



Australian Government
Aboriginal Hostels Limited



Annual Report

2021-22





Aboriginal Hostels Limited

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FIRST NATIONS PEOPLE ARE ADVISED THAT THIS PUBLICATION MAY CONTAIN IMAGES OR REFERENCES TO PEOPLE WHO HAVE PASSED AWAY.

Images

On the Front Cover is a resident of one of our northern hostels.

On the Back Cover is Nhulunbuy Hostel, NT.


ABORIGINAL HOSTELS LIMITED

Annual Report

2021–22

‘I am from a community near Darwin. I feel safe here staying with my family...While here at the hostel, I have met and made some new friends and find the staff friendly.’

AHL resident, Luprina Hostel, SA



South Hedland Hostel, WA.

Letter of transmittal



Australian Government
Aboriginal Hostels Limited



28 September 2022

The Hon. Linda Burney 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 2022.

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 give you a copy of its Annual Report, which includes its Financial Report, Directors' Report and the Independent Auditor's Report.

The Annual Report and the audited Financial Statements were approved in accordance with a resolution of the AHL Board of Directors on 28 September 2022.

AHL provides accommodation through a national network of facilities for First Nations people who are travelling, relocating or who need to be away from home to access services and economic opportunities. This report covers those activities for the 2021–22 financial year.

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

Yours sincerely

Anthony Ashby
Chair
Aboriginal Hostels Limited

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P.R.O.U.D.

WE ARE... PROFESSIONAL RESPECTFUL OPEN UNDERSTANDING DEDICATED

Guide to the Report

This Annual Report describes the management and performance of Aboriginal Hostels Limited (AHL) for the financial year from 1 July 2021 to 30 June 2022.

It fulfils the reporting requirements set out in legislation, including the *Corporations Act 2001* and the *Public Governance, Performance and Accountability Act 2013*, (PGPA Act) and performance measures set out in the Prime Minister and Cabinet Portfolio Budget Statements 2022–23 and AHL Corporate Plan 2021–25.

The Report is in 4 parts:

1. **Overview** includes messages from the Chair and the Chief Executive Officer and describes AHL's purpose and service network. Our Year at a glance summary is also included in this part of the Report.
2. **Performance** sets out AHL's planning and reporting framework and outlines AHL's actual performance against its performance measures and strategic goals.
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 2021–22.

AHL's current and previous Annual Reports are available on our website, at ahl.gov.au

For more information, or to provide feedback on this Annual Report, please contact us by email at executive.support@ahl.gov.au or by telephone on 02 6212 2001.

Aboriginal Hostels Limited acknowledges the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to First Nations people and cultures, and we pay our respects to Elders past, present and emerging.

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‘This is a good place to stay. I am here with my wife who goes to see doctors. We have stayed here before. Feels safe for me and my wife and other people here.’

AHL resident, Silas Roberts Hostel, NT

On Page 7: Winnie Woods makes damper at Trilby Cooper Hostel, WA.



Overview



Overview



Message from the Chair

In 2021–22, we continued to deliver on our mandate to provide safe, culturally appropriate and affordable accommodation for First Nations people who need to be away from home to access services and economic opportunities. We achieved 72.5% occupancy during the year, which exceeded our target of 70% – clearly demonstrating ongoing strong demand for our services.

Operationally, we put our residents at the centre of all that we did – ensuring they were supported to access the opportunities that were important to them. The Resident Satisfaction Survey found that we achieved this, with an overall satisfaction rating of 84% and many residents describing AHL as a safe and convenient accommodation option for themselves and their families.

Beyond our day-to-day work with residents, we are also proud of our contribution to the growth of the First Nations economy, with over \$5.6 million of goods and services procured from First Nations businesses in 2021–22.

As we approach AHL's 50th anniversary on 6 June 2023, we are encouraged that our work continues to improve the lives of First Nations people. With cost of living pressures, COVID-19 and other challenges, it is more important than ever to support those most vulnerable in the community. AHL looks forward to continuing to be there for First Nations people needing a safe place to stay, as we have done since 1973.

Anthony Ashby

Anthony Ashby

Chair





Message from the CEO

2021–22 was a challenging time for many members of the community. For AHL, our mandate to support First Nations people needing accommodation took on an even greater significance. Meeting the needs of the over 16,000 residents who stayed with us during this period required AHL to operate as an agile and cohesive entity.

Supporting a collaborative organisational culture was a focus, particularly due to the highly dispersed nature of our workforce, with a National Office in Canberra and 43 hostels spread across the country. To help bridge the geographical divide, I travelled extensively throughout the year and engaged with frontline staff at hostels and also through online forums.

In these challenging times – engaging, communicating, sharing knowledge and aligning efforts are more important than ever. Outreach and engagement remained a day-to-day focus for us, at all levels of the Company. 2021–22 saw AHL continuing to build a network of relationships to better support First Nations residents and enable us to meaningfully deliver on the commitment articulated in our Customer Service Charter – that we will work to ensure that our residents have comfortable and safe experiences at our hostels.

Maximising partnerships remained an area of focus. The Memorandums of Understanding we have with key stakeholders ensured that people who needed short-term accommodation, including those requiring medical services and those impacted by a crisis event, had a guaranteed bed with us. By being there for people – where and when they needed us – we made a meaningful contribution to the First Nations community throughout the year.

A handwritten signature in black ink, appearing to read 'Dave Chalmers', with a long horizontal flourish extending to the right.

Dave Chalmers AO, CSC
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.

Since 1973, AHL has provided accommodation through a national network of facilities for First Nations people who are travelling, relocating or who need to be away from home to access services and economic opportunities.

Our tariff is set at a rate that is affordable for individuals and families who receive Australian Government income support. Through an annual appropriation, the Australian Government provides funding to cover the gap between an affordable tariff and the cost of providing hostel services.

We are proud to be one of the largest employers of First Nations people in the Australian Public Service.

AHL's purpose

AHL's purpose is to provide safe, culturally appropriate and affordable accommodation for First Nations people who need to be away from home to access medical services, education and economic opportunities.

'When people have access to safe accommodation, they are then able to engage with the services they need. In turn, this empowers people to take advantage of the kinds of opportunities that create brighter futures.'

The Hon. Linda Burney MP, Minister for Indigenous Australians



Federal MPs Linda Burney and Pat Conroy, back to far right, with young First Nations men who lived at AHL's Kirinari Hostel at time photo was published. Photo sourced from Newcastle Herald.

AHL's services

Across our network of hostels, we provide accommodation and meals to First Nations residents. Through strong relationships with local First Nations service providers and referral agencies, we work in partnership to maximise the use of our facilities. We are increasingly committed to working with partners to improve our accommodation offerings and to better meet the needs of residents. Our hostel network is segmented into 3 service categories: multipurpose, health/medical, and education.

Multipurpose

20 facilities, 1,023 beds, 62% 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, however some residents stay for a longer period until they are able to access long-term accommodation.

Health and medical

12 facilities, 356 beds, 22% of capacity

Health and medical hostels cater for First Nations 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.

Education

11 facilities, 256 beds, 16% of capacity*

Education hostels provide a safe, comfortable environment for students while they pursue their educational goals.

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

* Includes 3 tertiary student hostels we repurposed to multipurpose hostels in 2021–22.

Our education hostels provide a safe and supportive environment for students needing a place to stay to progress their education.

Kirinari Hostel (Sydney) supported 11 high school students in 2021–22.

In early June 2022, Kirinari Hostel (Sydney) was nominated as a finalist for the Indigenous Education and Boarding Australia's 'Excellence in the provision of Indigenous Student Health and Wellbeing' award.

Case study

Will Kennedy's NRL kickstart Kirinari Hostel

AHL's secondary education hostels provide safe, affordable and culturally appropriate accommodation for First Nations students.

National Rugby League (NRL) Cronulla Sharks player and Gamilaraay man Will Kennedy recently praised his time staying at Kirinari Hostel in Sydney.

Will expressed how much he appreciated the support he received at Kirinari, coming from Bathurst, a small country town in New South Wales as a teenager.

'From the cleaners to the kitchen staff and the House Parents, they helped all of us kids out,' Will said.

Today, as a star NRL fullback, Will said that Kirinari not only became a 'home away from home' but helped make his NRL dreams come true.

Will said, 'It helped heaps – I think if I didn't move, I wouldn't be down the pathway that I was.

'I would be just playing footy back home in Bathurst, so Kirinari really helped me because it gave me that place to stay and it felt like home as well. I felt comfortable staying there just to pursue my dream into NRL. So, they helped me heaps.'

Kirinari Hostel is in Sylvania Heights in Sydney and provides affordable accommodation for First Nations high school young men in years 7 to 12.

Will Kennedy, current NRL Cronulla Sharks fullback and former resident of Kirinari Hostel, Sydney, NSW.



AHL's network

AHL's residents come from all over Australia and use our services for many and varied reasons. AHL's services are managed by its National Office in Canberra, working closely with colleagues on the ground to deliver services through our network of accommodation facilities.

In 2021–22, only 17% of our workforce was based in the National Office, which reflects business efficiency and low administrative overheads, with the vast majority of our employees engaged in frontline service delivery.

For some of our residents, AHL's extensive national footprint means that there are accommodation options available closer to community and Country.

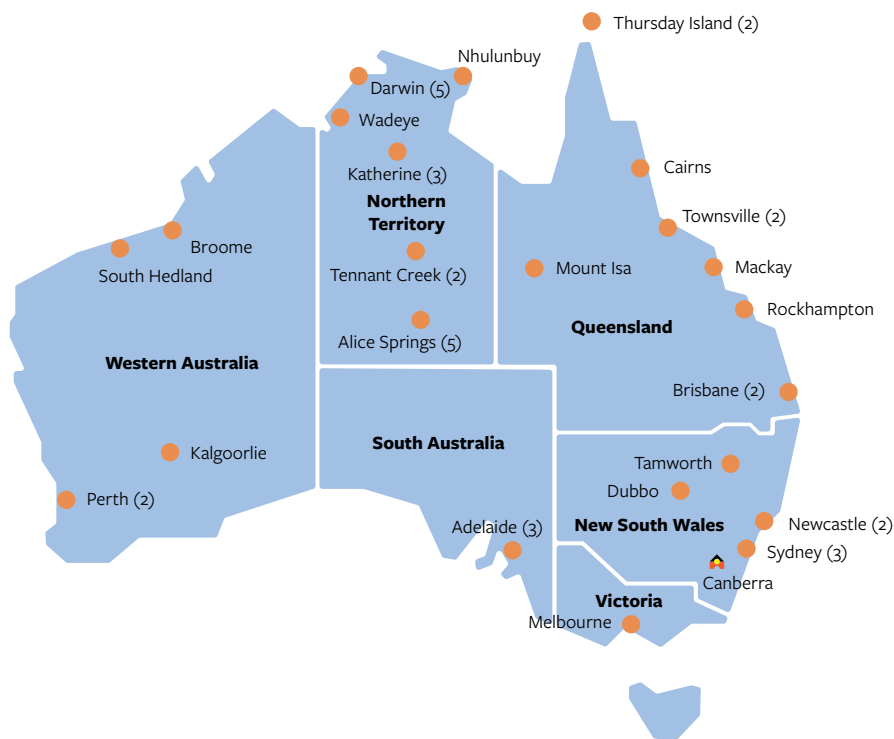
'It's safe here, other residents share stories – makes everyone happy living together.'


AHL resident, Sid Ross Hostel, NT



Kuiyam Hostel, QLD.

Figure 1: Service delivery network as at 30 June 2022.



Hostel	Location	Type	Hostel	Location	Type
Northern Territory			Queensland		
Alyerre	Alice Springs	Health and medical	Elley Bennett*	Brisbane	Multipurpose*
Sid Ross	Alice Springs	Health and medical	Yumba	Brisbane	Multipurpose
Apmere Mwerre Visitor Park	Alice Springs	Multipurpose	Kuiyam	Cairns	Multipurpose
Ayiparinya	Alice Springs	Multipurpose	Mackay	Mackay	Multipurpose
Topsy Smith	Alice Springs	Health and medical	Kabalulumana	Mount Isa	Health and medical
Daisy Yarmirr	Darwin	Multipurpose	Neville Bonner	Rockhampton	Multipurpose
Galawu	Darwin	Multipurpose	Canon Boggo Pilot	Thursday Island	Education
Gudang Dalba	Darwin	Health and medical	Jumula Dubbins	Thursday Island	Multipurpose
Nagandji Nagandji-Ba	Darwin	Health and medical	Iris Clay	Townsville	Multipurpose
Silas Roberts	Darwin	Multipurpose	Tonky Logan	Townsville	Health and medical
Corrobooree	Katherine	Multipurpose	New South Wales		
Fordimail Student Hostel	Katherine	Education	Grey Street	Dubbo	Education
Katherine Women's Medical	Katherine	Health and medical	Durungaling*	Newcastle	Multipurpose*
Nhulunbuy	Nhulunbuy	Multipurpose	Kirinari Newcastle	Newcastle	Education
Tennant Creek Secondary	Tennant Creek	Education	Biala	Sydney	Education
Wangkana Kari	Tennant Creek	Multipurpose	Kirinari Sylvania	Sydney	Education
Kardu Darrikardu Numida	Wadeye	Education	Tony Mundine*	Sydney	Multipurpose*
Western Australia			Tamworth	Tamworth	Multipurpose
Broome	Broome	Health and medical	Victoria		
Trilby Cooper	Kalgoorlie	Multipurpose	William T Onus	Melbourne	Multipurpose
Allawah Grove	Perth	Multipurpose	South Australia		
Derbal Bidjar	Perth	Health and medical	Luprina	Adelaide	Multipurpose
South Hedland	Sth Hedland	Health and medical	Mulgunya	Adelaide	Health and medical
Australian Capital Territory: National Office 			Nindee	Adelaide	Multipurpose

*During the year, we repurposed these 3 (formerly education) hostels to multipurpose hostels.

