

Australian Capital Territory
**Consolidated Annual
Financial Statements**

1999-2000 Financial Year

Australian Capital Territory Government



INDEPENDENT AUDIT OPINION



AUDITOR-GENERAL



INDEPENDENT AUDIT REPORT

AUSTRALIAN CAPITAL TERRITORY

**To Members of the Legislative Assembly for the
Australian Capital Territory**

I have audited the annual financial statements of the Australian Capital Territory for the year ending 30 June 2000. The financial statements, which were forwarded to me by the Treasurer, consist of the following financial statements together with the notes thereto:

- Consolidated Operating Statement;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Cash Flows;
- Schedule of Commitments and Contingent Obligations;
- Consolidated Operating Statements by Sector;
- Consolidated Statements of Financial Position by Sector;
- Consolidated Statements of Cash Flows by Sector; and
- Statement of Appropriations.

Under Section 23 of the Financial Management Act 1996, the Treasurer and the Chief Executive of the Department of Treasury and Infrastructure are responsible for the financial statements.

My responsibility is to express an opinion on the financial statements based on my audit as required by Section 24(2) of the Financial Management Act 1996.

Audit Scope

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement.

My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Financial Management Act 1996, Australian Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view of the Australian Capital

INDEPENDENT AUDIT OPINION

Territory which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

The audit opinion expressed in this Report on the financial statements has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Australian Capital Territory for the year ending 30 June 2000 present fairly in accordance with the Financial Management Act 1996, Australian Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the Australian Capital Territory as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'John A Parkinson', written in a cursive style.

John A Parkinson FCPA
30 November 2000

**CERTIFICATION BY THE TREASURER
AND THE CHIEF EXECUTIVE AND CHIEF EXECUTIVE OF THE
DEPARTMENT OF TREASURY AND INFRASTRUCTURE**

Certification by the Treasurer

The Treasurer is responsible for administering the *Financial Management Act 1996* (the Act) and related guidelines governing the financial affairs of the Territory. Accordingly, the Act requires the Treasurer to prepare, and certify, consolidated financial statements of the Territory each year.

It is my opinion that the attached financial statements for the year ending 30 June 2000 reflect fairly the financial operations of the Territory during the financial year, and the financial position of the Territory at the end of the financial year.

Gary Humphries, MLA
Treasurer

Date: October 2000

Certification by the Chief Executive of the Department of Treasury and Infrastructure

The Chief Executive of the *Department of Treasury and Infrastructure* has been delegated responsibility for administering the *Financial Management Act 1996* (the Act), and therefore the financial administration of Territory activities. This responsibility for financial affairs, and preparation of these consolidated financial statements of the Territory, is exercised through the *Financial and Budgetary Management Branch*.

It is our opinion that the attached financial statements for the year ending 30 June 2000 have been prepared in accordance with generally accepted accounting practice and the requirements of the Act.

Howard Ronaldson
Chief Executive
Department of Treasury and Infrastructure

Date: October 2000

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT				
CONSOLIDATED OPERATING STATEMENT				
FOR THE YEAR ENDED 30 JUNE 2000				
		<i>1999-00</i>	<i>1999-00</i>	<i>1998-99</i>
		<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
	<i>Notes</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
REVENUE				
Taxes, Fees and Fines	4	716	642	643
User Charges for Goods and Services	5	573	542	532
Grants from the Commonwealth Government	6	680	679	593
Interest Income		50	61	41
Other Revenue	7	233	122	109
Total Revenue		2,252	2,046	1,918
EXPENSES				
Superannuation		143	204	189
Wages, Salaries and Other Employee Expenses	8	745	743	747
Administrative Expenses	9	412	403	384
Cost of Goods Sold	2z	230	186	184
Depreciation and Amortisation	2n	198	209	203
Interest and Finance Costs		60	60	57
Grants and Purchased Services		221	236	203
Other Expenses	11	76	69	82
Total Expenses		2,085	2,110	2,049
OPERATING SURPLUS (LOSS) BEFORE ABNORMAL ITEMS		167	(64)	(131)
Abnormal Items (see note below)	12	(89)	0	(44)
OPERATING SURPLUS (LOSS)		78	(64)	(175)
Accumulated Funds at the Beginning of the Year		5,798	5,866	6,038
Adjustments Relating to Prior Periods	27	(86)	-	(52)
Net Transfers from Reserves	26	26	12	(13)
Accumulated Funds at the End of the Year	26	5,816	5,814	5,798
<i>The above Consolidated Operating Statement should be read in conjunction with the accompanying notes.</i>				

Note for Abnormal Items: In the 1999-2000 Budget ACT Housing budgeted for an \$18m abnormal expense for the transfer of houses to Community Housing Canberra Ltd. However on consolidation of the budget, this amount was included in other expenses due to a policy of not budgeting for abnormals.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT				
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
AS AT 30 JUNE 2000				
		2000	2000	1999
		<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
	<i>Notes</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
ASSETS				
Current Assets				
Cash	13	26	80	30
Receivables	14	202	124	173
Investments	15	1,160	883	641
Inventories	16	33	39	36
Other	19	38	15	39
Total Current Assets		1,458	1,141	919
Non-Current Assets				
Receivables	14	152	129	136
Investments	15	22	18	19
Inventories	16	48	49	43
Property, Plant and Equipment	17	8,007	7,920	8,029
Intangibles		2	2	2
Works in Progress	18	119	111	80
Other	19	6	85	30
Total Non-Current Assets		8,355	8,314	8,339
TOTAL ASSETS		9,813	9,455	9,258
LIABILITIES				
Current Liabilities				
Creditors	20	176	67	143
Borrowings	21	178	464	140
Finance Leases	22	24	12	10
Superannuation	23	52	24	19
Other Employee Entitlements	24	108	105	106
Other	25	30	24	43
Total Current Liabilities		568	696	461
Non-Current Liabilities				
Creditors	20	13	8	5
Borrowings	21	713	479	545
Finance Leases	22	36	46	49
Superannuation	23	1,316	1,395	1,224
Other Employee Entitlements	24	119	130	123
Other	25	8	4	7
Total Non-Current Liabilities		2,205	2,062	1,953
TOTAL LIABILITIES		2,773	2,758	2,414
TOTAL NET ASSETS		7,040	6,697	6,844
CAPITAL				
	26			
Accumulated Funds		5,816	5,815	5,798
Asset Revaluation Reserve		1,143	811	943
Other Reserves		81	71	103
TOTAL CAPITAL		7,040	6,697	6,844

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT				
CONSOLIDATED STATEMENT OF CASH FLOWS				
FOR THE YEAR ENDED 30 JUNE 2000				
		<i>1999-00</i>	<i>1999-00</i>	<i>1998-99</i>
		<i>Actual</i>	<i>Budget</i>	<i>Actual</i>
	<i>Notes</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Taxes, Fees and Fines		717	642	649
User Charges for Goods and Services		601	546	536
Grants from the Commonwealth Government		680	679	593
Interest Income		40	36	37
Other		117	77	78
Operating Receipts		2,155	1,980	1,893
<i>Payments</i>				
Related to Superannuation	23	38	37	41
Other Payments Related to Employees		733	735	746
Related to Administration and Suppliers		468	397	410
Grants, Subsidies and Transfer Payments		217	236	202
Interest and Finance Costs		55	59	56
Other		262	248	247
Operating Payments		1,773	1,712	1,702
Net Cash Inflows from Operating Activities	28 (b)	382	268	191
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Receipts</i>				
Proceeds from Sale/Maturity of Investments		1,435	1,806	1,056
Proceeds from Sale of Property, Plant & Equipment		65	38	47
Repayments of Home Loan Principal		34	25	35
Investing Receipts		1,534	1,869	1,138
<i>Payments</i>				
Purchase of Investments		1,901	2,133	1,094
Purchase of Property, Plant & Equipment		241	255	175
Investing Payments		2,142	2,388	1,269
Net Cash (Outflows) from Investing Activities		(608)	(519)	(131)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Receipts</i>				
Proceeds from Borrowings		1,133	1,166	471
Financing Receipts		1,133	1,166	471
<i>Payments</i>				
Repayment of Advance		-	-	2
Repayment of Investments		83	18	11
Repayment of Borrowings and Finance Leases		848	889	517
Financing Payments		931	907	529
Net Cash Inflows/(Outflows) from Financing Activities		202	259	(58)
NET INCREASE (DECREASE) IN CASH HELD				
		(23)	7	2
Cash Held at the Beginning of the Year		68	312	66
Cash Held at the End of the Year	2(h), 28(a)	45	319	68
<i>The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes</i>				

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT			
SCHEDULE OF COMMITMENTS AND CONTINGENT OBLIGATIONS			
AS AT 30 JUNE 2000			
	<i>Notes</i>	<i>2000</i>	<i>1999</i>
		<i>\$m</i>	<i>\$m</i>
Commitments by Type			
Operating Leases	29	67	60
Capital Commitments	30	40	51
Other Commitments	31	118	84
Total Commitments		225	195
Commitments by Maturity			
Not later than one year		102	105
From one to five years		107	79
More than five years		16	11
Total Commitments		225	195
Quantifiable Contingencies*			
Contingent Liabilities	32	74	71
Guarantees, Indemnities & Letters of Comfort		26	18
Total Quantifiable Contingencies		100	89
<p>* "Contingencies" are items and events that may give rise to a liability for the Territory on the occurrence or non-occurrence of one or more uncertain future events. They consequently are not recognised as a liability in the Consolidated Statement of Financial Position.</p>			
<p>The above Schedule of Commitments and Contingent Obligations should be read in conjunction with the accompanying notes.</p>			

