

3. 2004-05 ESTIMATED OUTCOME

This chapter provides information on the estimated outcome for 2004-05. Projected 2004-05 financial statements have been provided for the general government sector, public trading enterprises and for the whole of the Territory.

General Government Sector

The estimated operating result for the General Government Sector (GGS) for 2004-05 is a surplus of \$52.2m. This represents a \$50m improvement compared to the original 2004-05 budgeted operating surplus of \$2.2m.

Table 3.1
2004-05 Estimated Outcome

	2004-05 Original Budget \$m	2004-05 Estimated Outcome \$m	Variation	
			\$m	%
Revenue	2 592.0	2 720.3	128.3	5.0%
Expenses	2 589.7	2 667.8	78.2	3.0%
Operating Result from Ordinary Activities	2.3	52.5	50.2	#
Extraordinary Expense	0.1	0.4	0.2	243.1%
Operating Result	2.2	52.2	50.0	#

Note: Tables may not add due to rounding

Movement in the Estimated Outcome

In November 2004, the Government forecast an operating result of \$20.9m in the *Pre-Election Update* and *September Quarterly Management Report*. The paper provided an update to the General Government Sector operating result which included positive revisions to Commonwealth Grants revenue (GST Grants), offset by expenditure associated with child protection (as per the amendment to the *2004-2005 Appropriation Bill*), enterprise bargaining agreements and the roll-over from 2003-04 of expenditure relating to the Commercialisation Investment Fund.

In February 2005, the Government released the *Budget Mid-Year Review*. The paper provided revised estimated outcome for the general government sector of \$47.6m.

A summary of the movements between the 2004-05 budget as originally published and the 2004-05 estimated outcome is presented in Table 3.2.

Table 3.2
Movement in the 2004-05 Outcome

	2004-05 \$m
GGS Operating Result - 2004-05 Budget Papers	7.9
(a) Commitment to Child Protection	-5.7
GGS Operating Result - 2004-05 Budget Papers	2.2
(b) Wage Negotiations	-6.4
(c) Net Commonwealth Grants – GST Revenue	24.9
(d) Superannuation Investments	2.6
(e) Superannuation – Actuarial Review Reserve	2.3
(f) Taxes, Fees and Fines	4.0
(g) Interest Revenue	2.9
(h) Commercialisation Investment Fund	-10.0
Other	-1.5
Impact	18.6
GGS Operating Result – Pre-Election Update and September Quarterly Report	20.9
(d) Superannuation Investments	58.0
(i) Land Revenue	7.0
(i) Land Revenue – Audit Adjustment	17.9
(c) Net Commonwealth Grants – GST Revenue	-1.9
(c) Net Commonwealth Grants – National Competition Payments	1.2
(f) Taxes, Fees and Fines	-3.6
(g) Interest Revenue	2.6
(j) Appropriation Act 2004-2005 (No.2)	-25.4
(e) Superannuation – Liabilities	-15.8
(k) Public Trading Enterprise Dividends	-4.4
(l) Insurance	-6.5
Other	-1.9
Impact	26.7
GGS Operating Result - Budget Mid-Year Review	47.6
(i) Land Revenue	-9.6
(c) Net Commonwealth Grants – GST Revenue	1.4
(f) Taxes, Fees and Fines	-5.2
(k) Dividends from Public Trading Enterprise Sector	0.8
(l) Insurance	-9.9
(g) Interest Revenue	-2.4
(m) Deferred Expenditure	17.2
Other	12.2
Impact	4.6
GGS Operating Result - 2004-05 Estimated Outcome	52.2
<i>GGS – General Government Sector</i>	
<i>Note: Figures may not add due to rounding</i>	

Factors Influencing the 2004-05 Estimated Outcome

(a) Commitment to Child Protection

The *Appropriation Bill 2004-2005* was amended after presentation of the bill to provide additional funding to the Office for Children, Youth and Family Support, for the implementation and delivery of improvements to child protection services recommended within *The Territory as Parent – Review of the Safety of Children in Care in the ACT and of ACT Child Protection Management (Vardon Report)*.

