Government of **Western Australia**
Department of **Housing and Works**

Housing Authority

Annual Report 2025-26







Acknowledgement of Country

We acknowledge the traditional custodians throughout Western Australia and their continuing connection to the land, waters, and community.

We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Department of Housing and Works Brand extension

Our Aboriginal brand was developed by Nani Creative in collaboration with Whadjuk Noongar designer Kieron Pearce.

The artwork shows the interconnected nature of our communities. It symbolises where the Department of Housing and Works has an impact in the building and maintaining of houses, schools, hospitals, and community facilities, empowering communities around Western Australia to live, learn, work and belong.

Front and back cover images: Social housing properties located across Western Australia, including accessible homes to support inclusive and adaptable living.

Government of **Western Australia**
Department of **Housing and Works**

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Statement of Compliance

For the year ended 30 June 2026

Hon John Carey MLA
Minister for Planning and Lands; Housing and Works;
Health Infrastructure; Minister Assisting the Minister for Transport
and Major Infrastructure.

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information the annual report of the Housing Authority for the financial year ended on 30 June 2026.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006.*

Leon McIvor
Chief Executive Officer
Accountable Authority
8 October 2026

The Common Ground project helps address the housing needs of vulnerable Western Australians experiencing, or at risk of, homelessness.



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Accessibility statement

The Department of Housing and Works is committed to making its online information accessible to all users including people with disability. While every effort has been made to meet accessibility standards, some aspects of this report may not be fully accessible. This includes some financial tables where font sizes have been reduced to fit the page layout.

Overview

The Housing Authority is a statutory authority established under the *Housing Act 1980* to provide and improve housing and accommodation in Western Australia (WA).

The Department of Housing and Works (DHW), which came into operation on 1 July 2025, is responsible for social housing and tenancy management including the legal entity, the Housing Authority.

The Authority has specific reporting requirements in accordance with the *Financial Management Act 2006* and have therefore prepared a separate annual report to meet those requirements.

The Department of Housing and Works was established as a new public sector department on 1 July 2025 under section 35(1) of the *Public Sector Management Act 1994*.

Responsible Minister

Hon John Carey BA MLA, Minister for Planning and Lands; Housing and Works; Health Infrastructure; Minister Assisting the Minister for Transport and Major Infrastructure.



Six social housing homes in Perth's south-east, providing safe and affordable housing for individuals and small households.

Agency Performance

Report on operations

The activities of the Authority have been reported in the Department of Housing and Works Annual Report 2025-26.

Summary of Key Performance Indicators

The Housing Authority's (HA) performance in the achievement of its outcomes and delivery of its services is demonstrated in the key performance effectiveness and efficiency indicators, which are outlined in tables 1 to 4. Further details on the indicators are contained in the key performance indicators section of this report.

The targets are published in the 2025–26 Western Australian State Budget Paper No 2 (Volume 2, Division 40, Part 9).

Outcome. Affordable housing options are available to eligible Western Australians

Effectiveness key performance indicator	2024-25 Actual	2025-26 Target	2025-26 Actual	Explanation of significant variance
Responsiveness – Total housing assistances provided relative to public rental waiting list	0.30	0.23	0.22	The decrease between the 2024-25 and 2025-26 Actuals primarily reflects lower bond assistance loans due to changes in private rental market conditions and demand for the loans, and fewer allocations from the waiting list into community housing due to limited available stock and continued high demand.
Waiting times for accommodation – applicants housed: Average (in weeks)	156	154	174	Waiting times for accommodation increased in 2025-26, reflecting ongoing constraints in stock availability and tenancy turnover within the existing public housing portfolio. The average waiting time increased from 156 weeks in 2024-25 to 174 weeks in 2025-26, exceeding the target of 154 weeks.
Waiting times for accommodation – applicants housed: Median (in weeks)	123	126	141	The median waiting time increased from 123 weeks to 141 weeks, exceeding the target of 126 weeks. While overall stock levels are increasing, turnover of existing tenancies continues to be constrained by current market conditions, limiting the availability of suitable properties for allocation and resulting in longer-than-anticipated wait times for applicants.

Service 1. Rental housing

Effectiveness key performance indicator	2024-25 Actual	2025-26 Target	2025-26 Actual	Explanation of significant variance
Average operating cost per public rental property	$21,801	$22,758	$22,848	The movement between the 2025-26 Target and 2025-26 Actual mainly reflects higher depreciation and amortisation expenses following the annual asset revaluation, which increased property values and depreciation expense. The movement also reflects higher maintenance expenditure, primarily due to ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties. The movement between the 2024-25 and 2025-26 Actuals mainly reflects higher depreciation and amortisation expenses following the annual asset revaluation.

Service 2. Government Regional Officer Housing

Effectiveness key performance indicator	2024-25 Actual	2025-26 Target	2025-26 Actual	Explanation of significant variance
Average operating cost per Government Regional Officers' Housing (GROH) rental property	$22,455	$17,610	$24,257	The movement between the 2025-26 Actual and 2025-26 Target primarily reflects higher rental costs, including increased costs under leasing arrangements due to prevailing market conditions, and higher depreciation and amortisation expenses following the annual asset revaluation, which resulted in asset values and associated depreciation expense being higher than budgeted.

Service 3. Housing Supply

This service contributes to the Housing Authority's outcome by providing housing for sale to the market. On 26 June 2026, the Authority received a Treasurer's Direction under section 61(1)(b) of the Financial Management Act 2006, confirming that it is not required to report key performance indicators for the above service in the annual report with respect to the 2025-26 financial year.

Financial Statements

for the year ended 30 June 2026

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Independent Auditor's Report

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Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Housing Authority

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Housing Authority (Authority) which comprise:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Authority for the year ended 30 June 2026 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Chief Executive Officer for the financial statements

The Chief Executive Officer is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern

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Independent Auditor's Report

- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. 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.

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

Report on the audit of controls

Basis of qualified Opinion

I identified significant weaknesses in procurement controls implemented by the Housing Authority. The controls were inadequate with purchase orders being raised subsequent to the receipt of an invoice and officers approving non-purchase order invoices above their delegated authority levels. These weaknesses increase the risk of erroneous or fraudulent payments, and ordering of inappropriate or unnecessary goods or services.

Qualified Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Authority. The controls exercised by the Authority are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis of Qualified Opinion section of my report, the controls exercised by the Authority are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2026, and the controls were implemented as designed as at 30 June 2026.

The Chief Executive Officer's responsibilities

The Chief Executive Officer is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Independent Auditor's Report

Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Authority for the year ended 30 June 2026 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Authority for the year ended 30 June 2026 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2026.

Matter of Significance

The Authority received an approval from the Treasurer, under Treasurer's Instruction 3 Financial Sustainability, Requirement 5.3(i) Key Performance Indicators, that it is not required to report key performance indicators for the *Service: Housing Supply* for the 2025-26 and 2026-27 financial years.

As a result, no key performance indicators were reported for *Service: Housing Supply* for the year ended 30 June 2026. I am required by section 24(1) of the *Auditor General Act 2006* to report on matters of such significance. My opinion is not modified in respect of this matter.

Independent Auditor's Report

OFFICIAL

The Chief Executive Officer's responsibilities for the key performance indicators

The Chief Executive Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Chief Executive Officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Chief Executive Officer is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5 Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the Authority's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Chief Audit Executive is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2026, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

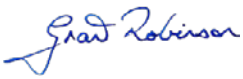
Independent Auditor's Report

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators 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 did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Authority for the year ended 30 June 2026 included in the annual report on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the Authority to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 October 2026

Disclosures and legal compliance

Certification of Financial Statements

For the reporting period ended 30 June 2026

The accompanying financial statements of the Housing Authority (HA) have been prepared in compliance with the provisions of the *Financial Management Act 2006* (the Act) from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2026 and the financial position as at 30 June 2026.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Shaun McLeod

Chief Finance Officer

8 October 2026



Leon McIvor

Accountable Authority

8 October 2026

Statement of comprehensive income

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Income			
Sales	5.1	32,309	32,279
Rental revenue	5.2	360,829	325,858
Grants, contributions and subsidies	5.3	140,151	165,214
Interest revenue	5.4	20,041	17,607
Other income	5.5	8,421	7,862
Total income		**561,751**	**548,820**
Expenses			
Cost of sales	5.1	12,362	22,019
Rental expenses	6.1	532,448	469,106
Community support expense	6.1	111,659	116,063
Supplies and services	6.1	363,198	304,327
Depreciation and amortisation expense	7.2, 7.3, 7.4, 7.5	207,875	162,952
Finance costs	9.3	29,285	124,172
Grants and subsidies	6.2	123,005	50,574
Accommodation expenses	6.1	10,282	9,377
Other expenses	6.1	63,493	57,620
(Gain)/Loss on disposal of non-current assets	6.3	(4,488)	33,294
Total expenses		**1,449,119**	**1,349,504**
Loss before income from State Government		**(887,368)**	**(800,684)**
Income from State Government			
Service appropriation	5.6	283,344	313,210
Income from other public sector entities	5.6	234,528	319,415
Royalties for Regions Fund	5.6	69,756	87,797
Resources received	5.6	370	279
Total income from State Government		**587,998**	**720,701**
Surplus/(deficit) for the period	9.4.2	**(299,370)**	**(79,983)**
Other comprehensive income			
Changes in asset revaluation surplus	11.9	4,264,155	3,069,042
Total other comprehensive income		**4,264,155**	**3,069,042**
Total comprehensive income for the period		**3,964,785**	**2,989,059**

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	9.4	255,382	210,986
Restricted cash and cash equivalents	9.4	41,609	52,311
Inventories	7.1	44,761	14,586
Loans and receivables	8.1	204,081	217,830
Other current assets	8.2	25,391	31,424
Non-current assets classified as held for sale	7.6	3,081	5,207
Total current assets		**574,305**	**532,344**
Non-current assets			
Inventories	7.1	45,880	59,289
Loans and receivables	8.1	130,173	1,994,272
Property, plant and equipment	7.2	21,132,934	17,313,548
Right-of-use assets	7.3	7,214	5,032
Service concession assets	7.5	3,578,291	2,815,270
Total non-current assets		**24,894,492**	**22,187,411**
Total assets		**25,468,797**	**22,719,755**
Liabilities			
Current liabilities			
Payables	8.3	61,924	55,052
Borrowings	9.1	19,493	623,751
Lease liabilities	9.2	118,802	102,146
Provisions	8.4	29,529	-
Other current liabilities	8.5	21,574	19,354
Total current liabilities		**251,322**	**800,303**
Non-current liabilities			
Payables	8.3	224	231
Borrowings	9.1	261,738	1,601,230
Lease liabilities	9.2	134,781	112,306
Provisions	8.4	49,814	78,330
Other non-current liabilities	8.5	126,104	129,399
Total non-current liabilities		**572,661**	**1,921,496**
Total liabilities		**823,983**	**2,721,799**
Net assets		**24,644,814**	**19,997,956**
Equity			
Contributed equity		4,636,339	3,954,266
Reserves		16,909,482	12,682,456
Retained earnings		3,098,993	3,361,234
Total equity		**24,644,814**	**19,997,956**

The Statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Balance of equity at start of year		19,997,956	16,336,006
Contributed equity	11.9		
Balance at start of the year		3,954,266	3,281,375
Transactions with owners in their capacity as owners:			
Capital contribution		252,217	246,487
Other contributions by owners		436,249	433,419
Distributions to owners		(6,393)	(7,015)
Balance at end of the period		**4,636,339**	**3,954,266**
Reserves	11.9		
Balance at start of the year		12,682,456	9,667,592
Asset revaluation increment		4,264,155	3,069,042
Transfer to retained earnings		(37,129)	(54,178)
Balance at end of the period		**16,909,482**	**12,682,456**
Retained earnings	11.9		
Balance at start of the year		3,361,234	3,387,039
Transfer from reserves		37,129	54,178
Profit/(loss) for the period		(299,370)	(79,983)
Balance at end of the period		**3,098,993**	**3,361,234**
Equity attributable to equity holder Housing Authority		**24,644,814**	**19,997,956**
Balance of equity at the end of the period		**24,644,814**	**19,997,956**

The Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
Rental receipts		339,713	302,793
Grants, contributions and subsidies		140,151	165,214
Interest received		20,460	17,026
Inventory receipts on sales		32,309	32,279
Other receipts		21,051	20,431
GST receipts on sales		13,513	4,145
GST receipts from taxation authority		32,657	27,325
Payments			
Rental property payments		(529,538)	(466,016)
Community support payments		(111,659)	(116,063)
Supplies and services		(398,544)	(387,492)
Finance costs		(28,272)	(129,372)
Accommodation		(14,303)	(11,608)
Grants and subsidies		(123,005)	(50,574)
Purchase and development of inventory		(29,429)	(38,483)
GST payments on purchases		(33,342)	(47,213)
Net cash used in operating activities	9.4.2	**(668,238)**	**(677,608)**
Cash flows from investing activities			
Receipts			
Proceeds from the sale of non-current physical assets		56,377	56,734
Other investing receipts		-	910,000
Dividends received		13,455	34,916
Payments			
Purchase of non-current physical assets		(585,536)	(744,636)
Other investing payments		-	(288,184)
Net cash provided by investing activities		**(515,704)**	**(31,170)**
Cash flows from financing activities			
Receipts			
Proceeds from borrowings WA Treasury Corporation		-	290,000
Finance lease receipts		135,622	122,433
Payments			
Repayment of borrowings from WA Treasury Corporation		(31,416)	(965,102)
Repayment of Commonwealth borrowings		(18,681)	(17,894)
Principal elements of lease payments		(139,062)	(125,256)
Net cash used in financing activities		**(53,537)**	**(695,819)**
Cash flows from State Government			
Service appropriation		283,344	313,210
Capital appropriation		252,217	246,487
Royalties for Regions recurrent fund		69,756	87,797
Royalties for Regions capital fund		-	3,807
Other contributions/distributions of equity		429,856	414,855
Funds from other public sector entities		236,000	312,155
Net cash provided by State Government		**1,271,173**	**1,378,311**
Net increase/(decrease) in cash and cash equivalents		**33,694**	(26,286)
Cash and cash equivalents at the beginning of the period		**263,297**	289,583
Cash and cash equivalents at the end of the period	9.4.1	**296,991**	**263,297**

The Statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2026

1. Basis of Preparation

The HA is a Statutory Authority controlled by the State of Western Australia, which is the ultimate parent.

The HA is a not-for-profit entity (as profit is not its principal objective).

These financial statements have been prepared on a going concern basis as the State of Western Australia (WA) which is the ultimate parent entity has no solvency concerns.

The State budget papers highlight that the HA is fully appropriated to provide its ongoing services from 2025-26 through to 2029-30, including positive cash at bank and cashflow balances.

To the best of the HA's knowledge there are no plans from Government to reduce the HA's ability to meet its obligations. The HA also has the capacity to seek Supplementary funding from the State of WA as the parent entity if cash management issues were to arise.

Noting that the appropriation published in the Budget represents the sum of funding provided to the Department of Housing and Works, including the HA. The HA has been working with the Department of Treasury and Finance to consolidate cash appropriations to simplify arrangements going forward; within this context, there are no overall solvency concerns.

A description of the nature of its operations and its principal activities has been included in the 'Overview' which does not form part of these financial statements.

Statement of compliance

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) as applied by Treasurer's Instructions (TIs). Several of these are modified by TIs to vary application, disclosure, format and wording.

The Act and TIs are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the AASB. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements have been prepared on a standalone (non-consolidated) basis and are presented in Australian dollars applying the accrual basis of accounting using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars ($'000).

These annual financial statements were authorised for issue by the Accountable Authority of the HA on 8 October 2026.

Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in the disclosure with the current financial year amounts and other disclosures. Refer to Note 2. 'Deconsolidation of subsidiaries' for further information on how the deconsolidation of subsidiaries has impacted the comparative information in the current year.

Accounting for Goods and Services tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

(a) amount of GST incurred by the HA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

(b) receivables and payables are stated with the amount of GST included.

Notes to the financial statements

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

Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 8 Requirement 8.1 (i) 'Contributions by Owners made to Wholly Owned Public Sector Entities' and will be credited directly to Contributed Equity.

Insurance

In accordance with TI 4 Requirement 4 'Insurance' the HA maintains an appropriate level of insurance cover for insurable risks.

The HA has a policy of not insuring its residential property assets as it is considered uneconomical, however, the HA does insure:

- Residential properties related to employment-related accommodation (Government Regional Officer's Housing)
- Key worker villages
- Residential property constructed by the HA under the Affordable Housing Strategy for sale to private individuals
- Residential properties (complexes) with a replacement value of $10 million or greater.

The HA's other insurance programs continue to be a combination of insurance policies provided by commercial insurance providers and the WA Government's RiskCover Fund.

As per TI 4 'Risk Management and Internal Control', insurance is complemented by a comprehensive approach to Risk Management and prudent management policies and practices.

Income tax

The HA is exempt from income tax.

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experiences and various other factors that are believed to be reasonable under the circumstances.

Notes to the financial statements

2. Deconsolidation of subsidiaries

Basis of consolidation in prior years

The investments in subsidiaries (Keystart Housing Scheme being the only remaining subsidiary at 30 June 2025) were accounted for in the HA financial statements at cost. The HA recognised dividends from the subsidiaries when its right to receive the dividend was established. The consolidated reporting entity comprised the HA and its controlled entity, Keystart Housing Scheme Trust.

The investments in the subsidiaries were accounted for in the consolidated financial statements in accordance with AASB 10 'Consolidated Financial Statements'. In preparing consolidated financial statements, the financial statements of the parent and the subsidiaries were combined line by line by adding together like items of assets, liabilities, equity, income and expenses.

Keystart Housing Scheme

Prior to 1 July 2025 the HA was the instigator of the Keystart Housing Scheme and had effective control over the whole structure either directly or indirectly through various agreements which constituted the structure and to which it was a party.

In September 2024, the WA Government announced Legislation was being introduced into Parliament to establish Keystart as a Government Trading Enterprise (GTE). Effective 1 July 2025 the Keystart GTE was established as a statutory corporation under the Keystart Act 2024. This was undertaken to consolidate the operations of Keystart Housing Scheme Trust (the Trust) and other related entities into a single GTE with its own enabling legislation. A Statutory Transfer Order (STO) was used to transfer all assets, liabilities, functions, and operations of the Trust to the newly established government trading enterprise (GTE), Keystart.

All financial assets, loans and receivables were transferred at book value from the Trust to Keystart with the obligations assumed by Keystart. Redeemable Preference Shares were reassigned from the Trust to Keystart and subsequently cancelled, as part of the steps required to establish a Keystart funding facility with directly with the WA Treasury Corporation (WATC).

In prior periods, the HA presented consolidated figures in addition to its own financial results, as it was the parent entity of Keystart. The aggregate consolidated balances relating to Keystart Net Assets recognised at 30 June 2025 were $280.579m. These balances were derecognised on 1 July 2025.

Following the legislative restructure of Keystart above, the HA ceased to control Keystart from 1 July 2025. As part of the transition, the debt-for-shares arrangement resulted in the extinguishment of the HA's loan obligations and its investment in redeemable preference shares, while all accrued interest and loan guarantee fee balances were settled prior to the effective date of the restructure.

The transaction resulted in the HA no longer holding any ownership interest, beneficiary interest, governance rights or other substantive rights that would indicate continuing control or influence over Keystart. Consequently, Keystart no longer forms part of the HA's reporting entity from 1 July 2025.

As no consideration was received and no continuing interest was retained, there is no gain or loss arising from the deconsolidation transaction and no disclosure is required in accordance with AASB 12: 'Disclosure of Interests in Other Entities'. The financial reporting outcome reflects the extinguishment of existing rights and obligations and the removal of Keystart from the HA's reporting boundary.

As a result of the separation of Housing and Keystart at 1 July 2025:

- The financial statements for the year ended 30 June 2026 have been prepared on a standalone basis
- Comparative information for the year ended 30 June 2025 is presented on a standalone basis
- Consolidated financial information presented in prior periods has not been included in the current year financial statements, as it relates to the agency structure that no longer exists
- Accordingly, the current year presentation is only comparable to the parent entity figures presented in the prior year financial statements, rather than the consolidated financial information.

This presentation is considered more appropriate, in line with AASB 101 Presentation of Financial Statements, following the significant change in structure on 1 July 2025.

