

March Quarterly Management Report

for the financial quarter
and year to date ending
31 March 2004

Australian Capital Territory Government



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Executive Summary - March 2004

Executive Summary

The operating results of the General Government and Public Trading Enterprise Sectors are outlined below.

Operating Result by Sector * (after extraordinary items)	2002-2003	2003-2004	March Quarter 2004			2003-2004
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
General Government Sector	154,565	(7,667)	139,830	181,052	41,222	92,843
Public Trading Enterprise Sector	123,100	75,646	52,679	45,868	(6,811)	42,364
Total Territory Sector	229,564	16,832	175,203	224,682	49,479	134,434

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

The Territory's operating result for 31 March 2004, after net extraordinary expenses of \$7.1m, is a surplus of \$224.7m. This result is an increase of \$49.5m from the year to date budget. The better than expected result is due to increased revenue, partly offset by an increase in expenses. The major factors influencing this result are highlighted below.

Major variations in revenues from the 2003-04 year to date budget include increases in:

- other revenue of \$18.1m, due partly to a \$10.3m increase in the value of superannuation investments and receipt from the Commonwealth of \$3.2m for fire protection services provided in prior years;
- extraordinary revenues of \$10m due to the recognition of reinsurance recoveries relating to the January 2003 bushfire;
- grants from the Commonwealth of \$7.8m;
- interest revenue of \$3.2m;
- revenue from joint ventures of \$9.8m; and
- user charges - non ACT Government of \$16m;

offset by:

- a decrease in taxes, fees and fines of \$4.1m.

This increase in revenues is offset by an increase in the Territory's expenses of \$11.9m, including:

- extraordinary expenses of \$17.1m due largely to the recognition of public liability adjustments arising from the January 2003 bushfire, as advised by actuaries;
- cost of goods sold of \$2.7m; and
- other expenses of \$2.3m.

offset by:

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- depreciation and amortisation of \$7.5m largely due to delays in asset purchases and the review and revaluation of streetlight assets; and
- grants and purchased services of \$4.4m largely due to various smaller variations in grants and timing differences in payments.

Cash

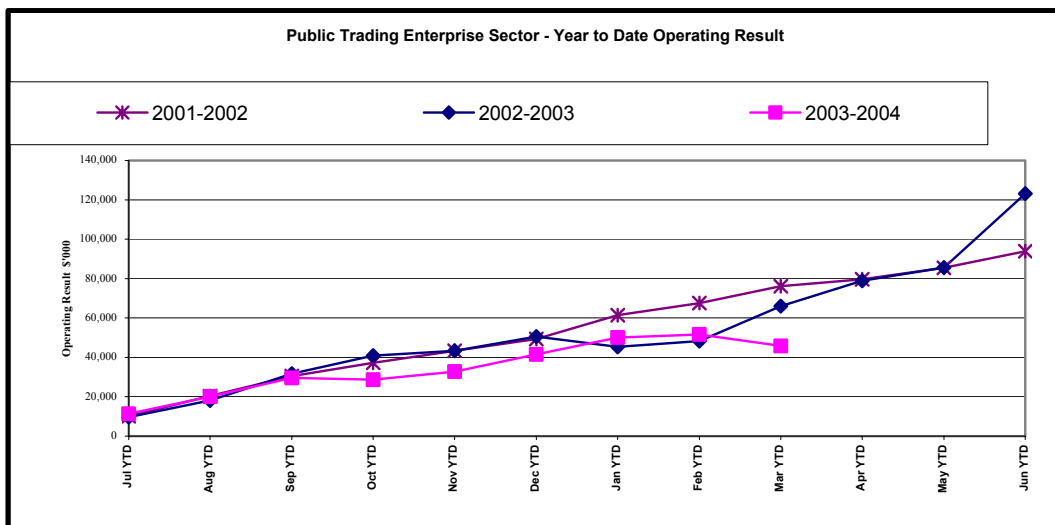
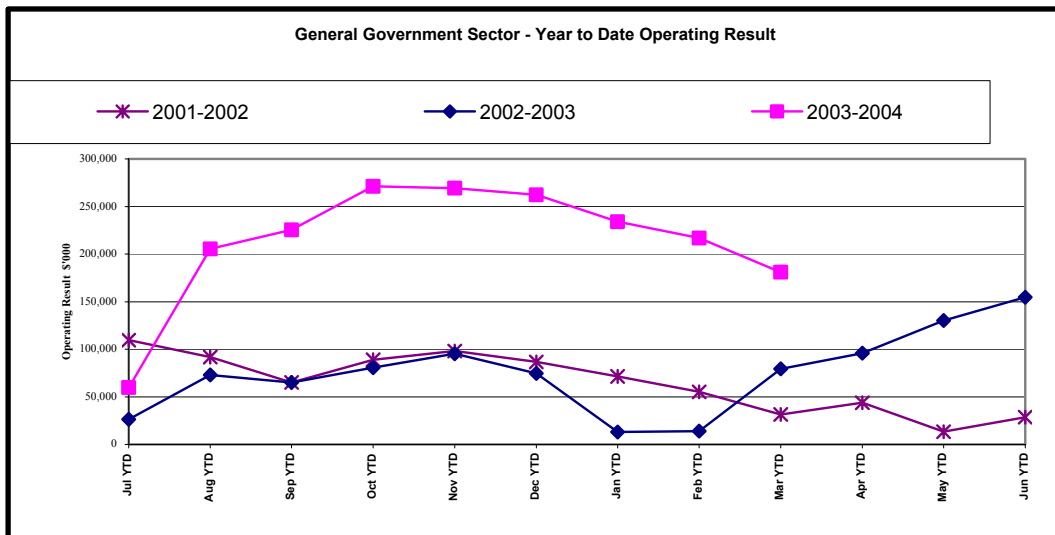
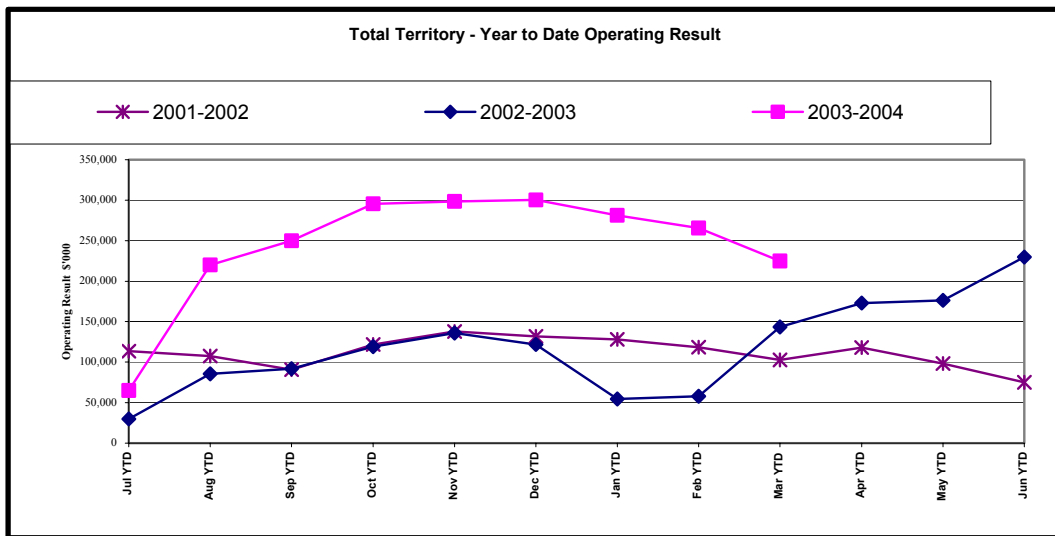
The Territory's cash position is sound. The Territory's Unencumbered Cash (TUC), i.e., cash which is in excess of current requirements that has not been formally allocated against a planned expenditure, was \$587.4m as at 31 March 2004.

Projected End of Year Operating Result

The operating result for the General Government Sector has been updated as part of the 2004-05 Budget process to a revised surplus of \$92.8m. This improvement is mainly the result of increased revenue, particularly from conveyances, the recognition of stormwater assets and other land based revenues.

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1 General Government Sector Financial Performance

1.1 Summary of operating performance

The operating result for the General Government Sector (GGS) for the quarter ending 31 March 2004, after net extraordinary expenses of \$6.6m, was a surplus of \$181.1m. This is an increase of \$41.2m from the year to date budget.