(b) Wage Negotiations

The adjustments include the impact of finalised wage negotiations above original estimates provided for in the 2004-05 Budget. The adjustments include upward revisions for negotiations relating to Teachers, Nurses, Clerical, Firefighters and Bus Drivers.

(c) Net Commonwealth Grants Revenue

The increase in the Commonwealth grants revenue reflects the impact of increased Goods and Services Tax (GST) revenue of \$24.4m and National Competition Payments of \$1.2m.

The increase in GST revenue represents the net impact of revised revenue pool estimates; the introduction of deferral compensation payments following the Commonwealth Government's decision to allow small businesses to lodge GST Business Activity Statements annually, rather than quarterly; and revised population estimates.

(d) Superannuation Investment Returns

The 2004-05 estimated outcome for the Territory's return on superannuation investments is a net increase of \$60.6m. The breakdown of this return is in the table below. The improvement in investment returns on superannuation assets reflects both the impact of improved investment returns in 2003-04, and the subsequent larger balance of investment funds invested; and the strong 2004-05 year-to-date returns on domestic equity held within the SPA.

Table 3.3
Superannuation Investment Returns

	2004-05 Budget \$m	2004-05 Estimated Outcome \$m	Variance \$m
Investment Increments - revenue	61.4	121.9	60.4
Dividends and Interest	17.4	17.5	0.2
Fees	3.0	3.0	0.0
Total	75.8	136.4	60.6

(e) Superannuation Actuarial Review and Reserve

This adjustment reflects both the impact of a change in the superannuation policy regarding the treatment of actuarial gains and losses and an increase in superannuation expenses following the annual actuarial review of employee superannuation liabilities completed in December 2004.

The Government has provided an explanation for the change in accounting policy within the *September Quarterly Management Report* and the *Budget Mid-Year Review*. The increase in superannuation expenses reflects an increase in emerging costs (benefits paid by ComSuper) following ComSuper's identification of additional pension recipients, for which the ACT is liable.

(f) Taxes, Fees and Fines

The reduction in taxation revenue from the 2004-05 Budget to the 2004-05 estimated outcome is attributable to a reduction in:

- conveyancing duties of \$16m due to a lower estimate of residential property transactions and a strong take-up of the Home Buyer Concession Scheme.

This decrease was offset by higher than expected:

- payroll tax of \$7.7m;
- duty on the transfer of shares and marketable securities of \$3.2m; and
- general rates of \$1.6m.

(g) Interest Revenue

The adjustment reflects an increase in Territory unencumbered cash balances at the end of 2003-04 and revised Territory unencumbered cash balances in 2004-05.

(h) Commercialisation Investment Fund

This represents expenditure on the Commercialisation Investment Fund which was deferred from 2003-04 to 2004-05. Appropriation was provided for in *Appropriation Act 2003-2004 (No.3)* to establish an ACT focused venture capital fund.

(i) Land Revenue

The adjustment to land revenue reflects both a reduction in net land revenue for 2004-05 of \$2.6m and the flow-on effect of an adjustment made during the audit of the 2003-04 financial statements of \$17.9m. While the revenue from the \$17.9m adjustment is accrued in 2004-05 it relates to activity that occurred in 2003-04.

(j) Appropriation Act 2004-2005 (No.2)

The appropriation provided funding for a number of Election Commitments commencing in 2004-05, for a number of Enterprise Bargaining Agreements which were finalised after the delivery of the 2004-05 Budget, to address specific recommendations resulting from the Vardon Report, for recent amendments to the Asbestos law reform and funding for ACTION to address benchmark targets.

(k) Dividends from the Public Trading Enterprise Sector

The decrease in dividends in the 2004-05 estimated outcome is mainly due to decreased dividends from ACTEW of \$5.985m offset by increased dividends from ACTTAB of \$2.431m. The reduction in dividend from ACTEW largely reflects a decrease in water sales, as a result of water restrictions, and gifted assets, offset by lower tax expense, higher joint venture income and sewerage revenue.

