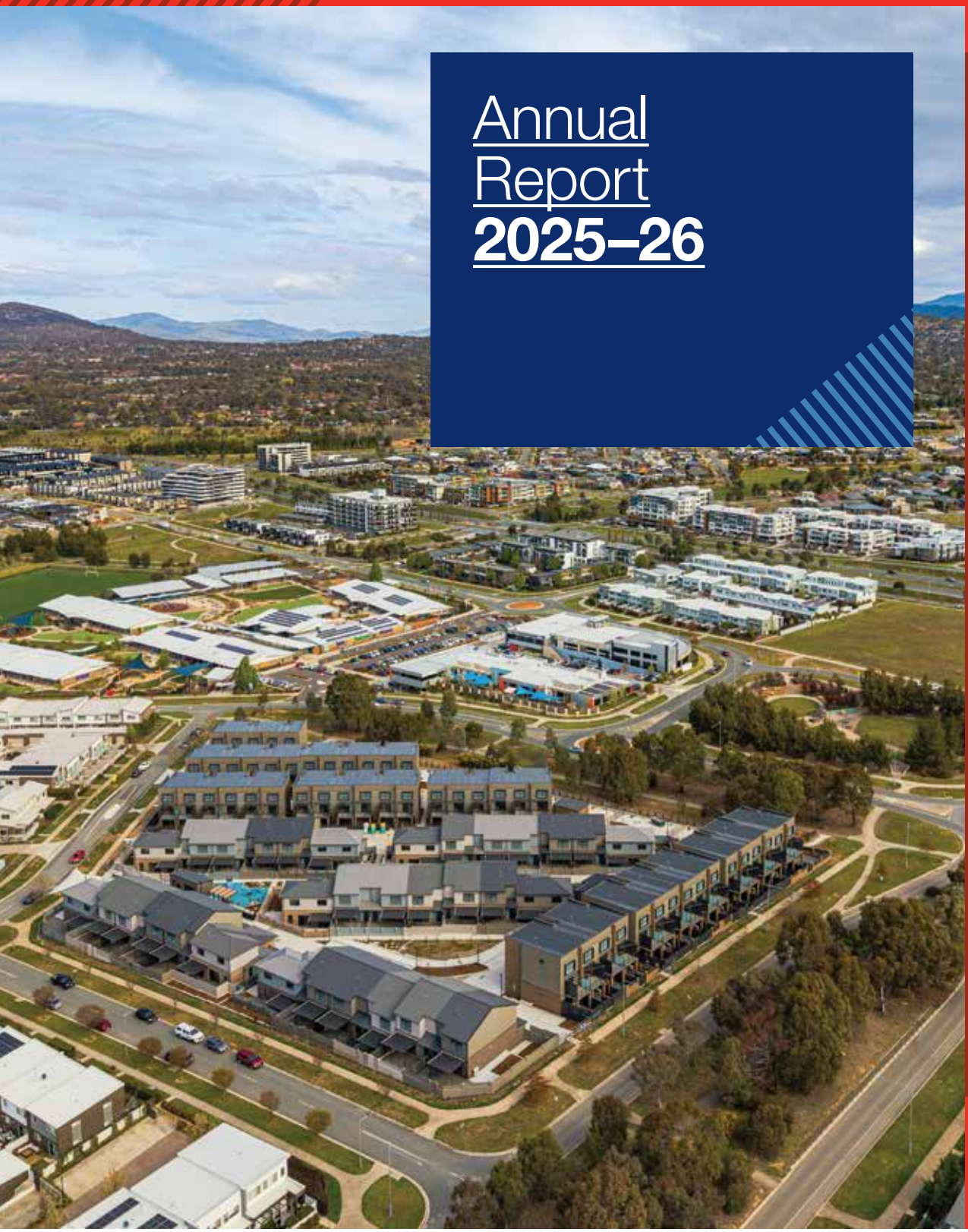
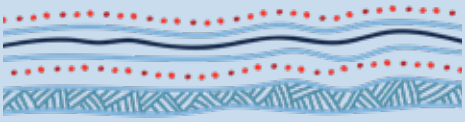


Annual Report 2025–26

DHA
Defence Housing Australia

DHA acknowledges all Aboriginal and Torres Strait Islander Traditional Custodians of Country and recognises their continuing connection to land, sea, culture and community. We pay our respects to Elders past and present.



Introduction

About this report

This report describes Defence Housing Australia's (DHA) performance against stated objectives and performance measures for the period 1 July 2025 to 30 June 2026, as set out in DHA's Corporate Plan 2025–26 to 2028–29 (Corporate Plan 2025–26) and publicly available Statement of Corporate Intent 2025–26 (https://www.dha.gov.au/about-us/planning-and-reporting/statement-of-corporate-intent).

Preparation statement

The Report has been prepared for the reporting period of 2025–26 and covers the financial year 2025–26 in accordance with paragraph 46(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

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P: 139 342

Link to digital report

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

Cover photo: DHA development 'The Crossing', Coombs ACT

Letter of transmittal

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

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

Dear Ministers

On behalf of the Board of Directors, I am pleased to present the Defence Housing Australia (DHA) Annual Report 2025–26 for the year ended 30 June 2026 (the report).

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

In the Board's opinion, the report is based on properly maintained records and accurately reflects DHA's performance against its purpose and performance measures set out in DHA's Corporate Plan 2025–26 to 2028–29 and Statement of Corporate Intent 2025–26.

While the report supports DHA's accountability to the Australian Government, it also provides Parliament and the public with a clear account of DHA's achievements, performance and compliance during the reporting year.

I provide the report to you and request that it be presented to the Parliament in accordance with section 46(1) of the PGPA Act.

Yours sincerely

Dr Robert Lang
Chairman

30 September 2026

Chair and Managing Director review

We are proud to present DHA's Annual Report for 2025–26, a period which saw DHA continue to deliver housing and housing-related services in support of Defence capability while positioning the organisation to respond to future challenges and opportunities.

The dedication and professionalism of our staff remain the foundation of DHA's success. Throughout 2025–26, our team has demonstrated adaptability and a strong commitment to service, while continuing to strengthen our relationships with our key stakeholders.

Demand for Defence housing continued to evolve across the year, shaped by Australian Defence Force (ADF) growth. Against this backdrop, DHA continued to manage and grow its national portfolio, delivering homes in strategic locations across Australia. Our efforts have focused on maintaining occupancy rates, delivering timely and cost-effective maintenance services, and ensuring our properties meet the evolving needs of ADF members and their families.

Readiness activities for Submarine Rotational Force–West (SRF-West) personnel were another area of focus this year, which included investment in local capability and presence, service design, system upgrades and community engagement.

DHA also made significant progress strengthening the organisation for the future. Digital DHA delivered early improvements in customer self-service and process efficiency, and the asset management program established stronger foundations for national property compliance and regulatory obligations.

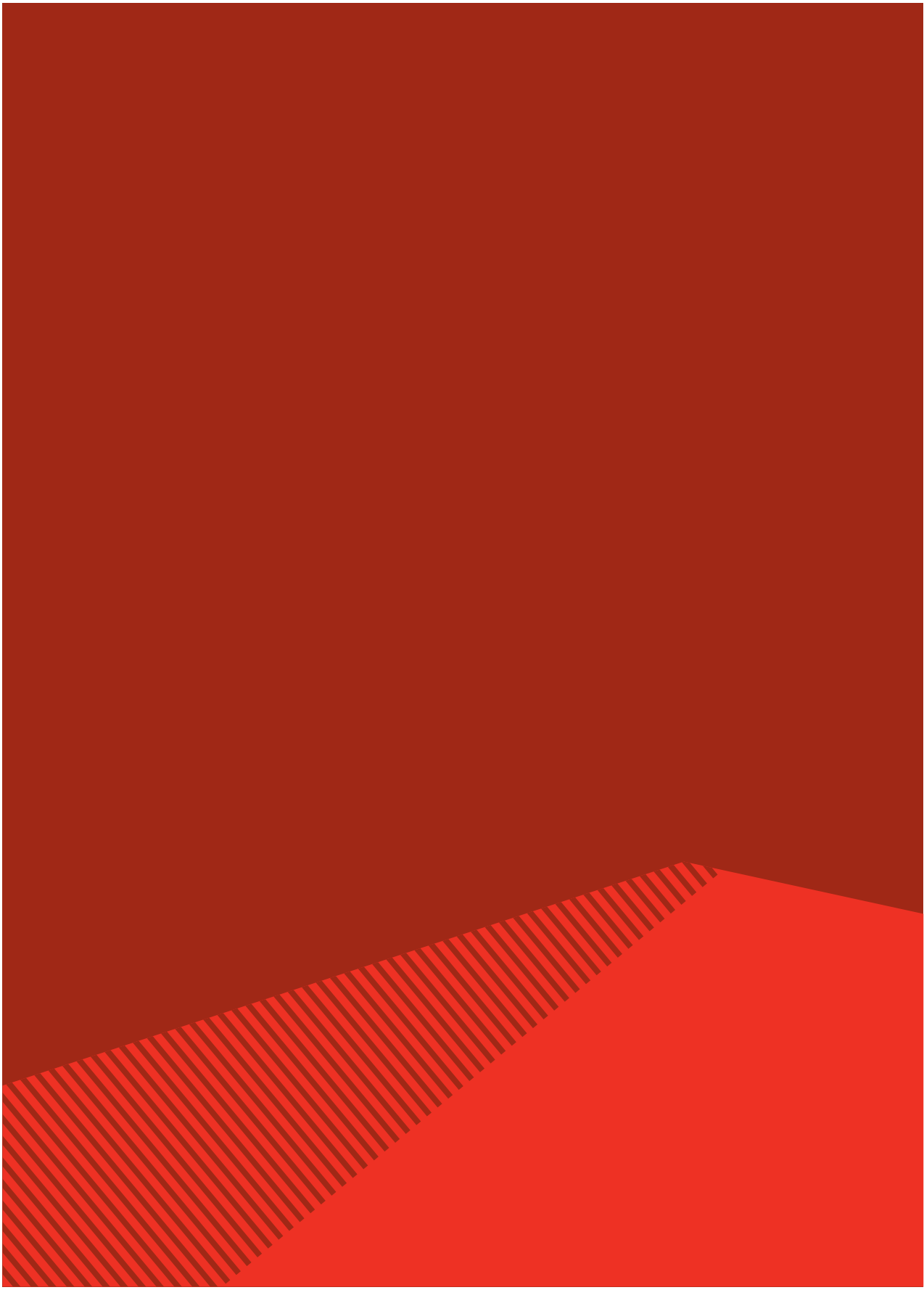
Financial performance improved during the year, supported by disciplined cost management, operational efficiencies and a continued focus on commercial decision-making. At the same time, constrained housing markets and limited access to capital reinforced the importance of long-term investment in housing supply and ownership to support Defence requirements at greater scale and with greater certainty over time.

Housing is more than an accommodation service. It is a key enabler of ADF mobility, workforce wellbeing, recruitment, retention and operational readiness. We thank our stakeholders for their ongoing support and our staff for their tireless efforts. Together, we will continue to deliver for the ADF and contribute to Australia's national security and wellbeing. We are pleased to report on our performance for 2025–26.

Dr Robert Lang
Chairman
30 September 2026

Andrew Jaggers PSM
Managing Director
30 September 2026

DHA-managed property, Altona North, Vic.



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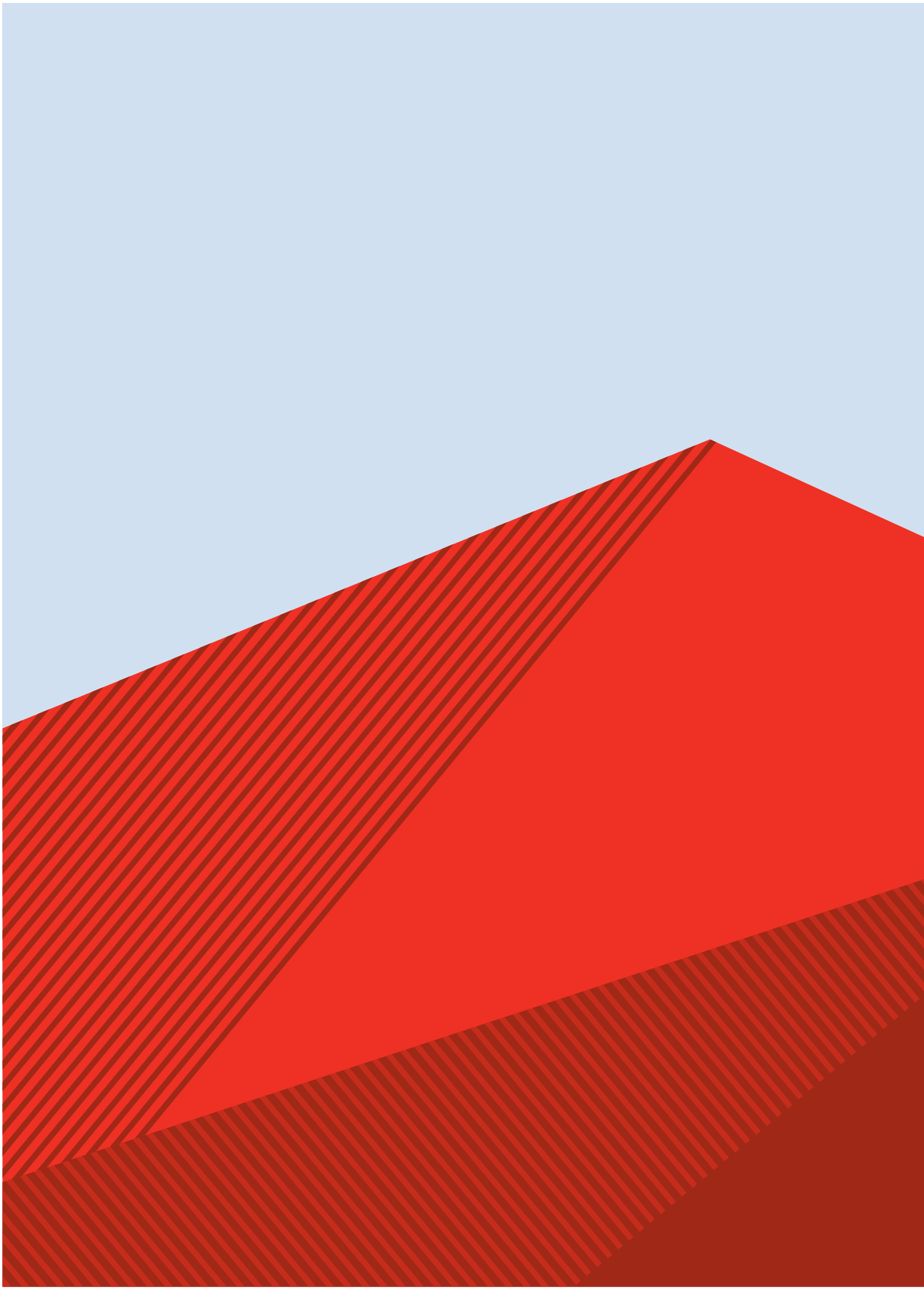


Part 1
About DHA

1

Overview of DHA

DHA was established in 1988 to undertake the management of Defence housing. Over the subsequent 38 years, DHA has transformed the quality of the housing in its portfolio and expanded the range and quality of housing-related services provided to ADF members and their families.

Purpose

DHA supports ADF capability by planning, delivering and managing housing and housing-related services for members of the ADF and their families, and others supported under DHA's legislative mandate, in support of Australia's national security objectives and consistent with DHA's statutory functions.

DHA's enabling legislation, the *Defence Housing Australia Act 1987* (DHA Act), sets out our functions, powers, and governance arrangements.

Section 5 of the DHA Act sets out DHA's main function as:

> *to provide adequate and suitable housing for, and housing-related services to:*
>
> *a. members of the Defence Force and their families; and*
>
> *b. officers and employees of the Department and their families; and*
>
> *c. persons who provide goods or services to the Defence Force, and their families; and*
>
> *d. persons who provide goods or services to the Department, and their families; and*
>
> *e. persons for whom the provision of such housing or services would facilitate engagement in activities with or for the Defence Force, and their families; and*
>
> *f. members of a military organisation of a foreign country and their families; and*
>
> *g. officials and employees of a government body of a foreign country and their families; and*
>
> *h. contractors engaged by:*
>
> *i a military organisation of a foreign country; or*
>
> *ii a government body of a foreign country; or*
>
> *iii a contractor to which this paragraph applies (other than because of this subparagraph); and their families; and*
>
> *i. accredited representatives of registered charities and their families; and*
>
> *j. persons in a class of persons covered by a determination under subsection (3) and their families;*
>
> *in order to meet the operational needs of the Defence Force and the requirements of the Department of Defence.*

DHA has additional functions described by section 6 of the DHA Act:

The first additional function of DHA is to provide adequate and suitable housing for, and housing-related services to:

a. *officials of a non-corporate Commonwealth entity (within the meaning of the Public Governance, Performance and Accountability Act 2013) other than the Department, and their families; and*
b. *persons contracted to provide goods or services to a non-corporate Commonwealth entity (within the meaning of that Act) other than the Department, and their families;*

in order to meet the requirements of that entity.

The second additional function of DHA is to provide services ancillary to the services mentioned in subsection (1) and in subsection 5(1), to persons mentioned in those subsections, in order to meet the requirements of a non-corporate Commonwealth entity (within the meaning of that Act).

Portfolio Budget Statement Outcome

DHA's activities are framed in the context of the 2025–26 Portfolio Budget Statement Outcome:

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

About DHA

DHA is a corporate Commonwealth entity and Government Business Enterprise (GBE) operating under the provisions of the DHA Act, the PGPA Act, and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). The DHA Act sets out DHA's functions, powers, corporate structure and delegations. The PGPA Act and its associated instruments, policies and guidance set the standards of governance, performance and accountability for Commonwealth entities and companies.

As a GBE, DHA is expected to comply with *Commonwealth Government Business Enterprises – Governance and Oversight Guidelines Resource Management Guide No. 126*.

DHA's staff are employed under the *Public Service Act 1999*. As an Australian Government employer, DHA must adhere to the provisions and statutes of various Commonwealth employment related legislation.

Corporate governance

Shareholder Ministers

The Minister for Defence Personnel, the Hon Matt Keogh MP, has portfolio responsibility for DHA, as delegated by the Minister for Defence. Under DHA's dual shareholder model, shareholder responsibilities are exercised jointly by the Minister for Finance, Senator the Hon Katy Gallagher and the Minister for Defence Personnel.

Minister for Finance
Senator the Hon Katy Gallagher

Minister for Defence Personnel
The Hon Matt Keogh MP

Ministerial directions and policy orders

Under section 22 of the PGPA Act, the Minister for Finance may make a government policy order that specifies a policy of the Australian Government that is to apply in relation to one or more corporate Commonwealth entities. Additionally, under section 31 of the DHA Act, where the Minister is satisfied that it is desirable in the public interest to do so, the Minister may, by notice in writing to DHA, give directions to DHA with respect to the performance of its functions and the exercise of its powers. DHA did not receive any new ministerial directions or policy orders in 2025–26.

Board of Directors

The Board of Directors (the Board), as the Accountable Authority for DHA under the PGPA Act, holds responsibility for the proper and efficient performance of DHA functions. The Board is accountable to Shareholder Ministers for the performance of DHA, including governance and reporting, promoting accountability for Government resources and ensuring sound financial management and operations.

The Board makes decisions on organisational direction and strategy, which are articulated through DHA's Corporate Plan and Statement of Corporate Intent.

Directors

Directors are appointed by the Minister for Defence, or their delegate, except the Secretary of the Department of Finance's nominee who is appointed by the Minister for Finance, and the Managing Director who is appointed by the Board. In accordance with section 12 of the DHA Act, the Board consists of:

- the Chair
- a nominee of the Secretary of Defence
- a nominee of the Secretary of Finance
- a nominee of the Chief of the Defence Force
- the Managing Director, and
- four commercial members.

TABLE 1.1: DHA Board members as at 30 June 2026

Member	Appointment and experience
Dr Robert Lang **Chair** 	Chair: Appointed November 2024 Acting Chair: Appointed February 2024, reappointed May 2024. Appointed: October 2023 as a commercial member. **Biography** Dr Lang has over 35 years' experience in local and state governments including as the Chief Executive Officer of Parramatta City Council, the Sydney Harbour Foreshore Authority and Pacific Power. He is currently the Chair of Olympus Solutions and Ability Options, and sits on the boards of Evolve Housing, and the Sydney Festival. Dr Lang is also an Adjunct Professor at the University of Western Sydney School of Business. Dr Lang has extensive experience in urban planning, liveable cities, place management, property development, affordable housing, social inclusion and the arts. He is an expert on government and stakeholder relations, corporate governance and change management. **Qualifications** PhD of Electrical Engineering Bachelor of Engineering, Electrical Engineering with First Class Honours Bachelor of Science, Computer Science Fellow of the Australian Institute of Company Directors Fellow of the Institute of Engineers Australia
Brigadier Leigh Wilton AM **Director** 	Appointed: December 2019 Reappointed: December 2022 **Biography** Brigadier Leigh Wilton AM was appointed to the Board as the nominee of the Chief of the Defence Force. Since graduating from the Royal Military College in 1991, she has held command, project, logistics and senior staff appointments, including Officer Commanding Supply Company, Commanding Officer and Chief Instructor of the Army School of Ordnance, Chief of Staff for Headquarters 633 - Afghanistan, and Chief of Staff for Army Headquarters. Brigadier Wilton's skills and experience span Defence, governance, workforce strategy, personnel management, logistics and leadership. Brigadier Wilton served as Director General Personnel - Army and Deputy Head Army People from 2016, and later as Director General Career Management - Army before transferring to the Australian Army Reserve in March 2022. She was appointed a Member of the Order of Australia in 2018. **Qualifications** Master of Arts (Strategic Studies) Master of Management Bachelor of Business Graduate Diploma in Information Systems Graduate of the Australian Command and Staff College (ACSC) Graduate of the Centre for Defence and Strategic Studies (CDSS) Graduate of the Australian Institute of Company Directors

Member	Appointment and experience
Ms Andrea Galloway **Director** 	Appointed: November 2016 Reappointed: November 2019, November 2022 (3-month extension), February 2023, January 2026 (12-month extension) **Biography** Ms Galloway has over 30 years of executive management experience for national and multinational commercial organisations, including leading Spherion, Lucent Technologies and AT&T in the Asia Pacific and South Pacific. She was Managing Director of Evolve Housing, one of Australia's largest community housing providers, from 2011–2019. Most recently she was the CEO of Coleman Greig Lawyers. In 2014, Ms Galloway was awarded the Australian Telstra Business Woman of the Year and the NSW Telstra Business Woman of the Year for Innovation. **Qualifications** Bachelor of Business Administration Graduate of the Executive Program (University of Michigan) Fellow of the Australian Institute of Company Directors Justice of the Peace Certified Chair
Ms Gai Brodtmann **Director** 	Appointed: February 2021 Reappointed: February 2024 **Biography** Ms Brodtmann is an experienced chair, non-executive director and audit committee member on a range of government and not for profit boards. Ms Brodtmann is also a Distinguished Advisor at the National Security College and a regular presenter and panellist on cybersecurity, public policy and women's leadership. From 2010 to 2019, she represented Canberra in the Australian Parliament. Her skills and experience span governance, public policy, national security, Defence, cybersecurity, communications and stakeholder engagement. During her parliamentary career, Ms Brodtmann served in shadow defence and cybersecurity portfolios and on Parliamentary committees covering foreign affairs, defence, trade, public accounts and audit. Earlier, she was a small business owner, non-executive director, federal public servant and diplomat. **Qualifications** Bachelor of Arts (Politics, Sociology and English) Bachelor of Arts (Public Relations) Graduate Certificate in Business Graduate of the Australian Institute of Company Directors Fellow of the Australian Information Security Association Fellow of the Public Relations Institute of Australia

Member	Appointment and experience
Ms Monique Hamilton PSM **Director** 	Appointed: August 2023 **Biography** Ms Monique Hamilton PSM was appointed to the Board as the nominee of the Secretary of Defence in August 2023. Ms Hamilton has extensive government service delivery experience gained through the Health Insurance Commission, Services Australia and the Department of Defence. As First Assistant Secretary, Group Operations, she oversees the Defence Digital Group's central functions and supports consistent and efficient delivery focused on core ICT capabilities. Ms Hamilton's skills and experience span digital transformation, service delivery, public administration, operations, ICT and organisational reform. In her previous role as First Assistant Secretary, Service Delivery, Ms Hamilton managed the large-scale delivery of corporate and essential on-the-ground services supporting the Defence estate and personnel across Australia. She was awarded the Public Service Medal in the 2024 King's Birthday Honours for outstanding public service in delivering significant and enduring reform in project and contract management. **Qualifications** Oxford Advanced Management Leadership Programme, Said Business School, University of Oxford Diploma Customer Contract Management, Australian Business Academy
Mr Frank Marra **Director** 	Appointed: February 2026 **Biography** Frank Marra retired as Chief Executive Officer of DevelopmentWA in 2023, having previously served as Chief Executive Officer and Chief Financial Officer of LandCorp. He has more than 15 years of board governance experience and is Chair of TRCB Architects, Deputy Chair of Bethanie Housing Ltd, a non-executive director of The Bethanie Group Inc and My Home Australasia Ltd, and an Investment Committee member of the Noongar Boodja Trust. His skills and experience span property, infrastructure, governance, finance, audit and risk, sustainability and affordable housing. Mr Marra's background includes urban renewal, commercial and tourism development, strategic industrial land and master-planned communities, together with mergers, corporate systems implementation, stakeholder relations, environmental and planning regulation, and environmental, social and governance (ESG). **Qualifications** Advanced Management Program (Harvard) Fellow CPA Australia Graduate of the Australian Institute of Company Directors Postgraduate Diploma Professional Accounting (Edith Cowan University) Bachelor of Economics (University of Western Australia)

Member	Appointment and experience
Mr Graeme Ross **Director** 	Appointed: February 2026 **Biography** Mr Ross has more than 30 years of experience in real estate and finance across strategic consulting, commercial and investment banking, funds management, and property development and investment. He was Managing Director and Global Head of Real Estate at the Commonwealth Bank of Australia, Head of Business Development at ING Real Estate Investments Australia, and held senior real estate investment banking roles with Goldman Sachs Australia and Deutsche Bank. His skills and experience span real estate, finance, investment, capital markets, governance, strategy, and social and affordable housing. Mr Ross has advised boards and management teams on mergers and acquisitions, equity and debt capital raisings, capital structures and credit risk. His experience also includes development, investment, funds management and transactions across office, retail and industrial property, as well as independent evaluation panel roles for Housing Australia and Homes NSW. **Qualifications** Bachelor of Economics Bachelor of Laws Bachelor of Science in Architecture
Mr Andrew Jaggers PSM **Executive Director** 	Appointed: February 2025 **Biography** Mr Jaggers PSM commenced as Managing Director at DHA on 4 February 2025. Prior to this appointment, he served as the Deputy Secretary of Business Enabling Services at the Department of Finance, following a six-year tenure as the Deputy Secretary of the Commercial Group. Mr Jaggers has a proven track record in delivering significant property projects and was awarded a Public Service Medal (PSM) in 2023 for his work supporting the Australian Government response to the COVID-19 pandemic. **Qualifications** Bachelor of Economics Graduate Diploma Environmental Law

Board committees

The Board has 3 committees to assist in the discharge of its duties. Each committee operates under a Board-approved charter that sets out its purpose, composition, authority, meeting and administrative arrangements. The Board considers the composition of committees periodically. Following a review of Board committees, the Property and Services Committee was disbanded in April 2026.

The Board's committees are:

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

For further information refer to *Appendix A: Board committees and meeting attendance.*

Advisory Committee

The DHA Advisory Committee is established under section 27 of the DHA Act and is an important stakeholder forum through which DHA receives advice and information about the performance of its functions and the housing and related service needs of ADF personnel and their families. The Advisory Committee brings together senior ADF representatives, DHA representatives and the Defence Family Advocate to provide strategic perspectives on matters affecting Defence housing outcomes.

The Advisory Committee has no executive powers or decision-making authority in relation to the operations of DHA. However, it may bring to the attention of the Board or the Managing Director any matter which it considers requires attention. The members of the Advisory Committee include:

- Brigadier Leigh Wilton AM, Chair and DHA Board member
- Mr Andrew Jaggers PSM, DHA appointee
- Rear Admiral Darren Grogan CSM RAN, Deputy Chief of Navy
- Major General Chris Smith DSC AM CSC, Deputy Chief of Army
- Air Vice-Marshal Steven Pesce AM, Deputy Chief of Air Force
- Ms Charlotte Webb, Defence Family Advocate.

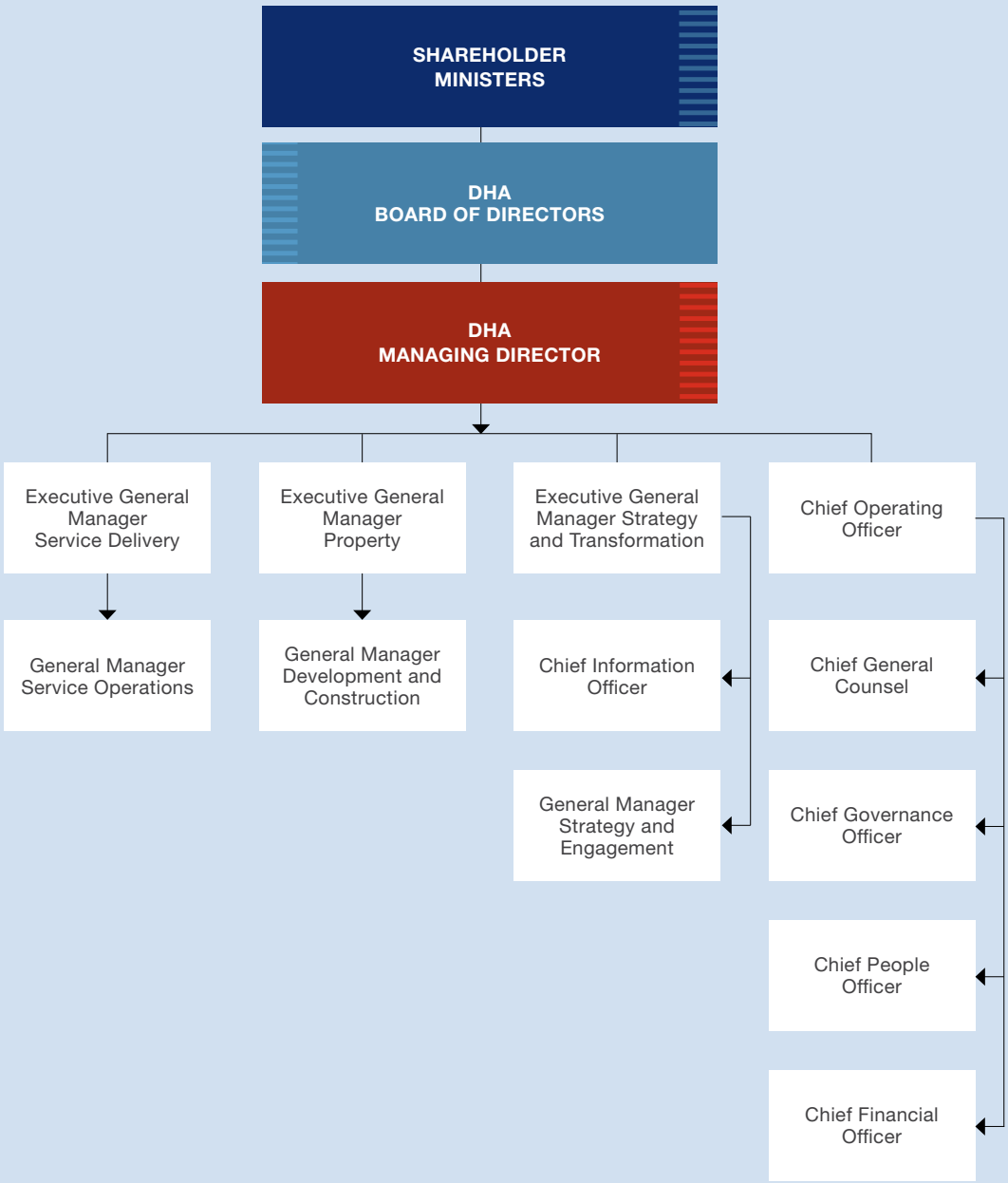
Executive management

FIGURE 1.1: Executive Group as at 30 June 2026

Left to right: Executive General Manager Property Mr Shane West, Executive General Manager Strategy and Transformation Mr Paul Groenewegen, Chief Operating Officer Ms Lisa Barlin, Executive General Manager Service Delivery Mr Brett Jorgensen, Managing Director Mr Andrew Jaggers PSM

The Managing Director, supported by the Executive General Managers, is responsible for the executive leadership and management of DHA's operations, strategic activities and performance to achieve DHA's purpose and objectives. As the sole executive director of the Board, the Managing Director conducts the affairs of DHA in accordance with the DHA Act and Board directions, implements Board-approved strategy and policies, and provides leadership to ensure the effective and efficient operation of the organisation. Figure 1.2 outlines the internal organisational structure at DHA.

