

HOUSING ACT

Objectives

Housing ACT's principal objective is to provide people in housing stress and social and financial disadvantage with safe, affordable and appropriate housing that responds to their individual circumstances and needs.

Housing ACT undertakes its activities in accordance with its Strategic Focus 2006-08, which is based around the following five strategic themes:

- improving outcomes for our clients;
- engaging and involving our clients;
- building better community partnerships;
- serving and contributing to good governance; and
- performing as a best practice organisation.

Through focussing on these themes, Housing ACT aims to improve linkages between programs and ensure that the emphasis on clients remains its highest priority thereby reducing poverty and exclusion for the most vulnerable in the community.

2006-07 Priorities

Strategic and operational issues to be pursued in 2006-07 include:

- continuing to improve service delivery by better aligning resources to focus on tenant needs, and ensuring that tenancies are sustainable and that tenants are able to access community and other support services;
- continuing to implement the public housing asset management strategy by rejuvenating or replacing public housing to better meet tenant needs, including rebuilding public housing in rural areas and commencing joint ventures for the redevelopment of multi-unit properties;
- continuing to implement the Government's response to the *Raising our Voice* tenant participation program;
- implementing the new housing information system;
- implementing strategies in the Bilateral Agreement with the Australian Government as part of the Commonwealth-State Housing Agreement; and
- enhancing the integration of disability, children, youth and families, therapy, multi-cultural and community services.

Business and Corporate Strategies

In accordance with the Strategic Focus 2006-08, Housing ACT will direct resources and develop strategies towards reducing homelessness and exclusion for the Territory's most vulnerable people and thereby help to build a stronger and more cohesive community.

The outcomes of the Minister's 2006 Housing Summit and consequential changes to the priorities and policies of Housing ACT will be implemented. Increased participation by tenants and the community in policy development and service delivery will be supported and strengthened. Housing ACT will continue to focus on the outcomes of the tenant satisfaction surveys and develop a communications strategy to better inform tenants and the community about Housing ACT's services.

Housing ACT will continue to focus on better integrating services with other parts of the government and the community sector to improve service delivery that meets the needs of our clients. This will be supported by strengthening skills and professionalism, encouraging work life balance and staff retention.

Housing ACT, as part of the Department of Disability, Housing and Community Services has a comprehensive governance framework which identifies the strategic risks, and reporting and accountability requirements. Housing ACT will also improve accountability and reporting mechanisms by implementing the agreed recommendations from the Auditor General's Performance Audit of Public Housing. Other activities to strengthen accountability and reporting include the implementation of a new housing information system.

Estimated Employment Level

	2005-06 Est. Outcome ¹	2006-07 Budget
Staffing (Headcount)	210	200

Note:

1. Excludes staff engaged under short-term contracts from employment agencies.

Output Classes

	Total Cost ¹		Government Payment for Outputs	
	2005-06 Est. Outcome (\$'000)	2006-07 Budget (\$'000)	2005-06 Est. Outcome (\$'000)	2006-07 Budget (\$'000)
Output Class 1				
Social Housing Services	109,957	104,672	32,141	22,384
1.1 Social Housing Services	109,957	104,672	32,141	22,384

Note:

1. Total cost includes depreciation and amortisation of \$11.838 million in 2005-06 and \$12.239 million in 2006-07.

Output Description

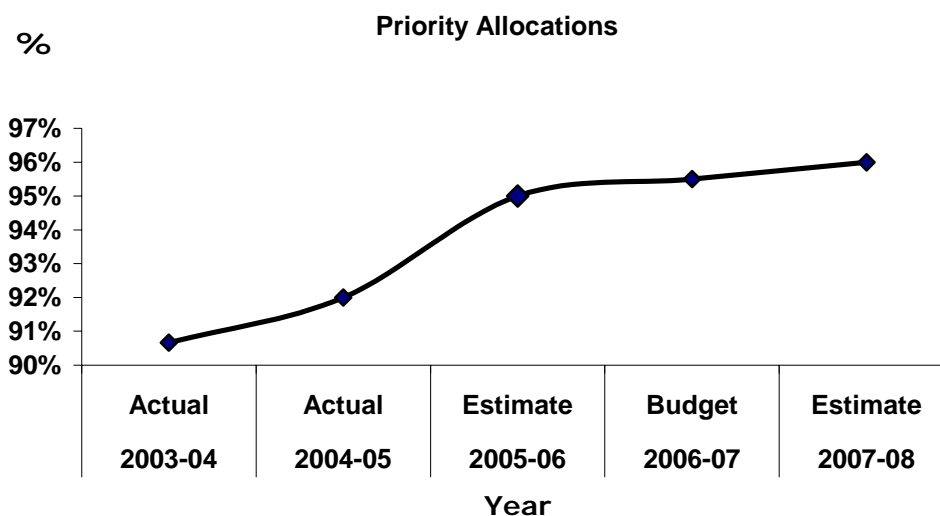
Provision and management of public housing tenancies and properties, and provision of support and resources to community housing providers.

Strategic Indicators

Strategic Indicator 1:

Provision of housing to people experiencing homelessness

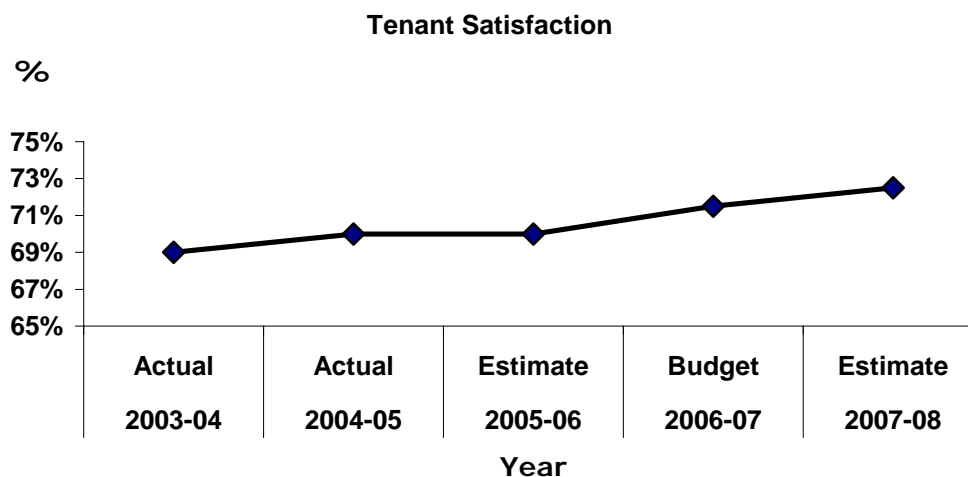
This indicator demonstrates the increased targeting of housing assistance to those with high and complex needs to ensure that priority applicants such as those that are homeless or housed in temporary accommodation or are at risk of becoming homeless through escaping domestic violence, facing eviction or exiting supported accommodation, are housed within a reasonable timeframes



Strategic Indicator 2:

The provision of housing enables tenants the opportunity to be part of a community

A key to successful housing outcomes for those within social housing is that the housing enables tenants to integrate effectively into the broader community through being able to readily access education and employment opportunities and assists them become part of the community. By reducing concentrations of disadvantage, poverty and exclusion with its associated social problems and thereby avoiding social isolation, social housing assists build a safe, healthy and cohesive community.



