

# ACT HOUSING

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## Objectives

ACT Housing's objective is to provide appropriate, affordable and secure housing to those who most need it, and whose needs cannot be met by the private market. This housing assistance is provided for the duration of the need, with priority given to those with the greatest need.

In particular, ACT Housing provides and manages public housing properties and tenancies. As part of these services, ACT Housing allocates public rental properties to eligible applicants, assesses and provides rental assistance to eligible public housing tenants (rent rebates) and manages public housing tenancies. ACT Housing manages the Territory's public housing assets, including the acquisition, disposal, redevelopment and repair, maintenance and improvement of those assets. It also head-leases properties to community organisations, including community housing providers.

## 2001-02 Highlights

Strategic and operational priorities in 2001-02 include:

- facilitating more sustainable tenancies through the employment of specialist tenant managers to ensure public housing clients are able to access and link with a range of other support services to meet their needs including employment programs, living skills, clinical services, support and advocacy services and pastoral services;
- providing a further 200 accessible units over the next three years suitable for accommodating older persons or those with reduced mobility. This follows on from the completion of 200 older persons' accommodation over the last three years, with fifty accessible units expected to be provided this financial year;
- continuing the program for rejuvenating or replacing ageing public housing stock to better meet tenant needs through:
  - revitalising the larger multi-unit properties, including a combination of sale and redevelopment of Burnie Court in Lyons; investigating the best options for Gowrie Court in Narrabundah and continuing the process to redevelop public housing in Red Hill; and
  - replacing older, poor quality stock with newer stock whilst ensuring that public housing continues to be equitably distributed throughout the city;
- continuing to provide purpose-built properties for people with disabilities in addition to modifying existing accommodation to assist those with disabilities.

## ACT Housing Statement Of Financial Performance

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
<b>Revenue</b>							
44 424	User Charges - Non ACT Government	48 819	48 228	-1	47 338	46 799	46 147
30 741	User Charges - ACT Government	32 741	30 541	-7	30 291	24 791	24 791
400	Interest	1 050	700	-33	600	600	600
7 724	Other Revenue	7 771	6 489	-16	3 541	3 541	3 541
<b>83 289</b>	<b>Total Ordinary Revenue</b>	<b>90 381</b>	<b>85 958</b>	<b>-5</b>	<b>81 770</b>	<b>75 731</b>	<b>75 079</b>
<b>Expenses</b>							
12 479	Employee Expenses	12 253	12 926	5	12 950	12 975	13 000
1 600	Superannuation Expenses	1 585	1 660	5	1 663	1 666	1 669
46 887	Administrative Expenses	48 053	48 634	1	48 634	48 634	48 634
9 471	Depreciation and Amortisation	10 293	10 318	..	10 319	10 319	10 319
6 273	Borrowing Costs	6 273	6 101	-3	5 923	5 735	5 540
4 157	Other Expenses	3 725	8 949	140	3 580	3 580	3 580
<b>80 867</b>	<b>Total Ordinary Expenses</b>	<b>82 182</b>	<b>88 588</b>	<b>8</b>	<b>83 069</b>	<b>82 909</b>	<b>82 742</b>
<b>2 422</b>	<b>Operating Result</b>	<b>8 199</b>	<b>-2 630</b>	<b>-132</b>	<b>-1 299</b>	<b>-7 178</b>	<b>-7 663</b>
-10 500	Increase/(Decrease) in asset revaluation reserve	-25 000	-10 500	58	-10 500	-10 000	-10 000
10 500	Transfer to/from Reserves	25 000	10 500	-58	10 500	10 000	10 000
0	Increase/(Decrease) in retained profits on the adoption of a new standard	0	0	-	0	0	0
<b>10 499</b>	<b>Change In Equity Other Than Those Resulting From Transactions With Owners As Owners</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1 085 751</b>	<b>Total Equity From Start of Period</b>	<b>1 233 751</b>	<b>1 241 950</b>	<b>1</b>	<b>1 239 320</b>	<b>1 238 021</b>	<b>1 230 843</b>
<b>1 088 172</b>	<b>Total Equity At The End of Period</b>	<b>1 241 950</b>	<b>1 239 320</b>	<b>..</b>	<b>1 238 021</b>	<b>1 230 843</b>	<b>1 223 180</b>

