

**Ownership Agreement between the
Treasurer
and the
Chief Executive
of the
Department of Disability,
Housing and Community Services**

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Purpose

1. This Ownership Agreement (The Agreement) establishes the Government's ownership interest in the Department of Disability, Housing and Community Services. It sets out guidelines and performance requirements to ensure the Government receives the best possible return from the resources employed by the Department. This is done through the efficient and business like management of those resources and the prudent management of the Territory's exposure to financial risk.

Parties

2. The Agreement is between the Treasurer and the Chief Executive of Department of Disability, Housing and Community Services, with respect to the Government's ownership interest in the Department.
3. The Agreement has been prepared in consultation with the following Ministers so far as determining the revenue to be received from the Minister of Disability, Housing and Community Services. for the purchase from the Department of services in 2004-05:

the Minister for Disability, Housing and Community Services; and

the Treasurer.

4. The Agreement will be tabled before the Legislative Assembly.

Scope

5. The Agreement reflects the objectives and plans, within the context of past performance and existing Government policy, of the Department of Disability, Housing and Community Services' owner and management over the term of the Agreement. It does not represent purchase or other funding commitments by the service clients of the agency, including the Government. It incorporates the operations of Housing ACT.
6. The Government's ownership interests in the Department of Disability, Housing and Community Services covered by the Agreement relate to:
 - a) efficient and effective management of the Department's expenses and revenues in order to at least achieve its planned operating result;
 - b) efficient and effective management of expenses incurred on behalf of the Territory, and Territory revenues collected by the Department;
 - c) efficient and effective utilisation of assets employed and liabilities managed by the Department and assets and liabilities held on behalf of the Territory;
 - d) the Government's interests as an employer including staffing profiles, staff turnover and occupational health and safety;
 - e) efficient cash management of the Department's current position with consequential maximisation of return on investment;

- f) the Department's longer term financial stability and viability together with its continuing capacity to provide services;
 - g) the optimal level of investment in the Department; and
 - h) the sound management of the property portfolio of Housing ACT.
7. The Agreement does not exclude, and is in addition to, the continuation of other Government wide policies including customer focus policies (commitment to service), risk management policies and Government employment policies such as equal employment opportunities.

Term of Agreement

8. The Agreement is for a period of four years from 1 July 2004 in line with the Government's forward estimate strategy. The Agreement focuses on the 2004-05 Budget year and will be updated annually on a rolling basis.

Corporate Objectives

9. The Department undertakes its activities in accordance with its Strategic Plan, which is based around the following five strategic themes:
- i. engaging and involving our clients
 - ii. improving outcomes for our clients
 - iii. building better community partnerships
 - iv. serving and contributing to good governance
 - v. performing as a best practice organisation
10. The major corporate objectives of the Department relevant to the Agreement are:
- a) subject to the requirements of government policy and legislation, to operate as a customer service oriented entity along business-like lines;
 - b) to use benchmarking to operate at least as efficiently as alternative service providers and to provide quality, value for money services in all aspects of the Department's operations;
 - c) to use financial practices and maintain accounts and records which satisfy the requirements of the *Financial Management Act 1996*, including the associated ACT Accounting Policy Manual modelled on the requirements of Australian Accounting Standards, and which fairly present the Department's financial position and operational and cashflow results for planning and reporting purposes;
 - d) to adopt high standard operating practices to safeguard the environment and health and safety of staff; and

- e) to provide a productive and satisfying working environment for staff, and a commitment to high standards of human resource management based on the principles of equal employment opportunity.

Business and Corporate Strategies

11. The Department will achieve its objectives and manage its risks in a manner consistent with its Strategic Plan, which is based around the following five strategic themes:

- Strategic Theme 1: Engaging and Involving Our Clients
Our clients are our primary concern. Using a person-centred approach and respecting their capacity to make decisions, we are working closely with them to address their needs and where appropriate, those of their families, carers and guardians.
- Strategic Theme 2: Improving Outcomes for Our Clients
We are working to ensure that the services and programs we provide are meeting the complex needs of our clients at all ages and stages of their lives and in whatever circumstances they may find themselves.
- Strategic Theme 3: Building Better Community Partnerships
Through a focus on community development and consultation, we are building closer partnerships with community organisations and the wider Canberra community to ensure that we deliver services of a high standard to them.
- Strategic Theme 4: Serving and Contributing to Good Governance
We are responsive to the policies of the Government. Through the provision of support to the Minister and the Chief Minister and through strong relationships with those government departments that are our partners, we are developing an exemplary standard of accountability, supporting the infrastructure of government and upholding the practice of good governance.
- Strategic Theme 5: Performing as a Best Practice Organisation
Our workforce is a crucial resource. We are establishing organisational systems to develop every staff member as a highly professional, respected and responsive officer working as a member of an effective team in a well-respected organisation.

The following objectives outlined under these themes, will ensure a focus on achieving our business and corporate strategies:

- Contribute to, and deliver on, the government's priorities and commitments;
- Provide an exemplary standard of accountability and uphold the practice of good governance;
- Manage financial and physical resources responsibly and in accordance with whole of government policies;
- A highly professional, responsive and responsible workforce; and
- Organisational systems and policies which encourage staff to perform at their highest level in an effective team environment.

Business Highlights 2004-05

12. The Department has responsibility for social housing services and policy, disability services and policy, concessions, community services and facilities, supported accommodation and therapy services. In bringing these related functions together in one organisation, the Department provides a more integrated approach to the development of policy and the delivery of a range of human services in the ACT.
13. In the context of its responsibilities, the Department is committed to supporting each of its current and future clients in a manner that recognises the stage of life and circumstances in which they find themselves, and to facilitating an outcome which is focused on their individual needs.
14. The Department's activities in 2004-05 will assist in the implementation of the ACT Government's Canberra Social Plan and Canberra Plan, and include:
 - focussing on delivering the highest possible level of client services, through continuing to enhance the integration of disability, housing, therapy and community services;
 - implementing, with community, business and government partners, the *Future Directions for Disability ACT 2004-2008*;
 - introducing changes to the service delivery model for Therapy ACT, based on community consultation;
 - implementing the first ever whole of government *ACT Homelessness Strategy*;
 - working with government and non-government agencies to implement the Government Response to the Final Report of the Affordable Housing Taskforce;
 - reforming electricity concessions for low income earners, through the introduction of an Energy Concession;
 - leading and co-ordinating the development of the *Access to Government Strategy* for people with a disability;
 - utilising the additional \$33.2m provided by the Government to acquire social housing stock;
 - implementing, in partnership with the community, the ACT Government's *Caring for Carers Policy*;
 - continuing the provision of high quality services to the Minister and the Government, strengthening collegiate relationships with other government human services agencies, and maintaining a high level of accountability, transparency and integrity in all departmental operations; and

- initiating, facilitating and promulgating policies and practices which enable the Department to perform as a best practice organisation, and to be recognised as an employer of choice.

Financial Objectives

Budgeted Financial Statements

15. Budgeted financial statements for the 2004-05 Budget year, as well as forward estimates for the three financial years commencing 2005-06 are at Attachment 1 to the Agreement. These general purpose financial statements have been prepared in accordance with the ACT Accounting Policy Manual and include:

- Statement of Financial Position (Department);
- Statement of Assets and Liabilities held on behalf of the Territory (Territorial);
- Statement of Financial Performance (Department);
- Statement of Revenues and Expenses on behalf of the Territory (Territorial);
- Statement of Cash Flows (Department);
- Statement of Cash Flows on behalf of the Territory (Territorial);
- Reconciliation of Operating Result with Net Cashflow from Operating Period, for both Department and Territorial accounts, for the estimated outcome and the Budget year; and
- Notes to the Financial Statements as appropriate, including variations in the 2004-05 Budget from both the projected 2003-04 outcome and published 2004-05 statement of financial performance forward estimate, of greater than 5%.

Financial Performance Targets

16. The Department undertakes to achieve the financial performance measures at Attachment 2 to this Agreement, as an assessment of the Department's performance in utilisation of its resources.

Operating Surplus/Loss

17. The Department undertakes, subject to change in Government policy with respect to the Department, to manage its resources to achieve at least the budgeted operating result in each financial year to which the Agreement relates.

18. The treatment of operating surpluses and the extent to which accumulated surpluses can be retained by the Department or are to be returned to the Territory will be subject to assessment by the Treasurer.

Budget Variations

19. Any variations from Budget, including calls on Treasurer's Advance, which do not result from a variation in the level of outputs delivered by the Department, must be agreed by the owner. Such variations will be considered in the context of end of year cash requirements, unless the relevant legal appropriation is first exhausted. The Department will manage within existing fund sources until this time.

Sustaining Public Funds

20. The Department will manage its resources to ensure the planned financial position at the end of each year to which the Agreement relates is achieved.

Employment

21. The Department undertakes to satisfy the requirements of *the Public Sector Management Act 1994*, relevant Enterprise Bargaining Agreements, and all other relevant industrial relations legislation, Awards and conditions.

Organisation Form

22. The Department includes the operations of the public trading enterprise Housing ACT. Under the *Financial Management Act 1996*, the financial performance of Housing ACT is reported separately. Attachment 1 includes Housing ACT's budgeted financial statements. The organisational structure of the Department is outlined at Attachment 3.

Human Resources Plan

23. The Department will provide the Treasurer through the Department of Treasury, a Human Resource Plan outlining employment structure as of the commencement (estimated) and end (projected) of the new financial year. The profile will also indicate the anticipated movements in staff during the period by each of recruitment and reductions by attrition and redundancies. The profile for 2003-04 is shown at Attachment 4.
24. The Department undertakes to satisfy the requirements set out in the Human Resource Plan at Attachment 4.
25. The Department undertakes to provide periodical reports against the attached Human Resource Plan in a form reasonably requested from time to time which may include age, gender, duration of employment, and membership of EEO classifications.

Occupational Health and Safety.

26. The Department's estimated cost of workers compensation at the start of the period is 5.6% of salaries or \$1.559m. Housing ACT's estimated cost of workers compensation at the start of the period is 3.7% of salaries and wages or \$0.534m.
27. Over the 2004-05 Budget year, the Department will institute and monitor best practice OHS policies and programs to decrease workers compensation costs by reducing the average cost, number and average duration of claims.

Voluntary Redundancies

28. The Department may restructure workplaces for increased efficiency and effectiveness, and offer voluntary redundancy packages for excess staff where redeployment is not a viable option. Any voluntary redundancy offer will be made in accordance with relevant statutory, EBA, Award and any other applicable industrial relations requirements. Any targeted decrease in staffing through a redundancy program will be subject to agreement by the Treasurer through the Department of Treasury.

Consultants and Contractors

29. On occasion there may be a requirement for the Department to provide reports on Consultants and Contractors. The Department will ensure that this information is made available within the timeframes determined by the Treasurer.

Capital Structure

30. The Agreement covers the capital employed by the Department. Any capital injections will be subject to an agreed business case and can be either as an injection of equity or as a repayable advance (debt capital) in accordance with terms and conditions determined by the Treasurer. The business case will cover the budget year in detail and the three forward years in outline.
31. A targeted level of capital employed necessary for the budgeted level of service delivery and ongoing financial stability of the Department, is reflected in the attached budgeted statements of financial position.
32. Budgeted cash equity capital injections (or distribution) will be payable at the end of the relevant financial year in the context of the budgeted and actual year end balance sheet position, including cash and other assets. The Department will meet funding needs during the year through prudent management of its fund sources and options, including operational receipts and finance facilities. The interest cost, real or opportunity, of this has been reflected in the Department's budgeted operating statement.
33. Agreement to asset acquisition and disposal is separate from the issue of appropriate capital position of the Department. Any decision by the Treasurer or by the Minister for Disability, Housing and Community Services to provide added capital or return funds to the Territory as a result of asset acquisition or disposal will be based on assessment of the Department's balance sheet, including capital position, in light of the proposed action.
34. All transfers of fixed assets between ACT agencies will be the subject of a formal agreement between the gaining and losing agencies in relation to timing and valuation of the assets. A copy of this formal agreement must be distributed to the Department of Treasury as part of normal monthly reporting arrangements immediately an agreement has been reached. The maximum timeframe for reaching an agreement is six weeks.

