

## MILK AUTHORITY OF THE ACT

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### Objectives

The objectives of the Milk Authority of the ACT were altered by legislative amendments to the *Milk Authority Act 1971*, which was passed by the Legislative Assembly on 16 February 1999. The effect of the amendments, among other things, was to transfer the discharge of regulatory responsibility to the Department of Urban Services (home vendor zones and licensing) and the Chief Minister's Department (price controls).

The objectives of the authority consistent with the *Milk Authority Act 1971* are to engage in the supply and sale of milk in the territory, and to administer contracts between the Authority and industry participants.

### 1999-2000 Highlights

Strategic and operational issues to be pursued in 1999-2000 include:

- maintaining stability and quality of milk supply;
- ensuring a market for local suppliers of raw milk; and
- maintaining community awareness of Canberra Milk trade marks by contractual arrangements.

<b>Budget Summary</b>	<b>1999-2000 Planned \$000</b>
<b>Revenues</b>	
• Sales	14 542
• Other	50
<b>Operating Expenditure</b>	
• Cost of goods sold	13 766
• Other	529
<b>Other Outgoings</b>	
• Dividend to Government	228

## Milk Authority of the ACT Operating Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
<b>Revenue</b>							
17 225	User Charges - Non ACT Government	15 158	14 542	-4	14 542	14 542	14 542
50	Interest	62	50	-19	50	50	50
<b>17 275</b>	<b>Total Revenue</b>	<b>15 220</b>	<b>14 592</b>	<b>-4</b>	<b>14 592</b>	<b>14 592</b>	<b>14 592</b>
<b>Expenses</b>							
417	Employee Expenses	286	120	-58	120	120	120
49	Superannuation Expenses	42	20	-52	20	20	20
35	Depreciation and Amortisation	26	19	-27	15	15	15
15 127	Cost of Goods Sold	13 950	13 766	-1	13 766	13 766	13 766
1 468	Other Expenses	809	370	-54	374	374	374
<b>17 096</b>	<b>Total Expenses</b>	<b>15 113</b>	<b>14 295</b>	<b>-5</b>	<b>14 295</b>	<b>14 295</b>	<b>14 295</b>
<b>179</b>	<b>Operating Result</b>	<b>107</b>	<b>297</b>	<b>178</b>	<b>297</b>	<b>297</b>	<b>297</b>
<b>571</b>	<b>Accumulated Funds - Start of Period</b>	<b>384</b>	<b>395</b>	<b>3</b>	<b>667</b>	<b>735</b>	<b>804</b>
-50	Amounts transferred to/from Reserves	203	202	..	0	0	0
200	Distributions to Government	200	0	-100	0	0	0
90	Dividend Declared	98	228	133	228	228	228
<b>410</b>	<b>Accumulated Funds - End of Period</b>	<b>395</b>	<b>666</b>	<b>69</b>	<b>735</b>	<b>804</b>	<b>873</b>

**Milk Authority of the ACT  
Statement Of Financial Position**

<b>Budget as at 30/6/99 \$'000</b>	<b>Est.Outcome as at 30/6/99 \$'000</b>	<b>Planned as at 30/6/00 \$'000</b>	<b>Var %</b>	<b>Planned as at 30/6/01 \$'000</b>	<b>Planned as at 30/6/02 \$'000</b>	<b>Planned as at 30/6/03 \$'000</b>
<b>Current Assets</b>						
1 222 Cash	453	674	49	762	850	938
662 Receivables	563	559	-1	559	559	559
10 Other	5	5	-	5	5	5
<b>1 893 Total Current Assets</b>	<b>1 020</b>	<b>1 237</b>	<b>21</b>	<b>1 325</b>	<b>1 413</b>	<b>1 501</b>
<b>Non Current Assets</b>						
275 Property, Plant and Equipment	266	247	-7	232	217	202
7 Intangibles	7	7	-	7	7	7
<b>282 Total Non Current Assets</b>	<b>273</b>	<b>254</b>	<b>-7</b>	<b>239</b>	<b>224</b>	<b>209</b>
<b>2 175 TOTAL ASSETS</b>	<b>1 293</b>	<b>1 491</b>	<b>15</b>	<b>1 564</b>	<b>1 637</b>	<b>1 710</b>
<b>Current Liabilities</b>						
1 387 Creditors	568	563	-1	563	563	563
34 Employee Entitlements	14	14	-	14	14	14
43 Other Provisions	98	228	133	228	228	228
<b>1 464 Total Current Liabilities</b>	<b>680</b>	<b>805</b>	<b>18</b>	<b>805</b>	<b>805</b>	<b>805</b>
<b>Non Current Liabilities</b>						
32 Employee Entitlements	18	20	11	24	28	32
<b>32 Total Non Current Liabilities</b>	<b>18</b>	<b>20</b>	<b>11</b>	<b>24</b>	<b>28</b>	<b>32</b>
<b>1 496 TOTAL LIABILITIES</b>	<b>698</b>	<b>825</b>	<b>18</b>	<b>829</b>	<b>833</b>	<b>837</b>
<b>680 NET ASSETS</b>	<b>596</b>	<b>667</b>	<b>12</b>	<b>736</b>	<b>805</b>	<b>874</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>						
410 Accumulated Funds	395	666	69	735	804	873
271 Reserves	200	0	-100	0	0	0
<b>681 TOTAL FUNDS EMPLOYED</b>	<b>596</b>	<b>667</b>	<b>12</b>	<b>736</b>	<b>805</b>	<b>874</b>

