



ACT
Government

AUSTRALIAN CAPITAL TERRITORY

BUDGET 2014-15

INVESTING IN CANBERRA

BUDGET STATEMENTS

COMMERCE AND WORKS DIRECTORATE
ACTEW CORPORATION
ACT INSURANCE AUTHORITY
ACTTAB LIMITED
HOME LOAN PORTFOLIO

GUIDE TO THE BUDGET PAPERS

STRUCTURE AND CONTENT OF THE 2014-2015 BUDGET PAPERS

The 2014-2015 Budget is presented in three papers and a series of agency Budget Statements.

BUDGET PAPER 1: BUDGET SPEECH

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

BUDGET PAPER 2: BUDGET IN BRIEF

A summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

BUDGET PAPER 3: BUDGET OUTLOOK

Summarises the 2014-2015 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2014-2015 Budget results are provided, as well as background information on the development of the 2014-2015 Budget, including economic conditions and federal financial relations.

Also provides an overview of the Territory's infrastructure investment program and details of the 2014-2015 expenditure, revenue and capital initiatives.

The Appropriation Bill 2014-2015 and the Appropriation (Office of the Legislative Assembly) Bill 2014-2015 are appended.

BUDGET STATEMENTS

Information on each directorate and Territory authority and corporation is broken up into several smaller documents. This includes output classes (where relevant), descriptions of functions, roles and responsibilities, together with major strategic priorities. Full accrual financial statements and notes are provided for the general government sector as well as details of the Territory's public trading enterprises.

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COMMERCE AND WORKS DIRECTORATE

Purpose

Commerce and Works is the transactional centre of the public service, providing cost-efficient services in core administrative activities. This enables agencies to better focus on their core business of providing services to the community.

The Directorate has three main business functions: the Shared Services Centre, the ACT Revenue Office and the ACT Insurance Authority (ACTIA). The Directorate also provides policy advice in respect of government business enterprises.

Shared Services consolidates the core administrative functions of Government (information and communication technology (ICT), procurement, publishing and records services, human resources and finance services) to achieve economies of scale, standardised and streamlined processes and an overall reduction in costs to the Territory.

Shared Services achieves its objectives by working in partnership with its clients to deliver services, at relevant service standards, with efficient processes and protocols which allow for economies of scale in service delivery for all agencies, and provide an efficient and cost effective suite of corporate services.

The ACT Revenue Office optimises tax revenue collection through the efficient and effective administration and regulation of the Territory's taxation system and legislation. It also provides advice and assistance to clients to help meet their obligations.

ACTIA is a separate reporting entity, which appears in a separate chapter.

2014-15 Priorities

Strategic and operational issues to be pursued in 2014-15 include:

- driving cost reductions, improving service delivery and reducing red tape through investment in technology or process changes, including:
 - implementing electronic tendering to ease the burden of red tape on industry participants and encourage broader competition through on-line capabilities;
 - implementing invoice automation, to increase efficiency and effectiveness in payment of supplier invoices;
 - implementing cloud storage and retrieval, including a Cloud policy, to reduce cost and to increase business agility;
 - deploying software to all networked desktop computers and printers to allow for the active management, reporting and monitoring of energy use, to reduce energy consumption; and

- developing the TM1/CDM software to standardise external and internal financial reporting as well as improve efficiencies and streamline business processes across the whole of government;
- developing and implementing on-line customer and citizen centric self service in partnership with directorates, community and industry, to improve efficiency and service delivery, including:
 - designing and developing iConnect, the Territory's e-platform, which will provide a safe whole of government portal to on-line services that are modern, intuitive, useful and easily accessible to a broad cross-section of the Canberra community;
 - providing for e-conveyance, to allow for the on-line lodgement of most conveyance transactions; and
 - implementing a self service capability for employees to independently solve less complex issues using 'on-line help' and search facilities;
- continuing to improve the maturity of ACTPS procurement, including its focus on local industry, by:
 - embedding the local industry procurement policy aimed at encouraging local content and involvement in the delivery of goods and services;
 - providing appropriate, reliable and forward looking forecasts and information to market to meet government needs and assist industry with forward planning; and
 - implementing Phase 1 of "Better Procurement, Better Value" which delivers the first stage of \$30 million in savings over three years; and planning Phase 2 to enhance control of procurement activities across government and develop spend categorisation knowledge;
- replacing the Territory's revenue systems to provide a solid platform for revenue collection into the next ten years, to allow for citizen self service, on-line billing, improved compliance, and the integration of concessions into the Territory's taxation system;
- improving performance of the HR payroll and information management system;
- finalising the sale of ACTTAB on behalf of the Government, and assisting ACTTAB and its staff with the transition to a new owner;
- implementing agreed recommendations from the Cohen Institutional Review of ACTEW;
- partnering with CMTD and the Justice and Community Safety Directorate in the delivery of the ACT Court Facility project, the Territory's first Public-Private Partnership ("PPP");
- continuing to strengthen the framework for planning and delivering capital infrastructure, including a progressive suite of contracts and targeted design reviews;
- embedding Active Certification and safety as a weighted criterion;

- finalising the migration to the new state-of-the-art data centre facility;
- continuing the lifecycle management of the ACT Government’s fibre network to ensure ongoing reliability and responsiveness of ICT services;
- developing whole of government approaches to digital records management;
- continuing to strengthen the cyber defences of the ACT Government network against social engineering attacks through enhanced email and Internet filtering; and
- enhancing workforce mobility and flexibility through implementation of unified communications and associated service offerings.

Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget	2013-14 Estimated Outcome	2014-15 Budget
Staffing (FTE)	1,036	1,038	1,085 ¹	1,069 ²

Note(s):

1. The increase in FTEs for the estimate outcome compared to the original 2013-14 Budget reflects temporary project related staff on temporary ACTPS contracts and the transfer of four concessions staff from the Community Services Directorate.
2. The increase in FTEs between the 2014-15 Budget and 2013-14 Budget reflects the transfer of four concessions staff from the Community Services Directorate, staff performing valuation services (previously outsourced), and project related staff.

Strategic Objectives and Indicators

Strategic Objective 1

Increase the Number and Diversity of Channels for Tax Payers to Enquire and Transact with the ACT Revenue Office

The ACT Revenue Office currently interacts with the public through the following channels:

- telephone/fax;
- email (http://www.revenue.act.gov.au/functions/feedback_form);
- website (<http://www.revenue.act.gov.au/home>);
- customer service centre at the Nara Building;
- Standard Business Reporting (SBR);
- Canberra Connect Internet (including smartform) and shopfronts;
- Australia Post;

- rates and land tax brochures/pamphlets;
- legislation and circulars; and
- BPay, EFT and Direct Debit payment methods.

The ACT Revenue Office is planning towards increasing the convenience and the options for more interaction through the following channels:

- e-lodgement; and
- web based applications.

Strategic Objective 2

Improved effectiveness and efficiency in key cross-directorate functions

The 'Time to Hire Days' indicator is aimed at achieving a timely on-boarding of new recruits into the Service. The target recognises that delays in recruitment processes compromise the ability to hire preferred candidates for positions. The long term target represents the aim of matching best practice in Australia.

The 'Percentage of Accounts Paid on Time' indicator recognises the ACT Government's continued commitment to industry to improve our payment record to suppliers. Diligent monitoring and improvements to the control environments will assist in moving from the existing achievement to the long term target of 100 per cent of suppliers paid on time.

Within the ACTPS there are a number capital works/infrastructure and ICT system delivery projects. The 'Projects completed on Time' indicators allows a focus and emphasis to be placed on this component of the delivery of a project, and by doing so, will also lead to a focus on budget and quality of project delivery.

Table 2: Strategic Indicators for Strategic Objective 2

Strategic Indicator	2013-14 Estimated Outcome	Long Term Target
Time to Hire Days	54 days	40 days
Percentage of Accounts Paid on Time	84%	100%
Projects completed on Time – ICT	Not currently measured	100%
Projects completed on Time – Capital works	Not currently measured	100%

Strategic Objective 3

Red Tape Reduction and Process and Service Improvements

Red tape reduction is a high priority initiative across the ACT Government. There are a number of initiatives being undertaken within the Commerce and Works Directorate with an aim to remove red tape, improve processes and service delivery, and to reduce cost and increase productivity.

Commerce and Works will be measured over time on our ability to deliver these initiatives and to measure their effectiveness over time.

Table 3: Strategic Indicators for Strategic Objective 3

Strategic Indicator	Implemented
Improved interaction with local industry in relation to the ACTPS purchasing decisions, including appropriate, reliable and forward looking information to market	March 2015
Implement Electronic Tendering	June 2015
On-line lodgement for conveyance duty assessment and payment	June 2017
On-line Employee self-service	July 2015
Invoice Automation	December 2015

Output Classes

Output Class 1: Revenue and Government Business Management

Table 4: Output Class 1: Revenue and Government Business Management

	2013-14 Estimated Outcome \$'000	2014-15 Budget \$'000
Total Cost ¹	22,226	15,253
Government Payment for Outputs	15,815	15,921

Note(s):

1. Total cost includes depreciation and amortisation of \$0.355 million in 2013-14 and \$0.354 million in 2014-15.

Output 1.1: Revenue and Government Business Management

Revenue and Government Business Management provides for the administration of the ACT Government's taxation revenue, and advice in regards to Government Business Enterprises.

The key outputs to be delivered include:

- collecting taxation revenue in line with budget estimates;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- processing Home Buyer Concession Scheme transactions and Pensioner Duty Concession Scheme transactions;

- processing Deferred Duty applications;
- processing First Home Owner Grant applications; and
- advice on the structure and operations of ACTEW and ACTTAB.

Output Class 2: Shared Services ICT

Table 5: Output Class 2: Shared Services ICT

	2013-14 Estimated Outcome \$'000	2014-15 Budget \$'000
Total Cost¹	142,229	149,806
Government Payment for Outputs	10,544	11,667

Note(s):

1. Total cost includes depreciation and amortisation of \$18.228 million in 2013-14 and \$20.330 million in 2014-15.

Output 2.1: Shared Services ICT

Shared Services ICT provides a complete range of ICT services to the Government, including infrastructure, applications support and development, ICT policy and ICT project services.

The key outputs to be delivered include:

- services to government agencies as outlined in Shared Services ICT catalogue of services and affirmed through various service level and support agreements;
- management of the government data and communications network;
- assistance to agencies on ICT security;
- management of the whole of government communications network;
- business systems support; and
- general service and help desk functions.

Output Class 3: Shared Services Procurement

Table 6: Output Class 3: Shared Services Procurement

	2013-14 Estimated Outcome \$'000	2014-15 Budget \$'000
Total Cost¹	22,203	24,767
Government Payment for Outputs	1,800	4,413

Note(s):

1. Total cost includes depreciation and amortisation of \$0.743 million in 2013-14 and \$0.314 million in 2014-15.

Output 3.1: Shared Services Procurement

Shared Services Procurement undertakes procurement activities on behalf of government directorates and agencies for infrastructure, capital works, goods and services. It advises the Government on procurement and related construction industry policy, is responsible for the development and implementation of the Government's procurement policy, administers a range of pre-qualification schemes, and establishes and manages whole of government contracts.

The key outputs to be delivered include:

- procurement and associated risk management services to agencies, including delivering capital works projects on behalf of agencies;
- coordination of Work Health and Safety Active Certification Policy for ACT Government construction sites;
- the Government contracts register;
- supplier pre-qualification arrangements; and
- the secretariat to the Government Procurement Board.

Output Class 4: Shared Services Human Resources

Table 7: Output Class 4: Shared Services Human Resources

	2013-14	2014-15
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost¹	26,068	26,468
Government Payment for Outputs	2,301	2,078

Note(s):

1. Total cost includes depreciation and amortisation of \$0.793 million in 2013-14 and \$0.893 million in 2014-15.

Output 4.1: Shared Services Human Resources

Shared Services Human Resources provides tactical and transactional human resource services to directorates and agencies as well as records management services.

