

ACT HOUSING

Objectives

ACT Housing provides property management and tenancy management services for public housing. In delivering those services, ACT Housing provides information to tenants and prospective tenants on available housing assistance options, including public, community-based and emergency or crisis accommodation options. ACT Housing assesses eligibility for public housing and allocates public rental properties as well as assessing and providing rental assistance to eligible public housing tenants (rent rebates) and managing the tenancies as part of its tenancy management function.

ACT Housing also manages the Territory's public housing assets, including the acquisition, disposal, redevelopment and repair, maintenance and improvement of those assets.

ACT Housing aims to improve its business performance to ensure the best use of resources, to improve its customer focus through better understanding the needs of existing and emerging clients and improve its capacity to meet those needs, and, through achievements in these areas, improve the community perception of ACT Housing services.

1999-2000 Highlights

Strategic and operational issues to be pursued in 1999-2000 include:

- implementing reforms in relation to eligibility, tenure, allocation and pricing in accordance with the gazetted Public Rental Housing Assistance Program, which will be varied with effect from 1 July 1999, and in particular:
 - simplifying eligibility arrangements to link them more closely with Centrelink criteria;
 - reviewing continuing eligibility for tenancy for new tenants every three and five years;
 - improving the targeting of assistance through revised priority criteria; and
 - continuing to increase the adult resident contribution for rent to 25% of tenants' income;
- continuing emphasis on implementation of asset management strategies to improve the overall standard of public rental stock and matching this to better meet the needs of public housing tenants;
- continuing to provide assistance to older tenants and people with disabilities, including the provision of accommodation suitable for aged persons and capital expenditure to provide a range of community based housing options for people with disabilities;
- developing strategies for rejuvenating or replacing aging stock and managing the sites of larger multi-unit complexes. This includes the sale of Lachlan Court, Barton and using the proceeds to upgrade Burnie Court, Lyons and purchase replacement stock;
- increasing the participation of public tenants in the direct deduction schemes for rent payment (via Centrelink and financial institutions);
- continuing emphasis on a customer service culture in delivering housing assistance;
- enhancing the tenant participation program with a view to increasing tenant involvement;

- continuing the implementation of a new management information system to improve services to customers and management of the Government's public housing assets. This will also provide opportunities to streamline business processes;
- implementing service level agreements and protocols with various government agencies (housing assistance, family services, mental health and disability services, environment and the Australian Federal Police); and
- relocating tenants from MacPherson Court in O'Connor to facilitate the handover of the vacant site to Community Housing Canberra Limited for redevelopment.

Budget Summary	1999-2000 Planned \$'000
Government Appropriations	
• Revenue from General Government	26 433
Own Sourced Revenues	
• Rent revenue (net of rebates)	46 332
• Interest	500
• Resources received free of charge	125
• Other own source revenue	2 938
Services Provided	
• Property management services	72 816
• Tenancy management services	10 404
• Housing assistance services	3 047
• Applicant assessment services	1 617
• Appeals and dispute resolution services	724
• Providing data and reporting	1 136
• Transfer and sale of assets to community housing sector	18 283

ACT Housing Operating Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
Revenue							
47 417	User Charges - Non ACT Government	45 023	46 332	3	46 118	46 118	46 072
19 362	User Charges - ACT Government	19 271	26 433	37	26 433	26 433	26 433
400	Interest	900	500	-44	400	400	400
832	Other Revenue	3 046	2 938	-4	2 938	2 938	2 938
125	Resources Received free of charge	125	125	-	0	0	0
68 136	Total Revenue	68 365	76 328	12	75 889	75 889	75 843
Expenses							
10 743	Employee Expenses	10 740	10 774	..	10 808	10 646	10 628
1 600	Superannuation Expenses	1 600	1 600	-	1 600	1 577	1 570
42 648	Administrative Expenses	42 917	43 519	1	41 883	41 776	41 755
24 906	Depreciation and Amortisation	22 868	23 534	3	23 534	23 534	23 534
6 594	Interest	6 594	6 437	-2	6 273	6 101	6 101
7	Grants and Purchased Services	0	0	-	0	0	0
2 630	Other Expenses	3 910	3 880	-1	3 730	3 730	3 730
89 128	Total Expenses	88 629	89 744	1	87 828	87 364	87 318
-20 992	Operating Result Before Abnormal Items	-20 264	-13 416	34	-11 939	-11 475	-11 475
0	Abnormal Revenue	0	0	-	0	2 700	0
0	Abnormal Expense	8 000	18 283	129	0	0	0
-20 992	Operating Result Before Extraordinary Items	-28 264	-31 699	-12	-11 939	-8 775	-11 475
2 870	Injection for Operating Requirements	2 870	0	-100	0	0	0
-18 122	Operating Result	-25 394	-31 699	-25	-11 939	-8 775	-11 475
637 288	Accumulated Funds - Start of Period	640 246	597 546	-7	575 848	574 408	576 134
9 500	Amounts transferred to/from Reserves	14 843	10 000	-33	10 500	10 500	10 500
-33 430	Inc/Dec in Net Assets from Admin Restructure	-32 150	0	-100	0	0	0
595 236	Accumulated Funds - End of Period	597 545	575 848	-4	574 408	576 134	575 159