## ACT Housing Statement Of Financial Position

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
<b>Current Assets</b>							
208	Cash	200	200	-	200	200	200
1 239	Receivables	1 866	2 913	56	2 771	2 714	2 341
0	Investments	5 905	5 436	-8	4 671	1 004	0
11 360	Inventories	0	0	-	0	0	0
954	Other	130	130	-	130	130	130
<b>13 761</b>	<b>Total Current Assets</b>	<b>8 101</b>	<b>8 679</b>	<b>7</b>	<b>7 772</b>	<b>4 048</b>	<b>2 671</b>
<b>Non Current Assets</b>							
1 212 885	Property, Plant and Equipment	1 373 432	1 364 853	-1	1 360 550	1 353 047	1 342 216
5 530	Capital Works in Progress	4 882	4 882	-	4 882	4 882	4 882
<b>1 218 415</b>	<b>Total Non Current Assets</b>	<b>1 378 314</b>	<b>1 369 735</b>	<b>-1</b>	<b>1 365 432</b>	<b>1 357 929</b>	<b>1 347 098</b>
<b>1 232 176</b>	<b>TOTAL ASSETS</b>	<b>1 386 415</b>	<b>1 378 414</b>	<b>-1</b>	<b>1 373 204</b>	<b>1 361 977</b>	<b>1 349 769</b>
<b>Current Liabilities</b>							
3 041	Creditors	3 308	1 920	-42	2 171	2 471	2 471
3 983	Interest Bearing Liabilities	3 978	4 157	4	4 344	4 540	4 749
2 689	Employee Entitlements	2 670	2 670	-	2 670	2 670	2 670
1 386	Other	1 616	1 616	-	1 616	1 616	1 616
<b>11 099</b>	<b>Total Current Liabilities</b>	<b>11 572</b>	<b>10 363</b>	<b>-10</b>	<b>10 801</b>	<b>11 297</b>	<b>11 506</b>
<b>Non Current Liabilities</b>							
131 623	Interest Bearing Liabilities	131 616	127 454	-3	123 105	118 560	113 806
1 281	Employee Entitlements	1 277	1 277	0	1 277	1 277	1 277
<b>132 904</b>	<b>Total Non Current Liabilities</b>	<b>132 893</b>	<b>128 731</b>	<b>-3</b>	<b>124 382</b>	<b>119 837</b>	<b>115 083</b>
<b>144 003</b>	<b>TOTAL LIABILITIES</b>	<b>144 465</b>	<b>139 094</b>	<b>-4</b>	<b>135 183</b>	<b>131 134</b>	<b>126 589</b>
<b>1 088 173</b>	<b>NET ASSETS</b>	<b>1 241 950</b>	<b>1 239 320</b>	<b>..</b>	<b>1 238 021</b>	<b>1 230 843</b>	<b>1 223 180</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
618 012	Accumulated Funds	650 686	658 556	1	667 757	670 579	672 916
470 160	Reserves	591 264	580 764	-2	570 264	560 264	550 264
<b>1 088 172</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>1 241 950</b>	<b>1 239 320</b>	<b>..</b>	<b>1 238 021</b>	<b>1 230 843</b>	<b>1 223 180</b>

