

DEFENCE HOUSING AUSTRALIA

AGENCY RESOURCES AND PLANNED PERFORMANCE

Section 1: DHA Overview and Resources

Section 2: DHA Outcomes and Planned Performance

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Defence Housing Australia

Section 1: DHA Overview and Resources

1.1 Strategic Direction Statement

DHA Organisational Structure

The DHA Board and Advisory Committee compositions have changed and are detailed below.

The DHA Board members are:

Chairman	Mr Derek Volker AO
Managing Director	Mr Peter Howman
Commercial Director	Ms Margaret Walker
Commercial Director	Ms Carol Holley
Commercial Director	The Hon J.A.L. (Sandy) Macdonald
Commercial Director	The Hon Arch Bevis
Nominee Secretary of Defence	Vacant
Nominee Chief of Defence Force	Commodore Vicki McConachie CSC RANR
Nominee Secretary of Finance and Deregulation	Ms Janice Williams

DHA has an Advisory Committee which has the following members:

Chairperson	Vacant
Appointee of Defence Housing Australia	Mr Peter Howman
Appointee of Chief of Navy	RADM Michael Van Balen, RAN (Deputy Chief of Navy)
Appointee of Chief of Army	MAJGEN Peter Warwick (Gus) Gilmore, AO, DSC (Deputy Chief of Army)
Appointee of Chief of Air Force	Air Vice Marshal Gavin (Leo) Davies CSC
National Convenor of Defence Families Australia	Vacant

DHA's wholly owned subsidiary entity DHA Investment Management Limited has a Board comprising a Chairperson and two directors.

The DHA Investment Management Limited Board members are:

Chairperson	Ms Carol Holley
Director (and DHA Managing Director)	Mr Peter Howman
Director (and DHA Chief Financial Officer)	Mr Jon Brocklehurst

1.2 DHA Resource Statement

Table 103: DHA Resource Statement Budget Estimates for 2013-14 as at Budget May 2013^[1]

	Estimate as at budget 2013-14 \$'000	+	Proposed Additional Estimates 2013-14 \$'000	=	Total Estimate at additional estimates 2013-14 \$'000	Total Available Appropriation 2012-13 \$'000
Opening balance/Reserves at bank	230,890		98,538		329,428	254,780
REVENUE FROM GOVERNMENT						
Other services						
Bill 2-Non-Operating-Equity	-		-		-	-
Bill 2-Non-Operating-Loan	-		-		-	-
Total Other services	-		-		-	-
Total Annual Appropriations	-		-		-	-
Payments from related entities^[2]						
Department of Defence	576,030		2,921		578,951	501,460
Total	576,030		2,921		578,951	501,460
Total funds from Government	576,030		2,921		578,951	501,460
FUNDS FROM INDUSTRY SOURCES						
FUNDS FROM OTHER SOURCES						
Interest	4,689		6,059		10,748	6,032
Sale of goods and services	493,184		18,697		511,881	459,767
Total	497,873		24,756		522,629	465,799
Total Net Resourcing for DHA	1,073,903		27,677		1,101,580	967,259

Notes

1. DHA is not directly appropriated as it is a CAC Act Body. Appropriations are made to Department of Defence which are then paid to DHA and are considered 'departmental' for all purposes.

2. Revenue for sale of goods and services provided by Department of Defence that is not specified within the annual appropriation bills as a payment to the CAC Act body.

Reader Note: All Figures are GST exclusive.

1.3 Budget Measures

There are no measures relating to DHA for the 2013-14 Additional Estimates.

1.4 Additional Estimates and Variations

DHA is not directly appropriated, as it is a CAC Act Body. Appropriations are made to Department of Defence which are then paid to DHA and are considered “departmental” for all purposes.

1.5 Breakdown of Additional Estimates by Appropriation Bill

DHA is not directly appropriated, as it is a CAC Act Body. Appropriations are made to Department of Defence which are then paid to DHA and are considered “departmental” for all purposes.

Section 2: DHA Outcomes and Planned Performance

2.1 Outcome and Performance Information

Outcome 1: To contribute to Defence outcomes by providing total housing services that meet Defence Operational and client needs through a strong customer and business focus

Outcome Expense Statement

Table 104: Budgeted Expenses for Outcome 1

Outcome 1: To contribute to Defence outcomes by providing total housing services that meet Defence operational and client needs through a strong customer and business focus	2012-13	2013-14	2013-14
	Actual	Budget	Revised
	\$'000	Estimate	Estimate
	\$'000	\$'000	\$'000
Program 1.1 Other Departmental - DHA			
Revenue from Government			
Payment from related entities	545,230	576,030	578,951
Revenues from other independent sources	392,176	453,864	462,053
Total for Program 1.1	937,406	1,029,894	1,041,004
Total Expenses for Outcome 1	937,406	1,029,894	1,041,004

Contributions to Outcome 1

Program 1.1: The provision of Defence housing and housing related services

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

DHA advises no significant changes to targets published in the *Portfolio Budget Statements 2013-14*.

3.1 Explanatory Tables

Not applicable to DHA.

