair nine extra Board Committee meetings each during the year. These payments were above the Remuneration Tribunal Determination. Amendments to the Remuneration Tribunal are being sought.

### Note 13D: Related party disclosures

There are no related party disclosure transactions for 2018-19 (nil in 2017-18).

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### **Note 14: Resources received and provided free of charge**

In 2018-19 AHL had the use of five hostel properties which they received and operated free of charge (five in 2017-18). AHL did not provide any resources free of charge in 2018-19. The value of the benefits received free of charge during 2018-19 as in prior years, has not been estimated by AHL as these services would not have been purchased if not provided free of charge.

### **Note 15: Economic dependency**

AHL currently receives the majority of its funding from the Commonwealth, State and Territory Governments and is therefore financially dependent on them.

### **Note 16: Contingent assets and liabilities**

AHL is a joint party in relation to an alleged historic incident in one of its Victorian hostels (now closed) in the 1980's. It is currently not possible to quantify the impact, if any, of this action.

### **Accounting policy**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## Notes to the Financial Statements

For The Period Ended 30 June 2019

### Note 17: Trust accounts

AHL administers the following two trust accounts in accordance with the individual bequests. As these trust accounts are not AHL monies, they have not been incorporated into AHL's financial statements but have been instead reported separately in this note.

#### Note 17A: May Ames bequest account

During 1981-82 \$46,980 was received by AHL from the estate of the late May Ames to be used for the benefit of secondary school children. The funds have been invested by AHL in the following Commonwealth Bank of Australia bank accounts:

	Note	2019	2018
		\$	\$
<b>CAPITAL ACCOUNT</b>			
Opening balance		75,563	75,563
Closing balance of capital account		<u>75,563</u>	<u>75,563</u>
<b>OPERATING ACCOUNT</b>			
Opening balance		11,460	11,460
Closing balance of operating account		<u>11,460</u>	<u>11,460</u>
<b>Closing balance of May Ames bequest account</b>		<b><u>87,023</u></b>	<b><u>87,023</u></b>

#### Note 17B: Ashley Cooper bequest account

During 2006-07 \$137,189 was received by AHL from the estate of the late Ashley Cooper to be used for the benefit of secondary school children in South Australia and Northern Territory. The funds have been invested by AHL in the following Commonwealth Bank of Australia bank accounts:

<b>CAPITAL ACCOUNT</b>			
Opening balance		125,000	125,000
Closing balance capital account		<u>125,000</u>	<u>125,000</u>
<b>OPERATING ACCOUNT</b>			
Opening balance		20,148	20,148
Closing balance of operating account		<u>20,148</u>	<u>20,148</u>
<b>Closing balance of Ashley Cooper bequest account</b>		<b><u>145,148</u></b>	<b><u>145,148</u></b>

---

# Alphabetical index

## A

ABSTUDY, 5

accommodation services, 12–14

- company purpose, 4
- hostel network, 5–7
- occupancy rates, 3, 11, 13–14

accountability, 41, 43

achievements in 2018–19

- education and school attendance, 15
- employment, economic and social participation, 20
- healthy and safe communities, 24
- occupancy rates, 12
- staff, 45

address, i

Adelaide staff, case study, 22–23

aims, 4, 54

Alice Springs, NT, 27–28

Allen, Mike, 56, 59

Asset Management Committee, 54, 58

asset management initiatives, 31

asset management plan, 31

assets and asset management, 7, 58

Audit, Risk and Finance Committee, 42, 54, 58

Auditor-General, 43, 60

audits

- auditor's report, 61–64
- Comcare, 50
- external, 43, 50
- independence declaration, 60
- internal, 42, 54, 58

Australian Information Commissioner, 43

Australian National Audit Office, 43

Australian Securities and Investments Commission, 43

## B

Barkly Regional Deal, 3, 12, 16, 25

bed occupancy rates, 13–14

bequests, 95

Bin-Sallik, MaryAnn, 56, 59

Board of Directors, 39, 42, 43

- Director's Report, 54–60
- Governance Charter, 43
- meetings, 54
- members, 55–57, 59
- remuneration, 58, 59
- retirements and resignations, 55
- subcommittees, 58

Bourchier, Daniel, 57, 59

Bowden, Denise, 56, 59

bus transport for students, 15

business efficiency initiatives, 31

business infrastructure (ICT), 31

business plans. See plans and planning

business structure, 42

## C

capital expenditure, 34–35

capital works, 44

case studies

- long-term careers with AHL, 22–23
- medical and renal patients at Topsy Smith Hostel, 27–28
- medical students at Durungaling Hostel, 17–19

