

## **CENTRAL FINANCING UNIT**

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### **Objectives**

The Central Financing Unit (CFU) is responsible for the funds management activities of the Government. The Unit manages the surplus cash balances of the ACT and invests funds in the money market within known cash flow requirements and established investment policies. The Unit is also responsible for the administration of the ACT's debt portfolio and the management of the Territory's debt servicing liabilities, including oversighting of the Territory's major leases of motor vehicles and IT equipment.

The objective of the CFU is to effectively manage capital markets functions through the maximisation of returns on investments, the achievement of competitive borrowing rates given the ACT's credit rating and the development of effective interest rate risk management strategies.

CFU also manages the central finances of the Government through a separate whole of government bank account. Through this account the General Government's debt is recognised with debt servicing payments appropriated accordingly. Revenues on behalf of the Territory are transferred to this account and fortnightly disbursements to agencies also flow through this account.

### **1999-2000 Highlights**

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

- continuing to oversight whole of government banking arrangements including the provision of direction and advice in regard to transactional banking issues;
- oversighting IT and vehicle fleet leasing facility arrangements;
- continuing to effectively manage the surplus cash balances of the government in a manner that realises a maximum benefit to the ACT;
- investigating opportunities to refinance existing borrowings to take advantage of the current low interest rate environment;
- arranging and managing a new borrowing program to facilitate the estimated new borrowings on behalf of ACTEW Corporation;
- refinancing maturing Samurai Bond debt; and
- continuing to explore opportunities to improve cash management, banking and other related issues across agencies.

## Central Financing Unit 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>							
40 056	Interest	45 473	41 982	-8	62 877	61 909	60 703
<b>40 056</b>	<b>Total Revenue</b>	<b>45 473</b>	<b>41 982</b>	<b>-8</b>	<b>62 877</b>	<b>61 909</b>	<b>60 703</b>
<b>Expenses</b>							
242	Employee Expenses	298	309	4	313	317	321
36	Superannuation Expenses	50	54	8	55	56	56
328	Administrative Expenses	326	282	-13	268	274	282
2	Depreciation and Amortisation	2	2	-	1	1	1
37 369	Interest	41 055	38 529	-6	56 958	54 343	53 237
<b>37 977</b>	<b>Total Expenses</b>	<b>41 731</b>	<b>39 176</b>	<b>-6</b>	<b>57 595</b>	<b>54 991</b>	<b>53 897</b>
<b>2 079</b>	<b>Operating Result</b>	<b>3 742</b>	<b>2 806</b>	<b>-25</b>	<b>5 282</b>	<b>6 918</b>	<b>6 806</b>
<b>2 770</b>	<b>Accumulated Funds - Start of Period</b>	<b>2 218</b>	<b>2 960</b>	<b>33</b>	<b>2 766</b>	<b>5 048</b>	<b>8 966</b>
2 500	Dividend Declared	3 000	3 000	-	3 000	3 000	3 000
<b>2 348</b>	<b>Accumulated Funds - End of Period</b>	<b>2 960</b>	<b>2 766</b>	<b>-7</b>	<b>5 048</b>	<b>8 966</b>	<b>12 772</b>

