

June Quarter 2006 Consolidated Financial Report

(Interim 2005-06 Result)

for the financial quarter
and year to date ending
30 June 2006



Table of Contents

1 HIGHLIGHTS	3
1.1 OPERATING RESULT	4
1.2 NET OPERATING BALANCE	5
2 GENERAL GOVERNMENT SECTOR FINANCIAL PERFORMANCE	8
2.1 SUMMARY OF OPERATING PERFORMANCE	8
2.2 TOTAL INCOME	8
2.3 EXPENSES	9
3 PUBLIC TRADING ENTERPRISE SECTOR FINANCIAL PERFORMANCE	10
3.1 SUMMARY OF OPERATING PERFORMANCE	10
3.2 TOTAL INCOME	10
3.3 EXPENSES	11
3.4 SHARE OF JOINT VENTURE PROFIT	11
4 TOTAL TERRITORY FINANCIAL PERFORMANCE	12
4.1 SUMMARY OF OPERATING PERFORMANCE	12
4.2 TOTAL INCOME	12
4.3 EXPENSES	13
5 FINANCIAL POSITION BY SECTOR AS AT 30 JUNE 2006	14
5.1 THE FINANCIAL POSITION OF THE GENERAL GOVERNMENT SECTOR	14
5.2 THE FINANCIAL POSITION OF THE PUBLIC TRADING ENTERPRISE SECTOR	15
6 OUTLOOK FOR THE TERRITORY	16
6.1 SHORT-TERM OUTLOOK – LIQUIDITY (EXCLUDING SUPERANNUATION)	16
6.2 LONGER-TERM OUTLOOK – FINANCIAL STABILITY (EXCLUDING SUPERANNUATION)	16
6.3 SUPERANNUATION ASSETS AND LIABILITIES FOR THE TERRITORY	17
7 CASH MANAGEMENT	18
7.1 THE TERRITORY’S TOTAL CASH POSITION	18
7.2 THE TERRITORY’S CASH FLOWS	18
5 ATTACHMENTS	
A) ACCOUNTING BASIS	
B) GENERAL GOVERNMENT SECTOR - TAXES, FEES AND FINES	
C) GENERAL GOVERNMENT SECTOR - FINANCIAL STATEMENTS	
D) PUBLIC TRADING ENTERPRISE SECTOR - FINANCIAL STATEMENTS	
E) AUSTRALIAN CAPITAL TERRITORY - FINANCIAL STATEMENTS	
F) AGENCY YEAR TO DATE REVENUES AND EXPENSES	

1 Highlights

This Consolidated Financial Report for June 2006 provides the preliminary budget outcome for 2005-06. The figures in this report are subject to revision following the audit process.

The preliminary results published in this report show that the General Government Sector recorded an overall budget deficit of \$91.6 million in 2005-06, measured on a Government Finance Statistics (GFS) basis. This represents a \$71 million improvement relative to the estimate published in the 2006-07 Budget papers. On an Australian Accounting Standards basis, the General Government Sector recorded a surplus of \$176.2 million, reflecting strong investment windfalls on the Territory's superannuation investments in 2005-06. In recent months, financial markets have generally been weak, and it is unlikely that gains of the magnitude recorded in 2005-06 will be repeated in 2006-07.

While the preliminary budget outcome in 2005-06 was stronger than anticipated, the budget deficit measured on the same basis as other Australian governments was quite sizeable, at around 3½ per cent of total revenue. It is also important to note that the improvement in the budget outcome relative to previous expectations was partly due to some one-off factors, including, for example, the earlier than anticipated receipt of some grants from the Commonwealth Government. Consequently, it cannot be assumed that the changes will flow through directly to future years.

1.1 Operating Result

The preliminary operating results of the General Government Sector, Public Trading Enterprise Sector and Total Territory are outlined below. The information in this report is current as at 30 June 2006, 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 in early September 2006.

Operating Result by Sector*	2004-05 Audited Outcome \$'000	2005-06 Annual Budget \$'000	2005-06 Estimated Outcome \$'000	June Quarter YTD 2006 \$'000	Variance \$'000
(after extraordinary items)					
General Government Sector	25,790	(91,493)	120,491	176,246	55,755
Public Trading Enterprise Sector	62,079	39,318	122,026	121,560	(466)
Total Territory	(11,570)	(112,493)	101,314	155,172	53,858

* Detailed Operating Statements can be found in the attachments.

The General Government Sector operating result for 30 June 2006 was a surplus of \$176.2 million. This result represented an increase of \$55.8 million from the estimated outcome presented in the 2006-07 Budget papers. The increase was due to increased total income of \$67.7 million partially offset by increased expenses of \$12.0 million.

Major variations in total income from the 2005-06 estimated outcome include increases in:

- Commonwealth grants of \$18.1 million, reflecting higher than budgeted GST grant revenue and the early receipt of Roads to Recovery capital grants;
- taxes, fees and fines of \$18.0 million, primarily relating to residential conveyance revenue, vehicle registration and transfers, income tax equivalents and payroll tax;
- other revenues of \$12.8 million, reflecting higher than expected revaluation of properties managed by the Department of Urban Services, dividends paid by the liquidator of HIH and a reduction in outstanding HIH Liabilities; and
- user charges from non-ACT Government entities of \$8.5 million, largely due to higher private patient revenue of \$2.7 million and cross border health receipts of \$3.7 million.

Major variations in expenses from the 2005-06 estimated outcome include increases in:

- supplies and services of \$7.9 million, reflecting higher than expected repairs and maintenance expenses, criminal injuries compensation, legal expenses and the impact of amendments to the *Residential Tenancies Act 1997*; and
- employee expenses of \$8.3 million, primarily due to higher than expected overtime and more accurate expenditure for annual leave provisioning.

Partially offset by decreases in:

Consolidated Financial Report Executive Summary – June 2006

- superannuation expenses of \$7.3 million, reflecting an increase in 10-year bond rates in May and June 2006. The discount rate used to value superannuation liabilities is the 10-year bond rate, an increase in the bond rate reduces the Territory's estimated superannuation liability and expenses; and
- borrowing costs of \$5.3 million, below the estimated outcome reflecting lower borrowing costs and a lower level of finance lease commitments.

It is important to note that several of the factors contributing to the better than expected preliminary operating result in 2005-06 will not flow on directly to 2006-07. For example, the early receipt of Roads to Recovery Grants have boosted the operating result in 2005-06, but will have a negative impact in 2006-07 relative to the published forward budget estimates.

A more detailed discussion on the performance of the General Government and Public Trading Enterprise sectors, and the Total Territory income and expenditure items is included in the body of the report.

1.2 Net Operating Balance

	2004-05 Audited Outcome	2005-06 Annual Budget	2005-06 Estimated Outcome	2005-06 June YTD	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
GGS AAS Operating Result	25,790	-91,493	120,491	176,246	55,755
<i>Less:</i>					
Land Revenue	162,636	173,982	79,335	79,335	0
Gains/Losses on Non-Financial Assets	2,072	4,705	51,257	48,464	-2,793
Gains/Losses on Financial Assets	154,002	85,840	185,884	171,375	-14,509
GFS Net Operating Balance	-292,920	-356,020	-195,986	-122,928	73,058
<i>Plus:</i>					
Expected long term capital gains on superannuation investments*	56,619	82,840	33,700	31,309	-2,391
Net Operating Balance	-236,301	-273,180	-162,286	-91,619	70,667

* This component of the Territory's overall returns from superannuation assets varies with assumed changes in the strategic allocation of assets held in the Superannuation Provision Account (SPA). However, in all years this adjustment, together with interest and dividend revenues, provides for expected returns on the total superannuation asset portfolio of 7.5 per cent per annum.

The preliminary General Government Sector Government Finance Statistics (GFS) net operating balance for 30 June 2006 was a deficit of \$91.6 million. This represents an improvement of \$70.7 million from the estimated outcome presented in the 2006-07 Budget papers.

