

June Quarterly Management Report

(Interim 2003-04 Result)

for the financial quarter
and year to date ending
30 June 2004

Australian Capital Territory Government



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Consolidated Financial Management Report Executive Summary - June 2004

Executive Summary- 2003-04 June Interim Result

The interim operating results of the General Government and Public Trading Enterprise Sectors are outlined below. The information in this report is current as at 30 June 2004, but is subject to change as part of the audit process. The Territory's Annual Financial Statements are expected to be provided to the Auditor General by early September 2004.

During the 2003-04 financial year the Territory's operations experienced a significant improvement in taxation, land revenues and returns for superannuation investments. The improvement in operating revenues enabled the introduction of two additional appropriation bills. These enabled the Government to address recommendations arising from the McLeod inquiry, enact action items from the Canberra Plan and meet emerging EBA requirements. The cash position for the Territory was also strengthened during 2003-04.

The improvement to the operating result for the 2003-04 financial year was offset by two accounting policy changes. The write back of the value of TransACT and the write back of the superannuation reserve.

Operating Result by Sector * (after extraordinary items)	2002-2003	2003-2004	2003-2004	June YTD	
	Audit Result \$'000	Annual Budget \$'000	Estimated Outcome \$'000	Actual \$'000	Variance \$'000
General Government Sector	154,565	(7,667)	92,843	29,043	(63,800)
Public Trading Enterprise Sector	123,100	75,646	42,364	56,251	13,887
Total Territory Sector	229,564	16,832	134,434	84,521	(49,913)

* A detailed Statement of Financial Performance can be found in the attachments.

The Territory's operating result for 30 June 2004, after net extraordinary expenses of \$13.6m, is a surplus of \$84.5m. This result is a decrease of \$49.9m from the estimated outcome. The lower than expected result is due to increased revenue, and increased expenses incurred on behalf of the Territory. The major factors influencing this result are highlighted below.

Major variations in revenues from the 2003-04 estimated outcome include increases in:

- other revenue of \$31.2m, due mainly to an increase in the value of superannuation investments;
- grants from the Commonwealth of \$16.2m;
- interest revenue of \$8.3m;
- revenue from joint ventures of \$5.3m; and
- user charges - non ACT Government of \$8m.

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Major variations in expenses from the 2003-04 estimated outcome, increases include:

- an increase in employee expenses of \$12.3m;
- an increase in superannuation expenses of \$126.1m, which includes \$117.5m for the early adoption of International Accounting Standards relating to the treatment of superannuation liability actuarial adjustments; and
- an increase in other expenses of \$9.8m;

offset by:

- a decrease in supplies and services of \$21m;
- a decrease in cost of goods sold of \$1.3m; and
- a decrease in grants and purchased services of \$10.5m.

A more detailed discussion on the performance of GGS and PTE sector revenue and expenditure items is included in the body of the report.

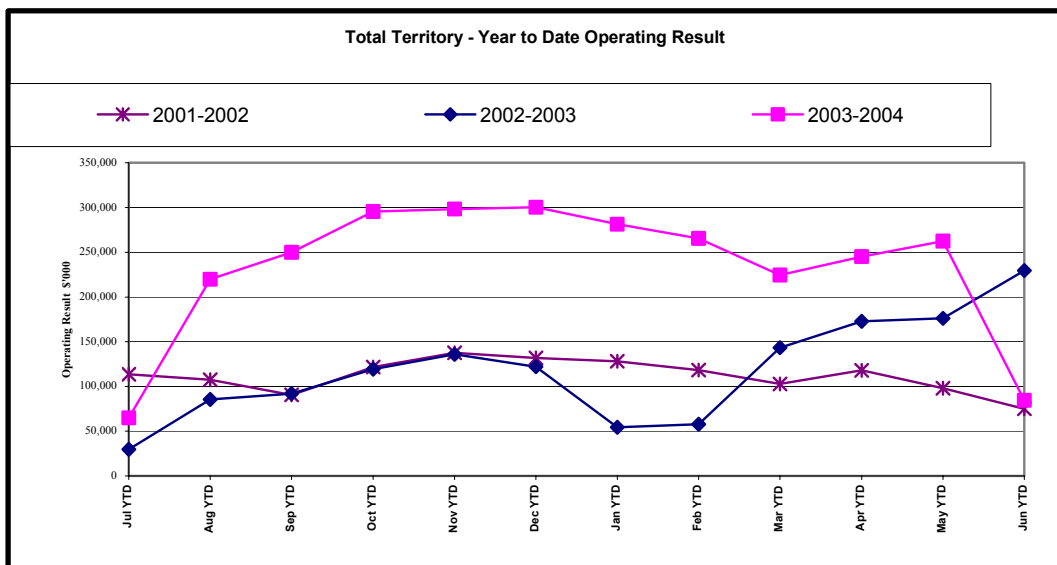
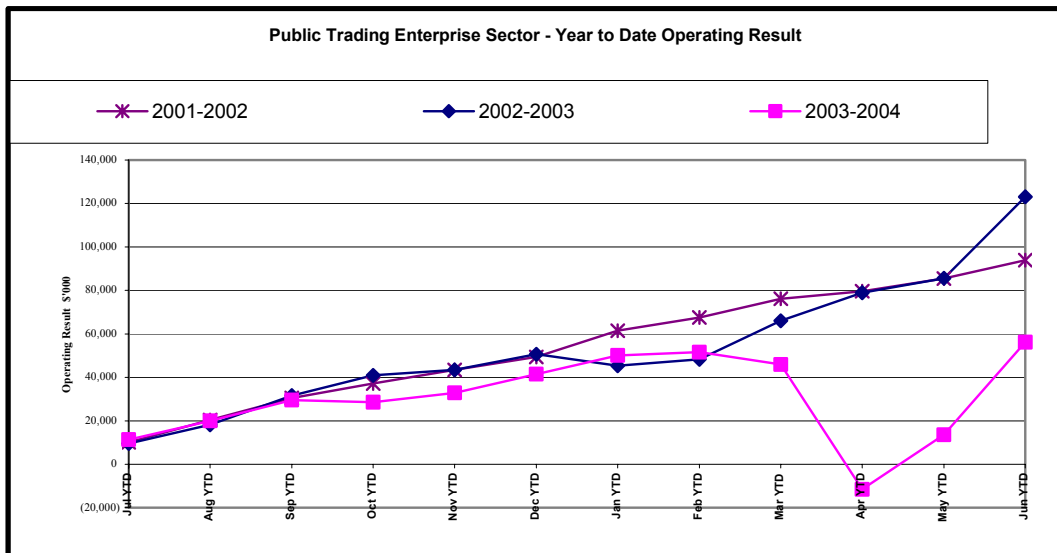
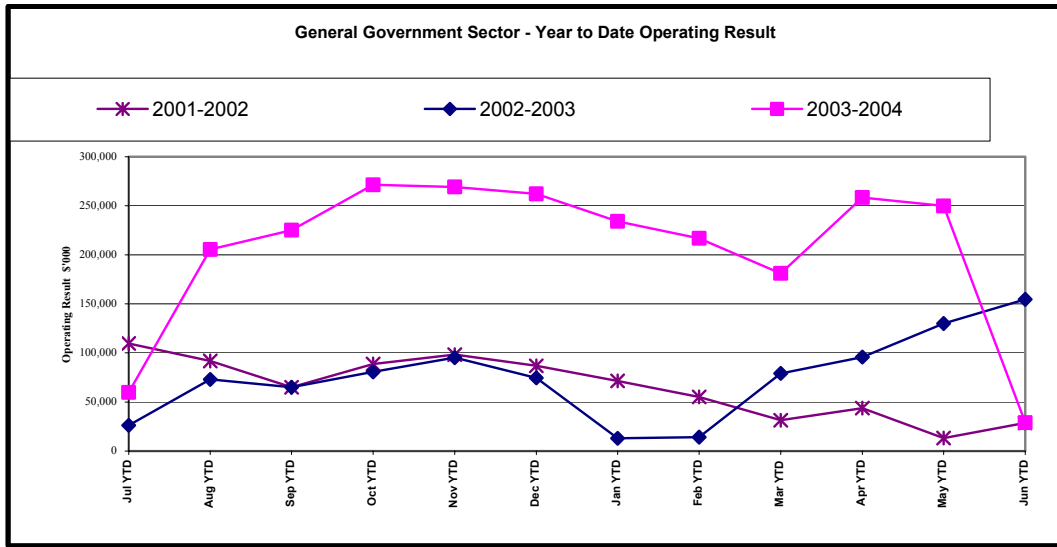
Cash

The Territory's cash position is sound. The Territory's Unencumbered Cash (TUC), i.e., cash which is in excess of current requirements that has not been formally allocated against a planned expenditure, was \$462m as at 30 June 2004.

Unencumbered cash increased \$50m in 2003-04.

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Executive Summary - June 2004



1 General Government Sector Financial Performance

1.1 Summary of operating performance

The interim operating result for the General Government Sector (GGS) for the year ending 30 June 2004, after net extraordinary expenses of \$13.1m, was a surplus of \$29m. This is a decrease of \$63.8m from the estimated outcome.