Notes to the financial statements

3. Public Sector Reform

On 31 March 2025, the WA Government announced reform of some public sector agencies. This involved nine departments and included the Department of Communities oversight of the HA statutory entity.

From 1 July 2025, the Department of Finance was renamed to Department of Housing and Works (DoHW) and took over responsibility for all of the Department of Communities' housing functions including oversight of the HA statutory entity. The HA is in a period of transition to DoHW with the Department of Communities continuing to administer some corporate functions on behalf of DoHW. While the transition for reform impacted agencies was originally due to be completed by 1 January 2026 the size and complexity of information systems integrated within the HA have caused this to be delayed. The transition is expected to be completed on 31 December 2026.

The reform process has had no impact on the assets and liabilities of HA as a legal entity.

Notes to the financial statements

4. Authority Outputs

How the Authority operates

This section includes information regarding the nature of funding the HA receives and how this funding is utilised to achieve the Housing Authorities objectives.

	Notes
Housing Authority objectives	4.1
Schedule of income and expenses by service	4.2

4.1. Housing Authority objectives

Mission

The HA's mission is working in partnership to build economic and social prosperity by enabling Western Australians to have a place to call home.

The HA operates across the land and housing sectors to provide affordable housing opportunities for people who would otherwise be unable to access housing through the private market.

Services

From 1 July 2025 the HA provides the following services:

Service 1: Rental Housing

The provision of housing to eligible Western Australians through public housing, community housing managed properties and properties for remote Aboriginal Communities.

Service 2: Government Regional Officer Housing

Provision of housing to eligible public sector employees to facilitate the attraction and retention of staff to enable the provision of essential services in regional and remote locations.

Service 3: Housing Supply

Provision of housing for sale to support the WA housing market.

Notes to the financial statements

4.2. Schedule of income and expenses by service

Housing Authority 2026	Rental Housing $'000	GROH $'000	Housing Supply $'000	Total $'000
Revenue and Income				
Sales	-	43	32,266	32,309
Rental revenue	360,829	-	-	360,829
Grants, contributions and subsidies	140,151	-	-	140,151
Interest revenue	7,600	12,354	87	20,041
Other income	7,235	544	642	8,421
Total revenue and income	515,815	12,941	32,995	561,751
Expenses				
Cost of sales	374	42	11,946	12,362
Rental expenses	459,262	73,167	19	532,448
Community support expense	111,116	94	449	111,659
Employee benefits expense	-	-	-	-
Supplies and services	334,046	26,755	2,397	363,198
Depreciation and amortisation expense	178,571	20,840	8,464	207,875
Finance costs	15,490	11,582	2,213	29,285
Grants and subsidies	123,001	4	-	123,005
Accommodation expenses	9,277	926	79	10,282
Other expenses	48,336	2,695	12,462	63,493
Loss on disposal of non-current assets	3,712	(57)	(8,143)	(4,488)
Total expenses	1,283,185	136,048	29,886	1,449,119
Loss before income from State Government	**(767,370)**	**(123,107)**	**3,109**	**(887,368)**
Income from State Government				
Service appropriation	251,082	8,075	24,187	283,344
Income from other public sector entities	72,317	161,654	557	234,528
Royalties for Regions Fund	69,756	-	-	69,756
Services received	325	41	4	370
Total income from State Government	393,480	169,770	24,748	587,998
Surplus/(deficit) for the period	**(373,890)**	**46,663**	**27,857**	**(299,370)**
Other comprehensive income				
Changes in asset revaluation surplus	4,264,155	-	-	4,264,155
Total other comprehensive income	4,264,155	-	-	4,264,155
Total Comprehensive income for the period	**3,890,265**	**46,663**	**27,857**	**3,964,785**

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Notes to the financial statements

4.2. Schedule of income and expenses by service (continued)

Services

As a result of the PSR detailed in Note 3 Public Sector Reform from 1 July 2025 the HA realigned the services it provided to the community. To 30 June 2025 the HA had provided the following services:

Service 1: Rental Housing

The provision of housing to eligible Western Australians through public housing, community housing managed properties, rental housing for key workers in regional WA, Government Regional Officer Housing (GROH) and properties for remote Aboriginal Communities.

Service 2: Home Loans

Enabling the financing of home ownership schemes for eligible applicants. This service was no longer provided effective 1 July 2025 following the deconsolidation of Keystart, refer Note 2 Deconsolidation of subsidiaries.

Service 3: Land and Housing Supply

Development of land for housing and the provision of housing for sale to the WA housing market.

Housing Authority 2025	Rental Housing $'000	Home Loans $'000	Land and Housing Supply $'000	Total $'000
Revenue and Income				
Sales	-	-	32,279	32,279
Rental revenue	325,849	-	9	325,858
Grants, contributions and subsidies	165,214	-	-	165,214
Interest revenue	17,521	11	75	17,607
Other income	7,215	68	579	7,862
Total revenue and income	**515,799**	**79**	**32,942**	**548,820**
Expenses				
Cost of sales	786	-	21,233	22,019
Rental expenses	468,433	168	505	469,106
Community support expense	115,723	314	26	116,063
Supplies and services	301,880	215	2,232	304,327
Depreciation and amortisation expense	156,379	6,483	90	162,952
Finance costs	24,191	99,248	733	124,172
Grants and subsidies	50,572	-	2	50,574
Accommodation expenses	9,297	10	70	9,377
Other expenses	50,021	545	7,054	57,620
Loss on disposal of non-current assets	39,489	(6,240)	45	33,294
Total expenses	**1,216,771**	**100,743**	**31,990**	**1,349,504**
Loss before income from State Government	**(700,972)**	**(100,664)**	**952**	**(800,684)**
Income from State Government				
Service appropriation	312,981	30	199	313,210
Income from other public sector entities	195,525	123,859	31	319,415
Royalties for Regions Fund	87,797	-	-	87,797
Services received	277	-	2	279
Total income from State Government	**596,580**	**123,889**	**232**	**720,701**
Surplus/(deficit) for the period	**(104,392)**	**23,225**	**1,184**	**(79,983)**
Other comprehensive income				
Changes in asset revaluation surplus	3,069,042	-	-	3,069,042
Total other comprehensive income	**3,069,042**	**-**	**-**	**3,069,042**
Total Comprehensive income for the period	**2,964,650**	**23,225**	**1,184**	**2,989,059**

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Notes to the financial statements

5. Our Funding Sources

How we obtain our funding

This section provides additional information about how the HA obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the HA and the relevant notes are:

	Notes	2026 $'000	2025 $'000
Sales	5.1	32,309	32,279
Rental revenue	5.2	360,829	325,858
Grants, contributions and subsidies	5.3	140,151	165,214
Interest revenue	5.4	20,041	17,607
Other income	5.5	8,421	7,862
Income from State Government	5.6	587,998	720,701

5.1. Sales

	2026 $'000	2025 $'000
Sales		
Joint operations land	30,388	26,347
Land	1,921	5,932
	32,309	**32,279**
Less cost of sales		
Joint operations land	(11,643)	(16,553)
Land	(345)	(4,405)
House and land packages	(374)	(1,061)
	(12,362)	**(22,019)**
Trading profit	**19,947**	**10,260**

Revenue from land sales is recognised at the transaction price when the HA transfers the land title to the buyer (at settlement when control of the land transfers to the customer).

5.2. Rental revenue

	2026 $'000	2025 $'000
Rental and other properties	360,274	322,706
Rental amenities	555	3,152
Total rental revenue	**360,829**	**325,858**

The HA charges rents in accordance with section 30 of the *Housing Act*. The basis for the amount of rent to be charged is determined from market rent information received from the WA Land Information Authority (Valuations Services) and due consideration to regional rental markets. Rental property revenue represents the net rental revenue which consists of market rents less vacancies, concessions and rental subsidies granted throughout the year. Rental income is recognised on a straight-line basis over the lease term.

The HA requires tenants to pay either 25 per cent of the household income as rent or market rent for the property. Tenants eligible to pay rent by reference to the household income will pay no more than 25 per cent of the household income as rent. If 25 per cent of the household income is more than the market rent, then the rent payable is the market rent. Any income that is regular, ongoing, and provided to meet the cost of living is considered by the HA to be 'assessable' and used to calculate how much rent is payable. If applicable, tenants who occupied their current rental property before 28 March 2016 will receive rent increases until they are paying 25 per cent of the assessable household income as rent or the market rent. The rent increases will be staged with increase limits applied to reduce the impact of the changes for these tenants.

Notes to the financial statements

5.3. Grants, contributions and subsidies

	2026 $'000	2025 $'000
Commonwealth grants and contributions		
Recurrent grants		
National Agreement on Social Housing and Homelessness	139,084	164,148
Total Commonwealth recurrent grants	**139,084**	**164,148**
Capital grants		
Homelessness projects	1,067	1,066
Total Commonwealth capital grants	**1,067**	**1,066**
Total grants, contributions and subsidies	**140,151**	**165,214**

Recurrent grants are recognised as income when the grants are receivable.

Income from grants to acquire/construct a recognisable non-financial asset (capital grants) to be controlled by the HA is recognised when the HA satisfies its obligations under the transfer. The HA typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement.

5.4. Interest revenue

	2026 $'000	2025 $'000
Other interest		
Interest on cash at bank	8,633	8,682
Interest on finance leases	11,407	8,896
Interest other	1	29
Total other interest	**20,041**	**17,607**
Total interest revenue	**20,041**	**17,607**

Interest income is recognised as interest accrues. For all financial instruments measured at amortised cost interest income is recognised using the effective interest rate method.

5.5. Other income

	2026 $'000	2025 $'000
Bad debts recovered	902	990
Conveyancing fees	968	759
Revenue related to service concession arrangements	3,295	3,295
Other revenue	3,256	2,818
Total other income	**8,421**	**7,862**

Other income is recognised when the HA satisfies the performance obligations when services have been provided.

Revenue related to service concession arrangements reflects the progressive unwinding of the 'grant of right to operate' liability (Note 8.5 'Other liabilities') over the remaining period of the arrangement. Refer to Note 7.5 'Service concession assets'.

Notes to the financial statements

5.6. Income from State Government

	2026 $'000	2025 $'000
Appropriation received during the period		
Service appropriation	283,344	313,210
Total service appropriation received	283,344	313,210
Royalties for Regions Fund		
Regional Infrastructure and Headworks account	69,756	87,797
Total Royalties for Regions Fund	69,756	87,797
Resources received from other public sector entities		
Services received free of charge	370	279
Total resources received	370	279
Income received from other public sector entities during the period		
Recurrent grants		
Department of Fire and Emergency Services	18,123	13,104
Department of Planning, Lands and Heritage	2,024	420
Department of Energy and Economic Diversification	20,471	-
Total recurrent grants	40,618	13,524
Capital grants		
Department of Fire and Emergency Services	11,863	-
Water Corporation	291	-
Total capital grants	12,154	-
Other income received		
GROH rental revenue	155,482	178,376
Department of Communities - Service Delivery Agreement	1,524	3,662
Department of Housing and Works - Service Delivery Agreement	24,750	-
Keystart dividend revenue	-	13,455
Keystart interest revenue	-	110,398
Total other income received	181,756	305,891
Total income received from other public sector entities	234,528	319,415
Total income from State Government	**587,998**	**720,701**

Service Appropriations are recognised as income at fair value of consideration received in the period in which the HA gains control of the appropriated funds. The HA gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at the Department of Treasury and Finance.

Income from other public sector entities are recognised as income when the HA has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the HA receives the funds.

The Regional Infrastructure and Headworks Account is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the HA receives the funds.

Resources received from other public sector entities is recognised as income equivalent to the fair value of assets received or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

Dividends in prior year were recognised when Keystart, the HA's former subsidiary, declared dividends for distribution. Following the transition of Keystart to a GTE on 1 July 2025 (refer Note 2 Deconsolidation of subsidiaries) HA will no longer receive any dividends from Keystart.

Notes to the financial statements

Summary of consolidated account appropriations

For the year ended 30 June 2026

	2026 Budget	2026 Additional Funding*	2026 Revised Budget	2026 Actual	2026 Variance
	$'000	$'000	$'000	$'000	$'000
Delivery of Services Item 86 net amount appropriated to deliver the services	147,098	136,246	283,344	283,344	-
Capital Item 153 capital appropriations	294,108	(41,891)	252,217	252,217	-
Grand total	**441,206**	**94,355**	**535,561**	**535,561**	**-**

* Additional funding includes supplementary funding and new funding authorised under section 27 of the Act and amendments to standing appropriations.

Notes to the financial statements

6. Use of our Funding

Expenses incurred in the delivery of services

This section provides additional information about how the HA's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the HA in achieving its objectives and the relevant notes are:

	Notes	2026 $'000	2025 $'000
Other expenditures	6.1	1,081,080	956,493
Grants and subsidies	6.2	123,005	50,574
(Gain)/Loss on disposal of non-current assets	6.3	(4,488)	33,294

6.1. Other expenditures

	2026 $'000	2025 $'000
Rental expenses		
Debt collection expenses	1,055	806
Demolition costs	3,959	4,602
Estate management expenses	8,162	7,376
General expenses	38,117	43,835
Self-insurance expenses	17,118	14,048
Maintenance expenses	336,662	274,896
Rates expenses	127,286	119,792
Renovations and improvements	89	3,751
Total rental expenses	**532,448**	**469,106**
Community support expense		
Aboriginal Housing	99,916	102,789
Community Housing	11,743	13,274
Total community support expense	**111,659**	**116,063**
Supplies and services		
Asset maintenance	17	11
Audit fees	1,146	1,315
Communication	508	281
Minor equipment purchases	115	73
Motor vehicles	970	1,227
Other personnel costs	1,531	1,652
Professional services, consultants and contractors	14,818	13,394
Stationery and supplies	315	305
Travel	1,358	1,570
Other costs and expenses	1,558	1,461
Service Delivery Agreement (SDA) employee benefits	200,136	158,593
SDA overheads	140,726	124,445
	363,198	**304,327**
Accommodation expenses		
Rental	4,037	3,985
Accommodation outgoings and repairs and maintenance	6,245	5,392
Total accommodation expenses	**10,282**	**9,377**
Other expenses		
Expected credit loss expense	11,271	7,166
Impairment - Investments	-	195
Disposals of non-current assets	10,341	6,819
Land expenses	13,403	5,044
Loan scheme expenses	10,309	348
Project expenses	695	2,579
Other expenses	17,474	35,469
Total other expenses	**63,493**	**57,620**
Total other expenditure	**1,081,080**	**956,493**

Notes to the financial statements

6.1. Other expenditures (continued)

Aboriginal housing community support consists of expenses incurred in the provision of remote indigenous community housing and support programmes.

Community Housing support consists of expenses incurred in the provision of housing undertaken by community groups.

Supplies and Services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the HA and the DoHW for the leasing of office accommodation contain significant substitution rights.

Accommodation outgoings and repairs and maintenance are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Expected credit loss is an allowance of trade receivables and loans to homebuyers, measured at the lifetime expected credit losses at each reporting date. The HA has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 8.1.1 Movement in the allowance for impairment of trade receivables.

Grants and subsidies are transactions in which the HA provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Write-down of non-current assets classified as held for sale to the lower of carrying amount and fair value less selling costs.

Service Delivery Agreement (SDA) expenses relate to the cost associated with the provision of staff resources by the Department of Housing and Works to the HA. The DoHW recovers the costs for these services from the HA and the HA recognises these as a service expense rather than employee expense. Prior to the public sector reform (PSR) implemented on 1 July 2025 (refer to Note 3 Public Sector Reform) these services were provided by the Department of Communities. In addition, the overhead costs paid by the HA to other entities (primarily the Department of Communities for ongoing corporate support during the PSR transition), are included in supplies and services and the recoverable amounts from other entities (where applicable) are shown as Income from State Government (refer to Note 5.6 Income from State Government).

6.2. Grants and subsidies

	2026 $'000	2025 $'000
Community Housing:		
- Crisis Accommodation Housing	5,640	9,859
- Housing Diversity Pipeline	5,820	-
- New Build Grants	2,700	-
- Regional Grants	2,615	3,692
- Social Housing Accelerator Payment (SHAP)	30,541	6,687
- Social Housing Economic Recovery Package (SHERP)	25,256	18,959
Housing Australia Future Fund (HAFF)	16,562	-
National Rental Affordability Scheme (NRAS)	8,157	5,979
North West Aboriginal Housing Fund:		
- ACCO Aboriginal Employee Housing Grants	7,780	1,648
- Fitzroy Crossing Key Worker Housing	2,500	-
Remote Essential & Municipal Services (REMS)	11,878	-
Other	3,556	3,750
Total grants and subsidies expense	**123,005**	**50,574**

Notes to the financial statements

6.3. (Gain)/Loss on disposal of non-current assets

	2026 $'000	2025 $'000
Proceeds from the disposal of non-current assets		
Land and buildings	57,770	47,072
	57,770	**47,072**
Carrying amount of non-current assets disposed [(i)]		
Land and buildings	53,262	53,138
Plant and equipment and intangible assets	35	-
Right-of-use assets	(15)	(6)
	53,282	**53,132**
Net (gain)/loss on non-current assets	(4,488)	6,060
Loss on transfer of land assets to DevWA [(ii)]	-	27,234
Net (gain)/loss	**(4,488)**	**33,294**

(i) The cost on disposal of properties includes the value of properties demolished of $10.3 million (2025: $6.570 million).

(ii) The prior year loss on transfer of land assets to the WA Land Authority (Development WA (DevWA)) arised on the transfer of the Davis Park Portfolio (Davis Park) land assets to DevWA in accordance with the agreement between both parties as detailed in Note 11.9.

Realised and unrealised gains are usually recognised on a net basis.

Gains or losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of comprehensive income.

Notes to the financial statements

7. Key Assets

Assets the Housing Authority utilises for economic benefit or service potential

This section includes information regarding the key assets the HA utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2026 $'000	2025 $'000
Inventories	7.1	90,641	73,875
Property, plant and equipment	7.2	21,132,934	17,313,548
Right-of-use assets	7.3	7,214	5,032
Intangibles	7.4	-	-
Service concession assets	7.5	3,578,291	2,815,270
Non-current assets classified as held for sale	7.6	3,081	5,207

7.1. Inventories

	2026 $'000	2025 $'000
Current		
Joint operations land at cost	9,118	12,100
House and land packages for sale	15,101	2
House and land packages construction in progress	20,542	2,484
Total current inventories	**44,761**	**14,586**
Non-current		
Land acquisition and development at cost	41,450	54,073
Joint operations land at cost	4,430	5,216
Total non-current inventories	**45,880**	**59,289**
Total inventories	**90,641**	**73,875**

Inventories

Current Inventories are measured at the lower of cost or net realisable value. Costs includes the cost of acquisition/development and other capitalised costs. After development is completed, other holding charges are expensed as incurred.

Non-current inventories consist of both broad hectare land and lots under development, excluding lots available for external sale (current inventory), and are valued at acquisition cost plus capitalised costs.

Work in progress for house and land packages are classified as non-current whilst they are being constructed and reclassified as current when they are available for sale.

The movement in inventories from the prior year is due to funding that has been received from the Housing Australia Future Fund (HAFF) to deliver 234 affordable housing dwellings to be sold to registered Community Housing Providers (CHP). During 2025-26 the Targeted Affordable Rental Build Program (ARB) delivered 59 dwellings with a further 48 under contract and due to be completed in 2026-27.

Notes to the financial statements

Joint Operations

The HA has interests in joint arrangements that are joint operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control and whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. The HA recognises its interests in the joint operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint arrangements.

The HA also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations.

- Joint operations land represents the HA's equity in Joint operations land development projects.
- Development costs represent the agreed proportion of development costs incurred plus capitalised costs.
- Land owned by the HA is shown at cost plus capitalised costs.

As of 1 July 2021, the HA transferred its interest in joint operations to DevWA as part of the Machinery of Government (MoG) changes. The Butler and Dalyellup Beach joint operations have been retained by the HA and continue to be disclosed in the financial statements.

(a) The HA has the following joint operations for the development of land holdings. The principal place of business for all operations is WA. Listed below are current joint operations.

Butler

The HA holds a 46.78 per cent interest in an incorporated joint operation with Butler Land Pty Ltd for the development of land at the Brighton estate. The incorporated joint operation is named Ocean Springs Pty Ltd.