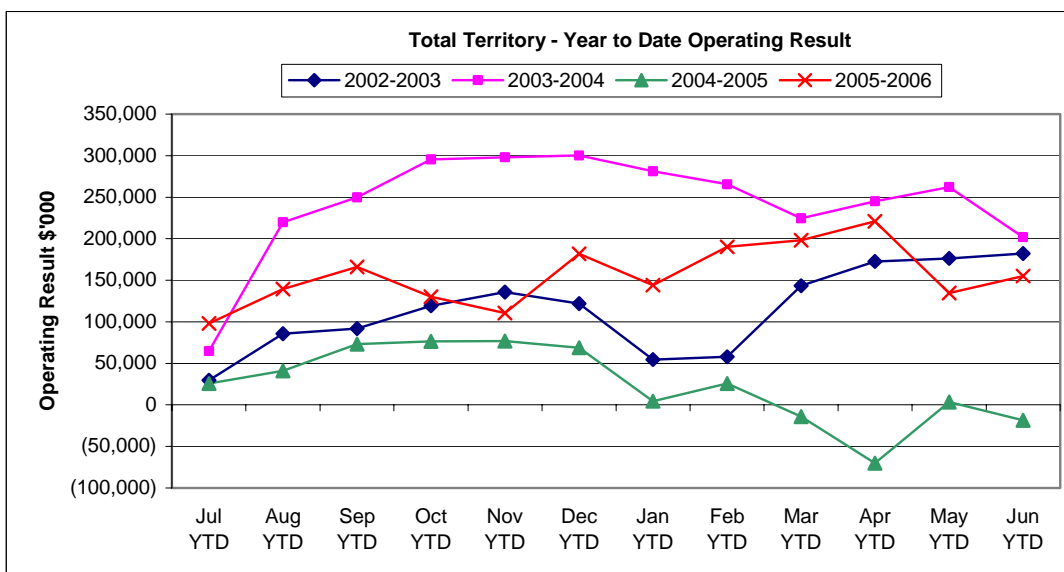
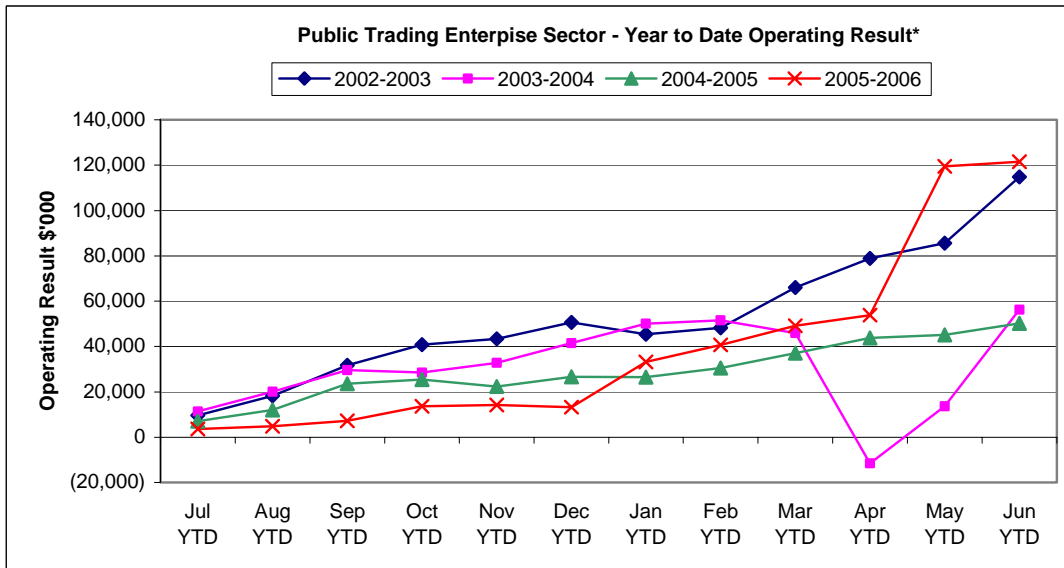
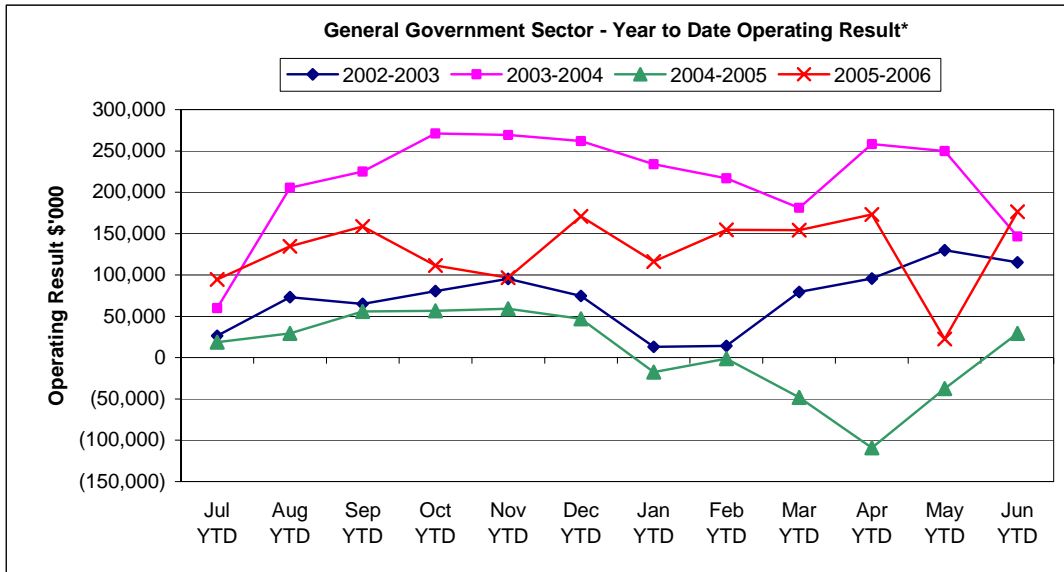
The improvement in the preliminary GFS net operating balance was largely due to the same factors driving the improvement in the AAS operating result described above.

However, while lower than anticipated returns on superannuation investments in the final part of 2005-06 had a negative impact on the interim AAS result, this did not affect the interim GFS net operating balance to the same extent. This is

because fluctuations in the value of investments are not included in the GFS net operating balance. This is the principal reason while the improvement in the interim GFS net operating balance was greater than the improvement in the interim AAS operating result.

Consolidated Financial Report

Executive Summary – June 2006



* The Land Development Agency was transferred from the GGS sector to the PTE sector as part of the 2006-07 Budget. The May and June year to date actual figures reflect this change. Please note that prior year to date figures have not been backcast to reflect this change.

2 General Government Sector Financial Performance

2.1 Summary of operating performance

The operating result for the General Government Sector (GGS) for the quarter ending 30 June 2006 was a surplus of \$176.2 million. This was an improvement of \$55.8 million from the estimated outcome.

General Government Sector*	2004-05	2005-06	2005-06	June	Variance
	Audited	Annual	Estimated	Quarter	
	Outcome	Budget	Outcome	YTD 2006	
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Income	2,704,715	2,715,958	2,919,331	2,987,059	67,728
Total Expenses	2,681,608	2,807,451	2,798,840	2,810,813	11,973
Share of Joint Venture Profit using the Equity Method	2,752	0	0	0	0
Net Extraordinary Items	(69)	0	0	0	0
Operating Result	25,790	(91,493)	120,491	176,246	55,755

* A detailed Operating Statement can be found in the attachments.

2.2 Total Income

Total income to the end of June 2006 was \$2,987.1 million, up \$67.7 million from the estimated outcome.

Taxes, fees and fines were \$18.0 million above the estimated outcome due largely to increases of:

- \$5.9 million in conveyance revenue resulting from stronger than anticipated residential conveyancing duty in June;
- \$4.4 million in waivers revenue reflecting a technical increase which does not impact on the operating result as there is a corresponding expense;
- \$2.4 million in vehicle registration and transfers;
- \$2.4 million in income tax equivalents (paid by Territory owned corporations); and
- \$2.2 million in payroll tax.

Commonwealth grants were \$18.1 million above the estimated outcome primarily due to the early receipt of a Roads to Recovery capital grant of \$8.6 million, and higher than budgeted GST grant revenue of \$7.7 million reflecting an increase in the national GST revenue pool.

Other revenues were \$12.8 million above the estimated outcome largely due to higher than expected revaluation of properties managed by the Department of Urban Services, higher than expected dividends paid by the liquidator of HIH and a reduction in outstanding HIH Liabilities as a result of the most recent actuarial

report. This gain was partially offset by a correction in the domestic and international equity markets in June 2006 impacting on the value of superannuation investments.

User charges from non-ACT Government entities were \$8.5 million above the estimated outcome largely due to higher cross border health receipts and private patient revenue.

User charges from ACT Government entities were \$4.6 million above the estimated outcome primarily reflecting higher end of year billing for services under the unified ICT service provider model implemented in the 2005-06 Budget and higher than expected rent paid by the PTE sector.

Interest revenue was \$4.1 million above the estimated outcome resulting from higher than expected returns and investment balances.

2.3 Expenses

Expenses to the end of June 2006 were \$2,810.8 million, up \$12.0 million from the estimated outcome of \$2,798.8 million.

Supplies and services were \$7.9 million above the estimated outcome primarily due to higher than expected:

- repairs and maintenance expenses of \$3.6 million;
- criminal injuries compensation, and damages and settlements of \$1.4 million;
- higher than expected legal expenses of \$1.3 million; and
- the transfer of interest to the Rental Bonds trust account of \$1.2 million following amendments to the *Residential Tenancies Act 1997*.

Employee expenses were \$8.3 million above the estimated outcome primarily due to higher than expected overtime for nurses, medical and administration staff, and more accurate expenditure for annual leave provisioning.

Superannuation expenses were \$7.3 million below the estimated outcome reflecting an increase in 10-year bond rates in May and June 2006. The discount rate used to value superannuation liabilities is the 10-year bond rate, an increase in the bond rate reduces the Territory's estimated superannuation liability and expenses.

Borrowing costs were \$5.3 million below the estimated outcome reflecting lower borrowing costs and lower levels of finance lease commitments.

Public Trading Enterprise Sector Financial Performance

3.1 Summary of operating performance

The operating result for the Public Trading Enterprise Sector (PTE) for the quarter ending 30 June 2006, after income tax equivalents of \$11.7 million, was a surplus of \$121.6 million. This result is consistent with the 2005-06 estimated outcome presented in the 2006-07 Budget papers.

Public Trading Enterprise Sector*	2004-05 Audited Outcome \$'000	2005-06 Annual Budget \$'000	2005-06 Estimated Outcome \$'000	June Quarter YTD 2006 \$'000	Variance \$'000
Total Income	388,877	399,308	580,404	602,740	22,336
Total Expenses	376,318	391,377	494,794	522,109	27,315
Share of Joint Venture Profit using the Equity Method	51,986	45,707	49,785	52,648	2,863
Net Extraordinary Items	(792)	0	0	0	0
Income Tax Equivalent	1,674	14,320	13,369	11,720	(1,649)
Operating Result	62,079	39,318	122,026	121,560	(466)

* A detailed Operating Statement can be found in the attachments.