3.2 Budgeted Financial Statements

3.2.1 Budgeted Financial Statements

Table 105: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June^[1]

	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	Actual	Budget	Revised	Revised	Revised	Revised
	\$'000	Estimate	Estimate	Estimate	Estimate	Estimate
EXPENSES						
Employee benefits	59,555	62,202	67,594	73,650	77,643	81,838
Supplier expenses	821,328	911,041	918,966	978,340	1,063,757	1,234,787
Depreciation and amortisation	20,674	20,802	17,136	16,863	16,837	16,598
Finance costs	31,849	31,849	29,807	34,791	37,161	37,682
Write-down of assets and impairment of assets	4,000	4,000	7,500	7,500	7,500	7,500
Income Tax Expenses	27,674	31,478	29,314	28,341	34,344	35,854
Total expenses	965,080	1,061,372	1,070,317	1,139,485	1,237,242	1,414,259
LESS:						
OWN-SOURCE INCOME						
Revenue						
Sales of goods and rendering of services	483,725	522,314	513,858	571,194	637,009	773,199
Share of net profit from associates	400	76			-	-
Interest	5,639	4,525	9,084	4,114	4,786	4,287
Total revenue	489,764	526,915	522,942	575,308	641,795	777,486
Gains						
Sale of assets	83	77	105	78	82	69
Total gains	83	77	105	78	82	69
Total own-source income	489,847	526,992	523,047	575,386	641,877	777,555
Net cost of (contribution by) services	475,233	534,380	547,270	564,099	595,365	636,704
Revenue from Government	501,460	576,030	578,951	601,832	646,606	691,269
Surplus (Deficit) attributable to the Australian Government	26,227	41,650	31,681	37,733	51,241	54,565
OTHER COMPREHENSIVE INCOME						
Changes in asset revaluation reserves	18,263	18,793	48,120	59,021	57,837	57,153
Total other comprehensive income	18,263	18,793	48,120	59,021	57,837	57,153
Total comprehensive income	44,490	60,443	79,801	96,754	109,078	111,718
Total comprehensive income (loss) attributable to the Australian Government	44,490	60,443	79,801	96,754	109,078	111,718

Note

1. Prepared on Australian Accounting Standards basis.

Table 106: Budgeted Departmental Balance Sheet (as at 30 June)^[1]

	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	Actual	Budget	Revised	Revised	Revised	Revised
	\$'000	Estimate	Estimate	Estimate	Estimate	Estimate
ASSETS						
Financial assets						
Cash and cash equivalents	230,906	199,421	127,016	82,814	124,408	74,785
Trade and other receivables	49,559	101,639	98,242	151,983	193,497	237,729
Investments accounted for under the equity method	2,718	1,714	3,129	3,129	3,129	3,129
Accrued Revenue	6,261	6,613	11,470	14,633	15,862	19,822
Other Financial Assets	25,562	27,526	29,313	29,315	30,686	32,375
Total financial assets	315,006	336,913	269,170	281,874	367,582	367,840
Non-financial assets						
Land and buildings	1,561,362	1,573,643	1,469,123	1,437,504	1,425,978	1,406,428
Property, plant and equipment	8,095	11,086	11,944	15,027	17,893	20,660
Inventories	919,449	897,999	1,044,925	1,195,010	1,195,144	1,318,775
Tax Assets	20,163	20,863	16,144	16,144	16,144	16,144
Total non-financial assets	2,509,069	2,503,591	2,542,136	2,663,685	2,655,159	2,762,007
Assets held for sale	36,453	36,453	74,580	74,580	74,580	74,580
Total assets	2,860,528	2,876,957	2,885,886	3,020,139	3,097,321	3,204,427
LIABILITIES						
Payables						
Suppliers	7,198	4,465	775	124	254	446
Current tax liabilities	3,660	3,122	7,829	3,327	4,429	2,455
Dividends	46,873	50,777	50,525	47,795	57,539	56,861
Other payables and accrued expenses	91,178	93,012	58,017	57,763	59,399	61,769
Total payables	148,909	151,376	117,146	109,009	121,621	121,531
Interest bearing liabilities						
Loans	509,580	509,580	509,580	594,580	594,580	634,580
Total interest bearing liabilities	509,580	509,580	509,580	594,580	594,580	634,580
Provisions						
Employee provisions	19,913	22,631	20,299	21,767	24,924	28,410
Provisions for restoration	90,157	91,954	99,638	106,262	114,379	123,575
Other	3,789	2,509	2,069	2,408	4,165	4,723
Total provisions	113,859	117,094	122,006	130,437	143,468	156,708
Total liabilities	772,348	778,050	748,732	834,026	859,669	912,819
NET ASSETS	2,088,180	2,098,907	2,137,154	2,186,113	2,237,652	2,291,608
EQUITY^[2]						
Contributed equity	396,148	396,148	396,148	396,148	396,148	396,148
Reserves	1,676,076	1,694,869	1,735,794	1,794,815	1,852,652	1,908,905
Retained surplus	15,956	7,890	5,212	-4,850	-11,148	-13,445
Total parent entity interest	2,088,180	2,098,907	2,137,154	2,186,113	2,237,652	2,291,608

