

### 3. 2003-04 ESTIMATED OUTCOME

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This chapter provides information on the estimated outcome for 2003-04. Projected 2003-04 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 2003-04 is a surplus of \$92.843m. This represents a \$100.510m improvement compared to the original 2003-04 budgeted operating deficit of \$7.667m.

	2003-04 Original Budget \$m	2003-04 Estimated Outcome \$m	Variation	
			\$m	%
Revenue	2 360	2 647	287	12.2
Expenses	2 365	2 546	182	7.7
<b>Operating Result from Ordinary Activities</b>	<b>-5</b>	<b>101</b>	<b>105</b>	<b>#</b>
Extraordinary Expense	3	18	15	486.1
<b>Operating Result</b>	<b>-8</b>	<b>93</b>	<b>101</b>	<b>#</b>

#### *Movement in the Estimated Outcome*

In November 2003, the Government forecast an operating result of \$42m in the *September Quarterly Management Report for the financial quarter and year to date ending 30 September 2003*. The paper provided an update to the general government sector operating result which included positive revisions to Commonwealth Grants revenue, offset by the withdrawal of taxation initiatives announced in the 2003-04 Budget and the impact of the *Appropriation Act 2003-2004 (No.2)*. The Appropriation Act provided for \$13.365m of expenses, net of wage provisions, to: support the Government's response to the McLeod Inquiry; provide additional capacity in relation to other bushfire requirements; and for wage negotiations.

In February 2004, the Government released the first *Budget Mid-Year Review*, completed under the revised requirements of the *Financial Management Act 1996*. The paper provided an estimated outcome for the general government sector of \$151.3m.

The movement between the *September Quarterly Management Report* and *Budget Mid-Year Review* of \$109m can largely be attributed to: revisions in taxation revenue of \$110m; land revenue of \$49.8m; superannuation investment returns of \$23.7m and the recognition of stormwater assets of \$58.5m; offset by: increases in superannuation expenses of \$24.3m; wages provision of \$20m; and the transfer of \$33.2m in equity from the Home Loan Portfolio to ACT Housing.

Following the release of the *Mid-Year Review* the Government tabled the Appropriation Bill 2003-2004 (No.3). A summary of the impact of this appropriation and other movements between the 2003-04 original budget and the 2003-04 estimated outcome is presented.

**Table 3.2**  
**Movement in the 2003-04 Outcome**

	<b>2003-04 \$m</b>
<b>GGS Operating Result - 2003-04 Budget Papers</b>	<b>-7.7</b>
(a) Net Commonwealth Grants Revenue	4.4
(b) Taxation Revenue - Non-continuing Revenue Initiatives	-5.5
(c) Land Revenue	64.3
(d) Appropriation Act 2003-2004 (No.2)	-13.4
<b>Impact</b>	<b>49.8</b>
<b>GGS Operating Result - September Quarterly Report</b>	<b>42.1</b>
(b) Taxation Revenue	110.6
(a) Net Commonwealth Grants Revenue	7.3
(c) Land Revenue	49.8
(e) Superannuation Investment Returns	23.7
(f) Superannuation Actuarial Review of Liability	-48.0
(g) Deferred Expenditure	-10.6
(h) Provision for Wage Negotiations	-20.0
(i) Identification of Stormwater Assets	58.4
(j) Affordable Housing	-33.2
(k) Agents Board - transfers to trust Account	-12.0
(u) Other	-16.8
<b>Impact</b>	<b>109.2</b>
<b>GGS Operating Result - Budget Mid-Year Review</b>	<b>151.3</b>
(l) 3rd Appropriation - not already in MYR	-43.1
(c) Land Revenue	-21.0
<b>Impact</b>	<b>-64.1</b>
<b>GGS Operating Result - 3rd Appropriation</b>	<b>87.1</b>
(c) Land Revenue	-3.0
(a) Net Commonwealth Grants Revenue	12.4
(b) Taxation Revenue	4.4
(m) ACTEW Dividend	-50.1
(n) Commonwealth Fire Payments	9.2
(o) Urban Services - Reduced Depreciation	3.8
(p) Home Loan Portfolio - Transfer to Housing ACT - Loss of Interest	-3.2
(g) Deferred Expenditure	9.5
(q) Treasurer's Advance	20.8
(r) Agency Estimated Outcome	21.2
(s) TotalCare Superannuation Liability - Estimate	-12.5
(h) Interest Revenue	2.7
(t) Other	-9.5
<b>Impact</b>	<b>5.7</b>
<b>GGS Operating Result - 2003-04 Estimated Outcome</b>	<b>92.8</b>

## *Factors Influencing the 2003-04 Estimated Outcome*

### *(a) Net Commonwealth Grants Revenue*

The increase in the Commonwealth grants revenue from the 2003-04 Budget to the 2003-04 estimated outcome is largely due to increases in the Goods and Services (GST) revenue and Balanced Budget Assistance Grant of \$19m, the Australian Health Care Agreement \$4.7m and Government Schools Grants of \$3.1m.

