

Territory Housing

Business Line	2005-06 Estimate	2006-07 Budget
	\$000	\$000
Revenue	95 301	87 710
Public Housing	56 476	56 349
Government Employee Housing	23 621	15 383
Home Ownership	14 148	14 908
Housing Policy and Special Needs Assistance	1 056	1 070
Expenses	100 694	100 146
Public Housing	63 069	63 606
Government Employee Housing	21 947	21 093
Home Ownership	12 232	12 641
Housing Policy and Special Needs Assistance	3 446	2 806
SURPLUS/DEFICIT BEFORE INCOMETAX	-5 393	-12 436
Public Housing	-6 593	-7 257
Government Employee Housing	1 674	-5 710
Home Ownership	1 916	2 267
Housing Policy and Special Needs Assistance	-2 390	-1 736

2006-07 Staffing: 153

Agency 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;
- managing and coordinating the development of social housing policy; and
- supporting community and welfare organisations in providing housing assistance to clients with special needs.

Strategic issues facing Territory Housing in 2006-07 are:

- renegotiating the Commonwealth-State Housing Agreement to increase housing outcomes for Territorians;
- identifying and implementing appropriate strategies to address antisocial behaviour in and around public housing;
- providing an appropriate quantity and standard of public housing in key areas;
- exploring and developing options to improve life skills for public housing tenants to support sustainable tenancies;
- providing targeted housing for special needs groups;
- continuing efforts to lift the home ownership rate in the Territory with an increased focus on Indigenous homebuyers and Territorians in regional areas;
- providing an efficient and effective housing service to Government employees;

- facilitating strong Government and community partnerships to maximise efficiencies in coordinating housing assistance; and
- implementing key initiatives under Home Territory Strategy 2010 – A Sustainable Social Housing Program for the Northern Territory.

Budget Highlights

- As part of an ongoing program, funding of \$2 million dedicated to the redevelopment of Runge Street and Blain Street public housing unit complexes in Darwin and Tennant Creek.
- Funding of \$2 million for the continuation of the Tailored Upgrade Program to address the amenity of older public housing stock to meet housing provision standards and improve neighbourhood appeal.
- \$4 million dedicated to construction and replacement of remote Government employee dwellings across the Territory.
- Provision of \$80 million for the HomeNorth Xtra schemes to meet projected demand.
- Funding of \$1.1 million for the continuation of financial and administrative support to community organisations in providing housing options to special needs groups.
- Continued implementation of the Quality Landlord Strategy, including the introduction of a pilot tenancy management model aimed at improving the overall efficiency of public housing services.
- The following table shows the approved new capital works projects for 2006-07. For further details of these and other projects, see *Budget Paper No.4*.

2006-07 Capital Works	\$M
Public housing – general purpose housing in centres other than Darwin and Palmerston	0.7
Public housing – redevelop unit complexes in urban areas	2.0
Public housing – tailored upgrades in urban areas	2.0
Government employee housing – construct housing in remote localities	2.0
Government employee housing – replace housing in remote localities	2.0
Government employee housing – upgrades	3.0

Performance

Public Housing – performance is expected to show a decline in 2006-07 due to reduced interest received on lower cash balances and an increase in repairs and maintenance expense on public housing dwellings of \$0.8 million. This is marginally offset by a reduction in interest expense of \$0.1 million.

Government Employee Housing – performance is expected to decline in 2006-07 primarily due to lower revenue attributed to one-off additional funding of \$5 million in 2005-06 for Government employee housing construction, and one-off Australian Government grants of \$2.1 million to construct housing in remote areas. A change in headleasing arrangements will reduce both revenue and expenses by \$1.1 million. The decrease in expenses will be partially offset by an increase in repairs and maintenance expenses of \$0.25 million.

Home Ownership – performance in 2006-07 is expected to improve due to an estimated increase of \$0.8 million in interest received from the HomeNorth portfolio, and an expected decrease in expenses resulting from the cessation of home assistance products offered under the superseded HomeNorth schemes. This is partially offset by an increase in interest expense of \$1.1 million due to additional borrowings undertaken to support the HomeNorth Xtra schemes.

Housing Policy and Special Needs Assistance – performance is expected to show improvement in 2006-07 due to a carry over in 2005-06 of \$0.6 million in Australian Government grants, as 2005-06 includes finalisation of grant funding from 2004-05 programs.

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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Public housing dwellings	5 436	5 407
	Public housing tenants receiving rental rebates	90%	90%
	New households assisted with public housing ¹	723	775
	New households assisted through Bond Assistance Scheme	621	582
	Industry housing dwellings	310	308
<i>Quality</i>	Client satisfaction with provision of public housing assistance	68%	68%
	Occupancy rates	95%	96%
<i>Timeliness</i>	Response time for unforeseen maintenance:		
	- immediate (within 4 hours)	100%	100%
	- routine (within 10 working days)	97%	97%
	Average days to occupy vacant stock	45	45
	New households allocated housing ¹ :		
	- in less than three months	25%	25%
	- between three months to six months	20%	18%
- between six months to one year	20%	20%	
- between one year to two years	20%	20%	
- two years and greater	15%	17%	
<i>Cost</i>	Total rent collected as a percentage of total rent charged ¹	95%	97%
	Rent forgone ²	4.5%	4.5%

¹ Measurements are consistent with national reporting as part of the Commonwealth-State Housing Agreement.

² Rent forgone is an indicator of vacant dwellings.