Fixed Asset Management

Asset Management Strategy

35. An Asset Management Plan (AMP) for the period of the Agreement is at Attachment 5 of the Agreement. The AMP outlines planned fixed asset acquisitions and disposals during the Agreement, and addresses the principles and requirements of the ACT Asset Management Strategy. It covers all assets utilised by the Department in its service delivery, including leased and financed assets.
36. The Department's AMP addresses asset management directions and strategies, asset acquisitions or replacements, office accommodation, asset maintenance, and asset re-use or rationalisation opportunities. To this end, the AMP also provides strategies to address deficiencies relating to present asset management information systems and data.
37. The AMP also summarises and outlines works projects, forward design proposals, and feasibility studies, agreed and proposed, and will be used as a basis for assessing business cases for future asset acquisition and works proposals.

Capital Works

38. All new works and fixed asset acquisitions will be subject to a business case duly supported by an investment appraisal and will be relevant to the outputs delivered by the Department. The case will identify agreed financial and economic business cases, forward design and construction proposals. It will include full investment analysis, and value management studies and whole-of-life costings in accordance with ACT Government capital works guidelines.
39. Business cases in the prescribed form and required detail must be prepared for all capital works projects and major asset acquisitions, irrespective of whether the project is to be funded from the capital works program, budget or internally. Treasury already reviews capital works program business cases. Any internally funded capital works projects or asset acquisitions greater than \$350,000 will be submitted to Treasury for review prior to being undertaken and copies of business cases provided for information purposes. A list of the approved Government funded Capital Works program for 2004-05 and Work-in Progress is included in Attachment 5.

Cash Control

40. The Department will manage its cash assets in a financially responsible manner and in accordance with guidelines issued. The Department will provide any additional cashflow and balance information requested from time to time to ensure appropriate management of the Territory's liquidity.
41. A list of each bank account within the Department's responsibility is at Attachment 6.

Additional Funding

42. The Department will present all requests for funding, whether through the annual budget or other supplementary processes, in the prescribed format and to the level

of detail required by the Treasurer as to accurately convey the purpose, composition and nature of the funding sought.

Borrowings

43. The *Financial Management Act 1996* requires that all borrowings, including finance leases, may only be undertaken by the Treasurer. Accordingly, the Treasurer's approval will be sought for all borrowings, finance leases and overdrafts. The business case and all relevant documentation will be provided to Treasury to advise the Treasurer.

Management of GST and FBT Liabilities

44. The Department shall fully comply with the ACT Taxation Management Framework. The Chief Executive will sign a taxation certification as at 30 September every year, and will provide the certification to the Treasury Liaison Officer in the Department of Treasury by 31 October. Attachment 7 is the Department's Risk Management Strategy.

Monitoring and Reporting

45. The Department shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The Department's Annual Report will, in effect, among other things, report against the requirements of the Agreement.

46. The consolidated *Financial Management Act 1996* sets out the external statutory financial reporting requirements of the Treasurer and the responsibilities of the Chief Executive of the Department in this regard, including annual and quarterly reporting. In addition, the Department of Treasury requires the continued provision of monthly reporting data.

Quarterly Reporting

47. To enable consolidated whole of Government reporting requirements to be met on a quarterly basis, the Department will ensure the availability to the Treasurer, through the Department of Treasury (by the eighth working day of each quarter), information, in the prescribed form and required detail, in respect of the previous quarter:

- Statement of Financial Position (Department) and Statement of Assets and Liabilities held on behalf of the Territory (Territorial);
- Statement of Financial Performance (Department) and Statement of Revenues and Expenses on behalf of the Territory (Territorial);
- Statement of Cash Flows (Department) and Statement of Cash Flows on behalf of the Territory (Territorial);
- Operating Statement material variance explanations against seasonal budgets provided by the Department (by the eighth working day of each quarter);
- Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights,

significant initiatives and major projects (by the tenth working day of each quarter); and

- Management Discussion and Analysis of agency results to date, forecast results and related issues that may impact on the financial condition of the agency (by the tenth working day of each quarter).

Monthly Reporting

48. In addition to the quarterly information required as identified above, on a monthly basis the Department will ensure the availability to the Treasurer through the Department of Treasury (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

49. As part of preparations for end of year reporting, Treasury will advise of the dates when the following documents are required at Treasury and at the Auditor General's Office:

- certified financial statements;
- management discussion and analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

Any changes arising between draft and final audit documents are to be advised to the Department of Treasury as they occur/are identified.

Seasonal Reporting

50. The Department will provide the Department of Treasury with a seasonally adjusted budget for the statement of financial performance and cash disbursement profile for equity capital injection and any debt capital injection sourced through Government, together with similar disbursement profiles for GPO and EBT. These budgeted forecasts will be provided no later than 15 July 2004.

51. The Department will ensure that the seasonal budget is representative of historical revenue and expenditure patterns and cashflows.

52. The Department's seasonally adjusted budgets will only be changed in agreement with Treasury through a review based on the provision of December and March quarter information (or as requested).

Model Internal Auditing Framework

53. The Department has compared its current practices and approaches to the framework and has taken any necessary action to ensure compliance.

Other Reporting

54. On occasion there may be a requirement for the Department to produce reports on a more frequent basis (eg. in the event of an Administrative Arrangement change occurring mid-month). The Department will ensure that this information is made available within time frames determined by the Treasurer.

Fraud Control

55. An updated Fraud Control Plan for the Department will be provided bi-yearly to the Public Sector Management Unit in the Chief Minister's Department.

Assets Held and Liabilities Managed on Behalf of the Territory

56. Assets held by the Department on behalf of the Territory comprise concessions grants to be forwarded to concessions providers and primarily relates to cash on hand and the contrasting liability until the grant funding can be forwarded (ie. roll-over of cash at the end of the period).

Expenses Incurred and Revenues Received on Behalf of the Territory

57. Territorial expenses and revenues comprise the receipt of funds for forwarding as concessions to concession providers. Arrangements relating to the administration of these funds are set out in Attachment 1 of this Agreement.

Longer Term Focus

58. The Department is responsible for the implementation of the following Government commitments, over the medium to long term:
- *Future Directions for Disability ACT 2004-2008*, which includes the Government Response to the Recommendations of the Board of Inquiry into Disability Services, and Steps to Reform - Reform and Action Strategy for Disability Services in the ACT 2002-05;
 - The Government Response to the Final Report of the Affordable Housing Taskforce;
 - Reform of the service delivery model for Therapy ACT, including addressing issues in the *Government Response to the Review of Therapy Services for School Students with a Disability*;
 - Improvements to community facilities, through the implementation of the *Community Services Facilities Management Strategy*;
 - Enhanced accessibility of ACT Government agencies, policies and services through the *Access to Government Strategy*;
 - Improved management of public housing resources, through the *Public Housing Asset Management Strategy*;
 - Improved services for homeless people, through the *ACT Homelessness Strategy*;

- Enhanced support and services for carers through the *Caring for Carers Policy*; and
- Ongoing workforce and policy development to build the strength and capacity of the Department's infrastructure to respond effectively to the Government's priorities

Special Conditions

59. The Commonwealth-State Housing Agreement for the period 2003-04 to 2007-08 is composed of two parts - The Multi-lateral Agreement which sets out the overall parameters of the relationship, including the roles and responsibilities, the funding arrangements and the outcomes. The Multi-lateral Agreement is signed by all States and Territories. The specific measures and targets that will be implemented by the ACT are set out in the Bi-lateral Agreement. The Bi-lateral is currently being finalised.
60. The Commonwealth-State Housing Agreement is a major source of funding of social housing and although it is being indexed for the first time in this Agreement, after savings have been deducted, real funding will continue to decline. In addition, there are provisions for withholding funding should the ACT fail to achieve targets set out in the Agreement, specifically measures to address workforce/employment disincentives.

Procedures for Amendment

61. Any revisions to the Agreement will be subject to negotiations between the Chief Executive and the Treasurer.

(signature).....

Chief Executive

(date)

(signature).....

Treasurer

(date)

Attachment 1 – Financial Statements

Department of Disability, Housing and Community Services Statement of Financial Performance

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
Revenue							
71 429	Government Payment for Outputs	74 293	79 278	7	83 189	85 907	87 675
1 069	User Charges - Non ACT Government	1 069	1 096	3	1 123	1 153	1 182
38	User Charges - ACT Government	2 545	3 819	50	3 883	3 950	4 016
123	Interest	267	233	-13	224	244	265
50	Other Revenue	206	50	-76	50	50	50
278	Resources Received free of charge	278	278	-	278	278	278
72 987	Total Ordinary Revenue	78 658	84 754	8	88 747	91 582	93 466
Expenses							
24 308	Employee Expenses	28 244	29 607	5	30 425	31 100	31 490
2 671	Superannuation Expenses	3 025	3 638	20	3 800	3 924	3 977
11 758	Supplies and Services	13 254	13 127	-1	13 850	14 348	14 732
1 363	Depreciation and Amortisation	1 317	1 457	11	1 367	1 254	1 254
34 436	Grants and Purchased Services	35 650	38 514	8	40 806	42 115	43 151
74 536	Total Ordinary Expenses	81 490	86 343	6	90 248	92 741	94 604
-1 549	Operating Result	-2 832	-1 589	44	-1 501	-1 159	-1 138
33 080	Total Equity From Start of Period	32 721	32 182	-2	35 393	33 892	32 733
1 425	Capital Injections	1 748	4 800	175	0	0	0
70	Inc/Dec in Net Assets from Admin Restructure	545	0	-100	0	0	0
33 026	Total Equity At The End of Period	32 182	35 393	10	33 892	32 733	31 595

**Department of Disability, Housing and Community Services
Statement of Financial Position**

Budget as at 30/6/04 \$'000		Est.Outcome as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000	Var %	Planned as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000
Current Assets							
2 256	Cash	2 767	3 114	13	3 464	3 842	4 241
245	Receivables	1 065	1 065	-	1 065	1 065	1 065
0	Investments	1 010	1 010	-	1 010	1 010	1 010
0	Other	43	43	-	43	43	43
2 501	Total Current Assets	4 885	5 232	7	5 582	5 960	6 359
Non Current Assets							
34 029	Property, Plant and Equipment	34 166	36 802	8	35 435	35 181	33 927
220	Capital Works in Progress	652	1 359	108	1 359	359	359
34 249	Total Non Current Assets	34 818	38 161	10	36 794	35 540	34 286
36 750	TOTAL ASSETS	39 703	43 393	9	42 376	41 500	40 645
Current Liabilities							
211	Payables	1 531	1 537	..	1 544	1 551	1 558
2 318	Employee Benefits	3 199	3 580	12	3 957	4 180	4 403
0	Other	485	485	-	485	485	485
2 529	Total Current Liabilities	5 215	5 602	7	5 986	6 216	6 446
Non Current Liabilities							
1 195	Employee Benefits	2 306	2 398	4	2 498	2 551	2 604
1 195	Total Non Current Liabilities	2 306	2 398	4	2 498	2 551	2 604
3 724	TOTAL LIABILITIES	7 521	8 000	6	8 484	8 767	9 050
33 026	NET ASSETS	32 182	35 393	10	33 892	32 733	31 595
REPRESENTED BY FUNDS EMPLOYED							
33 026	Accumulated Funds	32 182	35 393	10	33 892	32 733	31 595
33 026	TOTAL FUNDS EMPLOYED	32 182	35 393	10	33 892	32 733	31 595

**Department of Disability, Housing and Community Services
Statement of Cashflows**

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
71 181	Cash from Government for Outputs	73 554	78 447	7	82 340	85 039	86 801
248	Cash from Government - CSO Payments	739	831	12	849	868	874
1 107	User Charges	3 614	4 915	36	5 006	5 103	5 198
123	Interest Received	267	233	-13	224	244	265
3 035	Other Revenue	3 402	3 884	14	3 634	3 654	3 664
75 694	Operating Receipts	81 576	88 310	8	92 053	94 908	96 802
Payments							
27 489	Related to Employees	31 259	32 772	5	33 748	34 749	35 191
11 474	Related to Supplies and Services	12 970	12 843	-1	13 565	14 062	14 447
34 436	Grants and Purchased Services	35 650	38 514	8	40 806	42 115	43 151
2 985	Other	3 196	3 834	20	3 584	3 604	3 614
76 384	Operating Payments	83 075	87 963	6	91 703	94 530	96 403
-690	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-1 499	347	123	350	378	399
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
615	Purchase of Property, Plant and Equipment	938	4 800	412	0	0	0
615	Investing Payments	938	4 800	412	0	0	0
-615	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-938	-4 800	-412	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
1 425	Capital Injection from Government	1 748	4 800	175	0	0	0
0	Receipt of Transferred Cash Balances	602	0	-100	0	0	0
1 425	Financing Receipts	2 350	4 800	104	0	0	0
Payments							
1 401	Payments of Transferred Cash Balances	3 421	0	-100	0	0	0
1 401	Financing Payments	3 421	0	-100	0	0	0

**Department of Disability, Housing and Community Services
Statement of Cashflows**

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
24	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-1 071	4 800	548	0	0	0
-1 281	NET INCREASE/(DECREASE) IN CASH HELD	-3 508	347	110	350	378	399
3 537	CASH AT BEGINNING OF REPORTING PERIOD	7 285	3 777	-48	4 124	4 474	4 852
2 256	CASH AT THE END OF THE REPORTING PERIOD	3 777	4 124	9	4 474	4 852	5 251

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- government payment for outputs: the increase of \$2.864m in the 2003-04 estimated outcome from the original budget is due to increased funding through supplementary appropriations (\$2.138m), additional funding for expected wage increases (\$0.257m) and an adjustment for the increased Commonwealth funding for 2002-03 under the Commonwealth State Territory Disability Agreement (CSTDA) (\$0.469m).