### *(b) Taxation Revenue*

The increase in taxation revenue from the 2003-04 Budget to the 2003-04 estimated outcome is attributable to a combination of taxation factors including increases in:

- conveyancing duties of \$69.8m due to the sustained property values and abnormally high commercial conveyances;
- shares and marketable securities of \$8.3m;
- income tax equivalent from the public trading sector of \$13.4m; and
- payroll tax of \$17m.

The variation in taxes reflects the removal of two revenue initiatives announced within the 2003-04 Budget, the Fire Reconstruction Levy and the Loan Security Duty on Commercial Loans (Mortgage Duties).

### *(c) Land Revenues*

Land revenue increased by \$90m. This is largely attributed to the sustained strength in the housing market. The increases are partly due to land sales by the Land Development Agency of \$43m, largely relating to Harrison, North Watson, East O'Malley, and Kingston Foreshore.

### *(d) Appropriation Act 2003-2004 (No.2)*

The appropriation provided the financial resources to support the Government's immediate response to the McLeod Inquiry; to provide additional capacity in relation to other bushfire requirements not directly related to McLeod; and to provide funding for Enterprise Bargaining Agreements for ACT Fire Brigade, Ambulance and ACTION.

### *(e) Superannuation Investment Returns*

The 2003-04 estimated outcome for the Territory's return on superannuation investments is a net increase of \$24.4m. The detail of this return is in the table below. Of this \$23.7m was reported within the Mid-Year Review.

**Table 3.3  
Superannuation Related Investments**

	<b>2003-04 Budget</b>	<b>2003-04 Estimated Outcome</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Investment Increments (revenue)	9.4	57.8	48.4
Investment Decrements (expenditure)	0	0	0
Dividends and Interest	52.9	28.0	-24.9
Fees	-3.2	-2.3	1.0
<b>Total</b>	<b>59.1</b>	<b>83.5</b>	<b>24.4</b>

*(f) Superannuation Actuarial Review*

The government actuary has assessed the superannuation emerging cost payment to ComSuper and the estimated liabilities. Based on this assessment, it was determined that an additional expense of \$48m was required in 2003-04.

*(g) Deferred Expenditure*

A number of programs that were budgeted to commence in 2003-04, have been deferred to 2004-05. Expenditure deferred into 2003-04 includes the restructure fund of \$1.4m, Calvary capital grant of \$3.2m and various business assistance programs of \$2m. The impact on the operating result of these deferrals is minimised by the deferral of expenditure from 2002-03.

*(h) Interest Revenue*

The improvement is due to revised interest earnings on Territory Unencumbered Cash.

*(i) Identification of Stormwater Assets*

A review of stormwater assets was conducted in 2003-04. The review resulted in an increase of \$143m in value to \$2.080 billion. Of this \$58.5m will be booked as revenue as it relates to previously unrecognised stormwater assets.

*(j) Affordable Housing*

Housing ACT will receive an injection of \$33.2m in 2003-04, to be funded from the Home Loan Portfolio. The funds are for projects relating to community and public housing, and housing for Aboriginal and Torres Strait Islanders.

*(k) Agents Board – transfer to trust account*

Under the new *Agents Act 2003*, moneys received are held in trust and are therefore excluded from Territory revenue. The establishment of the Agents Board as a Trust means that the

accounts will not be consolidated into the statements for the Territory. An expense of \$12.3m will be incurred when the net assets of the agency are removed from the General Government Sector. Of this, \$12m was reported in the *Mid-Year Review*.

*(l) Appropriation Bill 2003-2004 (No.3)*

The appropriation will provide the financial resources: to support a number of initiatives under The Social Plan, The Spatial Plan and the Economic White Paper, including providing funding to begin implementing the Government's response to the Shaping Our Territory Report; for a number of Enterprise Bargaining Agreements that have either been agreed, or are expected to be finalised soon; for other cost pressures within agencies, including ACT WorkCover and other initiatives; and for ACT Housing to address homelessness and housing affordability through the expansion of public and community housing. The net impact of the appropriation net of adjustments included within the operating result published in the *Mid-Year Review* is \$43.1m.

*(m) ACTEW Dividend*

The dividend payable from ACTEW to the GGS sector will decrease by \$50.102m in the 2003-04 estimated outcome from the original budget. This is due to ACTEW's decision to retain their surplus to assist in the financing of the new water treatment plants at Stromlo and Googong, and in recognition of the larger than expected levels of contributed assets, the 2003-04 interim dividend has been deferred and will be included in the 2004-05 year. The 2004-05 dividend also includes an amount of \$19.6m of retained profits.

*(n) Commonwealth Fire Payments*

The adjustment recognising the revenue received from the Commonwealth for the provision of fire services covering Commonwealth premises within the Territory.