General Government Sector *	2002-2003	2003-2004	March Quarter 2004			2003-2004
	Audit Result	Annual Budget	Budget	Actual	Variance	Estimated Outcome
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,419,666	2,360,284	1,983,296	2,017,049	33,753	2,647,258
Expenses	2,350,438	2,364,887	1,842,783	1,829,432	(13,351)	2,546,458
Extraordinary Revenue	115,374	0	0	10,000	10,000	10,000
Extraordinary Expenses	30,037	3,064	682	16,565	15,883	17,957
OPERATING RESULT	154,565	(7,667)	139,830	181,052	41,222	92,843

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

1.2 Revenue for the quarter ending March 2004

Revenue to the end of March, including extraordinary revenues of \$10m was \$2,027m, up \$43.8m from the year to date budget of \$1,983.3m.

User charges – non ACT Government were \$16.1m above the year to date budget due largely to increases in:

- cross border health receipts of \$4.3m;
- non-inpatient fees and service receipts of \$3m;
- an unanticipated receipt from the Commonwealth of \$3.8m for fire protection services; and
- all activities undertaken by Totalcare of \$3.3m, including road works and facility maintenance.

Grants from the Commonwealth were above the year to date budget by \$7.6m due to higher than expected year to date receipt of Commonwealth funding for the Hospital Funding grant, the National Public Health Agreement, Home and Community Care and a new grant for Weapons Compensation.

Other revenues were \$13.7m above the year to date budget due to a \$10.3m increase in the value of superannuation investments and the receipt from the Commonwealth of \$3.2m for a partial payment of fire protection services provided in prior years.

Extraordinary revenues were \$10m above the year to date budget due to the recognition of reinsurance recoveries relating to the January 2003 bushfire.

These favourable variances were offset by taxes, fees and fines being \$3.9m below the year to date budget, due largely to decreases in:

- conveyancing of \$8.1m due to lower than expected activity for the quarter, however, the 2003-04 estimated outcome is still expected to be achieved;
- change of use charges of \$2.6m; and
- general insurance stamp duties of \$1m due to reduced activity in insurance sales for the March quarter;

offset by:

- an increase of \$8.5m for motor vehicle registration fees, of which \$5m has been reflected as an improvement in the end of year outcome.

1.3 Expenses for the quarter ending March 2004

Expenses to the end of the March quarter 2004, including extraordinary expenses of \$16.6m, were \$1,846m, up \$2.5m from the year to date budget of \$1,843.5m.

Extraordinary expenses were \$15.9m above the year to date budget, largely due to the recognition of public liability adjustments of \$15m arising from the January 2003 bushfire, as advised by the actuaries.

These increases in expenses are partially offset by the following.

Depreciation and amortisation expense was \$6.1m below the year to date budget due largely to the review and revaluation of streetlight assets of \$4m and a delay in asset purchases by InTACT of \$0.8m.

Borrowing costs were \$1.9m below year to date budget mainly due to lower than expected interest rates.

Supplies and services were \$2.9m below the year to date budget due to general savings on year to date expenditure across a number of agencies.

Employee expenses were \$2.8m below the year to date budget.

1.4 Projected end of year operating result

Projected estimates for 2003-04 have been revised as part of the 2004-05 Budget.

The following table summarises the movements between the 2003-04 original budget and the 2003-04 estimated outcome.

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Financial Performance - March 2004

Movement in the 2003-04 Outcome

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

Factors Influencing the 2003-04 Estimated Outcome

(a) Net Commonwealth Grants Revenue

The increase in the Commonwealth grants revenue from the 2003-04 Budget to the 2003-04 estimated outcome is largely due to increases in the Goods and Services Tax (GST) revenue of \$19m, the Australian Health Care Agreement \$4.7m and Government Schools Grants of \$3.1m.

(b) Taxation Revenue

The increase in taxation revenue from the 2003-04 Budget to the 2003-04 estimated outcome is attributable to a combination of taxation factors including increases in:

- conveyancing duties of \$69.8m due to the increase in property prices and abnormally high commercial conveyances;
- shares and marketable securities of \$8.3m;
- income tax equivalent from the public trading sector of \$13.4m and in particular ACTEW; and
- payroll tax of \$17m.

The variation in taxes also reflects the removal of two revenue initiatives announced within the 2003-04 Budget, the Fire Reconstruction Levy and the Loan Security Duty on Commercial Loans (Mortgage Duties).

(c) Land Revenues

Land revenue increased by \$90m. This is largely attributed to the sustained strength in the housing market. The increases are partly due to land sales by the Land Development Agency, largely relating to Harrison, North Watson, East O'Malley, and Kingston Foreshore.

(d) Appropriation Act 2003-2004 (No.2)

The appropriation supported the Government's immediate response to the McLeod Inquiry; to provide additional capacity in relation to other bushfire requirements not directly related to McLeod; and to provide funding for Enterprise Bargaining Agreements for ACT Fire Brigade, Ambulance and ACTION.

(e) Superannuation Investment Returns

The 2003-04 estimated outcome for the Territory's return on superannuation investments is a net increase of \$24.4m. The detail of this return is in the table below. Of this, \$23.7m was reported in the Mid-Year Review.

Superannuation Related Investments

	2003-04 Budget	2003-04 Estimated Outcome	Variance
	\$m	\$m	\$m
Investment Increments (revenue)	9.4	57.8	48.4
Investment Decrements (expenditure)	0.0	0.0	0.0
Dividends and Interest	52.9	28.0	(24.9)
Fees	(3.2)	(2.3)	1.0
Total	59.1	83.5	24.4

(f) Superannuation Actuarial Review

The government actuary has assessed the superannuation emerging cost payment to ComSuper and the estimated liabilities. The outcome of this review resulted in an increase in 2003-04 expenses of \$48m.

(g) Deferred Expenditure

A number of programs that were budgeted to commence in 2003-04 have been deferred to 2004-05. Expenditure deferred into 2003-04 includes the restructure fund of \$1.4m, Calvary capital grant of \$3.2m and various business assistance programs of \$2m. The impact on the operating result of these deferrals is offset by deferred expenditure from 2002-03.

(h) Interest Revenue

The improvement is due to revised interest earnings on Territory Unencumbered Cash.

(i) Identification of Stormwater Assets

A review of stormwater assets was conducted in 2003-04. The review resulted in an increase of \$143m in value to \$2.080 billion. Of this \$58.5m will be booked as revenue as it relates to previously unrecognised stormwater assets.

(j) Affordable Housing

Housing ACT will receive an injection of \$33.2m in 2003-04, to be funded from the Home Loan Portfolio. This is included in the Appropriation Bill 2003-04 (No.3). The funds are for projects relating to community and public housing, and housing for Aboriginal and Torres Strait Islanders.

(k) Agents Board – transfer to trust account

Under the new *Agents Act 2003*, moneys received are held in trust and are therefore excluded from Territory revenue. The establishment of the Agents Board as a

Trust means that the accounts will not be consolidated into the statements for the Territory. An expense of \$12.3m will be incurred when the net assets of the agency are removed from the General Government Sector. Of this, \$12m was reported in the Mid-Year Review.

(l) Appropriation Bill 2003-2004 (No.3)

The appropriation supported a number of initiatives under The Social Plan, The Spatial Plan and the Economic White Paper, including providing funding to begin implementing the Government's response to the Shaping Our Territory Report; a number of Enterprise Bargaining Agreements that have either been agreed, or are expected to be finalised soon; other cost pressures within agencies, including ACT WorkCover and other initiatives; and for ACT Housing to address homelessness and housing affordability through the expansion of public and community housing. The net impact of the appropriation net of adjustments included within the operating result published in the Mid-Year Review is \$43.1m.

(m) ACTEW Dividend

The dividend payable from ACTEW to the GGS has decreased by \$50.1m for 2003-04. This is due to ACTEW's need to finance water treatment plants at Stromlo and Googong. Also, in recognition of the larger than expected levels of contributed assets, the 2003-04 interim dividend is deferred until 2004-05 year.

(n) Commonwealth Fire Payments

The adjustment recognises the revenue received from the Commonwealth as part payment for the provision of fire services covering Commonwealth premises within the Territory.

(o) Urban Services - Reduced Depreciation

The improvement reflects an adjustment to the depreciation of streetlight assets, recognising the reassessment of this asset's useful life.

