

5.1 THE 1999-2000 BUDGET AND FORWARD ESTIMATES FOR 2000-01 TO 2002-03

This chapter provides a summary of the 1999-2000 Budget and forward estimates for the following three years for the general government sector. Information presented for the 1999-2000 budget is based on generally accepted accounting principles.

Consolidated financial statements for the public trading enterprise sector and the total Territory public sector, as well as information on the parameters used in the preparation of the budget are also included.

Financial Strategy

The Government's 1999-2000 budget strategy has been developed in light of the current economic and financial climate to:

- eliminate the operating loss by the 2004-05 Budget;
- provide for the unfunded superannuation liability by the 2001-02 Budget;
- use proceeds of any major asset sales to fund the shortfall in accruing superannuation or to retire debt; and
- maintain the Territory's AAA credit rating.

The first two of the above points are also reflected in the Government's Key Result Areas.

1999-2000 Budgeted Operating Result and Forward Estimates

The 1999-2000 Budget projects that the general government sector will be in surplus from 2000-01. This is four years earlier than the targeted budget strategy. The Total Territory will also be in surplus from 2000-01.

The budgeted operating loss of \$64m in 1999-2000 for the general government sector is a \$26m improvement on the forward estimate for 1999-2000 published last year. The budgeted operating loss for 1999-2000 is an improvement of \$86m, or 58% on the operating loss now projected for 1998-99 with further improvements of \$131m projected across the forward estimates. This change in the result is primarily due to revenue growth.

The budgeted operating loss for 1999-2000 represents 3.7% of budgeted general government sector revenues.

Total general government sector revenues in 1999-2000 are expected to be \$1,723m an increase of \$141m above that now projected for 1998-99. The major items of revenue are taxes, fees and fines which are projected to increase by \$24.8m for the 1998-99 estimated outcome, and Grants from the Commonwealth which are expected to increase by \$85.3m for the 1998-99 estimated outcome, including an improvement of \$57.5m in general revenue assistance grants from the Commonwealth.

Expenditure pressures are being addressed through the continuation of financial and management reforms. These reforms will, over time, deliver better outcomes at a more competitive cost. Expenses in 1999-2000 are expected to be \$1,787m, this is \$55m or 3.2%, higher in nominal terms than that now projected for the 1998-99 outcome after net abnormal and extraordinary items.

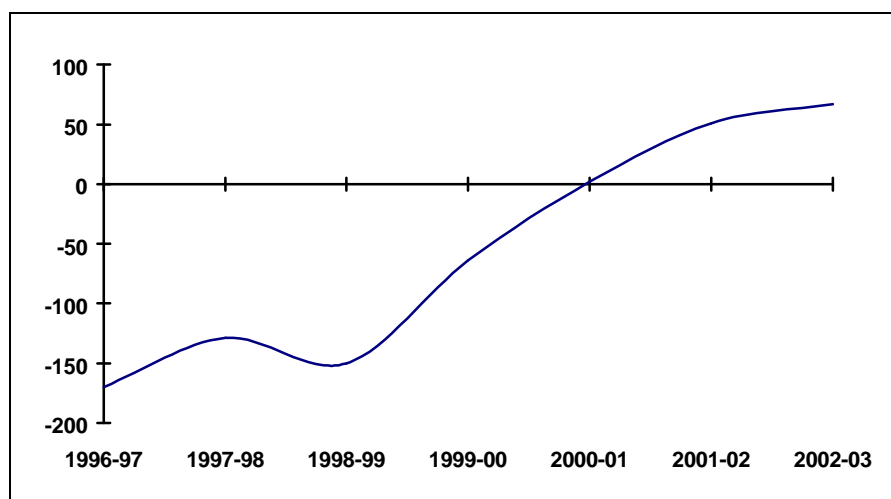
**Table 5.1.1 - General Government Sector
1999-2000 Budget and Forward Estimates**

1998-99 Budget \$m		1998-99 Est.Outcome \$m	1999-00 Budget \$m	Var %	2000-01 Estimate \$m	2001-02 Estimate \$m	2002-03 Estimate \$m
1 568	Revenue	1 582	1 723	9	1 776	1 852	1 882
1 707	Expenses	1 732	1 787	3	1 774	1 801	1 815
-139	Operating Result	-150	-64	58	2	51	67

Tables may not add due to rounding. The 1998-99 estimated outcome includes abnormal items.

Figure 5.1.1 shows the movement of the forecast operating result for the Budget and forward estimates.

**Figure 5.1.1 - General Government Sector
1998-99 Budget and Forward Estimates Operating Result**



Balances for total general government sector assets are expected to be \$7,075m at the end of 1999-2000, an increase of \$660m over the estimated opening balances for the year. Total general government sector liabilities are anticipated to be \$2,471m, an increase of \$419m from the estimated opening balance.

The net assets of the general government sector are budgeted to increase by 5.5% to \$4,605m during 1999-2000.