(l) Insurance

The impact of insurance reflects both an increase in insurance expense for medical malpractice and public liability claims and lower than previously anticipated bushfire reinsurance payments, offset by a reduction in the recovery of public liability claims relating to the January 2003 bushfire.

(m) Deferred Expenditure

This adjustment represents the deferral of budgeted expenditure from 2004-05 to 2005-06. This includes deferred expenditure from the restructure fund of \$3m and ACT Health deferred grants relating to the Sub Acute Service and Canberra Medical School.

Summary of Revenue and Expenses

The following graph compares the original budget to the estimated outcome for 2004-05 for major revenue and expense items.

Figure 3.2
Revenue and Expenses

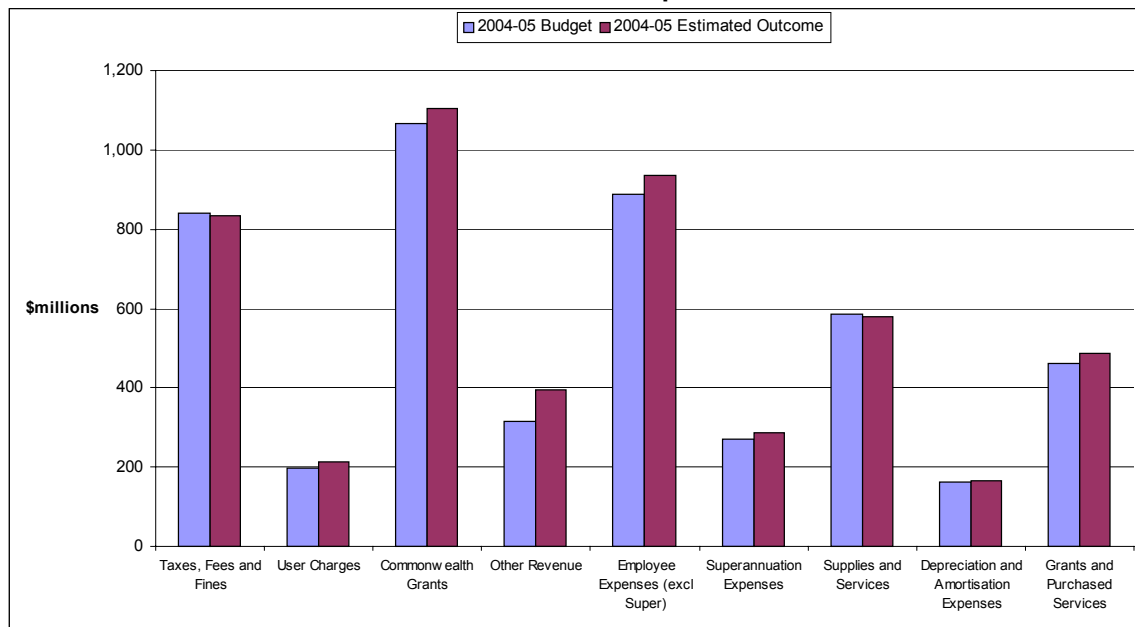


Table 3.4

**General Government Sector
2004-05 Forecast Operating Statement**

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
Income		
Revenue		
Taxes Fees and Fines	840 174	835 417
User Charges - Non ACT Government	180 184	200 800
User Charges - ACT Government	17 002	12 550
Grants from the Commonwealth	1 067 193	1 103 222
Interest	74 359	78 138
Dividend Revenue	96 721	93 149
Other Revenue	314 729	396 035
Total Revenue	2 590 362	2 719 311
Gains		
Total Gains	0	0
Total Income	2 590 362	2 719 311
Expenses		
Employee Expenses	889 587	935 516
Superannuation Expenses	271 600	286 067
Supplies and Services	584 625	578 358
Depreciation and Amortisation	162 489	164 007
Borrowing Costs	45 574	46 820
Cost of Goods Sold	38 256	27 518
Grants and Purchased Services	460 801	486 907
Other Expenses	95 807	112 187
Transfer Expenses	40 932	30 375
Total Ordinary Expenses	2 589 671	2 667 755
Share of Operating Result from Joint Venture accounted for using the Equity Method	1 600	968
Operating Result From Ordinary Activities	2 291	52 524
Extraordinary Expense	102	350
Operating Result	2 189	52 174