(p) Home Loan Portfolio – Transfer to Housing ACT – Loss of Interest Revenue

The adjustment reflects the impact of interest revenue forgone as a result of the transfer of \$33.2m from the Home Loan Portfolio to Housing ACT.

(q) Treasurer's Advance

This adjustment reflects the expectation that the Treasurer's Advance (TA) will remain largely unused in 2003-04. Funding for a number of expenditures that may have been sourced from the TA have been included in supplementary appropriations.

(r) Agency Estimated Outcome

The adjustment relates to changes in the estimated outcome of the following agencies: Justice and Community Safety – for landlord contributions to accommodation fit-out; ACT Health – resulting from savings in the Medical School, Social and Community Funding award, Hepatitis C financial assistance, depreciation and superannuation expenses; InTACT – resulting from reduced interest and depreciation expense from delays in capital purchases and reduced employee expenses; and Department of Urban Services – resulting from audited outcome adjustment and changes in accounting policy for rents and commutation .

(s) Totalcare Superannuation Liability - Estimate

The adjustment represents an estimate of the impact of the current investigation into possible inconsistencies with the application of appropriate superannuation arrangements for Totalcare employees.

For further detail, the 2004-05 Budget is available at:
http://www.treasury.act.gov.au/budget/budget_2004/index.htm

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. Immediate response and subsequent initiatives are expected to cost \$122.6m to the end of 2006-07. These costs will be partly offset by reimbursement under the Natural Disaster Recovery Arrangements (NDRA) of \$15.2m.

Impact on the General Government Sector	2002-03 to 2006-07 Budget	2002-03 to 2006-07 Estimated Outcome	2002-03 to 2006-07 Budget
	\$m	\$m	\$m
Total cost of initiatives and non insurance related work*	52.5	88.4	122.6
plus: work funded from "self insurance" fund**	8.6	9.0	9.0
plus: net provision for public liability claims	0.0	5.0	5.0
less: total estimated return from NDRA	17.0	15.2	15.2
less: total revenue from Fire Reconstruction Levy	10.0	0.0	0.0
Estimated net cost of event over five years	34.1	87.2	121.4

* excludes any reconstruction, clean-up or reinstatement of forests. The increase from the December estimate is due to new bushfire measures included in the Third Appropriation Bill.

** this is the insurance which the Territory provides for within its own insurance provision and is not recoverable from reinsurance.

Year to Date Position

The impact of the January 2003 bushfire for the General Government Sector for the 2003-04 financial year to 31 March 2004 is shown in the table below. Major items included in the year to date expenditure are the Bushfire Taskforce and the Recovery Centre, the coronial inquiry, the cost arising from increased undertakings of the Emergency Services, the fire fuel management programs, and the restoration of bushfire damaged urban landscapes.

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Financial Performance - March 2004

	Original 2003-04 Budget \$'m	2003-04 March YTD \$'m	2003-04 Estimated Outcome \$'m
Revenue			
Insurance Revenue ^a	0.0	10.0	10.0
NDRA Revenue	6.0	4.0	6.0
Fire Reconstruction Levy	5.0	0.0	0.0
Total Revenue	11.0	14.0	16.0
Expenditure			
Bushfire Initiatives	17.1	23.0	37.4
Provisions for Public Liability Claims ^b	0.0	15.0	15.0
Total Expenditure	17.1	38.0	52.4
Net Expenditure	6.1	24.0	36.4

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

^b 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 31 March 2004, after net extraordinary expenses of \$9.5m and income tax equivalents of \$9.6m, was a surplus of \$45.9m. This was \$6.8m below the year to date budget.

Public Enterprise Trading Sector *	2002-2003	2003-2004	March Quarter 2004			2003-2004
	Audit Result	Annual Budget	Budget	Actual	Variance	Estimated Outcome
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	412,681	430,042	319,415	324,718	5,303	474,333
Expenses	315,444	354,041	260,804	259,769	(1,035)	409,159
Extraordinary Revenue	90,928	0	0	0	0	0
Extraordinary Expenses	64,556	0	0	9,504	9,504	9,424
Tax Equivalent	(509)	(355)	(5,933)	(9,577)	(3,644)	(13,386)
OPERATING RESULT	123,100	75,646	52,679	45,868	(6,811)	42,364

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

2.2 Revenue for the quarter ending March 2004

Revenue at the end of March 2004 was \$324.7m, up \$5.3m from the year to date budget of \$319.4m. The following factors contribute to this variance.

Revenue of associates and joint ventures were \$9.8m above the year to date budget due to higher than expected returns from ActewAGL.

Other revenues offset this by being \$3.8m below the year to date budget, due largely to the timing difference associated with insurance recoveries that was accounted for in the 2002-03 year.

2.3 Expenses for the quarter ending March 2004

Expenses to the end of the March quarter 2004, including extraordinary expenses of \$9.5m, were \$269.3m, up \$8.5m from the year to date budget of \$260.8m.

Extraordinary expenses were \$9.5m above the year to date budget, due largely to the partial write-off of standing timber insurance claim receivable, amounting to \$7.6m. The full value of the expected claim of \$64m was recognised in 2002-03. The claim recently settled for an aggregate of \$56.4m.

Income tax equivalents were \$3.6m above the year to date budget, largely due to an increase in revenues from joint ventures.

3 The Financial Position as at 31 March 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 1.99:1. This is largely attributable to the strong year to date result mainly due to increased cash and current receivables.

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 March 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 March 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 March were \$3,393.9m, an increase of \$255.8m from the 2002-03 audited result. This increase largely reflects the increase in payables, employee benefits, finance leases and other liabilities, offset by a decrease in interest bearing liabilities.

Net worth** of the GGS at the end of March was \$5,565.2m, an increase of \$370.1m 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 marginally from the 2002-03 audited result of 2.78:1 to 2.52:1. 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 March remained low at 16%. 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 March 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 March were \$572.5m, a \$21.6m decrease from the 2002-03 audited result of \$594.1m.

Net worth of the PTE at the end of March was \$3,498.3m, an improvement of \$65m 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 *	1999-2000	2000-2001	2001-2002	2002-2003	Qtr 3 YTD	Estimated
					Actual	Outcome
					2003-2004	2004-2005
GGS	1.5 :1	1.57 :1	1.62 :1	1.55 :1	1.99 :1	2.79 :1
PTE	1.09 :1	0.89 :1	1.6 :1	2.78 :1	2.52 :1	2.36 :1
Total Territory	1.35 :1	1.39 :1	1.68 :1	1.82 :1	1.97 :1	2.92 :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, Youth and Family Services, 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, 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 December 2003, 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 31 March 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 (%) *	1999-2000	2000-2001	2001-2002	2002-2003	Qtr 3 YTD	Estimated
					Actual	Outcome
					2003-2004	2004-2005
GGS	17	18	18	19	19	17
PTE	22	24	20	16	16	15
Total Territory	15	16	15	14	15	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 15%. This remains a low percentage.

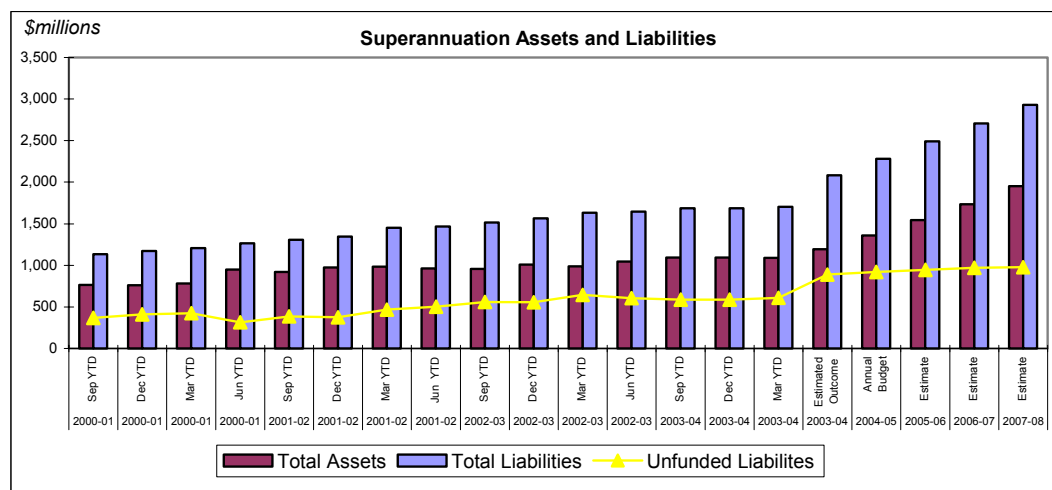
The Territory continues to maintain a manageable financial outlook with a clear ability to meet both short and longer-term debt and maintain its asset base. This relatively low ratio demonstrates a prudent level of liabilities.