3.2 Total Income

Total income at the end of June 2006 of \$602.7 million was \$22.3 million above the estimated outcome of \$580.4 million.

Other revenues were \$9.0 million above the estimated outcome primarily due to better than expected residential land sales by the Land Development Agency in Wells Station.

Resources received free of charge were \$4.0 million above the estimated outcome largely due to the transfer of the Griffin Centre Carpark, the former Griffin Centre and the Civic Youth Centre from GGS agencies to the Land Development Agency for sale.

User charges from non-ACT Government entities were \$2.2 million above the estimated outcome primarily due to higher than expected water usage following the removal of stage three water conservation measures and the effect of high consumption earlier in the year resulting in a greater number of customers being on the highest price step per kilolitre.

Total gains were \$4.8 million above the estimated outcome, primarily reflecting the removal of ACT Forests from the National Tax Equivalent Regime (NTER). The windfall benefit from the waiving of the deferred tax liability is shown as a gain.

3.3 Expenses

Expenses to the end of June 2006 were \$522.1 million, up \$27.3 million from the estimated outcome of \$494.8 million.

Cost of goods sold were \$25.4 million above the estimated outcome reflecting higher average per block prices for estates transferred from the GGS sector (Wells Station, Ginninderra Ridge and Gungahlin Metro Estates).

Supplies and services, and other expenses were \$7.4 million above the estimated outcome due the consolidation of trading necessary to reflect the reclassification of the Land Development Agency to the PTE Sector. This issue will be examined as part of the Audit process.

Grants and purchased services expenses were \$3.6 million below the estimated outcome due to delays in the finalisation of community housing projects which were previously expected to occur in June 2006.

3.4 Share of Joint Venture Profit

Profit from associates and joint ventures was \$2.9 million above the estimated outcome reflecting higher returns from the ActewAGL joint venture.

4 Total Territory Financial Performance

4.1 Summary of operating performance

The operating result for the Total Territory for the quarter ending 30 June 2006 was a surplus of \$155.2 million. This was \$53.9 million above the estimated outcome.

Total Territory*	2004-05 Audited Outcome \$'000	2005-06 Annual Budget \$'000	2005-06 Estimated Outcome \$'000	June Quarter YTD 2006 \$'000	Variance \$'000
Total Income	2,772,184	2,809,192	3,002,612	3,070,500	67,888
Total Expenses	2,838,423	2,967,392	2,951,083	2,967,977	16,838
Share of Joint Venture Profit using the Equity Method	54,738	45,707	49,785	52,648	2,863
Net Extraordinary Items	(69)	0	0	0	0
Operating Result	(11,570)	(112,493)	101,314	155,172	53,858

* A detailed Operating Statement can be found in the attachments.

4.2 Total Income

Total income at the end of June 2006 of \$3,070.5 million was \$67.9 million above the estimated outcome of \$3,002.6 million. The improvement was primarily due to increases of:

- \$20.0 million in other revenue primarily due to better than expected residential land sales in Wells Station, the revaluation of managed properties, higher dividends paid by the liquidator of HIH and a reduction in outstanding HIH liabilities as a result of the most recent actuarial report;
- \$18.2 million in Commonwealth grants primarily due to the early receipt of a Roads to Recovery capital grant of \$8.6 million and higher than budgeted GST grant revenue of \$7.7 million reflecting an increase in the GST revenue pool;
- \$14.6 million in taxes, fees and fines primarily relating to conveyance revenue, vehicle registration and transfers, and payroll tax;
- \$10.6 million in non-ACT Government user charges primarily reflecting higher cross border health receipts, private patient revenue and ACTEW sales; and
- \$7.5 million in interest revenue.

4.3 Expenses

Expenses to the end of June 2006 were \$2,968.0 million, up \$16.8 million from the estimated outcome of \$2,951.1 million.

The above estimated outcome result was primarily due to increases of

- \$23.4 million in supplies and services, and other expenses primarily due to the consolidation of trading necessary to reflect the reclassification of the Land Development Agency, the impact of amendments to the *Residential Tenancies Act 1997*, and higher repairs and maintenance, criminal injuries compensation, and legal; and
- \$6.6 million in employee expenses primarily due to higher than expected overtime for nurses, medical and administration staff, and more accurate expenditure for annual leave provisioning.

These were partially offset by decreases of:

- \$6.6 million in superannuation expenses reflecting an increase in 10-year bond rates in May and June 2006. The discount rate used to value superannuation liabilities is the 10-year bond rate, an increase in the bond rate reduces the Territory's estimated superannuation liability and expenses;
- \$5.9 million in grants and purchased services primarily due to delays in the finalisation of community and housing projects expected to be completed in 2005-06; and
- \$2.6 million in borrowing costs reflecting lower borrowing costs and lower levels of finance lease commitments.

5 Financial Position by Sector as at 30 June 2006

5.1 The Financial Position of the General Government Sector

Net worth ** of the GGS at the end of June was \$5,281.2 million, an increase of \$209.7 million from the estimated outcome, primarily reflecting the revaluation of roads, carparks and traffic signals late in 2005-06.

Service delivery assets at the end of June were \$6,228.9 million, an increase of \$86.7 million from the estimated outcome of \$6,142.8 million, primarily reflecting the revaluation of roads, carparks and traffic signals late in 2005-06.

Total liabilities of the GGS at the end of June were \$4,308.0 million, a decrease of \$52.7 million from the estimated outcome. This decrease is largely due to an increase in 10-year bond rates in May and June 2006. The discount rate used to value superannuation liabilities is the 10-year bond rate, an increase in the bond rate reduces the Territory's estimated superannuation liability and expenses.

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

5.2 The Financial Position of the Public Trading Enterprise Sector

PTE liquidity, as measured by the current ratio (current assets over current liabilities)*, increased from the 2004-05 audited result of 1.03:1 to 1.37:1. This ratio indicates that the PTE sector was able to meet its short-term debt from short-term cash and equivalents. This was largely attributable to stronger year to date results for investments.

The financial stability of the PTE sector as measured by the debt ratio (total liabilities over total assets)* indicates the longer-term stability of the PTE sector and its capacity to meet outstanding debts from its asset base. The debt ratio percentage for the PTE sector at the end of June remained low at 16%, marginally up from the 2004-05 audited outcome of 14%. This relatively low debt ratio reflects the PTE sector's large asset base, attributable to ACTEW infrastructure, and public housing properties controlled by Housing ACT.

Service delivery assets at the end of June were \$4,207.9 million, a \$75.1 million decrease from the estimated outcome of \$4,283.0 million largely attributable to lower than anticipated revaluation of land managed by Housing ACT.

Total liabilities of the PTE sector at the end of June were \$715.3 million, a \$29.4 million increase from the estimated outcome of \$685.9 million due largely to higher than expected liabilities for infrastructure assets to be transferred to the relevant ACT Government agencies.

Net worth** of the PTE sector at the end of June was \$4,219.0 million, a decrease of \$77.1 million from the estimated outcome of \$4,296.1 million.

* When calculating both the current and debt ratios, the Government's interest in Joint Ventures are excluded as these are not available to meet general debt.

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

6 Outlook for the Territory

6.1 Short-term outlook – Liquidity (excluding Superannuation)

The current ratio is used to indicate an organisation's liquidity and equates to current assets over current liabilities. This ratio indicates the Territory'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.

Current Ratio*	2002-03	2003-04	2004-05	2005-06	2005-06	2005-06
	Audited Outcome			Annual Budget	Estimated Outcome	Jun YTD Actual
GGS	1.55	2.73	2.16	1.66	1.88	1.65
PTE	2.78	1.79	1.03	0.81	2.13	1.37
Total Territory	1.82	2.85	2.11	1.59	2.26	1.76

* The current ratio has been calculated **excluding** superannuation investments and liabilities, and interests in Joint Ventures.

The Territory's current ratio at 30 June 2006 was 1.76:1, marginally above the annual budget but below the estimated outcome. The below estimated outcome result was primarily the result of a change in accounting standards amending the definition of 'current' and 'non-current' employee benefits. This has required the reclassification of a portion of employee benefits to 'current' directly impacting the Territory's current ratio.

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

6.2 Longer-term outlook – Financial Stability (excluding Superannuation)

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.

Debt Ratio*	2002-03	2003-04	2004-05	2005-06	2005-06	2005-06
	Audited Outcome			Annual Budget	Estimated Outcome	Jun YTD Actual
GGS	19	18	18	18	19	19
PTE	16	14	14	14	15	16
Total Territory	14	13	14	14	14	14

* The debt ratio has been calculated **excluding** interests in Joint Ventures, and superannuation investments and liabilities.

Over the last several years the Territory's debt ratio percentage has remained steady at its current level of 14%. This remains a low percentage.