The HA contributes development costs and receives revenues on the basis of the interest held in the joint operation.

Dalyellup Beach

The HA holds a 50 per cent interest in an incorporated joint operation with Home Satterley Dalyellup Pty Ltd for the development of land at Dalyellup Beach, Bunbury. The incorporated joint operation is named Dalyellup Beach Pty Ltd.

The HA contributes development costs and receives revenues on the basis of the interest held in the joint operation.

Notes to the financial statements

Summary of the Housing Authority's share in joint operation assets and liabilities

2026	Notes	Butler $'000	Dalyellup Beach $'000	Total $'000
Current assets				
Cash and cash equivalents	9.4	2,677	5,183	7,860
Receivables	8.1	218	1,019	1,237
Inventories	7.1	1,868	7,250	9,118
Other current assets	8.2	-	-	-
		4,763	**13,452**	**18,215**
Non-current assets				
General assets	7.2	-	20	20
Buildings	7.2	676	-	676
Right of use assets	7.3	198	-	198
Development costs (1)	7.1	-	4,252	4,252
		874	**4,272**	**5,146**
Total assets		**5,637**	**17,724**	**23,361**
Current liabilities				
Payables	8.3	593	659	1,252
Other liabilities	8.5	4	-	4
		597	**659**	**1,256**
Non-current liabilities				
Payables	8.3	224	-	224
		224	**-**	**224**
Total liabilities		**821**	**659**	**1,480**
Net assets		**4,816**	**17,065**	**21,881**
Land (1)		**176**	**2**	**178**

(1) The total development costs ($4.252 million) and HA land ($0.178 million) represent the total ($4.430 million) joint operations land non-current portion, per Note 7.1 Inventories.

2025	Notes	Butler $'000	Dalyellup Beach $'000	Total $'000
Current assets				
Cash and cash equivalents	9.4	1,626	6,561	8,187
Receivables	8.1	634	1,602	2,236
Inventories	7.1	6,902	5,199	12,101
Other current assets	8.2	211	-	211
		9,373	**13,362**	**22,735**
Non-current assets				
General assets	7.2	-	30	30
Buildings	7.2	942	-	942
Development costs (1)	7.1	1,171	3,741	4,912
		2,113	**3,771**	**5,884**
Total assets		**11,486**	**17,133**	**28,619**
Current liabilities				
Payables	8.3	1,016	780	1,796
Other liabilities	8.5	6	-	6
		1,022	**780**	**1,802**
Non-current liabilities				
Payables	8.3	231	-	231
		231	**-**	**231**
Total liabilities		**1,253**	**780**	**2,033**
Net assets		**10,233**	**16,353**	**26,586**
Land (1)		**302**	**2**	**304**

(1) The total development costs ($4.912 million) and HA land ($0.304 million) represent the total ($5.216 million) joint operations land non-current portion, per Note 7.1 Inventories.

Notes to the financial statements

7.2. Property, plant and equipment

Year ended 30 June 2026	Land and Buildings $'000	Plant and Equipment $'000	Buildings Under Construction $'000	Total $'000
1 July 2025				
Gross carrying amount	17,079,083	11,455	336,628	17,427,166
Accumulated depreciation	(110,317)	(3,301)	-	(113,618)
Carrying amount at start of period	**16,968,766**	**8,154**	**336,628**	**17,313,548**
Additions	218,391	928	363,879	583,198
Transfers - Service Concession Assets	(157,683)	-	-	(157,683)
Transfers to Profit and Loss	(2,910)	-	-	(2,910)
Transfers from inventory and asset held for sale	1,695	-	-	1,695
Transfers to/(from) buildings under construction	363,348	-	(363,348)	-
Disposals	(61,463)	(35)	-	(61,498)
Revaluation increments (decrements) [(a)]	3,631,771	-	-	3,631,771
Depreciation	(173,453)	(1,734)	-	(175,187)
Carrying amount at 30 June 2026	**20,788,462**	**7,313**	**337,159**	**21,132,934**
Gross carrying amount	20,801,827	12,072	337,159	21,151,058
Accumulated depreciation	(13,365)	(4,759)	-	(18,124)
Carrying amount at 30 June 2026	**20,788,462**	**7,313**	**337,159**	**21,132,934**

(a) The increment is mainly due to general market movements in the residential property sector within WA during the 12 months period up to 1 July 2025 (date of valuation). With the majority of the HA's asset portfolio comprising of dwellings (for public housing purposes) which are measured at market value, the increase in the general market prices has consequently resulted in the significant fair value movement compared to the comparative period.

Notes to the financial statements

7.2. Property, plant and equipment (continued)

Year ended 30 June 2025	Land and Buildings $'000	Plant and Equipment $'000	Buildings Under Construction $'000	Total $'000
1 July 2024				
Gross carrying amount	13,891,373	3,727	315,245	14,210,345
Accumulated depreciation	(108,913)	(3,162)	-	(112,075)
Carrying amount at start of period	**13,782,460**	**565**	**315,245**	**14,098,270**
Additions	404,934	15	338,336	743,285
Transfer from /(to) owner	-	7,742	-	7,742
Transfers - Service Concession Assets	(29,813)	-	-	(29,813)
Transfers to Profit and Loss	(1,507)	-	(1,583)	(3,090)
Transfers from inventory and asset held for sale	99,590	-	-	99,590
Transfers to/(from) buildings under construction	315,370	-	(315,370)	-
Disposals	(90,097)	-	-	(90,097)
Revaluation increments (decrements) [(a)]	2,623,854	-	-	2,623,854
Depreciation	(136,025)	(168)	-	(136,193)
Carrying amount at 30 June 2025	**16,968,766**	**8,154**	**336,628**	**17,313,548**
Gross carrying amount	17,079,083	11,455	336,628	17,427,166
Accumulated depreciation	(110,317)	(3,301)	-	(113,618)
Carrying amount at 30 June 2025	**16,968,766**	**8,154**	**336,628**	**17,313,548**

(a) The increment is mainly due to general market movements in the residential property sector within WA during the 12 months period up to 1 July 2024 (date of valuation). With the majority of the HA's asset portfolio comprising of dwellings (for public housing purposes) which are measured at market value, the increase in the general market prices has consequently resulted in the significant fair value movement compared to the comparative period.

In addition, for 2024-25 the HA adopted the requirements of the new accounting standard AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities which came into effect that financial year. This resulted in the recognition of approximately $33 million relating to professional and project management fees and once-only costs at 30 June 2025, which are now included in the value of current use building assets under the current replacement cost basis as required by this standard.

Notes to the financial statements

7.2. Property, plant and equipment (continued)

Initial recognition

Items of property and plant and equipment costing $5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property and plant and equipment costing less than $5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings. Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Buildings under construction are recorded at cost which includes all costs directly related to specific constructions plus capitalised administration charges incurred in connection with these activities.

Revaluation model

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Additions to non-current physical assets are measured at cost and are considered to represent fair value. Additions less than one year old are measured at construction cost, which is considered to represent fair value, plus land at fair value.

Land and buildings are independently valued annually by the WA Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. The effective date was at 1 July 2025, with valuations performed during the year ended 30 June 2026 and recognised at 30 June 2026. Where properties have not been valued by Valuation Services, these are valued by management with inference to similar assets valued by Valuation Services. In addition, for buildings under the current replacement cost basis, estimated professional and project management fees are included in the valuation of current use assets as required by AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

Rental properties represent the properties acquired or constructed for public housing. They also include State owned properties leased to State Government departments for Government employees housing.

Community Housing properties include properties acquired under the Commonwealth and State programs of Crisis Accommodation and Community Housing and Joint Charity Properties.

Shared Equity properties represent the equity in dwellings constructed or purchased under the Shared Equity Scheme. Under the scheme the HA and the purchaser are co-owners of the properties constructed or purchased as Tenants in Common with the purchaser having total occupation of the dwelling.

Other Properties includes offices and commercial properties which are owned or are leased from various organisations and individuals.

Derecognition:

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is transferred to Retained earnings.

Asset revaluation reserve:

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets on an individual asset basis.

Notes to the financial statements

7.2.1. Depreciation and impairment

Charge for the period	2026 $'000	2025 $'000
Depreciation		
Land and buildings	173,453	136,025
Plant, equipment and vehicles	1,734	168
Total depreciation for the year	175,187	136,193

As at 30 June 2026 there were no indications of impairment to property, plant and equipment.

All surplus assets as at 30 June 2026 have either been classified as assets held for sale or have been written-off.

Useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Depreciation rate
Land	Nil
Buildings	2% – 6%
Plant and equipment	10% - 50%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment of assets

Non-financial assets, including items of plant and equipment are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the HA is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Notes to the financial statements

7.3. Right-of-use assets

Year ended 30 June 2026	Buildings GROH $'000	Other $'000	Vehicles $'000	Total $'000
1 July 2025				
Gross carrying amount	6,547	-	6,868	13,415
Accumulated depreciation	(4,199)	-	(4,184)	(8,383)
Carrying amount at start of period	**2,348**	**-**	**2,684**	**5,032**
Additions	5,151		2,023	7,174
Disposals	(1,530)		(158)	(1,688)
Impairment losses/loss on disposal				-
Depreciation	(2,244)	-	(1,060)	(3,304)
Carrying amount at 30 June 2026	**3,725**	**-**	**3,489**	**7,214**
Gross carrying amount	10,168	-	8,733	18,901
Accumulated depreciation	(6,443)	-	(5,244)	(11,687)
Carrying amount at 30 June 2026	**3,725**	**-**	**3,489**	**7,214**

Year ended 30 June 2025	Buildings $'000	Other $'000	Vehicles $'000	Total $'000
1 July 2024				
Gross carrying amount	5,379	-	5,250	10,629
Accumulated depreciation	(2,345)	-	(3,186)	(5,531)
Carrying amount at start of period	**3,034**	**-**	**2,064**	**5,098**
Additions	2,604	-	1,729	4,333
Disposals	(1,434)	-	(111)	(1,545)
Impairment losses/loss on disposal	(2)	-	-	(2)
Depreciation	(1,854)	-	(998)	(2,852)
Carrying amount at 30 June 2025	**2,348**	**-**	**2,684**	**5,032**
Gross carrying amount	6,547	-	6,868	13,415
Accumulated depreciation	(4,199)	-	(4,184)	(8,383)
Carrying amount at 30 June 2025	**2,348**	**-**	**2,684**	**5,032**

Initial recognition

At the commencement date of the lease, the HA recognises right-of-use assets at cost comprising of:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 9.2 'Lease liabilities'.

The HA has leases for vehicles and residential accommodations.

The HA has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of less than 12 months) and low value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Notes to the financial statements

7.3. Right-of-use assets (continued)

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the HA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 7.2.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2026 $'000	2025 $'000
Depreciation expense of right-of-use assets	3,304	2,852
Lease interest expense	11,815	9,224
Total amount recognised in the statement of comprehensive income	**15,119**	**12,076**

The total cash outflow for leases in 2026 was $139.062 million (2025: $125.256 million).

The Housing Authority's leasing activities and how these are accounted for:

The HA has leases for office and residential accommodation, office equipment and vehicles.

The HA has also entered into a Memorandum of Understanding Agreements (MOU) with the DoHW for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the DoHW and are accounted for as an expense as incurred.

The HA recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 9.2.

7.4. Intangible assets

	Computing software		Computing development		Total	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Gross carrying amount	2,048	2,048	50,253	50,253	52,301	52,301
Accumulated depreciation	(2,048)	(2,048)	(50,253)	(50,253)	(52,301)	(52,301)
Carrying amount at start of period	-	-	-	-	-	-
Intangible assets reconciliation						
Amortisation expense	-	-	-	-	-	-
Carrying amount at end of period	**-**	**-**	**-**	**-**	**-**	**-**
Gross carrying amount	2,048	2,048	50,253	50,253	52,301	52,301
Accumulated depreciation	(2,048)	(2,048)	(50,253)	(50,253)	(52,301)	(52,301)
Carrying amount at end of period	**-**	**-**	**-**	**-**	**-**	**-**

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) an intention to complete the intangible asset, and use or sell it;

(c) the ability to use or sell the intangible asset;

(d) the intangible asset will generate probable future economic benefit;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

Notes to the financial statements

7.4. Intangible assets (continued)

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $5,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

7.4.1. Amortisation and impairment

As at 30 June 2026 there were no indications of impairment to intangible assets.

The HA held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation for intangible assets with finite useful lives is calculated on the straight-line basis that allocate the asset's value over its estimated useful life. All intangible assets controlled by the HA have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Intangible asset	Depreciation rate
Computing software[(a)]	20% - 50%
Computing development	20%

(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 7.2.1.

7.5. Service concession assets

	Service concessions	
	2026 $'000	2025 $'000
Gross carrying amount	2,815,270	2,364,430
Accumulated depreciation	-	-
Carrying amount at start of period	**2,815,270**	**2,364,430**
Service concessions reconciliation		
Additions	2,338	1,351
Transfers from/(to) Property, plant and equipment	157,683	29,813
Disposals	-	(1,605)
Revaluation increments/(decrements)	632,384	445,188
Depreciation	(29,384)	(23,907)
Carrying amount at end of period	3,578,291	**2,815,270**
Gross carrying amount	3,578,291	2,815,270
Accumulated depreciation	-	-
Carrying amount at end of period	**3,578,291**	**2,815,270**

Notes to the financial statements

7.5. Service concession assets (continued)

Scope

A service concession arrangement is an arrangement which involves an operator:

- that is contractually obliged to provide public services related to a service concession asset on behalf of the grantor; and
- managing at least some of those services under its own discretion, rather than at the direction of the grantor.

Whether an arrangement is providing a public service is a significant area of judgement, as the Standard does not define public services. The Standard, however, has identified the following indicators of public services:

- the services are necessary or essential to the general public;
- generally expected to be provided by a public sector entity in accordance with government policy or regulation; and
- services provided by the asset are not wholly consumed by a public sector entity for the purpose of assisting in the delivery of public services and managed by an external party.

The provision of primary or ancillary services by assets in service concession arrangements are other key considerations that should be taken into account in assessing whether assets provide public services.

Ancillary services are excluded from public services assessment as they relate to services that are insignificant to the arrangement as a whole.

Recognition

Control is an essential aspect in assessing whether an arrangement is a service concession arrangement. It is defined as the ability to exclude or regulate access to the benefits of an asset.

Control can be explicit or implicit. The grantor may have explicit control through rights held under the contractual arrangement or the grantor may have implicit control through regulation. It is not essential for the contract to specify the grantor's control. Explicit or implicit control over the asset would result in the arrangement falling within the scope of AASB 1059.

The grantor has control of the asset if, and only if:

(a) the grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and

(b) the grantor controls significant residual interest in the asset at the end of the term of the arrangement.

Requirement (b) above is not applicable for assets that will be used in a service concession arrangement for its entire economic life or the major part of its economic life. The grantor is considered to have control if they meet requirement (a) under this circumstance.

Assets recognised in a service concession arrangement include:

- existing assets of the operator or grantor provided for use in the arrangement;
- asset constructed, developed, acquired or otherwise provided by the operator; and
- upgrade or replacement of a major component of any of the above assets.

Service concession arrangements may involve multiple assets, comprising of a primary asset that provides the principal public service, and a secondary asset that is used or mainly used to complement the primary asset. Both of which can fall within the scope of AASB 1059.

Where an arrangement contains several assets, the grantor should separately assess individual components of the assets within the arrangement that are:

- physically separable;
- capable of being operated independently; and
- meet the definition of a cash-generating unit under AASB 136 'Impairment of Assets'.

In recognising a service concession asset, the grantor is required to recognise a corresponding liability.

Notes to the financial statements

7.5. Service concession assets (continued)

Measurement

A service concession asset is initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. This reflects the amount that would be required currently to replace the service capacity of the assets.

This same measurement approach applies to existing assets of the HA that have been reclassified as service concession assets at the date of reclassification. Any difference between the carrying amount of the asset and its current replacement cost will be accounted for as if it is a revaluation of the asset.

Subsequent to initial recognition or reclassification, a service concession asset is depreciated or amortised in accordance with AASB 116 'Property, Plant and Equipment' or AASB 138 'Intangible Assets', with any impairment recognised in accordance with AASB 136.

References to fair value in other Standards shall be read as references to current replacement cost in accordance with AASB 1059.

At the end of the service concession arrangement, the HA:

(a) reclassifies the asset based on its nature or function;

(b) discontinue references to fair value in other Standards as current replacement cost under AASB 1059; and

(c) derecognises the asset in accordance with AASB 116 or AASB 138 when the HA loses control of the asset.

Name of the service concession asset (SCA)	**Social Housing Properties**
Description of the arrangements	Social Housing Properties that maybe owned and not owned by the HA that are managed and maintained by Community Housing Organisations (CHOs).
Terms of the arrangement	Varies as this is contract/program specific. Typically involves the contribution of capital or property by the HA to the CHO for their management of the social housing property and the HA maintains its interest via certain limitations such as caveats on property titles.
Period of the arrangement	Varies as this is contract specific, though most SCA agreements run indefinitely subject to future reassessments / reviews.
Rights and obligations	Grantor (the HA) controls the tenant allocation rights to these assets, while the operator (CHO) manages and maintain these properties.
Changes in the arrangements occurred in period ending 30 June 2026	n/a
Carrying amount as at 30 June 2026	$3.578 billion

Notes to the financial statements

7.6. Non-current assets classified as held for sale

	2026 $'000	2025 $'000
Opening Balance		
Rental properties	5,207	6,242
Movement for the period		
Disposals	(732)	(5,145)
Reclassified (to)/from Rental properties	(1,394)	4,110
Total assets classified as held for sale	**3,081**	**5,207**

These properties are the HA's New Living and Redevelopment programs properties that form part of the rental property class that are marketed and available for immediate sale in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Assets held for sale are held at the lower of carrying amount and fair value less costs to sell. Information on fair value measurements are provided in Note 10.3 Fair value measurements.

Non-current assets held for sale are those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are disclosed separately in the Statement of financial position. Assets classified as held for sale are not depreciated or amortised.

Notes to the financial statements

8. Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the HA's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2026 $'000	2025 $'000
Loans and receivables	8.1	334,254	2,212,102
Other current assets	8.2	25,391	31,424
Trade and other payables	8.3	62,148	55,283
Provisions	8.4	79,343	78,330
Other liabilities	8.5	147,678	148,753

8.1. Loans and receivables

	2026 $'000	2025 $'000
Current		
General debtors	6,912	15,482
Rental and lease bonds	19,844	18,381
Rents from tenants and other rents	103,449	89,200
Loans to commercial organisations	109	218
Dividend receivable	-	13,455
Finance leases receivables	116,151	99,967
Joint operations receivables	1,237	2,236
Other debtors	1	4,565
GST Receivable/(payable)	2,543	15,371
Less allowance for impairment - receivables	(46,165)	(41,045)
Total current loans and receivables	**204,081**	**217,830**
Non-current		
Finance leases receivables	130,173	109,272
Keystart preferential shares	-	1,885,000
Total non-current loans and receivables	**130,173**	**1,994,272**
Total loans and receivables at the end of the period	**334,254**	**2,212,102**

General debtors – are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). Debts are due for settlement within 30 days with the exception of the following receivable categories:

Receivables rent from tenants - are carried at nominal amounts due less any provision for impairment. Rent receivable is due weekly in advance.

Rental and lease bonds receivables - represent advances made to qualifying persons for the purpose of renting properties external to the HA. Each advance is repayable in minimum fortnightly payments of $25 per fortnight with remaining balance being collectable on vacation of property unless an arrangement is entered into to repay over time.

Keystart preferential shares - During 2025 the WATC provided the HA with a $2.085 billion loan facility to fund Keystart Loans Ltd. The HA purchased redeemable preference shares in Keystart Loans Ltd to the same value ($1.885 billion) as the drawn down loan facility as security over the funds. The terms and conditions of the shares reflected the terms and conditions of the loan facility. Keystart Loans Ltd. met all principal, interest and other costs associated with the facility. Following the establishment of the Keystart GTE on 1 July 2025 this funding arrangement was cancelled as part of the steps required to establish Keystart GTE's funding facility directly with the WATC. Consequently, no balance is recognised at 30 June 2026. Refer to Note 2 – Deconsolidation of Subsidiaries for further details on the deconsolidation.