**Central Financing Unit  
Statement Of Financial Position**

Budget as at 30/6/99 \$'000		Est.Outcome 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
<b>Current Assets</b>							
24 790	Receivables	24 397	9 197	-62	9 197	9 197	5 812
83 495	Investments	179 923	166 227	-8	219 043	361 237	533 415
<b>108 285</b>	<b>Total Current Assets</b>	<b>204 320</b>	<b>175 424</b>	<b>-14</b>	<b>228 240</b>	<b>370 434</b>	<b>539 227</b>
<b>Non Current Assets</b>							
426 488	Receivables	211 931	508 312	140	504 713	501 116	500 766
2	Property, Plant and Equipment	7	5	-34	4	3	3
<b>426 490</b>	<b>Total Non Current Assets</b>	<b>211 938</b>	<b>508 317</b>	<b>140</b>	<b>504 717</b>	<b>501 119</b>	<b>500 769</b>
<b>534 775</b>	<b>TOTAL ASSETS</b>	<b>416 258</b>	<b>683 741</b>	<b>64</b>	<b>732 957</b>	<b>871 553</b>	<b>1 039 996</b>
<b>Current Liabilities</b>							
66 117	Creditors	143 937	124 934	-13	200 181	338 699	506 795
276 906	Borrowings	96 038	437 302	355	476 065	471 948	468 211
38	Other Provisions	37	37	-	38	38	39
<b>343 061</b>	<b>Total Current Liabilities</b>	<b>240 012</b>	<b>562 273</b>	<b>134</b>	<b>676 284</b>	<b>810 685</b>	<b>975 045</b>
<b>Non Current Liabilities</b>							
189 276	Borrowings	173 184	118 597	-32	51 520	51 795	52 070
90	Other Provisions	102	104	2	105	106	108
<b>189 366</b>	<b>Total Non Current Liabilities</b>	<b>173 286</b>	<b>118 701</b>	<b>-31</b>	<b>51 625</b>	<b>51 901</b>	<b>52 178</b>
<b>532 427</b>	<b>TOTAL LIABILITIES</b>	<b>413 298</b>	<b>680 974</b>	<b>65</b>	<b>727 909</b>	<b>862 586</b>	<b>1 027 223</b>
<b>2 348</b>	<b>NET ASSETS</b>	<b>2 960</b>	<b>2 767</b>	<b>-7</b>	<b>5 048</b>	<b>8 967</b>	<b>12 773</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
2 348	Accumulated Funds	2 960	2 766	-7	5 048	8 966	12 772
<b>2 348</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>2 960</b>	<b>2 766</b>	<b>-7</b>	<b>5 048</b>	<b>8 966</b>	<b>12 772</b>

## Central Financing Unit 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>0</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>218 902</b>	<b>218 902</b>	<b>-</b>	<b>218 902</b>	<b>218 902</b>	<b>218 902</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
39 943	Interest Received	45 358	41 864	-8	62 738	61 771	60 701
<b>39 943</b>	<b>Operating Receipts</b>	<b>45 358</b>	<b>41 864</b>	<b>-8</b>	<b>62 738</b>	<b>61 771</b>	<b>60 701</b>
	<b>Payments</b>						
278	Related to Employees	350	361	3	366	371	375
328	Related to Administration	418	282	-33	268	275	281
35 956	Finance Costs	40 574	38 116	-6	56 537	54 070	52 964
<b>36 562</b>	<b>Operating Payments</b>	<b>41 342</b>	<b>38 759</b>	<b>-6</b>	<b>57 171</b>	<b>54 716</b>	<b>53 620</b>
<b>3 381</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>4 016</b>	<b>3 105</b>	<b>-23</b>	<b>5 567</b>	<b>7 055</b>	<b>7 081</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
2 013	Proceeds from Sale/Maturities of Investments	1 803 376	1 803 376	-	1 803 376	1 803 376	1 803 376
21 737	Repayment of Advance	63 141	18 937	-70	3 738	3 738	3 737
<b>2 035 106</b>	<b>Investing Receipts</b>	<b>1 866 517</b>	<b>1 822 313</b>	<b>-2</b>	<b>1 807 114</b>	<b>1 807 114</b>	<b>1 807 113</b>
	<b>Payments</b>						
0	Purchase of Property, Plant and Equipment	5	0	-100	0	0	0
1 999 940	Purchase of Investments	1 736 811	1 789 679	3	1 856 193	1 945 568	1 975 554
179 555	Advances Issued to Government Agencies	5 700	300 000	#	0	0	0
<b>2 179 495</b>	<b>Investing Payments</b>	<b>1 742 516</b>	<b>2 089 679</b>	<b>20</b>	<b>1 856 193</b>	<b>1 945 568</b>	<b>1 975 554</b>
<b>-144 389</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>124 001</b>	<b>-267 366</b>	<b>-316</b>	<b>-49 079</b>	<b>-138 454</b>	<b>-168 441</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
2 138 735	Borrowings Received	2 681 193	2 846 615	6	3 006 331	3 074 723	3 102 032
<b>2 138 735</b>	<b>Financing Receipts</b>	<b>2 681 193</b>	<b>2 846 615</b>	<b>6</b>	<b>3 006 331</b>	<b>3 074 723</b>	<b>3 102 032</b>
	<b>Payments</b>						
2 500	Dividends to Government	3 000	3 000	-	3 000	3 000	3 000
1 021 737	Repayment of Borrowings	1 049 216	846 803	-19	1 331 977	1 366 004	1 393 269
973 490	Repayment of Investments to Agencies (CFU only)	1 756 994	1 732 551	-1	1 627 842	1 574 320	1 544 403
<b>1 997 727</b>	<b>Financing Payments</b>	<b>2 809 210</b>	<b>2 582 354</b>	<b>-8</b>	<b>2 962 819</b>	<b>2 943 324</b>	<b>2 940 672</b>
<b>141 008</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-128 017</b>	<b>264 261</b>	<b>306</b>	<b>43 512</b>	<b>131 399</b>	<b>161 360</b>