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Financial Position - March 2004

3.5 Superannuation Assets and Liabilities

The Territory's superannuation liability of \$1,905m as at 31 March 2004 is the Territory's single largest liability. At 31 March 2004 it was 53% of total liabilities.



Superannuation investments of \$1,181.9m existed at 31 March 2004, providing funding for 62% of the superannuation liability, which is marginally higher than the 61% coverage as at 30 June 2003.

Year to date investment earnings were \$80m, which is \$11.4m greater than the budgeted figure of \$68.6m.

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

Superannuation Related Investments	2002-2003	2003-2004	March Quarter 2004			2003-2004
	Audited Outcome \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
Investment Increments - revenue	0	9,375	46,169	56,487	10,318	57,754
Investment Decrements - expenditure	(44,114)	(3,200)	(1,688)	(1,760)	(72)	(2,250)
Dividends and Interest	47,762	52,889	24,078	25,287	1,209	28,004
Total	3,648	59,064	68,559	80,014	11,455	83,508

Consolidated Financial Management Report

Cash Management - March 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 Qtr 3 YTD \$'m	2003-2004 Year End Estimate \$'m	2004-2005 Year End Estimate \$'m	2005-2006 Year End Estimate \$'m	2006-2007 Year End Estimate \$'m	2007-2008 Year End Estimate \$'m
Territory Unencumbered Cash	412	587	469	300	166	133	176

The TUC at the end of March was \$587m. The end of year TUC is estimated to be \$469m. This indicates that, while a decrease in TUC is expected during the latter part of the financial year, there is no reason to expect a cash deficiency for the remainder of the financial year. The forecasts in the above table incorporate the impact of the 2004-05 Budget initiatives.

4.2 The Territory's cash flows

CASH FLOW	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004 Qtr 3 YTD	2003-2004 Estimated Outcome
	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000	\$'000
Total Operating Receipts:	2,155,425	2,222,955	2,371,148	2,531,001	2,198,594	2,852,979
Total Operating Payments	1,773,250	1,862,867	1,954,622	2,076,425	1,717,323	2,422,402
Cash Flows from Operating Activities	382,175	360,089	416,526	454,576	481,271	430,577
Purchase of PP&E*	241,435	195,968	201,236	205,363	217,832	357,012
Sale of PP&E*	64,643	46,023	44,983	37,676	36,439	53,322
Net Outflow from capital Activities	(176,792)	(149,945)	(156,253)	(167,687)	(181,393)	(303,690)
Total Net Inflow from Operations and Capital	205,383	210,144	260,273	286,890	299,878	126,887

* 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 by \$478.3m, providing capacity for capital works, debt repayment or investment.

Consolidated Financial Management Report

Cash Management - March 2004

The March year to date result for the net cash inflow from operations and capital is \$296.9m.

The improvement in net cash inflow from operations and capital arises mainly from:

- increased taxes fees and fines, particularly conveyances and payroll taxes;
- increased other receipts;
- increased user charges;
- decreased other payments; and
- decreased purchases of property, plant and equipment;

offset by:

- decreased grants received from the Commonwealth;
- decreased interest receipts; and
- increased employee payments.

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 financial performance of the Territory for the quarter and financial year to date ending 31 March 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 March Quarter YTD Budget \$'000	2003-2004 March Quarter YTD Actual \$'000	2003-2004 March Quarter YTD Variance \$'000	2003-2004 Estimated Outcome \$'000
<i>General Taxes</i>						
Payroll Tax	169,059	160,054	134,099	133,184	(915)	177,406
General Rates	112,506	119,250	118,747	117,698	(1,049)	117,752
Land Tax	40,549	47,557	34,070	35,224	1,154	48,664
Debit Tax	14,067	13,950	10,925	10,579	(346)	14,400
Total General Taxes	336,181	340,811	297,841	296,685	(1,156)	358,222
<i>Stamp Duties</i>						
Conveyances	172,297	117,007	153,110	145,036	(8,074)	186,767
General Insurance	26,574	27,774	24,212	23,164	(1,048)	32,283
Hiring Duty	3,067	2,955	2,145	2,250	105	2,860
Leases	3,294	5,634	4,269	3,617	(652)	5,692
Life Insurance	823	1,024	536	512	(24)	715
Motor Vehicle Rego and Transfers	23,588	23,172	17,755	18,271	516	23,674
Transfer of Shares and Marketable Securities	6,885	4,621	11,992	11,767	(225)	12,922
Business Agreements	0	2,800	500	451	(49)	666
Other Duties	1,688	3,117	173	163	(10)	231
Total Duties	238,216	188,104	214,692	205,231	(9,461)	265,810
<i>Gambling Taxes</i>						
ACTTAB Licence Fee	1,611	1,560	1,170	1,029	(141)	1,560
Bookmakers Turnover Tax	76	68	0	5	5	0
Gaming Tax	28,152	31,387	24,364	24,306	(58)	32,800
Casino Tax	2,056	2,101	1,596	1,533	(63)	2,101
Interstate Lotteries	13,660	13,867	10,261	10,163	(98)	13,600
Total Gambling Taxes	45,556	48,983	37,391	37,036	(355)	50,061
<i>Other Taxes</i>						
Ambulance Levy	5,504	5,164	4,882	5,339	457	6,645
TOCTAX - Income Tax Equivalent	489	355	8,158	9,577	1,419	13,386
General Insurance Levy	1	0	0	0	0	0
Fire Reconstruction Levy	0	5,390	0	0	0	0
Other Taxes	(7)	0	0	0	0	0
Other Taxes	5,987	10,909	13,040	14,916	1,876	20,031
Total Taxation Revenue before waivers	625,940	588,807	562,964	553,868	(9,096)	694,124
Waivers	0	4,861	0	0	0	5,137
Total Taxation Revenue	625,940	593,668	562,964	553,868	(9,096)	699,261
Fees	108,715	109,906	84,515	91,644	7,129	120,301
Fines	20,667	20,021	14,816	12,867	(1,949)	18,729
Total Taxes Fees and Fines	755,321	723,595	662,295	658,379	(3,916)	838,291

Notes:

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.

General Government Sector Statement of Financial Performance

	2002-2003	2003-2004	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
Revenue								
Taxes, Fees and Fines	755,321	723,595	246,744	153,704	662,295	658,379	(3,916)	838,291
User Charges - Non ACT Government	170,328	175,378	44,372	52,788	128,244	144,325	16,081	181,784
User Charges - ACT Government	14,955	12,523	4,874	6,041	11,309	11,883	574	13,598
Grants from Commonwealth	1,018,091	1,020,852	264,884	262,962	774,027	781,652	7,625	1,046,808
Interest	110,360	106,417	11,517	22,523	63,609	64,088	479	81,663
Revenue of Associates and Joint Ventures	3,179	5,942	2,257	15	2,257	2,272	15	3,257
Dividend Revenue	48,100	51,147	1,410	573	1,410	573	(837)	773
Other Revenues	299,204	264,391	127,035	74,912	340,144	353,877	13,733	481,084
Resources Received Free of Charge	126	39	0	0	0	0	0	0
Total Revenues	2,419,666	2,360,284	703,093	573,516	1,983,296	2,017,049	33,753	2,647,258
Expenses								
Employee Expense	753,105	804,128	211,331	197,368	615,602	612,762	(2,840)	835,222
Superannuation Expenses	210,059	223,589	93,387	94,109	205,820	206,589	770	285,273
Supplies and Services	426,673	508,730	129,517	120,117	356,540	353,596	(2,945)	522,113
Depreciation and Amortisation	141,008	164,322	40,064	34,954	119,456	113,361	(6,095)	154,167
Borrowing Costs	46,113	45,606	10,684	10,566	33,189	31,329	(1,860)	44,351
Cost of Goods Sold	55,884	50,107	13,006	12,658	35,817	38,572	2,755	61,026
Grants and Purchased Services	434,226	410,395	128,793	120,829	333,578	334,397	819	443,514
Other Expense	275,390	110,951	34,305	55,838	101,761	100,208	(1,553)	117,253
Expenses of Associates and Joint Ventures	890	0	13	0	13	13	0	467
Transfer Expenses	7,090	47,059	9,903	7,747	41,008	38,604	(2,404)	83,072
Total Expense	2,350,438	2,364,887	671,003	654,186	1,842,783	1,829,432	(13,351)	2,546,458
Operating Result Before Extraordinary Items	69,227	(4,603)	32,089	(80,669)	140,512	187,617	47,105	100,800
Extraordinary Items (Net)	85,337	(3,064)	102	(391)	(682)	(6,565)	(5,883)	(7,957)
Operating Result	154,565	(7,667)	32,191	(81,061)	139,830	181,052	41,222	92,843