Notes to the financial statements

8.1.1. Movement in the allowance for impairment of loans and receivables

	2026 $'000	2025 $'000
Reconciliation of changes in the allowances for impairment of receivables		
Balance at the start of the period	41,045	40,255
Expected credit loss expense	11,238	7,112
Reversal of opening allowance for impairment of receivables	33	54
Amounts written off during the period	(6,151)	(6,376)
Balance at the end of period	**46,165**	**41,045**

An allowance for expected credit losses for general debtors, rental and lease bonds and rents from tenants and other rents receivables are measured at the lifetime expected credit losses for each reporting date, adjusting for forward-looking factors specific to the debtors and economic environment.

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 10.1 ‘Financial risk management'.

The HA does not hold any collateral as security or other credit enhancements for general debtors.

8.2. Other current assets

	2026 $'000	2025 $'000
Accrued revenue		
Interest on cash at bank	2,212	2,631
Interest Keystart investments	-	10,125
	2,212	**12,756**
Prepayments		
General	16,278	15,947
Development proposals	6,901	2,510
Joint operations	-	211
	23,179	**18,668**
Total other current assets at the end of the period	**25,391**	**31,424**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term beyond that period.

Notes to the financial statements

8.3. Trade and other payables

	2026 $'000	2025 $'000
Current		
Accrued SDA Employee Benefits Expense	4,643	3,745
Contractors retention monies	9,314	10,178
Joint operations creditors	1,252	1,796
Rental tenants bonds	-	1
Trade creditors	46,715	39,332
Total current trade and other payables	**61,924**	**55,052**
Non-current		
Joint operations creditors	224	231
Total non-current trade and other payables	**224**	**231**
Total trade and other payables at the end of the period	**62,148**	**55,283**

Also included in current trade creditors are the unspent funds associated with the Indian Ocean Territories (IOT) service delivery arrangements as per the following:

	2026 $'000	2025 $'000
Amounts carried forward from previous financial year	18	26
Payments made by the Commonwealth for IOT services	41	31
Cost of services	-	(39)
Amounts carried forward to following financial year	**59**	**18**

Payables are recognised at the amounts payable when the HA becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days with the exception of the following classes of payables:

- Payables land deposits - are recognised on receipt of cash. When the sale becomes unconditional the HA retains the deposit as part of the sale process.
- Payables construction retention monies - are repaid upon 100 per cent completion of the contract with 2.5 per cent withheld to satisfactory agreement completion of maintenance.
- Payables rental bonds - tenant bonds are payable on the tenant vacating the premises. The ultimate amount to be paid is dependent upon the condition of the property upon the tenant vacating, but is not more than the carrying amount of the liability.
- Payables water consumption - liabilities are recognised for amounts to be paid in the future for water usage. Liabilities are settled on 90 day terms.

Accrued SDA Employee Benefits Expense represent the amount due to DoHW for provision of staff that remain unpaid at the end of the financial year. Accrued amounts are settled within a fortnight of the financial year end. The HA considers the carrying amount of accrued amounts to be equivalent to its fair value.

8.4. Provisions

	2026 $'000	2025 $'000
Current		
Native Title settlement provision	29,529	-
Total current provisions	**29,529**	**-**
Non-current		
Native Title settlement provision	49,814	78,330
Total non-current provisions	**49,814**	**78,330**
Total provisions at the end of the period	**79,343**	**78,330**

Notes to the financial statements

8.4. Provisions (continued)

Movement in provisions

Movements in each class of provisions during the period, are set out below.

	2026 $'000	2025 $'000
Native Title settlement provision		
Carrying amount at start of period	78,330	58,213
Additional/(reversal of) provisions recognised	1,013	20,117
Carrying amount at end of period	**79,343**	**78,330**

Provisions are liabilities of uncertain timing or amount. The HA only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Native Title settlement provision – a provision has been calculated to recognise the HA's share of the South West Native Title settlement and the Yamatji Nation Indigenous Land Use Agreement settlement.

The reclassification of non-current to current related to housing transfers as part of the South West Native Title Settlement. This is due to the HA reflowing the timing of the transfers to recognise the expected settlement in future years from 2026-27.

8.5. Other liabilities

	2026 $'000	2025 $'000
Current		
Administrative and general expenses	737	455
Joint operations liabilities	4	6
Unearned income	17,538	15,598
Grant of right to operate under service concessions	3,295	3,295
Total current other liabilities	**21,574**	**19,354**
Non-current		
Grant of right to operate under service concessions	126,104	129,399
Total non-current other liabilities	**126,104**	**129,399**
Total other liabilities at the end of the period	**147,678**	**148,753**

Grant of right to operate (GORTO) under service concession liabilities are recognised for service concession arrangements where the HA grants to operators the right to access a revenue generating asset. Liabilities are recognised for the unearned portion of the revenue arising from the exchange of assets between the HA and the operator. These liabilities are reduced, with revenue recognised according to the economic substance of the relevant service concession arrangement. Refer to Note 7.5 'Service concession assets' for further information on service concession arrangements.

Notes to the financial statements

9. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of Group.

	Notes
Borrowings	9.1
Lease liabilities	9.2
Finance costs	9.3
Cash and cash equivalents	9.4
Reconciliation of cash	9.4.1
Reconciliation of operating activities	9.4.2
Commitments	9.5

9.1. Borrowings

	2026 $'000	2025 $'000
Current		
WATC	-	605,070
Commonwealth advances	19,493	18,681
Total current borrowings	**19,493**	**623,751**
Non-current		
WATC	-	1,320,001
Commercial loan	62,288	62,286
Commonwealth advances	199,450	218,943
Total non-current borrowings	**261,738**	**1,601,230**
Total borrowings at the end of the period	**281,231**	**2,224,981**

Borrowings refer to interest bearing liabilities raised from public borrowings raised through WATC, Commonwealth advances, Fleetwood loan (listed as Commercial loan), finance leases and other interest bearing arrangements. Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost. The classification of interest bearing liabilities is determined at initial recognition.

The fair values for WATC borrowings were calculated by WATC, based on market valuations. The State Nominated and Commonwealth advances have been calculated using a discount rate of 4.73 per cent, which is the Commonwealth bond rate. (June 2025 4.16 per cent).

WATC borrowings with a carrying value of $1.894 billion at 30 June 2025 were assumed by Keystart with effect from 1 July 2025 as part of the Keystart restructure. As a result, the HA was released from the related obligations and no Keystart related borrowings are recognised at 30 June 2026. Refer to Note 2 ‘Deconsolidation of subsidiaries’.

Commercial loan is a $62.288 million liability payable to Fleetwood Corporation Limited and administered by Westpac Bank. The liability is for construction costs for the Osprey Key Workers Village. The current repayments are interest only and the loan is due to be repaid in full by July 2029.

Commonwealth advances refer to the Commonwealth and State Housing Agreements**.** The Commonwealth made advances to the states from 1945 to the mid-to-late-1980s to provide financial assistance to Servicemen for building new public housing and low interest loans to home builders, as well as a range of other housing-related purposes.

	Total carrying amount		Aggregate net fair value	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Housing Authority				
WATC	-	1,925,071	-	1,919,533
Commercial loan	62,288	62,286	65,817	67,488
Commonwealth advances	218,943	237,624	216,462	242,710
	281,231	**2,224,981**	**282,279**	**2,229,731**

WATC are variable rate borrowings and repayable when due. Fixed rate borrowings are subject to interest payments only with the full loan being due on maturity.

Notes to the financial statements

9.1. Borrowings (continued)

Commonwealth Advances are fixed rate borrowings and repayable on an annual basis with final instalments being due between July 2014 and June 2042.

Commercial loan is with Westpac and is an interest only variable rate borrowing repayable in full by July 2029.

9.2. Lease liabilities

	2026 $'000	2025 $'000
Current	118,802	102,146
Non-current	134,781	112,306
Total lease liabilities	**253,583**	**214,452**

Initial Measurement

The HA measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the HA uses the incremental borrowing rate provided by WATC.

Lease payments included by the HA as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the HA exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the HA if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the HA in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with Note 7.3 ‘Right-of-use assets'.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Notes to the financial statements

9.3. Finance costs

	2026 $'000	2025 $'000
Interest expense	17,470	114,948
Lease interest expense	11,815	9,224
Total finance costs	**29,285**	**124,172**

Finance costs include costs incurred in connection with the borrowing of funds and includes interest on short term and long term borrowings and the interest component of lease liability repayments, and the increase in financial liabilities. Finance costs are expensed when incurred and represents the total finance costs in the Statement of comprehensive income.

9.4. Cash and cash equivalents

9.4.1. Reconciliation of cash

	2026 $'000	2025 $'000
Current		
Cash and cash equivalents	255,382	210,986
	255,382	**210,986**
Restricted cash:		
Rental tenants bonds	-	1
Joint operations cash	7,861	8,187
Remote indigenous housing	562	528
Royalties for Regions fund	8,961	18,595
Housing Australia Future Fund	24,225	25,000
	41,609	**52,311**
Total current cash and cash equivalents	**296,991**	**263,297**
Total cash and cash equivalents at the end of the period	**296,991**	**263,297**

Rental Tenants Bonds represents bond monies received by the HA from rental clients. These funds are held in trust in accordance with the *Residential Tenancies Act.*

Joint Operations Cash is restricted for the use of joint operations and is controlled by the respective management groups.

Remote Indigenous cash - the HA is a property manager for remote indigenous communities and does not have ownership of these properties. The cash held represents unspent funds for these properties.

Royalties for Regions - unspent funds for Royalties for Regions are committed to projects and programs in WA regional areas.

Notes to the financial statements

9.4.2. Reconciliation of net cost of services to net cash flows provided used in operating activities

	Notes	2026 $'000	2025 $'000
Surplus/(deficit) for the period		(299,370)	(79,983)
Non-cash items			
Depreciation and amortisation expense	7.2,7.3,7.4,7.5	207,875	162,952
Expected credit loss expense	6.1	11,271	7,166
(Gain)/Loss on disposal of non-current assets	6.3	(1,578)	36,384
Keystart dividends	5.6	-	(13,455)
Impairment and disposals of non-current assets	6.1	10,341	7,014
Revenue related to service concession arrangements		(3,295)	(3,295)
Other non-cash items		4,767	1,748
Cash items:			
Proceeds from state government (excluding capital contributions)		(589,100)	(705,420)
(Increase)/decrease in assets:			
Receivables		(7,621)	(3,431)
Inventories		(17,067)	(16,464)
Other assets		(4,092)	(7,294)
Increase/(decrease) in liabilities:			
Payables		6,865	(54,629)
Provisions		1,013	20,117
Other liabilities		(1,075)	(13,275)
Net GST payments		12,828	(15,743)
Net cash flows provided by/(used in) operating activities		**(668,238)**	**(677,608)**

9.5. Commitments

9.5.1. Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	Housing Authority	
	2026 $'000	2025 $'000
Within 1 year	360,461	281,177
Later than 1 year and not later than 5 years	119,891	106,388
Later than 5 years	56	395
	480,408	**387,960**

	2026 $'000	2025 $'000
The capital commitments include amounts for the following:		
Community Housing	114,478	76,461
Dwelling construction and upgrades	339,682	276,630
Land development and redevelopment	7,597	10,571
Affordable Housing	18,651	24,298
Balance at the end of period	**480,408**	**387,960**

Notes to the financial statements

10. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the HA.

	Notes
Financial risk management	10.1
Contingent assets and liabilities	10.2
Fair value measurements	10.3

10.1. Financial risk management

Financial instruments held by the HA are cash and cash equivalents, other financial assets, loans to commercial organisations, loans to local and statutory parties, State Nominated borrowings, WATC borrowings, Commonwealth Advances, rental deposits and tenant bonds. The HA has limited exposure to financial risk. The HA's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit Risk

Credit risk arises when there is the possibility of the HA's receivables defaulting on their contractual obligations resulting in financial loss to the HA.

Credit risk associated with Housing's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). In relation to other receivables (including rental and bond debtors), the HA has a minimal credit risk due to the receivables debt being spread across a number of debtors in the thousands. The collectability of rental receivables is reviewed on an ongoing basis in accordance with the HA's policy and procedure manuals. These policy and procedure manuals are reviewed by Management on a regular basis.

Liquidity Risk

Liquidity risk arises when the HA is unable to meet its financial obligations as they fall due.

The HA is exposed to liquidity risk in respect of its payables, accrued service delivery expenses and government borrowings, in that the HA needs to be able to pay these amounts when they fall due. The HA has implemented and maintains robust cash management practices, including day-to-day monitoring and regular liquidity reporting to the Accountable Authority. These practices ensure cash resources are adequate to meet future commitments.

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the HA's income or the value of its holdings of financial instruments. The HA does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes]. The HA's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are disclosed in Note 9 'Financing'. Other than as detailed in the interest rate sensitivity analysis table at note 10.1(e), the HA is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than those disclosed in Note 9 Financing and leases (fixed interest rate).

Notes to the financial statements

10.1. Financial risk management (continued)

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2026 $'000	2025 $'000
Financial Assets		
Cash and cash equivalents	255,382	210,986
Restricted cash and cash equivalents	41,609	52,311
Financial assets at amortised cost comprising [(a)]		
Keystart preference shares	-	1,885,000
General debtors	6,721	15,482
Rental and lease bonds	19,312	18,381
Rent from tenants and other rents	58,007	89,200
Loans to commercial organisations	109	218
Dividends receivable	-	13,455
Finance lease receivable	246,324	209,239
Joint operations receivable	1,237	2,236
Other debtors	1	4,565
Other current assets at amortised cost		
Accrued revenue	2,212	12,756
Total financial assets	**630,914**	**2,513,829**
Financial Liabilities		
Financial liabilities at amortised cost comprising		
Borrowings		
WATC	-	1,925,071
Commercial loan	62,288	62,286
Commonwealth advances	218,943	237,624
Payables		
General	62,148	55,282
Rental deposits and tenant bonds	-	1
Finance lease liabilities	253,583	214,452
Other liabilities	741	461
Total financial liabilities	**597,703**	**2,495,177**

a) The amount of Financial assets at amortised cost - Loans and receivables excludes GST recoverable from the ATO (statutory receivable).

Notes to the financial statements

10.1. Financial risk management (continued)

(c) Credit risk exposure

Loans and receivables

An expected credit loss expense is recognised as the movement in the allowance for impairment. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date.

The HA has established a provision matrix that is based on its historical credit loss experience. The loss allowance for receivables reflects the lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting the HA's debtors, and relevant industry data form part of the impairment assessment. Refer to Note 8.1.1 'Reconciliation of changes in the allowance for impairment of receivables'.

The HA uses a provision matrix to measure the expected credit losses on debtors. Loss rates are calculated separately for groupings of customers with similar loss patterns. The HA has determined there are three material groupings for measuring expected credit losses reflecting the different customer profiles for different revenue streams.

The material groupings are for general debtors, rent from tenants debtors and rental and lease bond (bond assistance) debtors.

The following table details the credit risk exposure on the HA's debtors using a provision matrix

		Days past due				
	Total	Current	< 90 days	91 - 180 days	181 - 360 days	< 361 days
	$'000	$'000	$'000	$'000	$'000	$'000
2026						
General debtors						
Expected credit loss rate		0.53%	0.87%	2.69%	11.05%	16.07%
Estimated total gross carrying amount at default	6,653	5,330	19	222	352	730
Expected credit losses	**190**	**28**	**-**	**6**	**39**	**117**
Rent from tenants and other						
Expected credit loss rate		1.19%	8.59%	15.67%	21.30%	96.90%
Estimated total gross carrying amount at default	103,449	49,315	3,491	2,364	3,435	44,844
Expected credit losses	**45,443**	**587**	**300**	**370**	**732**	**43,454**
Rental and lease bonds						
Expected credit loss rate		2.61%	0.83%	1.51%	2.44%	6.09%
Estimated total gross carrying amount at default	19,844	18,899	139	112	198	496
Expected credit losses	**531**	**493**	**1**	**2**	**5**	**30**
Total Expected Credit Loss Allowance	**46,164**	**1,108**	**301**	**378**	**776**	**43,601**

Notes to the financial statements

10.1. Financial risk management (continued)

(c) Credit risk exposure (continued)

	Total	Days past due				
		Current	< 90 days	91 - 180 days	181 - 360 days	< 361 days
	$'000	$'000	$'000	$'000	$'000	$'000
2025						
General debtors						
Expected credit loss rate		0.31%	0.42%	0.72%	10.06%	14.29%
Estimated total gross carrying amount at default	15,234	4,005	1,255	574	1,721	7,679
Expected credit losses	**1,291**	**12**	**5**	**4**	**173**	**1,097**
Rent from tenants and other						
Expected credit loss rate		0.80%	6.08%	11.14%	14.77%	96.14%
Estimated total gross carrying amount at default	89,199	41,900	2,948	2,391	2,429	39,531
Expected credit losses	**39,144**	**335**	**179**	**266**	**359**	**38,005**
Rental and lease bonds						
Expected credit loss rate		3.22%	1.00%	1.81%	2.99%	7.62%
Estimated total gross carrying amount at default	18,382	17,488	153	103	132	506
Expected credit losses	**610**	**563**	**2**	**2**	**4**	**39**
Total Expected Credit Loss Allowance	**41,045**	**910**	**186**	**272**	**536**	**39,141**

Notes to the financial statements

10.1. Financial risk management (continued)

(d) Liquidity risk and interest rate exposure

2026	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Nominal amount $'000	Contractual maturity dates		
			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest Bearing $'000		Within 1 year $'000	1 - 5 years $'000	Greater than 5 years $'000
(i) Financial Assets									
Cash and cash equivalents	4.37%	255,382	-	255,382	-	255,382	255,382	-	-
Restricted cash and cash equivalents	4.37%	41,609	-	41,609	-	41,609	41,609	-	-
Receivables									
- general debtors	-	6,721	-	-	6,721	6,721	6,721	-	-
- rental and lease bonds	-	19,312	-	-	19,312	19,312	19,312	-	-
- rent from tenants and other rents	-	58,007	-	-	58,007	58,007	58,007	-	-
- loans to commercial organisations	-	109	-	-	109	109	109	-	-
- finance lease receivable	4.99%	246,324	246,324	-	-	247,104	116,545	124,613	5,946
- Joint operations receivable	-	1,237	-	-	1,237	1,237	1,237	-	-
- other debtors	-	1	-	-	1	1	1	-	-
Other current assets	4.37%	2,212	-	2,212	-	2,212	2,212	-	-
Total financial assets		**630,914**	**246,324**	**299,203**	**85,387**	**631,694**	**501,135**	**124,613**	**5,946**
(ii) Financial Liabilities									
Borrowings									
- Commercial loan	6.80%	62,288	-	62,288	-	75,002	4,242	70,760	-
- Commonwealth advances	4.73%	218,943	218,943	-	-	286,206	29,334	104,431	152,441
Payables									
- general	-	62,148	-	-	62,148	62,148	62,148	-	-
Finance lease liabilities	5.03%	253,583	253,583	-	-	255,057	119,575	129,420	6,062
Other current liabilities	-	741	-	-	741	741	741	-	-
Total financial liabilities		**597,703**	**472,526**	**62,288**	**62,889**	**679,154**	**216,040**	**304,611**	**158,503**

10.1. Financial risk management (continued)

(d) Liquidity risk and interest rate exposure (continued)

2025	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Nominal amount $'000	Contractual maturity dates		
			Fixed Interest Rate $'000	Variable Interest Rate $'000	Non-interest Bearing $'000		Within 1 year $'000	1 - 5 years $'000	Greater than 5 years $'000
(i) Financial Assets									
Cash and cash equivalents	4.55%	210,986	-	210,986	-	210,986	210,986	-	-
Restricted cash and cash equivalents	4.55%	52,311	-	52,311	-	52,311	52,311	-	-
Receivables									
- Keystart preference shares	3.60%	1,885,000	-	1,885,000		2,125,152	640,423	1,118,518	366,211
- general debtors	-	15,482	-	-	15,482	15,482	15,482	-	-
- rental and lease bonds	-	18,381	-	-	18,381	18,381	18,381	-	-
- rent from tenants and other rents	-	89,200	-	-	89,200	89,200	89,200	-	-
- loans to commercial organisations	-	218		-	218	218	218	-	-
- dividends receivable	-	13,455	-	-	13,455	13,455	13,455	-	-
- finance lease receivable	4.86%	209,239	209,239	-	-	223,714	107,512	112,732	3,470
- Joint operations receivable	-	2,236	-	-	2,236	2,236	2,236	-	-
- Other debtors	-	4,565	-	-	4,565	4,565	4,565	-	-
Other current assets	3.82%	12,756	-	12,756	-	12,756	12,756	-	-
Total financial assets		**2,513,829**	**209,239**	**2,161,053**	**143,537**	**2,768,456**	**1,167,525**	**1,231,250**	**369,681**
(ii) Financial Liabilities									
Borrowings									
- WATC	3.36%	1,925,071	27,053	1,898,018	-	2,131,630	664,301	1,105,363	361,966
- Commercial loan	6.48%	62,286	-	62,286	-	78,407	4,033	74,374	-
- Commonwealth advances	4.16%	237,624	237,624	-	-	315,556	29,350	110,241	175,965
Payables									
- general	-	55,282	-	-	55,282	55,282	55,282	-	-
- rental deposits and tenant bonds *	-	1	-	-	1	1	1	-	-
Finance lease liabilities	4.90%	214,452	214,452	-	-	229,326	109,949	115,843	3,534
Other current liabilities	-	461	-	-	461	461	461	-	-
Total financial liabilities		**2,495,177**	**479,129**	**1,960,304**	**55,744**	**2,810,663**	**863,377**	**1,405,821**	**541,465**

*Rental deposits and tenant bonds are repayable only when the tenant vacates the rental property. The full amount owing is not necessarily the amount that will be paid on vacation as this money can be offset against any outstanding rental payments or other payments that are outstanding.