Table 5.1.2
General Government Sector
Operating Statement

1998-99 Budget		1998-99 Est.Outcom e	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
Revenue							
625 284	Taxes Fees and Fines	642 019	666 783	4	695 426	717 507	738 764
143 477	User Charges - Non ACT Government	119 602	125 570	5	135 625	140 513	143 362
19 171	User Charges - ACT Government	19 834	12 282	-38	12 276	12 276	12 565
583 465	Grants from the Commonwealth	593 842	679 173	14	675 569	696 809	718 167
40 183	Interest	61 621	61 770	..	109 051	114 378	120 779
156 306	Other Revenue	144 772	177 340	22	148 002	170 529	148 750
1 567 885	Total Revenue	1 581 690	1 722 918	9	1 775 949	1 852 013	1 882 387
Expenses							
637 786	Employee Expenses	645 249	647 107	..	635 279	637 930	643 853
189 877	Superannuation Expenses	191 456	204 107	7	216 433	225 681	226 834
309 507	Administrative Expenses	292 447	309 216	5	303 748	326 173	333 294
125 583	Depreciation and Amortisation	120 240	128 642	7	124 541	120 649	119 580
51 304	Interest	47 085	46 717	-1	61 747	55 979	52 761
45 368	Cost of Goods Sold	60 505	63 806	5	58 035	57 631	54 229
271 643	Grants and Purchased Services	275 571	304 149	10	293 721	294 996	302 285
76 078	Other Expenses	78 996	82 835	-13	80 259	81 807	82 573
1 707 145	Total Expenses	1 711 549	1 786 579	3	1 773 763	1 800 845	1 815 408
-139 260	Operating Result before Abnormal and Extraordinary Items	-129 859	-63 660	-58	2 186	51 168	66 979
0	Abnormal Revenue	336	0	-100	0	0	0
0	Abnormal Expenses	20 422	0	-100	0	0	0
-139 260	Operating Result	-149 945	-63 660	-58	2 186	51 168	66 979
4 094 849	Accumulated Funds - Start of Period	4 093 699	3 960 557	-3	4 198 707	4 203 974	4 258 250
9 822	Amounts transferred to/from Reserves	-25 016	1 810	-107	3 081	3 108	3 138
-14 517	Accum Funds Opening Adjustment	176	0	-100	0	0	0
400	Distributions to Government	200	300 000	#	0	0	0
43 259	Inc/Dec in Net Assets from Admin Restructure	41 443	0	-100	0	0	0
3 994 553	Accumulated Funds - End of Period	3 960 557	4 198 707	6	4 203 974	4 258 250	4 328 367

Table 5.1.3
General Government Sector
Statement Of Financial Position

Budget as at 30/6/99 \$'000		Est.Outcom e as at 30/6/99 \$'000	Planned as at 30/6/00 \$'000	Var %	Planned as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000
Current Assets							
137 821	Cash	62 284	65 812	6	98 568	101 545	105 756
97 269	Receivables	75 497	77 146	2	76 951	76 956	75 242
485 610	Investments	509 944	861 965	69	980 177	1 193 057	1 442 793
11 011	Inventories	11 836	13 660	15	13 335	11 362	11 380
0	Capital Work in Progress	1 887	0	-100	0	0	0
22 879	Other	8 656	8 489	-2	8 500	8 508	8 523
754 590	Total Current Assets	670 104	1 027 072	53	1 177 531	1 391 428	1 643 694
Non Current Assets							
341 033	Receivables	190 374	465 637	145	449 284	430 485	412 680
35 253	Investments	50 071	53 649	7	54 144	54 144	54 144
3 525	Inventories	9 012	8 945	-1	8 419	6 455	6 014
5 270 229	Property, Plant and Equipment	5 361 025	5 361 596	..	5 361 873	5 358 859	5 358 852
0	Intangibles	1 627	1 276	-22	925	750	750
53 711	Capital Works in Progress	41 480	72 068	74	75 946	101 646	101 846
53 339	Other	91 679	85 106	-7	85 455	85 002	84 663
5 757 090	Total Non Current Assets	5 745 267	6 048 277	5	6 036 046	6 037 340	6 018 949
6 511 680	TOTAL ASSETS	6 415 372	7 075 349	10	7 213 577	7 428 768	7 662 644
Current Liabilities							
22 065	Creditors	42 490	36 351	-14	42 941	37 283	36 251
297 326	Borrowings	117 564	456 123	288	482 088	477 858	473 745
22 135	Finance Leases	12 807	11 926	-7	7 240	1 913	1 448
106 462	Employee Entitlements	105 069	112 240	7	125 864	137 743	150 276
9 759	Other Provisions	2 212	2 212	-	2 213	2 213	2 214
6 812	Other	19 047	14 682	-23	14 738	15 114	14 427
464 560	Total Current Liabilities	299 190	633 533	112	675 084	672 122	678 361
Non Current Liabilities							
1 656	Creditors	4 268	8 469	98	12 069	15 069	18 069
370 756	Borrowings	350 851	278 782	-21	207 788	203 261	199 005
30 111	Finance Leases	54 605	44 031	-19	38 038	37 428	37 305
1 324 847	Employee Entitlements	1 340 954	1 504 085	12	1 676 288	1 849 066	2 014 888
1 047	Other Provisions	1 051	976	-7	877	853	645
64	Other	1 116	925	-17	733	613	395
1 728 481	Total Non Current Liabilities	1 752 846	1 837 268	5	1 935 793	2 106 290	2 270 308
2 193 041	TOTAL LIABILITIES	2 052 035	2 470 801	20	2 610 877	2 778 413	2 948 669
4 318 639	NET ASSETS	4 363 337	4 604 548	6	4 602 700	4 650 355	4 713 975
REPRESENTED BY FUNDS EMPLOYED							
3 994 553	Accumulated Funds	3 960 557	4 198 707	6	4 203 974	4 258 250	4 328 367
324 086	Reserves	402 780	405 841	1	398 726	392 105	385 608