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>YTD Result as at 31/3/04 \$'000</i>	<i>Estimated Outcome as at 30/6/04 \$'000</i>
Current Assets				
Cash	52,508	48,033	49,883	96,091
Receivables	249,436	170,766	346,811	161,880
Investments	711,280	833,555	883,786	707,152
Inventories	31,398	68,176	67,316	80,024
Capital Work in Progress	2	0	12,295	4,076
Other	60,712	34,055	64,323	45,874
Total Current Assets	1,105,336	1,154,585	1,424,414	1,095,097
Non Current Assets				
Receivables	386,475	381,673	324,038	399,222
Investments	1,237,870	1,101,943	1,394,908	1,344,562
Inventories	3,117	8,940	166,315	197,841
Property, Plant & Equipment	5,453,922	5,500,554	5,382,540	5,838,071
Intangibles	6,526	14,054	7,425	12,151
Works in Progress	120,461	79,827	171,078	102,033
Other	18,516	1,701	87,469	34,604
Total Non Current Assets	7,226,886	7,088,692	7,533,773	7,928,484
TOTAL ASSETS	8,332,222	8,243,277	8,958,187	9,023,581
Current Liabilities				
Payables	215,494	96,238	267,588	140,205
Interest Bearing Liabilities	271,623	277,844	246,889	31,907
Finance Leases	32,390	29,930	36,794	40,147
Employee Benefits	186,847	160,509	168,893	149,220
Other Provisions	1,169	397	3,471	3,853
Other	62,435	65,726	70,511	64,831
Total Current Liabilities	769,958	630,644	794,146	430,163
Non Current Liabilities				
Payables	60,833	68,060	81,528	109,211
Interest Bearing Liabilities	441,985	431,814	441,308	641,301
Finance Leases	36,350	35,912	44,092	53,275
Employee Benefits	1,807,152	1,969,083	1,972,957	2,040,725
Other Provisions	8,308	3,100	11,060	11,135
Other	12,531	493	47,848	19,898
Total Non Current Liabilities	2,367,159	2,508,462	2,598,793	2,875,545
TOTAL LIABILITIES	3,137,116	3,139,106	3,392,939	3,305,708
NET ASSETS	5,195,106	5,104,171	5,565,248	5,717,872
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	4,675,323	4,455,450	4,861,213	4,864,908
Reserve	519,783	648,721	704,035	852,964
TOTAL FUNDS EMPLOYED	5,195,106	5,104,171	5,565,248	5,717,872

General Government Sector Cashflow Statement

	2002-2003	2003-2004	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
Cash Flow from Operating Activities								
<i>Operating Receipts</i>								
Taxes, Fees and Fines	721,060	714,999	220,224	180,730	614,708	625,390	10,681	833,409
User Charges	213,390	181,762	80,977	65,288	138,662	154,175	15,512	197,262
Interest Received	78,210	70,139	18,470	20,352	52,538	49,555	(2,983)	68,641
Grants Received from the Commonwealth	1,032,306	1,029,344	287,127	273,027	785,316	776,329	(8,987)	1,049,000
Other Receipts	279,062	450,741	172,000	171,041	388,954	439,362	50,408	516,368
Extraordinary Receipts	604	0	0	0	0	0	0	0
Territory Receipts transferred from Agencies	0	0	4,680	2,866	14,039	9,318	(4,721)	0
Total Operating Receipts	2,324,632	2,446,985	783,477	713,305	1,994,217	2,054,129	59,912	2,664,680
<i>Operating Payments</i>								
Related to Employees	793,922	880,013	191,726	198,691	625,820	633,595	7,774	920,010
Supplies and Services	439,463	522,877	133,179	104,958	372,865	373,927	1,062	524,874
Grants and Purchased Services	439,700	414,611	131,746	126,116	347,764	346,045	(1,719)	447,833
Borrowing Costs	45,040	46,399	7,381	10,402	29,584	29,624	40	44,051
Other	257,089	333,864	137,886	90,925	270,819	244,795	(26,025)	353,476
Payments to PTE Agencies for Outputs	1,140	32,895	8,224	7,302	24,671	24,340	(331)	32,759
Extraordinary Payments	20,981	3,064	391	419	1,164	814	(350)	3,174
Total Operating Payments	1,997,335	2,233,723	610,532	538,814	1,672,688	1,653,139	(19,548)	2,326,177
Net Cash Inflow/(Outflow) from Operating Activities	327,297	213,262	172,944	174,491	321,529	400,989	79,460	338,503
Cash Flows from Investing Activities								
<i>Investing Receipts</i>								
Sale of Property, Plant and Equipment	1,660	4,320	85	1,064	205	2,326	2,120	5,664
Sale/Maturity of Investments	15,885	9,462	14,616	7,829	19,037	14,495	(4,541)	41,308
Repayment of Home Loan Principal	20,469	17,065	66	2,247	8,598	8,622	24	3,217
Repayment of Advance	4,753	5,096	1,274	1,316	3,822	3,432	(390)	7,028
Dividends	49,672	50,671	1,261	1,043	10,491	10,273	(218)	10,473
Total Investing Receipts	92,439	86,614	17,303	13,499	42,153	39,148	(3,005)	67,690
<i>Investing Payments</i>								
Purchase of Property, Plant and Equipment	126,699	200,623	28,307	39,842	127,699	116,773	(10,926)	172,438
Purchase of Land and Intangibles	4,333	9,750	1,630	3,149	2,820	3,149	329	5,005
Purchase of Investments	408,212	83,687	30,725	31,147	73,123	99,326	26,203	96,154
Loans Issued	0	8,000	0	0	0	0	0	2,300
Capital Payments	5,950	11,849	5,421	445	14,600	14,264	(336)	49,313
Total Investing Payments	545,194	313,909	66,083	74,583	218,242	233,513	15,270	325,210
Net Cash Inflow/(Outflow) from Investing Activities	(452,755)	(227,295)	(48,780)	(61,085)	(176,089)	(194,364)	(18,275)	(257,520)
Cash Flows from Financing Activities								
<i>Financing Receipts</i>								
Borrowings Received	232	39,010	9,782	700,024	29,285	700,170	670,884	227
Finance Leases	9,102	0	0	9,451	0	28,615	28,615	29,920
Total Financing Receipts	9,334	39,010	9,782	709,475	29,285	728,785	699,499	30,147
<i>Financing Payments</i>								
Repayment of Borrowings	11,005	9,258	1,190	627,507	5,856	631,349	625,492	9,385
Repayment of Finance leases	18,690	18,828	8,372	12,082	13,881	35,698	21,817	42,875
Repayment of Investments to Agencies	6,791	0	0	78,550	0	83,275	83,275	18,525
Payment of Transferred Cash Balances	0	1,401	350	0	1,051	3,212	2,162	3,421
Total Financing Payments	36,486	29,487	9,913	718,139	20,789	753,534	732,745	74,206
Net Cash Inflow/(Outflow) from Financing Activities	(27,152)	9,523	(131)	(8,664)	8,497	(24,749)	(33,246)	(44,059)
Net Increase/(Decrease) in Cash Held	(152,610)	(4,510)	124,033	104,742	153,937	181,875	27,939	36,924
Cash at Beginning Period	904,118	589,482	619,386	828,640	589,482	751,507	162,025	751,507
Cash at End of Period	751,507	584,972	743,419	933,383	743,419	933,383	189,964	788,431

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.