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT						
CONSOLIDATED OPERATING STATEMENTS BY SECTOR*						
FOR THE YEAR ENDED 30 JUNE 2000						
	General Government			Public Trading Enterprises		
	1999-00	1999-00	1998-99	1999-00	1999-00	1998-99
	Actual	Budget	Actual	Actual	Budget	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
REVENUE						
Taxes, Fees and Fines	740	667	668	-	-	-
User Charges for Goods and Services	179	138	161	463	451	422
Grants from the Commonwealth Government	680	679	593	-	-	-
Interest Income	58	62	42	6	2	4
Funding from General Government	-	-	-	72	61	68
Dividend from PTE sector	67	47	46	-	-	-
Other Revenue	243	130	120	27	15	15
Total Revenue	1,966	1,723	1,630	567	529	509
EXPENSES						
Superannuation	141	204	186	12	13	14
Wages and Salaries and Other Employee Expenses	639	647	641	113	103	114
Administrative Expenses	349	309	320	120	124	104
Cost of Goods Sold	97	64	74	136	122	111
Depreciation and Amortisation	133	129	127	65	80	77
Grants and Purchased Services	298	304	263	-	-	-
Interest and Finance Costs	48	47	45	25	16	18
Other Expenses	98	83	102	29	24	37
Total Expenses	1,804	1,787	1,757	499	482	475
OPERATING (LOSS)/SURPLUS BEFORE ABNORMAL ITEMS AND INJECTIONS FOR OPERATIONS AND INCOME TAX EQUIVALENTS	162	(64)	(127)	68	47	34
Abnormal Items	(81)	-	(35)	(40)	-	(9)
OPERATING (LOSS)/SURPLUS BEFORE INJECTIONS FOR OPERATING REQUIREMENTS AND INCOME TAX EQUIVALENTS	81	(64)	(162)	28	47	25
Injection for Operating Requirements	-	-	-	5	2	8
Income Tax Equivalent	-	-	-	(0)	(22)	-
OPERATING (LOSS)/SURPLUS	81	(64)	(162)	33	27	33
Accumulated Funds at the Beginning of the Year	3,894	3,961	4,098	1,944	1,869	1,975
Adjustments Relating to Prior Periods	(124)	-	(56)	-	-	-
Dividends	-	-	-	(67)	(48)	(46)
Capital Distribution	300	300	-	(300)	(300)	-
Inc/ Dec in Net Assets from Admin Restructure	7	-	48	(7)	-	(43)
Capital Injections	-	-	-	31	4	5
Net Transfers from Reserves	1	2	(34)	25	10	20
Accumulated Funds at the End of the Year	4,159	4,199	3,894	1,659	1,562	1,944

* The aggregate of the General Government Sector (GGS) and Public Trading Enterprise Sector (PTE) amounts may vary from the consolidated total for the Territory due to consolidation eliminations. The above Consolidated Operating Statements by Sector should be read in conjunction with the accompanying notes.

Note: During the year Bruce Stadium was treated as a separate entity, within the Public Trading Enterprises Sector. Previously Bruce Stadium was consolidated into the financial statements of the Chief Minister's Department in the General Government Sector. Had Bruce Stadium been included in the Public Trading Enterprises Sector in 1998-1999, the General Government Sector operating result would have been a \$144m loss compared to the \$162m loss disclosed above while the Public Trading Enterprises Sector surplus would have been reduced to \$15m. compared to the \$33m surplus above.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT						
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION BY SECTOR*						
AS AT 30 JUNE 2000						
	General Government			Public Trading Enterprises		
	2000 Actual	2000 Budget	1999 Actual	2000 Actual	2000 Budget	1999 Actual
	\$m	\$m	\$m	\$m	\$m	\$m
ASSETS						
Current Assets						
Cash	13	66	21	12	14	9
Receivables	228	77	125	84	65	67
Investments	1,146	862	603	29	21	55
Inventories	22	14	15	12	25	21
Other	28	8	37	10	7	3
Total Current Assets	1,438	1,027	801	147	132	155
Non-Current Assets						
Receivables	413	466	200	1	-	-
Investments	5	54	38	17	6	18
Inventories	7	9	4	41	40	39
Property, Plant and Equipment	5,279	5,361	5,438	2,731	2,558	2,592
Intangibles	1	1	2	1	0	0
Works in Progress	81	72	42	37	39	37
Other	6	85	31	0	0	1
Total Non-Current Assets	5,792	6,048	5,755	2,828	2,643	2,686
TOTAL ASSETS	7,230	7,075	6,556	2,975	2,775	2,841
LIABILITIES						
Current Liabilities						
Creditors	153	36	127	57	31	36
Borrowings	167	456	132	28	11	10
Finance Leases	23	12	10	1	0	0
Superannuation	52	24	19	0	0	0
Other Employee Entitlements	91	88	89	18	17	17
Other	18	17	31	31	16	27
Total Current Liabilities	504	633	408	135	75	90
Non-Current Liabilities						
Creditors	15	8	6	0	0	0
Borrowings	532	279	355	498	537	252
Finance Leases	33	44	47	3	1	2
Superannuation	1,316	1,395	1,224	-	-	-
Other Employee Entitlements	99	109	104	19	21	19
Other	5	2	3	3	101	4
Total Non-Current Liabilities	2,000	1,837	1,739	524	660	277
TOTAL LIABILITIES	2,504	2,470	2,147	659	735	367
TOTAL NET ASSETS	4,726	4,605	4,409	2,316	2,040	2,474
CAPITAL						
Accumulated Funds	4,159	4,199	3,894	1,659	1,562	1,944
Asset Revaluation Reserve	495	344	442	647	467	501
Reserves	72	62	73	10	11	30
TOTAL CAPITAL	4,726	4,605	4,409	2,316	2,040	2,474

* The aggregate of the GGS and PTE amounts may vary from the consolidated total for the Territory due to consolidation eliminations.

The above Consolidated Statements of Financial Position by sector should be read in conjunction with the accompanying notes.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
CONSOLIDATED STATEMENTS OF CASHFLOWS BY SECTOR*
FOR THE YEAR ENDED 30 JUNE 2000**

	General Government			Public Trading Enterprises		
	1999-00	1999-00	1998-99	1999-00	1999-00	1998-99
	Actual	Budget	Actual	Actual	Budget	Actual
	\$m	\$m	\$m	\$m	\$m	\$m
CASH FLOWS FROM OPERATING ACTIVITIES						
<i>Receipts</i>						
Taxes, Fees and Fines	740	667	672	-	-	-
User Charges for Goods and Services	205	139	155	452	437	423
Commonwealth Government Grants	679	679	593	1	0	0
Interest Income	43	37	37	6	2	4
Revenue from Government	-	-	-	85	78	75
Other	137	96	98	1	4	1
Operating Receipts	1,804	1,618	1,555	545	521	503
<i>Payments</i>						
Related to Employees	678	675	678	112	116	128
Related to Administration and Suppliers	352	302	328	162	126	107
Grants, Subsidies and Transfer Payments	302	314	277	-	-	-
Interest and Finance Costs	42	47	43	21	16	17
Other	164	134	147	133	141	140
Operating Payments	1,538	1,472	1,473	428	399	392
Net Cash Inflows from Operating Activities	265	146	81	117	122	111
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Receipts</i>						
Proceeds from Sale/Maturity of Investments	1,430	1,806	1,056	68	51	85
Proceeds from Sale of Property, Plant & Equipment	25	3	2	40	35	45
Repayments of Home Loan Principal	34	25	-	0	-	35
Repayment of Advance	15	2	2	0	-	-
Dividends Received	58	47	50	0	-	-
Capital Distributions from Government Agencies	300	300	-	0	-	-
Investing Receipts	1,861	2,183	1,110	109	86	165
<i>Payments</i>						
Purchase of Investments	1,901	2,133	1,086	63	47	91
Loans Issued	265	300	-	-	-	-
Purchase of Property, Plant & Equipment	150	134	104	91	121	71
Capital Contributions to Government Agencies	29	4	5	-	-	-
Investing Payments	2,345	2,571	1,195	154	168	162
Net Cash Inflows/(Outflows) from Investing Activities	(484)	(388)	(85)	(45)	(82)	3
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Receipts</i>						
Proceeds from Borrowings and Finance Leases	1,204	1,252	564	267	320	-
Receipts of Transferred Cash Balances	-	-	40	7	-	-
Capital Injection from Government	-	-	-	29	4	5
Financing Receipts	1,204	1,252	604	303	324	5
<i>Payments</i>						
Distributions to Government	-	-	-	300	300	-
Dividends to Government	-	-	-	58	47	49
Payments of Transferred Cash Balances	7	-	-	0	-	40
Repayment of Advance to Government Agencies	157	128	107	0	-	10
Repayment of Borrowings and Finance Leases	824	881	509	39	10	1
Financing Payments	988	1,009	616	397	357	101
Net Cash Inflows/(Outflows) from Financing Activities	217	243	(12)	(93)	(33)	(96)
NET INCREASE/ (DECREASE) IN CASH HELD	(2)	1	(16)	(21)	7	18
Cash Held at Beginning of the Year	22	284	38	45	27	27

* The aggregate of the GGS and PTE amounts may vary from the consolidated total for the Territory due to consolidation eliminations.

The above Statements of Cash Flows by sector should be read in conjunction with the accompanying notes.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATIONS
FOR THE YEAR ENDED 30 JUNE 2000**

<i>Department</i>	<i>Appropriation Act 1999-00</i>	<i>Neutral Transfers between/within Appropriations</i>	<i>Commonwealth Grants Variations</i>	<i>Treasurer's Advance</i>	<i>Additional Approved Appropriation</i>	<i>Available Appropriation</i>	<i>Final Appropriation Drawn</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<i>Legislative Assembly</i>							
Net cost of outputs	4,044.0	-	-	-	-	4,044.0	4,044.0
Capital Injection	-	-	-	-	-	-	-
Payment on behalf of the Territory	2,994.0	-	-	-	-	2,994.0	2,994.0
<i>Auditor General</i>							
Net cost of outputs	904.0	-	-	-	-	904.0	904.0
Capital Injection	-	-	-	-	-	-	-
Payment on behalf of the Territory	-	-	-	-	-	-	-
<i>Chief Minister's Department</i>							
Net cost of outputs	67,077.0	(17,600.0)	-	190.0	2,500.0	52,167.0	53,165.0
Capital Injection	8,348.0	(3,309.0)	-	-	31,883.2	36,922.2	34,586.2
Payment on behalf of the Territory	18,422.0	(11,981.0)	42.5	-	-	6,483.5	2,375.0
<i>ACT Executive</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	-	-	-	-	-	-	-
Payment on behalf of the Territory	2,922.0	-	-	-	-	2,922.0	2,922.0
<i>Central Financing Unit</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	2,427.0	-	-	-	13,951.0	16,378.0	13,892.0
Payment on behalf of the Territory	20,017.0	-	-	5.0	-	20,022.0	20,022.0