**Table 5.1.3
General Government Sector
Statement Of Financial Position**

Budget	Est.Outcom^e	Planned	Planned	Planned	Planned
as at 30/6/99	as at 30/6/99	as at 30/6/00	Var	as at 30/6/01	as at 30/6/02
\$'000	\$'000	\$'000	%	\$'000	\$'000
4 318 639	4 363 337	4 604 548	6	4 602 700	4 650 355
TOTAL FUNDS EMPLOYED				4 713 975	

**Table 5.1.4
General Government Sector
Cashflow Statement**

1998-99	1998-99	1999-00	Var	2000-01	2001-02	2002-03	
Budget	Est.Outcom^e	Budget	%	Estimate	Estimate	Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
94 961	256 216	284 665	11	285 201	316 009	317 281	
CASH AT BEGINNING OF REPORTING PERIOD							
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
632 506	Taxes, Fees and Fines	645 987	666 881	3	694 906	716 807	737 703
160 249	User Charges	151 473	139 365	-8	143 774	166 306	154 517
34 841	Interest Received	38 967	37 383	-4	57 278	57 484	58 548
583 265	Grants Received from the Commonwealth	593 650	679 173	14	675 570	696 809	718 167
81 687	Other Revenue	83 016	95 590	15	77 394	83 614	75 549
1 492 547	Operating Receipts	1 513 092	1 618 391	7	1 648 921	1 721 019	1 744 484
Payments							
662 686	Related to Employees	680 665	675 183	-1	663 281	674 807	687 532
331 637	Related to Administration	313 499	301 549	-4	292 860	316 478	324 063
45 393	Finance Costs	47 085	46 715	-1	61 749	55 978	52 761
285 495	Grants and Purchased Services	288 876	314 472	9	304 951	308 300	315 545
104 027	Other	137 626	134 531	-2	125 244	129 029	127 606
1 429 237	Operating Payments	1 467 751	1 472 450	..	1 448 084	1 484 591	1 507 506
63 310	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	45 341	145 941	222	200 837	236 428	236 978
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
104 606	Proceeds from Sale of Property, Plant & Equipment	1 141	2 901	154	2 020	2 000	0

Table 5.1.4
General Government Sector
Cashflow Statement

1998-99 Budget	1998-99 Est.Outcome	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
2 014 375	Proceeds from Sale/Maturities of Investments	1 805 970	1 805 517	..	1 805 288	1 804 431	1 803 376
2 190	Repayment of Advance	27 190	2 190	-92	2 191	2 191	2 191
19 634	Repayment of Home Loan Principal	2 994	25 273	744	19 336	19 492	19 406
49 020	Dividends	49 486	46 827	-5	40 637	41 181	44 221
400	Capital Distributions from Government Agencies	200	300 000	#	0	0	0
2 190 225	Investing Receipts	1 886 981	2 182 708	16	1 869 472	1 869 295	1 869 194

Table 5.1.4
General Government Sector
Cashflow Statement

1998-99 Budget	1998-99 Est.Outcom e \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000	
Payments							
213 413	Purchase of Property, Plant and Equipment	153 067	133 971	-12	108 084	126 217	100 817
2 049 220	Purchase of Investments	1 736 811	2 133 348	23	1 871 794	1 960 505	1 990 883
99 555	Advances Issued to Government Agencies	0	300 000	-	0	0	0
5 120	Capital Payments to Government Agencies	7 638	3 578	-53	495	0	0
2 367 308	Investing Payments	1 897 516	2 570 897	35	1 980 373	2 086 722	2 091 700
-177 083	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-10 535	-388 189	#	-110 901	-217 427	-222 506
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
1 272 617	Borrowings Received	1 130 127	1 251 411	11	1 421 075	1 479 721	1 507 484
7 105	Receipt of Transferred Cash Balances	40 511	0	-100	0	0	0
35 000	Finance Lease	25 009	0	-100	0	0	0
1 314 722	Financing Receipts	1 195 647	1 251 411	5	1 421 075	1 479 721	1 507 484
Payments							
1 032 706	Repayment of Borrowings	1 060 076	869 889	-18	1 351 122	1 373 282	1 400 606
19 984	Repayment of Finance Lease	9 928	11 300	14	10 545	5 900	622
105 400	Repayment of Investments to Agencies (CFU only)	129 811	127 439	-2	118 537	118 268	118 268
0	Payments of Transferred Cash Balances	2 189	0	-100	0	0	0
1 158 090	Financing Payments	1 202 004	1 008 628	-16	1 480 204	1 497 450	1 519 496
156 632	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-6 357	242 783	#	-59 129	-17 729	-12 012
42 859	NET INCREASE/(DECREASE) IN CASH HELD	28 449	536	-98	30 808	1 272	2 460
137 821	CASH AT THE END OF THE REPORTING PERIOD	284 665	285 201	..	316 009	317 281	319 741