The key outputs to be delivered include:

- payroll and personnel services, including tax payments and salary packaging;
- recruitment services;
- support in the management of employee relations processes;
- coordination and facilitation of ACT Public Service wide training and development;
- statutory and human resources management reporting;
- organisational position and data management;

- a full range of record management, mail room and courier activities to the majority of government directorates; and
- the broad range of functions listed in the *Territory Records Act 2002* through the operations of the Territory Records Office.

Output Class 5: Shared Services Finance

Table 8: Output Class 5: Shared Services Finance

	2013-14	2014-15
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost¹	15,984	16,421
Government Payment for Outputs	643	663

Note(s):

1. Total cost includes depreciation and amortisation of \$0.391 million in 2013-14 and \$0.441 million in 2014-15.

Output 5.1: Shared Services Finance

Shared Services Finance provides tactical and transactional finance services to directorates and agencies as well as publishing services.

The key outputs to be delivered include:

- accounts payable and some accounts receivable functions;
- general ledgers;
- a fixed assets register;
- the development and maintenance of the Oracle E-Business Suite;
- cash flow management and bank reconciliations;
- tax payments, including whole of government framework for questions; tax returns and advice;
- financial reporting services; and
- in-house print and electronic publishing.

Accountability Indicators

Output Class 1: Revenue and Government Business Management

Output 1.1: Revenue and Government Business Management

Table 9: Accountability Indicators Output 1.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Debt Management – level of overdue debt as a percentage of tax revenue ¹	2.5%	2.5%	2.5%
b. Compliance revenue per inspector	\$360,000	\$360,000	\$360,000

Note(s):

1. 'Level of overdue debt' measures the level of overdue collectable debt as a percentage of forecast tax revenue. It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.

Output Class 2: Shared Services ICT

Output 2.1: Shared Services ICT

Table 10: Accountability Indicators Output 2.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Costs compared to peer organisations' costs, as benchmarked by an independent organisation ¹	Within 5%	Within 5%	Within 5%
b. Email availability across government during core business hours ²	100%	100%	100%
c. Service requests made via the Service Desk are resolved within Service Level Agreements' timeframes ³	90%	93%	90%
d. Average time taken for telephone service requests to be answered by a Service Desk Officer	20 seconds	21 seconds	20 seconds
e. Number of successful attacks on internally hosted ACT Government web sites	0	0	0

Note(s):

1. The independent benchmarking is undertaken annually.
2. Established by determining up-time of each core component of the network across core business hours (Monday to Friday 8am to 6pm).
3. Established by determining how quickly requests made to ICT Service Desk are resolved in comparison to agreed Service Level Agreement timeframes.

Output Class 3: Shared Services Procurement

Output 3.1: Shared Services Procurement

Table 11: Accountability Indicators Output 2.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Proportion of Government funded annual Capital Works program supported with project procurement services ¹	90%	90%	90%
b. Proportion of tenders available to potential tenderers in electronic format ²	>60%	>60%	>80%
c. Proportion of relevant projects with WHS audits performed in accordance with the Active Certification Audit Program ³	n/a	n/a	>90%
d. Average square metres of office accommodation per employee	15.5	15.5	15.5

Note(s):

1. This excludes capital works associated with land development, housing, capital upgrades, capital ICT works, capital grants and property, plant and equipment due to the nature of these specific capital works activities. Whilst individual projects may be completed during the year, the total proportion is measured annually.
2. It measures the proportion of tenders published on the Shared Services Procurement website that are available to the public to download in electronic format.
3. New indicator.

Output Class 4: Shared Services Human Resources

Output 4.1: Shared Services Human Resources

Table 12: Accountability Indicators Output 2.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Service requests made via the Integrated Customer Service (ICS) system are resolved within 5 working days	95%	96%	95%
b. Data for Annual Reports and the Workforce Profile are supplied to the Chief Minister and Treasury in accordance with the agreed timeframe	100%	100%	100%
c. Performance standards in Recruitment Services for permanent and temporary vacancies services specifications achieved ¹	95%	99%	95%

Note(s):

1. Represents the overall average of performance standards in recruitment service specifications being achieved.

Output Class 5: Shared Services Finance

Output 5.1: Shared Services Finance

Table 13: Accountability Indicators Output 2.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Business Activity Statements completed in accordance with ATO deadline	100%	100%	100%
b. Fringe Benefits Tax Return submitted to the ATO in accordance with ATO deadline	100%	100%	100%
c. Monthly financial information available for use by agencies by 6 th working day of the month	100%	100%	100%
d. Annual financial statements completed and sent to agencies by 10 th working day of July	100%	100%	100%
e. Average time (i.e. Working days) taken to enter accounts payable invoices into Oracle following receipt at Shared Services Finance from directorates	2	2	2

Changes to Appropriation

Table 14: Changes to appropriation—Government Payment for Outputs, Controlled

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
2013-14 Budget	31,856	29,397	28,521	29,167	29,167
2nd Appropriation					
Revised Wage Parameters	247	354	593	910	937
2014-15 Budget Policy Adjustments					
ACT Government Office Building ICT Infrastructure and relocation costs	-	372	112	112	112
Enhancing Security for Email and Internet Usage	-	96	96	96	96
Human Resources Information Management System Upgrade	-	-	859	859	859
ICT Sustainability — Desktop computer and printer energy management	-	-	94	95	96
ICT Transformation — Hybrid cloud computing	-	1,290	980	600	-
Invoice Automation	-	-	50	50	50
New ACT Court Facilities	-	2,552	1,097	899	922
Revenue Collection Transformation	-	-	-	2,718	1,172
Whole of Government Digital Records Capability	-	300	-	-	-
General Savings	-	(45)	(45)	(45)	(45)
2014-15 Budget Technical Adjustments					
Revised Indexation Parameters	-	(14)	(16)	(15)	500
Revised Superannuation Parameters	-	139	261	384	435
Transfer — ACT Concessions Program from CSD	-	301	305	309	313
Transfer — Investment in Finance and HR Improvement to Capital Injection	(500)	(500)	-	-	-
Revised Funding Profile — Investment in Finance and HR Improvement	(500)	500	-	-	-
Cessation — Storage Network Switch Refresh	-	-	-	(160)	(160)
2014-15 Budget	31,103	34,742	32,907	35,979	34,454

Table 15: Changes to appropriation—Territorial

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
2013-14 Budget	13,065	9,187	8,980	8,768	8,768
2014-15 Budget Policy Adjustments					
ACT Concessions Program — Increasing funding	-	6,615	-	-	-
Spectacle Subsidy Scheme	-	(107)	(109)	(112)	(115)
Taxi Subsidy Scheme	-	112	-	-	-

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Water and Sewerage Rebate	-	484	500	518	536
2014-15 Budget Technical Adjustments					
Transfer — ACT Concessions Program from CSD	-	45,092	46,296	47,534	48,830
Transfer— Land Rent Purchase to First Home Owner Grant	2,000	-	-	-	-
Commonwealth Grants — Concessions for Pensioners NP	-	(2,219)	(2,297)	(2,382)	(2,467)
Commonwealth Grants — First Home Owner Boost NP	(1)	-	-	-	-
2014-15 Budget	15,064	59,164	53,370	54,326	55,552

Table 16: Changes to appropriation—Capital Injections, Controlled

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
2013-14 Budget	17,528	4,504	2,722	1,000	1,000
2014-15 Budget Policy Adjustments					
ACT Government Office Building ICT Infrastructure and Relocation costs	-	1,180	-	-	-
Electronic Tendering	-	110	-	-	-
Employee Self-service and Automated Help Desk Tools	-	180	-	-	-
Enhancing Security for Email and Internet Usage	-	302	-	-	-
Human Resources Information Management System Upgrade	-	3,605	-	-	-
ICT Sustainability — Desktop computer and printer energy management	-	249	-	-	-
ICT Transformation — Hybrid cloud computing	-	-	3,480	1,320	1,280
Invoice Automation	-	2,190	-	-	-
Procurement Whole of Government Savings	-	1,000	-	-	-
Revenue Collection Transformation	-	5,932	20,089	4,181	-
2014-15 Budget Technical Adjustments					
Transfer — Investment in Finance and HR Improvement from Government Payment for Outputs	500	500	-	-	-
Supplementation for Additional Pay Period in 2015-16	-	395	-	-	-
2014-15 Budget	18,028	20,147	26,291	6,501	2,280

Table 17: Changes to appropriation – Capital Injections, Territorial

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
2013-14 Budget	116,300	22,300	22,300	22,300	22,300
2014-15 Budget Technical Adjustments					
Transfer — Land Rent Purchase to First Home Owner Grant	(2,000)	-	-	-	-
Revised Funding Profile — Land Rent Land Rent Scheme	(26,080)	26,080	-	-	-
	-	62,015	15,700	42,700	38,700
2014-15 Budget	88,220	110,395	38,000	65,000	61,000

Financial Statements

Table 18: Commerce and Works Directorate: Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
31,856	Government Payment for Outputs	31,103	34,742	12	32,907	35,979	34,454
370	User Charges - Non ACT Government	370	376	2	382	388	396
181,641	User Charges - ACT Government	182,591	186,092	2	189,546	195,729	200,061
236	Interest	236	240	2	244	248	255
1,822	Other Revenue	1,822	1,851	2	1,881	1,911	1,948
1,004	Resources Received Free of Charge	1,004	1,029	2	1,037	1,045	1,071
216,929	Total Revenue	217,126	224,330	3	225,997	235,300	238,185
Expenses							
95,535	Employee Expenses	97,077	99,612	3	101,942	104,218	105,708
14,287	Superannuation Expenses	14,704	15,241	4	15,960	16,759	17,260
90,637	Supplies and Services	90,637	95,079	5	93,355	98,575	98,731
21,160	Depreciation and Amortisation	20,510	22,332	9	24,226	25,435	30,576
16	Borrowing Costs	16	16	-	16	16	16
5,341	Grants and Purchased Services	5,341	0	-100	0	0	0
425	Other Expenses	425	435	2	446	457	468
227,401	Total Expenses	228,710	232,715	2	235,945	245,460	252,759
-10,472	Operating Result	-11,584	-8,385	28	-9,948	-10,160	-14,574
Other Comprehensive Income							
Items that will not be Reclassified Subsequently to Profit or Loss							
10,293	Inc/Dec in Asset Revaluation Reserve Surpluses	10,293	0	-100	0	0	0
10,293	Total Other Comprehensive Income	10,293	0	-100	0	0	0
-179	Total Comprehensive Income	-1,291	-8,385	-549	-9,948	-10,160	-14,574

Table 19: Commerce and Works Directorate: Balance Sheet

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Current Assets							
26,252	Cash and Cash Equivalents	28,624	26,255	-8	23,143	20,624	18,705
43,969	Receivables	44,007	44,088	..	44,143	44,219	44,295
21	Assets Held for Sale	21	21	-	21	21	21
4,711	Other Current Assets	4,693	4,763	1	4,833	4,903	4,973
74,953	Total Current Assets	77,345	75,127	-3	72,140	69,767	67,994
Non Current Assets							
258	Receivables	16	16	-	16	16	16
62,706	Property, Plant and Equipment	63,122	62,307	-1	59,999	65,923	60,622
6,480	Intangibles	5,613	11,295	101	8,958	6,706	30,759
2,194	Capital Works in Progress	2,863	10,446	265	36,596	33,065	2,863
177	Other Non-Current Assets	177	177	-	177	177	177
71,815	Total Non Current Assets	71,791	84,241	17	105,746	105,887	94,437
146,768	TOTAL ASSETS	149,136	159,368	7	177,886	175,654	162,431
Current Liabilities							
27,245	Payables	30,559	30,614	..	30,668	30,722	30,776
461	Finance Leases	435	435	-	435	435	435
33,758	Employee Benefits	34,339	36,993	8	39,463	41,691	43,922
9,352	Other Liabilities	9,352	9,532	2	9,712	9,892	10,072
70,816	Total Current Liabilities	74,685	77,574	4	80,278	82,740	85,205
Non Current Liabilities							
338	Finance Leases	366	366	-	366	366	366
2,423	Employee Benefits	2,315	2,329	1	2,363	2,406	2,409
64	Other Non-Current Provisions	64	64	-	64	64	64
2,825	Total Non Current Liabilities	2,745	2,759	1	2,793	2,836	2,839
73,641	TOTAL LIABILITIES	77,430	80,333	4	83,071	85,576	88,044
73,127	NET ASSETS	71,706	79,035	10	94,815	90,078	74,387
REPRESENTED BY FUNDS EMPLOYED							
62,834	Accumulated Funds	61,413	68,742	12	84,522	79,785	64,094
10,293	Reserves	10,293	10,293	-	10,293	10,293	10,293
73,127	TOTAL FUNDS EMPLOYED	71,706	79,035	10	94,815	90,078	74,387