Chairperson, 39, 55

- auditor's independence declaration, 60
- declaration, 65
- letter of transmittal, ii
- message from, 2
- reporting responsibilities, ii, iii, 54–60

changes in state of affairs, 54



---

Chief Executive Officer, 59  
message from, 3

Chief Financial Officer, 39, 57  
declaration, 65

Child Protection Framework, 24, 25

City of Darwin Council, 26

Clancy, Jennifer Ullungura, 56, 59

code of conduct, 43

Comcare, 3, 45, 49, 50

committees, 42, 54, 58

Commonwealth Ombudsman, 43

community engagement, 12, 16

community safety, 24–28

Company Operated Hostels program, 11

company overview, 2–7

company purpose, 4, 54

Company Secretary, 39, 57

company structure, 38, 42

compensation claims, 49

compliance index, 98–100

compliance measures, 50

Conditions of Stay, 15, 24

contact details, i, iii

contracts, 54

corporate governance. See Board of Directors; governance

corporate information, 54

corporate plans, 10, 12, 15, 20, 24, 31  
staff, 45

*Corporations Act 2001*, iii, 42

Corrective Action Plan, 50

Cultural Statement, 21

## D

Darwin, NT, 3, 12, 26

Deavin, Michelle, 40, 57, 59

deductible gift recipient status, 54

demand for services, 3, 12, 16

demonstration projects, 31

Department of the Prime Minister and Cabinet, 11

Deputy CEO, 57, 59

Deputy Chair, 55

dialysis services, 27–28

Dilba Dilba Health Service, 26

Directors. See Board of Directors

disability access, 31

Durungaling Hostel, 17–19

duty of care standards, 24, 25

## E

ecologically sustainable development, 44

education and school attendance, 15–19

education strategy, 12, 16

efficiency measures and goals, 30–31

employees. See staff

employment, economic and social participation, 20–21

energy efficiency measures, 44

engagement with stakeholders, 12, 15, 16, 26

Enterprise Agreement, 49

Enterprise Risk Management Framework, 42

*Environment Protection and Biodiversity Conservation Act 1999*, 44

environmental performance, 44

ethical standards, 43

Evans, David, 55, 59

Executive Management Team, 40, 58  
remuneration, 58

expenditure, 34–35

external scrutiny, 43, 50

## F

feedback  
renal patients, 27  
staff, 22–23  
students, 18–19

financial performance, 32–35  
expenditure, 34–35  
government funding, 3, 4  
income, 67  
independent auditor's report, 61–64  
losses, 3, 54  
net assets, 54

financial statements, 66–95

food safety and quality assurance, 31

fraud control, 43

full-time staff, 46

full-year occupancy rates, 12

**G**

Galawu Hostel, NT, 26

gender of staff, 46

goals and actions, 4, 54

- Indigenous workforce development, 20–21
- secondary educational enrolments, 16
- student accommodation, 12
- sustainability, 44

Gordon, Susan (Chairperson), ii, 55, 59

- letter of transmittal, ii
- message from, 2
- reporting responsibilities, iii, 54–60

governance, 39, 40, 41–44

Governance Charter, 43

government funding, 25, 32–33, 54

government policy orders, 41

government subsidies, 12

grants, 33

**H**

health and medical hostels, 3, 5, 12, 13, 14

healthy and safe communities, 24–28

homeless accommodation, 3, 12, 16, 25, 26

homelessness, 25, 28

hostel managers, training, 21

hostel network, 5–7

- environmental sustainability measures, 44
- ICT strategy, 31
- operating on behalf of other agencies, 32
- performance measures, 30
- staff shortages, 21

house-model accommodation, 16

human resources. *See* staff

**I**

ICT strategy, 31

impact statements

- long-term Adelaide-based staff, 23
- medical and renal patients at Topsy Smith Hostel, 28
- medical students at Durungaling Hostel, 19

incidents (deaths, accidents and injuries), 49–50

income, 32–33, 67

indemnities and insurance, 60

independent auditor’s report, 61–64

Indigenous advancement, 15–29

Indigenous employment, 4, 20, 21, 45, 46

Indigenous schooling goals, 15–16

induction program for staff, 21

insurance and indemnities, 60

intergenerational employment, 22–23

internal audits, 42, 54, 58

internal control framework, 42

internet home page, i, iii

investments, 32, 43

**J**

job-seekers, 20

judicial decisions, 43

**L**

Larrakia Nation, 26

legal framework, 41

letter of transmittal, ii

liability insurance, 60

long-term staff, 23

**M**

Mack, Jacinta, 19

maintenance of assets, 31, 54

manager, education, 12, 16

medical and health hostels, 3, 5, 12, 13, 14

medical residents, 25, 31

- feedback, 27

Minister for Indigenous Australians, ii, 2, 41  
Ministerial Statement of Expectations, 10  
multipurpose hostels, 5, 12, 13, 14, 31