## ACT Housing Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
<b>195</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>98</b>	<b>200</b>	<b>104</b>	<b>200</b>	<b>200</b>	<b>200</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
74 063	User Charges	80 436	77 972	-3	76 654	70 579	69 943
400	Interest Received	1 267	900	-29	600	600	600
550	Other Revenue	560	598	7	650	650	650
<b>75 013</b>	<b>Operating Receipts</b>	<b>82 263</b>	<b>79 470</b>	<b>-3</b>	<b>77 904</b>	<b>71 829</b>	<b>71 193</b>
	<b>Payments</b>						
14 079	Related to Employees	13 838	14 586	5	14 613	14 641	14 669
47 033	Related to Administration	48 199	49 122	2	48 683	48 683	48 683
6 273	Borrowing Costs	6 273	6 101	-3	5 923	5 735	5 540
2 130	Other	2 140	2 130	..	2 130	2 130	2 130
<b>69 515</b>	<b>Operating Payments</b>	<b>70 450</b>	<b>71 939</b>	<b>2</b>	<b>71 349</b>	<b>71 189</b>	<b>71 022</b>
<b>5 498</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>11 813</b>	<b>7 531</b>	<b>-36</b>	<b>6 555</b>	<b>640</b>	<b>171</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
39 690	Proceeds from Sale of Property, Plant & Equipment	36 800	32 000	-13	36 993	36 393	36 393
57 866	Proceeds from Sale/Maturities of Investments	65 325	55 997	-14	55 643	57 022	54 359
0	Repayment of Home Loan Principal	100	0	-100	0	0	0
<b>97 556</b>	<b>Investing Receipts</b>	<b>102 225</b>	<b>87 997</b>	<b>-14</b>	<b>92 636</b>	<b>93 415</b>	<b>90 752</b>
	<b>Payments</b>						
45 230	Purchase of Property, Plant and Equipment	52 102	36 017	-31	40 151	36 351	33 023
54 000	Purchase of Investments	55 140	55 528	1	54 878	53 355	53 355
0	Issue of Loan	20	0	-100	0	0	0
<b>99 230</b>	<b>Investing Payments</b>	<b>107 262</b>	<b>91 545</b>	<b>-15</b>	<b>95 029</b>	<b>89 706</b>	<b>86 378</b>
<b>-1 674</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-5 037</b>	<b>-3 548</b>	<b>30</b>	<b>-2 393</b>	<b>3 709</b>	<b>4 374</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						

## ACT Housing Cashflow Statement

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
	<b>Receipts</b>						
0	Borrowings Received	60	0	-100	0	0	0
<b>0</b>	<b>Financing Receipts</b>	<b>60</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
3 811	Repayment of Borrowings	6 597	3 983	-40	4 162	4 349	4 545
0	Payments of Transferred Cash Balances	137	0	-100	0	0	0
<b>3 811</b>	<b>Financing Payments</b>	<b>6 734</b>	<b>3 983</b>	<b>-41</b>	<b>4 162</b>	<b>4 349</b>	<b>4 545</b>
<b>-3 811</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-6 674</b>	<b>-3 983</b>	<b>40</b>	<b>-4 162</b>	<b>-4 349</b>	<b>-4 545</b>
<b>13</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>102</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>208</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>200</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>200</b>	<b>200</b>

### Notes to the Budget Statements

Significant variations are as follows:

#### *Statement of Financial Performance*

- user charges – non-ACT Government: these represent rents from tenants:
  - the increase of \$4.395m in 2000-01 from the original budget is due to the temporary cessation of transferring properties to the community housing sector and the flow through of the income eligibility reforms requiring tenants to pay market rent or 25% of their assessable income;
  - the decrease of \$0.591m in 2001-02 from the 2000-01 estimated outcome is due to the recommencement of transfer of properties to the community housing sector, the decanting of Burnie Court in anticipation of its redevelopment and decanting of Gowrie Court in anticipation of its refurbishment/redevelopment;
- user charges – ACT Government: the decrease of \$5.5m in the 2003-04 and 2004-05 estimates, compared to 2002-03, reflects the cessation of Commonwealth funding to compensate for the impacts of the introduction of the Goods and Services Tax (GST). This funding will be renegotiated as part of the multilateral and bilateral agreements under the Commonwealth-State Housing Agreement;
- interest revenue: the increase of \$0.650m in 2000-01 from the original budget is due to the investment of funds realised from property sales during the year. The decrease of

\$0.350m in 2001-02 from the 2000-01 estimated outcome is due to a reduction in funds invested and lower interest rates;

- other revenue: the decrease of \$1.282m in 2001-02 from the 2000-01 estimated outcome is due to the lower profit on property sales (with property valuations aligning more closely to sales estimates);
- employee expenses and superannuation expenses: the increase of \$0.748m in 2001-02 from the 2000-01 estimated outcome is due to increased costs associated with the Enterprise Bargaining Agreement, the flow through effects of the conversion of some temporary employees to full-time staff and an increased staffing level for the information systems area to improve operation of the management information systems;
- administrative expenses: the increase of \$1.166m in 2000-01 from the original budget is due to higher GST impacts, higher IT costs and higher property services costs, including graffiti removal, ground maintenance and cleaning at multi-unit complexes. The increase of \$0.581m in 2001-02 from the 2000-01 estimated outcome is due to the flow through effects of the GST and higher IT costs;
- depreciation and amortisation expenses: the increase of \$0.822m in 2000-01 from the original budget is due to the revaluation of the property portfolio, increasing property values and depreciation charges; and
- other expenses: the decrease of \$0.432m in 2000-01 from the original budget is due to a reduced number and value of property demolitions during the year. The increase of \$5.224m in 2001-02 is due to the proposed write-off of the Burnie Court and Gowrie Court complexes in anticipation of their redevelopment (\$5.706m), offset by a reduction in provisioning and write-offs of bad debts.