Consolidated Financial Report Financial Position – June 2006

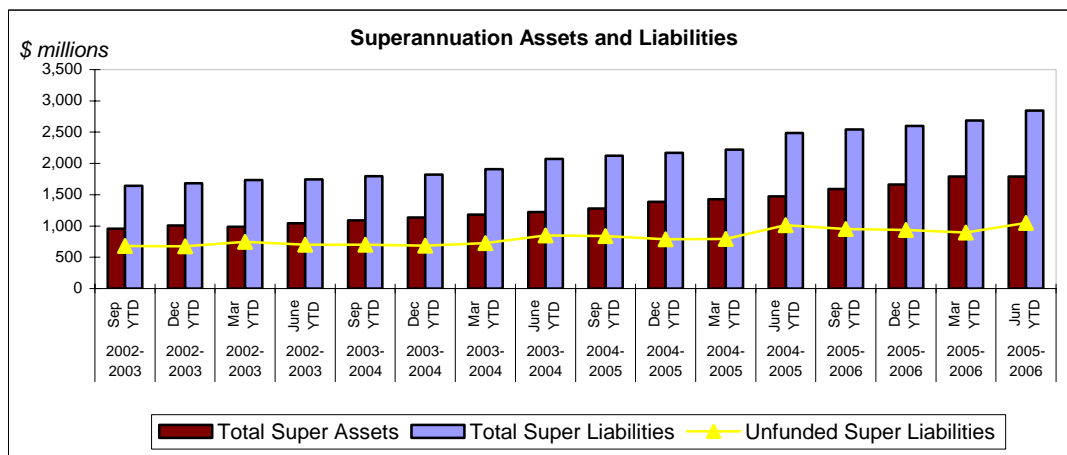
The Territory continues to maintain a manageable financial outlook with a clear ability to meet both short and longer-term debt and maintain its asset base. This relatively low ratio demonstrates a prudent level of liabilities.

6.3 Superannuation assets and liabilities for the Territory

The Territory's superannuation liability of \$2,843.1 million as at 30 June 2006 was the Territory's single largest liability. At 30 June 2006 it was 63% of total liabilities.

Superannuation investments of \$1,793.0 million existed at 30 June 2006, providing funding for 63% of the superannuation liability, which was marginally higher than the estimated outcome coverage of 62% and higher than the 59% coverage at 30 June 2005 included in the 2004-05 audited result.

Year to date gains on investments were \$243.6 million, which was \$8.9 million



below the estimated outcome of \$252.5 million reflecting a correction in the domestic and international equity markets in June 2006 impacting on the value of superannuation investments.

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

	2004-05 Audited Outcome	2005-06 Annual Budget	2005-06 Estimated Outcome	June Quarter 2006 YTD Actual	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Increments - Revenue	146,400	85,840	187,900	175,560	(12,340)
Investment Increments - Expenses	0	0	0	0	0
Fees	(3,688)	(3,000)	(4,300)	(4,263)	37
Dividends and Interest	19,190	19,787	68,933	72,328	3,395
Total	161,901	102,627	252,533	243,626	(8,907)

7 Cash Management

7.1 The Territory's total cash position

Territory Unencumbered Cash is the measure of the Territory's cash balance, which is not allocated to an operating or investing requirement and held by the Territory's Central Finance Unit at the time of measurement.

	2004-05	2005-06	2005-06	2005-06
	Opening	Annual	Year End	June YTD
	Balance	Budget	Estimate	2006
	\$'m	\$'m	\$'m	\$'m
Territory Unencumbered Cash	379.3	154.3	307.7	356.4

7.2 The Territory's cash flows

	2004-05	2005-06	2005-06	2005-06
	Audited	Annual	Estimated	Quarter YTD
	Outcome	Budget	Outcome	Actual
	\$'000	\$'000	\$'000	\$'000
Total Operating Receipts	2,786,502	2,897,947	2,921,275	2,976,249
Total Operating Payments	2,626,578	2,710,451	2,690,715	2,662,114
Cash Flows from Operating Activities	159,923	187,496	230,560	314,135
Sale of PP&E*	29,040	59,414	45,258	40,289
Purchase of PP&E*	305,169	443,618	306,460	289,000
Cash Flows from Capital Activities	(276,129)	(384,204)	(261,202)	(248,711)
Total Net Inflow from Operations and Capital	(116,205)	(196,708)	(30,642)	65,424

* PP&E = Property, Plant and Equipment.

Cash flows from operating activities relate to the general operations of government. They include receipts of taxes, fees, and 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, supplies and services, and interest costs.

Cash inflows from operations and capital exceeded outflows for the June Quarter year to date result by \$69.2 million. This was significantly higher than the estimated outcome of a net outflow of \$30.6 million and primarily reflects the above year to date budget receipt of taxes, fees and fines, strong sales in the PTE sector, the receipt of Commonwealth Grants, and a reduction in capital purchases.

Attachments

Accounting Basis

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

The report summarises the financial performance of the Territory for the quarter and financial year to date ending 30 June 2006. 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, and all applicable Australian Accounting Standards.

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 the 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 127, '*Consolidated Separate 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.

Since 1 July 2004, the September, December, and March Quarterly Management Reports have been prepared using estimated year to date figures for the agencies listed below. These agencies are considered immaterial from a whole of government perspective.

- ACT Executive
- Auditor-General
- ACT Public Cemeteries Authority*
- Cultural Facilities Corporation
- ACT Health Promotion Authority*
- Legal Aid Commission (ACT)*
- Public Trustee for the ACT
- Home Loan Portfolio
- Stadiums Authority
- ACT Gambling and Racing Commission
- Australian Capital Tourism Corporation
- CIT Solutions
- Exhibition Park Corporation*
- Legislative Assembly Secretariat
- ACT Workcover
- Workers' Compensation Supplementation Fund
- Independent Competition and Regulatory Commission for the ACT*

* Agency name reflects amendments under the FMA effective 1 January 2006.

Actual year to date figures for these agencies may be used where variances from year to date budget have a material impact on the Territory financial statements. The estimated outcome for these agencies will continue to be reflected in the Territory financial statements.

**GENERAL GOVERNMENT SECTOR
TAXES, FEES AND FINES**

	<i>2004-05 Audited Outcome</i>	<i>2005-06 Annual Budget</i>	<i>2005-06 Estimated Outcome</i>	<i>2005-06 June Quarter 2006 YTD Actual</i>	<i>2005-06 June Quarter 2006 YTD Variance</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
General Taxes					
Payroll Tax	184,930	213,938	201,760	203,932	2,172
General Rates	124,242	142,249	140,818	142,085	1,267
Land Tax	55,719	58,098	58,098	58,588	490
Debit Tax	14,057	0	0	25	25
TOTAL GENERAL TAXES	378,948	414,285	400,676	404,630	3,954
Stamp Duties					
Conveyances	139,754	161,442	163,154	169,047	5,893
General Insurance - Stamp Duty	30,968	32,325	32,264	32,306	42
Hiring Duty	2,998	3,335	3,105	3,345	240
Leases	6,522	4,385	9,317	10,391	1,074
Life Insurance	562	697	586	677	91
Stamp Duty - Motor Vehicle Rego and Transfer	23,712	26,568	24,897	24,332	(565)
Transfer of Shares & Marketable Securities	6,042	8,330	2,814	2,213	(601)
Business Agreements	1,360	1,514	1,401	1,314	(87)
Other Duties	210	224	216	218	2
TOTAL STAMP DUTIES	212,128	238,820	237,754	243,843	6,089
Gambling Taxes					
ACTTAB Licence Fee	1,288	1,360	1,041	1,087	46
Gaming Machine Tax	31,341	32,538	31,600	31,418	(182)
Casino Tax	2,029	2,208	1,965	1,953	(12)
Interstate Lotteries	12,971	13,511	13,083	13,013	(70)
TOTAL GAMBLING TAXES	47,630	49,617	47,689	47,471	(218)
Other Taxes					
Ambulance Levy	6,547	6,860	8,155	7,780	(375)
TOCTAX - Income Tax Equivalent	1,674	14,320	13,369	15,765	2,396
TOTAL OTHER TAXES	8,221	21,180	21,524	23,545	2,021
TOTAL TAXATION BEFORE WAIVERS	646,927	723,902	707,643	719,489	11,846
Waivers	4,356	5,087	1,129	5,486	4,357
TOTAL TAXATION REVENUE	651,283	728,989	708,772	724,975	16,203
Fees	122,720	128,543	137,638	140,018	2,380
Fines	21,900	23,138	22,467	21,859	(608)
TOTAL TAXES, FEES AND FINES	795,903	880,670	868,877	886,852	17,975

**GENERAL GOVERNMENT SECTOR
OPERATING STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited	Annual Budget	Budget	Actual	Estimated	2006 YTD	
	Outcome				Outcome	Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Taxes, Fees and Fines	795,903	880,670	77,123	73,410	868,877	886,852	17,975
User Charges - Non ACT Government	201,295	216,328	10,646	32,935	222,792	231,251	8,459
User Charges - ACT Government	16,159	10,812	2,400	5,097	12,664	17,258	4,594
Grants from Commonwealth	1,108,111	1,148,171	(1,537)	79,081	1,138,005	1,156,083	18,078
Interest	79,916	69,020	(54,625)	13,036	98,016	102,149	4,133
Dividend Revenue	99,439	60,318	138,883	140,353	141,203	142,673	1,470
Other Revenues	403,618	330,639	113,506	154,593	437,774	450,540	12,766
Resources Received Free of Charge	274	0	(1)	215	0	215	215
Total Revenue	2,704,715	2,715,958	286,396	498,719	2,919,331	2,987,021	67,690
Gains							
Total Gains	0	0	0	39	0	39	39
Total Income	2,704,715	2,715,958	286,396	498,758	2,919,331	2,987,059	67,728
Expenses							
Employee Expenses	937,596	988,618	116,811	87,084	975,728	984,057	8,329
Superannuation Expenses	287,885	319,568	19,621	16,904	350,620	343,296	(7,324)
Supplies and Services	566,371	590,187	79,067	82,793	570,501	585,883	15,382
Depreciation and Amortisation	164,259	172,488	14,575	16,871	168,736	170,269	1,533
Borrowing Costs	44,925	49,401	(33,270)	4,156	53,509	48,225	(5,284)
Cost of Goods Sold	33,048	40,423	2,842	1,271	15,716	15,218	(498)
Grants and Purchased Services	466,663	516,077	44,109	42,905	501,832	500,040	(1,792)
Other Expenses	150,189	98,078	18,863	8,901	129,864	131,459	1,595
Transfer Expenses	30,671	32,611	(35,183)	4,394	32,334	32,365	31
Total Expenses	2,681,608	2,807,451	227,435	265,278	2,798,840	2,810,813	11,973
Share of Operating Result from Joint Venture accounted for using the Equity Method	2,752	0	0	0	0	0	0
Operating Result from Ordinary Activities	25,859	(91,493)	58,961	233,480	120,491	176,246	55,755
Net Extraordinaries	(69)	0	0	0	0	0	0
Operating Result	25,790	(91,493)	58,961	233,480	120,491	176,246	55,755