FIGURE 1.2: Internal organisational structure



Executive Group and Investment Committee

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

TABLE 1.2: Executive and national committees 2025–26

Committee	Role	Members
Executive Group	The Executive Group focuses on advancing matters of strategic significance, including but not limited to resource allocation, implementation of Board priorities and delivery of Corporate Plan objectives.	Executive Group
Investment Committee	This committee reviews and decides on major internal and external investment opportunities and provisioning decisions that support Defence's objectives and force posture, DHA's property portfolio and long-term sustainability.	Executive Group

Subsidiaries

DHA does not have any subsidiaries.

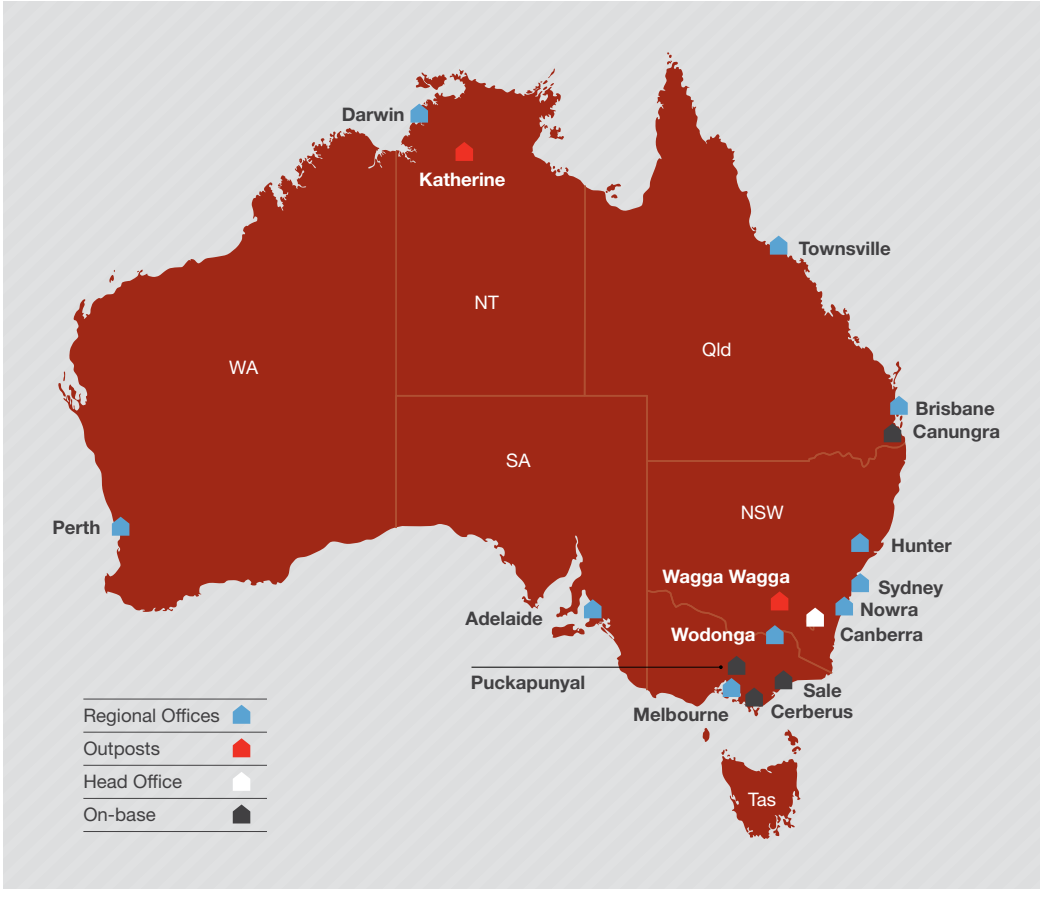
DHA Head Office,
Gungahlin ACT.

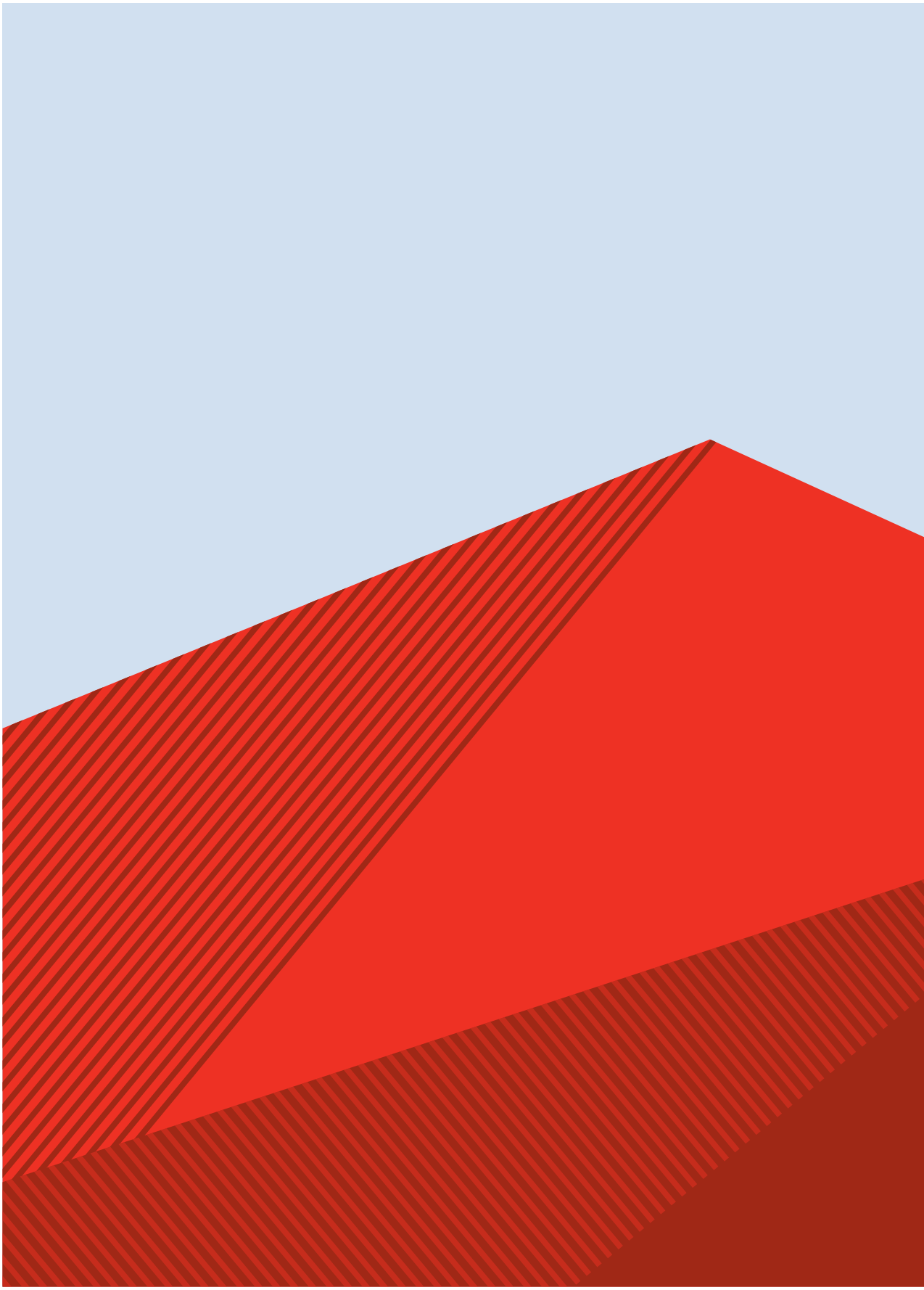
Our office network

DHA has 648 staff in 17 locations nationally as at 30 June 2026, including 4 on-base locations at Sale, Puckapunyal, Cerberus (all Vic) and Canungra, Qld, under a licence agreement with Defence (refer to Figure 1.3).

Staff from all offices deliver customer-facing property and tenancy services to ADF members, their families, and our landlords. Regional office staff are supported by staff in contact centres, who are the first point of contact for housing services, maintenance services and the allocation of on-base living-in accommodation.

FIGURE 1.3: Office network, as at 30 June 2026





Part 2
2025–26 review

2

Summary of DHA activity and performance for 2025–26

The DHA Corporate Plan 2025–26 objectives are to **provide adequate and suitable housing and housing-related services,** and **provide value to Shareholders.**

DHA Objectives	Performance Measures	2025–26 Result	Target
1. Aligned housing solutions delivered through a modern, customer-centric operating model	ADF member satisfaction with housing solutions	**84.4%**	80%
	ADF member customer service satisfaction	**87.2%**	85%
2. Build an agile and scalable housing capability	Provisioning of housing solutions to the Approved Provisioning Schedule	**101.3%**	99%
3. Commitment to environmental, social and governance (ESG) excellence	Scope 1–3 emissions[1]	**1,225 t CO_2-e**	16,098 t CO_2-e
	Employee engagement index	**73%**	70%
	Number of strategic risks outside tolerance[1]	**1**	0
4. Fiscal responsibility and long-term financial stability	Return on equity	**2.2%**	3%

These additional indicators highlight DHA's **financial position as at 30 June 2026:**

$280m	$229.6m	$39.1m	0.4
Total borrowings	Debt headroom	Net profit after tax	Current ratio

Note

1. New performance measure for 2025–26.

2025–26 Review

In 2025–26, DHA focused on growing its portfolio to meet ADF requirements, aligning with changing member preferences, keeping pace with technological change, responding to societal expectations on ESG, and addressing the necessary financial arrangements that will sustain DHA's support for the ADF's housing needs into the future. Together, these activities support the delivery of DHA's strategic objectives outlined in the Corporate Plan and Statement of Corporate Intent, summarised in Figure 2.1.

FIGURE 2.1: DHA Strategy on a page 2025–26

DHA's purpose is meeting the operational needs of the ADF and the requirements of the Department of Defence by providing adequate and suitable housing for, and housing-related services to members of the ADF and their families.

STRATEGIC DIRECTION	DHA OBJECTIVES	OUTCOMES
Digitise quickly – move faster to deliver end-to-end digital services that balance both customer satisfaction and improved commercial outcomes.	**1.** **Aligned housing solutions delivered through a modern, customer-centric operating model**	**1.** Reorient our operating model and leverage technology to deliver future housing needs which align to the preferences of members and their families
The case for growth – a shift in strategic direction towards DHA playing a larger role in supporting the housing requirements of the ADF.	**2.** **Build an agile and scalable housing capability**	**2.** Agree and formalise future housing needs with Defence to ensure certainty in housing supply **3.** DHA plays a larger role in supporting the housing requirements of the ADF **4.** Future ready scalability in housing solutions which are responsive to changes in market conditions and investor sentiment
ESG baseline – It is early in DHA's trajectory; DHA is committed to excellence, once its current achievements are better understood.	**3.** **Commitment to environmental, social and governance excellence**	**5.** Embed ESG into our everyday approach in support of Government objectives
Commercial culture – this is not in conflict with DHA's service culture; the two should reinforce each other.	**4.** **Fiscal responsibility and long-term financial stability**	**6.** Ensure DHA represents strong value for money for Government and is able to support the long-term portfolio objectives for Defence and the ADF

Operating environment

DHA's operating environment in 2025–26 was shaped by the following strategic drivers, which affected DHA's ability to fulfil its purpose.

- **Growth of the ADF.** The Government remains committed to achieving a permanent ADF workforce of 69,000 personnel by the early 2030s, with continued growth towards a combined permanent ADF and Department of Defence workforce of around 100,000 by 2040. In response to this anticipated growth, and the findings of the 2025–26 Shareholder Funding and Governance Review, DHA's shareholder units anticipate the need for capital investment in Defence housing to meet future demand.
- **Amendments to the DHA Act.** Amendments to the DHA Act received Royal Assent on 28 August 2025 and expanded eligibility for DHA-provided housing and related services, including to foreign military personnel, reflecting evolving Defence priorities and a broader operational role for DHA.
- **Fluctuations in dwelling costs.** The rate of increase in new dwelling costs accelerated over the course of 2025–26, with the Reserve Bank of Australia noting higher inflation in the cost of building new homes and increased capacity pressures across the construction sector. Australian Bureau of Statistics data also showed housing costs increased by 6.8% over the 12 months to June 2026. Fluctuations in the price and availability of dwellings will affect the amount of capital required to support ADF growth through ownership, which DHA will manage through maintaining an adaptable provisioning program, including partnering with industry.
- **Market changes.** Housing market changes, including housing-related tax policy, may affect private and institutional investment in residential housing, with implications for DHA's delivery environment. Any reduction in investment appetite or shift in market behaviour could impact DHA's ability to deliver the housing at the scale, pace and standard required to meet forecast ADF demand.
- **Artificial intelligence (AI) and cybersecurity** remain both opportunities and challenges across Government. The increasing adoption of AI technologies presents opportunities to improve service delivery, productivity and decision-making, while also requiring appropriate governance, privacy, security and risk management controls. DHA continued to strengthen its governance approach to emerging technologies while maintaining focus on cybersecurity and information protection across its digital environment.

DHA staff Ms Lisa Edgerton, Ms Vicki Bailey, Ms Leah Adams, Mr Paul Lucchitti (Realta), Mr Luciano Galati, and Mr Craig Carriage (Realta) at DHA development Husky 44, Nowra NSW.

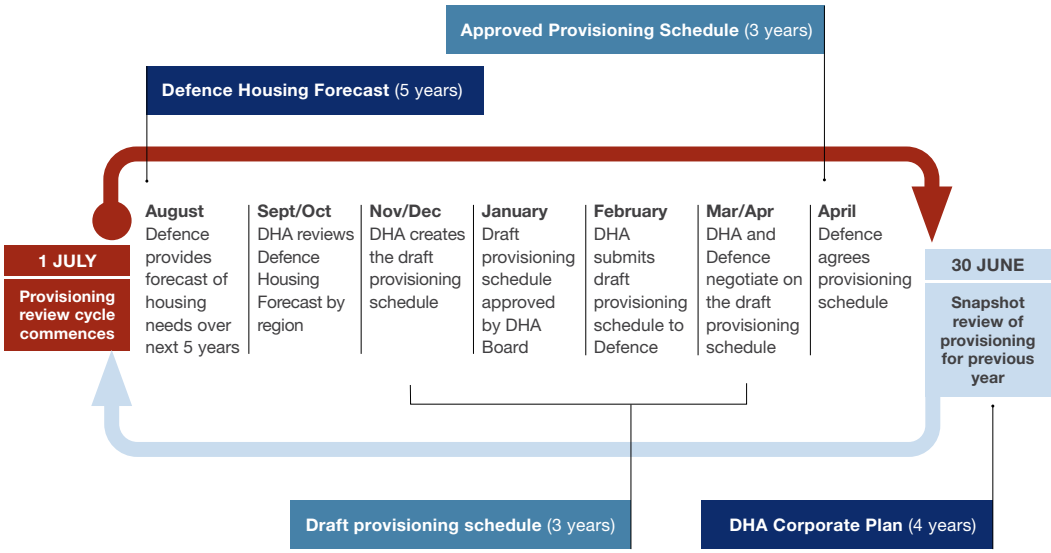
DHA housing strategies

DHA's housing strategy in 2025–26 focused on delivering a balanced, scalable and sustainable portfolio to support current and future ADF requirements.

The strategy continues to prioritise diversification of sourcing channels, including large-scale leasing programs, development activity, acquisitions and partnerships with private sector investors. This approach enhances responsiveness in constrained markets while maintaining flexibility in portfolio composition.

During the year, DHA progressed medium and long-term growth planning, including development of property and capital strategies to support portfolio expansion aligned with projected ADF demand. This includes a progressive shift towards increased portfolio ownership to enhance long-term sustainability and increase certainty of supply.

FIGURE 2.2: Annual provisioning planning cycle



Housing summary

In 2025–26, DHA met demand from ADF members and their families for housing and provided additional housing capacity in preparation for the anticipated growth in ADF personnel, providing housing to 101.3% of the Approved Provisioning Schedule. Housing numbers were expanded to meet future needs and ensure housing certainty over the Corporate Plan period, with total portfolio growth of 444 dwellings across all of the Service Residence, Rent Band Choice Housing and Member Choice Accommodation portfolios.

Asset management program

The asset management program is designed to optimise DHA's approach to asset management by establishing a structured framework and delivery model. This initiative focuses on maintaining DHA's housing portfolio in a compliant, efficient, and sustainable manner, delivering measurable benefits to DHA and its customers.

Key program achievements include:

- reviewed and refined DHA's approach to national property compliance and subsequently revised the national compliance baseline
- designed and rolled out a standardised compliance framework on priority items
- developed the policy and governance foundations for asset management
- commenced review of asset standards and condition assessment processes, and
- improved data, reporting and decision-support capability.

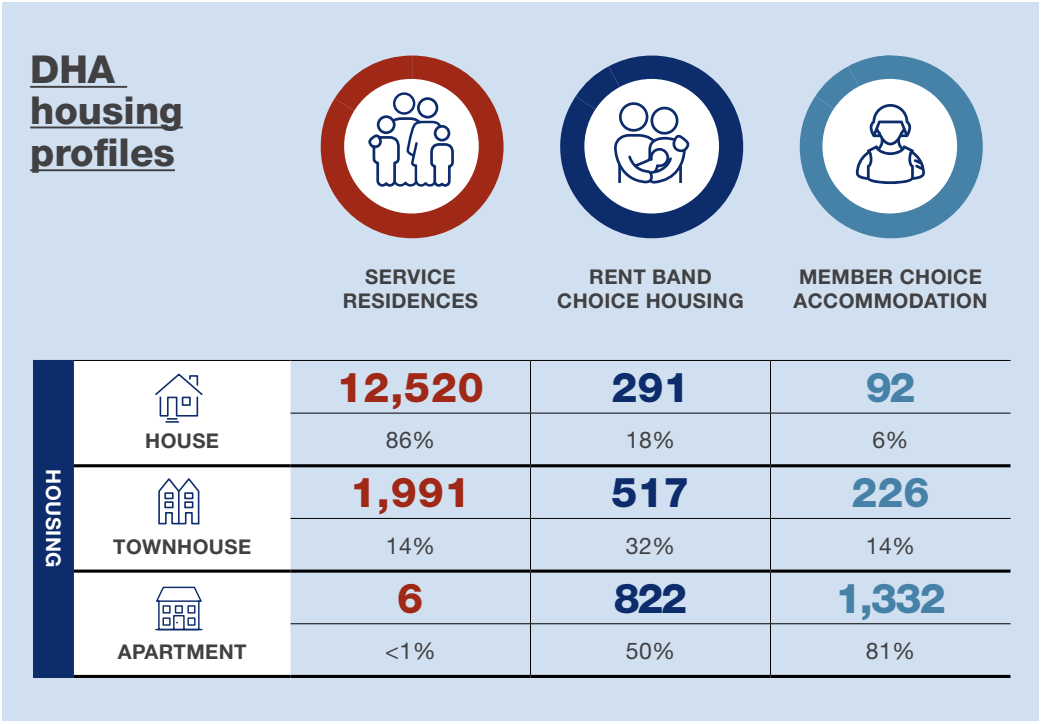
These achievements have strengthened DHA's ability to identify, monitor and manage portfolio risks, improved visibility of regulatory obligations and established stronger foundations for objective, consistent and data-informed asset management decisions.

DHA portfolio

The DHA portfolio covers all capital cities, major regional centres, and remote parts of Australia, and includes residences located on ADF bases and establishments. DHA provides Service Residences, including Rent Band Choice Housing, or Member Choice Accommodation to eligible ADF members and their families, and other eligible personnel under section 5 of the DHA Act.

Figure 2.3 provides a demographic breakdown of the housing that makes up DHA's portfolio at 30 June 2026.

FIGURE 2.3: Housing demographic profiles



Note

Portfolio data is as at 30 June 2026 and relates to the 2025–26 reporting period. Figures may include minor variance due to rounding. Source: DHA internal business intelligence

Service Residences

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

Rent Band Choice Housing

DHA's portfolio includes a portion of properties categorised as Rent Band Choice Housing. These properties include inner-city apartments and townhouses that reflect modern community standards but do not strictly meet the Service Residence requirements. ADF members and their families typically choose to live in these properties because the location and proximity to amenity suits their lifestyle.

The Service Residence and Rent Band Choice Housing portfolio closing balance was 16,147, exceeding the Approved Provisioning Schedule target of 15,992 dwellings by 155. This outcome reflects effective delivery across DHA's provisioning activities, including leasing, acquisition and other portfolio growth initiatives.

Member Choice Accommodation

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

The Member Choice Accommodation portfolio closing balance was 1,650 properties, exceeding the Approved Provisioning Schedule target of 1,585 by 65. With low levels of vacancy across the portfolio, an opportunity exists to increase the Member Choice Accommodation numbers above targets to assist more single ADF members that may have difficulties in the private rental market.

For full results for the DHA portfolio, refer to Table 2.1.

TABLE 2.1: DHA housing portfolio performance as at 30 June 2026

	Actual 2025–26	Approved Provisioning Schedule 2025–26	Variance
Opening balance 1 July 2025	**17,353**	**17,399**	**-46**
Total additions	1,859	1,728	131
Total subtractions	1,415	1,550	135
Closing balance 30 June 2026	**17,797**	**17,577**	**220**

Portfolio ownership type

Leased

The majority of DHA's housing portfolio is leased from private landlords. Leasing enables DHA to respond flexibly to changing ADF requirements, adjust portfolio composition over time, and efficiently provide housing in locations where Defence demand exists.

Alongside traditional direct leasing, DHA is expanding strategic provisioning initiatives that provide housing at greater scale, including the New Builds and Volume Leasing Program and Build-to-lease partnerships. These approaches broaden access to housing supply, strengthen relationships with industry and support DHA's ability to meet housing requirements in constrained markets.

DHA owned

While DHA will continue to maintain a balanced portfolio of owned, leased, Defence-owned and annuity properties, it is progressively seeking to increase the proportion of directly owned housing in priority locations. Increased ownership provides greater certainty over housing availability, location and standards, strengthens long-term housing supply, and reduces exposure to volatility in private rental markets. During 2025–26, the DHA-owned portfolio increased by nearly 5% in 2025–26 (169 properties), finishing the period with 3,705 properties in total.

Defence-owned

Defence-owned properties form part of the Service Residence and Rent Band Choice portfolios. These properties are generally located on or near ADF bases and establishments and contribute to meeting operational and workforce housing requirements.

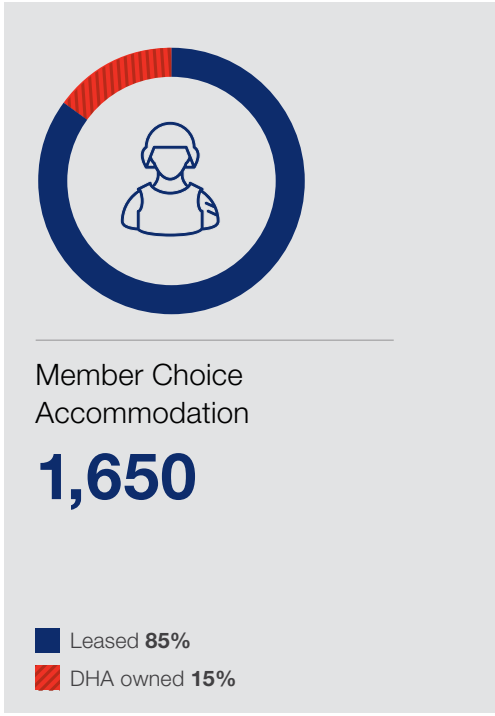
Annuity

Annuity properties are delivered by DHA on behalf of Defence under long-term financing arrangements. These properties provide dedicated housing supply in locations identified by Defence and support enduring housing requirements through fixed-term funding arrangements.

Refer to Figures 2.4 and 2.5 for the ownership breakdown of DHA's portfolio.

FIGURE 2.4: Service Residence and Rent Band Choice Housing portfolio by ownership type

FIGURE 2.5: Member Choice Accommodation portfolio by ownership type



Note

Portfolio data is presented as at 30 June 2026 and relates to the 2025–26 reporting period.

Source: DHA property and housing management systems.

Housing investment and sustainability

DHA's capital strength remains critical to securing and maintaining a housing portfolio that meets ADF requirements. During 2025–26, DHA continued to implement measures to sustain and extend its capital capacity while supporting current and future ADF housing demand, including:

- Reinvesting after-tax earnings into housing investment to support ongoing Defence housing requirements.
- Maximising direct leasing, lease renewals and other capital-efficient provisioning strategies to meet housing demand in constrained rental markets.
- Continuing to develop bulk-leasing and other strategic provisioning options to reduce reliance on housing acquisitions and preserve capital.
- Maintaining a disciplined approach to development activity and portfolio management to maximise the retention of housing for provisioning purposes.
- Closely aligning debt utilisation and investment decisions with housing delivery priorities and long-term portfolio objectives.

DHA's long-term housing strategy includes a progressive increase in portfolio ownership to improve supply certainty, reduce exposure to private rental market volatility and enhance financial sustainability. During 2025–26, DHA continued to invest in housing assets and progress capital funding initiatives that support growth in owned housing, while maintaining a balanced portfolio approach that combines ownership, direct leasing and strategic provisioning solutions to meet ADF requirements.

Shareholder Funding and Governance Review

During 2025–26, DHA participated in the Shareholder Funding and Governance Review, which provided the basis for future discussions on growth, capital and long-term sustainability. The review highlighted the benefits of progressively increasing portfolio ownership to improve the reliability of housing supply, particularly in certain markets where leasing is not a viable long-term strategy. It also identified opportunities to strengthen DHA's capital and funding framework to support future housing delivery in line with ADF requirements and government expectations.

New Builds Volume Leasing Program

Program overview

The New Builds Volume Leasing Program is a key strategic sourcing channel that partners with developers, builders and real estate agents to deliver a long-term supply of newly constructed properties that meet DHA requirements. Properties are either retained by suppliers or sold off-the-plan to investors for lease to DHA. The program is focused on higher-growth regions, including Rockingham, WA and Townsville, Qld.

The New Builds Volume Leasing Program complements DHA's broader provisioning approach, which includes direct leasing from private investors, acquisitions, development activity and other sourcing channels. Together, these channels support a diversified and flexible portfolio capable of responding to Defence housing demand across different markets and conditions.

Program delivery and pipeline growth

In 2025–26, the New Builds Volume Leasing Program transitioned from establishment to delivery, continuing to incorporate properties into the portfolio, with a broader pipeline progressing through planning and construction. The New Builds Volume Leasing Program has delivered 33 properties to date as at 30 June 2026, with a significant increase expected in 2026–27 as the program matures.

While delivery volumes are continuing to ramp up, the program has established a sustainable pipeline and strengthened DHA's ability to respond to emerging demand in constrained housing markets.

Joint ventures and strategic partnerships

During 2025–26, DHA advanced the development of a joint venture strategy to facilitate the use of industry capital investment and effective project delivery that could support DHA's long-term portfolio ownership objectives. An approach to market for joint venture partners is being considered in line with capital availability that could support longer term provisioning.

DHA continues to work closely with state, territory, and local governments to support initiatives for new housing to meet DHA's long-term requirements.

In 2026, DHA entered a Memorandum of Understanding with DevelopmentWA to facilitate the acquisition and development of 2 sites that DHA is planning to support new housing in its Rockingham, WA portfolio.

DHA Service Residence in Tralee, NSW.

AUKUS partnership and Submarine Rotational Force – West initiative

DHA continued to play a central role in supporting Defence housing requirements arising from the AUKUS partnership and SRF-West capability in Rockingham, WA.

During 2025–26, legislative amendments to the DHA Act expanded DHA's remit to provide housing to broader categories of people, including foreign military personnel.

DHA progressed detailed planning and engagement with Defence, the Australian Submarine Agency and international partners to develop housing solutions for incoming United States and United Kingdom personnel. This included workshops, service design activities and development of housing services tailored to foreign personnel requirements.

DHA is well placed to accommodate the SRF-West personnel as they arrive over the course of 2026–27, and to deliver housing at scale to meet both ADF and SRF-West requirements in the region.

DHA Board members, executive and staff, Rockingham WA

Case Study: Rockingham, WA – preparing for future demand

Planning for future housing demand is critical to supporting ADF capability.

In 2025–26, DHA's expanded legislative mandate led to an increase in operational readiness activities associated with the AUKUS partnership and the SRF-West initiative, with Rockingham expected to play a key role in supporting the increased presence of United Kingdom and United States personnel at HMAS Stirling.

DHA is working closely with Defence and the Australian Submarine Agency to plan for this growth in the region. During the year, DHA made significant progress across key areas, including the procurement of a new office location in Rockingham, recruitment activities to strengthen local capability, housing and furniture preparations, digital platform upgrades and service delivery arrangements to support the accommodation needs of foreign military personnel.

DHA is also expanding housing supply in the region, which included its first new development sites in Rockingham in more than a decade. With additional opportunities under negotiation, the establishment of a development pipeline will help to increase availability in a high-demand, low-vacancy market.

This work is supported by ongoing engagement with state and local governments, industry partners and investors to promote a coordinated approach to housing delivery and long-term supply.

Through early planning, targeted investment and strong partnerships, DHA is positioning itself to meet future demand, while supporting ADF capability and minimising impacts on the broader Rockingham community.

DHA Service Residences in Rockingham, WA

Developments

Townhouses at the Northwest Quarter development in Angle Park, Adelaide SA

DHA's development program continued to deliver new and redeveloped housing supply across key locations.

Key achievements in 2025–26 included completion of residential developments in Coombs and Campbell in the ACT, and continued progress on multi-stage projects such as Nirimba Fields, NSW and Aitkenvale, Qld. These developments support ADF provisioning as well as broader housing supply.

During the year, DHA advanced a pipeline of acquisition opportunities across smaller development sites to support staged growth in supply. This included acquisition of 5 small sites in the Rockingham region, alongside additional sites under active assessment and ongoing engagement with state agencies to identify surplus or underutilised land.

Collectively, these initiatives contribute to a diversified development pipeline spanning townhouses, apartments and detached dwellings, with delivery expected progressively over the forward years, subject to planning approvals and construction timelines. These developments support targeted portfolio growth in regions aligned with ADF demand.

TABLE 2.2 DHA developments

Development project	Estimated total provisioning yield	Percent complete as at 30 June 26	Provisioning yield 2025–26
ACT – Campbell	30	99.9%	30
ACT – Coombs	46	98.0%	46
NSW – Fern Bay	97	11.7%	0
NSW – Nirimba Fields	143	66.3%	9
NT – Lee Point	111	27.9%	0
Qld – Aitkenvale	76	12.2%	0
Qld – Deebing Heights	96	91.1%	0
Qld – Ripley	41	50.7%	0
Total	**640**		**85**

DHA Service Residence, Crace ACT

Lee Point, NT

DHA remained focused on progressing statutory approvals and preparing for future site activation at the Lee Point development site throughout 2025–26. These project readiness activities included progressing contractor prequalification processes for both civil works and environmental rehabilitation works, enabling DHA to move efficiently into procurement and delivery phases once approvals are finalised.