Table 5.1.5
Public Trading Enterprise
Operating Statement

1998-99 Budget	1998-99 Est.Outcom e	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
Revenue							
403 135	User Charges - Non ACT Government	394 024	416 659	6	431 199	448 586	463 119
84 859	User Charges - ACT Government	88 100	95 414	8	93 984	92 724	93 336
2 497	Interest	3 606	2 319	-36	1 851	1 740	2 081
14 073	Other Revenue	15 971	14 541	-9	15 021	15 910	15 410
149	Resources Received free of charge	132	132	-	0	0	0
504 713	Total Revenue	501 833	529 065	5	542 055	558 960	573 946
Expenses							
117 966	Employee Expenses	111 495	102 787	-8	101 624	100 998	101 156
11 787	Superannuation Expenses	13 318	12 832	-4	12 831	12 719	12 725
90 178	Administrative Expenses	116 978	124 017	6	122 288	124 049	127 220
80 263	Depreciation and Amortisation	78 083	79 932	2	83 106	84 515	85 565
19 661	Interest	18 053	16 324	-10	34 447	33 940	33 153
118 721	Cost of Goods Sold	113 443	122 207	8	126 389	136 095	140 766
7	Grants and Purchased Services	0	0	-	0	0	0
34 519	Other Expenses	20 133	23 767	9	21 255	21 803	22 411
473 102	Total Expenses	471 503	481 866	2	501 940	514 119	522 996
31 611	Operating Result Before Abnormal Items	30 330	47 199	65	40 115	44 841	50 950
50	Abnormal Expense	-1 650	0	-	0	0	0
31 561	Operating Result Before Extraordinary Items	28 680	47 199	65	40 115	44 841	50 950
20 768	Income Tax Equivalent	20 021	21 697	8	16 733	17 888	19 927
5 196	Injection for Operating Requirements	5 196	1 943	-63	2 569	4 398	4 093
15 989	Operating Result	13 855	27 445	98	25 951	31 351	35 116
1 895 706	Accumulated Funds - Start of Period	1 919 138	1 868 825	-3	1 562 446	1 560 455	1 560 575
9 425	Amounts transferred to/from Reserves	14 818	10 000	-33	10 500	10 500	10 500
0	Accum Funds Opening Adjustment	211	0	-100	0	0	0
5 120	Capital Injections	7 638	3 578	-53	495	0	0
-400	Distributions to Government	-200	-300 000	#	0	0	0
-46 172	Dividend Declared	-45 192	-47 402	5	-38 937	-41 731	-44 839
-35 759	Inc/Dec in Net Assets from Admin Restructure	-41 443	0	-100	0	0	0
1 843 909	Accumulated Funds - End of Period	1 868 825	1 562 446	-16	1 560 455	1 560 575	1 561 352

