

Territory Housing

Business Line	2004-05 Estimate	2005-06 Budget
	\$000	\$000
Operating Revenue	84 664	89 154
Public Housing	54 908	54 494
Government Employee Housing	15 015	19 917
Home Ownership	13 402	13 404
Indigenous and Community Housing Services	1 339	1 339
Operating Expenses	99 747	102 123
Public Housing	65 572	68 254
Government Employee Housing	20 428	19 741
Home Ownership	10 804	11 660
Indigenous and Community Housing Services	2 943	2 468
Operating Result	-15 083	-12 969
Public Housing	-10 664	-13 760
Government Employee Housing	-5 413	176
Home Ownership	2 598	1 744
Indigenous and Community Housing Services	-1 604	-1 129

2005-06 Staffing: 153

Profile

Territory Housing 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 facing Territory Housing in 2005-06 are:

- providing an appropriate quantity and standard of public housing in key areas;
- providing targeted housing for special needs groups;
- continuing efforts to lift the home ownership rate in the Territory and align home ownership with market conditions;
- providing an efficient and effective housing service to Government employees; and
- facilitating strong Government and community partnerships to maximise efficiencies in coordinating housing assistance.

Budget Highlights

- Implementation of key initiatives under Home Territory Strategy 2010 – A Sustainable Social Housing Program for the Northern Territory.
- Continuation 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.
- Funding of \$1.8 million dedicated to the continuation of renovation projects to address the amenity of older public housing stock to meet housing provision standards and improve neighbourhood appeal.
- Provision of additional funding of \$5 million in lieu of increased rent receipts to support the construction of additional Government employee housing, including six houses for teachers at Wadeye.
- As part of a program, upgrade urban and remote Government employee dwellings to core amenity standards across the Territory.
- Provision of an additional \$20 million for the new HomeNorth schemes introduced on 1 July 2004 to satisfy projected demand.
- Investigation and expansion of initiatives that encourage public housing tenants, including Indigenous Territorians, to purchase their own homes.
- Continuation of financial and administrative support to community organisations in providing housing options to special needs groups.
- The following table shows the approved major capital projects for 2005-06. For further details of these and other projects, see *Budget Paper No. 4*.

2005-06 Major Capital Works Projects	\$M
Wadeye – construct six Government employee housing dwellings for teachers	2.4
Replace Government employee housing in remote localities	2.0
Construct Government employee housing in remote localities	3.0
Upgrade Government employee housing to provide carports, storage areas and fencing, and replace substandard fixtures and fittings (core amenity and design standards)	3.0
Community renewal of public housing in urban centres – improve quality and amenity level. Works include refurbishing kitchens, bathrooms and wardrobes, improving storage facilities, modifying living areas and replacing standard fittings	1.8

Performance

- Public Housing – slight decline in operating revenue expected in 2005-06 due to a minor drop in the number of public housing dwellings in addition to reduced interest revenue on cash balances. Operating expenses reduced in 2004-05 primarily due to the reclassification of expenditure between repairs and maintenance and capital works.
- Government Employee Housing – operating revenue is expected to increase in 2005-06 as a result of additional funding of \$5 million provided for Government employee housing construction.
- Home Ownership – expenses forecast to increase by \$0.85 million in 2005-06 due to interest costs for additional borrowings undertaken to support the success of the new HomeNorth schemes.
- Indigenous and Community Housing Services – one-off grants of \$0.5 million provided in 2004-05 for Crisis Accommodation.

Business Line: 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.

The outcome is access to safe, secure and affordable housing for Territorians.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Public housing dwellings	5 535	5 436
	Public housing tenants receiving rental rebates	88%	90%
	New households assisted with public housing ^{1,2}	757	723
	New households assisted through Bond Assistance Scheme	621	621
	Industry housing dwellings	296	310
<i>Quality</i>	Client satisfaction with provision of public housing assistance	68%	68%
	Occupancy rates	94%	95%
<i>Timeliness</i>	Response time for unforeseen maintenance:		
	- immediate (requests completed within 4 hours)	97%	100%
	- routine (requests completed within 10 working days)	96%	97%
	Average number of days to occupy vacant stock	68	45
	New households allocated housing: ^{1,3}		
	- in less than three months	24%	25%
	- between three months to six months	17%	20%
- between six months to one year	18%	20%	
- between one year to two years	23%	20%	
- two years and greater	18%	15%	
<i>Cost</i>	Total rent collected as a percentage of total rent charged ²	92%	95%
	Percentage of rent foregone ⁴	5.3%	4.5%

1 Measure changed to count only new households assisted.

2 This is consistent with national reporting as part of the Commonwealth State Housing Agreement.

3 Previous performance measure on average weighted wait times has been replaced with more detailed measures.

4 Rent not received as a result of vacant houses.

Business Line: Government Employee Housing

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

The outcome is adequate and consistent standards of housing and direct tenancy services to eligible employees.

Performance Measures		2004-05 Estimate	2005-06 Estimate
Quantity	Dwellings in urban localities ¹	372	375
	Dwellings in remote localities ¹	821	833
	Private head-leasing arrangements	347	347
Quality	Client satisfaction with services	80%	80%
	Proportion of dwellings at core amenity standard ²	5%	10%
	Occupancy rate	98%	98%
Cost	Cost recovery ratio ³	52%	60%
	Average cost of new remote area dwellings	\$0.35M	\$0.35M

1 Classification of urban and remote localities has changed since last year to better reflect the cost of providing housing in these areas.

