

AUSTRALIAN CAPITAL TERRITORY



ACT
Government

Budget

2013-14

BUDGET REVIEW

**Chief Minister and Treasury Directorate
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Location:

Chief Minister and Treasury Directorate
Canberra Nara Centre
1 Constitution Ave
CANBERRA ACT 2601

Postal Address:

GPO Box 158
CANBERRA ACT 2601

Internet Address:

<http://apps.treasury.act.gov.au/>

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INTRODUCTION

Section 20A of the *Financial Management Act 1996* (FMA) requires the preparation of a budget review for each financial year.

The purpose of the budget review is to provide updated information to allow for the assessment of the Government's financial performance against its financial policy objectives and strategies, as set out in the budget papers.

The 2013-14 Budget Review:

- provides an update to the financial forecast projections for the current financial year and the next three financial years, taking into account the audited results for the previous financial year (i.e. 2012-13);
- updates financial and economic parameters, and incorporates the consequential changes to the estimated outcome and the forward years' forecasts;
- identifies the impact of any policy initiatives introduced since the passage of the Budget;
- identifies the impact of refined cash expenditure forecasts associated with the Territory's Infrastructure Investment Program;
- identifies events and risks that have emerged since the passage of the Budget, and incorporates these where they are certain and quantifiable;
- presents a view of the Territory's financial position and risks to that position; and
- includes changes arising from the publication of the Commonwealth's 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO).

The 2013-14 Budget Review provides an update against the forecast estimates published in the 2013-14 Budget, and takes into account the current economic conditions as well as the impact of policy and parameter changes against activity up to 31 December 2013.

Where significant issues have been identified, but are not certain, or are unable to be quantified with reasonable certainty, they have been identified as potential risks to the budget and forward estimates. These risks may have either positive or negative budget implications.

Also published in this report are Uniform Presentation Framework (UPF) statements to meet Australian Loan Council reporting obligations.

CHAPTER 1: UPDATE TO THE 2013-14 BUDGET ESTIMATES

OVERVIEW

The 2013-14 Budget was characterised by the implementation of a number of projects designed to facilitate the transformation and sustainable future growth of Canberra. The Government elected to accept temporary deficits with a view to methodically restoring the budget to balance over the medium term; new initiatives were carefully selected to ensure the local economy and jobs were supported in the context of maintaining high quality frontline services delivery.

The 2013-14 Budget announced a number of major infrastructure projects and other initiatives designed to drive Canberra towards its second century. The City to the Lake and Capital Metro projects are significant undertakings that will redefine how Canberra functions, and will also generate new jobs. Improvements to the efficiency of the Territory's taxation system (which commenced with the 2012-13 Budget) continued, along with the announcement of major reforms such as the National Disability Insurance Scheme and the National Education Reform Agreement. These reforms reiterated the Government's commitment to build and transform our economy and create opportunity and fairness for all Canberrans.

At the time of publication, the 2013-14 Budget indicated that the economic outlook for the ACT would remain challenging due to the continuing effects of fiscal consolidation at the Commonwealth Government level. The strong economic fundamentals of the Territory aside, Commonwealth fiscal restraint weighed on public consumption, and investment growth was expected to proceed at below-trend pace. The Budget noted that the Territory's economic outlook would be dependent on the spending and staffing decisions following the (then) forthcoming 2013 Federal Election.

This uncertainty has continued since the Election, particularly in relation to the Commonwealth Government's review of spending by the National Commission of Audit. It is anticipated that the Audit's recommendations will inform, to some extent, the 2014-15 Commonwealth Government Budget.

As a result, the economic outlook has weakened slightly in comparison to the 2013-14 Budget, and the Territory continues to be negatively affected by fiscal restraint at the Commonwealth Government level, and the associated effects of a weakening labour market. Economic growth, as measured by State Final Demand (SFD), is forecast to grow by ¼ per cent in 2013-14, a result of the Commonwealth Government's efforts towards fiscal consolidation, coupled with decreasing levels of investment activity. These factors, coupled with moderate private consumption, suggest that below-trend growth will continue into 2014-15.

The 'value added' by the ACT economy (measured by Gross State Product (GSP)) increased by 2.7 per cent in real terms in 2012-13. Future growth in the ACT economy will be significantly influenced by the decisions of the new Commonwealth Government, on the basis that the public sector in the ACT represents around one third share of current price GSP. The ACT Government will continue to monitor decisions taken by the Commonwealth, and their effects on the ACT economy.

Some positive factors within the Territory's economic outlook remain, particularly in terms of population growth and low interest rates. Combined, these factors are anticipated to continue to support household consumption and housing demand.

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Since publication of the 2013-14 Budget, the release of the Independent Competition and Regulatory Commission's (ICRC's) water and sewerage pricing determination has required the Government to revise downwards the estimates for payments that ACTEW Corporation will make to the Government in relation to these charges. As a result, and as tabled in the ACT Legislative Assembly on 26 November 2013, ACTEW Corporation dividends are expected to decrease by \$22.4 million in 2013-14, and by \$120.7 million over four years to 2016-17. In addition, income tax equivalents are expected to fall by \$10.1 million in 2013-14, and by \$54.3 million over four years.

This outcome which, on average, has lowered combined annual water and sewerage prices by \$83 for a typical Canberra household¹, will have an impact on previous forecasts. While the Government does not intend to take specific measures to recoup this cost to the budget, it will further constrain the future fiscal decisions of the Government.

The ICRC pricing determination, along with amended timing in the payment of Commonwealth grants and higher than expected superannuation expenses, has placed pressure on the Headline Net Operating Balance in 2013-14. Over the forward estimates, the ICRC determination continues to negatively impact the Territory's revenue estimates and, as a result, the General Government Sector (GGS) is now forecast to return to balance in 2016-17 (in contrast to the 2013-14 Budget forecast of 2015-16).

The GGS Net Operating Balance is estimated to be in deficit by \$360.6 million in 2013-14, an increase of \$107.0 million from the deficit of \$253.6 million estimated at the time of the 2013-14 Budget. Most of this variation is due to a change in the valuation of superannuation liabilities (\$50.4 million), despite strong investment performance, and a previously announced bring forward of Commonwealth Government grants from 2013-14 into 2012-13 (\$22.7 million). The largest other component is the effect of the ICRC pricing determination, as discussed above. These three factors account for 98.7 per cent of the change in the 2013-14 Budget forecast.

Table 1 provides a comparison between the 2013-14 Budget and the 2013-14 Budget Review.

Table 1: GGS Headline Net Operating Balance

Headline GGS Net Operating Balance	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
2013-14 Budget	-253.6	-99.5	29.3	47.1
2013-14 Budget Review	-360.6	-109.5	-20.5	11.2

The Government will continue to maintain a prudent approach to managing the Territory's budget. However, it is likely that further amendments will be required to the budget estimates as the ACT Government adjusts its policy stance to reflect decisions made by the Commonwealth. For example, the land supply program will need to be refined once the full impact of job losses in the Australian Public Service (APS) and the outcomes of the National Commission of Audit become known. Given the current uncertainty around this issue, the Government will update the land supply program estimates as part of the 2014-15 Budget.

The Government will continue to release land to meet housing demand, have a positive impact on housing affordability and build an inventory of serviced blocks of land available for sale.

¹ 26 June 2013 Media Release from ICRC Senior Commissioner Malcolm Grey. Section ES.12 *Impact of Final Decision*: a typical customer consuming 200 kL of water per year will see a reduction in their combined bill of 7 per cent, or \$83.

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The Government will maintain residential land supply over and above the anticipated level of demand in order to absorb remaining unmet demand and to assist with housing affordability for both home buyers and renters. As the market returns to a state of balance, further sites will continue to be offered to the market in both new and existing suburbs.

This will allow the Government to establish an inventory of serviced detached and multi-unit blocks in new estates as well as multi-unit sites in existing suburbs, which will in turn, allow the Government to respond quickly to future increases in demand. The Government seeks to maintain stable land prices, improve housing affordability and allow the establishment a significant inventory of unsold sites.

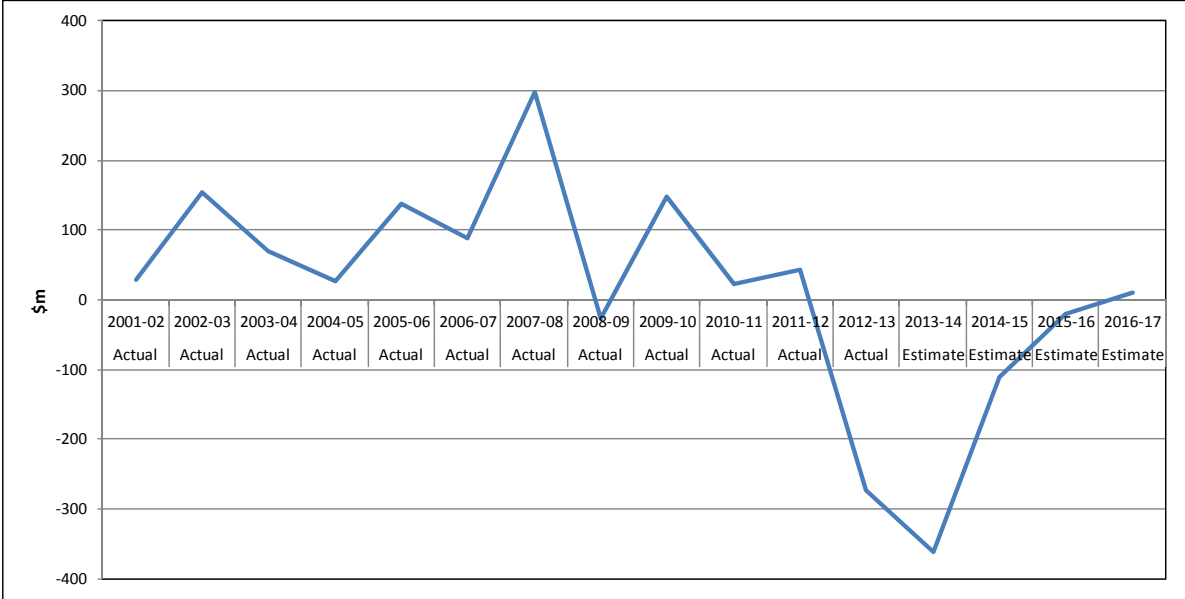
In broad terms, the Government's fiscal position remains solid, and its balance sheet continues to strengthen. The Territory's 'AAA' credit rating was reaffirmed in October last year, and with the aforementioned announcement of large capital projects such as City to the Lake and Capital Metro in the 2013-14 Budget, a considerable capital works program extends well into the future, generating jobs, and also providing investment certainty for associated industry.

The Government remains committed to the principles of responsible economic management, continuing to provide high quality services whilst maintaining fiscal restraint. Although the economic outlook has weakened slightly, solid population growth coupled with low interest rates will provide benefits to the ACT economy, and the Government will proceed towards the 2014-15 Budget with a framework of flexibility and responsiveness, adapting policy positions as necessary to suit changing economic circumstances.

Should the need arise, the Territory's 'AAA' credit rating will permit borrowing under favourable circumstances (relative to other jurisdictions on lower ratings), such that funding requirements will be met in a cost effective manner, leveraging off the credit rating to support the ongoing delivery of government services and the capital program. Expenditure decisions will continue to be sensible and considered, offset to the fullest extent possible by responsible savings.

As demonstrated by Figure 1 below, the Government has a longstanding history of prudent and targeted decision making, reflected by a significant period of net operating surpluses. Moreover, on those occasions when the Government has decided to go into deficit, it has largely been in response to external events beyond its direct control. In particular, the global financial crisis in 2008, which led to the sharpest slowdown in the world economy since the great depression of the 1930s, resulted in a budget deficit in 2008-09. Similarly, the unwinding of the Commonwealth stimulus package in 2012-13 had a significant impact on both the ACT economy and government finances. In these circumstances, the focus of the Government has been to support the economy and jobs through targeted spending initiatives and to return the budget to balance as soon as practicable.

Figure 1: General Government Sector Net Operating Balance History



Note: The Net Operating Balance is presented on an Australian Accounting Standards (AAS) basis up until 2005-06 and reflects the Annual Consolidated Financial Statements. From 2006-07, the Net Operating Balance is presented on a Headline basis, the ACT’s key fiscal indicator. This indicator is a representation of the AAS Net Operating Balance from transactions adjusted for the investment return differential on superannuation investments. The Headline Net Operating Balance is not available prior to 2006-07.

Consistent with the requirements of the FMA, any decisions made by the Government following the release of the 2013-14 Budget Review and which require additional funding in 2013-14 (and which may or may not extend into the forward estimates) will be incorporated into a Supplementary Appropriation Bill. At this stage, it is expected that there is likely to be a need for such a Bill once the 2013-17 ACT Public Service Enterprise Agreements have been finalised or there is greater certainty about the outcome.

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HEADLINE NET OPERATING BALANCE – GENERAL GOVERNMENT SECTOR

The GGS Headline Net Operating Balance is forecast to be in deficit by \$360.6 million for the 2013-14 revised budget, a decline of \$107.0 million compared to the 2013-14 Budget deficit of \$253.6 million. This decline has been largely driven by:

- higher superannuation expenses of \$50.4 million in 2013-14, reflective of a higher superannuation liability at 30 June 2013;
- a \$22.7 million downward revision to Commonwealth grants revenue in 2013-14, mainly due to payments received earlier than anticipated in 2012-13, for projects such as the Majura Parkway and Trade Training Centres in Schools;
- a downwards revision of returns from ACTEW Corporation of \$22.4 million for dividends and \$10.1 million in income tax equivalents following the outcome of the ICRC's water and sewerage pricing determination; and
- total appropriation rollovers of \$19.9 million from 2012-13 to 2013-14.

Across the forward estimates, the Headline Net Operating Balance has declined compared to the 2013-14 Budget. This decline has been largely influenced by the flow on impact to dividends and income tax equivalents from ACTEW Corporation as discussed above.

Over the forward estimates, the lower dividends and income tax equivalents have been partially offset by higher than estimated superannuation investment earnings to 31 December 2013 and a higher than expected opening base at 30 June 2013.

Table 2 provides a summary of total revenue and expenses across the budget and forward estimates, as well as the UPF and Headline Net Operating Balances.

Table 2: General Government Sector Headline Net Operating Balance

	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Total Revenue	4,117.3	4,237.3	4,228.4	4,497.4	4,711.4	4,943.7
Total Expenses	4,463.5	4,577.9	4,668.6	4,719.1	4,854.0	5,063.6
UPF Net Operating Balance	-346.2	-340.6	-440.3	-221.6	-142.6	-119.9
<i>Plus</i>						
Investment Return Differential Adjustment on Superannuation Investments	72.5	87.0	79.7	112.1	122.0	131.1
Headline Net Operating Balance	-273.8	-253.6	-360.6	-109.5	-20.5	11.2

Note: Table may not add due to rounding

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Table 3 provides a summary of the variations in the GGS Headline Net Operating Balance since the 2013-14 Budget.

Table 3: Summary of the Changes in the GGS Net Operating Balance as at the 2013-14 Budget Review

	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
2013-14 Budget Headline Net Operating Balance	-253.6	-99.5	29.3	47.1
Change in Total Revenue	-8.9	-22.2	-76.9	-63.1
Increase/(Decrease) in Total Expenses	90.7	5.6	-6.2	-5.0
<i>Change in Investment Return Differential Adjustment on Superannuation Investments</i>	<i>-7.3</i>	<i>17.7</i>	<i>20.9</i>	<i>22.2</i>
2013-14 Budget Review Headline Net Operating Balance	-360.6	-109.5	-20.5	11.2

Note: Table may not add due to rounding

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RECONCILIATION OF THE GENERAL GOVERNMENT SECTOR OPERATING STATEMENT

Table 4 shows the variations in the GGS Headline Net Operating Balance as published in the 2013-14 Budget and at the 2013-14 Budget Review. Details of these variations have been split between policy and parameter changes.

Table 4: Summary of Movements in the Headline Net Operating Balance

	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
GGS Headline Net Operating Balance – 2013-14 Budget	-253.6	-99.5	29.3	47.1
Parameter Impacts				
Commonwealth Revenue				
Commonwealth Grants	-22.7	19.4	-18.9	1.0
Financial Market and Monetary Policy Impacts				
Interest (net)	10.6	-3.2	-4.8	-5.7
Superannuation Investment Earnings	3.9	19.5	21.0	22.7
Superannuation Expenses	-50.4	0.0	0.0	0.0
Economic Activity				
Taxation Revenue	7.3	-1.5	-3.7	-2.8
ACTEW – Revised Dividends	-22.4	-28.4	-32.9	-37.0
ACTEW – Revised Income Tax Equivalent	-10.1	-12.8	-14.8	-16.6
Indexation – CPI and WPI Parameter Update	-0.1	-2.1	-2.1	-1.9
Other				
Revised Depreciation	-6.0	-6.0	-6.0	-6.0
Estimated Outcome / Other	-0.7	2.4	-0.8	-2.1
Appropriation Transfers	-6.4	0.0	0.0	0.0
Operating Impact of Capital Works Re-Profiling	9.9	-8.7	0.0	-0.9
Appropriation Rollovers (2012-13 to 2013-14)	-19.9	0.0	0.0	0.0
Sub-Total Parameter Impacts	-106.9	-21.4	-62.9	-49.4
Policy Impacts				
Savings	0.0	11.4	13.2	13.5
Sub-Total Policy Impacts	0.0	11.4	13.2	13.5
2013-14 Budget Review – GGS Headline Net Operating Balance	-360.6	-109.5	-20.5	11.2

Note: Table may not add due to rounding

DETAILS OF PARAMETER VARIATIONS

COMMONWEALTH GRANTS

The variations in Commonwealth Grants mainly reflect the re-profiling of payments from the Commonwealth, including:

- a \$22.7 million downward revision in 2013-14 which is primarily for payments received earlier than anticipated (in 2012-13 rather than 2013-14) for projects such as the Majura Parkway and Trade Training Centres in Schools; and
- an additional \$19.4 million which is anticipated to be received in 2014-15 as a result of the bringing forward of payments from 2015-16, mainly in relation to the Majura Parkway project.