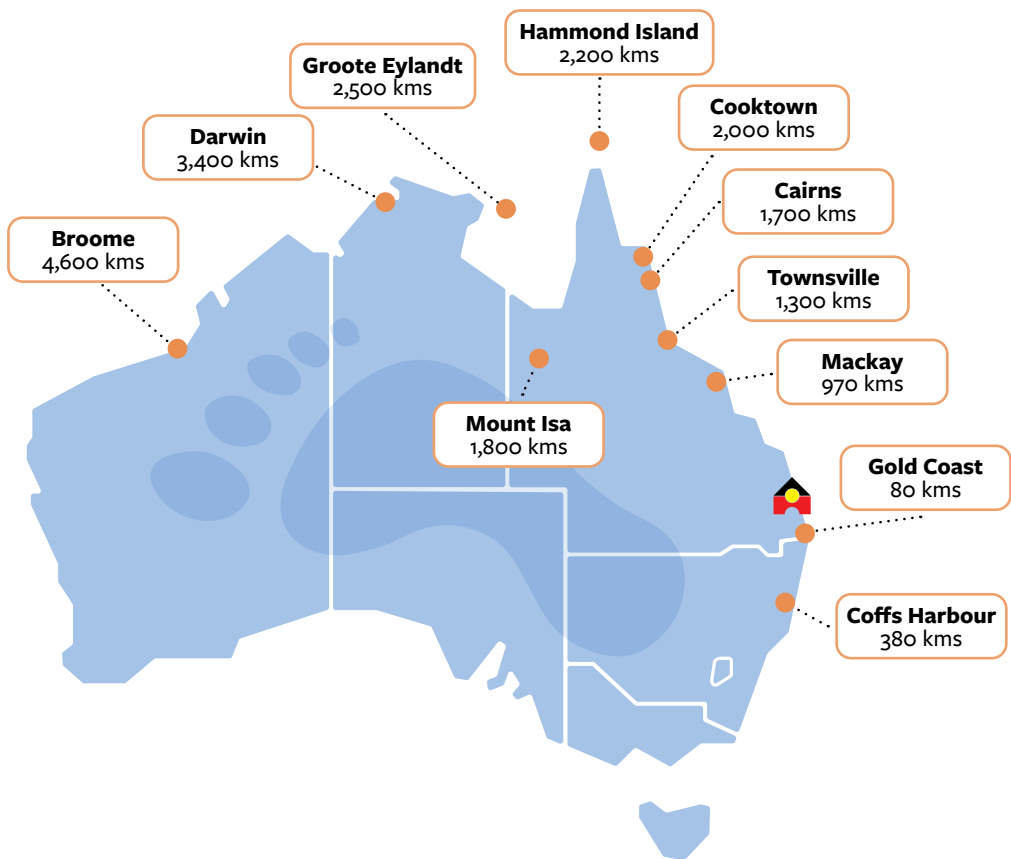
AHL's hostels: A place to stay, for those from near and far

Our hostel network spans Australia and each hostel takes in residents from diverse communities, near and far. Each hostel has a unique guest footprint.

A survey of residents staying at Yumba Hostel in Queensland during 2021–22 showed a mix of residents who were local and those who had travelled to stay with us.

Yumba Hostel was our first hostel. We are pleased that it continues to offer a place to stay for a range of residents from a variety of locations all around Australia.

Figure 2: Snapshot of Yumba's guest footprint



Year at a glance: 2021–22

Our day-to-day work throughout the year represented a practical and tangible contribution towards addressing priorities identified in the National Agreement on Closing the Gap.

People can secure appropriate, affordable housing that is aligned with their priorities and need

We provided safe, culturally appropriate accommodation for those who needed it most.

- **16,060** residents were accommodated in 43 hostels.
- Our targeted occupancy rate of **70%** was exceeded.
- Results from AHL's Resident Satisfaction Survey showed that **84%** of residents rated their overall experience staying with AHL as either 'good' or 'excellent'.

Strong economic participation and development of people and their communities

AHL supported the First Nations economy through employment opportunities and investment in Indigenous businesses, creating flow-on benefits to families and communities.

- We are proud to be one of the largest employers of First Nations people in the Australian Public Service, with First Nations employees comprising **48%** of our workforce.
- We spent over **\$5.6 million** on goods and services from First Nations businesses, which represents **23%** of total eligible expenditure¹ in 2021–22.

Everyone enjoys long and healthy lives

Throughout 2021–22, we supported the health and safety of a diverse group of First Nations people – the age of our residents ranged from a day old to 93 years. Resident feedback highlighted the benefits of staying at a hostel in terms of being able to save money, have access to services and undergo medical treatment that is close to home, community, friends and family.

- AHL provided accommodation for **3,793** people in medical hostels who were receiving treatment for a variety of health conditions.
- Access to regular, healthy meals is important and **one million** meals were offered to residents.

Youth are engaged in employment or education

AHL provided a secure base from which young people could access education opportunities.

- Education is fundamental to advancing the independence of current and future generations of First Nations young people and **225** students stayed in our secondary education hostels.
- We also supported **116** students to access training and tertiary education to further their career opportunities.



Students presenting their NAIDOC Week art at one of our northern hostels.

¹ Eligible expenditure does not include employee benefits, depreciation, write down of assets, bad debts and losses from asset sales. It also excludes expenditure categories where First Nations procurement opportunities do not exist or where procurements are through whole of government arrangements, including utilities, motor vehicle leasing, travel and insurance.

Performance

Residents ready to play rugby.

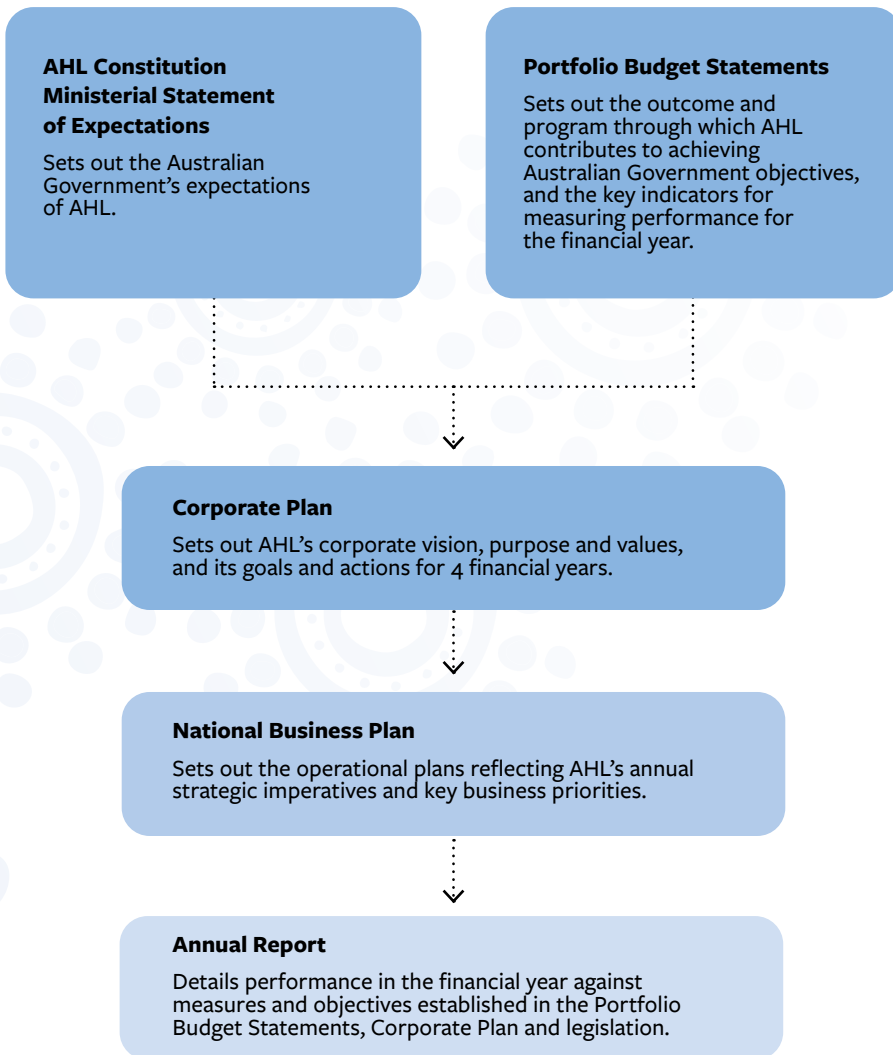


Performance

Planning and Reporting Framework

AHL's strategic Planning and Performance Framework which guides the Company in meeting its objectives is outlined in Figure 3.

Figure 3: Planning and Reporting Framework in 2021–22.



During the reporting period, we contributed to the Indigenous Affairs objectives of the Prime Minister and Cabinet portfolio under Outcome 1, as set out in the Portfolio Budget Statements.

Our work providing accommodation services contributed to improved access to medical services, education and economic opportunities for First Nations people across Australia.

We have made significant changes to our performance framework to better reflect the work of our Company, improve the clarity and reliability of our performance information and facilitate a clearer read across relevant documents and across reporting cycles.

We had one performance measure in the 2021–22 Portfolio Budget Statements (PBS) and as part of the development of our 2022–23 PBS, we expanded our measures to 5, as shown in Figure 4 below.

All other measures reported in this Report are from our 2021–25 Corporate Plan.

Figure 4: 2022–23 Portfolio Budget Statements, performance measures for 2021–22.

Outcome 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.

Program 1.1 – The objective of this program is to provide temporary accommodation for Indigenous Australians who must live away from home to access services and economic opportunities.

- Key Activities (a)**
- Delivering services that improve the quality of life and economic opportunity for Indigenous Australians through providing culturally appropriate and affordable temporary hostel accommodation for Indigenous Australians.
 - Maximising partnerships and engagement with Indigenous organisations and local service providers.
 - Contributing to the priorities of the National Agreement on Closing the Gap.
 - Implementing an annual hostel maintenance program to provide safe, comfortable accommodation for residents.
 - Implementing strategies to ensure the Company’s financial sustainability.

Year	Performance measures	Targets
2021–22	1. Occupancy level as a percentage of resident bed nights available per annum.	70% occupancy.
	2. Percentage of residents providing a rating of ‘satisfied’ (or higher) with the quality of AHL’s accommodation services (b).	Baseline to be established.
	3. Partnerships and engagement with Indigenous organisations and local service providers (b).	Baseline to be established.
	4. Maintain industry benchmark repair and maintenance investment in hostel asset portfolio (b).	Repair and maintenance investment represents at least 1.8% of hostel property asset replacement value.
	5. Company operating result consistent with or better than government approved budget (b).	2021–22 estimated actual deficit.

(a) Updated key activities reflected in the 2022–23 Corporate Plan.

(b) New performance measures set in the 2022–23 Corporate Plan.

Delivering services that improve the lives of First Nations people

Delivering services that improve the quality of life and economic opportunity for First Nations people through providing culturally appropriate and affordable hostel accommodation.

Maximise the use of our available facilities, to support as many residents as possible.

- Occupancy level as a percentage of resident bed nights available per annum.
- Number of residents accommodated (measured as unique occasions of stay).

During 2021–22, AHL provided First Nations people with over 350,000 bed nights across the hostel network. This represented a 72.5% occupancy rate, exceeding our 70% target and reflecting the continuing strong demand for our services and the effectiveness of our occupancy strategies.

In the second half of the financial year, we saw an increase in demand, compared to the 2020–21 period, with resident numbers generally exceeding 1,000 residents per night.

We worked closely with local stakeholders to ensure bed vacancies were known and First Nations people needing accommodation were referred to our hostels. We have several Memorandums of Understanding (MoUs) with organisations who require guaranteed accommodation services for their clients. These MoUs helped us ensure beds were available when they were required.

‘I feel good that I have somewhere safe to stay... Also, there is usually family at the hostel to see. We can cook in the fire pit and sit around with family.’

AHL resident, Topsy Smith Hostel, NT



2021–22 occupancy rates and beds available.

Table 1: How we performed in 2021–22 overall.

Performance measure	Available bed nights	Occupied bed nights	PBS target occupancy	Actual occupancy
Occupancy level as a % of resident bed nights available per annum	496,182	359,560	70%	72.5%

Table 2: How we performed, by hostel type, in 2021–22.

Accommodation category	Occupancy %
Health and medical	78%
Multipurpose	74%
Education	48%

Table 3: Where our beds were in 2021–22 (by the type of hostel, state/territory, and location category).

Distribution category	Available bed nights
Type of hostel	
Health and medical	119,349
Multipurpose	325,252
Education*	51,581
Total	496,182
Location by state/territory	
Western Australia	62,783
Northern Territory	249,560
Queensland	132,700
New South Wales	29,661
Victoria	5,288
South Australia	16,190
Total	496,182
Location category	
Remote or very remote	240,077
Regional	163,471
Urban	92,634
Total	496,182

* Includes 3 tertiary student hostels we repurposed to multipurpose hostels in 2021-22.

Focus on improving the quality of our services.

- Percentage of residents providing a rating of 'satisfied' (or higher) with the quality of AHL's accommodation services.
- Continued improvement in accommodation amenity, food and safety ratings.

We strive to provide consistent, high quality accommodation services for all residents. Throughout the year, we responded to feedback from residents to support the process of continual improvement in both the services we deliver and facility enhancements. In 2021–22, 84% of our residents rated their satisfaction with our services as either excellent or good. This result is an increase compared to the 78% satisfaction rate in 2020–21.

These achievements are a strong base for AHL to build upon, noting that in the last 2 financial years, less than 2% of participants in the Resident Satisfaction Survey rated AHL's service as 'poor'. Our independent Resident Satisfaction Survey was complemented throughout the year by our internal feedback mechanisms, including regular engagement with residents, stakeholders, feedback boxes available at hostels, resident meetings, our customer feedback line and other stakeholder surveys.

Quality Assurance processes and regulatory compliance are monitored to ensure safe and comfortable facilities are available to our residents. The hostel network is regularly assessed against a Quality Assurance framework to ensure standards are met for Work Health and Safety (WHS), food safety, hostel amenity and our service offer. Some of the work carried out throughout 2021–22 to improve operations across our hostel network included the implementation of more structured operational procedures and training, as well as a review of our Quality Assurance framework.

Ensure we are offering the services people need and are located in the right places, where demand is strong.

- Effective asset utilisation, through increased occupancy.

The continued demand for accommodation services across the hostel network, evidenced by the strong 2021–22 occupancy rate of 72.5% confirmed AHL is offering services for First Nations people in areas of need. AHL continually assesses the demand for services and, where this demand has diminished, considers alternative service offerings.

This year we repurposed 3 tertiary student hostels to multipurpose hostels, acknowledging existing alternative accommodation for tertiary students in those localities. These 3 hostels now provide accommodation to a wider resident base, while still offering accommodation for tertiary students where required.

AHL tracks demographic information on residents and service access because we know the value of having a strong understanding of who our residents are, where they are from and why they are staying with us. This information is invaluable for informing evidence-based occupancy strategies and future service planning.

At times, there can be changes in demand (increases or decreases) due to external events. We are flexible in responding to these circumstances. For example, in 2021–22 we were able to offer emergency accommodation to First Nations people impacted by weather events in South East Queensland.



Case study

AHL's flood relief support

In early 2022, Queensland was impacted by floods which left many families and community members displaced and unable to return home.

While the Australian Government continues to support those affected by floods and assists communities in their flood recovery efforts, AHL has played a role in supporting First Nations people by providing much needed short-term accommodation.

Yumba Hostel in Brisbane's West End has provided a vital safety net for a number of flood-affected families, providing them with a safe place to stay while they wait for more permanent accommodation options.