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDING 30 JUNE 2000**

<i>Department</i>	<i>Appropriation Act 1999-00</i>	<i>Neutral Transfers between/within Appropriations</i>	<i>Commonwealth Grants Variations</i>	<i>Treasurer's Advance</i>	<i>Additional Approved Appropriation</i>	<i>Available Appropriation</i>	<i>Final Appropriation Drawn</i>
	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>
<i>Office of Asset Management</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	13,426.0	200.0	-	-	-	13,626.0	10,496.0
Payment on behalf of the Territory	-	-	-	-	-	-	-
<i>Superannuation and Insurance Provision Unit</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	300,000.0	-	-	-	-	300,000.0	300,000.0
Payment on behalf of the Territory	19,246.0	-	-	-	-	19,246.0	19,246.0
<i>Department of Health and Community Care</i>							
Net cost of outputs	318,691.0	-	703.0	-	-	319,394.0	311,233.0
Capital Injection	32,811.0	-	-	-	3,000.0	35,811.0	27,992.0
Payment on behalf of the Territory	9,948.0	-	-	-	-	9,948.0	9,920.0
<i>Department of Urban Services</i>							
Net cost of outputs	223,157.0	(106.0)	61.0	-	4,426.0	227,538.0	223,923.0
Capital Injection	76,273.0	-	2.0	-	3,298.0	79,573.0	69,771.0
Payment on behalf of the Territory	1,022.0	-	-	-	-	1,022.0	1,022.0
<i>InTACT</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	17,640.0	-	-	-	-	17,640.0	17,640.0
Payment on behalf of the Territory	-	-	-	-	-	-	-

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDING 30 JUNE 2000**

<i>Department</i>	<i>Appropriation Act 1999-00</i>	<i>Neutral Transfers between/within Appropriations</i>	<i>Commonwealth Grants Variations</i>	<i>Treasurer's Advance</i>	<i>Additional Approved Appropriation</i>	<i>Available Appropriation</i>	<i>Final Appropriation Drawn</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<i>Department of Treasury & Infrastructure</i>							
Net cost of outputs	-	17,838.0	-	3,607.0	-	21,445.0	18,447.0
Capital Injection	-	3,309.0	-	-	-	3,309.0	3,099.0
Payment on behalf of the Territory	-	11,935.0	-	1,065.0	-	13,000.0	13,451.0
<i>ACTION</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	3,238.0	-	-	-	-	3,238.0	2,826.0
Payment on behalf of the Territory	-	-	-	-	-	-	-
<i>ACT Forests</i>							
Net cost of outputs	-	-	-	-	-	-	-
Capital Injection	340.0	-	-	-	-	340.0	340.0
Payment on behalf of the Territory	-	-	-	-	-	-	-
<i>Department of Justice & Community Safety</i>							
Net cost of outputs	81,690.0	3,913.0	-	-	-	85,603.0	85,121.0
Capital Injection	5,369.0	-	-	-	-	5,369.0	3,719.0
Payment on behalf of the Territory	64,590.0	-	2,812.0	1,050.0	4,896.0	73,348.0	72,822.0

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
STATEMENT OF APPROPRIATIONS (CONTINUED)
FOR THE YEAR ENDING 30 JUNE 2000**

<i>Department</i>	<i>Appropriation Act 1999-00</i>	<i>Neutral Transfers between/within Appropriations</i>	<i>Commonwealth Grants Variations</i>	<i>Treasurer's Advance</i>	<i>Additional Approved Appropriation</i>	<i>Available Appropriation</i>	<i>Final Appropriation Drawn</i>
	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>	<i>\$ '000</i>
<i>Department of Education and Community service</i>							
Net cost of outputs	392,595.0	(5,715.0)	2,188.0	200.0	-	389,268.0	388,083.0
Capital Injection	27,254.0	1,500.0	-	-	-	28,754.0	23,900.0
Payment on behalf of the Territory	103,721.0	-	2,221.0	756.0	-	106,698.0	104,071.0
<i>ACT Workcover</i>							
Net cost of outputs	-	16.0	-	-	-	16.0	16.0
Capital Injection	-	-	-	-	-	-	-
Payment on behalf of the Territory	-	-	-	-	-	-	-
<i>Treasurer's Advance</i>	18,100.0	-	-	(6,873.0)	-	11,227.0	0.0
Total Appropriation	1,836,266.0	0	8,029.5	0	63,954.2	1,908,249.7	1,842,042.2

The above Statement of Appropriations should be read in conjunction with the accompanying notes.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

1. THE AUSTRALIAN CAPITAL TERRITORY GOVERNMENT

The Australian Capital Territory Government (the Territory) represents a popularly elected Legislative Assembly empowered to govern the Australian Capital Territory. The ACT Government was effectively created by the Commonwealth Government's *Australian Capital Territory (Self Government) Act 1988*, with the first elections held in 1989. The common term of each Assembly is three years, however, the Legislative Assembly has passed a motion that the next election is to be held in October 2001.

The ACT Government is responsible for administering both state-like and municipal powers and functions in accordance with the Australian model of Government.

The ACT Government administers its responsibilities through a model characterising it as both a purchaser of services on behalf of the community, and the owner of entities providing services to Government and the community. This model, more commonly known as a "purchaser/provider" model of government, is being increasingly used by other states and territories and by the Commonwealth.

Financial Administration and Preparation of Consolidated Financial Statements

The ACT Government owns, or controls, a diverse range of administrative entities, statutory authorities, and corporations (refer Appendix), to deliver services purchased by the Government or the community directly. The ACT's *Financial Management Act 1996* (the Act) governs the administration of financial affairs of the ACT Government and its agencies. All Territory owned entities are required to budget, manage, and report on a full accrual basis in meeting the defined service delivery performance of their Government, or private, customers, while managing the Government's financial investment in the entity.

Under section 26 of the Act, the Treasurer is required to present consolidated general purpose financial statements to the Assembly each month. This requires the monthly financial performance of each agency to be monitored and assessed.

Section 22 of the Act requires the Treasurer to prepare annual audited consolidated financial statements for the Territory. This has been done using the audited financial information of each agency.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These general purpose financial statements have been prepared in accordance with “generally accepted accounting practice” as defined in the Act. The financial statements have been prepared to comply with:

- (i) Australian Accounting Standards;
- (ii) Urgent Issues Group Consensus Views; and
- (iii) other authoritative pronouncements of the Australian Accounting Standards Board.

and subsection 22(2) of the Act, which requires that the financial statements include:

- (i) an operating statement for the Territory for the year;
- (ii) a statement of financial position of the Territory at the end of the year;
- (iii) a statement of the cash flows of the Territory for the year;
- (iv) a statement of the accounting policies adopted by the Territory for the year; and
- (v) such other statements as are necessary to fairly reflect the financial operations of the Territory during the year and its financial position at the end of the year.

The financial statements have been prepared using the full accrual basis of accounting which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for certain assets which were valued in accordance with the (re)valuation policies applicable to departments and statutory authorities during the financial year.

Where considered material, differing accounting treatments between agencies have been amended to ensure these consolidated financial statements are prepared on a consistent basis and illustrate a fair and accurate financial depiction of the Territory’s activities and position. All agencies are required to prepare their accounts according to Australian Accounting Standards and generally accepted accounting principles.

(b) ACT Government Reporting Entity

The Act requires the preparation of financial statements of “the Territory”, which includes departments, Territory authorities, and Territory owned corporations (as listed in the Appendix to these financial statements), together with entities they control.

In accordance with AAS 31, this financial report includes the assets, liabilities, equity, revenues and expenses of the Government, including those of entities that the Government controls. That Standard provides guiding principles for understanding the nature of control. As a general guide, Government control is indicated by the following conditions applying to other entities:

- (i) Government can control the day to day management of the entity, or can control the broad policy objectives of the entity;
- (ii) the other entity is accountable to the Legislative Assembly, the Executive, or a particular Minister; and
- (iii) the Government has the residual financial interest in the net assets of the other entity.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) ACT Government Reporting Entity (continued)

In the process of reporting the Territory Government as a single reporting (economic) entity, all transactions and balances between controlled entities have been eliminated in accordance with Australian Accounting Standard AAS 24 "Consolidated Financial Reporting".

To improve the usefulness of the report, information has also been provided for the *General Government Sector* (GGS) and *Public Trading Enterprises Sector* (PTE) in accordance with the Australian Bureau of Statistics' *Government Financial Statistics* conventions (refer Note 3).

(c) The Reporting Period

These consolidated financial statements report the operations and financial position of the Territory for the financial year ending 30 June 2000. The consolidated financial statements consequently represent the accounts during this period of individual Territory agencies. The Canberra Institute of Technology (CIT), and its subsidiary, CIT Solutions, are the only Territory agencies not to report on a financial year basis. As CIT's accounts are completed and audited for each calendar year, these consolidated financial statements incorporate an interim financial management report for CIT for the 1999-2000 financial year.

(d) Comparative Figures

Budget Figures

Budget information for 1999-2000 has been provided, where possible, in the primary financial statements. The budgeted amounts are as published in the ACT's 1999-2000 Budget Papers. As the 1999-2000 Budget was prepared prior to the finalisation of the previous period's accounts, budgeted opening balances for 1999-2000 may not reconcile to equivalent 1998-99 results. The original 1999-2000 budget estimates also do not incorporate changes to presentation and accounting treatment that may have occurred during the year and in addition detailed disclosure budgets are not available.

Prior Year Comparatives

Where necessary the prior year comparatives have been amended to facilitate comparison with the current year presentation of financial information.

(e) Adjustments Relating to Prior Periods

In accordance with the provisions of AAS 31, adjustments to assets and liabilities from a prior period, have been charged directly against accumulated funds in the Statement of Financial Position (refer Note 26 and 27).

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Rounding

All amounts in the financial statements have generally been rounded to the nearest million dollars (\$m) unless otherwise indicated. The *Statement of Appropriation* shows amounts in thousands of dollar consistent with the *Appropriation Act 1999-2000*

Use of a zero ("0") represents amounts rounded down to zero.

