

HOUSING ACT

Objectives

Housing ACT's principal objective is to provide those people in the community subject to housing stress and social and financial disadvantage with safe, affordable and appropriate housing that responds to their individual circumstances and needs. In doing so, Housing ACT helps to alleviate disadvantage and foster a safer, stronger and more cohesive society.

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 clients;
- engaging and involving 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 assisting to reduce poverty and exclusion for some of the most vulnerable in the community.

2008-09 Priorities

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

- continuing to improve service delivery by better aligning resources to focus on tenant needs, 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 to refurbish or replace public housing to better meet tenant needs, including rebuilding public housing in rural areas and managing the redevelopment of multi-unit sites;
- continuing to implement the changes to the Public Rental Housing Assistance Program including implementing the guidelines for managing the revised tenure arrangements, implementing the shared equity scheme and implementing the regulatory framework for community housing;
- continuing to improve services to the most vulnerable and needy in the community by providing more flexible housing assistance that best meets the needs of applicants, including implementing expanded services to younger people under the Youth Housing Program, continuing to work with the Joint Champions Group on disruptive behaviours, expanding the Transitional Housing Program to refugees through the implementation of a Transitional Refugee Housing Program and improving services to indigenous families in the Territory;

- providing accommodation to people exiting the Alexander Maconochie Centre under the Prison and Offender Related Crime Prevention Measure (Managed Accommodation) to assist them in reintegrating into the community and reducing the rate of recidivism;
- continuing to implement the program for improving the water and energy efficiency of public housing;
- implementing the new housing information system; and
- negotiating the new National Affordable Housing Agreement to replace the Commonwealth State Housing Agreement that is due to expire on 30 June 2008 and continuing to implement the strategies in the Bilateral Agreement with the Commonwealth Government under the current Commonwealth-State Housing Agreement.

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.

Housing ACT will focus on the outcomes of the tenant satisfaction surveys and improve communications to better inform tenants and the community about Housing ACT’s services. Increased participation by tenants and the community in policy development and service delivery will continue to be encouraged.

Housing ACT will focus on better integrating service delivery with other parts of the government and the community sector to better match service delivery to the needs of tenants.

In conjunction with the implementation of the new business system, improved work flows and streamlined business practices will be introduced to further integrate business operations, achieve efficiencies and cost savings and provide improved information to all areas of the operations.

Strengthening the skills and professionalism of staff, encouraging a work life balance and implementing strategies to retain staff will support this.

Estimated Employment Level

2007-08 Budget		2007-08 Est. Outcome	2008-09 Budget
213	Staffing (FTE)¹	204	218

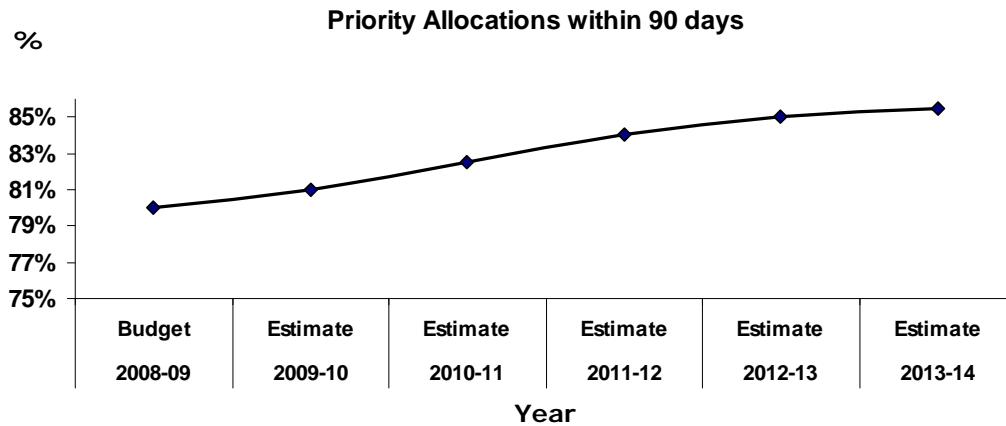
Note:

1. The estimated outcome of full time equivalent staff excludes contract staff that occupy temporary vacant positions whilst recruitment is pending.