ACT Housing Statement Of Financial Position

Budget		Est.Outcom e	Planned		Planned	Planned	Planned
as at 30/6/99 \$'000		as at 30/6/99 \$'000	as at 30/6/00 \$'000	Var %	as at 30/6/01 \$'000	as at 30/6/02 \$'000	as at 30/6/03 \$'000
Current Assets							
124	Cash	200	200	-	200	200	606
2 372	Receivables	1 645	1 695	3	1 695	1 645	1 645
800	Investments	3 614	0	-100	0	0	0
0	Inventories	15 096	15 096	-	15 096	15 096	15 096
962	Other	1 121	1 121	-	1 121	1 121	1 121
4 258	Total Current Assets	21 676	18 112	-16	18 112	18 062	18 468
Non Current Assets							
1 912	Inventories	0	0	-	0	0	0
1 202 352	Property, Plant and Equipment	1 177 659	1 146 174	-3	1 130 278	1 117 083	1 101 387
4 505	Intangibles	0	0	-	0	0	0
6 134	Capital Works in Progress	4 089	4 089	-	4 089	4 089	4 089
264	Other	0	0	-	0	0	0
1 215 167	Total Non Current Assets	1 181 748	1 150 263	-3	1 134 367	1 121 172	1 105 476
1 219 425	TOTAL ASSETS	1 203 424	1 168 375	-3	1 152 479	1 139 234	1 123 944
Current Liabilities							
1 152	Creditors	2 272	2 568	13	2 422	1 934	2 185
3 646	Borrowings	3 646	3 811	5	3 983	4 227	4 227
1 635	Employee Entitlements	2 046	2 046	-	2 046	2 046	2 046
30	Other Provisions	0	0	-	0	0	0
1 175	Other	1 316	1 316	-	1 316	1 316	1 316
7 638	Total Current Liabilities	9 280	9 741	5	9 767	9 523	9 774
Non Current Liabilities							
139 410	Borrowings	139 413	135 602	-3	131 619	127 392	123 326
2 053	Employee Entitlements	1 441	1 441	-	1 441	1 441	1 441
141 463	Total Non Current Liabilities	140 854	137 043	-3	133 060	128 833	124 767
149 101	TOTAL LIABILITIES	150 134	146 784	-2	142 827	138 356	134 541
1 070 324	NET ASSETS	1 053 290	1 021 591	-3	1 009 652	1 000 878	989 403
REPRESENTED BY FUNDS EMPLOYED							
595 236	Accumulated Funds	597 545	575 848	-4	574 408	576 134	575 159
475 087	Reserves	455 744	445 744	-2	435 244	424 744	414 244
1 070 323	TOTAL FUNDS EMPLOYED	1 053 289	1 021 592	-3	1 009 652	1 000 878	989 403

**ACT Housing
Cashflow Statement**

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
273	CASH AT BEGINNING OF REPORTING PERIOD	176	200	14	200	200	200
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
70 465	User Charges	67 164	71 765	7	71 701	71 701	71 655
400	Interest Received	900	500	-44	400	400	400
832	Other Revenue	450	500	11	550	600	650
71 697	Operating Receipts	68 514	72 765	6	72 651	72 701	72 705
	Payments						
12 343	Related to Employees	12 340	12 374	..	12 408	12 223	12 198
42 523	Related to Administration	42 792	42 711	..	42 029	42 264	41 804
6 594	Finance Costs	6 594	6 437	-2	6 273	6 101	6 101
7	Grants and Purchased Services	0	0	-	0	0	0
2 130	Other	2 130	2 130	-	2 130	2 130	2 130
63 597	Operating Payments	63 856	63 652	..	62 840	62 718	62 233
8 100	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4 658	9 113	96	9 811	9 983	10 472
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
24 500	Proceeds from Sale of Property, Plant & Equipment	27 038	33 137	23	27 000	27 000	27 000
55 400	Proceeds from Sale/Maturities of Investments	93 400	50 000	-46	54 000	53 000	53 355
0	Repayment of Home Loan Principal	33 406	0	-100	0	0	0
79 900	Investing Receipts	153 844	83 137	-46	81 000	80 000	80 355
	Payments						
34 649	Purchase of Property, Plant and Equipment	35 839	42 218	18	33 000	33 000	33 000
2 605	Purchase of Land and Intangibles	0	0	-	0	0	0
40 000	Purchase of Investments	78 638	46 386	-41	54 000	53 000	53 355
300	Issue of Home Loan	0	0	-	0	0	0
77 554	Investing Payments	114 477	88 604	-23	87 000	86 000	86 355
2 346	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	39 367	-5 467	-114	-6 000	-6 000	-6 000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
7 105	Distributions to Government	0	0	-	0	0	0
3 490	Repayment of Borrowings	3 490	3 646	4	3 811	3 983	4 066
0	Payments of Transferred Cash Balances	40 511	0	-100	0	0	0
10 595	Financing Payments	44 001	3 646	-92	3 811	3 983	4 066
-10 595	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-44 001	-3 646	92	-3 811	-3 983	-4 066
-149	NET INCREASE/(DECREASE) IN CASH HELD	24	0	-100	0	0	406
124	CASH AT THE END OF THE REPORTING PERIOD	200	200	-	200	200	606

