

SECTION THREE – DEFENCE HOUSING AUSTRALIA

OVERVIEW

BUDGETED FINANCIAL STATEMENTS

OVERVIEW

Overview

DHA has an approved borrowing limit of \$550m. To date, \$340m of the approved limit has been drawn down. Given the level of DHA's capital program, it has requested approval for an increase in the borrowing limit to \$750m.

Outcome and output information

OUTCOME

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

OUTPUT

The provisioning of Defence housing services.

Output performance indicators	
Quality:	Modern housing.
Quantity:	16,740 houses by 30 June 2008.
Price:	Average rental cost to Defence is estimated to be \$415 per week per house.

Achievement of planned performance is reported in the annual report of DHA and monitored through the governance arrangements for Commonwealth Government Business Enterprises.

BUDGETED FINANCIAL STATEMENTS

Table 1.1—Budgeted income statement

	Revised projected results 2007-08 \$'000	Forward 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	876,629	947,783	988,338	980,820	986,002
Interest	4,769	4,264	2,057		
Net gain from sale of assets	735	580	392	220	220
Revenues from ordinary activities	882,133	952,627	990,787	981,040	986,222
EXPENSE					
Employees	51,752	53,820	55,979	58,255	60,599
Suppliers	716,468	770,090	797,557	787,212	780,192
Depreciation and amortisation	15,454	15,963	16,640	17,218	17,297
Expenses from ordinary activities (excluding borrowing costs expense)	783,674	839,873	870,176	862,685	858,088
Borrowing costs expense	24,987	34,100	35,286	36,846	42,295
Operating profit before income tax from ordinary activities	73,472	78,654	85,325	81,509	85,839
Income tax expense	16,959	18,440	19,919	19,175	20,479
Net surplus or deficit attributable to the Commonwealth	56,513	60,214	65,406	62,334	65,360
Net credit (debit) to asset revaluation reserve					
Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity	56,513	60,214	65,406	62,334	65,360

Table 1.2—Budgeted balance sheet

	Revised projected results 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash	59,803	73,130	16	16	16
Receivables	136,155	129,224	124,638	121,375	144,363
Accrued revenue	15,906	16,021	17,152	18,682	15,133
Other financial assets	18,457	19,428	21,540	85	11,328
Total financial assets	230,321	237,803	163,346	140,158	170,840
Non-financial assets					
Land and buildings	1,042,528	1,098,333	1,153,919	1,266,625	1,317,046
Infrastructure, plant and equipment	11,632	12,929	14,217	15,937	13,714
Inventories	760,427	804,303	826,565	747,349	773,393
Assets held for sale	37,870	42,897	47,710	55,514	77,169
Total non-financial assets	1,852,457	1,958,462	2,042,411	2,085,425	2,181,322
Total Assets	2,082,778	2,196,265	2,205,757	2,225,583	2,352,162
LIABILITIES					
Interest bearing liabilities					
Loans	450,000	550,000	550,000	550,000	550,000
Provisions					
Employees	9,963	11,362	12,816	14,344	18,013
Trade creditors					
Provision	14,994	14,994	14,994	14,994	14,994
Prepayment received	102,210	106,996	107,920	102,950	105,220
Other payables & accrued expenses	24,168	22,983	24,143	25,786	38,722
Total payables and provisions	179,284	181,746	175,097	174,511	193,386
Total liabilities	629,284	731,746	725,097	724,511	743,386
Equity					
Contributed equity	1,453,494	1,464,519	1,480,660	1,501,072	1,608,776
Reserves	249,148	249,148	249,148	249,148	249,148
Total accumulated results	1,050,298	1,061,557	1,073,485	1,086,423	1,163,784
Total equity	1,453,494	1,464,519	1,480,660	1,501,072	1,608,776
Total liabilities and equity	2,082,778	2,196,265	2,205,757	2,225,583	2,352,162

Table 1.3—Statement of cash flows

	Revised projected results 2007-08 \$'000	Forward 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	865,562	936,521	976,474	969,676	974,801
Interest	4,769	4,264	2,058		
GST					
Other					
Total cash received	870,331	940,785	978,532	969,676	974,801
Cash used					
Employees	50,643	52,523	54,628	56,843	59,126
Payment to Suppliers	797,914	764,284	782,476	723,539	772,390
GST payments to Suppliers					
Tax		20,661	30,615	18,677	20,069
Interest	24,987	34,100	35,286	36,846	42,295
Total cash used	873,544	871,568	903,005	835,905	893,880
Net cash from/(used by) operating activities	-3,213	69,217	75,527	133,771	80,921
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	68,264	67,882	58,345	37,146	57,909
Total cash received	68,264	67,882	58,345	37,146	57,909
Cash used					
Purchase of property, plant and equipment	208,810	164,461	145,910	109,077	157,065
Total cash used					
Net cash from (used by investing activities)	-140,546	-96,579	-87,565	-71,931	-99,156
FINANCING ACTIVITIES					
Cash received					
Proceeds from loans	110,000	100,000			
Proceeds from other activities					
Total cash received	110,000	100,000			
Cash used					
Repayment of loans					
Dividends paid	76,720	59,311	61,075	61,840	64,737
Total cash used					
Net cash from/(used by) financing activities	33,280	40,689	-61,075	-61,840	-64,737
Net increase/(decrease) in cash held	-110,479	13,327	-73,113		
Cash at the beginning of the reporting period	170,281	59,802	73,129	16	16
Cash at the end of the reporting period	59,802	73,129	16	16	16

Table 1.4—Capital budget statement^[1]

	Revised projected results 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
CAPITAL APPROPRIATIONS					
Total loans	110,000	100,000			
Total					
PURCHASE OF NON CURRENT ASSETS					
FunDED internally by departmental resources	230,426	62,129	61,687	122,230	53,451
TOTAL	230,426	62,129	61,687	122,230	53,451

Note

- Table 4 shows purchases of property, plant and equipment and includes housing stock intended to be kept as DHA 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 1.5—Non-financial assets – summary of movement (budget year 2007-08)^[1]

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross value as at 1 July 2007	464,707	498,845	963,552	22,739	986,292
Additions	48,468	72,702	121,170	4,856	126,026
Disposals					
Revaluation increments					
Transfers to assets held for sale	-16,878	-25,316	-42,194		-42,194
Gross value 30 June 2008	496,298	546,231	1,042,528	27,595	1,595,193
Accumulated depreciation as at 1 July 2007				-10,960	-10,960
Charge for the reporting period					
Disposals		-10,451	-10,451	-5,003	-15,453
Revaluations		-10,451	-10,451		-10,451
Accumulated depreciation as at 30 June 2008				-15,963	-15,963
Net book value as at 30 June 2008	496,298	546,231	1,042,528	11,632	1,054,161

Note

- The Summary of Movement for 2007-08 was also reported in the Portfolio Budget Statements 2007-08.