Table 20: Commerce and Works Directorate: Cash Flow Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
31,856	Cash from Government for Outputs	31,103	34,742	12	32,907	35,979	34,454
182,848	User Charges	183,798	189,134	3	192,642	199,218	203,949
236	Interest Received	236	240	2	244	248	255
686,929	Other Receipts	687,009	698,842	2	710,983	726,609	743,462
901,869	Operating Receipts	902,146	922,958	2	936,776	962,054	982,120
Payments							
94,305	Related to Employees	95,685	97,804	2	100,273	102,748	104,242
14,287	Related to Superannuation	14,704	15,241	4	15,960	16,770	17,278
90,476	Related to Supplies and Services	90,476	96,734	7	95,077	100,384	100,587
16	Borrowing Costs	16	16	-	16	16	16
685,470	Other	685,550	697,363	2	709,486	725,088	741,911
884,554	Operating Payments	886,431	907,158	2	920,812	945,006	964,034
17,315	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	15,715	15,800	1	15,964	17,048	18,086
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
329	Proceeds from Sale of Property, Plant and Equipment	329	336	2	342	348	355
78	Repayment of Home Loan Principal	78	102	31	125	125	125
407	Investing Receipts	407	438	8	467	473	480
Payments							
27,601	Purchase of Property, Plant and Equipment and Capital Works	27,601	21,079	-24	25,007	21,104	19,187
3,658	Purchase of Land and Intangibles	3,158	13,068	314	20,089	4,181	0
64	Issue of Loan	64	64	-	62	62	62
31,323	Investing Payments	30,823	34,211	11	45,158	25,347	19,249
-30,916	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-30,416	-33,773	-11	-44,691	-24,874	-18,769
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
17,528	Capital Injections from Government	18,028	21,798	21	32,352	12,197	5,747
26,991	Receipt of Transferred Cash Balances	26,991	0	-100	0	0	0
44,519	Financing Receipts	45,019	21,798	-52	32,352	12,197	5,747
Payments							
5,999	Distributions to Government	5,999	6,084	1	6,624	6,774	6,864
110	Repayment of Finance Leases	110	110	-	113	116	119

2013-14 Budget		2013-14 Est'd Outcome	2014-15 Budget	Var	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
6,109	Financing Payments	6,109	6,194	1	6,737	6,890	6,983
38,410	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	38,910	15,604	-60	25,615	5,307	-1,236
24,809	NET INCREASE / (DECREASE) IN CASH HELD	24,209	-2,369	-110	-3,112	-2,519	-1,919
1,443	CASH AT THE BEGINNING OF REPORTING PERIOD	4,415	28,624	548	26,255	23,143	20,624
26,252	CASH AT THE END OF REPORTING PERIOD	28,624	26,255	-8	23,143	20,624	18,705

Table 21: Commerce and Works Directorate: Statement of Changes in Equity

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
2,556	Opening Accumulated Funds	1,747	61,413	#	68,742	84,522	79,785
0	Opening Asset Revaluation Reserve	0	10,293	#	10,293	10,293	10,293
2,556	Balance at the Start of the Reporting Period	1,747	71,706	#	79,035	94,815	90,078
Comprehensive Income							
-10,472	Operating Result for the Period	-11,584	-8,385	28	-9,948	-10,160	-14,574
10,293	Inc/Dec in Asset Revaluation Reserve Surpluses	10,293	0	-100	0	0	0
-179	Total Comprehensive Income	-1,291	-8,385	-549	-9,948	-10,160	-14,574
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
17,528	Capital Injections	18,028	21,798	21	32,352	12,197	5,747
-5,999	Capital Distributions to Government	-5,999	-6,084	-1	-6,624	-6,774	-6,864
59,221	Inc/Dec in Net Assets due to Admin Restructure	59,221	0	-100	0	0	0
70,750	Total Transactions Involving Owners Affecting Accumulated Funds	71,250	15,714	-78	25,728	5,423	-1,117
Closing Equity							
62,834	Closing Accumulated Funds	61,413	68,742	12	84,522	79,785	64,094
10,293	Closing Asset Revaluation Reserve	10,293	10,293	-	10,293	10,293	10,293
73,127	Balance at the End of the Reporting Period	71,706	79,035	10	94,815	90,078	74,387

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- government payment for outputs:
 - the decrease of \$0.753 million in the 2013-14 estimated outcome from the original budget is due to the transfer of funds for the Investment in Finance and HR initiative to capital injections (\$1 million) offset by revised wage parameters (\$0.247 million); and
 - the increase of \$3.639 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of the Concessions program from the Community Services Directorate (\$0.301 million); funding received for the management of the new Supreme Court project (\$2.552 million); funding for the 2012-13 Data Storage Infrastructure initiative (\$2.113 million); and funding for new 2014-15 initiatives (\$2.058 million) offset by the cessation of initiatives in 2014-15 (\$3.385 million).
- user charges – ACT Government:
 - the increase of \$0.950 million in the 2013-14 estimated outcome from the original budget is mainly due to revised wage parameters and superannuation increases; and
 - the increase of \$3.501 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to revised wage parameters and superannuation increases (\$1.850 million) and funding for the new 2014-15 iConnect initiative (\$1.651 million).
- employee and superannuation expenses:
 - the increase of \$1.959 million in the 2013-14 estimated outcome from the original budget is due to revised wage parameters and superannuation increases offset by a one-off decrease in long service leave from the reduction in the present value estimate; and
 - the increase of \$3.072 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to revised wage parameters and superannuation increases and the transfer of the Concessions program from the Community Services Directorate (\$0.272 million).
- supplies and services: the increase of \$4.442 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to funding for new 2014-15 initiatives (\$3.667 million) and funding received for the management of the new Supreme Court project (\$2.552 million) offset by corrections to 2013-14 for internal eliminations.

- depreciation and amortisation:
 - the decrease of \$0.650 million in the 2013-14 estimated outcome from the original budget is mainly due to corrections to 2013-14 depreciation for the change in useful life; and
 - the increase of \$1.822 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to depreciation on the whole of government Digital Network and the Storage Network Switch Refresh initiatives.
- grants and purchased services: the decrease of \$5.341 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the finalisation of project funding in 2013-14 of the Oracle E-Business suite upgrade and the whole of government banking projects.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$2.372 million in the 2013-14 estimated outcome from the original budget is due to the audited outcome effects from 2012-13; and
 - the decrease of \$2.369 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the savings returned to Government and the timing associated with billing and receiving payments for capital works.
- property, plant and equipment: the decrease of \$0.815 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the timing of asset purchases and full year depreciation impacts (\$2.985 million) offset by capital funding received to implement the Procurement whole of government savings initiative (\$1 million) and the ACT Government Office Building, Provision for ICT Infrastructure and Relocation Costs (\$1.170 million) initiative.
- intangibles:
 - the decrease of \$0.867 million in the 2013-14 estimated outcome from the original budget is due to the audited outcome effects from 2012-13 (\$0.417 million) and the rollover of the Investment in Finance and HR initiative (\$0.5 million); and
 - the increase of \$5.682 million in the 2013-14 Budget from the 2013-14 estimated outcome is due to new capital works initiatives (\$6.636 million) offset by amortisation on existing assets (\$0.954 million).
- capital works in progress:
 - the increase of \$0.669 million in the 2013-14 estimated outcome from the original budget is due to the audited outcome effects from 2012-13; and
 - the increase of \$7.583 million in the 2013-14 Budget from the 2013-14 estimated outcome is due to new capital works initiatives.

- current payables: the increase of \$3.314 million in the 2013-14 estimated outcome from the original budget is mainly due to the audited outcome effects from 2012-13.
- current and non-current employee benefits: the increase of \$2.668 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to revised wage parameters increases.

Statement of Cash Flows

Variations in the cash flows from operating activities and cash flows from investing activities are explained in the notes above.

- capital injections from government:
 - the increase of \$0.5 million in the 2013-14 estimated outcome from the original budget is due to the transfer of funds for the Investment in Finance and HR initiative from government payment from outputs; and
 - the increase of \$3.770 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to funding for 2014-15 initiatives (\$15.399 million) offset by completed 2012-13 initiatives (\$12.024 million).

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Table 22: Commerce and Works Directorate: Statement of Income and Expenses on behalf of the Territory

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
13,065	Payment for Expenses on Behalf of the Territory	15,064	59,164	293	53,370	54,326	55,552
1,211,522	Taxes, Fees and Fines	1,217,157	1,282,586	5	1,379,862	1,471,057	1,568,115
10,527	Land Revenue	10,833	12,379	14	12,690	12,485	12,951
200	Other Revenue	200	200	-	200	200	200
1,235,314	Total Revenue	1,243,254	1,354,329	9	1,446,122	1,538,068	1,636,818
Expenses							
15	Supplies and Services	15	15	-	15	15	15
12,830	Grants and Purchased Services	14,829	35,589	140	32,363	32,716	33,302
2,794	Other Expenses	2,794	25,884	826	23,066	23,672	24,312
1,219,675	Transfer Expenses	1,225,616	1,292,841	5	1,390,678	1,481,665	1,579,189
1,235,314	Total Expenses	1,243,254	1,354,329	9	1,446,122	1,538,068	1,636,818
0	Operating Result	0	0	-	0	0	0
Other Comprehensive Income							
Items that will not be Reclassified Subsequently to Profit or Loss							
14,282	Inc/Dec in Asset Revaluation Reserve Surpluses	14,282	16,000	12	17,804	19,697	19,697
14,282	Total Other Comprehensive Income	14,282	16,000	12	17,804	19,697	19,697
14,282	Total Comprehensive Income	14,282	16,000	12	17,804	19,697	19,697

Table 23: Commerce and Works Directorate: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Current Assets							
108,041	Cash and Cash Equivalents	5,795	5,805	..	5,805	5,805	5,805
156,736	Receivables	140,167	148,135	6	148,009	147,854	147,699
0	Inventories	4,335	4,335	-	4,335	4,335	4,335
264,777	Total Current Assets	150,297	158,275	5	158,149	157,994	157,839
Non Current Assets							
410,218	Property, Plant and Equipment	387,233	511,398	32	564,972	647,439	725,906
410,218	Total Non Current Assets	387,233	511,398	32	564,972	647,439	725,906
674,995	TOTAL ASSETS	537,530	669,673	25	723,121	805,433	883,745
Current Liabilities							
239,495	Payables	176,658	182,406	3	180,050	177,665	175,280
69	Other Provisions	280	280	-	280	280	280
1,914	Other Liabilities	0	0	-	0	0	0
241,478	Total Current Liabilities	176,938	182,686	3	180,330	177,945	175,560
241,478	TOTAL LIABILITIES	176,938	182,686	3	180,330	177,945	175,560
433,517	NET ASSETS	360,592	486,987	35	542,791	627,488	708,185
REPRESENTED BY FUNDS EMPLOYED							
400,238	Accumulated Funds	338,549	448,944	33	486,944	551,944	612,944
33,279	Reserves	22,043	38,043	73	55,847	75,544	95,241
433,517	TOTAL FUNDS EMPLOYED	360,592	486,987	35	542,791	627,488	708,185

