

ACT HOUSING

Objectives

ACT Housing provides property management and tenancy management services for public housing.

ACT Housing allocates public rental properties as well as assessing and providing rental assistance to eligible public housing tenants (rent rebates) and managing tenancies as part of its tenancy management function. ACT Housing also 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.

2000-01 Highlights

Strategic and operational priorities in 2000-01 include:

- completing the Government's commitment to provide 200 additional units for older persons' accommodation over three years;
- developing and implementing strategies for rejuvenating or replacing ageing public housing stock and better meeting tenant needs, through:
 - implementing a program to revitalise the larger multi-unit properties;
 - upgrading Burnie Court, Lyons; and
 - replacing older, poor quality stock with newer stock, ensuring that stock continues to be equitably distributed throughout the city;
- introducing initiatives to improve the energy efficiency in ACT Housing properties consistent with the ACT Greenhouse Strategy;
- continuing to reduce rental debt by encouraging the participation of public tenants in the direct deduction schemes for rent payment (via Centrelink and financial institutions);
- continuing the emphasis on a customer service culture in delivering housing assistance; and
- improving the efficiency of services provided to tenants by implementing service level agreements and protocols with various government agencies (family services, mental health and disability services, environment and the Australian Federal Police).

ACT Housing Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue							
46 332	User Charges - Non ACT Government	45 814	44 424	-3	43 896	43 274	42 630
26 433	User Charges - ACT Government	26 220	30 741	17	30 541	30 291	24 791
500	Interest	1 087	400	-63	400	400	400
2 938	Other Revenue	11 164	7 724	-31	8 033	5 333	5 333
125	Resources Received free of charge	125	0	-100	0	0	0
76 328	Total Revenue	84 410	83 289	-1	82 870	79 298	73 154
Expenses							
10 774	Employee Expenses	11 394	12 479	10	12 000	12 000	12 000
1 600	Superannuation Expenses	1 425	1 600	12	1 577	1 570	1 570
43 519	Administrative Expenses	42 076	46 887	11	44 476	44 455	41 755
23 534	Depreciation and Amortisation	9 372	9 471	1	9 500	9 500	9 500
6 437	Interest	6 437	6 273	-3	6 101	5 735	5 540
3 880	Other Expenses	5 036	4 157	-17	3 980	3 930	3 880
89 744	Total Expenses	75 740	80 867	7	77 634	77 190	74 245
-13 416	Operating Result Before Abnormal Items	8 670	2 422	-72	5 236	2 108	-1 091
18 283	Abnormal Expense	15 767	0	-100	0	0	0
-31 699	Operating Result	-7 097	2 422	134	5 236	2 108	-1 091
597 546	Accumulated Funds - Start of Period	602 187	605 091	..	618 012	633 749	646 357
10 000	Amounts transferred to/from Reserves	10 000	10 500	5	10 500	10 500	10 000
1	Accum Funds Opening Adjustment	1	-1	-200	1	0	0
575 848	Accumulated Funds - End of Period	605 091	618 012	2	633 749	646 357	655 266

ACT Housing Statement Of Financial Position

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
Current Assets							
200	Cash	195	208	7	393	675	738
1 695	Receivables	1 255	1 239	-1	1 328	1 502	1 941
0	Investments	3 866	0	-100	0	0	0
15 096	Inventories	11 360	11 360	-	11 360	11 360	11 360
1 121	Other	954	954	-	954	954	954
18 112	Total Current Assets	17 630	13 761	-22	14 035	14 491	14 993
Non Current Assets							
1 146 174	Property, Plant and Equipment	1 210 551	1 212 885	..	1 213 377	1 211 117	1 205 176
4 089	Capital Works in Progress	5 530	5 530	-	5 530	5 530	5 530
1 150 263	Total Non Current Assets	1 216 081	1 218 415	..	1 218 907	1 216 647	1 210 706
1 168 375	TOTAL ASSETS	1 233 711	1 232 176	..	1 232 942	1 231 138	1 225 699
Current Liabilities							
2 568	Creditors	3 187	3 041	-5	2 553	2 804	2 804
3 811	Borrowings	3 816	3 983	4	4 162	4 349	4 545
2 046	Employee Entitlements	2 689	2 689	-	2 689	2 689	2 689
1 316	Other	1 386	1 386	-	1 386	1 386	1 386
9 741	Total Current Liabilities	11 078	11 099	..	10 790	11 228	11 424
Non Current Liabilities							
135 602	Borrowings	135 601	131 623	-3	127 461	123 112	118 567
1 441	Employee Entitlements	1 281	1 281	-	1 281	1 281	1 281
137 043	Total Non Current Liabilities	136 882	132 904	-3	128 742	124 393	119 848
146 784	TOTAL LIABILITIES	147 960	144 003	-3	139 532	135 621	131 272
1 021 591	NET ASSETS	1 085 751	1 088 173	..	1 093 410	1 095 517	1 094 427
REPRESENTED BY FUNDS EMPLOYED							
575 848	Accumulated Funds	605 091	618 012	2	633 749	646 357	655 266
445 744	Reserves	480 660	470 161	-2	459 661	449 160	439 161
1 021 592	TOTAL FUNDS EMPLOYED	1 085 751	1 088 173	..	1 093 410	1 095 517	1 094 427