(g) "Current" and "Non-current" Items

Assets and liabilities are characterised as either "current" or "non-current" in nature. Current assets are those which are not expected to be held for greater than another 12 months, and current liabilities are expected to be extinguished within the same time frame. Remaining assets and liabilities are classified as non-current.

(h) Cash

For the purposes of these financial statements, cash includes cash at bank and deposits at call that are readily converted to cash and are used in the cash management function on a day to day basis, net of bank overdrafts. Cash also includes highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(i) Receivables

Receivables are reported net of any provision for bad and doubtful debts so as to reflect amounts expected to be eventually collected.

(j) Investments

Financial investments are measured at the market value applicable to the investment at balance date. Resultant increments and decrements from one valuation date to the next are included in the Operating Statement as they arise.

(k) Asset Recognition

In general, ACT Government policy is to capitalise all non-current physical assets, inventories and intangible assets with a value of \$2,000 or more. Some ACT Government agencies however, have a \$5,000 threshold.

Non-current physical assets, or a group of physical assets with a value exceeding \$1m, are required to be revalued applying replacement costs on a five yearly cycle. Assets acquired at no cost, or for nominal consideration, are taken up in the Statement of Financial Position at fair and reasonable value at the date of acquisition.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Current inventories include raw materials and stores that relate to the production of goods and services for sale. Except for forest plantations (refer below), current inventories are valued at the lower of cost, generally on an average cost or "first in, first out" basis, or net realisable value.

Non-current inventories (and some current inventories) include forest plantations, which are valued as wood production units, using current market values.

(m) Property, Plant and Equipment

Property, plant and equipment includes the following classes of assets - land, buildings, leasehold improvements, plant and equipment, heritage and community assets, and infrastructure assets. Revaluation increments and decrements are accounted for in accordance with AAS 10, "Accounting for the Revaluation of Non-current Assets".

Land includes freehold and leasehold land of the ACT Government, but excludes land held for sale and land under infrastructure. Land is recognised at historical cost or most recent valuation.

Buildings are recognised at historical cost or most recent valuation. All buildings are depreciated except for investment properties.

Leasehold Improvements represent capital expenditure incurred in relation to leased assets, and are valued at historical cost or most recent valuation.

Plant and Equipment includes mobile plant, air conditioning and heating, office and computer equipment, furniture and fittings, motor vehicles, and other mechanical or electronic equipment, and is carried at historical cost or most recent valuation.

Heritage and Community Assets

Heritage assets are defined as those non-current assets that Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and that they are not usually available for sale or for redeployment. Heritage assets include art, museum and library collections, historical buildings, other cultural assets, monuments and memorials, and certain land which will be preserved in its existing state to maintain the intrinsic value of the Territory.

Community assets include public parks and gardens, public sporting reserves, public nature reserves, land under infrastructure, and other public land.

Heritage and community assets for which there is no cost, or other value that can be reliably measured, are listed in the Notes to the Financial Statements of individual Government agencies and are allocated a nominal value of \$1,000 each (Refer Note 17).

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure Assets include items such as roads, bridges, sewerage systems, water reservoirs and supply network, and electricity systems, and are generally valued at historical cost or most recent valuation. If there is no cost, or other value, that can be reliably measured, an infrastructure asset is treated as a community asset and allocated a nominal value of \$1,000.

Recoverable amount of non-current assets

The following accounting policy applies to agencies that are profit-making entities. The recoverable amount of an asset is an estimate determined by management. It is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where the net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group assets.

The future expected cash flows included in determining recoverable amounts are discounted to their present value, using a discount rate that management considers appropriate. The recoverable amount is essentially subjective as it involves making significant assumptions about future cash flows, which are contingent on the outcome of future events and therefore may not occur. Consequently, it is possible that future write-downs may be required, depending on management's annual assessment of the recoverable amount.

As a result of this year's management's assessment of the recoverable amount for 1999-2000, the non-current assets relating to the Bruce Stadium redevelopment were written down by \$23m to zero in the financial statements of The Bruce Property Trust (\$17.8m) and Bruce Operations Pty Ltd (\$5.2m). The expense of \$23m relating to the write-down is reflected in the operating loss of the Territory and is disclosed at Note 12.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Depreciation and Amortisation of Non-Current Assets

All non-current physical assets having a limited useful life are systematically depreciated/amortised over their useful lives in a manner which reflects the consumption of their service potential. The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is the shorter.

The depreciation expense for Non-current Assets is as follows:

Class of Asset	Depreciation Method	Useful Life (Years)	1999-2000	1998-1999
			\$m	\$m
Buildings	Straight Line	2-99	47	59
Leasehold Improvements	Straight Line	2-99	2	2
Plant & Equipment	Straight Line	2-40	45	40
Infrastructure	Straight Line	5-100	103	102
Intangibles	Straight Line	2-5	1	-
As per the consolidated operating statement			198	203

(o) Agreements Equally Proportionately Unperformed

Assets and liabilities which arise from agreements equally proportionately unperformed are not recognised in the *Statement of Financial Position*. They are, however, reflected in the notes as commitments.

(p) Employee Entitlements

Employee entitlements (including wages and salaries, annual leave, long service leave and superannuation) reflect those entitlements accrued as a result of services provided by employees up to the reporting date. They are recognised as liabilities to the extent that they are considered probable and can be reliably measured.

For most Territory agencies, a long service leave liability is considered probable, and is recognised, in relation to those employees with five years or more completed service in the ACT Public Service and (if applicable) with agencies in other jurisdictions which are recognised by the ACT Government for the purpose of long service leave entitlements. The determination of current and non-current portions is based on a past history of payments and any specific known factors. In accordance with Australian Accounting Standard AAS 30, "Accounting for Employee Entitlements", long service leave liability is measured at the present value of the estimated future cash outflows. Consideration is given, when making this estimate, to expected future wage and salary levels, experience of employee departures and periods of service.

Non-vesting sick leave entitlements are generally not recognised as a liability on the basis that they are not considered probable.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Superannuation

The amount disclosed as “superannuation expense” represents the expense accrued in relation to the Public Sector Superannuation (PSS) Scheme and the Commonwealth Superannuation Scheme (CSS), as well as superannuation expenses relating to employees who are members of other superannuation schemes.

The Commonwealth (through ComSuper) manages all superannuation benefits of ACT Government employees in the CSS and PSS Scheme. ComSuper is liable to pay superannuation benefits to ACT Government retirees in accordance with the provisions of the *Superannuation Act 1976* (for CSS members) and the *Superannuation Act 1990* (for PSS members).

The ACT Government is required to reimburse the Commonwealth for the emerging costs of benefits paid for ACT Government service after 1 July 1989. This arrangement is subject to the ACT meeting ComSuper's administration costs for ACT staff and any associated actuarial costs.

The Territory's liabilities in these financial statements only reflect superannuation liabilities of employees accrued since self-government, as the ACT Government is only responsible for the superannuation payments in relation to this period. The Commonwealth Government is responsible for the satisfaction of emerging superannuation entitlements in relation to the period prior to self-government.

(r) Leases

The Government's rights and obligations under finance leases, which are leases that effectively transfer to the Government substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as being under lease, and are amortised over the period during which the Government is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease. Lease liabilities are classified as current and non-current.

In respect of operating leases, where the lessor effectively retains substantially all of the risks and benefits incident to ownership of the leased items, lease payments are charged as expenses over the lease term.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Borrowings

The ACT borrows funds by way of borrowings from the Commonwealth, and public domestic and overseas borrowings.

Borrowings are carried at capital value, representing face value less unamortised discount. Discount is amortised over the term of the debt. Overseas borrowings are translated at exchange rates prevailing at balance date unless they are subject to forward exchange contracts, in which case the contract rate is used.

(t) Revenue Recognition

Revenues are recognised when the transaction or event giving rise to the revenue occurs.

“Taxes, fees, and fines” in the operating statements generally reflect compulsory levies imposed by Government, fees for regulatory services, including granting of permit/privilege or regulation of activity, and civil and criminal penalties imposed by law.

“User Charges for Goods and Services” in the operating statements encompasses revenues for services rendered, or the sale of goods and services by Territory agencies. It does not include general rates, these being classed as a tax.

(u) ACT Taxation and Rates

Taxation and general rates revenue are generally recognised when the underlying transaction or event occurs, it is probable that the revenue will eventuate and the value of the revenue can be reliably measured, giving rise to the Territory’s right to collect the tax.

The policies adopted for the recognition of each major type of tax revenue are as follows:

Tax Type	Recognition of Revenue
<i>General Rates and Land Tax</i>	- When assessments are issued.
<i>Payroll Tax, Gaming Machine Tax, Financial Institutions Duty</i>	- Assessments relating to the period, including any additional amount for relevant assessments made following the period.
<i>Stamp Duty</i>	- Assessments relating to transactions in the period, including any additional assessments made following the period.
<i>Liquor & Franchise Fees</i>	- When assessments are made.

The ACT Government acknowledges that its revenue collections are unavoidably affected by the incidence of tax evasion and other breaches of legislation by individuals and entities. Similarly, revenue collections during the year may be affected by objections and appeals against the ACT Government’s administration of relevant legislation.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This conforms to generally accepted accounting principles that revenue should be recognised when it is probable that the revenue will be collected, and it can be reliably measured.

ACT Government agencies are exempt from income tax payments to the Federal Government. Several agencies which are commercial in nature make income tax equivalent payments to the ACT Government.

Due to an accelerated depreciation methodology on infrastructure assets, mirroring rates applicable under Commonwealth Tax Provisions, ACTEW has been deferring income tax equivalent payments. To date the income tax equivalent payment deferred total \$85.6, \$8.8m was deferred in 1999-2000. The Department of Treasury and Infrastructure has a policy of not recognising revenue until it is considered likely that it will be received and therefore does not recognise the deferred tax equivalents of ACTEW. These amounts have therefore been eliminated from the Public Trading Enterprise and General Government Sector operating statements and statement of financial positions.

As these transactions occur between ACT Government agencies, this policy has no impact on the consolidated operating result for the Territory.

(v) Commonwealth Grants

General and specific purpose grants from the Commonwealth are usually recognised when they are received.

(w) Fines and Regulatory Fees

Fines such as traffic penalties are generally recognised on an accrual basis. This same principle is generally applied to regulatory and licence fees, including motor vehicle registrations and driver's licences.

