3. 2001-02 ESTIMATED OUTCOME

This chapter provides information on the estimated outcome for 2001-02. Projected 2001-02 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 2001-02 is a deficit of $2.4m. This represents a $14.7m deterioration compared to the original 2001-02 budgeted operating surplus of $12.3m.

Table 3.1
2001-02 Estimated Outcome
General Government Sector

	2001-02 Original Budget $m	2001-02 Estimated Outcome $m	Variation $m	Variation %
Revenue	2 043	2 188	146	7.1
Expenses	2 030	2 191	-160	-7.9
Operating Result	**12**	**-2**	**-15**	**119.5**

Movement in the Estimated Outcome

On 2 October 2001, prior to the Territory election, Treasury released estimates indicating an expected operating surplus of $38.8m. Subsequent to the election, the Government announced the establishment of the Commission of Audit on 15 January 2002. The purpose of the Commission was to determine the state of the Territory's finances at the time of the change in Government as at 31 October 2001. As a result of this inquiry, the operating deficit of -$4.8m was determined to be the 2001-02 outcome, based on information known in October 2001. This substantial reduction was largely due to the impact of the adjustment to the superannuation investment return (-$63m), offset by improvements in land and grant revenue.

Following the Commission of Audit, two supplementary appropriation acts were passed in the Legislative Assembly with a total impact on the operating result of $26.5m. These Acts were *Appropriation Act 2001-02 (No. 2)*; and *Appropriation Act 2001-02 (No.3)*. As the impact of several cost pressures appropriated through the two Acts was already included in the 2 October and Commission of Audit releases, the additional impact from the Commission of Audit was only $11.7m.

The Government, through its budget consultation, released in early March an operating result in the *Community Consultation Document* of -$17.1m, which included further variations to the operating result due to further updates to taxation revenues, investment returns and superannuation expenses, following an actuarial review.

A further estimate of the operating result was released to the Legislative Assembly in the March Quarterly Report which disclosed an operating surplus of $18.5m. Improvements were largely driven by the rollover of projects into the 2002-03 financial year and a net improvement in Commonwealth Grants.

Table 3.2 outlines the various changes in the operating result from the 2001-02 Budget to the 2001-02 Estimated Outcome.

Table 3.2

Movement in the 2001-02 Outcome

	2001-02 $'m
GGS Operating Result - 2001-02 Budget Papers	**12.3**
Net Commonwealth Grants	3.6
Taxation Revenue	19.3
Land Revenue – increased price	5.0
Other Budget Adjustments	-1.4
Impact	***26.5***
GGS Operating Result - 2 October release	**38.8**
Net Commonwealth Grants	7.8
Superannuation Investment Return adjustment	-63.0
Land Revenue – recognition of past year infrastructure	12.4
Other Budget Adjustments	-0.8
Impact	***-43.6***
GGS Operating Result - Commission of Audit	**-4.8**
Impact of Appropriation Act 2001-02 (No. 2)	-5.9
Impact of Appropriation Act 2001-02 (No. 3)	-5.8
Impact	***-11.7***
GGS Operating Result - After Supplementary Appropriation	**-16.5**
Net Commonwealth Grants	-1.0
Taxation Revenue	17.8
Superannuation Investment Return adjustment	20.9
Superannuation Actuarial Assessment Impact	-26.8
Other Budget Adjustments	-11.5
Impact	***-0.6***
GGS Operating Result - Community Consultation	**-17.1**
Net Commonwealth Grants	8.7
Taxation Revenue	6.5
Superannuation Investment Return adjustment	-19.8
Superannuation Actuarial Assessment Impact	-5.3
Rollover of Expenditure into the 2002-03 Budget Year	24.0
Net Asset Revaluations	2.9
Cessation of free school bus scheme	5.7
Other Budget Adjustments	12.9
Impact	***35.6***
GGS Operating Result - March Quarterly Report	**18.5**

Table 3.2 cont…

Movement in the 2001-02 Outcome

GGS Operating Result - March Quarterly Report – (continued)	**18.5**
Net Commonwealth Grants	4.0
Taxation Revenue	2.6
Superannuation Investment Return adjustment	-12.9
Superannuation Actuarial Assessment Impact	1.2
Rollover of Expenditure into the 2002-03 Budget Year	-1.2
Net Asset Revaluations	-0.8
Other Budget Adjustments	-13.8
Impact	***-20.9***
GGS Operating Result – 2001-02 Estimated Outcome	**-2.4**

The table summaries the movements between the 2001-02 original budget and the 2001-02 estimated outcome as follows:

The decrease in the operating result is due to, adjustments to the superannuation investment return (-$74.8m), the impacts of the Second and Third Appropriation Acts (-$11.7m), superannuation actuarial assessment increase in expenditure (-$30.9m) and other budget adjustments of (-$13.0m). The other budget adjustments include an increase in the Williamsdale Quarry expenses of $2.4m, an increase in property maintenance costs of $2m and a payment of $10m to ACT Housing.