Notes to the Budget Statements

Operating Statement

Significant variations are as follows:

- user charges - non ACT Government: the increase of \$1.309m in 1999-2000 is due to the staged introduction of the increase in rental charges to 25% of tenants' income;
- user charges - ACT Government: the increase of \$7.162m in 1999-2000 is mainly due to:
 - a reclassification of injection for operations following benchmarking (\$2.870m);
 - increase of \$5.4m in CSHA block assistance over the 1998-99 level, following the final year of reduced funding to provide for the Commonwealth's State Fiscal Contribution; offset by
 - a transfer of government funding of \$0.443m to Community Housing Canberra Limited for the management of properties transferred, and
 - a reduction of \$0.875m which is due to the finalisation of the KickStart program;
- other revenue: the increase of \$2.214m in 1998-99 from original budget is due to the surplus from property sales. The sales prices achieved reflect an increasing confidence in the local market and properties achieving a higher than expected sales price (\$2.108m), and the change in accounting policy regarding the netting of demolition costs referred to in other expenses. In addition, there has been improved bad debt recovery (\$0.106m).
- depreciation and amortisation: the decrease of \$2.042m in 1998-99 from original budget is due to the reduced value of the rental dwellings resulting from the downward revaluation in 1997-98, transfer of dwellings to Community Housing Canberra Limited, and the sale of housing stock not expected to be immediately replaced. The increase of \$0.670m in 1999-2000 relates to additional amortisation charges associated with the new HomeNet management information system;
- other expenses: the increase of \$1.280m in 1998-99 from the original budget is due to an increase in the provision for bad and doubtful debts (\$0.550m) and the change in accounting policy bringing to account the loss on demolition of vacant and untenable properties previously netted off sales (\$0.750m); and
- abnormal items: ACT Housing will transfer 120 properties to Community Housing Canberra Limited. This leads to an abnormal loss of \$12m in 1999-2000 (\$8m in 1998-99 for the transfer of 80 properties). The sale and redevelopment of MacPherson Court, O'Connor will occur in 1999-2000, with a further abnormal loss of \$6.283m representing a revaluation of the asset and loss on the transfer. In 2001-02, abnormal revenue of \$2.7m represents the return of ACT Housing's share of the redevelopment.

Statement of Financial Position

Significant variations are as follows:

- inventories: the increase of \$15.096m in 1998-99 from budget is due to a change in treatment of housing stock and all vacant land that is likely to be sold under the capital works program within the next year. The figure is the same for 1999-2000 and the forward

years and is only indicative of the stock levels likely to be sold. Previously these assets were reflected in property plant and equipment;

- property plant and equipment: the decrease of \$24.693m in 1998-99 from budget is mainly the result of the following items:

- recognition of stock likely to be sold within 12 months as inventories (\$15.096m); and
- housing stock to be transferred to Community Housing Canberra Limited (\$8m);

The decrease of \$31.485m in 1999-2000 is mainly a result of the following:

- housing stock to be transferred to Community Housing Canberra Limited (\$12m);
 - sales of MacPherson Court, O'Connor to Community Housing Canberra Limited (\$6.283m); and
 - depreciation and restructuring;
- intangibles: the decrease of \$4.505m in 1998-99 from original budget is due to the reclassification of the costs for the HomeNet management information system which will come on line before the end of this financial year. These assets have been transferred to property, plant and equipment; and
 - creditors: the increase of \$1.120m in 1998-99 from original budget is due to the changes in cash and working capital management practices.