Strategic Indicators

Strategic Indicator 1

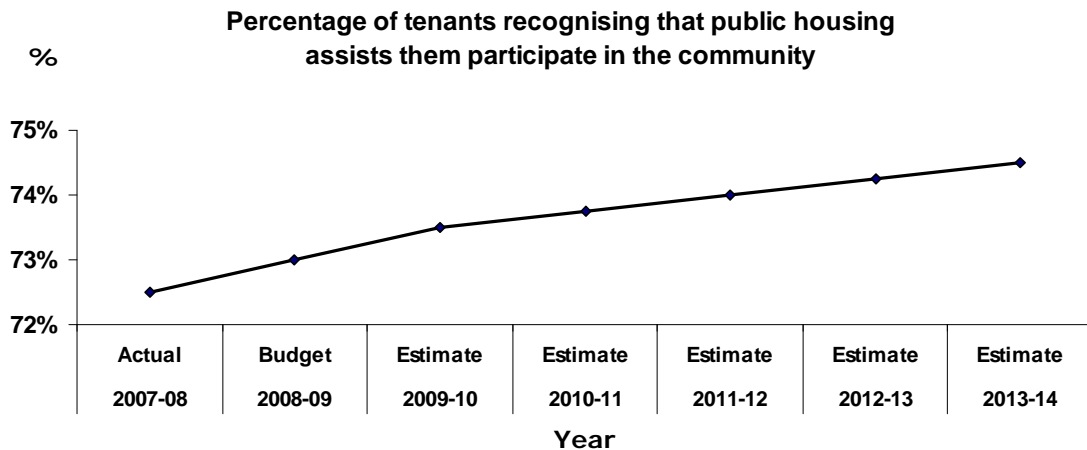
Provision of housing to people most in need



This indicator demonstrates the focus of public housing priority allocations on housing those most in need within 90 days. Needs may include: homelessness; having mental health issues, serious medical issues or a disability, such as frail-aged, where the natural support systems are at risk of breaking down; women with or without children escaping domestic violence; indigenous people facing complex issues; and families with children at risk.

Strategic Indicator 2¹

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



Note:

1. Actual result is taken from the local and national social housing survey.

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

Output Class

	Total Cost ¹		Government Payment for Outputs	
	2007-08	2008-09	2007-08	2008-09
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1:				
Social Housing Services	105,298	114,416	22,829	23,395
Output 1.1				
Social Housing Services	105,298	114,416	22,829	23,395

Note:

1. Total cost included depreciation and amortisation of \$14.035 million in 2007-08 and \$15.311 million in 2008-09.

Output Description

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

Accountability Indicators

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
Output Class 1: Social Housing Services			
Output 1.1: Social Housing Services			
a. Priority Allocations	96%	96%	96%
Percentage of public housing allocations to priority and highest need applicants.			
b. Number of properties managed ¹			
- Public housing properties	11,545	11,647	11,580
- Community housing properties	250	242	250
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 ¹	87%	86%	87%
Eligible tenants are entitled to a rebate of rent such that the rent payable is no more than 25 per cent of assessable household income. Tenants not in receipt of a rebate pay market rent. The indicator records the percentage of tenants in receipt of a rebate.			
d. Annual number of client service visits conducted	10,450	10,750	10,750
The number of current clients visited during the financial year is the combined total of 90 days and annual client service visits undertaken.			
e. Overall satisfaction of tenants with the provision of public housing ^{1,2}	≥ 65%	65%	≥ 65%
Tenant satisfaction is measured biennially through the National Social Housing Survey and in the alternative years through an internal survey.			
f. Average cost per dwelling of public housing ³	\$8,894 ⁸	\$8,930	\$9,685
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 ¹	92%	96%	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 ^{1,2}	77%	76%	77%
Tenant satisfaction is measured biennially through the National Community Housing Survey.			

Accountability Indicators cont.

	2007-08 Targets	2007-08 Est. Outcome	2008-09 Targets
Output 1.1: Social Housing Services cont.			
i. Percentage of routine vacant properties re-let within 28 days ⁴	85%	85%	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 ⁵	90%	85%	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 ≥ \$500 in arrears on repayment agreements ⁶	90%	70%	n/a
l. Percentage of tenant accounts ≥ \$500 and four or more weeks in arrears ⁷	n/a	n/a	90%
Tenants with rent arrears exceeding 4 weeks rent and 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 per cent of total income.			
m. Percentage of rent received ⁷	n/a	n/a	99%
Percentage of rent received from tenants compared to rent charged, after rebates.			
n. Average rent receivable after rebate per dwelling ⁷	n/a	n/a	\$6,502
Rent receivable from tenants that is available to fund the public housing operations. Based upon the total rent receivable less rebates and allowances divided by the number of dwelling units.			