The above negative impacts are partly offset by increases in net Commonwealth Grants of $23.1m, taxation revenue net of waivers ($47m), land revenue ($17.4m), net asset revaluation of $2.1m, an increase in interest revenue of $4.4m, rollover of expenditure into the 2002-03 Budget ($22.8m) and the cessation of the free school bus scheme ($5.7m).

Factors Influencing the 2001-02 Estimated Outcome

Taxes, Fees and Fines

Taxes, Fees and Fines are $76m above the original 2001-02 budget. Included in this increase is the recognition of tax waivers' revenue amounting to $25.8m, which have a corresponding expense.

The net increase in revenue therefore is $50.2m. This comprises:

- $47.2m increase in taxes over the original budget;
- $4.2m increase in fees; offset by
- a decrease of $1.2m in fines.

The increase of $47m in taxes is mainly due to significantly higher than budget revenue in conveyancing duties ($51m), and an increase of $1.2m in the ambulance levy, partially offset by a decrease of $4.8m in gambling taxes. The strong revenue performance in conveyancing is due to increased volume of housing transactions, as well as considerable increases in average house prices. The decrease in gambling taxes mainly relates to gaming machine tax ($2.6m) and interstate lotteries ($1.7m).

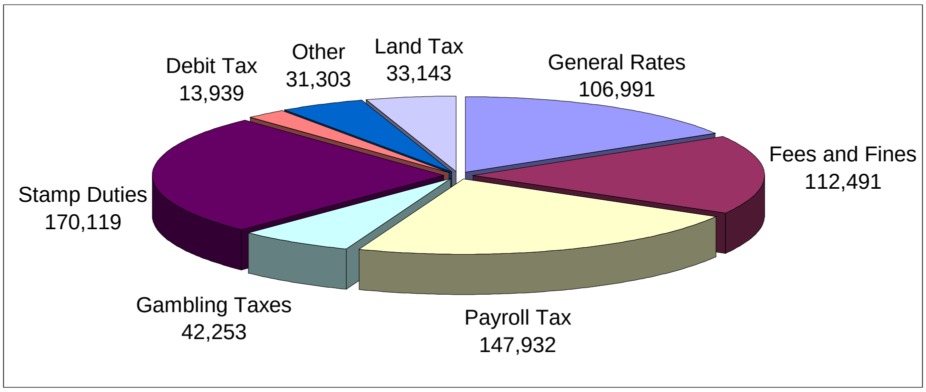
In addition, there are a number of variations from the original budget within taxation revenue, which cancel out each other. Significant among these are increases in land tax of ($4.7m), an increase of $2m in general rates, offset by a decrease of $4.8m in payroll tax due to lower than expected employment and a decrease of $0.8m in debit tax.

The increase of $4.2m in fees over the original budget mainly relates to fees for regulatory services of $3.5m and an increase of $0.9m in motor vehicle registrations.

The decrease of $1.2m in fines relates to the traffic infringement fines ($0.8m) due to delays in the installation of speed/red light cameras, and lower than budgeted parking fines ($0.4m).

Figure 3.1 provides a graph of the composition of the 2001-02 estimated outcome for taxation revenue.

Figure 3.1
Composition of Taxation Revenue ($'000)



Commonwealth Grants

The 2001-02 estimated outcome for Commonwealth grants is $39.5m higher than the original 2001-02 budget. The net impact of this improvement on the operating result is lower due to the offsetting impact of grant related payments such as the First Home Owners Scheme, GST administration costs and non government school grants.

Dividend from ACTEW

The dividend from ACTEW in 2001-02 has been revised upwards by $4.7m. This increase reflects higher energy sales and has resulted in improved returns from the ActewAGL joint venture.

