

HOME LOAN PORTFOLIO

Objectives

The Home Loan Portfolio is responsible for the administration of home loans, which were granted by the Commissioner for ACT Housing to assist low-income households in achieving home ownership. All ACT Government home buyer lending ceased in 1996.

The Portfolio's objective is to administer the remaining home loans effectively and efficiently.

2008-09 Priorities

Strategic and operational issues to be pursued in 2008-09 include:

- continuing the review of all unsecured loans; and
- administering the recommendations of the external review into the Home Loan Portfolio.

Estimated Employment Level

2007-08 Budget		2007-08 Est. Outcome	2008-09 Budget
2	Staffing (FTE)	2	2

Output Classes

	Total Cost	
	2007-08 Est. Outcome \$'000	2008-09 Budget \$'000
Output Class 1: Home Loan Portfolio	4,672	4,578
Output 1.1: Home Loan Portfolio	4,672	4,578

Output Description

This output provides for the administration of the Home Loan Portfolio in line with the loan and deferment agreements between the Commissioner for ACT Housing and the borrowers.

In 2008-09, the Home Loan Portfolio will:

- manage between 275 (2007-08 estimated outcome) and 215 (projection to 30 June 2009) loans; and
- comply with the Commonwealth Government's loan repayment schedule.

Accountability Indicators

	2007-08 Target	2007-08 Est. Outcome	2008-09 Target
1.1: Home Loan Portfolio			
a. Administration cost per home loan managed ¹	\$1,548	\$1,400	\$1,700

Note:

1. The estimated outcome in 2007-08 reflects the higher number of outstanding loans estimated to remain within the portfolio (275 loans) compared to the 2007-08 Budget target (250 loans). The higher cost per loan in 2008-09 is the result of relatively fixed administration costs applied to a lower number of outstanding loans (predicted to be 215 loans) by 30 June 2009.

Home Loan Portfolio Operating Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
Income							
Revenue							
8,177	Interest	7,566	8,347	10	8,444	8,549	8,654
0	Other Revenue	3,801	0	-100	0	0	0
8,177	Total Revenue	11,367	8,347	-27	8,444	8,549	8,654
Gains							
0	Total Gains	0	0	-	0	0	0
8,177	Total Income	11,367	8,347	-27	8,444	8,549	8,654
Expenses							
143	Employee Expenses	139	143	3	146	148	151
19	Superannuation Expenses	19	19	-	20	20	20
224	Supplies and Services	203	205	1	207	211	216
4,311	Borrowing Costs	4,311	4,211	-2	4,106	3,997	3,883
4,697	Total Ordinary Expenses	4,672	4,578	-2	4,479	4,376	4,270
3,480	Operating Result	6,695	3,769	-44	3,965	4,173	4,384

Home Loan Portfolio Balance Sheet

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
Current Assets							
17,206	Cash and Cash Equivalents	16,787	16,821	..	16,610	16,611	16,757
851	Receivables	995	958	-4	887	836	800
18,057	Total Current Assets	17,782	17,779	..	17,497	17,447	17,557
Non Current Assets							
2,494	Receivables	4,219	3,325	-21	2,563	1,909	1,346
94,498	Investments	95,089	97,446	2	100,041	102,394	104,592
96,992	Total Non Current Assets	99,308	100,771	1	102,604	104,303	105,938
115,049	TOTAL ASSETS	117,090	118,550	1	120,101	121,750	123,495
Current Liabilities							
19	Payables	17	17	-	17	18	18
2,320	Interest Bearing Liabilities	2,320	2,424	4	2,533	2,647	2,766
96	Employee Benefits	147	158	7	168	177	185
2,435	Total Current Liabilities	2,484	2,599	5	2,718	2,842	2,969
Non Current Liabilities							
91,249	Interest Bearing Liabilities	91,249	88,825	-3	86,292	83,644	80,878
91,249	Total Non Current Liabilities	91,249	88,825	-3	86,292	83,644	80,878
93,684	TOTAL LIABILITIES	93,733	91,424	-2	89,010	86,486	83,847
21,365	NET ASSETS	23,357	27,126	16	31,091	35,264	39,648
REPRESENTED BY FUNDS EMPLOYED							
21,365	Accumulated Funds	23,357	27,126	16	31,091	35,264	39,648
21,365	TOTAL FUNDS EMPLOYED	23,357	27,126	16	31,091	35,264	39,648