The increase of \$4.985m in the 2004-05 Budget from the 2003-04 estimated outcome is mainly due to:

- funding for wage increases (\$0.642m);
- additional superannuation funding (\$0.402m);
- increased CSTDA funding (\$0.245m);
- growth funds for disability services that were transferred from ACT Health upon establishment of the Department (\$0.250m);
- indexation;
- additional funding for 2003-04 initiatives:
 - response to Homelessness (\$0.693m);
 - maintaining essential community facilities (\$0.250m);
 - addressing individual support needs for people with a disability (\$0.200m); and
 - building a single therapy service (\$0.155m);

- new initiatives for 2004-05:
 - addressing unmet needs for people with disabilities (\$1.250m);
 - autism assessment and support services (\$0.318m);
 - continuation of the Canberra Emergency Accommodation Service (\$0.381m);
 - carer recognition and supporting ATSI carers (\$0.200m);
 - additional funding for the delivery of emergency relief services (\$0.150m); and
 - transport initiatives for people with disabilities (\$0.120m).
- offset by:
 - departmental efficiency savings (-\$0.346m);
 - efficiencies achieved by engaging a single agency to supply relief disability services staff (-\$0.177m); and
 - reduction in InTACT costs (-\$0.103m).
- user charges – ACT Government: the increase of \$2.507m in the 2003-04 estimated outcome from the original budget is primarily due to payment from Housing ACT for the provision of organisational support services;

The increase of \$1.274m in the 2004-05 Budget from the 2003-04 estimated outcome is mainly due to the full year impact of the payment from Housing ACT for the provision of organisational support services;

- interest: the increase of \$0.144m in the 2003-04 estimated outcome from the original budget is due to higher than anticipated cash balances;
- other revenue: the increase of \$0.156m in the 2003-04 estimated outcome from the original budget relates to prior years' workers' compensation reimbursements;
- employee and superannuation expenses: the increase of \$4.290m in the 2003-04 estimated outcome from the original budget is largely due to:
 - costs associated with the provision of organisational support services to Housing ACT (\$1.717m);
 - staffing costs reflecting finalisation of the Department's corporate support functions (offset by a corresponding reduction in administrative expenses) (\$0.750m);
 - increased Comcare premium (\$0.525m);
 - the impact of wage increases including associated increases in annual and long service leave liabilities (\$0.515m);
 - additional costs for disability services (\$0.375m); and
 - additional costs associated with a disability client with complex needs (\$0.350m).

The increase of \$1.976m in the 2004-05 Budget from the 2003-04 estimated outcome is primarily due to:

- the impact of the wage increases (\$0.619m);
- the full year impact of costs associated with the provision of organisational support services to Housing ACT (\$0.521m);

- additional superannuation expenses (\$0.402m);
- increased expenses associated with new initiatives (\$0.312m); and
- the full year impact of corporate support functions in the Department (\$0.350m);

offset by:

- departmental efficiency savings (-\$0.244m).
- supplies and services: the increase of \$1.496m in the 2003-04 estimated outcome from the original budget is due to:
 - costs associated with the provision of organisational support services to Housing ACT (\$1.088m);
 - additional costs of the new contract related to relief disability staff (\$0.803m);
 - additional costs associated with a disability client with complex needs (\$0.300m);
 offset by:
 - reduction in costs in the corporate support functions (-\$0.750m).
 - depreciation and amortisation: the increase of \$0.140m in the 2004-05 Budget from the 2003-04 estimated outcome is largely due to finalisation of minor new works.
 - grants and purchased services: the increase of \$1.214m in the 2003-04 estimated outcome from the original budget is due to increased expenditure associated with increased Commonwealth funding under the Commonwealth State Territory Disability Agreement (CSTDA) (\$0.469m), increased cost of the new Taxi Subsidy Scheme (\$0.160m) and additional expenditure under the Supported Accommodation Assistance Program (SAAP) (\$0.853m).

The increase of \$2.864m in the 2004-05 Budget from the 2003-04 estimated outcome is mainly due to:

- additional funding under the Commonwealth State Territory Disability Agreement (CSTDA) (\$0.245m);
- additional funding for 2003-04 initiatives:
 - response to homelessness (\$0.693m) and
 - addressing individual support needs for people with a disability (\$0.200m).
- additional funding for new initiatives:
 - addressing unmet needs for people with disabilities (\$1.250m);
 - continuation of the Canberra Emergency Accommodation Service (\$0.381m);
 - carer recognition and supporting ATSI carers (\$0.200m);
 - delivery of emergency relief services (\$0.150m); and
 - transport initiatives for people with disabilities (\$0.132m).
- additional growth funds for disability services (\$0.250m);

- additional expenditure to assist with bushfire recovery activities (\$0.155m); and
 - one-off expenditure in 2003-04 under the Supported Accommodation Assistance Program (SAAP) (-\$0.853m).
- capital injections: the increase of \$0.323m in the 2003-04 estimated outcome from the original budget is primarily due to refurbishment to address occupational health and safety issues at the Therapy ACT building at Holder (\$0.500m) offset by the rollover of the Griffin Centre capital works project to 2004-05 (-\$0.177m).

The funding of \$4.800m in the 2004-05 Budget includes:

- \$2.740m for the Griffin Centre project;
- \$1m for the construction of a community hall at Palmerston;
- \$0.250m to complete the refurbishment of the Therapy ACT building at Holder;
- \$0.250m for a feasibility study for an intensive care and treatment facility for people with dual disabilities and complex behavioural problems; and
- \$0.560m for the Department's 2004-05 minor new works program for community facilities.

Statement of Financial Position

- current assets:
 - the increase of \$2.384m in the 2003-04 estimated outcome from the original budget is due to higher cash and investment balances (\$1.521m) required to meet payments to creditors. Accounts receivables are also higher (\$0.820m) mainly due to expected GST reimbursements from the Australian Taxation Office;
 - the increase of \$0.347m in the 2004-05 Budget from the 2003-04 estimated outcome is due to higher cash balance;
- non current assets:
 - the increase of \$0.569m in the 2003-04 estimated outcome from the original budget is largely due to refurbishment to address occupational health and safety issues at the Therapy ACT building at Holder;
 - the increase of \$3.343m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the impact of the 2004-05 capital works initiatives and the Griffin Centre project;
- current liabilities:
 - the increase of \$2.686m in the 2003-04 estimated outcome from the original budget is largely due to increases in creditors (\$1.320m) and employee benefits (\$0.881m). The former reflects a realistic level of creditors that was not known when the original budget was developed; the increase in employee benefits is a result of accrued leave entitlements for staff transferred into the Department and the impact of wage increases;
 - the increase of \$0.387m in the 2004-05 Budget from the 2003-04 estimated outcome is largely due to an increase in employee benefits as a result of the impact of wage increases; and

- non-current liabilities:
 - the increase in the 2003-04 estimated outcome from the original budget of \$1.111m is due to an increase in employee benefits for accrued leave entitlements for staff transferred into the Department and the impact of wage increases.

**Department of Disability, Housing and Community Services
Statement of Revenues and Expenses on Behalf of the Territory**

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
Revenue							
21 646	Payment for Expenses on behalf of Territory	21 964	23 434	7	24 163	24 815	25 435
14 695	Grants from the Commonwealth	15 164	15 105	..	15 525	15 780	15 780
36 341	Total Ordinary Revenue	37 128	38 539	4	39 688	40 595	41 215
Expenses							
9 660	Grants and Purchased Services	9 978	10 894	9	11 290	11 622	11 913
11 986	Other Expenses	11 986	12 540	5	12 873	13 193	13 522
14 695	Transfer Expenses	15 164	15 105	..	15 525	15 780	15 780
36 341	Total Ordinary Expenses	37 128	38 539	4	39 688	40 595	41 215
0	Operating Result From Ordinary Activities	0	0	-	0	0	0
22	Extraordinary Revenue	22	0	-100	0	0	0
22	Extraordinary Expense	22	0	-100	0	0	0
0	Operating Result	0	0	-	0	0	0
0	Total Equity From Start of Period	0	0	-	0	0	0
0	Total Equity At The End of Period	0	0	-	0	0	0

**Department of Disability, Housing and Community Services
Statement of Assets and Liabilities on Behalf of the Territory**

Budget as at 30/6/04 \$'000		Est.Outcome as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000	Var %	Planned as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Planned as at 30/6/ \$'000
	Current Assets						
385	Cash	11	11	-	11	11	11
228	Receivables	1 160	1 160	-	1 160	1 160	1 160
613	Total Current Assets	1 171	1 171	-	1 171	1 171	1 171
613	TOTAL ASSETS	1 171	1 171	-	1 171	1 171	1 171
	Current Liabilities						
613	Payables	1 171	1 171	-	1 171	1 171	1 171
613	Total Current Liabilities	1 171	1 171	-	1 171	1 171	1 171
613	TOTAL LIABILITIES	1 171	1 171	-	1 171	1 171	1 171
0	NET ASSETS	0	0	-	0	0	0
	REPRESENTED BY FUNDS EMPLOYED						
0	Accumulated Funds	0	0	-	0	0	0
0	TOTAL FUNDS EMPLOYED	0	0	-	0	0	0

**Department of Disability, Housing and Community Services
Budgeted Statement of Cashflows on Behalf of the Territory**

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
11 986	Cash from Government for EBT	11 986	12 540	5	12 873	13 193	13 522
9 660	Cash from Government - CSO Payments	9 978	10 894	9	11 290	11 622	11 913
14 695	Grants Received from the Commonwealth	15 164	15 105	..	15 525	15 780	15 780
81	Other Revenue	113	179	58	197	206	208
22	Extraordinary Receipts	22	0	-100	0	0	0
36 444	Operating Receipts	37 263	38 718	4	39 885	40 801	41 423
Payments							
9 660	Grants and Purchased Services	9 978	10 894	9	11 290	11 622	11 913
12 067	Other	12 099	12 719	5	13 070	13 399	13 730
14 695	Territory Receipts to Government	15 164	15 105	..	15 525	15 780	15 780
22	Extraordinary Payments	22	0	-100	0	0	0
36 444	Operating Payments	37 263	38 718	4	39 885	40 801	41 423
0	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	0	0	-	0	0	0
0	NET INCREASE/(DECREASE) IN CASH HELD	0	0	-	0	0	0
385	CASH AT BEGINNING OF REPORTING PERIOD	11	11	-	11	11	11
385	CASH AT THE END OF THE REPORTING PERIOD	11	11	-	11	11	11

Notes to the Budget Statements

Significant variations are as follows:

Statement of Revenues and Expenses on Behalf of the Territory

- payment for expenses on behalf of territory:
 - the increase of \$0.318m in the 2003-04 estimated outcome from the original budget is due to an increase in concession expenses as a result of higher electricity and other utility charges;

- the increase of \$1.470m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the introduction of a streamlined energy concession that replaces the existing electricity concession and includes a new concession for gas (\$0.740m), an increase to the rebate on residential property rates for eligible pensioners (\$0.305m) and indexation; and
- grants from the Commonwealth: the increase of \$0.469m in the 2003-04 estimated outcome from the original budget is due to an adjustment for 2002-03 under the Commonwealth State Territory Disability Agreement (CSTDA).