Deferral of Expenditure

A number of projects, which were budgeted to commence in 2001-02, have been deferred to 2002-03. The effect of these deferrals on the 2001-02 outcome is an improvement of $22.8m on the original operating result for the GGS.

While improving the operating result in 2001-02, the deferral will have the impact of reducing the operating result in 2002-03. Significant projects are listed below:

- Grant programs relating to Commonwealth payments ($2.4m);

- Electronic Service Delivery funds ($1.3m);
- Research and Development grants ($2.4m);
- Knowledge Bank ($1.5m);
- DUS Oracle Database ($1.6m);
- Upgrade of Oracle Financials ($1.6m); and
- Belconnen Pool Capital grant ($5.9m).

Second Appropriation and Third Appropriation

The *Appropriation Act 2001-02 (No.2)* provided departments with an additional $32.1m in appropriations. However, the impact on the General Government Sector operating result is only $14.4m. Similarly, the *Appropriation Act 2001-02 (No.3)* provided departments with an additional $19.5m in appropriations. However, the impact on the General Government Sector operating result is only $12.1m. The remaining appropriations were budget neutral.

The two appropriation Acts provided for immediate cost pressures and the early commencement of a number of Government election commitments.

Land Revenue and Revenue from Associates and Joint Ventures

The 2001-02 estimated outcome for revenue from associates and joint ventures and land revenue is $26.2m higher than the original budget.

Revenue from associates and joint ventures is expected to be $9.3m below budget. This is mainly due to a $7.2m decrease of Kingston Foreshore Development Authority, relating to a change in accounting treatment, with revenue now recognised as sales revenue. A further decrease of $2.1m relates to the Harcourt Hill joint venture in Land and Property.

The decrease in revenue from associates and joint ventures is offset by a $35.5m increase in land revenue. This is attributed to:

- an increase of $17m in infrastructure revenue, mainly related to the negotiation of prior year's infrastructure;
- an increase of $8.5m in land sales by GDA, largely related to Horse Park Estate Stage 1;
- an increase of $3.1m in land revenue for Kingston Foreshore Development Authority. This relates to a change in accounting treatment and only partially offsets the decrease of $7.2m in revenue from associates and joint ventures; and
- an increase of $7m in land sales by Land and Property.

The increased land revenue is particularly due to higher prices being realised at auctions.

Return on Superannuation Related Investments

The 2001-02 estimated outcome for the Territory's return on superannuation investments, are superannuation related equity investment losses of $13m ($74.8m reduction from original budget estimates). Of this loss, $50.8m has been recognised as an expense in the financial statements. The variation is driven by a combination of the volatility on the international equities market, movement in the Australian dollar, and higher fund balances held at higher interest rates than assumed at the time of the original 2001-02 Budget.

Superannuation Actuarial Review

A major triennial actuarial review of the liabilities of the Superannuation Provision Account (SPA) was commissioned in October 2001, using salary data as at 30 June 2001.

The review also incorporated the amended policy that employee superannuation arrangements would remain unchanged, that is, new entrants to the ACT Public Service will have continued access to Public Service Superannuation (PSS). The actuarial review also undertook a review of historic data including actual membership activity as well as the actual amounts that should have been reimbursed to Comsuper since the last actuarial review.

The 2001-02 review provided the following results:

- the emerging cost reimbursements actually paid over the past two years were $13.1m lower than the actual;
- the projected liability at 30 June 2001 was understated by $44m. Consistent with the current accounting policy, this will be amortised over a twelve year period, increasing the 2001-02 expense by $3.7m; and
- the projected liability movement will be $14.2m higher compared with the original 2001-02 budget estimate due to the use of more up-to-date salary data and financial and demographic assumptions.

Summary of Revenue and Expenses

The following graph compares the original budget to the estimated outcome for 2001-02 for major revenue and expense items.