Table 24: Commerce and Works Directorate: Cash Flow Statement on behalf of the Territory

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
13,065	Cash from Government for EBT	15,064	30,952	105	27,449	27,753	28,308
0	Cash from Government - CSO	0	28,212	#	25,921	26,573	27,244
Payments							
1,136,356	Taxes, Fees and Fines	1,151,886	1,216,500	6	1,281,631	1,410,868	1,505,253
92,046	Other Receipts	82,457	85,419	4	117,860	79,609	82,748
1,241,467	Operating Receipts	1,249,407	1,361,083	9	1,452,861	1,544,803	1,643,553
Payments							
15	Related to Supplies and Services	15	15	-	15	15	15
12,830	Grants and Purchased Services	14,829	35,591	140	32,364	32,719	33,305
903	Other	903	24,846	#	22,268	22,868	23,508
1,229,949	Territory Receipts to Government	1,235,890	1,302,861	5	1,400,444	1,491,431	1,588,955
1,243,697	Operating Payments	1,251,637	1,363,313	9	1,455,091	1,547,033	1,645,783
-2,230	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-2,230	-2,230	-	-2,230	-2,230	-2,230
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
2,230	Proceeds from Sale of Property, Plant and Equipment	2,230	2,230	-	2,230	2,230	2,230
2,230	Investing Receipts	2,230	2,230	-	2,230	2,230	2,230
Payments							
116,300	Purchase of Property, Plant and Equipment and Capital Works	88,220	110,395	25	38,000	65,000	61,000
116,300	Investing Payments	88,220	110,395	25	38,000	65,000	61,000
-114,070	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-85,990	-108,165	-26	-35,770	-62,770	-58,770
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
116,300	Capital Injections from Government	88,220	110,395	25	38,000	65,000	61,000
0	Receipt of Transferred Cash Balances	0	10	#	0	0	0
116,300	Financing Receipts	88,220	110,405	25	38,000	65,000	61,000
116,300	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	88,220	110,405	25	38,000	65,000	61,000

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
0	NET INCREASE / (DECREASE) IN CASH HELD	0	10	#	0	0	0
108,041	CASH AT THE BEGINNING OF REPORTING PERIOD	5,795	5,795	-	5,805	5,805	5,805
108,041	CASH AT THE END OF REPORTING PERIOD	5,795	5,805	..	5,805	5,805	5,805

Table 25: Commerce and Works Directorate: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
283,938	Opening Accumulated Funds	250,329	338,549	35	448,944	486,944	551,944
18,997	Opening Asset Revaluation Reserve	7,761	22,043	184	38,043	55,847	75,544
302,935	Balance at the Start of the Reporting Period	258,090	360,592	40	486,987	542,791	627,488
Comprehensive Income							
14,282	Inc/Dec in Asset Revaluation Reserve Surpluses	14,282	16,000	12	17,804	19,697	19,697
14,282	Total Comprehensive Income	14,282	16,000	12	17,804	19,697	19,697
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
116,300	Capital Injections	88,220	110,395	25	38,000	65,000	61,000
116,300	Total Transactions Involving Owners Affecting Accumulated Funds	88,220	110,395	25	38,000	65,000	61,000
Closing Equity							
400,238	Closing Accumulated Funds	338,549	448,944	33	486,944	551,944	612,944
33,279	Closing Asset Revaluation Reserve	22,043	38,043	73	55,847	75,544	95,241
433,517	Balance at the End of the Reporting Period	360,592	486,987	35	542,791	627,488	708,185

Notes to the Territorial Budget Statements

Statement of Income and Expenses on Behalf of the Territory

- payment for expenses on behalf of the Territory:
 - the increase of \$2 million in the 2013-14 estimated outcome from the original budget is mainly due to a one-off transfer of funds to cover higher than expected First Home Owner Grants (FHOG); and
 - the increase of \$44.1 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of concession programs from Community Service Directorate (\$45.092 million), new concession initiatives (\$7.104 million), offset by a reduction of Commonwealth funding (\$2.219 million) and a reduction of FHOG (\$5.878 million).
- taxes, fees and fines:
 - the increase of \$5.635 million in the 2013-14 estimated outcome from the original budget is mainly due to higher than anticipated commercial conveyance transactions (\$19.846 million) and increased compliance activity on land tax (\$2.890 million). These increases are partially offset by lower payroll tax (\$10.324 million) and income tax equivalents (\$6.558 million); and
 - the increase of \$65.429 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to general rates (\$42.836 million), payroll tax (\$27.202 million), land tax (\$13.287 million), Fire and Emergency Service Levy (\$9.602 million) and is offset by reductions in general insurance (\$10.062 million), income tax equivalent (\$10.031 million) and conveyances (\$9.911 million).
- grants and purchased services:
 - the increase of \$2 million in the 2013-14 estimated outcome from the original budget is mainly due to the transfer of funds to cover higher than expected First Home Owner Grants (FHOG); and
 - the increase of \$20.760 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of concession programs from Community Service Directorate (\$24.795 million), new concession initiatives (\$4.061 million), offset by a reduction of Commonwealth funding (\$2.219 million) and reduction of FHOG (\$5.878 million).
- other expenses: the increase of \$23.090 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of concession programs from Community Service Directorate (\$20.297 million) and new concession initiatives (\$3.043 million).
- transfer expenses: the increase of \$5.941 million in the 2013-14 estimated outcome from the original budget and the increase of \$67.225 million in 2014-15 Budget from the 2013-14 estimated outcome reflects estimated revenue collection.

Statement of Assets and Liabilities on Behalf of the Territory

- cash and cash equivalents: the decrease of \$102.246 million in the 2013-14 estimated outcome from the original budget reflects adjustment from 2012-13 audited outcome.
- receivables: the decrease of \$16.569 million in the 2013-14 estimated outcome from the original budget reflects adjustment from the 2012-13 audited outcome. The increase of \$7.968 million in 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of accrued receivables from Community Service Directorate attributable to the concession programs (\$8.267 million).
- property, plant and equipment: the decrease of \$22.985 million in the 2013-14 estimated outcome from the original budget is mainly due to the uptake of land rent properties. The increase of \$124.165 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the forecast growth of land rent properties.
- total liabilities: the decrease of \$64.540 million in the 2013-14 estimated outcome from the original budget reflects adjustment from the 2012-13 audited outcome. The increase of \$5.748 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the transfer of liabilities related to the concession programs (\$8.277 million), partially offset by reduction of other liabilities (\$2.529 million).

Cash Flow Statement on Behalf of the Territory

- Variations in the statement are explained in the notes above.

Statement of Changes in Equity on Behalf of the Territory

- Variations in the statement are explained in the notes above.

Table 26: Revenue and Government Business Management Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
15,676	Government Payment for Outputs	15,815	15,921	1	16,360	19,605	18,402
10	User Charges - ACT Government	10	10	-	10	10	10
704	Resources Received Free of Charge	704	721	2	721	721	739
16,390	Total Revenue	16,529	16,652	1	17,091	20,336	19,151
Expenses							
8,126	Employee Expenses	8,240	8,772	6	8,956	9,111	9,250
1,323	Superannuation Expenses	1,344	1,490	11	1,596	1,718	1,773
6,946	Supplies and Services	6,946	4,637	-33	4,772	6,630	5,183
355	Depreciation and Amortisation	355	354	..	124	39	3,936
5,341	Grants and Purchased Services	5,341	0	-100	0	0	0
22,091	Total Ordinary Expenses	22,226	15,253	-31	15,448	17,498	20,142
-5,701	Operating Result	-5,697	1,399	125	1,643	2,838	-991

Table 27: Shared Services ICT Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
10,205	Government Payment for Outputs	10,544	11,667	11	10,082	9,936	9,511
123,469	User Charges - ACT Government	123,611	125,963	2	127,913	132,257	135,247
250	Other Revenue	250	255	2	260	265	270
133,924	Total Revenue	134,405	137,885	3	138,255	142,458	145,028
Expenses							
45,232	Employee Expenses	46,222	47,236	2	48,588	49,650	50,363
6,806	Superannuation Expenses	6,972	7,190	3	7,545	7,909	8,142
70,349	Supplies and Services	70,382	74,615	6	73,434	76,700	77,941
18,893	Depreciation and Amortisation	18,228	20,330	12	21,487	22,781	24,025
425	Other Expenses	425	435	2	446	457	468
141,705	Total Ordinary Expenses	142,229	149,806	5	151,500	157,497	160,939
-7,781	Operating Result	-7,824	-11,921	-52	-13,245	-15,039	-15,911

Table 28: Shared Services Procurement Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
2,285	Government Payment for Outputs	1,800	4,413	145	3,032	2,917	2,976
330	User Charges - Non ACT Government	330	335	2	340	345	352
20,919	User Charges - ACT Government	21,238	21,610	2	22,069	22,722	23,209
58	Other Revenue	58	59	2	60	61	62
300	Resources Received Free of Charge	300	308	3	316	324	332
23,892	Total Revenue	23,726	26,725	13	25,817	26,369	26,931
Expenses							
15,540	Employee Expenses	15,400	15,748	2	16,207	16,599	16,842
2,096	Superannuation Expenses	2,162	2,223	3	2,338	2,454	2,534
3,951	Supplies and Services	3,893	6,477	66	4,982	4,868	4,995
743	Depreciation and Amortisation	743	314	-58	122	122	122
5	Borrowing Costs	5	5	-	5	5	5
22,335	Total Ordinary Expenses	22,203	24,767	12	23,654	24,048	24,498
1,557	Operating Result	1,523	1,958	29	2,163	2,321	2,433

Table 29: Shared Services Human Resources Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
2,634	Government Payment for Outputs	2,301	2,078	-10	2,697	2,762	2,794
22,846	User Charges - ACT Government	23,157	23,630	2	24,282	25,012	25,540
236	Interest	236	240	2	244	248	255
1,514	Other Revenue	1,514	1,537	2	1,561	1,585	1,616
27,230	Total Revenue	27,208	27,485	1	28,784	29,607	30,205
Expenses							
16,526	Employee Expenses	16,902	17,287	2	17,780	18,202	18,455
2,453	Superannuation Expenses	2,567	2,635	3	2,755	2,881	2,967
5,779	Supplies and Services	5,795	5,642	-3	6,320	6,439	6,578
843	Depreciation and Amortisation	793	893	13	1,614	1,614	1,614
11	Borrowing Costs	11	11	-	11	11	11
25,612	Total Ordinary Expenses	26,068	26,468	2	28,480	29,147	29,625
1,618	Operating Result	1,140	1,017	-11	304	460	580

Table 30: Shared Services Finance Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
1,056	Government Payment for Outputs	643	663	3	736	759	771
40	User Charges - Non ACT Government	40	41	3	42	43	44
14,397	User Charges - ACT Government	14,575	14,879	2	15,272	15,728	16,055
15,493	Total Revenue	15,258	15,583	2	16,050	16,530	16,870
Expenses							
10,111	Employee Expenses	10,313	10,569	2	10,411	10,656	10,798
1,609	Superannuation Expenses	1,659	1,703	3	1,726	1,797	1,844
3,612	Supplies and Services	3,621	3,708	2	3,847	3,938	4,034
326	Depreciation and Amortisation	391	441	13	879	879	879
15,658	Total Ordinary Expenses	15,984	16,421	3	16,863	17,270	17,555
-165	Operating Result	-726	-838	-15	-813	-740	-685

Notes to the Output Class Statements

Significant variations are as follows:

Revenue and Government Business Management

- total expenses: the decrease of \$6.973 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the finalisation of project funding in 2013-14 of the Oracle E-Business suite upgrade and the whole of government banking projects (\$5.341 million) and corrections to 2013-14 for internal eliminations (\$1.632 million).

Shared Services ICT

- total expenses:
 - the increase of \$0.524 million in the 2013-14 estimated outcome from the original budget is due to revised wage parameter increases; and
 - the increase of \$7.577 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to funding for new initiatives (\$3.419 million), depreciation effects of 2012-13 initiatives (\$2.102 million) and revised wage parameter, indexation and superannuation increases (\$2.056 million).