It should be noted that the information in this report is subject to change as a result of the audit process.

General Government Sector *	2002-2003	2003-2004	2003-2004	June YTD	
	Audit Result \$'000	Annual Budget \$'000	Estimated Outcome \$'000	Actual \$'000	Variance \$'000
Revenue	2,419,666	2,360,284	2,647,258	2,704,297	57,039
Expenses	2,350,438	2,364,887	2,546,458	2,662,141	115,683
Extraordinary Revenue	115,374	0	10,000	10,000	0
Extraordinary Expenses	30,037	3,064	17,957	23,112	5,155
OPERATING RESULT	154,565	(7,667)	92,843	29,043	(63,800)

* A detailed Statement of Financial Performance can be found in the attachments.

1.2 Revenue for the financial year ending June 2004

Revenue to the end of June 2004, including extraordinary revenues of \$10m was \$2,714.3m, up \$57m from the estimated outcome of \$2,657.3m.

Other revenues were \$28.6m above the estimated outcome due largely to:

- a \$45.4m increase in the value of superannuation investments;
- a \$5.8m increase resulting from a downward revaluation of the HIH liability following the most recent actuarial assessment for the Workers Compensation Supplementation Fund; and
- a \$5.2m increase due to a larger than expected revaluation of stormwater assets held by DUS;

offset by:

- a decrease of \$28.4m resulting from a deferral of sales related to Bruce 2 and 3, the Gungahlin town centre and Yerrabi and a reduction in the number of blocks sold (due to site constraints) at the Kingston Foreshore Development. This is offset by the cost of goods sold.

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Financial Performance - June 2004

Grants from the Commonwealth were \$15.5m above the estimated outcome due to:

- an increase in the Goods and Services Tax revenue grant of \$12.9m;
- an increase in the Australian National Training Authority Commonwealth grant of \$1m; and
- an increase in miscellaneous grant payments to ACT Health of \$1.1m.

Interest received from banks was \$7.3m above the estimated outcome due to higher than forecast cash deposits held by a number of agencies.

User charges – non ACT Government were \$5m above the estimated outcome due largely to increases in:

- cross border health receipts of \$7.7m; and
- inpatient fees of \$1.6m;

offset by a decrease in:

- Totalcare sales to clients external to Government of \$3.5m.

1.3 Expenses for the financial year ending June 2004

Expenses to the end of June 2004, including extraordinary expenses of \$23.1m, were \$2,685.3m, up \$120.8m from estimated outcome of \$2,564.4m.

Employee expenses were \$13.1m above the estimated outcome due mainly to:

- an increase of \$7.9m in costs associated with the negotiations of the new EBA for the Department of Education and Training;
- an increase of \$3.1m mainly relating to an adjustment to the 2002-03 Workers Compensation premium, recognition of the final pay outcome for the Clerical EBA and an increase in overtime for the Emergency Services Bureau; and
- an increase of \$1.3m resulting from a change in accounting treatment for wages associated with Gold Creek homestead.

Extraordinary expenses were \$23.1m, largely due to the recognition of public liability claims of \$15m arising from the January 2003 bushfire, as advised by the actuaries.

Superannuation expenses were \$125.4m above the estimated outcome due to:

- an increase of \$117.5m, which represents the early adoption of International Accounting Standards relating to the treatment of superannuation liability actuarial adjustments; and
- an increase of \$7.9m largely due to the recognition of superannuation liabilities for Totalcare employees.

Consolidated Financial Management Report **Financial Performance - June 2004**

Other expenses were \$14.6m above the estimated outcome mainly due to:

- a net increase in ACTIA's non bushfire claims expense of \$8.7m;
- an increase of \$1.8m in expenditure relating to the ANTA national project and payment to CIT Solutions for management of SMEC Makassar project; and
- an increase of \$1.9m in doubtful debts recognised following an actuarial assessment of the Homeloan portfolio.

These increases in expenses are offset by the following variations.

Supplies and services were below estimated outcome by \$30.9m mainly due to:

- the inclusion of a provision for the Enterprise Bargaining Agreement, which was established at the time of the 2004-05 Budget. The actual expenditure is now recognised under employee expenses; and
- a reclassification of expense items resulting from the incorporation of Totalcare functions with the Department of Urban Services;

offset by:

- an increase of \$4.4m for the Department of Education and Training due to increased cost of various child contingency expenses including accommodation, child care and clothing, increased Information and Communications Technology (ICT) expenses, and the write-off of the Weston Creek Childcare centre due to the January 2003 bushfire; and
- an increase of \$1.2m due largely to the settlement of the contractual dispute surrounding the development of the AIMS database for ACT Workcover.

Cost of goods sold had no material variation from the 2003-04 estimated outcome, however, variations in the cost of goods sold include:

- a reclassification of expense items resulting from the incorporation of Totalcare functions with the Department of Urban Services;

offset by:

- a decrease of \$12.4m due to the deferral of sales relating to Bruce 2 and 3 and the Gungahlin town centre, and a reduction in the number of blocks sold (due to site constraints) at the Kingston Foreshore Development;

Grants and purchased services were \$5.5m below the estimated outcome mainly due to:

- a decrease of \$3.8m due mainly to lower than expected expenditure in the First Home Owners Grants; and
- a decrease of \$2m due to lower than expected expenditure in Disability ACT and Community Services Supported Accommodation Assistance Program payments.

1.4 2003-04 June Interim Operating Result

Sections 1.2 and 1.3 of this report provide explanations of variations from the estimated outcome as published in the 2004-05 Budget Papers. The table below, however, provides a reconciliation of the original budget operating result published in the 2003-04 Budget to the June 2004 interim result.

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Financial Performance - June 2004

Movement in the 2003-04 Interim Result

	2003-04 \$'m
GGG Operating Result - 2003-04 Budget Papers	(7.7)
Net Commonwealth Grants Revenue	4.4
Taxation Revenue - Non-continuing Revenue Initiatives	(5.5)
Land Revenue	64.3
Appropriation Act 2003-2004 (No.2)	(13.4)
Impact	49.8
GGG Operating Result - September Quarterly Report	42.1
Taxation Revenue	110.6
Net Commonwealth Grants Revenue	7.3
Land Revenue	49.8
Superannuation Investment Returns	23.7
Superannuation Actuarial Review of Liability	(48)
Deferred Expenditure	(10.6)
Provision for Wage Negotiations	(20)
Identification of Stormwater Assets	58.4
Affordable Housing	(33.2)
Agents Board - transfers to trust Account	(12)
Other	(16.8)
Impact	109.2
GGG Operating Result - Budget Mid-Year Review	151.3
3rd Appropriation - not already in MYR	(43.1)
Land Revenue	(21)
Impact	(64.1)
GGG Operating Result - 3rd Appropriation	87.1
Land Revenue	(3)
Net Commonwealth Grants Revenue	12.4
Taxation Revenue	4.4
ACTEW Dividend	(50.1)
Commonwealth Fire Payments	9.2
Urban Services - Reduced Depreciation	3.8
Home Loan Portfolio - Transfer to Housing ACT - Loss of Interest	(3.2)
Deferred Expenditure	9.5
Treasurer's Advance	20.8
Agency Estimated Outcome	21.2
Totalcare Superannuation Liability - Estimate	(12.5)
Interest Revenue	2.7
Other	(9.5)
Impact	5.7
GGG Operating Result - 2003-04 Estimated Outcome	92.8

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Consolidated Financial Management Report Financial Performance - June 2004

GGS Operating Result - 2003-04 Estimated Outcome		92.8
(a)	Net Commonwealth Grants Revenue	13.0
(b)	Development of AIMS database	(1.7)
(c)	ACTIA Insurance Claims Provision, including non-bushfire claims	(13.0)
(d)	Workers Compensation Supplementation Fund - Actuarial Revision	5.5
(e)	Health - cross border revenues	7.7
(f)	Superannuation Investment Returns	45.4
(g)	Superannuation – Actuarial Adjustment Reserve	(117.5)
(h)	Totalcare Superannuation Liability – Estimate	(5.5)
(i)	Land Revenue	(11.0)
(j)	Urban Services –Stormwater assets net of depreciation	2.0
(k)	First Home Owners Grants	3.2
	Other	8.1
Impact		(63.8)
GGS Operating Result - Interim result for year ended 30 June 2004		29.0

* It should be noted that the operating result presented in this table may be subject to further changes as a result of the audit process.

Factors Influencing the 2003-04 Interim Result

(a) Commonwealth Grants Revenues

This adjustment mainly reflects the revised Goods and Services Tax (GST) revenue pool estimates published in the 2004-05 Commonwealth Budget of \$15.6m, released 11 May 2004, offset by a subsequent decrease in the revenue pool of \$2.6m, as revised, due to a downward revision of the ACT's population.

(b) Development of AIMS database

Treasurer's advance was used for the payment of costs relating to a contractual dispute for the provision of information technology services to ACT Workcover.

(c) ACTIA Insurance Claims Actuarial Review

This increase in provisions is for non-bushfire related insurance claims, due mainly to increases in the volume of medical malpractice and public liability claims, offset by an expected reduction in the recovery of public liability claims relating to the January 2003 bushfire.