(x) Taxation

The ACT Government is exempt from all forms of Commonwealth taxation except fringe benefits tax, the amount of which was \$2,817,038 for 1999-2000, and sales tax on certain activities and the purchase of vehicles for all executives. While certain agencies are subject to ACT taxation, including Commonwealth taxation equivalents, and this may be shown as relevant in the disaggregated sector information, all related amounts are eliminated on consolidation to the single Territory entity.

(y) Insurance

The Territory insures at a catastrophe level for the usual range of conventional insurance classes. This includes:

- loss, damage or destruction of Territory assets; and
- the legal liabilities by the Territory for third party property damage and injury to third parties.

The Territory also insures its workforce with Comcare for compensation for loss or injury in the workplace.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Cost of Goods Sold

Cost of goods sold includes costs associated with the development of land through the Government's participation in land development joint ventures, inventory sales by the Department of Health and Community Care, Gold Creek Country Club, ACT Milk Authority and Totalcare and electricity purchases by ACTEW.

(aa) Change in Accounting Policy

The accounting policy adopted for capital injections provided to agencies has been reviewed in 1999-2000. Those items were previously classified as investments and previously valued at cost. Assets should generally be valued at fair value, which entails an assessment of the economic value of the item rather than on the original cost. While it is still considered possible to treat these amounts as an investment, the lack of a viable cost effective valuation method makes it difficult to sustain this treatment. On this basis the investment assets relating to capital injections have been written off as at 30 June 2000. As these represent transactions between ACT Government entities, they are eliminated in the whole of government financial statements.

Under transitional provisions of AAS 31 *Financial Reporting by Government* paragraph 21.3 (b), the write down of the amounts from prior years related to Public Trading Enterprises has been applied against accumulated funds in the General Government Sector Statement of Financial Position (\$35m). The balance of the current year investment in Public Trading Enterprises has been written off as an abnormal expense in the General Government Sector operating statement (\$31m).

The accounting treatment adopted for rights to receive infrastructure has been revised by Infrastructure and Asset Management for 1999-2000. From 1 July 1999, infrastructure assets created on the development of land are recognised when the development is "turned off" and assets are transferred to the territory. Applicable assets are reported as other assets. Previously a "Right to receive infrastructure" was recognised as an asset either when the Territory entered into a joint venture agreement to develop land, or when land was sold and the development took place in forms other than through a joint venture. These amounts were classified as receivables.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

3. DISAGGREGATED INFORMATION

The *Consolidated Operating Statements by Sector*, *Consolidated Statements of Financial Position by Sector*, and *Consolidated Statements of Cash Flows by Sector* set out the assets and liabilities, revenues and expenses, and receipts and payments that are reliably attributable to each broad sector of activities of the Government. The sectors have been determined in accordance with the principles used in the *Government Financial Statistics* conventions of the Australian Bureau of Statistics (refer Note 2(b)). This disaggregated information includes transactions and balances between sectors (but excludes transactions between entities within each sector). The aggregate of the GGS and PTE amounts may therefore vary from the consolidated total for the Territory due to consolidation eliminations.

General Government Sector

GGs entities include Government departments and other administrative units, and statutory authorities and other entities which predominantly receive funding, directly or indirectly, from Government sources. It covers those agencies that provide non-market goods or services (such as police or consumer protection), or are responsible for the transfer of income for public policy purposes (such as by way of income support). Government funds the provision of these services, and the transfer of such benefits, by compulsory levies (such as taxes) on the household and business sectors, and by general revenue (such as Commonwealth grants), rather than from specific charges paid by users.

It should be noted that all Territory agencies operate on a purchaser/provider (fee for service) basis, delivering services purchased by either Government or the community. Many large GGS agencies provide services at a fee to other Territory funded agencies under a purchaser/provider model of Government.

Public Trading Enterprise Sector

PTE entities include those departments, statutory authorities and Territory owned corporations that largely provide services direct to the community on a commercial fee for service basis, with the aim of recovering all, or a significant proportion, of their operating costs on a commercial basis.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

REVENUE AND EXPENSES		<i>1999-00</i>	<i>1998-99</i>
		<i>\$m</i>	<i>\$m</i>
4. REVENUE FROM TAXES, FEES AND FINES			
TAXATION			
	General Rates	92	90
	Land Tax	29	30
	Payroll Tax	137	119
	Financial Institutions Duty	25	18
	Bank Account Debit Tax	14	16
	Stamp Duty	148	114
	Liquor and Franchise Fees	99	94
	Gambling Taxes	52	48
	Other Taxes	12	13
Total Revenue from Taxation (Refer Note 2(u))		609	542
REGULATORY FEES AND FINES			
	Betterment Fees	4	4
	Drivers' Licences	5	5
	Motor Vehicle Registrations	52	53
	Traffic Infringements	6	5
	Parking Fines	5	7
	Other Fines and Regulatory Fees	35	27
Total Revenue from Regulatory Fees and Fines		107	101
TOTAL REVENUE FROM TAXES, FEES AND FINES		716	643
5. USER CHARGES FOR GOODS AND SERVICES			
	Parking Fees	11	11
	Residential Tenants	48	46
	Electricity Services	201	176
	Water, Sewerage and Other Services	116	105
	Hospital and Other Health Services	60	57
	Bus Services	17	17
	Milk Sales	15	15
	Totalisator Commissions	19	20
	Vocational and Tertiary Education and Training Fees	25	27
	Forestry Log Sales	10	9
	Fire and Ambulance Services	8	8
	Other User Charges	43	41
Total User Charges from Goods and Services		573	532

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

		1999-00	1998-99
		\$m	\$m
6. GRANTS FROM THE COMMONWEALTH GOVERNMENT			
	General Purpose Grants	349	307
	Specific Purpose Grants	309	266
	Other Grants	21	20
	Total Commonwealth Grants (refer Note 2(v) & 35)	680	593
7. OTHER REVENUE			
	Sales/Rentals of Land Stocks*	125	51
	Dividends	8	4
	Realised Gains on Investment Market Values	26	8
	Unrealised Gains on Investment Market Values	27	2
	Donations	15	14
	Gain on disposal of assets (refer Note 11)	10	3
	Other	22	27
	Total Other Revenue	233	109
	* Share of joint venture land revenue (refer Note 34).		
8. WAGES, SALARIES AND OTHER EMPLOYEE EXPENSES			
	Long Service Leave	4	4
	Other Employee Expenses	21	21
	Termination Payments and Redundancies	15	12
	Wages and Salaries	705	710
	Total Wages, Salaries and Other Employee Expenses	745	747
9. ADMINISTRATIVE EXPENSES			
	Communication and Computer Expenses	26	31
	Travel, Accommodation and Transport Expenses	6	9
	Printing and Stationery	12	13
	Materials, Equipment and Supplies	60	61
	Property Rental and Occupancy Expenses (including utilities)	24	30
	Repairs and Maintenance	28	28
	Consultant Fees, Contractor Payments and Professional Services	98	65
	Staff Development and Recruitment	7	6
	Community Policing (JACS)	59	56
	Prison Payments (JACS)	8	7
	Legal and Weapon Compensation	8	9
	Other Administrative Expenses*	76	69
	Total Administrative Expenses	412	384

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

		1999-00	1998-99
		\$m	\$m
9. ADMINISTRATIVE EXPENSES (CONTINUED)			
	* Other Administrative Expenses represent items such as insurance, marketing, promotions and advertising, payment for business and employment programs, uniforms and protective clothing, harvesting related expenses, such as harvesting, haulage, establishment and tending expenses, and other general administrative expenses.		
10. WAIVERS AND WRITE-OFFS			
	The Territory waived and wrote-off the following amounts during the period:	36	8
	Total Waivers and Write-off Expenses	36	8
	Sub-section 65(1) of the Act enables the Treasurer to waive the Territory's right to payment of an amount payable to the Territory. A number of provisions for the waiver of stamp duty and payroll tax have been agreed by the Treasurer for 1999-2000 which has contributed to the substantial increase in waivers and write-offs from 1998-99. The Territory has written off 2,006 debts for the year totalling \$35,419,000, 8 of which were considered irrecoverable and 1,998 uneconomical to pursue.		
11. OTHER EXPENSES			
	Loss on Disposal of Fixed Assets*	0	7
	Residential Tenancy Rebates	0	2
	School Managed Costs	34	32
	Other	42	41
	Total Other Expenses	76	82
*NET RESULT ON DISPOSAL OF ASSETS			
	During the reporting period, the Government sold or disposed of fixed assets as follows:		
	Proceeds from disposal	56	31
	Less: Written-down value of assets disposed	46	34
	Net Gain / (Loss) on Disposal of Assets	10	(3)
	Refer Note 7 - gain on disposal of assets has been reported separately within other revenue.		