AHL's employees are always delighted to be part of a family's journey and be able to see families that we have supported return to permanent accommodation.

Facilitate greater access to education for young First Nations people.

- Increase in secondary student enrolments (measured as occupancy rate).
- Increase in retention rates across the school year.
- Number of children staying in multipurpose facilities (and attending school).
- Year 12 graduates.

This proved to be a challenging year for student enrolment, mirroring the challenging circumstances for all students across Australia. 225 secondary education students were enrolled with AHL. Following our secondary education strategies, we worked closely with relevant stakeholders to support students to access health services and out of school activities – including sports and cultural activities, tutoring and mentoring support.

Student retention was another challenge we experienced this year. Families let us know they were reluctant to send students away from community. This was due to the uncertainty relating to COVID-19 and particularly, the potential impacts on students travelling back to community during school holidays, as well as the impact on the general wellbeing of students. Community unrest in Wadeye during the reporting period also had a significant impact on AHL's secondary education student numbers.

Despite the uncertainties we faced, AHL supported 7 students to complete Year 12 in 2021.

There were also 82 school aged children that stayed at AHL's multipurpose hostels for more than a week during the reporting period. AHL's Conditions of Stay require children to attend school when residing in a hostel for more than one week (noting that due to COVID-19 there were periods of time when schools were not open for student attendance).

Case study

The impact of community support showcased at Biala Hostel

Volunteers play a vital role in connecting our residents to the local community and ensuring they feel supported while staying at our hostels. Volunteers also provide our residents with a local support network and strengthen their sense of community.

Volunteer group Jews for Social Action (JSA) make a positive impact on our residents' lives at Biala Hostel in Sydney. Established in 2001, JSA take a hands-on approach to working towards a fair and equitable society and actively support First Nations people.

When JSA volunteer tutors attend Biala Hostel each week they help the students complete their homework and school assignments. One of those volunteers is Keren Cox-Whitton, whose family

has been involved with the community since 1960.

‘First Nations justice is really important... that history has always been discussed in an upfront way in our family and I think education is a really big part of that fight for justice’,

Keren Cox-Witton said.

The dedication and support shown by volunteers like Ms Cox-Witton gives our Biala Hostel secondary students an invaluable head-start in life.

AHL continues to draw on community resources to further support our residents and broaden their access to opportunities.



A JSA volunteer plays guitar with a resident and a student works on some homework, at Biala Hostel, NSW.

Maximising partnerships and engagement

To grow our linkages, including at the local level.

- Partnerships and engagement with Indigenous organisations and local service providers.
- Establishment of Company and individual hostel stakeholder engagement plans.
- Increased partnerships supporting Indigenous accommodation demand.

We engaged closely with a broad range of First Nations organisations to progress our priorities. Engagement with health service providers was a particular focus, in order to support COVID-19 management plans. Hostels partnered with local First Nations health services in an effort to encourage and support residents to receive their COVID-19 vaccinations. We also worked collaboratively with health services to support residents impacted by COVID-19 in a compassionate and effective way. Our emphasis on partnerships ensured residents were connected to the services they required. We also remained connected to community, including through the strong representation of First Nations staff.

Engagement occurs day-to-day at the hostel level and through formal partnerships. AHL entered into 14 MoUs in 2021–22, which provided guaranteed accommodation for partner organisations referring residents for accommodation.

AHL continued to strengthen partnerships and engage with stakeholders to support our residents and deliver on the Company's mandate. Each hostel had a Stakeholder Engagement Plan in place, which helped drive occupancy strategies and an overarching Company stakeholder engagement plan was established.

We continue to actively explore options to partner with community organisations and to build partnerships with communities and organisations to improve our service to First Nations people. This work is evidenced in our occupancy strategies and our deliberations around future service planning to ensure we respond to shifts in accommodation demand.

To ensure we put cultural perspectives at the centre of our work.

- Cultural Committee established and providing advice to the Board and Executive.
- Achievement of positive results through AHL's established feedback processes.

Established in 2021–22, the Cultural Committee provides advice to the AHL Board and Executive to ensure there are systems and frameworks in place to support cultural safety for our residents. One of the early acts of the Committee was to agree to our Statement of Commitment to Reconciliation.

During the reporting period, the Cultural Committee worked to ensure our hostels are culturally safe environments that can support the holistic wellbeing of residents.

Through our feedback processes, we receive information directly from our residents on what we do, or could do, to help residents feel safe and comfortable when staying at our hostels. In our 2022 Resident Satisfaction Survey, an independent First Nations research consultancy asked 136 residents what AHL could do to make our hostels a culturally-safe place for residents and their families. The consultants visited hostels to conduct face-to-face surveys. Pleasingly, most residents provided positive feedback, reporting they felt safe and respected during their stay at our hostels. Some residents also offered suggestions about ways to improve cultural safety, these suggestions will be taken forward as part of our resident-centred approach to service delivery.

To support partnerships (particularly with the health sector) in order to ensure that vulnerable people have access to the support that they need.

- Effective asset utilisation through increased occupancy.

Our health and medical hostels experienced high demand in 2021–22. We provided 3,793 First Nations people with much-needed accommodation to access health services and support.

We continued to work closely with hospitals and health services to ensure accommodation was available, assets were utilised where needed and bed vacancies were regularly communicated.

We were able to successfully increase our occupancy rate this year. The occupancy rate for AHL's medical hostels was 78% for the reporting period, which was a 2% increase from 76% achieved in 2020–21.

We have MoUs with a range of stakeholders so we can continue to provide immediate accommodation for vulnerable people. These partnerships also provide AHL with a guaranteed revenue stream.

During the reporting period, in the health space, we had MoUs with:

- Top End Health Service East Arnhem Land
- Nganampa Health Council
- Alice Springs Hospital
- Tennant Creek Hospital, and
- WA Country Health Service.

Residents needing medical services weren't the only vulnerable cohort we supported in this period. AHL supported people impacted by domestic and family violence, including through a MoU with the NPY Women's Council. This is an area of growing demand and we will continue to work with relevant organisations to support the need for temporary accommodation in this area.

'I need treatment and a safe place to stay. [If I didn't stay here] I would be staying in a town camp and become very sick and have no help.'

AHL resident, Alyerre Hostel, NT

To ensure that we connect people to the services that they need.

- Case studies highlighting service integration.

Many of our residents require support services during their stay. We actively provide information and help residents connect with local services.

In our education hostels students are assisted through a range of service partners focusing on student wellbeing, education, sport, recreation and cultural activity.

In addition to working with local sporting clubs, driver training programs and health services, AHL also partnered with:

- Headspace
- Deadly Choices, and
- Police and Community Youth Centres.

Partners and supporters

While there is not enough room here to mention all the partners and supporters who have tirelessly supported the invaluable work AHL undertakes across Australia, Figure 5 below showcases a small selection of our partners and supporters. We would also like to acknowledge and thank all of our supporters.

Figure 5: AHL's partners and supporters



Contributing to Closing the Gap

To focus on how we contribute to the broader Closing the Gap agenda, which requires governments to build on the strong foundations First Nations people have, through their deep connection to family, community and culture.

- Development and implementation of processes which allow for better understanding and communication of AHL's purpose and value.

AHL's day-to-day work throughout the year represented practical and tangible contributions towards addressing priorities identified in the National Agreement on Closing the Gap.

In 2021–22, AHL implemented processes to capture our contribution to the applicable targets and the Priority Reforms. The Reforms have been directly informed by First Nations people and aim to change the way governments work with First Nations people and communities.

Tracking AHL's contributions to Closing the Gap priorities is an important means of demonstrating how our services contribute to First Nations outcomes. Measuring our contributions to these priorities also shows the extent to which AHL contributes to advancing the Government's broader First Nations policy goals.

Case study

Next generation of leaders at Tony Mundine Hostel

Janaya Rose is a proud Mardigan woman from Dubbo, whose story continues to inspire residents at the Tony Mundine Hostel in Sydney.

Janaya's achievements are attributed to her ongoing resilience, dedication and motivation. Janaya is currently undertaking a Traineeship in Business with the University of Sydney through the AFL SportsReady program. The program works to foster the skills, knowledge and experiences young people need to be successful in today and tomorrow's workplaces.

Prior to moving to Sydney for this traineeship opportunity, Janaya was one of 2 Student Cultural Captains in Year 12, supporting First Nations students by listening to their concerns and their ideas for growing cultural competence within the school. As one of the Cultural Captains, Janaya would then raise matters with the school Principal, and would work alongside the school



leadership to progress. This leadership role not only supported First Nations students, but also provided the school and community with a unique perspective on First Nations cultures.

Janaya is a strong advocate for First Nations people and is hoping that her story will inspire more First Nations people to undertake study or training opportunities, with the support of AHL accommodation.

Growing our people capability

To invest in our people, to maximise workforce engagement.

- Meet target of 66% First Nations employment with increased staff retention rates.
- APS staff census results in line with comparator agencies.
- Investment in targeted learning and development opportunities to aid career progression.

AHL continued to work towards increasing representation and retention of First Nations employees. By the end of the reporting period, First Nations employees represented 48% of our total workforce. We will continue to work towards achieving our 66% First Nations employment target. During 2021–22, we progressed a number of initiatives to help boost employee retention rates. These included providing support for Indigenous Entry Level Programs, Indigenous Apprenticeships Programs and the creation of recruitment specialist roles.

This year saw a 10% increase in APS Employee Census participation rates. While there was a significant improvement in the way employees viewed the Executive team’s communication, there is room for growth in other areas, such as how we encourage innovation. One of the most positive findings, particularly relative to other agencies, was that many AHL employees (95%) understood the importance of the work we do, in terms of achieving a positive outcome for people.

In 2021–22, we invested in targeted learning and development programs to support staff advancement opportunities. These programs included:

- ‘Core cultural learning’ program, an innovative cultural capability course offered by the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)
- Public Leaders Program run by the Institute of Public Administration Australia, to support emerging leaders working in, and with, the public sector
- Indigenous Talent Management Program by Coolamon Consulting, which supports participants in mapping their pathway to public sector leadership, and
- PEP Worldwide’s Personal Efficiency Program (PEP), to produce strong gains in productivity for employees, through efficiency solutions.

Despite the various logistical challenges, such as having numerous AHL sites around Australia and the ongoing COVID-19 pandemic, we offered and promoted a range of online and face-to-face training modules. Topics included Protecting Children and Vulnerable People, Australian Public Service Commission (APSC) Integrity Training, Hazard Awareness, Work Health and Safety, First Aid and Cardio Pulmonary Resuscitation, Information and Communication Technology (ICT) Security and Performance Management. The success of our 2021–22 initiatives will be evaluated and outcomes will assist the design of future targeted leadership development and learning programs.



Anthony ‘Tony’ William Mundine OAM – accomplished boxer and hostel namesake – visiting Tony Mundine Hostel, NSW. Pictured with staff members Liz Simpson (left) and Millie Dower (right).

Business efficiency and sustainable asset management

Implementing a sustainability agenda, with a focus on supporting the Company's long-term financial viability.

- Company operating result consistent with or better than Government approved budget.

AHL continued to strengthen our business model and make decisions to support the Company's financial viability over the long-term. AHL's 2021-22 operating deficit of \$1.070 million was marginally higher than the Government approved deficit of \$1.015 million.

To maintain hostel facilities in a cost-effective manner while ensuring the hostels are fit for purpose and meet resident requirements.

- Maintain industry benchmark repair and maintenance investment in hostel asset portfolio.
- Implementation of site-based asset management plans.
- Compliance with building and safety codes, all hostels fit for occupation.
- Planned vs unplanned maintenance ratio shifted from 50/50 to 70/30.
- Development and implementation of uniform hostel accommodation standards by accommodation category.

In 2021-22 we spent \$5 million on repairs and maintenance across the hostel network, which represented 2.25% of hostel property replacement value. The ratio of planned versus unplanned maintenance was 68/32.

During the year, we continued to deliver an ongoing program of hostel enhancements, aimed at improving the operating efficiency and reducing the environmental impact of our national hostel network. This program included:

- continuing the rollout of photovoltaic systems across the hostels, with systems now operating at 34 hostels
- upgrading incandescent lighting with energy efficient LED lighting, and
- ensuring energy efficiency gains in the design and products chosen as part of major hostel refurbishment projects.

During the reporting period, we also commenced major upgrade works at our Derbal Bidjar and Allawah Grove hostels in Perth and our Corroboree hostel in Katherine. Once these projects are completed, they will provide significant amenity improvements for residents.

Following the successful pilot of a new door access system at our Silas Roberts, Elley Bennett and Yumba hostels, a national rollout across the hostel network began in February 2022. By the end of the reporting period, the new door access system was operational at 19 hostels, with the rollout across the remainder of our hostel network expected to be completed by the end of 2022. The new door access system will provide significant improvements in security and safety for our residents and employees, and will also enhance our capability for real-time management and monitoring of the system.



Financial summary

This section provides an overview of AHL's income and expenditure in 2021–22. The audited Financial Statements are provided in Part 4 of the Annual Report.

Income

In 2021–22, AHL received \$56.2 million in operating income, comprising: \$35.7 million (63%) from the Australian Government and \$15 million (27%) generated from resident tariffs.

The remaining income comprised of funding from the Australian Government and state and territory governments to operate hostels on their behalf (8%) and interest and other income (2%).

Table 4 shows AHL's income sources in 2021–22 and Table 5 includes information from the previous 2 reporting periods for comparative purposes.

Table 4: Sources of operating income, 2021–22.

Source	\$ million	Per cent
Australian Government appropriation	35.7	63%
Hostel accommodation revenue	15.0	27%
Other government funding – Australian Government ²	2.2	4%
Other government funding – state and territory governments ³	2.4	4%
Interest and other	0.9	2%
Total operating income	56.2	100%

Table 5: Operating income, 2019–20 to 2021–22 (\$ million).

Source	2019–20	2020–21	2021–22
Australian Government – appropriation	36.2	35.9	35.7
Hostel accommodation revenue	13.8	15.0	15.0
Other government funding – Australian Government	1.7	2.4	2.2
Other government funding – state and territory governments	2.3	2.1	2.4
Interest and other	0.7	0.4	0.9
Total	54.7	55.8	56.2

² Operational grants received from the Australian Government to operate hostels.

³ Operational grants from the Northern Territory Government to operate hostels on their behalf.

Expenditure

AHL's total operating expenses for 2021–22 were \$57.3 million. Table 6 shows operating expenses by location.

Table 6: Operating expenses by location, 2021–22.

Location	\$ million	Per cent
NSW	5.1	9%
VIC	0.7	1%
QLD	11.2	20%
WA	7.3	13%
SA	1.5	3%
ACT (National Office)	12.6	22%
NT	18.9	32%
Total	57.3	100%

AHL's capital expenditure for 2021–22 was \$7.3 million. Table 7 shows the breakdown of expenditure by location.