Reconciliation of Operating Result to Net Cashflow from Operating Activities

	<i>2003-04</i> <i>Estimated</i> <i>Outcome</i> \$'000	<i>2004-05</i> <i>Budget</i> \$'000	<i>Variance</i> %
Operating Surplus/(Loss)	-2 832	-1 589	44
Depreciation	1 317	1 457	11
Asset Transferred	3 378	0	-100
Provision for doubtful debts			
Profit/(Loss) on disposal of assets			
Increase/(decrease) in employee entitlements	-242	476	295
Increase/(decrease) in trade creditors	-227	6	103
Increase/(decrease) in accrued expenses			
Increase/(decrease) in other liabilities	-3 000	0	-100
(Increase)/decrease in trade debtors	107	0	-100
(Increase)/decrease in inventories			
(Increase)/decrease in accrued revenue			
(Increase)/decrease in prepaid expenses			
Net inflow from operating activities	-1 499	347	123

**Reconciliation of Operating Result on behalf of the Territory to Net Cashflow
from Operating Activities on behalf of the Territory**

	<i>2003-04</i>	<i>2004-05</i>	
	<i>Estimated</i>	<i>Budget</i>	<i>Variance</i>
	<i>Outcome</i>	<i>\$'000</i>	<i>%</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>
Operating Surplus/(Loss)	0	0	0
Depreciation			
Amortization			
Provision for doubtful debts			
Profit/(Loss) on disposal of assets			
Increase/(decrease) in employee entitlements			
Increase/(decrease) in trade creditors			
Increase/(decrease) in accrued expenses			
Increase/(decrease) in other liabilities			
(Increase)/decrease in trade debtors			
(Increase)/decrease in inventories			
(Increase)/decrease in accrued revenue			
(Increase)/decrease in prepaid expenses			
Net inflow from operating activities	0	0	0

Housing ACT Statement of Financial Performance

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
Revenue							
35 210	Government Payment for Outputs	33 738	31 913	-5	30 178	30 445	30 725
58 551	User Charges - Non ACT Government	58 661	59 550	2	60 750	61 950	63 150
114	User Charges - ACT Government	100	100	-	100	100	100
1 129	Interest	1 838	1 500	-18	1 200	750	750
7 609	Other Revenue	7 324	5 509	-25	5 509	5 509	5 509
102 613	Total Ordinary Revenue	101 661	98 572	-3	97 737	98 754	100 234
Expenses							
16 374	Employee Expenses	16 188	16 557	2	17 068	17 747	18 454
2 130	Superannuation Expenses	1 651	2 259	37	2 331	2 406	2 485
58 066	Supplies and Services	59 322	63 781	8	65 216	67 101	69 041
12 690	Depreciation and Amortisation	13 644	14 441	6	14 404	14 404	14 404
5 745	Borrowing Costs	5 745	5 554	-3	5 361	5 165	4 966
8 222	Grants and Purchased Services	8 024	10 882	36	2 673	2 716	2 752
3 532	Other Expenses	4 742	4 490	-5	4 294	4 299	4 303
106 759	Total Ordinary Expenses	109 316	117 964	8	111 347	113 838	116 405
-4 146	Operating Result From Ordinary Activities	-7 655	-19 392	-153	-13 610	-15 084	-16 171
0	Extraordinary Revenue	-1 286	0	100	0	0	0
0	Extraordinary Expense	538	0	-100	0	0	0
-4 146	Operating Result	-9 479	-19 392	-105	-13 610	-15 084	-16 171
-22 000	Increase/(Decrease) in asset revaluation reserve	181 500	111 675	-38	118 359	125 376	132 746
22 000	Transfer to/from Reserves	22 000	22 000	-	22 000	22 000	22 000
0	Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	203 500	133 675	-34	140 359	147 376	154 746
2 040 550	Total Equity From Start of Period	2 337 026	2 567 268	10	2 686 551	2 818 300	2 955 592
4 400	Capital Injections	36 164	5 000	-86	5 000	5 000	5 000
-70	Inc/Dec in Net Assets from Admin Restructure	57	0	-100	0	0	0
2 040 734	Total Equity At The End of Period	2 567 268	2 686 551	5	2 818 300	2 955 592	3 099 167

Housing ACT Statement of Financial Position

Budget as at 30/6/04 \$'000		Est.Outcome as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000	Var %	Planned as at 30/6/06 \$'000	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000
Current Assets							
1 703	Cash	3 213	2 876	-10	2 761	2 643	2 522
3 498	Receivables	2 480	2 589	4	2 623	2 543	2 463
9 950	Investments	19 000	6 700	-65	7 400	8 100	8 800
135	Other	423	423	-	423	423	423
15 286	Total Current Assets	25 116	12 588	-50	13 207	13 709	14 208
Non Current Assets							
0	Receivables	500	500	-	500	500	500
2 158 229	Property, Plant and Equipment	2 672 254	2 797 701	5	2 924 397	3 056 617	3 195 011
2 000	Capital Works in Progress	8 265	8 265	-	8 265	8 265	8 265
2 160 229	Total Non Current Assets	2 681 019	2 806 466	5	2 933 162	3 065 382	3 203 776
2 175 515	TOTAL ASSETS	2 706 135	2 819 054	4	2 946 369	3 079 091	3 217 984
Current Liabilities							
4 918	Payables	6 628	6 628	-	6 629	6 575	6 521
4 545	Interest Bearing Liabilities	4 286	4 356	2	4 437	4 549	4 706
78	Finance Leases	78	78	-	78	78	78
2 057	Employee Benefits	2 692	2 692	-	2 692	2 691	2 690
2 709	Other	3 911	1 911	-51	1 911	1 911	1 911
14 307	Total Current Liabilities	17 595	15 665	-11	15 747	15 804	15 906
Non Current Liabilities							
118 613	Interest Bearing Liabilities	119 139	114 783	-4	110 345	105 796	101 090
400	Finance Leases	400	322	-20	244	166	88
1 461	Employee Benefits	1 733	1 733	-	1 733	1 733	1 733
120 474	Total Non Current Liabilities	121 272	116 838	-4	112 322	107 695	102 911
134 781	TOTAL LIABILITIES	138 867	132 503	-5	128 069	123 499	118 817
2 040 734	NET ASSETS	2 567 268	2 686 551	5	2 818 300	2 955 592	3 099 167
REPRESENTED BY FUNDS EMPLOYED							
756 799	Accumulated Funds	792 676	800 284	1	813 674	825 590	836 419
1 283 935	Reserves	1 774 592	1 886 267	6	2 004 626	2 130 002	2 262 748
2 040 734	TOTAL FUNDS EMPLOYED	2 567 268	2 686 551	5	2 818 300	2 955 592	3 099 167

Housing ACT Statement of Cashflows

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
32 895	Cash from Government for Outputs	32 738	29 913	-9	30 178	30 445	30 725
58 265	User Charges	58 361	59 250	2	60 450	61 640	62 840
1 129	Interest Received	1 838	1 500	-18	1 200	750	750
1 309	Other Revenue	820	1 069	30	1 329	1 389	1 389
10 856	Extraordinary Receipts	13 434	0	-100	0	0	0
104 454	Operating Receipts	107 191	91 732	-14	93 157	94 224	95 704
Payments							
18 505	Related to Employees	18 123	18 816	4	19 399	20 154	20 940
58 192	Related to Supplies and Services	59 682	63 908	7	65 342	67 233	69 173
5 745	Borrowing Costs	5 745	5 554	-3	5 361	5 165	4 966
8 222	Grants and Purchased Services	8 024	10 882	36	2 673	2 716	2 752
2 522	Other	2 333	2 490	7	2 494	2 499	2 503
0	Extraordinary Payments	538	0	-100	0	0	0
93 186	Operating Payments	94 445	101 650	8	95 269	97 767	100 334
11 268	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12 746	-9 918	-178	-2 112	-3 543	-4 630
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
54 600	Proceeds from Sale of Property, Plant & Equipment	47 100	64 765	38	62 550	57 340	58 620
54 600	Investing Receipts	47 100	64 765	38	62 550	57 340	58 620
Payments							
67 117	Purchase of Property, Plant and Equipment	101 414	68 078	-33	60 391	53 688	53 772
6 160	Purchase of Land and Intangibles	4 724	0	-100	0	0	0
0	Purchase of Investments	500	0	-100	0	0	0
73 277	Investing Payments	106 638	68 078	-36	60 391	53 688	53 772
-18 677	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-59 538	-3 313	94	2 159	3 652	4 848
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							

Housing ACT Statement of Cashflows

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
4 400	Capital Injection from Government	36 164	5 000	-86	5 000	5 000	5 000
15	Borrowings Received	15	30	100	45	60	60
1 401	Receipt of Transferred Cash Balances	3 421	0	-100	0	0	0
5 816	Financing Receipts	39 600	5 030	-87	5 045	5 060	5 060
	Payments						
4 649	Repayment of Borrowings	4 242	4 436	5	4 507	4 587	4 699
4 649	Financing Payments	4 242	4 436	5	4 507	4 587	4 699
1 167	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	35 358	594	-98	538	473	361
-6 242	NET INCREASE/(DECREASE) IN CASH HELD	-11 434	-12 637	-11	585	582	579
17 895	CASH AT BEGINNING OF REPORTING PERIOD	33 647	22 213	-34	9 576	10 161	10 743
11 653	CASH AT THE END OF THE REPORTING PERIOD	22 213	9 576	-57	10 161	10 743	11 322

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- government payment for outputs: the decrease of \$1.472m in the 2003-04 estimated outcome from the original budget is due to:
 - the rollover of funding for community housing delayed by the timing of planning approvals (\$2m); and
 - the decreased funding under the Commonwealth-State Housing Agreement due to the relative population movements between the States and Territories (\$0.157m); offset by:
 - the increased revenue recognised from higher revenue received in advance transferred from the Department of Disability, Housing and Community Services through the Administrative Arrangement Order effective from 1 July 2003 (\$0.685m).

The decrease of \$1.825m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the non-continuation of one-off funding in 2003-04 for community housing (\$3m) and whole of government communications savings (\$0.112m), which is offset by the above-mentioned rollover of community housing

funding into 2004-05 (\$2m) and increased funding under the new Commonwealth-State Housing Agreement (\$0.246m);

- user charges – non ACT Government: the increase of \$0.110m in the 2003-04 estimated outcome from the original budget is a result of the re-assessment of market rents in September 2003. The further increase of \$0.889m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the estimated impact of the review of market rents in September 2004 and increasing tenant incomes, offset by the increase in rebates;
- interest: the increase of \$0.709m in the 2003-04 estimated outcome from the original budget is due to higher than budgeted cash investments at the beginning of the year as well as higher interest rates on cash invested. The decrease of \$0.338m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the concerted effort to acquire properties during 2003-04 with a consequent decrease of cash investments held during 2004-05 and in the out-years;
- other revenue: the decrease of \$0.285m in the 2003-04 estimated outcome from the original budget is due largely to lower profit on sales as a result of a reduced sales program, including delays in concluding the sale of the former Burnie Court site (\$0.748m). This was partly offset by higher recoveries and the return of leased properties from the community housing sector (\$0.232m). The decrease of \$1.815m in the 2004-05 Budget from the 2003-04 estimated outcome reflects the expected decline in profit on sales due to more robust book values and a flattening of the real estate market in the ACT;
- employee and superannuation expenses: the decrease of \$0.665m in the 2003-04 estimated outcome from the original budget is due mainly to the transfer of staff to the corporate area within the Department of Disability, Housing and Community Services as part of the integration exercise, and delays in recruitment to fill staff vacancies. The increase of \$0.977m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the increase in superannuation rates, the flow-on effects of wage increases and reduced staff vacancies;
- supplies and services: the increase of \$1.256m in the 2003-04 estimated outcome from the original budget is due to:
 - the Departmental Reimbursement Arrangement introduced in 2003-04 under which Housing ACT reimburses the Department of Disability, Housing and Community Services for the provision of organisational support services (\$2.543m); and
 - higher property expenses (\$0.2m), including body corporate fees, security charges, survey and valuation fees; offset by
 - reductions in water rates and consumption and general rates (\$0.464m);
 - lower IT costs (\$0.439m); and
 - lower general operating expenses (\$0.412m), including vehicle costs, printing and publishing costs and personnel services.