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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FOR THE YEAR ENDING 30 JUNE 2000

		1999-00	1998-99
		\$m	\$m
12. ABNORMAL ITEMS			
	This item represents:		
	Revaluation of the non-current assets of Bruce Stadium	23	14
	Transfer of houses to Community Housing Canberra Ltd	17	9
	Net Downward asset (land and building) revaluations	32	21
	Recognition of Emerging Cost Deficit for Superannuation	20	-
	The Canberra Hospital's NRMA Trauma Grant	(3)	-
	Total Abnormal Items	89	44
ASSETS			
13. CASH			
	Cash on Hand	3	4
	Cash at Bank	23	26
	Total Cash (refer Note 2(h))	26	30
14. RECEIVABLES			
	<i>Current</i>		
	Trade Debtors	178	148
	Other Debtors	3	5
	Loans	27	22
	Less: Provision for Doubtful Debts	(12)	(6)
	Net Current Debtors and Loans	196	169
	Others	0	1
	Accrued Revenue	6	3
	Total Current Receivables (refer Note 2(i))	202	173
	<i>Non-Current</i>		
	Trade Debtors	9	6
	Other Debtors	52	0
	Loans	93	129
	Less: Provision for Doubtful Debts	(3)	0
	Net Non-Current Debtors and Loans	152	135
	Other	0	1
	Total Non-Current Receivables (refer Note 2(i))	152	136

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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		<i>1999-00</i>	<i>1998-99</i>
		<i>\$m</i>	<i>\$m</i>
15. INVESTMENTS			
	<i>Current</i>		
	Overnight Cash	369	302
	At Call and Term deposits	17	10
	Short Term Securities	13	37
	Government Fixed Interest Bonds	315	73
	Shares and Equities	404	186
	Property	42	33
	Other	1	0
	Total Current Investments (refer Note 2(j))	1,160	641
	<i>Non-Current</i>		
	Long Term Securities	13	17
	Other	9	2
	Total Non-Current Investments (refer Note 2(j))	22	19
16. INVENTORIES			
	<i>Current</i>		
	Raw Materials and Stores	11	14
	Finished Goods	9	15
	Land Held for Resale	14	7
	Total Current Inventories (refer Note 2(l))	33	36
	<i>Non-Current</i>		
	Growing Stock - Forest Plantations	41	39
	Land Held for Resale	7	4
	Total Non-Current Inventories (refer Note 2(l))	48	43

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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	1999-00	1998-99
	\$m	\$m
17. PROPERTY, PLANT AND EQUIPMENT		
<i>Land</i>		
- at cost	4	8
- at officer valuation	22	0
- at independent valuation	993	966
	1,019	974
<i>Buildings</i>		
- at cost	48	82
- at officer valuation	73	10
- at independent valuation	1,884	1,927
Less: Accumulated depreciation	(86)	(70)
	1,919	1,949
<i>Plant and Equipment</i>		
- at cost	385	325
- at officer valuation	6	6
- at independent valuation	14	68
Less: Accumulated depreciation	(218)	(216)
	187	183
<i>Leasehold Improvements</i>		
- at cost	16	13
- at officer valuation	4	0
- at independent valuation	0	4
Less: Accumulated depreciation	(6)	(5)
	14	12
<i>Infrastructure Assets</i>		
- at cost	180	114
- at officer valuation	5,178	5,191
- at independent valuation	1,278	1,286
Less: Accumulated depreciation	(1,916)	(1,831)
	4,719	4,760
<i>Heritage and Community Assets*</i>		
	149	148
<i>Other Property, Plant and Equipment</i>		
	0	3
Total Property, Plant and Equipment (refer Note 2(m))	8,007	8,029

Where possible heritage and community assets are valued using an appropriate valuation methodology. However, the following specific heritage and community assets are each included with a nominal value of \$1,000 (refer Note 2(m)):

Parks in the ACT
 Murrumbidgee River Corridor
 Tidbinbilla Nature Reserve
 Acton Jetty
 Molonglo Reach
 Horse Holding Paddocks
 Rose Cottage
 Carousel Organ

Namadgi National Park
 Googong Foreshores
 Canberra Nature Park
 Lake Ginninderra
 Lake Tuggeranong
 Agistment Land
 Tuggeranong Schoolhouse
 Land under roads and other infrastructure

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

		<i>1999-00</i>	<i>1998-99</i>
		<i>\$m</i>	<i>\$m</i>
18. WORKS IN PROGRESS			
	Construction	4	6
	Infrastructure	57	59
	Capital Works in Progress	58	15
	Total Works in Progress	119	80
19. OTHER ASSETS			
	<i>Current</i>		
	Prepayments	7	9
	Consumables	3	2
	Right to Receive Infrastructure from Land Developers	20	18
	Other	8	10
	Total Other Current Assets	38	39
	<i>Non-Current</i>		
	Right to Receive Infrastructure from Land Developers	3	30
	Other	3	-
	Total Other Non-Current Assets	6	30
LIABILITIES			
20. CREDITORS			
	<i>Current</i>		
	Trade Creditors	101	62
	Other Creditors	45	52
	Accrued Expenses	30	29
	Total Current Creditors	176	143
	<i>Non-Current</i>		
	Trade Creditors	13	5
	Total Non-Current Creditors	13	5

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
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		1999-00	1998-99
		\$m	\$m
21. BORROWINGS			
	<i>Current</i>		
	Advances from the Commonwealth	24	24
	Banks and Financial Institutions	2	20
	Bonds and Bills	152	96
	Total Current Borrowings (refer Note 2(s))	178	140
	<i>Non-Current</i>		
	Advances from the Commonwealth	293	316
	Banks and Financial Institutions	46	48
	Bonds and Bills	374	181
	Total Non-Current Borrowings (refer Note 2(s))	713	545
22. FINANCE LEASE LIABILITIES			
At the reporting date, the Government had the following commitments under finance leases (the statement of financial position reports the liability for the total commitment, net of future lease finance charges):			
	Not later than one year	26	11
	Later than one year and not later than five years	37	49
	Later than five years	2	1
	Minimum Lease Payments	65	61
	<i>Deduct:</i> Future finance charges	5	3
	Total Finance Lease Liabilities	60	58
	<i>Represented by:</i> Current Liability	24	10
	Non-Current Liability	36	49
	Total Finance Lease Liabilities (refer Note 2(r))	60	59

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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FOR THE YEAR ENDING 30 JUNE 2000

	1999-00	1998-99
	\$m	\$m
23. SUPERANNUATION		
Actuarial advice indicating the net present value of the accrued liability of the Territory, to reimburse the Commonwealth for benefits payable to members of the Commonwealth superannuation schemes, was:		
Liability at the beginning of the year	1,243	1,094
Accumulated deficit in emerging costs	20	2
Adjusted Liability	1,263	1,096
Expense accrued during the period for Commonwealth super	150	167
Other superannuation expense	19	22
Superannuation Expense (refer Note 2(q) & 2(aa))	169	189
	1,432	1,285
Less: Amortisation of Superannuation gain	26	-
Less: Payments during the period for superannuation	38	41
Liability at the end of the year	1,368	1,244
<i>Represented by:</i> Current Liability	52	19
Non-Current Liability	1,316	1,224
Total Superannuation Liability (refer Note 2(q) & 2(aa))	1,368	1,243
24. OTHER EMPLOYEE ENTITLEMENTS		
<i>Current</i>		
Unpaid Wages and Salaries	19	16
Annual Leave	77	79
Long Service Leave	12	11
Total Current Other Employee Entitlements	108	106
<i>Non-Current</i>		
Long Service Leave	119	123
Total Non-Current Other Employee Entitlements	119	123
Accrued wages, salaries and annual leave are measured at remuneration rates current as at the reporting date. Long service leave entitlements are accrued annually at current wage rates and discounted at a rate of 5% to reflect the estimated present value of future cash flows. (Refer Note 2(p)).		

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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		1999-00	1998-99
		\$m	\$m
25. OTHER LIABILITIES			
<i>Current</i>			
	Other Provisions	2	6
	Revenue Received in Advance	17	23
	Other	11	14
Total Current Other Liabilities		30	43
<i>Non-Current</i>			
	Other Provisions	5	6
	Revenue Received in Advance	2	0
	Other	1	1
Total Non-Current Other Liabilities		8	7

26. RECONCILIATION OF CAPITAL						
	Note	Accumulated Funds \$m	Asset Revaluation Reserve \$m	Other Reserves \$m	Total \$m	
Balance at 30 June 1999		5,798	943	103	6,844	
Prior Period Adjustments	27	(86)	0	0	(86)	
Operating Surplus - 1999-00		78	0	0	78	
Net Asset Increments/(Decrements)		0	200	4	204	
Transfers from/(to) Reserves		26	0	(26)	0	
Balance at 30 June 2000		5,816	1,143	81	7,040	
As at 30 June 2000, there were no external interests owning equity in the Territory or its agencies.						
	Note	Accumulated Funds \$m	Asset Revaluation Reserve \$m	Other Reserves \$m	Total \$m	
Balance at 30 June 1998		6,038	745	70	6,853	
Prior Period Adjustments	27	(52)	0	0	(52)	
Operating Surplus - 1998-99		(175)	0	0	(175)	
Net Asset Increments/(Decrements)		0	216	2	218	
Transfers from/(to) Reserves		(13)	(18)	31	0	
Balance at 30 June 1999		5,798	943	103	6,844	
As at 30 June 1999, there were no external interests owning equity in the Territory or its agencies.						

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
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	1999-00	1998-99
	\$m	\$m
27. PRIOR PERIOD ADJUSTMENTS		
Adjustment to carrying value of assets	(83)	3
Adjustments to values of finance lease liability	0	(1)
Adjustment to opening balance	2	(1)
Adjustment to prior year's right to receive infrastructure assets *	(5)	(53)
	(86)	(52)
<p>* This adjustment to the prior year's right to receive infrastructure assets was made to correct an error in the recording of rights to receive assets in joint ventures in the books of the Office of Asset Management.</p>		
	1999-00	1998-99
	\$m	\$m
28. CASH FLOWS		
(a) Reconciliation of <i>Cash Flow Statement to Statement of Financial Position</i>		
(refer Note 2(h)):		
Cash, as per the Statement of Financial Position	26	30
<i>Add: Investments included as cash on the cashflow statement</i>	19	38
Cash, as per the Cash Flow Statement	45	68
<p>For the purposes of the statements of cashflows, cash includes cash on hand, cash at bank and investments in highly liquid money market instruments those which are considered to be highly liquid investments with short periods of maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.</p>		

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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	1999-00	1998-99
	\$m	\$m
(b) Reconstruction of the reconciliation of <i>Operating Result</i> to <i>Net Cash Inflows from Operating Activities</i> for 1999-00:		
Operating Surplus (Loss)	78	(175)
<i>Add:</i>		
Depreciation and Amortisation	198	203
Net Abnormal Expenses (non-cash)	76	44
Movement in provisions	1	1
<i>Less:</i>		
Change in Market Values (revaluation increments)	53	0
Dividends and Investment Income	8	20
Net Gain/ (Loss) on Disposal of Non-Current Assets	10	(3)
Infrastructure recognised as revenue	6	8
Assets received free of charge	0	3
<i>Change in Operating Assets & Liabilities:</i>		
Decrease/(Increase) in Net Receivable	(87)	(15)
Decrease/(Increase) in Inventories	(2)	3
Decrease/(Increase) in Other Assets	27	(8)
Increase in Creditors	51	1
Increase in Employee Entitlements	123	144
Increase/(Decrease) in Other Liabilities	(6)	21
Net Cash Inflows from Operating Activities	382	191

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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29. OPERATING LEASE COMMITMENTS

At the reporting date, the Government had the following obligations under non-cancellable operating leases. (These obligations are not recognised as liabilities):

		1999-00	1998-99
		\$m	\$m
	Not later than one year	18	17
	Later than one year but not later than five years	35	32
	Later than five years	14	10
	Total Operating Lease Commitments	67	60

30. CAPITAL COMMITMENTS

At the reporting date, the Government had entered into contracts for the following capital expenditure. (These commitments are not recognised as liabilities):

	Not later than one year	35	45
	Later than one year but not later than five years	5	6
	Later than five years	0	0
	Total Capital Commitments	40	51

31. OTHER COMMITMENTS

At the reporting date, the Government had entered into contracts for the following expenditure. (These commitments are not recognised as liabilities):

	Not later than one year	49	43
	Later than one year but not later than five years	67	41
	Later than five years	2	0
	Total Other Commitments	118	84

32. CONTINGENCIES, GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Contingencies are items which may in the future constitute a liability, depending on the occurrence of a future specified event. They have not been recognised as liabilities.