## Central Financing Unit 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
0 NET INCREASE/(DECREASE) IN CASH HELD	0	0	-	0	0	0
0 CASH AT THE END OF THE REPORTING PERIOD	218 902	218 902	-	218 902	218 902	218 902

### Notes to the Budget Statements

The major factor impacting on the Departmental statements is the inclusion of new borrowings to be undertaken on behalf of ACTEW Corporation (\$300m) in 1999-2000. The effect of this is an increase in interest expense in 2000-01 and the forward years. This is offset by an increase in interest revenue in the same years.

#### *Operating Statement*

Significant variations are as follows:

- interest revenue: the increase from the original 1998-99 budget estimate to the projected outcome for 1998-99 is due to higher investment balances than originally budgeted. Interest revenue will decrease during 1999-2000 due largely to the substantial reduction in the Housing Home loan debt in 1998-99; and
- interest expenses: the increase from the original budget estimate to the projected outcome for 1998-99 is due to higher investment interest paid to CFU clients as a result of higher investment balances than originally budgeted. Interest expenses will decrease during 1999-2000 due largely to the substantial reduction in the Housing Home Loan debt in 1998-99.

#### *Statement of Financial Position*

Significant variations are as follows:

- current assets: will decrease by 30 June 2000 due to the substantial reduction in the Housing Home Loan debt in 1998-99 and a lower level of funds on investment. The CFU investment balance represents the pooled total of each individual Government agency which invests its surplus funds with the CFU. Accordingly, increases or decreases to the total investment balance is determined by each individual agency's budgeted investment activities each financial year;
- non-current assets: will increase by 30 June 2000. This is due in the main to the borrowings of \$300m which will be undertaken by the CFU on behalf of ACTEW Corporation;
- current liabilities: will increase by a net amount of \$323m. This net increase comprises; an increase by \$300m due to estimated new borrowings to be undertaken on behalf of ACTEW Corporation, an increase of \$55m representing the transfer from non-current liabilities to current liabilities of retail bond borrowings due to mature in 2000-01; a decrease of \$19m in investment balances held by the CFU on behalf of its clients; a decrease of \$10m being the retirement of the remaining balance of Home Loan Portfolio

debt, and a decrease of \$3m being the annual repayment of a component of general government borrowings; and

- non-current liabilities: will decrease by \$55m as a result of the transfer of the \$55m retail bond borrowings undertaken in 1997-98 from non-current liabilities to current liabilities as this debt is due to mature in 2000-01.

