

PART THREE

DEFENCE HOUSING AUSTRALIA

OVERVIEW

The overview, including outcome and output information, remains as reported in the *Portfolio Budget Statements 2008-09*.

BUDGETED FINANCIAL STATEMENTS

The following budgeted financial statements for DHA are presented in this section.

Budgeted Income Statement

This statement provides the expected financial results for DHA by identifying full accrual expenses and revenues.

Budgeted Balance Sheet

Shows the financial position of DHA. It enables decision makers to track the management of DHA's assets and liabilities.

Statement of Cash Flows

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

Capital Budget Statement

Shows all proposed capital expenditure funded from internal sources, including borrowings. Capital outlays on sale and leaseback stock is shown in Operating Activities in the Statement of Cash Flows.

Non-Financial Assets – Summary of Movement

This statement shows only the budget year 2008-09.

Table 3.1.1—Budgeted Income Statement

	Projected Results 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Revised Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000	Forward Estimate 2011-12 \$'000
REVENUE						
Revenue from ordinary activities						
Goods and services	783,112	835,869	776,946	852,252	845,125	840,498
Interest	7,053	2,661	4,838	7,263	7,880	10,888
Net gain from sale of assets	487	581	115	74	93	101
Fair Value Gains- Investment Property	42,415	40,870	40,870	44,415	43,565	44,113
Revenues from ordinary activities	833,067	879,981	822,769	904,004	896,663	895,600
EXPENSE						
Employees	53,808	55,960	54,280	57,003	59,285	62,384
Suppliers	654,403	702,817	634,349	698,111	690,300	680,919
Depreciation and amortisation	13,230	15,493	15,866	15,564	14,932	14,808
Expenses from ordinary activities (excluding borrowing costs expense)	721,441	774,270	745,365	815,093	808,082	802,224
Borrowing costs expense	22,246	31,538	28,374	31,570	31,587	32,176
Operating profit before Income Tax from ordinary activities	89,380	74,173	49,030	57,341	56,994	61,200
Income Tax Expense	24,903	11,861	18,556	16,421	15,518	16,147
Net surplus or deficit attributable to the Commonwealth	64,477	62,312	30,474	40,920	41,476	45,053

Table 3.1.2—Budgeted Balance Sheet

	Projected Results 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Revised Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000	Forward Estimate 2011-12 \$'000
ASSETS						
Financial assets						
Cash	34,430	43,055	62,736	39,738	43,571	46,932
Receivables	163,543	148,741	155,043	148,948	143,659	139,189
Accrued Revenue	18,032	18,737	15,701	16,803	17,855	18,941
Other Financial Assets	22,986	23,785	20,213	20,960	21,358	20,587
Total financial assets	238,991	234,318	253,693	226,449	226,443	225,649
Non-financial assets						
Land and buildings	1,360,410	1,352,277	1,307,838	1,317,137	1,303,638	1,272,560
Infrastructure, plant and equipment	12,490	10,501	13,344	14,765	16,600	18,503
Inventories	683,191	762,406	726,031	787,168	828,584	880,224
Assets Held for Sale	30,851	43,154	54,077	51,710	40,705	67,685
Tax Assets	14,963	13,092	25,052	21,921	19,181	16,783
Total non-financial assets	2,101,905	2,181,430	2,126,342	2,192,701	2,208,708	2,255,755
Total Assets	2,340,896	2,415,748	2,380,035	2,419,150	2,435,151	2,481,404
LIABILITIES						
Interest bearing liabilities						
Loans	400,000	475,000	450,000	475,000	475,000	500,000
Provisions						
Employees	8,866	10,138	10,032	11,510	13,047	14,677
Trade Creditors						
Provision	110,865	104,807	67,679	67,884	68,096	68,316
Current Tax Liabilities	18,948	-	2,769	2,287	2,162	1,556
Provision for dividend	-	-	42,137	39,402	37,224	38,726
Prepayment Received	17,342	17,920	27,649	28,424	28,577	28,719
Other Payables and Accrued Expenses	12,074	9,129	7,285	8,620	8,969	9,321
Total Payables and Provisions	173,076	147,027	162,002	162,610	162,591	165,806
Total liabilities	573,076	622,027	612,002	637,610	637,591	665,806
Equity						
Contributed equity	249,148	249,148	249,148	249,148	249,148	249,148
Reserves	1,417,452	1,458,322	1,443,740	1,455,725	1,467,492	1,479,203
Total accumulated results	101,220	86,251	75,145	76,667	80,920	87,247
Total equity	1,767,820	1,793,721	1,768,033	1,781,540	1,797,560	1,815,598
Total liabilities and equity	2,340,896	2,415,748	2,380,035	2,419,150	2,435,151	2,481,404