Figure 3.2
Revenue and Expenses

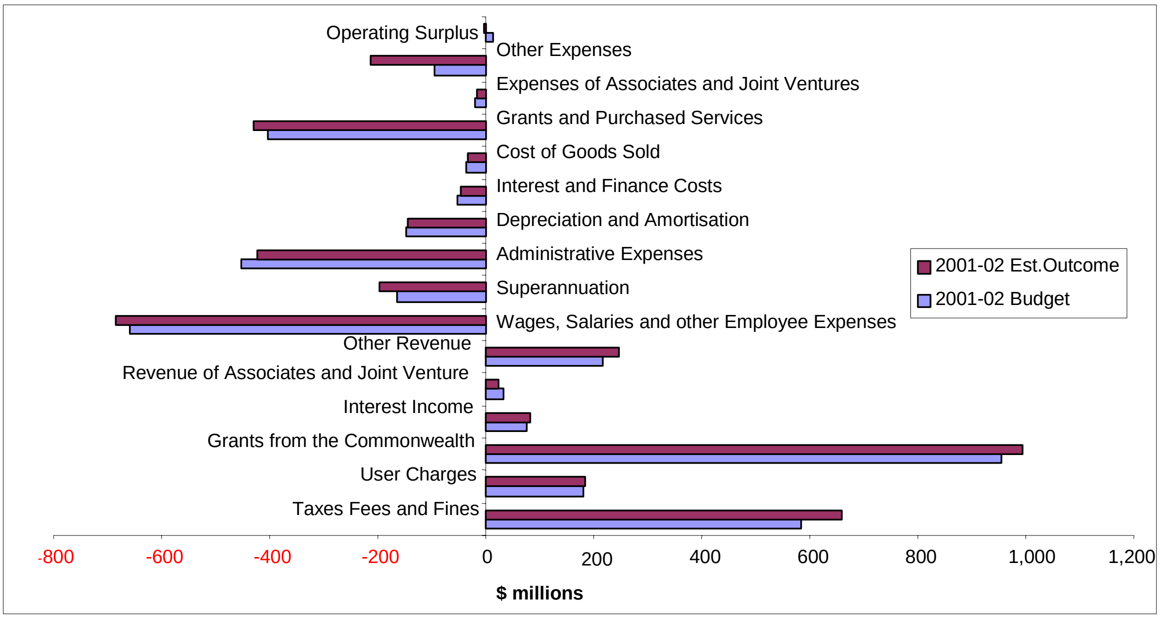


Table 3.3
General Government Sector
2001-02 Forecast Statement of Financial Performance

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
Revenue		
Taxes Fees and Fines	582 212	658 171
User Charges – Non ACT Government	163 041	164 292
User Charges – ACT Government	18 328	20 211
Grants from the Commonwealth	954 432	993 926
Interest	76 591	80 997
Revenue of Associates and Joint Ventures	32 719	23 394
Dividend Revenue	41 624	46 056
Other Revenue	173 715	201 247
Total Ordinary Revenue	**2 042 662**	**2 188 294**
Expenses		
Employee Expenses	658 272	686 218
Superannuation Expenses	165 399	198 096
Administrative Expenses	451 067	423 587
Depreciation and Amortisation	148 842	144 903
Borrowing Costs	51 172	46 851
Cost of Goods Sold	36 969	34 007
Grants and Purchased Services	404 533	428 924
Other Expenses	88 347	194 880
Expenses of Associates and Joint Ventures	20 286	15 569
Transfer Expenses	5 490	17 643
Total Ordinary Expenses	**2 030 377**	**2 190 678**
Operating Result	**12 285**	**-2 384**
Increase/(Decrease) in asset revaluation reserve	-875	22 441
Increase/(Decrease) in other reserves	-3 007	5 485
Transfer to/from Reserves	3 008	199
Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	**-874**	**28 125**
Total Equity From Start of Period	**4 877 669**	**4 922 044**
Distributions to Government	0	18
Inc/Dec in Net Assets from Admin Restructure	0	0
Total Equity At The End of Period	**4 899 080**	**4 947 803**

Table 3.4
General Government Sector
2001-02 Forecast Statement of Financial Position