The increase of \$4.459m in the 2004-05 Budget from the 2003-04 estimated outcome is mainly due to:

- higher property expenses such as body corporate fees, common area cleaning and ground maintenance at the multi-unit properties and private rental leasing charges, including the Social Landlord Scheme (\$1.161m);

- increased charges for water rates and consumption and general rates (\$0.756m);
 - higher office accommodation costs (\$0.259m);
 - higher insurance costs (\$0.284m);
 - higher general operating costs largely as a result of higher legal fees and the reclassification of contract payments to ACT Shelter, Council of the Ageing, Centacare and YWCA from grants and purchased services (\$0.797m); and
 - the full year effect of the aforementioned provision of organisational support services (\$1.238m);
- depreciation and amortisation: the increase of \$0.954m in the 2003-04 estimated outcome from the original budget is due to the higher than expected increase in the value of the properties following the March 2003 property portfolio revaluation. The increase in property values is a reflection of the buoyancy of the ACT real estate market. The increases of \$0.797m in the 2004-05 Budget from the 2003-04 estimated outcome arises from the anticipated increase in value of the property portfolio as a result of the March 2004 revaluation of properties;
 - borrowing costs: the decrease of \$0.191m in the 2004-05 Budget from the 2003-04 estimated outcome is in line with the agreed Commonwealth loan repayment schedules;
 - other expenses: the increase of \$1.210m in the 2003-04 estimated outcome from the original budget is due to the increase in the provision for doubtful debts and write-off of bad debts, as well as recognition of expenses for the properties transferred to the community housing sector under a long term lease in exchange for those properties returned to Housing ACT mentioned in other revenue above. The decrease of \$0.252m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the absence of similar property transfers offset by higher property write-off costs;
 - grants and purchased services: the decrease of \$0.198m the 2003-04 estimated outcome from the 2003-04 Budget is due to the rollover of grant payments (\$2m) for community housing and community service projects into 2004-05, which is largely offset by increased grant expenditure associated with community housing and community service projects transferred through the Administrative Arrangement Order (AAO) effective from 1 July 2003 (\$1.722m).

The increase of \$2.858m in the 2004-05 Budget from the 2003-04 estimated outcome is due to:

- the abovementioned rollover into 2004-05 (\$2m); and
- the additional projects funded from the 2003-04 3rd Appropriation for public and community housing (\$6.2m);

offset by:

- the impact of the one-off funding for community housing in 2003-04 (\$3m);
- the one-off grants expense arising from the delayed community housing projects transferred through the AAO in 2003-04 (\$1.722m); and
- the reclassification of expenditure that is more in the nature of payment for services than grants (\$0.840m);

- extraordinary revenue: the decrease of \$1.286m in the 2003-04 estimated outcome represents the downwards variation in the settlement for the insurance claim for clean-up, repair and/or replacement of properties destroyed and damaged in the January 2003 bushfire; and
- extraordinary expenses: the increase of \$0.538m in the 2003-04 estimated outcome from the original budget is due to the balance of expenditures for the repair and restoration of properties damaged in the January 2003 bushfire.

Statement of Financial Position

- cash: the increase of \$1.510m in the 2003-04 estimated outcome from the original budget is due to the need to hold sufficient cash on hand at year end to meet commitments and contingencies payable in 2004-05. The decrease of \$0.337m in the 2004-05 Budget from the estimated outcome for 2003-04 is to maximise interest earnings by investing the maximum funds available in interest yielding investments;
- receivables: the decrease of \$1.018m in the 2003-04 estimated outcome from the original budget is mainly due to a reduction in the receivables for bond loans, as bond loan activity is not as high as originally predicted, and higher provisioning for bad and doubtful debts and higher write-off of bad debts. The increase of \$0.109m in the 2004-05 Budget from the 2003-04 estimated outcome relates to increased rental arrears;
- investments: the increase of \$9.050m in the 2003-04 estimated outcome from the original budget is due to higher cash holdings rolled over from 2002-03 to meet capital program commitments, including the residual funding provided for urgent works on part of the multi-unit properties to bring them to Building Code of Australia compliance especially for fire safety. The decrease of \$12.3m in the 2004-05 Budget from the 2003-04 estimated outcome is due to increased capital expenditure during 2003-04;
- non current assets: the increase of \$520.790m in the 2003-04 estimated outcome from the original budget largely relates to increments in the value of the property portfolio arising from the asset revaluation since the 2003-04 Budget. The increase of \$125.447m in the 2004-05 Budget from the 2003-04 estimated outcome arises from the estimated increase in property values; and
- current liabilities: the increase of \$3.288m in the 2003-04 estimated outcome from the original budget is due to an increase in payables as a result of year end accruals, an increase in the provision for employee benefits as a result of the flow through of wage increases and revenues received in advance for the funding for the community housing grants carried forward (\$2m).

Statement of Cashflows

- proceeds from the sale of property, plant and equipment: the decrease of \$7.5m in the 2003-04 estimated outcome from the original budget is due to the reduced sales program and in particular the delay of the sale of the former Burnie court site in Lyons. The increase of \$17.665m in the 2004-05 Budget from the 2003-04 estimated outcome includes an increase in the number and value of auctioned properties in 2004-05 compared to 2003-04;
- purchase of property, plant and equipment and land and intangibles: the increase of \$32.861m in the 2003-04 estimated outcome from the original budget is due to the focus on acquiring properties to replace those dwellings destroyed in the January 2003 bushfire and expanding the supply of public housing. The decrease of

\$38.060m in the 2004-05 Budget from the 2003-04 estimated outcome largely reflects the one-off funding provided in 2003-04 through the 3rd Appropriation (\$27m) and completion of the program replacing properties lost through the January 2003 bushfire;

- capital injection from Government: the increase of \$31.764m in the 2003-04 estimated outcome from the original budget represents the \$33.2m funding provided by way of transferring part of the equity from the Home Loan Portfolio through the 3rd Appropriation to expand affordable housing. This was partly offset by the savings identified in the 2003-04 replacement of rural properties initiative (\$1.436m); and
- repayment of borrowings: the decrease of \$0.407m in the 2003-04 estimated outcome from the original budget represents the alignment of the repayment schedules with those from the Commonwealth and the decreased bond loans activity. The increase of \$0.194m in the 2004-05 Budget from the 2003-04 estimated outcome is due to the increased principal repayments in line with the agreed Commonwealth loan repayment schedule and the expected increase in rental bond loan activity.

Housing ACT
Statement of Revenues and Expenses on Behalf of the Territory

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
	Revenue						
18 718	Grants from the Commonwealth	18 561	18 733	1	18 908	19 085	19 265
18 718	Total Ordinary Revenue	18 561	18 733	1	18 908	19 085	19 265
	Expenses						
18 718	Transfer Expenses	18 561	18 733	1	18 908	19 085	19 265
18 718	Total Ordinary Expenses	18 561	18 733	1	18 908	19 085	19 265
0	Operating Result	0	0	-	0	0	0
0	Total Equity From Start of Period	0	0	-	0	0	0
0	Total Equity At The End of Period	0	0	-	0	0	0

Housing ACT
Budgeted Statement of Cashflows on Behalf of the Territory

2003-04 Budget \$'000		2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
18 718	Grants Received from the Commonwealth	18 561	18 733	1	18 908	19 085	19 265
18 718	Operating Receipts	18 561	18 733	1	18 908	19 085	19 265
Payments							
18 718	Territory Receipts to Government	18 561	18 733	1	18 908	19 085	19 265
18 718	Operating Payments	18 561	18 733	1	18 908	19 085	19 265
0	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	0	0	-	0	0	0
0	NET INCREASE/(DECREASE) IN CASH HELD	0	0	-	0	0	0
0	CASH AT THE END OF THE REPORTING PERIOD	0	0	-	0	0	0

Notes to the Budget Statements

Significant variations are as follows:

Statement of revenues and Expenses on Behalf of the Territory

- grants from the Commonwealth: the decrease of \$0.157m in the 2003-04 estimated from the original budget is due to the re-negotiated 2003 Commonwealth State Housing Agreement (CSHA). The increase of \$0.172m in the 2004-05 Budget from the 2003-04 estimated outcome also reflects the above adjustments to the CSHA funding.

Reconciliation of Operating Result to Net Cashflow from Operating Activities

	<i>2003-04</i>	<i>2004-05</i>	
	<i>Estimated</i>	<i>Budget</i>	Variance
	<i>Outcome</i>	<i>\$'000</i>	%
	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>
Operating Surplus/(Loss)	-9 479	-19 391	105
Bad debts expense	1 437	1 400	-3
Depreciation / Amortisation	13 644	14 441	6
Increase/(decrease) in payables	-3 637	-1 281	65
Demolition of dwellings	540	600	11
Profit/(Loss) on disposal of assets	-5 252	-3 500	33
	6 732	11 660	34
Increase/(decrease) in creditors	300	-	-100
Increase/(decrease) in employee entitlements	125	-	-100
(Increase)/decrease in receivables	13 146	-109	-101
(Increase)/decrease in lease incentives	-78	-78	-
(Increase)/decrease in accrued revenue	2 000	-2 000	-200
	15 493	-2 187	-114
Net cash flows from Operations	12 746	-9 918	-178
Net inflow from operating activities (as per Statement of cashflows)	12 746	-9 918	-178

Attachment 2 –Financial Performance Measurement

Departmental

	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>var</i>
	<i>Actual</i>	<i>Projected</i>	<i>Budget</i>	<i>%</i>
Profitability				
Return on Assets	5.11%	-7.13%	-3.66%	48.66%
Return on Equity	6.83%	-8.80%	-4.49%	48.98%
Profit Margin	171.79%	-78.36%	-32.33%	58.74%
Liquidity				
Current Ratio	0.96	0.94	0.93	-1.06%
Cash Position	16.67%	9.51%	9.50%	-0.10%
Receivables Turnover	1.11	3.39	4.62	36.28%
Financial Stability				
Debt Ratio	0.25	0.19	0.18	-5.26%
Capital ratio	0.34	0.23	0.23	0.00%
Debt				
Debt Service Coverage	0.00	0.00	0.00	0.00%

Territorial

	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>var</i>
	<i>Actual</i>	<i>Projected</i>	<i>Budget</i>	<i>%</i>
Profitability				
Return on Assets	0.00%	0.00%	0.00%	0.00%
Return on Equity	0.00%	0.00%	0.00%	0.00%
Profit Margin	0.00%	0.00%	0.00%	0.00%
Liquidity				
Current Ratio	1	1	1	0.00%
Cash Position	0.94%	0.94%	0.94%	0.00%
Receivables Turnover	0.00	0.00	0.00	0.00%
Financial Stability				
Debt Ratio	1	1	1	0.00%
Capital ratio	0.00	0.00	0.00	0.00%
Debt				
Debt Service Coverage	0.00	0.00	0.00	0.00%

Housing ACT

	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>var</i>
	<i>Actual</i>	<i>Projected</i>	<i>Budget</i>	<i>%</i>
Profitability				
Return on Assets	0.66%	-0.07%	-0.50%	- 614%
Return on Equity	0.36%	-0.30%	-0.72%	- 142%
Profit Margin	15.16%	-13.01%	-32.51%	- 150%
Liquidity				
Current Ratio	338%	143%	80%	- 44%
Cash Position	1.36%	0.82%	0.34%	-59%
Receivables Turnover	561%	606%	2,354%	288%
Financial Stability				
Debt Ratio	5.68%	5.13%	4.70%	- 8%
Capital ratio	18.93%	17.52%	16.56%	- 5%
Debt				
Debt Service Coverage	369.32%	222.07%	-178.57%	-179%

Return on Assets = (operating result before tax + interest expense) / average total assets for period

Return on Equity = operating result before tax / equity

Profit Margin = operating result before tax / (Govt & non Govt user charges + taxes, fees and fines)

