

Territory Housing

Business Line	2006-07 Estimate	2007-08 Budget
	\$000	\$000
Income	168 617	167 054
Public Housing	59 782	60 966
Government Employee Housing	14 646	14 500
Remote and Community Housing	75 184	75 288
Home Ownership	19 005	16 300
Expenses	165 649	179 303
Public Housing	64 289	62 248
Government Employee Housing	20 725	20 125
Remote and Community Housing	68 652	86 816
Home Ownership	11 983	10 114
SURPLUS/DEFICIT BEFORE INCOME TAX	2 968	-12 249
Public Housing	-4 507	-1 282
Government Employee Housing	-6 079	-5 625
Remote and Community Housing	6 532	-11 528
Home Ownership	7 022	6 186

2007-08 Staffing: 181

Profile

Territory Housing provides access to safe, secure and affordable housing for Territorians in urban and remote areas who are 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 dwellings;
- improving provision of public housing in regional and remote areas of the Territory;
- providing housing assistance to Government employees with housing entitlements;
- managing and coordinating the development of social housing policy;
- developing Indigenous housing policy and management of Indigenous housing programs;
- supporting community and welfare organisations in providing housing assistance to clients with special needs; and
- enhancing access to affordable home ownership opportunities for low to middle income earners.

Strategic issues in 2007-08 include:

- renegotiating the Commonwealth-State Housing Agreement to improve housing outcomes for Territorians;
- developing innovative ways of addressing issues around housing and social services for Indigenous Territorians;

- expanding the delivery of public housing to regional remote areas of the Territory;
- continuing to identify 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;
- enhancing community capacity by fostering skills development in the areas of construction, tenancy management and ongoing maintenance to improve the long-term delivery of remote housing;
- 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
- continuing to implement key initiatives under Home Territory Strategy 2010 – A Sustainable Housing Program for the Northern Territory.

Budget Highlights

- Funding of \$2 million as part of an ongoing program dedicated to the redevelopment of public housing unit complexes in the Territory.
- 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.
- Additional funding of \$8 million dedicated to construction and replacement of remote Government employee dwellings across the Territory.
- Funding of \$4 million in 2007-08 to upgrade police housing across the Territory. A further \$3 million in 2007-08 will be provided to upgrade Government employee housing in priority areas. These upgrades are part of a \$24 million four-year program and will be partially offset by revenue raised through the sale of police-occupied housing in urban areas.
- Additional funding of \$5 million will be provided in 2007-08 for land servicing, as part of the Territory Government's five-year \$100 million commitment to improve remote Indigenous housing.
- Funding of \$1 million to continue financial and administrative support to community organisations in providing housing options to special needs groups.

- Provision of \$34 million for the HomeNorth Xtra scheme to meet projected demand. The scheme has been reviewed to better assist the target group of low to middle income households to gain access to home ownership.

	\$M
2007-08 New Capital Works	
Public housing – construct housing in centres other than Darwin and Palmerston	1.0
Public housing – Kurringal redevelopment	1.9
Public housing – redevelop unit complexes in urban areas	2.0
Public housing – tailored upgrades in urban centres	2.0
Government employee housing – construct additional housing in remote localities	5.0
Government employee housing – land servicing in remote localities	1.0
Government employee housing – replace existing housing in remote localities	2.0
Government employee housing – upgrade housing in remote localities	3.0
Government employee housing – upgrade Police housing in remote locations	4.0
Indigenous housing – headworks	5.0
2007-08 Major Capital Grants	
Indigenous housing	55.6

Performance

Public Housing – Operating performance is expected to improve due to an estimated increase of \$1.5 million in profit on sale of assets. \$1 million is to be transferred to the minor new works program to commence a planned maintenance program that is capital in nature.

Government Employee Housing – There are no significant changes anticipated between 2006-07 and 2007-08.

Remote and Community Housing – Operating performance shows a decline in 2007-08 due to a carry forward of \$8.5 million from 2006-07 relating to capital grant funding for Indigenous communities.

Home Ownership – Operating performance in 2006-07 was above usual levels due to higher property values, which are expected to moderate in 2007-08.

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 for key employees of private sector businesses and community organisations.

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

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Public housing dwellings	5 407	5 288
	Public housing tenants receiving rental rebates	90%	89%
	New households assisted with public housing ¹	775	729
	New households assisted through Bond Assistance Scheme ²	582	429
	Industry housing dwellings	308	305
<i>Quality</i>	Client satisfaction with provision of public housing assistance	68%	68%
	Occupancy rates	96%	96%
<i>Timeliness</i>	Response time for unforeseen maintenance:		
	– immediate (within 4 hours)	100%	100%
	– routine (within 10 working days)	97%	94%
	Average number of days to occupy vacant stock	45	45
	New households allocated housing ¹ :		
	– in less than three months ³	25%	12%
	– between three months and six months	18%	21%
	– between six months and one year	20%	19%
– between one year and two years	20%	22%	
– two years and greater	17%	26%	
<i>Cost</i>	Total rent collected as a percentage of total rent charged ¹	97%	99%
	Rent forgone ⁴	4.5%	3.5%

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

2 Due to rental increases in the private sector, the number of households assisted with bond payments has reduced but total assistance in funding terms remains the same as 2006-07 levels.