Table 5.1.6
Public Trading Enterprise
Statement Of Financial Position

Budget as at 30/6/99 \$'000	Est.Outcom e as at 30/6/99 \$'000	Planned as at 30/6/00 \$'000	Var %	Planned as at 30/6/01 \$'000	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	
Current Assets							
11 532	Cash	13 497	13 996	4	16 657	20 919	26 078
61 055	Receivables	61 660	64 353	4	65 192	65 923	67 388
8 450	Investments	18 839	21 154	12	18 608	25 344	36 177
11 189	Inventories	24 882	25 207	1	25 357	25 475	25 601
6 286	Other	6 985	6 892	-1	7 034	7 070	7 108
98 511	Total Current Assets	125 862	131 601	5	132 847	144 730	162 351
Non Current Assets							
7 523	Investments	7 099	5 670	-20	5 670	5 670	5 670
44 030	Inventories	40 434	40 434	-	41 243	42 068	42 909
2 733 285	Property, Plant and Equipment	2 563 463	2 558 162	..	2 564 594	2 552 968	2 535 873
4 512	Intangibles	407	404	-1	401	398	395
29 675	Capital Works in Progress	32 103	38 328	19	38 328	35 628	35 628
320	Other	55	55	0	55	55	55
2 819 345	Total Non Current Assets	2 643 561	2 643 053	..	2 650 291	2 636 787	2 620 530
2 917 856	TOTAL ASSETS	2 769 423	2 774 654	..	2 783 138	2 781 517	2 782 881
Current Liabilities							
32 706	Creditors	30 230	30 824	2	31 175	31 384	32 410
10 269	Borrowings	10 268	10 433	2	10 605	10 849	9 040
285	Finance Leases	285	328	15	376	432	547
16 664	Employee Entitlements	18 290	16 642	-9	16 753	17 081	17 420
12 090	Other Provisions	11 562	12 111	5	10 651	11 325	12 092
5 737	Other	5 248	4 362	-17	4 908	5 114	4 987
77 751	Total Current Liabilities	75 883	74 700	-2	74 468	76 185	76 496
Non Current Liabilities							
222	Creditors	225	343	52	482	620	512
352 382	Borrowings	227 887	536 417	135	540 811	529 961	521 082
1 684	Finance Leases	1 684	1 356	-19	979	547	0
20 712	Employee Entitlements	22 753	20 842	-8	20 935	21 030	21 127
52 555	Other Provisions	84 709	101 090	19	117 239	134 504	153 876
427 555	Total Non Current Liabilities	337 258	660 048	96	680 446	686 662	696 597
505 306	TOTAL LIABILITIES	413 141	734 748	78	754 914	762 847	773 093
2 412 548	NET ASSETS	2 356 282	2 039 906	-13	2 028 224	2 018 670	2 009 788
REPRESENTED BY FUNDS EMPLOYED							
1 843 909	Accumulated Funds	1 868 825	1 562 446	-16	1 560 455	1 560 575	1 561 352
568 638	Reserves	487 457	477 460	-2	467 769	458 095	448 436

**Table 5.1.6
Public Trading Enterprise
Statement Of Financial Position**

Budget	Est.Outcom^e	Planned	Var	Planned	Planned	Planned
as at 30/6/99	as at 30/6/99	as at 30/6/00	as at 30/6/01	as at 30/6/02	as at 30/6/03	as at 30/6/03
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
2 412 548	2 356 282	2 039 906	-13	2 028 224	2 018 670	2 009 788
TOTAL FUNDS EMPLOYED						

**Table 5.1.7
Public Trading Enterprise
Cashflow Statement**

1998-99	1998-99	1999-00	Var	2000-01	2001-02	2002-03
Budget	Est.Outcom^e	Budget	Estimate	Estimate	Estimate	Estimate
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
12 734	27 196	27 496	1	34 209	34 274	45 222
CASH AT BEGINNING OF REPORTING PERIOD						
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
496 085	503 861	515 311	2	529 800	548 271	561 513
2 402	3 506	2 319	-34	1 851	1 740	2 081
3 537	2 433	3 339	37	2 736	2 895	2 945
502 024	509 800	520 969	2	534 387	552 906	566 539
Operating Receipts						
Payments						
127 416	126 189	116 111	-8	114 562	113 617	113 779
82 152	120 500	125 362	4	121 193	123 386	126 442
19 546	17 948	16 206	-10	34 309	33 801	33 153
7	0	0	-	0	0	0
163 365	131 925	140 901	7	145 884	156 274	161 517
392 486	396 562	398 580	1	415 948	427 078	434 891
Operating Payments						
109 538	113 238	122 389	8	118 439	125 828	131 648
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
28 019	42 915	35 141	-18	29 000	29 000	29 000
67 100	100 154	50 700	-49	54 000	53 000	53 355
0	33 406	0	-100	0	0	0
Proceeds from Sale of Property, Plant & Equipment						
Proceeds from Sale/Maturities of Investments						
Repayment of Home Loan Principal						

Table 5.1.7
Public Trading Enterprise
Cashflow Statement

1998-99 Budget	1998-99 Est.Outcom e	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
95 119	Investing Receipts	176 475	85 841	-51	83 000	82 000	82 355
	Payments						
196 691	Purchase of Property, Plant and Equipment	87 823	120 912	38	111 419	91 667	89 314
2 605	Purchase of Land and Intangibles	0	0	-	0	0	0
46 049	Purchase of Investments	85 857	46 802	-45	54 050	53 050	53 405
300	Issue of Home Loan	0	0	-	0	0	0
245 645	Investing Payments	173 680	167 714	-3	165 469	144 717	142 719
-150 526	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	2 795	-81 873	#	-82 469	-62 717	-60 364
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
5 120	Capital Injection from Government	7 638	3 578	-53	495	0	0
99 555	Borrowings Received	0	320 000	-	15 000	0	0
2 000	Receipt of Transferred Cash Balances	2 189	0	-100	0	0	0
106 675	Financing Receipts	9 827	323 578	#	15 495	0	0
	Payments						
400	Distributions to Government	200	300 000	#	0	0	0
49 020	Dividends to Government	49 486	46 827	-5	40 637	41 181	44 221
10 113	Repayment of Borrowings	35 113	10 269	-71	10 434	10 606	10 689
250	Repayment of Finance Lease	250	285	14	329	376	432
7 105	Payments of Transferred Cash Balances	40 511	0	-100	0	0	0
66 888	Financing Payments	125 560	357 381	185	51 400	52 163	55 342
39 787	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-115 733	-33 803	-71	-35 905	-52 163	-55 342
-1 201	NET INCREASE/(DECREASE) IN CASH HELD	300	6 713	#	65	10 948	15 942
11 533	CASH AT THE END OF THE REPORTING PERIOD	27 496	34 209	24	34 274	45 222	61 164