Accountability Indicators

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Targets
Output Class 1: Social Housing Services			
Output 1.1: Social Housing Services			
a. Priority Allocations	90%	95%	96%
Percentage of public housing allocations to priority and highest need applicants – the percentage of priority applicants housed is comprised of new applicants who are either on the priority EAC1 ¹ or EAC2 ² application categories and Category X ³ .			
b. Number of properties managed			
- Public housing properties	11,179	11,577	11,272
- Community housing properties	288	285	295
For the purposes of this indicator a property is defined as a unit of accommodation to which a tenancy agreement can be made as defined by the Australian Institute of Health and Welfare. A tenancy unit is a way of counting the maximum number of distinct rentable units such as a house, townhouse, duplex, flat or boarding house.			
c. Percentage of public housing tenants receiving rebates ⁴	87%	86%	87%
Eligible tenants are entitled to a rebate of rent such that the rent payable is no more than 25% of assessable household income. Tenants not in receipt of a rebate pay market rent. The indicator records the number of tenants in receipt of a rebate compared to the total number of tenants.			
d. Annual number of client service visits conducted	10,640	11,000	10,450
The number of current clients visited during the financial year is the combined total of 90 day and annual client service visits undertaken.			
e. Overall satisfaction of tenants with the provision of public housing ⁴	> 60%	65%	≥ 65%
Tenant satisfaction is measured biennially through the National Social Housing Survey and in the odd years through an internal survey.			
f. Average cost per dwelling of public housing ⁵	\$9,739	\$8,783	\$8,883
Total cost of public housing (excluding the direct grants to community service providers and to the community-housing sector) divided by the stock number.			
g. Percentage of community housing tenants receiving rebates ⁴	92%	94%	92%
Eligible tenants are entitled to a rebate of rent such that the rent payable is no more than 25% of assessable household income. Tenants not eligible for a rebate pay market rent. The indicator records the number of tenants in receipt of a rebate compared to the total number of tenants.			
h. Overall satisfaction of tenants with the provision of community housing ⁴	77%	73%	77%
Tenant satisfaction is measured biennially through the National Community Housing Survey.			

Accountability Indicators cont.

	2005-06 Targets	2005-06 Est. Outcome	2006-07 Targets
Output 1.1: Social Housing Services cont.			
i. Percentage of routine vacant properties re-let within 28 days ⁶	n/a	n/a	85%
Upon vacancy, properties that are available for re-letting after undertaking cleaning and/or minor repairs and maintenance are included in the routine vacancy turnaround times.			
j. Percentage of properties undergoing refurbishment re-let within agreed program milestones ⁶	n/a	n/a	90%
Upon vacancy, those properties not available for re-letting before substantial works to repair and maintain or upgrade the property are undertaken are included on the refurbishment vacant path prior to re-letting.			
k. Percentage of tenant accounts \geq \$500 in arrears on repayment agreements ⁶	n/a	n/a	90%
Tenants with debts exceeding \$500 are required to enter into agreements to repay the arrears within a reasonable time either prior to an Order to repay the debt has been made by the Residential Tenancies Tribunal or in conjunction with an Order. To maintain the sustainability of the tenancy and not create household stress, policy guidelines provide that the repayment of arrears and the rent payments are not to exceed 30% of total income.			

Notes:

1. EAC 1 - Early Allocation Category 1 is assigned to those applicants in urgent need of housing such as those who are homeless, moving between various forms of temporary accommodation, those in extreme housing crisis or at risk of imminent homelessness including people escaping domestic violence, facing eviction or exiting supported accommodation.
2. EAC 2 - Early Allocation Category 2 is assigned to those applicants for whom private rental accommodation is not a suitable or an accessible long term option, such as those facing barriers to private rental accommodation either through extreme affordability problems or with multiple and complex needs, including those with disabilities or severe medical problems.
3. Category X - is assigned to applicants in special housing need arising directly from a state of emergency declared by the Chief Minister, such as occurred at the time of the January 2003 bushfire.
4. 'Public housing' relates to housing provided by Housing ACT and 'community housing' relates to housing provided by community organisations.
5. The estimated cost at 30 June 2006 for the average cost per dwelling of public housing is significantly lower than the original target due to the lower costs for repairs and maintenance, rates, insurance and other administration costs included in supplies and services and significantly lower depreciation and amortisation costs and lower employee costs from delays in recruitment. These variances are more fully explained in the variance explanations under the Operating Statement.
6. New measure.