Notes:

1. 'Public housing' relates to housing provided by Housing ACT and 'community housing' relates to housing provided by community organisations.
2. This is an estimate pending the finalisation of the survey to ascertain the satisfaction of tenants with the provision of their housing.
3. The average cost per dwelling is higher in 2008-09 as a result of higher costs for employees, depreciation, repairs and maintenance, water and sewerage rates and consumption and other property costs. The higher employee costs are due to increased staffing levels and higher wage rates from the enterprise bargaining agreement. The higher depreciation arises from the higher building values from the revaluation of the public housing portfolio.
4. Routine vacant properties excludes those hard to let properties, where the hard to let properties are defined as those dwellings that have been refused by three or more applicants on the Applicant List or are in complexes that have experienced low demand from applicants over the past twelve months.
5. During 2006-07, new processes were implemented to improve the performance turning around properties undergoing refurbishment to ensure that they are re-let within agreed program milestones. The effect of these changes is reflected in the improved performance over 2008-09, though the performance is affected by a slow start at the beginning of the year and over the Christmas period industry shutdown.
6. The 2007-08 estimated result is lower than the original target largely due to the effect of the policy for sustaining tenancies, which means that as Housing Managers engage with tenants about paying their arrears, the time taken to resolve the complex issues which the tenants are facing, the non-payment of rent being only one of these, means that arrears may accumulate whilst this engagement occurs. Housing managers continue to work with tenants to improve debt recovery through ensuring tenants enter agreements for repaying arrears in a timely manner, but these agreements must also be affordable. Agreements to repay arrears when combined with the payment of rent cannot exceed 30% of household income. This measure has been discontinued for 2008-09, and has been replaced with a new measure to only count rental arrears if they exceed \$500 and four weeks in arrears. This change should provide an opportunity to negotiate a formal repayment agreement.
7. New measure in 2008-09.
8. The 2007-08 target for this item was amended as part of the 2007-08 Budget Second Appropriation.

Changes to Appropriation

Changes to Appropriation					
	2007-08	2008-09	2009-10	2010-11	2011-12
Government Payment for Outputs	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	22,700	22,991	23,307	23,641	23,641
2nd Appropriation					
Water Demand Management	250	250	-	-	-
2008-09 Budget Policy Adjustments					
Improving Housing Outcomes for Children Living in Public Housing	-	110	-	-	-
Prison and Offender Related Crime Prevention Measure (Managed Accommodation)	-	36	74	76	79
2008-09 Budget Technical Adjustments					
CSHA Funding	(121)	-	-	-	-
Revised Indexation Parameters	-	-	-	-	497
Community Sector Indexation	-	8	8	9	9
2008-09 Budget	22,829	23,395	23,389	23,726	24,226

Changes to Appropriation					
	2007-08	2008-09	2009-10	2010-11	2011-12
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2007-08 Budget	14,206	9,651	5,000	5,000	5,000
FMA Section 16B Rollovers					
Long Gully Intensive Care and Treatment Facility	10	-	-	-	-
2nd Appropriation					
Improvement in Energy Efficiency in Public Housing	1,000	2,333	2,333	2,334	2,000
2008-09 Budget Policy Adjustments					
Prison and Offender Related Crime Prevention Measure (Managed Accommodation)	-	1,540	-	-	-
2008-09 Budget Technical Adjustments					
Rollover - Upgrade Infrastructure at the Narrabundah Long Stay Caravan Park	(600)	600	-	-	-
Rollover - Helping Younger People with Disabilities in Residential Aged Care Services	(306)	306	-	-	-
2008-09 Budget	14,310	14,430	7,333	7,334	7,000