Shared Services Procurement

- total expenses: the increase of \$2.564 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to the funding received for the management of the new Supreme Court project (\$2.552 million).

Shared Services Human Resources

- total expenses: the increase of \$0.4 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to revised wage parameter, indexation and superannuation increases.

Shared Services Finance

- total expenses: the increase of \$0.437 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to revised wage parameter, indexation and superannuation increases.

ACTEW CORPORATION

Purpose

ACTEW Corporation (ACTEW) is a Territory-owned corporation which undertakes two primary activities: delivery of water, sewerage and associated services; and investment in the energy business, ActewAGL.

ACTEW's has four equally important commercial objectives, which are derived from the *Territory-owned Corporations Act 1990* (TOC Act). These are:

- Efficiency: Operate at least as efficiently as any comparable business;
- Sustainable return: Maximise the sustainable return to our Shareholders on the investment in ACTEW;
- Social responsibility: Show a sense of social responsibility by having regard to the interests of the community in which we operate, and by trying to accommodate and encourage those interests; and
- Ecologically sustainable development: Effective integration of environmental and economic consideration in decision-making processes.

These objectives form the foundation upon which ACTEW conducts all of its activities.

2014-15 Priorities

Over the period 2014-15 to 2017-18 ACTEW will achieve its commercial objectives through the six strategies listed below. Key priorities for each strategy in 2014-15 are:

- Safety management – cultivating a work, health and safety culture across the organisation that engages, collaborates and innovates through: benchmarking work health and safety performance; building safety leadership skills; and developing and promoting a safety recognition program;
- Asset management – implementing a revised asset management framework that will ensure holistic and efficient life-cycle asset management in accordance with relevant industry standards;
- Customer management – continuing to build on our customer-centric culture, addressing the brand confusion between ACTEW and ActewAGL and introducing enhancements to the ACTEW website;
- Governance – implementing an improved electronic document and records management system and a range of governance improvement initiatives (responding to internal and external reviews);

- Workforce management – developing a workforce plan and leadership framework, and implementing a revised enterprise agreement; and
- Financial management – improving profitability to support strong dividends to shareholders, prudently managing our liquidity levels and continuing active management of ACTEW’s energy investments.

ACTEW’s 2014-15 Budget forecasts are subject to potentially significant variation arising from factors outside ACTEW’s control. These factors include:

- Regulatory uncertainty – the price direction for water and sewerage for the period July 2013 to June 2019, set by the Independent Competition and Regulatory Commission (ICRC) in June 2013, is now subject to review by an industry panel;
- Climatic conditions – normal weather patterns have been assumed in determining customer consumption. Variability in climatic conditions may result in material variations to ACTEW’s profitability; and
- ActewAGL’s operations – the profitability of the investment in ActewAGL may be affected by climatic conditions and regulatory outcomes (including in relation pricing for energy distribution and retail, and access arrangements for the ACT gas network).

Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget¹	2013-14 Estimated Outcome	2014-15 Budget
Staffing (FTE)	380	394	400	398

Note(s):

1. The 2013-14 budgeted FTE’s have been updated to include budgeted vacant positions.

Changes to Appropriation

Table 2: Changes to appropriation—Government Payment for Outputs, Controlled

	2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
2013-14 Budget	10,615	10,642	10,670	10,699	10,699
2014-15 Budget Technical Adjustments					
Revised indexation – Assistance for Water and Sewerage	-	481	731	988	1,280
2014-15 Budget	10,615	11,123	11,401	11,687	11,979

Financial Statements

Table 3: ACTEW Corporation: Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Income							
Revenue							
10,615	Government Payment for Outputs	10,615	11,123	5	11,401	11,687	11,979
291,546	User Charges - Non ACT Government	258,681	268,598	4	269,235	278,008	299,613
41,513	User Charges - ACT Government	36,301	37,753	4	37,753	38,886	41,997
2,990	Interest	1,966	1,593	-19	1,007	1,089	1,069
8,645	Other Revenue	19,179	8,090	-58	8,292	8,499	8,712
355,309	Total Revenue	326,742	327,157	..	327,688	338,169	363,370
Gains							
0	Other Gains	7,343	3,222	-56	0	0	0
0	Total Gains	7,343	3,222	-56	0	0	0
355,309	Total Income	334,085	330,379	-1	327,688	338,169	363,370
Expenses							
53,978	Employee Expenses	55,394	57,214	3	58,130	59,717	62,045
5,882	Superannuation Expenses	5,882	6,107	4	6,202	6,370	6,610
70,743	Supplies and Services	72,100	77,555	8	76,959	79,490	83,344
41,166	Depreciation and Amortisation	42,090	43,661	4	45,010	46,692	48,307
76,627	Borrowing Costs	77,480	79,221	2	83,308	88,937	95,305
24,308	Cost of Goods Sold	24,465	25,062	2	24,466	24,465	24,466
7,492	Other Expenses	22,952	7,833	-66	8,213	8,587	8,978
280,196	Total Expenses	300,363	296,653	-1	302,288	314,258	329,055
68,949	Share of Operating Result from Joint Venture accounted for using the Equity Method	80,200	86,641	8	83,537	84,524	87,840
144,062	Operating Result from Ordinary Activities	113,922	120,367	6	108,937	108,435	122,155
44,659	Income Tax Equivalent	34,176	36,111	6	32,681	32,531	36,647
99,403	Operating Result	79,746	84,256	6	76,256	75,904	85,508
Other Comprehensive Income							
Items that will not be Reclassified Subsequently to Profit or Loss							
0	Inc/Dec in Asset Revaluation Reserve Surpluses	-1	0	100	0	0	0
0	Total Other Comprehensive Income	-1	0	100	0	0	0
99,403	Total Comprehensive Income	79,745	84,256	6	76,256	75,904	85,508

Table 4: ACTEW Corporation: Balance Sheet

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Current Assets							
50,655	Cash and Cash Equivalents	65,500	51,653	-21	50,514	50,319	50,332
53,798	Receivables	57,584	61,616	7	65,929	70,547	75,483
16,847	Other Current Assets	19,886	19,886	-	19,886	19,884	19,886
121,300	Total Current Assets	142,970	133,155	-7	136,329	140,750	145,701
Non Current Assets							
641,361	Investments	637,606	665,746	4	692,332	721,806	740,846
1,881,446	Property, Plant and Equipment	1,959,345	2,009,906	3	2,087,145	2,181,851	2,228,808
19,431	Intangibles	16,297	16,297	-	16,297	16,297	16,297
78,390	Capital Works in Progress	81,551	81,551	-	81,551	81,551	81,551
30,699	Tax Assets	26,310	26,310	-	26,310	26,310	26,310
2,651,327	Total Non Current Assets	2,721,109	2,799,810	3	2,903,635	3,027,815	3,093,812
2,772,627	TOTAL ASSETS	2,864,079	2,932,965	2	3,039,964	3,168,565	3,239,513
Current Liabilities							
34,780	Payables	42,155	46,961	11	51,948	56,095	54,974
18,873	Interest-Bearing Liabilities	19,338	20,868	8	22,963	325,214	27,631
34,197	Employee Benefits	21,477	21,477	-	21,477	21,477	21,477
20,161	Other Provisions	19,372	19,959	3	19,004	18,932	20,855
11,165	Income Tax Payable	12,894	9,029	-30	8,170	8,133	9,162
2,874	Other Liabilities	3,495	3,495	-	3,495	3,495	3,495
122,050	Total Current Liabilities	118,731	121,789	3	127,057	433,346	137,594
Non Current Liabilities							
1,406,283	Interest-Bearing Liabilities	1,426,808	1,489,417	4	1,591,148	1,413,460	1,780,160
140	Employee Benefits	1,662	1,662	-	1,662	1,662	1,662
1,173	Other Non-Current Provisions	8,675	8,675	-	8,675	8,675	8,675
299,963	Income Tax Payable Non- Current	309,512	309,511	..	309,511	309,511	309,511
1,707,559	Total Non Current Liabilities	1,746,657	1,809,265	4	1,910,996	1,733,308	2,100,008
1,829,609	TOTAL LIABILITIES	1,865,388	1,931,054	4	2,038,053	2,166,654	2,237,602
943,018	NET ASSETS	998,691	1,001,911	..	1,001,911	1,001,911	1,001,911
REPRESENTED BY FUNDS EMPLOYED							
766,670	Accumulated Funds	770,535	773,755	..	773,755	773,755	773,755
176,348	Reserves	228,156	228,156	-	228,156	228,156	228,156
943,018	TOTAL FUNDS EMPLOYED	998,691	1,001,911	..	1,001,911	1,001,911	1,001,911

Table 5: ACTEW Corporation: Cash Flow Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
10,615	Cash from Government for Outputs	10,615	11,123	5	11,401	11,687	11,979
338,185	User Charges	314,230	310,411	-1	310,968	320,779	345,385
2,990	Interest Received	1,966	1,593	-19	1,007	1,089	1,069
30,171	Other Receipts	47,500	58,500	23	56,950	55,050	68,801
381,961	Operating Receipts	374,311	381,627	2	380,326	388,605	427,234
Payments							
53,978	Related to Employees	55,394	57,214	3	58,130	59,717	62,045
5,882	Related to Superannuation	5,882	6,107	4	6,202	6,370	6,610
69,103	Related to Supplies and Services	85,812	75,328	-12	74,579	76,944	80,619
76,627	Borrowing Costs	77,480	79,221	2	83,308	88,937	95,305
71,203	Other	68,330	72,872	7	66,217	65,620	69,062
276,793	Operating Payments	292,898	290,742	-1	288,436	297,588	313,641
105,168	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	81,413	90,885	12	91,890	91,017	113,593
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale of Property, Plant and Equipment	10,769	0	-100	0	0	0
0	Investing Receipts	10,769	0	-100	0	0	0
Payments							
49,275	Purchase of Property, Plant and Equipment and Capital Works	62,025	88,423	43	119,645	139,802	99,109
49,275	Investing Payments	62,025	88,423	43	119,645	139,802	99,109
-49,275	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-51,256	-88,423	-73	-119,645	-139,802	-99,109
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
49,000	Borrowings Received	200,000	73,000	-64	115,000	138,000	385,000
49,000	Financing Receipts	200,000	73,000	-64	115,000	138,000	385,000
Payments							
97,151	Dividends to Government	142,050	80,447	-43	77,212	75,974	83,589
7,675	Repayment of Borrowings	106,351	8,862	-92	11,172	13,436	315,882
104,826	Financing Payments	248,401	89,309	-64	88,384	89,410	399,471
-55,826	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-48,401	-16,309	66	26,616	48,590	-14,471

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
67	NET INCREASE / (DECREASE) IN CASH HELD	-18,244	-13,847	24	-1,139	-195	13
50,588	CASH AT THE BEGINNING OF REPORTING PERIOD	83,744	65,500	-22	51,653	50,514	50,319
50,655	CASH AT THE END OF REPORTING PERIOD	65,500	51,653	-21	50,514	50,319	50,332

Table 6: ACTEW Corporation: Statement of Changes in Equity

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
766,670	Opening Accumulated Funds	766,671	770,535	1	773,755	773,755	773,755
166,528	Opening Asset Revaluation Reserve	218,337	218,336	..	218,336	218,336	218,336
9,820	Opening Other Reserve	9,820	9,820	-	9,820	9,820	9,820
943,018	Balance at the Start of the Reporting Period	994,828	998,691	..	1,001,911	1,001,911	1,001,911
Comprehensive Income							
99,403	Operating Result for the Period	79,746	84,256	6	76,256	75,904	85,508
0	Inc/Dec in Asset Revaluation Reserve Surpluses	-1	0	100	0	0	0
99,403	Total Comprehensive Income	79,745	84,256	6	76,256	75,904	85,508
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
-99,403	Dividend Approved	-75,882	-81,036	-7	-76,256	-75,904	-85,508
-99,403	Total Transactions Involving Owners Affecting Accumulated Funds	-75,882	-81,036	-7	-76,256	-75,904	-85,508
Closing Equity							
766,670	Closing Accumulated Funds	770,535	773,755	..	773,755	773,755	773,755
166,528	Closing Asset Revaluation Reserve	218,336	218,336	-	218,336	218,336	218,336
9,820	Closing Other Reserve	9,820	9,820	-	9,820	9,820	9,820
943,018	Balance at the End of the Reporting Period	998,691	1,001,911	..	1,001,911	1,001,911	1,001,911