Home Loan Portfolio Cash Flow Statement

2007-08 Budget \$'000		2007-08 Est.Outcome \$'000	2008-09 Budget \$'000	Var %	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
8,087	Interest Received	8,760	8,281	-5	8,435	8,541	8,643
8,087	Operating Receipts	8,760	8,281	-5	8,435	8,541	8,643
Payments							
154	Related to Employees	146	150	3	156	159	162
224	Related to Supplies and Services	226	205	-9	207	211	216
4,311	Borrowing Costs	4,311	4,211	-2	4,106	3,997	3,883
4,689	Operating Payments	4,683	4,566	-2	4,469	4,367	4,261
3,398	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4,077	3,715	-9	3,966	4,174	4,382
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
2,785	Proceeds from Sale/Maturities of Investments	2,067	0	-100	0	0	2
1,168	Repayment of Home Loan Principal	1,181	996	-16	842	714	607
3,953	Investing Receipts	3,248	996	-69	842	714	609
Payments							
0	Purchase of Investments	0	2,357	#	2,595	2,354	2,198
0	Investing Payments	0	2,357	#	2,595	2,354	2,198
3,953	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	3,248	-1,361	-142	-1,753	-1,640	-1,589
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
4,300	Distributions to Government	4,300	0	-100	0	0	0
2,220	Repayment of Borrowings	2,220	2,320	5	2,424	2,533	2,647
6,520	Financing Payments	6,520	2,320	-64	2,424	2,533	2,647
-6,520	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-6,520	-2,320	64	-2,424	-2,533	-2,647
831	NET INCREASE/(DECREASE) IN CASH HELD	805	34	-96	-211	1	146
16,375	CASH AT BEGINNING OF REPORTING PERIOD	15,982	16,787	5	16,821	16,610	16,611
17,206	CASH AT THE END OF THE REPORTING PERIOD	16,787	16,821	..	16,610	16,611	16,757

Home Loan Portfolio Statement of Changes in Equity

Budget as at 30/6/08 \$'000		Est.Outcome as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000	Var %	Planned as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000
22,185	Opening Balance	20,962	23,357	11	27,126	31,091	35,264
	Accumulated Funds						
3,480	Operating Result for the Period	6,695	3,769	-44	3,965	4,173	4,384
	Reserves						
3,480	Total Income And Expense For The Period	6,695	3,769	-44	3,965	4,173	4,384
	Transactions Involving Equity Holders Affecting Accumulated Funds						
-4,300	Capital (Distributions)	-4,300	0	-100	0	0	0
21,365	Closing Balance	23,357	27,126	16	31,091	35,264	39,648

Notes to Budget Statements

Significant variations are as follows:

Operating Statement

- interest:
 - the decrease of \$0.611 million in the 2007-08 estimated outcome from the original budget is due to lower interest revenues received during the year; and
 - the increase of \$0.781 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to a higher interest rate projected for investments and a higher amount of invested funds.
- other revenue: the increase of \$3.801 million in the 2007-08 estimated outcome from the original budget and the decrease of \$3.801 million in the 2008-09 Budget from the estimated outcome is due to a downward revision to the provision for doubtful debts in 2007-08 as a result of reduction in outstanding loans.

Balance Sheet

- current and non-current receivables:
 - the increase of \$1.869 million in the 2007-08 estimated outcome from the original budget is due to the downward revision of \$3.801 million in the provision for doubtful debts in the 2007-08 estimated outcome, partially offset by higher than anticipated loan repayments flowing from the 2006-07 audited result; and
 - the decrease of \$0.931 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to a reduction in outstanding loans and some expected early repayment of loans.

- current and non-current interest bearing liabilities: the decrease of \$2.320 million in the 2008-09 Budget from the 2007-08 estimated outcome represents the reduction in loan principal owing to the Commonwealth Government, which is scheduled to be fully paid in 2040.

Cash Flow Statement

- repayment of home loan principal: the decrease of \$0.185 million in the 2008-09 Budget from the 2007-08 estimated outcome reflects the smaller balance of outstanding loans.
- distributions to Government: the distribution of \$4.3 million in 2007-08 is due to the withdrawal of equity to be invested in public housing.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

