

Territory Housing

Business Line	2007-08 Estimate	2008-09 Budget
	\$000	\$000
Income	212 237	206 535
Public Housing	67 053	61 215
Government Employee Housing	36 881	30 214
Remote and Community Housing	92 026	97 884
Home Ownership	16 277	17 222
Expenses	198 685	165 558
Public Housing	65 671	64 384
Government Employee Housing	32 902	21 787
Remote and Community Housing	90 757	70 349
Home Ownership	9 355	9 038
SURPLUS/DEFICIT BEFORE INCOME TAX	13 552	40 977
Public Housing	1 382	- 3 169
Government Employee Housing	3 979	8 427
Remote and Community Housing	1 269	27 535
Home Ownership	6 922	8 184

2008-09 Staffing: 199

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. Territory Housing also provides home ownership assistance products for Territorians in urban areas.

Key functional responsibilities include:

- improving provision of public housing services in urban, regional and remote areas of the Territory through an ongoing program of upgrading, replacing and constructing dwellings;
- managing and coordinating the development of social and Indigenous housing policy and programs;
- supporting community and welfare organisations in providing housing assistance to clients with special needs;
- providing housing assistance to Government employees with housing entitlements; and
- access to affordable home ownership opportunities for low to middle income earners.

Strategic issues in 2008-09 include:

- negotiating the new National Affordable Housing Agreement to improve housing outcomes for Territorians;
- continuing to implement and refine key initiatives under the Northern Territory's overarching housing strategy, Home Territory 2010;

- continuing to develop new strategies to improve life skills and reduce antisocial behaviour in and around public housing;
- developing innovative platforms for providing targeted housing for special needs groups;
- providing innovative methods to expand the numbers and improve the condition of public housing in regional and remote areas;
- implementing a new public housing management framework for remote communities and town camps;
- providing an efficient and effective housing service to Government employees; and
- continue to lift the home ownership rate in the Territory with an increased focus on Indigenous homebuyers and Territorians in regional areas.

Budget Highlights

- Funding of \$48.3 million for Indigenous housing and infrastructure, including part of the Territory Government's five-year \$100 million commitment to improve remote Indigenous housing.
- Funding of \$25 million for the construction and replacement of remote Government employee dwellings across the Territory, including \$10 million under Closing the Gap.
- Provision of \$34 million for the HomeNorth Xtra scheme to assist low to middle income households to gain access to home ownership.
- Funding of \$3 million as part of an ongoing program to redevelop 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 Territory Housing standards and improve neighbourhood appeal.
- Funding of \$1 million to continue financial and administrative support to community organisations in providing housing options to special needs groups.

	\$M
2008-09 New Capital Works	
Government Employee Housing	
Closing the Gap – construct housing in remote localities	10.0
Construct housing in remote localities	5.0
Land servicing for housing in remote localities	1.0
Replace existing housing in remote localities	2.0
Upgrade police and priority housing in remote localities	8.0
Public Housing	
Construct housing	1.0
Redevelop unit complexes in urban areas	3.0
Tailored upgrades in urban areas	2.0
Indigenous Housing	
Strategic Indigenous Housing Infrastructure Program	48.3
2008-09 Major Capital Grants	
Indigenous housing	40.3

Performance

Public Housing – Operating performance in 2007-08 shows a significant improvement on the 2008-09 estimate due to a one-off gain resulting from the early redemption of a loan at below market value.

Government Employee Housing – Operating performance is expected to improve in 2008-09. The lower 2007-08 result is attributable to a one-off loss on early redemption of a loan at above market value. This loss was partly offset by capital grants received for Closing the Gap to finance construction in remote areas.

Remote and Community Housing – Operating performance is expected to improve in 2008-09 due to increased grants received that will be recognised as revenue but spent on capital construction to improve Indigenous housing in remote areas.

Home Ownership – Operating performance is expected to improve in 2008-09, due primarily to an anticipated increase in operating revenue related to increasing the number of loans provided to Territorians.

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 in regional areas where no private rental market exists.

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

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Public housing dwellings	5 288	5 251
	Public housing tenants receiving rental rebates	89%	89%
	New households assisted with public housing ¹	729	530
	New households assisted through Bond Assistance Scheme ²	429	305
	Industry housing dwellings	305	315
	<i>Quality</i>	Client satisfaction with provision of public housing assistance	68%
	Occupancy rates	96%	96%
<i>Timeliness</i>	Response time for unforeseen maintenance:		
	– immediate (within 4 hours)	100%	100%
	– routine (within 10 working days)	94%	96%
	Average number of days to occupy vacant stock	45	45
	New households allocated housing ¹ :		
	– in less than three months	12%	9%
	– between three months and six months	21%	12%
	– between six months and one year	19%	20%
	– between one year and two years	22%	26%
	– two years and greater	26%	33%
<i>Cost</i>	Total rent collected as a percentage of total rent charged	99%	99%
	Rent forgone ³	3.5%	3.5%

1 Target revised largely due to an increase in medium to long-term tenancies.

2 Due to rental increases in the private sector, the number of households able to afford private rentals has reduced but total assistance in funding terms remains the same as 2007-08 levels.