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges:
 - the decrease of \$38.077 million for total user charges (non ACT Government and ACT Government) in the 2013-14 estimated outcome from the original budget is due to the outcome of the ICRC final pricing direction in June 2013, after the release of the budget; and
 - the increase of \$11.369 million for total user charges (non ACT Government and ACT Government) in the 2014-15 Budget from the 2013-14 estimated outcome is due to implementing the regulatory pricing direction and a forecast increase in water consumption and customer numbers.
- interest: the decrease of \$1.024 million in the 2013-14 estimated outcome from the original budget is due to a lower than expected cash balances and interest rates throughout the year.
- other revenue: the increase of \$10.534 million in the 2013-14 estimated outcome from the original budget and the decrease of \$11.089 million in the 2014-15 Budget from the 2013-14 estimated outcome is due mainly to the accounting recognition of a one-off insurance recovery from flood events on the Enlarged Cotter Dam.
- other gains:
 - the increase of \$7.343 million in the 2013-14 estimated outcome from the original budget relates to gifted assets from developments, including the Googong Estate, which are not usually budgeted for due to uncertainty in volumes and variations; and
 - the decrease of \$4.121 million in the 2014-15 Budget from the 2013-14 estimated outcome, relates to the forecast decrease in development activity from uncertainty in volume and variations.
- employee expenses:
 - the increase of \$1.416 million in the 2013-14 estimated outcome from the original budget is due to higher than budgeted FTE's during the course of the year; and
 - the increase of \$1.820 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to estimated annual wage increases.
- supplies and services:
 - the increase of \$1.357 million in the 2013-14 estimated outcome from the original budget is mainly due to an increase in the water production volumes and settlement of historical Commonwealth Superannuation Scheme claims; and

- the increase of \$5.455 million in the 2014-15 Budget from the 2013-14 estimated outcome, is mainly due to CPI escalations scheduled maintenance of the Lower Molonglo incinerators and additional costs relating to the regulatory pricing review.
- depreciation and amortisation: an increase of \$1.571 million in the 2014-15 Budget from the 2013-14 estimated outcome reflects finalisation of capital expenditure projects.
- borrowing costs: an increase of \$1.741 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to new borrowings to fund the capital expenditure program including borrowings to fund ACTEW's further investment into the joint venture.
- other expenses: the increase of \$15.460 million in the 2013-14 estimated outcome from the original budget, and the decrease of \$15.119 million in the 2014-15 Budget from the 2013-14 estimated outcome, is due to recognising Flood Event damages and repairs on the Enlarged Cotter Dam.
- revenues of associates and joint ventures:
 - the increase of \$11.251 million in the 2013-14 estimated outcome from the original budget is due to the change of the capitalisation policy of corporate overheads; and
 - the increase of \$6.441 million in the 2014-15 Budget from the 2013-14 estimated outcome, is a result of price and operating efficiency improvements.
- income tax equivalent:
 - the decrease of \$10.483 million in the 2013-14 estimated outcome from the original budget is due to a decrease in taxable income as a result of finalisation of ICRC pricing direction in June 2013 after the release of the budget; and
 - the increase of \$1.935 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to an increase in taxable income.

Balance Sheet

- cash:
 - the increase of \$14.845 million in the 2013-14 estimated outcome from the original budget due to long term debt raising to fund the next year capital expenditure program; and
 - the decrease of \$13.847 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to drawdown of cash to fund capital expenditure.
- receivables:
 - the increase of \$3.786 million in the 2013-14 estimated outcome from the original budget reflects higher prior year actual results associated with the unread water consumption estimate; and

- the increase of \$4.032 million in the 2014-15 Budget from the 2013-14 estimated outcome, corresponds to the increase in revenues.
- other current assets: the increase of \$3.039 million in the 2013-14 estimated outcome from the original budget is mainly due to a receivable from the Comcare exit provision arising from seconded staff to the Energy investment.
- investments:
 - the decrease of \$3.755 million in the 2013-14 estimated outcome from the original budget is due to a higher cash distribution from the ActewAGL investment compared to budget. As ACTEW equity accounts for the investment this leads to a decrease in value; and
 - the increase of \$28.140 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to cash distributions being lower than forecast profit from the ActewAGL investment and equity accounting for the investment which leads to an increase in its value.
- property plant and equipment:
 - the increase of \$77.899 million in the 2013-14 estimated outcome from the original budget is mainly due to a revaluation of sewerage assets; and
 - the increase of \$50.561 million in the 2014-15 Budget from the 2013-14 estimated outcome reflects ACTEW's capital expenditure program.
- intangible assets: the decrease of \$3.134 million in the 2013-14 estimated outcome from the original budget is due to the write down of Tantangara water licences.
- capital works in progress: the increase of \$3.161 million in the 2013-14 estimated outcome from the original budget is due to the timing of completion of major capital works.
- non-current tax asset: the decrease of \$4.389 million in the 2013-14 estimated outcome from the original budget is due to lower than anticipated deferred tax assets.
- payables: the increase of \$7.375 million in the 2013-14 estimated outcome from the original budget, and the increase of \$4.806 million in the 2014-15 Budget from the 2013-14 estimated outcome, is due the timing of payments associated with the capital works program.
- current and non current interest bearing liabilities: the increase of \$20.990 million in the 2013-14 estimated outcome from the original budget, and the increase of \$64.139 million in the 2014-15 Budget from the 2013-14 estimated outcome, is due to an increase in borrowings to fund the capital works program including borrowings to fund ACTEW's further investment into the joint venture.
- current employee benefits: the decrease of \$12.720 million in the 2013-14 estimated outcome from the original budget is due to a adjustments relating to integration of ActewAGL water operations.

- non current other provisions: the increase of \$7.502 million in the 2013-14 estimated outcome from the original budget is due to a provision for Comcare exit payments to be made by ACTEW and provisions for the balance of the annual dividend payment to the ACT Government paid in October.
- current and non current income tax liabilities: the increase of \$11.278 million in the 2013-14 estimated outcome from the original budget is due to a timing of tax effect payments for write down of assets and gifted assets.

Statement of Cash Flows

Variances in the statement are explained in the notes above.

Statement of Changes in Equity

- dividend approved:
 - the decrease of \$23.521 million in the 2013-14 estimated outcome from the original budget is due to a revised profits forecast based upon the 2013 ICRC pricing determination; and
 - the increase of \$5.154 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a forecast improved operating result.

ACT INSURANCE AUTHORITY

Purpose

As the ACT Government's captive insurer, the ACT Insurance Authority (the Authority) works to protect the assets and services of the Territory by providing risk management and insurance services to a large and diverse group of ACT Government client agencies and entities.

The Authority's captive insurance model protects the ACT Government budget from a range of catastrophic and accumulated risk exposures through its reinsurance arrangements, and the accumulation of a fund reserve to meet the cost of future legal liabilities and asset losses generated through the activities of government.

2014-15 Priorities

Strategic and operational issues to be pursued in 2014-15 include:

- implementing a program of reinsurance to protect the Territory budget based on an appropriate balance between risk transferred and risk retained;
- proactively managing claims against the Territory in consultation with agency stakeholders and in accordance with the ACT model litigant requirements;
- conducting regular reviews of existing claims to ensure that appropriate management is being applied and that realistic claim estimates are included in financial statements;
- facilitating agency access to the claims reporting and data analysis to support the risk managed approach to operational and asset management;
- delivering a program of general and targeted risk management training programs for Territory agencies; and
- reviewing the risk management and insurance services functions within the Authority to redirect resources to reflect operational planning and priorities.

Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget	2013-14 Estimated Outcome	2014-15 Budget
Staffing (FTE)	14	14	15 ¹	15 ¹

Note(s):

1. Rounding up to better reflect part-time FTE members of staff.

Financial Statements

Table 2: ACT Insurance Authority: Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
58,949	User Charges - ACT Government	58,682	57,000	-3	57,142	61,429	66,342
216	Interest	407	395	-3	396	423	455
11,594	Distribution from Investments with the Territory Banking Account	12,720	10,773	-15	10,800	11,553	12,409
3,131	Other Revenue	5,179	2,181	-58	2,224	2,277	2,247
73,890	Total Revenue	76,988	70,349	-9	70,562	75,682	81,453
Expenses							
1,667	Employee Expenses	1,688	1,593	-6	1,634	1,684	1,705
256	Superannuation Expenses	245	231	-6	226	228	227
1,303	Supplies and Services	1,187	1,213	2	1,244	1,275	1,308
73,849	Other Expenses	1,495	1,529	2	1,567	1,607	1,646
0	Outward Reinsurance Expense	12,272	12,548	2	12,862	13,183	13,513
0	Claims Expense	22,764	48,274	112	52,310	57,291	62,654
77,075	Total Expenses	39,651	65,388	65	69,843	75,268	81,053
-3,185	Operating Result	37,337	4,961	-87	719	414	400
Other Comprehensive Income							
-3,185	Total Comprehensive Income	37,337	4,961	-87	719	414	400

Table 3: ACT Insurance Authority: Balance Sheet

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Current Assets							
7,518	Cash and Cash Equivalents	4,175	6,446	54	4,359	4,608	7,761
7,881	Receivables	8,578	8,401	-2	8,208	7,994	7,766
313,727	Investments	332,184	357,185	8	382,186	407,185	432,182
779	Other Current Assets	250	420	68	420	420	420
329,905	Total Current Assets	345,187	372,452	8	395,173	420,207	448,129
Non Current Assets							
9,095	Receivables	9,044	7,824	-13	6,490	5,023	3,450
57,679	Investments	11,389	11,389	-	11,389	11,389	11,389
105	Other Non-Current Assets	276	276	-	276	276	276
66,879	Total Non Current Assets	20,709	19,489	-6	18,155	16,688	15,115
396,784	TOTAL ASSETS	365,896	391,941	7	413,328	436,895	463,244
Current Liabilities							
48,046	Payables	30,655	32,297	5	34,080	36,261	38,704
339	Employee Benefits	395	416	5	421	426	431
779	Other Liabilities	250	420	68	420	420	420
49,164	Total Current Liabilities	31,300	33,133	6	34,921	37,107	39,555
Non Current Liabilities							
326,790	Payables	277,803	297,054	7	315,934	336,901	360,402
158	Employee Benefits	60	60	-	60	60	60
326,948	Total Non Current Liabilities	277,863	297,114	7	315,994	336,961	360,462
376,112	TOTAL LIABILITIES	309,163	330,247	7	350,915	374,068	400,017
20,672	NET ASSETS	56,733	61,694	9	62,413	62,827	63,227
REPRESENTED BY FUNDS EMPLOYED							
20,672	Accumulated Funds	56,733	61,694	9	62,413	62,827	63,227
20,672	TOTAL FUNDS EMPLOYED	56,733	61,694	9	62,413	62,827	63,227