FINANCIAL MARKET AND MONETARY POLICY IMPACTS

Interest Outcomes

The 2013-14 upwards revision to net interest is mainly due to the combined effects of higher than expected investment returns to 31 December 2013 and higher cash and investment levels. For 2014-15 onwards, net interest estimates have been reduced reflecting lower interest earnings expectations based on the prevailing cash rate for general government investments and increased borrowing expenses for anticipated new fixed rate borrowings.

Superannuation Investment Earnings

The \$67.1 million upwards revision across the budget and forward estimates for superannuation investment earnings is due to:

- a higher than expected investment return achieved to 31 December 2013, resulting in an expected positive flow-on impact to budgeted investment earnings; and
- a higher than estimated opening asset base at 30 June 2013 (based on the final outcomes for 2012-13).

Returns to the Territory's superannuation investments declined slightly in January 2014. Given the timing of the Budget Review, January returns have not been incorporated into this update.

Superannuation Expenses

Higher superannuation expenses of \$50.4 million in 2013-14 have arisen from a higher superannuation liability valuation at 30 June 2013 resulting from applying a lower discount rate of 4.3 per cent (as required under accounting standards), compared to the budget forecast at the assumed long-term average discount rate of 6 per cent.

ECONOMIC ACTIVITY

Taxation Revenue

Taxation revenue is expected to be \$7.3 million higher in 2013-14 than was forecast at the 2013-14 Budget, mainly due to higher conveyance revenues and a one off recovery of land tax.

Across the forward estimates, taxation revenue is forecast to be \$8.0 million lower than forecast in the 2013-14 Budget. This is mainly due to expected lower payroll tax revenues being generated from a weakening private sector labour market, combined with lower than originally forecast wages growth.

The expected decrease from the previous forecast taxation revenue is partially offset by an increase in anticipated conveyance duty to align growth across the forward estimates with the strong performance experienced for this type of revenue up to 31 December 2013.

ACTEW Corporation – Dividends and Income Tax Equivalents

Since the 2013-14 Budget, and as noted by the Government in November 2013, ACTEW Corporation dividends have been revised downwards by \$120.7 million over four years, and income tax equivalents by \$54.3 million over the same period. This reflects the release of the ICRC's water and sewerage pricing determination which resulted in significantly lower dividends and income tax equivalents than estimated at the time of the 2013-14 Budget.

Indexation – Consumer Price Index (CPI) and Wage Price Index (WPI) Parameter Update

The reduction of \$6.2 million across the budget and forward estimates is mainly due to a revision in WPI from 3¾ per cent in 2014-15 to 3 per cent resulting in lower forecast taxation and regulatory revenues. This is partially offset by a reduction in forecast expenditure due to a revision in CPI from 2½ per cent in 2014-15 to 2¼ per cent.

OTHER

Revised Depreciation

The Economic Development Directorate (EDD) has revised its depreciation expense profile as a result of asset revaluations undertaken in 2012-13. This has resulted in increased annual depreciation expenses of around \$6 million.

Appropriation Transfers

The majority of the \$6.4 million of appropriation transfers in 2013-14 reflect a reclassification of appropriation for the Capital Metro Agency, on the basis that expenditure undertaken by this agency in 2013-14 will be operating in nature, rather than capital, as originally expected at the time of the 2013-14 Budget.

Another appropriation variation approved under Section 14 of the *Financial Management Act 1996* transfers \$1.0 million for EDD to the Net Cost of Outputs for the ACT Brumbies Training Facility.

Operating Impact of Capital Works Reprofiling

Capital re-profiling results in a positive operating impact of \$9.9 million in 2013-14. In general terms, capital funding has been re-profiled (along with associated operating expenses) for a number of projects to reflect revised expenditure profiles. Of the \$9.9 million impact, the bulk relates to re-profiling within three directorates: \$5.0 million for Territory and Municipal Services projects; \$2.2 million for EDD projects; and \$1.7 million for Environment and Sustainable Development Directorate projects.

Appropriation Rollovers (2012-13 to 2013-14)

Total appropriation rollovers from 2012-13 to 2013-14 will have a negative operating impact of \$19.9 million in 2013-14. The two main instances are:

- an amount of \$9.9 million for the Education and Training Directorate, mainly as a result of delays in payments from the Commonwealth, leaving insufficient time for some payments to be expensed in 2012-13; and
- an amount of \$6.8 million for the Chief Minister and Treasury Directorate, which includes expected payments from the Restructure Fund and Accelerated Land Development in 2013-14.

DETAILS OF POLICY VARIATIONS

SAVINGS

The 2013-14 Budget Review incorporates saving decisions of \$38.1 million across the forward estimates period. These savings focus on improving the administration of Government programs with minimal impact on service delivery and can be broadly categorised as follows:

- Staffing and Organisational Efficiencies (\$19.0 million over three years from 2014-15): these savings will be achieved through the organisational realignment of a number of ACT Government workplaces with a view to improving efficiency;
- Better Targeting of Services (\$12.0 million over three years from 2014-15): these savings will be achieved through the elimination of duplication and the streamlining of service delivery; and
- Other Savings (\$7.1 million over three years from 2014-15): these initiatives include the cessation of low priority projects and other one-off savings proposals that cannot be classified into the categories above.

The savings achieved from these proposals will be directed by the Government into higher priority programs.

CAPITAL WORKS RE-PROFILING

The Government remains committed to the delivery of its capital works program, with expenditure of \$1.1 billion forecast across the Budget and forward estimates.

As part of the 2013-14 Budget Review, agencies reviewed their infrastructure, upgrades and other projects in light of the first six months of progress and identified where re-profiling of projects was appropriate. This process also included bringing forward planned out-year expenditure to progress or accelerate some existing projects.

A total of \$119.3 million in net capital expenditure has been re-profiled as a result of this review.

Table 5: Changes to Capital Works Program Expenditure¹

	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
Original 2013-14 Capital Program	695.7	339.5	59.3	8.1
End of Year Rollovers ²	67.4	0.0	0.0	0.0
End of Year Adjustments ³	-78.3	0.0	0.0	0.0
Existing 2013-14 Capital Program	684.7	339.5	59.3	8.1
Changed Expenditure Timing ⁴	-119.3	72.8	27.5	13.3
Revised Capital Program	565.4	412.4	86.8	21.4

Notes:

1. Table may not add due to rounding.
2. Reflects funds being reallocated from 2012-13 to 2013-14.
3. Reflects net unspent appropriation from the 2012-13 program and accrued expenditure.
4. \$5.6 million re-profiled into 2017-18 for the Health Directorate's Clinical Services and Inpatient Unit Design and Infrastructure Expansion project.

Appendix 2 shows the amendments to the Capital Works Program by project.

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FINANCIAL POSITION – GENERAL GOVERNMENT SECTOR

The financial position of the GGS, as assessed through a number of balance sheet measures, has largely strengthened since the 2013-14 Budget. This strengthening is mainly due to a higher forecast level of investment balances for the Territory Banking and Superannuation Provision Accounts.

NET DEBT

Net Debt is a key balance sheet measure which takes into account gross debt liabilities, as well as financial assets (such as cash reserves and investments). Net Debt is calculated as the sum of deposits held, advances received and borrowings, less the sum of cash and deposits, advances paid and investments, loans and placements. Superannuation Provision Account (SPA) assets have been excluded in determining Net Debt.

The GGS Net Debt, excluding superannuation related investments, is forecast to be \$681.3 million in 2013-14, a decrease of \$165.8 million compared to the 2013-14 Budget largely due to an increase in investments held by the Territory Banking Account (TBA).

Net Debt has marginally increased in 2015-16 and 2016-17 from the 2013-14 Budget.

The ACT Government continues to have one of the strongest balance sheets in Australia.

Table 6: General Government Sector Net Debt¹

General Government Sector	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Cash and Deposits	405.5	307.1	211.0	209.3	207.7	213.8
Advances Paid	1,481.7	1,590.0	1,592.7	1,671.0	1,780.3	1,864.9
Investments and Loans	3,608.7	3,321.1	3,836.7	4,028.7	4,189.0	4,472.8
<i>Less: Superannuation Investments</i>	<i>2,613.7</i>	<i>2,767.2</i>	<i>3,005.9</i>	<i>3,229.3</i>	<i>3,469.6</i>	<i>3,728.0</i>
Deposits Held	139.1	27.5	40.2	47.5	59.7	66.7
Advances Received	86.4	83.0	83.0	79.4	75.7	71.8
Borrowings ²	2,766.5	3,187.8	3,192.7	3,523.5	3,395.7	3,285.0
Net Debt (excluding super)	109.8	847.1	681.3	970.7	823.7	600.2

Notes:

1. Table may not add due to rounding
2. Borrowings include finance leases

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NET FINANCIAL LIABILITIES

Net Financial Liabilities take into account unfunded superannuation liabilities and provide a broader measure of debt than Net Debt. Net Financial Liabilities are calculated as total liabilities less financial assets (such as cash reserves and investments) and take into account all non-equity financial assets, but exclude equity held by the GGS in public corporations (for example, ACTEW Corporation).

The revised forecast for Net Financial Liabilities for 2013-14 is \$3,636.3 million, a decrease of \$500.7 million compared to the 2013-14 Budget estimate of \$4,137.0 million. The favourable variance in Net Financial Liabilities is mainly reflective of higher investments held by the Territory Banking and Superannuation Provision Accounts, as discussed in the Net Worth section.

Across the forward estimates, Net Financial Liabilities has also decreased compared to the 2013-14 Budget, also attributed to the higher level of investments held.

Table 7: Net Financial Liabilities

General Government Sector	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Financial Assets	11,639.5	11,395.5	11,950.4	12,351.2	12,739.7	13,225.0
<i>Less: Equity Investments in Public Trading Enterprises</i>	<i>5,607.6</i>	<i>5,659.1</i>	<i>5,745.3</i>	<i>5,868.9</i>	<i>5,982.2</i>	<i>6,106.5</i>
Total Liabilities	10,872.5	9,873.3	9,841.4	10,496.6	10,697.9	10,903.3
Net Financial Liabilities	4,840.7	4,137.0	3,636.3	4,014.4	3,940.5	3,784.8

Note: Table may not add due to rounding

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NET WORTH

Net Worth provides a broad measure of the Territory's balance sheet and is calculated as total assets less total liabilities including superannuation.

The forecast GGS Net Worth for 2013-14 has increased by \$567.6 million compared to the original budget. This increase is mainly due to higher investments held by the TBA. The SPA is also forecasting a higher level of investments mainly due to an increase in investment earnings associated with higher than expected returns being achieved to 31 December 2013 and a higher than expected opening asset base.

Table 8: Net Worth

General Government Sector	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Total Assets	26,071.3	26,376.3	26,912.1	27,719.5	28,191.7	28,703.3
Total Liabilities	10,872.5	9,873.3	9,841.4	10,496.6	10,697.9	10,903.3
Net Worth	15,198.8	16,503.0	17,070.6	17,222.9	17,493.8	17,800.0

Note: Table may not add due to rounding

NET OPERATING CASH – GENERAL GOVERNMENT SECTOR

Net Operating Cash is the cash counterpart to the accrual Net Operating Balance. It measures all operating cash receipts for a financial year (for example, taxes, fees and fines, and operating grants from the Commonwealth Government) less all operating cash payments (including wages and salaries, cash superannuation payments and payments for goods and services).

The revised net operating cash position for the GGS in 2013-14 is \$326.7 million, broadly consistent with the 2013-14 Budget estimate.

Across the forward estimates, net operating cash is forecast to decrease, primarily due to revised dividend and income tax equivalent forecasts for ACTEW Corporation as discussed earlier in this document.

Table 9: Net Operating Cash

General Government Sector	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
2013-14 Budget Net Operating Cash	320.4	530.6	669.9	672.5
2013-14 Budget Review Net Operating Cash	326.7	511.5	603.1	637.1

2013-14 Budget Review

PUBLIC TRADING ENTERPRISES REVISED ESTIMATES

A Public Trading Enterprises Net Operating Balance of \$115.6 million is now forecast for 2013-14, \$20.7 million lower than was forecast in the 2013-14 Budget.

The decrease is mainly due to the impact of the ICRC's water and sewerage pricing review. The review has resulted in ACTEW Corporation's revenue estimates being revised downwards.

Table 10: Public Trading Enterprise Revised Budget and Forward Estimates

Public Trading Enterprises	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Total Revenue	990.7	962.4	933.6	1,094.0	1,210.5	1,134.4
Total Expenses	832.1	826.2	818.0	954.8	1,007.2	958.9
UPF Net Operating Balance	158.6	136.3	115.6	139.2	203.3	175.5
Net Worth	5,607.6	5,659.1	5,745.3	5,868.9	5,982.2	6,106.5
Net Financial Worth	-1,197.3	-1,253.1	-1,265.7	-1,290.7	-1,345.2	-1,411.0
Net Debt	1,201.5	1,361.3	1,389.9	1,458.3	1,553.5	1,631.2

Note: Table may not add due to rounding

2013-14 Budget Review

TOTAL TERRITORY REVISED ESTIMATES

The Total Territory Headline Net Operating deficit for 2013-14 is now forecast to be \$454.1 million.

Table 11: Total Territory Revised Budget and Forward Estimates

Total Territory	2012-13 Actual Outcome \$m	2013-14 Original Budget \$m	2013-14 Budget Review \$m	2014-15 Revised Estimate \$m	2015-16 Revised Estimate \$m	2016-17 Revised Estimate \$m
Total Revenue	4,321.6	4,432.0	4,422.6	4,911.1	5,158.1	5,333.5
Total Expenses	4,777.5	4,869.6	4,956.3	5,150.1	5,325.6	5,487.5
UPF Net Operating Balance	-455.9	-437.5	-533.7	-239.0	-167.6	-154.0
<i>Plus</i>						
Investment Return Differential Adjustment on Superannuation Investments	72.5	87.0	79.7	112.1	122.0	131.1
Headline Net Operating Balance	-383.4	-350.6	-454.1	-126.9	-45.5	-22.9
Net Worth	15,550.1	16,629.2	17,188.4	17,340.7	17,611.7	17,918.0
Net Debt (excluding superannuation related investments)	1,310.9	2,208.4	2,071.3	2,429.1	2,377.3	2,231.4
Net Financial Worth	-5,640.5	-5,208.8	-4,742.7	-5,146.1	-5,127.2	-5,037.8

Note: Table may not add due to rounding

STATEMENT OF RISKS

ECONOMIC RISKS

The ACT's economic growth and performance is highly susceptible to the Commonwealth Government's fiscal strategy. The current fiscal restraint measures being undertaken by the Commonwealth Government, intended to return its budget to surplus and reduce government debt, is expected to soften national economic growth over the forecast period. The full extent and timing of these measures is expected to be revealed as part of the 2014-15 Commonwealth Budget.

Since the 2013-14 ACT Budget, Commonwealth Government decisions have included an increase to the APS efficiency dividend – from 1¼ per cent to 2¼ per cent for three years from 1 July 2014; job losses in the APS; and a National Commission of Audit, the broad remit of which is to assess the performance, functions and role of government and the efficiency of government spending. Each of these measures poses risks to the ACT's economic outlook, particularly from 2014-15 onwards.

Ongoing solid population growth and record low interest rates, however, present some upside to economic growth in the ACT, and will continue to support household consumption and housing demand.

FISCAL RISKS

There are a number of other risks that may impact on the Territory's finances; these are described below:

- ACT Launch of the National Disability Insurance Scheme:
 - Under the bilateral agreement for the launch of the National Disability Insurance Scheme (NDIS), the ACT's contribution is capped, with the Commonwealth taking responsibility for 100 per cent of upside risk for higher than anticipated client numbers and average package cost.
 - The ACT's contribution to the NDIS Launch is estimated at around \$122 million in 2016-17. The ACT is required to finalise the nature of its contribution by February 2014. This involves identifying eligible existing services provided by the ACT Government to determine if there is a need for additional investment.
 - The 2013-14 Budget did not include additional investment in the NDIS beyond pre-launch funding. The need for investment has been reduced by offsetting additional specialist disability services that were not previously identified. The Commonwealth has also announced that the ACT will be allocated around \$7 million in 2015-16 and \$14.7 million in 2016-17 from the increase in the Medicare levy; this will further offset the ACT contribution.
 - Further discussions between the Commonwealth and the ACT will determine the extent of any requirement for additional investment beyond existing services and the extent to which the ACT is required to fund ongoing disability services that are not covered by the NDIS.