3 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		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Dwellings in urban localities	279	277
	Dwellings in remote localities	868	910
	Private headleasing arrangements ¹	334	369
<i>Quality</i>	Client satisfaction with services	80%	80%
	Proportion of dwellings at core amenity standard	30%	30%
	Occupancy rate	96%	97%
<i>Cost</i>	Cost recovery ratio ²	95%	95%
	Average cost of new remote dwellings ³	\$0.59M	\$0.65M

1 The increase in 2008-09 reflects Government's commitment to increase staffing in remote areas for key service delivery agencies.

2 The ratio is the measure of the ability to recover costs from delivery of the Government Employee Housing program.

3 The estimated increase in 2008-09 is due to rising construction costs in remote areas.

Business Line: Remote and Community Housing

Strategic management and coordination of social housing across the Northern Territory. Provision of grants to the community housing sector to assist in providing crisis and supported accommodation to clients with high and complex needs.

The outcome is access to safe, secure and affordable housing for special needs groups and remote Territorians.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Community Housing program grants	\$0.66M	\$0.69M
	Crisis Accommodation program grants	\$0.41M	\$0.43M
	Grant applications processed	25	27
<i>Quality</i>	Stakeholder satisfaction with:		
	– advice on and management of National Affordable Housing Agreement	> 85%	> 85%
	– management of housing policy	> 85%	> 85%
<i>Timeliness</i>	Grant applicants formally advised of outcome within four weeks of Minister's decision	100%	100%
	Grant acquittals finalised by due date	100%	100%

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 middle income earners.

The outcome is access to affordable housing through home ownership.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	New home ownership loans	156	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	\$28M	\$28M
	Value of new shared equity purchases	\$6M	\$6M
	Loans funded to households with a gross weekly income ¹		
	– \$0 to \$799	5%	5%
	– \$800 to \$1100	30%	30%
	– \$1101 to \$1346	65%	65%
	Total loan portfolio value	\$156M	\$157M
<i>Quality</i>	Home ownership loan accounts in arrears greater than 30 days	1.8%	1.8%
<i>Cost</i>	Average loan amount	\$180 000	\$180 000
	Median purchase price	\$240 000	\$240 000

¹ Household defined as couple (married or defacto) with or without dependants.

Operating Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current	14 728	14 728
Capital	106 211	106 469
Community service obligations	31 378	32 508
Sales of goods and services	33 456	33 024
Interest revenue	21 167	14 509
Rent and dividends		
Gain(+)/loss(-) on disposal of assets	5 293	5 293
Other revenue	4	4
TOTAL INCOME	212 237	206 535
EXPENSES		
Employee expenses	14 032	13 906
Administrative expenses		
Purchases of goods and services	37 196	31 953
Repairs and maintenance	15 500	16 275
Depreciation and amortisation	19 970	19 970
Other administrative expenses	1 500	1 500
Grants and subsidies expenses		
Current	27 860	20 183
Capital	49 247	41 448
Interest expense	33 380	20 323
TOTAL EXPENSES	198 685	165 558
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	13 552	40 977
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	13 552	40 977

Balance Sheet

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
ASSETS		
Cash and deposits	20 100	11 332
Receivables	5 410	5 410
Prepayments	2 087	2 087
Inventories		
Advances and investments	205 141	204 325
Property, plant and equipment	1 301 223	1 345 167
Other assets		
TOTAL ASSETS	1 533 961	1 568 321
LIABILITIES		
Deposits held	1 784	1 784
Creditors and accruals	4 854	4 852
Borrowings and advances	277 440	270 825
Provisions	1 849	1 849
Other liabilities	1 392	1 392
TOTAL LIABILITIES	287 319	280 702
NET ASSETS	1 246 642	1 287 619
EQUITY		
Capital		
Opening balance	46 870	46 870
Equity injections/withdrawals		
Reserves	1 207 230	1 207 230
Accumulated funds		
Opening balance	- 21 010	- 7 458
Current year surplus(+)/deficit(-)	13 552	40 977
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	1 246 642	1 287 619

Cash Flow Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current	14 728	14 728
Capital	106 211	106 469
Community service obligations	31 378	32 508
Receipts from sales of goods and services	31 960	31 528
Interest received	21 167	14 509
Total operating receipts	205 444	199 742
Operating payments		
Payments to employees	13 932	13 906
Payments for goods and services	52 696	48 228
Grants and subsidies paid		
Current	27 860	20 183
Capital	49 247	41 448
Interest paid	33 386	20 325
Income tax paid		
Total operating payments	177 121	144 090
NET CASH FROM OPERATING ACTIVITIES	28 323	55 652
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales	19 000	19 000
Repayment of advances	27 510	27 510
Sales of investments	10 100	9 100
Total investing receipts	56 610	55 610
Investing payments		
Purchases of assets	50 166	79 414
Advances and investing payments	34 001	34 001
Total investing payments	84 167	113 415
NET CASH FROM INVESTING ACTIVITIES	- 27 557	- 57 805
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Equity injections		
Total financing receipts		
Financing payments		
Repayment of borrowings	54 316	6 615
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	54 316	6 615
NET CASH FROM FINANCING ACTIVITIES	- 54 316	- 6 615
Net increase(+)/decrease(-) in cash held	- 53 550	- 8 768
Cash at beginning of financial year	73 650	20 100
CASH AT END OF FINANCIAL YEAR	20 100	11 332