**Central Financing Unit**  
**Statement Of Revenues And Expenses On Behalf Of The Territory**

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
<b>Revenue</b>							
20 985	Payment for Expenses on behalf of Territory	20 985	20 017	-5	18 489	15 487	13 399
23 969	Interest	22 313	24 068	8	23 446	21 397	21 149
3 745	Other Revenue	405	0	-100	0	0	0
1 305 098	Transfer Revenue	1 315 514	1 433 036	9	1 445 218	1 503 621	1 542 650
<b>1 353 797</b>	<b>Total Revenue</b>	<b>1 359 217</b>	<b>1 477 121</b>	<b>9</b>	<b>1 487 153</b>	<b>1 540 505</b>	<b>1 577 198</b>
<b>Expenses</b>							
22 955	Interest	20 985	20 018	-5	18 489	15 487	13 399
1 338 914	Transfer Expenses	1 346 160	1 389 897	3	1 380 611	1 398 050	1 423 442
<b>1 361 869</b>	<b>Total Expenses</b>	<b>1 367 145</b>	<b>1 409 915</b>	<b>3</b>	<b>1 399 100</b>	<b>1 413 537</b>	<b>1 436 841</b>
<b>-8 072</b>	<b>Operating Result Before Abnormal Items</b>	<b>-7 928</b>	<b>67 206</b>	<b>948</b>	<b>88 053</b>	<b>126 968</b>	<b>140 357</b>
0	Abnormal Expense	0	850	-	0	0	0
<b>-8 072</b>	<b>Operating Result</b>	<b>-7 928</b>	<b>66 356</b>	<b>937</b>	<b>88 053</b>	<b>126 968</b>	<b>140 357</b>
<b>115 564</b>	<b>Accumulated Funds - Start of Period</b>	<b>142 881</b>	<b>220 662</b>	<b>54</b>	<b>670 193</b>	<b>838 361</b>	<b>1 050 669</b>
64	Accum Funds Opening Adjustment	0	0	-100	0	0	0
145 370	Distributions to Government	85 709	383 175	347	83 878	85 340	86 571
0	Inc/Dec in Net Assets from Admin Restructure	0	0	-	-3 763	0	0
<b>252 925</b>	<b>Accumulated Funds - End of Period</b>	<b>220 662</b>	<b>670 193</b>	<b>204</b>	<b>838 361</b>	<b>1 050 669</b>	<b>1 277 597</b>