**GENERAL GOVERNMENT SECTOR
BALANCE SHEET**

	<i>2004-05 Audited Outcome as at 30/06/05</i>	<i>2005-06 Budgeted Balance as at 30/06/06</i>	<i>2005-06 Estimated Outcome as at 30/06/06</i>	<i>2005-06 YTD result as at 30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash	65,315	71,558	76,379	74,219
Receivables	130,048	211,060	121,757	144,638
Investments	668,322	348,298	512,955	646,958
Inventories	50,376	39,365	9,759	10,282
Capital Works in Progress	4,055	44	28	14
Other	32,322	13,655	34,398	27,961
Total Current Assets	950,437	683,980	755,276	904,072
Non Current Assets				
Receivables	367,785	350,729	425,082	376,409
Investments	1,722,678	1,865,243	2,032,209	2,007,891
Inventories	53,843	90,552	0	0
Property, Plant & Equipment	5,845,399	6,033,895	6,000,867	6,066,910
Intangibles	22,496	29,943	23,831	25,042
Capital Work in Progress	129,283	197,576	131,527	151,700
Other	82,375	52,124	63,349	57,154
Total Non Current Assets	8,223,860	8,620,062	8,676,865	8,685,107
Total Assets	9,174,298	9,304,042	9,432,141	9,589,179
Current Liabilities				
Payables	126,463	134,568	118,441	124,418
Interest Bearing Liabilities	93,078	33,216	61,942	81,087
Finance Leases	37,780	58,751	45,998	44,632
Employee Benefits	188,930	201,496	200,987	315,446
Other Provisions	13,168	2,499	55	634
Other	38,481	27,275	34,888	39,879
Total Current Liabilities	497,899	457,805	462,311	606,096
Non Current Liabilities				
Payables	135,297	111,931	150,760	121,916
Interest Bearing Liabilities	613,669	648,199	674,426	681,958
Finance Leases	59,599	100,534	75,636	72,242
Employee Benefits	2,565,377	2,794,563	2,993,076	2,812,383
Other Provisions	14,554	5,069	605	13,303
Other	3,842	69	3,856	70
Total Non Current Liabilities	3,392,338	3,660,365	3,898,359	3,701,872
Total Liabilities	3,890,237	4,118,170	4,360,670	4,307,968
Net Assets	5,284,060	5,185,871	5,071,470	5,281,211
Represented by Funds Employed				
Accumulated Funds	4,587,518	4,512,339	4,374,085	4,445,682
Reserves	696,542	673,532	697,385	835,529
Total Funds Employed	5,284,060	5,185,871	5,071,470	5,281,211

**GENERAL GOVERNMENT SECTOR
CASH FLOW STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited Outcome	Annual Budget	Budget	Actual	Estimated Outcome	2006 YTD Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities							
Operating Receipts							
Taxes, Fees and Fines	807,608	880,531	82,075	68,902	848,792	873,185	24,393
User Charges	224,819	226,636	27,412	44,760	224,533	227,421	2,888
Interest Received	80,342	68,219	(53,159)	8,002	75,997	77,855	1,858
Grants from the Commonwealth	1,117,044	1,159,311	74,164	96,348	1,147,997	1,164,959	16,962
Other Receipts	401,514	372,083	30,813	78,188	246,813	262,856	16,043
Territory Receipts Transferred from Agencies	(0)	0	(17,220)	(17,136)	0	0	0
Total Operating Receipts	2,631,327	2,706,780	144,086	279,066	2,544,132	2,606,276	62,144
Operating Payments							
Related to Employees	1,025,193	1,064,802	116,538	77,912	1,051,745	1,059,414	7,669
Related to Supplies and Services	570,740	581,128	(158,370)	(175,446)	554,492	347,649	(206,843)
Grants and Purchased Services	477,309	523,189	38,941	22,276	507,994	490,627	(17,367)
Borrowing Costs	45,720	49,401	15,952	49,222	53,720	52,652	(1,068)
Other Payments	359,550	343,434	231,342	244,045	284,417	501,056	216,639
Payments to PTE Agencies for Outputs	30,141	30,228	(27,709)	2,011	29,951	29,982	31
Total Operating Payments	2,508,652	2,592,182	216,693	220,020	2,482,319	2,481,379	(940)
Net Cash Inflow/(Outflow) from Operating Activities	122,675	114,598	(72,607)	59,046	61,813	124,897	63,084
Cashflows from Investing Activities							
Investing Receipts							
Sale of Property Plant & Equipment	2,075	8,453	2,011	838	2,644	3,491	847
Sale of Land & Intangibles	2	0	0	0	0	0	0
Sale/Maturity of Investment	107,871	823	68	246,627	823	271,622	270,799
Repayment of Home Loan Prinicipal	7,154	2,117	(81)	3,259	1,860	5,200	3,340
Repayment of Advance	5,767	6,993	(6,410)	389	6,210	6,210	(0)
Dividends	75,263	66,733	45,782	45,800	152,278	152,296	18
Total Investing Receipts	198,132	85,119	41,370	296,913	163,815	438,819	275,004
Investing Payments							
Purchase of Property Plant & Equipment	187,195	356,827	49,489	32,345	223,069	211,413	(11,656)
Purchase of Land and Intangibles	1,323	3,945	8,414	4,662	9,055	4,662	(4,393)
Purchase of Investments	204,935	101,446	(16,249)	247,468	83,868	338,135	254,267
Loans Issued	25,000	0	0	25,000	25,000	25,000	0
Capital Payments	8,945	14,020	(6,464)	2,015	10,615	10,615	0
Total Investing Payments:	427,398	476,238	35,191	311,491	351,607	589,824	238,217
Net Cash Inflow/(Outflow) from Investing Activities	(229,266)	(391,119)	6,180	(14,578)	(187,792)	(151,005)	36,787

**GENERAL GOVERNMENT SECTOR
CASH FLOW STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited Outcome	Annual Budget	Budget	Actual	Estimated Outcome	2006 YTD Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Financing Activities							
Financing Receipts							
Borrowings	18,079	59,701	72,367	(2,117)	118,329	91,055	(27,274)
Finance Lease	40,425	0	0	0	0	0	0
Total Financing Receipts	58,504	59,701	72,367	(2,117)	118,329	91,055	(27,274)
Financing Payments							
Repayment of Borrowings	3,556	62,007	61,340	(3,683)	75,602	68,862	(6,740)
Repayment of Finance Lease	54,639	15,354	2,699	1,259	14,098	9,219	(4,879)
Repayment of Investments to Agencies	30,450	4,707	(4,315)	0	0	0	0
Payment of Transferred Cash Balances	0	0	0	(83)	33,442	33,441	(1)
Total Financing Payments	88,645	82,068	59,724	(2,506)	123,142	111,521	(11,621)
Net Cash Inflow/(Outflow) from Financing Activities	(30,141)	(22,367)	12,643	389	(4,813)	(20,466)	(15,653)
Net Increase/(Decrease) in Cash Held	(136,732)	(298,888)	(53,785)	44,857	(130,792)	(46,574)	84,218
Cash At Beginning of Period	860,440	678,962	571,075	0	723,709	723,709	0
Cash At End of Period	723,709	380,075	517,290	44,857	592,917	677,135	84,218

**GENERAL GOVERNMENT SECTOR
STATEMENT OF CHANGES IN EQUITY**

	<i>2004-05 Prior Year Audited Outcome</i>	<i>2005-06 Budgeted Balance as at 30/06/06</i>	<i>2005-06 Estimated Outcome as at 30/06/06</i>	<i>2005-06 YTD Result as at 30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Opening Balance	5,463,935	5,291,384	5,284,060	5,284,060
Accumulated Funds				
Net Effect of Change in Accounting Policy	(218,585)	0	(156,921)	(160,411)
Operating Result for the Period	25,790	(91,493)	120,491	176,246
Reserves				
Net Effect of Change in Accounting Policy	0	0	0	0
- <i>Net Effect of Change in Accounting Policy</i>	0	0	0	0
- <i>Net Effect of Correction of an Error - ARR</i>	0	0	0	0
Movement in Asset Revaluation	24,468	0	(57)	96,144
Movement in Other Reserves	(42,380)	0	900	42,843
Transfer of Reserve	39,773	0	0	8,458
Total Income and Expense For The Period	(170,933)	(91,493)	(35,587)	163,280
Transactions Involving Equity Holders Affecting Accumulated Funds				
Capital Injections	(8,945)	(14,020)	(10,615)	0
Capital Distributions to Government	0	0	0	0
Increase/(Decrease) in Net Assets due to Admin Restructure	(57)	0	(166,388)	(166,129)
Closing Balance	5,284,060	5,185,871	5,071,470	5,281,211