(d) Workers Compensation Supplementation Fund - Actuarial Revision

The improvement of \$5.5m represents a revaluation of the outstanding HIH liability, following the actuarial assessment, as at 30 June 2004.

(e) Health - cross border revenues

The adjustment represents increased cross border revenue for the provision of health services to non-ACT residents, within ACT public hospitals.

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Financial Performance - June 2004

(f) Superannuation Investment Returns

The adjustment represents improved investment earnings on the Territory's Superannuation Provision Account (SPA), the account established to assist the Government in managing superannuation liabilities.

Superannuation Related Investments

	2003-04 Estimated Outcome \$'m	2003-04 Jun YTD Actual \$'m	Variance \$'m
Investment Increments (revenue)	57.8	102.1	44.3
Dividends and Interest	28.0	29.2	1.2
Fees	(2.3)	(2.4)	(0.1)
Total	83.5	128.9	45.4

(g) Superannuation – Actuarial Adjustment Reserve

The adjustment of \$117.5m represents the early adoption of International Accounting Standards relating to the treatment of superannuation liability actuarial adjustments.

(h) Totalcare - Superannuation Liability-Estimate

In February 2004, the Treasurer announced that the Government was investigating possible inconsistencies with the application of appropriate superannuation arrangements for Totalcare employees. This adjustment represents an increase of \$5.5m above existing provisions of \$12.5m for the superannuation liability.

(i) Land Revenue

This adjustment represents the reduction in lease (land) sales, mostly due to the delay in the sale of Bruce stages 2 and 3, offset by subsequent reductions in cost of goods sold expenses.

(j) Urban Services reduced depreciation

This adjustment reflects the net impact of the updated revaluation of the stormwater assets offset by increased depreciation costs relating to these assets.

(k) First Home Owners Grants

First Home Owners Grant expenditure was \$3.2m lower than anticipated for the 2003-04 estimated outcome.

Bushfire Impact

Total Cost of the Event

The net cost of the January 2003 bushfire for the General Government Sector across five years is estimated to be \$121.4m.

Cumulative Impact on the General Government Sector of Event (2002-03 to 2006-07)	Total Five Year Cost Estimate# 2004-05	Actual Cost To Date of Event 2004-05
	Budget	
	\$m	\$m
Total cost of initiatives and non insurance related work	122.6	62.0
plus: work funded from "self insurance" fund*	9.0	9.0
plus: net provision for public liability claims	5.0	5.0
less: total estimated return from NDRA	15.2	15.0
less: total revenue from Fire Reconstruction Levy	0.0	0.0
Estimated net cost of event over five years	121.4	61.0

Updated in the 2004-05 Budget.

Year to Date Position

The impact of the January 2003 bushfire for the General Government Sector for the 2003-04 financial year is shown in the table below. Major items included in the year-to-date expenditure are increased undertakings of the Emergency Services, the fire fuel management programs, the additional funding for the coronial inquiry, the operation of the Bushfire Taskforce and the Recovery Centre, continuing clean-up activities, and the restoration of bushfire damaged urban landscapes.

The variance from the estimated outcomes in the 2004-05 Budget Paper largely reflects the timing of recognising expenditure in relation to the capital programs for the capacity enhancement of the Emergency Services, the coronial inquiry, the rebuilding grants program, and the ACT border marks project.

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Financial Performance - June 2004

Cost of Event for 2003-04 Only	Original 2003-04 Budget \$'m	2003-04 Estimated Outcome \$'m	2003-04 June YTD \$'m
Revenue			
Insurance Revenue ^a	0.0	10.0	10.0
NDRA Revenue ^b	6.0	6.0	5.7
Fire Reconstruction Levy	5.0	0.0	0.0
Total Revenue	11.0	16.0	15.7
Expenditure			
Bushfire Initiatives	17.1	37.4	32.8
Provisions for Public Liability Claims ^c	0.0	15.0	15.0
Total Expenditure	17.1	52.4	47.8
Net Expenditure	6.1	36.4	31.1

a Insurance revenue in 2003-04 includes an additional revenue of \$10m associated with public liability claims.

b NDRA revenue depends on actual cash outflows associated with eligible relief measures. The accrued revenue was adjusted to reflect the estimated eligible cash outflows at the time of this report's preparation. The estimate of the total NDRA revenue of \$15.2m has not been revised down, assuming a greater revenue in 2004-05 from the cash outflows brought over from 2003-04.

c Provisions for public liability claims represent an actuarial assessment for public liability claims estimated to arise from the January 2003 bushfire.

2 Public Trading Enterprise Sector Financial Performance

2.1 Summary of operating performance

The operating result for the Public Trading Enterprise Sector (PTE) ending 30 June 2004 after net extraordinary expenses of \$7.4m and income tax equivalents of \$12.1m was a surplus of \$56.2m. This was \$13.9m above the estimated outcome.

Public Enterprise Trading Sector *	2002-2003	2003-2004	2003-2004	June YTD	
	Audit Result	Annual Budget	Estimated Outcome	Actual	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	412,681	430,042	474,333	480,744	6,411
Expenses	315,444	354,041	409,159	404,953	(4,206)
Extraordinary Revenue	90,928	0	(1,286)	774	2,060
Extraordinary Expenses	64,556	0	8,138	8,163	25
Tax Equivalent	(509)	(355)	(13,386)	(12,152)	1,234
OPERATING RESULT	123,100	75,646	42,364	56,251	13,887

* A detailed Statement of Financial Performance can be found in the attachments.

2.2 Revenue for the financial year ending June 2004

Revenue at the end of June 2004 was \$480.7m, up \$6.4m from the estimated outcome of \$474.3m. The following factors contribute to this variance.

User charges - non ACT Government were \$3.1m above the estimated outcome of \$220.7m due largely to:

- increased sales of water and sewerage of \$1.2m by ACTEW; and
- increased sales for Stadiums Authority of \$1.7m due to the unbudgeted Super 12 Rugby Union Final.

Revenue of associates and joint ventures were \$4.7m above the estimated outcome due to higher than estimated returns from ActewAGL.

The increases in revenue are offset by the following:

- reduced Commonwealth State Housing Agreement receipts of \$1m; and
- a timing lag in expected transfers of infrastructure assets from the Land Development Agency to ACTEW of \$3.1m.

2.3 Expenses for the financial year ending June 2004

Expenses to the end of the June 2004, including extraordinary expenses of \$8.2m, were \$413.2m, down by \$4.2m from the estimated outcome of \$417.3m, due to a number of relatively immaterial variances across the PTE agencies.

3 The Financial Position as at 30 June 2004

3.1 The Financial Position of the General Government Sector

GGS liquidity, as measured by the current ratio (current assets over current liabilities)*, has improved from the audited result of 1.55:1 to 2.56:1. This is largely attributable to the strong interim result mainly due to increased cash and investments.

The financial stability of the GGS is measured by the debt ratio (total liabilities over total assets)*, and indicates the longer-term stability of the GGS and its capacity to meet outstanding debts from its asset base. The debt ratio percentage for the GGS at the end of June was 19%, which is the same as the audited outcome of 19%. This relatively low ratio indicates a prudent level of liabilities.

Service delivery assets at the end of June were \$5,553.6m, which was marginally lower than the 2002-03 audited outcome of \$5,574.4m.

Total liabilities of the GGS at the end of June were \$3,498.6m, an increase of \$361.4m from the 2002-03 audited result. This increase largely reflects the increase in employee benefits, finance leases and other liabilities, offset by a decrease in interest bearing liabilities and a decrease in payables.

Net worth** of the GGS at the end of June was \$5,422.6m, an increase of \$227.4m from the 2002-03 audited result, due largely to the year to date operating performance of the General Government Sector and increases in investments and inventories.

* When calculating both the current and debt ratios, both investments and liabilities relating to superannuation are excluded, as these are not available to meet general debt. Superannuation is discussed separately.

** Net worth equals net assets, that is, total assets less total liabilities.

3.2 The Financial Position of the Public Trading Enterprise Sector

PTE liquidity, as measured by the current ratio (current assets over current liabilities), decreased from the 2002-03 audited result of 2.78:1 to 2:1. This ratio indicates that the PTE is able to meet its short-term debt from short-term cash and equivalents.

The financial stability of the PTE is measured by the debt ratio (total liabilities over total assets), and indicates the longer-term stability of the PTE and its capacity to meet outstanding debts from its asset base. The debt ratio percentage for the PTE at the end of June remained low at 14%. This relatively low debt ratio reflects the PTE's large asset base, attributable to ACTEW infrastructure and public housing properties controlled by ACT Housing.

Service delivery assets at the end of June were \$3,419m, which is marginally higher than the 2002-03 audited result of \$3,363.7m.

Total liabilities of the PTE at the end of June were \$583.6m, a \$10.5m decrease from the 2002-03 audited result of \$594.1m.

Net worth of the PTE at the end of June was \$3,932.6m, an improvement of \$499.4m from the 2002-03 audited result of \$3,433.2m.