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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Dwellings in urban localities	375	374
	Dwellings in remote localities	833	860
	Private headleasing arrangements	347	320
<i>Quality</i>	Client satisfaction with services	80%	80%
	Dwellings at core amenity standard	10%	15%
	Occupancy rate	98%	98%
<i>Cost</i>	Cost recovery ratio ^{1,2}	95%	95%
	Average cost of new remote area dwellings ³	\$0.35M	\$0.46M

1 The ratio is a measure of the ability to recover costs from delivery of the Government employee housing program.

2 An increase in the original 2005-06 target from 60 per cent to 95 per cent reflects an improvement in current activities.

3 The estimated increase in 2006-07 is due to rising construction costs in remote areas.

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		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	New home ownership loans ¹	400	433
	Proportion of new Indigenous households receiving home purchase assistance	5%	5%
	Fee Assistance loans granted as a percentage of new home ownership loans	97%	99%
	Value of new home ownership loans	\$60M	\$65M
	Value of new shared equity purchases	\$14M	\$15M
	Loans funded to households with a gross weekly income:		
	- between \$300-\$599	15%	15%
	- between \$600-\$899	60%	60%
	- between \$900-\$1100	25%	25%
	Total loan portfolio value	\$203M	\$205M
<i>Quality</i>	Home ownership loan accounts in arrears greater than 30 days	1.8%	1.8%
<i>Cost</i>	Average loan amount	\$150 000	\$150 000
	Median purchase price	\$200 000	\$200 000

1 The expected increase in 2006-07 is attributed to higher than expected uptake in the revised HomeNorth scheme.

Business Line: Housing Policy and Special Needs Assistance

Manage and coordinate the development of strategic social housing policy directions for social housing across the Territory. Support 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 business line name has changed to reflect the transfer of the Housing Policy Unit from the Department of Local Government, Housing and Sport.

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

Performance Measures		2005-06 Estimate	2006-07 Estimate
<i>Quantity</i>	Indigenous people assisted through Indigenous housing assistance service contracts ¹	2 350	3 344
	Community Housing program grants	\$0.64M	\$0.66M
	Crisis Accommodation program grants	\$0.40M	\$0.41M
	Grant applications processed	30	30
	Value of applications received	\$1.04M	\$1.07M
<i>Quality</i>	Community Housing and Crisis Accommodation program grants successfully acquitted	100%	100%
	Stakeholder satisfaction with:	>85%	>85%
	- advice on, and management of, Commonwealth-State Housing Agreement	>85%	>85%
	- management of housing policy		
<i>Timeliness</i>	Grant applicants formally advised of outcome within four weeks of Minister's decision	100%	100%

¹ The number assisted includes multiple instances of assistance to a person. The estimate for 2006-07 has increased due to improved monitoring and service delivery.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current	14 194	14 208
Capital	1 466	
Community service obligations	20 821	15 706
Sales of goods and services	42 664	41 592
Interest revenue	13 452	14 200
Rent and dividends		
Gain(+)/loss(-) on disposal of assets	2 000	2 000
Other revenue	704	4
TOTAL INCOME	95 301	87 710
EXPENSES		
Employee expenses	9 497	9 351
Administrative expenses		
Purchases of goods and services	27 854	26 203
Repairs and maintenance	14 500	15 500
Depreciation and amortisation	19 970	19 970
Other administrative expenses		
Grants and subsidies expenses		
Current	1 107	992
Capital	1 621	1 070
Interest expense	26 145	27 060
TOTAL EXPENSES	100 694	100 146
SURPLUS(+)/DEFICIT(-) BEFORE INCOMETAX	- 5 393	- 12 436
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	- 5 393	- 12 436

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	12 948	18 181
Receivables	6 477	6 477
Prepayments	2 200	2 200
Inventories		
Advances and investments	243 828	253 828
Property, plant and equipment	1 197 103	1 182 247
Other assets		
TOTAL ASSETS	1 462 556	1 462 933
LIABILITIES		
Deposits held	1 557	1 557
Creditors and accruals	4 478	4 657
Borrowings and advances	359 147	371 781
Provisions	1 440	1 440
Other liabilities	1 382	1 382
TOTAL LIABILITIES	368 004	380 817
NET ASSETS	1 094 552	1 082 116
EQUITY		
Capital		
Opening balance	47 031	47 031
Equity injections/withdrawals		
Reserves	1 109 842	1 109 842
Accumulated funds		
Opening balance	- 56 928	- 62 321
Current year surplus(+)/deficit(-)	- 5 393	- 12 436
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	1 094 552	1 082 116

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	14 194	14 208
Capital	1 466	
Community service obligations	20 821	15 706
Receipts from sales of goods and services	43 368	41 596
Interest received	13 452	14 200
Total operating receipts	93 301	85 710
Operating payments		
Payments to employees	9 497	9 351
Payments for goods and services	42 354	41 703
Grants and subsidies paid		
Current	1 107	992
Capital	1 621	1 070
Interest paid	26 059	26 881
Income tax paid		
Total operating payments	80 638	79 997
NET CASH FROM OPERATING ACTIVITIES	12 663	5 713
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	19 500	20 000
Repayment of advances	46 510	55 000
Sales of investments	12 100	15 000
Total investing receipts	78 110	90 000
Investing payments		
Purchases of assets	31 240	23 114
Advances and investing payments	74 000	80 000
Total investing payments	105 240	103 114
NET CASH FROM INVESTING ACTIVITIES	-27 130	-13 114
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	20 000	20 000
Deposits received		
Equity injections		
Total financing receipts	20 000	20 000
Financing payments		
Repayment of borrowings	6 971	7 366
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	6 971	7 366
NET CASH FROM FINANCING ACTIVITIES	13 029	12 634
Net increase(+)/decrease(-) in cash held	- 1 438	5 233
Cash at beginning of financial year	14 386	12 948
CASH AT END OF FINANCIAL YEAR	12 948	18 181