Table 4: ACT Insurance Authority: Cash Flow Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
58,949	User Charges	58,682	57,000	-3	57,142	61,429	66,342
216	Interest Received	407	395	-3	396	423	455
11,594	Distribution from Investments with the Territory Banking Account	12,720	10,773	-15	10,800	11,553	12,409
93,388	Other Receipts	35,987	26,796	-26	27,223	28,318	29,364
0	Workers Compensation Receipts	74,770	76,453	2	78,363	80,323	82,331
164,147	Operating Receipts	182,566	171,417	-6	173,924	182,046	190,901
Payments							
1,623	Related to Employees	1,810	1,572	-13	1,629	1,678	1,700
256	Related to Superannuation	245	231	-6	226	228	227
1,296	Related to Supplies and Services	1,102	1,574	43	1,424	1,275	1,307
139,673	Other	25,102	24,747	-1	25,039	25,967	26,960
0	Workers Compensation Payments	79,174	76,452	-3	78,364	80,323	82,331
0	Outward Reinsurance Payments	12,272	12,548	2	12,862	13,183	13,513
0	Claims Payments	28,834	27,022	-6	31,467	34,143	36,710
142,848	Operating Payments	148,539	144,146	-3	151,011	156,797	162,748
21,299	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	34,027	27,271	-20	22,913	25,249	28,153
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
911	Proceeds from Sale/Maturity of Investments	70,000	25,000	-64	25,000	25,000	25,000
911	Investing Receipts	70,000	25,000	-64	25,000	25,000	25,000
Payments							
17,614	Purchase of Investments	50,000	50,000	-	50,000	50,000	50,000
17,614	Investing Payments	50,000	50,000	-	50,000	50,000	50,000
-16,703	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	20,000	-25,000	-225	-25,000	-25,000	-25,000
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
0	Return of Capital	50,000	0	-100	0	0	0
0	Financing Payments	50,000	0	-100	0	0	0
0	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-50,000	0	100	0	0	0

2013-14 Budget		2013-14 Est'd Outcome	2014-15 Budget	Var	2015-16 Estimate	2016-17 Estimate	2017-18 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
4,596	NET INCREASE / (DECREASE) IN CASH HELD	4,027	2,271	-44	-2,087	249	3,153
2,922	CASH AT THE BEGINNING OF REPORTING PERIOD	148	4,175	#	6,446	4,359	4,608
7,518	CASH AT THE END OF REPORTING PERIOD	4,175	6,446	54	4,359	4,608	7,761

Table 5: ACT Insurance Authority: Statement of Changes in Equity

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
23,857	Opening Accumulated Funds	69,396	56,733	-18	61,694	62,413	62,827
23,857	Balance at the Start of the Reporting Period	69,396	56,733	-18	61,694	62,413	62,827
Comprehensive Income							
-3,185	Operating Result for the Period	37,337	4,961	-87	719	414	400
-3,185	Total Comprehensive Income	37,337	4,961	-87	719	414	400
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
0	Return of Capital	-50,000	0	100	0	0	0
0	Total Transactions Involving Owners Affecting Accumulated Funds	-50,000	0	100	0	0	0
Closing Equity							
20,672	Closing Accumulated Funds	56,733	61,694	9	62,413	62,827	63,227
20,672	Balance at the End of the Reporting Period	56,733	61,694	9	62,413	62,827	63,227

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges - ACT Government: the decrease of \$1.682 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a decrease in the annual insurance premiums charged to agencies. The premiums recognise a decrease in the net central estimate of claims liability, predominantly in the medical malpractice and public liability classes.
- interest and distribution from investments with the Territory Banking Account:
 - the increase of \$1.317 million in the 2013-14 estimated outcome from the original budget is due to receiving a higher interest rate and subsequent returns on investments than budgeted; and
 - the decrease of \$1.959 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a decrease in the investment holding after the return of capital to the Government.
- other revenue:
 - the increase of \$2.048 million in the 2013-14 estimated outcome from the original budget is due to receiving higher than expected re-insurance recoveries; and
 - the decrease of \$2.998 million in the 2014-15 budget from the 2013-14 estimated outcome is due to a decrease in actuarial forecasts for re-insurance recoveries.
- other expenses: other expenses have been changed in this reporting period to exclude items for Outward Reinsurance Expense and Claims Expense. These items are now represented on individual lines.
 - the decrease in Other Expenses, Outward Reinsurance and Claims Expense of \$37.318 million in the 2013-14 estimated outcome from the original budget is due to several key points:
 - the decrease has been predominately driven by the release of claims liabilities in Medical Malpractice, Public Liability and Property insurance classes due to the changes in actuarial assumptions;
 - lower than expected ACT inflation;
 - claims payments have been less than anticipated; and
 - an increase in the yield curve.
 - the increase in Claims Expense of \$25.510 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to an increase in actuarial forecasts for the claim expenses.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$3.343 million in the 2013-14 estimated outcome from the original budget is due to the movement of surplus funds to the Authority's investments; and
 - the increase of \$2.271 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to additional cash forecasted from surplus operating results.
- current investments:
 - the increase of \$18.457 million in the 2013-14 estimated outcome from the original budget is primarily due to the movement of surplus funds from the Authority's cash; and
 - the increase of \$25.001 million in the 2014-15 Budget from the 2013-14 estimated outcome is primarily due to the continued building of investment assets in order to meet future claims and the movement of funds from long term investment.
- non current receivables: the decrease of \$1.220 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the release of the provision for reinsurance recoveries.
- non current investments: the decrease of \$46.290 million in the 2013-14 estimated outcome from the original budget is due to the return of \$50 million capital to the Government.
- current payables:
 - the decrease of \$17.391 million in the 2013-14 estimated outcome from the original budget is due to the revised economic assumptions of claim settlements; and
 - the increase of \$1.642 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the actuarial calculation for outstanding claims liabilities.
- non current payables:
 - the decrease of \$48.987 million in the 2013-14 estimated outcome from the original budget is due to a release of the provision for outstanding claims liabilities based on favourable economic assumption of the expected claim expenses in future years; and
 - the increase of \$19.251 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the outstanding claims liabilities returning to normal actuarial calculated levels and the anticipated growth in the cost of future claims.

Statement of Cash Flow

- other receipts: other receipts have been changed in this reporting period to exclude Workers Compensation Receipts. This item is now represented on an individual line.
 - the increase of \$17.369 million in the 2013-14 estimated outcome from the original budget is mainly due to an increase in workers' compensation premiums;
 - the decrease in Other Receipts of \$9.191 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the anticipated decrease in reinsurance; and

- the increase in Workers Compensation Receipts of \$1.683 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the expected increase to Workers Compensation expenses to agencies.
- other payments: other payments have been changed in this reporting period to exclude items for Workers Compensation Payments, Outward Reinsurance Payments and Claims Payments. These items are now represented on individual lines.
 - the increase of \$5.709 million in the 2013-14 estimated outcome from the original budget is mainly due an increase in workers' compensation premiums paid and a decrease in cash payments for claims expense;
 - the decrease in Workers Compensation Payments of \$2.722 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a refund being issued to agencies in the 2013-14 year this is not expected in the 2014-15 year; and
 - the decrease of \$1.812 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the anticipated decrease in claims expense.
- all other variations are already explained in the corresponding notes for the Operating Statement.

Statement of Changes in Equity

- total transactions involving owners affecting accumulated fund: the decrease of \$50 million in the 2013-14 estimated outcome from the original budget is due the return of \$50 million capital to the Government.
- all other variations are already explained in the corresponding notes for the Operating Statement and Balance Sheet.

ACTTAB LIMITED

Purpose

ACTTAB Limited provides wagering services including pari-mutuel and fixed odds betting services.

The financial estimates presented are predicated on the Government's intention to execute a contract for the sale of ACTTAB by 30 June 2014.

It is expected that there will be a transition period during 2014-15 and while estimates are provided for the full 2014-15 financial year there are no forecasts in the later years.

The Government is unable to predict the financial outcome nor the actual completion date of the sale as the evaluation and negotiation processes are ongoing at the time of preparation of the Budget papers.

2014-15 Priorities

ACTTAB has four business priorities in 2014-15:

- managing the business cost effectively throughout any transition period prior to a sale completion;
- assisting the Government in meeting the objectives of the sale, including obtaining a fair and reasonable price and a timely sale completion;
- ensuring that ACTTAB staff are treated fairly and equitably; and
- managing residual matters to a successful conclusion.

Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget	2013-14 Estimated Outcome	2014-15 Budget ¹
Staffing (FTE)	68	67	67	67

Note:

1. The staffing numbers are based on the existing business model continuing to operate throughout 2014-15.

Financial Statements

Table 2: ACTTAB Limited: Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
30,505	User Charges - Non ACT Government	28,834	28,596	-1	0	0	0
99	Interest	183	99	-46	0	0	0
84	Other Revenue	56	21	-63	0	0	0
30,688	Total Revenue	29,073	28,716	-1	0	0	0
Expenses							
7,274	Employee Expenses	6,944	7,698	11	0	0	0
594	Superannuation Expenses	612	594	-3	0	0	0
12,345	Supplies and Services	11,727	11,255	-4	0	0	0
1,730	Depreciation and Amortisation	1,783	1,877	5	0	0	0
5	Borrowing Costs	7	6	-14	0	0	0
6,481	Other Expenses	6,606	6,689	1	0	0	0
28,429	Total Expenses	27,679	28,119	2	0	0	0
2,259	Operating Result from Ordinary Activities	1,394	597	-57	0	0	0
677	Income Tax Equivalent	418	179	-57	0	0	0
1,582	Operating Result	976	418	-57	0	0	0
Other Comprehensive Income							
1,582	Total Comprehensive Income	976	418	-57	0	0	0

Table 3: ACTTAB Limited: Balance Sheet

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
	Current Assets						
7,835	Cash and Cash Equivalents	6,820	5,600	-18	0	0	0
275	Receivables	275	275	-	0	0	0
163	Inventories	159	163	3	0	0	0
280	Other Current Assets	280	280	-	0	0	0
8,553	Total Current Assets	7,534	6,318	-16	0	0	0
	Non Current Assets						
12,291	Property, Plant and Equipment	12,291	11,876	-3	0	0	0
2,459	Intangibles	2,459	2,924	19	0	0	0
509	Tax Assets	509	462	-9	0	0	0
15,259	Total Non Current Assets	15,259	15,262	..	0	0	0
23,812	TOTAL ASSETS	22,793	21,580	-5	0	0	0
	Current Liabilities						
4,213	Payables	3,801	3,210	-16	0	0	0
1,185	Employee Benefits	1,185	1,188	..	0	0	0
1,582	Other Provisions	976	418	-57	0	0	0
1,262	Income Tax Payable	1,262	1,200	-5	0	0	0
8,242	Total Current Liabilities	7,224	6,016	-17	0	0	0
	Non Current Liabilities						
140	Employee Benefits	140	135	-4	0	0	0
140	Total Non Current Liabilities	140	135	-4	0	0	0
8,382	TOTAL LIABILITIES	7,364	6,151	-16	0	0	0
15,430	NET ASSETS	15,429	15,429	-	0	0	0
	REPRESENTED BY FUNDS EMPLOYED						
10,926	Accumulated Funds	10,926	10,926	-	0	0	0
4,504	Reserves	4,503	4,503	-	0	0	0
15,430	TOTAL FUNDS EMPLOYED	15,429	15,429	-	0	0	0

Table 4: ACTTAB Limited: Cash Flow Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
30,505	User Charges	28,834	28,599	-1	0	0	0
99	Interest Received	183	100	-45	0	0	0
84	Other Receipts	56	21	-63	0	0	0
30,688	Operating Receipts	29,073	28,720	-1	0	0	0
Payments							
7,322	Related to Employees	6,986	7,689	10	0	0	0
594	Related to Superannuation	612	594	-3	0	0	0
12,305	Related to Supplies and Services	11,476	11,994	5	0	0	0
5	Borrowing Costs	7	6	-14	0	0	0
6,850	Other	6,986	6,885	-1	0	0	0
27,076	Operating Payments	26,067	27,168	4	0	0	0
3,612	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,006	1,552	-48	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
784	Purchase of Property, Plant and Equipment and Capital Works	784	1,086	39	0	0	0
637	Purchase of Land and Intangibles	637	710	11	0	0	0
1,421	Investing Payments	1,421	1,796	26	0	0	0
-1,421	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-1,421	-1,796	-26	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
1,540	Dividends to Government	1,540	976	-37	0	0	0
0	Payment of Transferred Cash Balances	0	0	-	5,600	0	0
1,540	Financing Payments	1,540	976	-37	5,600	0	0
-1,540	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-1,540	-976	37	-5,600	0	0
651	NET INCREASE / (DECREASE) IN CASH HELD	45	-1,220	#	-5,600	0	0
7,184	CASH AT THE BEGINNING OF REPORTING PERIOD	6,775	6,820	1	5,600	0	0
7,835	CASH AT THE END OF REPORTING PERIOD	6,820	5,600	-18	0	0	0