Table 3.5
General Government Sector
2004-05 Forecast Balance Sheet

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Current Assets			
Cash	63 987	56 520	76 909
Receivables	193 308	181 678	212 636
Investments	813 932	569 604	637 857
Inventories	34 949	79 679	39 412
Capital Works in Progress	3 110	0	44
Other	23 948	12 514	44 205
Total Current Assets	1 133 234	899 995	1 011 063
Non Current Assets			
Receivables	374 856	406 661	362 427
Investments	1 448 243	1 501 280	1 666 338
Inventories	16 326	127 975	72 304
Property, Plant and Equipment	5 787 934	6 000 894	5 861 037
Intangibles	19 853	19 019	26 556
Capital Works in Progress	67 040	136 181	101 753
Other	60 852	14 976	37 588
Total Non Current Assets	7 775 104	8 206 986	8 128 003
TOTAL ASSETS	8 908 338	9 106 981	9 139 066
Current Liabilities			
Payables	141 851	118 043	129 395
Interest Bearing Liabilities	66 847	21 559	37 453
Finance Leases	33 824	38 165	44 137
Employee Benefits	178 446	161 007	186 150
Other Provisions	1 495	983	6 772
Other	32 476	56 935	27 374
Total Current Liabilities	454 939	396 692	431 281
Non Current Liabilities			
Payables	122 797	102 433	109 986
Interest Bearing Liabilities	645 513	656 472	663 437
Finance Leases	48 755	49 917	70 013
Employee Benefits	2 160 027	2 242 458	2 565 992
Other Provisions	12 119	3 900	6 851
Other	253	115	121
Total Non Current Liabilities	2 989 464	3 055 295	3 416 400
TOTAL LIABILITIES	3 444 403	3 451 987	3 847 681
NET ASSETS	5 463 934	5 654 994	5 291 384
REPRESENTED BY FUNDS EMPLOYED			
Accumulated Funds	4 749 480	4 867 096	4 617 852
Reserves	714 454	787 896	673 532
TOTAL FUNDS EMPLOYED	5 463 934	5 654 994	5 291 384

Table 3.6
General Government Sector
2004-05 Forecast Statement of Changes in Equity

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Opening Balance	5 198 744	5 717 871	5 463 934
Accumulated Funds			
Net Effect of Change in Accounting Policy	-252	0	-215 777
Operating Result for the Period	70 455	2 189	52 174
Reserves			
Increase/(Decrease) in asset revaluation reserve	193 212	0	-1 149
Increase/(Decrease) in other reserves	-2 183	-65 068	-39 772
Transfer to/from Reserves	4 013	0	40 921
Total Income And Expense For The Period	265 245	-62 879	-163 603
Transactions Involving Equity Holders Affecting Accumulated Funds			
Capital Injections	0	0	-8 945
Inc/Dec in Net Assets due to Admin Restructure	-55	0	0
Closing Balance	5 463 934	5 654 994	5 291 384

Table 3.7
General Government Sector
2004-05 Forecast Cash Flow Statement

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxes, Fees and Fines	840 536	835 281
User Charges	195 429	217 239
Interest Received	73 366	77 006
Grants Received from the Commonwealth	1 076 218	1 114 575
Other Revenue	381 787	410 755
Operating Receipts	2 567 336	2 654 856
Payments		
Related to Employees	947 485	1 020 664
Related to Supplies and Services	575 124	572 086
Borrowing Costs	45 297	46 549
Grants and Purchased Services	465 841	493 985
Other	342 399	373 160
Payments to PTE Agencies for Outputs	29 987	29 845
Extraordinary Payments	102	350
Operating Payments	2 406 235	2 536 639
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	161 101	118 217
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	4 639	1 030
Proceeds from Sale/Maturities of Investments	16 833	6 955
Repayment of Advance	6 160	5 767
Repayment of Home Loan Principal	2 852	2 454
Dividends	77 647	75 272
Investing Receipts	108 131	91 478
Payments		
Purchase of Property, Plant and Equipment	292 798	210 341
Purchase of Land and Intangibles	6 427	6 637
Purchase of Investments	110 389	117 761
Advances Issued to Government Agencies	24 768	24 768
Capital Payments to Government Agencies	8 945	8 945
Investing Payments	443 327	368 452
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-335 196	-276 974
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Borrowings Received	16 383	36 686
Finance Lease	29 920	0
Financing Receipts	46 303	36 686
Payments		