Current Ratio = current assets / current liabilities

Cash Position = (cash + current investments) / total assets

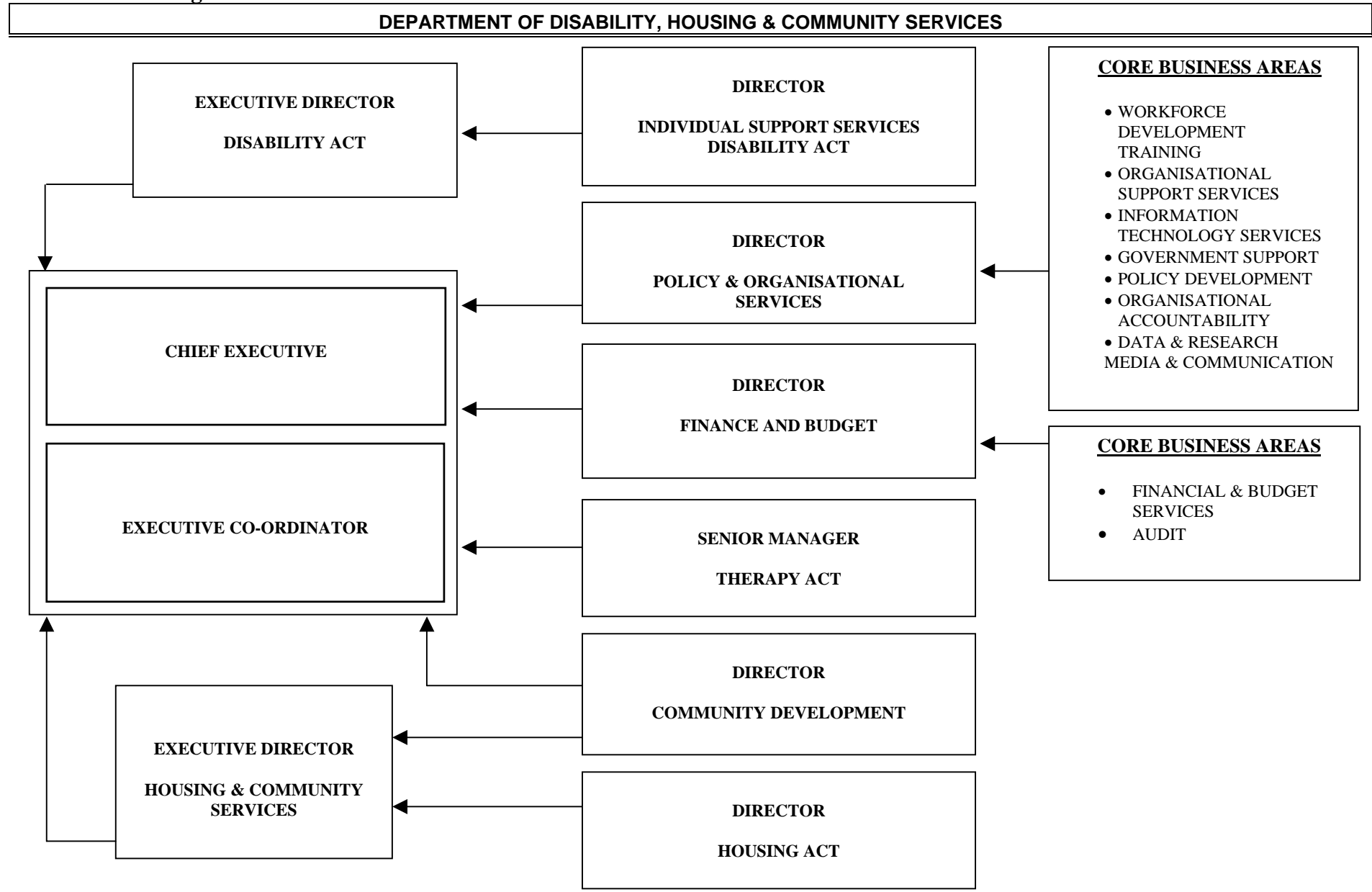
Receivables Turnover=(Govt & nonGovt user charges + taxes, fees and fines) / average receivables for period

Debt Ratio = total liabilities / total assets

Capital Ratio = total liabilities / equity capital

Debt Service Coverage = cashflow from operations / interest expenditure

Attachment 3 - Organisational Form



Attachment 4 - Strategic Human Resource Plan

Strategic Human Resource Plan – Executive Summary

The Department of Disability, Housing and Community Services (DHCS) is committed to delivering high quality, coordinated services to significant sectors of the community through engaging and involving our clients, building community partnerships, contributing to good governance and performing as a best practice organisation. The Department willingly accepts its responsibility to the community and the Government to invest in services and support systems that will allow our clients to live fulfilling lives and to participate to the fullest possible extent in the everyday life of their community.

To achieve this we will work together to continue to build a Department that is fully integrated and a workforce that values the opportunity to work together. We will focus our efforts on being a place where people want to work and there is a record of achievement. Our service will be respected and valued by our clients.

We will develop services that are better integrated with human services in the wider government and non-government sectors. In particular, we will develop our programs and policies in the context of whole of government plans and priorities. Through partnerships we will help build a stronger community.

The HR Strategic Plan has been developed to align with the DHCS Strategic Plan 2003-2005 and also with the ACTPS Strategic HR Framework and is based on agreed ACTPS HR Practice Areas described in the ACTPS Strategic HR Framework. These are:

People Planning and Analysis:	HR principles and practices are integrated into business and resource planning, and the size, shape and mix of the workforce is balanced and managed to meet agency objectives.
Recruitment and Placement:	Streamlined and cost effective recruitment and placement of staff to meet business goals.
Injury Prevention and Management:	Occupational health and safety risks are identified, managed and monitored to maximise the health, safety and welfare of employees and to limit any adverse impact on organisational performance.
Workplace Relations:	A legal, policy and structural framework that provides for flexible and responsive people management policies, practices and conditions supporting the employer of choice concept.

Workplace Diversity:	Organisational performance and employee satisfaction are enhanced by practices that appreciate and optimise the diverse skills, talents and background of its people.
Managing and Recognising Performance:	An accepted and trusted performance management and recognition system and supporting culture
Learning and Development:	Development programs ensure skills and knowledge are retained and enhanced, while reinforcing the skills by which leaders and managers influence the behaviour of others to support fulfilment of the business strategy.
Culture and Values:	An appropriate public service culture is fostered that provides the highest level of service and responsiveness to the public and government, while being accountable, fair, displaying integrity and striving for the highest levels of efficiency and effectiveness.

The Department is committed to a culture based on the following values:

- a participative and consultative workplace;
- transparency in our work practices and decision-making processes;
- respect for each other and for our clients;
- work practices that focus on our strengths, acknowledge where we could do better and encourage us to learn from both; and
- acting with honesty and integrity.

HR Management Priorities 2004-2005

There are a number of critical challenges ahead. In particular the focus will be in the areas of:

- workforce development;
- injury prevention and management;
- recruitment and retention; and
- performance management

Learning and development has been aligned to business goals in the following ways:

- performance management process;
- certificate IV in Housing & Community Services;
- review of workforce development strategies in Disability ACT; and
- DHCS Studybank policy.

It is proposed that Certificate IV in Housing and Community Services will be reconfigured to incorporate classroom and on the job training. The program is designed to be repeated every 24 months so that participants skills are constantly refreshed and updated.

In 2004-05 Disability ACT will purchase and provide training in Certificate IV in Disability Work for 15 Team Leaders. This training will include five (5) people from Non-Government Organisations. The training will be undertaken as a pilot project, which if successful will be extended, and expanded to include certificated training to disability support workers.

Early intervention programs will continue to be the focus for injury prevention and management. A presentation detailing management and staff responsibilities for providing a safe, healthy work environment is included in the Departmental Orientation Programs.

Recruitment strategies will be reviewed and a variety of recruitment and retention strategies including competency based recruitment will be consolidated. In addition, the benefits of working in the Department and its culture of encouraging continual learning will be promoted through Universities, job advertisements and the Internet. Innovative ways of attracting and retaining allied health professionals will also be explored.

Performing as a Best Practice Organisation is one of the five (5) strategic themes identified in the Departmental Strategic Plan. Managers and staff will continue to monitor the implementation of it's Performance Management Program to ensure that every staff member has a performance plan in place which incorporates a personal development plan.

Staffing Numbers

The following table shows the current and projected staffing figures for the Department (full-time equivalent). All staff are employed under the *Public Sector Management Act 1994*.

Department of Disability, Housing and Community Services Funded Staffing Numbers

<i>Business Unit</i>	<i>Estimated FTE as at 30 June 2004</i>	<i>Estimated FTE as at 30 June 2005</i>
Therapy ACT	65	75
Community Services	13	13
Disability ACT	302	306
Housing ACT ⁽¹⁾	221	205
Executive	10	10
Policy and Organisational Services	61	69
TOTAL	672	678

Note :

(1). The decrease in staffing numbers reflects streamlining of corporate services by consolidating certain functions in Housing ACT with Policy and Organisational Services.

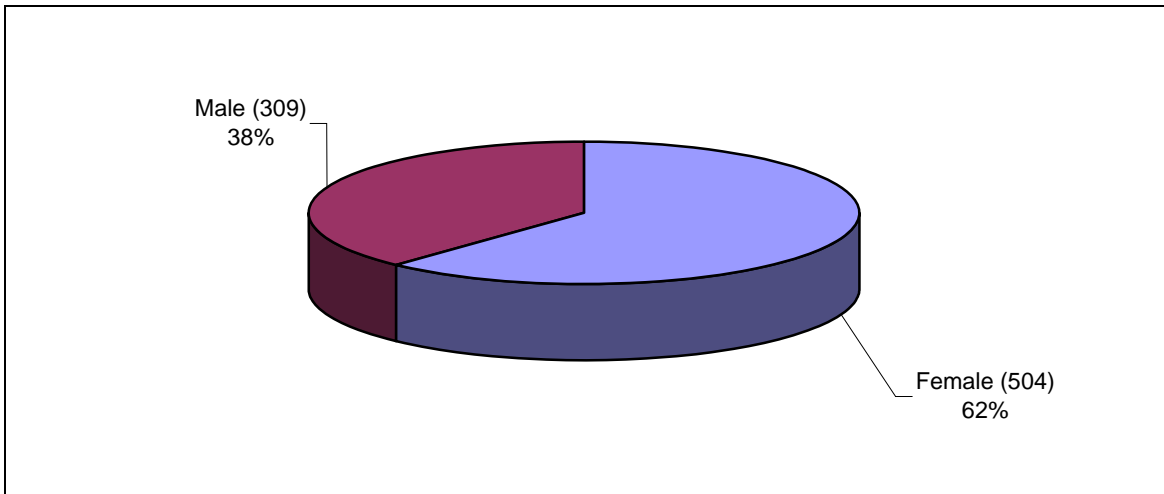
Staffing Profile – EEO Classification

The Table below represents the number of people employed by DHCS in all categories, i.e. permanent, part-time, temporary and casual, with a disability, from an Aboriginal & Torres Strait Islander background or from culturally and linguistically diverse (CALD) backgrounds.

<i>Category</i>	<i>Number</i>	<i>(%)</i>
All	813	100
People with Disability	17	2.1
Aboriginal & Torres Strait Islander	2	0.2
CALD Background	79	9.7
EEO Total	98	12.1

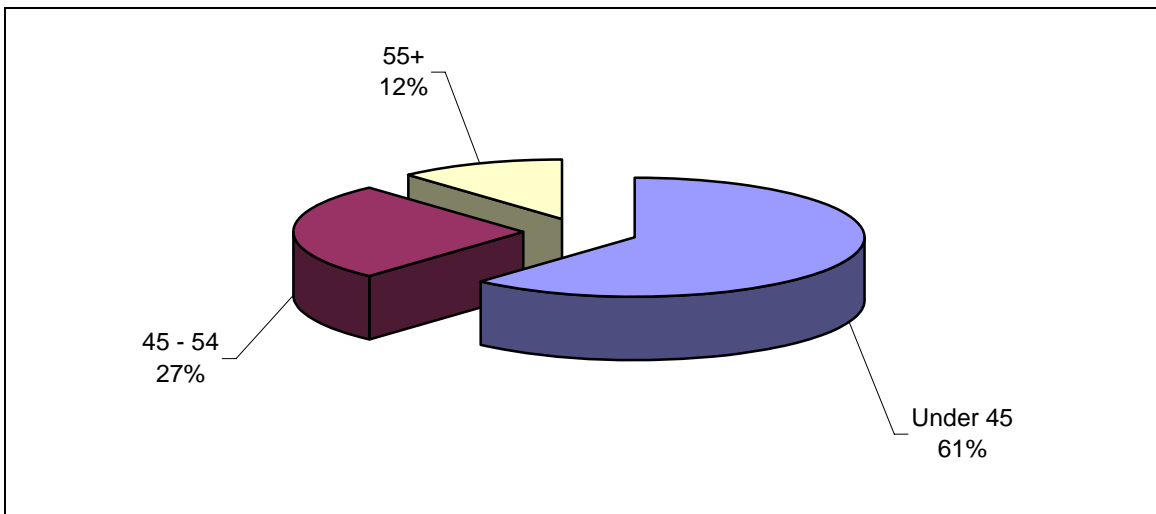
Staffing Profile – Gender

The Department’s nominal number of staff (i.e. permanent, part-time, temporary and casual) was 813 as at Pay 18, 2003-04 and the gender classification is presented below:



Staffing Profile - Age

The Department's staffing profile by age is:



Staffing Profile – Years of Service

The Department’s staffing profile, by years of service, shows that more than 59% of staff members have less than 4 years service.