ACT Housing Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
200	CASH AT BEGINNING OF REPORTING PERIOD	-793	195	125	208	393	675
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
71 765	User Charges	71 140	74 063	4	73 348	72 491	66 364
500	Interest Received	759	400	-47	400	400	400
500	Other Revenue	256	550	115	600	650	650
72 765	Operating Receipts	72 155	75 013	4	74 348	73 541	67 414
	Payments						
12 374	Related to Employees	12 819	14 079	10	13 577	13 570	13 570
42 711	Related to Administration	44 402	47 033	6	44 964	44 504	41 804
6 437	Finance Costs	6 437	6 273	-3	6 101	5 735	5 540
2 130	Other	2 450	2 130	-13	2 130	2 130	2 130
63 652	Operating Payments	66 108	69 515	5	66 772	65 939	63 044
9 113	NET CASH	6 047	5 498	-9	7 576	7 602	4 370
	INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
33 137	Proceeds from Sale of Property, Plant & Equipment	37 175	39 690	7	35 743	36 993	36 393
50 000	Proceeds from Sale/Maturities of Investments	57 621	57 866	..	53 000	53 355	53 355
83 137	Investing Receipts	94 796	97 556	3	88 743	90 348	89 748
	Payments						
42 218	Purchase of Property, Plant and Equipment	51 688	45 230	-12	39 151	40 151	36 351
46 386	Purchase of Investments	44 521	54 000	21	53 000	53 355	53 355
88 604	Investing Payments	96 209	99 230	3	92 151	93 506	89 706
-5 467	NET CASH	-1 413	-1 674	-18	-3 408	-3 158	42
	INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Financing Receipts	0	0	-	0	0	0
	Payments						
3 646	Repayment of Borrowings	3 646	3 811	5	3 983	4 162	4 349
3 646	Financing Payments	3 646	3 811	5	3 983	4 162	4 349
-3 646	NET CASH	-3 646	-3 811	-5	-3 983	-4 162	-4 349
	INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES						
0	NET INCREASE/(DECREASE) IN CASH HELD	988	13	-99	185	282	63
200	CASH AT THE END OF THE REPORTING PERIOD	195	208	7	393	675	738