**PUBLIC TRADING ENTERPRISE SECTOR
OPERATING STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited	Annual	Budget	Actual	Estimated	2006 YTD	
	Outcome	Budget			Outcome	Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Government Payment for Outputs	30,671	32,611	4,363	4,394	32,334	32,365	31
User Charges - Non ACT Government	233,028	239,016	58,192	21,187	254,463	256,649	2,186
User Charges - ACT Government	84,006	83,843	9,972	7,974	86,652	87,974	1,322
Grants from Commonwealth	19,277	18,785	1,569	1,621	19,026	19,105	79
Interest	6,468	3,322	1,526	1,061	7,414	8,298	884
Other Revenues	15,332	21,681	2,249	16,883	173,452	182,411	8,959
Resources Received Free of Charge	94	50	(21,091)	(50,058)	3,850	7,877	4,027
Total Revenue	388,877	399,308	56,780	3,063	577,191	594,679	17,488
Gains							
Total Gains	0	0	3,213	8,061	3,213	8,061	4,848
Total Income	388,877	399,308	59,993	11,124	580,404	602,740	22,336
Expenses							
Employee Expense	78,418	78,232	13,374	7,610	87,001	85,628	(1,373)
Superannuation Expenses	8,353	10,044	1,494	935	9,643	9,532	(111)
Supplies and Services	100,156	96,732	14,603	15,168	90,665	107,563	16,898
Depreciation and Amortisation	40,235	44,524	2,031	3,419	42,386	41,730	(656)
Borrowing Costs	29,231	30,593	2,484	2,636	30,593	30,788	195
Cost of Goods Sold	72,397	77,964	36,111	30,484	169,869	195,289	25,420
Grants and Purchased Services	4,741	8,815	461	389	8,276	4,729	(3,547)
Other Expenses	24,201	25,688	49,324	34,623	37,772	28,260	(9,512)
Transfer Expenses	18,586	18,785	1,453	1,453	18,589	18,589	0
Total Expenses	376,318	391,377	121,335	96,716	494,794	522,109	27,315
Share of Operating Result from Joint Venture accounted for using the Equity Method	51,986	45,707	9,036	6,479	49,785	52,648	2,863
Operating Result from Ordinary Activities	64,545	53,638	(52,307)	(79,114)	135,395	133,280	(2,115)
Net Extraordinaries	(792)	0	0	0	0	0	0
Income Tax Equivalent	1,674	14,320	2,007	(1,231)	13,369	11,720	(1,649)
Operating Result	62,079	39,318	(54,314)	(77,883)	122,026	121,560	(466)

PUBLIC TRADING ENTERPRISE SECTOR
BALANCE SHEET

	<i>2004-05</i> <i>Audited Outcome</i> <i>as at 30/06/05</i>	<i>2005-06</i> <i>Budgeted</i> <i>Balance as at</i> <i>30/06/06</i>	<i>2005-06</i> <i>Estimated</i> <i>Outcome as at</i> <i>30/06/06</i>	<i>2005-06</i> <i>YTD result as at</i> <i>30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash	22,399	13,273	21,708	22,471
Receivables	40,416	29,288	32,182	42,747
Investments	30,792	27,260	82,195	94,693
Inventories	76	116	41,986	35,374
Other	10,097	10,320	79,257	71,301
Total Current Assets	103,780	80,255	257,328	266,586
Non Current Assets				
Receivables	26,252	27,915	19,556	20,030
Investments	372,895	390,731	386,278	396,210
Inventories	0	0	92,938	95,384
Property, Plant & Equipment	3,974,524	4,170,878	4,096,474	4,031,495
Intangibles	1,655	206	782	684
Capital Work in Progress	56,794	20,621	51,606	43,927
Tax Assets	12,157	13,560	28,325	31,662
Other	42,110	43,859	48,723	48,293
Total Non Current Assets	4,486,387	4,667,770	4,724,682	4,667,685
Total Assets	4,590,167	4,748,027	4,982,010	4,934,271
Current Liabilities				
Payables	34,097	38,629	31,928	81,669
Interest Bearing Liabilities	14,971	21,946	16,225	16,399
Finance Leases	736	771	777	775
Employee Benefits	15,718	17,580	16,372	25,276
Other Provisions	22,775	12,861	47,092	61,507
Income Tax Payable	4,762	4,837	0	0
Other	7,713	3,045	8,569	7,107
Total Current Liabilities	100,773	99,669	120,963	192,733
Non Current Liabilities				
Payables	1,008	903	40,448	965
Interest Bearing Liabilities	470,351	448,404	479,436	479,265
Finance Leases	1,974	1,429	1,199	1,200
Employee Benefits	22,917	23,206	24,318	13,914
Other Provisions	2,461	2,467	12,979	15,867
Income Tax Payable	9,077	20,161	3,445	10,586
Other	730	2,710	3,112	777
Total Non Current Liabilities	508,518	499,280	564,937	522,574
Total Liabilities	609,291	598,949	685,900	715,307
Net Assets	3,980,875	4,149,078	4,296,110	4,218,965
Represented by Funds Employed				
Accumulated Funds	1,886,380	1,896,584	2,088,188	2,087,407
Reserves	2,094,495	2,252,494	2,207,922	2,131,557
Total Funds Employed	3,980,875	4,149,078	4,296,110	4,218,965

PUBLIC TRADING ENTERPRISE SECTOR
CASH FLOW STATEMENT

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited	Annual	Budget	Actual	Estimated	2006 YTD	
	Outcome	Budget			Outcome	Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities							
Operating Receipts							
Cash From Government	30,141	30,228	3,954	2,011	29,951	29,982	31
User Charges	321,498	325,436	66,843	31,296	344,551	345,230	679
Interest Received	6,782	3,322	1,124	1,114	7,014	8,035	1,021
Grants Received from the Commonwealth	19,298	18,785	1,578	1,586	19,026	19,067	41
Other Receipts	18,528	58,060	199,146	22,493	249,447	267,150	17,703
Extraordinary Receipts	0	500	0	0	0	0	0
Total Operating Receipts	396,246	436,331	272,645	58,501	649,989	669,465	19,476
Operating Payments							
Related to Employees	85,298	87,642	16,152	10,100	96,076	94,949	(1,127)
Related to Supplies and Services	105,641	98,526	18,970	16,220	104,498	117,757	13,259
Grants and Purchased Services	4,708	8,815	461	98	8,276	4,621	(3,655)
Borrowing Costs	29,675	30,593	6,617	7,377	30,991	30,313	(678)
Other	115,090	119,072	45,089	72,721	222,812	213,999	(8,813)
Transfer of Receipts to Government	18,586	18,785	1,453	1,453	18,589	18,589	0
Total Operating Payments	358,998	363,433	88,742	107,970	481,242	480,228	(1,014)
Net Cash Inflow/(Outflow) from Operating Activities	37,248	72,898	183,903	(49,469)	168,747	189,237	20,490
Cashflows from Investing Activities							
Investing Receipts							
Sale of Property Plant & Equipment	26,966	50,961	(6,305)	1,824	42,614	36,798	(5,816)
Sale/Maturity of Investment	78,950	5,671	50,275	24,548	21,528	6,127	(15,401)
Total Investing Receipts	105,916	56,632	43,970	26,372	64,142	42,925	(21,217)
Investing Payments							
Purchase of Property Plant & Equipment	117,974	86,791	13,112	17,278	83,391	77,587	(5,804)
Purchase of Investments	4,699	369	(4,176)	(138)	31,432	200	(31,232)
Total Investing Payments:	122,673	87,160	8,935	17,140	114,823	77,787	(37,036)
Net Cash Inflow/(Outflow) from Investing Activities	(16,758)	(30,528)	35,035	9,232	(50,681)	(34,863)	15,818

**PUBLIC TRADING ENTERPRISE SECTOR
CASH FLOW STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited	Annual	Budget	Actual	Estimated	2006 YTD	
	Outcome	Budget			Outcome	Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Financing Activities							
Financing Receipts							
Borrowings	25,035	45	25,003	25,004	25,045	25,036	(9)
Capital Injection from Government	8,945	14,020	(2,825)	2,015	10,615	10,615	0
Receipt of Transferred Cash Balances	0	0	33,441	0	33,442	33,441	(1)
Total Financing Receipts	33,980	14,065	55,619	27,019	69,102	69,092	(10)
Financing Payments							
Dividends to Government	75,263	66,733	53,201	45,800	152,278	152,296	18
Repayment of Borrowings	14,177	15,542	5,993	6,796	14,759	14,718	(41)
Repayment of Finance Lease	1,148	657	54	55	657	656	(1)
Total Financing Payments	90,589	82,932	59,248	52,651	167,694	167,670	(24)
Net Cash Inflow/(Outflow) from Financing Activities	(56,609)	(68,867)	(3,628)	(25,632)	(98,592)	(98,578)	14
Net Increase/(Decrease) in Cash Held	(36,118)	(26,497)	215,309	(65,870)	19,474	55,796	36,322
Cash At Beginning of Period	35,341	47,402	(120,632)	0	(778)	35,341	36,118
Cash At End of Period	(778)	20,905	94,677	(65,870)	18,696	91,137	72,441