- Land Release Program:
 - A number of risks may impact the program, but primarily, the uncertainty created by the Commonwealth Government's continued fiscal consolidation further compounds extant risks including achievement of statutory clearances, the capacity of industry to deliver infrastructure and estate works, and the capacity of the market to purchase all sites released.
- Enterprise Bargaining:
 - With the exception of the *ACT Public Service Education and Training Directorate (Teaching Staff) Enterprise Agreement 2011-2014*, all ACT Public Service enterprise bargaining agreements have a nominal expiry date of 30 June 2013. The 2013-14 Budget and forward estimates are likely to be impacted should forthcoming negotiations give rise to changes in Enterprise Agreement conditions.

COMMONWEALTH GOVERNMENT FUNDING

GST

As the GST is a broad based consumption tax, GST revenue collections are subject to consumer confidence and the state of the economy at the national level. Changes in these factors can lead to variations in the size and growth of the national GST pool, and hence of the funding for the States.

In its MYEFO statement for 2013-14, the Commonwealth essentially reconfirmed its 2013-14 and forward year projections for GST revenue collections and the ACT's relative share, as included in the 2013-14 Commonwealth Budget papers. The next revision to the GST pool and population forecasts will be released as part of the Commonwealth's 2014-15 Budget in May 2014.

GST revenue grants to the ACT are subject to annual revisions by the Commonwealth Grants Commission (CGC) to State and Territory GST relativities². The CGC is expected to release its 2014 Update on GST Revenue Sharing Relativities in late February 2014. This report will recommend changes to all State and Territory relativities for 2014-15. The changes are as yet unquantifiable.

The CGC also undertakes a five yearly methodological review of the GST distribution process – the CGC's 2015 Methodology Review is due to report in February 2015 for application in 2015-16. The outcomes of this review present a potential longer term risk to the ACT's share of the GST pool.

Special Purpose Payments (SPPs)

Under the 2008 *Intergovernmental Agreement on Federal Financial Relations*, the following National Specific Purpose Payments (NSPPs) will continue to transition to a full equal per capita (population share) distribution by July 2014:

- National Health Reform funding;
- National Schools SPP;
- National Disability Services SPP;

² GST Relativity (weight) – a factor assessed by the CGC made up of various disabilities/factors when compared with all States' average. It is used by the Commonwealth Treasury in calculating the share of the GST revenue a State requires to achieve horizontal fiscal equalisation.

- National Skills and Workforce Development SPP; and
- National Affordable Housing SPP.

The funding formulas for three of the NSPPs are changing significantly in the next few years, with the first impact from implementation of the Schooling Resource Standard (national education funding – previously referred to as the National Education Reform Agreement) from the start of the 2014 calendar year, followed by the full implementation of Activity Based Funding under the National Health Reform Agreement from the start of 2014-15. From 2017-18, the Disability NSPP will commence transition to the new National Disability Insurance Scheme funding model. Revised estimates for the NSPPs based on the Commonwealth's 2013-14 MYEFO update have been incorporated into this Budget Review.

National Partnership Payments (NPPs)

State and Territory Treasurers have provided a report to the Commonwealth Treasurer on the recommended future treatment of expiring NPPs and Commonwealth payments under Project Agreements and Implementation Plans. The report will be considered by Commonwealth Ministers as part of their 2014-15 Budget deliberations.

The revenue lost to the ACT on the expiry of these NPPs (should the Commonwealth not agree to continued funding) is around \$25 million per annum from 2014-15 (on the assumption that these NPPs would otherwise continue through the forward estimates period). Funding and outlays related to expiring agreements have not been included in the ACT budget past their current expiry dates.

GOVERNMENT INVESTMENTS AND BORROWINGS

Investment Returns

The budget is susceptible to the performance of global financial markets and changes in interest rates. Investment returns below those estimated will have a negative impact on revenues and, in respect of the SPA, may impact on the Government's fiscal objective of fully funding the defined benefit superannuation liability by 2030.

Defined Benefit Employer Superannuation Liabilities

The value of accrued superannuation liabilities is calculated as the present value of the future payment of benefits that have actually accrued in respect of service at the calculation date. Due to the nature of this liability, small variations to the financial or demographic assumptions can lead to large impacts on the accrued liability estimate for the Territory. The liabilities are most sensitive to inflation, the Commonwealth bond rate, wages growth, rates of retirement and resignation, and the proportion of benefits taken in pension form.

OTHER COMMITMENTS

Contingent Liabilities

Contingent liabilities are liabilities resulting from uncertain timing or amounts. They arise from past events, which are not recognised because their outflow of economic benefit is not probable or the liability cannot be measured reliably. Contingent liabilities can also occur when a liability is contingent on the outcome of an event outside the Territory's control, such as the outcome of a court case.

Under the FMA, it is the responsibility of the Government to identify contingent liabilities that may affect the budget estimates.

The types of claims lodged against the Territory include property damage, contract disputes, economic loss, personal injury and tax related claims. Details of the Territory's contingent liabilities are identified in the Australian Capital Territory Consolidated Annual Financial Statements, which is available online.

Outstanding Insurance Claims Liability

The value of insurance liabilities is the present value of the future claim payments that have accrued at the calculation date. This approach is required under Australian Accounting Standard *AASB1023 'General Insurance Contracts'*.

Accounting for insurance claims is complex and actuarial assumptions are required to estimate the Authority's obligations, and claims expense. There is uncertainty in the estimate of the liability and this can result in actuarial gains or losses when the claims experience differs from the estimates. The liabilities are discounted to allow for the time value of money as claims may be settled many years after the claim is incurred.

Sensitivity to Discount Rate

The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. Australian Accounting Standards *AASB1023 'General Insurance Contracts'* requires outstanding claims liabilities to be valued using a 'risk free' rate of return, which is generally accepted to be the discount rate derived from market yields on Commonwealth Government Bonds. The discount rates adopted match the weighted term to maturity of insurance claims. The long term nature of the projected cashflows from the liability mean that small changes in the discount rate adopted can lead to significant variations in the liability valuations and the claims expense.

Further details of the Authority's outstanding claims liabilities are provided each year in the ACTIA Annual Report – Financial Statements available at <http://www.cwd.act.gov.au/act-insurance-authority/documents>.

CHAPTER 2: PERFORMANCE AGAINST FINANCIAL POLICY OBJECTIVES AND STRATEGIES

The Government's financial policy objectives as detailed in the 2013-14 Budget are based on the acceptance of temporary deficits in order to maintain reasonable expenditure and investment levels to stimulate and support the ACT economy.

The Government affirms its commitment to the principles of responsible financial management. The Government's strategy is based on prudent financial management to protect against unforeseeable shifts in economic conditions. This approach provides the Territory with capacity to respond to future unforeseen fiscal shocks and emerging risks. Preservation of high quality services, while maintaining fiscal restraint, continue to remain key parts of the Government's Fiscal Strategy.

The Government's 2013-14 Financial Policy Objectives and Fiscal Strategy remain unchanged from that published in the 2013-14 Budget. They are:

- to achieve a General Government Sector Net Operating Surplus;
- to maintain operating cash surpluses;
- to maintain a AAA credit rating;
- to manage debt prudently and maintain net financial liabilities within the range of all AAA rated jurisdictions;
- to fully fund the Territory's unfunded superannuation liability by 2030;
- to maintain quality services and infrastructure;
- to make targeted investments to achieve strategic objectives of economic growth, reducing future costs and addressing chronic disadvantage;
- to maintain taxation revenues at sustainable levels;
- to deliver more efficient and productive public services, within tight financial constraints; and
- to build a more productive and competitive economy.

The Government will continue to maintain a balanced approach in addressing the forecast deficits, and forthcoming expenditure decisions will be approached prudently, with measured spending offset to the fullest extent possible by responsible savings. This approach will ensure that the budget returns to balance as soon as practicable and, in so doing, the Government will continue to adopt a flexible approach in terms of its policy position, ensuring decisions are aligned to economic circumstances.

Looking further ahead, the Territory is likely to experience some impact once the decisions of the National Commission of Audit are implemented, and as a result of APS job losses. The Government will monitor the response of the Territory's economy to those developments, and will adjust its expenditure and revenue estimates (including those relating to land release) as necessary to ensure the Territory's fiscal position remains strong. As noted in the 2013-14 Budget, the Government has elected to accept temporary deficits as economic circumstances necessitate in order to ensure the local economy is supported, while maintaining high quality service delivery levels and continuing to seek efficiencies in government service delivery.

2013-14 Budget Review

It is anticipated that the Government's Land Release Program will be reviewed in preparation for the 2014-15 Budget in light of changes in the ACT economy and population growth, particularly as a result of any Commonwealth Government's fiscal consolidation. As the impact of these changes cannot yet be accurately determined, the 2013-14 Budget Land Release Program and financial estimates remain unchanged in the 2013-14 Budget Review, including items such as the reclassification of Denman Prospect from an Englobo sale to an LDA estate. However, it seems likely that there will be reductions in the number of residential dwelling sites released. The financial impacts of any such changes will be reflected in the 2014-15 Budget.

The Government will continue to examine the Territory's needs and will undertake further work to refine the Territory's longer-term fiscal strategy in response to changing circumstances. This work will take into account maintenance of the Territory's 'AAA' credit rating and potential future directions for the capital works program.

2013-14 Budget Review

GENERAL GOVERNMENT SECTOR NET OPERATING SURPLUS

As a result of the items previously discussed, the Headline Net Operating Balance has reduced over the forward estimates since the publication of the 2013-14 Budget, with the General Government Sector (GGS) now forecast to return to balance in 2016-17.

Table 12: Comparison of 2013-14 Budget and 2013-14 Budget Review Net Operating Balances

General Government Sector	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
2013-14 Budget Headline Net Operating Balance	-253.6	-99.5	29.3	47.1
2013-14 Budget Review Headline Net Operating Balance	-360.6	-109.5	-20.5	11.2

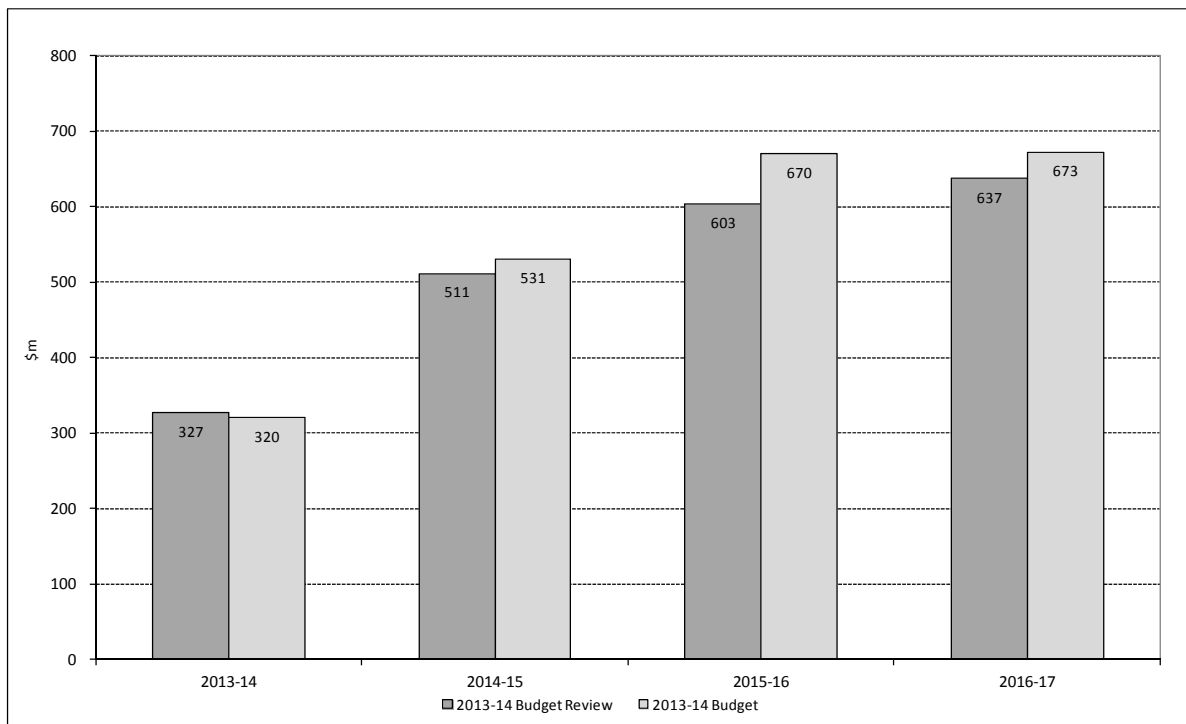
MAINTAINING OPERATING CASH SURPLUSES

The Government's objective is to maintain strong operating cash surpluses in the GGS at all times. The Operating Cash Balance is the cash counterpart to the accrual Net Operating Balance. It measures all operating cash receipts each year (for example, taxes, fees and fines, and operating grants from the Commonwealth Government) less all operating cash payments (including wages and salaries, cash superannuation payments and payments for goods and services).

Figure 2 below shows that the GGS Operating Cash Surplus for 2013-14 is broadly in line with the 2013-14 Budget.

The Territory continues to maintain strong operating cash surpluses across all estimates. Strong operating cash surpluses ensure that there is sufficient cash generated from operations to cover the net outlays for capital investment, to repay debt, and to address unfunded superannuation liabilities.

Figure 2: Net Cash Flows from Operating Activities – General Government Sector



MAINTAINING A 'AAA' CREDIT RATING

International ratings agency Standard & Poor's Ratings Services (S&P's) affirmed the ACT's 'AAA' long-term and 'A-1+' (A1+) short-term local currency credit ratings on 27 October 2013, assessing the outlook for the ACT's finances as continuing to be 'Stable'.

The 'AAA' and 'A-1+' ratings are the highest ratings assigned by Standard & Poor's.

Only Victoria and the ACT currently hold a 'AAA', stable credit rating.

The stable outlook reflects Standard & Poor's very positive view of the ACT's very high-income economy and the ACT Government's financial management, high budgetary flexibility and liquidity, and limited contingent liabilities.

Standard & Poor's also has a very positive view of the ACT Government's tax reform agenda.

A Standard & Poor's credit rating is a current opinion of a borrower's overall financial capacity (its creditworthiness) to repay principal and interest with respect to a specific long or short-term obligation in a timely manner. The ratings are based, in varying degrees, on the following considerations:

- the likelihood of payment-capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
- the nature of and provisions of the obligation; and
- the protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

An obligation/obligor rated 'AAA' has the highest rating assigned and indicates that the obligator's capacity to meet its financial commitments is extremely strong. A short term obligation/obligor rated 'A1+' is also the highest short-term rating assigned. Table 13 below summarises Standard & Poor's Credit ratings as applied to the ACT.

Table 13: Standard and Poor's Ratings Summary for the ACT, October 2013

	Local Currency Long Term	Local Currency Short Term	Foreign Currency Long Term	Foreign Currency Short Term
Standard & Poor's	AAA	A-1+	AAA	A-1+

MANAGE DEBT PRUDENTLY AND MAINTAIN NET FINANCIAL LIABILITIES WITHIN THE RANGE OF ALL AAA RATED JURISDICTIONS

The ACT continues to have one of the strongest balance sheets of any government in Australia.