	2001-02 Audited Opening Balance $'000	Budget as at 30/6/02 $'000	Est.Outcome as at 30/6/02 $'000
Current Assets			
Cash	30 313	94 720	78 183
Receivables	276 150	174 892	219 133
Investments	591 015	324 243	704 520
Inventories	17 193	17 914	15 179
Other	8 032	22 009	7 028
Total Current Assets	**922 703**	**633 778**	**1 024 043**
Non Current Assets			
Receivables	373 102	447 744	411 891
Investments	912 056	1 063 071	879 336
Inventories	4 271	14 586	4 252
Property, Plant and Equipment	5 293 108	5 356 221	5 360 596
Intangibles	360	4 137	842
Capital Works in Progress	69 620	45 635	68 917
Other	5 553	9 072	4 623
Total Non Current Assets	**6 658 069**	**6 940 467**	**6 730 457**
TOTAL ASSETS	**7 580 772**	**7 574 245**	**7 754 500**
Current Liabilities			
Payables	121 067	95 235	117 563
Interest Bearing Liabilities	248 110	151 518	248 912
Finance Leases	26 429	25 841	25 020
Employee Entitlements	146 751	151 034	155 179
Other Provisions	1 528	298	382
Other	26 610	20 072	38 280
Total Current Liabilities	**570 494**	**443 998**	**585 336**
Non Current Liabilities			
Payables	73 358	31 211	71 262
Interest Bearing Liabilities	461 808	528 144	448 800
Finance Leases	31 337	33 481	33 997
Employee Entitlements	1 519 090	1 635 644	1 661 781
Other Provisions	1 721	1 570	4 771
Other	921	1 117	751
Total Non Current Liabilities	**2 088 234**	**2 231 167**	**2 221 362**
TOTAL LIABILITIES	**2 658 728**	**2 675 165**	**2 806 698**
NET ASSETS	**4 922 044**	**4 899 080**	**4 947 803**
REPRESENTED BY FUNDS			
Accumulated Funds	4 374 935	4 340 529	4 372 768
Reserves	547 109	558 551	575 035
TOTAL FUNDS EMPLOYED	**4 922 044**	**4 899 080**	**4 947 803**

Table 3.5
General Government Sector
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
CASH AT BEGINNING OF REPORTING PERIOD	**109 860**	**641 629**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxes, Fees and Fines	585 413	627 464
User Charges	179 940	191 908
Interest Received	57 240	66 002
Grants Received from the Commonwealth	961 263	1 004 431
Other Revenue	214 231	250 991
Operating Receipts	**1 998 087**	**2 140 796**
Payments		
Related to Employees	701 393	733 945
Related to Administration	388 027	435 352
Borrowing Costs	51 069	46 546
Grants and Purchased Services	411 364	437 940
Other	260 448	226 034
Payments to PTE Agencies for Outputs	1 050	1 350
Operating Payments	**1 813 351**	**1 881 167**
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**184 736**	**259 629**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	2 800	3 216
Proceeds of Sale of Land and Intangibles	5 800	4 940
Proceeds from Sale/Maturities of Investments	1 426 760	18 049
Repayment of Advance	2 190	3 779
Repayment of Home Loan Principal	19 492	21 528
Dividends	45 612	55 578
Capital Distributions from Government Agencies	0	18
Investing Receipts	**1 502 654**	**107 108**
Payments		
Purchase of Property, Plant and Equipment	195 981	149 449
Purchase of Land and Intangibles	5 007	2 192
Purchase of Investments	1 470 708	47 237
Capital Payments to Government Agencies	4 440	16 293
Investing Payments	**1 676 136**	**215 171**
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**-173 482**	**-108 063**

Table 3.5
General Government Sector
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Borrowings Received	431 391	428 834
Finance Lease	840	2 640
Financing Receipts	**432 231**	**431 474**
Payments		
Repayment of Borrowings	368 410	373 790
Repayment of Finance Lease	13 243	17 588
Repayment of Investments to Agencies	73 782	60 194
Financing Payments	**455 435**	**451 572**
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**-23 204**	**-20 098**
NET INCREASE/(DECREASE) IN CASH HELD	**-11 950**	**131 468**
CASH AT THE END OF THE REPORTING PERIOD	**97 909**	**773 097**

Note: Cash on the cashflow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the statement of financial position.

Reconciliation of Cash:

Cash	78 183
Plus Liquid Investments	694 914
Cash at the end of the reporting period	773 097

Public Trading Enterprise Sector

The consolidated public trading enterprise sector result after tax for 2001-02 is expected to be a $96.7m surplus. This is a 69.5% improvement against the original budget outcome of $57.1m.

Table 3.6
2001-02 Estimated Outcome
Public Trading Enterprise Sector

	Annual Budget $m	Estimated Outcome $m	Variation $m	Variation %
Revenue	372	404	33	8.8
Expenses	315	308	-7	-2.2
Operating Result	**57**	**97**	**40**	**69.5**

Revenue includes injection for operating requirements
Expenses include tax equivalents

Factors Influencing the Operating Result

ACT Housing Operating Result

ACT Housing improved its operating result by $11.2m mainly as a result of additional revenue to address urgent work and community needs.