**Central Financing Unit**  
**Statement Of Assets And Liabilities On Behalf Of The Territory**

Budget as at 30/6/99 \$'000		Est.Outcome 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
<b>Current Assets</b>							
73 930	Cash	7 159	-1 637	-123	13 988	12 132	12 300
96 500	Receivables	64 570	69 996	8	70 102	73 522	77 702
0	Investments	0	0	-	50 000	160 000	300 000
0	Other	14 605	14 605	-	14 605	14 605	14 605
<b>170 430</b>	<b>Total Current Assets</b>	<b>86 334</b>	<b>82 964</b>	<b>-4</b>	<b>148 695</b>	<b>260 259</b>	<b>404 607</b>
<b>Non Current Assets</b>							
86 539	Receivables	63 831	82 406	29	80 532	89 515	81 057
281 240	Investments	278 942	703 314	152	796 772	887 275	977 063
26 960	Property, Plant and Equipment	32 032	32 832	2	33 653	34 495	35 357
<b>394 739</b>	<b>Total Non Current Assets</b>	<b>374 805</b>	<b>818 552</b>	<b>118</b>	<b>910 957</b>	<b>1 011 285</b>	<b>1 093 477</b>
<b>565 168</b>	<b>TOTAL ASSETS</b>	<b>461 138</b>	<b>901 517</b>	<b>95</b>	<b>1 059 652</b>	<b>1 271 544</b>	<b>1 498 084</b>
<b>Current Liabilities</b>							
3 392	Creditors	6 524	12 099	85	15 486	15 804	16 131
15 528	Borrowings	15 528	14 242	-8	1 577	1 576	0
2 996	Finance Leases	0	0	-	0	0	0
1 970	Other	0	0	-	0	0	0
<b>23 886</b>	<b>Total Current Liabilities</b>	<b>22 052</b>	<b>26 341</b>	<b>19</b>	<b>17 063</b>	<b>17 380</b>	<b>16 131</b>
<b>Non Current Liabilities</b>							
264 393	Borrowings	186 393	172 151	-8	170 574	168 998	168 998
23 964	Finance Leases	32 032	32 832	2	33 653	34 495	35 357
<b>288 357</b>	<b>Total Non Current Liabilities</b>	<b>218 425</b>	<b>204 983</b>	<b>-6</b>	<b>204 227</b>	<b>203 493</b>	<b>204 355</b>
<b>312 243</b>	<b>TOTAL LIABILITIES</b>	<b>240 477</b>	<b>231 324</b>	<b>-4</b>	<b>221 290</b>	<b>220 873</b>	<b>220 486</b>
<b>252 925</b>	<b>NET ASSETS</b>	<b>220 661</b>	<b>670 193</b>	<b>204</b>	<b>838 362</b>	<b>1 050 670</b>	<b>1 277 598</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
252 925	Accumulated Funds	220 662	670 193	204	838 361	1 050 669	1 277 597
<b>252 925</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>220 662</b>	<b>670 193</b>	<b>204</b>	<b>838 361</b>	<b>1 050 669</b>	<b>1 277 597</b>

**Central Financing Unit**  
**Budgeted Statement Of Cashflows On Behalf Of The Territory**

1998-99 Budget	1998-99 Est.Outcom <sup>e</sup>	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
<b>40 469</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>70 047</b>	<b>7 159</b>	<b>-90</b>	<b>-1 637</b>	<b>13 989</b>	<b>12 133</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
20 985	Cash from Government for EBT	20 985	20 017	-5	18 489	15 487	13 399
23 969	Interest Received	22 264	23 560	6	22 324	19 202	18 504
2 745	Other Revenue	1 445	0	-100	0	0	0
1 310	Territory Receipts transferred from Agencies	1 320 633	1 430 745	8	1 445 745	1 500 381	1 539 397
<b>1 358 260</b>	<b>Operating Receipts</b>	<b>1 365 327</b>	<b>1 474 322</b>	<b>8</b>	<b>1 486 558</b>	<b>1 535 070</b>	<b>1 571 300</b>
	<b>Payments</b>						
20 985	Finance Costs	20 985	20 018	-5	18 489	15 487	13 399
0	Other	9 429	0	-100	0	0	0
1 093 985	Payments to GGS Agencies for Outputs	1 108 606	1 142 173	3	1 143 764	1 148 715	1 162 817
243 652	Payments to Agencies for EBT	235 611	242 150	3	233 460	249 017	260 297
<b>1 358 622</b>	<b>Operating Payments</b>	<b>1 374 631</b>	<b>1 404 341</b>	<b>2</b>	<b>1 395 713</b>	<b>1 413 219</b>	<b>1 436 513</b>
<b>-362</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-9 304</b>	<b>69 982</b>	<b>852</b>	<b>90 845</b>	<b>121 851</b>	<b>134 787</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
850 000	Proceeds from Sale/Maturities of Investments	870 917	963 410	11	963 410	963 410	963 410
137	Repayment of Advance	591	1 008	71	3 312	7 416	11 337
145 578	Capital Distributions from Government Agencies	85 917	385 257	348	83 586	85 081	86 695
<b>995 715</b>	<b>Investing Receipts</b>	<b>957 425</b>	<b>1 349 675</b>	<b>41</b>	<b>1 050 308</b>	<b>1 055 907</b>	<b>1 061 442</b>
	<b>Payments</b>						
850 000	Purchase of Investments	870 916	963 410	11	1 013 410	1 073 410	1 103 410
88 776	Advances Issued to Government Agencies	35 814	25 143	-30	4 417	14 124	1 287
101 539	Capital Payments to Government Agencies	102 702	424 372	313	93 458	90 503	89 788
<b>1 040 315</b>	<b>Investing Payments</b>	<b>1 009 432</b>	<b>1 412 925</b>	<b>40</b>	<b>1 111 285</b>	<b>1 178 037</b>	<b>1 194 485</b>
<b>-44 600</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-52 007</b>	<b>-63 250</b>	<b>-22</b>	<b>-60 977</b>	<b>-122 130</b>	<b>-133 043</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
80 000	Borrowings Received	0	0	-	0	0	0
<b>80 000</b>	<b>Financing Receipts</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
1 577	Repayment of Borrowings	1 577	15 528	885	14 242	1 577	1 576
<b>1 577</b>	<b>Financing Payments</b>	<b>1 577</b>	<b>15 528</b>	<b>885</b>	<b>14 242</b>	<b>1 577</b>	<b>1 576</b>
<b>78 423</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-1 577</b>	<b>-15 528</b>	<b>-885</b>	<b>-14 242</b>	<b>-1 577</b>	<b>-1 576</b>