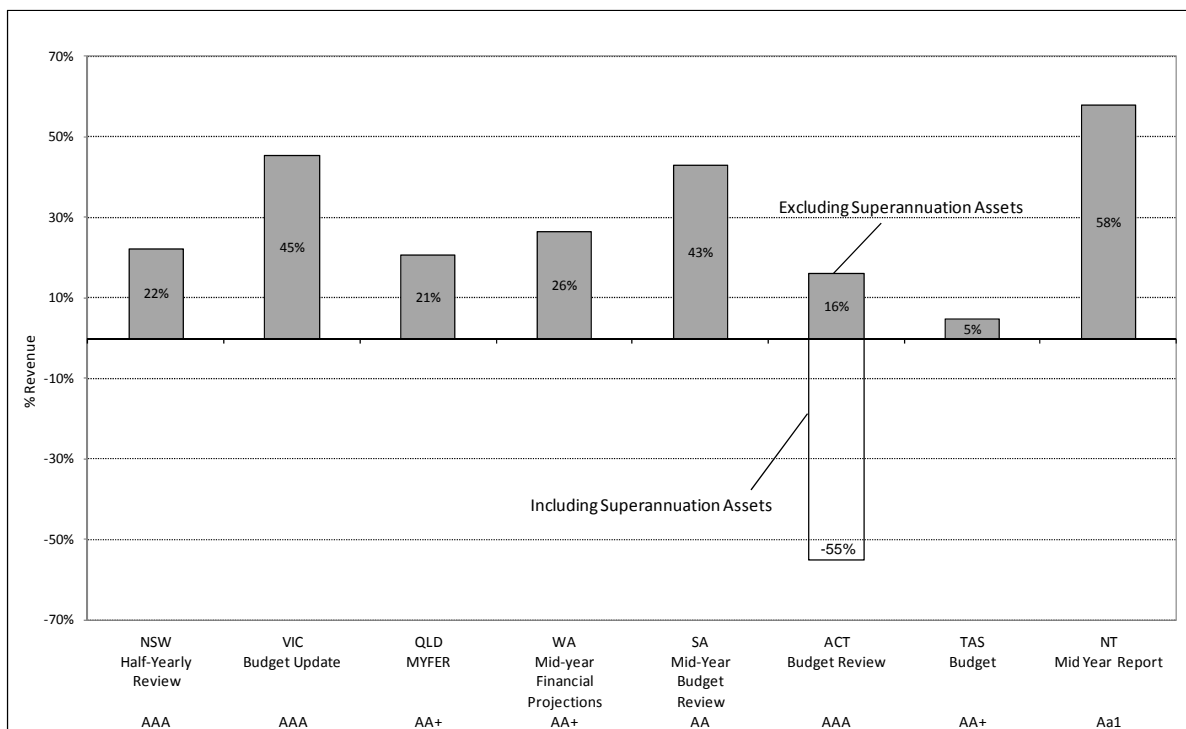
Net Debt

A key balance sheet measure in the Government Finance Statistics (GFS) framework is net debt, which takes into account gross debt liabilities as well as assets (such as cash reserves and investments). The Commonwealth Government, for example, highlights net debt as the key measure of government debt.

Figure 3 below shows that the ACT is estimated to have positive GGS Net Debt in 2013-14. This indicates that the Territory's GGS cash reserves and investments are lower than its gross debt liabilities. The ACT has the second lowest debt as a portion of revenue out of all jurisdictions.

Net Debt has decreased in 2013-14 compared to the original budget. This decrease is mainly due to a higher level of forecast investments held as discussed previously.

Figure 3: Net Debt to Revenue Ratio – General Government Sector



Note: The inter-jurisdictional data used reflects information presented in each jurisdiction's 2013-14 Budget (or Mid Year) Review.

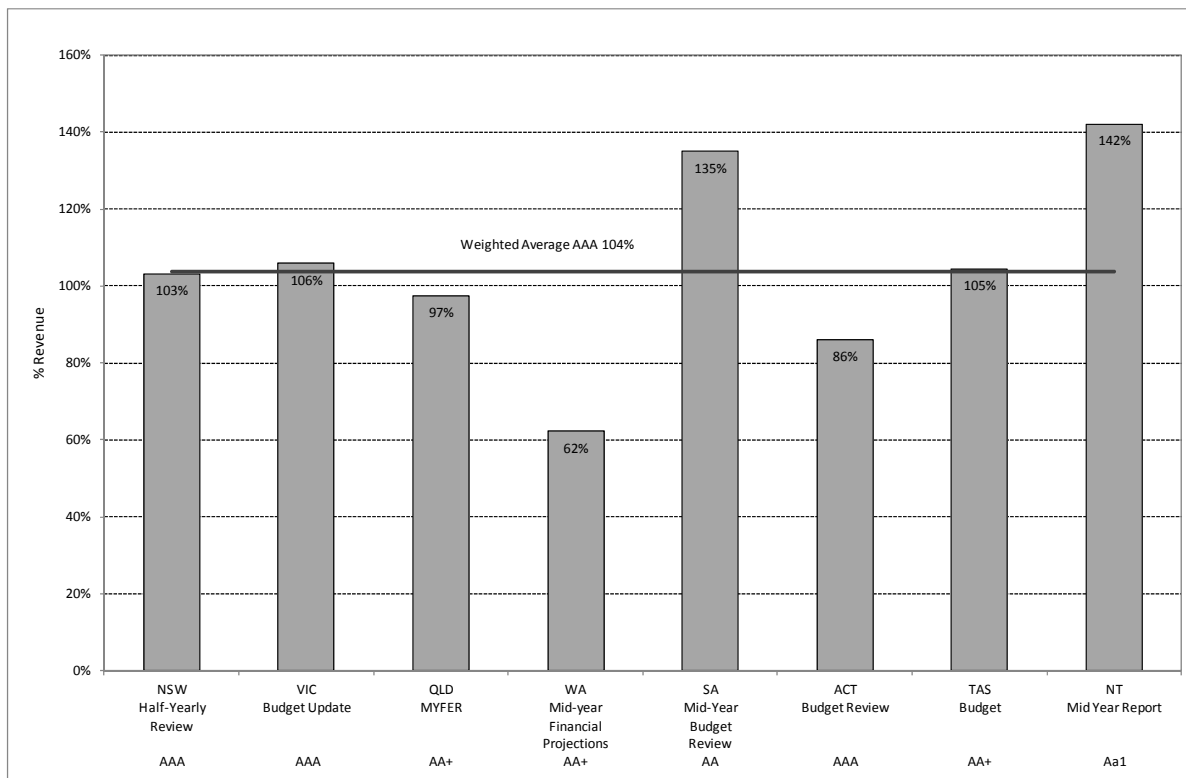
NET FINANCIAL LIABILITIES

Although Net Debt is a widely used measure in the GFS framework, it does not take into account all financial liabilities. Most particularly, it does not take into account unfunded superannuation liabilities. These unfunded superannuation liabilities are also a form of debt. As a consequence, a number of jurisdictions focus on a broader measure of debt, net financial liabilities, as a key balance sheet indicator.

Net Financial Liabilities is calculated as total liabilities less financial assets (such as cash reserves and investments). It takes into account all non-equity financial assets, but excludes the value of equity held by the GGS in public corporations (for example, ACTEW Corporation).

Figure 4 below compares the ACT's net financial liabilities as a proportion of revenue with other jurisdictions. It shows that the ACT has one of the lowest levels of net financial liabilities of all jurisdictions (and below the weighted average level for all AAA rated jurisdictions).

Figure 4: Net Financial Liabilities to Revenue Ratio – General Government Sector

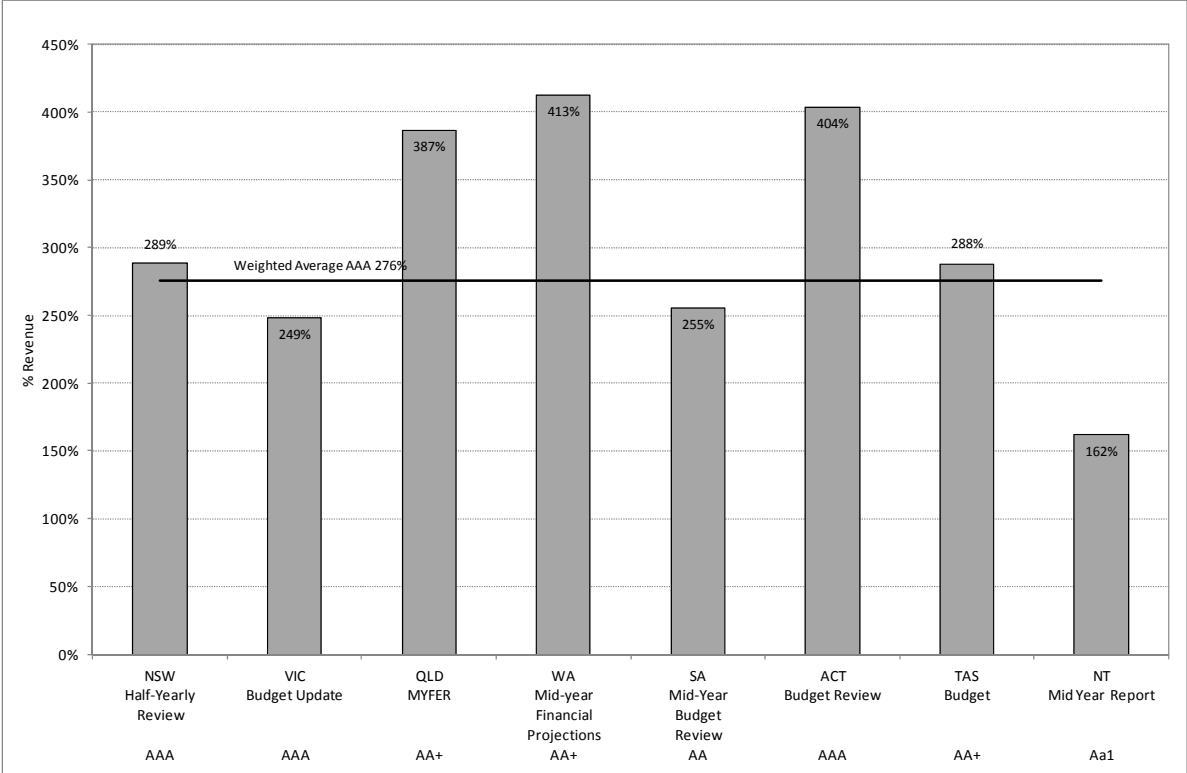


Note: The inter-jurisdictional data used reflects information presented in each jurisdiction's 2013-14 Budget (or Mid Year) Review.

NET WORTH

The broadest measure of a jurisdiction’s balance sheet is Net Worth, which measures the total value of all assets less all liabilities. The ACT has strong positive Net Worth as a proportion of revenue, and remains one of the strongest of all Australian jurisdictions (Figure 5).

Figure 5: Net Worth to Revenue Ratio – General Government Sector



Note: The inter-jurisdictional data used reflects information presented in each jurisdiction’s 2013-14 Budget (or Mid Year) Review.

FULLY FUNDING THE TERRITORY'S UNFUNDED SUPERANNUATION LIABILITY BY 2030

The coverage of the Territory's superannuation liabilities with investment assets was 39 per cent as at 30 June 2013 (based on liabilities determined at a spot discount rate at that date). The coverage ratio is now projected to be approximately 56 per cent as at 30 June 2014, based on a long term average discount rate assumption and reflecting the revised estimated earnings outcome for 2013-14.

Investments managed by the SPA are subject to market risk. These investments have experienced, and will continue to experience, significant fluctuations in value according to the conditions in domestic and international investment markets. These market fluctuations have resulted in significant investment gains and losses in recent years and cannot be predicted with certainty, particularly over the shorter term.

The SPA investment portfolio has a long-term investment strategy that is based on a strategic asset allocation that is expected to deliver a long-term average return of the Consumer Price Index (CPI) plus 5 per cent per annum (net of fees).

Over an 18 year period – actual returns for the 17 financial years to 30 June 2013 and incorporating the 2013-14 revised estimated outcome – the SPA investment portfolio will generate an estimated net return of CPI plus 5.0 per cent per annum, which will be in line with the long term target return objective.

Table 14: Superannuation Provision Account

	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
Superannuation Assets	3,005.9	3,229.3	3,469.6	3,728.0
Superannuation Liabilities	5,373.5	5,643.2	5,906.4	6,160.4
Percentage of Funded Superannuation (%)	56	57	59	61

Note: Superannuation liabilities reflect a long-term expected average discount rate of 6 per cent.

MAINTAINING QUALITY SERVICES AND INFRASTRUCTURE

The *Report on Government Services 2014* (the Report) released by the Productivity Commission on 28 January 2014 shows that the ACT is at the forefront in terms of delivering high quality government services.

The Report, which is an annual comparison of State and Territory government services, confirmed that the ACT continues to deliver services that make an important difference to people's lives.

The ACT had:

- students who continued to excel in reading, with the ACT being the highest performing jurisdiction in Australia at all year levels since testing commenced in 2008;
- the highest proportion of children aged 0 to 5 years attending Australian Government approved child care (47.4 per cent) in 2013;
- the highest proportion of children enrolled in a preschool program in the year before full time schooling (105.7 per cent)³ in 2012;
- the highest proportion of vocational education and training students participating in Diploma and above level courses for all students (22.2 per cent), and the highest participation rates in Diploma and above level courses for Aboriginal and Torres Strait Islander students aged 15 to 64 (2.4 per cent), aged 18 to 24 (3.6 per cent) and aged 20 to 64 (2.9 per cent) in 2012;
- its highest recorded number of elective surgery services in 2012-13 with 11,628 operations completed, up from 11,362 in 2011-12 and 9,778 reported in 2009-10;
- achieved positive progress in elective surgery waiting times over the last two years, with median waiting times falling from 76 days in 2010-11 to 63 days in 2011-12 and to 51 days in 2012-13;
- the highest levels of satisfaction with police services nationally (79.7 per cent);
- marked improvements in the clearance rate of criminal and civil matters in the ACT Supreme Court, with civil matters declining almost 50 per cent over the past two years and criminal matters declining by over 40 per cent in one year;
- the best emergency ambulance response time in the Capital City in the 90th percentile and Statewide 90th percentile indicators and reported the second best emergency ambulance response time in the Statewide 50th percentile indicator, and the fastest structure fire response times in the Statewide 90th percentile and the second fastest response times nationally in the major cities 50th and 90th percentile indicators;
- the highest proportion nationally of community follow-up patients with a mental illness following discharge from hospital, with 77.7 per cent of mental health patients followed up within seven days of leaving hospital (compared to the national figure of 54.6 per cent);
- consistently achieved amongst the highest immunisation rates reported nationally in 2012-13, in most cases above the national average;
- good overall access to National Disability Agreement services, with almost three quarters of the potential population accessing specialist disability services in 2011-12, against the national average of 61.5 per cent;

³ To calculate this proportion, enrolment data are divided by the estimated population of children aged 4 years which occasionally results in the total proportion exceeding 100 per cent. This issue is further impacted in the ACT by the number of children resident in NSW attending ACT preschool programs.

2013-14 Budget Review

- a reduction in the rates of young people under youth justice supervision (detention and community supervision), with the average number of young people in detention on a nightly basis decreasing from 23 in 2011-12 to 18 in 2012-13;
- an increase in the proportion of new public housing tenancies allocated to special needs households, from 54.1 per cent in 2011-12 to 61.5 per cent in 2012-13;
- only 0.6 per cent of community housing low income households spending more than 30 per cent of their income on rent, the lowest result nationally; and
- 98.2 per cent of public housing allocations being made to those households in greatest need, considerably exceeding the national average of 77.3 per cent for 2012-13.

CHAPTER 3: ECONOMIC CONDITIONS

KEY POINTS

Since the 2013-14 ACT Budget, the Commonwealth Government's commitment to return the budget to surplus and pay down government debt has increased the uncertainty with respect to the ACT's economic outlook.

Domestic economic growth forecasts have been revised down significantly in the Commonwealth's MYEFO, as the transition from mining to non-mining growth drivers is taking longer than expected.

The economic outlook for the ACT in 2013-14 since the 2013-14 ACT Budget has weakened slightly, with slowing investment being offset by consumption. The soft economic conditions are expected to extend into 2014-15, mainly due to ongoing Commonwealth Government's fiscal restraint measures.

The accommodative monetary policy stance by the Reserve Bank of Australia will continue to support all sectors of the economy. Interest rates are at record lows, and are expected to remain below their historical average over the next two years in line with market expectations. Below trend economic growth and the Commonwealth Government's commitment to reduce the size of the APS is expected to weigh on the ACT's labour market and property market.

2013-14 Budget Review

ECONOMIC FORECASTS

The economic forecasts have been updated for this Review. Table 15 details the latest forecasts and compares them with those published in the 2013-14 Budget.

Table 15: Economic Forecasts, Year Average Percentage Change

ACT Economic Variable	Actual	2013-14 Budget (a)(b)	2013-14 Budget Review (a)(b)		Projections ^{(a)(c)}
	2012-13	2013-14	2013-14	2014-15	2015-16 to 2016-17
Gross State Product	2.7	1¾	1¾	2¼	3
Employment	1.7	¼	¼	1	1¾
State Final Demand	0.4	¼	¼	1½	4¾
Consumer Price Index	1.9	2¼	2	2¼	2½
Wage Price Index ^(d)	3.7	3	2¾	3	3¾
Population ^(e)	2.2	1½	1¾	1½	1½

Notes:

- (a) Forecasts and projections are rounded to a ¼ of a percentage point to reflect the relative level of accuracy used in forecasting economic parameters.
- (b) The forecasts incorporate the estimated impact of the Commonwealth Government's carbon price scheme, which commenced in 2012-13.
- (c) Projections are based on long-run averages and are provided for planning purposes only. They do not reflect an expectation (forecast) of actual outcomes.
- (d) Total hourly rates of pay excluding bonuses.
- (e) The forecasts are based on the rate of growth from the June quarter compared to the June quarter of the previous year, rather than 'year average' as with all other forecasts.

ECONOMIC OUTLOOK FOR 2013-14

The economic outlook for the ACT in 2013-14 has weakened slightly since the 2013-14 Budget, with most indicators continuing to be below their long run averages.

The domestic outlook for both real and nominal economic growth in 2013-14 has deteriorated, with both measures revised downwards in the Commonwealth's 2013-14 MYEFO. The expected transition from resource to non-resource drivers of growth is taking longer than expected.

The Reserve Bank of Australia's accommodative monetary policy stance will continue to support the economy. The cash rate has been reduced by a further 25 basis points since the 2013-14 Budget, to a record low 2.5 per cent.