*(o) Urban Services - Reduced Depreciation*

The improvement reflects an adjustment to the depreciation of streetlight assets, recognising the reassessment of this asset's useful life.

*(p) Home Loan Portfolio – Transfer to Housing ACT – Loss of Interest Revenue*

The adjustment reflects the impact of interest revenue forgone as a result of the transfer of \$33.2m from the Home Loan Portfolio to Housing ACT.

*(q) Treasurer's Advance*

The Treasurer's Advance provision has not been utilised within 2003-04. Funding for these types of expenses has been provided for within *Appropriation Act 2003-2004 (No.2)* and the *Appropriation Bill 2003-2004 (No.3)*.

*(r) Agency Estimated Outcome*

The adjustment relates to changes in the estimated outcome of the following agencies: Justice and Community Safety – for landlord contributions to accommodation fit-out; ACT Health – resulting from savings in the Medical School, Social and Community Funding award, Hepatitis C financial assistance, depreciation and superannuation expenses; InTACT – resulting from reduced interest and depreciation expense from delays in capital purchases and reduced employee expenses; and Department of Urban Services – resulting from audited outcome adjustment and changes in accounting policy for rents and commutation .

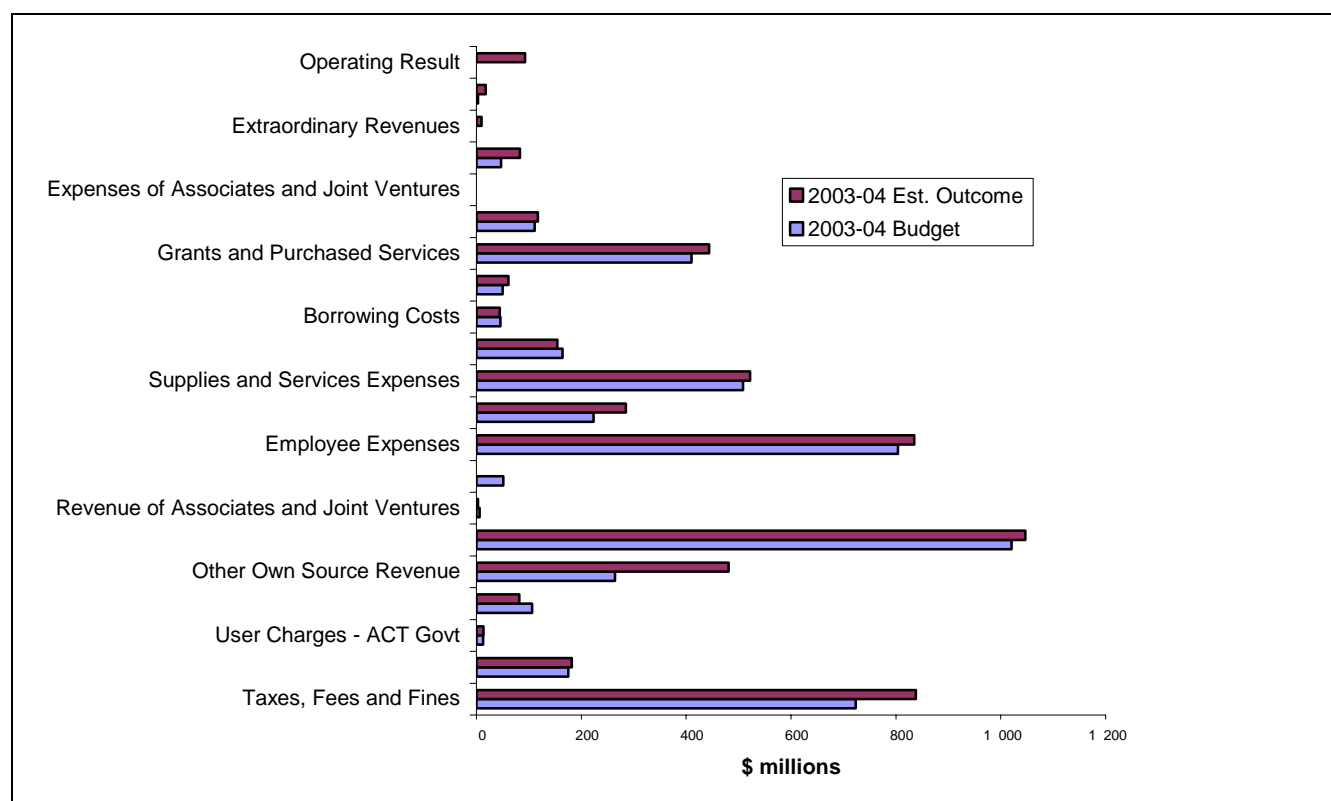
*(s) Totalcare Superannuation Liability - Estimate*

The adjustment represents an estimate of the impact of the current investigation into possible inconsistencies with the application of appropriate superannuation arrangements for Totalcare employees.

**Summary of Revenue and Expenses**

The following graph compares the original budget to the estimated outcome for 2003-04 for major revenue and expense items.