Table 7: Capital expenditure by location, 2021–22.

Location	\$ million	Per cent
NSW	0.7	10%
VIC	0.1	1%
QLD	1.3	18%
WA	1.9	26%
SA	0.2	3%
ACT (National Office)	1.0	14%
NT	2.1	28%
Total	7.3	100%



Organisation



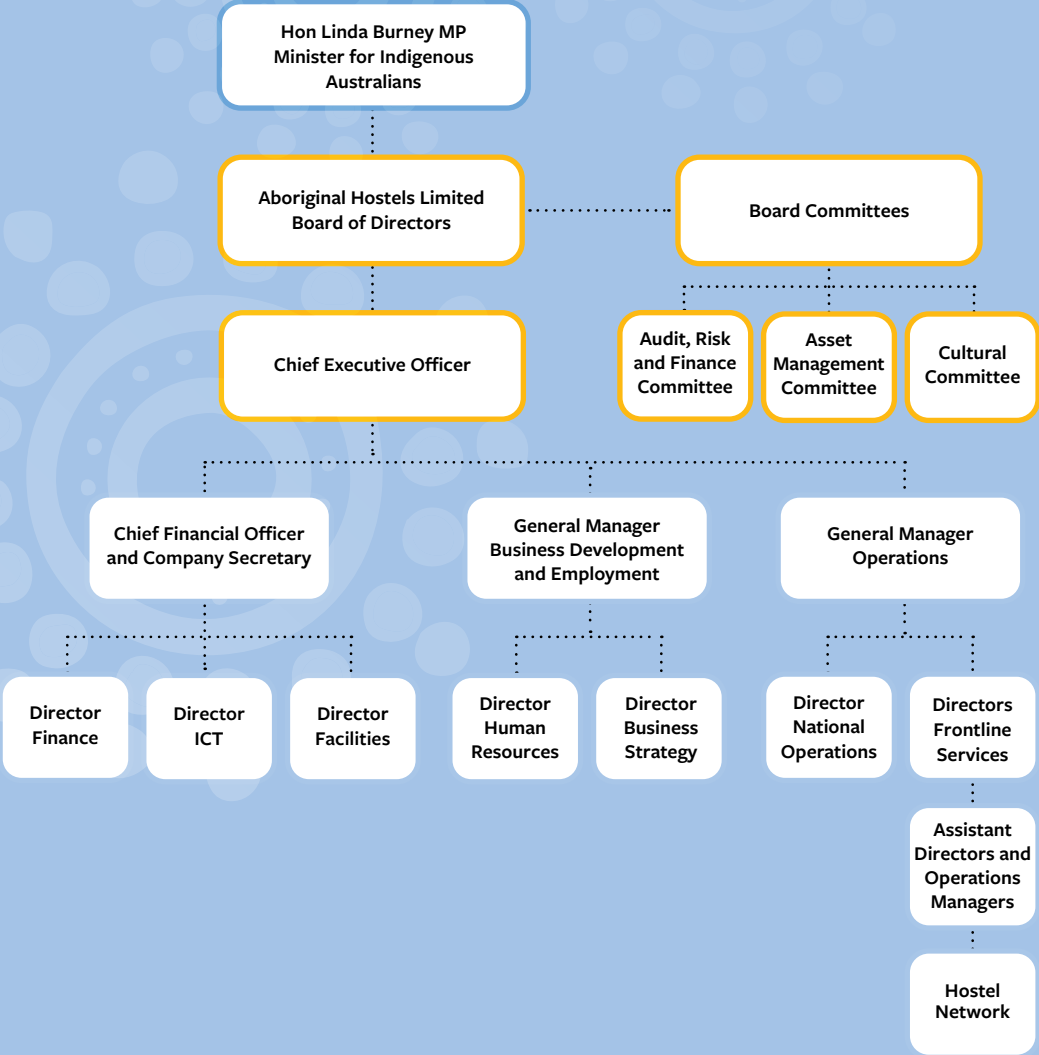
Residents and staff marking RU OK? Day at a NSW hostel (above).

Corroboree Hostel, NT. (right).



Organisation structure

Figure 6 shows AHL's structure as at 30 June 2022.



Board

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

The AHL Board is comprised of relevant experts who work together collaboratively to set the strategic direction for the Company. The diversity of the Board ensures that discussions are richer and decision-making processes are stronger.

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 modernised Constitution and in relevant 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 performance of 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, and
- ensuring that AHL submits an Annual Report that is compliant with the PGPA Act.

The Chair is responsible for ensuring 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 Chair is responsible for representing the Board to the Minister.

The Company Secretary is an ancillary role of the Chief Financial Officer (CFO). 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 Chair, on governance matters.



AHL Directors, with Executive and staff in 2022 at Yumba Hostel, QLD. Yumba was AHL's very first hostel.

Executive

The Executive implements the Board's strategic direction and oversees governance in AHL's daily operations. The 2021–22 team members were:

- **Chief Executive Officer** – Dave Chalmers AO, CSC
- **Chief Financial Officer and Company Secretary** – Dermot Walsh FCPA, MAICD
- **General Manager, Business Development and Employment** – Kate Thomann
- **General Manager Operations** – Bob Harvey, PSM.

Governance

AHL is accountable to the Australian community, through the Australian Parliament, for the effective delivery of our accommodation services and administration. Our governance framework is built on principles of accountability, leadership, executive instruction, quality control and duty of care for residents. The AHL Board Governance Charter helps ensure that AHL conducts its business in compliance with legislative and governance requirements.

Legal Framework

AHL is a wholly owned not-for-profit Australian Government Company within the portfolio of Prime Minister and Cabinet.

Until 23 May 2022, the Minister responsible for AHL was the Hon. Ken Wyatt AM MP, Minister for Indigenous Australians. The Hon. Linda Burney MP was appointed Minister for Indigenous Australians on 1 June 2022.

During the reporting period, the ministers did not issue any directions to AHL, and AHL was not subject to any general government policy orders.

AHL complies with all relevant legislation, including but not limited to the:

- *Aboriginal and Torres Strait Islander Act 2005*
- *Archives Act 1983*
- *Auditor-General Act 1997*
- *Australian Charities and Not-for-profits Commission Act 2012*
- *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 the Company's overall internal control framework and for reviewing its effectiveness, recognising that no cost-effective internal control system can 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, and
- compliance with applicable laws and regulations.

External scrutiny

During 2021–22:

- AHL has not been the subject of any judicial decisions or decisions of administrative tribunals, and
- the Commonwealth Ombudsman, the Office of the Australian Information Commissioner or the Australian Securities and Investments Commission did not release any reports involving AHL.

On 13 August 2021, AHL provided a submission to the Joint Committee of Public Accounts and Audit inquiry into the Auditor-General's Report No. 25 (2020–21) *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2020*.

A copy of our submission is available from aph.gov.au.

AHL participated in one Australian National Audit Office (ANAO) performance audit, and the Report was tabled on 30 June 2022: Auditor-General Report no.46 of 2021–22: *Management of Staff Leave in the Australian Public Service*.

AHL agreed to implement all of the recommendations in the Report, and will continue to develop and improve our policies, processes and controls to manage staff leave.

A copy of the Report can be found on ANAO's website:

anao.gov.au/work/performance-audit/management-staff-leave-the-australian-public-service

On 17 March 2022, AHL provided a submission to the *Productivity Commission's review into the National Housing and Homelessness Agreement*. AHL's submission reflected our role in providing accommodation to First Nations people and noted that many of our residents experience housing instability and that national and jurisdictional policies and programs impact AHL as a short-term accommodation provider.

A copy of our submission can be found on the Productivity Commission's website:

pc.gov.au/inquiries/completed/housing-homelessness

Risk management

We maintain our proactive approach to risk management through a comprehensive Enterprise Risk Management (ERM) Framework, comprising:

- Risk Management Framework and Plan: outlines the policies and procedures supporting clearly defined and documented roles, responsibilities and formal reporting structures for the management of material risks throughout the Company.
- Risk Management Policy: details AHL's overarching approach and commitment to address and effectively manage risk, and to integrate risk management practices into all business processes and operations.
- Risk Appetite Statement: the degree of risk exposure the Board is willing (and able) to accept or retain in pursuit of its strategic, business and operational goals and service delivery objectives.
- Enterprise Risk Register: record AHL's enterprise level risks and mitigation strategies to ensure identified risks fall within our risk appetite and tolerance.
- Subsidiary Risk Registers: records AHL's operational risks and mitigation strategies for key business areas, to ensure identified risks fall within our risk appetite and tolerance.
- Management systems for measuring, assessing and reporting on all material risks across the Company.
- Review of processes that ensure the ERM framework is effective in identifying, measuring, evaluating, monitoring, reporting, and controlling or mitigating risk.
- Processes to measure risk culture, including: the APS Employee Census results and Comcover Risk Management Benchmarking reports.

AHL's structured, consistent and continuous risk management review mechanisms are embedded in our governance framework, including:

- annual review of our ERM Framework as part of the continual improvement process set out in AS/NZS ISO 3100
- quarterly review of the Enterprise Risk Register and appraisal of significant risks by the Audit, Risk and Finance Committee (ARFC) and the Board, and
- ongoing review of AHL's Subsidiary Risk Registers by the ARFC, complemented by a comprehensive internal audit program across the Company.

The oversight of our risk management strategy and practice is provided by the ARFC. The Committee provides our Board and management with independent practical guidance and support regarding our risk management strategies. The ARFC also formally reviews AHL's ERM Framework annually.

AHL also participates in the biennial Comcover Risk Management Benchmarking Survey, which independently assesses our risk management maturity.

Fraud Risk Control

Our ERM framework provides the foundation for AHL's fraud control processes and mitigation strategies to identify, analyse, evaluate and treat fraud risks, which may be inherent to AHL's business functions.

In 2021-22, we undertook a substantive review of our fraud control framework, which comprises the Fraud and Corruption Control Plan, Fraud and Corruption Policy Statement and Fraud Risk Assessment. We have zero-tolerance for dishonest, fraudulent or corrupt behaviour by employees, contractors and third party service providers and will continue to implement strong, robust and effective fraud control across our Company.



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, and
- relationship with management.

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

Our values

AHL's values are outlined in our Cultural Statement.

Respect for residents

Although AHL is an accommodation provider, the value in our service is not only the physical facilities, but also the supportive environment offered to residents. 'Looking after each other' represents the promise AHL makes to residents to support them.

Respect for staff

'Looking after each other' is also a promise made to staff. Whether working in the National Office, managing a hostel, or as a cook in the kitchen, all staff will have a respectful environment to work within.

P Professional **R** Respectful **O** Open **U** Understanding **D** Dedicated

These values aim to foster a sense of pride for AHL employees and recognises that their contributions towards delivering vital services for First Nations people are meaningful and valued.



Residents at one of our northern hostels.

Ecologically sustainable development

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

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

Detailed information about how we responded to the criteria is outlined in Table 8 below.

Table 8: Ecologically sustainable development activities.

Reporting requirement	AHL response
How AHL accords with and contributes to the principles of ecologically sustainable development	<p>All newly built AHL hostels or improvements to hostels must meet minimum mandatory building requirements, as determined by the <i>National Construction Code</i>, in particular the <i>Building Code of Australia</i>.</p> <p>These minimum standards include statutory requirements around energy efficiency and sustainability, with the requirement to reduce carbon and greenhouse gas emissions.</p> <p>With each new development, AHL engages private consultants who assess the intended building's energy use (water, thermal performance and energy).</p> <p>We continue to focus on identifying and embedding better practice in the sustainable management of energy, water and waste.</p>
Activities that affect the environment	<p>AHL's core function – accommodation – consumes energy, water and materials, such as packaging, that contribute to landfill, pollution and greenhouse gas emissions.</p> <p>Energy is required to power AHL's offices and hostels to provide hot water, power for cooking and air conditioning.</p>
Measures taken to minimise the effect of activities on the environment	<p>During the reporting period, AHL continued the program to rollout photovoltaic systems across the hostel network, with systems now operating at 34 hostels. Through an online platform, AHL has the ability monitor real-time solar analytics for each system and the network, including:</p> <ul style="list-style-type: none"> • real-time production data • system operation and faults • site and network usage patterns, and • savings from solar production. <p>We also continued the program to upgrade incandescent light fixtures with energy efficient LED light fixtures across the hostel network. This program will continue next financial year.</p> <p>AHL encourages employees to adopt sustainable waste management practices, and educates residents in minimising energy use and following good recycling practices.</p> <p>Each time AHL conducts upgrade works or refurbishment projects, energy efficiency gains in the design and products chosen are considered, to minimise environmental impacts.</p>
Mechanisms for reviewing and increasing the effectiveness of measures	<p>AHL regularly reviews energy usage with a view to identify areas of potential efficiency gains and financial benefits.</p>



People

Staff profile

As Figure 7 shows, AHL was supported in 2021–22 by a diverse workforce; we will continue to invest in people and values, to ensure diversity remains a strong feature of our workplace.

As part of efforts to support workforce inclusion across the staffing profile, we appointed Executive Champions, including First Nations, and Diversity and Inclusion Champions. We also became a Diversity Council Australia (DCA) Member. This has provided our staff with access to best-practice research, resources and webinars.

AHL also made significant efforts to further stabilise our workforce in 2021–22, achieving an ongoing employment rate of 74%. This compares to 65% in the previous reporting period.

Performance management

Through both formal and informal feedback processes between managers and employees, performance management helps the Company achieve our strategic objectives.

AHL's performance management cycle commences each year on 1 August and concludes on 31 July the following year, with an annual review and discussion between eligible employees and their managers. In 2021–22, performance agreements were finalised with 95% of employees, a slight improvement on the 92% achieved in the previous reporting period.

Recruitment and retention

AHL aims to create an environment that attracts, develops and retains a skilled and committed workforce.

Improving staff retention is a key objective for AHL and was a focus during 2021–22. AHL continued to implement strategies to improve staff retention, including improved onboarding, wellness offerings, communication, feedback on performance, training and development and workplace flexibility. We further refined and streamlined our recruitment processes to ensure we could fill vacancies across the network.

This work remains of key importance to AHL, as our staff are vital to AHL's success in delivering safe, culturally appropriate accommodation to First Nations people.