## N

National Indigenous Australians Agency, 3  
National Office, 6, 7  
new service arrangements  
    Darwin, 26  
    Tennant Creek, 25  
non-executive directors, 55–57, 58, 59  
    remuneration, 58  
Northern Territory Government, 3, 12, 25  
notifiable incidents, 49

## O

occupancy rates, 3  
    performance measures, 11, 12–14  
    strategies to increase, 12, 16  
Office of the Australian Information  
    Commissioner, 43  
Ombudsman, 43  
operating expenditure, 34  
operating income, 33  
operating results, 3, 54  
operational grants, 33  
organisation and structure, 38, 42  
outcomes and programs, 11, 12  
    accommodation occupancy rates, 12  
    child protection, 24  
    education and school attendance, 15  
    employment, economic and social  
        participation, 20  
    healthy and safe communities, 24  
outlook, 2, 12, 16, 31, 44  
    addressing homelessness, 25–26  
    increased student enrolments, 12, 16

## P

parliamentary committees, 43  
part-time staff, 46  
partnerships, community, 25  
partnerships, institutional, 3  
Performance Management Framework, 21  
performance management (staff), 49  
performance measures, 11, 13, 45  
    accommodation occupancy rates, 12  
    accommodation services, 12–14  
    against Budget measures, 13  
    education and school attendance, 15  
    healthy and safe communities, 24  
    Indigenous employment, economic  
        and social participation, 20  
performance report, 10–11  
    environmental performance, 44  
    financial performance, 32–35  
    performance measures, 13, 45  
planning and reporting framework, 10–11  
    performance reporting, 31  
plans and planning  
    accommodation occupancy rates, 12  
    asset management, 31  
    corporate plans, 2  
    education and school attendance, 15  
    education strategy, 12, 16  
    employment, economic and social  
        participation, 20  
    food safety plan, 31  
    healthy and safe communities, 24  
    ICT strategy, 31  
    national business plan, 10  
    performance reporting, 31  
    recruitment strategies, 20  
    renal patient needs demonstration  
        project, 31  
    secondary education strategy, 16  
    staff induction program, 21  
    strategic planning, 10, 20  
    student recruitment, 12

policy reviews, 21  
Portfolio Budget Statements (PBS), 10, 11  
    accommodation occupancy rates, 12  
    education and school attendance, 15  
    employment, economic and social participation, 20  
    healthy and safe communities, 24  
Prime Minister and Cabinet, 41  
principal activities, 54  
proceedings on behalf of the company, 60  
procurement, 44  
program of works, 31  
programs. See outcomes and programs  
property assets, 84  
P.R.O.U.D. initiative, 21  
*Public Governance, Performance and Accountability Act 2013*, ii, 39, 43  
*Public Service Act 1999*, 58  
purpose, 4, 54

## Q

Queensland region, 6, 7, 14

## R

recruitment, 21, 49  
recycling practices, 44  
referral networks, 24, 26  
regional and remote locations bed nights, 14  
related party disclosures, 60  
remote telephone coaching, 24  
remuneration, 91, 93  
    senior executives, 58, 59  
Remuneration Tribunal, 58  
renal/medical residents, 25, 31  
    feedback, 27  
reporting responsibilities, iii, 25, 31  
resident feedback, 27  
resident surveys (not carried out), 12  
residential youth workers, 15  
revenue from hostels, 33  
reviews. See audits

Risk Appetite Statement, 42  
risk management, 42  
    Child Protection Framework, 24, 25  
roles and functions, 4–5  
room occupancy rates, 12–14  
rounding of finance figures, 60

## S

safety and quality assurance, 31  
salaries. See remuneration  
school attendance requirements and goals, 15–16  
scrutiny. See audits  
Scullion, Nigel, 41  
secondary education hostels, 3, 5, 12, 13, 14, 15  
    2018 decline in enrolments, 16  
    case study, 17–19  
    Child Protection Framework, 24, 25  
secondary education strategy, 16  
security at hostels, 31  
senior executives remuneration, 58  
service delivery network, 6–7  
    improvements, 16, 25–26, 31  
service network, 6  
service providers, 5  
Sheldon, Karen, 57, 59  
short-term hostels, 5, 16  
shortages of staff, 21  
significant activities or changes in state of affairs, 54  
significant events subsequent to reporting period, 54  
site-based management plans, 31  
Smith, Topsy, 27  
solar panels, 44  
South Central Australia region, 6, 7, 14  
South Eastern Australia region, 6, 7, 14  
staff  
    achievements in 2018–19, 45  
    corporate goals, 45  
    Cultural Statement, 21