Notes

1. Prepared on Australian Accounting Standards basis.

2. Equity is the residual interest in assets after deduction of liabilities.

Table 107: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)^[1]

	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	Actual	Budget	Revised	Revised	Revised	Revised
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES						
Cash received						
Goods and services	961,227	1,069,050	1,090,832	1,148,940	1,189,239	1,211,463
Interest	6,032	4,689	10,748	4,299	4,602	4,519
Total cash received	967,259	1,073,739	1,101,580	1,153,239	1,193,841	1,215,982
Cash used						
Employees	58,337	59,678	56,536	73,721	74,752	67,079
Suppliers	842,961	900,359	1,134,001	1,245,873	1,119,609	1,434,555
Borrowing costs	31,849	31,849	29,807	34,791	37,161	37,682
Taxes Paid	28,603	32,016	40,562	32,843	33,241	37,682
Total cash used	961,750	1,023,902	1,260,906	1,387,228	1,264,763	1,576,998
Net cash from (used by) operating activities	5,509	49,837	-159,326	-233,989	-70,922	-361,016
INVESTING ACTIVITIES						
Cash received						
Proceeds of property, plant and equipment	134,255	124,047	128,681	157,618	186,688	335,351
Total cash received	134,255	124,047	128,681	157,618	186,688	335,351
Cash used						
Purchase of property, plant and equipment	155,454	159,556	120,694	2,306	26,377	6,419
Total cash used	155,454	159,556	120,694	2,306	26,377	6,419
Net cash from (used by) investing activities	-21,199	-35,509	7,987	155,312	160,311	328,932
FINANCING ACTIVITIES						
Cash received						
Contributed equity	-	-	-	-	-	-
Cash received from Borrowings	-	-	-	85,000	-	40,000
Total cash received	-	-	-	85,000	-	40,000
Cash used						
Dividends paid	48,594	45,813	51,073	50,525	47,795	57,539
Total cash used	48,594	45,813	51,073	50,525	47,795	57,539
Net cash from (used by) financing activities	-48,594	-45,813	-51,073	34,475	-47,795	-17,539
Net increase (decrease) in cash held	-64,284	-31,485	-202,412	-44,202	41,594	-49,623
Cash and cash equivalents at the beginning of the reporting period	295,190	230,906	329,428	127,016	82,814	124,408
Cash and cash equivalents at the end of the reporting period	230,906	199,421	127,016	82,814	124,408	74,785

Table 108: Departmental Statement of Changes in Equity – Summary of Movement (Budget Year 2013-14)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2013	26,187	1,691,038		396,148	2,113,373
Balance carried forward from previous period	-	-	-	-	-
Opening balance	26,187	1,691,038	-	396,148	2,113,373
Comprehensive income					
Comprehensive income recognised directly in equity:					
Other Comprehensive Income	31,681				31,681
Gain/loss on revaluation of property	-	44,756			44,756
Sub-total comprehensive income	31,681	44,756	-	-	76,437
Total comprehensive income recognised directly in equity	57,868	1,735,794	-	396,148	2,189,810
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-52,656				-52,656
Sub-total transaction with owners	-52,656	-	-	-	-52,656
Estimated closing balance as at 30 June 2014	5,212	1,735,794	-	396,148	2,137,154

Table 109: Departmental Capital Budget Statement^[1]

	2012-13 Actual \$'000	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS						
Funded internally from departmental resources ^[2]	80,225	94,815	120,694	2,306	26,377	6,419
Total	80,225	94,815	120,694	94,446	82,906	22,778
Reconciliation of cash used to acquire assets to asset movement table						
Total purchases	80,255	94,815	120,694	2,306	26,377	6,419
plus reclassification	-	-	-	-	-	-
plus other	75,199	64,741				
Total cash used to acquire assets	155,454	159,556	120,694	144,511	113,161	22,778

Notes

1. Prepared on Australian Accounting Standards basis.
2. Funded internally through proceeds from sale of assets.

Table 110: Statement of Asset Movements (2013-14)

	Land \$'000	Buildings \$'000	Other Property, Plant and Equipment \$'000	L&B IP&E held for sale \$'000	Total \$'000
As at 1 July 2013					
Gross book value	838,731	608,619	35,636	33,315	1,516,301
Accumulated depreciation/amortisation and impairment	-	-34	-26,985	-	-27,019
Opening net book balance	838,731	608,585	8,651	33,315	1,489,282
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - Government funding	-	-	-	-	-
By purchase - other	60,347	60,347	5,000	-	125,694
Total Additions	60,347	60,347	5,000	-	125,694
Other Movements					
Revaluations	26,422	21,698			48,120
Disposals	-	-	-	-105,583	-105,583
Transfer to assets held for sale	-73,502	-73,505	-	146,848	-159
Depreciation and amortisation	-	-	-1,707	-	-1,707
Total Other movements	-73,502	-73,505	-1,707	41,265	-59,329
As at 30 June 2014					
Gross book value	851,998	617,159	40,636	74,580	1,584,373
Accumulated depreciation/amortisation and impairment	-	-34	-28,692	-	-28,726
Closing net book value	851,998	617,125	11,944	74,580	1,555,647