**PUBLIC TRADING ENTERPRISE SECTOR
STATEMENT OF CHANGES IN EQUITY**

	<i>2004-05 Prior Year Audited Outcome</i>	<i>2005-06 Budgeted Balance as at 30/06/06</i>	<i>2005-06 Estimated Outcome as at 30/06/06</i>	<i>2005-06 YTD Result as at 30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Opening Balance	3,916,112	4,013,064	3,980,875	3,980,875
Accumulated Funds				
Net Effect of Change in Accounting Policy	0	4,315	5,040	15,804
Operating Result for the Period	62,079	39,318	122,026	121,560
Reserves				
Net Effect of Change in Accounting Policy	0	0	0	(3,552)
Movement in Asset Revaluation	70,354	116,679	113,427	40,714
Movement in Other Reserves	0	0	0	(100)
Transfer of Reserve	22,822	22,000	38,942	40,208
Total Income and Expense For The Period	155,255	182,312	279,435	214,634
Transactions Involving Equity Holders Affecting Accumulated Funds				
Capital Injections	8,945	14,020	10,615	0
Capital Distributions to Government	0	0	0	0
Dividend Approved	(99,439)	(60,318)	(141,203)	(142,673)
Increase/(Decrease) in Net Assets due to Admin Restructure	2	0	166,388	166,129
Closing Balance	3,980,875	4,149,078	4,296,110	4,218,965

TOTAL TERRITORY OPERATING STATEMENT

	2004-05	2005-06	June Quarter 2006		2005-06	June	Variance
	Audited Outcome	Annual Budget	Budget	Actual	Estimated Outcome	Quarter 2006 YTD Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Taxes, Fees and Fines	769,056	833,827	69,602	62,117	823,731	838,342	14,611
User Charges - Non ACT Government	434,324	455,344	68,838	54,122	477,255	487,899	10,644
Grants from Commonwealth	1,108,802	1,148,171	(1,421)	79,250	1,138,442	1,156,599	18,157
Interest	64,259	49,624	(32,906)	11,937	79,129	86,582	7,453
Other Revenues	395,469	322,226	114,409	51,214	480,842	500,862	20,020
Resources Received Free of Charge	274	0	(1)	215	0	215	215
Total Revenue	2,772,184	2,809,192	218,521	258,853	2,999,399	3,070,500	71,101
Gains							
Total Gains	0	0	3,213	7,626	3,213	0	(3,213)
Total Income	2,772,184	2,809,192	221,734	266,479	3,002,612	3,070,500	67,888
Expenses							
Employee Expense	1,011,184	1,062,309	129,584	94,135	1,057,638	1,064,246	6,608
Superannuation Expenses	290,222	321,754	20,414	17,271	353,370	346,805	(6,565)
Supplies and Services	646,012	667,699	66,443	74,712	611,270	644,555	33,285
Depreciation and Amortisation	204,494	217,012	16,607	20,291	211,122	211,999	877
Borrowing Costs	52,032	57,276	(31,643)	4,631	57,801	55,149	(2,652)
Cost of Goods Sold	89,517	91,754	9,050	11,313	95,157	96,196	1,039
Grants and Purchased Services	401,052	454,527	37,433	36,483	438,063	432,180	(5,883)
Other Expenses	143,911	95,061	17,141	1,050	126,662	116,846	(9,872)
Total Expenses	2,838,423	2,967,392	265,029	259,886	2,951,083	2,967,977	16,838
Share of Operating Result from Joint Venture accounted for using the Equity Method	54,738	45,707	9,036	6,479	49,785	52,648	2,863
Operating Result from Ordinary Activities	(11,501)	(112,493)	(34,258)	13,071	101,314	155,172	53,913
Net Extraordinaries	(69)	0	0	0	0	0	0
Operating Result	(11,570)	(112,493)	(34,258)	13,071	101,314	155,172	53,858

**TOTAL TERRITORY
BALANCE SHEET**

	<i>2004-05 Audited Outcome as at 30/06/05</i>	<i>2005-06 Budgeted Balance as at 30/06/06</i>	<i>2005-06 Estimated Outcome as at 30/06/06</i>	<i>2005-06 YTD result as at 30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash	87,713	84,831	98,087	96,690
Receivables	106,357	213,427	140,904	119,111
Investments	683,064	357,577	547,830	679,980
Inventories	50,452	39,481	51,745	45,657
Capital Works in Progress	4,055	44	28	1,695
Other	40,036	23,965	111,272	97,535
Total Current Assets	971,676	719,325	949,866	1,040,667
Non Current Assets				
Receivables	27,027	22,080	27,920	21,057
Investments	2,095,553	2,255,954	2,418,467	2,404,081
Inventories	53,843	90,552	65,558	95,384
Property, Plant & Equipment	9,819,923	10,204,773	10,097,341	10,098,405
Intangibles	24,151	30,149	24,613	25,726
Capital Work in Progress	186,077	218,197	183,133	195,627
Other	124,485	95,983	112,072	105,447
Total Non Current Assets	12,331,059	12,917,688	12,929,104	12,945,727
Total Assets	13,302,736	13,637,013	13,878,970	13,986,394
Current Liabilities				
Payables	138,404	149,854	134,252	141,495
Interest Bearing Liabilities	85,476	24,965	23,446	27,945
Finance Leases	38,516	59,522	46,775	45,406
Employee Benefits	204,648	219,076	217,359	340,723
Other Provisions	11,303	13,960	16,144	45,919
Income Tax Payable	0	583	0	0
Other	41,937	30,153	41,576	46,593
Total Current Liabilities	520,284	498,113	479,552	648,080
Non Current Liabilities				
Payables	107,524	102,331	124,624	108,976
Interest Bearing Liabilities	745,604	771,572	797,535	805,839
Finance Leases	61,573	101,963	76,835	73,441
Employee Benefits	2,588,294	2,817,769	3,017,394	2,826,298
Other Provisions	9,949	7,536	8,481	22,737
Other	4,572	2,779	6,968	847
Total Non Current Liabilities	3,517,517	3,803,950	4,031,837	3,838,138
Total Liabilities	4,037,801	4,302,063	4,511,389	4,486,219
Net Assets	9,264,935	9,334,949	9,367,581	9,500,176
Represented by Funds Employed				
Accumulated Funds	6,473,898	6,408,923	6,462,273	6,533,089
Reserves	2,791,037	2,926,026	2,905,308	2,967,086
Total Funds Employed	9,264,935	9,334,949	9,367,581	9,500,176

**TOTAL TERRITORY
CASH FLOW STATEMENT**

	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited	Annual	Budget	Actual	Estimated	2006 YTD	
	Outcome	Budget			Outcome	Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Operating Activities							
Operating Receipts							
Taxes, Fees and Fines	767,080	834,598	79,882	61,812	822,612	827,511	4,899
User Charges	446,383	455,449	94,728	71,480	469,426	475,041	5,615
Interest Received	64,560	48,823	(34,436)	5,568	56,710	59,605	2,895
Grants from the Commonwealth	1,117,756	1,159,311	75,742	79,346	1,148,434	1,165,437	17,003
Other Receipts	390,724	399,766	217,881	51,477	424,093	448,654	24,561
Total Operating Receipts	2,786,502	2,897,947	433,797	269,683	2,921,275	2,976,249	54,974
Operating Payments							
Related to Employees	1,099,794	1,140,046	127,775	86,759	1,135,838	1,142,842	7,004
Related to Supplies and Services	650,745	654,202	(154,934)	(164,912)	633,040	443,395	(189,645)
Grants and Purchased Services	411,434	461,639	26,042	23,889	444,225	429,475	(14,750)
Borrowing Costs	52,831	57,276	22,825	53,050	58,410	56,679	(1,731)
Other Payments	411,249	397,288	223,449	261,200	419,202	589,722	170,520
Extraordinary Payments	526	0	0	0	0	0	0
Total Operating Payments	2,626,578	2,710,451	245,158	260,106	2,690,715	2,662,114	(28,601)
Net Cash Inflow/(Outflow) from Operating Activities	159,923	187,496	188,639	9,577	230,560	314,135	83,575
Cashflows from Investing Activities							
Investing Receipts							
Sale of Property Plant & Equipment	29,040	59,414	(4,294)	2,661	45,258	40,289	(4,969)
Sale of Land & Intangibles	2	0	0	0	0	0	0
Sale/Maturity of Investment	156,371	1,787	26,033	246,865	22,351	282,199	259,848
Repayment of Home Loan Principal	7,154	2,117	(81)	3,259	1,860	5,200	3,340
Total Investing Receipts	192,567	63,318	21,659	252,786	69,469	327,688	258,219
Investing Payments							
Purchase of Property Plant & Equipment	305,169	443,618	62,601	49,624	306,460	289,000	(17,460)
Purchase of Land and Intangibles	1,323	3,945	8,414	4,662	9,055	4,662	(4,393)
Purchase of Investments	209,634	101,815	(20,425)	247,330	84,030	338,335	254,305
Total Investing Payments:	516,126	549,378	50,590	301,616	399,545	631,996	232,451
Net Cash Inflow/(Outflow) from Investing Activities	(323,558)	(486,060)	(28,931)	(48,830)	(330,076)	(304,309)	25,767

