

KINGSTON FORESHORE DEVELOPMENT AUTHORITY

Objectives

The principal object of the Kingston Foreshore Development Authority is to promote, coordinate, develop and manage the redevelopment of the Kingston Foreshore, and to carry out works for the development and enhancement of the area.

The Authority will work to ensure that the development of the Kingston Foreshore delivers significant beneficial economic, social and environmental outcomes to the Territory. The Authority will apply due commercial rigour in the undertaking of its operations.

2001-02 Highlights

Strategic and operational issues to be pursued in 2001-02 include:

- recommending a preferred joint venture participant to Government to undertake development, construction and sale of Stage 1A;
- commencing construction of infrastructure and the public domain within Stage 1 of the development;
- demolishing and remediating buildings affecting Stage 1 of the project;
- providing for the relocation of 132kV and 11kV power lines; and
- implementing the marketing strategy and establishing a marketing centre.

**Kingston Foreshore Development Authority
Statement Of Financial Performance**

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
Revenue							
94	User Charges - Non ACT Government	79	63	-20	63	63	0
0	Interest	12	0	-100	0	0	0
0	Revenue of Associates and Joint Ventures	0	7 192	#	11 267	1 270	0
6 470	Other Revenue	4 199	6 664	59	21 876	17 852	18 286
6 564	Total Ordinary Revenue	4 290	13 919	224	33 206	19 185	18 286
Expenses							
367	Employee Expenses	536	533	-1	540	547	554
81	Superannuation Expenses	97	120	24	121	123	124
1 052	Administrative Expenses	1 100	1 308	19	1 124	925	924
10	Depreciation and Amortisation	2	20	900	30	30	30
370	Borrowing Costs	120	676	463	860	350	80
4 300	Cost of Goods Sold	0	1 204	#	12 190	13 000	13 500
0	Other Expenses	0	0	-	0	0	0
0	Expenses of Associates and Joint Ventures	0	4 937	#	8 159	986	0
6 180	Total Ordinary Expenses	1 855	8 798	374	23 024	15 961	15 212
384	Operating Result Before Extraordinary Items	2 435	5 121	110	10 182	3 224	3 074
138	Income Tax Equivalent	0	1 200	#	3 680	1 420	1 045
246	Operating Result	2 435	3 921	61	6 502	1 804	2 029
3 613	Total Equity From Start of Period	-834	1 601	292	5 522	12 024	13 828
3 859	Total Equity At The End of Period	1 601	5 522	245	12 024	13 828	15 857

**Kingston Foreshore Development Authority
Statement Of Financial Position**

Budget as at 30/6/01 \$'000		Est.Outcome as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Var %	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000	Planned as at 30/6/05 \$'000
Current Assets							
1 438	Cash	2	5	150	47	81	8 077
2 350	Inventories	0	4 812	#	2 636	13 500	0
0	Other	4	4	-	4	4	4
3 788	Total Current Assets	6	4 821	80 250	2 687	13 585	8 081
Non Current Assets							
5 370	Inventories	4 416	14 586	230	20 416	8 286	14 786
28	Property, Plant and Equipment	28	778	#	778	748	718
1 858	Capital Works in Progress	2 270	0	-100	0	0	0
0	Other	19	15	-21	11	7	3
7 256	Total Non Current Assets	6 733	15 379	128	21 205	9 041	15 507
11 044	TOTAL ASSETS	6 739	20 200	200	23 892	22 626	23 588
Current Liabilities							
16	Creditors	127	127	-	127	127	127
0	Interest Bearing Liabilities	0	6 500	#	4 500	2 122	0
205	Employee Entitlements	61	71	16	81	91	101
4	Other Provisions	4	4	-	4	4	4
138	Other	0	1 200	#	4 880	6 300	7 345
363	Total Current Liabilities	192	7 902	4 016	9 592	8 644	7 577
Non Current Liabilities							
6 822	Interest Bearing Liabilities	4 792	6 622	38	2 122	0	0
0	Employee Entitlements	154	154	-	154	154	154
6 822	Total Non Current Liabilities	4 946	6 776	37	2 276	154	154
7 185	TOTAL LIABILITIES	5 138	14 678	186	11 868	8 798	7 731
3 859	NET ASSETS	1 601	5 522	245	12 024	13 828	15 857
REPRESENTED BY FUNDS EMPLOYED							
3 859	Accumulated Funds	1 601	5 522	245	12 024	13 828	15 857
3 859	TOTAL FUNDS EMPLOYED	1 601	5 522	245	12 024	13 828	15 857