development, 16, 21

diversity, 45

Enterprise Agreement, 49

ethical standards, 43

feedback, 22–23

full-time staff, 46

gender, 46

Indigenous employment, 4, 20, 46

induction program, 21

non-ongoing staff, 47, 48

numbers and workforce participation, 46–48

ongoing staff, 47, 48

part-time staff, 46

performance management, 21, 49

recognition and reward program, 21

recruitment, 20, 21, 49

remuneration, 58, 59, 91, 93

retention, 20, 21–23, 49

training, 21, 24, 49

Work Health & Safety, 45, 49–50

staffing levels, 21, 46

stakeholder engagement, 12, 15, 16, 26

standards, ethical, 43

statement of intent, 10

Strategic Asset Management Plan, 30, 31

strategic planning, 10

    increasing Indigenous workforce, 20

structure and organisation, 38, 42

student services, 15

students, 12, 16

    feedback, 18–19

superannuation guarantee contributions, 58

support for Indigenous advancement, 15–29

sustainability goals, 44

sustainable asset management, 31

## T

Tapaya, Tjunkaya, 29

tariff subsidies, 12

Tennant Creek, NT, 3, 12, 16

    homelessness in, 25

    student model, 16

term deposits, 32–33

tertiary education hostels, 5, 13, 14, 17–19

Top End region, 6, 7, 14

Topsy Smith Hostel, 27–28

training, 21, 24, 31, 49

transitional accommodation, 3, 26

travel assistance, 5

tribunal decisions, 43

## U

Usher, Tony, 40, 59

    CEO's message, 3

## V

vocational education students, 20

## W

Wangkana Kari Student Hostel, NT, 16, 25

website, i, iii

Western Australia region, 6, 7, 14

Work Health & Safety, 45, 49–50

workforce. *See* staff

working with vulnerable people program, 24, 25

Wyatt, Ken, ii, 2, 41

# Compliance index

## Public Governance, Performance and Accountability Rule 2014

PGPA Rule reference	Part of report	Description	Requirement
<b>28E</b>	<b>Contents of annual report</b>		
28E(a)	Part 1 Page 4	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(b)	Part 3 Page 41	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	Part 3 Page 41	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	Part 3 Page 43	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	–	Particulars of non compliance with: <ol style="list-style-type: none"> <li>a. a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or</li> <li>b. a government policy order that applied in relation to the company during the reporting period under section 93 of the Act</li> </ol>	If applicable, mandatory
28E(f)	Part 4 Page 55	Information on each director of the company during the reporting period	Mandatory
28E(g)	Part 3 Page 38	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory

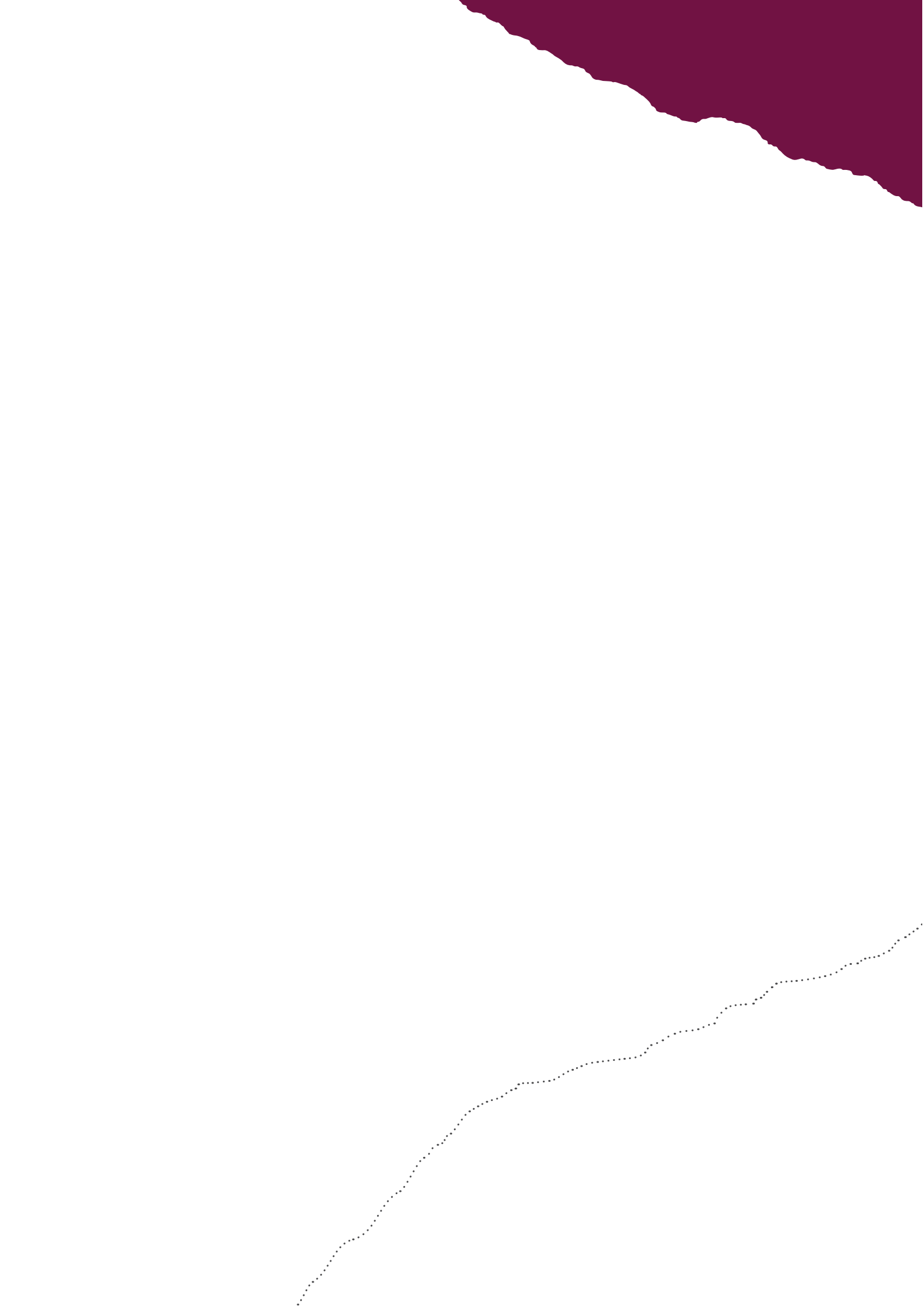
PGPA Rule reference	Part of report	Description	Requirement
<b>28E</b>	<b>Contents of annual report</b>		
28E(ga)	Part 3 Page 47	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: <ul style="list-style-type: none"> <li>a. statistics on full time employees;</li> <li>b. statistics on part time employees;</li> <li>c. statistics on gender;</li> <li>d. statistics on staff location</li> </ul>	Mandatory
28E(h)	Part 1 Page 6, 7	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	Part 3 Page 41 Part 4 Page 58	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory
28E(j), 28E(k)	–	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> <li>a. the decision making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and</li> <li>b. the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions</li> </ul>	If applicable, mandatory
28E(l)	Part 4 Page 54	c. Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	Part 3 Page 43	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
<b>28E</b>	<b>Contents of annual report</b>		
28E(n)	Part 3 Page 43	Particulars of any reports on the company given by: <ol style="list-style-type: none"> <li>the Auditor General, or</li> <li>a Parliamentary Committee, or</li> <li>the Commonwealth Ombudsman; or</li> <li>the Office of the Australian Information Commissioner; r</li> <li>the Australian Securities and Investments Commission</li> </ol>	If applicable, mandatory
28E(o)	–	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	Part 4 Page 59	Information about executive remuneration	Mandatory

## Other legislation

Description	Reference	Part of report
<i>Corporations Act 2001</i>		
Directors' resolution	Section 298(2)	Letter of transmittal
Director's signature	Section 298(2)	Letter of transmittal
Short-term and long-term objectives and strategy for achieving them	Section 300B(1)	Part 2
Principal activities and contribution to achieving objectives	Section 300B(1)	Part 2
Performance measures	Section 300b(1)	Part 2
Directors	Section 300B(3)	Part 4
Member liability if the company is wound up	Section 300B(3)	Not applicable
Financial report	Sections 301 and 316A	Part 4
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	Section 516A	Part 3
<i>Work Health and Safety Act 2011</i>	Schedule 2, Part 4	Part 3





The background features a layered, abstract landscape. At the top, a dark grey, jagged shape resembles a mountain peak against a light orange sky. Below this, a white area is separated from the sky by a dotted line. The bottom section consists of several layers: a light orange layer, a dark maroon layer, a blue layer, and a tan, textured layer at the very bottom right. Dotted lines separate these layers, creating a sense of depth and movement.

[ahl.gov.au](http://ahl.gov.au)