ACTEW Operating Result

ACTEW has improved its operating result by $4.7m. Factors contributing to this favourable result include: an increase in sales of water and sewerage services of $4.9m; improved returns from joint venture parties of $3.7m; gain on the sale of equipment together with the receipt of dividends on cumulative preference shares from TransACT of $2.3m; and reduced borrowing costs of $1.9m. These improvements were offset by an increase in income tax equivalent expense of $8.4m.

Table 3.7
Public Trading Enterprise Sector
2001-02 Statement of Financial Performance

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
Revenue		
User Charges - Non ACT Government	201 854	208 861
User Charges - ACT Government	106 446	103 718
Grants from the Commonwealth	0	75
Interest	1 660	2 935
Revenue of Associates and Joint Ventures	33 000	36 661
Other Revenue	18 711	30 075
Total Ordinary Revenue	**361 671**	**382 325**
Expenses		
Employee Expenses	60 451	61 056
Superannuation Expenses	7 228	7 659
Administrative Expenses	83 671	79 049
Depreciation and Amortisation	37 836	38 245
Borrowing Costs	36 106	34 162
Cost of Goods Sold	56 686	59 355
Other Expenses	32 015	27 829
Total Ordinary Expenses	**313 993**	**307 355**
Operating Result Before Extraordinary Items	**47 678**	**74 970**
Income Tax Equivalent	501	300
Injection for Operating Requirements	9 888	22 041
Operating Result	**57 065**	**96 711**
Increase/(Decrease) in asset revaluation reserve	-10 500	97 500
Transfer to/from Reserves	10 500	22 500
Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	**0**	**120 000**
Total Equity From Start of Period	**2 265 844**	**2 404 470**
Distributions to Government	0	-18
Dividend Declared	-41 624	-46 056
Total Equity At The End of Period	**2 281 285**	**2 575 107**

Table 3.8
Public Trading Enterprise Sector
2001-02 Forecast Statement of Financial Position

	2001-02 Audited Opening Balance $'000	Budget as at 30/6/02 $'000	Est.Outcome as at 30/6/02 $'000
Current Assets			
Cash	9 654	7 694	14 584
Receivables	25 539	26 330	30 565
Investments	37 163	10 044	33 224
Inventories	120	4 138	150
Other	14 217	3 493	13 620
Total Current Assets	**86 693**	**51 699**	**92 143**
Non Current Assets			
Investments	391 837	395 751	407 230
Inventories	0	75 990	0
Property, Plant and Equipment	2 437 821	2 294 810	2 550 267
Intangibles	101	22	124
Capital Works in Progress	19 628	25 766	24 390
Tax Asset	18 541	0	18 541
Other	68 423	15 177	89 053
Total Non Current Assets	**2 936 351**	**2 807 516**	**3 089 605**
TOTAL ASSETS	**3 023 044**	**2 859 215**	**3 181 748**
Current Liabilities			
Payables	30 627	23 961	24 463
Interest Bearing Liabilities	25 606	6 905	10 785
Finance Leases	915	432	1 004
Employee Entitlements	16 599	15 030	15 282
Other Provisions	19 531	9 148	10 074
Income Tax Payable	480	0	480
Other	4 154	3 058	4 081
Total Current Liabilities	**97 912**	**58 534**	**66 169**
Non Current Liabilities			
Payables	507	487	507
Interest Bearing Liabilities	487 100	489 610	489 722
Finance Leases	2 966	547	1 995
Employee Entitlements	19 276	19 601	18 383
Other Provisions	10 813	9 151	4 700
Income Tax Payable	0	0	24 494
Other	0	0	671
Total Non Current Liabilities	**520 662**	**519 396**	**540 472**
TOTAL LIABILITIES	**618 574**	**577 930**	**606 641**
NET ASSETS	**2 404 470**	**2 281 285**	**2 575 107**
REPRESENTED BY FUNDS EMPLOYED			
Accumulated Funds	1 647 603	1 676 475	1 720 741
Reserves	756 867	604 810	854 366
TOTAL FUNDS EMPLOYED	**2 404 470**	**2 281 285**	**2 575 107**