3.3 Short-term outlook – Liquidity

The current ratio is used to indicate an organisation's liquidity and equates to current assets over current liabilities. This ratio indicates the government's ability to meet short-term debt from short-term assets such as cash and cash equivalents.

Superannuation investments and liabilities have been excluded in calculating the current ratio, as these investments are not available for the repayment of any debt other than superannuation liabilities.

The generally accepted ratio for a Government entity is 1:1.

Short-Term Outlook - Liquidity (Excluding Superannuation and Equity investments)

Current Ratio *					Estimated	June YTD
	1999-2000	2000-2001	2001-2002	2002-2003	Outcome 2003-2004	Actual 2003-2004
GGS	1.5 :1	1.57 :1	1.62 :1	1.55 :1	2.79 :1	2.53 :1
PTE	1.09 :1	0.89 :1	1.6 :1	2.78 :1	2.36 :1	2 :1
Total Territory	1.35 :1	1.39 :1	1.68 :1	1.82 :1	2.92 :1	2.72 :1

* The current ratio has been calculated **excluding** superannuation investments and liabilities.

Although the Territory's liquidity position has been subject to fluctuation over the past five years, it remains strong with a healthy investment balance.

Within the GGS, the level of liquidity has been generally increasing over time. A number of agencies within the sector, however, continue to have current ratios of less than 1:1 and are therefore below the generally accepted benchmark. These are the Central Finance Unit, the Department of Justice and Community Safety, the Department of Education and Training, ACT Workcover, the ACT Planning and Land Authority, the Legislative Assembly, the Superannuation Unit and the Department of Urban Services (Territorial). In addition, ACT Health, and the Canberra Institute of Technology and the Department of Justice and Community Safety (Territorial), which had current ratio above the benchmark of 1:1 as at 31 March 2004, are now below the benchmark.

The PTE Sector is also sound, with short-term debt being effectively managed through decreased short-term borrowings and an improved current asset base as at 30 June 2004.

3.4 Longer-term outlook – Financial Stability

The debt ratio (total liabilities over total assets) is used to indicate an organisation's longer-term stability, in particular its ability to meet debts from its asset base. The lower the percentage, the better the ability to cover debt from assets. This ratio also excludes the total value of equity investments, superannuation investments, and the total superannuation liability.

Longer-Term Outlook - Financial Stability (Excluding Superannuation and Equity investments)

Debt Ratio (%) *					Estimated	June YTD
	1999-2000	2000-2001	2001-2002	2002-2003	Outcome 2003-2004	Actual 2003-2004
GGS	17	18	18	19	17	18
PTE	22	24	20	16	15	14
Total Territory	15	16	15	14	13	13

* The debt ratio has been calculated **excluding** equity investments, superannuation investments and superannuation liabilities.

Since 1999-2000 the Territory's debt ratio percentage has remained reasonably steady at its current level of 13%. This remains a low percentage.

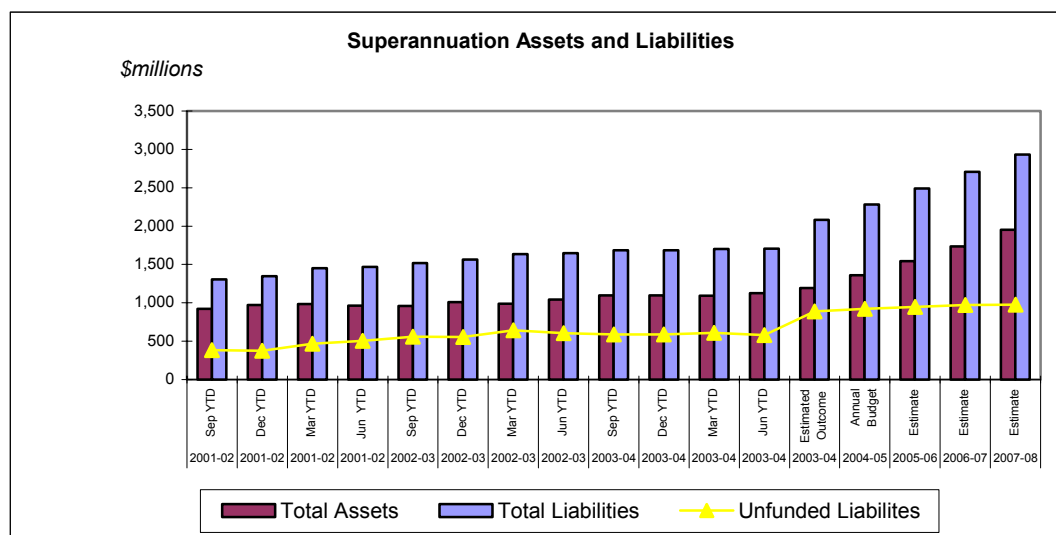
The Territory continues to maintain a manageable financial outlook with a clear ability to meet both short and longer-term debt and maintain its asset base. This relatively low ratio demonstrates a prudent level of liabilities.

Consolidated Financial Management Report Financial Position - June 2004

Superannuation Assets and Liabilities

The Territory's superannuation liability of \$2,070.3m as at 30 June 2004 is the Territory's single largest liability. At 30 June 2004 it was 60% of total liabilities.

Superannuation investments of \$1,238.7m existed at 30 June 2004, providing funding for 60% of the superannuation liability, which is marginally lower than the 61% coverage as at 30 June 2003.



Year to date investment earnings were \$128.9m, which is \$45.3m greater than the estimated outcome of \$83.5m.

The following table provides the year to date performance of superannuation related investments.

	2002-2003 Audited Outcome \$'000	2003-2004 Annual Budget \$'000	2003-2004 Estimated Outcome \$'000	2003-2004 Jun YTD Actual \$'000	Variance \$'000
Superannuation Related Investments					
Investment Increments - revenue	0	9,375	57,754	102,125	44,371
Investment Decrements - expenditure	(44,114)	(3,200)	(2,250)	(2,449)	(199)
Dividends and Interest	47,762	52,889	28,004	29,202	1,198
Total	3,648	59,064	83,508	128,878	45,370

Consolidated Financial Management Report
Cash Management - June 2004

4 Cash Management

4.1 The Territory's total cash position

The Territory's Unencumbered Cash (TUC) is the measure of the Territory's cash balance, which is not allocated to an operating or investing requirement at the time of measurement, and is therefore a measure of liquidity.

	2003-2004 Opening Balance \$'m	2003-2004 Estimated Outcome \$'m	2003-2004 June YTD Actual \$'m
Territory Unencumbered Cash	412	469	462

The TUC as at 30 June 2004 was \$462m largely in line with the estimated outcome of \$469m. This indicates that, while an increase in TUC was expected during the latter part of the financial year the actual increase was not as large as budgeted.

4.2 The Territory's cash flows

CASH FLOW	1999-2000 Actual \$'000	2000-2001 Actual \$'000	2001-2002 Actual \$'000	2002-2003 Actual \$'000	2003-2004 Estimated Outcome \$'000	2003-2004 30 June YTD Actual \$'000
	Total Operating Receipts:	2,155,425	2,222,955	2,371,148	2,531,001	2,852,979
Total Operating Payments	1,773,250	1,862,867	1,954,622	2,076,425	2,422,402	2,340,412
Cash Flows from Operating Activities	382,175	360,089	416,526	454,576	430,577	525,016
Purchase of PP&E*	241,435	195,968	201,236	205,363	357,012	306,697
Sale of PP&E*	64,643	46,023	44,983	37,676	53,322	45,181
Net Outflow from capital Activities	(176,792)	(149,945)	(156,253)	(167,687)	(303,690)	(261,516)
Total Net Inflow from Operations and Capital	205,383	210,144	260,273	286,890	126,887	263,500

* PP&E = Property, Plant and Equipment.

Cash flows from operating activities relate to the general operations of government. They include receipts of taxes, fees, fines, Commonwealth grants and miscellaneous user charges. Outflows include payments relating to service provisions such as education, health and municipal services. Outflows can also be categorised as salary, administrative and interest costs.

Cash inflows from operations exceed outflows, providing capacity for capital works, debt repayment or investment.

The interim result for the net cash inflow from operations and capital is \$263.5m. This represents an improvement of \$136.7m from the 2003-04 estimated outcome.

Attachments

Accounting Basis

This consolidated quarterly financial management report has been prepared to meet the amended requirements of section 26 of the *Financial Management Act 1996* (the FMA) to produce whole of government financial reports 45 days after the end of each quarter.

The report summarises the interim financial performance of the Territory for the quarter and financial year to date ending 30 June 2004. In accordance with the FMA, this financial report includes all assets, liabilities, revenues, and expenses of the ACT Government sector, including those of departments, authorities, corporations, and other entities, or interests in other entities, of the ACT Government.

The information contained in this financial report has been prepared in accordance with the FMA and associated financial management guidelines, including the *ACT Accounting Policy Manual* (the APM) where applicable. The APM requires compliance with all applicable Australian Accounting Standards. Although some commercial entities are not required to report according to the APM, their accounts are also required to meet Australian Accounting Standards and generally accepted accounting principles.

