KINGSTON FORESHORE DEVELOPMENT AUTHORITY

Objectives

The principal objective 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's key goals are to:

- deliver environmental, social and economic benefits to the community from the development;
- schedule the production and release of land to meet demand forecasts; and
- provide effective and economical servicing of land through economies of scale and efficient programming and management.

In undertaking the development of the Kingston Foreshore, the Authority will apply due commercial rigour and seek to provide an appropriate financial return on the Territory's investment.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- completing the preparation of Sites 4 and 7 by August 2002;
- commencing the construction of 179 dwellings in the first stage release under joint venture by September 2002;
- commencing the construction of the Eco Pond by September 2002;
- completing the servicing of Site 7 by October 2002;
- commencing the construction of the Common Parklands by December 2002; and
- achieving the sale of Site 7 for development under the master development plan by February 2003.

Kingston Foreshore Development Authority
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
63	User Charges - Non ACT Government	76	73	-4	73	0	0
0	Interest	74	3	-96	0	0	0
7 192	Revenue of Associates and Joint Ventures	0	0	-	4 027	0	0
6 664	Other Revenue	9 800	7 470	-24	17 363	41 978	25 692
13 919	**Total Ordinary Revenue**	**9 950**	**7 546**	**-24**	**21 463**	**41 978**	**25 692**
	Expenses						
533	Employee Expenses	623	674	8	691	707	725
120	Superannuation Expenses	69	85	23	87	89	92
1 308	Administrative Expenses	1 523	1 690	11	1 614	1 389	1 384
20	Depreciation and Amortisation	13	151	1 062	153	24	1
676	Borrowing Costs	383	995	160	1 008	370	60
1 204	Cost of Goods Sold	7 142	5 013	-30	11 764	17 100	7 623
0	Other Expenses	0	0	-	0	0	0
4 937	Expenses of Associates and Joint Ventures	0	0	-	0	0	0
8 798	**Total Ordinary Expenses**	**9 753**	**8 608**	**-12**	**15 317**	**19 679**	**9 885**
5 121	**Operating Result From Ordinary Activities**	**197**	**-1 062**	**-639**	**6 146**	**22 299**	**15 807**
1 200	Income Tax Equivalent	50	0	-100	1 747	6 696	4 760
3 921	**Operating Result**	**147**	**-1 062**	**-822**	**4 399**	**15 603**	**11 047**
1 601	**Total Equity From Start of Period**	**1 457**	**1 604**	**10**	**7 142**	**11 541**	**27 144**
0	Capital Injections	0	6 600	#	0	0	0
5 522	**Total Equity At The End of Period**	**1 604**	**7 142**	**345**	**11 541**	**27 144**	**38 191**

Kingston Foreshore Development Authority
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
5	Cash	1 806	1 335	-26	9 469	6 697	6 636
0	Receivables	144	150	4	224	0	79
0	Investments	1 000	0	-100	0	0	0
4 812	Inventories	2 077	6 077	193	7 920	7 623	7 652
4	Other	0	0	-	0	0	0
4 821	**Total Current Assets**	**5 027**	**7 562**	**50**	**17 613**	**14 320**	**14 367**
	Non Current Assets						
0	Investments	4 900	4 900	-	0	0	0
14 586	Inventories	3 252	3 591	10	2 995	1 322	736
778	Property, Plant and Equipment	331	180	-46	27	3	2
0	Capital Works in Progress	4 037	6 681	65	6 624	20 995	28 618
15	Other	0	0	-	0	0	0
15 379	**Total Non Current Assets**	**12 520**	**15 352**	**23**	**9 646**	**22 320**	**29 356**
20 200	**TOTAL ASSETS**	**17 547**	**22 914**	**31**	**27 259**	**36 640**	**43 723**
	Current Liabilities						
127	Payables	445	380	-15	323	1 143	547
6 500	Interest Bearing Liabilities	0	0	-	12 000	1 440	0
71	Employee Entitlements	79	65	-18	65	65	65
4	Other Provisions	4	4	0	4	4	4
1 200	Other	50	0	-100	1 747	6 696	4 760
7 902	**Total Current Liabilities**	**578**	**449**	**-22**	**14 139**	**9 348**	**5 376**
	Non Current Liabilities						
6 622	Interest Bearing Liabilities	12 949	13 440	4	1 440	0	0
154	Employee Entitlements	123	131	7	139	148	156
0	Other Provisions	2 293	1 752	-24	0	0	0
6 776	**Total Non Current Liabilities**	**15 365**	**15 323**	**..**	**1 579**	**148**	**156**
14 678	**TOTAL LIABILITIES**	**15 943**	**15 772**	**-1**	**15 718**	**9 496**	**5 532**
5 522	**NET ASSETS**	**1 604**	**7 142**	**345**	**11 541**	**27 144**	**38 191**
	REPRESENTED BY FUNDS EMPLOYED						
5 522	Accumulated Funds	1 604	7 142	345	11 541	27 144	38 191
5 522	**TOTAL FUNDS EMPLOYED**	**1 604**	**7 142**	**345**	**11 541**	**27 144**	**38 191**