Table 5: ACTTAB Limited: Statement of Changes in Equity

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
10,926	Opening Accumulated Funds	10,926	10,926	-	10,926	0	0
1,504	Opening Asset Revaluation Reserve	1,503	1,503	-	1,503	0	0
3,000	Opening Other Reserve	3,000	3,000	-	3,000	0	0
15,430	Balance at the Start of the Reporting Period	15,429	15,429	-	15,429	0	0
Comprehensive Income							
1,582	Operating Result for the Period	976	418	-57	0	0	0
1,582	Total Comprehensive Income	976	418	-57	0	0	0
0	Transfer to/from Accumulated Funds	0	0	-	4,503	0	0
0	Movement in Asset Revaluation Reserve	0	0	-	-1,503	0	0
0	Movement in Other Reserves	0	0	-	-3,000	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
0	Inc/Dec in Net Assets due to Admin Restructure	0	0	-	-15,429	0	0
-1,582	Dividend Approved	-976	-418	57	0	0	0
-1,582	Total Transactions Involving Owners Affecting Accumulated Funds	-976	-418	57	-15,429	0	0
Closing Equity							
10,926	Closing Accumulated Funds	10,926	10,926	-	0	0	0
1,504	Closing Asset Revaluation Reserve	1,503	1,503	-	0	0	0
3,000	Closing Other Reserve	3,000	3,000	-	0	0	0
15,430	Balance at the End of the Reporting Period	15,429	15,429	-	0	0	0

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges - non ACT Government: the decrease of \$1.671 million in the 2013-14 estimated outcome from the original budget is due to a decline in retail turnover.
- employee expenses:
 - the decrease of \$0.330 million in the 2013-14 estimated outcome from the original budget is due to delays in recruitment to permanent positions, together with fluctuations of staffing within the casual pool; and
 - the increase of \$0.754 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to recruitment to permanent positions and fluctuations of staffing in the casual pool.
- supplies and services: the decrease of \$0.618 million in the 2013-14 estimated outcome from the original budget and the decrease of \$0.472 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to savings initiatives, including the reduction in marketing spend.
- income tax equivalent: the decrease of \$0.259 million in the 2013-14 estimated outcome from the original budget and the decrease of \$0.239 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a lower than forecasted retail turnover.

Balance Sheet

- cash and cash equivalents: the decrease of \$1.015 million in the 2013-14 estimated outcome from the original budget and the decrease of \$1.220 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the decline in turnover.
- property plant and equipment: the decrease of \$0.415 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a decrease in capital expenditure payments.
- intangibles: the increase of \$0.465 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to ongoing investment in technology.
- trade payables: the decrease of \$0.412 million in the 2013-14 estimated outcome from the original budget and the decrease of \$0.591 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to decline in turnover related expenditure.
- other provisions: the decrease of \$0.606 million in the 2013-14 estimated outcome from the original budget and the decrease of \$0.558 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the decrease in the dividend payment to the ACT Government as a result of lower operating profit.

Statement of changes in the Cash Flow Statement

Variations in the statement are mostly explained in the notes above.

Statement of Changes in Equity

- dividend approved: the decrease of \$0.606 million in the 2013-14 estimated outcome from the original budget and the decrease of \$0.558 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to a decline in operating profit.

HOME LOAN PORTFOLIO

Purpose

The Home Loan Portfolio is responsible for the administration of home loans, which were granted by the Commissioner for ACT Housing to assist low-income households in achieving home ownership. All ACT Government home buyer lending ceased in 1996.

The Portfolio's objective is to administer the remaining home loans effectively and efficiently.

2014-15 Priorities

Strategic and operational issues to be pursued in 2014-15 include:

- actively managing deferred assistance provided to borrowers; and
- continuing to review and monitor loans in arrears.

Estimated Employment Level

Table 1: Estimated Employment Level

	2012-13 Actual Outcome	2013-14 Budget	2013-14 Estimated Outcome	2014-15 Budget
Staffing (FTE)	1	1	1	1

Output Classes

This output provides for the administration of the Home Loan Portfolio in line with the loan and deferral agreements between the Commissioner for Social Housing and the borrowers.

In 2014-15 the Home Loan Portfolio will:

- manage between 76 (2013-14 estimated outcome) and 64 (projection to 30 June 2015) loans; and
- comply with the Commonwealth Government's loan repayment schedule.

Output Class 1: Home Loan Portfolio

Table 2: Output Class 1: Home Loan Portfolio

	2013-14 Estimated Outcome \$'000	2014-15 Budget \$'000
Total Cost	3,861	3,702

Accountability Indicators

Output Class 1: Home Loan Portfolio

Output 1.1: Home Loan Portfolio

Table 3: Accountability Indicators Output 1.1

	2013-14 Targets	2013-14 Estimated Outcome	2014-15 Targets
a. Administration cost per home loan managed ¹	2,870	2,910 ²	3,020 ³

Note(s):

1. The administration cost per home loan excludes cost of Commonwealth loans.
2. The increase in the 2013-14 estimated outcome from the 2013-14 target is due to the higher number of loan discharges than in previous budget forecasts.
3. The higher cost per loan in 2014-15 is the result of relatively fixed administration costs applied to a lower number of outstanding loans (expected to be 64 loans by 30 June 2015).

Financial Statements

Table 4: Home Loan Portfolio: Operating Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
Revenue							
140	Interest	122	92	-25	69	51	42
3,517	Distribution from Investments with the Territory Banking Account	3,457	2,816	-19	2,704	2,612	2,515
469	Other Revenue	469	356	-24	271	207	107
4,126	Total Revenue	4,048	3,264	-19	3,044	2,870	2,664
Expenses							
113	Employee Expenses	113	114	1	117	119	119
22	Superannuation Expenses	22	22	-	22	22	23
86	Supplies and Services	86	57	-34	92	61	97
3,640	Borrowing Costs	3,640	3,509	-4	3,373	3,231	3,083
3,861	Total Expenses	3,861	3,702	-4	3,604	3,433	3,322
265	Operating Result	187	-438	-334	-560	-563	-658
265	Total Comprehensive Income	187	-438	-334	-560	-563	-658

Table 5: Home Loan Portfolio: Balance Sheet

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Current Assets							
634	Cash and Cash Equivalents	487	222	-54	232	284	246
955	Receivables	946	769	-19	727	693	654
10,000	Investments	115,338	109,957	-5	106,382	102,581	98,589
11,589	Total Current Assets	116,771	110,948	-5	107,341	103,558	99,489
Non Current Assets							
572	Receivables	544	407	-25	303	223	191
105,005	Investments	0	0	-	0	0	0
105,577	Total Non Current Assets	544	407	-25	303	223	191
117,166	TOTAL ASSETS	117,315	111,355	-5	107,644	103,781	99,680
Current Liabilities							
7	Payables	7	5	-29	8	5	8
3,021	Interest-Bearing Liabilities	3,021	3,157	5	3,299	3,448	3,603
87	Employee Benefits	82	83	1	86	88	90
3,115	Total Current Liabilities	3,110	3,245	4	3,393	3,541	3,701
Non Current Liabilities							
74,966	Interest-Bearing Liabilities	74,966	71,809	-4	68,510	65,062	61,459
74,966	Total Non Current Liabilities	74,966	71,809	-4	68,510	65,062	61,459
78,081	TOTAL LIABILITIES	78,076	75,054	-4	71,903	68,603	65,160
39,085	NET ASSETS	39,239	36,301	-7	35,741	35,178	34,520
REPRESENTED BY FUNDS EMPLOYED							
39,085	Accumulated Funds	39,239	36,301	-7	35,741	35,178	34,520
39,085	TOTAL FUNDS EMPLOYED	39,239	36,301	-7	35,741	35,178	34,520

Table 6: Home Loan Portfolio: Cash Flow Statement

2013-14 Budget		2013-14 Est'd Outcome \$'000	2014-15 Budget \$'000	Var %	2015-16 Estimate \$'000	2016-17 Estimate \$'000	2017-18 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
140	Interest Received	112	92	-18	69	51	42
3,544	Distribution from Investments with the Territory Banking Account	4,340	2,976	-31	2,732	2,635	2,539
0	Other Receipts	0	3	#	2	1	0
3,684	Operating Receipts	4,452	3,071	-31	2,803	2,687	2,581
Payments							
113	Related to Employees	113	115	2	116	118	118
20	Related to Superannuation	20	20	-	20	20	20
88	Related to Supplies and Services	120	60	-50	89	63	93
3,640	Borrowing Costs	3,640	3,509	-4	3,373	3,231	3,083
3,861	Operating Payments	3,893	3,704	-5	3,598	3,432	3,314
-177	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	559	-633	-213	-795	-745	-733
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
4,405	Proceeds from Sale/Maturity of Investments	3,712	5,381	45	3,575	3,802	3,990
669	Repayment of Home Loan Principal	669	508	-24	387	294	153
5,074	Investing Receipts	4,381	5,889	34	3,962	4,096	4,143
5,074	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	4,381	5,889	34	3,962	4,096	4,143
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
2,000	Distributions to Government	2,000	2,500	25	0	0	0
2,891	Repayment of Borrowings	2,891	3,021	4	3,157	3,299	3,448
4,891	Financing Payments	4,891	5,521	13	3,157	3,299	3,448
-4,891	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-4,891	-5,521	-13	-3,157	-3,299	-3,448
6	NET INCREASE / (DECREASE) IN CASH HELD	49	-265	-641	10	52	-38
628	CASH AT THE BEGINNING OF REPORTING PERIOD	438	487	11	222	232	284
634	CASH AT THE END OF REPORTING PERIOD	487	222	-54	232	284	246

Table 7: Home Loan Portfolio: Statement of Changes in Equity

Budget at 30/6/14 \$'000		2013-14 Est'd Outcome \$'000	Budget at 30/6/15 \$'000	Var %	Estimate at 30/6/16 \$'000	Estimate at 30/6/17 \$'000	Estimate at 30/6/18 \$'000
Opening Equity							
40,820	Opening Accumulated Funds	41,052	39,239	-4	36,301	35,741	35,178
40,820	Balance at the Start of the Reporting Period	41,052	39,239	-4	36,301	35,741	35,178
Comprehensive Income							
265	Operating Result for the Period	187	-438	-334	-560	-563	-658
265	Total Comprehensive Income	187	-438	-334	-560	-563	-658
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
-2,000	Capital Distributions to Government	-2,000	-2,500	-25	0	0	0
-2,000	Total Transactions Involving Owners Affecting Accumulated Funds	-2,000	-2,500	-25	0	0	0
Closing Equity							
39,085	Closing Accumulated Funds	39,239	36,301	-7	35,741	35,178	34,520
39,085	Balance at the End of the Reporting Period	39,239	36,301	-7	35,741	35,178	34,520

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

Significant variations are as follows:

- total revenue: the decrease of \$0.784 million in the 2014-15 Budget from the 2013-14 estimated outcome is mainly due to lower than anticipated interest rates for short term investments.

Balance Sheet

- current and non-current investments:
 - there is no material change in total investment between the estimated outcome and the original budget, but there is a shift of non current investment to the current investments to optimise return and reduce risk.
 - the decrease of \$5.381 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the withdrawal of investments to meet Commonwealth loan commitments and the return of surplus funds to the Territory.
- non-current interest-bearing liabilities: the decrease of \$3.157 million in the 2014-15 Budget from the 2013-14 estimated outcome is due to the reduction in the loan principal owing to the Commonwealth Government which is scheduled to be fully paid in 2040.

Statement of Cash Flows

Variations in the statement are explained in the notes above.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.