Changes to Appropriation

Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Government Payment for Outputs	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2005-06 Budget	30,035	29,703	30,000	30,288	30,288
2006-07 Budget Policy Adjustments					
Helping Younger People with Disabilities in Residential Aged Care Services	-	-	-	-	10
Efficiency Savings	-	(7,324)	(7,365)	(7,403)	(7,450)
2006-07 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	294
CSHA Funding	(277)	-	-	-	-
Community Sector Indexation	-	5	6	13	45
2006-07 Budget¹	29,758	22,384	22,641	22,898	23,187

Changes to Appropriation - Departmental

	2005-06	2006-07	2007-08	2008-09	2009-10
Capital Injections	Est. Outc.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2005-06 Budget¹	5,580	5,000	5,000	5,000	5,000
2006-07 Budget Policy Adjustments					
Helping Younger People with Disabilities in Residential Aged Care Services	-	288	660	-	-
Investment in Public Housing	-	4,000	4,000	4,000	-
2006-07 Budget Technical Adjustments					
Transfer of Intensive Care and Treatment Facility from DDHCS	175	1,485	-	-	-
Rollover - Capital Works	(580)	580	-	-	-
2006-07 Budget	5,175	11,353	9,660	9,000	5,000

Note:

1. These amounts primarily represent funding under the Commonwealth State Housing Agreement, comprising the grants from the Australian Government and the ACT matching required under the Agreement.

2006-07 Capital Works Program

Departmental

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2006-07 \$'000	2006-07 Financing \$'000	2007-08 Financing \$'000	2008-09 Financing \$'000	Expected Completion Date
Works in Progress						
Energy and Water Efficiency Initiatives	1,000	420	580	-	-	Oct 2006
Intensive Care and Treatment Facility (Long Gully) ¹	1,660	175	1,485	-	-	Jun 2007
Total Works in Progress	2,660	595	2,065	-	-	
Total Capital Works	2,660	595	2,065			

Note:

1. This project was previously reported in the Department of Disability, Housing and Community Services chapter.

Commonwealth Grants

The major Commonwealth payments for which Housing ACT has responsibility are:

Name of Grant	Activities Funded by Grant	2006-07 Estimate \$'000
Commonwealth-State Housing Agreement, Block Grants	Public housing assistance initiatives, new rental stock and supplementation of public housing operations	18,962
Young People with Disabilities	Contribution to reduce the number of younger people with disabilities living in residential aged care facilities	144
Total		19,106

Housing ACT Operating Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
32,418	Government Payment for Outputs	32,141	22,384	-30	22,641	22,898	23,187
61,921	User Charges - Non ACT Government	63,557	65,127	2	65,770	66,418	67,074
104	User Charges - ACT Government	25	0	-100	0	0	0
1,054	Interest	1,625	1,242	-24	1,299	1,263	1,212
2,509	Other Revenue	3,983	6,063	52	2,509	2,509	2,509
98,006	Total Revenue	101,331	94,816	-6	92,219	93,088	93,982
Gains							
0	Total Gains	0	0	-	0	0	0
98,006	Total Income	101,331	94,816	-6	92,219	93,088	93,982
Expenses							
16,672	Employee Expenses	15,737	15,540	-1	15,612	16,076	16,454
2,366	Superannuation Expenses	2,081	2,825	36	2,824	2,853	2,881
66,929	Supplies and Services	62,446	61,063	-2	63,509	65,380	66,961
13,025	Depreciation and Amortisation	11,838	12,239	3	13,042	14,233	15,028
5,361	Borrowing Costs	5,361	5,165	-4	4,966	4,761	4,549
8,815	Grants and Purchased Services	8,276	4,546	-45	1,234	1,330	1,464
4,524	Other Expenses	4,218	3,294	-22	1,620	1,627	1,634
117,692	Total Ordinary Expenses	109,957	104,672	-5	102,807	106,260	108,971
0	Share of Operating Result from Joint Venture accounted for using the Equity Method	0	750	#	2,291	399	470
-19,686	Operating Result	-8,626	-9,106	-6	-8,297	-12,773	-14,519