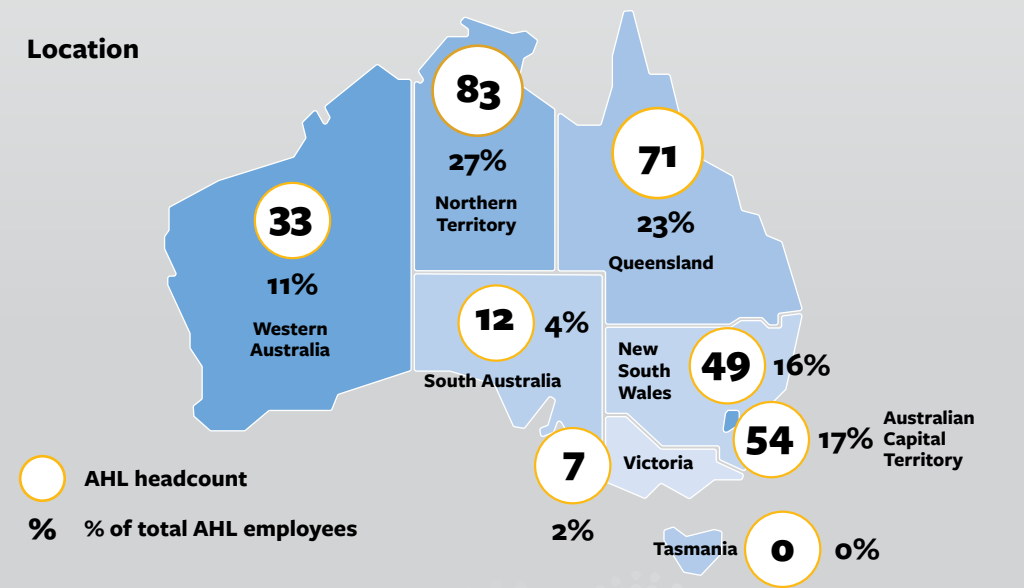
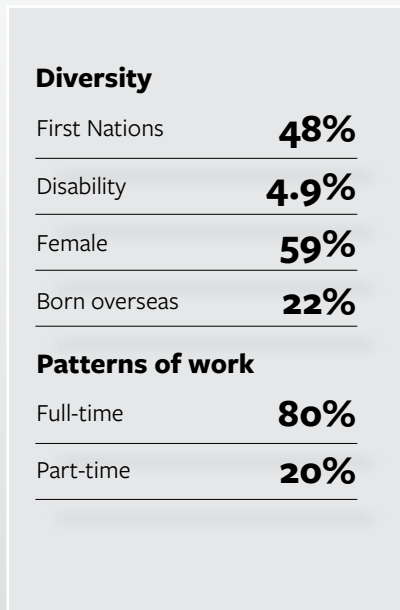
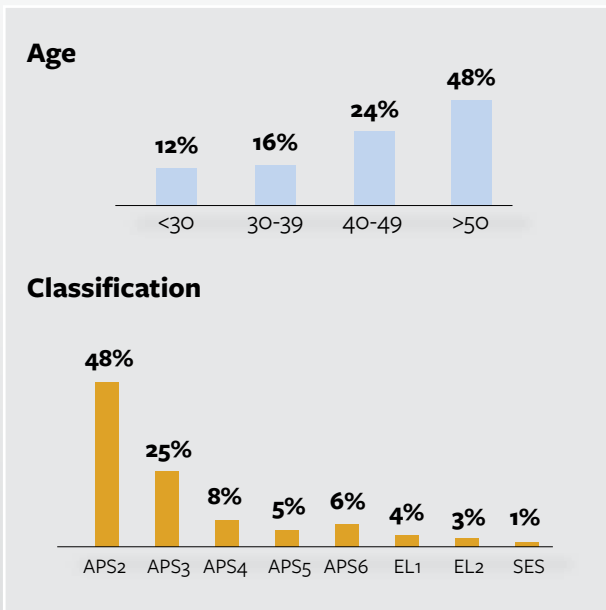
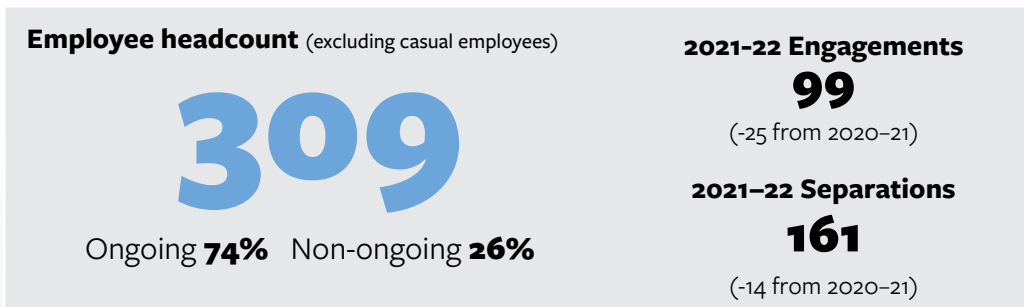


**‘The people, it’s like home to me.
They know you... They look after us.’**

AHL resident, Darwin, NT

**AHL CEO Dave Chalmers with Hostel
Manager Loretta McGee at the PROUD
Awards ceremony at Tamworth
Hostel, NSW.**

Figure 7: Employee snapshot.



Tables 9–13 outline details of AHL’s employees, as at 30 June 2022.

Table 9: First Nations employees.

First Nations employees			
Measure	Male	Female	Total
Number	48	100	148
Proportion of total workforce	16%	32%	48%

Note: Does not include casual employees

Table 10: All ongoing employees.

Location	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	19	5	24	16	8	24	-	-	-	48
VIC	5	1	6	1	-	1	-	-	-	7
QLD	18	7	25	21	3	24	-	-	-	49
WA	6	1	7	12	3	15	-	-	-	22
SA	2	-	2	4	2	6	-	-	-	8
TAS	-	-	-	-	-	-	-	-	-	-
ACT	20	-	20	18	3	21	-	-	-	41
NT	19	2	21	27	6	33	-	-	-	54
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	89	16	105	99	25	124	-	-	-	229

Note: Does not include casual employees

Table 11: All non-ongoing employees.

Location	Male			Female			Indeterminate		Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Part time	Total Indeterminate	
NSW	-	-	-	-	1	1	-	-	1
VIC	-	-	-	-	-	-	-	-	-
QLD	5	1	6	12	4	16	-	-	22
WA	1	1	2	6	3	9	-	-	11
SA	-	-	-	-	4	4	-	-	4
TAS	-	-	-	-	-	-	-	-	-
ACT	2	1	3	10	-	10	-	-	13
NT	11	1	12	12	5	17	-	-	29
External Territories	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
Total	19	4	23	40	17	57	-	-	80

Note: Does not include casual employees

Table 12: All ongoing employees, previous reporting period.

Location	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	8	3	11	13	8	21	-	-	-	32
VIC	2	1	3	2	-	2	-	-	-	5
QLD	20	9	29	25	6	31	-	-	-	60
WA	8	1	9	14	3	17	-	-	-	26
SA	3	-	3	3	5	8	-	-	-	11
TAS	-	-	-	-	-	-	-	-	-	-
ACT	17	-	17	16	2	18	-	-	-	35
NT	21	2	23	26	6	32	-	-	-	55
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	79	16	95	99	30	129	-	-	-	224

Note: Does not include casual employees

Table 13: All non-ongoing employees, previous reporting period.

Location	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	5	1	6	2	2	4	-	-	-	10
VIC	1	-	1	1	-	1	-	-	-	2
QLD	3	1	4	8	8	16	-	-	-	20
WA	4	1	5	7	3	10	-	-	-	15
SA	-	-	-	3	1	4	-	-	-	4
TAS	-	-	-	-	-	-	-	-	-	-
ACT	10	-	10	5	1	6	-	-	-	16
NT	15	1	16	31	7	38	-	-	-	54
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
Total	38	4	42	57	22	79	-	-	-	121

Note: Does not include casual employees

Enterprise Agreement

AHL continues to work on a draft proposed Enterprise Agreement to replace the AHL Enterprise Agreement 2017. Once the draft has been finalised and endorsed, bargaining will commence with nominated employee and union representatives. The principle of good faith bargaining will apply throughout the process.

Unscheduled absence rate

AHL's overall unscheduled absence rate for 2021–22 was an average of 15.6 days, which is consistent with the 2020–21 financial year. AHL continues to work with employees on promoting a strong attendance culture.

Work Health, Safety and Rehabilitation

Work Health and Safety (WHS)

COVID-19 continues to present a major challenge for AHL due to:

- the primary risk from COVID-19 infections to the health of residents and employees (including those who are statistically more vulnerable), and others
- the secondary risks of disruption to business operations, and the associated increased mental health impacts on employees, residents and others, and
- the complexity of managing COVID-19 in a service delivery environment with differing jurisdictional requirements.

During 2021–22, we continued to respond to evolving circumstances, and demonstrated our capacity to be agile in assessing and responding to risks. Important activities undertaken to enable us to manage the safety of employees and residents throughout the year included:

- timely distribution of supplies and information across the hostel network, including, personal protective equipment (PPE) and rapid antigen tests
- contact with Public Health services in relevant jurisdictions to ensure safe isolation and quarantine of affected residents, and
- ongoing COVID-19 safety plans for each hostel.

Throughout 2021–22, we focused on safety and quality assurance, with audits undertaken at 15 hostels to assess the implementation of the WHS management system with regard to COVID-19, WHS and food safety compliance. In addition, we supported optimal emergency management capabilities, ensuring first aid and emergency warden qualifications and coverage across the network.

Rehabilitation

Early intervention aims to minimise the impact and duration of emerging symptoms of ill health and/or injury or illness. Our early intervention program supports employees to treat their symptoms, illness or injury and mitigate the development of a chronic or secondary condition. We support our staff by encouraging timely access to medical assistance, improving the use of the rehabilitation and early intervention system, as well as implementing improved processes and tools within our rehabilitation management system.

In mid 2021–22, AHL engaged a new Employee Assistance Provider ‘AccessEAP’ who offers First Nations counsellors, to ensure that staff receive sensitive and appropriate care. AccessEAP also offers training in Conflict Resolution, which was delivered to AHL employees in 2021–22.

Worker's compensation and workplace incident statistics

During 2021–22 there were 6 worker's compensation claims accepted.

AHL continues to proactively manage injury cases underpinned by robust early intervention, rehabilitation and claims management processes.

Table 14 provides a summary of notifiable incidents that occurred during the year, as required by the *Work Health and Safety Act 2011*. There was one investigation conducted by Comcare in relation to a suspected workplace transmission of COVID-19.

Table 14: Work Health and Safety statistics, 2019–20 to 2021–22.

Notifiable incident classification	2019–20	2020–21	2021–22
Death	0	1	0
Serious injury/illness	1	1	2
Dangerous incident	6	8	5
Total	7	10	7



Yumba Hostel, QLD.

AHL's Commitment to Child Safety

AHL places fundamental importance on the safety, welfare and wellbeing of children and young people staying in our hostels and has a well-established Child Protection Framework to ensure that children and young people are protected.

We have embedded the National Principles for Child Safe Organisations (National Principles) into our policies and procedures which underpin our operations. Regular reviews to ensure that our policies and procedures are being properly implemented are one of the principles which child safe organisations uphold. This principle emphasises that child safe organisations seek to continuously improve their delivery of child safe services, operations and conduct.

In 2021–22 we initiated an internal audit to evaluate the processes and policies supporting the Company to meet its duty of care to children and vulnerable people. The review benchmarked AHL's policies and procedures against better practice. We remain committed to future reviews to ensure we maintain better practice to safeguard the safety, welfare and wellbeing of children and young people in our care.

The National Principles also emphasise the importance of culturally safe environments and practices for First Nations children and young people. AHL approaches all policies through this framework of cultural safety and respect.

As our employees regularly engage with children, we recognise the risks inherent in our operations. These are managed through our Enterprise Risk Management Framework. Mitigation strategies monitored through our ongoing risk assessments ensure all our employees take responsibility for keeping children safe.

AHL is committed to employee participation in ongoing Child Protection training to ensure our staff members are equipped with skills in identifying and reporting instances of child abuse. In 2021–22, 12 training sessions were run by a qualified professional and there was participation from staff in the hostel network, as well as the National Office.

Child protection and the prevention of child abuse is a shared government and community responsibility. We recognise that the best interests of children in our care will be met by continuous collaboration and engagement with the expertise of relevant state and territory child protection agencies, government and non-government stakeholders and a range of service delivery providers. AHL works with relevant stakeholders, including the National Office for Child Safety within the Attorney-General's Department to strengthen its approach to providing a child safe culture.



Tony Mundine Hostel, NSW.



Financial Report



Financial Report

Directors' Report

The Board of Directors presents its Report on Aboriginal Hostels Limited (AHL) for the financial year ended 30 June 2022.

Corporate information

AHL is a not-for-profit Company wholly owned by the Australian Government and 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 2021–22 was the operation of hostels for First Nations people.

The Constitution objectives of Aboriginal Hostels Limited (3 August 2021), provides at clause 4.1:

'The Company's objects are to provide or facilitate safe, comfortable, culturally appropriate and affordable accommodation for Indigenous Australians who need to be away from home to access services and economic opportunity.'

The Australian Government provides funding to supplement the operating costs of the hostels and to support our Company to achieve its objectives.

We also enter into contracts with the Australian Government and state and territory governments to operate hostels not owned by AHL on a fee-for-service basis, including:

- Apmere Mwerre Visitors Park, Alice Springs, funded by the NT Government Department of Territory Families, Housing and Communities
- Alyerre Hostel, Alice Springs, funded by the NT Government Department of Health
- Kardu Darrikardu Numida Secondary Education Boarding Facility, Wadeye, funded by the National Indigenous Australians Agency (NIAA), and
- Tennant Creek Secondary Hostel, operational funding supplemented by NIAA.

Operating results

The operating result in 2021–22 was a \$1.1 million deficit, an improvement compared to the \$2.0 million deficit in 2020–21.

The \$0.9 million reduction in the 2021–22 operating deficit from the previous year, was mainly due to:

- \$0.7 million increase in own source revenue, comprising Grant funding received from WA Country Health and the Aboriginal Children's Advancement Society, and
- \$1.1 million reduction in property operating expenses driven by reduced hostel maintenance costs, offset by
- \$0.9 million increase in employee benefits.



Financial position

The net assets of the Company at 30 June 2022 were \$150.8 million, an increase from \$145.1 million in the previous financial year.

The Company continues to maintain a strong financial position with \$35.712 million in cash and other investments at 30 June 2022 (30 June 2021: \$42.765 million).

Significant activities or changes in state of affairs

There were no significant changes in AHL's activities or 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 2022, the AHL Board had 6 members. Up to 9 Directors may be appointed as prescribed by the AHL Constitution.

In 2021–22, the Board met 5 times, the Audit, Risk and Finance Committee met 5 times, the Asset Management Committee met 4 times and the Cultural Committee held its inaugural meeting.

The Board's extensive corporate governance experience has ensured that the Company's 2021–22 objectives were pursued within a rigorous environment of accountability and transparency. This capability was complemented by the deep cultural expertise of First Nations Board members from across the country.

Directors' details

Table 15 outlines the details of the Directors in 2021–22.