Public Trading Enterprise Sector Statement of Financial Performance

	2002-2003	2003-2004	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
Revenue								
Government Payment for Outputs	6,040	47,059	7,747	7,747	38,604	38,604	0	83,072
User Charges - Non ACT Government	223,063	222,324	52,810	57,107	164,725	164,647	(78)	220,748
User Charges - ACT Government	109,400	75,779	22,108	20,237	58,129	57,376	(754)	77,308
Grants from Commonwealth	149	18,718	2,866	2,917	9,317	9,445	128	18,661
Interest Received	5,404	5,643	1,194	1,416	4,156	4,206	50	5,070
Revenue of Associates and Joint Ventures	43,046	39,950	5,237	7,328	28,565	38,345	9,781	47,240
Other Revenues	25,301	20,519	5,663	5,875	15,882	12,058	(3,825)	22,184
Resources Received Free of Charge	278	50	13	13	38	38	0	50
Total Revenue	412,681	430,042	97,636	102,640	319,415	324,718	5,303	474,333
Expenses								
Employee Expense	66,596	69,505	17,246	17,980	53,030	55,243	2,213	75,634
Superannuation Expenses	8,143	8,479	1,875	1,763	5,668	5,298	(370)	7,156
Supplies and Services	79,313	86,306	37,883	39,461	112,750	115,413	2,664	92,104
Depreciation and Amortisation	39,488	42,131	10,503	10,065	31,591	30,180	(1,411)	41,479
Borrowing Costs	32,393	30,321	7,788	6,625	23,373	22,204	(1,169)	29,811
Cost of Goods Sold	62,225	67,276	2,970	2,584	6,791	5,192	(1,599)	70,491
Grants and Purchased Services	0	8,222	2,154	696	6,244	2,301	(3,943)	8,024
Other Expense	27,286	23,083	4,357	5,784	12,036	14,616	2,580	65,899
Transfer Expenses	0	18,718	2,869	2,869	9,321	9,321	0	18,561
Total Expense	315,444	354,041	87,645	87,828	260,804	259,769	(1,035)	409,159
Operating Result before Extraordinary Items	97,236	76,001	9,992	14,812	58,612	64,949	6,337	65,174
Extraordinary Items (Net)	26,372	0	0	(1,502)	0	(9,504)	(9,504)	(9,424)
Income Tax Equivalent	(509)	(355)	(7,297)	(8,929)	(5,933)	(9,577)	(3,644)	(13,386)
Operating Result	123,100	75,646	2,694	4,380	52,679	45,868	(6,811)	42,364

Notes:

Supplies and Services: The year to date amounts exceed the 2003-04 estimated outcome, representing a difference in accounting treatment between actual and annual budget reporting. The difference is caused by a large portion of the cost of goods sold being included in supplies and services for the purpose of actual reporting, whereas for the budget the cost of goods sold was reported separately. This treatment used for actual reporting is considered to be more appropriate, and will be incorporated in the 2005-06 Budget.

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>YTD Result as at 31/3/04 \$'000</i>	<i>Estimated Outcome as at 30/6/04 \$'000</i>
Current Assets				
Cash	16,850	12,488	20,121	19,403
Receivables	108,581	25,904	83,902	66,576
Investments	74,938	97,374	69,846	63,042
Inventories	98	65	90	92
Other	10,503	10,908	13,643	10,054
Total Current Assets	210,970	146,739	187,603	159,167
Non Current Assets				
Receivables	0	0	500	500
Investments	396,626	394,219	408,559	345,597
Property, Plant & Equipment	3,345,336	3,108,585	3,378,669	3,664,272
Intangibles	1,403	1,123	1,057	1,034
Works in Progress	18,405	13,905	40,357	19,085
Tax Asset	12,404	10,393	11,567	12,585
Other	42,182	40,237	42,490	44,500
Total Non Current Assets	3,816,356	3,568,462	3,883,199	4,087,573
TOTAL ASSETS	4,027,326	3,715,201	4,070,802	4,246,740
Current Liabilities				
Creditors	34,023	30,474	39,292	26,648
Interest Bearing Liabilities	8,644	10,956	13,473	14,794
Finance Leases	1,359	593	820	1,087
Employee Entitlements	17,622	14,875	15,899	16,718
Other Provisions	9,700	20,004	2,219	2,755
Tax Liability	218	0	0	971
Other	4,362	4,016	2,745	4,382
Total Current Liabilities	75,928	80,918	74,448	67,355
Non Current Liabilities				
Creditors	841	2	841	841
Interest Bearing Liabilities	479,166	464,920	468,845	458,416
Finance Leases	994	400	2,698	2,104
Employee Benefits	21,172	18,734	24,359	21,216
Other Provisions	2,949	4,420	836	2,949
Tax Liability	12,557	9,089	19,719	15,115
Other	504	380	517	380
Total Non Current Liabilities	518,183	497,945	517,814	501,021
TOTAL LIABILITIES	594,111	578,863	592,262	568,376
NET ASSETS	3,433,214	3,136,338	3,478,540	3,678,364
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	1,821,209	1,828,415	1,890,607	1,884,859
Reserve	1,612,005	1,307,923	1,587,933	1,793,505
TOTAL FUNDS EMPLOYED	3,433,214	3,136,338	3,478,540	3,678,364

Public Trading Enterprise Sector Cashflow Statement

	2002-2003 Audit Result \$'000	2003-2004 Annual Budget \$'000	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004 Estimated Outcome \$'000
			Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	
Cash Flow from Operating Activities								
<i>Operating Receipts</i>								
Cash from Government for Operating	1,140	32,895	7,303	7,302	24,341	24,340	(1)	32,759
User Charges	337,991	298,148	146,715	71,626	221,685	224,891	3,206	300,733
Interest Received	5,623	5,643	2,597	1,513	4,510	4,063	(447)	5,045
Grants Received from the Commonwealth	142	18,718	2,866	2,917	9,317	9,475	158	18,661
Other Receipts	53,187	48,365	32,365	7,709	36,316	37,918	1,601	53,012
Extraordinary Receipts	5,776	65,951	6,828	12,223	13,482	16,060	2,578	33,479
Total Operating Receipts	403,858	469,720	198,673	103,289	309,651	316,747	7,096	443,689
<i>Operating Payments</i>								
Related to Employees	71,745	77,243	19,948	17,839	57,026	61,432	4,406	84,527
Related to Supplies and Services	75,190	88,692	78,996	33,359	124,700	122,216	(2,484)	99,086
Borrowing Costs	37,590	31,387	15,663	3,635	13,827	13,838	12	29,653
Grants and Purchased Services	0	8,222	2,154	696	6,245	2,152	(4,093)	8,024
Other	90,588	95,184	7,688	3,983	14,310	26,689	12,380	111,226
Territory Receipts to Government	0	18,718	2,866	2,866	9,318	9,318	0	18,561
Extraordinary Payments	4,026	0	0	208	0	820	820	538
Total Operating Payments	279,140	319,446	127,315	62,586	225,425	236,465	11,040	351,615
Net Cash Inflow/(Outflow) from Operating Activities	124,718	150,274	71,358	40,702	84,226	80,282	(3,945)	92,074
Cash Flows from Investing Activities								
<i>Investing Receipts</i>								
Sale of Property, Plant and Equipment	36,016	54,600	11,988	9,881	37,474	34,113	(3,361)	47,658
Sale/Maturity of Investments	4,594	7,991	3,700	3,700	8,425	8,618	193	30,889
Total Investing Receipts	40,610	62,591	15,688	13,581	45,899	42,731	(3,168)	78,547
<i>Investing Payments</i>								
Purchase of Property, Plant and Equipment	78,664	107,860	28,318	41,923	71,329	101,058	29,729	184,574
Purchase of Land and Intangibles	0	6,160	0	0	0	0	0	4,724
Purchase of Investments	6,290	46,275	13	1,957	38	5,083	5,045	775
Total Investing Payments	84,954	160,295	28,331	43,880	71,367	106,141	34,774	190,073
Net Cash Inflow/(Outflow) from Investing Activities	(44,344)	(97,704)	(12,643)	(30,299)	(25,468)	(63,410)	(37,942)	(111,526)
Cash Flows from Financing Activities								
<i>Financing Receipts</i>								
Capital Injection	5,950	11,849	0	445	8,400	14,264	5,864	51,613
Borrowings Received	0	8,015	5	4	5	6	1	15
Transferred Cash Balances	0	1,401	0	0	1,192	3,212	2,020	3,421
Finance Leases	0	0	0	0	0	2,625	2,625	2,625
Total Financing Receipts	5,950	21,265	5	449	9,597	20,107	10,510	57,674
<i>Financing Payments</i>								
Distributions to Government								
Dividends to Government	49,672	50,671	10,165	573	10,165	10,273	108	10,473
Repayment of Borrowings	12,736	14,178	9,836	7,261	9,496	8,930	(566)	16,960
Repayment of Finance leases	1,009	1,341	732	849	1,094	1,402	308	1,709
Total Financing Payments	63,416	66,190	20,733	8,683	20,755	20,605	(150)	29,142
Net Cash Inflow/(Outflow) from Financing Activities	(57,466)	(44,925)	(20,728)	(8,234)	(11,158)	(498)	10,660	28,532
Net Increase/(Decrease) in Cash Held	22,908	7,645	37,986	2,169	47,601	16,373	(31,227)	9,080
Cash at Beginning Period	28,322	42,184	51,799	65,434	42,184	51,230	9,045	51,230
Cash at End of Period	51,230	49,829	89,785	67,603	89,785	67,603	(22,182)	60,310