	Taxation related contingent liabilities*	0	2
	Non-Taxation related contingent liabilities **	74	69
	Total Quantifiable Contingent Liabilities	74	71

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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32. CONTINGENCIES, GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT (continued)

* All taxation related claims being made against the Territory have been assessed and where the court decision is likely to favour the plaintiff, the amounts in dispute have been provided for as a liability. This amount represents claims against the Territory which have not been provided for.

** Non-taxation related contingencies are largely comprised of pending legal claims (including Hepatitis C, \$5.8m). Claims lodged against the Territory include property damage, contract disputes, economic loss and personal injury.

Quantifiable Bank Guarantees

ACTEW, a wholly owned Territory corporation, has indemnified the ANZ Bank in respect of bank guarantees issued and has in 1998 entered into an unconditional payment undertaking for \$20m to the National Electricity Market Management Company (NEMMCO) to meet the prudential requirements of National Electricity Marketing (NEM).

The ACT Government has provided a guarantee of up to \$5.3m to Advance Bank Australia Limited for amounts owed by the SOCOG Olympic Games Guarantee Football Ticket Revenue to that bank. This guarantee applies until 30 June 2000. The ACT Government has also guaranteed to St George Bank \$0.2m owed by the Canberra Cosmos.

		<i>1999-00</i>	<i>1998-99</i>
		<i>\$m</i>	<i>\$m</i>
	Total Quantifiable Guarantees,		
	Indemnities & Letters of Comfort	26	18

Non Quantifiable

CTEC has given a guarantee to Exhibition Park in Canberra (EPIC) to meet the cost of restoring the surface of the grounds after the staging of the Rally of Canberra in 2000, and repairing any damage to facilities caused by the operation of the event. It has also given two other guarantees. Firstly, a guarantee to meet the cost of repair of any damage to the Commonwealth Park that may be caused by contractors engaged by it to perform work at the site for the 2000 Floriade event. An undertaking to the National Capital Authority in relation to the construction and deconstruction of the temporary structures and any remediation of the site within the parliamentary triangle for the staging of the 2000 GMC 400 V-8 Supercar race is the other guarantee.

The following non-quantifiable contingent liabilities were identified in agency financial statements:

Infrastructure and Asset Management is responsible for the Territory's land auction program, and is responsible for the costs of any remediation work, where this is provided for in a contract for sale. The Territory has chosen to remain liable for such unquantifiable costs, in order to maximise bids for the sale of land.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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32. CONTINGENCIES, GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT (continued)

In relation to property and land managed by Infrastructure and Asset Management, the Government Solicitor is currently handling a claim, the extent of any contingent liability for which is yet to be established.

The Chief Minister's Department has proceedings before the Australian Industrial Relations Commission in relation to implementation of the Superannuation Choice Policy. The proceedings have been adjourned indefinitely but have the potential to give rise to legal proceedings involving financial claims. The Department is not in a position to estimate the amount for the claims.

The Department of Health and Community Care has a potential liability in respect of the Hepatitis C virus. It has been estimated that up to 60 persons in the ACT may have contracted the Hepatitis C virus as a result of being transfused with Hepatitis C positive blood between 1985 and 1991. A financial assistance scheme has been established, however, it is difficult to accurately estimate the costs of the financial assistance scheme as this will be dependent upon the number and type of claimants identified and whether they find the ACT scheme adequate or proceed to a common law remedy. The total cost over the life of the financial assistance scheme is expected to be a maximum of \$5,800,000.

There is a contingent liability for the Gungahlin Development Authority which may arise if the Authority is unable to conclude the sale of Yerrabi Estate, Block 2 Section a, Gungahlin. A contract for the sale and development was concluded on 27 April 2000. Subsequently, an unsuccessful tenderer obtained an injunction to restrain the Authority from granting leases to the successful party. A Supreme Court hearing concluded on 8 June 2000 and as the date of the preparation of these statements, the Court's decision is still awaited.

ACTEW Corporation and its controlled entities are parties to a deed of cross guarantee established as part of the Corporation's banking arrangements. Under the deed of cross guarantee each of these parties guarantee the debts of the other parties.

At 30 June 2000 the Nominal Insurer of the ACT had a number of claims pending and recoveries owing. It is not possible to estimate the amounts of any eventual payments or receipts which may be required in relation to these claims.

All construction contracts for the Bruce Stadium redevelopment were novated to The Bruce Property Trust as part of the financing arrangements for the Bruce Stadium. As part of the novation negotiations, the ACT Government agreed to guarantee the contractor's progress claims associated with their construction contract in order to not disadvantage contractors with partially completed contracts. Additionally, the ACT Government provided indemnities to The Bruce Property Trust as part of the contracts for the redevelopment, financing and operations of the Bruce Stadium.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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33. EXCLUDED TERRITORY AUTHORITIES AND THIRD PARTY TRUST MONEYS

Agreements exist between the ACT Government and Calvary Hospital ACT Incorporated for the operation of Calvary Public Hospital, and between the Government and the Canberra Mothercraft Society Incorporated for the operation of Queen Elizabeth II Hospital. The 1995-96 financial statements of the Department of Health and Community Care, and the subsequent financial statements of the Territory, consolidated Calvary Public Hospital and Queen Elizabeth II Hospital.

Since 1997-98 the consolidated financial statements for the Territory have not included the Canberra Mothercraft Society or Calvary Hospital, but recognise payments for services and grants to the organisations as expenses of the Territory, similar to payments to many other organisations to which the Territory provides funds.

Calvary Hospital has not been consolidated as it is not considered that it is controlled by the Territory since the Territory has no input to the management of the hospital at board or ownership level.

These financial statements do not consolidate the Construction Industry Long Service Leave Board, the Rental Bonds Board, the Registrar of Financial Institutions or University of Canberra. The Boards and Registrar operate and own assets as trustees on behalf of the respective industries. As such, the operations and equity of the Board and Registrar are not considered to be Government controlled.

The Territory has no capacity to dominate the financial and operating policies of the University of Canberra, and as such does not consolidate the financial results of the University of Canberra into the Territory accounts.

Territory agencies are also responsible for a number of other Boards and Trusts which are immaterial in nature.

	<i>1999-00</i>	<i>1998-99</i>
	<i>\$m</i>	<i>\$m</i>
<i>Third Party Moneys held in Trust by the Territory</i>		
Construction Industry Long Service Leave Board	23	21
Rental Bonds Board	16	15
NRMA Trust	8	3
Private Practice Hospital Account	10	10
Health Professional Registration	1	0
Public Trustee Common Fund	42	43
Other 3rd party monies	15	12
Total	115	104

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
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34. JOINT VENTURES - INCLUDING UNDERTAKINGS IN RESPECT OF JOINT VENTURES

The Territory has the following interests in joint ventures:

<i>Joint Venture</i>	<i>Principle Activity</i>	<i>Territory share of the joint venture</i> %	<i>Actual 1999-00 profit share</i> %
(a) Harcourt Hill	Land Development	50	50
Dunlop 1	Land Development	50	82.5
Dunlop 3	Land Development	50	50
Amaroo 3 (formerly Dunlop 4)	Land Development	50	60
Bruce 2	Land Development	50	72
Condor 1/ Gordon 9	Land Development	50	50
Nicholls Lakeside	Land Development	50	50

As at the 30 June 2000, the above seven joint ventures had assets of \$26.4m (\$17m in 1999) and liabilities of \$17.9m (\$13m in 1999) which have been included in the Territory's consolidated Statement of Financial Position as the Territory's share of these joint venture assets and liabilities.

<i>Joint Venture</i>	<i>Principle Activity</i>	<i>Territory share of the joint venture</i> %	<i>Actual 1999-00 profit share</i> %
(b) Palmerston Four	Land Development	50	50

As at the 30 June 2000, the above joint venture had assets of \$1m (\$6m in 1999) and liabilities of \$0.5m (\$4m in 1999) which have been included in the Territory's consolidated Statement of Financial Position as the Territory's share of the joint venture assets and liabilities.

<i>Joint Venture</i>	<i>Principle Activity</i>	<i>Territory share of the joint venture</i> %	<i>Actual 1999-00 profit share</i> %
(c) Nicholls Primary School	Education Facilities	53	n/a

The school facilities are jointly owned with the neighbouring Holy Spirit Primary School. The Catholic Education Office has a loan from the Territory, the balance of which is \$697k as at 30 June 2000 (\$805k at 30 June 1999), in relation to this venture. The loan is repayable over a ten year period to 2006. The loan balance of \$697k has been included as a receivable, current \$107k and non-current \$590k in the Territory's consolidated Statement of Financial Position as the Territory's interest in the joint venture.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

**34. JOINT VENTURES - INCLUDING UNDERTAKINGS IN RESPECT OF JOINT VENTURES
(Continued)**

<i>Joint Venture</i>	<i>Principle Activity</i>	<i>Territory share of the joint venture %</i>	<i>Actual 1999-00 profit share %</i>
(d) Braddon Joint Venture	Unit Complex Development	50	50

As at the 30 June 2000, this joint venture had assets of \$633k (\$1.5m 1999) and \$9k (\$5k 1999) of liabilities which have been included in the Territory's consolidated Statement of Financial Position as the Territory's share of these joint venture assets and liabilities.