Gross State Product (GSP) growth, the Australian Bureau of Statistics headline measure of the ACT economy, at 1¼ per cent in 2013-14, remains unchanged from the 2013-14 ACT Budget estimate. The estimate reflects the impact of Commonwealth fiscal consolidation, noting the importance of the public sector (around one third) to GSP.

State Final Demand (SFD) growth, at ¼ per cent in 2013-14, also remains unchanged from the 2013-14 ACT Budget estimate. While investment activity is slowing in the short term, private consumption continues to grow, supported by solid population growth and record low interest rates.

The forecast for employment growth in 2013-14 remains at ¼ per cent in 2013-14. The moderation in the labour market continues to be in-line with Budget expectations. Stimulatory factors such as low interest rates and a forecast moderation in wages growth may help to encourage demand for labour over the forecast period.

Underlying price pressures are expected to remain well contained. Forecast growth in the Consumer Price Index (CPI) in 2013-14 has been revised down slightly from 2¼ per cent to 2 per cent, in line with relatively subdued wage growth and weak employment growth.

The forecast for annual growth in the Wage Price Index (WPI) has been lowered by ¼ of a percentage point to 2¾ per cent in 2013-14, consistent with moderating economic activity and spare capacity in the labour market. Concerns over job security and soft inflationary pressures point to below trend wage growth.

Population growth remains solid and should continue to support consumption growth and the demand for residential property.

REVISIONS TO THE FORWARD ESTIMATES

Despite an improvement from 2013-14, the forecasts for 2014-15 reflect below trend growth in all key indicators, except population growth, which is on par with its long-run average. The full extent of risks for 2014-15 are unclear, with the deliberations from the National Commission of Audit expected to inform the 2014-15 Commonwealth Government Budget.

SFD growth is forecast to increase to 1½ per cent in 2014-15, well below trend growth of 4¾ per cent. The forecast reflects a positive contribution from household consumption and total investment. Stimulatory factors such as low interest rates and low wage growth is expected to help to encourage demand in the private sector.

Employment growth is forecast to improve slightly in 2014-15 to 1 per cent, in line with broader modest expectations for economic activity. However, there remains considerable uncertainty over Commonwealth Government hiring intentions.

GSP growth is forecast to increase to 2¼ per cent in 2014-15, in line with the improvement in SFD and employment growth.

The CPI is forecast to increase slightly to 2¼ per cent in 2014-15 from a low base in 2013-14. A small downward impact on inflation in 2014-15 could occur if the Commonwealth Government successfully passes legislation to repeal the carbon tax from 1 July 2014.

The WPI is forecast to increase slightly to 3 per cent in 2014-15, consistent with the slight improvement in economic conditions. A number of factors, including ongoing consolidation by the Commonwealth Government and subdued demand for labour in the private sector are expected to contribute to constrain wage growth. The outcome of current Enterprise Bargaining Agreement negotiations for the Commonwealth Government will be a defining feature for wages growth in the ACT in 2014-15.

The projections of key economic parameters, based on long-run averages, for the years 2015-16 and 2016-17 are unchanged from the 2013-14 Budget.

APPENDIX 1: DETAILED FINANCIAL PROJECTIONS

General Government Sector

- Operating Statement
- Balance Sheet
- Taxation Revenue
- Statement of Changes in Equity
- Cash Flow Statement

Public Trading Sector

- Operating Statement
- Balance Sheet
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Total Territory

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Loan Council Allocation and Nomination

2013-14 Budget Review

Australian Capital Territory General Government Sector Operating Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Revenue						
Taxation Revenue	1,237,092	1,298,688	1,304,632	1,376,504	1,460,805	1,555,276
Grants Revenue						
Commonwealth Grants	1,713,382	1,793,539	1,781,607	1,954,068	1,972,600	2,111,135
Gains from Contributed Assets	66,186	135,538	135,538	126,679	115,650	115,661
Sales of Goods and Services	481,689	437,792	440,826	461,991	476,013	489,203
Interest Income	150,876	135,658	136,780	133,068	132,987	136,877
Distributions from Financial Investments*	-	-	95,212	54,465	59,726	64,178
Dividend and Income Tax Equivalents Income	345,059	304,637	206,679	262,532	364,256	340,524
Other Revenue	123,014	131,421	127,095	128,139	129,400	130,860
Total Revenue	4,117,297	4,237,273	4,228,369	4,497,446	4,711,437	4,943,714
Expenses						
Employee Expenses	1,574,063	1,583,362	1,597,171	1,618,987	1,666,140	1,744,749
Superannuation Expenses						
Superannuation Interest Cost	264,214	313,777	299,563	330,007	345,899	361,386
Other Superannuation Expense	347,096	242,113	307,818	245,649	249,700	259,432
Depreciation and Amortisation	341,443	338,863	343,721	367,145	372,906	376,588
Interest Expense	123,912	149,775	154,740	169,893	175,728	173,612
Other Operating Expenses						
Supplies and Services	821,164	919,472	925,389	965,235	1,005,261	1,070,717
Other Operating Expenses	192,646	199,788	201,488	202,867	209,782	208,008
Grants and Purchased Services	798,972	830,726	838,741	819,276	828,575	869,099
Total Expenses	4,463,510	4,577,876	4,668,631	4,719,059	4,853,991	5,063,591
UPF Net Operating Balance	-346,213	-340,603	-440,262	-221,613	-142,554	-119,877
Other Economic Flows – Included in the Operating Result						
Dividends - Market Gains on Land Sales	6,169	37,793	37,793	14,668	10,496	11,641
Net Land Revenue (Undeveloped Land Value)	46,694	202,846	202,846	138,323	172,082	160,579
Net Gain/(Loss) on Sale of Non-Financial Assets	20,332	-365	-365	-105	154	149
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	270,692	86,960	277,227	112,079	122,013	131,124
Doubtful Debts	-7,150	-4,370	-4,370	-4,406	-4,481	-4,584
Operating Result	-9,476	-17,739	72,869	38,946	157,710	179,032

*From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2012-13 Actual Outcome or the 2013-14 Annual Budget.

2013-14 Budget Review

Australian Capital Territory General Government Sector Operating Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Items that will not be Subsequently Reclassified to the Operating Result						
Superannuation Prior Year Actuarial Movement	1,087,070	-	1,739,672	-	-	-
Prior Year Adjustment	4,225	-	-810	-	-	-
Other Movements	3,304	5	-7,124	729	889	889
Increase/(Decrease) in Asset Revaluation Surplus	268,509	15,963	-31,742	17,704	19,536	21,429
Items that may be Subsequently Reclassified to the Operating Result						
Increase/(Decrease) in Other Reserves	1,380	1,918	1,593	-	-	-
Total Comprehensive Income	1,355,011	147	1,774,458	57,379	178,135	201,350
UPF Net Operating Balance	-346,213	-340,603	-440,262	-221,613	-142,554	-119,877
less Net Acquisition of Non-Financial Assets						
Purchases of Non-Financial Assets	770,161	863,636	807,533	672,147	328,362	272,942
Sales of Non-Financial Assets	-10,662	-2,661	-2,703	-2,667	-2,916	-2,839
Land Revenue (Net Cash Receipts)	-64,538	-164,675	-189,305	-130,723	-164,482	-152,979
Depreciation and Amortisation	-341,443	-338,863	-343,721	-367,145	-372,906	-376,588
Other Movements in Non-Financial Assets	53,848	134,281	134,281	126,425	115,387	115,387
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>407,366</i>	<i>491,718</i>	<i>406,085</i>	<i>298,037</i>	<i>-96,555</i>	<i>-144,077</i>
Net Lending / (Borrowing)	-753,579	-832,321	-846,347	-519,650	-45,999	24,200
GOVERNMENT FISCAL MEASURE – BUDGET OPERATING SURPLUS/ DEFICIT						
UPF Net Operating Balance	-346,213	-340,603	-440,262	-221,613	-142,554	-119,877
Investment Return Differential Adjustments on Superannuation Investments	72,453	86,960	79,685	112,079	122,013	131,124
HEADLINE NET OPERATING BALANCE	-273,760	-253,643	-360,577	-109,534	-20,541	11,247

2013-14 Budget Review

Australian Capital Territory General Government Sector Balance Sheet

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Financial Assets						
Cash and Deposits	405,521	307,144	211,019	209,322	207,700	213,770
Advances Paid	1,481,741	1,590,033	1,592,730	1,670,964	1,780,268	1,864,880
Investments and Loans	3,608,654	3,321,133	3,836,693	4,028,697	4,188,953	4,472,783
Receivables	535,937	518,040	564,690	573,304	580,529	567,000
Equity - Investments in Other Public Sector Entities	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529
Total Financial Assets	11,639,464	11,395,492	11,950,389	12,351,186	12,739,680	13,224,962
Non-Financial Assets						
Produced Assets						
Property, Plant and Equipment	10,942,206	11,495,347	11,211,738	11,494,321	11,441,854	11,426,599
Investment Properties	2,470	2,400	2,470	2,470	2,470	2,508
Intangibles	26,947	56,730	62,103	73,022	67,744	51,467
Inventories	17,096	12,986	17,402	17,717	18,032	18,347
Assets Held for Sale	940	1,004	618	597	577	557
Capital Works-in-Progress	704,902	678,547	755,961	759,373	785,601	722,224
Non Produced Assets						
Property, Plant and Equipment	2,711,237	2,705,325	2,885,299	2,994,750	3,109,697	3,230,520
Biological Assets	26,078	28,429	26,078	26,078	26,078	26,078
Total Non-Financial Assets	14,431,876	14,980,768	14,961,669	15,368,328	15,452,053	15,478,300
Total Assets	26,071,340	26,376,260	26,912,058	27,719,514	28,191,733	28,703,262
Liabilities						
Deposits Held	139,073	27,496	40,210	47,469	59,724	66,725
Advances Received	86,420	82,975	82,975	79,400	75,679	71,835
Borrowings						
Finance Leases	22,788	21,265	22,276	21,536	20,835	20,055
Other Borrowings	2,743,711	3,166,519	3,170,418	3,501,984	3,374,858	3,264,993
Superannuation	6,787,592	5,373,065	5,373,478	5,643,167	5,906,422	6,160,366
Employee Benefits	545,594	586,347	572,688	600,464	627,554	654,678
Other Provisions*	17,097	-	17,236	17,305	17,341	17,377
Payables	517,282	574,220	530,626	580,578	610,595	642,102
Other Liabilities	12,966	41,417	31,536	4,742	4,937	5,132
Total Liabilities	10,872,523	9,873,304	9,841,443	10,496,645	10,697,945	10,903,263
Net Assets	15,198,816	16,502,956	17,070,615	17,222,869	17,493,788	17,799,999
Equity in Public Trading Entities	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529
Accumulated Funds	4,206,187	5,686,375	5,970,488	5,981,396	6,119,448	6,279,931
Asset Revaluation Surplus	5,386,563	5,157,390	5,354,821	5,372,525	5,392,061	5,413,490
Other Reserves	-1,544	49	49	49	49	49
Net Worth	15,198,816	16,502,956	17,070,615	17,222,869	17,493,788	17,799,999
Net Financial Worth	766,941	1,522,188	2,108,946	1,854,541	2,041,735	2,321,699
Net Financial Liabilities	4,840,670	4,136,954	3,636,311	4,014,358	3,940,495	3,784,830
Net Debt (including Super related Investments)	-2,503,923	-1,920,055	-2,324,563	-2,258,594	-2,645,825	-3,127,825
Net Debt (excluding Super related Investments)	109,750	847,124	681,342	970,732	823,737	600,222

*From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Employee Benefits and Other Provisions. This treatment is not reflected in the 2013-14 Budget figures.

2013-14 Budget Review

Australian Capital Territory General Government Sector Taxation Revenue

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
General Tax						
Payroll Tax	320,360	347,417	334,847	357,261	384,089	412,505
Tax Waivers	-	161	161	165	169	172
General Rates	290,221	338,377	337,490	372,743	413,647	458,012
Land Tax	70,724	72,888	75,778	76,268	79,731	83,281
Total General Tax	681,305	758,843	748,276	806,437	877,636	953,970
Duties						
Conveyances	230,559	216,493	232,178	244,678	254,245	272,776
General Insurance	45,583	35,381	35,381	24,767	13,002	-
Leases*	-18	-	-	-	-	-
Life Insurance	2,243	1,653	1,653	1,147	596	-
Motor Vehicle Registrations and Transfers	29,614	29,079	29,079	30,068	31,090	32,147
Shares and Marketable Securities [#]	-3	-	-	-	-	-
Total Duties	307,979	282,606	298,291	300,660	298,933	304,923
Gambling Taxes						
ACTTAB Licence Fee	1,582	1,859	1,859	1,882	1,907	1,956
Gaming Tax	34,906	35,711	34,000	34,765	35,634	36,525
Casino Tax	1,862	1,943	1,943	1,987	2,036	2,087
Interstate Lotteries	16,057	13,825	15,105	14,674	15,040	15,417
Total Gambling Taxes	54,407	53,338	52,907	53,308	54,617	55,985
Other Taxes						
Motor Vehicle Registration	102,472	105,141	105,141	109,861	115,676	121,740
Ambulance Levy	17,378	18,275	18,275	19,188	20,148	21,156
Lease Variation Charge	15,456	17,674	17,674	18,469	19,300	20,169
Utilities (Network Facilities) Tax	25,229	24,402	24,402	25,418	26,475	27,387
Fire and Emergency Service Levy	28,941	34,407	34,407	37,922	42,737	44,618
City Centre Marketing and Improvements Levy	1,721	1,882	1,882	1,788	1,744	1,700
Energy Industry Levy	2,205	2,120	3,377	3,453	3,539	3,628
Total Other Taxes	193,400	203,901	205,158	216,099	229,619	240,398
Total Taxation	1,237,092	1,298,688	1,304,632	1,376,504	1,460,805	1,555,276

*Duty on leases was abolished on 1 July 2009. Amounts shown reflect transactions relating to the 2008-09 financial year.

Duty on shares and marketable securities was abolished on 1 July 2010. The 2012-13 actual reflects payment for transactions relating to previous years.

2013-14 Budget Review

Australian Capital Territory General Government Sector Statement of Changes in Equity

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Opening Equity						
Opening Equity in Public Trading Entities	5,523,094	5,525,033	5,607,611	5,745,257	5,868,899	5,982,230
Opening Accumulated Funds	3,143,726	5,743,373	4,206,187	5,970,488	5,981,396	6,119,448
Opening Asset Revaluation Surplus	5,128,585	5,141,427	5,386,563	5,354,821	5,372,525	5,392,061
Opening Other Reserves	-2,924	-1,869	-1,544	49	49	49
Opening Balance	13,792,481	16,407,964	15,198,816	17,070,615	17,222,869	17,493,788
Comprehensive Income						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	-9,476	-17,739	72,869	38,946	157,710	179,032
Superannuation Prior Year Actuarial Movement	1,087,070	-	1,739,672	-	-	-
Prior Year Adjustment	4,225	-	-810	-	-	-
Other Movements	3,304	5	-7,124	729	889	889
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in Asset Revaluation Surplus	268,509	15,963	-31,742	17,704	19,536	21,429
<i>Included in Other Reserves:</i>						
Increase/(Decrease) in Other Reserves	1,380	1,918	1,593	-	-	-
Total Comprehensive Income	1,355,011	147	1,774,458	57,379	178,135	201,350
Other						
Transfer to/(from) Accumulated Funds	10,531	-	-	-	-	-
Movement in Asset Revaluation Surplus	-10,531	-	-	-	-	-
Total Other	0	0	0	0	0	0
Transactions Involving Owners Affecting Accumulated Funds						
<i>Included in Accumulated Funds:</i>						
Capital Injections	-33,192	-39,264	-40,306	-28,767	-20,547	-19,438
<i>Included in Equity in Public Trading Entities:</i>						
Increase/(Decrease) in Net Assets of Public Trading Entities	84,517	134,109	137,646	123,642	113,331	124,299
Total Transactions Involving Owners Affecting Accumulated Funds	51,325	94,845	97,340	94,875	92,784	104,861
Closing Equity						
Closing Equity in Public Trading Entities	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529
Closing Accumulated Funds	4,206,187	5,686,375	5,970,488	5,981,396	6,119,448	6,279,931
Closing Asset Revaluation Surplus	5,386,563	5,157,390	5,354,821	5,372,525	5,392,061	5,413,490
Closing Other Reserves	-1,544	49	49	49	49	49
Balance at the End of the Reporting Period	15,198,816	16,502,956	17,070,615	17,222,869	17,493,788	17,799,999