Throughout the year, the project remained aligned with DHA's broader strategy of increasing portfolio ownership and supporting future Defence housing requirements in key growth locations. Planning activities focused on maintaining project momentum, managing regulatory risks and ensuring the development is positioned to commence delivery as soon as statutory approvals permit. The pre-construction work undertaken during the year has strengthened DHA's readiness to progress the project and support future housing supply objectives in the Northern Territory.

Aitkenvale, Qld

During 2025–26, DHA made significant progress relating to the transition of the former Aitkenvale housing estate towards a future residential redevelopment opportunity. As a preferred alternative to demolition, DHA commenced market engagement to identify opportunities for the relocation and reuse of the 68 ageing, vacant dwellings on the site. Concurrently, DHA continued to refine the site's development potential through revisions to the master plan aimed at maximising future housing yield, while maintaining security and ongoing management of the site.

A revised master plan was developed proposing a low-rise, medium-density residential community comprising more than 150 dwellings, including detached homes, terrace housing and a future apartment development opportunity. In June 2026, DHA lodged a subdivision development application seeking approval for the required civil infrastructure works while retaining flexibility regarding final dwelling design outcomes. The ultimate balance between dwellings retained for Defence housing and those released to the market will be determined through future capital allocation decisions and Defence housing requirements.

The activities undertaken during 2025–26 have established a clear pathway for redevelopment of the site and support DHA's broader objective of increasing housing supply in strategically important regions while improving long-term portfolio sustainability.

Property upgrades

DHA manages upgrades and refresh works to both DHA and Defence-owned properties across Australia, including on-base, regional and remote locations. These works are targeted to sustain the quality, safety and functionality of housing, ensuring it continues to meet the operational and welfare needs of ADF members and their families.

The Upgrades Program is a key lever in optimising portfolio performance, enabling DHA to retain properties in strategic locations—particularly those supporting major ADF bases—while extending asset life, improving utilisation, and deferring the need for more significant capital investment.

Before

After

Upgraded properties completed in 2026 at Duntroon Royal Military College, ACT.

Case Study: RAAF Base Scherger – showcasing the potential of modular construction

In 2025–26, DHA completed its first modular Defence housing trial in Queensland, delivering 3 new Service Residences at RAAF Base Scherger in Far North Queensland, one of Australia's most remote Defence locations.

The project replaced ageing accommodation with modern, climate-responsive homes designed specifically for remote Defence living.

Constructed off-site on Queensland's Sunshine Coast and transported more than 2,400 kilometres to Cape York, the homes were developed in consultation with Defence stakeholders and serving members. Design features were tailored to the local environment and included enhanced flood resilience, moisture control measures and durable, low-maintenance materials suited to the tropical climate and cyclonic conditions previously experienced in the region.

The project was delivered by DHA's Technical Heritage, Upgrades and Defects team in partnership with Defence, Oly Homes and local contractors, demonstrating strong collaboration across government and industry. It demonstrates how innovative construction methods can help address the logistical, workforce and weather-related challenges associated with building in remote Australian locations. Prefabrication enabled much of the construction to be completed in a controlled factory environment, reducing exposure to weather delays while providing greater certainty in quality, scheduling and delivery.

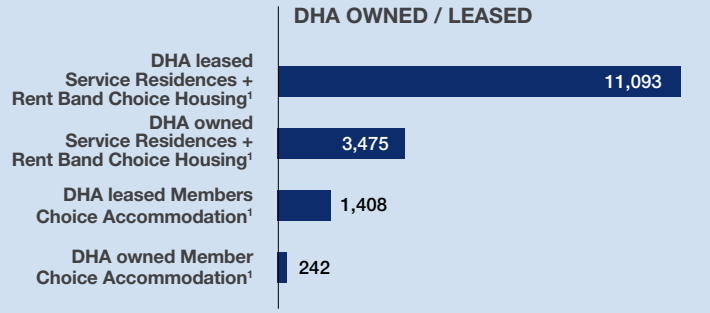
The successful delivery of the Scherger project provides DHA with valuable insights into the application of modular construction across the national portfolio and demonstrates the potential for innovative housing solutions to support Defence capability in some of Australia's most challenging locations.

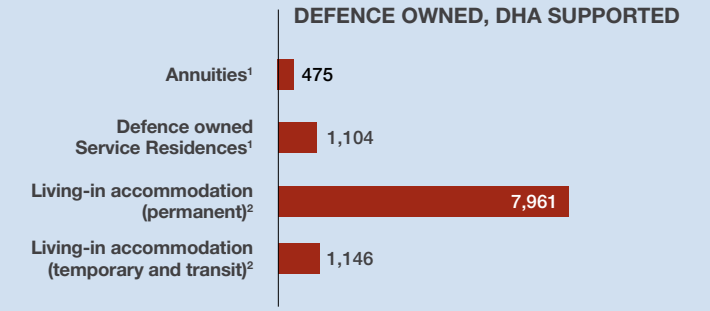
Opposite and above: Modular house being loaded onto a truck for delivery to RAAF Base Scherger. Photos courtesy of Oly Homes

Services to Defence and the ADF

In 2025–26, DHA provided a comprehensive range of housing and related services that directly support ADF mobility, recruitment, retention, wellbeing, and operational readiness. These services are delivered in accordance with the Defence Pay and Conditions Manual (PACMAN), DHA's functions under the DHA Act, and the Defence Services Agreement between DHA and Defence.

FIGURE 2.6: Defence Housing Environment





1. Number of DHA-managed properties as at 30 June 2026. Source: DHA business intelligence
2. Number of living-in accommodation tenancies as at 30 June 2026. Source: DHA business intelligence
3. Number of ADF members in receipt of rent allowance as at 30 June 2026. Source: DHA business intelligence
4. Some members have more than one housing solution due to duty or family requirements
5. As at 30 June 2026. Source: Department of Defence media release *Largest ADF in 25 years* 15 September 2026

FIGURE 2.7: 2025–26 housing services summary

Note

1. From the launch of Housing Help platform on 10 September 2025 to 30 June 2026.

Services to Defence

DHA delivers national, end-to-end housing services to Defence, including:

- provision and management of a geographically dispersed portfolio of housing
- delivery of property management and housing services that support workforce mobility and operational requirements of the ADF
- managing heritage-listed Defence-owned properties
- the provision of a system and support for booking Defence-managed living-in accommodation
- administration of housing entitlements including rent allowance, and
- implementation and administration of Defence housing policy.

Warrant Officer Golborn Turner and family member

Services to ADF members and families

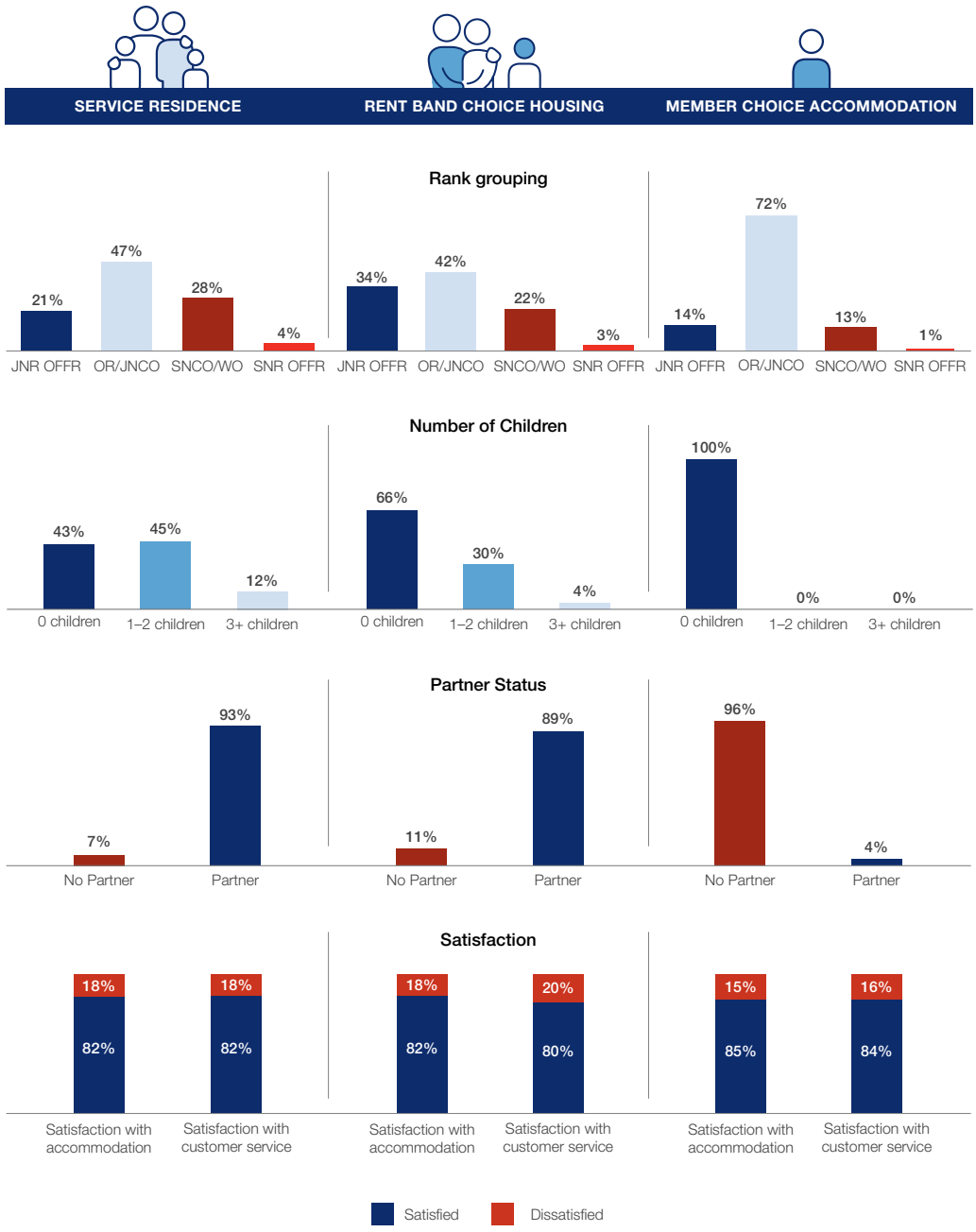
DHA delivers integrated housing services to ADF members and their families, including:

- the provision of a diverse range of housing options, from Service Residence to Rent Band Choice Housing
- providing well-located and quality homes that reduce relocation impacts, enhance certainty, and support family wellbeing
- access to Member Choice Accommodation for single members, improving transition to off-base living and reducing exposure and competition in the private rental market
- end-to-end property management services, including inspections, repairs and maintenance
- advice and guidance on housing policy and eligibility
- booking and allocation of Defence-managed on-base living-in accommodation
- administration of rent allowance for members accessing private rental accommodation, and
- processing of reimbursements, including utilities, rent adjustments (pre- and post-occupancy) and break lease costs.

Figure 2.8 summarises demographic information about members and their families who are DHA housing and service users.

FIGURE 2.8: ADF member demographics

Notes



1. Ranks are grouped into: Junior Officer, Other Ranks / Junior Non-Commissioned Officer, Senior Non-Commissioned Officer / Warrant Officer, and Senior Officer. Refer to Glossary for further information on Rank grouping.
2. Satisfaction ratings come from the 2025 Annual Occupant Survey.
3. Other information extracted from DHA administrative data, as at 30 June 2026.

Figures may include minor variance due to rounding.

Case study: Housing Help – smarter access to housing information

Finding the right housing information quickly can be challenging—particularly when ADF members and families are also navigating postings and relocation.

In September 2025, DHA launched Housing Help, a digital tool that simplifies access to housing information and improves the member experience.

Developed as part of the Digital DHA program, Housing Help provides fast, intuitive access to housing knowledge through smart search, clear navigation and integration with DHA services. It consolidates information into a single platform, enabling members to self-serve routine enquiries and easily access key information when and where it suits them.

The first year of Housing Help has demonstrated a measurable shift towards self-service. Compared with the previous year, entitlement-related enquiries decreased by 8% overall, including a 13% reduction in emails and a 7% reduction in phone calls. These improvements were achieved despite DHA supporting 1.8% more housing solutions during the same period, indicating fewer enquiries were required even as service demand increased. In addition, almost 40% of Housing Help active-user activity occurs outside 8 am to 6 pm, including 30% during the evening.

Feedback from ADF members who tested Housing Help has been positive, confirming:

> *'Everything I wanted to find I found very fast, and the PACMAN links are super handy'*

Housing Help is just one part of the Digital DHA program. DHA will continue to enhance its knowledge base to improve self-service options and digital services for contractors, landlords and ADF members in the future.

Above: Flying Officer Joanne Alexander in her Canberra home.

Services to investors

In 2025–26, DHA provided investors with structured, long-term leasing arrangements that support a stable and predictable investment proposition while enabling delivery of housing outcomes for the ADF.

Under this model, DHA leases properties from investors and manages tenancy and property services, including occupancy, most maintenance and compliance activities. This ensures properties are maintained to required standards, are available to meet ADF requirements and provide investors with a professionally managed, long-term investment arrangement.

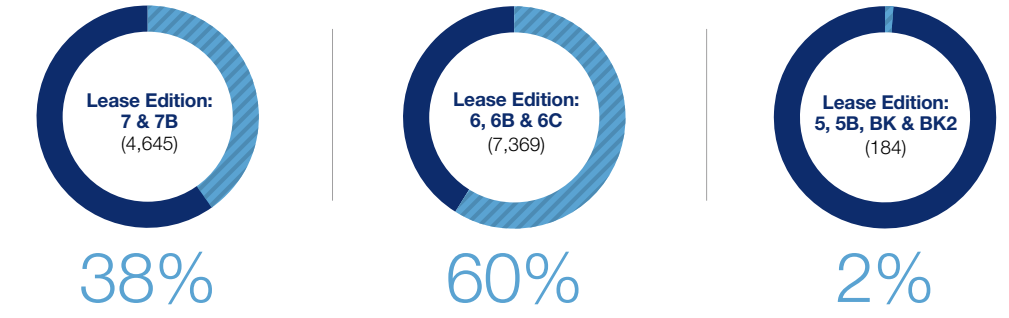
Lease terms typically range from 3 to 12 years, providing continuity of housing supply and reducing vacancy risk compared with traditional rental models.

DHA continues to provide multiple investment pathways for investors. Property owners can lease their existing property to DHA, they can seek an assessment of a potential property for suitability or they can purchase a DHA lease-approved property directly from builders and developers.

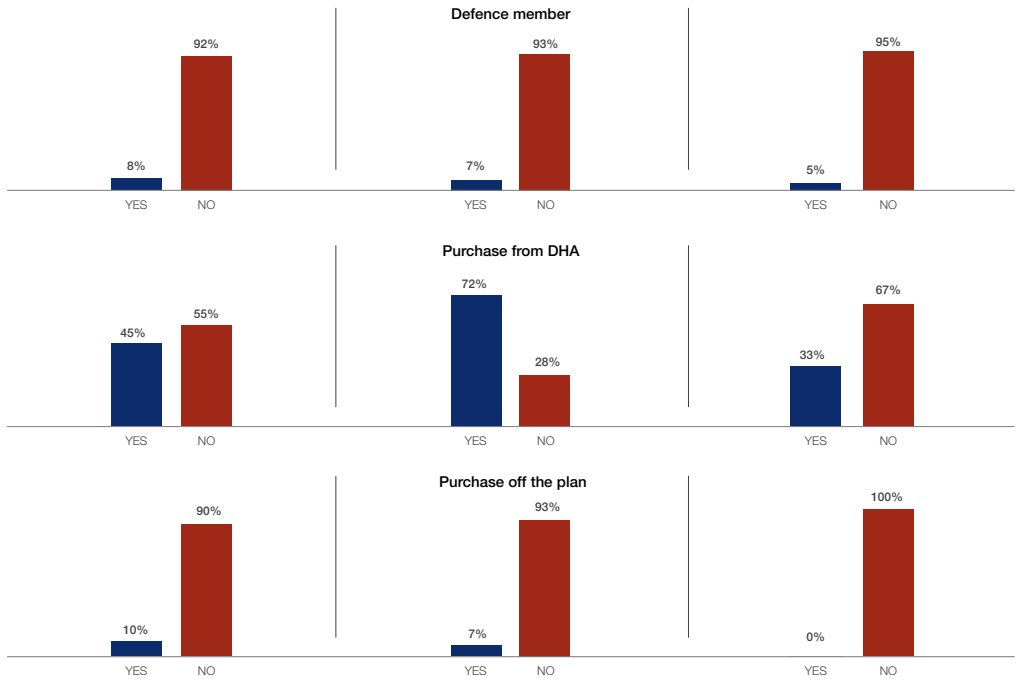
The investor offering includes rental income paid monthly in advance, even if the property is unoccupied, periodic market-based rent reviews, and comprehensive property management under the Property Care Contract and most non-structural repairs.

DHA investment seminar, 25 September 2025, Perth WA

FIGURE 2.9: Investor demographics



DEMOGRAPHICS[1]



SATISFACTION[1]

88	84	89	81	76	74
Overall Satisfaction (%)	Likelihood to renew current lease (%)	Overall Satisfaction (%)	Likelihood to renew current lease (%)	Overall Satisfaction (%)	Likelihood to renew current lease (%)

Notes

1. Demographics and Satisfaction results include only investors who completed the 2025 Annual Landlord Survey.

A lease edition refers to a specific version of this contract, which is updated when required to reflect changes to DHA's service offering and any new legislative requirements under each state or territory. Lease Edition 5, 5B, BK and BK2 refer to agreements commencing between 1999 and 2008; Lease Edition 6, 6B and 6C refer to agreements commencing between 2008 and 2020; and Lease Editions 7 and 7B are the current versions of the contract and have been in operation since 2020.

DHA transformation

Digital DHA

In 2025–26, the Digital DHA program focused on the delivery of initiatives to simplify processes, improve customer interactions and build the foundations for long-term transformation. The program also continued to support the modernisation of DHA's operating model by designing the end-to-end digital services that will support ADF members and their families throughout the housing life cycle. Key achievements for 2025–26 include:

- **Repairs and maintenance technology enhancements:** Improved the maintenance experience through enhanced customer communications and online status updates, increasing transparency for customers and supporting more efficient service delivery.
- **Housing Help digital self-service:** Delivered enhanced digital guidance and self-service support, making it easier for members to access housing information and self-serve online, reducing reliance on contact centre enquiries.
- **Virtual agent and AI foundations:** Established DHA's AI governance model, including governance, policy and risk management arrangements to support the safe and responsible adoption of AI technologies. These foundations position DHA to explore future AI-enabled services while maintaining appropriate oversight of privacy, security and ethical considerations.
- **Compliance and asset data improvements:** Enhanced a nationally consistent compliance framework and improved compliance data capture, reporting and governance, providing greater visibility of portfolio risks and supporting more proactive, informed asset management decisions.
- **Simplified inspections and vacancy management:** Redesigned inspection and vacancy management processes, reducing complexity, improving consistency and establishing the foundations for future end-to-end digital inspections.
- **Customer service telephony enhancements:** Implemented improvements to interactive voice response functionality, improving responsiveness and directing customers to more efficient digital channels.
- **Future digital service design:** Completed significant analysis and future-state design activities for end-to-end housing management, end-to-end inspections, and digital repairs and maintenance, providing a clear roadmap for the next phase of DHA's digital transformation.
- **Technology modernisation:** Continued investment in core technology platforms, data and digital capabilities to support future service delivery, improve reliability and scalability, and enable DHA's broader transformation agenda.
- **Cybersecurity and information protection:** Continued cybersecurity uplift activities to strengthen the protection of DHA information assets, improve security monitoring and governance arrangements, and support compliance with Australian Government security requirements. These activities contribute to DHA's operational resilience and support the secure delivery of digital services.

The achievements delivered during 2025–26 have accelerated DHA's transition towards seamless, integrated and customer-centric housing services, while establishing the capability required to support future growth and evolving Defence housing needs.

Channel management strategy

Following the delivery of enhancements to DHA's Online Services portal, DHA has implemented a range of channel management activities designed to optimise utilisation of the digital channel and streamline access to supported services for ADF members, their families, landlords and contractors.

Key achievements included improvements to DHA's interactive voice response tree, proactive status notifications for online maintenance requests, more information on how to access DHA's services, supported by workforce management and quality interaction management initiatives. These activities have increased the volume of responsive maintenance and on-base accommodation booking requests completed in Online Services.

Property Manager Ms Jacqui Morgan participating in a meeting in the Melbourne office

After hours emergency maintenance services

DHA provides around the clock emergency maintenance services across the portfolio. An after-hours emergency maintenance services trial commenced in December 2025, with a view to improving responsiveness to genuine emergency requests by redirecting non-urgent maintenance to the preferred digital channel.

Phase one of the trial utilised improved interactive voice response messaging and voicemail notification technology to alert rostered staff when emergency maintenance was reported outside of core business hours. Key achievements from phase one included an 8% reduction in call volume and a 7.5% improvement in responsiveness for emergency maintenance requests.

Defence housing policy initiatives

Housing policy plays a central role in shaping housing requirements, service delivery and member entitlements. DHA works closely with Defence to support the development, implementation and ongoing refinement of housing policy settings.

In 2025–26, DHA contributed to a range of Defence policy initiatives aimed at improving flexibility, accessibility and the overall member experience. Key areas of focus included:

- Early eligibility for rent allowance: DHA administered a trial which provided eligible members with earlier access to rent allowance, providing greater certainty, flexibility and choice of housing solutions in their new posting location.
- Flexible housing: DHA continued administration of an ongoing trial of flexible housing locations, providing members with resident family an opportunity to extend their housing benefit location beyond their primary service location in support of partner employment, education or family circumstances.
- Member Choice Accommodation: DHA worked with Defence to design and implement policy improvements aimed at improving portfolio utilisation and providing more consistent application of policy for members occupying Member Choice Accommodation.

These initiatives build on previous reform activity and reflect a shared DHA-Defence focus on:

- improving member experience across the housing life cycle
- aligning housing policy with changing workforce needs and preferences, and
- ensuring policy settings remain fit-for-purpose in a constrained housing market.

DHA will continue to work in partnership with Defence to support the development of future policy initiatives and ensure effective implementation across its service delivery model.

Building capability

During 2025–26, DHA strengthened service quality, workforce capability and operational performance for ADF members and their families. To manage peak maintenance and inspection demand, DHA established an internal surge workforce from November 2025 to February 2026, providing additional operational capacity and informing future surge workforce planning.

DHA also progressed service model reform through the Property Management Pilot, conducted across 3 regions from December 2025 to February 2026. The pilot tested a redesigned Property Manager role within a modernised service delivery model, supporting greater specialisation, centralisation and readiness for digitisation.

Outcomes included improved task focus and team collaboration, with further refinements to workload allocation, inspection scheduling and stakeholder engagement being progressed through the Property Management Functional Review, aligned to DHA's Transformation Strategy and Digital DHA program.

Supporting ADF members and families

DHA's contribution to the social pillar of ESG is embedded in its core purpose of providing housing and housing-related services that support the operational effectiveness of the ADF. Through the provision and management of housing, living-in accommodation, rent allowance administration and related services, DHA supports Defence policy initiatives by providing responsive and aligned housing services to ensure ADF members and their families have access to safe, secure and suitable housing throughout their service life. This support contributes directly to member wellbeing, family stability and ADF capability by reducing the challenges associated with military mobility and frequent postings.

In 2025–26, DHA continued to support initiatives relating to the *Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023–2028*. Housing support processes were reviewed to ensure alignment with Defence objectives, which includes the provision of extended housing eligibility following the breakdown of a relationship, the facilitation of suitable alternative accommodation options (including on-base accommodation) where appropriate, and close coordination with Defence and Defence Member and Family Support to manage sensitive cases. DHA focuses on ensuring the continuity and appropriate management of housing outcomes in line with Defence housing policy, while specialist support services and case management responsibilities remain with Defence and other relevant agencies.

Quality assurance and compliance

DHA has implemented quality assurance processes relating to customer service, inspections and maintenance services delivered by regional property management teams and customer service centre staff. The Quality Assurance Framework assesses compliance with legislation, DHA processes, policies and contractual obligations, and is used to encourage promotion of Digital DHA solutions. Performance feedback and insights are being used to identify process improvements and training recommendations for staff.

DHA Technical Construction Officer Mr Allan Schwind

Case Study: Property inspections – simplifying processes

Property inspections are a key part of maintaining DHA's housing portfolio and ensuring homes meet required standards.

In 2025–26, DHA implemented improvements to inspection processes to increase consistency and efficiency.

The simplified model reduces the number of potentially duplicate inspections and standardises the way information is captured and recorded. In doing so, it enables staff to complete inspections more efficiently while maintaining a high standard of assessment.

For ADF members and their families, and landlords who own DHA properties, the changes contribute to a more consistent and transparent inspection experience, reinforcing confidence that properties are being maintained appropriately.

Through simplified inspections, DHA is improving the efficiency of its processes while strengthening long-term management of its housing assets.

Above: DHA Regional Operations Manager (Vic/Tas) Ms Melissa Samra with Corporal Aaron Brough.

Engagement

DHA engages with a range of stakeholders to better understand emerging issues, share insights and support coordinated responses to housing and accommodation challenges affecting ADF members and their families. A selection of key engagement points during 2025–26 are highlighted below:

Defence Families Roundtable

In 2025–26, DHA continued to support the Defence Families Roundtable, bringing together DHA, Defence Families Australia, Defence Member and Family Support, and senior Defence representatives to examine issues affecting ADF families.

Discussions used case studies raised by the Defence Family Advocate and organisational data available to participating organisations to identify systemic issues, clarify responsibilities and support practical service improvements.

Topics during the year included housing condition, repairs and maintenance, complaints, family and domestic violence, health-related case management including mould, temporary accommodation, HomeFind access, and security concerns in Far North Queensland.

International defence housing counterparts

DHA expanded engagement with international defence housing counterparts during 2025–26, including the United Kingdom Ministry of Defence, the New Zealand Defence Force and the Canadian Forces Housing Agency.

These discussions provided a practical opportunity to compare approaches to housing policy, entitlements, portfolio condition, member satisfaction, digital transformation, strategic leasing and acquisition models, and changing member preferences.

These exchanges strengthened DHA's understanding of comparable defence housing systems and supported consideration of future service, property and investment approaches.

Other engagements

DHA also engaged with a range of Commonwealth agencies and industry stakeholders throughout 2025–26. This included participation in:

- The Northern Australia Housing Working Group and associated Ministerial Forum discussions on housing challenges and policy responses in Northern Australia.
- Engagement with Defence sustainability stakeholders on environmental and infrastructure initiatives.
- Participation in inter-agency discussions supporting AUKUS and SRF-West, including engagement with Commonwealth agencies, the Western Australian Government, and the Cities of Rockingham and Cockburn to support housing planning and delivery.
- Attendance at cross-agency forums with Defence, Defence Families Australia, Defence Member and Family Support, the Department of Veterans' Affairs and service providers to discuss posting trends, customer support and service coordination.
- Participation in the Defence Fraud and Corruption Risk and Control Program Community of Practice, where DHA shared its approach to fraud and corruption control. DHA's contribution was recognised by Defence and supported capability uplift across agencies through the sharing of better practice.

These engagements enabled DHA to share expertise, monitor emerging policy and operational developments, strengthen relationships across government, and contribute to initiatives that influence housing, infrastructure and service delivery outcomes for ADF members and their families. They also provided opportunities for DHA to share better practice and support capability uplift across the Commonwealth.

Community service partnerships

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

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

In 2025–26, DHA's employees generously contributed to several organisations, including:

- Integra Service Dogs Australia[1]
- Beyond Blue
- Cancer Council
- Fred Hollows Foundation
- Indigenous Literacy Foundation

Left to right: Assistant Director Technical Construction Mr Bobby Djordjevic, DHA Managing Director Mr Andrew Jaggers PSM, Minister for Defence Personnel the Hon Matt Keogh MP, DHA Chair Dr Robert Lang, Wing Commander Craig Keane CSC

1 DHA made a direct contribution of $10,000 to Integra Service Dogs Australia during the reporting period.

Case Study: Online maintenance – enhanced tracking and visibility

In 2025–26, DHA enhanced its Online Services platform to provide ADF members and their families with greater visibility and control over property maintenance requests.

Each year, DHA manages more than 52,000 online maintenance requests across its housing portfolio.

Delivered through the Digital DHA program, a series of new Online Services features has simplified the maintenance process by providing clearer request tracking, more detailed status updates and earlier access to contractor information.

The enhancements also support more efficient appointment scheduling, helping to streamline maintenance delivery and improve communication between members, DHA and service providers.

By providing timely, meaningful updates throughout the maintenance journey, DHA is improving communication with members and their families, giving them greater transparency and confidence in how their maintenance requests are being managed and progressed.

Above (L to R): Property Managers Ms Vivian Daoud and Mr Andrew Soliman in the Melbourne office

Top (left to right): Chief Operating Officer Ms Lisa Barlin, Chief People Officer Ms Eline Martinsen, Board member Ms Gai Brodtmann, Board member Brigadier Leigh Wilton AM, and Director Marketing and Investors Ms Bianca Jones at DHA's International Women's Day event on 4 March 2026, Gungahlin ACT.

Above: Staff at DHA's International Women's Day event on 4 March 2026, Gungahlin ACT

Awards

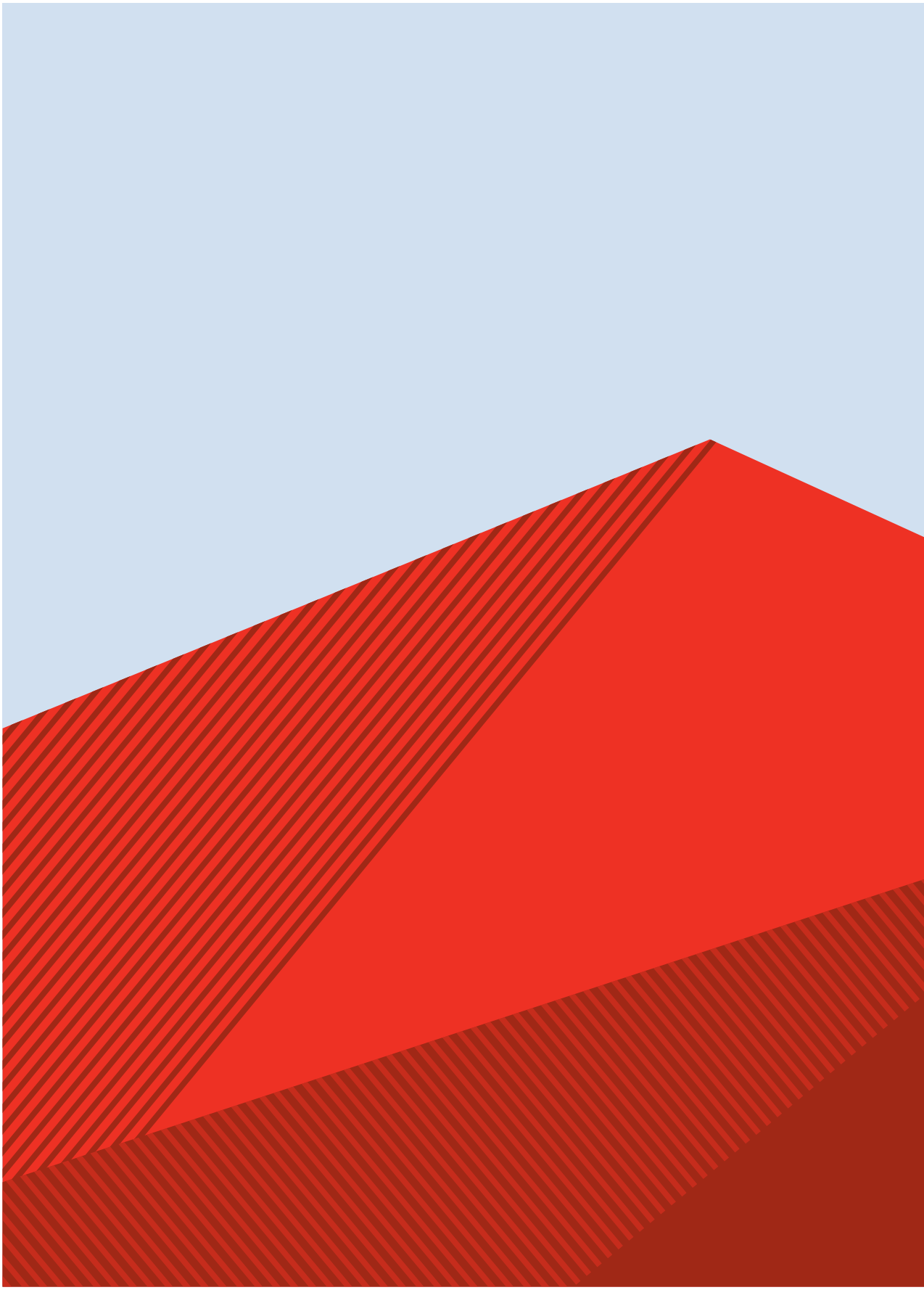
Australasian Reporting Awards

DHA won a silver award for its 2024–25 Annual Report. The Australasian Reporting Awards provide all organisations that produce an annual report an opportunity to benchmark their reports against the Australasian Reporting Awards criteria which are based on world best practice and their peers. An important aspect of the Australasian Reporting Awards assessment process is that it focuses on the quality and completeness of the reporting about the organisation's behaviour and performance.