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
Repayment of Borrowings	2 620	18 704
Repayment of Finance Lease	46 431	16 890
Repayment of Investments to Agencies (CFU only)	12 605	23 812
Financing Payments	61 656	59 406
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-15 353	-22 720
NET INCREASE/(DECREASE) IN CASH HELD	-189 448	-181 477
CASH AT BEGINNING OF REPORTING PERIOD	788 438	860 439
CASH AT THE END OF THE REPORTING PERIOD	598 990	678 962

Note: Cash on the cash flow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the Balance Sheet.

Reconciliation of Cash:

Cash	76 909
Plus Liquid Investments	<u>602 053</u>
Cash at the end of the reporting period	<u>678 962</u>

Public Trading Enterprise Sector

The consolidated public trading enterprise sector result after tax for 2004-05 is expected to be a surplus of \$47.5m. This is a 21.8% reduction from the original budget outcome of \$60.7m.

Table 3.8
2004-05 Estimated Outcome

	2004-05 Original Budget \$m	2004-05 Estimated Outcome \$m	Variation	
			\$m	%
Revenue	450.4	435.6	- 14.8	-3.3%
Expenses	375.9	375.5	- 0.4	..
Operating Result from Ordinary Activities	74.5	60.1	- 14.4	-19.3%
Income Tax Equivalent	13.8	12.6	- 1.2	-8.5%
Operating Results	60.7	47.5	- 13.3	-21.8%

Note: Tables may not add due to rounding

Factors Influencing the Operating Result

ACTEW Corporation Operating Result

ACTEW's estimated operating result reduced by \$6.8m reflecting a decrease in water sales, as a result of water restrictions, and gifted assets, offset by lower tax expense, higher joint venture income and sewerage revenue.

Housing ACT

Housing ACT's estimated operating result improved by \$4.2m. This reflected a \$3.2m net deferral of grants to non-government organisations for community housing and community service projects, and a decrease of \$1.9m in depreciation expense following the re-assessment of the useful lives of public housing properties.

Other Factors

A change in the treatment of capital injections to the PTE sector has reduced the operating result of the sector by \$8.9m. The consolidated 2004-05 Budget financial statements treated capital injections from the General Government Sector (GGS) as revenue of the PTE sector. In calculating the estimated outcome for 2004-05 capital injections were not reflected on the operating statement and thus directly affect the operating result of the sector. This change is in accordance with the requirements outlined in Urgent Issues Group (UIG) 38 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

Table 3.9
Public Trading Enterprise Sector
2004-05 Forecast Operating Statement

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
Income		
Revenue		
Government Payment for Outputs	40 932	30 375
User Charges - Non ACT Government	233 009	229 967
User Charges - ACT Government	77 554	83 561
Grants from the Commonwealth	18 733	18 691
Interest	4 442	6 034
Other Revenue	28 720	17 189
Resources Received free of charge	50	50
Total Revenue	403 440	385 867
Gains		
Total Gains	0	0
Total Income	403 440	385 867
Expenses		
Employee Expenses	74 650	77 371
Superannuation Expenses	9 350	9 664
Supplies and Services	91 843	92 117
Depreciation and Amortisation	43 654	41 001
Borrowing Costs	29 803	29 837
Cost of Goods Sold	71 903	72 907
Grants and Purchased Services	10 882	7 650
Other Expenses	25 063	26 365
Transfer Expenses	18 733	18 591
Total Ordinary Expenses	375 881	375 503
Share of Operating Result from Joint Venture accounted for using the Equity Method	46 961	49 740
Operating Result From Ordinary Activities	74 520	60 104
Income Tax Equivalent	13 788	12 622
Operating Result	60 732	47 482