2008-09 Capital Works Program

	Estimated Total Cost \$'000	Estimated Expenditure Pre 2008-09 \$'000	2008-09 Financing \$'000	2009-10 Financing \$'000	2010-11 Financing \$'000	Expected Completion Date
New Capital Works						
Prison and Offender Related Crime Prevention Measure (Managed Accommodation)	1,540	-	1,540	-	-	Jun 2009
Total New Capital Works	1,540	-	1,540	-	-	
Works in Progress						
Upgrade Infrastructure at the Narrabundah Long Stay Caravan Park	600	-	600	-	-	Jun 2009
Total Works in Progress	600	-	600	-	-	
Total Departmental Capital Works	2,140	-	2,140	-	-	

Commonwealth Grants

The major Commonwealth payment for which Housing ACT has responsibility is:

Name of Grant	Activities Funded by Grant	2008-09 Estimate \$'000
Commonwealth State Housing Agreement	Public housing assistance initiatives, new rental properties and funding of public housing operations	19,320
Young People with Disabilities	Contributing to reduce the number of young people with disabilities living in residential aged care facilities	326
Total		19,646

Housing ACT 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							
22,700	Government Payment for Outputs	22,829	23,395	2	23,389	23,726	24,226
72,259	User Charges - Non ACT Government	71,704	75,288	5	77,537	80,187	82,840
1,299	Interest	2,434	2,727	12	2,365	1,502	924
11,230	Other Revenue	15,649	11,794	-25	3,500	3,522	3,545
107,488	Total Revenue	112,616	113,204	1	106,791	108,937	111,535
Gains							
0	Other Gains	0	747	#	0	0	0
0	Total Gains	0	747	#	0	0	0
107,488	Total Income	112,616	113,951	1	106,791	108,937	111,535
Expenses							
16,001	Employee Expenses	15,873	16,885	6	17,571	18,285	18,951
2,599	Superannuation Expenses	2,102	2,209	5	2,297	2,389	2,644
63,926	Supplies and Services	64,803	70,957	9	72,130	74,420	76,480
12,929	Depreciation and Amortisation	14,035	15,311	9	15,533	15,852	16,025
4,966	Borrowing Costs	4,973	4,778	-4	4,574	4,363	4,152
2,128	Grants and Purchased Services	1,293	2,266	75	1,256	3,742	1,320
1,925	Other Expenses	2,171	1,959	-10	2,029	2,002	2,014
71	Transfer Expenses	48	51	6	74	82	91
104,545	Total Ordinary Expenses	105,298	114,416	9	115,464	121,135	121,677
2,291	Share of Operating Result from Joint Venture accounted for using the Equity Method	0	0	-	2,343	3,843	0
5,234	Operating Result	7,318	-465	-106	-6,330	-8,355	-10,142

Housing ACT 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							
20,472	Cash and Cash Equivalents	27,043	25,059	-7	25,828	23,404	22,697
3,357	Receivables	4,092	4,070	-1	4,066	4,096	4,138
3,790	Assets Held for Sale	36,340	21,460	-41	3,620	3,800	4,000
173	Other	97	97	-	97	97	97
27,792	Total Current Assets	67,572	50,686	-25	33,611	31,397	30,932
Non Current Assets							
500	Receivables	8,600	8,600	-	6,380	500	500
19,008	Investments	0	7,425	#	15,232	20,692	26,422
3,522,361	Property, Plant and Equipment	3,499,551	3,774,072	8	4,008,860	4,236,759	4,460,980
2,797	Intangibles	1,470	2,848	94	2,506	1,927	1,745
882	Capital Works in Progress	5,405	3,700	-32	2,750	2,555	2,350
3,545,548	Total Non Current Assets	3,515,026	3,796,645	8	4,035,728	4,262,433	4,491,997
3,573,340	TOTAL ASSETS	3,582,598	3,847,331	7	4,069,339	4,293,830	4,522,929
Current Liabilities							
7,437	Payables	3,511	3,531	1	3,531	3,531	3,531
4,706	Interest Bearing Liabilities	4,706	4,834	3	4,834	4,945	4,863
77	Finance Leases	22	84	282	80	171	178
4,076	Employee Benefits	3,846	3,813	..	3,827	3,846	3,865
2,668	Other	2,957	2,957	-	2,879	2,879	2,879
18,964	Total Current Liabilities	15,042	15,219	1	15,151	15,372	15,316
Non Current Liabilities							
101,091	Interest Bearing Liabilities	101,090	96,256	-5	91,422	86,477	81,614
88	Finance Leases	73	156	114	261	262	264
688	Employee Benefits	333	335	..	338	343	348
2,550	Other	87	9	-90	0	0	0
104,417	Total Non Current Liabilities	101,583	96,756	-5	92,021	87,082	82,226
123,381	TOTAL LIABILITIES	116,625	111,975	-4	107,172	102,454	97,542
3,449,959	NET ASSETS	3,465,973	3,735,356	8	3,962,167	4,191,376	4,425,387
REPRESENTED BY FUNDS EMPLOYED							
915,458	Accumulated Funds	927,867	963,832	4	986,835	1,007,814	1,026,672
2,534,501	Reserves	2,538,106	2,771,524	9	2,975,332	3,183,562	3,398,715
3,449,959	TOTAL FUNDS EMPLOYED	3,465,973	3,735,356	8	3,962,167	4,191,376	4,425,387