2013-14 Budget Review

Australian Capital Territory General Government Sector Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Operating Activities						
<i>Cash Receipts</i>						
Taxes Received	1,224,921	1,312,428	1,318,372	1,388,877	1,471,505	1,595,524
Receipts from Sales of Goods and Services	424,729	583,992	619,339	580,606	627,348	629,878
Grants/Subsidies Received	1,708,805	1,786,063	1,769,895	1,942,268	1,960,720	2,101,401
Interest Receipts	148,343	132,012	132,479	132,676	132,589	136,476
Distributions from Financial Investments*	-	-	95,212	54,464	59,726	64,178
Dividends and Income Tax Equivalents	321,580	292,783	260,718	290,699	358,959	314,714
Other Receipts	397,960	365,589	324,331	371,861	402,649	419,698
Total Cash Received from Operating Activities	4,226,338	4,472,867	4,520,346	4,761,451	5,013,496	5,261,869
<i>Cash Payments</i>						
Payments for Employees	-1,779,915	-1,858,107	-1,865,968	-1,913,111	-1,987,984	-2,101,253
Payments for Goods and Services	-852,258	-866,437	-844,987	-883,610	-925,807	-982,896
Grants/Subsidies Paid	-772,175	-844,464	-852,635	-834,651	-844,943	-887,565
Interest Paid	-112,586	-148,555	-153,280	-169,103	-174,820	-172,712
Other Payments	-397,848	-434,948	-476,797	-449,509	-476,886	-480,314
Total Cash Paid from Operating Activities	-3,914,781	-4,152,511	-4,193,667	-4,249,984	-4,410,440	-4,624,740
Net Cash Flows from Operating Activities	311,557	320,356	326,679	511,467	603,056	637,129
Cash Flows from Investing Activities						
Cash Flows from Investments in Non-Financial Assets						
Sales of Non-Financial Assets	10,787	2,661	2,703	2,667	2,916	2,839
Purchase of Non-Financial Assets	-770,161	-863,636	-807,533	-672,147	-328,362	-272,942
Net Cash Flows from Investments in Non-Financial Assets	-759,373	-860,975	-804,830	-669,480	-325,446	-270,103
Cash Flows from Investments in Financial Assets for Policy Purposes						
<i>Cash Receipts</i>						
Repayment of Loans	1,994	1,852	1,920	1,790	1,766	1,673
Dividends - Market Gains on Land Sales	6,169	37,793	37,793	14,668	10,496	11,641
Total Cash Received from Investments in Financial Assets for Policy Purposes	8,164	39,645	39,713	16,458	12,262	13,314
<i>Cash Payments</i>						
Issue of Loans	-2,959	-64	-3,452	-64	-62	-62
Capital Payments to Government Agencies	-33,192	-39,264	-37,376	-28,767	-20,547	-19,438
Total Cash Paid from Investments in Financial Assets for Policy Purposes	-36,151	-39,328	-40,828	-28,831	-20,609	-19,500
Net Cash Flows from Investments in Financial Assets for Policy Purposes	-27,987	317	-1,115	-12,373	-8,347	-6,186

*From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2012-13 Actual Outcome or the 2013-14 Annual Budget.

2013-14 Budget Review

Australian Capital Territory General Government Sector Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Investments in Financial Assets for Liquidity Purposes						
Sales of Investments	78,964	420,568	433,916	378,856	301,618	241,042
Purchase of Investments	-259,598	-232,899	-440,724	-452,010	-326,143	-391,375
Cash Flows from Investments in Financial Assets for Liquidity Purposes	-180,634	187,669	-6,808	-73,154	-24,525	-150,333
Net Cash Flows from Investing Activities	-967,994	-672,989	-812,753	-755,007	-358,318	-426,622
Cash Flows from Financing Activities						
<i>Cash Receipts</i>						
Borrowings	797,739	458,394	492,617	350,825	24,904	27,220
Total Cash Received from Financing Activities	797,739	458,394	492,617	350,825	24,904	27,220
<i>Cash Payments</i>						
Borrowings	-56,804	-94,617	-135,083	-108,982	-271,264	-231,657
Total Cash Paid from Financing Activities	-56,804	-94,617	-135,083	-108,982	-271,264	-231,657
Net Cash Flows from Financing Activities	740,935	363,777	357,534	241,843	-246,360	-204,437
Net Increase/(Decrease) in Cash Held	84,498	11,144	-128,540	-1,697	-1,622	6,070
Cash and Cash Equivalents at the Beginning of Reporting Period	270,791	296,000	355,289	226,749	225,052	223,430
Cash and Cash Equivalents at the End of Reporting Period	355,289	307,144	226,749	225,052	223,430	229,500
Key Fiscal Aggregates						
Net Cash from Operating Activities	311,557	320,356	326,679	511,467	603,056	637,129
Investments in Non-Financial Assets	-759,373	-860,975	-804,830	-669,480	-325,446	-270,103
Cash Surplus (+) / Deficit (-)	-447,816	-540,619	-478,151	-158,013	277,610	367,026
Derivation of ABS GFS Cash Surplus/Deficit						
Cash Surplus (+) / Deficit (-)	-447,816	-540,619	-478,151	-158,013	277,610	367,026
Acquisitions Under Finance Leases and Similar Arrangements ^(a)	-	-	-	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements	-447,816	-540,619	-478,151	-158,013	277,610	367,026

Note: (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Operating Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Revenue						
Government Payment for Outputs	162,451	157,463	158,132	151,282	142,526	145,272
Grants Revenue						
Commonwealth Grants	1,097	-	-	-	-	-
Gains from Contributed Assets	12,205	1,000	1,000	-	-	-
Sales of Goods and Services Revenue						
Revenue from Associates and Joint Ventures	137,421	82,578	95,318	83,703	119,447	118,647
Other Sales of Goods and Services	435,611	471,902	427,111	442,934	456,131	469,614
Interest Income	11,015	4,286	4,179	3,561	2,412	2,989
Distribution from Investments with the Territory Banking Account	1,736	3,060	4,142	3,665	3,699	3,726
Other Revenue						
Land Revenue (Value Add Component)	207,332	227,672	227,672	394,479	471,504	378,999
Other Revenue	21,800	14,479	16,032	14,371	14,748	15,180
Total Revenue	990,669	962,440	933,586	1,093,995	1,210,467	1,134,427
Expenses						
Employee Expenses	169,582	173,775	173,609	173,569	171,970	175,435
Superannuation Expenses	20,986	19,290	19,275	19,473	19,659	19,989
Depreciation and Amortisation	63,789	71,127	71,103	72,710	75,113	78,221
Interest Expenses	81,581	86,662	86,238	91,755	94,119	100,271
Other Property Expenses (Income Tax Expense)	88,458	79,046	68,721	67,870	96,832	88,888
Other Operating Expenses						
Supplies and Services	167,208	213,826	216,467	221,553	225,078	230,891
Other Operating Expenses	164,197	73,227	73,330	209,718	236,624	176,641
Grants and Purchased Services	76,317	109,235	109,235	98,138	87,763	88,558
Total Expenses	832,117	826,188	817,978	954,786	1,007,158	958,894
UPF Net Operating Balance	158,551	136,252	115,608	139,209	203,309	175,533
Other Economic Flows - Included in the Operating Result						
Land Revenue (Market Gains on Land Sales)	8,813	53,991	53,991	20,955	14,995	16,630
Net Gain/(Loss) on Sale of Non-Financial Assets	-3,399	-35,591	-35,591	-32,520	-18,618	-18,615
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	90	480	280	318	314	312
Doubtful Debts	-1,812	-1,966	-1,966	-2,029	-2,092	-2,165
Operating Result	162,243	153,166	132,322	125,933	197,908	171,695

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Operating Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Items that will not be Subsequently Reclassified to the Operating Result						
Increase/(Decrease) in Asset Revaluation Surplus	78,491	121,825	121,805	124,005	117,554	137,161
Total Comprehensive Income	240,734	274,991	254,127	249,938	315,462	308,856
UPF Net Operating Balance	158,551	136,252	115,608	139,209	203,309	175,533
less Net Acquisition of Non-Financial Assets						
Purchases of Non-Financial Assets	216,289	142,492	148,550	161,807	183,576	165,050
Sales of Non-Financial Assets	-27,687	-44,229	-44,229	-43,694	-46,304	-36,694
Land Revenue (Net Cash Receipts)	-36,040	-63,438	-38,808	-26,080	-78,585	-80,221
Depreciation and Amortisation	-63,789	-71,127	-71,103	-72,710	-75,113	-78,221
Other Movements in Non-Financial Assets	-26,546	-84,281	-84,281	-76,425	-65,387	-65,387
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>62,226</i>	<i>-120,583</i>	<i>-89,871</i>	<i>-57,102</i>	<i>-81,813</i>	<i>-95,473</i>
Net Lending / (Borrowing)	96,325	256,835	205,479	196,311	285,122	271,006
UPF Net Operating Balance	158,551	136,252	115,608	139,209	203,309	175,533
HEADLINE NET OPERATING BALANCE	158,551	136,252	115,608	139,209	203,309	175,533

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Balance Sheet

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Financial Assets						
Cash and Deposits	123,713	80,234	50,648	52,434	53,939	55,447
Investments and Loans	113,311	63,418	68,162	74,781	87,892	94,093
Receivables	208,298	203,019	180,039	202,061	223,511	218,184
Equity - Investments Accounted for Using the Equity Method	609,553	642,100	643,477	665,437	693,424	712,163
Total Financial Assets	1,054,875	988,771	942,326	994,713	1,058,766	1,079,887
Non-Financial Assets						
Produced Assets						
Property, Plant and Equipment	3,325,792	3,303,492	3,405,753	3,506,309	3,625,896	3,732,360
Investment Properties	4,858	-	7,884	8,992	9,975	10,956
Intangibles	29,616	22,582	30,039	30,085	30,270	31,672
Inventories	175,963	232,240	224,818	202,555	179,250	184,493
Assets Held for Sale	7,112	21,863	7,382	7,651	7,920	8,189
Capital Works-in-Progress	128,090	120,848	118,505	114,145	112,247	110,349
Non Produced Assets						
Property, Plant and Equipment	3,104,590	3,180,017	3,189,771	3,263,125	3,335,171	3,412,937
Other Non-Financial Assets						
Deferred Tax Assets	26,810	31,208	26,819	26,772	26,724	26,583
Other Non-Financial Assets	2,112	8	3	6	9	12
Total Non-Financial Assets	6,804,944	6,912,258	7,010,974	7,159,640	7,327,462	7,517,551
Total Assets	7,859,818	7,901,029	7,953,300	8,154,353	8,386,228	8,597,438
Liabilities						
Advances Received	1,437,615	1,503,947	1,507,853	1,584,647	1,694,406	1,779,775
Borrowings						
Finance Leases	868	996	886	906	925	944
Employee Benefits	62,380	186,293	57,678	58,192	57,568	56,872
Other Provisions*	241,773	-	127,020	125,617	123,553	123,831
Payables	119,559	130,509	136,025	147,045	159,966	166,840
Other Liabilities						
Current Tax Liability	27,459	20,824	19,675	19,379	26,214	23,979
Deferred Tax Liability	346,988	329,068	337,625	329,625	321,625	318,625
Other Liabilities	15,566	70,250	21,281	20,043	19,741	20,043
Total Liabilities	2,252,208	2,241,887	2,208,043	2,285,454	2,403,998	2,490,909
Net Assets	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529
Accumulated Funds	2,178,637	2,184,427	2,216,478	2,238,115	2,255,892	2,265,030
Asset Revaluation Surplus	3,416,134	3,461,875	3,515,939	3,617,944	3,713,498	3,828,659
Other Reserves	12,840	12,840	12,840	12,840	12,840	12,840
Net Worth	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529
Net Financial Worth	-1,197,333	-1,253,116	-1,265,717	-1,290,741	-1,345,232	-1,411,022
Net Debt (including Superannuation related Investments)	1,201,459	1,361,291	1,389,929	1,458,338	1,553,500	1,631,179

*From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Employee Benefits and Other Provisions. This treatment is not reflected in the 2013-14 Budget figures.

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Statement of Changes in Equity

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Opening Equity						
Opening Accumulated Funds	2,140,443	2,150,143	2,178,637	2,216,478	2,238,115	2,255,892
Opening Asset Revaluation Surplus	3,369,811	3,362,050	3,416,134	3,515,939	3,617,944	3,713,498
Opening Other Reserves	12,840	12,840	12,840	12,840	12,840	12,840
Opening Balance	5,523,094	5,525,033	5,607,611	5,745,257	5,868,899	5,982,230
Comprehensive Income						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	162,243	153,166	132,322	125,933	197,908	171,695
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in Asset Revaluation Surplus	78,491	121,825	121,805	124,005	117,554	137,161
Total Comprehensive Income	240,734	274,991	254,127	249,938	315,462	308,856
Other						
Transfer to/(from) Accumulated Funds	32,168	22,000	22,000	22,000	22,000	22,000
Movement in Asset Revaluation Surplus	-32,168	-22,000	-22,000	-22,000	-22,000	-22,000
Total Other	0	0	0	0	0	0
Transactions Involving Owners Affecting Accumulated Funds						
Capital Injections	33,192	39,264	40,306	28,767	20,547	19,438
Dividends Approved	-189,409	-180,146	-156,787	-155,063	-222,678	-203,995
Total Transactions Involving Owners Affecting Accumulated Funds	-156,218	-140,882	-116,481	-126,296	-202,131	-184,557
Closing Equity						
Closing Accumulated Funds	2,178,637	2,184,427	2,216,478	2,238,115	2,255,892	2,265,030
Closing Asset Revaluation Surplus	3,416,134	3,461,875	3,515,939	3,617,944	3,713,498	3,828,659
Closing Other Reserves	12,840	12,840	12,840	12,840	12,840	12,840
Balance at the End of the Reporting Period	5,607,611	5,659,142	5,745,257	5,868,899	5,982,230	6,106,529

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Operating Activities						
<i>Cash Receipts</i>						
Receipts from Sales of Goods and Services	733,013	931,981	887,134	998,018	1,174,367	1,085,356
Grants/Subsidies Received	155,638	157,840	158,659	151,432	142,686	145,432
Interest Receipts	7,908	3,912	3,847	3,158	4,009	2,990
Distribution from Investments with the Territory Banking Account	5,278	3,185	4,225	3,790	3,699	3,726
Other Receipts	109,461	61,333	75,215	92,563	103,242	108,157
Total Cash Received from Operating Activities	1,011,298	1,158,251	1,129,080	1,248,961	1,428,003	1,345,661
<i>Cash Payments</i>						
Payments for Employees	-166,948	-194,333	-195,646	-195,645	-195,505	-200,069
Payments for Goods and Services	-204,096	-209,667	-212,423	-216,467	-219,496	-221,456
Grants/Subsidies Paid	-29,369	-24,115	-24,115	-21,945	-22,689	-23,659
Interest Paid	-78,019	-86,597	-86,173	-91,689	-94,111	-100,262
Other Payments	-262,540	-444,329	-444,162	-456,177	-525,045	-473,656
Total Cash Paid from Operating Activities	-740,971	-959,041	-962,519	-981,923	-1,056,846	-1,019,102
Net Cash Flows from Operating Activities	270,327	199,210	166,561	267,038	371,157	326,559
Cash Flows from Investing Activities						
Cash Flows from Investments in Non-Financial Assets						
Sales of Non-Financial Assets	27,687	44,229	44,229	43,694	46,304	36,694
Purchase of Non-Financial Assets	-216,289	-142,492	-148,550	-161,807	-183,576	-165,050
Net Cash Flows from Investments in Non-Financial Assets	-188,601	-98,263	-104,321	-118,113	-137,272	-128,356
Cash Flows from Investments in Financial Assets for Policy Purposes						
<i>Cash Receipts</i>						
Capital Receipts from Government Agencies	33,192	39,264	37,376	28,767	20,547	19,438
Total Cash Received from Investment in Financial Assets for Policy Purposes	33,192	39,264	37,376	28,767	20,547	19,438
<i>Cash Payments</i>						
Dividends - Market Gains on Land Sales	-6,169	-37,793	-37,793	-14,668	-10,496	-11,641
Total Cash Paid from Investment in Financial Assets for Policy Purposes	-6,169	-37,793	-37,793	-14,668	-10,496	-11,641
Net Cash Flows from Investments in Financial Assets for Policy Purposes	27,022	1,471	-417	14,099	10,051	7,797
Cash Flows from Investments in Financial Assets for Liquidity Purposes						
Sales of Investments	100,573	166,949	328,649	330,497	330,257	385,654
Purchase of Investments	-43,100	-124,499	-325,830	-335,212	-393,455	-394,495
Cash Flows from Investments in Financial Assets for Liquidity Purposes	57,473	42,450	2,819	-4,715	-63,198	-8,841
Net Cash Flows from Investing Activities	-104,106	-54,342	-101,919	-108,729	-190,419	-129,400