**Central Financing Unit**  
**Budgeted Statement Of Cashflows On Behalf Of The Territory**

1998-99 Budget	1998-99 Est.Outcom <sup>e</sup>	1999-00 Budget	Var	2000-01 Estimate	2001-02 Estimate	2002-03 Estimate	
\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	
33 461	NET INCREASE/(DECREASE) IN CASH HELD	-62 888	-8 796	86	15 626	-1 856	168
73 930	CASH AT THE END OF THE REPORTING PERIOD	7 159	-1 637	-123	13 989	12 133	12 301

## Notes to the Budget Statements

### *Statement of Revenues and Expenses on Behalf of the Territory*

Significant variations are as follows:

- interest revenue: will increase in the 1999-2000 financial year largely due to additional loans provided for the Kingston Foreshore redevelopment in 1998-99, the full year effect of loans provided to InTACT in 1998-99 and as a result of additional loans to be provided in 1999-2000;
- transfer revenue: represents the transfer from agencies of revenue received on behalf of the Territory;
- interest expenses: comprises interest paid on advances and loans to the CFU Departmental account in respect of general government market loans and interest on Commonwealth Advances in respect of historical loans provided by the Commonwealth at the time of self-government;
- transfer expenses: these are the payments for outputs to agencies as well as payments to agencies for expenditure on behalf of the Territory; and
- distributions to government: will increase largely as a result of a \$300m capital distribution payment to be made from ACTEW Corporation.

### *Statement of Assets and Liabilities on Behalf of the Territory*

Significant variations are as follows:

- current assets: comprise in the main of loans provided to the Gungahlin Development Authority, the Australian International Hotel School, Kingston Foreshore Authority, InTACT and Department of Urban Services and the accrued receivable amounts of transfer revenue due from agencies;
- non-current assets: comprise loans provided to the Gungahlin Development Authority, the Australian International Hotel School, Kingston Foreshore Authority, InTACT and Department of Urban Services; capital payments to government agencies; and property, plant and equipment being the motor vehicle assets leased through the ACT Fleet Facility. Loans receivable will increase due to the provision of new loans to DUS and additional loans to InTACT, Gungahlin and Kingston Foreshore;
- current liabilities: comprises in the main the current loan liability in respect of general government market debt and Commonwealth Borrowings. The balance at 30 June 2000 includes the remaining balance of Commonwealth borrowings owed by the General Government Sector. This will be repaid in full in 2000-01; and
- non current liabilities: comprises the balance of general government market debt and the balance of historical loans provided by the Commonwealth at the time of self-government and the balance of the ACT Fleet Financing facility.