Notes to the financial statements

10.1. Financial risk management (continued)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the HA's financial assets and liabilities at the end of the reporting period on the profit for the period and equity for a 1 per cent change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period. The HA's exposure to market interest rates relates primarily to it's long term debt obligations.

		Interest rate risk			
		-1%		1%	
	Carrying amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000
2026					
Financial Assets					
Cash and cash equivalents	255,382	(2,554)	(2,554)	2,554	2,554
Restricted cash and cash equivalents	41,609	(416)	(416)	416	416
Keystart preference shares	-	-	-	-	-
Loans to commercial organisations	109	(1)	(1)	1	1
Financial Liabilities					
Borrowings					
WATC floating	-	-	-	-	-
WATC fixed *	-	-	-	-	-
Commercial loan	62,288	623	623	(623)	(623)
Commonwealth advances *	218,943	-	-	-	-
Total Increase/(Decrease)		**(2,348)**	**(2,348)**	**2,348**	**2,348**
2025					
Financial Assets					
Cash and cash equivalents	210,986	(2,110)	(2,110)	2,110	2,110
Restricted cash and cash equivalents	52,311	(523)	(523)	523	523
Keystart preference shares	1,885,000	(18,850)	(18,850)	18,850	18,850
Loans to commercial organisations	218	(2)	(2)	2	2
Financial Liabilities					
Borrowings					
WATC floating	(741,984)	(7,420)	(7,420)	7,420	7,420
WATC fixed *	27,053	-	-	-	-
Commercial loan	62,286	623	623	(623)	(623)
Commonwealth advances *	237,624	-	-	-	-
Total Increase/(Decrease)		**(28,282)**	**(28,282)**	**28,282**	**28,282**

* Commonwealth Advances and WATC (fixed) are fixed interest loans that are not affected by interest rates.

10.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

10.2.1. Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

Litigation in progress

There is one legal case pending for which the outcome is not certain in 2025-26.

Notes to the financial statements

10.2. Contingent assets and liabilities (continued)

10.2.2. Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

Litigation in progress

There is currently one legal case pending for which the outcome is not certain. The HA is unable to estimate a total amount that may be payable to the claimant because the claimant's loss and damages are currently unquantified in the legal proceedings.

The HA also has a counterclaim filed against the claimant and the HA is unable to estimate a total amount which may be payable to the HA because the counterclaim is currently unquantified in the legal proceedings. The claim is ongoing.

Other contingent liabilities

Shared equity costs

Keystart and the HA are reviewing historical contributions the HA made for its share of council rates and Water Corporation expenses under shared-equity arrangements entered into in the late 1990s and early 2000s.

The extent of the potential liability is not presently quantifiable as further investigation and analysis is being undertaken.

Proceedings filed in the Federal Court

The HA is involved in one matter that is currently before the federal court related to residential tenancy agreements. The plaintiff has lodged their claim and the HA and State of WA have filed a statement of defence. The extent of any potential liability for the Applicants' substantial legal costs is unclear at this stage.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the HA is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated – investigation required, the HA may have a liability in respect of investigation or remediation expenses.

The HA has identified one site as 'Contaminated - remediation required'. There is one "Suspected contaminated" site which has been listed as "Possibly contaminated – investigation required". Additionally, there are five sites under the "Contaminated Site – Restricted Use" category. It is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the HA may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Notes to the financial statements

10.3. Fair value measurements

Assets measured at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value at the end of the period $'000
2026				
Non-current assets classified as held for sale	-	3,081	-	3,081
Land	-	11,926,402	47,919	11,974,321
Buildings and improvements	-	12,139,145	253,287	12,392,432
	-	**24,068,628**	**301,206**	**24,369,834**
2025				
Non-current assets classified as held for sale	-	5,207	-	5,207
Land	-	9,546,540	33,257	9,579,797
Buildings and improvements	-	9,982,947	221,292	10,204,239
	-	**19,534,694**	**254,549**	**19,789,243**

There were transfers of 23 assets from Level 2 to Level 3 during FY25-26 with a total fair value of $6,300,400 as of 30 June 2026. There were no transfers from Level 3 to Level 2 during the current financial year. There were no transfers between Levels 1, 2 or 3 during the previous financial year.

FY24-25 totals have been adjusted as it was discovered that the AASB 2022-10 uplift amount ($33,010,708) was included in the Level 2 buildings and improvements total, rather than the Level 3 building and improvements total. The table has been amended from the prior year financial statements to shift this uplift amount from Level 2 to Level 3. There was also a minor adjustment to the base total value of FY24-25 Level 3 assets during the current financial year.

Valuation techniques and inputs

Level 2 assets

Fair values of non-current assets held for sale, and market type land and buildings are derived using the market approach. Market evidence of sales prices of comparable assets in close proximity is used to determine price per square metre.

Notes to the financial statements

10.3. Fair value measurements (continued)

Valuation techniques and inputs (continued)

Level 3 assets

Land assets - (Low utility land use assets)

Low Utility land values are applied to land highly encumbered by community service obligations or infrastructure, where the economic highest and best alternate land use is not permitted. Land Values determined under this methodology take into consideration the legal, physical, economic and socio-political factors that inhibit economic highest and best use alternatives. Fair value measurement of the public sector land draws on the values from the primary real estate market, based on comparable utility with an underlying going concern assumption.

Building assets

Fair value for current use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input of obsolescence estimated by Landgate. The fair value measurement is sensitive to the estimate of obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

In addition, professional and project management fees estimated and added to the current replacement costs provided by Landgate for current use buildings represent significant Level 3 inputs used in the valuation process. The fair value of these assets will increase with a higher level of professional and project management fees.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on a current use basis (presumed to be the highest and best use), which recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

Notes to the financial statements

11. Other Disclosures

This section includes additional material disclosures, pertaining to the HA, required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	11.1
Changes in accounting policy	11.2
Future impact of Australian standards issued but not yet operative	11.3
Key management personnel	11.4
Related party transactions	11.5
Administered transactions - Remote Indigenous Housing	11.6
Remuneration of auditors	11.7
Act of grace payments	11.8
Equity	11.9
Supplementary financial information	11.10

11.1. Events occurring after the end of the reporting period

There are no non-adjusting subsequent events that have occurred after the end of the reporting period.

11.2. Changes in accounting policy

The following standards are first applied for the reporting period ended on 30 June 2026:

- AASB 2023-5 – Amendments to Australia Accounting Standards – Lack of Exchangeability
- AASB 2024-4a – Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
- AASB 2026-1 – Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements

None of these standards have a material impact on the reporting results of the HA.

Notes to the financial statements

11.3. Future impact of Australian Accounting Standards not yet operative

The HA cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 9 – Requirement 4 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 9. Where applicable, the HA plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
	Operative for reporting periods beginning on/after 1 Jan 2026	
AASB 2024-2	*Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* This Standard amends AASB 7 and AASB 9 as a consequence of the issuance of Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in May 2024. There is no financial impact.	**1 Jan 2026**
AASB 2024-3	*Amendments to Australian Accounting Standards – Annual Improvements Volume 11* This Standard amends AASB 1, AASB 7, AASB 9, AASB 10 and AASB 107 as a consequence of the issuance of Annual Improvements to IFRS Standards – Volume 11 by the International Accounting Standards Board in July 2024. There is no financial impact.	**1 Jan 2026**
AASB 2025-1	*Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity* This Standard amends AASB 7 and AASB 9 as a consequence of the issuance of IFRS *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7) by the International Accounting Standards Board in December 2024. There is no financial impact.	**1 Jan 2026**
	Operative for reporting periods on/after 1 Jan 2028	
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. There is no financial impact.	**1 Jan 2028**
AASB 2024-4b	*Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]* This Standard defers (to 1 January 2028) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture. The Standard also includes editorial corrections. There is no financial impact.	**1 Jan 2028**

Notes to the financial statements

11.3 Future impact of Australian Accounting Standards not yet operative (continued)

AASB 18 (NFP /super)	*Presentation and Disclosure in Financial Statements [for not-for-profit and superannuation entities]* This Standard replaces AASB 101 with respect to the presentation and disclosure requirements in financial statements applicable to not-for-profit and superannuation entities This Standard is a consequence of the issuance of IFRS 18 Presentation and Disclosure in financial Statements by the International Accounting Standards Board in April 2024. This Standard also makes amendments to other Australian Accounting Standards set out in Appendix D of this Standard. The Housing Authority has not assessed the impact of the Standard.	**1 Jan 2028**

11.4. Key management personnel

The HA has determined that key management personnel include Ministers, and senior officers of the HA. However, the HA is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Compensation payments for key management personnel of the HA are made by the DoHW (as they perform services across the DoHW and/or HA) and included in the DoHW Annual Report. The DoHW recovers these costs through the Service Delivery Agreement expenses as disclosed in Note 6.1. Previously these services were provided by the Department of Communities to 30 June 2025, refer to Note 3 Public Sector Reform.

11.5. Related party transactions

The HA is a not-for-profit entity and is wholly controlled by the State of WA in conducting its activities.

Related parties of the HA include:

- All Ministers and their close family members, and their controlled or jointly controlled entities;
- All senior officers and their close family members, and their controlled or jointly controlled entities;
- Other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- The Government Employees Superannuation Board (GESB); and
- All joint venture parties, for details refer to Note 7.1.

Significant transactions with Government-related entities

In conducting its activities, the HA is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Significant transactions include:

- Service appropriation (Note 5.6);
- Capital appropriation (Note 11.9);
- Remuneration for services provided by the Auditor General (Note 11.7);
- Service delivery agreement income received from and expenses paid to the Department of Communities and to the DoHW (Note 5.6 and Note 6.1);
- Lease rentals payments to the DoHW (Note 6.1) and related outstanding balances (Note 8.3);
- Insurance payments to the Insurance Commission of Western Australia and Risk Cover (Note 6.1);
- Receipt and repayment of borrowings to WATC (Note 9.1); and
- Interest expenses payable to WATC (Note 9.3).

Notes to the financial statements

11.5. Related party transactions (continued)

Material transactions with other related parties

Outside of normal citizen type transactions with the HA, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

11.6. Administered transactions – Remote Indigenous Housing

	2026 $'000	2025 $'000
Balance at start of the period	4,919	3,823
Receipts		
Transfer of internal funds	24,646	25,644
Other receipts	14,570	14,534
Payments	(37,513)	(39,082)
Balance at end of period	**6,622**	**4,919**

The Remote Indigenous Housing fund is used to record rental revenue and repairs and maintenance for houses in remote communities managed by the HA. These transactions are recorded separately as they are not income of the HA. The use of the rent collected is restricted to repair and maintenance in the Aboriginal Community in which it is collected. Additional funding is provided by the HA as rental revenue is not sufficient to cover all repairs and maintenance costs.

11.7. Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2026 $'000	2025 $'000
Auditing the accounts, controls, financial statements and key performance indicators	953	953
	953	**953**

11.8. Act of Grace payments

During the reporting period there were no Act of Grace payments made under authority of the Minister.

Notes to the financial statements

11.9. Equity

Contributed equity

The WA Government holds the equity interest in the HA on behalf of the community. Equity represents the residual interest in the net assets of the HA. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

	2026 $'000	2025 $'000
Contributed Equity		
Balance at start of period	3,954,266	3,281,375
Contributions by owners		
Capital contributions	252,217	246,487
Other contributions by owner		
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	-	3,807
Social and Affordable Housing Investment Fund	421,728	413,528
Digital Capability Fund	1,112	727
Remote Communities Fund	13,409	7,616
Department of Communities	-	7,741
Total contributions by owners	**688,466**	**679,906**
Transfer of net assets to other agencies		
Mental Health Commission	(4,979)	-
Department of Housing and Works	(1,414)	-
Department of Communities	-	(49)
Development WA	-	(6,966)
Total distributions to owners	**(6,393)**	**(7,015)**
Balance at end of period	**4,636,339**	**3,954,266**

Reserves

	2026 $'000	2025 $'000
Reserves		
(i) Asset revaluation reserve		
Balance brought forward from prior period	12,682,456	9,667,592
Transferred to retained earnings	(37,129)	(54,178)
Revaluations during the period	4,264,155	3,069,042
Closing balance	**16,909,482**	**12,682,456**
Total reserves	**16,909,482**	**12,682,456**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy Note 7.2.

Retained earnings

	Housing Authority	
	2026 $'000	2025 $'000
Retained earnings		
Balance brought forward from prior period	3,361,234	3,387,039
Transfer from asset revaluation reserve upon disposal	37,129	54,178
Net profit/(loss) for the year	(299,370)	(79,983)
Total retained earnings	**3,098,993**	**3,361,234**

Notes to the financial statements

11.10. Supplementary financial information

(a) Write offs

Bad Debts written off by the Accountable Authority in the year ended 30 June 2026 totalled $6.152 million (2025: $6.376 million)

(b) Losses to the Housing Authority through thefts, defaults or other causes:

Cashier shortages incurred for the year ended 30 June 2026 was nil (2025: $nil).

Reportable thefts in the year ended 30 June 2026 was nil (there were no reportable thefts in the year ended June 2025).

Amounts recovered during the year ended 30 June 2026 was nil (2025: $nil).

(c) Gifts of public property

In the year ended 30 June 2026 the HA made no gifts of public property (2025: $nil).

Notes to the financial statements

12. Explanatory statements

This section explains variations in the financial performance of the HA.

	Notes
Explanatory statements for controlled operations	12.1

12.1. Explanatory statements for controlled operations

This explanatory section explains variations in the financial performance of the HA undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2026, and between the actual results for 2026 and 2025 are shown below. Narratives are provided for key major variances, which vary more than 10% of the comparative and which are also more than 1% of the following (as appropriate):

1. Estimate and actual results for the current year:

- Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows (1% of $1,273,054,000) i.e. $1,273.1 million; and
- Total Assets of the annual estimates for the Statement of financial position (1% of $18,292,281,000) i.e. $18,292.3 million.

2. Actual results between the current year and the previous year:

- Total Cost of Services of the previous year for the Statement of comprehensive income and Statement of cash flows (1% of $1,349,504) i.e. $1,349.5 million; and
- Total Assets of the previous year for the Statement of financial position (1% of $22,719,755) i.e. $22,719.8 million.

Notes to the financial statements

12.1.1. Statement of comprehensive income variances

	Variance Notes	Estimate 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Income						
Sales		28,043	32,309	32,279	4,266	30
Rental revenue	a	353,248	360,829	325,858	7,581	34,971
Grants, contributions and subsidies	b	139,121	140,151	165,214	1,030	(25,063)
Interest revenue		12,617	20,041	17,607	7,424	2,434
Other revenue		7,194	8,421	7,862	1,227	559
Total income		**540,223**	**561,751**	**548,820**	**21,528**	**12,931**
Expenses						
Cost of sales		13,659	12,362	22,019	(1,297)	(9,657)
Rental expenses	1, c	448,533	532,448	469,106	83,915	63,342
Community support expense		124,108	111,659	116,063	(12,449)	(4,404)
Supplies and services	2, d	311,619	363,198	304,327	51,579	58,871
Depreciation and amortisation expense	3, e	133,538	207,875	162,952	74,337	44,923
Finance costs	f	23,624	29,285	124,172	5,661	(94,887)
Grants and subsidies	g	127,349	123,005	50,574	(4,344)	72,431
Accommodation expenses		10,948	10,282	9,377	(666)	905
Other expenses		66,186	63,493	57,620	(2,693)	5,873
(Gain)/loss on disposal of non-current assets	4, h	13,490	(4,488)	33,294	(17,978)	(37,782)
Total expenses		**1,273,054**	**1,449,119**	**1,349,504**	**176,065**	**99,615**
Loss before income from State Government		**(732,831)**	**(887,368)**	**(800,684)**	**(154,537)**	**(86,684)**
Income from State Government						
Service appropriation	5	147,099	283,344	313,210	136,245	(29,866)
Income from other public sector entities	6, i	281,165	234,528	319,415	(46,637)	(84,887)
Royalties for Regions Fund	j	61,650	69,756	87,797	8,106	(18,041)
Services received		-	370	279	370	91
Total income from State Government		**489,914**	**587,998**	**720,701**	**98,084**	**(132,703)**
Surplus/(deficit) for the period		**(242,917)**	**(299,370)**	**(79,983)**	**(56,453)**	**(219,387)**
Other comprehensive income						
Changes in asset revaluation surplus		-	4,264,155	3,069,042	4,264,155	1,195,113
Total other comprehensive income		**-**	**4,264,155**	**3,069,042**	**4,264,155**	**1,195,113**
Total comprehensive income for the period		**(242,917)**	**3,964,785**	**2,989,059**	**4,207,702**	**975,726**

Notes to the financial statements

12.1.1. Statement of comprehensive income variances (continued)

Major Estimate and Actual (2026) variance narratives

Housing Authority

1. Rental expenses are $83.9 million (19%) higher than the estimate, primarily due to higher maintenance, rental and corporate support costs, including:

    - $65.3 million higher maintenance expenditure, primarily reflecting ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties.

    - $20.1 million higher rental costs primarily reflects increased costs under leasing arrangements, including the impact of prevailing market conditions on rental rates, together with timing differences arising from lease accruals and prepayment adjustments.

2. Supplies and services expenditure is $51.6 million (17%) higher than the estimate, primarily due to additional costs recognised in 2025-26 that were not included in the estimate, including:

    - $5.8 million for corporate support services provided by the DoHW to the HA under a Service Delivery Agreement, following the transfer of certain corporate functions from the Department of Communities to DoHW as part of the initial stage of the Public Sector Reform. The associated corporate funding and expense limit remained with the Department of Communities in 2025-26, pending transfer to DoHW in 2026-27. This resulted in a temporary timing difference between budget and actual expenditure, which is expected to be resolved following the transfer of the associated funding and expense limit to DoHW;

    - $24.7 million of employee-related costs under the Service Delivery Agreement, including leave provisions, allowances and other associated employment costs. These costs were not included in the estimate and were offset by corresponding inter-entity revenue recognised under Service Level Agreement revenue, resulting in no net cash impact; and

    - $24.2 million relating to the timing of payments, resulting in a higher trade creditors balance at 30 June 2026.

3. Depreciation and amortisation expense is $74.3 million (56%) higher than the estimate due the annual revaluation process of Housing property assets. Assets were revalued in June 2025, with the impact of higher asset values increasing depreciation expense from July 2025 onwards.

4. Gain/Loss on disposal of non-current assets is $17.9 million (133%) lower than estimate, reflecting a $4.49 million gain on property disposals compared with an estimated loss of $13.49 million. The variance primarily reflects more favourable proceeds from the sale of shared equity properties and differences between actual sales activity and the assumptions incorporated in the estimate.