2013-14 Budget Review

Australian Capital Territory Public Trading Enterprise Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Financing Activities						
<i>Cash Receipts</i>						
Borrowings	281	49,300	94,300	94,300	132,300	107,300
Total Cash Received from Financing Activities	281	49,300	94,300	94,300	132,300	107,300
<i>Cash Payments</i>						
Borrowings	-12,731	-13,464	-13,464	-14,560	-16,615	-18,847
Dividends Paid	-140,158	-131,828	-175,876	-168,781	-204,110	-193,907
Other Financing	-100,916	-82,561	-76,953	-68,122	-89,952	-90,997
Total Cash Paid from Financing Activities	-253,806	-227,853	-266,293	-251,463	-310,677	-303,751
Net Cash Flows from Financing Activities	-253,525	-178,553	-171,993	-157,163	-178,377	-196,451
Net Increase/(Decrease) in Cash Held	-87,304	-33,685	-107,351	1,146	2,361	708
Cash and Cash Equivalents at the Beginning of Reporting Period	288,516	157,054	201,213	93,862	95,008	97,369
Cash and Cash Equivalents at the End of Reporting Period	201,213	123,369	93,862	95,008	97,369	98,077
Key Fiscal Aggregates						
Net Cash from Operating Activities	270,327	199,210	166,561	267,038	371,157	326,559
Net Cash Flows from Investments in Non-Financial Assets	-188,601	-98,263	-104,321	-118,113	-137,272	-128,356
Distributions Paid	-241,074	-214,389	-252,829	-236,903	-294,062	-284,904
Cash Surplus (+) / Deficit (-)	-159,349	-113,442	-190,589	-87,978	-60,177	-86,701
Derivation of ABS GFS Cash Surplus/Deficit						
Cash Surplus (+) / Deficit (-)	-159,349	-113,442	-190,589	-87,978	-60,177	-86,701
Acquisitions Under Finance Leases and Similar Arrangements ^(a)	-	-	-	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements	-159,349	-113,442	-190,589	-87,978	-60,177	-86,701

Note: (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Operating Statement

	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	Actual	Annual	Revised	Revised	Revised	Revised
	Outcome	Budget	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Taxation Revenue	1,200,509	1,261,901	1,266,600	1,334,174	1,419,500	1,512,857
Grants Revenue						
Commonwealth Grants	1,714,479	1,793,529	1,777,477	1,954,068	1,972,600	2,111,135
Gains from Contributed Assets	38,107	48,757	50,257	50,254	50,263	50,274
Sales of Goods and Services						
Revenue from Associates and Joint Ventures	148,771	82,578	95,318	83,703	119,447	118,647
Other Sales of Goods and Services	844,279	834,530	793,621	829,041	854,358	879,854
Interest Income	80,809	58,178	55,175	47,169	43,791	44,115
Distributions from Financial Investments*	-	-	95,212	54,465	59,726	64,178
Dividends	77,664	83,526	18,516	54,311	55,287	59,408
Other Revenue						
Land Revenue (Value Add Component)	87,273	134,534	134,534	372,179	449,204	356,699
Other Revenue	129,663	134,503	135,850	131,714	133,909	136,325
Total Revenue	4,321,555	4,432,036	4,422,560	4,911,078	5,158,085	5,333,492
Expenses						
Employee Expenses	1,743,722	1,757,137	1,770,780	1,792,556	1,838,110	1,920,184
Superannuation Expenses						
Superannuation Interest Cost	264,214	313,777	299,563	330,007	345,899	361,386
Other Superannuation Expense	356,760	251,179	316,869	255,581	260,466	271,104
Depreciation and Amortisation	405,231	409,990	414,824	439,855	448,019	454,809
Interest Expense	122,765	151,611	151,094	168,523	174,540	174,406
Other Operating Expenses						
Supplies and Services	945,510	1,094,389	1,104,241	1,147,738	1,188,032	1,258,476
Other Operating Expenses	250,199	182,716	182,571	313,220	348,956	286,656
Grants and Purchased Services	689,055	708,759	716,362	702,573	721,613	760,515
Total Expenses	4,777,457	4,869,558	4,956,304	5,150,053	5,325,635	5,487,536
UPF Net Operating Balance	-455,902	-437,522	-533,744	-238,975	-167,550	-154,044
Other Economic Flows – Included in the Operating Result						
Land Revenue (Market Gains on Land Sales)	8,813	53,991	53,991	20,955	14,995	16,630
Net Land Revenue (Undeveloped Land Value)	46,694	202,846	202,846	138,323	172,082	160,579
Net Gain/(Loss) on Sale of Non-Financial Assets	16,932	-34,456	-35,956	-32,625	-18,464	-18,466
Net Gain/(Loss) on Financial Assets or Liabilities at Fair Value	270,873	87,440	277,549	112,397	122,327	131,436
Doubtful Debts	-8,961	-6,336	-6,336	-6,435	-6,573	-6,749
Operating Result	-121,551	-134,037	-41,650	-6,360	116,817	129,386

*From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2012-13 Actual Outcome or the 2013-14 Annual Budget.

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Operating Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Items that will not be Subsequently Reclassified to the Operating Result						
Superannuation Prior Year Actuarial Movement	1,087,070	-	1,739,672	-	-	-
Prior Year Adjustment	4,225	-	-810	-	-	-
Other Movements	3,304	5	-7,124	729	889	889
Increase/(Decrease) in Asset Revaluation Surplus	483,428	141,319	-53,348	157,930	153,259	176,063
Items that may be Subsequently Reclassified to the Operating Result						
Increase/(Decrease) in Other Reserves	1,380	1,918	1,593	-	-	-
Total Comprehensive Income	1,457,855	9,205	1,638,333	152,299	270,965	306,338
UPF Net Operating Balance	-455,902	-437,522	-533,744	-238,975	-167,550	-154,044
<i>less Net Acquisition of Non-Financial Assets</i>						
Purchases of Non-Financial Assets	827,655	889,828	839,783	811,654	489,638	415,692
Sales of Non-Financial Assets	-38,350	-46,890	-46,932	-46,361	-49,220	-39,533
Land Revenue (Net Cash Receipts)	-61,843	-204,951	-204,951	-156,803	-243,067	-233,200
Depreciation and Amortisation	-405,231	-409,990	-414,824	-439,855	-448,019	-454,809
Other Movements in Non-Financial Assets	37,186	48,500	50,000	50,000	50,000	50,000
<i>Total Net Acquisition of Non-Financial Assets</i>	<i>359,417</i>	<i>276,497</i>	<i>223,076</i>	<i>218,635</i>	<i>-200,668</i>	<i>-261,850</i>
Net Lending / (Borrowing)	-815,319	-714,019	-756,820	-457,610	33,118	107,806
UPF Net Operating Balance	-455,902	-437,522	-533,744	-238,975	-167,550	-154,044
Investment Return Differential Adjustment on Superannuation Investments	72,453	86,960	79,685	112,079	122,013	131,124
HEADLINE NET OPERATING BALANCE	-383,448	-350,562	-454,059	-126,896	-45,537	-22,920

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Balance Sheet

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Financial Assets						
Cash and Deposits	441,233	387,378	261,667	261,756	261,639	269,217
Advances Paid	126,044	162,974	161,764	158,470	153,316	147,887
Investments and Loans	3,686,602	3,372,692	3,880,355	4,071,719	4,232,831	4,515,861
Receivables	514,946	364,823	401,831	440,041	469,907	455,156
Equity - Investments Accounted for Using the Equity Method	609,553	642,100	643,477	665,437	693,424	712,163
Total Financial Assets	5,378,378	4,929,967	5,349,094	5,597,423	5,811,117	6,100,284
Non-Financial Assets						
Produced Assets						
Property, Plant and Equipment	14,267,998	14,798,839	14,617,491	15,000,630	15,067,750	15,158,959
Investment Properties	7,328	2,400	10,354	11,462	12,445	13,464
Intangibles	56,563	79,312	92,142	103,107	98,014	83,139
Inventories	173,644	220,675	227,129	205,181	182,191	187,749
Assets Held for Sale	8,052	22,867	8,000	8,248	8,497	8,746
Capital Works-in-Progress	832,993	799,395	874,466	873,518	897,848	832,573
Non Produced Assets						
Property, Plant and Equipment	5,815,827	5,886,014	6,075,410	6,258,567	6,446,015	6,645,059
Biological Assets	26,099	28,429	26,081	26,084	26,087	26,090
Other Non-Financial Assets	2,091	8	-	-	-	-
Total Non-Financial Assets	21,190,595	21,837,939	21,931,073	22,486,797	22,738,847	22,955,779
Total Assets	26,568,973	26,767,906	27,280,167	28,084,220	28,549,964	29,056,063
Liabilities						
Deposits Held	15,730	15,657	15,730	15,730	15,730	15,730
Advances Received	168,035	159,863	159,862	151,553	143,133	134,617
Borrowings						
Finance Leases	23,656	22,261	23,162	22,442	21,760	20,999
Other Borrowings	2,743,711	3,166,519	3,170,418	3,501,984	3,374,858	3,264,993
Superannuation	6,787,790	5,373,329	5,373,679	5,643,374	5,906,583	6,160,533
Employee Benefits	606,788	715,130	630,165	658,449	684,961	711,383
Other Provisions*	95,011	-	83,010	81,489	79,723	79,759
Payables	564,679	641,427	603,547	664,338	707,195	745,495
Other Liabilities	13,489	44,546	32,177	4,145	4,340	4,535
Total Liabilities	11,018,889	10,138,732	10,091,750	10,743,504	10,938,283	11,138,044
Net Assets	15,550,084	16,629,174	17,188,417	17,340,716	17,611,681	17,918,019
Accumulated Funds	6,463,842	7,852,884	8,175,929	8,192,298	8,332,004	8,484,279
Asset Revaluation Surplus	9,074,947	8,763,401	8,999,599	9,135,529	9,266,788	9,420,851
Other Reserves	11,296	12,889	12,889	12,889	12,889	12,889
Net Worth	15,550,084	16,629,174	17,188,417	17,340,716	17,611,681	17,918,019
Net Financial Worth	-5,640,511	-5,208,765	-4,742,656	-5,146,081	-5,127,166	-5,037,760
Net Financial Liabilities	6,250,063	5,850,865	5,386,133	5,811,518	5,820,590	5,749,923
Net Debt (including Super related Investments)	-1,302,748	-558,744	-934,614	-800,236	-1,092,305	-1,496,626
Net Debt (excluding Super related Investments)	1,310,926	2,208,435	2,071,291	2,429,090	2,377,257	2,231,421

*From 2012-13 Other Provisions is shown separately from the Employee Benefits line. This line was previously combined as Employee Benefits and Other Provisions. This treatment is not reflected in the 2013-14 Budget figures.

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Statement of Changes in Equity

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Opening Equity						
Opening Accumulated Funds	5,448,095	7,964,916	6,463,841	8,175,929	8,192,298	8,332,004
Opening Asset Revaluation Surplus	8,634,218	8,644,082	9,074,947	8,999,599	9,135,529	9,266,788
Opening Other Reserves	9,916	10,971	11,296	12,889	12,889	12,889
Opening Balance	14,092,229	16,619,969	15,550,084	17,188,417	17,340,716	17,611,681
Comprehensive Income						
<i>Included in Accumulated Funds:</i>						
Operating Result for the Period	-121,552	-134,037	-41,650	-6,360	116,817	129,386
Superannuation Prior Year Actuarial Movement	1,087,070	-	1,739,672	-	-	-
Prior Year Adjustment	4,225	-	-810	-	-	-
Other Movements	3,304	5	-7,124	729	889	889
<i>Included in Asset Revaluation Surplus:</i>						
Increase/(Decrease) in Asset Revaluation Surplus	483,428	141,319	-53,348	157,930	153,259	176,063
<i>Included in Other Reserves:</i>						
Increase/(Decrease) in Other Reserves	1,380	1,918	1,593	-	-	-
Total Comprehensive Income	1,457,854	9,205	1,638,333	152,299	270,965	306,338
Other						
Transfer to/(from) Accumulated Funds	42,699	22,000	22,000	22,000	22,000	22,000
Movement in Asset Revaluation Surplus	-42,699	-22,000	-22,000	-22,000	-22,000	-22,000
Total Other	0	0	0	0	0	0
Closing Equity						
Closing Accumulated Funds	6,463,841	7,852,884	8,175,929	8,192,298	8,332,004	8,484,279
Closing Asset Revaluation Surplus	9,074,947	8,763,401	8,999,599	9,135,529	9,266,788	9,420,851
Closing Other Reserves	11,296	12,889	12,889	12,889	12,889	12,889
Balance at the End of the Reporting Period	15,550,084	16,629,174	17,188,417	17,340,716	17,611,681	17,918,019

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Operating Activities						
<i>Cash Receipts</i>						
Taxes Received	1,193,658	1,270,288	1,274,987	1,343,567	1,429,990	1,522,535
Receipts from Sales of Goods and Services	888,889	1,150,102	1,127,499	1,351,071	1,538,519	1,462,440
Grants/Subsidies Received	1,709,917	1,786,440	1,770,272	1,942,268	1,960,720	2,101,401
Interest Receipts	88,579	54,926	51,551	46,742	45,357	44,092
Distributions from Financial Investments*	-	-	95,212	54,464	59,726	64,178
Dividends	75,483	87,550	21,026	57,071	58,270	62,615
Other Receipts	483,411	394,832	366,449	431,343	472,691	495,090
Total Cash Received from Operating Activities	4,439,937	4,744,138	4,706,996	5,226,526	5,565,273	5,752,351
<i>Cash Payments</i>						
Payments for Employees	-1,936,346	-2,042,216	-2,051,390	-2,099,221	-2,174,547	-2,293,008
Payments for Goods and Services	-1,010,810	-988,945	-981,597	-1,022,982	-1,064,416	-1,122,259
Grants/Subsidies Paid	-658,071	-723,659	-731,268	-718,031	-738,135	-779,310
Interest Paid	-117,647	-150,969	-150,453	-167,910	-173,991	-173,874
Other Payments	-535,068	-649,472	-668,177	-699,080	-756,333	-727,416
Total Cash Paid from Operating Activities	-4,257,942	-4,555,261	-4,582,885	-4,707,224	-4,907,422	-5,095,867
Net Cash Flows from Operating Activities	181,995	188,877	124,111	519,302	657,851	656,484
Cash Flows from Investing Activities						
Cash Flows from Investments in Non-Financial Assets						
Sales of Non-Financial Assets	38,475	46,890	46,932	46,361	49,220	39,533
Purchase of Non-Financial Assets	-827,655	-889,828	-839,783	-811,654	-489,638	-415,692
Net Cash Flows from Investments in Non-Financial Assets	-789,180	-842,938	-792,851	-765,293	-440,418	-376,159
Cash Flows from Investments in Financial Assets for Policy Purposes						
<i>Cash Receipts</i>						
Repayment of Loans	1,994	1,852	1,920	1,790	1,766	1,673
Total Cash Received from Investments in Financial Assets for Policy Purposes	1,994	1,852	1,920	1,790	1,766	1,673
<i>Cash Payments</i>						
Issue of Loans	-2,959	-64	-3,452	-64	-62	-62
Total Cash Paid from Investments in Financial Assets for Policy Purposes	-2,959	-64	-3,452	-64	-62	-62
Net Cash Flows from Investments in Financial Assets for Policy Purposes	-965	1,788	-1,532	1,726	1,704	1,611
Cash Flows from Investments in Financial Assets for Liquidity Purposes						
Sales of Investments	128,437	525,854	696,390	642,853	558,075	553,696
Purchase of Investments	-272,107	-295,735	-610,691	-727,509	-649,464	-719,216
Cash Flows from Investments in Financial Assets for Liquidity Purposes	-143,669	230,119	85,699	-84,656	-91,389	-165,520
Net Cash Flows from Investing Activities	-933,814	-611,031	-708,684	-848,223	-530,103	-540,068

*From 2013-14 the line item Distributions from Financial Investments has been added to better reflect the nature of distributions to the Superannuation Provision Account. This treatment is not reflected in the 2012-13 Actual Outcome or the 2013-14 Annual Budget.

2013-14 Budget Review

Australian Capital Territory Consolidated Total Territory Cash Flow Statement

	2012-13 Actual Outcome \$'000	2013-14 Annual Budget \$'000	2013-14 Revised Estimate \$'000	2014-15 Revised Estimate \$'000	2015-16 Revised Estimate \$'000	2016-17 Revised Estimate \$'000
Cash Flows from Financing Activities						
<i>Cash Receipts</i>						
Borrowings	781,685	440,671	475,570	331,866	3,995	4,216
Total Cash Received from Financing Activities	781,685	440,671	475,570	331,866	3,995	4,216
<i>Cash Payments</i>						
Borrowings	-53,172	-41,058	-38,888	-3,496	-131,004	-113,854
Total Cash Paid from Financing Activities	-53,172	-41,058	-38,888	-3,496	-131,004	-113,854
Net Cash Flows from Financing Activities	728,513	399,613	436,682	328,370	-127,009	-109,638
Net Increase/(Decrease) in Cash Held	-23,306	-22,541	-147,891	-551	739	6,778
Cash and Cash Equivalents at the Beginning of Reporting Period	491,808	453,054	468,502	320,611	320,060	320,799
Cash and Cash Equivalents at the End of Reporting Period	468,502	430,513	320,611	320,060	320,799	327,577
Key Fiscal Aggregates						
Net Cash from Operating Activities	181,995	188,877	124,111	519,302	657,851	656,484
Investments in Non-Financial Assets	-789,180	-842,938	-792,851	-765,293	-440,418	-376,159
Cash Surplus (+) / Deficit (-)	-607,185	-654,061	-668,740	-245,991	217,433	280,325
Derivation of ABS GFS Cash Surplus/Deficit						
Cash Surplus (+) / Deficit (-)	-607,185	-654,061	-668,740	-245,991	217,433	280,325
Acquisitions Under Finance Leases and Similar Arrangements ^(a)	-	-	-	-	-	-
ABS GFS Cash Surplus (+) / Deficit (-) Including Finance and Similar Arrangements	-607,185	-654,061	-668,740	-245,991	217,433	280,325

Note: (a) Finance leases are shown with a negative sign as they are deducted in compiling the ABS GFS cash surplus/deficit.