Fast Small Business Payer List

DHA was recognised on the Fast Small Business Payer List as one of only 3 Corporate Commonwealth entities to achieve this distinction. The result reflected DHA's strong payment performance, with 95% of small business invoices paid within 5 days, well ahead of the Australian Government's 20-day benchmark. Timely payments supported small business cash flow, strengthened supplier confidence and helped maintain continuity of critical maintenance and service delivery across DHA's operations. This achievement reflects DHA's commitment to operational excellence and responsible financial management, while delivering practical benefits for small business suppliers.

Left to right: DHA Chair Dr Robert Lang, Employee Excellence award winner Ms Ally Del Gigante, Board member Mr Graeme Ross



Part 3
Annual Performance Statement

3

Annual Performance Statement

DHA's Annual Performance Statement has been prepared in accordance with guidance issued by the Department of Finance and shows how DHA performed in relation to its Outcome and Program Objectives identified in the Portfolio Budget Statement (PBS), and the supporting objectives, strategies and measures identified in DHA's Corporate Plan 2025–26 to 2028–29 and Statement of Corporate Intent 2025–26 (SCI).

Other documents that influence DHA's performance measurement are the Defence Services Agreement and the Department of Finance's *Commonwealth Government Business Enterprises – Governance and Oversight Guidelines: Resource Management Guide No. 126* where applicable.

Statement of preparation

On behalf of the DHA Board, the Accountable Authority, we present DHA's 2025–26 Annual Performance Statement, required under section 39(1)(a) of the PGPA Act.

In the Board's opinion, this Annual Performance Statement is based on properly maintained records, accurately reflects the performance of the agency, and complies with subsection 39(2) of the PGPA Act.

Dr Robert Lang
Chairman
30 September 2026

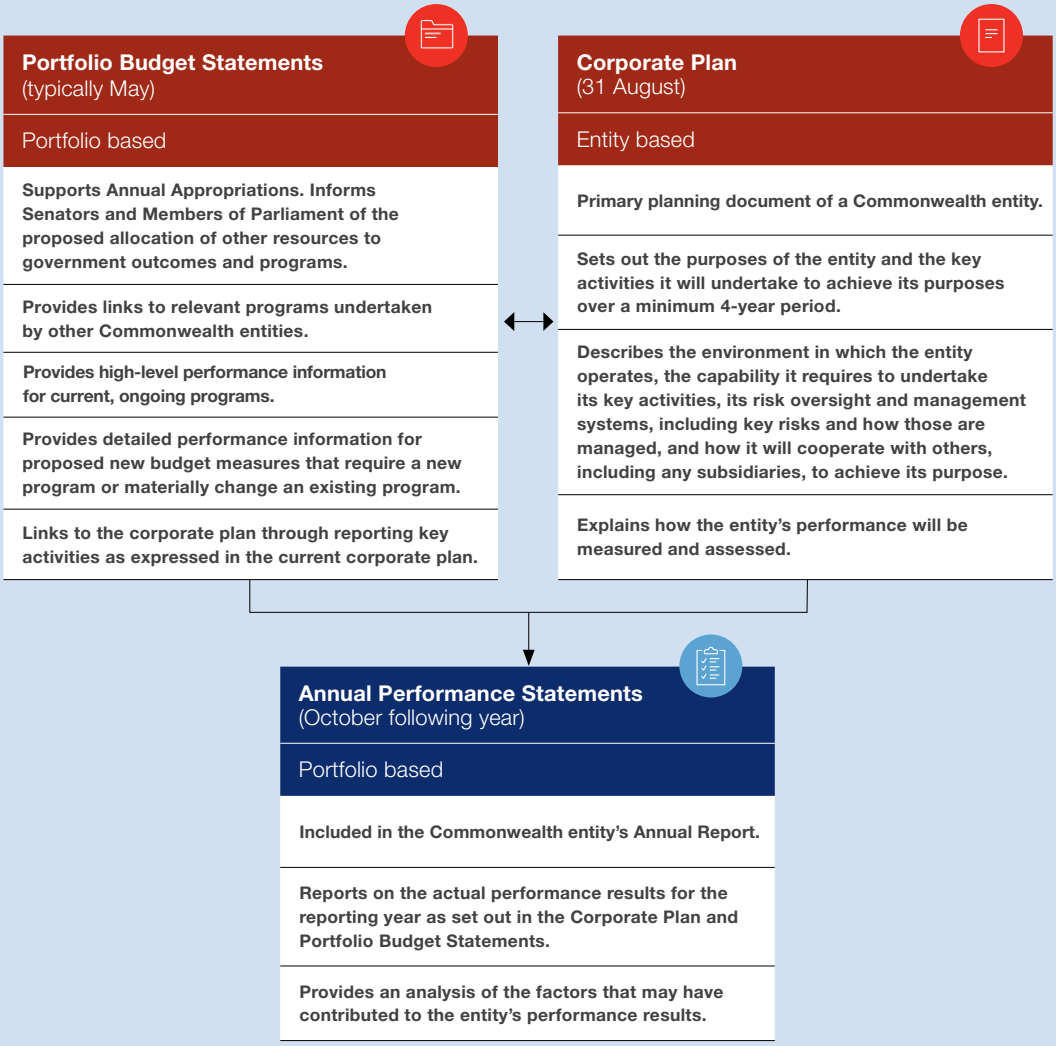
Mr Andrew Jaggers PSM
Managing Director
30 September 2026

Commonwealth Performance Framework

As a corporate Commonwealth entity, DHA is required to publish planning and reporting information in accordance with the Commonwealth Performance Framework. Three key documents underpin the Commonwealth Performance Framework; PBS, Corporate Plan and Annual Performance Statement (published in the Annual Report). Figure 3.1 describes each and highlights the interaction between the 3 documents.

The Annual Report is DHA's primary performance reporting document under the Commonwealth Performance Framework. The Annual Report outlines DHA's purpose, operating environment and strategy as outlined in its corresponding Corporate Plan. It details progress and achievements from the reporting period, which are provided through the Annual Performance Statement evaluating non-financial performance against its purpose, outcomes and strategic objectives, and the audited financial statements highlighting financial performance for the reporting period. The Annual Report also includes mandatory requirements for corporate Commonwealth entities as set out under Schedule 2A of the PGPA Rule and the *Annual Reports for Corporate Commonwealth Entities Resource Management Guide No. 136.*

FIGURE 3.1 Interaction of the key reporting documents within the Commonwealth Performance Framework.



Source: DHA Enterprise Performance Framework, 2025, adapted from *Resource Management Guide No. 131 – Developing Good Performance Information*.

Approach

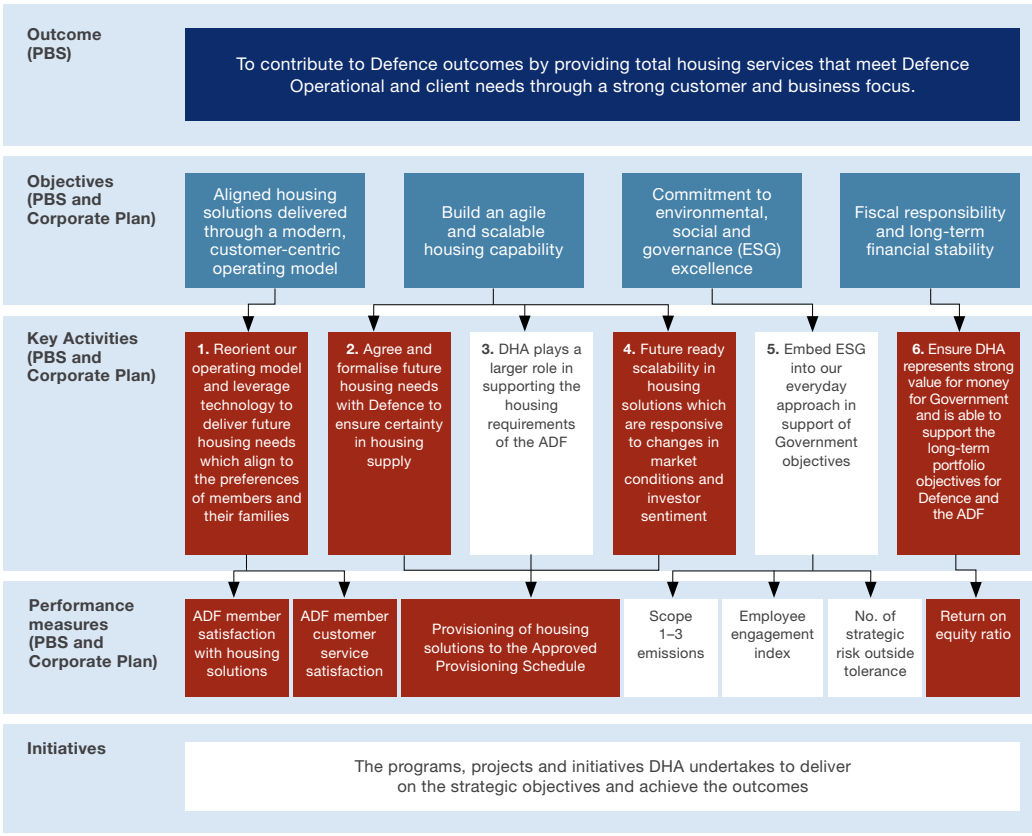
This performance statement is presented according to DHA's Outcome and Program Objectives identified in the PBS, and the supporting objectives, strategies and measures identified in the Corporate Plan and SCI. The performance statement describes DHA's performance against the performance measures across the reporting period.

Performance logic model

The performance logic model in Figure 3.2 illustrates the connection between:

- DHA's outcome, program objectives and key activities outlined in the PBS
- strategic objectives and strategies outlined in the SCI, and
- the performance measures and targets that underpin the organisation's accountability and transparency.

FIGURE 3.2: Performance logic model



Key activities and performance measures outlined in the Defence Portfolio Budget Statements 2025–26

Results summary

In 2025–26, DHA achieved its purpose of supporting Defence capability through the provision of housing and housing-related services to ADF members and their families. DHA's performance was measured using 7 performance measures across 4 strategic objectives.

To inform its performance for the year, DHA utilises:

- survey data to assess ADF member satisfaction with DHA's housing and housing-related services
- externally verified emissions, employee engagement and financial information, and
- internal data sources relating to stock and risk management.

In 2025–26, DHA achieved 5 of its 7 performance measures and substantially achieved the remaining 2 performance measures.

DHA is committed to the continuous improvement of its performance measures and information provided to the Parliament and the public. DHA regularly reviews its performance measures to ensure they are relevant and informative.

TABLE 3.1: Summary results against performance measures 2025–26 compared to 2024–25

Performance measure	2024–25 result	2025–26 result
ADF member satisfaction with housing solutions	Achieved	Achieved
ADF member customer service satisfaction	Not achieved	Achieved
Provisioning of housing solutions to the Approved Provisioning Schedule	Achieved	Achieved
Scope 1–3 emissions[1]	N/A	Achieved
Employee engagement index	Achieved	Achieved
Number of strategic risks outside tolerance[1]	N/A	Substantially achieved
Return on equity ratio	Not achieved	Substantially achieved

Note

1. New measure for 2025–26.

Full results and detailed performance analysis are in the following sections.

Performance results

In 2025–26, DHA introduced a 3-point assessment scale to assess performance results against the applicable performance measures. For quantitative measures, DHA uses the following tolerances to determine whether a measure was achieved, substantially achieved, or not achieved.

TABLE 3.2: Performance measure assessment scale

Measure	Achieved	Substantially achieved	Not achieved
ADF member satisfaction with housing solutions	≥80%	75%–79%	<75%
ADF member customer service satisfaction	≥85%	80–84%	<80%
Provisioning of housing solutions to the Approved Provisioning Schedule	≥99%	N/A	<99%
Scope 1–3 emissions	≤16,098 t CO_2-e	N/A	>16,098 t CO2-e
Employee engagement index	>70%	65%-69.9%	<65%
Number of strategic risks outside tolerance	0	1	>1
Return on equity ratio	≥3%	1.5-2.9%	<1.5%

The performance results are then aggregated to provide an overall performance assessment for each objective. DHA uses the following tolerances to determine whether an objective was achieved, substantially achieved, or not achieved.

TABLE 3.3: Overall Objective performance assessment scale

Objective	Achieved	Substantially achieved	Not achieved
Aligned housing solutions delivered through a modern, customer-centric operating model	Both targets rated as achieved	One or both targets rated as at least substantially achieved	One or both targets rated as not achieved
Build an agile and scalable housing capability	Target rated as achieved	Target rated as substantially achieved	Target rated as not achieved
Commitment to environmental, social and governance excellence	2 of the 3 targets are rated as achieved, and one rated as at least substantially achieved	2 of the 3 targets rated as at least substantially achieved, with no more than one target rated as not achieved	2 or more targets are rated as not achieved
Fiscal responsibility and long-term financial stability	Target rated as achieved	Target rated as substantially achieved	Target rated as not achieved

Flying Officer Jasmine Scheerer and her family in their DHA home.

Objective 1:

Aligned housing solutions delivered through a modern, customer-centric operating model

This was a foundational objective of DHA to ensure it can continue to meet the needs of the ADF and the operational requirements of the Department of Defence. The focus areas aligned with DHA's strategic direction to rapidly digitise, meeting service standards for customer service while enhancing commercial outcomes. Additionally, they addressed opportunities and threats identified in the strategic drivers, including advances in AI and the current cybersecurity threat level.

In 2025–26, DHA continued to focus on delivering customer-centric initiatives, notably through the Digital DHA program and other service model reform initiatives such as the Property Management Pilot and the peak posting surge workforce. In addition, DHA operationalised its Quality Assurance framework through the implementation of quality assurance processes relating to customer service, inspections and maintenance services, and contributed to Defence policy initiatives aimed at improving member experience across the housing life cycle.

Table 3.4 shows the performance measure results aligned to Objective 1 and the progress against the strategies outlined in the SCI.

TABLE 3.4: Performance assessment for Objective 1

PBS Performance measure	Target	Result	Rating
ADF member satisfaction with housing solutions			
Methodology Assessed through an annual survey of ADF members (satisfaction target derived from a specific survey question) **Data source** DHA Annual Occupant Survey **Authority** Defence PBS 2025–26, Program 1.1, page 215 Statement of Corporate Intent 2025–26, page 35	**80%**	**84.4%**	**Achieved**
3a. ADF member customer service satisfaction			
Methodology Assessed through an annual survey of ADF members (satisfaction target derived from a specific survey question) **Data source** DHA Annual Occupant Survey **Authority** Defence PBS 2025–26, Program 1.1, page 215 Statement of Corporate Intent 2025–26, page 35	**85%**	**87.2%**	**Achieved**
Overall performance assessment for Objective 1	**Achieved**		

Strategies to achieve our purpose	Achievements
Reorient our operating model and leverage technology to deliver future housing needs which align to the preferences of members and their families	
Customer interface digitisation, focused on tenancy and postings, enquiry management, and rent allowance	Delivered Housing Help to enhance members' access to housing information and self-service tools. Implemented improvements to interactive voice response functionality to improve responsiveness and direct enquiries to digital channels. Established DHA's AI governance model, including governance, policy and risk management arrangements to support the safe and responsible adoption of AI technologies. Continued cybersecurity governance and security uplift activities to support the protection of DHA systems, information and digital services, while enabling the safe delivery of digital transformation initiatives.
Property management, including online maintenance and inspections	
Reorient our operating model and leverage technology to deliver future housing needs	
Property management, including online maintenance and inspections	Implemented enhancements to online maintenance notifications to increase transparency and certainty for members and their families. Redesigned inspection and vacancy management processes to reduce complexity, improve consistency and establish the foundations for future end-to-end digital inspections. Completed analysis and future-state design activities for end-to-end housing management, end-to-end inspections, and digital repairs and maintenance. Progressed service model reform through the Property Management Pilot, based on a redesigned Property Manager role to support greater specialisation, centralisation and readiness for digitisation.
Agree and formalise future housing needs with Defence to ensure certainty in housing supply	
Future Services Agreement and Housing Policy projects	Progressed improvements to the Defence Services Agreement to reduce prescriptiveness, support contemporary service delivery, and strengthen outcomes-focused performance. Supported Defence housing policy initiatives and advanced housing and service readiness for emerging requirements, including AUKUS and SRF-West.

Performance analysis

ADF member satisfaction with housing solutions

DHA's 2026 Annual Occupant Survey received the largest number of responses since 2020, with over 7,000 responses collected from over 30,000 invitations. Analysis from survey results show that DHA achieved its target for ADF member satisfaction with housing solutions provided by DHA, with 84.4% of survey participants indicating satisfaction with DHA-managed housing.

ADF member customer service satisfaction

Analysis from 2026 Annual Occupant Survey results show that DHA also achieved its target for ADF member satisfaction with customer service, with 87.2% of survey participants indicating overall satisfaction with DHA's suite of housing-related services, including housing administration, repairs and maintenance, booking and allocation services.

Academy Close development, Campbell ACT

Objective 2:

Build an agile and scalable housing capability

DHA continued to develop the capability to deliver housing and related services with flexibility and the ability to scale regionally in short time frames. The increased awareness of member and family wellbeing, the significant overall growth in the portfolio, and the anticipated housing demand growth highlighted the need for rapid scaling in specific areas.

Table 3.5 shows the performance measure results aligned to Objective 2 and the progress against the strategies outlined in the SCI.

TABLE 3.5 Performance assessment for Objective 2

PBS Performance measure	Target	Result	Rating
Provisioning of housing solutions to the Approved Provisioning Schedule			
Methodology Calculated by dividing the total number of properties provisioned by DHA under the Defence Services Agreement within the relevant year by the annual target number of properties set out in the Approved Provisioning Schedule	**> 99%**	**101.3%**	**Achieved**
Data source Actual stock under management as at end of reporting period			
Authority Defence PBS 2025–26, Program 1.1, page 215 Statement of Corporate Intent 2025–26, page 35			
Overall performance assessment for Objective 2	**Achieved**		

Strategies to achieve our purpose	Achievements
DHA plays a larger role in supporting the housing requirements of the ADF	
Preparedness for ADF growth. DHA anticipates a need to significantly grow its portfolio by 2040	Following the 2025–26 Shareholder Funding and Governance Review, DHA developed and submitted 3 capital business cases to Shareholder Ministers that outline DHA's long-term strategic growth strategy, which addresses both urgent housing requirements and long-term portfolio growth to support projected ADF growth to 2040.
Future ready scalability in housing solutions which are responsive to changes in market conditions and investor sentiment	
Strategic provisioning, continue to develop new sourcing channels and product model: Joint ventures, partnerships	Developed medium-term national Property Strategy in alignment with DHA's long-term strategic plan, to support anticipated Defence growth, reduce leasing dependency and develop new strategic provisioning initiatives that contribute new build leases.
Embed sourcing channels developed last year into business-as-usual activities: New Builds and Volume Leasing Program, and Build to Lease Program	Both New Builds Volume Leasing Program and Build to Lease Program have been transitioned into BAU activities. New Builds Volume Leasing Program has secured 23 long-term supply agreements in 11 locations nationally.

Performance analysis

Provisioning of housing solutions to the Approved Provisioning Schedule

DHA maintained strong performance against the Approved Provisioning Schedule throughout the reporting period.

At 30 June 2026, DHA had provisioned 17,797 properties, representing 101.3% of Defence requirements under the Approved Provisioning Schedule, which exceeded its 2025–26 target of 99% for the period.

This performance reflects DHA's ability to maintain alignment with Defence requirements in a constrained housing market. It also demonstrates the effectiveness of diversified provisioning channels, including leasing, acquisitions and development activity, in supporting Defence capability outcomes.

Objective 3:

Commitment to environmental, social and governance (ESG) excellence

During 2025–26, DHA strengthened the foundations of its ESG approach, undertaking key activities to support the development of its inaugural ESG Strategy 2026–28.

This work focused on building a stronger understanding of DHA's ESG priorities, impacts, risks and opportunities, whilst establishing the governance, data, and organisational capability required to support future delivery. Foundational activities in 2025–26 included an ESG materiality assessment, enhanced climate and environmental risk management, improvements to emissions and sustainability data, the development of a structured ESG governance and reporting approach.

These activities provided an important evidence base for DHA's ESG Strategy 2026–28 and establish a clear pathway for progressively embedding ESG considerations into decision-making, business operations and the management of DHA's national housing portfolio.

As part of its ESG approach, DHA is committed to creating positive social outcomes through the delivery of high-quality housing services, strong customer engagement and the development of safe, inclusive and liveable housing. DHA's social focus extends across customer service, stakeholder engagement, workforce wellbeing, ethical business practices and responsible supply chain management. By maintaining strong relationships with Defence, ADF families, contractors and local communities, DHA seeks to build trust, enhance service outcomes and deliver long-term social value that supports both ADF members and the broader communities in which they live.

Table 3.6 shows the performance measure results aligned to Objective 3 and the progress against the strategies outlined in the SCI.

Performance measure note

The Scope 1–3 emissions performance target was based on DHA's total reported Scope 1–3 emissions for 2023–24 (16,098 t CO_2-e). In the 2023–24 Annual Report and the Statement of Corporate Intent 2025–26, the unit of measurement was expressed incorrectly as kg CO_2-e. The target should be read as 16,098 t CO_2-e and has been presented on that basis in this Annual Performance Statement. The relevant correction to the 2023–24 Annual Report is included under *Appendix B: Correction of errors in previous Annual Repor*t.

Further information relating to DHA's emission reporting performance measurement methodology and target setting is captured within Table 3.6 and performance analysis below.

TABLE 3.6: Performance assessment for Objective 3

Performance measure	Target	Result	Rating
Scope 1–3 emissions			
Methodology The calculation of Scope 1–3 emissions is based on activity data for various emission sources and any additional mandatory reportable activities as determined by Department of Finance under the Emissions Reporting Framework. This data is crucial for accurately determining the amount of emissions produced. The method involves the following steps: Activity Data Collection: DHA calculates emissions using activity data collected from various emission sources. This includes measurements and readings from equipment and processes that generate emissions. The sources and activities are grouped by scope, which include those relating to: • Electricity • Natural gas • Solid waste • Refrigerants • Fleet • Other vehicles • Commercial flights • Hire car • Hotel accommodation • Other energy – stationary	**16,098 t CO_2-e**	**1,225 t CO_2-e**	**Achieved**
Data source *Types of Data* • Primary Data: Direct measurements from equipment and processes (e.g., fuel logs, electricity meters). • Secondary Data: Derived from industry reports, published studies, and supplier data. • Estimated Data: Used when primary or secondary data is unavailable, based on standard emission factors from recognised authorities (e.g., National Greenhouse Accounts Factors). *Data Validation* To ensure accuracy and reliability: • Verification: Cross-check data against benchmarks and supplier records. • Auditing: Regular internal and external audits of data collection and reporting processes. • Oversight by Department of Finance: Ensures compliance with the Climate Disclosure Framework.			
Authority Statement of Corporate Intent 2025–26, page 35			

Performance measure	Target	Result	Rating
Employee engagement index			
Methodology Calculated engagement score from Australian Public Service employee census undertaken by the Australian Public Service Commission	70%	73%	Achieved
Data Source Australian Public Service employee census			
Authority Statement of Corporate Intent 2025–26, page 35			
No. of strategic risks outside tolerance			
Methodology • DHA's risk appetite is defined by the Board through its Risk Management Policy. • Risk deep dives are conducted biannually for each enterprise and strategic risk to identify and validate risks that are outside DHA's risk tolerance. • Strategic and enterprise risks are regularly reported to the Leadership Team and the Board Audit and Risk Committee to support oversight and risk-informed decision-making. • Risks are monitored on an ongoing basis to assess whether they remain within DHA's approved risk tolerance levels and to identify any changes in risk exposure.	0	1	Substantially achieved
Data Source Board Audit and Risk Committee Risk report			
Authority Statement of Corporate Intent 2025–26, page 35			
Overall performance assessment for Objective 3	**Achieved**		

Strategies to achieve our purpose	Achievements
Embed ESG into our everyday approach in support of Government objectives	
Establish an ESG baseline that defines how DHA's existing programs and activities contribute to ESG objectives	Undertook extensive stakeholder engagement to identify the environmental, social and governance issues most material to DHA. The outcomes informed the prioritisation of strategic focus areas and provided a robust evidence base for the development and implementation of DHA's ESG Strategy 2026–28.
Write an ESG Strategy that builds on the baseline to establish future activities and targets	Developed DHA's inaugural ESG Strategy 2026–28, comprising 13 strategic initiatives designed to embed ESG priorities that are aligned with Commonwealth policy targets. Internal performance measures and targets will be developed as part of the program.

Performance analysis

Scope 1–3 emissions

The Scope 1–3 emissions target set for 2025–26 was based on DHA's total reported Scope 1–3 emissions for 2023–24. The variance between the 2025–26 reported and the 2023–24 baseline primarily reflects improvements in data availability, estimation techniques and calculation methodologies, rather than a material change in underlying operational activity.

In 2023–24, limitations in source data, particularly for energy and waste necessitated a greater reliance on estimates and assumptions. As DHA's ESG reporting capability matures, data governance, data capture and centralisation processes continue to be strengthened to support a more robust emissions baseline to improve the consistency, comparability and reliability of reported results over time, which will inform future target setting and performance assessment as part of DHA's ESG Strategy 2026–28.

Employee engagement index

DHA achieved its staff engagement performance target for 2025–26. The employee engagement index was 73% in the 2026 Australian Public Service Employee Census, which remained consistent with trends over the past 5 years. This result is consistent with DHA's ongoing investment in organisational culture and capability, and demonstrates DHA's commitment to delivering on its employee value proposition.

Number of strategic risks outside tolerance

As at 30 June 2026, the Financial Sustainability strategic risk remained outside tolerance. During the year, DHA undertook a range of activities to address the risk, including the development of 3 capital business cases to support future housing growth and long-term financial sustainability. Two business cases were submitted to Shareholder Ministers at the end of 2025, with the third submitted in early 2026.

The business cases outline DHA's proposed approach to supporting Defence housing requirements in Rockingham and Townsville, together with its broader portfolio growth strategy. Developed in consultation with Department of Finance and the Department of Defence, the proposals include options for portfolio expansion, future financing arrangements and improved value for money in the provision of housing services. The proposals remained under Government consideration at 30 June 2026.

Lieutenant Rebecca Scott and her family in their Canberra DHA home.

Objective 4:

Fiscal responsibility and long-term financial stability

DHA's capital management objectives are to ensure the organisation can sustainably fulfil its core purpose into the future, while providing value to its Shareholders. DHA's strategic direction was to emphasise a commercial culture that balances commercial thinking with customer focus, which is expected to enhance productivity and maintain high levels of customer satisfaction.

By focusing on these areas, DHA is ensuring fiscal responsibility and long-term financial stability, enabling the organisation to continue delivering high-quality housing solutions that meet the needs of Defence and its personnel.

Table 3.7 shows the performance measure results aligned to Objective 4 and the progress against the strategies outlined in the SCI.

TABLE 3.7: Performance assessment for Objective 4

PBS Performance measure	Target	Result	Rating
Return on equity ratio			
Rationale As a corporate Commonwealth entity and Government Business Enterprise, DHA is required to provide value to its Shareholders. This measure demonstrates DHA's ability to provide value to Shareholders by measuring DHA's financial profitability and how efficiently it generates profits. This measure assesses DHA's ability to provide housing and related services in line with our purpose. This measure is consistent with the key performance indicators required for performance measurement and reporting for GBEs as defined in *Resource Management Guide – 126: Commonwealth Government Business Enterprise – Governance and Oversight Guidelines*. The target for this performance measure is based on financial forecasts.	**3%**	**2.2%**	**Substantially achieved**
Methodology Calculated by dividing DHA's annualised net profit after tax by average equity			
Data Source DHA's audited financial statements			
Authority Defence PBS 2025–26, Program 1.1, page 215 Statement of Corporate Intent 2025–26, page 35			
Overall performance assessment for Objective 4	**Substantially achieved**		

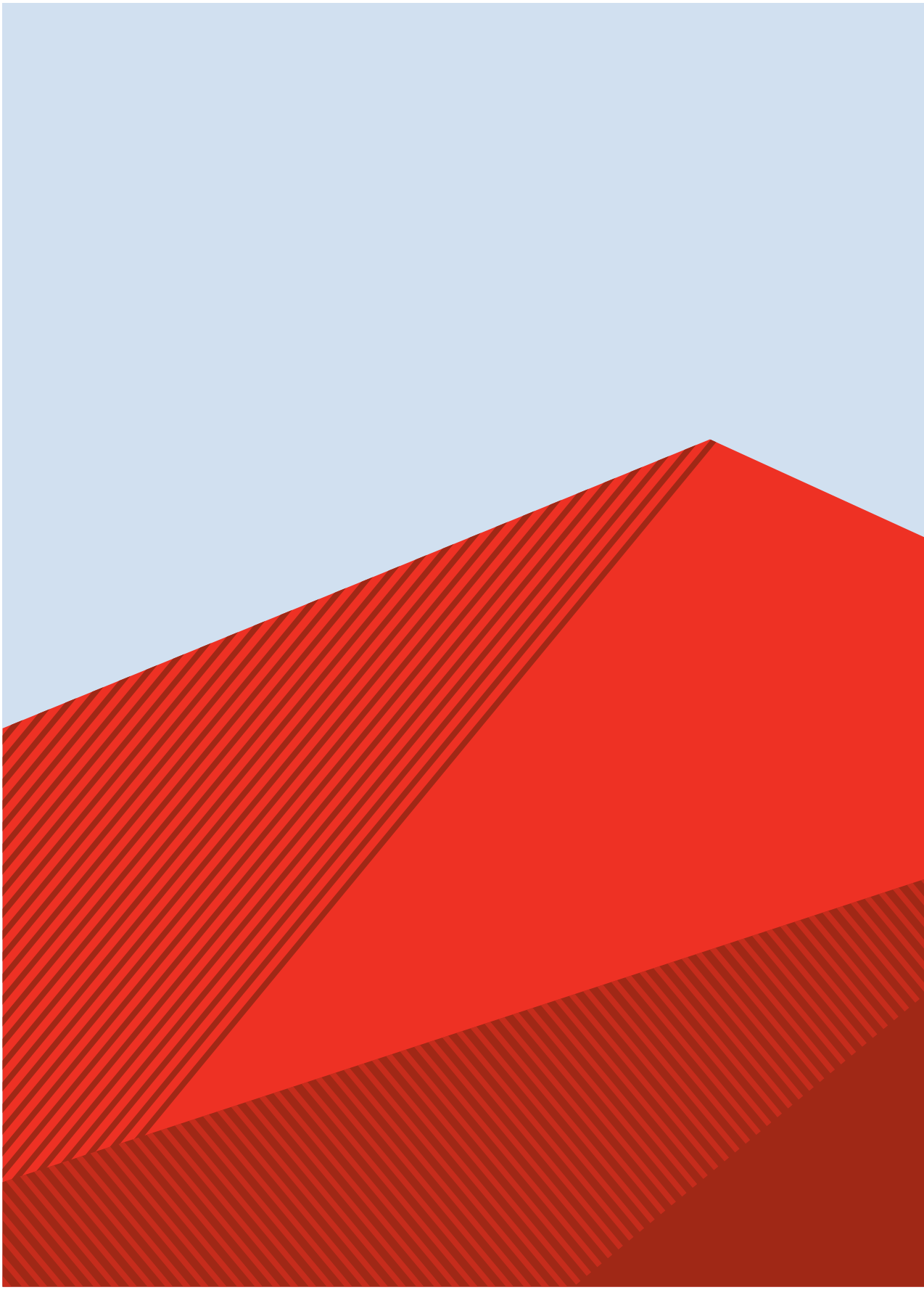
Strategies to achieve our purpose	Achievements
Ensure DHA represents strong value for money for Government and is able to support the long-term portfolio objectives for Defence and the ADF	
Asset management program seeks to reduce repairs and maintenance costs, focusing on digitisation of asset accounting, and a bigger focus on preventive/ programmed maintenance	Progressed the asset management program through the development of nationally consistent asset management frameworks, governance and data improvement initiatives to support future lifecycle management and preventative maintenance. Planned condition standards and future asset management initiatives were reprioritised to deliver the National Compliance Program, improving visibility of portfolio risk, supporting more proactive management and improved the clarity of DHA's regulatory obligations.

