

Housing Business Services

EXPENSE AND REVENUE SUMMARY

| Business Line | 2003-04 Estimate | 2004-05 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| Operating Revenue | 81 763 | 80 156 |
| Public Housing | 52 927 | 52 589 |
| Government Employee Housing | 13 355 | 13 160 |
| Home Ownership | 14 149 | 13 075 |
| Indigenous and Community Housing Services | 1 332 | 1 332 |
| Operating Expenses | 98 567 | 97 213 |
| Public Housing | 69 230 | 68 114 |
| Government Employee Housing | 13 894 | 13 761 |
| Home Ownership | 13 648 | 13 543 |
| Indigenous and Community Housing Services | 1 795 | 1 795 |
| Operating Result | - 16 804 | - 17 057 |
| Public Housing | - 16 303 | - 15 525 |
| Government Employee Housing | - 539 | - 601 |
| Home Ownership | 501 | - 468 |
| Indigenous and Community Housing Services | - 463 | - 463 |

Total 2004-05 Staffing: 126

Profile

Overview

Housing Business Services provides access to safe, secure and affordable housing for those Territorians most in need and for Government employees who have entitlement to housing.

Key functional responsibilities include:

- improving provision of public housing services through an ongoing program of upgrading, replacing and constructing additional dwellings;
- enhancing access to affordable home ownership opportunities for low to middle income earners;
- providing housing assistance to Government employees with housing entitlements; and
- supporting community and welfare organisations in providing housing assistance to clients with special needs.

Strategic Issues

- Lift the home ownership rate and target public housing at those most in need.
- Align home ownership assistance with current market conditions.
- Improve accessibility and suitability of public housing, particularly for people with special needs.
- Improve standards and appropriateness of housing for Government employees.
- Balance social outcomes with sound commercial management principles.
- Facilitate strong Government and community partnerships to maximise efficiencies in coordinated housing assistance.

Budget Highlights

- Implementation of new initiatives including the Quality Landlord Strategy and special support needs policy to improve public housing service provision.
- Execution of urban renewal projects across the Northern Territory, focusing on the redevelopment of public housing complexes and addressing other high density areas to alleviate social issues in these locations.
- Continuation of Housing Maintenance System renovation projects to address identified maintenance and amenity of older public housing stock to meet housing provision standards and improve neighbourhood appeal.
- Transition to a new Government employee housing direct tenancy model of service delivery in urban and remote locations.
- Upgrade of urban and remote Government employee dwellings to core amenity standards across the Territory.
- Continuation of the review of HomeNorth products.
- Continuation of financial and administrative support to community organisations in providing housing options to special needs groups.
- Provision of financial and administrative support to Indigenous organisations to increase the number of successful tenancies for Indigenous public housing clients.
- Investigation of options for implementing a new information management system.
- The following table shows the approved major capital projects for 2004-05. Amounts shown are the total project costs and are not necessarily the cash commitments for 2004-05. For further details of these and other projects, see *Budget Paper No. 4*.

| 2004-05 Major Capital Works Projects | \$M |
|---|-----|
| Construct general-purpose public housing in Alice Springs | 1.0 |
| Replace Government employee housing in remote localities | 2.0 |
| Upgrade Government employee housing to current design standards | 5.0 |
| Construct Government employee housing in remote localities | 6.0 |
| Community renewal of public housing in urban centres to improve quality and amenity level | 3.0 |
| Security screens for public dwellings to improve the safety of tenants | 1.5 |
| Land servicing for housing programs in remote localities | 3.0 |
| Community Harmony Strategy – short-term accommodation and day centres, including refurbishment of existing facilities | 1.6 |

Performance

- Interest revenue on cash balances is expected to be lower for 2004-05 in line with the increase in the capital works program and lower cash balances.
- Employee expenses decline due to the transfer of corporate services employees to the Department of Community Development, Sport and Cultural Affairs, with administrative expenses increasing to reflect service payments to the Department for corporate services.
- Repairs and Maintenance expenses increased in 2003-04 by \$4 million due to approved additional one-off maintenance.

Public Housing

Provision of public housing to ensure Territorians have access to safe, secure and affordable housing. Provision of housing and management of tenancies to key employees of private sector businesses and community organisations.