5. Service Appropriation actual is $136.2 million (93%) higher than the estimate, primarily due to additional funding provided for Housing, including:
    - $66.243 million for the Maintenance Uplift Extension;
    - $13.132 million for the uplift in Remote Communities Housing and Municipal Services; and
    - $59.475 million from the release of Treasury Administered Social Housing Services funding.

6. Income from other public sector entities is $46.6 million (17%) lower than the estimate, primarily due to:

    - $57.0 million lower than the estimate due to timing differences in the receipt of administered appropriation associated with prioritising the retention of properties to support housing supply. The associated funding remained in Treasury Administered pending transfer to regular appropriation and drawdown in 2026-27.

    - This was partially offset by $5.3 million higher DRFAWA grant revenue and $3.9 million higher interest revenue than estimated.

Notes to the financial statements

12.1.1. Statement of comprehensive income variances (continued)

Major Actual (2026) and Comparative (2025) variance narratives

Housing Authority

a) Rental Revenue is $34.9 million (11%) higher than 2024-25, reflecting higher rental income due to changes in tenants' assessable household income, rent reviews and movements in the rental property portfolio.

b) Grants, contributions and subsidies are $25.1 million (15%) lower than 2024-25, mainly due to $25.0 million in one-off Commonwealth funding for the WA HAFF Acute Housing Measure Implementation Plan received in 2024-25.

c) Rental expenses are $63.3 million (14%) higher than 2024-25, mainly due to higher maintenance expenditure, primarily reflecting ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties.

d) Supplies and services expenditure is $58.9 million (19%) higher than 2024-25, primarily due to higher corporate service costs incurred by the Department of Communities and allocated to the HA under existing service delivery arrangements. These services include finance, human resources and information technology. During the transition of corporate functions DoHW, these costs continued to be paid to the Department of Communities in 2025-26, with payments expected to transition to DoHW following completion of the corporate functions transfer in 2026-27.

e) Depreciation and amortisation expense is $44.9 million (28%) higher than 2024-25 primarily due to the addition of new properties and asset revaluations. Assets were revalued in June 2025, with the impact of higher asset values increasing depreciation expense from July 2025 onwards.

f) Finance costs are $94.9 million (76%) lower than 2024-25, primarily due to finance costs associated with Keystart related WATC borrowings, which totalled $98.3 million in 2024-25, are no longer recognised by the HA following Keystart's transition to a Government Trading Enterprise from 1 July 2025.

g) Grants and subsidies expenditure is $72.4 million (143%) higher than 2024-25, primarily due to:

- Commencement of new programs, including $16.6 million for the Housing Australia Future Fund, $11.9 million for Remote Housing projects and $5.8 million for the Housing Diversity Pipeline; and
- Higher expenditure in 2025-26 due to revised project delivery schedules, including $23.9 million for the Social Housing Accelerator Program, $6.3 million for Social Housing Economic Recovery Package new builds and $6.1 million for North West Aboriginal Housing Fund ACCO projects.

h) Gain/loss on disposal of non-current assets improved by $37.8 million compared with 2024-25, moving from a $33.29 million loss in 2024-25 to a $4.49 million gain in 2025-26 (113%). The improvement was primarily due to the non-recurrence of the $27.4 million one-off loss on the transfer of land assets to DevelopmentWA recognised in 2024-25, together with an overall net gain on property disposals in 2025-26.

i) Income from other public sector entities is $84.9 million (27%) lower than 2024-25, primarily due to the cessation of $123.9 million in Keystart-related interest and dividend income following Keystart's transfer out of the HA. This reduction was partially offset by higher funding received in 2025-26, including $16.5 million higher DRFAWA recoupments relating to the Kimberley Flood Recovery Housing Repair and Rebuild Program and $20.5 million relating to the Social Housing Energy Performance Initiative (SHEPI).

j) Royalties for Regions recurrent funding is $18.041 million (21%) lower than 2024-25, primarily due to funding provided in 2024-25 not continuing in 2025-26, including $8.0 million for the North West Aboriginal Housing Fund ACCO, $2.0 million for the Pilbara Aboriginal Home Ownership Program and $7.5 million for Remote Aboriginal Communities.

Notes to the financial statements

12.1.2. Statement of financial position variances

	Variance Notes	Estimate 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Assets						
Current assets						
Cash and cash equivalents		207,820	255,382	210,986	47,562	44,396
Restricted cash and cash equivalents		12,912	41,609	52,311	28,697	(10,702)
Inventories	1	236,292	44,761	14,586	(191,531)	30,175
Loans and receivables		223,382	204,081	217,830	(19,301)	(13,749)
Other current assets		14,029	25,391	31,424	11,362	(6,033)
Non-current assets classified as held for sale		6,242	3,081	5,207	(3,161)	(2,126)
Total current assets		**700,677**	**574,305**	**532,344**	**(126,372)**	**41,961**
Non-current assets						
Inventories		219,316	45,880	59,289	(173,436)	(13,409)
Loans and receivables	a	61,693	130,173	1,994,272	68,480	(1,864,099)
Other financial assets		2,011	-	-	(2,011)	-
Property, plant and equipment	2, b	14,977,626	21,132,934	17,313,548	6,155,308	3,819,386
Right-of-use assets		4,370	7,214	5,032	2,844	2,182
Service concession assets	3, c	2,326,588	3,578,291	2,815,270	1,251,703	763,021
Total non-current assets		**17,591,604**	**24,894,492**	**22,187,411**	**7,302,888**	**2,707,081**
Total assets		**18,292,281**	**25,468,797**	**22,719,755**	**7,176,516**	**2,749,042**
Liabilities						
Current liabilities						
Payables		100,509	61,924	55,052	(38,585)	6,872
Borrowings	d	18,872	19,493	623,751	621	(604,258)
Lease liabilities		97,267	118,802	102,146	21,535	16,656
Provisions		13,503	29,529	-	16,026	29,529
Other current liabilities		21,861	21,574	19,354	(287)	2,220
Total current liabilities		**252,012**	**251,322**	**800,303**	**(690)**	**(548,981)**
Non-current liabilities						
Payables		237	224	231	(13)	(7)
Borrowings	e	311,567	261,738	1,601,230	(49,829)	(1,339,492)
Provisions		36,501	49,814	78,330	13,313	(28,516)
Lease liabilities		63,589	134,781	112,306	71,192	22,475
Other non-current liabilities		127,330	126,104	129,399	(1,226)	(3,295)
Total non-current liabilities		**539,224**	**572,661**	**1,921,496**	**33,437**	**(1,348,835)**
Total liabilities		**791,236**	**823,983**	**2,721,799**	**32,747**	**(1,897,816)**
Net assets		**17,501,045**	**24,644,814**	**19,997,956**	**7,143,769**	**4,646,858**
Equity						
Contributed equity		4,749,099	4,636,339	3,954,266	(112,760)	682,073
Reserves		9,667,720	16,909,482	12,682,456	7,241,762	4,227,026
Retained earnings		3,084,226	3,098,993	3,361,234	14,767	(262,241)
Total equity		**17,501,045**	**24,644,814**	**19,997,956**	**7,143,769**	**4,646,858**

Notes to the financial statements

12.1.2. Statement of financial position variances (continued)

Major Estimate and Actual (2026) variance narratives

Housing Authority

1. Current inventories are $191.5 million (81%) lower than the estimate, mainly due to fewer house and land packages being available for sale than budgeted. This reflects land inventory being retained for future development to support the delivery of public and social housing rather than being sold.

2. Property, plant and equipment is $6.2 billion (41%) higher than the estimate, mainly due to:
- $5.8 billion of increased asset values in line with revaluations resulting from increased market value; and
- $0.6 billion of asset additions due to the HA increasing its stock of dwellings available for public and social housing through new purchases.

3. Service concession assets are $1.3 billion (54%) higher than the estimate primarily due to:
- $1.2 billion higher asset values following revaluations; and
- $0.1 billion relating to the reclassification of assets from property, plant and equipment to service concession assets.

Notes to the financial statements

12.1.2. Statement of financial position variances (continued)

Major Actual (2026) and Comparative (2025) variance narratives

Housing Authority

a) Non-current loans and receivables are $1.9 billion (93%) lower than 2024-25 primarily due to Keystart preferential shares previously recognised within the HA's non-current loans and receivables. Following Keystart's transition to a Government Trading Enterprise from 1 July 2025, the previous WATC funding arrangement ceased and the preferential share balance was no longer recognised by the HA.

b) Property, plant and equipment is $3.8 billion (22%) higher than 2024-25, mainly reflecting the movement higher property values following revaluations driven by increases in market values.

c) Service concession assets are $763 million (27%) higher than the estimate primarily due to revaluation of service concession assets.

d) Current borrowings are $604.3 million (97%) lower than 2024-25 primarily due current borrowings relating to the WATC Keystart floating principal no longer being reflected in 2025-26 from 1 July 2025 following Keystart becoming a GTE under the State Government's GTE reforms and transferring out of the HA.

e) Non-current borrowings are $1.3 billion (84%) lower than 2024-25 primarily due to Keystart related WATC non-current borrowings no longer being reflected following Keystart's transfer out of the HA from 1 July 2025 following Keystart becoming a GTE under the State Government's GTE reforms and transferring out of the HA.

Notes to the financial statements

12.1.3. Statement of cash flows variances

	Variance Notes	Estimate 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Cash flows from operating activities						
Receipts						
Rental receipts	a	353,248	339,713	302,793	(13,535)	36,920
Grants, contributions and subsidies	b	139,121	140,151	165,214	1,030	(25,063)
Interest received		12,617	20,460	17,026	7,843	3,434
Inventory receipts on sales		27,694	32,309	32,279	4,615	30
Other receipts		21,993	21,051	20,431	(942)	620
GST receipts on sales		9,720	13,513	4,145	3,793	9,368
GST receipts from taxation authority	1	14,130	32,657	27,325	18,527	5,332
Payments						
Rental property payments	2, c	(448,533)	(529,538)	(466,016)	(81,005)	(63,522)
Community support payments		(124,108)	(111,659)	(116,063)	12,449	4,404
Supplies and services		(382,988)	(398,544)	(387,492)	(15,556)	(11,052)
Finance costs	d	(23,624)	(28,272)	(129,372)	(4,648)	101,100
Accommodation		(10,948)	(14,303)	(11,608)	(3,355)	(2,695)
Grants and subsidies	e	(133,440)	(123,005)	(50,574)	10,435	(72,431)
Purchase and development of inventory	3	(131,686)	(29,429)	(38,483)	102,257	9,054
GST payments on purchases	f	(23,850)	(33,342)	(47,213)	(9,492)	13,871
Net cash provided by / (used in) operating activities		**(700,654)**	**(668,238)**	**(677,608)**	**32,416**	**9,370**
Cash flows from investing activities						
Receipts						
Proceeds from the sale of non-current physical assets	4	25,653	56,377	56,734	30,724	(357)
Other investing receipts	g	-	-	910,000	-	(910,000)
Dividends received	h	4,474	13,455	34,916	8,981	(21,461)
Payments						
Purchase of non-current physical assets	i	(618,346)	(585,536)	(744,636)	32,810	159,100
Other investing payments	j	-	-	(288,184)	-	288,184
Net cash used in investing activities		**(588,219)**	**(515,704)**	**(31,170)**	**72,515**	**(484,534)**
Cash flows from financing activities						
Receipts						
Proceeds from borrowings WA Treasury Corporation	k	-	-	290,000	-	(290,000)
Finance lease receipts	5, l	119,358	135,622	122,433	16,264	13,189
Payments						
Repayment of borrowings from WA Treasury Corporation	m	(19,000)	(31,416)	(965,102)	(12,416)	933,686
Commonwealth Government		(18,682)	(18,681)	(17,894)	1	(787)
Principal elements of lease payments	6, n	(121,857)	(139,062)	(125,256)	(17,205)	(13,806)
Net cash provided by financing activities		**(40,181)**	**(53,537)**	**(695,819)**	**(13,356)**	**642,282**

Notes to the financial statements

12.1.3. Statement of cash flows variances (continued)

	Variance Notes	Estimate 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Cash flows from State Government						
Service appropriation	7	147,099	283,344	313,210	136,245	(29,866)
Capital Appropriation	8	305,108	252,217	246,487	(52,891)	5,730
Royalties for Regions recurrent fund	o	61,650	69,756	87,797	8,106	(18,041)
Royalties for Regions capital fund		100	-	3,807	(100)	(3,807)
Other contributions/distributions of equity		467,143	429,856	414,855	(37,287)	15,001
Funds from other public sector entities	9, p	263,684	236,000	312,155	(27,684)	(76,155)
Net cash provided by State Government		**1,244,784**	**1,271,173**	**1,378,311**	**26,389**	**(107,138)**
Net increase/(decrease) in cash and cash equivalents		(84,270)	33,694	(26,286)	117,964	59,980
Cash and cash equivalents at the beginning of the period		305,002	263,297	289,583	(41,705)	(26,286)
Cash and cash equivalents at end of the period		**220,732**	**296,991**	**263,297**	**76,259**	**33,694**

Major Estimate and Actual (2026) variance narratives

Housing Authority

1. GST receipts from taxation authority are $18.5 million (131%) higher than the estimate primarily due to higher GST recoveries associated with purchases than anticipated and timing differences in GST settlements with the Australian Taxation Office.

2. Rental property payments are $81 million (18%) higher than the estimate, primarily due to higher maintenance, rental and corporate support costs, including:

   - $65.3 million higher maintenance expenditure, primarily reflecting ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties.

   - $20.1 million higher rental costs primarily reflects increased costs under leasing arrangements, including the impact of prevailing market conditions on rental rates and timing differences arising from lease accruals and prepayment adjustments.

3. Purchase and development of inventory is $102.3 million (78%) lower than the estimate, primarily reflecting fewer house and land packages being developed for sale, with land and housing instead retained to support the delivery of public and social housing.

4. Proceeds from the sale of non-current physical assets are $30.7 million (120%) higher than the estimate, mainly reflecting higher-than-estimated proceeds from shared equity sales and the disposal of properties no longer considered suitable for the social housing portfolio.

5. Finance lease receipts are $16.3 million (14%) higher than the estimate, primarily reflecting higher receipts from client agencies associated with GROH lease arrangements. The movement corresponds with higher principal lease payments for GROH properties, which are generally on-charged to client agencies.

6. Principal elements of lease payments are $17.2 million (14%) higher than the estimate reflecting increased payments under lease arrangements for GROH properties. This increase largely corresponds with higher finance lease receipts, as lease payments are on-charged to client agencies, resulting in a largely offsetting impact on cash flows.

Notes to the financial statements

7. Service Appropriation actual is $136.2 million (93%) higher than the estimate, primarily due to additional funding provided for Housing, including:

    - $66.243 million for the Maintenance Uplift Extension;
    - $13.132 million for the uplift in Remote Communities Housing and Municipal Services; and
    - $59.475 million from the release of Treasury Administered Social Housing Services funding.

8. Capital Appropriation actual is $52.9 million (17%) lower than the estimate, primarily reflecting revised anticipated project delivery and expenditure profiles compared with the original estimate for the following programs:

    - $41.1 million for the Investment in New Social Housing Program;
    - $12.4 million for the Housing Diversity Pipeline: Smith Street, Highgate – Build to Rent;
    - $7.6 million for Social Housing Accelerator Payment (SHAP) New Builds;
    - $7.4 million for Affordable Rental Build Program; and
    - Offset by $14.7 million additional capital funding for the GROH Program Spot Purchase.

9. Funds from other public sector entities is $27.7 million (11%) lower than the estimate, primarily due to $57.0 million lower administered appropriation arising from timing differences in the receipt of funding associated with prioritising the retention of properties to support housing supply. The funding remained in Treasury Administered pending transfer to regular appropriation and drawdown in 2026-27. This was partially offset by $5.3 million higher DRFAWA grant recoupments relating to the Kimberley Flood Recovery Housing Repair and Rebuild Program and $3.9 million higher interest receipts than estimated.

Notes to the financial statements

12.1.3. Statement of cash flows variances (continued)

Major Actual (2026) and Comparative (2025) variance narratives

Housing Authority

a) Rental receipts are $36.9 million (12%) higher than 2024-25, reflecting higher rental income due to changes in tenants' assessable household income, rent reviews and movements in the rental property portfolio.

b) Grants, contributions and subsidies are $25.1 million (15%) lower than previous year's actual result, mainly due to $25.0 million in one-off Commonwealth funding for the WA HAFF Acute Housing Measure Implementation Plan received in 2024-25.

c) Rental property payments are $63.5 million (14%) higher than 2024-25, primarily reflecting ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties.

d) Finance costs are $101.1 million (78%) lower than 2024-25, primarily due to finance costs associated with Keystart related WATC borrowings, which totalled $98.3 million in 2024-25, are no longer recognised by the HA following Keystart's transition to a Government Trading Enterprise from 1 July 2025.

e) Grants and subsidies expenditure is $72.4 million (143%) higher than 2024-25, primarily due to:

- Commencement of new programs, including $16.6 million for the Housing Australia Future Fund, $11.9 million for Remote Housing projects and $5.8 million for the Housing Diversity Pipeline; and
- Higher expenditure in 2025-26 due to revised project delivery schedules, including $23.9 million for the Social Housing Accelerator Program, $6.3 million for Social Housing Economic Recovery Package new builds and $6.1 million for North West Aboriginal Housing Fund ACCO projects.

f) GST payments on purchases are $13.9 million (29%) lower than 2024-25, primarily due to a $10.5 million GST payment associated with the Fraser Suites acquisition in 2024-25.

g) The Other investing receipts in 2024-25 relates to redemption of $910 million Keystart Preferential Shares. No corresponding receipts were recorded in 2025-26 following Keystart officially becoming a GTE and being transferred out of the HA effective 1 July 2025 as part of the State Government's GTE reforms.

h) Dividends received are $21.46 million (61.46%) lower than 2024-25, primarily due to the absence of Keystart dividend income in 2025-26 following Keystart's transition to a Government Trading Enterprise and transfer out of the HA from 1 July 2025 as part of the State Government's GTE reforms.

i) Purchase of non-current physical assets is $159.1 million (21%) lower than 2024-25, primarily due to lower expenditure across several housing programs in 2025-26, including:

- $77.1 million for Social Housing Spot Purchases and Shared Equity buybacks;
- $41.4 million for East Perth Common Ground; and
- $33.6 million for NRAS spot purchases under the Social and Affordable Housing Investment Fund.

j) Other Investing payments decreased by $288.1 million (100%) from 2024-25, with no corresponding payments in 2025-26. The 2024-25 balance related to Keystart Preference Shares, which ceased to be reflected in the HA following Keystart's transition to a Government Trading Enterprise from 1 July 2025.

k) Proceeds from borrowings from the WA Treasury Corporation decreased by $290 million (100%) from 2024-25. The 2024-25 proceeds related to Keystart's Current-Term Floating Rate Lending Facility. No corresponding proceeds were reflected by the HA in 2025-26 following Keystart's transition to a Government Trading Enterprise from 1 July 2025.

Notes to the financial statements

l) Finance lease receipts are $13.2 million (11%) higher than 2024-25, primarily reflecting higher receipts from client agencies associated with GROH lease arrangements. The movement corresponds with higher principal lease payments for GROH properties, which are generally on-charged to client agencies.

m) The repayment of borrowings to WATC is $933.7 million (97%) lower than 2024-25, primarily due to Keystart and its associated WATC borrowings were transferred out of the HA from 1 July 2025 following Keystart's transition to a Government Trading Enterprise. As a result, the corresponding borrowing repayments were no longer reflected by the HA in 2025-26.

n) Principal elements of lease payments are $13.8 million (11%) higher than 2024-25, primarily reflecting higher leasing costs for GROH properties due to increased rental rates on new and renewed leased arrangements. These costs are generally on-charged to client agencies with the corresponding receipts largely offsetting the higher lease payments.

o) Royalties for Regions recurrent funding is $18.041 million (21%) lower than 2024-25, primarily attributable to funding provided in 2024-25 for the following programs not continuing in 2025-26:

- $8.0 million for the North West Aboriginal Housing Fund (ACCO);
- $2.0 million for the Pilbara Aboriginal Home Ownership Program; and
- $7.5 million for Remote Aboriginal Communities.

p) Funds from other public sector entities is $76.2 million (24%) lower than 2024-25, primarily due to $123.85 million in Keystart interest and dividend income no longer being received following Keystart's transfer out of the HA. This reduction was partly offset by $32.6 million in higher DRFAWA recoupments in 2025-26 relating to the Kimberley Flood Recovery Housing Repair and Rebuild Program.

