

## HOME LOAN PORTFOLIO

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### Purpose

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.

### 2013-14 Priorities

Strategic and operational issues to be pursued in 2013-14 include:

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

### Estimated Employment Level

2011-12 Actual Outcome	2012-13 Budget	2012-13 Est. Outcome	2013-14 Budget
1 Staffing (FTE)	1	1	1

### Output Classes

	Total Cost	
	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000
<b>Output Class 1:</b>		
<b>Home Loan Portfolio</b>	4,001	3,861
<b>Output 1.1: Home Loan Portfolio</b>	4,001	3,861

### Output Description

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

In 2013-14 the Home Loan Portfolio will:

- manage between 93 (2012-13 estimated outcome) and 77 (projection to 30 June 2014) loans; and
- comply with the Commonwealth Government's loan repayment schedule.

## Accountability Indicators

	2012-13 Target	2012-13 Est. Outcome	2013-14 Target
<b>1.1: Home Loan Portfolio</b>			
a. Administration cost per home loan managed <sup>1</sup>	\$2,110	\$2,550 <sup>2</sup>	\$2,870 <sup>3</sup>

**Notes:**

1. The administration cost per home loan excludes cost of Commonwealth loans.
2. The increase in the 2012-13 estimated outcome from the 2012-13 target is due to the recognition of Information Communication and Technology expenses which were capitalised in previous budget forecasts.
3. The higher cost per loan in 2013-14 is the result of partially fixed administration costs applied to a lower number of outstanding loans (expected to be 77 loans by 30 June 2014).

## Home Loan Portfolio Operating Statement

2012-13 Budget \$'000	2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>Income</b>						
<b>Revenue</b>						
4,445	185	140	-24	107	81	62
0	3,610	3,517	-3	3,372	3,248	3,156
333	771	469	-39	356	271	206
<b>4,778</b>	<b>4,566</b>	<b>4,126</b>	<b>-10</b>	<b>3,835</b>	<b>3,600</b>	<b>3,424</b>
<b>4,778</b>	<b>4,566</b>	<b>4,126</b>	<b>-10</b>	<b>3,835</b>	<b>3,600</b>	<b>3,424</b>
<b>Expenses</b>						
120	113	113	-	114	117	119
31	21	22	5	22	22	22
70	103	86	-17	57	92	61
10	0	0	-	0	0	0
3,764	3,764	3,640	-3	3,509	3,373	3,231
<b>3,995</b>	<b>4,001</b>	<b>3,861</b>	<b>-3</b>	<b>3,702</b>	<b>3,604</b>	<b>3,433</b>
<b>783</b>	<b>565</b>	<b>265</b>	<b>-53</b>	<b>133</b>	<b>-4</b>	<b>-9</b>
<b>783</b>	<b>565</b>	<b>265</b>	<b>-53</b>	<b>133</b>	<b>-4</b>	<b>-9</b>

**Note:**

- Interest received from investments with the Territory Banking Account is no longer presented as Interest Income. These amounts are now reflected under the line item Distribution from the Territory Banking Account. This treatment is not reflected in the 2012-13 Budget figures.

## Home Loan Portfolio Balance Sheet

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
<b>Current Assets</b>							
515	Cash and Cash Equivalents	628	634	1	654	663	571
1,200	Receivables	1,013	955	-6	901	856	822
10,000	Investments	10,000	10,000	-	10,000	10,000	10,000
<b>11,715</b>	<b>Total Current Assets</b>	<b>11,641</b>	<b>11,589</b>	<b>..</b>	<b>11,555</b>	<b>11,519</b>	<b>11,393</b>
<b>Non Current Assets</b>							
1,328	Receivables	741	572	-23	435	331	251
100,713	Investments	109,410	105,005	-4	99,787	96,763	93,669
40	Intangibles	0	0	-	0	0	0
<b>102,081</b>	<b>Total Non Current Assets</b>	<b>110,151</b>	<b>105,577</b>	<b>-4</b>	<b>100,222</b>	<b>97,094</b>	<b>93,920</b>
<b>113,796</b>	<b>TOTAL ASSETS</b>	<b>121,792</b>	<b>117,166</b>	<b>-4</b>	<b>111,777</b>	<b>108,613</b>	<b>105,313</b>
<b>Current Liabilities</b>							
6	Payables	9	7	-22	5	8	5
2,891	Interest-Bearing Liabilities	2,891	3,021	4	3,157	3,299	3,478
112	Employee Benefits	85	87	2	88	91	93
<b>3,009</b>	<b>Total Current Liabilities</b>	<b>2,985</b>	<b>3,115</b>	<b>4</b>	<b>3,250</b>	<b>3,398</b>	<b>3,576</b>
<b>Non Current Liabilities</b>							
77,987	Interest-Bearing Liabilities	77,987	74,966	-4	71,809	68,501	65,032
<b>77,987</b>	<b>Total Non Current Liabilities</b>	<b>77,987</b>	<b>74,966</b>	<b>-4</b>	<b>71,809</b>	<b>68,501</b>	<b>65,032</b>
<b>80,996</b>	<b>TOTAL LIABILITIES</b>	<b>80,972</b>	<b>78,081</b>	<b>-4</b>	<b>75,059</b>	<b>71,899</b>	<b>68,608</b>
<b>32,800</b>	<b>NET ASSETS</b>	<b>40,820</b>	<b>39,085</b>	<b>-4</b>	<b>36,718</b>	<b>36,714</b>	<b>36,705</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
32,800	Accumulated Funds	40,820	39,085	-4	36,718	36,714	36,705
<b>32,800</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>40,820</b>	<b>39,085</b>	<b>-4</b>	<b>36,718</b>	<b>36,714</b>	<b>36,705</b>