Table 3.1.3—Statement of Cash Flows

	Projected Results 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Revised Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000	Forward Estimate 2011-12 \$'000
OPERATING ACTIVITIES						
Cash received						
Goods and services	785,411	825,755	776,929	842,952	834,622	830,424
Interest	8,372	2,217	4,282	6,561	6,953	9,902
GST	4,400	-	0	0	0	0
Other	4	-	59	0	0	0
Total cash received	798,187	827,972	781,270	849,513	841,575	840,326
Cash used						
Employees	70,441	72,077	58,217	55,786	58,016	61,014
Payment to Suppliers	728,122	732,394	749,220	761,147	733,377	733,017
GST Payments to Suppliers	928	-	0	0	0	0
Tax	224	29,863	31,480	13,772	12,902	14,355
Interest	27,336	31,538	28,374	31,570	31,587	32,176
Total cash used	827,051	865,872	867,291	862,275	835,882	840,562
Net cash from/(used by) operating activities	(28,864)	(37,900)	(86,021)	(12,762)	5,693	(236)
INVESTING ACTIVITIES						
Cash received						
Proceeds from sales of property, plant and equipment	66,135	127,803	157,232	107,704	116,331	118,132
Total cash received	66,135	127,803	157,232	107,704	116,331	118,132
Cash used						
Purchase of property, plant and equipment	174,422	121,247	69,566	100,803	78,789	102,312
Total cash used	174,422	121,247	69,566	100,803	78,789	102,312
Net cash from (used by) investing activities	(108,287)	6,556	87,666	6,901	37,542	15,820
FINANCING ACTIVITIES						
Cash received						
Proceeds from loans	60,000	75,000	50,000	25,000	0	25,000
Proceeds from other activities	-	-	-	-	-	-
Total cash received	60,000	75,000	50,000	25,000	0	25,000
Cash used						
Repayment of loans						
Dividends paid	58,700	35,031	44,279	42,137	39,402	37,224
Total cash used	58,700	35,031	44,279	42,137	39,402	37,224
Net cash from/(used by) financing activities	1,300	39,969	5,721	(17,137)	(39,402)	(12,224)
Net increase/(decrease) in cash held	(135,851)	8,625	7,366	(22,998)	3,833	3,360
Cash at the beginning of the reporting period	170,281	34,430	55,370	62,736	39,738	43,571
Cash at the end of the reporting period	34,430	43,055	62,736	39,738	43,571	46,931

Table 3.1.4—Capital Budget Statement^[1]

	Projected Results 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Revised Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000	Forward Estimate 2010-11 \$'000	Forward Estimate 2011-12 \$'000
CAPITAL APPROPRIATIONS						
Total loans	60,000	75,000	50,000	25,000	0	25,000
Total	60,000	75,000	50,000	25,000	0	25,000
PURCHASE OF NON CURRENT ASSETS						
Funded internally by Departmental resources	125,000	48,000	66,000	55,000	65,000	70,000
TOTAL	125,000	48,000	66,000	55,000	65,000	70,000

Note

- Table 4 shows purchases of property, plant and equipment and includes housing stock intended to be kept as Defence Housing Australia core stock. Sale and Leaseback housing stock is now recorded as inventory. Cost of acquisition/construction of inventory is shown in Operating activities in the Statement of Cash Flows. Previously, costs of acquisition/construction of all housing stock, whether intended for sale or to be kept as core stock, was shown as Investing Activities.

Table 3.1.5: Non-Financial Assets – Summary of Movement (Budget Year 2008-09)

	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Other infrastructure plant and equipment \$'000	Total \$'000	L&B IP&E held for sale \$'000	Total \$'000
Gross Value as at 1 July 2007	832,757	466,877	1,299,634	37,313	1,336,947	120,964	1,457,911
Additions	24,197	31,901	56,098	6,167	62,265	0	62,265
Disposals	0	0	0	0	0	-114,781	-114,781
Revaluation increments	0	0	0	0	0	0	0
Transfers to Assets Held for Sale	-23,947	-23,947	-47,894	0	-47,894	47,894	0
Gross value 30 June 2008	833,007	474,831	1,307,838	43,480	1,351,318	54,077	1,405,395
Accumulated Depreciation as at 1 July 2007	0	0	0	-26,141	-26,141	0	-26,141
Charge for the reporting period	0	-11,871	-11,871	-3,995	-15,866	0	-15,866
Disposals	0	0	0	0	0	0	0
Revaluations	0	11,871	11,871	0	11,871	0	11,871
Accumulated Depreciation as at 30 June 2008	0	0	0	30,136	30,136	-	30,136
Net Book Value as at 30 June 2008	833,007	474,831	1,307,838	13,344	1,321,182	54,077	1,375,259

Table 3.1.6—Defence Housing Australia (DHA) resource statement budget estimates for 2008-09 as at Budget May 2008

Source	Estimate of prior year amounts available in 2008-09 \$'000	+	Proposed at Budget 2008-09 \$'000	=	Total Estimate 2008-09 \$'000	Total Estimate 2008-09 \$'000
Opening Balance/Reserves at Bank	-		-			
REVENUE FROM GOVERNMENT						
Ordinary Annual Services ^[1]						
Outcome 1- Defence DHA:01			556,089		556,089	
Total ordinary annual services			556,089		556,089	
Total Annual Appropriations			556,089		556,089	
Total Funds from Government			556,089		556,089	
FUNDS FROM OTHER SOURCES						
Interest			4,838		4,838	
Sale of goods and services			220,857		220,857	
Other			115		115	
Total			225,810		225,810	
Total net resourcing for Agency			781,899		781,899	

Note

1. Appropriation Bill (No.1) 2008-09.
2. All figures are GST exclusive.

CRF - Consolidated Revenue Fund

DHA is not directly appropriated as it is a Commonwealth Authorities and Companies Act body. Appropriations are made to Department of Defence which are then paid to DHA and are considered 'departmental' for all purposes.