Housing ACT Balance Sheet

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
Current Assets							
2,503	Cash	4,519	5,399	19	4,644	4,253	5,208
2,942	Receivables	2,150	2,033	-5	1,912	1,787	1,658
15,981	Investments	16,343	10,592	-35	10,513	11,199	10,535
0	Assets Held for Sale	47,372	7,740	-84	8,048	8,370	8,706
194	Other	189	189	-	189	189	189
21,620	Total Current Assets	70,573	25,953	-63	25,306	25,798	26,296
Non Current Assets							
500	Receivables	500	500	-	500	500	500
35,000	Investments	0	23,596	#	19,008	9,355	7,006
3,120,882	Property, Plant and Equipment	3,072,316	3,309,563	8	3,552,042	3,809,874	4,088,362
0	Intangibles	210	1,807	760	3,776	2,876	1,976
10,316	Capital Works in Progress	16,185	15,174	-6	16,281	14,541	13,469
3,166,698	Total Non Current Assets	3,089,211	3,350,640	8	3,591,607	3,837,146	4,111,313
3,188,318	TOTAL ASSETS	3,159,784	3,376,593	7	3,616,913	3,862,944	4,137,609
Current Liabilities							
4,100	Payables	4,558	4,504	-1	4,540	4,560	4,560
4,437	Interest Bearing Liabilities	4,437	4,549	3	4,706	4,834	4,834
78	Finance Leases	80	80	-	80	80	8
2,309	Employee Benefits	2,450	2,613	7	2,612	2,611	2,610
1,881	Other	2,441	2,441	-	2,441	4,991	2,441
12,805	Total Current Liabilities	13,966	14,187	2	14,379	17,076	14,453
Non Current Liabilities							
110,345	Interest Bearing Liabilities	110,344	105,795	-4	101,089	96,255	91,421
244	Finance Leases	242	164	-32	86	8	0
2,745	Employee Benefits	2,425	2,511	4	2,511	2,511	2,511
2,400	Other	2,550	2,550	-	2,550	0	0
115,734	Total Non Current Liabilities	115,561	111,020	-4	106,236	98,774	93,932
128,539	TOTAL LIABILITIES	129,527	125,207	-3	120,615	115,850	108,385
3,059,779	NET ASSETS	3,030,257	3,251,386	7	3,496,298	3,747,094	4,029,224
REPRESENTED BY FUNDS EMPLOYED							
824,518	Accumulated Funds	837,416	861,830	3	885,193	903,420	915,901
2,235,261	Reserves	2,192,841	2,389,556	9	2,611,105	2,843,674	3,113,323
3,059,779	TOTAL FUNDS EMPLOYED	3,030,257	3,251,386	7	3,496,298	3,747,094	4,029,224