**Figure 3.2  
Revenue and Expenses**



**Table 3.4**  
**General Government Sector**  
**2003-04 Forecast Statement of Financial Performance**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>Revenue and Grants Received</b>		
Taxes, Fees and Fines	723 595	838 291
User Charges - Non ACT Govt	175 378	181 784
User Charges - ACT Govt	12 523	13 598
Grants from the Commonwealth	1 020 852	1 046 808
Interest Received	106 417	81 663
Revenue of Associates and Joint Ventures	5 942	3 257
Other Revenue	264 391	481 084
Dividend Revenue	51 147	773
Resources Received free of charge	39	0
<b>Total Revenue</b>	<b>2 360 284</b>	<b>2 647 258</b>
<b>Expenditure</b>		
Employee Expenses	804 128	835 222
Superannuation Expenses	223 589	285 273
Administrative Expenses	508 730	522 113
Depreciation Expenses	164 322	154 167
Borrowing Costs	45 606	44 351
Cost of Goods Sold	50 107	61 026
Grants and Purchased Services	410 395	443 514
Other Expenses	110 951	117 253
Expenses of Associates and Joint Ventures	0	467
Transfer Expenses	47 059	83 072
<b>Total Expenses</b>	<b>2 364 887</b>	<b>2 546 458</b>
<b>Operating Result from Ordinary Activities</b>	<b>-4 603</b>	<b>100 800</b>
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Extraordinary Revenues	0	10 000
Extraordinary Expenses	3 064	17 957
<b>Operating Result</b>	<b>-7 667</b>	<b>92 843</b>
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Increase/(Decrease) in asset revaluation reserve	38 711	168 672
Increase/(Decrease) in other reserves	-50	164 511
Transfer to/from Reserves	5 750	97 070
Transfer to/from Reserves	0	-268
<b>Change in Equity Other Than Those Resulting From Transactions With Owners As Owners</b>	<b>44 411</b>	<b>429 985</b>
<b>Total Equity From Start of Period</b>	<b>5 067 357</b>	<b>5 195 106</b>
Inc/Dec in Net Assets from Admin Restructuring	70	-57
<b>Total Equity at the End of Period</b>	<b>5 104 171</b>	<b>5 717 872</b>

**Table 3.5**  
**General Government Sector**  
**2003-04 Forecast Statement of Financial Position**

	2003-04 Audited Opening Balance \$'000	Budget as at 30/06/04 \$'000	Est. Outcome as at 30/06/04 \$'000
<b>Current Assets</b>			
Cash	52 508	48 033	96 091
Receivables	249 436	170 766	161 880
Investments	711 280	833 555	707 152
Inventories	31 398	68 176	80 024
Capital Works in Progress	2	0	4 076
Other	60 712	34 055	45 874
<b>Total Current Assets</b>	<b>1 105 336</b>	<b>1 154 585</b>	<b>1 095 097</b>
<b>Non Current Assets</b>			
Receivables	386 475	381 673	399 222
Investments	1 237 870	1 101 943	1 344 562
Inventories	3 117	8 940	197 841
Property, Plant & Equipment	5 453 922	5 500 554	5 838 071
Intangibles	6 526	14 054	12 151
Capital Works in Progress	120 461	79 827	102 033
Other	18 516	1 701	34 604
<b>Total Non Current Assets</b>	<b>7 226 886</b>	<b>7 088 692</b>	<b>7 928 484</b>
<b>TOTAL ASSETS</b>	<b>8 332 222</b>	<b>8 243 277</b>	<b>9 023 581</b>
<b>Current Liabilities</b>			
Payables	215 494	96 238	140 205
Interest Bearing Liabilities	271 623	277 844	31 907
Finance Leases	32 390	29 930	40 147
Employee Entitlements	186 847	160 509	149 220
Other Provisions	1 169	397	3 853
Other	62 435	65 726	64 831
<b>Total Current Liabilities</b>	<b>769 958</b>	<b>630 644</b>	<b>430 163</b>
<b>Non Current Liabilities</b>			
Payables	60 833	68 060	109 211
Interest Bearing Liabilities	441 985	431 814	641 301
Finance Leases	36 350	35 912	53 275
Employee Entitlements	1 807 152	1 969 083	2 040 725
Other Provisions	8 308	3 100	11 135
Other	12 531	493	19 898
<b>Total Non Current Liabilities</b>	<b>2 367 159</b>	<b>2 508 462</b>	<b>2 875 545</b>
<b>TOTAL LIABILITIES</b>	<b>3 137 116</b>	<b>3 139 106</b>	<b>3 305 708</b>
<b>NET ASSETS</b>	<b>5 195 106</b>	<b>5 104 171</b>	<b>5 717 872</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>			
Accumulated Funds	4 675 323	4 455 450	4 864 908
Reserves	519 783	648 721	852 964
<b>TOTAL FUNDS EMPLOYED</b>	<b>5 195 106</b>	<b>5 104 171</b>	<b>5 717 872</b>