Table 3.10
Public Trading Enterprise Sector
2004-05 Forecast Balance Sheet

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Current Assets			
Cash	23 773	14 665	17 753
Receivables	42 441	56 759	30 877
Investments	94 525	32 433	53 809
Inventories	110	95	113
Other	10 600	10 088	10 332
Total Current Assets	171 449	114 040	112 884
Non Current Assets			
Receivables	35 460	500	35 460
Investments	366 171	348 558	351 925
Property, Plant and Equipment	3 811 889	3 831 065	4 043 675
Intangibles	996	709	600
Capital Works in Progress	72 845	19 085	33 950
Tax Assets	13 560	12 585	13 560
Other	43 659	44 001	43 859
Total Non Current Assets	4 344 580	4 256 503	4 523 029
TOTAL ASSETS	4 516 029	4 370 543	4 635 913
Current Liabilities			
Payables	48 329	26 197	39 877
Interest Bearing Liabilities	12 664	15 945	19 618
Finance Leases	1 087	599	731
Employee Benefits	16 918	17 303	17 015
Other Provisions	1 928	23 825	19 277
Income Tax Payable	7 842	752	5 074
Other	6 941	2 200	5 381
Total Current Liabilities	95 709	86 821	106 973
Non Current Liabilities			
Payables	903	841	903
Interest Bearing Liabilities	461 804	467 471	465 868
Finance Leases	2 104	1 505	2 203
Employee Benefits	24 335	21 433	22 935
Other Provisions	835	2 949	2 467
Non Current Income Tax Payable	13 814	13 178	18 665
Other	413	295	2 835
Total Non Current Liabilities	504 208	507 672	515 876
TOTAL LIABILITIES	599 917	594 493	622 849
NET ASSETS	3 916 112	3 776 050	4 013 064
REPRESENTED BY FUNDS EMPLOYED			
Accumulated Funds	1 891 971	1 870 870	1 877 249
Reserves	2 024 141	1 905 180	2 135 815
TOTAL FUNDS EMPLOYED	3 916 112	3 776 050	4 013 064

Table 3.11
Public Trading Enterprise Sector
2004-05 Forecast Statement of Changes in Equity

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Opening Balance	3 433 215	3 678 364	3 916 112
Accumulated Funds			
Net Effect of Change in Accounting Policy	-29	0	0
Operating Result for the Period	39 753	60 732	47 482
Reserves			
Increase/(Decrease) in asset revaluation reserve	412 136	111 675	111 674
Transfer to/from Reserves	31 753	22 000	22 000
Total Income And Expense For The Period	483 613	194 407	181 156
Transactions Involving Equity Holders Affecting Accumulated Funds			
Capital Injections	0	0	8 945
Inc/Dec in Net Assets due to Admin Restructure	57	0	0
Dividend Approved	-773	-96 721	-93 149
Closing Balance	3 916 112	3 776 050	4 013 064

Table 3.12
Public Trading Enterprise Sector
2004-05 Forecast Cash Flow Statement

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Cash from Government for Outputs	29 987	29 845
User Charges	313 401	317 105
Interest Received	4 442	6 040
Grants Received from the Commonwealth	18 733	18 691
Other Revenue	59 610	67 119
Extraordinary Receipts	500	0
Operating Receipts	426 673	438 800
Payments		
Related to Employees	83 158	86 023
Related to Supplies and Services	94 140	99 922
Borrowing Costs	29 791	29 852
Grants and Purchased Services	10 882	7 650
Other	110 310	116 025
Territory Receipts to Government	18 733	18 591
Operating Payments	347 014	358 063
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	79 659	80 737
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	65 465	37 860
Proceeds from Sale/Maturities of Investments	13 569	42 124
Investing Receipts	79 034	79 984
Payments		
Purchase of Property, Plant and Equipment	121 616	126 807
Purchase of Investments	258	1 309
Investing Payments	121 874	128 116
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-42 840	-48 132
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Capital Injection from Government	8 945	8 945
Borrowings Received	24 798	25 030
Financing Receipts	33 743	33 975
Payments		
Dividends to Government	77 647	75 272
Repayment of Borrowings	14 712	14 437
Repayment of Finance Lease	1 008	929
Financing Payments	93 367	90 638
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-59 624	-56 663

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
NET INCREASE/(DECREASE) IN CASH HELD	-22 805	-24 058
CASH AT BEGINNING OF REPORTING PERIOD	60 311	71 460
CASH AT THE END OF THE REPORTING PERIOD	37 506	47 402

Note: Cash on the cash flow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the Balance Sheet.