Table 15: Details of Directors, 2021–22

Name	Qualifications of the Director	Experience of the Director	Position	Period as the Director		
				Date of Commencement	Appointment end date	Number of eligible meetings attended
Mr Anthony Ashby	Bachelor of Commerce (UNSW), Chartered Accountant, Registered Company Auditor, Certificate of Public Practice from Chartered Accountants Australia and New Zealand	Mr Ashby is a Gamilaraay-Yuwaalaraay man from north-western New South Wales. His current board roles include a directorship of the NT Aboriginal Investment Corporation. He is also an ex-officio member of the Supply Nation Audit and Risk Committee and Deputy Chair of the Board of Indigenous Business Australia.	Chair Non-Executive Director	24/9/2019	17/9/2023	5/5
Dr Valerie Cooms	Bachelor of Arts (Hons) (ANU), Doctorate of Philosophy (ANU)	Dr Cooms belongs to the Nunukul people of North Stradbroke Island in Queensland. She worked as a full-time Member of the National Native Title Tribunal and has had many years' experience in government administration.	Deputy Chair Non-Executive Director Chair, Cultural Committee	2/9/2019	17/9/2023	4/5
Mr Mike Allen PSM	Graduate Diploma in Urban Estate Management Member, AICD Fellow, Institute of Public Administration Australia Life Member, Australasian Housing Institute	Former CEO of Housing NSW. 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.	Non-Executive Director Chair, Asset Management Committee	2/3/2016	1/6/2022	5/5

Name	Qualifications of the Director	Experience of the Director	Period as the Director			Number of eligible meetings attended
			Position	Date of Commencement	Appointment end date	
Mr Paul Allen	Bachelor Commerce (Accounting), University of Canberra Graduate Diploma of Government Investigations, Member AICD Fellow, Certified Practising Accountants Professional Member of the Institute of Internal Auditors	Founding Director of Callida Consulting and was previously a senior member of Oakton Ltd. Canberra office, a partner with Acumen Alliance, and has over 14 years' experience with the Australian Federal Police in a variety of financial and audit positions.	Non-Executive Director Chair, Audit Risk and Finance Committee Member, Asset Management Committee	6/5/2020	5/5/2023	5/5
Prof. MaryAnn BinSallik AO	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.	Non-Executive Director	2/3/2016	1/6/2022	5/5
Mr Simon McGrath AM		Senior leader in the hospitality sector and holds numerous positions on industry boards. Mr McGrath has taken a lead role to improve gender diversity in the tourism sector and has been recognised for his contribution to the hospitality industry.	Non-Executive Director Chair, Asset Management Committee	6/5/2020	5/5/2023	3/5

Name	Qualifications of the Director	Experience of the Director	Position	Period as the Director		
				Date of Commencement	Appointment end date	Number of eligible meetings attended
Ms Leann Wilson		<p>Managing Director for Regional Economic Solutions, a majority owned First Nations business.</p> <p>Ms Wilson is a descendent of the Bidjara and Kara-Kara peoples in central and central-western Qld, she also identifies with her South Sea Island heritage.</p> <p>Member of a number of boards including the Healing Foundation, the Australian Rugby League Indigenous Council, and the QLD Government Aboriginal and Torres Strait Islander Business and Innovation Panel.</p>	Non-Executive Director	30/10/2020	29/10/2023	4/5
Ms Leeanne Caton		<p>CEO of Yilli Rreung Housing Aboriginal Corporation and also the Chair of Aboriginal Housing NT.</p> <p>Ms Caton is a Kalkadoon Woman who grew up in Darwin. She has family and cultural connections throughout the NT, SA, WA and QLD.</p> <p>Worked in the Aboriginal Affairs arena, operationally, strategically and in Senior Management roles across all social indicator areas over the past thirty years, inclusive of Aboriginal Housing.</p>	Non-Executive Director Member, Cultural Committee	30/10/2020	29/10/2023	4/5



Board Committees

To assist in the performance of its responsibilities, the Board has established three subcommittees:

- the Audit, Risk and Finance Committee
- the Asset Management Committee, and
- the Cultural Committee (from 11 May 2022).

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

Audit, Risk and Finance Committee

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

- financial reporting
- performance reporting
- risk oversight and management
- compliance, and
- 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 including the audit of the annual Financial Statements
- providing input into new projects and proposals, and
- 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 long term strategic asset management, including providing the Board with assurance that AHL is appropriately and sustainably managing and maintaining its asset portfolio.

Cultural Committee

The Cultural Committee aims to strengthen, promote, respect and celebrate the diversity, strength and resilience of First Nations communities and cultures. The Committee works to embed First Nations cultures, practices and ways of knowing, being and doing into everything that our Company does.

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 was 10% in 2021-22, and do not receive any other retirement benefits.

The total remuneration of the Directors and Senior Executives of the Company in 2021-22 is shown in Table 16.

Table 16: Remuneration of key management personnel, 2021–22.

Name	Position title	Short-term benefits (\$)			Post-employment benefits (\$)			Other long-term benefits (\$)	Termination benefits (\$)	Total remuneration (\$) ⁴
		Base salary	Bonuses	Other benefits and allowances	Superannuation and contributions	Long service leave	Other long term benefits			
Mr Anthony Ashby	Chair Non-Executive Director	\$77,620	—	—	\$7,762	—	—	—	\$85,382	
Dr Valerie Cooms	Deputy Chair Non-Executive Director	\$38,810	—	—	\$3,881	—	—	—	\$42,691	
Mr Mike Allen PSM	Non-Executive Director	\$36,571	—	\$5,995	\$4,256	—	—	—	\$46,822	
Mr Paul Allen	Non-Executive Director	\$38,810	—	\$9,870	\$4,868	—	—	—	\$53,548	
Prof. MaryAnn BinSallik AO	Non-Executive Director	\$36,570	—	—	\$3,658	—	—	—	\$40,228	
Mr Simon McGrath AM	Non-Executive Director	\$38,810	—	\$3,860	\$4,267	—	—	—	\$46,937	
Ms Leann Wilson	Non-Executive Director	\$38,810	—	\$8,160	\$4,697	—	—	—	\$51,667	
Ms Leanne Caton	Non-Executive Director	\$38,810	—	—	\$3,881	—	—	—	\$42,691	
Mr Dave Chalmers AO, CSC	CEO	\$297,355	—	—	\$44,418	\$7,852	—	—	\$349,625	
Mr Dermot Walsh FCPA, MAICD	CFO, Company Secretary	\$195,392	—	\$28,018	\$36,743	\$4,197	—	—	\$264,350	
Mr Bob Harvey PSM	GM, Operations	\$200,197	—	\$26,128	\$30,034	\$5,696	—	—	\$262,055	
Ms Kate Thomann	GM, Business Development and Employment	\$193,532	—	\$27,266	\$35,937	\$17,572	—	—	\$274,307	
Total									\$1,560,303	

⁴ Under the Remuneration Tribunal Determination, AHL Directors receive additional annual fees for serving on Board sub-committees – the Audit, Risk and Finance Committee and the Asset Management Committee. These additional fees are included above.

Table 17 outlines the composition, qualifications and remuneration of members of the Audit, Risk and Finance Committee.

Table 17: Audit, Risk and Finance Committee, 2021–22.

Member	Qualifications, knowledge, skills or experience	Number of eligible meetings attended/total number of meetings	Total annual remuneration/sitting fees⁵
Mr Paul Allen Chair (commenced 1/1/22)	Refer to Table 15.	2/2	-
Mr David Evans Independent Chair (ceased 31/12/21) Independent Member (commenced 1/1/22)	<p>Master of Business Administration; Bachelor of Commerce, Fellow; CPA Australia, Fellow Financial Services Institute of Australasia, Fellow Australian Institute of Company Directors.</p> <p>Mr Evans is a 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. He is active in governance roles in the public and private sectors, and a recipient of the Centenary Medal for his services to the health industry through the National Heart Foundation.</p>	5/5	\$12,200
Mr Mike Allen Director Member (ceased 31/12/21)	Refer to Table 15.	3/3	-
Mr Geoff Knuckey Independent Member	<p>B. Economics (ANU), FCA, GAICD, Registered Company Auditor.</p> <p>Mr Knuckey has extensive experience as an Audit Committee member or Chair, and is currently serving on Audit Committees for numerous government entities. He also has extensive experience as a Director and serves on Boards and Audit Committees of multiple private sector entities.</p> <p>Mr Knuckey has been a full-time Company Director and Audit Committee member since 2009, following a 32-year career with Ernst & Young specialising in Audit and Assurance Services in both the public and private sectors across a range of industries.</p>	5/5	\$8,000
Ms Leann Wilson Director Member	Refer to Table 15.	4/5	-

The Committee's Charter can be found at ahl.gov.au/audit-risk-and-finance-committee-charter

⁵ Under the Remuneration Tribunal Determination, AHL Directors receive additional annual fees for serving on Board sub-committees – the Audit, Risk and Finance Committee and the Asset Management Committee. Refer to Table 16.

Tables 18 and 19 respectively outline the composition, qualifications and remuneration of members of the Asset Management Committee and the Cultural Committee.

Table 18: Asset Management Committee, 2021–22.

Member	Qualifications, knowledge, skills or experience	Number of eligible meetings attended/total number of meetings	Total annual remuneration/sitting fees ⁶
Mr Simon McGrath Chair (commenced 1/1/22)	Refer to Table 15.	3/3	-
Mr Mike Allen Chair (ceased 31/12/21) Director Member (1/1/22 to 1/6/22)	Refer to Table 15.	4/4	-
Mr Paul Allen Director Member (commenced 1/1/22)	Refer to Table 15.	4/4	-
Mr David Evans Independent Member (ceased 31/12/21)	Refer to Table 17.	2/2	- ⁷

⁶ Under the Remuneration Tribunal Determination, AHL Directors receive additional annual fees for serving on Board sub-committees – the Audit Risk and Finance Committee and the Asset Management Committee. Refer to Table 16.

⁷ Sitting fees are included in Table 17.

Table 19: Cultural Committee, 2021–22.

Member	Qualifications, knowledge, skills or experience	Number of eligible meetings attended/total number of meetings	Total annual remuneration/sitting fees
Dr Valerie Cooms Chair (commenced 11/5/22)	Refer to Table 15.	1/1	-
Ms Leeanne Caton Director Member	Refer to Table 15.	1/1	-
Ms Steph Harvey Independent Member (commenced 11/5/22)	Significant experience working with First Nations peoples domestically and internationally. Extensive experience in government, community and the NFP sectors. Qualifications in business and is a Member of the Australian Institute of Company Directors and the Australian Institute of Management.	1/1	\$1,500
Ms Fiona Cornforth Independent Member (commenced 11/5/22)	With extensive senior and leadership roles of community and of governments, Fiona has used management degrees and tertiary teaching accreditation to understand the opportunities for systems to change, knowing the impacts of intergenerational trauma as well as the power and strengths of First Nations peoples' cultures to lead intergenerational healing.	1/1	-



Indemnities and insurance

AHL maintains directors' and officers' liability insurance. The insurance covers 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 disclosures to report in 2021–22.

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 2022. A copy has been included with the Financial Statements.

Resolution of Directors

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



Anthony Ashby

Chair

Aboriginal Hostels Limited

28 September 2022



OFFICIAL



Mr Anthony Ashby
Chairman of the Board
Aboriginal Hostels Limited
3-6 Shea St Woden ACT

**ABORIGINAL HOSTELS LIMITED FINANCIAL REPORT 2021–22
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of Aboriginal Hostels Limited for the year ended 30 June 2022, 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

Peter Kerr
Executive Director
Delegate of the Auditor-General

Canberra
28 September 2022

OFFICIAL

38 Sydney Avenue FORREST ACT 2603
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 2022 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 2022 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures, 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 as at 30 June 2022 and for the year then ended:

- Declaration by Aboriginal Hostels Limited Chair and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to the financial statements, comprising an Overview and 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 (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I 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 comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

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

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, ForrestACT 2603
Phone (02) 6203 7300

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 - Simplified Disclosures, the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as 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.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Peter Kerr', is positioned above the printed name.

Peter Kerr
Executive Director
Delegate of the Auditor-General

Canberra
29 September 2022

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Financial Statements

**Declaration by Aboriginal Hostels Limited
Chair and Chief Financial Officer**

for the period ended 30 June 2022

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 2022 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



Anthony Ashby

Chair

Date: 28 September 2022

Signed



Dermot Walsh FCPA

Chief Financial Officer and Company Secretary

Date: 28 September 2022



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

FINANCIAL STATEMENTS for the period ended 30 June 2022

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ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Statement of Comprehensive Income For the Period Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	29,980	29,116	30,571
Hostel accommodation expenses	1B	4,251	4,162	3,721
Administration expenses	1C	6,202	6,181	7,174
Property operating expenses	1D	9,738	10,853	9,450
Depreciation and amortisation	1E	6,709	6,497	6,234
Write-down and impairment of assets and bad debts	1F	309	717	605
Finance and borrowing costs	1G	131	129	143
Losses from asset sales	1H	-	160	-
Total expenses		57,320	57,815	57,898
Own-source income				
Own-source revenue				
Revenue from contracts with customers	2A	19,622	19,472	20,892
Interest	2B	156	183	215
Other income	2C	741	134	45
Total own-source revenue		20,519	19,789	21,152
Gains				
Reversal of write-downs and impairment	3	-	115	-
Total gains		-	115	-
Total own-source income		20,519	19,904	21,152
Net (cost of)/contribution by services				
Revenue from Commonwealth Government		(36,801)	(37,911)	(36,746)
Grant received from portfolio department	4	35,731	35,941	35,731
Total revenue from Commonwealth Government		35,731	35,941	35,731
Total revenue		56,250	55,845	56,883
Surplus/(Deficit) on continuing operations		(1,070)	(1,970)	(1,015)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Revaluation of Land		3,891	2,989	-
Revaluation of Buildings		2,840	(3,238)	-
Revaluation of art and artefacts		-	422	-
Total other comprehensive income		6,731	173	-
Transfers between equity components				
Realisation of revaluation reserve – Land		-	(2,930)	-
Realisation of revaluation reserve – Building		-	(977)	-
Retained earnings		-	3,907	-
Total comprehensive income		5,661	(1,797)	(1,015)

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

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Budget variance commentary – Statement of comprehensive income