**Table 3.6**  
**General Government Sector**  
**2003-04 Forecast Cashflow Statement**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Taxes Fees and Fines	714 999	833 409
Grants Received from the Commonwealth	1 029 344	1 049 000
User Charges	181 762	197 262
Interest Received	70 139	68 641
Other Revenue	450 741	516 368
<b>Operating Receipts</b>	<b>2 446 985</b>	<b>2 664 680</b>
<b>Payments</b>		
Related to Employees	880 013	920 010
Related to Supplies and Services	522 877	524 874
Grants and Purchased Services	414 611	447 833
Borrowing Costs	46 399	44 051
Other	333 864	353 476
Payments to PTE Agencies for Outputs	32 895	32 759
Extraordinary Payments	3 064	3 174
<b>Operating Payments</b>	<b>2 233 723</b>	<b>2 326 177</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>213 262</b>	<b>338 503</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds from Sale of Property, Plant and Equipment	4 320	5 664
Proceeds of Sale/Maturities of Investments	9 462	41 308
Repayment of Home Loan Principal	17 065	3 217
Repayment of Advance	5 096	7 028
Dividends	50 671	10 473
<b>Investing Receipts</b>	<b>86 614</b>	<b>67 690</b>
<b>Payments</b>		
Purchase of Property, Plant and Equipment	200 623	172 438
Purchase of Land and Intangibles	9 750	5 005
Purchase of Investments	83 687	96 154
Advance Issued to Agencies	8 000	2 300
Capital Payments to Government Agencies	11 849	49 313
<b>Investing Payments</b>	<b>313 909</b>	<b>325 210</b>

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	-227 295	-257 520
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Borrowings Received	39 010	227
Finance Lease	0	29 920
<b>Financing Receipts</b>	39 010	30 147
<b>Payments</b>		
Repayment of Borrowings	9 258	9 385
Repayment of Finance lease	18 828	42 875
Repayment of Investments to Agencies (CFU only)	0	18 525
Payments of Transferred Cash Balances	1 401	3 421
<b>Financing Payments</b>	29 487	74 206
<b>NET INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	9 523	-44 059
<b>NET INCREASE/DECREASE IN CASH HELD</b>	-4 510	36 924
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	589 483	751 507
<b>CASH AT THE END OF THE REPORTING PERIOD</b>	584 973	788 437

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	96 091
Plus Liquid Investments	<u>692 346</u>
Cash at the end of the reporting period	<u>788 437</u>

## Public Trading Enterprise Sector

The consolidated public trading enterprise sector result after tax for 2003-04 is expected to be a surplus of \$42.364m. This is a 44% reduction from the original budget outcome of \$75.646m.

	2003-04	2003-04	Variation	
	Original Budget	Estimated Outcome	\$m	%
	\$m	\$m	\$m	%
Revenue	430	474	44	10.3
Expenses	354	409	55	15.6
<b>Operating Result from Ordinary Activities</b>	<b>76</b>	<b>65</b>	<b>-11</b>	<b>-14.2</b>
Extraordinary Revenue	0	-1	-1	#
Extraordinary Expense	0	8	8	#
<b>Operating Result</b>	<b>76</b>	<b>42</b>	<b>-33</b>	<b>-44.0</b>

### *Factors Influencing the Operating Result*

#### *ACTEW Corporation Operating Result*

ACTEW's operating result reduced by \$38.7m mainly as a result of the introduction of stage 1 and stage 2 water restrictions and the write-down of the investment in TransACT.

#### *Housing ACT Operating Result*

Housing ACT's operating result reduced by \$5m mainly as a result of the introduction of an agreement with the Department of Disability, Housing and Community Services for organisation support services and increase in doubtful debts / bad debt expenses.

#### *ACT Forests Operating Result*

ACT Forests estimated operating deficit for 2003-04 of \$19.1m is below the budgeted operating deficit of \$0.1m. The change in operating result relates to a reduction in insurance received of \$8.0m, reduced interest revenue of \$2.5m due to delays in receipt of insurance funds, and increased supplies and services expense of \$5.0m due to accelerated clean-up and planting activities related to the January 2003 bushfire. As part of the 2002-03 Audit Process revenue from all insurance payments were recognised. This reduced revenue in 2003-04 by \$2.5m.