**Table 5.1.8
Consolidated Total Territory
Operating Statement**

1998-99 Budget		1998-99 Est.Outcom e	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
Revenue							
597 707	Taxes Fees and Fines	616 871	642 217	4	670 721	692 643	713 662
546 612	User Charges - Non ACT Government	513 626	542 229	6	566 824	589 099	606 481
583 465	Grants from the Commonwealth	593 842	679 173	14	675 569	696 809	718 167
35 880	Interest	59 556	60 588	2	89 755	95 216	102 237
107 167	Other Revenue	93 827	121 962	30	101 383	121 906	96 189
1 870 830	Total Revenue	1 877 722	2 046 169	9	2 104 252	2 195 673	2 236 736
Expenses							
748 439	Employee Expenses	749 496	742 841	-1	729 931	732 046	738 119
189 963	Superannuation Expenses	191 592	204 301	7	216 737	226 086	227 242
374 485	Administrative Expenses	371 412	402 955	8	396 085	420 352	430 320
205 846	Depreciation and Amortisation	198 323	208 574	5	207 647	205 164	205 145
64 164	Interest	59 467	59 540	..	75 047	69 017	65 291
164 089	Cost of Goods Sold	173 948	186 013	7	184 424	193 726	194 995
210 867	Grants and Purchased Services	214 364	236 072	10	227 423	230 342	237 326
61 052	Other Expenses	58 339	69 305	-10	62 535	61 797	62 641
2 018 904	Total Expenses	2 016 941	2 109 600	3	2 099 829	2 138 529	2 161 077
-148 074	Operating Result Before Abnormal Items	-139 220	-63 431	-61	4 423	57 145	75 659
0	Abnormal Revenue	336	0	-	0	0	0
1 050	Abnormal Expense	23 072	0	-	0	0	0
-149 124	Operating Result	-161 956	-63 431	-61	4 423	57 145	75 659
6 011 326	Accumulated Funds - Start of Period	6 038 092	5 866 325	-3	5 814 704	5 832 708	5 903 461
19 247	Amounts transferred to/from Reserves	-10 198	11 810	-216	13 581	13 608	13 638
-14 517	Accum Funds Opening Adjustment	387	0	-100	0	0	0
5 866 933	Accumulated Funds - End of Period	5 866 325	5 814 704	-1	5 832 708	5 903 461	5 992 758

Table 5.1.9
Consolidated Total Territory
Statement Of Financial Position

Budget	Est.Outcom	Planned		Planned	Planned	Planned	
as at 30/6/99	as at 30/6/99	as at 30/6/00	Var	as at 30/6/01	as at 30/6/02	as at 30/6/03	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
Current Assets							
149 352	Cash	75 781	79 808	5	115 225	122 464	131 834
141 214	Receivables	120 367	124 125	3	126 460	126 637	127 561
493 260	Investments	524 835	883 119	68	998 785	1 218 401	1 478 970
22 200	Inventories	36 718	38 867	6	38 692	36 837	36 981
0	Capital Work in Progress	1 887	0	-100	0	0	0
29 165	Other	15 637	15 377	-2	15 530	15 573	15 627
835 191	Total Current Assets	775 224	1 141 296	47	1 294 692	1 519 913	1 790 973
Non Current Assets							
178 127	Receivables	152 020	129 355	-15	115 054	98 306	80 881
7 543	Investments	19 419	17 990	-7	17 990	17 990	17 990
47 555	Inventories	49 446	49 379	..	49 662	48 523	48 923
8 003 514	Property, Plant and Equipment	7 924 489	7 919 757	..	7 926 467	7 911 826	7 894 725
4 512	Intangibles	2 034	1 680	-17	1 326	1 148	1 145
83 386	Capital Works in Progress	73 583	110 396	50	114 274	137 274	137 474
53 659	Other	91 734	85 161	-7	85 510	85 057	84 718
8 378 296	Total Non Current Assets	8 312 724	8 313 719	..	8 310 283	8 300 124	8 265 856
9 213 487	TOTAL ASSETS	9 087 948	9 455 014	4	9 604 975	9 820 036	10 056 829
Current Liabilities							
50 715	Creditors	71 502	66 918	-6	74 878	70 426	71 388
305 405	Borrowings	125 642	464 366	270	490 503	486 517	482 405
22 420	Finance Leases	13 092	12 254	-6	7 616	2 345	1 995
123 126	Employee Entitlements	123 359	128 882	4	142 617	154 824	167 696
12 725	Other Provisions	4 402	4 458	1	4 652	4 727	4 803
10 101	Other	24 295	19 044	-22	19 646	20 228	19 414
524 493	Total Current Liabilities	362 292	695 922	92	739 912	739 066	747 701
Non Current Liabilities							
1 658	Creditors	4 270	8 471	98	12 071	15 071	18 071
560 452	Borrowings	540 607	479 258	-11	414 848	401 661	388 906
31 795	Finance Leases	56 289	45 387	-19	39 017	37 975	37 305
1 345 559	Employee Entitlements	1 363 707	1 524 927	12	1 697 223	1 870 096	2 036 015
3 915	Other Provisions	3 103	2 976	-4	2 825	2 750	2 490
64	Other	1 116	925	-17	733	613	395
1 943 443	Total Non Current Liabilities	1 969 092	2 061 944	5	2 166 717	2 328 166	2 483 183
2 467 936	TOTAL LIABILITIES	2 331 385	2 757 865	18	2 906 629	3 067 232	3 230 884
6 745 552	NET ASSETS	6 756 563	6 697 149	-1	6 698 346	6 752 804	6 825 945
REPRESENTED BY FUNDS EMPLOYED							
5 866 933	Accumulated Funds	5 866 325	5 814 704	-1	5 832 708	5 903 461	5 992 758
878 619	Reserves	890 238	882 445	-1	865 638	849 343	833 187

