

DEFENCE HOUSING AUTHORITY

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OVERVIEW

The function, structure and activities of the Authority are as reported in the *Portfolio Budget Statements 2003-04*, except for the following changes:

- The Authority has made capital return special dividend payments to the Government of \$400m in 2000-01, \$250m in 2001-02, and \$307m in 2002-03. This takes the total return to the Government to over \$957m. Special dividend/capital return payments are also planned for 2003-04 and 2004-05. In total, the amount of capital returned to the Government will exceed \$1.3b.
- Additional debt drawdown of \$200m will occur in 2003-04 which will increase the total debt level to \$400m. A repayment of \$50m will occur in 2004-05 and 2005-06 to reduce the debt level to \$350m in 2004-05 and \$300m in 2005-06.

OUTCOME AND OUTPUT INFORMATION

OUTCOME

The Authority's outcome remains:

To contribute to the Defence outcome by providing total housing services that meet Defence operational and client needs through a strong customer and business focus.

OUTPUT

The Output and performance indicators for the Authority are as reported in the *Portfolio Budget Statements 2003-04*.

BUDGETED FINANCIAL STATEMENTS

The following budgeted financial statements for the Defence Housing Authority are presented in this section.

Budgeted Statement of Financial Performance

This statement provides a picture of the expected financial results for the Authority by identifying full accrual expenses and revenues, which highlight whether the Authority is operating at a sustainable level in the short term.

Budgeted Statement of Financial Position

This statement shows the financial position of the Authority. It enables decision makers to track the management of the Authority's assets and liabilities.

Budgeted Cash Flows Statement

Budgeted cash flows, as reflected in the statement of cash flows, provide important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Capital Budget Statement

The capital budget shows all proposed capital expenditure funded from internal sources.

Non-Financial Assets – Summary of Movement

This statement shows only the budget year 2003-04.

Table 1: Statement of Financial Performance

	Projected Result 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
REVENUE					
Revenue from ordinary activities					
Goods and services	343,432	344,600	354,100	369,400	369,400
Interest	8,850	5,700	5,300	8,500	8,500
Net gain from sale of assets	33,796	20,200	23,100	15,200	15,200
Revenues from ordinary activities	386,078	370,500	382,500	393,100	393,100
EXPENSE					
Employees	41,916	43,000	43,700	45,100	45,100
Suppliers	236,576	237,600	247,200	260,100	260,100
Depreciation and amortisation	17,550	13,500	13,300	12,900	12,900
Expenses from ordinary activities (excluding borrowing costs expense)	296,042	294,100	304,200	318,100	318,100
Borrowing costs expense	6,288	14,100	26,000	22,800	22,800
Operating profit before Income Tax from ordinary activities	83,748	62,300	52,300	52,200	52,200
Net surplus or deficit attributable to the Commonwealth	83,748	62,300	52,300	52,200	52,200
Net credit (debit) to asset revaluation reserve	134,701	73,900	72,500	60,900	50,000
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity	218,449	136,200	124,800	113,100	102,200

Table 2: Statement of Financial Position

	Projected Result 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
ASSETS					
Financial assets					
Cash	170,404	122,704	125,604	36,104	56,704
Receivables	363,524	364,824	355,124	364,824	341,824
Other	10,697	19,797	23,597	24,597	24,597
Total financial assets	544,625	507,325	504,325	425,525	423,125
Non-financial assets					
Land and buildings	1,211,211	1,226,611	1,163,311	1,168,811	1,258,811
Infrastructure, plant and equipment	12,804	12,804	12,804	12,804	12,804
Inventories	1,094	1,094	1,094	1,094	1,094
Total non-financial assets	1,225,109	1,240,509	1,177,209	1,182,709	1,272,709
Total Assets	1,769,734	1,747,834	1,681,534	1,608,234	1,695,834
LIABILITIES					
Interest bearing liabilities					
Loans	200,000	400,000	350,000	300,000	300,000
Provisions					
Employees	6,197	6,197	6,197	6,197	6,197
Payables					
Suppliers	3,520	6,920	13,420	15,120	38,120
Other	82,305	74,905	72,205	71,805	71,805
Total Payables	85,825	81,825	85,625	86,925	109,925
Total Liabilities	292,022	488,022	441,822	393,122	416,122
Equity					
Contributed equity	249,572	249,572	249,572	249,572	249,572
Reserves	1,115,609	880,109	845,509	806,209	856,209
Total accumulated results	112,531	130,131	144,631	159,331	173,931
Total equity	1,477,712	1,259,812	1,239,712	1,215,112	1,279,712
Total liabilities and equity	1,769,734	1,747,834	1,681,534	1,608,234	1,695,834