Hostel accommodation expenses	This variance was mainly due to increased food costs incurred by hostels for provision of resident meals.
Administration expenses	This variance was mainly due to a lower workers compensation insurance premium and lower than expected legal fees.
Write-down and impairment of assets and bad debts	This variance was mainly due to the decreases in bad debts expense due to improved debt recovery and lower than anticipated asset write-downs.
Interest	This variance related to earning less interest on term deposits due to lower market interest rates.
Other income	This variance was mainly due to grant funding from WA Country Health for the upgrades at Allawah Grove and Derbal Bidjar hostels and from Aboriginal Children's Advancement Society for upgrade of Kirinari Newcastle Hostel in NSW, which was not anticipated in the Budget.
Revaluation of land and buildings	This variance related to movements in the value of land and buildings as a result of an external fair value assessment.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
ASSETS				
CURRENT ASSETS				
Financial assets				
Cash and cash equivalents	5	9,965	42,765	35,642
Trade and other receivables	6A	2,078	1,496	434
Other Investments	6B	25,747	-	-
Total financial assets		37,790	44,261	36,076
Non-financial assets				
Other non-financial assets	7	1,029	343	130
Total current assets		38,819	44,604	36,206
NON CURRENT ASSETS				
Non-financial assets¹				
Land	8	40,162	36,270	33,281
Buildings	8	76,061	76,372	80,099
Work In Progress	8	2,567	264	274
Leasehold Improvements	8	1,561	1,017	878
Plant and equipment	8	2,390	1,677	2,161
Art and artefacts	8	2,279	2,302	2,051
Intangibles	8	142	142	115
Total non-financial assets		125,162	118,044	118,860
Total non current assets		125,162	118,044	118,860
Total assets		163,981	162,648	155,066
LIABILITIES				
CURRENT LIABILITIES				
Payables				
Suppliers	9	2,104	4,828	1,248
Interest bearing liabilities	10	1,039	1,018	976
Other payables	11	1,905	2,756	1,610
Total payables		5,048	8,602	3,834
Provisions				
Employee provisions	12A	2,179	1,971	1,833
Total current liabilities		7,227	10,573	5,662
NON CURRENT LIABILITIES				
Lease payable				
Interest bearing liabilities	10	4,058	5,062	4,061
Total lease payable		4,058	5,062	4,061
Provisions				
Employee provisions	12A	1,920	1,898	1,799
Total provisions		1,920	1,898	1,799
Total non current liabilities		5,978	6,960	5,860
Total liabilities		13,205	17,533	11,527
Net assets		150,776	145,115	143,539
EQUITY				
Contributed equity		94,243	94,243	94,243
Reserves		56,473	49,742	49,570
Retained surplus/(Accumulated deficit)		60	1,130	(274)
Total equity		150,776	145,115	143,539

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

¹Right-of-use assets are included in Buildings and Plant and equipment.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Budget variance commentary – Statement of financial position

Cash and cash equivalents	This variance was mainly due to the investment of surplus cash in term deposits, which are classified as other investments.
Trade and other receivables	This variance was mainly due to higher than expected increases in Comcare receivables (premium refund and performance bonus), GST receivable from the ATO for June 2022 Business Activity Statement and grants receivable from WA Country Health.
Other financial assets	This variance was mainly due to the prepayment of software licences.
Land	This variance related to movements in the value of land as a result of an external fair value assessment.
Buildings	This variance related to movements in the value of buildings as a result of an external fair value assessment.
Work in progress	This variance was mainly due to capital works at Derbal Bidjar, Allawah Grove and Corroboree hostels. These capital works were not fully completed as at 30 June 2022.
Leasehold improvements	This variance related to improvements at Kirinari Newcastle and Kirinari Sylvania hostels.
Plant and equipment	This variance was mainly due to higher depreciation expense incurred.
Art and artefacts	This variance related to the revaluation of art and artefacts in 2020-21 financial year.
Suppliers	This variance mainly related to a higher accrued supplier expenses than anticipated in the budget.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Statement of Changes in Equity For the Period Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		94,243	94,243	94,243
Closing balance as at 30 June		94,243	94,243	94,243
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		1,130	(807)	741
Adjusted opening balance		1,130	(807)	741
Comprehensive income				
Surplus/(Deficit) for the period		(1,070)	(1,970)	(1,015)
Total comprehensive income		(1,070)	(1,970)	(1,015)
Transfers between equity components		-	3,907	-
Closing balance as at 30 June		60	1,130	(274)
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		49,742	53,476	49,570
Comprehensive income				
Other comprehensive income		6,731	173	-
Total comprehensive income		6,731	173	-
Transfers between equity components		-	(3,907)	-
Closing balance as at 30 June		56,473	49,742	49,570
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		145,115	146,912	144,554
Adjusted opening balance		145,115	146,912	144,554
Comprehensive income				
Surplus/(Deficit) for the period		(1,070)	(1,970)	(1,015)
Other comprehensive income		6,731	173	-
Total comprehensive income		5,661	(1,797)	(1,015)
Closing balance as at 30 June		150,776	145,115	143,539

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



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Budget variance commentary – Statement of changes in equity

Other comprehensive income	This variance related to the movements in the value of land and buildings as a result of an external fair value assessment.
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ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Cash Flow Statement For the Period Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Receipts from Commonwealth Government		37,659	39,239	39,241
Receipts from State and Territory Governments		2,468	2,508	1,630
Receipts from hostel accommodation customers		14,716	15,188	15,608
Interest		3	7	215
Net GST received		2,763	514	2,537
Other		342	344	-
Total cash received		57,951	57,800	59,231
Cash used				
Employees		30,460	29,242	30,359
Suppliers		25,986	21,253	22,940
Interest paid - Leases		52	61	52
Other		192	-	-
Total cash used		56,690	50,556	53,351
Net cash from operating activities		1,261	7,244	5,880
INVESTING ACTIVITIES				
Capital cash received				
Proceeds from sales of property, plant and equipment		-	3,157	-
Proceeds from investments - term deposits		31,247	42,922	-
Interest on investments		54	178	-
Total investing cash received		31,301	46,257	-
Capital cash used				
Payment for property, plant and equipment		7,247	2,890	5,908
Payment for intangibles		81	66	92
Term deposits		56,994	42,922	-
Total capital cash used		64,322	45,878	6,000
Net cash from/ (used by) investing activities		(33,021)	379	(6,000)
FINANCING ACTIVITIES				
Financing cash used				
Principal repayments - Leased assets		1,040	1,033	960
Total cash used		1,040	1,033	960
Net cash used by financing activities		(1,040)	(1,033)	(960)
Net increase/(decrease) in cash held		(32,800)	6,590	(1,080)
Cash and cash equivalents at the beginning of the reporting period		42,765	36,175	37,548
Cash and cash equivalents at the end of the reporting period	5	9,965	42,765	36,468

The above statement should be read in conjunction with the accompanying notes.
Investment in term deposits and related interest are presented separately under investing activities

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Budget variance commentary – Statement of changes in cash flow

Interest	This variance related to lower interest receipts due to lower market interest rates for the term deposits.
Operating other cash received	This variance was due to the receipt of grant funding, other sundry income received from legal settlements and profit sharing with AHL's fleet leasing partner for the end of vehicle leases.
Suppliers	This variance was due to the payment of trade payables from the 2020-21 financial year.
Investing activities cash used – Payment for property, plant and equipment and intangibles	This variance was mainly due to payments for capital works at Derbal Bidjar, Allawah Grove and Silas Roberts hostels.
Term deposits	This variance related to the investment in term deposits.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

Overview

Aboriginal Hostels Limited (AHL) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the Company is to provide safe, culturally appropriate and affordable accommodation for First Nations people who need to be away from home to access services and economic opportunities.

AHL is structured to meet the outcome of 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.

The continued existence of the company in its present form and with its present programs is dependent on Government policy and on continuing funding by the Parliament.

The company's activities contributing toward the outcome were classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the company 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 *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Accounting Standards (including Australian Accounting Interpretations) – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). AHL is classified for financial reporting purposes as a not-for-profit (NFP) Commonwealth Company under the *Corporations Act 2001*.

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, other investments 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.

New Accounting Standards

Adoption of New Accounting Standard Requirements

All new/ revised/ amending standards and/ or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provision, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

Taxation

The entity is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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*.

Events after balance date

One of the matters that AHL was a joint party to and the liability was unquantifiable at balance date (see note 14), was subsequently settled on 26 September 2022. As the liability for this matter was quantifiable prior to the financial statements being authorised for issue, the Statement of Comprehensive Income and Statement of Financial Position have been adjusted to reflect this liability — as required under AASB 110 Events after the reporting period.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements

For the Period Ended 30 June 2022

Financial performance

This section analyses the financial performance of Aboriginal Hostels Limited for the year ended 30 June 2022.

Expenses	Note	2022 \$'000	2021 \$'000
Note 1A: Employee benefits			
Wages and salaries		23,007	21,923
Annual leave		1,871	1,729
Long service leave		164	579
Other leave		1,402	1,272
Superannuation		3,592	3,457
Termination benefits ¹		(56)	156
Total employee benefits		29,980	29,116

¹ Reversal of excess provision for termination benefits for 2020-21.

Accounting Policy

Accounting policies for employee related expenses is contained in note 12.

Note 1B: Hostel accommodation expenses

Food and beverages		3,366	3,185
Cleaning and hygiene		885	977
Total hostel accommodation expenses		4,251	4,162

Note 1C: Administration expenses

Workers compensation expenses		645	1,149
Information technology and communications		1,923	1,513
Consultants and contractors		1,182	917
Travel and accommodation		517	701
Insurance		499	389
Directors' fees	12C	410	389
Training and recruitment		273	222
Audit fees		135	164
Legal expenses		121	142
Other		497	595
Total administration expenses		6,202	6,181

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

	2022	2021
	\$'000	\$'000
Note 1D: Property operating expenses		
Repairs and maintenance	4,950	5,862
Fuel and power	1,649	1,827
Security Services	1,606	1,444
Rates	822	862
Minor furnishings	360	458
Short-term leases	42	66
Other	309	334
Total property operating expenses	9,738	10,853

AHL had short-term lease commitments of \$50,959 as at 30 June 2022 (\$69,277 as at 30 June 2021).

Accounting Policy

Short-term leases

AHL has elected not to recognise right-of-use assets and lease liabilities for short term leases of assets that have a lease term of 12 months or less. The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022	2021
	\$'000	\$'000
Note 1E: Depreciation and amortisation		
Depreciation:		
Buildings	5,580	5,427
Plant and equipment	871	828
Art and artefacts	23	22
Total depreciation	6,474	6,277
Amortisation:		
Leasehold improvements	155	123
Intangibles	80	97
Total amortisation	235	220
Total depreciation and amortisation	6,709	6,497

Accounting Policy

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

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

	2022	2021
	\$'000	\$'000
Note 1F: Write-down and impairment of assets and bad debts		
Write-down and impairment of assets		
Building	284	325
Plant and equipment	9	50
Art and artefacts	-	195
Intangibles	-	1
Computer equipment	-	97
Total write-down and impairment of assets	293	668
Bad debts write off and provision for bad debts	16	49
Total write-down and impairment of assets and bad debts	309	717
Note 1G: Finance and borrowing costs		
Bank charges	79	68
Interest on lease liabilities	52	61
Total finance and borrowing costs	131	129
The above lease disclosures should be read in conjunction with the accompanying notes.		
Note 1H: Loss from asset sales		
Sale Proceeds Received	-	(3,260)
Cost of asset sold (including selling cost)	-	3,420
Total loss from asset sales	-	160

Accounting Policy

All borrowing costs are expensed as incurred.

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 measured 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. No value has been recognised in AHL's current or prior year financial statements for resources received free of charge.

AHL utilises two hostels as Crown Land Manager, the properties are Durungaling hostel and Biala hostel in NSW.

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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

Own-Source revenue

Note 2A: Revenue from contracts with customers	2022	2021
	\$'000	\$'000
Funding for operation of hostels	4,583	4,525
Hostel accommodation revenue	15,039	14,947
Total revenue from contracts with customers	19,622	19,472
Funding for operation of hostels		
National Indigenous Australians Agency (NIAA)		
Wadeye Secondary Education Boarding Facility	1,223	1,400
Tennant Creek Hostels	1,000	1,000
Northern Territory Government		
Apmere Mwerre Visitor Park	1,581	1,264
Alyerre Hostel	779	861
Total funding for operation of hostels	4,583	4,525
Hostel accommodation revenue		
Tariffs collected from non-government entities	13,527	13,306
Tariffs collected from State and Territory Governments	1,512	1,641
Total hostel accommodation revenue	15,039	14,947

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 at the time of 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. The transaction price is the total amount of consideration which AHL expects to be entitled to in exchange for hostel accommodation services which comprise fixed amounts.

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 or grant funding to deliver programs. Contributions covered by enforceable agreements with sufficiently specific performance obligations are recognised as revenue when the performance obligations are satisfied as described in rendering of services above. Other contributions are recognised as income when AHL is entitled to the contribution.

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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

	2022 \$'000	2021 \$'000
Note 2B: Interest income		
Interest income	156	183
Total interest income	156	183
Note 2C: Other income		
Grants	643	-
Rent received	10	17
Donations received	7	-
Other revenue and gains	81	117
Total other income	741	134
Note 3: Gains		
Reversal of write-downs and impairment	-	115
Total gains	-	115
Note 4: Revenue from Commonwealth Government		
Grant received from Department of Prime Minister and Cabinet	35,731	35,941
Total grant received from Commonwealth Government	35,731	35,941

Accounting policy

Interest revenue

Interest revenue is recognised using the effective interest method.

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.

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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements For the Period Ended 30 June 2022

Financial Position

This section analyses Aboriginal Hostels Limited'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.

Note 5: Cash and cash equivalents	2022	2021
	\$'000	\$'000
Cash at bank	9,797	42,597
Donation account	168	168
Total cash and cash equivalent	9,965	42,765
Note 6A: Trade and other receivables		
Trade receivables	372	414
Less: Impairment loss allowance	(11)	(38)
Total trade receivables	361	376
GST receivable	455	408
Other receivables	1,262	712
Total other receivable	1,717	1,120
Total trade and other receivables	2,078	1,496

Note 6A: Allowance for impairment of receivables

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

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

Note 6A: Movement in relation to 2022	2022
	\$'000
As at 1 July 2021	(38)
Amount written off	38
Increase/(Decrease) recognised in net cost of service	(11)
Closing balance provision for impairment as at 30 June 2022	(11)
Note 6A: Movement in relation to 2021	2021
	\$'000
As at 1 July 2020	(59)
Amount written off	59
Increase/(Decrease) recognised in net cost of service	(38)
Closing balance of provision for impairment as at 30 June 2021	(38)

Accounting Policy

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

- cash on hand, and
- other short-term deposits.

Note 6B: Other investments¹

	2022 \$'000	2021 \$'000
Term Deposits	25,747	-
Total other investment	25,747	-

¹Other investments include term deposits with Australian banks with maturity of less than 12 months

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. AHL's 'No Pay No Stay' policy is in place to reduce the level of unrecoverable 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.

Other investments

Other investments include term deposits at call. Deposit balances are shown at their amortised cost, which is equivalent to their face value.