Notes:

Supplies and Services: The year to date amounts exceed the 2003-04 estimated outcome, representing a difference in accounting treatment between actual and annual budget reporting. The difference is caused by a large portion of the cost of goods sold being included in supplies and services for the purpose of actual reporting, whereas for the budget the cost of goods sold was reported separately. This treatment used for actual reporting is considered to be more appropriate, and will be incorporated in the 2005-06 Budget.

Australian Capital Territory Statement of Financial Performance

	2002-2003	2003-2004	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004
	Audit Result \$'000	Annual Budget \$'000	Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	Estimated Outcome \$'000
Revenue								
Taxes, Fees and Fines	734,183	699,760	237,324	149,632	639,598	635,491	(4,106)	801,162
User Charges - Non ACT Government	393,391	397,702	97,182	109,895	292,970	308,972	16,003	402,532
Grants from Commonwealth	1,018,241	1,020,852	267,750	265,878	783,344	791,097	7,753	1,046,908
Interest	92,594	88,481	6,916	18,779	50,058	53,244	3,186	65,396
Revenue of Associates and Joint Ventures	46,225	45,892	7,494	7,344	30,822	40,618	9,796	50,497
Other Revenues	302,804	258,071	125,420	72,240	325,952	344,084	18,132	478,009
Resources Received Free of Charge	126	39	0	0	0	0	0	0
Total Revenues	2,587,563	2,510,797	742,085	623,768	2,122,743	2,173,506	50,763	2,844,504
Expenses								
Employee Expense	815,763	869,625	227,496	214,279	665,326	664,682	(644)	906,335
Superannuation Expenses	212,207	225,081	94,032	94,781	207,623	208,514	892	287,158
Supplies and Services	484,137	581,563	159,372	152,923	463,937	465,497	1,561	598,383
Depreciation and Amortisation	180,496	206,453	50,567	45,019	151,047	143,542	(7,506)	195,646
Borrowing Costs	55,336	52,348	11,198	12,031	38,636	38,483	(152)	52,825
Cost of Goods Sold	110,880	102,419	12,957	12,600	35,726	38,465	2,739	123,551
Grants and Purchased Services	338,614	356,387	116,005	105,551	293,361	288,967	(4,394)	386,842
Other Expense	180,469	97,025	36,038	61,623	91,269	93,562	2,293	150,452
Expenses of Associates and Joint Ventures	890	0	13	0	13	13	0	467
Total Expense	2,378,792	2,490,901	707,678	698,807	1,946,937	1,941,726	(5,211)	2,701,659
Operating Result Before Extraordinary Items	208,772	19,896	34,407	(75,039)	175,806	231,780	55,975	142,845
Extraordinary Items (Net)	20,793	(3,064)	181	(551)	(603)	(7,099)	(6,496)	(8,411)
Operating Result	229,564	16,832	34,588	(75,590)	175,203	224,682	49,479	134,434

Australian Capital Territory Statement of Financial Position

	<i>Audit Result</i> <i>as at 30/6/03</i> \$'000	<i>Budgeted Balance</i> <i>as at 30/6/04</i> \$'000	<i>YTD Result</i> <i>as at 31/3/04</i> \$'000	<i>Estimated Outcome</i> <i>as at 30/6/04</i> \$'000
Current Assets				
Cash	69,358	60,521	70,004	115,494
Receivables	241,957	166,754	355,793	161,576
Investments	746,193	871,934	932,817	748,694
Inventories	31,496	68,241	67,406	80,116
Capital Work in Progress	2	0	12,295	4,076
Other	71,206	44,963	74,544	55,922
Total Current Assets	1,160,212	1,212,413	1,512,860	1,165,878
Non Current Assets				
Receivables	68,495	63,432	79,819	86,310
Investments	1,634,476	1,496,162	1,803,447	1,690,139
Inventories	3,117	8,940	166,315	197,841
Property, Plant & Equipment	8,799,258	8,608,322	8,761,210	9,502,343
Intangibles	7,929	15,177	8,481	13,185
Works in Progress	138,866	93,732	211,435	121,118
Other	60,698	41,938	129,959	79,104
Total Non Current Assets	10,712,838	10,327,703	11,160,667	11,690,040
TOTAL ASSETS	11,873,050	11,540,116	12,673,527	12,855,918
Current Liabilities				
Payables	151,799	114,510	310,670	145,148
Interest Bearing Liabilities	240,212	223,735	235,455	15,034
Finance Leases	33,749	30,523	37,613	41,234
Employee Benefits	204,469	175,384	184,792	165,938
Other Provisions	1,169	11,829	5,690	3,853
Other	66,272	69,295	74,646	66,813
Total Current Liabilities	697,669	625,276	848,867	438,020
Non Current Liabilities				
Payables	59,877	65,844	81,530	79,326
Interest Bearing Liabilities	597,223	578,282	594,976	790,653
Finance Leases	37,344	36,312	46,790	55,379
Employee Benefits	1,828,325	1,987,817	1,997,316	2,061,941
Other Provisions	11,257	6,020	11,896	14,084
Other	13,035	873	48,365	20,278
Total Non Current Liabilities	2,547,060	2,675,148	2,780,872	3,021,661
TOTAL LIABILITIES	3,244,730	3,300,424	3,629,739	3,459,681
NET ASSETS	8,628,320	8,239,692	9,043,788	9,396,236
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	6,496,532	6,283,048	6,751,820	6,749,767
Reserve	2,131,788	1,956,644	2,291,968	2,646,469
TOTAL FUNDS EMPLOYED	8,628,320	8,239,692	9,043,788	9,396,236