Key Performance Indicators

Certification of Key Performance Indicators

For the reporting period ended 30 June 2026

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Housing Authority's performance, and fairly represent the performance of the Housing Authority for the financial year ended 30 June 2026.



Leon McIvor

Chief Executive Officer

Accountable Authority

8 October 2026

Reporting Exemption

The key performance indicators for the service have been exempted from being reported in 2025-26:

- Housing Supply

On 26 June 2026, the Authority received a Treasurer's Direction under section 61(1)(b) of the *Financial Management Act 2006*, confirming that it is not required to report key performance indicators for the above service in the annual report with respect to the 2025-26 financial year.



Outcome Based Management Reporting Framework

State Government Goal

The Housing Authority contributes to the State Government Goal of “Safe, Strong and Fair Communities: Supporting our local and regional communities to thrive”.

Outcome: Affordable housing options are available to eligible Western Australians

The Housing Authority seeks to enhance the quality of life and wellbeing of all people throughout Western Australia by satisfying the basic need for shelter. In the wider context, affordable, available and appropriate housing assists in contributing to positive social outcomes in health, education and employment.

The Housing Authority contributes to this Government goal by providing housing through its rental housing and home ownership activities for eligible Western Australians who may not otherwise be able to obtain housing. Through the provision of Government Regional Officers’ Housing, the Housing Authority also provides government employees with suitable and appropriate housing in regional and remote areas to support the delivery of public services such as education and policing.

Eligibility for public rental housing is determined by assessable income limits and other eligibility criteria. In addition, the Housing Authority makes available loans to cover the cost of security bonds so that income-eligible applicants can access housing in the private rental market.

It is a key strategy of the Housing Authority to ease the pressure on the waiting list for public housing by expanding the range and diversity of housing products and services for people on low to moderate incomes. Varying alternatives provide new entry points for clients, as well as new and evolving options that support their transition along the housing continuum as their circumstances improve.

Key Effectiveness Indicators

Total housing assistances provided relative to public rental waiting list

This indicator measures the Department's capacity to respond to expressed unmet housing demand. It is calculated as the ratio of the total number of units of housing assistance provided each year, to the number on the waiting list at 30 June of the previous year. The higher the ratio, the greater the assistances provided in relation to expressed unmet demand.

Housing assistances comprise: applications housed from the public housing waiting list into public housing or community housing options and bond assistance loans. The Department's public rental housing waiting list is used to represent total expressed unmet housing demand, as the other forms of housing assistance do not have a waiting list.

Total housing assistances provided relative to public rental waiting list

Reporting year	Target total housing assistances	Actual total housing assistances	Target total rental waiting list as at 30 June (prior financial year)	Actual total rental waiting list as at 30 June (prior financial year)	Target ratio	Actual ratio
2025-26	5,092	4,986	22,550	22,377	0.23	0.22
2024-25	5,419	6,177	20,819	20,264	0.26	0.30
2023-24	7,128	5,724	19,114	19,062	0.37	0.30
2022-23	8,820	6,384	19,500	19,070	0.45	0.33
2021-22	9,901	8,518	17,880	17,194	0.55	0.50

Notes:

1. For 2025-26 the total units of housing assistance comprises (2024-25 result indicated within brackets): number of people (applications) allocated from the waiting list into community housing options: 283 (351); number of public rental occupations: 2,461 (2,354); number of bond assistance loans approved: 2,242 (2,749).
2. The total number of applications recorded on the public rental waiting list varies over time as applicants' eligibility changes. Applications may be withdrawn from the waiting list if applicants fail to meet ongoing eligibility requirements or re-instated if they are later considered eligible. The number of applications to calculate this indicator is based on the waiting list as at 30 June 2025 i.e. at the end of the previous financial year.

Key Effectiveness Indicators

Comment on performance

The decrease between the 2024-25 and 2025-26 Actuals primarily reflects lower bond assistance loans due to changes in private rental market conditions and demand for the loans, and fewer allocations from the waiting list into community housing due to limited available stock and continued high demand.

Waiting times for accommodation – applicants housed

This indicator measures the Department's capacity to provide public rental housing to eligible applicants who are on the waiting list. Waiting times for accommodation measures the time between an applicant being listed on the waiting list and when they are housed. The greater the capacity to meet demand, the shorter the waiting time.

Waiting times for accommodation in weeks – applicants housed

Reporting year	Target average	Target median	Actual average	Actual median
2025-26	154	126	174	141
2024-25	163	144	156	123
2023-24	130	103	149	122
2022-23	115	75	133	105
2021-22	103	62	116	81

Comment on performance

Waiting times for accommodation increased in 2025-26, reflecting ongoing constraints in stock availability and tenancy turnover within the existing public housing portfolio. The average waiting time increased from 156 weeks in 2024-25 to 174 weeks in 2025-26, exceeding the target of 154 weeks, while the median waiting time increased from 123 weeks to 141 weeks, exceeding the target of 126 weeks. While overall stock levels are increasing, turnover of existing tenancies continues to be constrained by current market conditions, limiting the availability of suitable properties for allocation and resulting in longer-than-anticipated wait times for applicants.

Waiting times for accommodation – proportion of applicants by waiting period

Reporting year	<1 month (%)	1 – 12 months (%)	1 – 3 years (%)	3 – 5 years (%)	5+ years (%)
2025-26	2.3	10.2	41.9	25.2	20.4
2024-25	3.4	15.6	41.0	24.4	15.5
2023-24	2.7	19.7	40.3	22.5	14.8
2022-23	3.9	19.8	47.1	18.2	11.1
2021-22	4.5	27.7	44.6	13.6	9.6

Comment on performance

Performance between the 2024-25 and 2025-26 Actuals reflect the constraints of limited stock while wait list demand remains high. The Housing Authority prioritises the most vulnerable individuals and households in Western Australia, which contributes to increasing overall wait times amid persistently high demand.

Key Efficiency Indicators

Service 1: Rental housing

This service contributes to the Housing Authority's outcome by providing eligible Western Australians with:

- public rental housing
- community housing managed properties: rental properties managed by not-for-profit housing companies, community organisations, housing associations, and local governments through the Housing Authority's joint venture and community housing and crisis accommodation programs
- rental housing for key workers in regional Western Australia
- properties for remote Aboriginal communities.

Average operating cost per public rental property

The average operating cost per rental property measures the cost efficiency of rental housing and is calculated by dividing the total cost of the service (total expenses) by the total number of rental properties.

The total operating cost of the Rental Housing Service comprises:

- administration costs (employee benefits, supplies and services, and accommodation)
- rental expenses (maintenance, improvements, rates, strata fees)
- finance costs
- depreciation and amortisation
- other expenses
- community support (includes the repair and maintenance of infrastructure, as well as power, water and wastewater in Aboriginal communities and town reserves, which cannot be directly attributed to a property).

Average operating cost per public rental property

Reporting year	Target cost	Actual Cost
2025-26	**$22,758**	**$22,848**
2024-25	$20,001	$21,801
2023-24	$18,789	$20,593
2022-23	$19,015	$19,088
2021-22	$18,109	$15,947

Comment on performance

The movement between the 2025-26 Target and 2025-26 Actual mainly reflects higher depreciation and amortisation expenses following the annual asset revaluation, which increased property values and depreciation expense. The movement also reflects higher maintenance expenditure, primarily due to ongoing cost escalation in materials and labour, including costs associated with maintaining ageing properties.

The movement between the 2024-25 and 2025-26 Actuals mainly reflects higher depreciation and amortisation expenses following the annual asset revaluation.

Key Efficiency Indicators

Service 2: Government Regional Officer Housing

This service provides housing to eligible public sector employees in regional and remote locations to support the attraction and retention of staff delivering essential public services.

Average operating cost per Government Regional Officers' Housing (GROH) rental property

This indicator measures the cost efficiency of providing Government Regional Officers' Housing. It is calculated by dividing the total cost of the service (total expenses) by the total number of properties at the end of the year.

The total operating costs of the Government Regional Officers' Housing service comprise:

- administration costs (employee benefits, supplies and services, and accommodation)
- depreciation and amortisation
- finance costs
- rental expenses (maintenance, improvements, rates, strata fees)
- other expenses.

Average operating cost per Government Regional Officers' Housing (GROH) rental property

Reporting year	Target cost	Actual Cost
2025-26	**$17,610**	**$24,257**
2024-25	$16,849	$22,455
2023-24	$14,555	$20,917
2022-23	$13,621	$16,455
2021-22	$12,844	$13,583

Comment on performance

The movement between the 2025-26 Actual and 2025-26 Target primarily reflects higher rental costs, including increased costs under leasing arrangements due to prevailing market conditions, and higher depreciation and amortisation expenses following the annual asset revaluation, which resulted in asset values and associated depreciation expense being higher than budgeted.

Service 3: Housing Supply

This service contributes to the Housing Authority's outcome by providing housing for sale to the market.

On 26 June 2026, the Authority received a Treasurer's Direction under section 61(1)(b) of the *Financial Management Act 2006*, confirming that it is not required to report key performance indicators for the above service in the annual report with respect to the 2025-26 financial year. (See "Reporting Exemption" section above)

Statutory Information

Additional Reporting

Subsidiaries

The Authority no longer holds any wholly owned subsidiary entities.

The Authority holds interests in the following incorporated entities/ joint ventures:

- Dalyellup Beach Pty Ltd: 50 per cent
- Ocean Springs Pty Ltd: 46.78 per cent

Act of Grace payments

As at 30 June 2026, there were no Act of Grace payments recorded.

Unauthorised use of credit cards

Processes are in place to ensure the early detection of inadvertent/accidental personal misuse of purchasing cards, and timely repayment of associated costs.

In accordance with Treasurer's Instruction 5, officers are prohibited from using government-issued credit cards for personal purposes. Treasurer's Instruction 8 requires the Authority to disclose information relating to personal use.

This financial year credit card expenditure totaling $2,949.52 was identified as not related to operations of the Authority. These transactions were inadvertently made by sixty seven employees.

The matters were not referred for disciplinary action as the Chief Finance Officer noted the transactions were inadvertent/accidental personal use and were repaid promptly.

The table below details the personal expenditure using government-issued credit cards in 2025-26.

Unauthorised use of credit cards	2025 -2026
Number of instances the Western Australian Government Purchasing Cards have been used for personal purchases	67
Aggregate amount of personal use expenditure for the reporting period	$2949.52
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	$2364.70
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	$584.82
Aggregate amount of personal remaining unpaid at the end of the reporting period	$0.00
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

Board and committee remuneration

Nil

Consultant expenditure

Nil

Work health safety and injury management

The Authority's reporting can be found in the DHW 2025-26 Annual Report.

WA Multicultural Policy Framework

The Authority's reporting can be found in the DHW 2025-26 Annual Report.

Workforce inclusiveness

The Authority's reporting can be found in the DHW 2025-26 Annual Report.

Other legal requirements

Advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Authority incurred expenditure in advertising and media advertising. Total expenditure for 2025-26 was $50,756.

Advertising expenditure for Jul 2025 to Jun 2026

Expenditure	Organisation	Total
Advertising & promotions	Initiative Media Australia Pty Ltd	$27,724
Land – advertising & promotions	Box and Dice Operations Pty Ltd	$18,923
Properties – advertising costs	Arena Real Estate Agents	$2,869
	Kalgoorlie Metro Property Group	$1,240
Market research	–	–
Polling	–	–
Direct mail	–	–
Total	**–**	**$50,756**

Disability Access and Inclusion Plan

The Authority's reporting can be found in the DHW 2025-26 Annual Report.

Compliance with public sector standards and ethical codes

The Authority's compliance is reported in the DHW 2025-26 Annual Report.

Recordkeeping plan

The Authority's reporting can be found in the DHW 2025-26 Annual Report.

Appendix

Housing head maintenance contracts

In accordance with the recommendations of the Public Accounts Committee (report numbers 8 and 13), each year the Authority publishes information in relation to the head maintenance contract model, providing an overview of the head contractors' performance to demonstrate how the Authority is realising better maintenance outcomes in the areas of timeliness, reduced costs, and quality of workmanship. Relevant information for 2025–26 can be found below.

Maintaining properties

Maintenance services are performed on over 54,000 (1) residential properties across the State, including GROH dwellings and 111 remote and town-based Aboriginal communities.

In 2025–26, the Department of Housing and Works (DHW) issued an average of approximately 24,000 job orders per month and spent $383.6 million (2) on day-to-day maintenance, vacated maintenance, refurbishments and improvements, planned and cyclical maintenance, estate maintenance and insurance work.

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(1) Property housing types comprise public housing, community housing, Government Regional Officers Housing (GROH), Aboriginal Housing and non-government organisation housing.

(2) This figure includes Public Housing, GROH, and Aboriginal Housing only, and does not include any expenditure related to the Social Housing Economic Recovery Package, Social Housing Investment Fund, Social Housing Energy Performance Initiative or Social Housing Accelerator Fund.

Asbestos management

Responsibility for social and affordable housing assets transferred from the Department of Communities (Communities) to the Department of Housing and Works (DHW) on 1 July 2025.

Housing leads the management of housing assets and associated asbestos risks, with continuity of governance maintained through the internal departmental Assets Compliance Advisory Group (ACAG) and ongoing participation in the WA Government Across Agency Asbestos Group (AAAG). ACAG Terms of Reference were updated in January 2026 to align with post-Public Sector Reform arrangements, with membership comprising both advisory and voting representatives from DHW and Communities.

Asbestos-containing material remains a key consideration in asset lifecycle decision-making, contributing to a gradual reduction in affected assets. Consistent with the Asbestos National Strategic Plan Phase Three 2024–2030, DHW is supporting the development of a proactive, long-term asbestos removal strategy through ACAG and AAAG. In February 2026, an AAAG sub-group was established to progress eradication options, funding pathways and governance oversight, with representation from both Housing (Housing Policy and Development Division) and Works (Buildings and Contracts Division).

At the end of 2025–26, Housing held asbestos registers for 10,084 assets it either owns or has an interest in, down from 10,439 in 2024–25.

Appendix

Head maintenance contracts

Maintenance services are delivered via the Authority's four head maintenance contractors:

- Lake Maintenance (Western Australia) Pty Ltd – East and West Kimberley, Goldfields and Wheatbelt regions
- Programmed Facility Management Pty Ltd – South Metropolitan, South West, Great Southern, Midwest, Gascoyne and Pilbara regions
- Spotless Facility Services Pty Ltd – North Metropolitan and East Metropolitan regions
- Ngaanyatjarra Services (Aboriginal Corporation) – Goldfields (Ngaanyatjarra Lands)

Head contractors are managed under a performance management framework that operates on an incentive and abatement process, including following up non-compliance issues. Key performance indicators are used to assist in identifying performance issues and informing business improvement opportunities.

Maintenance audit methodology and statistics

The Authority publishes information in relation to the head maintenance contract model, which includes:

- a description of its audit methodology
- the number of works orders valued under $500 that are audited each year
- confirmation of the total number (and percentage) of non-compliant work orders
- a breakdown of this number (and percentage) for each area of non-compliance
- a summary of the strategies it is undertaking to address non-compliance issues
- a clear explanation of each of the key performance indicators, including confirmation as to which of the five overarching performance categories (safety, timeliness, tenant satisfaction, quality and participation) each key performance indicator applies
- publication of the target (benchmark) figure for each key performance indicator along with the actual level of performance achieved
- a table for each of the four current head contractors indicating the level of performance against all key performance indicators.

Head maintenance contract audit methodology

The head maintenance contract audit methodology consists of:

- inspections and work order audits by the head contractor (head contractor quality assurance system)
- inspections by the Authority prior to payment (Authority payment authorisations)
- physical review and desktop audits on paid works to the head contractor (Authority quality assurance audits). The methodology is outlined below:

Preventative controls

Works orders completed:

- confirm works order have been satisfactorily completed for billing
- provide compliance and assurance results to the Authority as supporting information for works orders billed.

Head Maintenance Contractors (HMC) quality system:

Compliance and assurance activities 1809001:2008 standards:

- onsite inspections
- desktop analysis
- tenant satisfaction surveys
- All (100 per cent of) vacant properties inspected.

Invoice verification:

- check accuracy of works orders billed
- check physical completion of works orders billed.

Appendix

Housing Authority (Client Services):

Payment authorisation checks of invoices for consistency against:

- schedule of rates
- budget codes
- documentation.

Physical inspections of maintenance works are required where the associated Works Order meets any of the following criteria:

- the property is void (vacant)
- charges relate to tenant liability
- linked to insurance, planned, or cyclical maintenance
- an appliance schedule of rates (SOR) item (to replace or supply and install)
- involves asbestos removal or remediation
- the total cost exceeds $2,500 for metropolitan regions or $5,000 for country regions (excluding travel) (1).

Note:
(1) Inspection thresholds were updated on 9 September 2024. These changes reflect a review of operational cost increases.

Detective controls

Post-payment quality assurance:

- check works orders delivered to technical specifications and quality
- provide remediation actions and feedback business improvement activities to HMCs
- recoup incorrectly billed works order amounts.

Housing Authority, Head Maintenance Contractor Performance (HMCP):

Five per cent of paid works orders
Sample selection criteria

Testing regime including:

- onsite inspections
- desktop audits (process)
- work orders reviews (technical).

Testing checklist, results and actions from sample selection criteria:

- rectify
- recoup
- business improvement activities
- contract management.

Audited works orders statistics 2025–26

Table 101: Paid works orders audited 1 July 2024 – 30 June 2025

Measure	Works orders	Percentage
Number of paid works orders	280,811	–
Number of audited works orders over $500	14,799	5.3%
Number of audited works orders under $500	4,321	1.5%
Number of non-compliant audited works orders over $500	5040	34.1% (1)
Number of non-compliant audited works orders under $500	771	17.8% (2)

Note:

(1) The calculation of this percentage is the number of non-compliant audited works orders over $500, divided by the number of audited works orders over $500 to gain the percentage.

(2) The calculation of this percentage is the number of non-compliant audited works orders under $500, divided by the number of audited works orders under $500 to gain the percentage.

Appendix

Addressing head contractor non-compliance

Non-compliance issues identified are followed up by the Authority. Actions undertaken include:

- pursued recoups and refunds in relation to incorrect measurements claimed
- directed head contractors to supply missing items when details were not provided as required
- where work was not to technical specifications, directions were given to re-perform or correct non-compliant works
- the Authority identified recoups to the value of $1, 526,629.85 during 2025-26 .

The Authority has also undertaken several approaches to validate the self-reported performance results of the head contractors, which provide opportunities for continuous improvement. This includes but is not limited to:

- engaging qualified tradesmen, compliance and business improvement officers to undertake on-site quality audit inspections and desktop audits
- operational and quality assurance meetings with the head contractors to address any issues relating to non-compliance matters
- supporting tools and materials, such as the development of business rules, which are circulated as and when required
- toolbox workshop collaborative sessions between the Authority and head contractors
- embedding the Authority’s Quality Assurance Framework
- monthly audit reports capturing monthly trends and issues.

The table below references the actual total combined number of non-compliances by Category and Definition for each area of non-compliance reason (work orders may have multiple non-compliance issues identified).

Table 102: Non-compliant audited works orders by issue 1 July 2025–30 June 2026 number (and percentage) for each area of non-compliance (1)

Non-compliance reason	Works order issues	Percentage	Category
Head contractor claimed schedule of rates above self-variation threshold – correctly claimed	42	0. 45%	1
Head contractor claimed schedule of rates above self-variation threshold – incorrectly claimed	39	0. 42%	1
Schedule of rates added by the head contractor is not task related	20	0. 21%	1
Schedule of rates added by the head contractor without details provided	436	4.67%	2
Documentation not provided or incorrectly completed as required by schedule of rates	831	8.9%	2
Schedule of rates incorrectly claimed	5134	55.00%	3
Warranty Issue	3	0. 03%	3
Incorrect measurement or quantity claimed	2353	25.21%	3
Task on work order not done and not required	64	0. 69%	3
Work non-compliant	376	4.03%	4
Task on works order not done or incomplete	37	0. 40%	4

(1) The table below provides descriptions of non-compliance items as listed in this table.