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT government: the decrease of \$1.390m from the 1999-2000 estimated outcome to the 2000-01 Budget is due to the flow through of the reduction in property numbers arising from the transfer of properties to the community housing sector;
- user charges – ACT government: the increase of \$4.521m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to the inclusion of additional funding to compensate for the impacts of the introduction of the Goods and Services Tax (GST). The additional funding (\$5.5m) has only been included for 2000-01, 2001-02 and 2002-03 as this is the timeframe for the current multilateral and bilateral agreements under the Commonwealth State Housing Agreement (CSHA). This has been offset by a reduction in grants under the CSHA due to efficiency savings (\$0.324m) and the retention of the Crisis Accommodation Program grant funding by DUS as the purchaser (\$0.649m);
- interest revenue: the increase of \$0.587m in the 1999-2000 estimated outcome from the original budget is due to the investment of funds from higher than expected property sales in 1999-2000 (refer other revenue below). The decrease of \$0.687m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to a reduction in funds invested as the funds from the higher than expected property sales during 1999-2000 are applied towards the capital program and to revitalise the larger multi-unit properties. Interest revenues are expected to return to the normal levels in 2000-01 and the forward years;
- other revenue: the large increase of \$8.226m from original budget to 1999-2000 estimated outcome arose from the higher than expected property sales, particularly several high value properties in the inner north and south and the sale of Lachlan court. The profit on sales is not expected to be of this magnitude in 2000-01;
- employee expenses and superannuation expenses: the increase of \$1.260m in the 2000-01 Budget from the 1999-2000 estimated outcome is due to the increased costs associated with the Enterprise Bargaining Agreement, the conversion of some temporary employees to full-time staff, an allowance for redundancy costs and the cessation of capitalisation of some costs, such as for the implementation of Homenet;
- administrative expenses: the decrease of \$1.443m from the original budget to the 1999-2000 estimated outcome is due to savings in some property service costs such as general rates and water and sewerage rates resulting from the discount achieved from prepayment and the transfer of properties to the community housing sector. In addition, savings in other administrative expenditure occurred, including the delay in some costs associated with accommodation. The increase of \$4.810m in the 2000-01 Budget is due to the impact of the Goods and Services Tax (\$3.0m), particularly increasing the cost of repairs and maintenance as well as the impact of indexation and allowing for accommodation costs associated with the move to a new office;
- depreciation and amortisation expenses: the decrease of \$14.162m between the original budget and the 1999-2000 estimated outcome is due to the recalculation of the residual values and estimated useful lives of the public housing portfolio as well as the flow through effects of the decreased valuation of the portfolio over the preceding years, arising from independent valuations.

- other expenses: the increase of \$1.156m in the 1999-2000 estimated outcome from original budget is due to increased costs of demolition of properties above that originally budgeted for. The decrease of \$0.879m in the 2000-01 Budget is due to a reduction in the provisioning and write-off of bad debts and reduced costs of demolition; and
- abnormal expense: this item represents the value of the properties transferred to Community Housing Canberra Limited in 1999-2000. The initial transfer of 200 properties was finalised during 1999-2000.

Statement of Financial Position

- investments: the reduction in the balance of investments shown in the 1999-2000 estimated outcome will be used in the capital program, and the revitalisation of multi-unit properties through 2000-01;

OUTPUT CLASS 1: PUBLIC HOUSING	
PRINCIPAL MEASURES	
OUTPUT 1.1:	PUBLIC HOUSING
Description:	The provision and management of public housing properties and tenancies.

Measures	1999-2000 Targets	1999-2000 Est. Outcome	2000-01 Targets
Quantity			
Number of applicants housed	1 500	1 500	1 500
Percentage of tenants receiving rebates	85%	82%	85%
Number of tenancies managed	11 100	11 293	11 057
Number of properties/dwellings managed	11 573	11 653	11 399
Quality/Effectiveness			
Housing assistance information to applicants, tenants and the community is appropriate and understood by them	85%	85%	85%
Tenant satisfaction (as assessed by survey)	Upward trend	No change from 1998 Survey results	Upward trend
Repairs and maintenance expenditure as a proportion of the average building value	3.5%	3.5%	3.8%
Timeliness			
Time taken to process applications averages 15 days or less	100%	100%	100%
Percentage of tenants over 8 weeks in arrears	10%	10.8%	9%
Average time to house (turnaround times)	4 weeks or less	4 weeks or less	4 weeks or less
Cost			
Cost of providing information	\$1 136 000	\$1 481 000	\$1 216 000
Cost of assessing and administering tenancy applications	\$1 617 000	\$1 451 000	\$1 499 000
Cost of assessing and providing rental rebates	\$3 047 000	\$2 258 000	\$2 378 000
Cost of Tenancy management	\$11 128 000	\$9 815 000	\$11 302 000
Cost of Property management ¹	\$72 816 000	\$60 735 000	\$64 472 000
TOTAL COST (\$'000)	\$89 744	\$75 740	\$80 867
GOVERNMENT PAYMENT FOR OUTPUTS (\$'000) ²	\$0.0	\$0.0	\$0.0

Government Payment for Output differs from cost to the extent that the Output is financed from within the agency.

- 1 The estimated final cost of property management is expected to be significantly lower in 1999-2000 due to a reduction in depreciation and amortisation. However costs of property management increase in 2000-01 due to impacts of the GST.
- 2 The Government Payment for Outputs is appropriated to the Department of Urban Services as the purchaser, and reflected in Output 3.1: Housing Assistance, for DUS.