Performance analysis

Return on equity ratio

DHA substantially achieved its 2025–26 return on equity target, achieving 2.2% against a target of 3%. Although below the target, the result remained within the 'substantially achieved' tolerance range and was underpinned by a materially stronger financial outcome than forecast in the Corporate Plan. DHA recorded Net Profit After Tax of $39.1 million, compared with the Corporate Plan target of $8.7 million. The return on equity result reflects both earnings performance and the level of equity employed to support DHA's long-term housing portfolio and growth objectives. While NPAT exceeded the Corporate Plan target, return on equity remained below the 3% target, reflecting the significant capital investment required to maintain and grow DHA's housing portfolio.

DHA's capital strength remains central to securing and sustaining the housing portfolio required to meet Defence requirements. During the year, DHA continued to manage its capital settings to support housing delivery, including priority regional growth, emerging AUKUS-related requirements and the forward investment program, while engaging with Shareholders and Government on longer-term funding and financing arrangements.



Part 4
Governance and accountability

4

Corporate governance

Accountable Authority

The Board, as the Accountable Authority for DHA under the PGPA Act, holds responsibility for ensuring robust risk management practices are in place. DHA has adopted a consolidated approach to risk management that encompasses governance, risk appetite, business continuity and crisis management, and compliance.

DHA fulfils its obligations under the PGPA Act and the Commonwealth Risk Management Policy by establishing and maintaining appropriate systems for risk management and internal control. The Managing Director and the senior leaders play pivotal roles in integrating risk management into DHA's decision-making processes. DHA's Leadership Team participate as risk owners in deep-dive workshops to review DHA's strategic and enterprise risks.

Risk management

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

DHA maintains a structured and integrated risk management framework to support the achievement of its strategic objectives and the effective delivery of safe, secure and sustainable housing for ADF members. All DHA staff and contractors are responsible for managing risks and complying with the regulatory obligations, policies and procedures associated with their roles.

During the reporting period, DHA refined its risk appetite settings to better support innovation, customer-centred thinking and informed decision-making, while maintaining appropriate oversight and controls. This approach encourages teams to consider opportunities that improve service delivery, strengthen outcomes for DHA customers and respond effectively to changing business conditions.

DHA's operating environment includes strategic, enterprise, operational and project risks that may affect the achievement of its objectives and the delivery of services. These risks are monitored regularly by management and overseen by the Board Audit and Risk Committee. DHA's principal strategic and enterprise risks relate to financial sustainability, meeting the housing needs of ADF members and their families, protecting information assets, complying with legislative and regulatory obligations, and responding effectively to changes in its operating environment.

DHA continued to strengthen its risk management capability during the year through the implementation of critical control assurance arrangements, enhancement to enterprise risk reporting, and the incorporation of environmental and climate-related risks into its enterprise risk framework.

DHA Business Development Manager Mr Luciano Galati, DHA Landlord Ms Lisa Taylor

Climate risks

During 2025–26, DHA continued its phased implementation of mandatory reporting under the Commonwealth Climate Disclosure framework. This approach, which is expected to continue over the Corporate Plan period, enables DHA to progressively strengthen its understanding, management and disclosure of climate-related risks and opportunities, while continuing to build internal capability and data maturity.

Refer to *Appendix C: Sustainability report* for more information.

Fraud control and anti-corruption

DHA is committed to maintaining high standards of ethical conduct, integrity and accountability in accordance with its obligations under the PGPA Act.

DHA's approach to fraud and corruption control is aligned with the Commonwealth Fraud and Corruption Control Framework and informed by contemporary industry best practice. The approach integrates fraud and corruption prevention, detection, response and continuous improvement into the organisation's broader governance, risk management and assurance activities.

During the reporting period, DHA continued to monitor its fraud and corruption risk environment through established assurance processes and governance forums. No instances of fraud were identified through internal audit or related assurance activities undertaken during the year.

During the reporting period, DHA implemented a targeted program of uplift initiatives designed to enhance organisational integrity. This included expanded assurance activities to validate the effectiveness of controls, enhancements to fraud reporting mechanisms, and increased focus on staff awareness and capability development. DHA also strengthened governance arrangements for integrity matters and supported the 'One APS' approach to combating fraud and corruption through active participation in cross-government communities of practice and integrity working groups.

DHA will continue to review and strengthen its fraud control arrangements to ensure they remain effective and responsive to emerging risks and consistent with Commonwealth requirements.

Internal audit

DHA's Internal Audit function is aligned with the Global Internal Audit Standards, as verified through an external Quality Assessment by the Institute of Internal Auditors. The 3-year Internal Audit Work Program is reviewed annually to remain risk-based, flexible and aligned with DHA's strategic priorities, enterprise risks and operating environment.

In 2025–26, the program was updated to reflect emerging priorities, stakeholder feedback and revised timing, scope and effort, while remaining within the approved annual audit budget. It continues to provide independent assurance and practical insights to support governance, risk management, internal control and business improvement across DHA.

Liaison with Departments assisting Shareholders

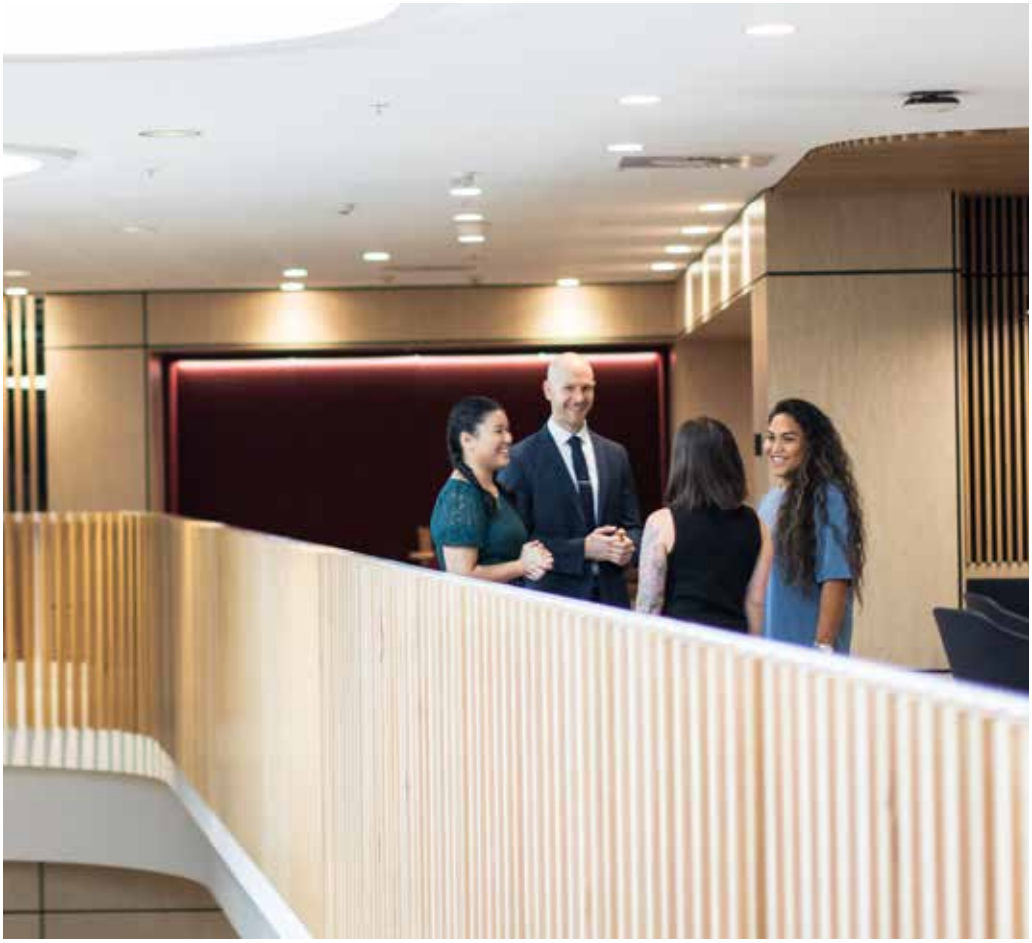
Throughout 2025–26, DHA maintained a constructive and collaborative relationship with the Department of Defence and the Department of Finance, who support DHA's Shareholder Ministers. Engagement focused on corporate planning, shareholder funding arrangements, initiatives associated with AUKUS and SRF-West, performance and financial reporting, and other strategic issues affecting the delivery of housing outcomes for the ADF.

DHA provided regular briefings, information and advice to support Shareholder Minister oversight and worked closely with officials from Defence and Department of Finance on matters of governance, ensuring alignment between DHA's activities, Government priorities and Shareholder expectations as a GBE.

Workforce management

People, culture & capability

DHA continued to invest in its people, culture and capability during 2025–26, supporting a productive, inclusive and engaged workforce. Activity across the reporting period focused on strengthening workforce management, reconciliation, diversity, equity and inclusion, flexible work, health and wellbeing, reward and recognition, performance management, leadership capability and employee development. Together, these initiatives supported a positive workplace culture, reinforced accountability and capability, and helped employees feel valued, connected and supported to contribute to DHA's purpose.



DHA staff in Head Office, Gungahlin ACT

Reconciliation

DHA continued to strengthen its commitment to reconciliation through a range of activities and initiatives. A key activity was its partnership with a First Nations consultancy which supported the development of strategies to establish a clear and positive pathway for advancing reconciliation, engagement, recruitment, retention and cultural capability across the organisation.

Building on this work, DHA identified a range of opportunities to further strengthen its reconciliation journey and commenced development of its next Innovate Reconciliation Action Plan. The plan will outline meaningful actions to strengthen and advance the reconciliation journey, building on progress achieved to date.

Initiatives to improve employment opportunities for First Nations peoples also progressed. Advertising affirmative measures and identified recruitment processes for selected roles, supporting equitable access to employment opportunities, participating in employment programs, and addressing known application barriers by providing alternative pathways for candidates to be considered equitably.

Diversity, equity and inclusion

DHA strengthened its diversity, equity and inclusion approach during 2025–26 by focusing on a respectful, inclusive and equitable workplace where employees feel safe, valued and supported. Activity focused on governance, visibility, engagement, workforce capability and embedding inclusive practices into everyday work, including building awareness and confidence in supporting neurodivergent employees and their managers.

DHA also strengthened practical workplace support through targeted wellbeing initiatives, including an EndoThrive endometriosis awareness session that increased understanding of the condition and supportive workplace practices, alongside the provision of single-use heat packs and guidance materials to assist employees managing endometriosis and other health conditions at work.

Gender equality

DHA is committed to improving gender equality and reducing its gender pay gap. DHA's most recent Workplace Gender Equality Agency reporting showed a median total remuneration gender pay gap of 14.7% and an average total remuneration gender pay gap of 18.7%, representing improvements of 0.4 and 1.4 percentage points respectively compared with the previous reporting period. While this demonstrates progress, DHA recognises that its gender pay gap remains higher than comparable public sector employers and requires sustained attention.

DHA's analysis, supported by independent reviews, indicates that the primary drivers of the gender pay gap are the underrepresentation of women in higher remunerated leadership, senior managerial and technical roles, disparities in Individual Flexibility Arrangement outcomes, and differences in starting salary outcomes, rather than widespread differences in remuneration for comparable work.

In 2025–26, the Leadership Team endorsed 3 Workplace Gender Equality Agency targets: reducing DHA's median total remuneration gender pay gap by 3 percentage points by 2028, strengthening employee consultation on gender equality matters, and embedding greater accountability and gender neutrality in remuneration policies and decision-making processes.

During this period, DHA progressed a range of initiatives to support these commitments. These included commissioning an independent pay equity audit, reviewing remuneration governance arrangements and Individual Flexibility Arrangements, strengthening recruitment and remuneration practices, improving remuneration data quality and assurance processes, and enhancing leadership development and career pathways to support greater representation of women in senior leadership roles. DHA continued to improve gender representation across its leadership cohort. Women represented 50% of SES Band 1 positions and increased from 0% to 25% of SES Band 2 positions. Representation of women at the EL2 level increased from 27% to 38%. These improvements reflect DHA's ongoing efforts to strengthen gender diversity across leadership positions and build a sustainable pipeline of women into senior executive roles.

DHA acknowledges that reducing the gender pay gap is a long-term endeavour requiring sustained improvement in workforce representation, career progression opportunities, and remuneration practices. DHA will continue to monitor gender representation, recruitment, promotion, and remuneration outcomes, while strengthening reporting and decision-making processes to improve transparency and support continued progress towards greater gender equality.

Refer to Tables 4.1 and 4.2 for details on staff by classification and gender.

TABLE 4.1: Workforce summary and 2024–25 and 2025–26

Indicator	2024–25	2025–26
Headcount		
Total number of staff employed[1]	630	648
Diversity (as a percentage of the workforce)[2]		
Identify as a male	31%	30%
Identify as a female	69%	70%
Identified as Aboriginal or Torres Strait Islander	1%	1%
Identified as having a disability	3%	3%

Note

1. Figures include ongoing and non-ongoing staff at their substantive classification as at 30 June 2025 or 30 June 2026. Inoperative staff (those on long-term leave), staff engaged through an employment agency and Board members are excluded.
2. Diversity figures as identified by staff. No staff identified as non-binary, preferred not to answer, or used a different term.

TABLE 4.2: Staff by classification and gender[1] 2024–25 and 2025–26[2]

	2024–25		2025–26	
Classification	**Female**	**Male**	**Female**	**Male**
DHA1	-	-	-	-
DHA2	-	-	-	-
DHA3	32	16	23	11
DHA4	155	40	158	43
DHA5	92	24	93	24
DHA6	75	39	88	38
EL1	67	41	74	44
EL2	11	30	16	26
SES and MD	3	5	4	6
Total	**435**	**195**	**456**	**192**

Notes

1. Diversity figures as identified by staff. No staff identified as non-binary, preferred not to answer, or used a different term. The non-binary category was removed as there were no respondents in this category.
2. These figures exclude Board members.

Flexible work culture

Flexible working arrangements are an established and valued way of working at DHA, supporting employee wellbeing, inclusion, engagement and productivity. Requests for flexibility are considered on their individual merits through a fair, transparent and case-by-case assessment process, taking into account the employee's circumstances, operational requirements and team needs.

Health and wellbeing

DHA continued to strengthen its commitment to employee wellbeing during 2025–26 by providing a range of support measures, early intervention services, flexible working arrangements, and accessibility initiatives to help employees remain healthy, engaged and supported at work.

DHA remains committed to fostering a psychosocially safe and inclusive workplace, with support options available for employees, managers and leaders. A risk-based approach to psychosocial safety at an enterprise level has paved the way with a strong foundation and a future focused horizon.

Leadership, capability and workforce performance

DHA strengthened leadership, capability and workforce performance during 2025–26 through improvements to its primary learning platform and introduction of new products, continued investment in the DHA Manager Network and providing development opportunities for staff to enhance and grow their academic, technical and professional capability.

DHA further continued to embed its Senior Executive Service performance leadership framework, strengthening accountability, leadership capability and alignment between executive performance and organisational objectives.

Reward and recognition

DHA's reward and recognition framework acknowledges employees and teams who demonstrate exceptional commitment, achievement and service in support of DHA's strategic objectives, while strengthening a positive, high-performing workplace culture and Employee Value Proposition.

During 2025–26, DHA recognised Australian Public Service service milestones through its Service Awards program, acknowledging the dedication, professionalism and valuable contributions of employees throughout their careers in public service. DHA also celebrated outstanding performance through the DHA Annual Awards and promoted its Staff Spotlight series on the staff intranet, showcasing employee experiences, achievements and contributions to strengthen recognition, connection and an inclusive workplace culture.

Left to right: DHA Chair Dr Robert Lang, Senior Parliamentary Officer Ms Rachel Gabellone, Assistant Director Enterprise Secretariat Ms Leigh-Anne Palmer, Board member Ms Gai Brodtmann, Assistant Director Enterprise Secretariat Ms Grace Andrews, Director Secretariat and Parliament Ms Jessica Botterill, Head Office, Gungahlin ACT

Employment conditions

Remuneration

DHA employs staff under the *Public Service Act 1999*. Its remuneration framework is designed to support the attraction and retention of a capable workforce while balancing commercial considerations and Shareholder expectations, with remuneration determined having regard to classification level, responsibilities and market considerations.

SES remuneration and employment conditions are determined by the Managing Director under section 24(1) of the *Public Service Act 1999*.

The Managing Director's remuneration is determined by the DHA Board within the parameters of the Remuneration Tribunal's determination for Principal Executive Office holders, in accordance with section 50 of the DHA Act.

Board member remuneration is determined by the Remuneration Tribunal for holders of part-time public office, in accordance with section 17 of the DHA Act.

Remuneration packages comprise base salary and employer superannuation contributions in line with legislative and fund requirements. Allowances, including travel and motor vehicle allowances, are paid in accordance with the Enterprise Agreement or relevant Remuneration Tribunal determinations. Employees and the Managing Director accrue leave.

Further information on salary rates and executive remuneration is provided in *Appendix D: Workforce statistics*.

Strategic Commissioning Framework

DHA operates in line with the Australian Public Service Strategic Commissioning Framework With a focus on building sustainable, in-house capability through workforce planning, staff development, knowledge transfer and practical guidance, while using external support only where necessary and within the framework's limited circumstances.

Consultants

DHA engages consultants as required where specialist expertise is not available in-house, or when independent assessment, review or advice is required for a defined period. In 2025–26, DHA's total consultancy contract value was $23.6 million (GST inclusive). The majority of consultancy engagements supported property provisioning, asset management and construction activities, including asset advisory, architectural design, engineering and assessments. The remaining contracts relate to legal and corporate items, including ICT advisory and security services, auditing and financial analysis.

Financial performance

For 2025–26, DHA reported net profit after tax of $39.1 million. The result was supported by disciplined expenditure management, favourable non-cash housing-related movements, and asset and investment sales activity influenced by project settlement timing and associated cost recognition. DHA's cash, debt and capital settings continued to be managed in support of housing delivery for the ADF and the forward investment program.

During the year, DHA continued to progress reforms to improve the efficiency and scalability of its operating model, including work across digital service delivery, repairs and maintenance, asset management and workforce planning. At the same time, acquisition, development and upgrade activity progressed below Corporate Plan assumptions, influencing the timing of capital investment and reinforcing the need to maintain flexibility across the forward investment program.

DHA continued to engage with Shareholders and the Australian Government on longer-term funding and financing settings to support future ADF housing demand, including priority regional growth and emerging AUKUS-related requirements. These settings, alongside ongoing efficiency and scalability reforms, remain important to sustaining DHA's financial capability and positioning the organisation to respond to future housing requirements.

Returns to the Australian Government

DHA and its Shareholders agreed to a dividend moratorium in respect of the 2025–26 financial year. DHA declared a nil dividend for 2025–26, enabling funds to be retained and reinvested in the delivery of housing requirements that support current and future ADF capability needs.

Taxation

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

During 2025–26, tax paid to the Australian Taxation Office was $12.7 million, while state tax equivalents paid to the Commonwealth totalled $54.8 million.

Management of DHA loans

DHA has access to a $509.6 million loan facility, of which $280.0 million has been drawn down to invest in housing that supports ADF capability.

DHA's capital strength

DHA's capital strength remains central to its ability to secure, maintain and grow a housing portfolio that meets ADF requirements. During 2025–26, DHA continued to work with the departments of Defence and Finance and Shareholder Ministers on longer-term funding and financing settings, informed by the 2025–26 Shareholder Funding and Governance Review and subsequent capital business cases. This work considered the capital required to support future ADF housing demand, including priority regional growth and emerging AUKUS-related requirements, while balancing leasing, acquisition, construction, land development activity and asset management strategies to preserve capital flexibility.

Sustaining financial capability

DHA continued to strengthen its financial capability through disciplined capital management, targeted investment and reforms to improve the efficiency and scalability of service delivery. This included maintaining a focus on leasing and renewal pathways where appropriate, managing the timing of investment and settlement activity, and continuing reforms across digital service delivery, asset management and maintenance arrangements. These measures support long-term financial sustainability and ensure DHA remains positioned to deliver housing outcomes for the ADF while generating value for Shareholders.

Financial structure

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

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

Our funding

DHA does not receive budget appropriations. DHA's operations are principally funded through rents, fees, and charges for its services from Defence, and other revenue related to maintaining its housing portfolio, including:

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

DHA's loan agreement with the Commonwealth provides access to capital for investment and short-term liquidity support. While the existing facility supports current investment and liquidity requirements, longer term funding and financing settings remain important to supporting the scale, timing and ownership profile of future growth requirements.

DHA's credit rating

Standard & Poor's Global Ratings (S&P Global) conducts an annual credit rating assessment of DHA. S&P Global affirmed DHA's AA+ issuer credit rating on 27 November 2025. Contributing to this rating is DHA's ownership by, and interaction with, the Australian Government and its strategic importance to the ADF.

S&P Global also provided a standalone credit profile rating for DHA of BBB+. This standalone credit profile rating is consistent with the target for GBEs of BBB as specified in the *Commonwealth Government Business Enterprises – Governance and Oversight Guidelines Resource Management Guide No. 126.*

Procurement

DHA's procurement of goods and services, including consultancies, is conducted in accordance with the governance principles established under the PGPA Act. Although DHA is not subject to the Commonwealth Procurement Framework, including the Commonwealth Procurement Rules, its procurement activities are informed by the core PGPA Act principles of achieving value for money, maintaining transparency, acting ethically, ensuring effective governance, and demonstrating appropriate accountability.

Table 4.3 outlines DHA's Indigenous procurement.

TABLE 4.3: DHA's Indigenous procurement

	2023–24	2024–25	2025–26
Number of suppliers	28	30	47
Number of contracts	2,668	5,988	3,821
Total value	**$11,104,050**	**$41,585,386**	**$5,214,255**

Senate Order on Entity Contracts

As a non-prescribed corporate Commonwealth entity, DHA complies with the Senate Order on Entity Contracts and publishes a list of contracts over $100,000 (GST inclusive) on the agency's website for the relevant reporting period. Refer to DHA's website (https://www.dha.gov.au/about-us/planning-and-reporting/procurement-and-consultancies) to read the report.

Modern Slavery

DHA will submit its 2025–26 Modern Slavery statement for publication by 31 December 2026 in line with the requirements of the *Modern Slavery Act 2018.* DHA's Modern Slavery Statements are available to view on the Modern Slavery Register (Statement #2025-2943).

For the 2025–26 financial year, DHA has not identified any specific instances of modern slavery harm through its dedicated process for modern slavery grievance and remediation reporting and handling.

Property Manager Ms Maryann Marasea in the Melbourne office

External scrutiny

Reports from Auditor-General

During 2025–26, no Auditor-General reports relating to DHA were tabled. DHA remains proactive in collaborating with Defence and other agencies to address previous recommendations and maintain transparency across its operations.

Australian National Audit Office performance audit

In consultation with Defence, DHA has implemented the final recommendation from the Australian National Audit Office Report No. 31 (2019–20) *Management of Defence Housing Australia*, with all 4 recommendations now closed. The final recommendation was resolved through amendments to the DHA Act introduced by the *Defence Housing Australia Amendment Bill 2025*, which received Royal Assent on 28 August 2025.

Parliamentary Standing Committee on Public Works

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

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

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

In 2025–26, DHA made no submissions to the PWC on behalf of Defence.

Commonwealth Ombudsman

DHA maintains a constructive and positive working relationship with the Office of the Commonwealth Ombudsman. As part of its commitment to continuous improvement, DHA reviews published Ombudsman reports and considers all relevant recommendations.

In the reporting period, DHA received one section 7A preliminary inquiry notice and 5 section 8 investigation notifications from the Office of the Commonwealth Ombudsman. All notifications resulted in no adverse findings and were resolved.

In addition to feedback gathered through surveys, DHA welcomes feedback from customers, stakeholders and members of the public. Complaints are managed in accordance with DHA's complaints management policy and framework, with a focus on resolving concerns fairly, consistently and as close to the source as possible.

Feedback received through complaints and other channels provides valuable insight into the customer experience and helps inform service improvements, business initiatives and ongoing efforts to enhance DHA services.

Office of the Australian Information Commissioner

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

In 2025–26, DHA received notice of two complaints to the Information Commissioner on the handling of Freedom of Information requests by DHA, and one complaint was outstanding from 2024–25. Additionally, there were 3 requests made to the Information Commissioner for review of 3 Freedom of Information decisions made in 2025–26, and 4 Information Commissioner reviews were awaiting outcome at the beginning of 2025–26. Of these:

- One complaint was closed with no adverse finding and 2 are in progress.
- Seven reviews are currently under OAIC consideration.

No data breaches during 2025–26 were assessed as eligible data breaches under the Notifiable Data Breaches Scheme and, accordingly, no notifications were required to be made to the OAIC.

DHA is subject to the *Freedom of Information Act 1982* (Cth) (FOI Act) and *Privacy Act 1988* (Cth) (Privacy Act). Compliance with these legislative frameworks is overseen by the OAIC. DHA submitted all required statistical returns to the OAIC within the prescribed timeframes.

Freedom of Information requests

DHA is subject to the FOI Act, which provides a right of access to government-held information unless an exemption applies. DHA maintains arrangements to support compliance with the FOI Act, including publication of an Information Publication Scheme and FOI disclosure log on its website. DHA also submitted all required statistical returns to the OAIC during the reporting period and continued to work constructively with the OAIC on matters relating to freedom of information and information access.

Privacy Act breaches

DHA is subject to the Privacy Act and is committed to protecting the personal information of ADF members and their families, employees and other stakeholders. DHA maintained arrangements to support compliance with the Australian Privacy Principles, including staff training, privacy impact assessments and ongoing monitoring of privacy obligations. No eligible data breaches were reported to the OAIC under the Notifiable Data Breaches Scheme during 2025–26.

Indemnities

There were no indemnities that applied during the reporting period to the Accountable Authority, any member of the accountable authority, or any officer of the entity against liability, including insurance premiums for legal costs.

Significant non-compliance with finance law

In accordance with section 19 of the PGPA Act, DHA is required to report any significant non-compliance with finance law notified to the responsible Minister as soon as practicable during the reporting period. There were no instances of significant non-compliance with finance law identified during 2025–26.

Significant activities and changes affecting the entity

Significant activities and changes that affected the operations or structure of DHA during the reporting year included amendments to DHA's enabling legislation (assented to on 28 August 2025). As a result of these amendments, DHA's main function has expanded so that it may provide housing and related services to a broader range of eligible persons. This expanded remit will support the housing needs of Australian and foreign personnel by increasing its property portfolio through a range of housing initiatives. These include additional property leasing, acquisitions and construction.

Public interest disclosure

DHA is committed to the aims and objectives of the *Public Interest Disclosure Act 2013* (PID Act). DHA does not tolerate improper conduct by employees or officers, nor the taking of reprisals against those who come forward to disclose such conduct. DHA has established arrangements for current and former public officials to report suspected wrongdoing in a safe and supported environment.

The PID Act allows for investigations of alleged wrongdoing by public officials and provides protections for individuals who disclose or report suspected wrongdoing. DHA's responsibilities and functions under the PID Act are delegated to a core group of staff. All staff are required to complete PID Act training as part of DHA's induction process and undertake mandatory refresher training annually.

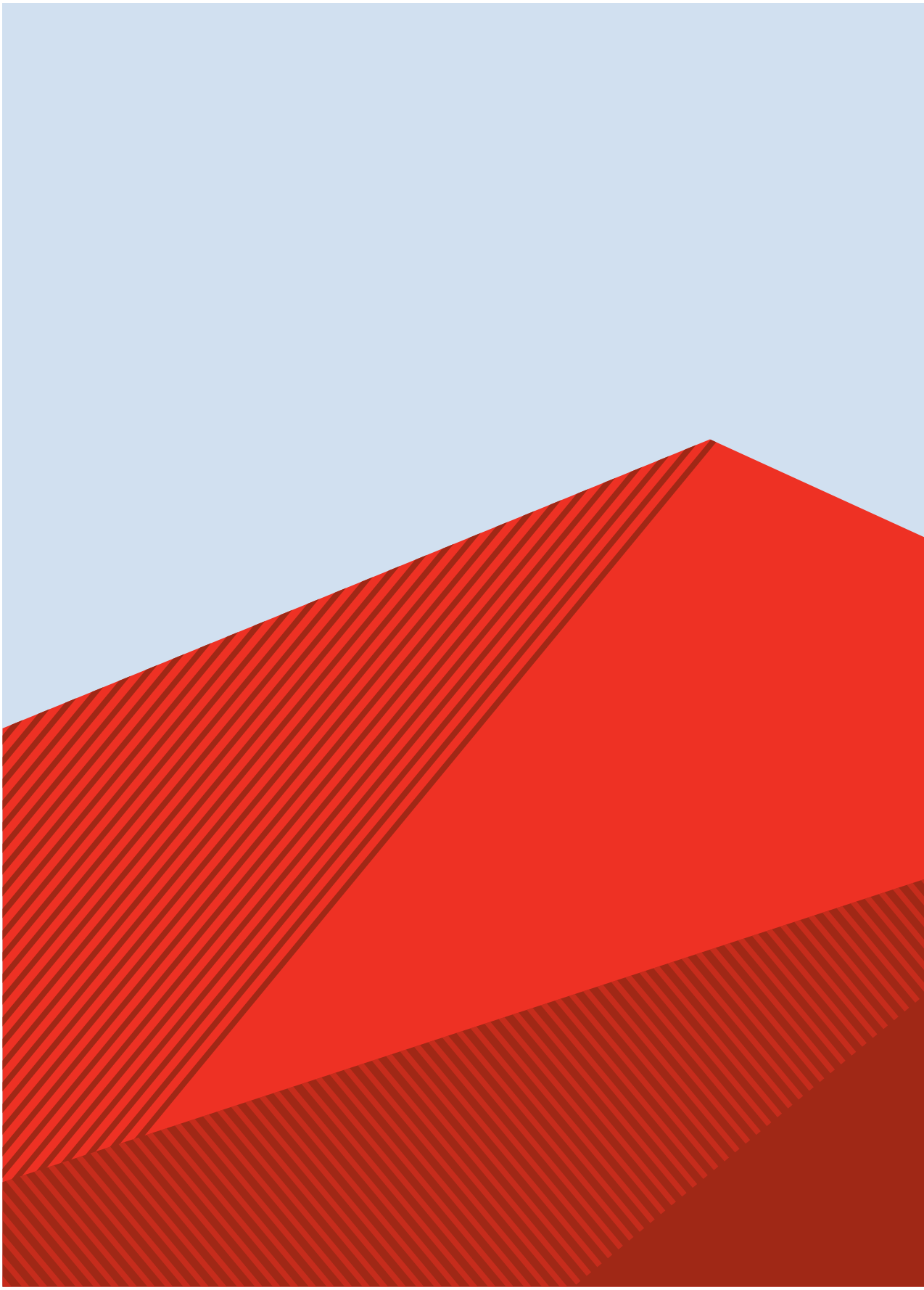
During the reporting period, DHA continued to apply its established procedures for the receipt, allocation and investigation of disclosures. All matters raised were considered in accordance with the PID Act and associated DHA internal procedures to determine whether they met the threshold for disclosable conduct. DHA received 8 disclosures during 2025–26, one of which was assessed as a public interest disclosure.