**Table 3.8**  
**Public Trading Enterprise Sector**  
**2003-04 Forecast Statement of Financial Performance**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>Revenue and Grants Received</b>		
Government Payment for Outputs	47 059	83 072
User Charges - Non ACT Govt	222 324	220 748
User Charges - ACT Govt	75 779	77 308
Grants from Commonwealth	18 718	18 661
Interest Received	5 643	5 070
Revenue of Associates and Joint Ventures	39 950	47 240
Other Revenue	20 519	22 184
Resources Received free of charge	50	50
<b>Total Revenue</b>	<b>430 042</b>	<b>474 333</b>
<b>Expenditure</b>		
Employee Expenses	69 505	75 634
Superannuation Expenses	8 479	7 156
Administrative Expenses	86 306	92 104
Depreciation Expenses	42 131	41 479
Borrowing Costs	30 321	29 811
Cost of Goods Sold	67 276	70 491
Grants and Purchased Services	8 222	8 024
Other Expenses	23 083	65 899
Transfer Expenses	18 718	18 561
<b>Total Expenses</b>	<b>354 041</b>	<b>409 159</b>
<b>Operating Result from Ordinary Activities</b>	<b>76 001</b>	<b>65 174</b>
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Extraordinary Revenues	0	-1 286
Extraordinary Expenses	0	8 138
Income Tax Equivalent	355	13 386
<b>Operating Result</b>	<b>75 646</b>	<b>42 364</b>
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Increase/(Decrease) in asset revaluation reserve	-22 000	181 500
Transfer to/from Reserves	22 000	22 000
<b>Change in Equity Other Than Those Resulting From Transactions With Owners As Owners</b>	<b>0</b>	<b>203 500</b>
<b>Total Equity From Start of Period</b>	<b>3 111 909</b>	<b>3 433 214</b>
Inc/Dec in Net Assets from Admin Restructuring	-70	57
Dividend Declared	-51 147	-773
<b>Total Equity at the End of Period</b>	<b>3 136 338</b>	<b>3 678 364</b>

**Table 3.9**  
**Public Trading Enterprise Sector**  
**2003-04 Forecast Statement of Financial Position**

	2003-04 Audited Opening Balance \$'000	Budget as at 30/06/04 \$'000	Est. Outcome as at 30/06/04 \$'000
<b>Current Assets</b>			
Cash	16 850	12 488	19 403
Receivables	108 581	25 904	66 576
Investments	74 938	97 374	63 042
Inventories	98	65	92
Other	10 503	10 908	10 054
<b>Total Current Assets</b>	<b>210 970</b>	<b>146 739</b>	<b>159 167</b>
<b>Non Current Assets</b>			
Receivables	0	0	500
Investments	396 626	394 219	345 597
Property, Plant & Equipment	3 345 336	3 108 585	3 664 272
Intangibles	1 403	1 123	1 034
Capital Works in Progress	18 405	13 905	19 085
Other	42 182	40 237	44 500
Tax Assets	12 404	10 393	12 585
<b>Total Non Current Assets</b>	<b>3 816 356</b>	<b>3 568 462</b>	<b>4 087 573</b>
<b>TOTAL ASSETS</b>	<b>4 027 326</b>	<b>3 715 201</b>	<b>4 246 740</b>
<b>Current Liabilities</b>			
Payables	34 023	30 474	26 648
Interest Bearing Liabilities	8 644	10 956	14 794
Finance Leases	1 359	593	1 087
Employee Entitlements	17 622	14 875	16 718
Other Provisions	9 700	20 004	2 755
Tax Liabilities	218	0	971
Other	4 362	4 016	4 382
<b>Total Current Liabilities</b>	<b>75 928</b>	<b>80 918</b>	<b>67 355</b>
<b>Non Current Liabilities</b>			
Payables	841	2	841
Interest Bearing Liabilities	479 166	464 920	458 416
Finance Leases	994	400	2 104
Employee Entitlements	21 172	18 734	21 216
Other Provisions	2 949	4 420	2 949
Tax Liabilities	12 557	9 089	15 115
Other	504	380	380
<b>Total Non Current Liabilities</b>	<b>518 183</b>	<b>497 945</b>	<b>501 021</b>
<b>TOTAL LIABILITIES</b>	<b>594 111</b>	<b>578 863</b>	<b>568 376</b>
<b>NET ASSETS</b>	<b>3 433 214</b>	<b>3 136 338</b>	<b>3 678 364</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>			
Accumulated Funds	1 821 209	1 828 415	1 884 859
Reserves	1 612 005	1 307 923	1 793 505
<b>TOTAL FUNDS EMPLOYED</b>	<b>3 433 214</b>	<b>3 136 338</b>	<b>3 678 364</b>

**Table 3.10**  
**Public Trading Enterprise Sector**  
**2003-04 Forecast Cashflow Statement**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Cash from Government	32 895	32 759
Grants Received from the Commonwealth	18 718	18 661
User Charges	298 148	300 733
Interest Received	5 643	5 045
Other Revenue	48 365	53 012
Extraordinary Receipts	65 951	33 479
<b>Operating Receipts</b>	<b>469 720</b>	<b>443 689</b>
<b>Payments</b>		
Related to Employees	77 243	84 527
Related to Supplies and Services	88 692	99 086
Grants and Purchased Services	8 222	8 024
Borrowing Costs	31 387	29 653
Other	95 184	111 226
Territory Receipts Transferred from Agencies	18 718	18 561
Extraordinary Payments	0	538
<b>Operating Payments</b>	<b>319 446</b>	<b>351 615</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>150 274</b>	<b>92 074</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds from Sale of Property, Plant and Equipment	54 600	47 658
Proceeds of Sale/Maturities of Investments	7 991	30 889
<b>Investing Receipts</b>	<b>62 591</b>	<b>78 547</b>
<b>Payments</b>		
Purchase of Property, Plant and Equipment	107 860	184 574
Purchase of Land and Intangibles	6 160	4 724
Purchase of Investments	46 275	775
<b>Investing Payments</b>	<b>160 295</b>	<b>190 073</b>