Housing ACT 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							
22,700	Cash from Government for Outputs	22,829	23,395	2	23,389	23,726	24,226
71,748	User Charges	71,201	74,732	5	76,948	79,550	82,181
1,299	Interest Received	2,434	2,727	12	2,365	1,502	924
2,034	Other Revenue	3,646	2,730	-25	2,581	2,601	2,622
97,781	Operating Receipts	100,110	103,584	3	105,283	107,379	109,953
Payments							
18,636	Related to Employees	18,011	19,125	6	19,851	20,650	21,571
63,967	Related to Supplies and Services	64,844	70,414	9	72,207	74,431	76,491
4,966	Borrowing Costs	4,973	4,778	-4	4,574	4,363	4,152
2,128	Grants and Purchased Services	1,293	2,266	75	1,256	3,742	1,320
1,025	Other	1,025	817	-20	824	824	824
71	Territory Receipts to Government	48	51	6	74	82	91
90,793	Operating Payments	90,194	97,451	8	98,786	104,092	104,449
6,988	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	9,916	6,133	-38	6,497	3,287	5,504
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
28,656	Proceeds from Sale of Property, Plant & Equipment	33,534	67,039	100	70,823	52,468	44,961
28,656	Investing Receipts	33,534	67,039	100	70,823	52,468	44,961
Payments							
45,909	Purchase of Property, Plant and Equipment	55,518	84,524	52	78,978	60,584	53,097
280	Purchase of Land and Intangibles	0	306	#	0	0	0
46,189	Investing Payments	55,518	84,830	53	78,978	60,584	53,097
-17,533	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-21,984	-17,791	19	-8,155	-8,116	-8,136
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							

Housing ACT 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
14,206	Capital Injection from Government	14,310	14,430	..	7,333	7,334	7,000
60	Borrowings Received	60	60	-	60	60	60
14,266	Financing Receipts	14,370	14,490	1	7,393	7,394	7,060
	Payments						
4,649	Repayment of Borrowings	4,609	4,766	3	4,894	4,894	5,005
0	Repayment of Finance Lease	22	50	127	72	95	130
4,649	Financing Payments	4,631	4,816	4	4,966	4,989	5,135
9,617	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	9,739	9,674	..	2,427	2,405	1,925
-928	NET INCREASE/(DECREASE) IN CASH HELD	-2,329	-1,984	15	769	-2,424	-707
21,400	CASH AT BEGINNING OF REPORTING PERIOD	29,372	27,043	-8	25,059	25,828	23,404
20,472	CASH AT THE END OF THE REPORTING PERIOD	27,043	25,059	-7	25,828	23,404	22,697

Housing ACT 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
3,186,970	Opening Balance	3,201,861	3,465,973	8	3,735,356	3,962,167	4,191,376
	Accumulated Funds						
5,234	Operating Result for the Period	7,318	-465	-106	-6,330	-8,355	-10,142
	Reserves						
221,549	Increase/(Decrease) in asset revaluation reserve	220,484	233,418	6	203,808	208,230	215,153
22,000	Transfer to/from Reserves	22,000	22,000	-	22,000	22,000	22,000
248,783	Total Income And Expense For The Period	249,802	254,953	2	219,478	221,875	227,011
	Transactions Involving Equity Holders Affecting Accumulated Funds						
14,206	Capital Injections	14,310	14,430	1	7,333	7,334	7,000
3,449,959	Closing Balance	3,465,973	3,735,356	8	3,962,167	4,191,376	4,425,387