**Kingston Foreshore Development Authority
Cashflow Statement**

2000-01 Budget \$'000		2000-01 Est.Outcome \$'000	2001-02 Budget \$'000	Var %	2002-03 Estimate \$'000	2003-04 Estimate \$'000	2004-05 Estimate \$'000
38	CASH AT BEGINNING OF REPORTING PERIOD	348	2	-99	5	47	81
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
94	User Charges	94	63	-33	63	63	0
0	Interest Received	12	0	-100	0	0	0
8 206	Other Revenue	1 086	18 511	#	37 188	21 334	20 558
8 300	Operating Receipts	1 192	18 574	#	37 251	21 397	20 558
	Payments						
438	Related to Employees	638	643	1	651	660	668
1 052	Related to Administration	1 090	1 304	20	1 120	921	920
0	Borrowing Costs	0	126	#	860	350	80
1 736	Other	1 080	4 655	331	4 045	2 212	2 272
3 226	Operating Payments	2 808	6 728	140	6 676	4 143	3 940
5 074	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-1 616	11 846	833	30 575	17 254	16 618
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
9 750	Purchase of Property, Plant and Equipment	1 116	19 623	#	24 033	12 720	6 500
0	Purchase of Land and Intangibles	1 700	0	-100	0	0	0
9 750	Investing Payments	2 816	19 623	597	24 033	12 720	6 500
-9 750	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-2 816	-19 623	-597	-24 033	-12 720	-6 500
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
6 076	Borrowings Received	4 086	10 337	153	0	0	0
6 076	Financing Receipts	4 086	10 337	153	0	0	0
	Payments						
0	Repayment of Borrowings	0	2 557	#	6 500	4 500	2 122
0	Financing Payments	0	2 557	#	6 500	4 500	2 122
6 076	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	4 086	7 780	90	-6 500	-4 500	-2 122
1 400	NET INCREASE/(DECREASE) IN CASH HELD	-346	3	101	42	34	7 996
1 438	CASH AT THE END OF THE REPORTING PERIOD	2	5	150	47	81	8 077

Notes to Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- revenue of associates and joint ventures: the increase of \$7.192m in 2001-02 from the 2000-01 estimated outcome is due to the commencement of the first stage of the land sales program, including Stage 1A as a joint venture, during 2001-02;
- other revenue: the revenue in the original budget related to land sales. However, no land sales occurred during 2000-01. An amount of \$4.196m in the 2000-01 estimated outcome is one-off revenue relating to the waiver of debt transferred to the Authority on its creation in February 2000. Commencement of land sales associated with the first stage of development is expected to generate \$6.7m in 2001-02;
- borrowing costs: the increase of \$0.556m in 2001-02 from the 2000-01 estimated outcome is due to the increase in borrowings required by the Authority to fund its development activity in 2001-02. This consists of the Authority's costs of \$0.430m, together with the Authority's share of borrowings costs incurred by joint venture development activity during 2001-02, of \$0.126m;
- cost of goods sold: the decrease of \$4.3m in 2000-01 from the original budget is the result of no land sales occurring in 2000-01 as anticipated. The increase of \$1.2m in 2001-02 from the 2000-01 estimated outcome is due to the commencement of land sales in the first stages of the development program during 2001-02; and
- expenses of associates and joint ventures: the increase of \$4.937m in 2001-02 from the 2000-01 estimated outcome is due to the commencement of Stage 1A of the land sales program as a joint venture during 2001-02.

Statement of Financial Position

- current and non current inventories: the decrease of \$3.304m in 2000-01 from the original budget is due to the delay in commencing the construction of Stage 1 of the foreshore development. The increases of \$4.812m (current) and \$10.170m (non current) in 2001-02 from the 2000-01 estimated outcome result from an increased level of expenditure in 2001-02 on the stages of land sales program expected to be sold in the next three years; and
- current and non current interest bearing liabilities: the increase of \$6.5m (current) and \$1.830m (non current) from the 2000-01 estimated outcome relates to the increased funding requirements for the development of the first stages of the land sales program. These borrowings will be repaid by 2004-05.

Statement of Cash Flows

- other revenue: the increase of \$17.425m in 2001-02 from the 2000-01 estimated outcome is primarily due to receipts for sales from the development activities of the Authority;

- other payments: the increase of \$3.575m in 2001-02 from the 2000-01 estimated outcome relates to the increase in GST paid and remitted to the ATO due to the increase in development expenditure and land sales in 2001-02;
- purchase of property, plant and equipment: the decrease of \$8.634m in 2000-01 from the original budget relates to the delay in commencing the construction of Stage 1 of the foreshore development. The increase of \$18.507m in 2001-02 from the 2000-01 estimated outcome is due to the commencement of development in 2001-02 for the three year land sales program;
- borrowings received: the increase of \$6.251m in 2001-02 from the 2000-01 estimated outcome is due to the funding requirements for the development of the first stages of the land sales program; and
- repayment of borrowings: the increase of \$2.557m in 2001-02 from the 2000-01 estimated outcome relates to the repayment of joint ventures borrowings taken out for the development of the first stage of the land sales program.