TOTAL TERRITORY CASH FLOW STATEMENT							
	2004-05	2005-06	June Quarter 2006		2005-06	June Quarter	Variance
	Audited Outcome	Annual Budget	Budget	Actual	Estimated Outcome	2006 YTD Actual	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cashflows from Financing Activities							
Financing Receipts							
Borrowings	18,114	59,746	97,370	22,197	87,104	86,641	(463)
Finance Lease	40,425	0	0	0	0	0	0
Total Financing Receipts	58,539	59,746	97,370	22,197	87,104	86,641	(463)
Financing Payments							
Repayment of Borrowings	11,966	70,556	67,752	2,724	84,151	77,370	(6,781)
Repayment of Finance Lease	55,787	16,011	2,753	1,315	14,755	9,875	(4,880)
Total Financing Payments	67,753	86,567	70,505	4,039	98,906	87,245	(11,661)
Net Cash Inflow/(Outflow) from Financing Activities	(9,214)	(26,821)	26,865	18,158	(11,802)	(603)	11,199
Net Increase/(Decrease) in Cash Held	(172,850)	(325,385)	186,573	(21,095)	(111,318)	9,223	120,541
Cash At Beginning of Period	931,899	726,364	462,056	0	759,049	759,050	0
Cash At End of Period	759,049	400,980	648,630	(21,095)	647,731	768,273	120,541

**TOTAL TERRITORY
STATEMENT OF CHANGES IN EQUITY**

	<i>2004-05 Prior Year Audited Outcome</i>	<i>2005-06 Budgeted Balance as at 30/06/06</i>	<i>2005-06 Estimated Outcome as at 30/06/06</i>	<i>2005-06 YTD Result as at 30/06/06</i>
	\$'000	\$'000	\$'000	\$'000
Opening Balance	9,380,046	9,304,448	9,264,935	9,264,935
Accumulated Funds				
Net Effect of Change in Accounting Policy	(218,579)	4,315	(151,880)	(144,646)
Operating Result for the Period	(11,570)	(112,493)	101,314	155,172
Reserves				
Net Effect of Change in Accounting Policy	0	0	0	(3,552)
Movement in Asset Revaluation	94,822	116,679	113,370	136,858
Movement in Other Reserves	(42,380)	0	900	42,743
Transfer of Reserve	62,595	22,000	38,942	48,666
Total Income and Expense For The Period	(115,111)	30,501	102,646	235,241
Transactions Involving Equity Holders Affecting Accumulated Funds				
Capital Injections	0	0	0	0
Capital Distributions to Government	0	0	0	0
Increase/(Decrease) in Net Assets due to Admin Restructure	0	0	0	0
Closing Balance	9,264,935	9,334,949	9,367,581	9,500,176

GENERAL GOVERNMENT SECTOR - DEPARTMENTAL
FINANCIAL YEAR TO DATE ENDING 30 JUNE 2006

	June YTD Budget \$'000			June YTD Actual \$'000			Variance \$'000		
	Revenue	Expenses	Result	Revenue	Expenses	Result	Revenue	Expenses	Result
ACT Gambling and Racing Commission	55,203	54,968	235	54,879	54,346	532	(324)	(622)	297
ACT Health	679,971	689,990	(10,019)	688,371	696,915	(8,544)	8,400	6,925	1,475
ACT Insurance Authority	40,961	38,999	1,962	40,990	36,393	4,598	29	(2,606)	2,636
ACT Planning and Land Authority	37,776	47,417	(9,641)	39,746	45,834	(6,087)	1,970	(1,583)	3,554
ACT Public Cemeteries Authority	1,906	1,553	353	2,114	1,663	451	208	110	98
ACT WorkCover	6,975	7,809	(834)	6,939	7,416	(477)	(36)	(393)	357
Auditor-General	4,065	4,122	(57)	4,481	4,244	237	416	122	294
Australian Capital Tourism Corporation	19,609	20,939	(1,330)	19,708	20,979	(1,271)	99	40	59
Australian International Hotel School	2,465	2,888	(423)	2,465	2,888	(423)	0	0	0
Canberra Institute of Technology	82,170	86,859	(4,689)	83,036	88,487	(5,451)	866	1,628	(762)
Chief Minister's Department	73,807	76,786	(2,979)	75,904	77,080	(1,176)	2,097	294	1,803
Cultural Facilities Corporation	10,883	12,256	(1,373)	11,058	12,347	(1,289)	175	91	84
Department of Disability, Housing and Community Services	100,210	101,339	(1,129)	99,802	104,601	(4,800)	(408)	3,262	(3,671)
Department of Economic Development	78,462	54,844	23,618	82,263	57,725	24,538	3,801	2,881	920
Department of Education and Training	480,655	519,417	(38,762)	484,586	518,059	(33,473)	3,931	(1,358)	5,289
Department of Justice and Community Safety	91,745	91,781	(36)	93,855	92,986	868	2,110	1,205	904
Department of Treasury	35,055	43,134	(8,079)	38,175	43,242	(5,067)	3,120	108	3,012
Department of Territory and Municipal Services	357,808	385,176	(27,368)	358,729	390,063	(31,334)	921	4,887	(3,966)
Emergency Services Authority	68,264	75,004	(6,740)	68,540	73,705	(5,164)	276	(1,299)	1,576
Exhibition Park Corporation	2,875	2,885	(10)	2,994	2,907	87	119	22	97
ACT Health Promotion Authority	2,919	2,935	(16)	2,963	3,023	(60)	44	88	(44)
Home Loan Portfolio	10,389	4,877	5,512	10,027	6,666	3,361	(362)	1,789	(2,151)
Independent Competition and Regulatory Commission for the ACT	2,462	2,553	(91)	2,277	2,498	(220)	(185)	(55)	(129)
Shared Services	79,620	83,800	(4,180)	72,932	77,077	(4,145)	(6,688)	(6,723)	35
Legal Aid Commission (ACT)	7,658	8,304	(646)	8,554	8,261	292	896	(43)	938
Legislative Assembly Secretariat	5,450	5,740	(290)	5,453	5,810	(356)	3	70	(66)
Office for Children, Youth and Family Support	73,706	76,754	(3,048)	72,447	76,611	(4,163)	(1,259)	(143)	(1,115)
Public Trustee for the ACT	3,055	2,872	183	3,213	2,713	500	158	(159)	317
Rhodium Asset Solutions	22,488	22,266	222	21,897	21,083	814	(591)	(1,183)	592
TotalCare	749	559	190	505	356	149	(244)	(203)	-41005.5
Workers Compensation Fund	1,036	1,957	(921)	3,720	462	3,258	2,684	(1,495)	4,179

**GENERAL GOVERNMENT SECTOR - TERRITORIAL
FINANCIAL YEAR TO DATE ENDING 30 JUNE 2006**

	<i>June YTD Budget \$'000</i>			<i>June YTD Actual \$'000</i>			<i>Variance \$'000</i>		
	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>
ACT Executive	4,929	4,924	5	4,752	4,569	183	(177)	(355)	178
ACT Health	142,175	142,175	0	142,180	142,180	0	5	5	0
ACT Planning and Land Authority	103,751	107,251	(3,500)	108,435	111,935	(3,500)	4,684	4,684	0
ACT Superannuation Unit	270,275	324,869	(54,594)	261,094	319,778	(58,683)	(9,181)	(5,091)	(4,089)
ACT WorkCover	1,631	1,631	0	1,634	1,634	0	3	3	0
Central Financing Unit	2,434,101	2,496,119	(62,018)	2,368,914	2,495,857	(126,944)	(65,187)	(262)	(64,926)
Chief Minister's Department	19,837	19,837	0	18,842	18,842	0	(995)	(995)	0
Department of Disability, Housing and Community Services	41,211	41,211	0	39,877	39,877	0	(1,334)	(1,334)	(0)
Department of Economic Development	14,995	14,995	0	15,401	15,401	0	406	406	0
Department of Education and Training	301,361	301,361	0	300,432	300,432	0	(929)	(929)	0
Department of Justice and Community Safety	118,331	122,551	(4,220)	119,318	121,360	(2,042)	987	(1,191)	2,178
Department of Treasury	1,651,832	1,651,832	0	1,674,676	1,674,676	0	22,844	22,844	0
Department of Territory and Municipal Services	123,312	123,312	0	131,488	131,488	0	8,176	8,176	0
Legislative Assembly Secretariat	4,740	5,395	(655)	5,260	5,643	(383)	520	248	272

**PUBLIC TRADING ENTERPRISE SECTOR - DEPARTMENTAL
FINANCIAL YEAR TO DATE ENDING 30 JUNE 2006**

	<i>June YTD Budget \$'000</i>			<i>June YTD Actual \$'000</i>			<i>Variance \$'000</i>		
	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>
ACTEW Corporation	220,454	136,197	84,257	227,607	134,511	93,096	7,153	(1,686)	8,839
ACT Forests	20,766	11,300	9,466	19,787	12,569	7,218	(979)	1,269	(2,248)
ACTION Authority	80,336	88,432	(8,096)	79,823	88,976	(9,152)	(513)	544	(1,056)
Housing ACT	101,331	109,957	(8,626)	101,787	106,438	(4,651)	456	(3,519)	3,975
ACTTAB	30,832	26,043	4,789	31,027	26,017	5,010	195	(26)	221
CIT Solutions	8,989	8,094	895	9,061	8,032	1,029	72	(62)	134
Land Development Agency	168,682	125,671	43,011	185,552	146,887	38,665	16,870	21,216	(4,346)
Stadiums Authority	3,222	3,940	(718)	3,366	4,127	(761)	144	187	(43)

**PUBLIC TRADING ENTERPRISE SECTOR - TERRITORIAL
FINANCIAL YEAR TO DATE ENDING 30 JUNE 2006**

	<i>June YTD Budget \$'000</i>			<i>June YTD Actual \$'000</i>			<i>Variance \$'000</i>		
	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Result</i>
Housing ACT	18,589	18,589	0	18,589	18,589	0	0	0	0