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	-97 704	-111 526
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Capital Injection	11 849	51 613
Borrowings Received	8 015	15
Receipt of Transferred Cash Balances	1 401	3 421
Finance Lease	0	2 625
<b>Financing Receipts</b>	21 265	57 674
<b>Payments</b>		
Repayment of Borrowings	14 178	16 960
Repayment of Finance lease	1 341	1 709
Dividends to Government	50 671	10 473
<b>Financing Payments</b>	66 190	29 142
<b>NET INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	-44 925	28 532
<b>NET INCREASE/DECREASE IN CASH HELD</b>	7 645	9 080
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	42 186	51 230
<b>CASH AT THE END OF THE REPORTING PERIOD</b>	49 831	60 311

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	19 403
Plus Liquid Investments	<u>40 908</u>
Cash at the end of the reporting period	<u>60 311</u>

## Total Territory

### Operating Statement

The Territory operating surplus of \$134.434m is a consolidation of the GGS surplus of \$92.843m and the PTE surplus of \$42.364m. The difference is due to dividends that the PTE sector pays to the GGS, as these are eliminated from the whole of government result. The Territory result is a significant improvement from the budgeted result of a \$16.832m surplus.

	2003-04 Original Budget \$m	2003-04 Estimated Outcome \$m	Variation	
			\$m	%
Revenue	2 511	2 845	334	13.3
Expenses	2 491	2 702	211	8.5
<b>Operating Result from Ordinary Activities</b>	<b>20</b>	<b>143</b>	<b>123</b>	<b>618.0</b>
Extraordinary Revenue	0	10	10	#
Extraordinary Expense	3	18	15	<b>501.0</b>
<b>Operating Result</b>	<b>17</b>	<b>134</b>	<b>118</b>	<b>698.7</b>

### Statement of Financial Position

Assets of the Territory are expected to total \$12.856 billion by 30 June 2004. This is an improvement on the audited opening position by \$983m, and is a result of increased cash and property, plant and equipment. The improvement contributes to a net asset position of \$9.396 billion for the Territory.

**Table 3.12**  
**Consolidated Total Territory**  
**2003-04 Forecast Statement of Financial Performance**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>Revenue and Grants Received</b>		
Taxes, Fees and Fines	699 760	801 162
User Charges - Non ACT Govt	397 702	402 532
Grants from the Commonwealth	1 020 852	1 046 908
Interest Received	88 481	65 396
Revenue of Associates and Joint Ventures	45 892	50 497
Other Revenue	258 110	478 009
Resources Received free of charge	39	0
<b>Total Revenue</b>	<b>2 510 758</b>	<b>2 844 504</b>
<b>Expenditure</b>		
Employee Expenses	869 625	906 335
Superannuation Expenses	225 081	287 158
Administrative Expenses	581 563	598 383
Depreciation Expenses	206 453	195 646
Borrowing Costs	52 348	52 825
Cost of Goods Sold	102 419	123 551
Grants and Purchased Services	356 387	386 842
Other Expenses	97 025	150 452
Expenses of Associates and Joint Ventures	0	467
<b>Total Expenses</b>	<b>2 490 901</b>	<b>2 701 659</b>
<b>Operating Result from Ordinary Activities</b>	<b>19 896</b>	<b>142 845</b>
<hr/>		
Extraordinary Revenues	0	10 005
Extraordinary Expenses	3 064	18 416
<b>Operating Result</b>	<b>16 832</b>	<b>134 434</b>
<hr/>		
Increase/(Decrease) in asset revaluation reserve	16 711	350 172
Increase/(Decrease) in other reserves	-50	164 511
Transfer to/from Reserves	27 750	119 070
Increase/(Decrease) in Retained Profits on the Adoption of a New Standard	0	-268
<b>Change in Equity Other Than Those Resulting From Transactions With Owners As Owners</b>	<b>44 411</b>	<b>633 485</b>
<b>Total Equity From Start of Period</b>	<b>8 178 449</b>	<b>8 628 320</b>
<b>Total Equity at the End of Period</b>	<b>8 239 692</b>	<b>9 396 236</b>