This report provides financial management information and is not intended to form audited financial statements. Estimates and assumptions have been necessary in some cases to ensure this information is provided within a useful time frame. Any differences will relate primarily to accounting treatment of specific issues and elimination of internal trading, rather than non-disclosure of the whole of government financial position. Transactions and balances between government controlled entities have therefore been eliminated in accordance with the principles of *AAS 24, 'Consolidated Financial Reports'*. Information has been consolidated to the Whole of Territory (as defined by section 21 of the FMA).

The financial statements are based on information and accounting policies of individual agencies. While some accounting policies may change when whole of government accounts are prepared, these will relate more to consistent treatment of issues rather than non-disclosure of items.

General Government Sector - Taxes, Fees and Fines

	2002-2003 Audit Result \$'000	2003-2004 Annual Budget \$'000	2003-2004 Estimated Outcome \$'000	2003-2004 June YTD Actual \$'000
<i>General Taxes</i>				
Payroll Tax	169,059	160,054	177,406	177,806
General Rates	112,506	119,250	117,752	118,633
Land Tax	40,549	47,557	48,664	49,476
Debits Tax	14,067	13,950	14,400	14,151
Total General Taxes	336,181	340,811	358,222	360,066
<i>Stamp Duties</i>				
Conveyances	172,297	117,007	186,767	186,528
General Insurance	26,574	27,774	32,283	30,339
Hiring Duty	3,067	2,955	2,860	3,150
Leases	3,294	5,634	5,692	4,194
Life Insurance	823	1,024	715	654
Motor Vehicle Rego and Transfers	23,588	23,172	23,674	24,098
Transfer of Shares and Marketable Securities	6,885	4,621	12,922	18,159
Business Agreements	0	2,800	666	1,448
Other Duties	1,688	3,117	231	214
Total Duties	238,216	188,104	265,810	268,784
<i>Gambling Taxes</i>				
ACTTAB Licence Fee	1,611	1,560	1,560	1,343
Bookmakers Turnover Tax	76	68	0	(10)
Gaming Tax	28,152	31,387	32,800	32,949
Casino Tax	2,056	2,101	2,101	2,097
Interstate Lotteries	13,660	13,867	13,600	13,265
Total Gambling Taxes	45,556	48,983	50,061	49,644
<i>Other Taxes</i>				
Ambulance Levy	5,504	5,164	6,645	6,793
TOCTAX - Income Tax Equivalent	489	355	13,386	15,372
General Insurance Levy	1	0	0	0
Fire Reconstruction Levy	0	5,390	0	0
Other Taxes	(7)	0	0	0
Other Taxes	5,987	10,909	20,031	22,165
Total Taxation Revenue before waivers	625,940	588,807	694,124	700,659
Waivers	0	4,861	5,137	0
Total Taxation Revenue	625,940	593,668	699,261	700,659
Fees	108,715	109,906	120,301	119,539
Fines	20,667	20,021	18,729	17,725
Total Taxes Fees and Fines	755,321	723,595	838,291	837,923

Notes:

Bookmakers Turnover Tax: This tax was abolished on 1 July 2003. The negative amount reflects a post audit adjustment.

General Insurance Levy: Administration on the levy ceased on 30 June 2001. The 2002-03 Audit Result represents an adjustment to outstanding levies.

Fire Reconstruction Levy: This levy was abolished following an announcement by the Treasurer on 11 June 2003.

Other Taxes: The negative audit result is due to adjustments for bad debts associated with Liquor Franchise Fees, which ceased prior to 2002-03.

Waivers: There is a difference in the accounting treatment for waivers between the 2003-2004 estimated outcome and the June year to date actual result. Waivers are separately identified for the purpose of budget reporting, however, they are recognised against the relevant accounts for the purpose of annual financial reporting.

General Government Sector Statement of Financial Performance

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Estimated Outcome \$'000	June YTD Actual \$'000
Revenue						
Taxes, Fees and Fines	755,321	723,595	175,996	179,544	838,291	837,923
User Charges - Non ACT Government	170,328	175,378	53,540	42,409	181,784	186,734
User Charges - ACT Government	14,955	12,523	2,289	2,179	13,598	14,062
Grants from Commonwealth	1,018,091	1,020,852	272,781	280,618	1,046,808	1,062,270
Interest	110,360	106,417	18,054	24,816	81,663	88,904
Revenue of Associates and Joint Ventures	3,179	5,942	1,000	1,674	3,257	3,947
Dividend Revenue	48,100	51,147	(637)	200	773	773
Other Revenues	299,204	264,391	141,550	155,807	481,084	509,684
Resources Received Free of Charge	126	39	0	0	0	0
Total Revenues	2,419,666	2,360,284	663,352	687,247	2,647,258	2,704,297
Expenses						
Employee Expense	753,105	804,128	219,620	235,537	835,222	848,300
Superannuation Expenses	210,059	223,589	79,453	204,057	285,273	410,647
Supplies and Services	426,673	508,730	165,573	137,588	522,113	491,184
Depreciation and Amortisation	141,008	164,322	34,895	42,068	154,167	155,429
Borrowing Costs	46,113	45,606	11,162	12,125	44,351	43,454
Cost of Goods Sold	55,884	50,107	25,209	22,690	61,026	61,262
Grants and Purchased Services	434,226	410,395	109,936	103,590	443,514	437,987
Other Expense	275,390	110,951	15,492	31,621	117,253	131,829
Expenses of Associates and Joint Ventures	890	0	454	(13)	467	0
Transfer Expenses	7,090	47,059	42,065	43,445	83,072	82,049
Total Expense	2,350,438	2,364,887	703,859	832,709	2,546,458	2,662,141
Operating Result Before Extraordinary Items	69,227	(4,603)	(40,506)	(145,462)	100,800	42,155
Extraordinary Items (Net)	85,337	(3,064)	(7,275)	(6,547)	(7,957)	(13,112)
Operating Result	154,565	(7,667)	(47,781)	(152,009)	92,843	29,043

Notes

June Quarter 2004 Budget movement: The negative figure results from the March 2004 budget year to date amount exceeding the 2003-04 estimated outcome.

General Government Sector Statement of Financial Position

	<i>Audit Result as at 30/6/03 \$'000</i>	<i>Budgeted Balance as at 30/6/04 \$'000</i>	<i>Estimated Outcome as at 30/6/04 \$'000</i>	<i>YTD Result as at 30/6/04 \$'000</i>
Current Assets				
Cash	52,508	48,033	96,091	76,292
Receivables	249,436	170,766	161,880	127,568
Investments	711,280	833,555	707,152	795,063
Inventories	31,398	68,176	80,024	34,949
Capital Work in Progress	2	0	4,076	3,110
Other	60,712	34,055	45,874	56,937
Total Current Assets	1,105,336	1,154,585	1,095,097	1,093,919
Non Current Assets				
Receivables	386,475	381,673	399,222	418,837
Investments	1,237,870	1,101,943	1,344,562	1,448,229
Inventories	3,117	8,940	197,841	16,326
Property, Plant & Equipment	5,453,922	5,500,554	5,838,071	5,789,117
Intangibles	6,526	14,054	12,151	19,852
Works in Progress	120,461	79,827	102,033	67,013
Other	18,516	1,701	34,604	16,871
Total Non Current Assets	7,226,886	7,088,692	7,928,484	7,776,245
TOTAL ASSETS	8,332,222	8,243,277	9,023,581	8,870,163
Current Liabilities				
Payables	215,494	96,238	140,205	151,971
Interest Bearing Liabilities	271,623	277,844	31,907	59,791
Finance Leases	32,390	29,930	40,147	37,861
Employee Benefits	186,847	160,509	149,220	178,620
Other Provisions	1,169	397	3,853	1,495
Other	62,435	65,726	64,831	42,284
Total Current Liabilities	769,958	630,644	430,163	472,022
Non Current Liabilities				
Payables	60,833	68,060	109,211	112,520
Interest Bearing Liabilities	441,985	431,814	641,301	640,446
Finance Leases	36,350	35,912	53,275	50,247
Employee Benefits	1,807,152	1,969,083	2,040,725	2,160,019
Other Provisions	8,308	3,100	11,135	12,120
Other	12,531	493	19,898	252
Total Non Current Liabilities	2,367,159	2,508,462	2,875,545	2,975,604
TOTAL LIABILITIES	3,137,116	3,139,106	3,305,708	3,447,626
NET ASSETS	5,195,106	5,104,171	5,717,872	5,422,537
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	4,675,323	4,455,450	4,864,908	4,708,082
Reserve	519,783	648,721	852,964	714,455
TOTAL FUNDS EMPLOYED	5,195,106	5,104,171	5,717,872	5,422,537