## Milk Authority of the ACT Cashflow Statement

1998-99 Budget \$'000		1998-99 Est.Outcome \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
<b>1 200</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>232</b>	<b>452</b>	<b>95</b>	<b>674</b>	<b>762</b>	<b>850</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
16 596	User Charges	15 078	14 546	-4	14 542	14 542	14 542
55	Interest Received	62	50	-19	50	50	50
<b>16 651</b>	<b>Operating Receipts</b>	<b>15 140</b>	<b>14 596</b>	<b>-4</b>	<b>14 592</b>	<b>14 592</b>	<b>14 592</b>
	<b>Payments</b>						
445	Related to Employees	373	138	-63	136	136	136
15 887	Other	14 276	14 138	-1	14 140	14 140	14 140
<b>16 332</b>	<b>Operating Payments</b>	<b>14 649</b>	<b>14 276</b>	<b>-3</b>	<b>14 276</b>	<b>14 276</b>	<b>14 276</b>
<b>319</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>491</b>	<b>320</b>	<b>-35</b>	<b>316</b>	<b>316</b>	<b>316</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale of Property, Plant & Equipment	35	0	-100	0	0	0
<b>0</b>	<b>Investing Receipts</b>	<b>35</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
34	Purchase of Property, Plant and Equipment	19	0	-100	0	0	0
<b>34</b>	<b>Investing Payments</b>	<b>19</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-34</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>16</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Payments</b>						
200	Distributions to Government	200	0	-100	0	0	0
63	Dividends to Government	87	98	13	228	228	228
<b>263</b>	<b>Financing Payments</b>	<b>287</b>	<b>98</b>	<b>-66</b>	<b>228</b>	<b>228</b>	<b>228</b>
<b>-263</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-287</b>	<b>-98</b>	<b>66</b>	<b>-228</b>	<b>-228</b>	<b>-228</b>
<b>22</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>220</b>	<b>222</b>	<b>1</b>	<b>88</b>	<b>88</b>	<b>88</b>
<b>1 222</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>452</b>	<b>674</b>	<b>49</b>	<b>762</b>	<b>850</b>	<b>938</b>

## Notes to the Budget Statements

The *Milk Authority Act 1971* was reviewed in July 1998 in line with the Government's obligations under the Competition Principles Agreement. Budget estimates have been prepared on the basis of this review and the subsequent legislative amendments that were passed by the Assembly on 16 February 1999.

### *Operating Statement*

Significant variations are as follows:

- user charges - non ACT Government: the decrease of \$2.067m in 1998-99 from budget was due to the introduction of competition in the market;
- cost of goods sold: the decrease of \$1.177m in 1998-99 from original budget reflects lower than anticipated milk sales as a result of competition; and
- dividend declared: the increase of \$0.131m in 1999-2000 provides for the regulatory functions that have been transferred from the Authority to the Government.

### *Statement of Financial Position*

Significant variations are as follows:

- current assets: the decrease in projected cash and receivables in 1998-99 from original Budget is a result of lower than anticipated activity levels; and
- current liabilities: the increase in other provisions in 1999-2000 relates to the increase in dividend to be paid to Government.