2 Core amenity standard replaces previous full amenity standard.

3 New measure for 2005-06.

Business Line: Home Ownership

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

The outcome is access to affordable housing through home ownership.

Performance Measures		2004-05 Estimate	2005-06 Estimate
Quantity	New home ownership loans	475	400
	Proportion of new Indigenous households receiving home purchase assistance	2.5%	5%
	Fee Assistance loans granted as a percentage of new home ownership loans ¹	97%	97%
	Value of new home ownership loans	\$65M	\$60M
	Value of new shared equity purchases	\$16M	\$14M
	Loans funded to households with a gross weekly income: ²		
	- between \$300-\$599	12%	15%
	- between \$600-\$899	56%	60%
	- between \$900-\$1100	32%	25%
	Total loan portfolio value ³	\$183M	\$203M
Quality	Home ownership loan accounts in arrears greater than 30 days	1.8%	1.8%
Cost	Average loan amount ⁴	\$140 000	\$150 000
	Median purchase price ⁴	\$190 000	\$200 000

1 New measure replaces previous 'number of home ownership loan subsidies' measure. The Fee Assistance loan was introduced on 1 July 2004, to assist low to medium income earners with the costs of purchasing their own home.

2 New measure monitoring effectiveness of schemes in assisting Territorians on low to moderate incomes to enter into home ownership.

3 This is consistent with national reporting against the Commonwealth State Housing Agreement.

4 New measure providing more comprehensive information on new HomeNorth schemes introduced on 1 July 2004. Median purchase price included to reflect movement in the residential property market relative to average loan granted.

Business Line: Indigenous and Community Housing Services

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

The outcome is access to safe, secure and sustainable housing for special needs groups.

Performance Measures		2004-05 Estimate	2005-06 Estimate
<i>Quantity</i>	Indigenous people assisted through Indigenous housing assistance service contracts	2 350	2 350
	Community Housing program grants	\$0.64M	\$0.64M
	Crisis Accommodation program grants	\$0.90M	\$0.40M
	Grant applications processed	31	30
	Value of applications received	\$3.60M	\$1.04M
<i>Quality</i>	Community Housing program and Crisis Accommodation program grants successfully acquitted	100%	100%
<i>Timeliness</i>	Grant applicants formally advised of outcome within four weeks of Minister's decision	100%	100%

Statement of Financial Performance

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
OPERATING REVENUE		
Grants and subsidies		
Current	14 180	14 180
Capital		
Community service obligations	15 730	20 560
Sales of goods and services	42 007	41 858
Interest revenue	12 743	12 552
Rent and dividends		
Miscellaneous revenue	4	4
Profit/loss on disposal of assets		
TOTAL OPERATING REVENUE	84 664	89 154
OPERATING EXPENSES		
Employee expenses	7 688	7 933
Administrative expenses		
Purchases of goods and services	25 947	26 086
Repairs and maintenance	18 132	20 000
Depreciation and amortisation	19 970	19 970
Other administrative expenses		
Grants and subsidies		
Current	1 820	1 820
Capital	1 495	995
Interest expense	24 695	25 319
TOTAL OPERATING EXPENSES	99 747	102 123
OPERATING SURPLUS BEFORE INCOME TAX	-15 083	-12 969
Income tax expense		
NET OPERATING SURPLUS	-15 083	-12 969

Statement of Financial Position

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
ASSETS		
Cash and deposits	13 827	7 422
Receivables	1 950	1 950
Prepayments	869	869
Inventories		
Advances and investments	230 954	231 345
Land and improvements	973 279	959 349
Plant and equipment	39	39
Other assets		
TOTAL ASSETS	1 220 918	1 200 974
LIABILITIES		
Deposits held	1 415	1 415
Creditors and accruals	3 956	3 952
Borrowings and advances	346 119	339 148
Provisions	1 232	1 232
Other liabilities	1 414	1 414
TOTAL LIABILITIES	354 136	347 161
NET ASSETS	866 782	853 813
EQUITY		
Capital		
Opening balance	46 351	47 031
Equity injections/withdrawals	680	
Reserves	888 284	888 284
Accumulated funds		
Opening balance	-53 450	-68 533
Current year surplus(+)/deficit(-)	-15 083	-12 969
Dividends paid/payable		
TOTAL EQUITY	866 782	853 813

Statement of Cash Flows

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	14 180	14 180
Capital		
Community service obligations	15 730	20 560
Receipts from sales of goods and services	42 011	41 862
Interest received	12 743	12 552
Total operating receipts	84 664	89 154
Operating payments		
Payments to employees	7 688	7 933
Payments for goods and services	44 079	46 086
Grants and subsidies paid		
Current	1 820	1 820
Capital	1 495	995
Interest paid	24 644	25 323
Income tax paid		
Total operating payments	79 726	82 157
NET CASH FROM OPERATING ACTIVITIES	4 938	6 997
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	19 000	19 000
Repayment of advances	39 510	27 510
Sales of investments	6 100	6 100
Total investing receipts	64 610	52 610
Investing payments		
Purchases of assets	50 745	25 040
Advances and investing payments	84 001	34 001
Total investing payments	134 746	59 041
NET CASH FROM INVESTING ACTIVITIES	-70 136	-6 431
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	20 000	
Deposits received		
Equity injections		
Total financing receipts	20 000	
Financing payments		
Repayment of borrowings	6 601	6 971
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	6 601	6 971
NET CASH FROM FINANCING ACTIVITIES	13 399	-6 971
Net increase in cash held	-51 799	-6 405
Cash at beginning of financial year	65 626	13 827
CASH AT END OF FINANCIAL YEAR	13 827	7 422