Note 7: Other non-financial assets

	2022 \$'000	2021 \$'000
Prepayments	569	160
Workers compensation bonus receivable	460	183
Total other non-financial assets	1,029	343

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

**Notes to the Financial Statements
For the Period Ended 30 June 2022**

Note 8: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles 2022

	Land	Buildings	Work in Progress	Leasehold Improvements	Plant and Equipment	Art and Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021							
Gross book value	36,270	76,382	264	2,010	4,454	2,302	758
Accumulated depreciation	-	(10)	-	(993)	(2,777)	-	(616)
Total as at 1 July 2021	36,270	76,372	264	1,017	1,677	2,302	142
Additions:							
By acquisition	-	-	7,331	-	-	-	7,331
Capitalised from work in progress	-	2,702	(5,028)	706	1,541	-	79
Disposal of assets	-	(297)	-	(5)	(398)	-	(700)
Revaluations and impairments recognised in other comprehensive income ¹	3,892	2,839	-	-	-	-	6,731
Depreciation expense	-	(4,683)	-	(157)	(274)	(23)	(79)
Depreciation expense on right-of-use assets	-	(872)	-	-	(213)	-	(1,085)
Other movements of right-of-use assets	-	-	-	-	57	-	57
Total as at 30 June 2022	40,162	76,061	2,567	1,561	2,390	2,279	142
Total as at 30 June 2022 represented by							
Gross book value	40,162	80,754	2,567	2,710	6,094	2,302	202
Accumulated depreciation	-	(4,693)	-	(1,149)	(3,704)	(23)	(60)
Total as at 30 June 2022	40,162	76,061	2,567	1,561	2,390	2,279	142
Carrying amount of right-of-use assets	-	4,615	-	-	261	-	4,876

¹In 2021-22 AHL had a materiality review of land and buildings assets against carrying value, which resulted an increase in fair value of \$6,731k. The above lease disclosures should be read in conjunction with the accompanying notes 1E, 1H and 10.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

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).

Art, artefacts, land and buildings are carried at 'fair value' less depreciation whereas leasehold improvements and plant and equipment are carried at historic costs 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

An independent materiality review of land, buildings was undertaken by Jones Lang LaSalle (JLL) as at 30 June 2022.

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, (excluding right-of-use assets) 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. 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. During the 2020-21 financial year, AHL engaged an independent comprehensive valuation of art and artefacts. The net valuation increases were recognised in AHL's Art and Artefacts Revaluation Reserves.

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. During the 2020-21 financial year, AHL engaged an independent comprehensive valuation of land and buildings. The remaining useful lives of all buildings and building improvements were reviewed and updated. AHL will depreciate all buildings and building improvements over the revised remaining useful lives of the assets. The net valuation increases were recognised in AHL's Land and Buildings Revaluation Reserves.

In 2021-22 AHL had a materiality review on land and buildings and recognised \$6,731k in comprehensive income and financial position statements.

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

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.

Valuation policy for 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.

AHL reviews its leasehold makegood liabilities with respect to each leasehold improvement agreement. For 2021-22, 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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

Accounting policy (continued) - Property, plant and equipment

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 useful lives:

Asset category	2022	2021
Buildings – infrastructure	10-50 Years	10-50 Years
Buildings – structure	10-95 Years	10-95 Years
Buildings – plant and equipment	10-35 Years	10-35 Years
Buildings – fit out	7-40 Years	7-40 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	3-5 Years	3-5 Years
Office machinery	5 Years	5 Years
Electrical equipment	5 Years	5 Years

Notes:

* Leasehold improvements include fit out of AHL's National Office and leased hostels.

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

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 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.

Lease Right of Use (ROU) Assets

Lease liabilities are initially recognised at the present value of future lease payments over the lease term. The lease term includes any extension or renewal options that AHL is reasonably certain to exercise. Future lease payments comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- the exercise price of a purchase option that AHL is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

The discount rate used is the interest rate implicit in the lease, or AHL's incremental borrowing rate if the implicit rate cannot be readily determined. Subsequently, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

Right-of-use assets are recognised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned. They are amortised over their term and are subject to impairment.

On initial adoption of AASB 16, AHL adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Aboriginal Hostels Limited's financial statements.

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.

AHL's software useful life 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 cost of purchasing software and customising for AHL's business operations is capitalised in WIP at historical cost until the software is 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.

Any software development costs not directly related to the development of the final installed software are 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 intangibles 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 materiality review for all land and buildings as at 30 June 2022. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years with the previous valuation conducted as at 30 June 2021. JLL has provided written assurance to AHL that the valuation models developed are in compliance with AASB 13.

In 2021-22, AHL had a materiality review on land and buildings and recognised \$6,731k increase in fair value in comprehensive income and financial position statements.

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

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

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 have 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.



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587**Notes to the Financial Statements****For the Period Ended 30 June 2022**

	2022	2021
	\$'000	\$'000
Note 9: Suppliers		
Trade payables		
Trade creditors and accruals	2,104	4,828
Total suppliers	2,104	4,828
Suppliers expected to be settled		
No more than 12 months	2,104	4,828
Total suppliers	2,104	4,828
Note 10: Interest bearing liabilities		
Buildings lease liability	4,833	5,660
Plant and equipment lease liability	264	420
Total lease liability	5,097	6,080
Lease liability expected to be settled		
No more than 12 months	1,039	1,018
More than 12 months	4,058	5,062
Total lease liability	5,097	6,080
Note 11: Other payables		
Employee payables	824	767
Grants received in advance	249	825
Refundable tariffs	692	1,082
Unearned revenue	140	82
Total other payables	1,905	2,756
Other payable expected to be settled		
No more than 12 months	1,905	2,756
Total Other payables	1,905	2,756

Credit terms for goods and services were within 30 days (2021: 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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the financial statements for the period ended 30 June 2022

Interest Bearing Liabilities – ROU Leases

Total cash outflow for leases for the year ended 30 June 2022 was \$1,091k (30 June 2021 \$1,163k).

Maturity analysis – contractual undiscounted cash flows

	2022	2021
	\$'000	\$'000
Within 1 year	\$1,044	\$1,070
Between 1 to 5 years	\$3,725	\$3,958
More than 5 years	\$450	\$1,226

Disclosure notes for significant leasing arrangements and all significant leasing arrangements with below market terms.

Aboriginal Hostels Limited has the following significant leasing arrangements:

- National office lease at 2-6 Shea Street, Phillip, ACT with lease expiry at 31 March 2027.
- Kirinari Sylvania at 340 Box Road, Sylvania Heights, NSW with lease terminating on 30 June 2025, where AHL is running Secondary Education hostel operations.
- Kirinari Newcastle at 15 Myall Road, Newcastle, NSW with lease terminating on 30 June 2025, where AHL is running Secondary Education hostel operations.

Aboriginal Hostels Limited have the following significant leasing arrangement with below market terms:

- Gudang Dalba at Bamatj Road, Darwin, NT – AHL is operating a medical hostel on the site, the lease is expiring in July 2024, with \$1 payment annually if demanded.
- Broome hostel at 52 Forrest Street, Broome, WA – AHL is operating medical hostel on site, the lease is currently month to month, with \$1 payment if demanded plus any surplus tariff income.
- Apmere Mwerre Visitor Park at 15 Len Kittle Drive, Alice Springs, NT – AHL is operating a multipurpose hostel on the site, the lease is currently month to month, with \$1 payment annually if demanded.



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements for the period ended 30 June 2022

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.

	2022 \$'000	2021 \$'000
Note 12A: Provision for employee benefits		
Provision for annual leave	1,939	1,649
Provision for long service leave	2,160	2,113
Provision for separations and redundancies	-	107
Total provision for employee benefits	4,099	3,869
Employee benefits expected to be settled		
No more than 12 months	2,179	1,971
More than 12 months	1,920	1,898
Total employee benefits	4,099	3,869

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.

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.

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the financial statements for the period ended 30 June 2022

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.

Accounting Judgements and Estimates

In 2021-22 AHL adopted the Department of Finance 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 2021-22 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 sufficient regularity to ensure the parameters applied do not differ materially against the employee profile of the reporting period.



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the financial statements for the period ended 30 June 2022

Note 12B: Directors and key management personnel in office at any time during the financial year are:

Directors	Position	Term
Mr Anthony Ashby	Chairperson	24/09/2019 to 17/09/2023
Dr Valerie Cooms	Non-executive director	02/09/2019 to 17/09/2023
	Deputy Chairperson	
Prof. MaryAnn Bin-Sallik AO	Non-executive director	02/03/2016 to 01/06/2022
Mr Mike Allen	Non-executive director	02/03/2016 to 01/06/2022
Mr Paul Allen	Non-executive director	06/05/2020 to 05/05/2023
Mr Simon McGrath	Non-executive director	06/05/2020 to 05/05/2023
Ms Leeanne Caton	Non-executive director	30/10/2020 to 29/10/2023
Ms Leann Wilson	Non-executive director	30/10/2020 to 29/10/2023
Key management personnel	Position	Term
Mr Dave Chalmers	Chief Executive Officer	Commenced 10/03/2020
Mr Dermot Walsh	Chief Financial Officer and Company Secretary	Commenced 21/07/2020
	Secretary	
Mr Robert Harvey	General Manager Operations	Commenced 28/01/2020
Ms Kate Thomann	General Manager, Business Development and Employment	Commenced 12/07/2021

Note 12C: Key management personnel remuneration

	2022 \$	2021 \$
Directors remuneration^{1,2}		
Short-term benefits	372,696	355,556
Post-employment benefits	37,270	33,620
Total directors' remuneration	409,966	389,176
Executive remuneration		
Short-term employee benefits	943,762	728,779
Post-employment benefits	147,132	108,473
Other long-term employee benefits	59,443	54,794
Total executive remuneration³	1,150,337	892,046
Total key management personnel remuneration⁴	1,560,303	1,281,222

1. The above Directors' fee calculation includes 8 members including the Chair of the Board in 2021-22 and 10 members in 2020-21.

2. Under the Remuneration Tribunal Determination, AHL Directors receive additional annual fees for serving on Board sub-committees - the Audit Risk and Finance Committee and the Asset Management Committee. These additional fees are included in directors remuneration above.

3. The total number of senior management personnel that are included in the above table are 4 for 2021-22 and 3 for 2020-21.

4. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Note 12D: Related party disclosures

There are no related party disclosure transactions for 2021-22 (Nil in 2020-21).

ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

**Notes to the financial statements
for the period ended 30 June 2022**

Managing uncertainties

This section analyses how Aboriginal Hostels Limited manages financial risks within its operating environment.

Note 13: 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 14: Contingent assets and liabilities

AHL is a joint party in relation to alleged historic incidents in two hostels (now closed). Any liability in relation to these matters was not quantifiable at balance date.

Accounting policy

Contingent assets and liabilities 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.



ABORIGINAL HOSTELS LIMITED ABN 47 008 504 587

Notes to the Financial Statements

for the period ended 30 June 2022

Other Information

Note 15: Bequest accounts

AHL administers the following two bequest accounts in accordance with the individual bequests. As these bequest 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 15A: May Ames bequest account

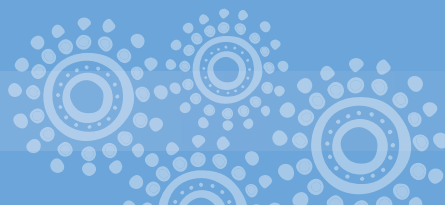
During 1981-82 \$46,980 was received by AHL from the estate of the late May Ames to be used for the benefit of secondary school children. The funds have been invested by AHL in term deposit with Westpac Bank for 12 months at interest rate 0.54%. The term deposit is maturing on 11 November 2022. Accrued interest on term deposit as at 30 Jun 2022 was \$190.

	2022 \$	2021 \$
CAPITAL ACCOUNT		
Opening balance	-	75,563
Bank fees	-	(15)
Transfer to term deposit	-	(75,548)
Closing balance of capital account	-	-
OPERATING ACCOUNT		
Opening balance	7	11,460
Bank interest	-	43
Bank fees	-	(15)
Transfer to term deposit	-	(11,481)
Closing balance of operating account	7	7
Term deposit		
Opening balance	87,029	-
Interest on term deposit	477	87,029
Closing balance of term deposit	87,506	87,029
Closing balance of May Ames bequest account	87,513	87,036

Note 15B: 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 term deposit with Westpac Bank for 12 months at interest rate 0.54%. The term deposit is maturing on 29 October 2022. Accrued interest on term deposit as at 30 Jun 2022 was \$316.

CAPITAL ACCOUNT		
Opening balance	-	125,000
Transfer to term deposit	-	125,000
Closing balance capital account	-	-
OPERATING ACCOUNT		
Opening balance	11	11
Bank interest	-	72
Bank fees	-	(30)
Transfer to term deposit	-	(20,179)
Closing balance of operating account	11	11
Term deposit		
Opening balance	145,179	-
Interest on term deposit	795	145,179
Closing balance of term deposit	145,974	145,179
Closing balance of Ashley Cooper bequest account	145,985	145,190



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Iris Clay Hostel, QLD.



Compliance Index

Commonwealth Company requirements

Below is the table set out in Schedule 2B of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). Section 28E(p) requires this table be included in the Commonwealth Companies' Annual Reports as an aid to access.

PGPA Rule Reference	Part of Report	Description	Requirement
28E	Contents of Annual Report		
28E(a)	Part 1, p. 10	The purposes of the Company as included in the Company's Corporate Plan for the reporting period	Mandatory
28E(aa)	Part 2, pp. 18-30	The results of a measurement and assessment of the Company's performance during the reporting period, including the results of a measurement and assessment of the Company's performance against any performance measures and any targets included in the Company's Corporate Plan for the reporting period	Mandatory
28E(b)	Part 3, p. 36	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, p. 36	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, p. 36	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)	N/A	Particulars of non compliance with: (a) a direction given to the entity by the Minister under the Company's constitution, an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the Company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	Part 4, pp. 52-54	Information on each director of the Company during the reporting period	Mandatory
28E(g)	Part 3, p. 34	An outline of the organisational structure of the Company (including any subsidiaries of the Company)	Mandatory
28E(ga)	Part 3, pp. 42-44	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
28E(h)	Service delivery network Part 1, p. 14	An outline of the location (whether or not in Australia) of major activities or facilities of the Company	Mandatory
28E(i)	Part 3, pp. 36-38	Information in relation to the main corporate governance practices used by the Company during the reporting period	Mandatory

28E(j), 28E(k)	N/A	For transactions with a related Commonwealth entity or related Company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the 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 (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	Part 4, p. 51	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, p. 37	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the Company	If applicable, mandatory
28E(n)	Part 3, p. 37	Particulars of any reports on the Company given by: (a) the Auditor General, or (b) a Parliamentary Committee, or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner; or (e) the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	N/A	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, p. 56	Information about executive remuneration	Mandatory
28E(ob)	Audit, Risk and Finance Committee Part 4, p. 57	The following information about the audit committee for the Company: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory

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