Housing ACT Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
30,035	Cash from Government for Outputs	29,758	22,384	-25	22,641	22,898	23,187
61,625	User Charges	63,166	64,704	2	65,351	66,003	66,663
1,054	Interest Received	1,625	1,242	-24	1,299	1,263	1,212
1,869	Other Revenue	2,583	1,929	-25	1,929	1,929	1,929
94,583	Operating Receipts	97,132	90,259	-7	91,220	92,093	92,991
Payments							
19,038	Related to Employees	17,818	17,949	1	18,437	18,930	19,336
67,055	Related to Supplies and Services	62,572	61,195	-2	63,551	65,438	67,041
5,361	Borrowing Costs	5,361	5,165	-4	4,966	4,761	4,549
8,815	Grants and Purchased Services	8,276	4,546	-45	1,234	1,330	1,464
3,034	Other	3,041	949	-69	810	817	824
103,303	Operating Payments	97,068	89,804	-7	88,998	91,276	93,214
-8,720	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	64	455	611	2,222	817	-223
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
47,119	Proceeds from Sale of Property, Plant & Equipment	39,068	34,881	-11	28,656	30,151	31,666
47,119	Investing Receipts	39,068	34,881	-11	28,656	30,151	31,666
Payments							
44,274	Purchase of Property, Plant and Equipment	37,505	46,803	25	36,783	34,927	31,278
0	Purchase of Land and Intangibles	0	280	#	0	0	0
44,274	Investing Payments	37,505	47,083	26	36,783	34,927	31,278
2,845	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	1,563	-12,202	-881	-8,127	-4,776	388
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
5,580	Capital Injection from Government	5,175	11,353	119	9,660	9,000	5,000
45	Borrowings Received	45	60	33	60	60	60
5,625	Financing Receipts	5,220	11,413	119	9,720	9,060	5,060
Payments							
4,457	Repayment of Borrowings	4,457	4,537	2	4,649	4,806	4,934
4,457	Financing Payments	4,457	4,537	2	4,649	4,806	4,934

Housing ACT Cash Flow Statement

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
1,168	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	763	6,876	801	5,071	4,254	126
-4,707	NET INCREASE/(DECREASE) IN CASH HELD	2,390	-4,871	-304	-834	295	291
23,191	CASH AT BEGINNING OF REPORTING PERIOD	18,472	20,862	13	15,991	15,157	15,452
18,484	CASH AT THE END OF THE REPORTING PERIOD	20,862	15,991	-23	15,157	15,452	15,743

Housing ACT Statement of Changes in Equity

Budget as at 30/6/06 \$'000		Est.Outcome as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Var %	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000
2,933,526	Opening Balance	2,894,372	3,030,257	5	3,251,386	3,496,298	3,747,094
	Accumulated Funds						
-19,686	Operating Result for the Period	-8,626	-9,106	-6	-8,297	-12,773	-14,519
	Reserves						
118,359	Increase/(Decrease) in asset revaluation reserve	117,259	196,715	68	221,549	232,569	269,649
22,000	Transfer to/from Reserves	22,000	22,000	-	22,000	22,000	22,000
120,673	Total Income And Expense For The Period	130,633	209,609	60	235,252	241,796	277,130
	Transactions Involving Equity Holders Affecting Accumulated Funds						
5,580	Capital Injections	5,175	11,353	119	9,660	9,000	5,000
0	Inc/Dec in Net Assets due to Admin Restructure	77	167	117	0	0	0
3,059,779	Closing Balance	3,030,257	3,251,386	7	3,496,298	3,747,094	4,029,224

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the decrease of \$0.277 million in the 2005-06 estimated outcome from the original budget is due to decreased funding under the Commonwealth State Housing Agreement as a result of relative population movements between the states and territories;
 - the decrease of \$9.757 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to:
 - the removal of ACT Government funding in excess of matching requirements under the Commonwealth State Housing Agreement (\$7.484 million);
 - one-off funding for community grants in 2005-06 (\$2.383 million); and
 - one-off funding in 2005-06 for the initiative to improve energy and water efficiency of public housing (\$0.420 million);
- offset by:
- increased funding under the Commonwealth State Housing Agreement for indexation and per capita movements (\$0.530 million).