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the increase of \$0.129 million in the 2007-08 estimated outcome from the original budget is due to the additional funding provided in the 2007-08 Second Appropriation for improving water efficiency (\$0.250 million), partially offset by decreased funding under the Commonwealth State Housing Agreement as a result of relative population movements between the states and territories (\$0.121 million); and
 - the increase of \$0.566 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to indexation of funding under the Commonwealth State Housing Agreement (\$0.378 million), community sector indexation (\$0.042 million), and additional funding for the assessment of the needs of children living in public housing (\$0.110 million) and the provision of housing for detainees released from the Alexander Maconochie Centre (\$0.036 million).
- user charges - non ACT Government:
 - the decrease of \$0.555 million in the 2007-08 estimated outcome from the original budget is due to the delay in recovering water consumption costs from tenants (\$0.900 million) partially offset by additional rents received from the increase in market rents (\$0.345 million); and

- the increase of \$3.584 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the increase in market rents for 2008-09 following the re-assessment of market rents and the indexation of tenant pensions.
- interest:
 - the increase of \$1.135 million in the 2007-08 estimated outcome from the original budget is due to higher cash balances held over the year as a result of higher revenues, interest earned on the investment in the Lyons Estate Redevelopment Joint Venture and the timing of some property acquisitions; and
 - the increase of \$0.293 million in 2008-09 Budget from the 2007-08 estimated outcome is due to the full year effect of earning interest on the investment in the Lyons Estate Redevelopment Joint Venture (\$0.459 million), partially offset by lower interest from other investments (\$0.166 million).
- other revenue:
 - the increase of \$4.419 million in the 2007-08 estimated outcome from the original budget is due to higher tenant responsible maintenance charges (\$0.346 million), higher insurance recoveries (\$0.729 million), Commonwealth Government funding for indigenous housing (\$0.439 million), higher values for the properties originally transferred to Community Housing Canberra Limited returned to Housing ACT (\$1.483 million), revenues from the Narrabundah Long Stay Caravan Park and other miscellaneous receipts (\$0.411 million), higher prices received from the sale of properties above book value, and the re-statement of the land transferred into the Lyons Estate Redevelopment Joint Venture (\$1.011 million); and
 - the decrease of \$3.855 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the one-off return of properties from Community Housing Canberra Limited (\$10.050 million) and the Commonwealth Government funding for indigenous housing (\$0.439 million), and the reduction of insurance recoveries to more normal levels (\$0.729 million), offset by the funding to refurbish Narrabundah House (\$0.190 million), additional Narrabundah Long Stay Caravan Park receipts (\$0.034 million) and the sale of Fraser Court, Hartigan Gardens and properties under the shared equity scheme, partially offset by the one-off gains from the re-statement of the land in the Lyons Estate Redevelopment Joint Venture and the return of profits on sale to more normal levels (\$7.139 million).
- other gains:
 - the increase of \$0.747 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the one off transfer of the Narrabundah pre-school site for the construction of accommodation to re-house young people with disabilities currently residing in residential aged care facilities.
- employee and superannuation expenses:
 - the decrease of \$0.625 million in the 2007-08 estimated outcome from the original budget is mainly due to decreased superannuation contributions and some employee costs being replaced by payments to contractors under supplies and services; and
 - the increase of \$1.119 million in 2008-09 Budget from the 2007-08 estimated outcome is due to higher staff numbers and increased salary rates from the enterprise bargaining agreement.