**Table 3.13**  
**Consolidated Total Territory**  
**2003-04 Forecast Statement of Financial Position**

	2003-04 Audited Opening Balance \$'000	Budget as at 30/06/04 \$'000	Est. Outcome as at 30/06/04 \$'000
<b>Current Assets</b>			
Cash	69 358	60 521	115 494
Receivables	241 957	166 754	161 576
Investments	746 193	871 934	748 694
Inventories	31 496	68 241	80 116
Capital Works in Progress	2	0	4 076
Other	71 206	44 963	55 922
<b>Total Current Assets</b>	<b>1 160 212</b>	<b>1 212 413</b>	<b>1 165 878</b>
<b>Non Current Assets</b>			
Receivables	68 495	63 432	86 310
Investments	1 634 476	1 496 162	1 690 139
Inventories	3 117	8 940	197 841
Property, Plant & Equipment	8 799 258	8 608 322	9 502 343
Intangibles	7 929	15 177	13 185
Capital Works in Progress	138 866	93 732	121 118
Other	60 698	41 938	79 104
<b>Total Non Current Assets</b>	<b>10 712 838</b>	<b>10 327 703</b>	<b>11 690 040</b>
<b>TOTAL ASSETS</b>	<b>11 873 050</b>	<b>11 540 116</b>	<b>12 855 918</b>
<b>Current Liabilities</b>			
Payables	151 799	114 510	145 148
Interest Bearing Liabilities	240 212	223 735	15 034
Finance Leases	33 749	30 523	41 234
Employee Entitlements	204 469	175 384	165 938
Other Provisions	1 169	11 829	3 853
Other	66 272	69 295	66 813
<b>Total Current Liabilities</b>	<b>697 669</b>	<b>625 276</b>	<b>438 020</b>
<b>Non Current Liabilities</b>			
Payables	59 877	65 844	79 326
Interest Bearing Liabilities	597 223	578 282	790 653
Finance Leases	37 344	36 312	55 379
Employee Entitlements	1 828 325	1 987 817	2 061 941
Other Provisions	11 257	6 020	14 084
Other	13 035	873	20 278
<b>Total Non Current Liabilities</b>	<b>2 547 060</b>	<b>2 675 148</b>	<b>3 021 661</b>
<b>TOTAL LIABILITIES</b>	<b>3 244 730</b>	<b>3 300 424</b>	<b>3 459 681</b>
<b>NET ASSETS</b>	<b>8 628 320</b>	<b>8 239 692</b>	<b>9 396 236</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>			
Accumulated Funds	6 496 532	6 283 048	6 749 767
Reserves	2 131 788	1 956 644	2 646 469
<b>TOTAL FUNDS EMPLOYED</b>	<b>8 628 320</b>	<b>8 239 692</b>	<b>9 396 236</b>

**Table 3.14**  
**Consolidated Total Territory**  
**2003-04 Forecast Cashflow Statement**

	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Taxes Fees and Fines	690 120	797 487
Grants Received from the Commonwealth	1 029 344	1 049 100
User Charges	393 157	404 681
Interest Received	51 137	52 374
Other Revenue	478 344	549 332
Extraordinary Receipts	0	5
<b>Operating Receipts</b>	<b>2 642 102</b>	<b>2 852 979</b>
<b>Payments</b>		
Related to Employees	946 274	994 694
Related to Supplies and Services	592 841	582 775
Grants and Purchased Services	360 604	391 161
Borrowing Costs	53 141	52 392
Other	322 642	397 747
Extraordinary Payments	3 064	3 633
<b>Operating Payments</b>	<b>2 278 566</b>	<b>2 422 402</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>363 536</b>	<b>430 577</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Proceeds from Sale of Property, Plant and Equipment	58 920	53 322
Proceeds of Sale/Maturities of Investments	10 256	53 672
Repayment of Home Loan Principal	17 065	3 217
<b>Investing Receipts</b>	<b>86 241</b>	<b>110 211</b>
<b>Payments</b>		
Purchase of Property, Plant and Equipment	308 483	357 012
Purchase of Land and Intangibles	15 910	9 729
Purchase of Investments	83 962	96 929
<b>Investing Payments</b>	<b>408 355</b>	<b>463 670</b>
	<b>2003-04 Budget \$'000</b>	<b>2003-04 Est. Outcome \$'000</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-322 114</b>	<b>-353 459</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Receipts</b>		
Borrowings Received	222	242
Finance Lease	0	32 545
<b>Financing Receipts</b>	<b>222</b>	<b>32 787</b>

**Payments**

Repayment of Borrowings	18 340	19 317
Repayment of Finance lease	20 169	44 584

**Financing Payments**

	38 509	63 901
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**NET INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**

	-38 287	-31 114
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**NET INCREASE/DECREASE IN CASH HELD**

	3 135	46 004
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**CASH AT BEGINNING OF REPORTING PERIOD**

	631 669	802 739
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**CASH AT THE END OF THE REPORTING PERIOD**

	634 804	848 748
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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	115 494
Plus Liquid Investments	<u>733 254</u>
Cash at the end of the reporting period	<u>848 748</u>