Attachment 5 - Asset Management Plan

COMMUNITY SERVICES FACILITIES MANAGEMENT STRATEGY

The Community Services Facilities Management Strategy provides a framework for the ongoing management of community assets within the Department's portfolio. The Strategy provides background information including existing facility management arrangements, identifies seven key strategies to be addressed and outlines a three-year action plan to address the strategies.

Ownership and Purpose for Community Facilities

The Strategy sets out the context of the Department's ownership of and purpose for community facilities. These are:

- community facilities exist to support government objectives, departmental service delivery objectives and community group and individual client activities;
- asset planning and management are an integral part of the Department's financial planning to ensure that ACT assets are managed effectively and remain aligned with Government objectives;
- organisations managing the Department facilities should establish effective internal controls for the planning and management of assets, consistent with this Strategy;
- asset management decisions should meet the needs of the present without compromising the needs of future generations;
- organisations managing the Department facilities should demonstrate the consistency of their decisions with community needs and expectations; and
- the Department's community facilities are owned by the government on behalf of the community and the planning, acquisition, maintenance, renewal and disposal of assets should be transparent to those owners.

Framework

The Strategy also provides a framework in which the Department, community organisations and the community at large share the roles and responsibility in assessing the services provided through the facilities and the arrangements under which they operate, and allows the Department to adequately provide for the future needs of the Canberra community in a sustainable and cost effective way.

A partnership approach is needed between DHCS and the community organisations that manage the community facilities to ensure that the facilities are used in a way that achieves the Government's social priorities. The process outlined in the Strategy will assist the community organisations plan for the future in terms of the programs they can deliver through the Department's facilities. Furthermore, it will better enable the Government to plan the provision and maintenance of the facilities in which community organisations deliver their services.

The Strategy provides a platform on which the issues relating to the use of the facilities can be addressed and on which acquisition, redevelopment and disposal strategies can be developed to target future community needs. It also provides a platform to address issues relating to the lease arrangements, public liability insurance and the management of risk between the Department and community organisations.

Key Strategies

The Strategy will be implemented over three years with clearly defined activities in each year. Achievements against the identified commitments in the Strategy will be reviewed at the end of each year. It identifies seven key strategies that will guide the Department in the management of its community service facilities. These strategies are:

- effective consultation with stakeholders in determining priorities;
- an annual reporting format for facility managers to improve accountability;
- a review of lease arrangements to more clearly define responsibilities;
- improved property management practices including maintenance planning;
- acquisition, redevelopment and disposal strategies to more effectively target future needs;
- ensuring all facilities have adequate public liability insurance; and
- resolving inter-agency issues relating to the co-location of childcare and youth facilities.

Action Plan

The Strategy will be implemented through the following three-year action plan.

Year 1

Year 1 will focus on:

- ensuring that all community organisations have adequate public liability insurance;
- initiating discussion with the community organisations on Key Performance Indicators (KPIs) for measuring the effectiveness and efficiency of the facilities in delivering community services;
- developing an inventory database of all existing information based on a review of the facility grouping and the facilities that fall into each group;
- developing an annual reporting format for community organisations and departmental officers;
- verifying the utilisation figures collected by the 2002 Survey for comparison between Canberra districts;
- collecting basic data to determine the unit facility costs in the delivery of key services;
- conducting a professional development workshop for both Departmental and community organisations staff on facility management and facilitate exchange of information in areas of common interest;
- concluding discussions with other agencies on the co-location of childcare and youth facilities and research facility management practices in other States;

- seeking the views of the community organisations for improving management of community services facilities, including lease arrangements;
- visiting each facility at least twice a year to discuss issues and agree on action required to address them. A reporting format will be developed to document the outcomes of those visits; and
- undertaking a condition audit on a third of the community facilities.

Year 2

The main areas of activity in Year 2 are:

- implement the Key Performance Indicators (KPIs) for the facilities developed in Year 1;
- collect data in accordance with the annual reporting format agreed in Year 1;
- conduct a further workshop on facility management based on the data collected and drawing on the research of practices in other States;
- review future demand for space with stakeholders;
- identify future facility renewal costs with community organisations;
- commence the renegotiation of lease arrangements with community organisations, where they are due for renewal;
- commence consideration of acquisition, redevelopment and disposal strategies;
- continue with regular visits using the standard format developed in Year 1; and
- a condition audit will be undertaken on another third of the community facilities.

Year 3

In Year 3 the Department will:

- continue with renegotiating the lease arrangements with community organisations where required;
- continue with the acquisition, redevelopment and disposal strategies;
- collect a further year's data in accordance with the annual reporting format and report in terms of the Key Performance Indicators;
- develop a training package for community organisation staff and departmental officers on the principles and practices of facility management;
- consider developing a web site for the exchange of information between community organisations and for reporting publicly on the performance of the community facilities;
- undertake a condition audit will be undertaken on the final third of the community facilities; and
- review both the strategy and its Asset Management Plan at the end of the third year based on the information received from community organisations and stakeholders over the three years.

Consultation

Through the Strategy the Department will work with community organisations to manage the facilities in the most cost-effective way and to foster a culture of continuous improvement in asset management. In the development of this Strategy the process of

engaging and consulting with current tenants and peak community groups has positioned the Department well in achieving this goal.

The Regional Community Services, current tenants, The ACT Council of Social Service and peak community organisations were consulted during the development of the Strategy.

Office Accommodation

The Department is accommodation in the CFM Building, 12 More Street, Canberra.

Office Accommodation Profile Summary

	2003-04 Original Budget	2003-04 Estimated Outcome	2004-05 Planned	2005-06 Planned	2006-07 Planned	2007-08 Planned
Number of Office Locations	11	9	9	10	10	10
Total net lettable area (m2)	8,006	8,798	8,666	8,766	8,766	8,766
Number of employees (FTEs)	510	510	510	510	510	510
Total accommodation operating costs (\$'000)	1,863	2,110	2,194	2,369	2,369	2,558
Accommodation usage (m2 per employee)	15.70	17.25	16.99	17.19	17.19	17.19
Accommodation cost per employee (\$'000)	3.653	4.137	4.302	4.645	4.645	5.016

Notes

Various building are owned, hence no rent charged or peppercorn rent at some sites ie Philip Health Centre

Rent negotiations expected in 2006 and 2008

Housing ACT – Asset Management Plan

Assets

As at 31 December 2003 Housing and Community Services had 11,466 properties, which were valued at some \$2.419 billion. These property assets are a significant asset of the Territory and have a long life cycle.

The portfolio of public housing properties is inherently linked to the delivery of public housing services in the ACT. Public housing contributes significantly to the provision of housing for those people who have difficulty accessing the private market for reasons of low and unpredictable income, disadvantage and disability. Following the rapid escalation of house prices and rents, public housing is the only option for an increasing number of people.

Access to housing is central to health and well-being. It provides the basic foundation on which individuals and families build stable, healthy and productive lives linked to education and employment.

Housing and Community Services provides the people of Canberra with safe, affordable and appropriate public housing that supports the needs of its clients in a sustainable social environment. The provision of secure housing helps to provide dignity and the opportunity to develop a sense of community and of place. Secure housing provides tenants with the opportunity to build environments that are inclusive and participative.

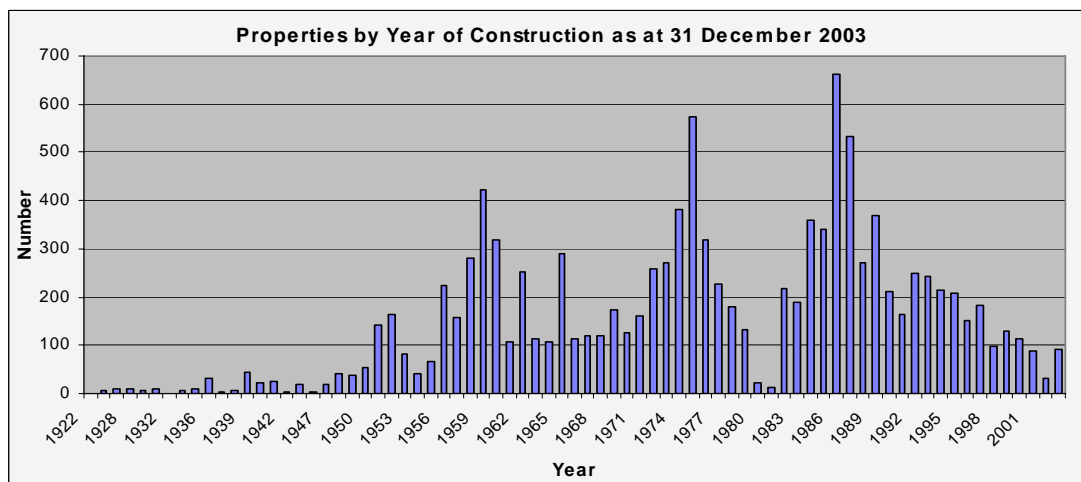
Property and Other Major Assets

	Estimated Outcome 2003-04 \$'000	Planned 2004-05 \$'000	Planned 2005-06 \$'000	Planned 2006-07 \$'000	Planned 2007-08 \$'000
Departmental Assets					
Land	1,784,609	1,882,170	1,984,131	2,089,712	2,198,144
Buildings	883,145	911,994	937,692	965,056	995,743
Major Plant & Equipment and Works in Progress	12,765	11,802	10,839	10,114	9,389
TOTAL	2,680,519	2,805,966	2,932,662	3,064,882	3,203,276

Government housing was an important part of Canberra's development from the construction of the Inner North and Inner South commencing in the 1920s, to the major construction program conducted in the period of Canberra's expansion from 1958 to the late 1980s. Much of the stock constructed in the period from 1958 was aimed at accommodating large numbers of young single public servants transferred from Melbourne or Sydney as the central offices of Departments were being established in Canberra. Means testing of new applicants for government housing was introduced in 1973 in response to the excessive waiting times.

The legacy of a large proportion of Government housing means that around 9% (11,500) of all ACT residential dwellings are public housing properties. These properties house an increasingly diverse range of people in need within the ACT community – approximately 30,000 residents in total.

The same legacy means that the public housing portfolio has an average age of 28 years and is the oldest public housing stock in Australia. The age and structure of the portfolio presents considerable challenges for rejuvenation of the stock. In addition, there is the associated problem that many multi-unit sites do not comply with current Building Code of Australia (BCA) standards, particularly in relation to fire safety. These deficiencies are currently being addressed as a matter of some urgency.



The manner in which Housing and Community Services discharges its public housing asset management responsibilities directly influences the level of its effectiveness in meeting the community’s need for housing assistance. Its major responsibilities in relation to asset management are to:

- strategically manage the public housing portfolio for the ACT Government, including acquisitions, disposals, and refurbishment of properties to align the portfolio with changing social structures and tenant and prospective tenant needs, and responding to environmental standards particularly in the areas of energy and water efficiency;
- protect the Territory’s investment in its public housing assets, including management of the preventative and regular maintenance and upgrade programs;
- provide sustainable tenancies and build stronger communities; and
- pursue opportunities for better leverage of the asset base through private sector partnerships and using the value of the asset to assist in restructuring the portfolio.

These strategic asset management principles for Housing and Community Services’ property portfolio are set out in the Public Housing Asset Management Strategy 2003-08, which was approved by the Government during 2003-04. This Public Housing Asset Management Strategy outlines the challenges facing the Department of Disability, Housing and Community Services in efficiently and effectively utilising its asset portfolio to meet the housing needs of some of Canberra’s most disadvantaged citizens. It also outlines the proposed response to those challenges.