- supplies and services:
 - the increase of \$0.877 million in the 2007-08 estimated outcome from the original budget is due to the transfer of costs from employee expenses and higher costs for water rates and consumption, and implementation of measures to improve water efficiency in public housing; and
 - the increase of \$6.154 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the increase in water costs (\$1.545 million), repairs and maintenance (\$2.340 million), higher ITC costs with the implementation of the upgrade to Homenet (\$0.315 million), higher overheads and indexation (\$1.954 million).
- depreciation and amortisation:
 - the increase of \$1.106 million in the 2007-08 estimated outcome from the original budget is due to the higher depreciation of properties due to the higher than expected increase in capital values as a result of the 2008 revaluation, partially offset by lower amortisation of computer systems following Homenet reaching the end of its estimated useful life; and
 - the increase of \$1.276 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the higher property values expected from the revaluation of properties in March 2009 and the higher amortisation charges associated with the replacement of the business system, Homenet.
- borrowing costs: the decrease of \$0.195 million in the 2008-09 Budget from the 2007-08 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 \$0.835 million in the 2007-08 estimated outcome from the original budget is due to the timing of the finalisation of some community housing projects, which will be completed in 2008-09; and
 - the increase of \$0.973 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to one-off community housing grants (\$0.835 million) and indexation (\$0.138 million).
- other and transfer expenses:
 - the increase of \$0.223 million in the 2007-08 estimated outcome from the original budget is due to higher bad and doubtful debts expense (\$0.246 million), partially offset by lower transfers for the operation of the Narrabundah Long Stay Caravan Park (\$0.023 million); and
 - the decrease of \$0.209 million in the 2008-09 Budget from the 2007-08 estimated outcome is largely due to the winding up of private rental leasing schemes.
- share of operating result from joint venture: the decrease of \$2.291 million in the 2007-08 estimated outcome from the original budget is due to the delay in commencement of the Lyons Estate Redevelopment Joint Venture pending approval of the final Development Application.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$6.571 million in the 2007-08 estimated outcome from the original budget is due to the additional funds held as a result of the higher revenues and carrying over cash to fund the higher works in progress; and
 - the decrease of \$1.984 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the planned increase in expenditure on community housing projects and properties during the year.
- current receivables: the increase of \$0.735 million in the 2007-08 estimated outcome from the original budget is due to the higher charges for tenant responsible maintenance raised during the year and higher rental incomes.
- assets held for sale:
 - the increase of \$32.550 million in the 2007-08 estimated outcome from the original budget is due to the identification of several major sites for sale; and
 - the decrease of \$14.880 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the sale of two of the major sites during 2008-09, with the third site sold during the year but not settled until 2009-10.
- non current assets:
 - the decrease of \$30.522 million in the 2007-08 estimated outcome from the original budget is due to the movement of properties to assets held for sale (\$32.550 million) and the reduction in intangibles due to the delay in implementing the business system, Homenet (\$1.327 million), partially offset by the increase in capital works in progress (\$4.532 million); and
 - the increase of \$281.619 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to the increase in property values from the March 2009 revaluation.
- total liabilities:
 - the decrease of \$6.756 million in the 2007-08 estimated outcome from the original budget is mainly due to a decrease in payables and the decrease in other liabilities due to the deferral of the payment to Community Housing Canberra Limited to acquire units in the Lyons Estate Redevelopment Joint Venture; and
 - the decrease of \$4.650 million in the 2008-09 Budget from the 2007-08 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

Variances in the statement are explained in the notes above.

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

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							
19,295	Grants from the Commonwealth	19,209	19,646	2	19,514	19,718	20,056
19,295	Total Revenue	19,209	19,646	2	19,514	19,718	20,056
Gains							
0	Total Gains	0	0	-	0	0	0
19,295	Total Income	19,209	19,646	2	19,514	19,718	20,056
Expenses							
19,295	Transfer Expenses	19,209	19,646	2	19,514	19,718	20,056
19,295	Total Ordinary Expenses	19,209	19,646	2	19,514	19,718	20,056
0	Operating Result	0	0	-	0	0	0

Housing ACT Budgeted Statement of Cashflows on Behalf of the Territory

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							
19,295	Grants Received from the Commonwealth	19,209	19,646	2	19,514	19,718	20,056
19,295	Operating Receipts	19,209	19,646	2	19,514	19,718	20,056
Payments							
19,295	Territory Receipts to Government	19,209	19,646	2	19,514	19,718	20,056
19,295	Operating Payments	19,209	19,646	2	19,514	19,718	20,056
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 \$0.086 million in the 2007-08 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 territories; and
 - the increase of \$0.437 million in the 2008-09 Budget from the 2007-08 estimated outcome is due to indexation of the Commonwealth State Housing Agreement grants (\$0.264 million) and the funding for the Young People with Disabilities initiative (\$0.173 million).