3 Target revised down to reflect less short-term turnover as longer-term tenancies are being maintained.

4 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		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Dwellings in urban localities ¹	374	279
	Dwellings in remote localities	860	868
	Private headleasing arrangements	320	334
<i>Quality</i>	Client satisfaction with services	80%	80%
	Proportion of dwellings at core amenity standard ²	15%	30%
	Occupancy rate	98%	96%
<i>Cost</i>	Cost recovery ratio ³	95%	95%
	Average cost of new remote dwellings ⁴	\$0.46M	\$0.59M

1 The decrease is due to the sale of police housing in urban areas.

2 Increase reflects \$7 million upgrade program in 2007-08.

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

4 The estimated increase in 2007-08 is due to rising construction costs in remote areas.

Business Line: Remote and Community Housing

Provision of housing for Indigenous people living in remote areas of the Northern Territory that supports a safe environment, healthy living practices and quality of life.

Provision of grants to the community housing sector that assist in responding to the requirements of people with high and complex needs.

The business line name has changed to reflect the transfer of the Indigenous Housing Unit from the Department of Local Government, Housing and Sport.

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

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Number of permanent dwellings ¹	6 168	6 263
	New dwellings constructed	63	122
	Upgrades completed	20	20
	Remote Housing Management/Maintenance grants distributed	320	320
	Community Housing/Crisis Accommodation program grants	\$1.07M	\$1.07M
	People living in permanent dwellings	52 887	53 127
<i>Quality</i>	Stakeholder satisfaction with:		
	– advice on, and management of, Commonwealth-State Housing Agreement	> 85%	> 85%
	– management of housing policy	> 85%	> 85%
	Community housing organisation satisfaction with Indigenous community housing service delivery	85%	90%
	Housing requiring replacement	18%	17%
<i>Timeliness</i>	Grant applicants formally advised of outcome within four weeks of Minister's decision	100%	100%
	Grant acquittal finalised by due date	100%	100%
<i>Cost</i>	Total rent collected as a percentage of total rent charged	100%	100%

¹ New performance measure for 2007-08, not reported in the 2006-07 Budget.

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		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	New home ownership loans ¹	145	156
	Proportion of new Indigenous households receiving home purchase assistance	5%	5%
	Fee Assistance loans granted as a percentage of new home ownership loans	99%	99%
	Value of new home ownership loans	\$33M	\$28M
	Value of new shared equity purchases	\$10M	\$6M
	Loans funded to households with a gross weekly income ²		
	– \$0 and \$799	15%	5%
	– \$800 and \$1100	60%	30%
	– \$1101 and \$1346	25%	65%
	Total loan portfolio value	\$167M	\$168M
<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	\$180 000
	Median purchase price	\$220 000	\$240 000

¹ The HomeNorth Xtra scheme has been reviewed to better assist the target group of low to middle income households to gain access to home ownership.

² Household defined as couple (married or defacto) with or without dependants.

Operating Statement

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current	18 580	18 633
Capital	69 907	69 719
Community service obligations	15 640	15 483
Sales of goods and services	44 205	44 093
Interest revenue	14 788	13 829
Rent and dividends		
Gain(+)/loss(-) on disposal of assets	5 493	5 293
Other revenue	4	4
TOTAL INCOME	168 617	167 054
EXPENSES		
Employee expenses	12 897	12 693
Administrative expenses		
Purchases of goods and services	25 410	24 915
Repairs and maintenance	15 500	14 500
Depreciation and amortisation	19 970	19 970
Other administrative expenses	1 500	1 500
Grants and subsidies expenses		
Current	25 079	24 550
Capital	39 370	56 648
Interest expense	25 923	24 527
TOTAL EXPENSES	165 649	179 303
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	2 968	- 12 249
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	2 968	- 12 249

Balance Sheet

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
ASSETS		
Cash and deposits	33 967	17 074
Receivables	4 973	4 973
Prepayments	2 953	2 953
Inventories		
Advances and investments	220 169	222 353
Property, plant and equipment	1 201 140	1 196 484
Other assets		
TOTAL ASSETS	1 463 202	1 443 837
LIABILITIES		
Deposits held	1 723	1 723
Creditors and accruals	4 023	4 018
Borrowings and advances	331 781	324 670
Provisions	1 559	1 559
Other liabilities	1 232	1 232
TOTAL LIABILITIES	340 318	333 202
NET ASSETS	1 122 884	1 110 635
EQUITY		
Capital		
Opening balance	47 031	47 031
Equity injections/withdrawals		
Reserves	1 119 923	1 119 923
Accumulated funds		
Opening balance	- 47 038	- 44 070
Current year surplus(+)/deficit(-)	2 968	- 12 249
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	1 122 884	1 110 635

Cash Flow Statement

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	18 580	18 633
Capital	69 907	69 719
Community service obligations	15 640	15 483
Receipts from sales of goods and services	42 709	42 597
Interest received	14 788	13 829
Total operating receipts	161 624	160 261
Operating payments		
Payments to employees	12 897	12 693
Payments for goods and services	40 910	39 415
Grants and subsidies paid		
Current	25 079	24 550
Capital	39 370	56 648
Interest paid	25 980	24 532
Income tax paid		
Total operating payments	144 236	157 838
NET CASH FROM OPERATING ACTIVITIES	17 388	2 423
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	20 000	19 000
Repayment of advances	55 000	27 510
Sales of investments	15 000	6 100
Total investing receipts	90 000	52 610
Investing payments		
Purchases of assets	23 754	30 814
Advances and investing payments	43 000	34 001
Total investing payments	66 754	64 815
NET CASH FROM INVESTING ACTIVITIES	23 246	- 12 205
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings	27 366	7 111
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	27 366	7 111
NET CASH FROM FINANCING ACTIVITIES	- 27 366	- 7 111
Net increase(+)/decrease(-) in cash held	13 268	- 16 893
Cash at beginning of financial year	20 699	33 967
CASH AT END OF FINANCIAL YEAR	33 967	17 074