DHA will continue to strengthen its public interest disclosure arrangements to ensure they remain effective, accessible, aligned to Commonwealth legislative and policy requirements and integrated into DHA's governance framework.

Future Made in Australia Act 2024

DHA did not provide or commit any Future Made in Australia support, as defined by the *Future Made in Australia Act 2024*, during 2025–26. Accordingly, no reporting is required under section 11A of the Act.

Sergeant Jonathan Nanas and his family in their DHA home.



Part 5
Financial statements

ABN 72 968 504 934

Financial statements

For the period ended 30 June 2026

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Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Defence and the Minister for Finance

Opinion

In my opinion, the financial statements of the Defence Housing Australia (the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office

Colin Bienke
Audit Principal

Delegate of the Auditor-General

Canberra
3 September 2026

Statement by Directors, Managing Director and Chief Financial Officer

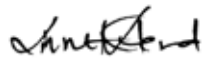
In our opinion, the attached financial statements for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

Dr Robert Lang
Chair

Mr Andrew Jaggers PSM
Managing Director



Ms Linnet Lee
Chief Financial Officer

3 September 2026

Statement of Comprehensive Income

	Notes	2026 $'000	2025 $'000
INCOME			
Revenue			
Revenue from contracts with customers	2	193,088	199,278
Housing services lease rentals	3	716,842	660,506
Interest received		6,055	4,495
Other income		98	79
Total revenue		**916,083**	**864,358**
GAINS/LOSS			
Gains from disposal of investment properties		1,586	975
Net reversal of write down and impairment of assets	8	10,851	3,263
Impairment loss reversal on financial instruments	11	2	-
Total gains/loss		**12,439**	**4,238**
Total income		**928,522**	**868,596**
EXPENSES			
Employee expenses	4	107,800	98,859
Rates, repairs and maintenance	5	173,899	190,395
Depreciation and amortisation	6	420,289	403,803
Cost of inventories sold		30,996	14,042
Finance costs	7	92,276	78,174
Impairment loss on financial instruments	11	-	124
Other expenses		47,280	49,437
Total expenses		**872,540**	**834,834**
Profit before income tax on continuing operations		**55,982**	**33,762**
Income tax expense	9	16,888	9,889
Profit after income tax		**39,094**	**23,873**
Other comprehensive income		-	-
Total comprehensive income		**39,094**	**23,873**

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

Statement of Financial Position

	Notes	2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	10	113,686	106,819
Trade and other receivables	11	36,841	42,837
Inventories	12	53,689	75,814
Current tax assets		1,263	5,674
Other current assets		10,249	7,907
Total current assets		**215,728**	**239,051**
Non-current assets			
Inventories	12	119,015	155,642
Investment properties[1]	13	3,567,368	3,422,143
Property, plant and equipment[1]	14	45,599	50,340
Deferred tax assets	9	38,726	38,460
Total non-current assets		**3,770,708**	**3,666,585**
Total assets		**3,986,436**	**3,905,636**
LIABILITIES			
Current liabilities			
Trade and other payables	15	27,357	34,539
Borrowings	16	130,000	40,000
Lease liabilities	17	351,764	347,145
Provisions	18	33,459	40,739
Financial liabilities	20	2,135	3,184
Other liabilities	19	**31,552**	**29,773**
Total current liabilities		**576,267**	**495,380**
Non-current liabilities			
Borrowings	16	150,000	230,000
Lease liabilities	17	1,385,745	1,346,384
Provisions	18	92,581	88,837
Financial liabilities	20	435	2,721
Other liabilities	19	8,920	8,920
Total non-current liabilities		**1,637,681**	**1,676,862**
Total liabilities		**2,213,948**	**2,172,242**
Net assets		**1,772,488**	**1,733,394**
EQUITY			
Contributed equity		403,863	403,863
Retained earnings		1,368,625	1,329,531
Total equity		**1,772,488**	**1,733,394**

1. Right of use assets are included in the Investment properties and Property, plant and equipment balance.

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

Defence Housing Australia
Statement of Changes in Equity
For the period ended 30 June 2026

Statement of Changes in Equity

	Retained Earnings	Contributed Equity	Total Equity
	$'000	$'000	$'000
Balance as at 1 July 2024	1,305,658	403,863	1,709,521
Profit for the year	23,873	-	23,873
Other comprehensive income	-	-	-
Total comprehensive income	**23,873**	**-**	**23,873**
Balance as at 30 June 2025	**1,329,531**	**403,863**	**1,733,394**
Balance as at 1 July 2025	**1,329,531**	**403,863**	**1,733,394**
Profit for the year	39,094	-	39,094
Other comprehensive income	-	-	-
Total comprehensive income	**39,094**	**-**	**39,094**
Balance as at 30 June 2026	**1,368,625**	**403,863**	**1,772,488**

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

Statement of Cash Flows

	Notes	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Sales of goods and services		835,305	771,116
Sales of inventory		44,045	59,718
Interest		6,053	4,497
Stamp duty and land tax equivalents received		48,956	43,806
GST received		9,336	18,672
Total cash received		**943,695**	**897,809**
Cash used			
Employees		94,751	86,415
Suppliers		212,817	232,066
Borrowing costs		13,363	11,268
Interest on leased assets		78,965	66,499
Income taxes paid		12,743	5,662
Acquisition and construction of inventories		17,663	75,706
Stamp duty and land tax equivalents paid		49,749	45,909
GST paid		15,641	18,304
Other expenses		3,723	7,621
Total cash used		**499,415**	**549,450**
Net cash from operating activities	21	**444,280**	**348,359**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investment properties		2,199	1,582
Total cash received		**2,199**	**1,582**
Cash used			
Acquisitions and construction of investment properties		93,000	103,128
Acquisition of property, plant and equipment		173	4,379
Total cash used		**93,173**	**107,507**
Net cash (used by) investing activities		**(90,974)**	**(105,925)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received			
Borrowings		10,000	100,000
Total cash received		**10,000**	**100,000**
Cash used			
Principal repayment on leased assets		356,439	343,688
Total cash used		**356,439**	**343,688**
Net cash (used by) financing activities		**(346,439)**	**(243,688)**
Net increase/(decrease) in cash and cash equivalents		**6,867**	**(1,254)**
Cash and cash equivalents at the beginning of the financial year		106,819	108,073
Cash and cash equivalents at end of financial year	10	**113,686**	**106,819**

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

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Note 1. Overview Accounting Policy

a. Objectives of DHA

Defence Housing Australia (DHA) is an Australian Government (Government) controlled for-profit entity. The main function of DHA is to provide adequate and suitable housing for, and housing-related services to:

- members of the Defence Force and their families; and
- officers and employees of the Department and their families; and
- persons who provide goods or services to the Defence Force, and their families; and
- persons who provide goods or services to the Department, and their families; and
- activities with or for the Defence Force, and their families; and
- members of a military organisation of a foreign country and their families; and
- officials and employees of a government body of a foreign country and their families; and
- contractors engaged by:
    a. a military organisation of a foreign country; or
    b. a government body of a foreign country; or
    c. a contractor to which this paragraph applies (other than because of this subparagraph); and their families; and
    d. accredited representatives of registered charities and their families; and
    e. persons in a class of persons covered by a determination under subsection (3) of the DHA Act and their families.

DHA is structured to meet one outcome:

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

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

b. Basis of preparation of the financial statements

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

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

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

Note 1. Overview Accounting Policy (continued)

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

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

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

The financial statements are prepared on a going concern basis.

- DHA has a net current liability position of $360.5m as at 30 June 2026, which includes $130.0m of borrowings from the Department of Finance classified as current liabilities due to mature within the next twelve months. Given DHA has $229.6m of undrawn loan facility with the Department of Finance, at their maturity, DHA expects that it will be able to roll over the borrowings, deferring payment for a further three years.

  Subsequent to 30 June 2026 and prior to the signing of the financial statements, DHA has rolled over the $30.0m loan that matured in August 2026 for a further three-year period. DHA has also requested the $30.0m loan maturing in October 2026 to be rolled for a further 3-year period. The remaining $20.0m loan maturing in March 2027 and $50.0m loan maturing in June 2027 will also be rolled over for an additional three-year period.

- In addition to management implementing a plan to roll over the maturity on its borrowings, DHA has commitments to receive $608.0m within the next twelve months (*Note 24 Commitments*) for future lease rent from properties leased to the Department of Defence (Defence). The timing of the receipt of these commitments corresponds to the timing of payments from DHA's current lease liabilities of $351.8m. Therefore, DHA will be in a position to settle the lease liability when it falls due and use its cash reserves and undrawn loan facility to settle all other liabilities which fall due over the next twelve months.

New and amended accounting standards adopted by DHA

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

AASB 18 Presentation and Disclosure in Financial Statements was issued by the AASB in June 2024. The new standard will have a significant impact on the format of the Statement of Comprehensive Income and notes to the financial statements; however, there is unlikely to be any impact on the financial performance or financial position of DHA.

Note 2. Revenue from contracts with customers

	2026	2025
	$'000	$'000
REVENUE FROM DEFENCE		
Allocation services provided	17,764	16,605
Defence property management services	79,962	76,804
Construction services	18,305	29,127
Defence other charges	17,059	16,382
Total revenue from Defence	**133,090**	**138,918**
Revenue from other customers		
Sale of inventories	49,182	44,997
Lessor management fee revenue	10,798	15,335
Non-Defence other charges	18	28
Total revenue from other customers	**59,998**	**60,360**
Total revenue from contracts with customers	**193,088**	**199,278**
Timing of revenue recognition		
Over time	126,847	137,899
At a point in time	66,241	61,379
Total revenue from contracts with customers	**193,088**	**199,278**

Accounting policy

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

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

Note 2. Revenue from contracts with customers (continued)

Allocation services provided

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

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

Additional fees are receivable by DHA should allocations exceed the contractual annual amounts. DHA considers the additional services in relation to allocations to be options to purchase additional goods and services. Therefore, these will only be recognised as revenue as and when the additional allocation services are provided. The additional amounts relating to allocation services are considered to represent a material right to receive additional services at a discount and hence a separate performance obligation. However, the underlying services and the related revenue are not recognised until the option is exercised (so no amount of consideration for these transactions is estimated and included in the transaction price initially allocated). In all situations, revenue recognised in a year will relate to all allocations performed during that year. DHA invoices Defence on a monthly basis for the services provided and Defence is required to pay within 20 days (2025: 20 days).

There is an annual performance payment that DHA may be entitled to receive from Defence should specific key performance indicators be met. This performance payment relates to all services provided to Defence under the DSA. The performance payment is regarded as variable consideration at contract inception and fully constrained at this date given the nature of the payment. However, by the end of each financial year, the uncertainty of the performance payment is resolved as the performance payment is recognised using the variable consideration allocation exemption. It is allocated between the Allocation Services Provided, the other services provided to Defence, and other services that are in scope of *AASB 15 Revenue from contracts with customers*, i.e., the Defence property management services. DHA invoices Defence for such performance payments and Defence is required to pay within 20 days (2025: 20 days).

Defence Property Management Services

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

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

Note 2. Revenue from contracts with customers (continued)

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

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

The variable allocation exemption is used to allocate the variable consideration to the services provided in each month. DHA invoices Defence on a monthly basis for the services provided and Defence is required to pay within 20 days (2025: 20 days).

Defence Other Charges

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

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

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

Revenue received to upgrade properties to the required Defence standard is considered to be a distinct performance obligation satisfied at the point in time when the property is first tenanted by an ADF member, as this is when control of the upgrade is transferred to Defence. DHA performs these services on a cost recovery basis. DHA invoices Defence for the services provided and Defence is required to pay within 20 days (2025: 20 days).

Construction Services—Defence

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

Note 2. Revenue from contracts with customers (continued)

Sale of Inventories

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

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

Lessor Management Fee Revenue

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

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

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

Accounting Judgement and Estimates

Lessor Management Fee Revenue

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

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

Note 3. Housing services lease rentals

	2026	2025
	$'000	$'000
Housing services lease rentals		
Defence rent	716,842	659,778
Other rentals	-	728
Total housing services lease rentals	**716,842**	**660,506**

Accounting policy

Defence Rent

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

Other Rentals

Other Rentals comprise rental income received from the private rental market, where the property is temporarily not required for the purpose of housing ADF members and is in compliance with the *Defence Housing Australia Act 1987*. Revenue is recognised when a property is tenanted and occupied by a civilian on a monthly basis for the term of the tenancy.

Accounting Judgement

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

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

b. the right to direct the use of the identified asset.

Note 3. Housing services lease rentals (continued)

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

i. In order to understand the arrangements, the DSA should be considered together with the DRA and the DHA Act. On assessing the substance of these arrangements, DHA considers that the DSA, through the provisioning process, identifies the portfolio of properties that Defence has the right to control the use of, and benefit from.

ii. The DSA provides Defence with the right to control the properties because it directs when the properties are to be used, including the allocations policy and when properties must be vacated. The ADF members only have a right to occupy a DHA property as a result of their employment with Defence and, if the employment is terminated the entitlement under the DRA ends. The DSA is therefore a lease in an arrangement where the property is ultimately occupied by the ADF member.

iii. Defence does not act as an agent for DHA by collecting rental contributions from members. Defence's obligation to pay rent under the DSA is independent of the member's contribution under the DRA. Defence bears the credit risk on contributions by ADF members, and Defence payments to DHA continue regardless of any default by an ADF member.

Note 4. Employee benefits

	2026	2025
	$'000	$'000
Employee benefits		
Wages and salaries	86,444	79,763
Superannuation		
Defined contribution plans	10,231	9,413
Defined benefit plans	2,012	1,994
Leave and other entitlements	8,802	7,689
Separation and redundancies	311	-
Total employee benefits	**107,800**	**98,859**

Accounting policy

Superannuation

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

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

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

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

Leave and other entitlements

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

Separation and redundancy

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

Payroll tax equivalent is a related party transaction with Defence and is reported on the Statement of Comprehensive Income as Other Expenses. All other employee benefits are incurred with external parties. At 30 June 2026 the provision for payroll tax for related parties was $5,119,732 (2025: $4,801,388).

Note 5. Rates, repairs and maintenance

	2026	2025
	$'000	$'000
Rates and municipal charges	24,364	23,435
Stamp duty and land tax equivalents	49,131	45,115
Repairs and maintenance	46,172	58,714
Other property charges	54,232	63,131
Total rates, repairs and maintenance	**173,899**	**190,395**

Accounting policy

Rates, repairs and maintenance includes expenditure for investment properties of $63,933,939 (2025: $73,090,698).

Rates and Municipal Charges

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

Stamp Duty and Land Tax Equivalents

Stamp duty and land tax equivalent payments are related party transactions associated with Defence.

DHA provides services on a for-profit basis. In accordance with the DHA Act, DHA is required to make state tax equivalent payments, including payroll tax, land tax and stamp duty.

DHA includes state tax equivalent payments in the expenditure items to which they relate. Payroll tax is included in Other expenses.

Repairs and Maintenance

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

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

Other Property Charges

Other property charges include recoverable repairs and maintenance, and Defence funded capital project expenses. DHA, in accordance with the DSA, is entitled to recover from Defence these expenses. Expenses are incurred from external parties and sub-contractors and are expensed in the period they are incurred.

Note 6. Depreciation and amortisation

	2026	2025
	$'000	$'000
Depreciation		
Investment properties[1]	413,252	397,400
Plant and equipment	2,286	1,827
Right of use assets – PPE	4,750	4,561
	420,288	**403,788**
Amortisation		
Software	1	15
	1	**15**
Total depreciation and amortisation	**420,289**	**403,803**

1. Includes $373,913,588 depreciation of right of use assets, which meet the definition of investment properties under *AASB 140 Investment Property* (2025: $361,472,437).

Accounting policy

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

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

	2026	2025
Investment properties	40 years or the term of the lease	40 years or the term of the lease
Plant and equipment	3 to 6 years or term of lease	3 to 6 years or term of lease
Software	6 years	6 years
Right of use assets – PPE	Term of lease	Term of lease

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

Note 7. Finance costs

	2026	2025
	$'000	$'000
Interest on loans	13,363	11,268
Interest on lease liabilities	78,913	66,906
Total finance costs	**92,276**	**78,174**

Accounting policy

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

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

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

Note 8. Net (reversal of)/write down and impairment of assets

	2026	2025
	$'000	$'000
NON-FINANCIAL ASSETS		
Write downs and impairments		
Investment properties	6,512	8,454
Inventories	1	324
	6,513	**8,778**
Reversal of write downs and impairments		
Investment properties	(17,364)	(11,850)
Inventories	-	(191)
	(17,364)	**(12,041)**
Net (reversal of)/write down and impairment[1]	**(10,851)**	**(3,263)**

1. Includes $7,778,964 net reversal of impairment on right of use assets, which meet the definition of investment properties under *AASB 140 Investment Property* (2025: $575,149 net reversal of impairment).

Accounting policy

Inventories

To ensure compliance with *AASB 102 Inventories*, DHA assesses the net realisable value of residential inventory properties annually. The assessment incorporates independent valuation evidence from registered valuers, recent market and sales information, as well as estimated completion and selling costs for development inventory. Inventory is carried at the lower of cost and net realisable value. The carrying value of individual residential properties, where the cost of the residential property exceeded the net realisable value, is written down accordingly. At the end of the reporting period, DHA reassesses the net realisable value based on internal and external market data, and recognises a further write down or write back where there is evidence of a change in property market values. A write back, where applicable, will not exceed cost. Refer to *Note 12 Inventories* for more information.

Investment Properties

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

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

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

Note 8. Net (reversal of)/write down and impairment of assets (continued)

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

The fair value of investment properties is assessed annually by an independent valuer and a value in use calculation is prepared internally for assets not identified for future sale and for right of use assets. Where the fair value less costs to sell and the value in use calculation for an individual property is less than its cost, the carrying value of the property is written down to the higher of the two valuation methods, and the loss is recognised as an impairment loss in the statement of comprehensive income. Refer to *Note 13 Investment Properties*.

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

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

Material Accounting Judgement and Estimates

Rental and Capital Growth

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

Note 9. Taxation

a. Income tax expense

	2026	2025
	$'000	$'000
Income tax expense		
Current tax expense	16,804	12,332
Adjustments for current tax of prior periods	351	(339)
Deferred tax	(141)	(2,329)
Adjustments for deferred tax of prior periods	(126)	225
	16,888	**9,889**
Income tax expense attributable to:		
Profit from continuing operations	55,982	33,762
	55,982	**33,762**

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

	2026	2025
	$'000	$'000
Reconciliation of income tax expense:		
Profit from continuing operations before income tax	55,982	33,762
Tax expense at the Australian tax rate of 30%	16,795	10,129
Tax effect of amounts not deductible/(assessable):		
Derecognition of deferred tax balances	(126)	(96)
Adjustments relating to prior periods	351	(18)
Other	(132)	(126)
	16,888	**9,889**

Note 9. Taxation (continued)

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

	2026	2025
	$'000	$'000
Net deferred tax assets/(liabilities)		
Employee benefits	6,019	5,321
Revenue in advance	(1,806)	(1,694)
Inventory properties	(1,240)	2,759
Investment properties	(17,214)	(17,928)
Right of use asset – investment properties	(505,461)	(490,660)
Right of use asset – property, plant and equipment	(9,956)	(10,966)
Lease liabilities	521,299	508,092
Prepayments	12,677	12,075
Make good provisions	20,590	20,822
Provisions – other	11,264	9,602
Property, plant and equipment	2,258	691
Other	296	346
Net deferred tax asset	**38,726**	**38,460**
Comprising:		
Deferred tax assets	574,403	559,708
Deferred tax liabilities	(535,677)	(521,248)
Net deferred tax asset	**38,726**	**38,460**
Movements:		
Opening balance at 1 July	38,460	36,356
Charged to the statement of comprehensive income	266	2,104
Net deferred tax asset	**38,726**	**38,460**

Accounting policy

DHA became a Commonwealth income taxpayer on 1 July 2007, following an amendment of the DHA Act. On 1 July 2007, an unrecognised temporary difference was created between the accounting carrying value and the tax value for properties held as Investment Properties. DHA did not recognise a deferred tax asset for this temporary difference arising from the initial recognition, as the transaction did not meet the criteria per *AASB 112 Income Taxes* for a business combination and did not affect neither accounting profit nor taxable profit. The unrecognised temporary difference will be recognised on the subsequent sale of the investment properties. The unrecognised value of the temporary difference at 30 June 2026 is $423,575,526 (2025: $430,532,713). The tax effect of this temporary difference is $127,072,658 (2025: $129,159,814).

Note 9. Taxation (continued)

Income Tax Expense

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

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

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

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

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

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

Goods and Services Tax

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

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

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

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

Note 10. Cash and cash equivalents

	2026	2025
	$'000	$'000
Cash and cash equivalents		
Cash at bank	113,686	106,819
Total cash and cash equivalents	**113,686**	**106,819**

Accounting policy

Cash and cash equivalents mean notes and coins held, and any deposit held at call or readily convertible to cash with a bank or financial institution. Cash is recognised at its nominal amount.

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

Note 11. Trade and other receivables

a. Trade and other receivables

	2026	2025
	$'000	$'000
Current receivables for good and services		
Receivables	6,430	10,606
Allowance – expected credit loss	(151)	(153)
	6,279	**10,453**
Accrued income	30,541	31,603
Other receivables	21	781
	36,841	**42,837**
Current receivables – Contracts and other sources		
Contracts with customers	30,904	34,179
Other sources of revenue	5,937	8,658
	36,841	**42,837**
Current receivables for goods and services from		
Related entities	36,278	40,060
External parties	563	2,777
Total trade and other receivables	**36,841**	**42,837**

Note 11. Trade and other receivables (continued)

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

	2026	2025
	$'000	$'000
Current receivables (net) expected to be recovered in:		
Less than 12 months	36,841	42,837

c. Receivables are aged as follows:

	2026	2025
	$'000	$'000
Current receivables ageing:		
Not overdue	35,849	40,283
0 to 30 days overdue	344	2,067
31 to 60 days overdue	130	188
More than 60 days overdue	518	299
Total trade and other receivables	**36,841**	**42,837**

d. Reconciliation of the impairment loss allowance

	2026	2025
	$'000	$'000
Movement in the impairment loss allowance:		
Impairment loss allowance at 1 July	153	29
Impairment loss increase	-	124
Amounts to be recovered and reversed	(2)	-
Total as at 30 June	**151**	**153**

Accounting policy

Credit terms are between 7 and 30 days.

Receivables for goods and services are recognised at the nominal amounts due, less any provision for impairment allowance. Collectability of debts is reviewed at 30 June each year. Allowances for expected credit losses (ECLs) are based on a provision matrix that is in accordance with *AASB 9 Financial Instruments*. Refer to *Note 22 Financial Instruments*.

Note 12. Inventories

	2026	2025
	$'000	$'000
Total inventories		
Current inventories	53,689	75,814
Non-current inventories	119,015	155,642
Total inventories	**172,704**	**231,456**
Completed properties		
At cost	44,920	1,397
Land held for sale		
At cost	9,438	23,652
At net realisable value	586	-
Work in progress		
At cost	117,760	156,546
At net realisable value	-	49,861
Total inventories	**172,704**	**231,456**

Accounting policy

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

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

Inventories are separated into the following categories:

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

Note 12. Inventories (continued)

Work in Progress

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

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

Accounting Judgement and Estimates

Development property inventory

For development inventory sites, the net realisable value is based on the estimated gross selling price of the finished development, less forecasted completion and selling costs. Judgement is used to estimate the future costs, sales price assumptions, and timing of completion. Where the net realisable value is lower than the cost to date, the cost to date is written down by the value of the estimated loss.

Note 13. Investment properties

	2026	2025
	$'000	$'000
Investment properties		
Investment properties at cost	5,043,896	4,357,824
Less: accumulated depreciation	(1,791,252)	(1,380,662)
	3,252,644	**2,977,162**
Investment properties – impaired		
Investment properties at cost	758,771	989,802
Less: accumulated depreciation	(403,088)	(496,186)
Less: accumulated impairment	(40,959)	(48,635)
	314,724	**444,981**
Total investment properties[1]	**3,567,368**	**3,422,143**

1. Total investment properties include $1,684,870,339 (2025: $1,635,532,893) of right of use assets (measured at cost less accumulated depreciation and impairment), which meet the definition of investment properties under *AASB 140 Investment Property*.

Accounting policy

The total fair value of Investment Properties as at 30 June 2026 is $6,023,855,339 (2025: $5,663,082,987). The fair value amount disclosed 30 June 2026 includes $1,684,870,339 (2025: $1,635,532,893) of right of use assets measured at cost.

The fair value of DHA's investment properties as at 31 December 2025 and as at 31 December 2024 was based on a valuation carried out on the respective date by external independent valuers. On 30 June 2026, DHA undertook a review of the fair values determined on 31 December 2025 and determined there is no material change from these values.

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

To calculate impairment, the net realisable value of DHA's right of use assets that meet the definition of investment properties in accordance with *AASB 16 Leases* as at 30 June 2026 has been determined based on a discounted cash flow. In determining the net realisable value, DHA applies the following assumptions:

- The value in use model is calculated over either the remaining lease term or anticipated date of disposal.
- Capital growth rate by using state-level growth assumptions using a combination of Australian Bureau of Statistics indexes and other externally available economic data and a rental growth rate by using a long-term historical average.

Note 13. Investment properties (continued)

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

Accounting Judgement and Estimates

DHA owned investment properties are assessed for indicators of impairment annually. Where there is an indicator of impairment, the recoverable amount of each investment property is estimated. *AASB 136 Impairment of Assets* requires that the recoverable amount is the higher of the property's fair value less costs of disposal (FVLCOD) and its value in use (VIU). FVLCOD is assessed annually by an independent valuer. VIU is calculated using various assumptions in relation to the cost of debt and equity and future rental income of the property (refer to *Note 8 Net reversal/write down and impairment of assets*). Where the recoverable amount is less than the carrying amount, the carrying amount of the investment property is impaired to the greater of the fair value less cost to sell and value in use.

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

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

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

Note 13. Investment properties (continued)

	2026	2025
	$'000	$'000
As at 1 July		
At cost	5,347,626	4,869,624
Less: accumulated depreciation and impairment	(1,925,483)	(1,596,909)
Net book value at start of period	**3,422,143**	**3,272,715**
For the year ended 30 June		
Additions	303,759	286,681
Lease adjustments	215,949	264,124
Transfer from inventory to investment property	46,912	-
Depreciation charge	(413,252)	(397,400)
Impairment write back/(loss)	10,851	3,396
Other disposals or lease expiries	(111,579)	(72,803)
Depreciation/impairment written back on disposal or transfer	92,585	65,430
Movement in net book value for the period	**145,225**	**149,428**
As at 30 June		
At cost	5,802,667	5,347,626
Less: accumulated depreciation and impairment	(2,235,299)	(1,925,483)
Total investment properties	**3,567,368**	**3,422,143**

Accounting policy

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

Investment properties are separated into the following categories:

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

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

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

Note 14. Property, plant and equipment

	2026	2025
	$'000	$'000
Property, plant and equipment		
Property, plant and equipment – at cost	46,881	46,380
Less: accumulated depreciation	(34,470)	(32,592)
Net property, plant and equipment	**12,411**	**13,788**
Right of use assets		
Motor vehicles and office leases	53,168	52,081
Less: accumulated amortisation	(19,980)	(15,529)
Net motor vehicles and office leases	**33,188**	**36,552**
Total property, plant and equipment	**45,599**	**50,340**

Accounting policy

Asset Recognition

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

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

Right of Use Assets

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

Note 15. Trade and other payables

	2026	2025
	$'000	$'000
Trade and other payables		
Trade creditors	2,194	1,975
Accrued expenses	19,829	27,528
State tax equivalent payable	5,334	5,036
	27,357	**34,539**
Trade payables expected to be settled no later than 12 months:		
Related entities	6,628	5,270
External parties	20,729	29,269
Total trade and other payables	**27,357**	**34,539**

Note 16. Borrowings

	2026	2025
	$'000	$'000
Loans from the Commonwealth		
Current borrowings	130,000	40,000
Non-current borrowings	150,000	230,000
	280,000	**270,000**
Maturity schedule for borrowings payable		
Within one year	130,000	40,000
Between two and five years	150,000	230,000
Total borrowings	**280,000**	**270,000**

Accounting policy

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

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

Repayment of the borrowed amounts is required within three years from the date of each drawdown; however, DHA has the option to roll over outstanding balances.

All loans and borrowings drawn down under this facility are initially recognised at fair value less directly attributable transaction costs. Subsequent recognition of loans and borrowings is at amortised cost, and interest is charged as an expense as it accrues. The interest rate range on the borrowings is between 4.93% and 5.80% as at 30 June 2026.

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

Note 17. Lease liabilities

	2026	2025
	$'000	$'000
Lease liabilities		
Current lease liabilities	351,764	347,145
Non-current lease liabilities	1,385,745	1,346,384
	1,737,509	**1,693,529**
Maturity analysis – lease liabilities		
Undiscounted operating lease payments cash flows		
– Within one year	434,120	406,796
– One to two years	380,224	364,573
– Two to three years	318,463	304,513
– Three to four years	261,494	248,937
– Four to five years	210,987	199,070
– More than five years	499,764	435,845
	2,105,052	**1,959,734**

Accounting policy

(i) DHA's leasing activities

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

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

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

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

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

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

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

Note 17. Lease liabilities (continued)

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

To determine the incremental borrowing rate, DHA:

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

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

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

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

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

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

(ii) Extension and termination options

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

Significant accounting judgement

(i) Lease term

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

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

Note 17. Lease liabilities (continued)

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

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

(ii) Renewal of a lease arrangement

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

(iii) Make good costs

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

At the time of entering into the lease agreement the lease agreement is assessed to determine if DHA has a present obligation to perform make good at the end of the lease, in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. If a legal obligation is present in the lease agreement a provision is raised to recognise the make good obligation. The provision is based on an assessment of the present value of the necessary costs to make good properties at the end of their lease terms. The estimate includes an inflation factor of 2.50% (2025: 2.50%) and a discount rate of 4.40% (2025: 3.47%), being the five-year Australian Government bond rate as at 30 June 2026. Actual make good expenditure is charged, as incurred against the provision. The estimate of future make good maintenance is reviewed annually to ensure that the make good provision is adequate to meet the liability.

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

Note 18. Provisions

	2026			2025		
	Current	Non-current	Total	Current	Non-current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Employee benefits						
Annual leave	6,601	-	6,601	6,188	-	6,188
Long service leave	1,207	12,254	13,461	1,099	10,449	11,548
	7,808	**12,254**	**20,062**	**7,287**	**10,449**	**17,736**
Other provisions						
Make good	16,980	51,654	68,634	13,479	55,928	69,407
Lease capital upgrades	8,114	27,728	35,842	8,905	21,458	30,363
Other general	557	945	1,502	11,068	1,002	12,070
	25,651	**80,327**	**105,978**	**33,452**	**78,388**	**111,840**
Total provisions	**33,459**	**92,581**	**126,040**	**40,739**	**88,837**	**129,576**

Movements in provisions

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

	Make good provision	Lease capital upgrades	Other general provision	Total
	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2025	69,407	30,363	12,070	111,840
Additional provisions recognised	12,092	11,450	1,407	24,949
Amounts used/reversed during the year	(12,865)	(5,971)	(11,975)	(30,811)
Carrying amount at 30 June 2026	**68,634**	**35,842**	**1,502**	**105,978**

Accounting policy

Employee benefits

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

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

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

Note 18. Provisions (continued)

Leave liability

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

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

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

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

Make good provision

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

Lease capital upgrades provision

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

Other general provisions

Other general provisions include amounts set aside for makegood for offices.