Appendix

Table 103: Non-compliant items definitions and category

Issue Type	Category	Definition
Head contractor claimed schedule of rates above self-variation threshold – correctly claimed	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority. However, the schedule of rates was correctly claimed.
Head contractor claimed schedule of rate above self-variation threshold – incorrectly claimed	1	Head contractor has added a schedule of rates to a works order without authorisation from the Authority and the schedule of rates was incorrectly claimed.
Schedule of rates added by the head contractor is not task related	1	Head contractor has added an additional schedule of rates task to the works order, which does not relate to the original task requested by the Authority.
Schedule of rates added by the head contractor without details provided	2	The head contractor has added an additional schedule of rates to the works order without sufficient detail for justification.
Documentation not provided or incorrectly completed as required by schedule of rates	2	The Authority's specifications require certain documents to be returned by the head contractor upon completion of works. Documents may include receipts, inspection reports and compliance certificates.
Schedule of rates incorrectly claimed	3	Schedule of rates item has been incorrectly claimed by the head contractor or is a duplication of another schedule of rates already claimed on the works order.
Warranty Issue	3	Head contractor has incorrectly claimed a schedule of rates which is still under warranty.
Incorrect measurement or quantity claimed	3	Head contractor has claimed measurements or quantities which are incorrect, within the self-variation threshold.
Task on works order not done and not required	3	The head contractor has not completed the task on the works order however, the task was not required. The schedule of rates was claimed in error and requires recoup.
Work non-compliant	4	Works are non-compliant with requirements of the technical specifications, are of poor quality and/or not in line with Australian standards and regulatory/safety requirements.

Issue Type	Category	Definition
Task on works order not done or incomplete	4	The head contractor has omitted to do the task on the works order or has partially completed task requirements.

Head maintenance contract key performance indicators

Key performance indicator definitions

The Authority measures the performance of the head contractors against 15 key performance indicators as explained in the table below.

Table 104: Explanation of the head maintenance contract key performance indicators assessed throughout 2025–26 including overarching performance categories and target

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 1	Safety	Health, Safety and Environmental Management Plan	Plan complied with including: • safety inspections carried out for each Category of Work accord with safety inspections • contractor has an internal corporate occupational safety and health representative with relevant training and qualifications • Safety Work Method Statement completed for all high-risk construction work • Take five safety check (or equivalent) completed for all schedule of rates work.	100% of Health, Safety and Environmental Management Plan provided.

Appendix

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 2	Safety	Statutory Notices	Provision of statutory notices to the Principal.	100% of statutory notices provided to the Principal immediately (and no later than five hours from receipt of the notice from a regulator).
KPI 3	Timeliness	Emergency	Attend and restore or repair life threatening safety issue within 8 hours of issue of the works order to the contractor.	100% of paid emergency works orders completed within eight hours of issue of the works orders to the contractor.
KPI 4	Timeliness	Urgent	Attend and restore or repair essential service(s) within 24 hours of issue of the works order to the contractor.	95% of paid urgent works orders completed within 24 hours of issue of the works orders to the contractor.
KPI 5	Timeliness	Priority	Attend and repair within 48 hours of issue of the works order to the contractor.	95% of paid priority works orders completed within 48 hours of issue of the works orders to the contractor.
KPI 6	Timeliness	Void	Attend and complete void maintenance activity within 14 days of issue of the works order to the contractor.	Average of 14 days for the completion of paid void maintenance works orders for the relevant performance review quarter.

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 7	Timeliness	Routine	Attend and repair within 28 days of issue of the works order to the contractor.	95% of paid routine works orders completed within 28 days of issue of the works orders to the contractor.
KPI 8	Timeliness	Timeliness of invoices (Payment claims)	Submission of compliant payment claims (compliant with all requirements of the contract) within 14 days following completion of all maintenance works and services the subject of a works order.	90% of payment claims submitted within 14 days of completion of all maintenance works and services the subject of a works order.
KPI 8a	Timeliness	Quoted (Instruction)	Provide required number of Tender Evaluation Plans within timeframe as per General Specification.	95%
KPI 8b	Timeliness	Quoted (Works)	Attend and complete quoted work activity within agreed timeframe.	95%
KPI 9 (1)	–	–	–	–
KPI 10	Quality	Non-defective works	Non-defective works orders as a percentage of total maintenance works and services works orders completed in the relevant performance review quarter.	90%

Appendix

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 11	Quality	Improvement Notices	Number of Improvement Notices achieving the outcome sought to the satisfaction of the Principal in the agreed time for completion against the number issued for the relevant performance review quarter.	95%
KPI 12	Quality	Compliance Notices	Number of Compliance Notices achieving the outcome sought to the satisfaction of the Principal in the agreed time for completion against the number issued for the relevant performance review quarter.	100%
KPI 12a	Quality	Maintenance Works and Services Target Inspections	Number of inspections completed as a percentage of the number of inspections undertaken to be completed in the contractor's Operational Plan.	100%
KPI 13	Participation	Industry Participation Plan	Plan complied with.	100% compliance.
KPI 14	Participation	Indigenous Employment and Enterprise Plan	Plan complied with.	100% compliance.

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 14a	Participation	Indigenous Employment	Number of indigenous personnel engaged in performing work in connection with the contract during the relevant performance review quarter as a percentage of all personnel engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.
KPI 14b	Participation	Indigenous Enterprise	Number of indigenous businesses engaged as subcontractors in performing work in connection with the contract during the relevant performance review quarter as a percentage of all businesses engaged in performing work in connection with the contract during the relevant performance review quarter.	The benchmark is dependent on the region, ranging from 5% to 20%.
KPI 15	Participation	Apprenticeship Plan	Plan complied with.	100% compliance.

Appendix

Key Performance Indicators (KPI)	Category	Name	Explanation	Performance benchmark score
KPI 15a	Participation	Apprenticeships	Number of apprentices engaged by the contractor or its subcontractors who are performing work in connection with the contract during the relevant performance review quarter achieves the ratio of at least 1 apprentice for each $1m in payments made by the Principal to the contractor under the contract in the relevant performance review quarter (rounded up to nearest $1 million).	100% Compliance.

(1) KPI 9 removed as a standalone KPI in contract year 4 and incorporated into new key performance indicator 12a.

Head contractor performance 2025–26

The Authority measures, monitors and reports head contractor performance under the head maintenance contract against individual contract areas on a quarterly basis. This reporting process provides the most accurate measurement of performance because it is measuring fixed quarterly performance against each contract area in line with the contract's performance management framework. This reporting is outlined by quarter in the tables below.

Appendix

Table 105: Head maintenance contract key performance indicator performance: Part 1, year 12 quarter 1 (1 July 2025–30 September 2025)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	96.1%	93.8%	96.0%	86.0%	100.0%	98.6%
KPI 4 Urgent (24 hours)	95%	41.9%	73.7%	58.1%	49.5%	90.8%	89.7%
KPI 5 Priority (48 hours)	95%	48.7%	68.7%	57.5%	56.3%	84.8%	84.1%
KPI 6 Void (average days)	14	35.7	8.5	14.2	10	12	40.5
KPI 7 Routine (28 days)	95%	75.7%	79.1%	70.5%	70.9%	69.5%	69.5%
KPI 8 Timeliness of invoices	90%	93.0%	97.2%	96.7%	89.9%	80.4%	90.7%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 8b Quoted (works)	95%	100.0%	97.1%	100.0%	90.0%	76.5%	95.0%
KPI 10 Non-defective works	90%	97.4%	97.7%	96.6%	98.1%	99.4%	97.8%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5–20%	10.4%	8.1%	13.6%	6.2%	6.0%	7.0%
KPI 14b† Indigenous enterprise	5–20%	11.0%	6.7%	12.0%	7.4%	8.8%	9.8%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 106: Head maintenance contract key performance indicator performance: Part 2, year 12 quarter 1 (1 July 2025–30 September 2025)

Head maintenance contract KPI results	Benchmark	Southwest contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	0.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	97.6%	96.2%	96.5%	98.6%	99.0%
KPI 4 Urgent (24 hours)	95%	80.7%	72.9%	59.5%	88.4%	88.8%
KPI 5 Priority (48 hours)	95%	77.8%	75.7%	62.9%	84.7%	81.0%
KPI 6 Void (average days)	14	16.8	33	36.8	12.1	9.7
KPI 7 Routine (28 days)	95%	71.2%	58.9%	40.7%	68.5%	68.9%
KPI 8 Timeliness of invoices	90%	84.5%	76.9%	74.6%	90.8%	92.1%
KPI 8a Quoted (instruction)	95%	93.3%	96.8%	97.8%	100.0%	100.0%
KPI 8b Quoted (works)	95%	77.3%	78.6%	84.0%	93.5%	95.5%
KPI 10 Non-defective works	90%	98.3%	98.2%	99.0%	98.2%	97.7%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	0.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract Benchmark KPI results	South West contract area	Midwest Gascoyne contract area	Pilbara contract area		North Metro contract area	South East Metro contract area
KPI 14a† Indigenous employment	5–20%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14b† Indigenous enterprise	5–20%	7.6%	12.6%	12.7%	5.1%	5.1%
KPI 15 Apprenticeship plan	100%	10.0%	20.4%	26.9%	17.1%	17.1%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 107: Head maintenance contract key performance indicator performance: Part 1, year 12 quarter 2 (1 October 2025–31 December 2025)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	96.3%	89.0%	90.5%	89.6%	98.4%	98.9%
KPI 4 Urgent (24 hours)	95%	57.4%	75.8%	43.2%	53.7%	89.7%	91.7%
KPI 5 Priority (48 hours)	95%	64.7%	67.2%	43.8%	66.0%	82.2%	84.8%
KPI 6 Void (average days)	14	24.1	11.6	17.5	11.8	12.4	32
KPI 7 Routine (28 days)	95%	79.5%	78.4%	68.6%	70.8%	73.3%	71.4%
KPI 8 Timeliness of invoices	90%	93.3%	95.1%	95.2%	89.6%	87.6%	93.4%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	95.2%	100.0%
KPI 8b Quoted (works)	95%	100.0%	99.3%	100.0%	84.6%	91.3%	85.7%
KPI 10 Non-defective works	90%	96.4%	99.0%	97.3%	98.5%	99.6%	96.9%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

KPI 12a Maintenance works services target inspections	100%	100.0%	100.0%	97.8%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14a† Indigenous employment	5–20%	10.6%	8.5%	13.7%	6.4%	5.6%	6.7%
KPI 14b† Indigenous enterprise	5–20%	10.8%	6.5%	11.7%	7.4%	8.6%	10.0%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 108: Head maintenance contract key performance indicator performance: Part 2, year 12 quarter 2 (1 October 2025–31 December 2025)

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	0.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	97.6%	96.9%	94.6%	98.8%	99.0%
KPI 4 Urgent (24 hours)	95%	84.0%	75.6%	64.7%	89.7%	88.1%
KPI 5 Priority (48 hours)	95%	80.8%	78.7%	63.7%	86.7%	82.3%
KPI 6 Void (average days)	14	12.3	20.5	36.5	11.7	12.1
KPI 7 Routine (28 days)	95%	63.4%	61.3%	53.4%	70.1%	72.7%
KPI 8 Timeliness of invoices	90%	89.3%	89.7%	83.8%	93.7%	93.1%
KPI 8a Quoted (instruction)	95%	100.0%	94.7%	94.2%	100.0%	100.0%
KPI 8b Quoted (works)	95%	91.2%	54.5%	65.9%	100.0%	100.0%
KPI 10 Non-defective works	90%	98.7%	98.6%	99.0%	98.9%	98.1%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	6.9%	9.3%	13.9%	5.0%	5.0%
KPI 14a† Indigenous employment	5–20%	10.6%	24.4%	28.3%	17.3%	17.3%
KPI 14b† Indigenous enterprise	5–20%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	6.9%	9.3%	13.9%	5.0%	5.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 109: Head maintenance contract key performance indicator performance: Part 1, year 12 quarter 3 (1 January 2026–31 March 2026)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	90.4%	86.0%	89.1%	82.7%	96.2%	96.8%
KPI 4 Urgent (24 hours)	95%	54.6%	81.6%	45.8%	60.7%	83.5%	92.1%
KPI 5 Priority (48 hours)	95%	66.3%	71.9%	43.4%	57.9%	85.5%	86.9%
KPI 6 Void (average days)	14	20.9	10.7	16.2	14.4	11.3	29.3
KPI 7 Routine (28 days)	95%	86.4%	79.4%	69.1%	76.7%	72.2%	77.5%
KPI 8 Timeliness of invoices	90%	88.6%	89.7%	92.6%	89.6%	83.0%	93.4%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	95.7%
KPI 8b Quoted (works)	95%	100.0%	98.4%	100.0%	92.9%	87.5%	66.7%
KPI 10 Non-defective works	90%	96.4%	98.5%	97.8%	99.0%	99.8%	97.1%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	10.1%	8.4%	13.3%	6.2%	5.1%	6.4%
KPI 14a† Indigenous employment	5–20%	10.8%	6.3%	11.7%	7.4%	7.7%	10.3%
KPI 14b† Indigenous enterprise	5–20%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	10.1%	8.4%	13.3%	6.2%	5.1%	6.4%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 110: Head maintenance contract key performance indicator performance: Part 2, year 12 quarter 3 (1 January 2026–31 March 2026)

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	0.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	98.3%	90.3%	97.2%	98.0%	98.0%
KPI 4 Urgent (24 hours)	95%	82.0%	76.5%	69.5%	88.3%	87.3%
KPI 5 Priority (48 hours)	95%	82.6%	80.8%	66.1%	86.1%	82.9%
KPI 6 Void (average days)	14	26.2	29.9	26.4	14.5	12
KPI 7 Routine (28 days)	95%	67.7%	66.2%	51.3%	71.3%	73.8%
KPI 8 Timeliness of invoices	90%	86.8%	87.4%	87.4%	93.4%	92.0%
KPI 8a Quoted (instruction)	95%	90.0%	96.2%	84.1%	100.0%	100.0%
KPI 8b Quoted (works)	95%	78.6%	52.6%	41.5%	100.0%	96.7%
KPI 10 Non-defective works	90%	96.6%	98.2%	98.5%	99.1%	98.5%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	6.7%	8.8%	12.1%	5.1%	5.1%
KPI 14a† Indigenous employment	5–20%	10.6%	22.4%	25.9%	16.0%	16.0%
KPI 14b† Indigenous enterprise	5–20%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	6.7%	8.8%	12.1%	5.1%	5.1%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 111: Head maintenance contract key performance indicator performance: Part 1, year 12 quarter 4 (1 April 2026–30 June 2026)

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	94.3%	92.0%	94.2%	90.1%	96.9%	96.1%
KPI 4 Urgent (24 hours)	95%	65.8%	82.6%	50.5%	65.4%	85.2%	89.7%
KPI 5 Priority (48 hours)	95%	63.9%	72.9%	47.7%	66.3%	82.6%	84.8%
KPI 6 Void (average days)	14	28.1	8.7	28.5	22.1	14.9	28.7
KPI 7 Routine (28 days)	95%	81.4%	84.0%	57.5%	70.3%	64.4%	79.2%
KPI 8 Timeliness of invoices	90%	87.2%	89.5%	89.7%	82.0%	83.9%	87.8%
KPI 8a Quoted (instruction)	95%	100.0%	100.0%	100.0%	100.0%	100.0%	76.9%
KPI 8b Quoted (works)	95%	100.0%	98.3%	100.0%	89.5%	71.4%	63.3%
KPI 10 Non-defective works	90%	96.4%	98.2%	96.6%	98.5%	98.8%	97.1%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	East Kimberley contract area	Goldfields contract area	West Kimberley contract area	Wheatbelt contract area	Great Southern contract area	South Metro contract area
KPI 14 Indigenous employment and enterprise plan	100%	9.4%	8.4%	13.2%	5.8%	5.0%	5.7%
KPI 14a† Indigenous employment	5–20%	10.9%	6.3%	11.8%	7.4%	7.7%	10.1%
KPI 14b† Indigenous enterprise	5–20%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	9.4%	8.4%	13.2%	5.8%	5.0%	5.7%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Table 112: Head maintenance contract key performance indicator performance: Part 2, Year 12 quarter 4 (1 April 2026–30 June 2026)

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 1 Health, safety and environmental management plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 2 Statutory notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 3 Emergency (8 hours)	100%	95.9%	78.4%	93.9%	97.5%	97.5%
KPI 4 Urgent (24 hours)	95%	87.4%	79.6%	72.9%	88.1%	88.9%
KPI 5 Priority (48 hours)	95%	81.5%	80.5%	65.4%	83.2%	81.4%
KPI 6 Void (average days)	14	33.1	40.3	24.2	13.8	10.6
KPI 7 Routine (28 days)	95%	66.8%	60.5%	50.3%	65.5%	72.9%
KPI 8 Timeliness of invoices	90%	86.5%	67.3%	70.8%	93.0%	92.5%
KPI 8a Quoted (instruction)	95%	80.8%	84.4%	97.8%	100.0%	98.5%
KPI 8b Quoted (works)	95%	72.4%	56.0%	55.9%	96.0%	100.0%
KPI 10 Non-defective works	90%	97.5%	97.8%	98.5%	98.7%	98.5%
KPI 11 Improvement notices	95%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12 Compliance notices	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 12a Maintenance works and services target inspections	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 13 Industry participation plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 14 Indigenous employment and enterprise plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Head maintenance contract KPI results	Benchmark	South West contract area	Midwest Gascoyne contract area	Pilbara contract area	North Metro contract area	South East Metro contract area
KPI 14a† Indigenous employment	5–20%	6.1%	8.7%	11.4%	4.9%	4.9%
KPI 14b† Indigenous enterprise	5–20%	10.2%	22.0%	22.4%	14.5%	14.5%
KPI 15 Apprenticeship plan	100%	100.0%	100.0%	100.0%	100.0%	100.0%
KPI 15a Apprenticeships	100%	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

† For KPI 14a and KPI 14b East Kimberley, West Kimberley and Pilbara have a benchmark of 20 per cent, Goldfields has a benchmark of 10 per cent and all other contract areas have a benchmark of 5 per cent.

Appendix

Head contractor quality assurance system

Under the maintenance contracts, the head contractors must have a quality system that includes a minimum number of inspections on all completed works comprising on-site inspections, desktop analysis and tenant satisfaction surveys. In addition to this, 100 per cent of vacant properties (voids) are physically inspected.

Compliance and assurance activities to ISO 9001:2008 standards are a key component of the head maintenance contract. ISO 9001:2008 is focused on meeting customer expectations and delivering customer satisfaction.

Quality assurance audits

The Authority's agreed audit methodology for sampling and selecting physical and desktop compliance inspections on paid works orders per head contractor includes:

- identification of high risk/high volume works orders, for example electrical safety devices, emergency premium claims and travel claims
- trend analysis (month to month) across all licensed and general trades based on previous audit findings
- seasonal issues, for example room heaters, flues, gutters and roof leaks.

The Authority's maintenance technical advisors (which includes licensed electricians, plumbers/gas fitters and experienced general tradespeople) conduct physical inspections on works orders to identify compliance, check measurements, quantity and review of workmanship and quality. Qualified advisors conduct reviews to identify works order claims that do not comply with contractual business rules, general and technical specifications. Desktop audits are conducted to identify issues relating to the accuracy and appropriateness of quantity or measurements and document compliance. Any issues identified are raised directly with the head contractor to rectify or can result in a physical inspection to verify.

Each of these audit methods may result in the Authority issuing a direction to the head contractor to re-perform or correct any matters identified.

Payment Authorisations

The Authority reviews work orders prior to payment for the following:

- correct schedule of rates applied for location, quantities and measurements are claimed (including travel)
- correct budget codes have been applied
- required documentation is supplied in line with schedule of rates requirements.

In addition, a physical inspection of the works must be completed where the works order contains any of the following criteria:

- Void (vacant properties)
- Tenant liability charges (where tenants have been charged for repairs)
- Any budget code for insurance, refurbishment, improvement, planned or cyclical (quoted works)
- Any safety device or appliance installed
- Asbestos removal and remediation
- Works orders over $2500 for a metropolitan region or over $5,000 for a country region (excluding travel). Works found to be non-compliant are referred to the head contractor for rectification prior to payment being made.



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