General Government Sector Cashflow Statement

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Estimated Outcome \$'000	June YTD Actual \$'000
Cash Flow from Operating Activities						
<i>Operating Receipts</i>						
Taxes, Fees and Fines	721,060	714,999	218,701	185,420	833,409	810,810
User Charges	213,390	181,762	58,600	52,260	197,262	206,434
Interest Received	78,210	70,139	16,103	23,375	68,641	72,930
Grants Received from the Commonwealth	1,032,306	1,029,344	263,684	267,803	1,049,000	1,044,133
Other Receipts	279,062	450,741	127,414	69,815	516,368	509,177
Extraordinary Receipts	604	0	0	0	0	0
Territory Receipts transferred from Agencies	0	0	(14,039)	9,241	0	18,559
Total Operating Receipts	2,324,632	2,446,985	670,463	607,915	2,664,680	2,662,043
<i>Operating Payments</i>						
Related to Employees	793,922	880,013	294,190	278,052	920,010	911,647
Supplies and Services	439,463	522,877	152,009	56,260	524,874	430,186
Grants and Purchased Services	439,700	414,611	100,069	82,428	447,833	428,473
Borrowing Costs	45,040	46,399	14,467	10,818	44,051	40,442
Other	257,089	333,864	82,657	156,897	353,476	401,692
Payments to PTE Agencies for Outputs	1,140	32,895	8,088	8,396	32,759	32,736
Extraordinary Payments	20,981	3,064	2,010	1,008	3,174	1,823
Total Operating Payments	1,997,335	2,233,723	653,489	593,859	2,326,177	2,246,998
Net Cash Inflow/(Outflow) from Operating Activities	327,297	213,262	16,974	14,055	338,503	415,045
Cash Flows from Investing Activities						
<i>Investing Receipts</i>						
Sale of Property, Plant and Equipment	1,660	4,320	5,459	(73)	5,664	2,253
Sale/Maturity of Investments	15,885	9,462	22,271	15,686	41,308	30,182
Repayment of Home Loan Principal	20,469	17,065	(5,381)	1,424	3,217	10,046
Repayment of Advance	4,753	5,096	3,206	3,596	7,028	7,028
Dividends	49,672	50,671	(18)	200	10,473	10,473
Total Investing Receipts	92,439	86,614	25,537	20,833	67,690	59,981
<i>Investing Payments</i>						
Purchase of Property, Plant and Equipment	126,699	200,623	44,739	45,176	172,438	161,950
Purchase of Land and Intangibles	4,333	9,750	2,185	(1,224)	5,005	1,925
Purchase of Investments	408,212	83,687	23,031	17,734	96,154	117,060
Loans Issued	0	8,000	2,300	2,300	2,300	2,300
Capital Payments	5,950	11,849	34,713	35,049	49,313	49,313
Total Investing Payments	545,194	313,909	106,968	99,035	325,210	332,548
Net Cash Inflow/(Outflow) from Investing Activities	(452,755)	(227,295)	(81,431)	(78,202)	(257,520)	(272,567)
Cash Flows from Financing Activities						
<i>Financing Receipts</i>						
Borrowings Received	232	39,010	(29,058)	253,798	227	953,967
Finance Leases	9,102	0	29,920	10,402	29,920	39,017
Total Financing Receipts	9,334	39,010	862	264,200	30,147	992,984
<i>Financing Payments</i>						
Repayment of Borrowings	11,005	9,258	3,529	213,489	9,385	844,838
Repayment of Finance leases	18,690	18,828	28,994	12,208	42,875	47,906
Repayment of Investments to Agencies	6,791	0	18,525	29,600	18,525	112,875
Payment of Transferred Cash Balances	0	1,401	2,370	(17)	3,421	3,195
Total Financing Payments	36,486	29,487	53,417	255,281	74,206	1,008,815
Net Cash Inflow/(Outflow) from Financing Activities	(27,152)	9,523	(52,556)	8,919	(44,059)	(15,830)
Net Increase/(Decrease) in Cash Held	(152,610)	(4,510)	(117,013)	(55,227)	36,924	126,648
Cash at Beginning Period	904,118	589,482	905,444	933,383	751,507	751,507
Cash at End of Period	751,507	584,972	788,431	878,155	788,431	878,155

Notes:

Borrowings Received and Repayment of Borrowings: The year to date actual figures for these accounts exceed the 2003-04 estimated outcome due to change in policy to identify the total receipts and payments associated with borrowings, rather than netting them off as was the practice previously.

June Quarter 2004 Budget movements: The negative figures largely result from the March 2004 budget year to date amounts exceeding the 2003-04 estimated outcome.

Public Trading Enterprise Sector Statement of Financial Performance

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Estimated Outcome \$'000	June YTD Actual \$'000
Revenue						
Government Payment for Outputs	6,040	47,059	44,468	43,445	83,072	82,049
User Charges - Non ACT Government	223,063	222,324	56,023	59,202	220,748	223,850
User Charges - ACT Government	109,400	75,779	19,179	21,157	77,308	78,532
Grants from Commonwealth	149	18,718	9,344	10,011	18,661	19,456
Interest Received	5,404	5,643	914	1,656	5,070	5,862
Revenue of Associates and Joint Ventures	43,046	39,950	18,676	13,540	47,240	51,885
Other Revenues	25,301	20,519	6,302	7,003	22,184	19,061
Resources Received Free of Charge	278	50	13	13	50	50
Total Revenue	412,681	430,042	154,918	156,026	474,333	480,744
Expenses						
Employee Expense	66,596	69,505	22,604	19,691	75,634	74,934
Superannuation Expenses	8,143	8,479	1,488	1,829	7,156	7,127
Supplies and Services	79,313	86,306	(20,646)	(13,312)	92,104	102,101
Depreciation and Amortisation	39,488	42,131	9,888	9,713	41,479	39,893
Borrowing Costs	32,393	30,321	6,438	7,601	29,811	29,805
Cost of Goods Sold	62,225	67,276	63,700	65,202	70,491	70,393
Grants and Purchased Services	0	8,222	1,780	1,635	8,024	3,936
Other Expense	27,286	23,083	53,863	43,588	65,899	58,205
Transfer Expenses	0	18,718	9,240	9,238	18,561	18,559
Total Expense	315,444	354,041	148,355	145,184	409,159	404,953
Operating Result before Extraordinary Items	97,236	76,001	6,562	10,842	65,174	75,791
Extraordinary Items (Net)	26,372	0	(9,424)	2,115	(9,424)	(7,389)
Income Tax Equivalent	(509)	(355)	(7,453)	(2,575)	(13,386)	(12,152)
Operating Result	123,100	75,646	(10,315)	10,383	42,364	56,251

Notes:

Supplies and Services: The negative Quarter movements reflect what was going to be a difference in accounting treatment between actual and annual budget reporting. However, since publication of the March 2004 Quarterly Management report it has been decided that the accounting treatment adopted for budget reporting will be maintained.

Public Trading Enterprise Sector Statement of Financial Position

	<i>Audit Result as at 30/6/03 \$'000</i>	<i>Budgeted Balance as at 30/6/04 \$'000</i>	<i>Estimated Outcome as at 30/6/04 \$'000</i>	<i>YTD Result as at 30/6/04 \$'000</i>
Current Assets				
Cash	16,850	12,488	19,403	26,861
Receivables	108,581	25,904	66,576	49,785
Investments	74,938	97,374	63,042	84,700
Inventories	98	65	92	111
Other	10,503	10,908	10,054	10,152
Total Current Assets	210,970	146,739	159,167	171,609
Non Current Assets				
Receivables	0	0	500	35,460
Investments	396,626	394,219	345,597	366,171
Property, Plant & Equipment	3,345,336	3,108,585	3,664,272	3,822,551
Intangibles	1,403	1,123	1,034	1,023
Works in Progress	18,405	13,905	19,085	62,182
Tax Asset	12,404	10,393	12,585	13,560
Other	42,182	40,237	44,500	43,659
Total Non Current Assets	3,816,356	3,568,462	4,087,573	4,344,606
TOTAL ASSETS	4,027,326	3,715,201	4,246,740	4,516,216
Current Liabilities				
Creditors	34,023	30,474	26,648	35,039
Interest Bearing Liabilities	8,644	10,956	14,794	16,748
Finance Leases	1,359	593	1,087	1,087
Employee Entitlements	17,622	14,875	16,718	16,888
Other Provisions	9,700	20,004	2,755	1,376
Tax Liability	218	0	971	7,842
Other	4,362	4,016	4,382	6,941
Total Current Liabilities	75,928	80,918	67,355	85,922
Non Current Liabilities				
Creditors	841	2	841	903
Interest Bearing Liabilities	479,166	464,920	458,416	457,719
Finance Leases	994	400	2,104	2,104
Employee Benefits	21,172	18,734	21,216	24,371
Other Provisions	2,949	4,420	2,949	835
Tax Liability	12,557	9,089	15,115	11,339
Other	504	380	380	413
Total Non Current Liabilities	518,183	497,945	501,021	497,684
TOTAL LIABILITIES	594,111	578,863	568,376	583,606
NET ASSETS	3,433,214	3,136,338	3,678,364	3,932,610
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	1,821,209	1,828,415	1,884,859	1,908,469
Reserve	1,612,005	1,307,923	1,793,505	2,024,141
TOTAL FUNDS EMPLOYED	3,433,214	3,136,338	3,678,364	3,932,610