## Home Loan Portfolio Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
<b>Opening Equity</b>							
32,517	Opening Accumulated Funds	40,755	40,820	..	39,085	36,718	36,714
<b>32,517</b>	<b>Balance at the Start of the Reporting Period</b>	<b>40,755</b>	<b>40,820</b>	<b>..</b>	<b>39,085</b>	<b>36,718</b>	<b>36,714</b>
<b>Comprehensive Income</b>							
783	Operating Result for the Period	565	265	-53	133	-4	-9
<b>783</b>	<b>Total Comprehensive Income</b>	<b>565</b>	<b>265</b>	<b>-53</b>	<b>133</b>	<b>-4</b>	<b>-9</b>
<b>0</b>	<b>Total Movement in Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
-500	Capital Distributions to Government	-500	-2,000	-300	-2,500	0	0
<b>-500</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-500</b>	<b>-2,000</b>	<b>-300</b>	<b>-2,500</b>	<b>0</b>	<b>0</b>
<b>Closing Equity</b>							
32,800	Closing Accumulated Funds	40,820	39,085	-4	36,718	36,714	36,705
<b>32,800</b>	<b>Balance at the End of the Reporting Period</b>	<b>40,820</b>	<b>39,085</b>	<b>-4</b>	<b>36,718</b>	<b>36,714</b>	<b>36,705</b>

## Home Loan Portfolio Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
4,497	Interest Received	185	140	-24	107	81	62
0	Distribution from Investments with the Territory Banking Account <sup>1</sup>	4,533	3,544	-22	3,411	3,281	3,181
<b>4,497</b>	<b>Operating Receipts</b>	<b>4,718</b>	<b>3,684</b>	<b>-22</b>	<b>3,518</b>	<b>3,362</b>	<b>3,243</b>
<b>Payments</b>							
120	Related to Employees	112	113	1	115	116	118
29	Related to Superannuation	14	20	43	20	20	20
79	Related to Supplies and Services	112	88	-21	60	89	64
3,764	Borrowing Costs	3,764	3,640	-3	3,509	3,373	3,231
<b>3,992</b>	<b>Operating Payments</b>	<b>4,002</b>	<b>3,861</b>	<b>-4</b>	<b>3,704</b>	<b>3,598</b>	<b>3,433</b>
<b>505</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>716</b>	<b>-177</b>	<b>-125</b>	<b>-186</b>	<b>-236</b>	<b>-190</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
2,130	Proceeds from Sale/Maturity of Investments	1,831	4,405	141	5,218	3,024	3,094
584	Repayment of Home Loan Principal	878	669	-24	509	387	294
<b>2,714</b>	<b>Investing Receipts</b>	<b>2,709</b>	<b>5,074</b>	<b>87</b>	<b>5,727</b>	<b>3,411</b>	<b>3,388</b>
<b>2,714</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>2,709</b>	<b>5,074</b>	<b>87</b>	<b>5,727</b>	<b>3,411</b>	<b>3,388</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Payments</b>							
500	Distributions to Government	500	2,000	300	2,500	0	0
2,766	Repayment of Borrowings	2,766	2,891	5	3,021	3,166	3,290
<b>3,266</b>	<b>Financing Payments</b>	<b>3,266</b>	<b>4,891</b>	<b>50</b>	<b>5,521</b>	<b>3,166</b>	<b>3,290</b>
<b>-3,266</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-3,266</b>	<b>-4,891</b>	<b>-50</b>	<b>-5,521</b>	<b>-3,166</b>	<b>-3,290</b>
<b>-47</b>	<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	<b>159</b>	<b>6</b>	<b>-96</b>	<b>20</b>	<b>9</b>	<b>-92</b>
<b>562</b>	<b>CASH AT THE BEGINNING OF REPORTING PERIOD</b>	<b>469</b>	<b>628</b>	<b>34</b>	<b>634</b>	<b>654</b>	<b>663</b>
<b>515</b>	<b>CASH AT THE END OF REPORTING PERIOD</b>	<b>628</b>	<b>634</b>	<b>1</b>	<b>654</b>	<b>663</b>	<b>571</b>

**Note:**

- Interest received from investments with the Territory Banking Account is no longer presented as Interest Income. These amounts are now reflected under the line item Distribution from the Territory Banking Account. This treatment is not reflected in the 2012-13 Budget figures.

## Notes to Budget Statements

Significant variations are as follows:

### *Operating Statement*

- interest and distribution from investments with the Territory Banking Account: the decrease of \$0.650 million in the 2012-13 estimated outcome from the original budget is mainly due to lower than anticipated interest rates for both short-term and long-term investments.
- other revenue:
  - the increase of \$0.438 million in the 2012-13 estimated outcome from the original budget is due to a reduction of the provision for doubtful debts in 2012-13, to reflect the higher than anticipated payout of outstanding loans; and
  - the decrease of \$0.302 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to a lower provision for doubtful debts in 2013-14 resulting from a reduction in outstanding loans.

### *Balance Sheet*

- non current receivables: the decrease of \$0.587 million in the 2012-13 estimated outcome from the original budget is due to repayments being higher than anticipated.
- non current investments:
  - the increase of \$8.697 million in the 2012-13 estimated outcome from the original budget is due to additional funds being invested from loan repayments which were greater than anticipated; and
  - the decrease of \$4.405 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to the use of investments to meet Commonwealth loan commitments and the return of surplus funds to the Territory.
- non current interest-bearing liabilities: the decrease of \$3.021 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to the reduction in the loan principal owing to the Commonwealth Government which is scheduled to be fully paid in 2040.

### *Statement of Changes in Equity*

Variations in the statement are explained in the notes above.

### *Cash Flow Statement*

Variations in the statement are explained in the notes above.