**Table 5.1.9
Consolidated Total Territory
Statement Of Financial Position**

Budget	Est.Outcom	Planned		Planned	Planned	Planned
as at 30/6/99	as at 30/6/99	as at 30/6/00	Var	as at 30/6/01	as at 30/6/02	as at 30/6/03
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
6 745 552	6 756 563	6 697 149	-1	6 698 346	6 752 804	6 825 945
TOTAL FUNDS EMPLOYED						

**Table 5.1.10
Consolidated Total Territory
Cashflow Statement**

1998-99	1998-99	1999-00		2000-01	2001-02	2002-03
Budget	Est.Outcom	Budget	Var	Estimate	Estimate	Estimate
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
107 695	283 412	312 162	10	319 412	350 287	362 506
CASH AT BEGINNING OF REPORTING PERIOD						
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
593 435	621 264	642 329	3	670 212	691 957	712 618
550 394	546 548	545 857	..	567 126	607 481	608 531
30 557	36 917	36 319	-2	38 120	38 461	40 006
583 265	593 650	679 173	14	675 570	696 809	718 167
68 186	61 964	76 412	23	57 427	63 707	55 362
1 825 836	1 860 342	1 980 089	6	2 008 454	2 098 414	2 134 684
Operating Receipts						
Payments						
773 580	786 633	771 612	-2	758 346	769 230	782 106
387 118	398 708	396 734	..	385 629	411 446	421 955
58 593	59 477	59 538	..	75 049	69 016	65 291
211 244	214 457	236 073	10	227 423	230 343	237 327
222 794	242 488	247 801	2	242 728	256 124	259 379
1 653 328	1 701 762	1 711 758	1	1 689 174	1 736 158	1 766 057
Operating Payments						
172 508	158 580	268 331	69	319 280	362 256	368 627
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
32 625	44 056	38 042	-14	31 020	31 000	29 000
Proceeds from Sale of Property, Plant & Equipment						

**Table 5.1.10
Consolidated Total Territory
Cashflow Statement**

1998-99 Budget		1998-99 Est.Outcom e \$'000	1999-00 Budget \$'000	Var %	2000-01 Estimate \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000
2 028 410	Proceeds from Sale/Maturities of Investments	1 807 554	1 805 517	..	1 805 288	1 804 431	1 803 376
19 634	Repayment of Home Loan Principal	36 400	25 273	-31	19 336	19 492	19 406
2 080 669	Investing Receipts	1 888 010	1 868 832	-1	1 855 644	1 854 923	1 851 782
	Payments						
310 104	Purchase of Property, Plant and Equipment	240 890	254 883	6	219 503	217 884	190 131
2 605	Purchase of Land and Intangibles	0	0	-	0	0	0
2 055 269	Purchase of Investments	1 738 860	2 133 398	23	1 871 844	1 960 555	1 990 933
300	Issue of Home Loan	0	0	-	0	0	0
2 368 278	Investing Payments	1 979 750	2 388 281	21	2 091 347	2 178 439	2 181 064
-287 609	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-91 740	-519 449	466	-235 703	-323 516	-329 282
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
1 232 617	Borrowings Received	1 024 508	1 165 792	14	1 330 456	1 374 102	1 401 865
35 000	Finance Lease	25 009	0	-100	0	0	0
1 267 617	Financing Receipts	1 049 517	1 165 792	11	1 330 456	1 374 102	1 401 865
	Payments						
1 040 629	Repayment of Borrowings	1 067 999	877 968	-18	1 359 366	1 381 698	1 409 105
20 234	Repayment of Finance Lease	10 178	11 585	14	10 874	6 276	1 054
50 000	Repayment of Investments to Agencies (CFU only)	9 430	17 872	90	12 918	12 649	12 649
1 110 863	Financing Payments	1 087 607	907 425	-17	1 383 158	1 400 623	1 422 808
156 754	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-38 090	258 367	-778	-52 702	-26 521	-20 943
41 653	NET INCREASE/(DECREASE) IN CASH HELD	28 750	7 250	-75	30 875	12 219	18 402
149 349	CASH AT THE END OF THE REPORTING PERIOD	312 162	319 412	2	350 287	362 506	380 908

Factors Influencing the 1999-2000 Budget

The 1999-2000 Budget and forward estimates have been framed according to a number of circumstances and issues. The influences outlined below have been elaborated on in detail elsewhere in the Budget Papers.