Table 3.9
Public Trading Enterprise Sector
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
CASH AT BEGINNING OF REPORTING PERIOD	**27 810**	**33 058**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Cash from Government - Operating	1 050	1 350
User Charges	316 837	317 113
Interest Received	1 860	2 990
Other Revenue	34 939	56 670
Operating Receipts	**354 686**	**378 123**
Payments		
Related to Employees	67 802	70 889
Related to Administration	90 228	79 723
Borrowing Costs	35 722	34 898
Other	81 951	91 008
Operating Payments	**275 703**	**276 518**
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**78 983**	**101 605**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	32 000	43 191
Proceeds from Sale/Maturities of Investments	56 260	10 386
Investing Receipts	**88 260**	**53 577**
Payments		
Purchase of Property, Plant and Equipment	65 040	65 169
Purchase of Land and Intangibles	0	75
Purchase of Investments	66 378	53 312
Investing Payments	**131 418**	**118 556**
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**-43 158**	**-64 979**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Capital Injection from Government	4 440	16 293
Financing Receipts	**4 440**	**16 293**
Payments		
Distributions to Government	0	18
Dividends to Government	45 612	55 578
Repayment of Borrowings	10 606	12 199
Repayment of Finance Lease	376	376

Table 3.9
Public Trading Enterprise Sector
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
Financing Payments	**56 594**	**68 171**
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**-52 154**	**-51 878**
NET INCREASE/(DECREASE) IN CASH HELD	**-16 329**	**-15 252**
CASH AT THE END OF THE REPORTING PERIOD	**11 481**	**17 806**

Note: Cash on the cashflow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the statement of financial position.

Reconciliation of Cash:

Cash	14 584
Plus Liquid Investments	3 222
Cash at the end of the reporting period	17 806

Total Territory

Operating Statement

The Territory operating surplus of $48.3m is a consolidation of the GGS deficit of $2.4m and the PTE surplus of $96.7m. The difference is due primarily to dividends that the PTE sector pays to the GGS ($46.1m), as these are eliminated from the whole of government result. The Territory result is a significant improvement from the budgeted result of a $27.7m surplus.

Table 3.10
2001-02 Forecast Outcome
Total Territory

	Annual Budget $m	Estimated Outcome $m	Variation $m	%
Revenue	2 171	2 330	160	7.4
Expenses	2 143	2 282	139	6.5
Operating Result	**28**	**48**	**21**	**74.1**

Statement of Financial Position

Assets of the Territory are expected to total $10 526m by 30 June 2002. This is an improvement on the audited opening position by ($308m), as a result of increased cash and investments, and property, plant and equipment. The improvement contributes to a net asset position of $7 521m for the Territory.

Table 3.11
Consolidated Total Territory
2001-02 Forecast Statement of Financial Performance

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
Revenue		
Taxes Fees and Fines	562 640	638 150
User Charges - Non ACT Government	364 895	373 153
Grants from the Commonwealth	954 432	994 001
Interest	52 711	60 960
Revenue of Associates and Joint Ventures	65 719	60 055
Other Revenue	170 435	204 164
Total Ordinary Revenue	**2 170 832**	**2 330 483**
Expenses		
Employee Expenses	715 004	743 411
Superannuation Expenses	166 621	199 512
Administrative Expenses	509 219	481 427
Depreciation and Amortisation	186 678	183 148
Borrowing Costs	61 738	58 041
Cost of Goods Sold	88 401	81 673
Grants and Purchased Services	309 382	333 712
Other Expenses	85 777	185 719
Expenses of Associates and Joint Ventures	20 286	15 569
Fundamental Error (Expenses)	0	0
Total Ordinary Expenses	**2 143 106**	**2 282 212**
Operating Result	**27 726**	**48 271**
Increase/(Decrease) in asset revaluation reserve	-11 375	119 941
Increase/(Decrease) in other reserves	-3 007	5 485
Transfer to/from Reserves	13 508	22 670
Change In Equity Other Than Those Resulting From Transactions With Owners As Owners	**-874**	**148 096**
Total Equity From Start of Period	**7 150 899**	**7 324 880**
Total Equity At The End of Period	**7 177 750**	**7 521 247**

Table 3.12
Consolidated Total Territory
2001-02 Forecast Statement of Financial Position