Recognition of provisions

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

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

Note 19. Other liabilities

	2026	2025
	$'000	$'000
Current other liabilities		
Revenue in advance	31,552	29,773
	31,552	**29,773**
Non-current other liabilities		
Revenue in advance	8,920	8,920
	8,920	**8,920**

Accounting policy

Revenue in advance

Rental and property management fee revenues are billed to Defence one month in advance, in line with the DSA. For the year ended 30 June 2026, 75.37% of revenue in advance was in relation to payments received from Defence (2025: 72.82%).

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

Note 20. Financial liabilities

	2026	2025
	$'000	$'000
Current financial liabilities		
Deferred land sales	2,135	3,184
	2,135	**3,184**
Non-current financial liabilities		
Deferred land sales	435	2,721
	435	**2,721**

Accounting policy

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

Note 21. Cash flow reconciliation

	2026	2025
	$'000	$'000
Reconciliation of operating results to net cash from operating activities		
Profit for the period after tax	39,094	23,873
Depreciation – plant and equipment	2,286	1,827
Depreciation – investment properties	413,252	397,400
Depreciation – right of use assets	4,750	4,561
Amortisation – software	1	15
Impairment (write back)	(10,852)	(3,396)
(Gain) on disposal of investment properties	(1,586)	(975)
Increase in other non-operating cash flow expense items	1,576	1,282
Increase/(Decrease) in supplier payments	(7,182)	3,938
Increase/(Decrease) in provisions	(3,536)	1,652
Increase/(Decrease) in other liabilities	1,779	(1,624)
Increase in tax liabilities	4,411	6,331
Decrease in net receivables	5,996	412
(Increase) in net deferred tax assets	(266)	(2,104)
(Increase) in inventories	(3,104)	(83,656)
(Increase) in prepayments	(2,339)	(1,177)
Net cash from operating activities	**444,280**	**348,359**

Note 22. Financial instruments

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

Financial Assets at Amortised Cost

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

i. the financial asset is held to collect the contractual cash flows; and

ii. the cash flows are Solely Payments of Principal and Interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

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

Impairment of Financial Assets

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

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

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

Note 22. Financial instruments (continued)

Carrying value

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

	2026	2025
	$'000	$'000
Financial assets		
Cash and cash equivalents	113,686	106,819
Trade and other receivables	36,841	42,837
Carrying value of financial assets	**150,527**	**149,656**
Financial liabilities		
Borrowings – current	130,000	40,000
Borrowings – non-current	150,000	230,000
Trade and other payables	27,357	34,539
Deferred land sales (current)	2,135	3,184
Deferred land sales (non-current)	435	2,721
Carrying value of financial liabilities	**309,927**	**310,444**

	2026	2025
	$'000	$'000
Net income from financial assets		
Interest	6,055	4,495
Net gain on loans and receivables	**6,055**	**4,495**
Net expenses from financial liabilities		
Interest on borrowings	13,363	11,268
Net loss on financial liabilities – amortised cost	**13,363**	**11,268**

Note 22. Financial instruments (continued)

Accounting policy

Fair Value

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

Credit Risk

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

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

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

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

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

Liquidity Risk

DHA manages liquidity risk by maintaining an appropriate level of cash and cash equivalents on hand to meet outgoing commitments in the event of failure to receive any revenue from the normal course of business and ensuring capacity exists to borrow under the Cash Advance Facility based upon regular cash flow forecasts prepared by DHA. Refer to *Note 16 Borrowings*.

As at 30 June 2026, DHA reported a net current liability position of $360.5m, including $130.0m of borrowings classified as current liabilities due to their maturity within the next twelve months. Management intends to roll over these borrowings upon maturity and has already successfully rolled over the $30.0m loan that matured in August 2026 for a further three-year period. Given DHA's $229.6m undrawn loan facility with the Department of Finance, together with contracted future lease rental receipts of $608.0m from Defence (*Note 24 Commitments*), DHA will be in a position to use its cash reserves and undrawn loan facility to settle all liabilities when they fall due over the next twelve months.

Interest Risk

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

Note 22. Financial instruments (continued)

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

Financial Risk Management

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

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

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

Sensitivity analysis of the risk that DHA is exposed to in 2026 and 2025

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

Interest rate risk	Risk variable	Change in risk variable	Effect on average cash	Effect on profit & loss and equity
		%	$'000	$'000
2026	**Interest**	**0.99%**	**107,540**	**1,707**
2025	Interest	1.32%	104,296	2,187

Interest rate sensitivity analysis has been calculated on a "reasonable possible" basis. The rate of 99 basis points (2025: 132 basis points) was determined by using the standard parameters issued by the Department of Finance.

Note 23. Auditors remuneration

	2026	2025
	$	$
Amount received or due and receivable by auditors		
Australian National Audit Office (ANAO) for the audit of the financial statements	355,036	343,636

Unrecognised Items

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

24. Commitments

25. Contingent liabilities

26. Events occurring after the reporting period

Note 24. Commitments

	2026	2025
	$'000	$'000
Commitments receivable		
Undiscounted operating lease income receivable		
– Within one year	607,995	570,149
– One to two years	552,080	546,134
– Two to three years	487,303	499,492
– Three to four years	426,264	453,612
– Four to five years	370,021	408,200
– More than five years	1,002,857	1,165,217
	3,446,520	**3,642,804**
Commitments payable – capital expenditure		
– Within one year	46,552	45,950
– Between one and five years	13,775	23,503
	60,327	69,453
Total commitments payable	**60,327**	**69,453**
Net commitments receivable/(payable)	**3,386,193**	**3,573,351**

Commitments are GST inclusive where relevant.

Accounting policy

Operating Lease Income Receivable

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

Capital expenditure commitments

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

Accounting Judgement and Estimates

Operating Lease Income Receivable

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

Note 25. Contingent liabilities

	2026	2025
	$'000	$'000
Contingent liabilities		
Balance from previous period	12,317	13,084
New	-	1,386
Expired	(2,051)	(2,153)
Total contingent liabilities	**10,266**	**12,317**

Accounting policy

Quantifiable Contingencies

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

Unquantifiable Contingencies

As at 30 June 2026, DHA has no unquantifiable contingencies.

Remote Contingencies

As at 30 June 2026, DHA has no remote contingencies.

Note 26. Events occurring after the reporting period

There are no events post 30 June 2026 which would have a material impact on the financial statements or operations of DHA.

Key management personnel and related parties

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

27. Key management personnel remuneration

28. Related party disclosures

Note 27. Key management personnel remuneration

a. Directors' remuneration

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

	2026	2025
	$	$
Directors' remuneration		
Short term employee benefits	415,156	471,179
Post-employment benefits	49,821	56,642
Total Directors' remuneration	**464,977**	**527,821**

Accounting policy

Directors' remuneration note

Directors refers to non-executive Directors. The total number of Directors in the above table includes 6 (2025: 6), representing Directors remunerated by DHA. One additional non-executive Director is remunerated by the Department of Defence and is therefore not included in the remuneration disclosed above.

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

Total Directors' remuneration was lower in 2025–26, reflecting the timing of changes to Board membership during the year. Following the cessation of two appointments in 2024–25, new appointments commenced part way through 2025–26. Accordingly, remuneration was not incurred for those positions for the full reporting period.

Note 27. Key management personnel remuneration (continued)

b. Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of DHA, directly or indirectly. DHA has determined key management personnel include the Managing Director, Executive General Manager – Enabling Services, Executive General Manager – Property, Executive General Manager – Service Delivery, Executive General Manager – Strategy and Transformation, including in an acting capacity.

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

	2026	2025
	$	$
Short-term employee benefits		
Base salary	1,894,271	1,402,807
Bonus	25,000	-
Other benefits and allowances	38,878	34,480
	1,958,149	**1,437,287**
Post-employment benefits		
Superannuation	324,304	236,866
	324,304	**236,866**
Other long-term employee benefits		
Long service leave	75,828	114,412
	75,828	**114,412**
Total employment benefits	**2,358,281**	**1,788,565**

Accounting policy

Key management personnel remuneration note

The total number of key management personnel in the above table includes 5 roles (2025: 5 roles).

The increase in key management personnel remuneration in 2025–26 reflects changes in the period over which certain roles were remunerated as key management personnel, rather than an increase in the number of roles. In particular, one Executive General Manager was remunerated as key management personnel for the full 2025–26 financial year, whereas the role was included for only part of 2024–25. Remuneration in the comparative year was also affected by the Managing Director role being performed by staff in an acting capacity for part of that period.

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

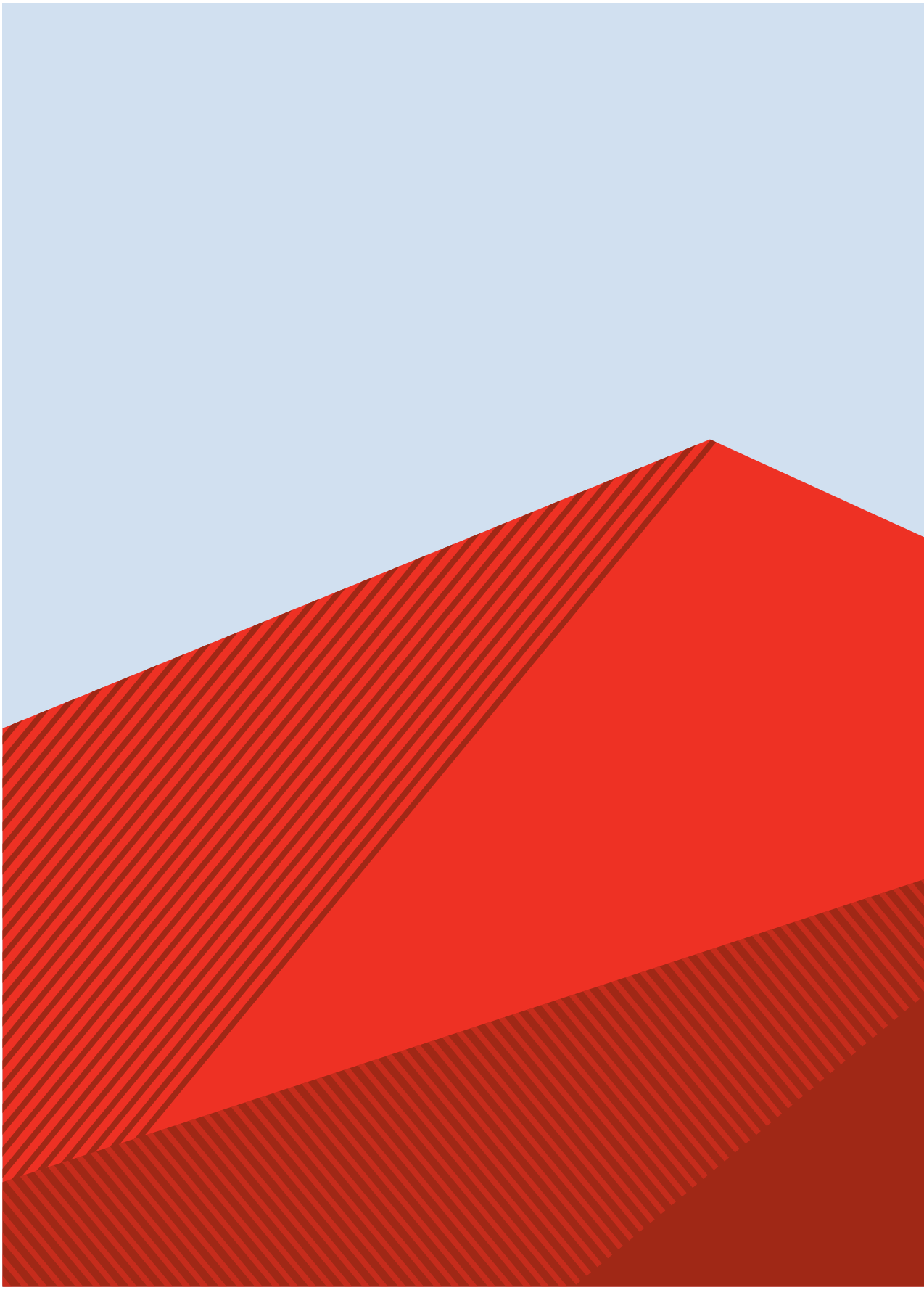
Note 28. Related party disclosures

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

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

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

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



Part 6
Appendices

6

Appendix A:

Board committees and meeting attendance

TABLE 6.1: Board committees 2025–26

Committee	Role	Members
Board Audit and Risk Committee	Assisted the Board to discharge its responsibilities by providing oversight, ensuring appropriateness and review of financial reporting, performance reporting, system of risk oversight and management, and system of internal control.	Mr Geoff Knuckey (Chair) Ms Gai Brodtmann Ms Andrea Galloway Mr Paul Logan
Property and Services Committee	Provided advice and assurance and, where appropriate, made recommendations to the Board on DHA's provisioning strategy, development projects, delivery of property-related services, and to monitor residential property markets. *The Property and Services Committee was disbanded in April 2026.*	Ms Andrea Galloway (Chair) Ms Monique Hamilton PSM
People and Culture Committee	Assisted the Board by providing oversight of DHA's people and culture arrangements and initiatives.	Ms Gai Brodtmann (Chair) Brigadier Leigh Wilton AM
Nomination and Remuneration Committee	Assisted the Board to review the Managing Director's remuneration and performance, consider key appointments and inform Shareholder Ministers of impending reappointments or vacancies on the Board, including recommending possible candidates, where appropriate.	Dr Robert Lang (Chair) Brigadier Leigh Wilton AM

Note

1. Mr Knuckey and Mr Logan are independent members of the Board Audit and Risk Committee appointed by the Board

TABLE 6.2: Attendance at DHA Board and committee meetings 2025–26

	Board	Board Audit and Risk Committee	Property and Services Committee[1]	Nomination and Remuneration Committee	People and Culture Committee
Number of meetings held in 2025–26	9	4	1	3	1
Dr Robert Lang	9	1[2]	1[2]	3	
Mr Andrew Jaggers PSM	9	3[2]	1[2]		1[2]
Brigadier Leigh Wilton AM	9		1[2]	3	1
Ms Monique Hamilton PSM	9		1		
Ms Andrea Galloway	9	3	1	2	
Ms Gai Brodtmann	9	4	1[2]		1
Mr Frank Marra[3]	4	2[2]			
Mr Graeme Ross[4]	4	2[2]			
Mr Paul Logan[5]		4			
Mr Geoff Knuckey[6]		4			

Notes

1. Property and Services Committee was disbanded in April 2026.
2. Voluntary attendance. All members of the Board are able to attend committee meetings in an observer capacity.
3. Frank Marra was appointed as Commercial Member on the DHA Board in January 2026.
4. Graeme Ross was appointed as Commercial Member on the DHA Board in January 2026.
5. Paul Logan is an independent member of the Board Audit and Risk Committee appointed by the Board.
6. Geoff Knuckey is an independent member of the Board Audit and Risk Committee appointed by the Board.

Board member related party transactions 2025–26

A related party transaction is where a Board member approved payment for a good or service from another entity or provisioning of a grant to another entity where the member is a director of DHA's Board and a director of the other entity, and the value of the transaction (or if more than one transaction, the aggregate value of those transactions) exceeds $10,000 (GST inclusive).

DHA Board members did not disclose any related party transactions in 2025–26.

Board Audit and Risk Committee

Information on DHA's Board Audit and Risk Committee is provided below in accordance with section 17BE(taa) of the PGPA Rule. The charter determining the functions of the Board Audit and Risk Committee is published on DHA's website (www.dha.gov.au/about-us/our-organisation/governance).

TABLE 6.3: Board Audit and Risk Committee membership 2025–26

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings held	Total annual remuneration (GST inc.)	Additional Information
Mr Geoff Knuckey[1]	**Qualifications** • Bachelor of Economics (ANU) • Fellow of the Institute of Chartered Accountants in Australia • Registered Company Auditor (since 1995) • Graduate Member of Australian Institute of Company Directors • Member of Institute of Internal Auditors **Experience** • Significant board and audit committee experience in the private and public sector • Office Managing Partner of Ernst & Young (retired 2009)	4/4	$12,375	Chair
Ms Andrea Galloway	**Qualifications** • Bachelor of Business Administration • Diploma of Computer Networks • Graduate of the Executive Program (University of Michigan) • Fellow of the Australian Institute of Company Directors Justice of the Peace • Certified Chair **Experience** • 30+ years in executive management for national and multinational commercial organisations • Former Managing Director and CEO of Evolve Housing • CEO of Coleman Greig Lawyers • Winner of the Australian and NSW Telstra Women's Award 2014 (Business Innovation category) • Other board appointments	4/4	$9,224	Member

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings held	Total annual remuneration (GST inc.)	Additional Information
Ms Gai Brodtmann	**Qualifications** • Bachelor of Arts (Politics, Sociology and English) • Bachelor of Arts (Public Relations) • Graduate Certificate in Business • Graduate of the Australian Institute of Company Directors • Fellow of the Public Relations Institute of Australia • Fellow of the Australian Information Security Association **Experience** • Federal Member for Canberra from 2010–2019 • Shadow Parliamentary Secretary for Defence from 2013 – 2016 • Shadow Assistant Minister for Cyber Security and Defence from 2016–2019 • Other Board appointments	4/4	$9,224	Member
Mr Paul Logan[2]	**Qualifications** • Bachelor of Commerce • A Fellow Certified Practising Accountant **Experience** • 25+ years' experience in the air traffic management and civil aviation safety industry across finance, senior management and executive roles	4/4	$5,968	Member

Notes

1. Mr Knuckey is an independent member of the Board Audit and Risk Committee and was appointed by the Board in October 2020.
2. Mr Logan has been an independent member of the Board Audit and Risk Committee since September 2017. Since January 2026, Mr Logan has been a remunerated member of Board Audit and Risk Committee as he is no longer a Commonwealth employee.

Appendix B:

Correction of errors in previous annual report

Page in 2023–24 Annual Report	Error
Page 173 (Table 6.27)	DHA's 2023–24 greenhouse gas emissions were reported using kg CO_2-e as the unit of measurement. The correct unit of measurement is t CO_2-e.

Appendix C:
Sustainability report

This report is made under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). It provides the report for 2025–26 activities and contributions made in accordance with the principles of ecologically sustainable development.

Commonwealth Climate Disclosure Statement

The Commonwealth Climate Disclosure Policy (the Policy) requires Commonwealth entities like DHA to report on its exposure to climate risks and opportunities, and actions being taken to manage them.

Under the Policy, DHA commenced annual reporting of its Commonwealth Climate Disclosure in 2024–25. This climate statement has been prepared in accordance with the Year 2 Reporting Provisions for Tranche 1 entities in 2025–26.

Year 1 requirements

Tranche 1 entities under the Policy commenced reporting in their 2024–25 annual reports. Disclosures addressed 4 key areas:

- Governance: Identification and oversight of climate risks and opportunities.
- Strategy: Risk management approaches and emissions reduction plans.
- Risk management: Assessment and integration of climate risk practices.
- Metrics and targets: Performance tracking towards climate objectives.

Year 2 requirements

Tranche 1 entities, including DHA, are required to report in 2025–26 on:

- Year 1 requirements on organisational risks and opportunities.
- Policy-related risks and opportunities associated with DHA's ability to deliver government policy objectives through the provision and management of Defence housing.

Governance

DHA uses its existing governance, risk management and assurance frameworks to oversee climate-related risks and opportunities. As DHA's Accountable Authority, the Board is responsible for oversight of DHA's functions, strategic direction, and enterprise risks, including climate-related risks and opportunities. During 2025–26, DHA strengthened its climate governance arrangements through development of the ESG Strategy 2026–28 and the incorporation of environmental and climate-related risks into the enterprise risk framework.

Refer to the Corporate Governance and Risk Management sections for further information on our agency-wide approach to governance.

DHA's approach to climate governance

DHA's risk management framework supports compliance with section 16 of the PGPA Act and provides a structured approach to identifying, assessing and managing enterprise risks. During 2025–26, environmental risks, including climate-related risks, were established as a new and emerging enterprise risk. This recognises climate risk as a strategic business risk to be managed alongside financial, cyber, safety and operational risks. Implementation of climate-related initiatives is supported through the ESG Strategy 2026–28, including future work on emissions reduction, climate resilience and risk management capability.

The Board is supported by several committees, including the Board Audit and Risk Committee, which provides oversight and advice on enterprise risk management, including climate-related risks. Climate-related risks and opportunities are reported through existing governance processes and considered alongside other enterprise risks to support an integrated approach to risk management. The Executive Group and Leadership Team are responsible for embedding climate risk management within business operations and supporting implementation of climate-related initiatives. Figure 6.1 outlines DHA's climate governance structure and Table 6.4 summarises key climate-related governance roles and responsibilities.

FIGURE 6.1: Climate risk governance structure at 30 June 2026

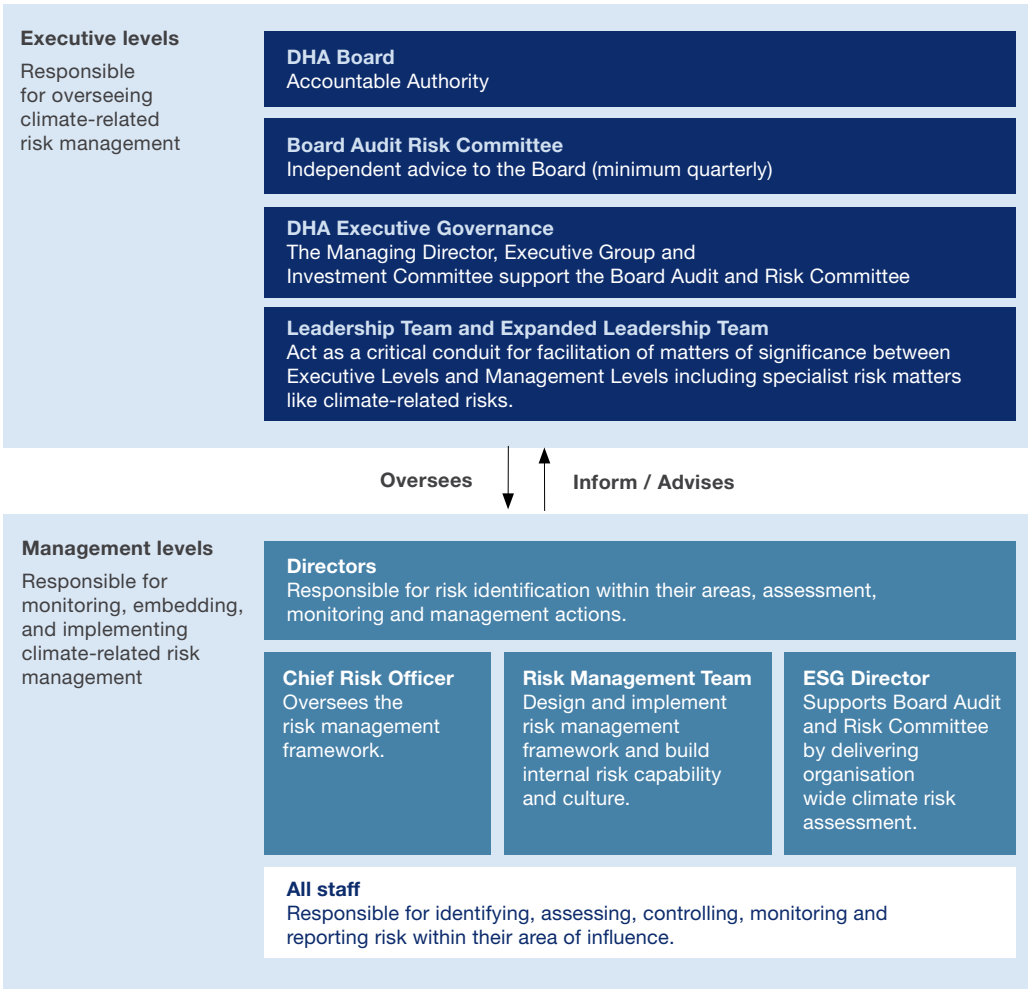


TABLE 6.4: Climate-related risk roles and responsibilities

Role	Responsibility
DHA Board	DHA's Accountable Authority, the Board makes decisions on organisational direction and strategy, which are articulated through DHA's Corporate Plan and Statement of Corporate Intent.
Board Audit Risk Committee	Assist the Board to comply with governance and other obligations. Improve the effectiveness and efficiency of internal control framework and ensure appropriate risk identification and management practices are in place, including climate-related risks.
Executive Group/ Investment Committee	Advance matters of strategic significance including but not limited to resource allocations, progressing the Board's agenda and strategy, corporate plan objectives and financial sustainability.
National Sustainability Manager	Work cross functionally to deliver DHA's organisation-wide climate risk assessment using Climate Risk and Opportunity Management Program (CROMP) tools and services and providing in-house climate risk expertise across the organisation.
Chief Risk Officer	The Chief Risk Officer is responsible for ensuring there is a sound risk management framework in place and assisting risk owners to provide assurances to the Board, the Board Audit and Risk Committee and the Leadership Team that all risks, including climate risks, are managed within tolerance levels.
Risk Management Team	The risk team is responsible for the development and upkeep of DHA's risk management policy and framework and supporting the business in managing risks. This includes promoting positive risk culture and supporting the ESG Director as required.

Climate risk capability

In 2024, the Executive Group identified the need for in-house expertise to drive DHA's Commonwealth Climate Disclosures. During 2025–26, DHA continued to mature this capability through specialist expertise, an all-staff climate awareness training module and workforce planning initiatives under the ESG Strategy. These activities support DHA's ability to identify, assess and manage climate-related risks and opportunities and meet progressively expanding Commonwealth disclosure requirements.

Climate risk management

In 2025–26, DHA undertook an expanded climate risk and opportunity assessment using the CROMP framework. The expanded assessment included the consideration of climate risks and opportunities on DHA's policy settings and delivery of various organisational policies.

All business units were engaged in climate risk and opportunity workshops with the scope of the assessment considering all aspects of the business from staff and client health and safety to impacts on assets and DHA's regulatory environment. Teams in different offices across the country examined the current physical and transitional climate risks, with DHA's enterprise risk rating framework used to judge the nature, likelihood, magnitude, and effects of climate-related risks.

Following this exercise, two future climate scenarios, taken from the Intergovernmental Panel on Climate Change's Sixth Assessment Report, were projected over the current risks and opportunities to evaluate and assess the change in risk ratings and mitigation strategies. The following two climate scenarios and time horizons were applied:

- low emissions scenario (SSP1-2.6) near-term (2030) and mid-term (2050)
- high emissions scenario (SSP3-7.0) near-term (2030) and mid-term (2050)

The time horizons selected aligned DHA with Australian national climate targets and are described in detail in Table 6.5.

TABLE 6.5: Overview of the climate scenarios used in DHA's climate risk and opportunities assessment

Climate Scenario	Overview	Timeframes and technology developments	Key outcomes
Present day	Represents current conditions under today's climate.	2026	Australia is already feeling the effects of a changing climate. Additionally, transition risks and opportunities are already being realised such as changing policy, regulation, and markets.
Low emission (SSP1-2.6)	Represents a scenario where mitigation efforts to curb emissions are focused on limiting warming to 1.5-1.9°C or below. It is likely that there will still be some physical impacts associated with this scenario that may be greater than those felt today. **Macroeconomic trends** Educational and health investments accelerate the demographic transition, and the emphasis on economic growth shifts toward a broader emphasis on human well-being. Driven by a clear commitment to achieving development goals, inequality is reduced both across and within countries. Population levels peak at 8.5 billion between 2050 and 2060 and decline to today's level of around 7 billion by 2100.	Near-term (2030) Mid-term (2050) **Technology developments** Assumes a global shift toward sustainability with rapid technology transitions. Key assumptions include full power-sector decarbonisation (primarily via renewables), deep energy efficiency improvements, and universal electrification of transport and buildings. It also relies on the large-scale deployment of carbon dioxide removal technologies, such as bioenergy with carbon capture and storage.	Transition risks and opportunities dominate. Globally coordinated effort to reduce emissions to net zero around 2070 globally (2050 in advanced economies such as Australia) and avert the worst effects of climate change in line with the Paris Agreement. **Energy usage and mix** Accelerated transition to renewables and electrification, and aggressive regulations limiting the extraction and use of fossil fuels in all major economies.

Climate Scenario	Overview	Timeframes and technology developments	Key outcomes
High emission (SSP3-7.0)	Represents a scenario where government and markets make no additional climate policies. This leads to global average temperatures exceeding 2.5°C, with surface temperature warming ranges from 2.8–4.6°C. In this scenario, considerable adaptation is required and there are significant physical impacts. **Macroeconomic trends** Conflict between regions increases as economic inequality gets worse across the world. This leads to slow economic growth and the slow adoption of new energy technology, leaving the world almost entirely dependent on fossil fuels. This combination leads to carbon dioxide emissions increasing, reaching roughly double today's values by 2100.	Near-term (2030) Mid-term (2050) **Technology developments** Assumes a fragmented world prioritising national security and regional development. Technology development is highly segmented. It features uneven technology transfer between regions, a strong reliance on fossil fuels like coal and unconventional oil, and the continued use of resource-intensive, high-emission industrial technologies without globally coordinated climate policies.	Physical risks dominate. Emissions reduction policies are limited, with continued use of fossil fuels and energy intensive activities and lifestyles. **Energy usage and mix** Continued use of fossil fuels, and continued use of high non-carbon dioxide emissions, including aerosols.

Key assumptions that underpinned DHA's climate risk and opportunity assessment included:

- DHA's climate policy obligations are confined to Commonwealth Government initiatives; no state or territory level climate policy obligations were considered.
- The regional variables considered were projections on climate hazards across Australia's regions, provided through the Department of Climate Change, Energy, the Environment and Water's CROMP framework.

Overview of this year's climate risks and opportunities

TABLE 6.6: High level screening of transitional risks and opportunities material to DHA operations.