Outcome

Access to safe, secure and affordable housing for Territorians.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Public housing dwellings | 5 737 | 5 667 |
| Number of dwellings used for industry housing | 280 | 284 |
| Proportion of public housing tenants on rental rebates | 82% | 88% |
| Households assisted through public housing provision | 6 228 | 6 521 |
| Territorians assisted through Bond Assistance Scheme | 864 | 759 |
| Territorians assisted through public housing rental rebates | 5 165 | 5 165 |
| <i>Quality</i> | | |
| Client satisfaction with provision of public housing assistance ¹ | 68% | 68% |
| Occupancy rates | 88% | 95% |
| <i>Timeliness</i> | | |
| Response time for unforeseen maintenance: | | |
| - immediate – requests completed within 4 hours | 100% | 100% |
| - routine – requests completed within 10 working days | 95% | 95% |
| Average weighted wait times for public housing : | | |
| - 1 bedroom ² | 28 mths | 20 mths |
| - 3 bedroom | 22 mths | 18 mths |
| <i>Cost</i> | | |
| Average annual cost per public housing rental rebate | \$4 760 | \$4 760 |
| Average annual repairs and maintenance cost per dwelling ³ | \$3 611 | \$3 000 |

¹ Estimate is the same for 2004-05 as the National Social Housing Survey that measures these indicators is produced biennially.

² Performance measure, previously two bedroom, changed due to increasing demand for one bedroom dwellings requiring greater scrutiny to ensure stock meets demand.

³ Higher 2003-04 costs due to significant one-off additional repairs and maintenance.

Government Employee Housing

Management of tenancies and provision of dwellings for employees of Government agencies.

Outcome

Adequate and consistent standards of housing and direct tenancy services to eligible employees.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Tenancies in urban localities | 519 | 519 |
| Tenancies in remote localities | 630 | 655 |
| Number of private head-leasing arrangements | 270 | 302 |
| <i>Quality</i> | | |
| Client satisfaction with services ¹ | | 80% |
| Remote and urban dwellings at core amenity standard ^{1,2} | | 123 |
| Occupancy rates – remote dwellings | 98% | 98% |
| <i>Cost</i> | | |
| Average annual net cost per Government employee dwelling | \$469 | \$524 |

¹ New measure for 2004-05. Estimates for 2003-04 not available.

² Core amenity standard replaces previous full amenity standard.

Home Ownership

Management of home ownership assistance products including HomeNorth loans, and grants and subsidies to increase home ownership opportunities for low to moderate income earners.

Outcome

Access to affordable housing through home ownership.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|---|---------------------|---------------------|
| <i>Quantity</i> | | |
| Number of new home ownership loans | 200 | 250 |
| Value of new home ownership loans | \$22M | \$28M |
| Value of new shared equity purchases | \$5.5M | \$6M |
| Number of home ownership loan subsidies | 545 | 545 |
| <i>Quality</i> | | |
| Home ownership loan accounts in arrears greater than 30 days ¹ | 1.8% | 1.8% |
| <i>Cost</i> | | |
| Average cost per home ownership loan subsidy | \$881 | \$881 |

¹ Calculated as a proportion of the value of total home ownership loans.

Indigenous and Community Housing Services

Supporting community and Indigenous organisations to assist in the provision of crisis accommodation to clients with special support needs, and improve housing outcomes for Indigenous people.

Outcome

Access to safe, secure and sustainable housing for special need groups.

| Performance Measures ¹ | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Number of Indigenous people assisted through Indigenous housing assistance service contracts | 900 | 1 000 |
| Community housing program grants | \$0.64M | \$0.64M |
| Crisis accommodation program grants | \$0.4M | \$0.4M |
| <i>Quality</i> | | |
| Community satisfaction with assistance provided ² | 68% | 68% |
| Community housing program and crisis accommodation grants acquitted successfully | | 90% |
| <i>Timeliness</i> | | |
| Community housing program and crisis accommodation grants processed in agreed timeframes | | 100% |
| <i>Cost</i> | | |
| Average administrative cost per community housing and crisis accommodation program grant processed ³ | \$5 300 | \$3 200 |

¹ Indigenous and Community Housing Services is a new business line, hence some data is unavailable for 2003-04.

² Estimate is the same for both years as the National Social Housing Survey that measures these indicators is produced biennially.

³ Decline due to an increase in the number of grants processed from 31 to 55 in 2004-05.