Public Trading Enterprise Sector Cashflow Statement

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result	Annual Budget	Budget	Actual	Estimated Outcome	June YTD Actual
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flow from Operating Activities						
<i>Operating Receipts</i>						
Cash from Government for Operating	1,140	32,895	8,418	8,396	32,759	32,736
User Charges	337,991	298,148	79,048	81,668	300,733	306,559
Interest Received	5,623	5,643	535	1,522	5,045	5,585
Grants Received from the Commonwealth	142	18,718	9,344	9,967	18,661	19,443
Other Receipts	53,187	48,365	16,696	18,920	53,012	56,838
Extraordinary Receipts	5,776	65,951	19,997	12,022	33,479	28,082
Total Operating Receipts	403,858	469,720	134,038	132,496	443,689	449,243
<i>Operating Payments</i>						
Related to Employees	71,745	77,243	27,501	19,735	84,527	81,166
Related to Supplies and Services	75,190	88,692	(25,614)	(18,603)	99,086	103,613
Borrowing Costs	37,590	31,387	15,826	11,478	29,653	25,317
Grants and Purchased Services	0	8,222	1,779	1,635	8,024	3,787
Other	90,588	95,184	96,916	79,364	111,226	106,053
Territory Receipts to Government	0	18,718	9,243	9,241	18,561	18,559
Extraordinary Payments	4,026	0	538	(44)	538	776
Total Operating Payments	279,140	319,446	126,190	102,806	351,615	339,272
Net Cash Inflow/(Outflow) from Operating Activities	124,718	150,274	7,848	29,689	92,074	109,971
Cash Flows from Investing Activities						
<i>Investing Receipts</i>						
Sale of Property, Plant and Equipment	36,016	54,600	10,184	8,815	47,658	42,928
Sale/Maturity of Investments	4,594	7,991	22,464	(8,425)	30,889	193
Total Investing Receipts	40,610	62,591	32,648	390	78,547	43,121
<i>Investing Payments</i>						
Purchase of Property, Plant and Equipment	78,664	107,860	113,245	43,689	184,574	144,747
Purchase of Land and Intangibles	0	6,160	4,724	0	4,724	0
Purchase of Investments	6,290	46,275	737	8,559	775	13,642
Total Investing Payments	84,954	160,295	118,706	52,248	190,073	158,389
Net Cash Inflow/(Outflow) from Investing Activities	(44,344)	(97,704)	(86,058)	(51,857)	(111,526)	(115,268)
Cash Flows from Financing Activities						
<i>Financing Receipts</i>						
Capital Injection	5,950	11,849	43,213	37,349	51,613	51,613
Borrowings Received	0	8,015	10	7	15	13
Transferred Cash Balances	0	1,401	2,229	(17)	3,421	3,195
Finance Leases	0	0	2,625	0	2,625	2,625
Total Financing Receipts	5,950	21,265	48,077	37,339	57,674	57,446
<i>Financing Payments</i>						
Distributions to Government						
Dividends to Government	49,672	50,671	308	200	10,473	10,473
Repayment of Borrowings	12,736	14,178	7,464	11,722	16,960	20,652
Repayment of Finance leases	1,009	1,341	615	307	1,709	1,709
Total Financing Payments	63,416	66,190	8,387	12,228	29,142	32,834
Net Cash Inflow/(Outflow) from Financing Activities	(57,466)	(44,925)	39,690	25,111	28,532	24,613
Net Increase/(Decrease) in Cash Held	22,908	7,645	(38,521)	2,943	9,080	19,316
Cash at Beginning Period	28,322	42,184	98,830	67,603	51,230	51,230
Cash at End of Period	51,230	49,829	60,310	70,546	60,310	70,546

Notes:

Supplies and Services: The negative Quarter movements reflect what was going to be a difference in accounting treatment between actual and annual budget reporting. However, since publication of the March 2004 Quarterly Management report it has been decided that the accounting treatment adopted for budget reporting will be maintained.

Australian Capital Territory Statement of Financial Performance

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Estimated Outcome \$'000	June YTD Actual \$'000
Revenue						
Taxes, Fees and Fines	734,183	699,760	161,564	165,761	801,162	801,252
User Charges - Non ACT Government	393,391	397,702	109,562	101,611	402,532	410,584
Grants from Commonwealth	1,018,241	1,020,852	263,564	272,070	1,046,908	1,063,167
Interest	92,594	88,481	15,338	20,479	65,396	73,723
Revenue of Associates and Joint Ventures	46,225	45,892	19,676	15,214	50,497	55,831
Other Revenues	302,804	258,071	152,667	165,106	478,009	509,190
Resources Received Free of Charge	126	39	0	0	0	0
Total Revenues	2,587,563	2,510,797	721,151	740,240	2,844,504	2,913,747
Expenses						
Employee Expense	815,763	869,625	241,009	253,979	906,335	918,660
Superannuation Expenses	212,207	225,081	79,535	204,708	287,158	413,223
Supplies and Services	484,137	581,563	134,446	111,886	598,383	577,383
Depreciation and Amortisation	180,496	206,453	44,783	51,781	195,646	195,322
Borrowing Costs	55,336	52,348	14,189	13,732	52,825	52,215
Cost of Goods Sold	110,880	102,419	87,825	83,787	123,551	122,252
Grants and Purchased Services	338,614	356,387	93,481	87,379	386,842	376,345
Other Expense	180,469	97,025	59,183	66,643	150,452	160,205
Expenses of Associates and Joint Ventures	890	0	454	(13)	467	0
Total Expense	2,378,792	2,490,901	754,906	873,880	2,701,659	2,815,606
Operating Result Before Extraordinary Items	208,772	19,896	(33,755)	(133,640)	142,845	98,141
Extraordinary Items (Net)	20,793	(3,064)	(7,808)	(6,521)	(8,411)	(13,620)
Operating Result	229,564	16,832	(41,563)	(140,161)	134,434	84,521

Australian Capital Territory Statement of Financial Position

	<i>Audit Result</i> <i>as at 30/6/03</i> <i>\$'000</i>	<i>Budgeted Balance</i> <i>as at 30/6/04</i> <i>\$'000</i>	<i>Estimated Outcome</i> <i>as at 30/6/04</i> <i>\$'000</i>	<i>YTD Result</i> <i>as at 30/6/04</i> <i>\$'000</i>
Current Assets				
Cash	69,358	60,521	115,494	103,153
Receivables	241,957	166,754	161,576	136,731
Investments	746,193	871,934	748,694	843,088
Inventories	31,496	68,241	80,116	35,060
Capital Work in Progress	2	0	4,076	3,110
Other	71,206	44,963	55,922	67,079
Total Current Assets	1,160,212	1,212,413	1,165,878	1,188,221
Non Current Assets				
Receivables	68,495	63,432	86,310	105,507
Investments	1,634,476	1,496,162	1,690,139	1,814,380
Inventories	3,117	8,940	197,841	16,326
Property, Plant & Equipment	8,799,258	8,608,322	9,502,343	9,611,668
Intangibles	7,929	15,177	13,185	20,875
Works in Progress	138,866	93,732	121,118	129,195
Other	60,698	41,938	79,104	60,530
Total Non Current Assets	10,712,838	10,327,703	11,690,040	11,758,481
TOTAL ASSETS	11,873,050	11,540,116	12,855,918	12,946,702
Current Liabilities				
Payables	151,799	114,510	145,148	161,292
Interest Bearing Liabilities	240,212	223,735	15,034	31,828
Finance Leases	33,749	30,523	41,234	38,948
Employee Benefits	204,469	175,384	165,938	195,508
Other Provisions	1,169	11,829	3,853	2,871
Other	66,272	69,295	66,813	45,746
Total Current Liabilities	697,669	625,276	438,020	476,192
Non Current Liabilities				
Payables	59,877	65,844	79,326	77,562
Interest Bearing Liabilities	597,223	578,282	790,653	787,440
Finance Leases	37,344	36,312	55,379	52,351
Employee Benefits	1,828,325	1,987,817	2,061,941	2,184,390
Other Provisions	11,257	6,020	14,084	12,955
Other	13,035	873	20,278	664
Total Non Current Liabilities	2,547,060	2,675,148	3,021,661	3,115,363
TOTAL LIABILITIES	3,244,730	3,300,424	3,459,681	3,591,555
NET ASSETS	8,628,320	8,239,692	9,396,236	9,355,147
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	6,496,532	6,283,048	6,749,767	6,616,551
Reserve	2,131,788	1,956,644	2,646,469	2,738,596
TOTAL FUNDS EMPLOYED	8,628,320	8,239,692	9,396,236	9,355,147