## Changes to Appropriation

### Changes to Territorial Appropriations

<b>Payment for Expenses on Behalf of the Territory</b>	<b>1998-99 Est. Outc. \$'000</b>	<b>1999-00 Budget \$'000</b>	<b>2000-01 Estimate \$'000</b>	<b>2001-02 Estimate \$'000</b>	<b>2002-03 Estimate \$'000</b>
<b>1998-99 Budget</b>	<b>20 985</b>	<b>27 045</b>	<b>25 020</b>	<b>21 520</b>	<b>21 520</b>
Reduced debt and borrowing costs	0	-7 028	-6 531	-6 033	-8 121
<b>1999-2000 Budget</b>	<b>20 985</b>	<b>20 017</b>	<b>18 489</b>	<b>15 487</b>	<b>13 399</b>

This table presents a reconciliation of appropriation relating to the Cashflow Statement.

### Changes to Territorial Appropriations

<b>Capital Injection</b>	<b>1998-99 Est. Outc. \$'000</b>	<b>1999-00 Budget \$'000</b>	<b>2000-01 Estimate \$'000</b>	<b>2001-02 Estimate \$'000</b>	<b>2002-03 Estimate \$'000</b>
<b>1998-99 Budget</b>	<b>1 577</b>	<b>1 577</b>	<b>1 577</b>	<b>1 577</b>	<b>1 577</b>
Write off of CanDeliver Loan	0	850	0	0	0
<b>1999-2000 Budget</b>	<b>1 577</b>	<b>2 427</b>	<b>1 577</b>	<b>1 577</b>	<b>1 577</b>

This table presents a reconciliation of appropriation relating to the Cashflow Statement.

**OUTPUT CLASS 4: CENTRAL FINANCING UNIT  
PRINCIPAL MEASURES**

**OUTPUT 4.1: CENTRAL FINANCING UNIT**

**Description:** Management of the investment and borrowing activities of the ACT Government.

Measures	1998-99 Targets	1999-2000 Targets
<b>Quantity</b>		
a) Monthly financial reports.	12	12
b) Submission to Standard & Poors rating review.	August 1998	November 1999
c) Submission to Moody's rating review.	August 1998	November 1999
d) Cash management.	June 1999	June 2000
e) Payment of interest on Agency Investment Accounts.	4	4
f) Payment of disbursements to agencies.	26	26
<b>Quality</b>		
g) Service meets standards described in <i>ACT Public Service Customer Service Standards</i> .	100%	100%
h) Investment activity meets benchmark returns/follow up action taken.	100%	100%
i) Payment of interest within three working days.	100%	100%
j) Payment of disbursements on due date.	100%	100%
<b>Timeliness</b>		
k) Reviews and specified timeframes achieved.	100%	100%
l) Monthly financial reports on time.	100%	100%
<b>Cost<sup>1</sup></b>		
m) Cost per 1000 head of population.	\$4 498 220	\$126 645
n) Cost per ACT Public Service employee.	\$79 991	\$2 346
o) Cost per \$m of whole of government expenses.	\$1 281 324	\$34 468
DEPARTMENTAL COST (\$'000)	\$37 977.0	\$39 176.0
TERRITORIAL COST (\$'000)	\$1 361 869.0	\$1 409 915.0
<b>TOTAL COST (\$000)</b>	<b>\$1 399 846.0</b>	<b>\$1 449 091.0</b>
<b>EXPENSE ON BEHALF OF THE TERRITORY (\$000)</b>	<b>\$20 985.0</b>	<b>\$20 017.0</b>

Government Payment for Output differs from cost to the extent that the Output is financed from within the agency.

Variance reporting will be done on the basis of the departmental operations only.

- 1999-2000 cost measures are based on Departmental costs, whereas 1998-99 measures were based on total cost.