Australian Capital Territory Cashflow Statement

	2002-2003 Audit Result \$'000	2003-2004 Annual Budget \$'000	March Quarter 2004		March Quarter 2004 Year to Date			2003-2004 Estimated Outcome \$'000
			Budget \$'000	Actual \$'000	Budget \$'000	Actual \$'000	Variance \$'000	
Cash Flow from Operating Activities								
<i>Operating Receipts</i>								
Taxes, Fees and Fines	700,083	690,120	208,581	176,313	588,923	602,304	13,381	797,487
User Charges	425,656	393,157	201,547	117,665	294,516	310,103	15,587	404,681
Interest Received	59,717	51,137	15,065	16,758	38,674	37,446	(1,228)	52,374
Grants Received from the Commonwealth	1,032,447	1,029,344	289,993	275,944	794,633	785,805	(8,829)	1,049,100
Other Receipts	312,488	478,344	198,238	178,260	411,116	462,936	51,821	549,332
Extraordinary Receipts	609	0	0	0	0	0	0	5
Total Operating Receipts	2,531,001	2,642,102	913,423	764,940	2,127,862	2,198,594	70,732	2,852,979
<i>Operating Payments</i>								
Related to Employees	855,597	946,274	208,693	214,333	675,008	688,097	13,090	994,694
Related to Supplies and Services	495,518	592,841	207,425	132,001	475,754	473,454	(2,300)	582,775
Borrowing Costs	55,953	53,141	6,495	8,931	27,104	27,291	187	52,392
Grants and Purchased Services	341,318	360,604	121,990	114,050	306,329	299,099	(7,231)	391,161
Other	303,037	322,642	123,425	79,883	250,619	227,827	(22,792)	397,747
Extraordinary Payments	25,001	3,064	312	548	1,085	1,555	470	3,633
Total Operating Payments	2,076,425	2,278,566	668,340	549,746	1,735,899	1,717,323	(18,576)	2,422,402
Net Cash Inflow/(Outflow) from Operating Activities	454,576	363,536	245,083	215,193	391,963	481,271	89,308	430,577
Cash Flows from Investing Activities								
<i>Investing Receipts</i>								
Sale of Property, Plant and Equipment	37,676	58,920	12,073	10,945	37,679	36,439	(1,241)	53,322
Sale/Maturity of Investments	16,004	10,256	14,616	7,829	19,037	14,688	(4,348)	53,672
Repayment of Home Loan Principal	20,469	17,065	66	2,247	8,598	8,622	24	3,217
Total Investing Receipts	74,149	86,241	26,756	21,021	65,314	59,749	(5,565)	110,211
<i>Investing Payments</i>								
Purchase of Property, Plant and Equipment	205,363	308,483	56,626	81,765	199,028	217,832	18,804	357,012
Purchase of Land and Intangibles	4,333	15,910	1,630	3,149	2,820	3,149	329	9,729
Purchase of Investments	414,502	83,962	30,738	33,104	73,161	104,409	31,248	96,929
Total Investing Payments	624,198	408,355	88,993	118,018	275,009	325,390	50,381	463,670
Net Cash Inflow/(Outflow) from Investing Activities	(550,049)	(322,114)	(62,238)	(96,998)	(209,695)	(265,641)	(55,946)	(353,459)
Cash Flows from Financing Activities								
<i>Financing Receipts</i>								
Borrowings Received	232	222	86	625,178	188	625,326	625,138	242
Finance Leases	9,102	0	0	9,451	0	31,240	31,240	32,545
Total Financing Receipts	9,334	222	86	634,629	188	656,566	656,378	32,787
<i>Financing Payments</i>								
Repayment of Borrowings	21,550	18,340	6,743	632,982	11,469	636,847	625,377	19,317
Repayment of Finance leases	19,699	20,169	9,105	12,931	14,975	37,100	22,125	44,584
Repayment of Investments to Agencies	2,316	0	0	0	0	0	0	0
Total Financing Payments	43,565	38,509	15,848	645,913	26,445	673,947	647,502	63,901
Net Cash Inflow/(Outflow) from Financing Activities	(34,230)	(38,287)	(15,762)	(11,284)	(26,257)	(17,381)	8,876	(31,114)
Net Increase/(Decrease) in Cash Held	(129,703)	3,135	167,083	106,912	156,011	198,249	42,238	46,004
Cash at Beginning Period	932,442	631,669	620,596	894,076	631,669	802,739	171,070	802,739
Cash at End of Period	802,739	634,804	787,680	1,000,988	787,680	1,000,988	213,308	848,743

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.

General Government Sector - *Departmental* Financial Year to Date ending 31 March 2004

	Year to Date Budget \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Gambling and Racing Commission	43,085	42,783	302	42,751	42,331	420	(334)	(452)	118
ACT Health	404,467	408,165	(3,698)	415,820	405,895	9,925	11,353	(2,270)	13,623
ACT Insurance Authority	25,798	24,627	1,171	30,767	37,191	(6,424)	4,969	12,563	(7,595)
ACT Workcover	6,087	6,375	(289)	6,199	5,822	377	113	(553)	666
Agents Board	839	78	761	839	78	761	0	0	0
Auditor-General	2,358	1,978	380	2,344	1,992	352	(14)	14	(29)
Australian Capital Tourism	12,059	11,037	1,022	12,628	10,885	1,743	569	(152)	721
Australian International Hotel School	4,569	4,358	211	4,569	4,358	211	0	0	0
Canberra Cemeteries Trust	1,015	987	28	1,152	995	157	137	8	129
Canberra Institute of Technology	56,649	61,026	(4,377)	56,966	61,521	(4,555)	317	495	(178)
Chief Minister's Department	46,825	50,027	(3,202)	46,997	47,651	(654)	172	(2,376)	2,548
Cultural Facilities Corporation	7,854	8,806	(952)	7,576	8,386	(810)	(278)	(420)	141
Department of Disability, Housing and Community Services	57,135	55,544	1,591	57,004	55,406	1,598	(131)	(139)	7
Department of Education, Youth and Family Service	346,114	376,668	(30,554)	346,168	374,495	(28,327)	54	(2,173)	2,227
Department of Justice and Community Safety	93,094	97,843	(4,749)	100,191	98,881	1,310	7,097	1,038	6,058
Department of Treasury	25,193	25,282	(89)	25,347	24,807	540	154	(475)	629
Department of Urban Services	226,991	262,403	(35,412)	235,537	262,175	(26,638)	8,546	(228)	8,774
Exhibition Park in Canberra	2,091	2,186	(95)	2,378	2,161	217	287	(25)	312
Health Promotion Fund	2,285	2,383	(98)	2,312	2,337	(25)	27	(45)	72
Home Loan Portfolio	4,174	8,609	(4,435)	4,620	9,065	(4,445)	446	456	(10)
Independent Competition and Regulatory Commission	1,965	1,777	188	3,075	2,457	618	1,110	680	430
InTACT	52,678	52,822	(144)	50,964	49,175	1,789	(1,714)	(3,647)	1,933
Legal Aid Commission	5,042	5,429	(386)	5,474	5,591	(117)	431	162	269
Legislative Assembly Secretariat	3,652	3,746	(94)	3,794	3,840	(46)	142	95	48
Land Development Agency	231,321	64,667	166,654	233,391	58,466	174,925	2,070	(6,201)	8,271
ACT Planning and Land Authority	28,716	26,152	2,564	28,713	24,118	4,595	(3)	(2,033)	2,030
Public Trustee for the ACT	1,855	1,607	247	1,713	1,687	26	(141)	80	(221)
TotalCare	36,805	38,592	(1,787)	44,581	44,342	239	7,775	5,750	2,025
Workers Compensation Fund	808	1,111	(303)	509	1,333	(825)	(299)	223	(521)

General Government Sector - Territorial
Financial Year to Date ending 31 March 2004

	Year to Date Budget \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Executive	3,148	3,165	(17)	3,149	3,214	(65)	1	49	(48)
ACT Health	86,988	86,988	0	92,092	92,092	0	5,104	5,104	0
ACT Superannuation Unit	80,220	190,580	(110,360)	90,317	190,434	(100,117)	10,097	(146)	10,243
ACT Workcover	440	440	0	543	543	0	103	103	0
Central Financing Unit	1,578,165	1,607,062	(28,897)	1,665,178	1,540,157	125,022	87,014	(66,905)	153,919
Chief Minister's Department	3,592	3,592	0	3,592	3,592	0	0	0	0
Department of Disability, Housing and Community Services	26,673	26,695	(22)	28,753	28,775	(22)	2,080	2,080	0
Department of Education, Youth and Family Service	243,375	242,580	795	243,702	242,272	1,430	327	(308)	635
Department of Justice and Community Safety	83,586	84,300	(714)	85,416	86,378	(962)	1,830	2,078	(248)
Department of Treasury	1,209,929	1,209,929	0	1,202,776	1,202,776	0	(7,153)	(7,153)	0
Department of Urban Services	105,758	105,758	0	107,608	107,608	0	1,850	1,850	0
Legislative Assembly Secretariat	2,852	3,380	(528)	2,924	3,261	(337)	72	(119)	191

Public Trading Enterprises - *Departmental*
Financial Year to Date ending 31 March 2004

	Year to Date Budget \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Forests	6,037	6,526	(489)	2,911	17,120	(14,209)	(3,126)	10,594	(13,720)
ACT Housing	75,278	79,683	(4,405)	75,414	75,984	(570)	136	(3,699)	3,835
ACTEW	141,766	105,278	36,488	146,082	105,522	40,559	4,316	244	4,072
ACTION Authority	51,346	53,752	(2,407)	52,349	55,763	(3,415)	1,003	2,011	(1,008)
ACTTAB	18,175	17,555	620	20,609	18,648	1,962	2,435	1,093	1,341
CIT Solutions	6,178	6,175	3	6,290	6,678	(388)	112	503	(391)
Stadiums Authority	3,932	3,029	903	4,071	3,144	927	139	116	24

Public Trading Enterprises - *Territorial*
Financial Year to Date ending 31 March 2004

	Year to Date Budget \$'000			Year to Date Actual \$'000			Variance \$'000		
	Revenue	Expense	Result	Revenue	Expense	Result	Revenue	Expense	Result
ACT Housing	9,317	9,317	0	9,317	9,317	0	0	0	0