The strategy is prepared against a context that acknowledges:

- the recognition that stable housing is a key foundation in achievement of the Government's social objectives;
- the Government's commitment to equitably meet the housing needs of the ACT community and in particular to provide safe, secure, appropriate and affordable housing to those most in need;
- the role of public housing in building stronger communities and in the broader processes for achieving sustainable development in the ACT, particularly the Government's commitment to reducing greenhouse gas emissions and to sustainable water management;
- the Government's objective to maintain the level of housing stock;
- the Government's obligations under the Commonwealth State Housing Agreement;
- the imperative that the asset portfolio remains responsive, flexible and appropriate to the needs of tenants and applicants;
- the need to balance tenants' desire for security of tenure against the need to rejuvenate the asset base;
- the need to ensure that all social housing providers are financially viable; and
- the need to ensure that asset management decisions protect and enhance the value of the property portfolio, at the same time recognising that the portfolio exists primarily to achieve the Government's social goals.

The Government considers that the consolidation and growth of a viable and flexible social housing system is essential for the provision of affordable housing in Canberra, and is a necessary element in any broad based approach to meeting the diverse range of peoples' needs in the ACT. The Government is therefore committed to public housing as an important strategy in alleviating poverty and social disadvantage in our community.

The Government is equally committed to the expansion of the community housing sector in the ACT and has allocated capital funding in the 2003-04 Budget to support the growth of that sector. Community housing presents a housing option which is complementary to public housing, in that it offers a higher level of tenant participation in management while also providing another avenue through which the diverse needs of individuals can be met.

Development of an asset management strategy for public housing assets cannot therefore be considered in isolation, and must be seen in the context of the development of a broader strategy for the expansion of social housing in the ACT in a way which improves the range of housing choices available to ACT residents.

It is envisaged that the principles and strategies included in this document apply for the period of the next Commonwealth State Housing Agreement, ie five years to 30 June 2008. However their currency and relevance will need to be reviewed regularly. Asset management is an ongoing process which reviews current performance and takes account of trends in service demand, allowing the prediction of future asset requirements.

Asset Management Principles

In responding to the substantial challenges confronting the public housing system, a number of initiatives have been pursued in recent years. For example, a total facility management concept has been introduced to improve the maintenance and upgrading of the stock. Also, some reconfiguration of the stock has occurred, particularly through a significant reduction in the number of bedsitter flats and three bedroom properties, and an increase in the number of one and two bedroom properties (see Appendix 1).

A set of asset management principles has been developed to steer the response to the challenges outlined in the previous Chapter. The principles are based on the assumption that maintaining a viable public housing portfolio is integral to meeting ongoing needs for affordable and appropriate housing for those people in the community unable to access alternative suitable housing options.

The principles recognise that asset management of the portfolio is primarily undertaken to assist in delivering housing outcomes to eligible tenants and applicants, and that asset management must be informed by and consistent with the Government's overall policy objectives for public housing. There will, of course, be times when the principles conflict, requiring resolution on a case-by-case basis.

Asset management strategies will be developed around the following principles:

1. The public housing portfolio will be aligned to ensure the stock is well located across the city, and in areas with good access to public transport, employment, education and services.
2. Public housing will contribute to the creation of sustainable communities by better integration within the surrounding neighbourhoods, promotion of mixed ownership, and incorporation of high quality design features to minimise environmental impacts.
3. There will be sufficient flexibility of stock to respond to ongoing and emerging social housing needs, including provision for clients with special needs.
4. The portfolio will be maintained to agreed condition standards to ensure appropriate amenity and safety for tenants and to preserve the value of the assets.
5. The public housing system will be managed efficiently and cost effectively, providing best value to the Government.

Details of the Housing ACT Asset Management Plan are contained in the *Public Housing Asset Management Strategy 2003-2008*.

Government Funded Capital Works Program 2004-05

Departmental					
	Estimated Total Cost \$'000	Expenditure Previous Years \$'000	2004-05 Estimated Expenditure \$'000	2004-05 Financing \$'000	Expected Completion Date \$'000
New Capital Works					
Community Building Refurbishments & Upgrades	350	-	350	350	June 2005
Community OH&S and Equity and Access Upgrades	210	-	210	210	June 2005
Palmerston Community Hall Feasibility Study – Intensive	1 000	-	1 000	1 000	June 2005
Care and Treatment Facility	250	-	250	250	June 2005
Total New Capital Works	1 810	-	1 810	1 810	
Works in Progress					
Extra Community Space in New Griffin Centre	2 793	53	2 740	2 740	June 2005
Refurbishment of Therapy ACT Holder Building	750	500	250	250	Sep 2004
Total works in progress	3 543	553	2 990	2 990	
Total Departmental Capital Works	5 353	553	4 800	4 800	

Attachment 6 - Bank Accounts

The Department is responsible for the following bank accounts:

Account No.	Departmental, Territorial, or Third Party	Bank	Purpose
062987 - 10003411	Departmental	Commonwealth Bank of Australia	DHCS Disability Operating Account
062987 - 10003606	Territorial	Commonwealth Bank of Australia	DHCS EBT (Expenditure on Behalf of the Territory) Account
062987 - 10003630	Territorial	Commonwealth Bank of Australia	DHCS RBT (Revenue on Behalf of the Territory) Account
062987 - 10003622	Departmental	Commonwealth Bank of Australia	DHCS McMillan Shakespeare Account
062987 – 10003614	Departmental	Commonwealth Bank of Australia	DHCS Salary Packaging Services Account

Housing ACT is responsible for the following bank accounts:

Account No.	Departmental, Territorial, or Third Party	Bank	Purpose
10000501	Departmental	Commonwealth Bank of Australia	Housing Operating Account
10000026	Departmental	Commonwealth Bank of Australia	Housing Direct Debits Reject Account
10001854	Departmental	Commonwealth Bank of Australia	Housing Salary Packaging Services Pty Limited Salary Packaging Trust Account
1001862	Departmental	Commonwealth Bank of Australia	Housing McMillan Shakespeare Australia Pty Limited Salary Packaging Trust Account
10003665	Territorial	Commonwealth Bank of Australia	Housing and Community Services Territory Account

Attachment 7 - Management of GST and FBT Risk

The Australian Taxation Office (ATO) has legislated certain responsibilities in regard to management of the Goods and Services Tax (GST) and the Fringe Benefits Tax (FBT). In regard to compliance with taxation requirements, the Territory is to have a low risk of possible non-compliance with ATO requirements.

A plan for management of the Department's taxation management is set out below.

GST/FBT Risk Assessment

GST/FBT Risk Criteria	Yes/No
1. Do key GST staff have a minimum of eighteen months GST experience?	Yes
2. Has the Finance manager and key GST staff attended GST training in the last eighteen months?	Yes
3. Has key staff associated with preparation of the annual FBT return attended FBT training in the last eighteen months?	Yes
4. Has the GST function been externally reviewed in the last two years with satisfactory results?	Yes
5. Has the FBT function been externally reviewed in the last two years with satisfactory results?	No
6. Is the BAS information reconciled with revenue and expenditure information from the financial systems?	Yes
7. Is the BAS checked by a second person?	Yes
8. Is the annual FBT return checked by a second person?	Yes
9. Are processes in place to obtain and review changes to GST legislation and rulings?	Yes
10. Are processes in place to obtain and review changes to FBT legislation and rulings?	Yes
11. Do you have written policies and procedures in place for GST? (This will be requested if an ATO audit is conducted)	Yes
12. Do you have written policies and procedures in place for FBT? (This will be requested if an ATO audit is conducted)	Yes

Note: All of the criteria are important and are not in an order of priority.

Assess risk as **LOW** if answered 'Yes' to a minimum of 9 questions.

Assess risk as **MEDIUM** if answered 'Yes' to a minimum of 7 questions.

Assess risk as **HIGH** if answered 'Yes' to less than 7 questions.

GST/FBT risk is assessed as: **LOW**

Quality Control Processes

The following processes have been put in place to ensure the accuracy of the GST and FBT returns:

- Regular monthly reconciliations of the Business Activity Statement reports to the general ledger;
- Periodic checks and monitoring of coding by business units;
- The central finance area provides business units with assistance and advice on GST and FBT related issues; and
- Key personnel access external training programs and online updates for GST and FBT.

Strategies to improve management of the GST and FBT Risk

Strategy	Timeframe
Implement the ACT Government's tax management framework, in particular <ul style="list-style-type: none">– Appoint a designated tax manager to oversee all taxation matters;– Key staff receive training through attendance at external courses on GST and FBT (at least annually) to ensure that up to date knowledge of the relevant taxation requirements is maintained– Maintain an up to date technical tax reference library	June 2004 Ongoing Ongoing
Develop in house training on GST and FBT to staff	November 2004
Periodic independent (external) review of compliance with GST and FBT legislation	Ongoing
Regular review of internal policies and procedures and training documentation to ensure the information is current	Ongoing

Housing ACT

The Territory aims to have a low risk of non-compliance with the Goods and Services Tax (GST) and Fringe Benefits Tax (FBT). Housing's taxation management plan to ensure compliance with the Australian Taxation Office (ATO) requirements is set out below, and specifically addresses the following:

- Implementation of strategies to ensure Housing maintains up-to-date knowledge of relevant taxation requirements and takes account of any relevant changes in the law or guidelines or interpretations. For instance by designating a specific officer to be the Tax Manager who is responsible for continually reviewing the ATO website and other sources for information of taxation changes. Housing attends bi-annual conferences specifically addressing taxation issues for public housing.

Housing also subscribes to CCH Australia Limited (CCH) and receives up-to-date references such as the GST Guide and the Master Tax Guide from CCH as well as newsletters and alerts. In addition, specialist tax advisers are engaged to provide specific taxation advice and as a result of this Housing receive their newsletters for taxation updates. Key staff are provided with training;

- Implementation of quality control processes to ensure the accuracy of submitted GST and FBT returns, including training staff in requirements to ensure valid ABN for a supplier and tax invoices received prior to processing. All data is reviewed and checked independently and so are the FBT and BAS returns prior to lodgement. Key staff are appropriately trained and adequate records are maintained to ensure all tax liabilities are captured at the earliest possible time; and
- Undertaking a risk assessment, which specifically takes into account possible non-compliance with ATO requirements and if the risk of non-compliance is assessed at either 'Medium' or 'High', actions are implemented to reduce the risk to 'Low'.

Housing is assessed as being a low risk of non-compliance, Refer to Table below. This was confirmed by the ATO in 2003-04 following an independent audit of GST compliance by the ATO.

In part the low risk assessment flows from Housing's status of being largely input taxed and not taking an aggressive tax minimisation stance. Most transaction by Housing are treated as input taxed as they relate to, or are ancillary to the provision of residential accommodation, which pursuant to the GST legislation means that the input tax credits cannot be claimed.

A Private Ruling from the ATO provides guidance on those transactions which GST may be claimed as they are for creditable acquisitions. With a more aggressive taxation stance, certain activities may be treated as creditable acquisitions, but at this time Housing is treating any transaction where there is doubt as input taxed. Accordingly, the risk of non-compliance and exposure of Housing to action by the ATO is minimal.

GST/FBT Risk Assessment Model

GST/FBT Risk Criteria	Yes/No
1. Do key GST staff have a minimum of eighteen months GST experience?	Yes
2. Has the Finance manager and key GST staff attended GST training in the last eighteen months?	Yes
3. Has key staff associated with preparation of the annual FBT return attended FBT training in the last eighteen months?	Yes
4. Has the GST function been externally reviewed in the last two years with satisfactory results?	Yes
5. Has the FBT function been externally reviewed in the last two years with satisfactory results?	Yes
6. Is the BAS information reconciled with revenue and expenditure information from the financial systems?	Yes
7. Is the BAS checked by a second person?	Yes
8. Is the annual FBT return checked by a second person?	Yes
9. Are processes in place to obtain and review changes to GST legislation and rulings?	Yes
10. Are processes in place to obtain and review changes to FBT legislation and rulings?	Yes
11. Do you have written policies and procedures in place for GST? (This will be requested if an ATO audit is conducted)	Yes
12. Do you have written policies and procedures in place for FBT? (This will be requested if an ATO audit is conducted)	Yes

Note: All of the criteria are important and are not in an order of priority.

Assess risk as **LOW** if answered 'Yes' to a minimum of 9 questions.

Assess risk as **MEDIUM** if answered 'Yes' to a minimum of 7 questions.

Assess risk as **HIGH** if answered 'Yes' to less than 7 questions.

GST/FBT risk is assessed as: **LOW**