2013-14 Budget Review

Loan Council Allocation and Nomination

	2013-14 Budget-time Estimate \$m	2013-14 Budget Review Estimate \$m	2014-15 LCA Nomination \$m
GGC Cash Deficit/(Surplus) (a)	540	478	158
PNFC Sector Cash Deficit/(Surplus) (a)	113	191	88
NFPS Sector Cash Deficit/(Surplus) (a) (b)	653	669	246
Acquisition under Finance Leases and Similar Arrangements (a)	0	0	0
<i>equals</i> ABS GFS Cash Deficit/(Surplus) (a) (b)	653	669	246
<i>less</i> Net Cash Flows from Investments in Financial Assets for Policy Purposes (c)	2	-2	2
Adjusted NFPS Sector Cash Deficit/(Surplus)	651	671	244
<i>plus</i> Memorandum Items (d)	-9	-9	-9
Loan Council Allocation	642	662	235
Tolerance Limit (2% of non-financial public sector cash receipts from operating activities)	+ / - 95	+ / - 94	+ / - 105

- (a) Cash surplus/deficits and finance leases are displayed with the opposite sign to that under which they are reported in cash flow statements. That is, a surplus is displayed as a negative number and vice versa.
- (b) May not directly equate to the sum of the General Government Sector (GGC) and Public Non Financial Corporation (PNFC) sector cash surplus/deficit due to intersectoral transfers which are netted out, and/or rounding.
- (c) Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as which they are reported in cash flow statements.
- (d) Memorandum items are used to adjust the ABS GFS cash surplus/deficit to include in LCA's transactions - such as operating leases - that have many of the characteristics of public sector borrowings, but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the ABS GFS cash surplus/deficit transactions that Loan Council has agreed should not be included in LCAs, for example, the funding of more than employers emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities.
- Memorandum items also include the net surplus/deficit of public Universities in the jurisdiction controlled by the Government. For the ACT, the University of Canberra has been included to reflect its financing requirement.

2013-14 Budget Review

APPENDIX 2: RE-PROFILED CAPITAL WORKS PROJECTS

Project Name ¹	Total Project Value (\$'000)	Original Cashflow					Total Revised Project Value (\$'000)	Re-Profiled Capital Works Program				
		Prior Years Financing (\$'000)	2013-14 (\$'000) ²	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)		Prior Years Financing (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Territory and Municipal Services												
Bridge Strengthening on Commercial Routes – Barry Drive	957	0	957	0	0	0	957	0	457	500	0	0
Yarralumla – Canberra Brickworks Site Remediation	2,900	0	1,167	1,733	0	0	2,900	0	667	2,233	0	0
National Arboretum Canberra – Water Security	3,580	0	1,060	1,023	499	998	3,580	0	850	1,233	499	998
Constitution Avenue	42,000	2,425	18,575	21,000	0	0	42,000	2,425	13,575	26,000	0	0
Transport for Canberra – Public Transport Infrastructure	2,000	1,248	252	500	0	0	2,000	1,248	752	0	0	0
Ashley Drive – Stage 1	7,000	723	6,277	0	0	0	7,000	723	5,977	300	0	0
Shopping Centre Upgrade Program – Red Hill and Lyons	8,000	3,976	2,924	1,100	0	0	8,000	3,976	1,716	2,308	0	0
Town and District Park Upgrades	6,150	3,663	1,987	500	0	0	6,150	3,663	1,104	1,383	0	0
Jerrabomberra Wetlands Infrastructure Improvements	2,341	823	1,518	0	0	0	2,341	823	600	918	0	0
Remediation of West Belconnen Land Fill Borrow Pit	2,783	2,726	-298	50	305	0	2,783	2,726	57	0	0	0
West Belconnen Resource Management Centre Rehabilitation of Landfill Cells	2,550	1,389	361	800	0	0	2,550	1,389	122	50	989	0
Mugga Lane – Rehabilitation of Old Landfill Cells	3,100	1,199	1,101	800	0	0	3,100	1,199	367	351	1,183	0
Mugga Lane – Land Fill Extension – Stage 5	19,850	611	9,239	8,000	2,000	0	19,850	611	7,010	12,229	0	0
Remediation of Fuel Storage Facilities	1,500	887	613	0	0	0	1,500	887	213	400	0	0
Transport for Canberra – Walking and Cycling Infrastructure – Stage 3	5,500	2,080	670	1,750	1,000	0	5,500	2,080	1,670	1,750	0	0
Molonglo Riverside Park – Stage 1	4,500	340	4,160	0	0	0	4,500	340	1,650	2,510	0	0
Inner North – Off Leash Dog Park	300	14	286	0	0	0	300	14	86	200	0	0
Economic Development Directorate												
Woden Bus Interchange Redevelopment (Finalisation of Design)	2,500	0	2,000	500	0	0	2,500	0	500	2,000	0	0
Isabella Weir Spillway Upgrades (Feasibility)	300	0	300	0	0	0	300	0	100	200	0	0
Manuka Oval – New Spectator Facilities and Media Infrastructure	4,056	0	2,956	1,100	0	0	4,056	0	956	3,100	0	0
Cravens Creek Water Quality Control Pond	21,000	0	4,000	12,000	5,000	0	21,000	0	750	14,000	6,250	0
Horse Park Drive Water Quality Control Pond	7,500	0	3,000	4,500	0	0	7,500	0	1,000	5,000	1,500	0
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	1,000	0	1,000	0	0	0	1,000	0	500	500	0	0
Throsby – Access Road	1,000	0	1,000	0	0	0	1,000	0	250	750	0	0
Molonglo 3 – Hydraulic Services Concept Masterplanning (Feasibility)	450	0	300	150	0	0	450	0	100	350	0	0
Molonglo 3 – Preliminary Geotechnical Investigation (Feasibility)	275	0	200	75	0	0	275	0	100	175	0	0
Molonglo 3 – Major Electrical Infrastructure Relocation (Feasibility)	350	0	250	100	0	0	350	0	100	250	0	0
West Belconnen – Stormwater, Hydraulic and Utility Services (Feasibility)	350	0	200	150	0	0	350	0	100	250	0	0
West Belconnen – Roads and Traffic (Feasibility)	325	0	250	75	0	0	325	0	75	250	0	0
City to the Lake Assessment (Feasibility)	800	0	800	0	0	0	800	0	300	500	0	0

2013-14 Budget Review

Project Name ¹	Total Project Value (\$'000)	Original Cashflow					Total Revised Project Value (\$'000)	Re-Profiled Capital Works Program				
		Prior Years Financing (\$'000)	2013-14 (\$'000) ²	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)		Prior Years Financing (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Majura Parkway Estate Development (Design)	600	0	600	0	0	0	600	0	200	400	0	0
City Action Plan Stage 1 – Edinburgh Avenue Improvements	1,977	816	1,011	150	0	0	1,977	816	261	900	0	0
Government Office Accommodation and Relocation Fitout	7,170	6,957	63	150	0	0	7,170	6,957	213	0	0	0
Stromlo Forest Park Planning and Infrastructure	2,800	433	1,067	1,300	0	0	2,800	433	667	1,700	0	0
Lyneham Precinct – Asbestos Remediation	4,600	874	3,726	0	0	0	4,600	874	2,726	1,000	0	0
Gungahlin Pool	26,300	8,994	10,636	6,670	0	0	26,300	8,994	16,306	1,000	0	0
Lyneham Precinct Redevelopment Stage 3	4,600	3,813	787	0	0	0	4,600	3,813	287	500	0	0
Grant for Development of a New Basketball Centre and Player Amenities	3,000	1,470	1,530	0	0	0	3,000	1,470	780	750	0	0
“Where Will We Play” Outdoor Facilities Water Reduction Strategies	16,000	6,688	5,481	3,831	0	0	16,000	6,688	2,481	6,831	0	0
Molonglo 2 – Uriarra Road Upgrade	17,000	193	8,857	7,450	500	0	17,000	193	3,857	8,950	4,000	0
Molonglo 2 Sewer and Pedestrian Bridge over Molonglo River	12,400	26	2,474	7,400	2,500	0	12,400	26	1,074	8,800	2,500	0
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive	11,500	112	7,588	3,300	500	0	11,500	112	4,088	6,800	500	0
Gungahlin Town Centre Roads (Design)	1,000	4	776	220	0	0	1,000	4	526	470	0	0
John Gorton Drive Extension to Molonglo 2 and Group Centre	65,050	16,630	22,920	21,600	3,900	0	65,050	16,630	14,920	27,600	5,900	0
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	10,000	2,252	4,798	2,950	0	0	10,000	2,252	2,798	4,950	0	0
Horse Park Drive Extension to Moncrieff Group Centre	24,000	9,437	8,516	6,047	0	0	24,000	9,437	7,516	7,047	0	0
North Weston – Road Intersection Reconstruction	28,500	15,239	10,261	3,000	0	0	28,500	15,239	3,261	10,000	0	0
Restoration of Sportsgrounds – Bonython, Watson and Weetangera	4,000	719	1,948	1,333	0	0	4,000	719	948	2,333	0	0
Infrastructure Improvements at Sportsgrounds	1,150	128	1,022	0	0	0	1,150	128	522	500	0	0
Improve the Quality of Sportsgrounds	1,000	-323	1,323	0	0	0	1,000	-323	823	500	0	0
Health Directorate												
University of Canberra Public Hospital (Design)	8,252	0	5,220	3,032	0	0	8,252	0	0	7,752	500	0
Continuity of Health Services Plan – Essential Infrastructure	20,367	0	11,475	3,933	2,292	2,667	20,367	0	4,766	11,539	4,062	0
Clinical Services and Inpatient Unit Design and Infrastructure Expansion ³	40,780	0	18,500	22,280	0	0	40,780	0	4,534	10,000	5,623	15,000
Building Upgrades	705	0	705	0	0	0	705	0	415	290	0	0
Electrical/Fire/Safety Upgrades	570	0	570	0	0	0	570	0	430	140	0	0
Heating, Ventilation and Air Conditioning Systems Upgrades	375	0	375	0	0	0	375	0	215	160	0	0
Medical Facilities Upgrades	660	0	660	0	0	0	660	0	380	280	0	0
Facilities Improvements to Laboratory and Outpatients Area	890	0	890	0	0	0	890	0	520	370	0	0
Upgrade of Medical and Administrative Offices	646	0	646	0	0	0	646	0	386	260	0	0
Staging and Decanting – Moving To Our Future	22,300	80	16,251	5,969	0	0	22,300	80	7,740	8,480	6,000	0
Staging, Decanting and Continuity of Services	19,430	5,445	8,327	5,658	0	0	19,430	5,445	9,536	4,449	0	0
Clinical Services Redevelopment – Phase 3	21,800	1,855	16,953	2,992	0	0	21,800	1,855	12,770	3,741	3,434	0
Integrated Cancer Centre – Phase 2	15,102	5,149	9,953	0	0	0	15,102	5,149	9,753	200	0	0

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Project Name ¹	Total Project Value (\$'000)	Original Cashflow					Total Revised Project Value (\$'000)	Re-Profiled Capital Works Program				
		Prior Years Financing (\$'000)	2013-14 (\$'000) ²	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)		Prior Years Financing (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Central Sterilising Services	17,270	251	3,720	13,299	0	0	17,270	251	144	16,875	0	0
Northside Hospital Specification and Documentation	4,000	784	3,216	0	0	0	4,000	784	920	2,296	0	0
New Multistorey Car Park TCH	42,720	42,131	589	0	0	0	42,720	42,131	19	570	0	0
Aboriginal Torres Strait Islander Residential Alcohol and Other Drug Rehabilitation Facility	7,933	1,130	2,786	3,017	1,000	0	7,933	1,130	803	1,000	4,000	1,000
Linear Accelerator Procurement and Replacement	17,250	16,517	733	0	0	0	17,250	16,517	13	720	0	0
Health Infrastructure Program – Project Management	19,319	3,695	5,780	9,844	0	0	19,319	3,695	12,378	3,246	0	0
Clinical Services Redevelopment – Phase 2	8,850	7,271	1,579	0	0	0	8,850	7,271	1,029	550	0	0
Tuggeranong Health Centre – Stage 2	14,000	804	10,796	2,400	0	0	14,000	804	12,196	1,000	0	0
Mental Health Young Persons Unit	775	120	655	0	0	0	775	120	350	305	0	0
Provision for Project Definition Planning	59,040	55,311	3,729	0	0	0	59,040	55,311	3,120	609	0	0
<u>Justice and Community Safety</u>												
Alexander Maconochie Centre	131,330	128,749	2,581	0	0	0	131,330	128,749	2,181	400	0	0
<u>Environment and Sustainable Development Directorate</u>												
Greenfields Planning for Affordable Housing (Feasibility)	350	150	200	0	0	0	350	150	100	100	0	0
Molonglo Valley – Finalisation of Stage 2 and Commencement of Stage 3 Planning (Feasibility)	1,570	483	1,087	0	0	0	1,570	483	587	500	0	0
Infill Development Infrastructure Studies (Feasibility)	1,500	593	907	0	0	0	1,500	593	107	800	0	0
Urban Development Sequence for Affordable Housing (Feasibility)	1,400	690	710	0	0	0	1,400	690	460	250	0	0
Molonglo Stage 2 – Suburbs 3 and 4 Environmental Impact Statement and Clearances (Feasibility)	250	104	146	0	0	0	250	104	76	70	0	0
Inner North Stormwater Reticulation Network	7,500	4,479	3,021	0	0	0	7,500	4,479	2,985	24	12	0
<u>Education and Training Directorate</u>												
Childcare Centre Upgrades – Stage 2	2,000	0	2,000	0	0	0	2,000	0	1,500	500	0	0
Belconnen High School Modernisation – Stage 1	2,000	0	2,000	0	0	0	2,000	0	1,500	500	0	0
Rectification and Upgrade of Taylor Primary School	12,930	5,395	7,535	0	0	0	13,731	5,395	8,336	0	0	0
COAG Universal Access to Preschools – Stage 1 Expansion Works	6,200	3,070	3,130	0	0	0	6,200	3,070	2,630	500	0	0
Franklin Early Childhood School	28,700	25,085	3,615	0	0	0	26,141	25,085	1,056	0	0	0
Bonner Primary School	46,270	36,060	10,210	0	0	0	46,270	36,060	3,710	6,500	0	0
West Macgregor Development – Macgregor Primary School Expansion	5,650	1,692	3,958	0	0	0	5,899	1,692	4,207	0	0	0
North Watson Development – Majura Primary School Expansion	4,400	1,273	3,127	0	0	0	4,680	1,273	3,407	0	0	0
School Toilet Upgrade Program – Stage 1	2,000	1,960	40	0	0	0	2,000	1,960	40	0	0	0
School Roof Replacement Program – Stage 1	2,800	2,780	20	0	0	0	4,029	2,780	1,249	0	0	0

2013-14 Budget Review

Project Name ¹	Total Project Value (\$'000)	Original Cashflow					Total Revised Project Value (\$'000)	Re-Profiled Capital Works Program				
		Prior Years Financing (\$'000)	2013-14 (\$'000) ²	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)		Prior Years Financing (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Upgrade of Early Childhood Facilities	7,236	2,136	5,100	0	0	0	7,236	2,136	4,100	1,000	0	0
Holder Early Childhood Centre	7,189	721	6,468	0	0	0	7,189	721	4,468	2,000	0	0
Trade Training Centres – Belconnen	8,968	5,661	3,307	0	0	0	8,968	5,661	800	2,507	0	0
<u>Community Services Directorate</u>												
Ainslie Music Hub	1,500	0	1,500	0	0	0	1,500	0	250	1,250	0	0
Gorman House Multi-Art Hub	1,000	0	500	500	0	0	1,000	0	150	850	0	0
Woden/Weston Creek Community Hub (Feasibility and Forward Design)	550	55	495	0	0	0	550	55	245	250	0	0
Replacement of Canberra Seniors Centre (Design)	650	0	650	0	0	0	650	0	300	350	0	0
<u>Housing ACT</u>												
Expansion of Social Housing	5,000	100	2,400	2,500	0	0	5,000	100	400	4,500	0	0
Expansion of Public Housing Energy Efficiency	9,446	6,777	2,669	0	0	0	9,446	6,777	1,500	1,169	0	0

Notes:

1. Projects listed in the above table are only those in the 2013-14 Capital Works Program that have reprofiling amendments.
2. 2013-14 figures include Section 16(b) Rollovers that have been signed and anticipated instruments under the *Financial Management Act 1996*.
3. \$5.623 million reprofiled into 2017-18 for the Clinical Services and Inpatient Unit Design and Infrastructure Expansion project.

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