Kingston Foreshore Development Authority
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
63	User Charges	81	73	-10	73	7	0
0	Interest Received	58	20	-66	0	0	0
18 511	Other Revenue	5 751	9 807	71	30 208	46 761	28 331
18 574	**Operating Receipts**	**5 890**	**9 900**	**68**	**30 281**	**46 768**	**28 331**
	Payments						
643	Related to Employees	733	765	4	769	788	782
1 304	Related to Administration	1 481	1 755	19	1 671	1 310	1 265
126	Borrowing Costs	0	504	#	1 008	370	60
4 655	Other	901	2 410	167	3 993	5 571	10 156
6 728	**Operating Payments**	**3 115**	**5 434**	**74**	**7 441**	**8 039**	**12 263**
11 846	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**2 775**	**4 466**	**61**	**22 840**	**38 729**	**16 068**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale/Maturities of Investments	3 000	1 000	-67	0	0	0
0	**Investing Receipts**	**3 000**	**1 000**	**-67**	**0**	**0**	**0**
	Payments						
19 623	Purchase of Property, Plant and Equipment	8 749	11 595	33	14 706	29 501	14 689
0	Purchase of Land and Intangibles	1 149	942	-18	0	0	0
0	Purchase of Investments	4 000	0	-100	0	0	0
19 623	**Investing Payments**	**13 898**	**12 537**	**-10**	**14 706**	**29 501**	**14 689**
-19 623	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-10 898**	**-11 537**	**-6**	**-14 706**	**-29 501**	**-14 689**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
0	Capital Injection from Government	0	6 600	#	0	0	0
10 337	Borrowings Received	7 780	0	-100	0	0	0
10 337	**Financing Receipts**	**7 780**	**6 600**	**-15**	**0**	**0**	**0**

Kingston Foreshore Development Authority
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Payments						
2 557	Repayment of Borrowings	0	0	-	0	12 000	1 440
2 557	**Financing Payments**	**0**	**0**	**-**	**0**	**12 000**	**1 441**
7 780	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**7 780**	**6 600**	**-15**	**0**	**-12 000**	**-1 441**
3	**NET INCREASE/(DECREASE) IN CASH HELD**	**-343**	**-471**	**-37**	**8 134**	**-2 772**	**-62**
2	**CASH AT BEGINNING OF REPORTING PERIOD**	**2 149**	**1 806**	**-16**	**1 335**	**9 469**	**6 697**
5	**CASH AT THE END OF THE REPORTING PERIOD**	**1 806**	**1 335**	**-26**	**9 469**	**6 697**	**6 636**