- user charges – non ACT Government:
 - the increase of \$1.636 million in the 2005-06 estimated outcome from the original budget is due to additional rents received from Currong, and lower rebates;
 - the increase of \$1.570 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the increase in market rents for 2006-07 following the re-assessment of market rents and the indexation of tenant pension and benefit incomes (\$0.670 million) and the recovery of water consumption costs from public housing tenants (\$0.9 million).
 - interest:
 - the increase of \$0.571 million in the 2005-06 estimated outcome from the original budget is due to higher investment balances held over the year as a result of savings in outlays on employees, supplies and services, grants and delayed property acquisitions;
 - the decrease of \$0.383 million in 2006-07 Budget from the 2005-06 estimated outcome is due to the lower amount of funds available for investment over the year as projects proceed to finalisation and operations return to a more normal mode.
 - other revenue:
 - the increase of \$1.474 million in the 2005-06 estimated outcome from the original budget is due to higher profits on sales (\$1.1 million) and higher insurance recoveries (\$0.774 million) from a higher number of incidents than expected, offset by lower tenant responsible maintenance charges (\$0.4 million).
 - the increase of \$2.080 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to higher profits on sales, particularly from properties sold to the joint ventures (\$2.454 million), offset by the return to more normal levels for insurance recoveries and tenant responsible maintenance recoveries (\$0.374 million).
 - employee and superannuation expenses:
 - the decrease of \$1.220 million in the 2005-06 estimated outcome from the original budget is due to lower employee numbers from delays in recruitment, offset by higher workers' compensation premium costs and higher training costs.
 - the increase of \$0.547 million in 2006-07 Budget from the 2005-06 estimated outcome is due to:
 - staffing levels returning to budgeted levels and wage increases under the existing enterprise bargaining agreement (\$1.526 million);
 - the transfer of staff from the Department of Disability, Housing and Community Services (\$2.935 million);
 - increase in the training expenditure (\$0.192 million);
 - increase in workers' compensation premium (\$0.036 million); and
 - increase in notional superannuation contribution rates (\$0.955 million).
- offset by:
- savings and the cessation of payroll tax equivalent payments (\$4.564 million); and
 - the impact of consolidating human resources, finance, procurement and information technology services into the Shared Services Centre (\$0.533 million).

- supplies and services:
 - the decrease of \$4.483 million in the 2005-06 estimated outcome from the original budget is due to:
 - lower than budgeted repairs and maintenance expenditure (\$3.616 million) following the implementation and delays in the achievement of full operating capacity by the new total facility manager that commenced in July 2005;
 - lower insurance costs (\$0.172 million);
 - lower general rates (\$0.296 million); and
 - lower other administration costs (\$0.399 million), partly as a result of the lower employee costs.
 - the decrease of \$1.383 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to efficiency savings (\$2.598 million) and ceasing outsourced organisational support services (\$2.797 million),
offset by:
 - the impact of consolidating information technology and procurement services in the Shared Services Centre (\$0.602 million), increases in rates and other government charges (\$2.784 million), higher insurance costs (\$0.222 million) and higher administration costs (\$0.404 million).
- depreciation and amortisation:
 - the decrease of \$1.187 million in the 2005-06 estimated outcome from the original budget is due to the lower than expected increase in building values following the 2005-06 revaluation of the public housing portfolio;
 - the increase of \$0.401 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the planned revaluation of properties in March 2007, slightly offset by lower property numbers.
- borrowing costs: the decrease of \$0.196 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the reduction in interest payments as loans decrease in line with the Commonwealth repayment schedules.
- grants and purchased services:
 - the decrease of \$0.539 million in the 2005-06 estimated outcome from the original budget is due to the delays in the finalisation of some community housing projects, which will be completed in 2006-07; and
 - the decrease of \$3.730 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the revision of funding arrangements to community housing providers in line with the report into the community housing funding review (\$1.034 million) and the impact of one-off funding in 2005-06 (\$2.696 million).
- other expenses:
 - the decrease of \$0.306 million in the 2005-06 estimated outcome from the original budget is due to:
 - lower demolition costs associated with the deferral of some redevelopments;
offset by

- higher bad and doubtful debts expense (\$0.233 million) and the write-off of costs for some development projects not proceeding as planned (\$0.136 million).
- the decrease of \$0.924 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to:
 - the cessation of paying land tax equivalents (\$2.130 million) and the contributions to the Ombudsman’s office and the construction training levy (\$0.1 million); and
 - reduced costs for doubtful debts (\$0.281 million) and property write off expenses (\$0.250 million);
 offset by:
 - higher compensation costs for negotiating contract terminations to achieve savings (\$0.148 million);
 - higher property write-off and demolition costs (\$1.584 million); and
 - the transfer of properties to Community Housing Canberra Limited (\$0.105 million).
- share of operating result from joint venture: the increase of \$0.750 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the profits from the interests in the joint ventures for the refurbishment and/or redevelopment of several multi-unit sites.