Australian Capital Territory Cashflow Statement

	2002-2003	2003-2004	June Quarter 2004		2003-2004	
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Estimated Outcome \$'000	June YTD Actual \$'000
Cash Flow from Operating Activities						
<i>Operating Receipts</i>						
Taxes, Fees and Fines	700,083	690,120	208,564	173,833	797,487	776,137
User Charges	425,656	393,157	110,165	109,562	404,681	419,665
Interest Received	59,717	51,137	13,700	19,848	52,374	57,294
Grants Received from the Commonwealth	1,032,447	1,029,344	254,467	277,771	1,049,100	1,063,576
Other Receipts	312,488	478,344	138,216	85,815	549,332	548,752
Extraordinary Receipts	609	0	5	5	5	5
Total Operating Receipts	2,531,001	2,642,102	725,117	666,834	2,852,979	2,865,428
<i>Operating Payments</i>						
Related to Employees	855,597	946,274	319,686	295,358	994,694	983,456
Related to Supplies and Services	495,518	592,841	107,021	33,777	582,775	507,231
Borrowing Costs	55,953	53,141	25,288	17,247	52,392	44,538
Grants and Purchased Services	341,318	360,604	84,832	68,146	391,161	367,245
Other	303,037	322,642	147,128	207,568	397,747	435,394
Extraordinary Payments	25,001	3,064	2,548	993	3,633	2,549
Total Operating Payments	2,076,425	2,278,566	686,503	623,089	2,422,402	2,340,412
Net Cash Inflow/(Outflow) from Operating Activities	454,576	363,536	38,614	43,745	430,577	525,016
Cash Flows from Investing Activities						
<i>Investing Receipts</i>						
Sale of Property, Plant and Equipment	37,676	58,920	15,643	8,742	53,322	45,181
Sale/Maturity of Investments	16,004	10,256	34,635	15,686	53,672	30,375
Repayment of Home Loan Principal	20,469	17,065	(5,381)	1,424	3,217	10,046
Total Investing Receipts	74,149	86,241	44,897	25,853	110,211	85,602
<i>Investing Payments</i>						
Purchase of Property, Plant and Equipment	205,363	308,483	157,984	88,865	357,012	306,697
Purchase of Land and Intangibles	4,333	15,910	6,909	(1,224)	9,729	1,925
Purchase of Investments	414,502	83,962	23,768	18,818	96,929	123,227
Total Investing Payments	624,198	408,355	188,661	106,459	463,670	431,849
Net Cash Inflow/(Outflow) from Investing Activities	(550,049)	(322,114)	(143,764)	(80,606)	(353,459)	(346,247)
Cash Flows from Financing Activities						
<i>Financing Receipts</i>						
Borrowings Received	232	222	54	208,305	242	833,630
Finance Leases	9,102	0	32,545	10,402	32,545	41,642
Total Financing Receipts	9,334	222	32,599	218,707	32,787	875,272
<i>Financing Payments</i>						
Repayment of Borrowings	21,550	18,340	7,848	221,615	19,317	858,462
Repayment of Finance leases	19,699	20,169	29,609	12,515	44,584	49,615
Total Financing Payments	43,565	38,509	37,456	234,130	63,901	908,077
Net Cash Inflow/(Outflow) from Financing Activities	(34,230)	(38,287)	(4,857)	(15,424)	(31,114)	(32,805)
Net Increase/(Decrease) in Cash Held	(129,703)	3,135	(110,007)	(52,285)	46,004	145,964
Cash at Beginning Period	932,442	631,669	958,750	1,000,988	802,739	802,739
Cash at End of Period	802,739	634,804	848,743	948,703	848,743	948,703

Notes:

Borrowings Received and Repayment of Borrowings: The year to date actual figures for these accounts exceed the 2003-04 estimated outcome due to change in policy to identify the total receipts and payments associated with borrowings, rather than netting them off as was the practice previously.

June Quarter 2004 Budget movements: The negative figures largely result from the March 2004 budget year to date amounts exceeding the 2003-04 estimated outcome.

General Government Sector - Departmental Financial Year to Date ending 30 June 2004

	Estimated Outcome \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Gambling and Racing Commission	57,541	57,216	325	57,265	56,846	418	(276)	(370)	93
ACT Health	549,160	565,231	(16,071)	553,190	563,046	(9,856)	4,030	(2,185)	6,215
ACT Insurance Authority	38,930	45,968	(7,038)	36,944	56,944	(20,001)	(1,986)	10,976	(12,963)
ACT Planning and Land Authority	38,092	35,939	2,153	38,064	36,380	1,684	(28)	441	(469)
ACT Workcover	8,038	8,262	(224)	9,345	9,146	199	1,307	884	423
Agents Board	839	128	712	839	128	712	0	0	0
Auditor-General	3,132	3,095	37	3,419	3,161	258	287	66	221
Australian Capital Tourism Corporation	16,581	17,476	(894)	16,587	16,126	460	5	(1,349)	1,355
Australian International Hotel School	6,074	6,057	17	6,018	6,001	17	(56)	(56)	0
Canberra Cemeteries Trust	1,353	1,326	27	1,574	1,421	154	221	95	127
Canberra Institute of Technology	76,034	81,421	(5,387)	78,240	82,992	(4,752)	2,206	1,571	635
Chief Minister's Department	95,233	97,111	(1,878)	96,763	98,980	(2,217)	1,530	1,869	(339)
Cultural Facilities Corporation	10,518	11,653	(1,135)	11,302	11,871	(568)	784	218	567
Department of Disability, Housing and Community Services	78,658	81,490	(2,832)	78,130	80,319	(2,189)	(528)	(1,171)	643
Department of Education and Training	470,304	501,724	(31,420)	464,786	504,564	(39,778)	(5,518)	2,840	(8,358)
Department of Justice and Community Safety	137,072	135,319	1,753	139,005	143,010	(4,005)	1,933	7,691	(5,758)
Department of Treasury	34,137	35,776	(1,639)	34,290	34,389	(99)	153	(1,387)	1,540
Department of Urban Services	402,061	372,586	29,475	407,031	375,140	31,891	4,970	2,554	2,416
Exhibition Park in Canberra	2,719	2,847	(128)	2,906	2,902	3	187	55	131
Health Promotion Fund	2,454	2,682	(228)	2,454	2,638	(184)	0	(44)	44
Home Loan Portfolio	5,566	9,881	(4,315)	8,004	11,750	(3,746)	2,438	1,869	569
Independent Competition and Regulatory Commission	3,623	3,531	92	3,658	3,405	254	35	(126)	162
InTACT	70,237	70,428	(191)	69,585	68,690	895	(652)	(1,738)	1,086
Land Development Agency	283,733	94,198	189,535	378,940	200,483	178,457	95,207	106,285	(11,078)
Legal Aid Commission	7,631	7,933	(302)	7,640	7,334	307	9	(599)	609
Legislative Assembly Secretariat	4,869	4,994	(125)	4,961	5,447	(486)	92	453	(361)
Office for Children, Youth and Family Support	0	0	0	5,590	5,577	13	5,590	5,577	13
Public Trustee for the ACT	2,474	2,403	71	2,345	2,392	(46)	(129)	(11)	(117)
Totalcare Industries	48,129	48,512	(383)	47,647	48,490	(843)	(482)	(22)	(460)
Workers Compensation Supplementation Fund	552	1,481	(929)	6,574	1,702	4,872	6,022	221	5,801

General Government Sector - Territorial Financial Year to Date ending 30 June 2004

	Estimated Outcome \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Executive	4,232	4,217	15	4,233	4,304	(71)	1	87	(86)
ACT Health	118,465	118,465	0	119,302	119,302	0	837	837	(0)
ACT Planning and Land Authority	22,912	20,912	2,000	22,769	22,597	171	(143)	1,685	(1,829)
ACT Superannuation Unit	142,493	266,672	(124,179)	186,803	389,616	(202,813)	44,310	122,944	(78,634)
ACT Workcover	591	591	0	707	707	0	116	116	0
Central Financing Unit	2,104,219	2,142,749	(38,529)	2,185,256	2,199,062	(13,806)	81,037	56,313	24,724
Chief Minister's Department	3,598	3,598	0	3,680	3,680	0	82	82	0
Department of Disability, Housing and Community Services	37,128	37,150	(22)	37,845	37,867	(22)	717	717	0
Department of Education and Training	257,158	257,158	0	259,760	259,760	0	2,602	2,602	0
Department of Justice and Community Safety	118,767	119,841	(1,074)	118,409	119,855	(1,445)	(358)	14	(371)
Department of Treasury	1,590,245	1,590,245	0	1,585,892	1,585,892	0	(4,353)	(4,353)	0
Department of Urban Services	138,102	138,102	0	137,136	137,136	0	(966)	(966)	0
Legislative Assembly Secretariat	3,803	4,507	(704)	4,116	4,561	(445)	313	54	259

Public Trading Enterprises - Departmental Financial Year to Date ending 30 June 2004

	Estimated Outcome \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Forests	3,610	22,714	(19,104)	5,844	40,020	(34,176)	2,234	17,306	(15,072)
ACT Housing	101,661	109,854	(8,193)	99,255	105,017	(5,762)	(2,406)	(4,837)	2,431
ACTEW Corporation	197,013	185,642	11,371	201,051	183,900	17,151	4,038	(1,742)	5,780
ACTION Authority	69,466	75,729	(6,263)	70,560	75,905	(5,345)	1,094	176	918
ACTTAB	26,932	24,676	2,256	27,298	24,812	2,486	366	136	230
CIT Solutions	10,137	10,035	102	9,187	9,139	48	(950)	(896)	(54)
Stadiums Authority	5,197	3,925	1,272	7,027	5,110	1,917	1,830	1,185	645

Public Trading Enterprises - Territorial Financial Year to Date ending 30 June 2004

	Estimated Outcome			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Housing	18,561	18,561	0	18,559	18,559	0	(2)	(2)	0