

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.

2009-10 Priorities

Strategic and operational issues to be pursued in 2009-10 include:

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

Estimated Employment Level

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

Output Classes

	Total Cost	
	2008-09 Est. Outcome \$'000	2009-10 Budget \$'000
Output Class 1: Home Loan Portfolio	4,563	4,464
Output 1.1: Home Loan Portfolio	4,563	4,464

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 2009-10 the Home Loan Portfolio will:

- manage between 230 (2008-09 estimated outcome) and 195 (projection to 30 June 2010) loans; and
- comply with the Commonwealth Government's loan repayment schedule.

Accountability Indicators

	2008-09 Target	2008-09 Est. Outcome	2009-10 Target
1.1: Home Loan Portfolio			
a. Administration cost per home loan managed ¹	\$1,700	\$1,530	\$1,845

Note:

1. The estimated outcome in 2008-09 reflects the higher number of outstanding loans estimated to remain within the portfolio (230 loans) compared to the 2008-09 Budget target (215 loans). The higher cost per loan in 2009-10 is the result of relatively fixed administration costs applied to a lower number of outstanding loans (predicted to be 195 loans) by 30 June 2010.

Home Loan Portfolio Operating Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Income							
Revenue							
8,347	Interest	15,619	4,365	-72	4,277	4,176	4,072
0	Other Revenue	600	0	-100	0	0	0
8,347	Total Revenue	16,219	4,365	-73	4,277	4,176	4,072
Gains							
0	Total Gains	0	0	-	0	0	0
8,347	Total Income	16,219	4,365	-73	4,277	4,176	4,072
Expenses							
143	Employee Expenses	130	133	2	138	143	150
19	Superannuation Expenses	17	17	-	18	18	18
205	Supplies and Services	205	208	1	215	219	226
4,211	Borrowing Costs	4,211	4,106	-2	3,997	3,883	3,764
4,578	Total Ordinary Expenses	4,563	4,464	-2	4,368	4,263	4,158
3,769	Operating Result	11,656	-99	-101	-91	-87	-86

Home Loan Portfolio Balance Sheet

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
Current Assets							
16,821	Cash and Cash Equivalents	16,604	16,726	1	16,540	16,557	16,518
958	Receivables	1,561	534	-66	459	404	361
17,779	Total Current Assets	18,165	17,260	-5	16,999	16,961	16,879
Non Current Assets							
3,325	Receivables	2,613	1,896	-27	1,295	789	363
97,446	Investments	104,118	103,224	-1	101,470	99,286	96,950
100,771	Total Non Current Assets	106,731	105,120	-2	102,765	100,075	97,313
118,550	TOTAL ASSETS	124,896	122,380	-2	119,764	117,036	114,192
Current Liabilities							
17	Payables	17	17	-	18	18	19
2,424	Interest Bearing Liabilities	2,424	2,533	4	2,647	2,766	2,891
158	Employee Benefits	97	104	7	112	118	125
2,599	Total Current Liabilities	2,538	2,654	5	2,777	2,902	3,035
Non Current Liabilities							
88,825	Interest Bearing Liabilities	88,825	86,292	-3	83,644	80,878	77,987
88,825	Total Non Current Liabilities	88,825	86,292	-3	83,644	80,878	77,987
91,424	TOTAL LIABILITIES	91,363	88,946	-3	86,421	83,780	81,022
27,126	NET ASSETS	33,533	33,434	..	33,343	33,256	33,170
REPRESENTED BY FUNDS EMPLOYED							
27,126	Accumulated Funds	33,533	33,434	..	33,343	33,256	33,170
27,126	TOTAL FUNDS EMPLOYED	33,533	33,434	..	33,343	33,256	33,170

Home Loan Portfolio Cash Flow Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	20010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
8,281	Interest Received	15,357	5,303	-65	4,285	4,185	4,081
8,281	Operating Receipts	15,357	5,303	-65	4,285	4,185	4,081
	Payments						
141	Related to Employees	131	133	2	138	143	148
9	Related to Superannuation	17	17	-	18	18	18
205	Related to Supplies and Services	211	201	-5	205	214	221
4,211	Borrowing Costs	4,211	4,106	-2	3,997	3,883	3,764
4,566	Operating Payments	4,570	4,457	-2	4,358	4,258	4,151
3,715	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	10,787	846	-92	-73	-73	-70
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale/Maturities of Investments	0	894	#	1,753	2,184	2,337
996	Repayment of Home Loan Principal	977	806	-18	667	553	460
996	Investing Receipts	977	1,700	74	2,420	2,737	2,797
	Payments						
2,357	Purchase of Investments	6,744	0	-100	0	0	0
2,357	Investing Payments	6,744	0	-100	0	0	0
-1,361	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-5,767	1,700	129	2,420	2,737	2,797
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
2,320	Repayment of Borrowings	2,320	2,424	4	2,533	2,647	2,766
2,320	Financing Payments	2,320	2,424	4	2,533	2,647	2,766
-2,320	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	-2,320	-2,424	-4	-2,533	-2,647	-2,766
34	NET INCREASE (DECREASE) IN CASH HELD	2,700	122	-95	-186	17	-39
16,787	CASH AT BEGINNING OF REPORTING PERIOD	13,904	16,604	19	16,726	16,540	16,557
16,821	CASH AT THE END OF THE REPORTING PERIOD	16,604	16,726	1	16,540	16,557	16,518

Home Loan Portfolio Statement of Changes in Equity

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
23,357	Opening Balance	21,877	33,533	53	33,434	33,343	33,256
	Accumulated Funds						
3,769	Operating Result for the Period	11,656	-99	-101	-91	-87	-86
	Reserves						
3,769	Total Income And Expense For The Period	11,656	-99	-101	-91	-87	-86
	Transactions Involving Equity Holders Affecting Accumulated Funds						
27,126	Closing Balance	33,533	33,434	..	33,343	33,256	33,170

Notes to Budget Statements

Significant variations are as follows:

Operating Statement

- interest:
 - the increase of \$7.272 million in the 2008-09 estimated outcome from the original budget reflects the increased market valuation of the fixed interest bond investments with the Territory Banking Account; and
 - the decrease of \$11.254 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to a large reduction in the forecast investment interest rates associated with the current global economic crisis;
- other revenue: the increase of \$0.6 million in the 2008-09 estimated outcome from the original budget and the decrease of \$0.6 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to a downward revision to the provision for doubtful debts in 2008-09 as a result of a reduction in outstanding loans;

Balance Sheet

- current and non-current receivables: the decrease of \$1.744 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to a reduction in outstanding loans;
- non-current investments: the increase of \$6.672 million in the 2008-09 estimated outcome from the original budget reflects higher than anticipated interest revenue in 2008-09; and
- current and non-current interest bearing liabilities: the decrease of \$2.424 million in the 2009-10 Budget from the 2008-09 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 \$0.171 million in the 2009-10 Budget from the 2008-09 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.