	Audited 2001-02 Opening Balance $'000	Budget as at 30/6/02 $'000	Est.Outcome as at 30/6/02 $'000
Current Assets			
Cash	39 966	102 414	92 767
Receivables	188 265	170 649	211 930
Investments	614 853	328 851	708 053
Inventories	17 313	22 052	15 329
Other	21 682	25 287	20 600
Total Current Assets	**882 080**	**649 253**	**1 048 679**
Non Current Assets			
Receivables	116 715	119 878	89 774
Investments	1 303 873	1 458 802	1 286 546
Inventories	4 271	90 576	4 252
Property, Plant and Equipment	7 729 296	7 651 031	7 909 200
Intangibles	461	4 159	966
Capital Works in Progress	89 248	71 401	93 307
Other	92 517	24 249	93 676
Total Non Current Assets	**9 336 381**	**9 420 097**	**9 477 721**
TOTAL ASSETS	**10 218 460**	**10 069 350**	**10 526 400**
Current Liabilities			
Payables	137 735	103 167	130 078
Interest Bearing Liabilities	247 175	150 580	224 069
Finance Leases	27 344	26 273	26 024
Employee Entitlements	163 350	166 064	170 461
Other Provisions	2 142	1 280	996
Other	30 094	23 087	42 107
Total Current Liabilities	**607 841**	**470 451**	**593 735**
Non Current Liabilities			
Payables	71 320	27 193	68 960
Interest Bearing Liabilities	634 248	696 410	616 910
Finance Leases	34 302	34 028	35 992
Employee Entitlements	1 538 367	1 655 245	1 680 164
Other Provisions	6 421	7 156	7 971
Other	1 081	1 117	1 422
Total Non Current Liabilities	**2 285 739**	**2 421 149**	**2 411 419**
TOTAL LIABILITIES	**2 893 580**	**2 891 600**	**3 005 154**
NET ASSETS	**7 324 580**	**7 177 750**	**7 521 247**
REPRESENTED BY FUNDS EMPLOYED			
Accumulated Funds	6 020 905	6 014 389	6 091 846
Reserves	1 303 975	1 163 361	1 429 401
TOTAL FUNDS EMPLOYED	**7 324 880**	**7 177 750**	**7 521 247**

Table 3.13
Consolidated Total Territory
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
CASH AT BEGINNING OF REPORTING PERIOD	**137 670**	**674 689**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Taxes, Fees and Fines	569 788	605 329
User Charges	369 503	383 353
Interest Received	33 744	45 798
Grants Received from the Commonwealth	961 263	1 004 431
Other Revenue	232 258	288 970
Operating Receipts	**2 166 556**	**2 327 881**
Payments		
Related to Employees	759 479	794 734
Related to Administration	449 629	496 130
Borrowing Costs	61 435	58 250
Grants and Purchased Services	316 213	342 718
Other	316 081	274 815
Operating Payments	**1 902 837**	**1 966 647**
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	**263 719**	**361 234**
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts		
Proceeds from Sale of Property, Plant & Equipment	34 800	46 407
Proceeds of Sale of Land and Intangibles	5 800	4 940
Proceeds from Sale/Maturities of Investments	1 426 760	28 410
Repayment of Home Loan Principal	19 492	21 528
Investing Receipts	**1 486 852**	**101 285**
Payments		
Purchase of Property, Plant and Equipment	261 021	214 618
Purchase of Land and Intangibles	5 007	2 267
Purchase of Investments	1 481 558	84 158
Investing Payments	**1 747 586**	**301 043**
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	**-260 734**	**-199 758**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts		
Borrowings Received	358 341	355 784
Finance Lease	840	2 640
Financing Receipts	**359 181**	**358 424**

Table 3.13
Consolidated Total Territory
2001-02 Forecast Cashflow Statement

	2001-02 Budget $'000	2001-02 Est.Outcome $'000
Payments		
Repayment of Borrowings	376 826	382 210
Repayment of Finance Lease	13 619	17 964
Repayment of Investments to Agencies (CFU only)	0	3510
Financing Payments	**390 445**	**403 684**
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	**-31 264**	**-45 260**
NET INCREASE/(DECREASE) IN CASH HELD	**-28 279**	**116 214**
CASH AT THE END OF THE REPORTING PERIOD	**109 390**	**790 903**

Note: Cash on the cashflow statement may not equal cash at bank on the balance sheet due to several agencies reporting cash as investments on the statement of financial position.

Reconciliation of Cash:

Cash	92 767
Plus Liquid Investments	698 136
Cash at the end of the reporting period	790 903