35. ECONOMIC DEPENDENCY

The ACT Legislative Assembly is empowered by an Act of the Commonwealth Government of Australia.

It also relies on Commonwealth Government grants for approximately 30 percent of its annual revenues. These grants comprise "Specific Purpose Payments" to provide services to the community on behalf of the Commonwealth, and "General Purpose Grants". The Commonwealth determines a general financial assistance funding pool to address the fiscal imbalance that exists between the revenue raising powers of the Commonwealth and that of the States and Territories. The ACT's share of this pool, or its General Purpose Payments, are determined by the Commonwealth Grants Commission to address both the expenditure and revenue fiscal imbalance that exists between the different States and Territories, and the continuing transition of the Territory to self Government.

The Territory has no economic dependency on any other party.

36. THE ACT'S CREDIT RATING

At the end of the reporting period, there were reasonable grounds to believe the Territory could continue to meet its liabilities as and when they fall due. As a result of independent assessment, the Territory has the following credit risk ratings, including the highest domestic long term rating available in Australia:

	<i>Domestic Long Term</i>	<i>Domestic Short Term</i>	<i>Foreign Currency Long Term</i>
Standard & Poor's	AAA	A1+	AA+

A Standard & Poor's credit rating is formally defined as a current assessment of the ability of a borrower to repay principal and interest with respect to a specific long or short-term obligation in a timely manner. The ratings are based in varying degrees, on the following considerations:

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

36. THE ACT'S CREDIT RATING (Continued)

- likelihood of default-capacity and willingness of the borrower to make timely payment of interest and repayment of principal;
- nature and provisions of the obligations; and
- protection afforded by and relative position of, the obligation in the event of bankruptcy, reorganisation, or other arrangements under the laws of bankruptcy and those affecting creditors' rights.

An obligation rated AAA has the highest rating assigned. The obligator's capacity to meet its financial commitment on the obligation is extremely strong. A short-term obligation/obligor rated A1+ is also the highest short-term rating assigned.

37. AUDITOR'S REMUNERATION

The ACT Auditor-General's Office is required by the *Financial Management ACT 1996* to audit the activities and agencies of the ACT. Financial statement audits of agencies are conducted on a fee for service basis. Performance audits are met by appropriation from the Legislative Assembly.

	1999-00	1998-99
	\$m	\$m
<i>The ACT Auditor-General's Office earned:</i>		
Financial statement audits (fees for services)	1.865	1.729
Other audits (Legislative Assembly appropriation)	0.904	0.886

The ACT Auditor-General's Office paid \$5,500 for independent audit of its own financial statements for 1999-2000.

38. FINANCIAL INSTRUMENTS

Since 31 December 1997 ACT Government agencies have been required to comply with Australian Accounting Standards AAS 33 and Accounting Standard AASB 1033, which cover disclosure of both recognised and unrecognised financial instruments.

The aim of these standards is to enhance users understanding of the significance of financial instruments on financial positions, operating results and cash flows.

Items which are to be disclosed under AAS 33/AASB 1033 include:

- Terms, Conditions and Accounting Policies;
- Interest Rate Risk;
- Credit Risks;
- Net Fair Values; and
- Financial Assets Carried at an Amount in Excess of Net Fair Value.

**AUSTRALIAN CAPITAL TERRITORY GOVERNMENT
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000**

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Terms, conditions and accounting policies

Financial Instrument	Notes	Accounting Policies and Methods (Including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		<i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</i>	
Cash – deposits at call		Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	No interest is earned on the majority of these funds.
Receivables for goods and services		These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are 28-30 days for the majority.
Investments		Financial investments are measured at the market value applicable to the investment at balance date. Resultant increments and decrements from one valuation date to the next are included in the Operating Statement as they arise.	The average return on investments for the year was approximately 12.8%.

NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2000

38. FINANCIAL INSTRUMENTS (CONTINUED)

<i>Financial Liabilities</i>		<i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</i>	
Trade creditors		Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Trade creditors are normally settled within 28-30 days.
Borrowings		Borrowings are carried at capital value. Interest is expensed as it occurs.	All borrowings are repaid on maturity.
Finance lease liabilities		Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	Interest rates implicit in the leases vary from 8% to 15.8%.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT									
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS									
FOR THE YEAR ENDING 30 JUNE 2000									
38. FINANCIAL INSTRUMENTS (CONTINUED)									
(b) Interest Rate Risk									
2000									
Financial Instrument	Notes	Fixed interest maturing in:					Non-Interest Bearing	Total	Weighted Average Effective Int Rate
		Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years				
		\$m	\$m	\$m	\$m		\$m	%	
<i>Financial Assets</i>									
Cash at Bank	13	23	0	0	0	3	26	4.43	
Receivables for goods and services	14	118	3	0	0	233	354	2.47	
Investments	15	1,164	12	0	0	5	1,182	12.78	
Total Financial Assets		1,306	15	0	0	241	1,562		
<i>Financial Liabilities</i>									
Trade creditors	20	23	0	0	0	166	189	0.86	
Borrowings	21	580	10	40	259	3	891	7.26	
Finance lease liabilities	22	50	1	7	2	0	60	8.26	
Others	25	0	0	0	0	39	39	0.00	
Total Financial Liabilities		653	11	47	261	208	1,180		
Net Financial Assets		652	4	(47)	(261)	33	382		
<i>Non Financial Assets</i>									
Inventories	16						81		
Other	19						44		
Property, Plant & Equipment	17						8,007		
Intangibles							2		
Works-in-Progress	18						119		
Total Non Financial Assets		0	0	0	0	0	8,253		
<i>Non Financial Liabilities</i>									
Superannuation	23						1,368		
Employee Entitlements	24						227		
Total Non Financial Liabilities		0	0	0	0	0	1,595		
Net Non Financial Assets		0	0	0	0	0	6,658		
Net Assets		652	4	(47)	(261)	33	7,040		

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT								
NOTES TO, AND FORMING PART OF, THE CONSOLIDATED FINANCIAL STATEMENTS								
FOR THE YEAR ENDING 30 JUNE 2000								
38. FINANCIAL INSTRUMENTS (CONTINUED)								
(b) Interest Rate Risk (Prior Year for Comparison)								
1999		Fixed interest maturing in:					Total	Weighted Average Effective Int Rate
Notes	Floating Interest Rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-Interest Bearing			
Financial Instrument		\$m	\$m	\$m	\$m		\$m	%
<i>Financial Assets</i>								
Cash at Bank	13	26				4	30	2.49
Receivables for goods and services	14	151	4			154	309	3.36
Investments	15	658				2	660	4.7
Total Financial Assets		835	4	0	0	160	999	
<i>Financial Liabilities</i>								
Trade creditors	20					148	148	0
Borrowings	21	529	4	47	101	4	685	7.24
Finance lease liabilities	22	57		1	1	0	59	12.54
Others	25	5	1			44	50	0.96
Total Financial Liabilities		591	5	48	102	196	942	
Net Financial Assets		244	(1)	(48)	(102)	(36)	57	
<i>Non Financial Assets</i>								
Inventories	16						79	
Other	19						69	
Property, Plant & Equipment	17						8,029	
Intangibles							2	
Works-in-Progress	18						80	
Total Non Financial Assets		0	0	0	0	0	8,259	
<i>Non Financial Liabilities</i>								
Superannuation	23						1,243	
Employee Entitlements	24						229	
Total Non Financial Liabilities		0	0	0	0	0	1,472	
Net Non Financial Assets		0	0	0	0	0	6,787	
Net Assets		244	(1)	(48)	(102)	(36)	6,844	

38. FINANCIAL INSTRUMENTS (CONTINUED)					
(c) Net Fair values of Financial Assets and Liabilities					
		2000		1999	
	Notes	Total \$'000	Aggregate \$'000	Total \$'000	Aggregate \$'000
Financial Assets					
Cash at Bank	13	26	26	30	30
Receivables for Goods & Services	14	354	354	309	309
Investments	15	1,182	1,182	660	660
Total Financial Assets		1,562	1,562	999	999
Financial Liabilities					
Finance lease liabilities	22	60	60	59	59
Borrowings	21	891	891	685	685
Trade Creditors	20	189	189	148	148
Others	25	39	39	50	50
Total Financial Liabilities		1,180	1,180	942	942

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of finance lease and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. (Where the liability is on a floating rate of interest, the method returns the principal amount).

The net fair values for trade creditors are short-term in nature and are approximated by their carrying amounts.

(d) Credit Risk Exposures

The Territory's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Territory has no significant exposures to any concentrations of credit risk.

The ACT Government has the highest credit rating available, being short-term A1+ and long-term AAA. It is assumed that credit risk is minimal.

AUSTRALIAN CAPITAL TERRITORY GOVERNMENT CONTROLLED ENTITIES

General Government Sector

Agents Board of the ACT
ACT Community Care
ACT Executive
ACT Gambling and Racing Commission
ACT Legislative Assembly Secretariat
ACT WorkCover
Auditor General's Office
Australian International Hotel School
Canberra Institute of Technology (CIT)
Canberra Public Cemeteries (Trustees of)
Canberra Tourism and Events Corporation
CanDeliver Ltd (Ceased trading on 25 May 2000)
Casino Surveillance Authority (Ceased trading on 30 November 1999)
Central Financing Unit
Chief Minister's Department
Cultural Facilities Corporation
Department of Education & Community Services
Department of Health & Community Care
Department of Justice and Community Safety
Department of Treasury and Infrastructure
Department of Urban Services
Exhibition Park in Canberra (EPIC)
Gungahlin Development Authority
HealthPact (Health Promotion ACT)
Infrastructure Asset Management
InTACT
Kingston Foreshore Development Authority
Legal Aid Commission (ACT)
Public Trustee for the ACT (Office of the)
Superannuation and Insurance Provision Unit
The Canberra Hospital
Totalcare Industries Ltd

Public Trading Enterprises

ACTEW Corporation
ACT Forests
ACT Housing
ACTION
ACTTAB Limited
Bruce Operations Pty Ltd
CIT Solutions Pty Ltd
The Bruce Property Trust
Milk Authority of the ACT (Ceased trading on 30 June 2000)