Balance Sheet

- cash and current investments:
 - the increase of \$2.378 million in the 2005-06 estimated outcome from the original budget is due to the additional funds held as a result of the higher revenues and reduced expenditures discussed above;
 - the decrease of \$4.871 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the planned increase in expenditure on properties during the year.
- assets held for sale:
 - the increase of \$47.372 million in the 2005-06 estimated outcome from the original budget is due to the recognition of properties identified for sale transferred from property plant and equipment in compliance with the new Australian Equivalent International Financial Reporting Standards;
 - the decrease of \$39.632 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the reduction in assets identified as held for sale as properties are sold into the joint ventures during the year.
- total liabilities:
 - the increase of \$0.988 million in the 2005-06 estimated outcome from the original budget is mainly due to a slight increase in payables and tenant income received in advance;
 - the decrease of \$4.320 million in the 2006-07 Budget from the 2005-06 estimated outcome is mainly due to the reduction in borrowings with the Commonwealth in accordance with the loan repayment schedule.

Statement of Changes in Equity

- operating result:
 - the decrease in the operating loss of \$11.060 million in the 2005-06 estimated outcome from the original budget is due to the additional rental revenues and lower expenditures outlined in the explanation under the Operating Statement above.
 - the increase in the operating loss of \$0.480 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to the impact of the lower revenues and lower expenditures outlined in the explanations under the Operating Statement above.

Housing ACT
Statement of Income and Expenses on Behalf of the Territory

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
Income							
Revenue							
18,785	Grants from the Commonwealth	18,589	19,106	3	19,472	19,320	19,518
18,785	Total Revenue	18,589	19,106	3	19,472	19,320	19,518
Gains							
0	Total Gains	0	0	-	0	0	0
18,785	Total Income	18,589	19,106	3	19,472	19,320	19,518
Expenses							
18,785	Transfer Expenses	18,589	19,106	3	19,472	19,320	19,518
18,785	Total Ordinary Expenses	18,589	19,106	3	19,472	19,320	19,518
0	Operating Result	0	0	-	0	0	0

Housing ACT
Budgeted Statement of Cashflows on Behalf of the Territory

2005-06 Budget \$'000		2005-06 Est.Outcome \$'000	2006-07 Budget \$'000	Var %	2007-08 Estimate \$'000	2008-09 Estimate \$'000	2009-10 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
18,785	Grants Received from the Commonwealth	18,589	19,106	3	19,472	19,320	19,518
18,785	Operating Receipts	18,589	19,106	3	19,472	19,320	19,518
Payments							
18,785	Territory Receipts to Government	18,589	19,106	3	19,472	19,320	19,518
18,785	Operating Payments	18,589	19,106	3	19,472	19,320	19,518
0	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	0	0	-	0	0	0
0	NET INCREASE/(DECREASE) IN CASH HELD	0	0	-	0	0	0
0	CASH AT THE END OF THE REPORTING PERIOD	0	0	-	0	0	0

Notes to the Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory

- grants from the Commonwealth:
 - the decrease of \$0.196 million in the 2005-06 estimated outcome from original budget is due to decreased funding under the Commonwealth State Housing Agreement as a result of relative population movements between the states; and
 - the increase of \$0.373 million in the 2006-07 Budget from the 2005-06 estimated outcome is due to indexation of the Commonwealth State Housing Agreement grants and additional funding for young people with disabilities.