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- revenue of associates and joint ventures: the decrease of $7.192m in 2001-02 from the original budget is due to delays in establishing the joint venture, together with changes in procedural and consultation requirements;
- other revenue: the increase of $3.136m in 2001-02 from the original budget reflects a change in accounting policy to recognise the full sales value for land sold to the joint venture for development of the first release stage. The decrease of $2.330m in the 2002-03 Budget from the 2001-02 estimated outcome is due to the reduction in the area of serviced land available for sale;
- borrowing costs: the decrease of $0.293m in 2001-02 from the original budget reflects the deferral by the Authority of drawing on borrowings until the commencement of major demolition and construction contracts in the latter half of the 2001-02 calender year. The increase of $0.612m in the 2002-03 Budget from the 2001-02 estimated outcome is a reflection of a full years borrowing costs;
- cost of goods sold: the increase of $5.938m in 2001-02 from the original budget reflects a change in accounting policy to recognise the full cost of sales for land sold to the joint venture for development of the first release stage. The decrease of $2.129m in the 2002-03 Budget from the 2001-02 estimated outcome is due to a reduction in area of serviced land expected to be sold in 2002-03;
- expenses of associates and joint ventures: the decrease of $4.937m in 2001-02 from the original budget reflects a change in accounting policy whereby the Authority's share of the expenses of the joint venture are not separately recognised in the 2001-02 estimated outcome; and
- capital injection: the increase of $6.6m in the 2002-03 Budget from the 2001-02 estimated outcome relates to funding for the Authority's capital works program required to make serviced land available for sale in 2002-03.

Statement of Financial Position

- current and non current inventories and capital works in progress: the decrease of $10.032m in 2001-02 from the original budget is due to delays in commencing construction and development of the first release stage and consequent deferral of work on the next stages. The increase of $6.983m in the 2002-03 Budget from the 2001-02 estimated outcome is due to increasing activity in the preparation of serviced land for sale in 2002-03 and later years, and the commencement of construction of large scale infrastructure works;
- cash and current and non current investments: the increase of $7.701m in 2001-02 from the original budget reflects the recognition of the Authority's share in the joint venture for the first release stage, and funds held to meet the cost of capital works programs that commenced towards the end of the 2001-02 calendar year. The decrease of $1.471m in

the 2002-03 Budget from the 2001-02 estimated outcome is due to the expenditure of funds required to meet the capital works programs scheduled for 2002-03;

- property, plant and equipment: the decrease of $0.447m in 2001-02 from the original budget reflects the refurbishment of existing buildings for the marketing and display centre instead of constructing a new building. The decrease of $0.151m in the 2002-03 Budget from the 2001-02 estimated outcome is due to the revised depreciation of the marketing and display centre;
- non current other provisions: the net increase of $2.293m in 2001-02 from the original budget is due to the recognition of the proportion of future large scale infrastructure works applied to the sale of the first land release stage. The decrease of $0.541m in the 2002-03 Budget from the 2001-02 estimated outcome reflects the reduction of this provision as major infrastructure work is undertaken; and
- other liabilities: the decrease of $1.150m in 2001-02 from the original is due to the Authority's liability for tax equivalent payments being significantly reduced as the expected operating result for 2001-02 is much lower than budgeted.

Statement of Cashflows

- other payments: the decrease of $3.754m in 2001-02 from the original budget occurred because of the impact of a change of accounting policy whereby the Authority's share of the cashflows of the joint venture are no longer separately recognised in the 2001-02 estimated outcome. The increase of $1.509m in 2002-03 from the 2001-02 estimated outcome is due to the GST impact of increased receipts from the sale of serviced land;
- purchase of property, plant and equipment: the decrease of $10.874m in 2001-02 from the original budget is due to delays in the commencement of the first release stage of the project and a change of accounting policy whereby the Authority's share of the cashflows of the joint venture are no longer separately recognised in the 2001-02 estimated outcome. The increase of $2.846m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the increased activity that the Authority will be conducting in land servicing and infrastructure operations;
- purchase of land and intangibles: the increase of $1.149m in 2001-02 from the original budget is due to delays in the acquisition of additional land parcels within the development site; and
- borrowings received and repayment of borrowings: the decrease of $2.557m in 2001-02 from the original budget is due to a change of accounting policy whereby the Authority's share of the cashflows of the joint venture are no longer separately recognised in the 2001-02 estimated outcome.