Table 3: Statement of Cash Flows

	Projected Result 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	352,611	372,100	379,600	398,900	398,900
Interest	9,223	5,700	5,300	8,500	8,500
Total cash received	361,834	377,800	384,900	407,400	407,400
Cash used					
Employees	40,302	43,000	43,700	45,100	45,100
Suppliers	262,196	235,100	247,800	266,100	266,100
Borrowing costs	-	14,100	26,000	22,800	22,800
Total cash used	302,498	292,200	317,500	334,000	334,000
Net cash from/(used by) operating activities	59,336	85,600	67,400	73,400	73,400
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	467,470	446,600	473,700	339,000	299,000
Total cash received	467,470	446,600	473,700	339,000	299,000
Cash used					
Purchase of property, plant and equipment	341,553	425,800	343,300	314,200	314,200
Total cash used	341,553	425,800	343,300	314,200	314,200
Net cash from (used by) investing activities	125,917	20,800	130,400	24,800	(15,200)
FINANCING ACTIVITIES					
Cash received					
Proceeds from loans	100,000	200,000	-	-	-
Total cash received	100,000	200,000	-	-	-
Cash used					
Repayment of loans	-	-	50,000	50,000	-
Dividends paid	373,525	354,100	144,900	137,700	37,600
Total cash used	373,525	354,100	194,900	187,700	37,600
Net cash from/(used by) financing activities	(273,525)	(154,100)	(194,900)	(187,700)	(37,600)
Net increase/(decrease) in cash held	(88,272)	(47,700)	2,900	(89,500)	20,600
Cash at the beginning of the reporting period	258,352	170,404	122,704	125,604	36,104
Cash at the end of the reporting period	170,080	122,704	125,604	36,104	56,704

Table 4: Capital Budget Statement

	Projected Result 2002-03 \$'000	Budget Estimate 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
CAPITAL APPROPRIATIONS					
Total loans	100,000	200,000	-	-	-
Total	100,000	200,000	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded internally by Departmental resources	341,553	425,800	343,300	314,200	314,200
TOTAL	341,553	425,800	343,300	314,200	314,200

Table 5: Non-financial Assets – Summary of Movement (Budget Year 2003-04)

	Land	Buildings	Total Land and Buildings	Other infrastructure plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value as at					
1 July 2003	689,130	522,081	1,211,211	22,940	1,234,151
Additions	254,580	169,720	424,300	1,500	425,800
Disposals	(286,750)	(191,166)	(477,916)	-	(477,916)
Revaluation increments	41,410	27,606	69,016	-	69,016
Gross value 30 June 2004	698,370	528,241	1,226,611	24,440	1,251,051
Accumulated Depreciation					
as at 1 July 2003	-	-	-	10,136	10,136
Charge for the reporting period	-	12,000	12,000	1,500	13,500
Disposals	-	(7,116)	(7,116)	-	(7,116)
Accumulated Depreciation/Amortisation - Revaluations	-	(4,884)	(4,884)	-	(4,884)
Accumulated Depreciation as at 30 June 2004	-	-	-	11,636	11,636
Net Book Value as at 30 June 2004	698,370	528,241	1,226,611	12,804	1,239,415