Summary of transition risks		
TCR: Transitional climate risk TCO: Transitional climate opportunity	Time horizon P: Present day N: Near-term (2030) M: Mid-term (2050)	Risk area
TCR: Policy and regulatory changes will increase scrutiny and potential changes to: • building codes • energy efficiency standards • environmental regulations.	**P N M**	Policy and Legal
TCR: Capital cost of new technological shifts that result in transition to renewable energy sources and energy efficient technologies. In particular: • electric vehicles and heat pumps • solar for housing • new technologies for managing climate risk.	**P N M**	Technology
TCR: Member housing preferences changing with growing awareness of climate change influencing: • sustainable low energy cost homes • property offerings adapted for climate-related change.	**P N M**	Market
TCR: Financial risks with increased climate-related insurance premiums: • increase in climate-related repair and maintenance cost claims • undervaluations of assets due to climate impacts • under valuations of property insurance premiums not considering climate impacts.	**P N M**	Finance
TCR: Reputational risk due to failure to adequately address climate-related risks including sufficient transparency regarding climate-related issues.	**P N M**	Reputation
TCO: Improving accuracy and quality of quantitative event data for assessments to support DHA to: • accurately assess climate vulnerabilities • develop and implement effective mitigation and adaptation strategies • improve climate risk decision-making • respond to climate events and adapt.	**P N M**	Data
TCO: Reviewing housing retrofit strategies to adapt to climate needs: • housing fixtures and features • furnishings • construction materials and methodologies.	**P N M**	Housing

Summary of transition risks		
TCR: Transitional climate risk **TCO: Transitional climate opportunity**	**Time horizon** **P: Present day** **N: Near-term (2030)** **M: Mid-term (2050)**	**Risk area**
TCO: Technological shifts that result in transition to energy efficient technologies and resources for operations. In particular: • electric vehicles and heat pumps • solar for housing • technologies to reduce manual data and case processing.	**P N M**	Technology
TCO: Real-time communications to members and staff to help build awareness on: • weather emergencies and processes • post weather event support.	**P N M**	Technology

Summary of Physical Risks		
PCR: Physical climate risk **PCO: Physical climate opportunity**	**Time horizon** **P: Present day** **N: Near-term (2030)** **M: Mid-term (2050)**	**Risk area**
PCR: Severe weather potential impacts on housing portfolio causing damage: • physical damage to properties • repair and maintenance requests • emergency response requests. In particular: • increased frequency and intensity of storm events • sea level rise and coastal erosion • increased rainfall patterns in regions • increased temperatures and heatwaves across Australia • increased bushfire in regions.	**P N M**	Housing
PCR: Severe weather impacts on DHA member and staff safety and well-being: • safety during property inspections • safety during work travel • member relocations with significant climate impacts • escalated complexity in calls and customer dealings.	**P N M**	Safety
PCO: Key findings from past event data incorporated into provisioning and forward planning for improved housing climate resilience and adaption.	**P N M**	Provisioning

Public policy effects

DHA's assessment also considered the risks and opportunities arising from the policy, governance and operational arrangements that support its activities. Key risks identified included:

- Climate risk integration – the risk that climate-related considerations are not sufficiently integrated into corporate risk management, decision-making, policies and procedures as climate-related risks and regulatory expectations continue to evolve. DHA is continuing to strengthen integration through its climate risk management framework and governance arrangements.
- Climate capability and awareness – the risk that insufficient organisational capability, awareness or understanding of climate-related issues may limit DHA's ability to identify, assess, monitor, and respond to emerging risks and opportunities. DHA is addressing this through targeted training, capability development and engagement across the business.
- Business operations and procurement – the risk that climate-related considerations are not consistently incorporated into operational activities, procurement and contracting decisions, potentially resulting in avoidable costs, service disruptions, reduced resilience or missed opportunities to improve long-term outcomes.

Operational model effects

Climate projections indicate increasing exposure to temperature extremes, sea level rise, severe weather events and bushfire risk across parts of Australia. DHA recognises that these changing hazard levels may affect its operations, housing portfolio and service delivery over the near and mid-term horizons.

To improve understanding of these potential impacts, DHA will continue improving quantitative data analysis to support future climate risk assessments.

Controls and actions

DHA has incorporated climate risks and opportunities into its risk management framework through the creation of a new environmental enterprise risk. This enables environmental risks, including climate risks and opportunities, to have clear governance and executive oversight, ensuring these risks are systemically identified, assessed, and managed across the organisation. Enterprise risks are monitored through existing governance forums such as the Board Audit and Risk Committee.

Strategy

DHA's strategy for managing climate-related risks and opportunities follows the National Climate Risk Assessment cycle for adapting to a changing climate:

- **Understand and assess:** Undertaking a climate risk and opportunity assessment following the CROMP framework to better understand its risks and opportunities.
- **Prioritise and plan:** Preparing its annual climate risk disclosure that identifies immediate and future priorities needing actions to respond to complex climate challenges.
- **Adapt and respond:** Ensuring climate risks are integrated into DHA's risk management framework well, building climate capability and awareness within functional teams and using the climate risk assessment to inform planning and implementation of adaption actions.
- **Monitor change:** Using the CROMP digital tool DHA captures and stores historical assessments and changing characteristics of impacts within them. These changing characteristics are monitored and used to inform future decision-making.

Emissions reduction approach

DHA's emissions reduction approach combines immediate operational improvements with the development of longer-term emissions reduction roadmap:

- Identifying easy to implement operational changes which reduce the organisation's greenhouse gas emissions (quick wins).
- Developing a formal emissions reduction plan to identify required emission reductions across the whole organisation.

Quick wins

DHA has implemented several changes to its operations in previous financial years, including increasing the use of hybrid electric vehicles, improving energy efficiency in office relocations, and reducing travel and accommodation expenditure.

Emissions reduction roadmap

DHA's ESG Strategy 2026–28 will support DHA's emissions reduction efforts over the next two years through:

- development of a greenhouse gas (GHG) emissions reduction roadmap
- improved data collection and centralisation for compliance reporting.

The GHG emissions reduction roadmap will align DHA with the broader Australian Government APS Net Zero by 2030 Target and be developed over the next financial period 2026–27. Improving operational data and centralising collection for compliance reporting is the second key output. These data improvements will assist in identifying opportunities for emissions reductions and establish short, medium, and long-term targets.

Metrics and targets

Climate-related metrics

DHA reports Scope 1, Scope 2, and selected Scope 3 greenhouse gas emissions in accordance with the Climate Action in Government Operations Emissions Reporting Framework. Scope 1 emissions are direct emissions from sources owned or controlled by DHA. Scope 2 emissions are indirect emissions associated with the generation of purchased electricity used by DHA. Scope 3 emissions are other indirect emissions arising from DHA's activities but occurring from sources not owned or controlled by DHA. For reporting purposes, DHA's Scope 3 emissions currently include waste disposal and treatment, domestic commercial flights, and employee domestic business travel, including hire vehicles and accommodation. DHA has chosen not to opt-in to disclosing information on cross-industry metrics outlined in the Year 2 Reporting Provisions.

The GHG Inventory and Electricity Greenhouse Gas Emissions Inventory (Table 6.7) and 2025–26 Electricity Greenhouse Gas Emissions (Table 6.8) present DHA's greenhouse gas emissions over the 2025–26 financial year. The emissions reported are from DHA's operations only and are not an aggregated disclosure. The greenhouse gas emissions reported are calculated as carbon dioxide equivalents (CO_2-e) and in line with the 2025–26 Emissions Reporting Framework. This methodology has been used since DHA began undertaking climate disclosures and is consistent with a Whole-of-Australian Government approach, outlined in the Net Zero in Government Operations Strategy and Commonwealth Climate Disclosure requirements.

TABLE 6.7: 2025–26 greenhouse gas emissions inventory – location-based method

Emission Source	Scope 1 t CO_2-e	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e
Electricity (Location-Based Approach)	n/a	406.35	33.80	440.15
Natural Gas	0.00	n/a	0.00	0.00
Solid Waste	0.00	n/a	211.86	211.86
Refrigerants	0.00	n/a	n/a	0.00
Fleet and Other Vehicles	201.23	n/a	51.19	252.42
Domestic Commercial Flights	n/a	n/a	235.24	235.24
Domestic Hire Car	n/a	n/a	12.59	12.59
Domestic Travel Accommodation	n/a	n/a	72.29	72.29
Other Energy	0.00	n/a	0.00	0.00
Total t CO_2-e	**201.23**	**406.35**	**616.97**	**1,224.55**

TABLE 6.8: 2025–26 electricity greenhouse gas emissions

	Scope 2 t CO_2-e	Scope 3 t CO_2-e	Total t CO_2-e	Electricity kWh
Location-based electricity emissions	406.35	33.80	440.15	—
Market-based electricity emissions	—	—	—	—
Total renewable electricity[1]	**n/a**	**n/a**	**n/a**	**—**
Renewable Power Percentage[2]	n/a	n/a	n/a	—
Jurisdictional Renewable Power Percentage[3]	n/a	n/a	n/a	—
GreenPower	n/a	n/a	n/a	—
Large-scale generation certificates	n/a	n/a	n/a	—

Note: The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. Electricity usage is measured in kilowatt hours (kWh).

1. Excludes behindthemeter solar other than generation used to create largescale generation certificates.
2. The renewable power percentage accounts for the portion of electricity used, from the grid, that falls within the renewable energy target.
3. The Australian Capital Territory is currently the only state with a jurisdictional renewable power percentage.

Climate-related targets

DHA is committed to the APS Net Zero 2030 Target to align with key stakeholders like Defence and join the whole-of-government approach to emissions reduction through work programs within DHA's ESG Strategy 2026–28.

Further details of the APS Net Zero 2030 Target can be found within the Net Zero in Government Operations Strategy. DHA has no plans to deviate from the strategy and target regarding processes for reviewing, revising, or monitoring climate-related targets.

Appendix D:
Workforce statistics

All ongoing employees

TABLE 6.9: All ongoing employees current reporting period 30 June 2026

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	29	2	31	62	10	72	0	0	0	0	0	0	0	0	0	103
Qld	26	3	29	88	21	109	0	0	0	0	0	0	0	0	0	138
SA	29	5	34	50	14	64	0	0	0	0	0	0	0	0	0	98
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	13	0	13	19	0	19	0	0	0	0	0	0	0	0	0	32
WA	4	0	4	13	1	14	0	0	0	0	0	0	0	0	0	18
ACT	70	0	70	138	12	150	0	0	0	0	0	0	0	0	0	220
NT	3	0	3	13	0	13	0	0	0	0	0	0	0	0	0	16
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**174**	**10**	**184**	**383**	**58**	**441**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**625**

TABLE 6.10: All ongoing employees previous reporting period 30 June 2025

	Man/Male			Woman/Female			Non-binary			Prefers not answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	30	2	32	55	13	68	0	0	0	0	0	0	0	0	0	100
Qld	28	2	30	83	18	101	0	0	0	0	0	0	0	0	0	131
SA	33	1	34	55	14	69	0	0	0	0	0	0	0	0	0	103
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	13	0	13	17	0	17	0	0	0	0	0	0	0	0	0	30
WA	4	0	4	8	1	9	0	0	0	0	0	0	0	0	0	13
ACT	65	0	65	106	18	124	0	0	0	0	0	0	0	0	0	189
NT	3	0	3	11	1	12	0	0	0	0	0	0	0	0	0	15
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**176**	**5**	**181**	**335**	**65**	**400**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**581**

All non-ongoing employees

TABLE 6.11: All non-ongoing employees current reporting period 30 June 2026

	Man/Male			Woman/Female			Non-binary			Prefers not answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	1	0	1	5	0	5	0	0	0	0	0	0	0	0	0	6
Qld	2	0	2	4	0	4	0	0	0	0	0	0	0	0	0	6
SA	2	0	2	1	0	1	0	0	0	0	0	0	0	0	0	3
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
ACT	3	0	3	1	1	2	0	0	0	0	0	0	0	0	0	5
NT	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**8**	**0**	**8**	**14**	**1**	**15**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23**

TABLE 6.12: All non-ongoing employees previous reporting period 30 June 2025

	Man/Male			Woman/Female			Non-binary			Prefers not answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	0	0	0	6	0	6	0	0	0	0	0	0	0	0	0	6
Qld	0	0	0	8	0	8	0	0	0	0	0	0	0	0	0	8
SA	6	0	6	4	0	4	0	0	0	0	0	0	0	0	0	10
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	1	0	1	4	0	4	0	0	0	0	0	0	0	0	0	5
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	6	1	7	8	3	11	0	0	0	0	0	0	0	0	0	18
NT	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**13**	**1**	**14**	**32**	**3**	**35**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**49**

TABLE 6.13: Staff gross salary ranges by classification 2024–25 and 2025–26

	Salary range	
Classification	2024–25	2025–26
DHA1	$59,640 – $66,749	$61,668 – $69,018
DHA2	$67,905 – $73,371	$70,214 – $75,866
DHA3	$74,907 – $83,000	$77,454 – $85,822
DHA4	$84,157 – $90,998	$87,018 – $94,092
DHA5	$92,155 – $100,140	$95,288 – $103,545
DHA6	$101,295 – $116,452	$104,793 – $120,411
EL1	$122,963 – $150,065	$127,144 – $155,167
EL2	$152,378 – $187,494	$157,559 – $193,869
SES and MD	$187,495 – $488,189	$242,779 – $526,586

Executive remuneration

Information about remuneration for Key Management Personnel

During the reporting period ended 30 June 2026, DHA had 7 non-executive Board members and 5 senior executives who met the definition of Key Management Personnel (KMP). In the notes to the financial statements for the period ending 30 June 2026, DHA disclosed the following KMP expenses.

TABLE 6.14: KMP remuneration

KMP remuneration for the reporting period	2025–26
Director remuneration	**$**
Short-term employee benefits	415,156
Post-employment benefits	49,821
Total Director remuneration	**464,977**
Other KMP remuneration	
Base Salary	1,894,271
Bonus[1]	25,000
Other benefits and allowances	38,878
Total short-term benefits	**1,958,149**
Superannuation	324,304
Total post-employment benefits	**324,304**
Other long-term benefits	
Long service leave	75,828
Total long-term benefits	**75,828**
Termination benefits	0
Total other KMP remuneration	**2,358,281**

Note

1. One-off payment made under a common law contract to compensate for the removal of a contractual retention bonus entitlement.

TABLE 6.15: Details and length of term for KMP

Name	Position	Term as KMP
Dr Robert Lang	Board Chair	Full term
Brigadier Leigh Wilton AM	Board member	Full term
Ms Andrea Galloway	Board member	Full term
Ms Gai Brodtmann	Board member	Full term
Ms Monique Hamilton PSM[1]	Board member	Full term
Mr Frank Marra	Board member	22/01/2026 – 30/06/2026
Mr Graeme Ross	Board member	22/01/2026 – 30/06/2026
Mr Andrew Jaggers PSM	Managing Director	Full term
Ms Lisa Barlin	Chief Operating Officer	Full term
Mr Paul Groenewegen	Executive General Manager Strategy and Transformation	Full term
Mr Brett Jorgensen	Executive General Manager Service Delivery	Full term
Mr Shane West	Executive General Manager Property	Full term

Note

1. Ms Hamilton is remunerated by the Department of Defence.

As per the PGPA Rule, this information is further disaggregated in Table 6.16.

TABLE 6.16: Information about remuneration for Directors and KMP

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary[1]	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits	Termination benefits	Total remuneration
Dr Robert Lang	Board Chair	135,075	0	0	16,210	0	0	0	151,285
Brigadier Leigh Wilton AM	Board Member	67,543	0	0	8,105	0	0	0	75,648
Ms Andrea Galloway	Board Member	67,543	0	9,224[2]	9,213	0	0	0	85,980
Ms Gai Brodtmann	Board Member	67,543	0	9,224[2]	9,213	0	0	0	85,980
Ms Monique Hamilton PSM[3]	Board Member	0	0	0	0	0	0	0	0
Mr Frank Marra	Board Member	29,502	0	0	3,540	0	0	0	33,042
Mr Graeme Ross	Board Member	29,502	0	0	3,540	0	0	0	33,042
Mr Andrew Jaggers PSM	Managing Director	528,586	0	0	80,221	21,929	0	0	630,736
Ms Lisa Barlin	Chief Operating Officer	334,859	0	14,883	61,018	20,365	0	0	431,125
Mr Paul Groenewegen	Executive General Manager Strategy and Transformation	350,925	0	20,046	63,500	11,260	0	0	445,731
Mr Brett Jorgensen	Executive General Manager Service Delivery	329,368	0	3,949	62,917	16,476	0	0	412,710
Mr Shane West	Executive General Manager Property	350,533	25,000[4]	0	56,648	5,798	0	0	437,979

Notes

1. Base salary includes the movement in annual leave balances for KMP.
2. Remuneration paid as a member of the Board Audit and Risk Committee, refer to Table 6.3.
3. Ms Hamilton is remunerated by the Department of Defence.
4. One-off payment made under a common law contract to compensate for the removal of a contractual retention bonus entitlement.

Information about remuneration for senior executives

During the reporting period ending 30 June 2026, DHA had 12 senior executives who are not KMP.

TABLE 6.17: Information about remuneration for senior executives

Total remuneration bands		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[1]
	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
$0 - $220,000	6	89,411	0	1,955	20,375	-2,984	0	15,833	124,590
$220,001 - $245,000	0	0	0	0	0	0	0	0	0
$245,001 - $270,000	0	0	0	0	0	0	0	0	0
$270,001 - $295,000	1	207,781	0	0	30,546	35,259	0	0	273,586
$295,001 - $320,000	4	258,352	0	1,197	36,805	11,327	0	0	307,681
$320,001 - $345,000	1	242,903	0	6,288	30,531	46,186	0	0	325,908
$345,001 - $370,000	0	0	0	0	0	0	0	0	0
$370,001 - $395,000	0	0	0	0	0	0	0	0	0
$395,001 - $420,000	0	0	0	0	0	0	0	0	0
$420,001 - $445,000	0	0	0	0	0	0	0	0	0
$445,001 - $470,000	0	0	0	0	0	0	0	0	0
$470,001 - $495,000	0	0	0	0	0	0	0	0	0
$495,001 - ….	0	0	0	0	0	0	0	0	0

Note

1. Senior executive service roles are benchmarked against comparable roles in the market. External benchmarks are informed by publicly available data from the Australian Public Service Commission, industry data and other Government Business Enterprises.

Information about remuneration for other highly paid staff

During the reporting period ending 30 June 2026, DHA had 8 other highly paid staff.

TABLE 6.18: Information about remuneration for other highly paid staff

Total remuneration bands		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration[1]
	Number of other highly paid staff	Average base salary	Average bonuses[2]	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
$265,000 - $270,000	0	0	0	0	0	0	0	0	0
$270,001 - $295,000	2	164,667	12,500	145	29,238	444	0	72,362	279,356
$295,001 - $320,000	4	204,531	13,750	23,397	35,249	5,489	0	24,497	306,913
$320,001 - $345,000	1	192,767	40,000	53,072	36,585	7,778	0	0	330,202
$345,001 - $370,000	0	0	0	0	0	0	0	0	0
$370,001 - $395,000	0	0	0	0	0	0	0	0	0
$395,001 - $420,000	0	0	0	0	0	0	0	0	0
$420,001 - $445,000	0	0	0	0	0	0	0	0	0
$445,001 - $470,000	1	306,306	70,000	16,544	45,314	15,326	0	0	453,490
$470,001 - $495,000	0	0	0	0	0	0	0	0	0
$495,001 + ...	0	0	0	0	0	0	0	0	0

Notes

1. In accordance with the Commonwealth entities' Executive Remuneration Reporting Guide (Resource Management Guide No. 138), total remuneration includes the notional taxable value of reportable fringe benefit amounts not otherwise reported in this table.
2. Bonuses listed in this column are retention bonuses provided for under Individual Flexibility Agreements. These agreements are used only in select circumstances where DHA requires specialist skills from the employment market and demand for those skills warrants varying the terms and conditions set out in the Enterprise Agreement, including salary levels beyond existing ranges.

Appendix E:
Heritage information

Heritage management

Commonwealth Heritage Listed Properties

On behalf of Defence, DHA manages and conserves 72 Commonwealth Heritage Listed properties. These sites are located on ADF bases around the country and are managed in accordance with the EPBC Act. DHA owns and manages 5 development sites with 2 of these having Commonwealth Heritage Listings located at Fort Wallace, Stockton NSW and Lawson North, ACT. Stockton Rifle Range NSW, Lee Point NT and Nirimba Fields, Schofields NSW are identified as having Commonwealth heritage values and are on the DHA Heritage Register, refer to Table 6.19. These sites are managed in accordance with the EPBC Act.

TABLE 6.19: DHA Heritage Registered and Commonwealth Heritage Listed sites

DHA Heritage Register	Commonwealth Heritage List
Stockton Rifle Range, Fern Bay NSW	-
Stockton Fort Wallace NSW (CHL)	105,335
Lawson North ACT (CHL)	105,535 / 105,519
Lee Point NT	-
Nirimba Fields, Schofields NSW	-

Maintenance and conservation of any identified heritage property

For the sites listed on the DHA Heritage Register, DHA invested $157,191 on maintenance and $703,309 on management and conservation activities across the 5 sites in 2025–26.

DHA's development projects include provision for the establishment and review of Heritage Management Plans, heritage studies, conservation management planning and other activities relating to the identification, protection, conservation, presentation and transmission of any Commonwealth heritage values of a place to ensure DHA meets its obligations under the EPBC Act. These plans enable the continued management of the sites during and after delivery. DHA has several development sites currently under various stages of planning and development. Each development project has allowed for the ongoing maintenance and protection of the heritage values identified.

DHA undertakes a review of Heritage Management Plans every 5 years in accordance with the EPBC Act or within 2 years of purchasing a known listed Commonwealth Heritage Listed place.

The DHA Heritage Register is updated when any change in heritage values is identified within an existing site, or when a new site is identified as having heritage values. The DHA Heritage Register is accessible on the DHA intranet and externally on the DHA website (www.dha.gov.au/housing/heritage-properties).

TABLE 6.20: Maintenance work expenditure of any identified heritage property 2025–26

Project/Site	Maintenance expenditure	Management plans expenditure	Conservation / refurbishment expenditure
Stockton Rifle Range, Fern Bay NSW		$16,142	
Stockton Fort Wallace NSW	$157,191	$8,909	$310,324
Lawson North ACT		$4,061	$245,975
Lee Point NT		$111,728	-
Nirimba Fields, Schofields NSW		$6,170	-
Total	**$157,191**	**$147,010**	**$556,299**

Identification of heritage values

While DHA undertakes a management function across all dwellings in its portfolio, private landlord owned detached dwellings that are leased to DHA fall outside the effective control of DHA with respect to the EPBC Act. Further, the Defence-owned dwellings are captured by the Defence Heritage Strategy and reviewed by its Environmental teams. Should DHA acquire or take control over any new property, an assessment is undertaken to identify any potential Commonwealth Heritage values in accordance with the strategies under Section 8B of the DHA Heritage Strategy.

However, in the case of newly constructed property or developments on brown-field sites, it is expected that such assessments will be very minimal in nature, if any, notwithstanding the original reviews of the land prior to development being undertaken.

Development and maintenance of the DHA Heritage Register

The DHA Heritage Register was created and maintained in accordance with the DHA Heritage Strategy. The DHA Heritage Register is available internally on the DHA intranet and externally via the dha.gov.au site.

Properties brought into the portfolio are reviewed to identify if heritage values are present. Newly constructed housing stock brought into the DHA portfolio does not undergo a heritage value review unless the allotment or estate have been identified to hold those values. Development sites undergo a comprehensive review to identify heritage values that may require the site's addition to the DHA Heritage Register. If any heritage values change on existing heritage-listed properties, the status is reviewed and updated on the register.

Review of the DHA Heritage Strategy

The DHA Heritage Strategy meets DHA's specific obligations under the EPBC Act and regulations to prepare a heritage strategy for the heritage properties it manages; and avoid activities that may have a significant impact on the environment, which includes heritage values on adjacent land, unless approved by the Minister for the Environment. The DHA Heritage Strategy also supports the integration of heritage conservation and management within DHA's property planning and management framework. The DHA Heritage Strategy is currently undergoing a review as required under the EPBC Act.

Referrals made under the EPBC Act

There were no referrals made under the EPBC Act in 2025–26.

Disposal or acquisition of property with heritage values

During 2025–26, DHA did not acquire or dispose of any properties with heritage values.

Building entrance at HMAS Watson, Sydney NSW

Appendix F:

GBE performance indicators

TABLE 6.21: GBE key performance indicators

Key Performance Indicator	Full year 2025–26		
	Actual	Corporate Plan	Variance
Financial Performance			
Total shareholder return	6.4%	5.6%	0.8%
Dividend yield	-	-	-
Dividend payout ratio	-	-	-
Earnings before interest and tax[1]	$142.2	$97.3	$44.9
Earnings before net interest, tax, depreciation and amortisation[1]	$552.3	$528.2	$24.1
Net profit after tax[1]	$39.1	$8.7	$30.4
Underlying net profit after tax[1]	$39.1	$8.7	$30.4
Business efficiency			
Operating margin	66.0%	61.9%	4.1%
Return on capital employed	7.4%	4.9%	2.5%
Debtors age (days)	15.7	18.8	(3.1)
Leverage/solvency			
Gearing ratio	51.8%	53.4%	(1.6%)
Interest cover	6.0	6.0	-
Current ratio	0.4	0.3	0.1
Liquidity ratio	0.2	0.2	-
Loan Agreement Benchmarks			
Adjusted interest coverage	7.2	4.0	3.2
Adjusted net debt ratio	47.8%	49.4%	(1.6%)
Staffing			
Staff retention and turnover rate	13.7%	≤20%	-6.3%
Staff satisfaction	73%	70%	3%
Wages expense ratio	13.4%	13.8%	(0.4%)
Lost time injury frequency rate and OHS incident rate[2]	2.5	4	1.5

Notes

1. Results are reported in $ millions.
2. Lost Time Frequency Rate reported as of 30 June 2026.

Consolidation may include minor variance due to rounding.

Appendix G:

Five-year financial performance

This appendix provides a comprehensive overview of DHA's key financial performance results for the last 5 financial years.

TABLE 6.22: Financial performance 2021–22 to 2025–26[1]

	2021–22	2022–23	2023–24	2024–25	2025–26
Net profit after tax[2]	$130.3	$100.2	$53.9	$23.9	$39.1
Annual dividend[2]	$78.2	$0.0	$0.0	$0.0	$0.0
Return on equity	8.5%	6.2%	3.2%	1.4%	2.2%
Property investment revenue[2,3]	$15.3	$0.2	$0.0	$0.4	$0.3
Disposal program revenue[2,4]	$15.3	$19.5	$4.6	$7.4	$6.5
Development land and property sales revenue[2,5]	$165.1	$119.4	$53.0	$44.8	$48.0
Return on capital employed	16.0%	12.2%	7.8%	5.9%	7.4%
Gearing ratio	46.3%	47.9%	49.9%	51.7%	51.8%
Interest times cover	10.9	11.4	7.9	6.5	6.0
Current ratio	0.6	0.5	0.8	0.5	0.4
Liquidity ratio	0.5	0.4	0.2	0.2	0.2
Value of portfolio under management[6]	$12.6	$12.9	$13.4	$14.6	$16.5
Total properties under management[7]	16,955	16,929	17,104	17,353	17,797
New constructions and acquisitions	59	226	169	113	203

Notes

1. Financial performance indicators are based on DHA's internal management reporting and may differ from statutory financial statement results due to differences in reporting classifications.
2. Results are reported in $ millions.
3. Prior-year comparative amounts have been restated from a cash basis to an accrual basis in accordance with the applicable accounting standard.
4. Prior-year comparative amounts have been amended to reflect accrual accounting and include properties disposed of on behalf of Defence.
5. Prior-year comparative amounts have been amended to reflect accrual accounting and the reclassification of properties disposed of on behalf of Defence.
6. Results are reported in $ billions.
7. Figures include all properties managed by DHA (leased and owned).

Appendix H:
Advertising and market research

In accordance with section 311A of the *Commonwealth Electoral Act 1918*, this appendix discloses payments of $17,300 or more (including GST) for advertising and market research services provided during the reporting period. There was no direct mail expenditure to be reported against for 2025–26.

TABLE 6.23: Advertising expenditure 2025–26

Organisation	Purpose of creative services	Expenditure ($ incl. GST)
Mude Pty Ltd	Creative assets and videos to provision DHA-leased properties, supporting the Leasing & Acquisitions program.	$137,019

TABLE 6.24: Direct mail expenditure 2025–26

Organisation	Purpose of creative services	Expenditure ($ incl. GST)
Not applicable	Not applicable	$0

TABLE 6.25: Media advertising expenditure 2025–26

Organisation	Purpose of creative services	Expenditure ($ incl. GST)
Universal McCann (UM)	National media advertising placement to provision DHA-leased properties, supporting the Leasing & Acquisitions program.	$942,772

TABLE 6.26: Market research expenditure 2025–26

Organisation	Purpose of creative services	Expenditure ($ incl. GST)
Fifth Quadrant	Qualitative and quantitative research to analyse property investor motivations, behaviours, barriers and opportunities for DHA.	$154,340

Appendix I:

List of requirements

PGPA Rule reference	Part of report	Page	Description	Requirement
17BE	**Contents of annual report**			
17BE(a)	Overview of DHA	2	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Overview of DHA	2	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Overview of DHA	2	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Corporate governance	4	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Corporate governance	4	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Corporate governance	4	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	Not applicable	-	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual Performance Statement	58	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	External scrutiny	94	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory

PGPA Rule reference	Part of report	Page	Description	Requirement
17BE(j)	Corporate governance	6	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Corporate governance	12	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Workforce management Appendix C: Workforce statistics	86 173	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	Corporate Governance	15	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Corporate governance	11	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Board member related party transactions 2025–26	159	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	Significant activities and changes affecting the entity	96	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Not applicable	-	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory

PGPA Rule reference	Part of report	Page	Description	Requirement
17BE(r)	External scrutiny	94	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not applicable	-	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Not applicable	-	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Appendix A: Board committees and meeting attendance	158	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	Executive remuneration	179	Information about executive remuneration	Mandatory
17BF	**Disclosure requirements for Government Business Enterprises**			
17BF(1)(a)(i)	Financial performance	90	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	Financial performance	90	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	Returns to the Australian Government	90	Information on dividends paid or recommended	If applicable, mandatory

PGPA Rule reference	Part of report	Page	Description	Requirement
17BF(1)(c)	Not applicable	-	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	Not applicable	-	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory
17BG	**Additional requirement for prescribed corporate Commonwealth entities**			
17BG(2)	Not applicable	-	An assessment of the entity's performance during the period against the Commonwealth Procurement Rules.	If applicable, mandatory
Other Legislative and Policy Reporting Requirements (outside the PGPA Rule)				
EPBC Act s516A	Appendix B: Sustainability Report	163	EPBC Act reporting	Report on ecologically sustainable development principles, environmental impacts of activities, measures to minimise impacts, effectiveness of those measures, and any relevant heritage management activities undertaken during the reporting period.
EPBC Act heritage obligations	Appendix E: Heritage information	184	Commonwealth Heritage obligations	Report on management of heritage properties, maintenance of the DHA Heritage Register, implementation of the DHA Heritage Strategy, and actions taken to protect identified heritage values where applicable.

PGPA Rule reference	Part of report	Page	Description	Requirement
Commonwealth Climate Disclosure Policy	Appendix B: Sustainability Report	163	Climate disclosure reporting	Report climate-related risks and opportunities and actions taken to manage them in accordance with the applicable Commonwealth Climate Disclosure reporting requirements.
Climate Action in Government Operations Policy	Appendix B: Sustainability Report	171	Operational emissions reporting	Report operational emissions using the Department of Finance emissions reporting framework and methodology.
Future Made in Australia Act 2024	External scrutiny	96	Future Made in Australia reporting	Include any mandatory disclosures required under the *Future Made in Australia Act 2024* and associated Finance guidance where applicable.

Appendix J:
Acronyms & glossary

Acronym	Description
ACT	Australian Capital Territory
ADF	Australian Defence Force
AI	Artificial Intelligence
AM	Member of the Order of Australia
AUKUS	Australia–United Kingdom–United States security partnership
Board	DHA Board of Directors
CFO	Chief Financial Officer
CROMP	Climate Risk and Opportunity Management Program
DHA Act	*Defence Housing Australia Act 1987*
DRA	DHA Residence Agreement
DSA	Defence Services Agreement
EPBC Act	*Environment Protection and Biodiversity Conservation Act 1999*
ESG	Environmental, social and governance
FOI Act	*Freedom of Information Act 1982*
GBE	Government Business Enterprise
GST	Goods and Services Tax
NSW	New South Wales
NT	Northern Territory
OAIC	Office of the Australian Information Commissioner
PACMAN	Defence Pay and Conditions Manual
PBS	Portfolio Budget Statements
PCO	Physical climate opportunity
PCR	Physical climate risk
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PGPA Rule	*Public Governance, Performance and Accountability Rule 2014*
PID Act	*Public Interest Disclosure Act 2013*

Acronym	Description
Privacy Act	*Privacy Act 1988*
PSM	Public Service Medal
PWC	Parliamentary Standing Committee on Public Works (Public Works Committee)
Qld	Queensland
RAAF	Royal Australian Air Force
SA	South Australia
SCI	Statement of Corporate Intent
SES	Senior Executive Service
SRF-West	Submarine Rotational Force–West
Tas	Tasmania
TCO	Transitional climate opportunity
TCR	Transitional climate risk
Vic	Victoria
WA	Western Australia

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