Reconciliation of Cash:

Cash	17 753
Plus Liquid Investments	<u>29 649</u>
Cash at the end of the reporting period	<u>47 402</u>

Total Territory

Operating Statement

The Territory operating surplus of \$6.5m is a consolidation of the GGS surplus of \$52.5m and the PTE surplus of \$47.5m. The difference is due to dividends that the PTE sector pays to the GGS, as these are eliminated from the whole of government result. The Territory result is an improvement from the budgeted result of a \$33.8m deficit.

Table 3.12
2004-05 Estimated Outcome

	2004-05 Original Budget \$m	2004-05 Estimated Outcome \$m	Variation	
			\$m	%
Revenue	2 695.2	2 827.4	132.1	4.9%
Expenses	2 728.9	2 820.5	91.6	3.4%
Operating Result from Ordinary Activities	- 33.7	6.9	40.6	-120.3%
Extraordinary Expense	0.1	0.4	0.2	243.1%
Operating Result	- 33.8	6.5	40.3	-119.3%

Statement of Financial Position

Assets of the Territory are expected to total \$13.340 billion by 30 June 2005. This is an improvement on the audited opening position by \$377.9m, and is a result of increased inventories and property, plant and equipment. Liabilities of the Territory are expected to total \$4.036 billion by 30 June 2005. This is an increase of \$453.5m, and is a result of increases in employee benefits and other provisions. The net impact of these movements is a reduction in net assets of \$76m to \$9.304 billion for the Territory.

Table 3.13
Consolidated Total Territory
2004-05 Forecast Operating Statement

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
Income		
Revenue		
Taxes Fees and Fines	799 284	792 624
User Charges - Non ACT Government	413 193	430 767
Grants from the Commonwealth	1 067 193	1 103 322
Interest	56 684	61 398
Other Revenue	310 324	388 466
Total Revenue	2 646 678	2 776 577
Gains		
Total Gains	0	0
Total Income	2 646 678	2 776 577
Expenses		
Employee Expenses	959 855	1 008 254
Superannuation Expenses	273 251	288 291
Supplies and Services	655 531	652 010
Depreciation and Amortisation	206 143	205 008
Borrowing Costs	53 260	53 883
Cost of Goods Sold	80 216	82 740
Grants and Purchased Services	407 269	424 488
Other Expenses	93 412	105 754
Total Ordinary Expenses	2 728 937	2 820 428
Share of Operating Result from Joint Venture accounted for using the Equity Method	48 561	50 708
Operating Result From Ordinary Activities	-33 698	6 857
Extraordinary Expense	102	350
Operating Result	-33 800	6 507

