

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.

2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 include:

- actively managing deferred assistance provided to borrowers; and
- continuing to review and monitor loans in arrears.

Estimated Employment Level

2008-09 Actual Outcome	2009-10 Budget	2009-10 Est. Outcome	2010-11 Budget
2 Staffing (FTE)	2	2	2

Output Classes

	Total Cost	
	2009-10 Est. Outcome \$'000	2010-11 Budget \$'000
Output Class 1:		
Home Loan Portfolio	4,470	4,344
Output 1.1: Home Loan Portfolio	4,470	4,344

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 2010-11 the Home Loan Portfolio will:

- manage between 175 (2009-10 estimated outcome) and 135 (projection to 30 June 2011) loans; and
- comply with the Commonwealth Government's loan repayment schedule.

Accountability Indicators

	2009-10 Target	2009-10 Est. Outcome	2010-11 Target
1.1: Home Loan Portfolio			
a. Administration cost per home loan managed ¹	\$1,845	\$2,080	\$2,570

Note:

1. The 2009-10 estimated outcome reflects the lower number of outstanding loans estimated to remain within the portfolio (175 loans) compared to the 2009-10 Budget target (195 loans). The higher cost per loan in 2010-11 is the result of relatively fixed administration costs applied to a lower number of outstanding loans (predicted to be 135 loans) by 30 June 2011.

Home Loan Portfolio Operating Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
Income							
Revenue							
4,365	Interest	6,349	5,124	-19	5,042	4,954	4,867
0	Other Revenue	1,500	0	-100	0	0	0
4,365	Total Revenue	7,849	5,124	-35	5,042	4,954	4,867
Gains							
0	Total Gains	0	0	-	0	0	0
4,365	Total Income	7,849	5,124	-35	5,042	4,954	4,867
Expenses							
133	Employee Expenses	132	139	5	144	151	155
17	Superannuation Expenses	17	17	-	19	19	19
208	Supplies and Services	215	191	-11	225	199	235
4,106	Borrowing Costs	4,106	3,997	-3	3,883	3,764	3,640
4,464	Total Ordinary Expenses	4,470	4,344	-3	4,271	4,133	4,049
-99	Operating Result	3,379	780	-77	771	821	818
-99	Total Comprehensive Income	3,379	780	-77	771	821	818

Home Loan Portfolio Balance Sheet

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
Current Assets							
16,726	Cash and Cash Equivalents	16,534	16,546	..	16,527	16,571	16,490
534	Receivables	784	610	-22	548	501	464
17,260	Total Current Assets	17,318	17,156	-1	17,075	17,072	16,954
Non Current Assets							
1,896	Receivables	2,777	2,219	-20	1,753	1,359	1,028
103,224	Investments	102,656	101,626	-1	100,306	98,762	97,145
105,120	Total Non Current Assets	105,433	103,845	-2	102,059	100,121	98,173
122,380	TOTAL ASSETS	122,751	121,001	-1	119,134	117,193	115,127
Current Liabilities							
17	Payables	18	16	-11	19	17	20
2,533	Interest Bearing Liabilities	2,533	2,647	5	2,766	2,891	3,021
104	Employee Benefits	93	99	6	105	111	115
2,654	Total Current Liabilities	2,644	2,762	4	2,890	3,019	3,156
Non Current Liabilities							
86,292	Interest Bearing Liabilities	86,292	83,644	-3	80,878	77,987	74,966
86,292	Total Non Current Liabilities	86,292	83,644	-3	80,878	77,987	74,966
88,946	TOTAL LIABILITIES	88,936	86,406	-3	83,768	81,006	78,122
33,434	NET ASSETS	33,815	34,595	2	35,366	36,187	37,005
REPRESENTED BY FUNDS EMPLOYED							
33,434	Accumulated Funds	33,815	34,595	2	35,366	36,187	37,005
33,434	TOTAL FUNDS EMPLOYED	33,815	34,595	2	35,366	36,187	37,005

Home Loan Portfolio Cash Flow Statement

2009-10 Budget \$'000	2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
5,303	7,072	5,226	-26	5,049	4,962	4,874
5,303	7,072	5,226	-26	5,049	4,962	4,874
Payments						
133	131	140	7	144	149	154
17	17	17	-	19	19	19
201	223	186	-17	217	199	229
4,106	4,106	3,997	-3	3,883	3,764	3,640
4,457	4,477	4,340	-3	4,263	4,131	4,042
846	2,595	886	-66	786	831	832
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
894	0	1,029	#	1,320	1,545	1,617
806	762	630	-17	522	434	361
1,700	762	1,659	118	1,842	1,979	1,978
Payments						
0	545	0	-100	0	0	0
0	545	0	-100	0	0	0
1,700	217	1,659	665	1,842	1,979	1,978
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
2,424	2,424	2,533	4	2,647	2,766	2,891
2,424	2,424	2,533	4	2,647	2,766	2,891
-2,424	-2,424	-2,533	-4	-2,647	-2,766	-2,891
122	388	12	-97	-19	44	-81
16,604	16,146	16,534	2	16,546	16,527	16,571
16,726	16,534	16,546	..	16,527	16,571	16,490

Home Loan Portfolio Statement of Changes in Equity

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
	Opening Equity						
33,533	Opening Accumulated Funds	30,436	33,815	11	34,595	35,366	36,187
33,533	Balance at the Start of the Reporting Period	30,436	33,815	11	34,595	35,366	36,187
	Comprehensive Income						
-99	Operating Result for the Period	3,379	780	-77	771	821	818
-99	Total Comprehensive Income	3,379	780	-77	771	821	818
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
	Closing Equity						
33,434	Closing Accumulated Funds	33,815	34,595	2	35,366	36,187	37,005
33,434	Balance at the End of the Reporting Period	33,815	34,595	2	35,366	36,187	37,005

Notes to Budget Statements

Significant variations are as follows:

Operating Statement

- interest:
 - the increase of \$1.984 million in the 2009-10 estimated outcome from the original budget reflects higher than budgeted interest rates; and
 - the decrease of \$1.225 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to lower forecast interest rates for 2010-11.
- other revenue: the increase of \$1.5 million in the 2009-10 estimated outcome from the original budget and the decrease of \$1.5 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to a revision to the provision for doubtful debts in 2009-10.

Balance Sheet

- current and non current receivables:
 - the increase of \$1.131 million in the 2009-10 estimated outcome from the original budget is due to a revision to the provision for doubtful debts in 2009-10, partially offset by reduced receivables arising from a reduction in outstanding loans; and
 - the decrease of \$0.732 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to lower receivables from an anticipated reduction in outstanding loans.

- non current investments: the decrease of \$1.030 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects the use of investments to meet the loan commitments.
- current and non current interest bearing liabilities: the decrease of \$2.534 million in the 2010-11 Budget from the 2009-10 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 \$0.132 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects a reduction in the number of outstanding loans.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.