#### *Statement of Financial Position*

- investments: the higher than expected investment balance in 2000-01 from the original budget is due to higher revenues being available during the year for investment. The balance of investments across the forward estimates will depend, among other things, on the level of Commonwealth revenues to be renegotiated under the Commonwealth-State Housing Agreement.

#### *Cashflow Statement*

- proceeds from sale of property, plant and equipment: the decrease of \$2.89m in 2000-01 from the original budget is due to a slowing of the sales program during the year. The reduction of \$4.8m in 2001-02 from the 2000-01 estimated outcome reflects the planned sales program during that year, with no significant sites proposed for sale; and
- purchase of property, plant and equipment:
  - the increase of \$6.872m in 2000-01 from the original budget is due to a high level of works carried over from 1999-2000, an acceleration of the acquisition program to house tenants decanted from Burnie Court and switching from construction to spot purchase; and
  - the decrease of \$16.085m in 2001-02 from the 2000-01 estimated outcome reflects the priority for capital investment during the year on accommodation suitable for older persons and those with reduced mobility, as well as the provision of replacement dwellings for Burnie Court and Gowrie Court.

**OUTPUT CLASS 1: PUBLIC HOUSING**  
**PRINCIPAL MEASURES**

**Output 1.1: Public Housing**

**Description:** The provision and management of public housing properties and tenancies.

Measures	2000-01 Targets	2000-01 Est. Outcome	2001-02 Targets
<b>Quantity</b>			
Number of applicants housed	1 500	1 500	1 450
Percentage of tenants receiving rebates	85%	85%	85%
Number of tenancies	11 057	11 057	10 925
Number of properties/dwellings	11 399	11 399	11 380
<b>Quality/Effectiveness</b>			
Housing assistance information to applicants, tenants and the community is appropriate and understood by them	85%	85%	85%
Tenant satisfaction <sup>1</sup>	Upward Trend	Upward Trend	
Tenant satisfaction <sup>1</sup>			Better than 60%
Repairs and maintenance expenditure as a proportion of the average building value	3.8%	3.8%	3.5%
<b>Timeliness</b>			
Time taken to process applications averages 15 days or less	100%	100%	100%
Percentage of tenants over 8 weeks in arrears	9%	9%	5%
Average turnaround time from vacancy to re-letting	4 weeks or less	4 weeks or less	4 weeks or less
<b>Cost</b>			
Cost of services to Government	\$1 216 000	\$1 216 000	\$1 226 000
Cost of assessing and administering tenancy applications	\$1 499 000	\$1 499 000	\$1 752 000
Cost of providing housing assistance, including assessing and providing rental rebates <sup>2</sup>	\$2 378 000	\$2 378 000	\$4 097 000
Cost of tenancy management <sup>3</sup>	\$11 302 000	\$11 302 000	\$9 617 000
Cost of property management <sup>4</sup>	\$64 472 000	\$65 787 000	\$71 896 000
<b>TOTAL COST (\$'000)</b>	<b>\$80 867</b>	<b>\$82 182</b>	<b>\$88 588</b>
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**Notes**

- (1) This is a new measure in 2001-02 to restate the target in more precise terms.
- (2) The increase in the cost of providing housing assistance is due to improvements in the cost attribution and identification of costs to activities.
- (3) The decrease in tenancy management costs arises from the improved cost attribution and the identification of cost for housing assistance, which were formerly subsumed in tenancy management.
- (4) The cost of property management is higher in 2001-02 due to the inclusion of the costs of the write off of Burnie Court and Gowrie Court as it is proposed that they be demolished and redeveloped during the year. In addition, property service costs have increased due to the full year effect of the water abstraction charge and higher costs for ground maintenance and graffiti removal and common area maintenance in the multi-unit complexes.