Statement of Financial Performance

| | 2003-04 Estimate | 2004-05 Budget |
|--|---------------------|-------------------|
| | \$000 | \$000 |
| OPERATING REVENUE | | |
| <i>Grants and Subsidies</i> | | |
| Current | 14 114 | 14 114 |
| Capital | | |
| Community Service Obligations | 13 666 | 13 799 |
| Sales of Goods and Services | 40 688 | 40 587 |
| Interest Revenue | 13 280 | 11 652 |
| Rent and Dividends | | |
| Miscellaneous Revenue | 4 | 4 |
| Profit/Loss on Disposal of Assets | 11 | |
| TOTAL OPERATING REVENUE | 81 763 | 80 156 |
| OPERATING EXPENSES | | |
| Employee Expenses | 8 291 | 7 254 |
| <i>Administrative Expenses</i> | | |
| Purchases of Goods and Services | 23 398 | 24 827 |
| Repairs and Maintenance | 21 398 | 20 000 |
| Depreciation and Amortisation | 17 895 | 17 895 |
| Other Administrative Expenses | | |
| <i>Grants and Subsidies</i> | | |
| Current | 1 820 | 1 820 |
| Capital | 988 | 988 |
| Interest Expense | 24 777 | 24 429 |
| TOTAL OPERATING EXPENSES | 98 567 | 97 213 |
| OPERATING SURPLUS BEFORE INCOME TAX | - 16 804 | - 17 057 |
| Income Tax Expense | | |
| NET OPERATING SURPLUS | - 16 804 | - 17 057 |

Statement of Financial Position

| | 2003-04 Estimate | 2004-05 Budget |
|-------------------------------|---------------------|-------------------|
| | \$000 | \$000 |
| ASSETS | | |
| Cash and Deposits | 51 999 | 26 484 |
| Receivables | 1 862 | 1 862 |
| Prepayments | 2 239 | 2 239 |
| Inventories | | |
| Advances and Investments | 189 536 | 189 927 |
| Land and Improvements | 786 515 | 787 977 |
| Plant and Equipment | 22 | 22 |
| Other Assets | | |
| TOTAL ASSETS | 1 032 173 | 1 008 511 |
| LIABILITIES | | |
| Deposits Held | 1 363 | 1 363 |
| Creditors and Accruals | 3 595 | 3 591 |
| Borrowings and Advances | 332 721 | 326 120 |
| Provisions | 1 623 | 1 623 |
| Other Liabilities | 1 257 | 1 257 |
| TOTAL LIABILITIES | 340 559 | 333 954 |
| NET ASSETS | 691 614 | 674 557 |
| EQUITY | | |
| <i>Capital</i> | | |
| Opening Balance | 46 351 | 46 351 |
| Equity Injections/Withdrawals | | |
| Reserves | 700 280 | 700 280 |
| <i>Accumulated Funds</i> | | |
| Opening Balance | - 38 213 | - 55 017 |
| Current Year Surplus/Deficit | - 16 804 | - 17 057 |
| Dividends Paid/Payable | | |
| TOTAL EQUITY | 691 614 | 674 557 |

Statement of Cash Flows

| | 2003-04 Estimate | 2004-05 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating Receipts | | |
| <i>Grants and Subsidies Received</i> | | |
| Current | 14 114 | 14 114 |
| Capital | | |
| Community Service Obligations | 13 666 | 13 799 |
| Receipts from Sales of Goods and Services | 40 692 | 40 591 |
| Interest Received | 13 280 | 11 652 |
| Total Operating Receipts | 81 752 | 80 156 |
| Operating Payments | | |
| Payments to Employees | 8 291 | 7 254 |
| Payments for Goods and Services | 44 796 | 44 827 |
| <i>Grants and Subsidies Paid</i> | | |
| Current | 1 820 | 1 820 |
| Capital | 988 | 988 |
| Interest Paid | 24 780 | 24 433 |
| Income Tax Paid | | |
| Total Operating Payments | 80 675 | 79 322 |
| NET CASH FROM OPERATING ACTIVITIES | 1 077 | 834 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investing Receipts | | |
| Proceeds from Asset Sales | 18 652 | 19 000 |
| Repayment of Advances | 39 509 | 27 510 |
| Sales of Investments | 6 100 | 6 100 |
| Total Investing Receipts | 64 261 | 52 610 |
| Investing Payments | | |
| Purchases of Assets | 28 540 | 38 357 |
| Advances and Investing Payments | 28 001 | 34 001 |
| Total Investing Payments | 56 541 | 72 358 |
| NET CASH FROM INVESTING ACTIVITIES | 7 720 | - 19 748 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Financing Receipts | | |
| Proceeds of Borrowings | | |
| Deposits Received | | |
| Equity Injections | | |
| Total Financing Receipts | | |
| Financing Payments | | |
| Repayment of Borrowings | 6 254 | 6 601 |
| Finance Lease Payments | | |
| Dividends Paid | | |
| Equity Withdrawals | | |
| Total Financing Payments | 6 254 | 6 601 |
| NET CASH FROM FINANCING ACTIVITIES | - 6 254 | - 6 601 |
| Net Increase in Cash Held | 2 543 | - 25 515 |
| Cash at Beginning of Financial Year | 49 456 | 51 999 |
| CASH AT END OF FINANCIAL YEAR | 51 999 | 26 484 |