Superannuation Emerging Costs

Superannuation is the most significant financial challenge facing the Territory.

Unfunded superannuation liabilities continue to increase and represent the largest influence on the budgeted operating loss. The 1999-2000 Budget includes increased funding of accruing superannuation of \$300m to be provided to the Superannuation and Insurance Provision Unit, which is made possible by the \$300m capital distribution from ACTEW. This increased funding does not affect the Government's superannuation expense, but rather allows the Government to provide an immediate reduction in the growth of unfunded liabilities.

The triennial actuarial review of ACTPS superannuation emerging costs and accrued liabilities is underway and expected to be completed in the second half of 1999.

Borrowings

There are no new general government sector borrowings projected during the 1999-2000 financial year. There will be a need to undertake new borrowings for approximately \$300m, through the Central Financing Unit, on behalf of the ACT Electricity and Water Corporation.

Indexation

Agency forward estimates generally include indexation for price growth, which recognises estimated changes in CPI for the budget and forward estimates.

Wages are indexed for the 1.3% wage safety net equivalent. Increases above this are generally expected to be funded by productivity improvements and for productivity increase where applicable. The exception is the Government Schooling budget which is indexed by CPI for both salary and non-salary expenses.

Appropriations

Appropriations have increased from \$1,529 in 1998-99 to \$1,836 in 1999-2000, due mainly to a \$300m injection to the Superannuation and Insurance Provision Unit, which is made possible by the \$300m capital distribution from ACTEW.

Capital Charge

Departments' statements include a capital charge. The charge is calculated on the basis of the written down value of departments' property, plant and equipment.

Insurable Risk

An insurance levy was provided to agencies from 1998-99 to cover the cost of losses and claims of an insurance nature against the Territory, made on or after 1 July 1998. The levy is

an essential part of the Government's strategy to minimise the Territory's risk to contingent liabilities. It is paid into the Insurable Risk Fund, managed by the Superannuation and Insurable Risk Provision Unit. The costs of criminal injuries compensation (CIC) judgements continue to be met from the legal expenses appropriation administered by the Department of Justice and Community Safety (DJCS).

Community Service Obligations

Community Service Obligations (CSOs) primarily relate to public trading enterprises and arise when government specifically requires a public enterprise to carry out activities which it would not elect to do on a normal commercial basis, or which it would only do commercially at higher prices.

The separate identification of CSOs provides transparency on the full costs of services, and the financial implications of government decisions in the provision of services to specific targeted groups in the community.

The definition adopted by the ACT Government is the one proposed by the Steering Committee on National Performance Monitoring of Government Trading Enterprises, established under the aegis of the Special Premiers' Conference in 1991, and states:

"A Community Service Obligation arises when a government specifically requires a public enterprise to carry out activities relating to outputs or inputs, with identified public benefit objectives, which it would not elect to do on a commercial basis, and which the government does not require other businesses in the public or private sector to undertake, or which it would only do commercially at higher prices."

In the ACT, the Government agreed to extend the policy to other business units whether or not the unit is formally a Territory Owned Corporation or a Statutory Authority, and irrespective of its organisational structure.

CSOs Funded in 1999-2000 Budget

Policy/Purchasing Department	CSO Provided by	1999-2000 Price \$'000	Description
Chief Minister's Department			
	Exhibition Park in Canberra	292	Compensation for charging below market rates, as a result of Ministerial direction, or in agreements entered into by the ACT Government.
Department of Urban Services			
	Yarralumla Nursery	300	Free Plant Issue scheme
	ACT Forests	540	Provision of public use areas in forests
	ACTION	15,036	Compensation for fare levels set by Government at less than commercial level
	ACTION	10,144	Provision of school bus services
	ACTION	9,810	Provision of off-peak services on the general route
Department of Education and Community Services			
	ACTEW	859	Half cost of water use for schools and churches
	ACTEW	1,335	Half cost of sewerage services to churches, hospitals
	ACTEW	30	Compensation for water and sewerage rates for lease granted under the (repealed) Church Land Act 1924
	ACTEW	3,000	Rebates on electricity bills to pensioners
	ACTEW	2,500	Rebates on water and sewerage charges to pensioners
	ACTEW	115	Administration cost for rebates
Department of Justice and Community Safety			
	Office of Public Trustee	182	Financial management under Guardianship Management and Property Tribunal's determinations and under power of attorney, welfare funerals
Total		44,143	