Table 3.14
Consolidated Total Territory
2004-05 Forecast Balance Sheet

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Current Assets			
Cash	87 760	71 185	94 662
Receivables	182 496	184 405	217 145
Investments	861 957	593 142	668 978
Inventories	35 059	79 774	39 525
Capital Work in Progress	3 110	0	44
Other	34 538	22 596	54 527
Total Current Assets	1 204 920	951 102	1 074 881
Non Current Assets			
Receivables	61 526	70 074	25 679
Investments	1 814 394	1 849 818	2 018 243
Inventories	16 326	127 975	72 304
Property, Plant and Equipment	9 599 823	9 831 959	9 904 712
Intangibles	20 849	19 728	27 156
Capital Works in Progress	139 885	155 266	135 703
Other	104 511	58 977	81 447
Total Non Current Assets	11 757 314	12 113 797	12 265 244
TOTAL ASSETS	12 962 234	13 064 899	13 340 125
Current Liabilities			
Payables	165 135	124 872	147 790
Interest Bearing Liabilities	29 059	17 020	23 604
Finance Leases	34 911	38 764	44 868
Employee Benefits	195 364	178 310	203 165
Other Provisions	2 871	20 057	24 649
Income Tax Payable	0	0	443
Other	35 937	58 735	30 205
Total Current Liabilities	463 277	437 758	474 724
Non Current Liabilities			
Payables	77 561	82 309	91 692
Interest Bearing Liabilities	792 507	791 216	795 843
Finance Leases	50 859	51 422	72 216
Employee Benefits	2 184 362	2 263 891	2 588 927
Other Provisions	12 954	6 849	9 318
Other	666	410	2 956
Total Non Current Liabilities	3 118 909	3 196 097	3 560 952
TOTAL LIABILITIES	3 582 186	3 633 855	4 035 676
NET ASSETS	9 380 048	9 431 042	9 304 448
REPRESENTED BY FUNDS EMPLOYED			
Accumulated Funds	6 641 449	6 737 966	6 495 101
Reserves	2 738 598	2 693 076	2 809 347
TOTAL FUNDS EMPLOYED	9 380 048	9 431 042	9 304 448

Table 3.15
Consolidated Total Territory
2004-05 Forecast Statement of Changes in Equity

	2004-05 Audited Opening Balance \$'000	Budget as at 30/6/05 \$'000	Est. Outcome as at 30/6/05 \$'000
Opening Balance	8 631 960	9 396 235	9 380 048
Accumulated Funds			
Net Effect of Change in Accounting Policy	-281	0	-215 777
Operating Result for the Period	109 434	-33 800	6 507
Reserves			
Increase/(Decrease) in asset revaluation reserve	605 351	111 675	110 525
Increase/(Decrease) in other reserves	-2 183	-65 068	-39 772
Transfer to/from Reserves	35 766	22 000	62 921
Total Income And Expense For The Period	748 087	34 807	-75 596
Transactions Involving Equity Holders Affecting Accumulated Funds			
Closing Balance	9 380 048	9 431 042	9 304 448

Table 3.15
Consolidated Total Territory
2004-05 Forecast Cash Flow Statement

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxes, Fees and Fines	800 622	793 464
User Charges	419 317	438 743
Interest Received	55 692	60 268
Grants Received from the Commonwealth	1 076 218	1 114 675
Other Revenue	412 267	445 753
Operating Receipts	2 764 116	2 852 903
Payments		
Related to Employees	1 018 541	1 094 549
Related to Supplies and Services	654 577	657 313
Borrowing Costs	52 972	53 623
Grants and Purchased Services	412 309	431 562
Other	384 855	416 552
Extraordinary Payments	102	350
Operating Payments	2 523 356	2 653 949
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	240 760	198 954
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	70 104	38 890
Proceeds from Sale/Maturities of Investments	17 797	25 267
Repayment of Home Loan Principal	2 852	2 454
Investing Receipts	90 753	66 611
Payments		
Purchase of Property, Plant and Equipment	414 414	337 148
Purchase of Land and Intangibles	6 427	6 637
Purchase of Investments	110 647	119 070
Investing Payments	531 488	462 855
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-440 735	-396 244
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Borrowings Received	16 413	36 716
Finance Lease	29 920	0
Financing Receipts	46 333	36 716
Payments		
Repayment of Borrowings	11 172	27 142
Repayment of Finance Lease	47 439	17 819
Financing Payments	58 611	44 961
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-12 278	-8 245

	2004-05 Budget \$'000	2004-05 Est.Outcome \$'000
NET INCREASE/(DECREASE) IN CASH HELD	-212 253	-205 535
CASH AT BEGINNING OF REPORTING PERIOD	848 749	931 899
CASH AT THE END OF THE REPORTING PERIOD	636 496	726 364

Note: Cash on the cash flow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the Balance Sheet.

Reconciliation of Cash:

Cash	94 662
Plus Liquid Investments	<u>631 702</u>
Cash at the end of the reporting period	<u>726 364</u>

