

# **ACTEW CORPORATION**

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## **Objectives**

The objectives of ACTEW Corporation are to supply the essential services of energy, water and waste water treatment facilities to the ACT community and efficiently promote and manage the use of energy and water.

There are also a number of associated companies and subsidiaries of the Corporation, which are involved in related business activities, such as telecommunications, environmental services and electricity retailing in the national energy market.

ACTEW's business strategy is to establish and develop a profitable and sustainable position in its core business activities and in new business initiatives where ACTEW has skills and expertise.

## **2000-01 Highlights**

Strategic and operational issues to be pursued in 2000-01 include:

- achieving and implementing the ACTEW/AGL(ACT) Partnership.
- working with TransAct Communications Pty Ltd in the provision of broadband cable services to Canberra;
- enhancing energy and water sustainability within the ACT, and working towards compliance with the Federally mandated 2% renewable energy target by 2010. This includes increasing the number of GreenChoice customers by 100%, increasing the volume of recycled water used in the ACT by 50% and increasing the amount of electricity generated from "green" sources by at least 50%;
- developing new business opportunities through the development of the SolACT, development of direct customer and Business to Business electronic commerce, and investigating a regional role for ACTEW in the delivery of water and sewerage services; and
- continuing assistance to the National Museum and Kingston Foreshore developments, sponsorships, and provision of opportunities for workforce experience and skills development for young people.

## ACTEW Corporation Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
<b>Revenue</b>							
300 744	User Charges - Non ACT Government	305 657	380 688	25	403 524	377 138	393 670
33 193	User Charges - ACT Government	43 963	43 068	-2	42 956	43 467	43 850
1 500	Interest	2 900	1 758	-39	1 125	2 090	2 510
9 517	Other Revenue	5 300	5 600	6	6 000	6 400	6 580
<b>344 954</b>	<b>Total Revenue</b>	<b>357 820</b>	<b>431 114</b>	<b>20</b>	<b>453 605</b>	<b>429 095</b>	<b>446 610</b>
<b>Expenses</b>							
49 100	Employee Expenses	55 663	57 781	4	59 583	60 703	61 093
7 000	Superannuation Expenses	5 730	5 630	-2	5 730	5 890	6 030
52 849	Administrative Expenses	45 904	44 048	-4	43 452	43 677	43 922
49 095	Depreciation and Amortisation	48 329	46 839	-3	47 760	49 220	51 010
7 627	Interest	15 888	32 213	103	32 100	28 040	27 300
108 441	Cost of Goods Sold	116 836	180 125	54	197 470	165 120	175 700
3 003	Other Expenses	2 150	5 458	154	5 565	5 600	5 605
<b>277 115</b>	<b>Total Expenses</b>	<b>290 500</b>	<b>372 094</b>	<b>28</b>	<b>391 660</b>	<b>358 250</b>	<b>370 660</b>
<b>67 839</b>	<b>Operating Result Before Extraordinary Items</b>	<b>67 320</b>	<b>59 020</b>	<b>-12</b>	<b>61 945</b>	<b>70 845</b>	<b>75 950</b>
21 188	Income Tax Equivalent	8 279	16 803	103	15 686	18 150	19 660
<b>46 651</b>	<b>Operating Result</b>	<b>59 041</b>	<b>42 217</b>	<b>-28</b>	<b>46 259</b>	<b>52 695</b>	<b>56 290</b>
<b>1 177 873</b>	<b>Accumulated Funds - Start of Period</b>	<b>1 177 873</b>	<b>877 843</b>	<b>-25</b>	<b>877 844</b>	<b>877 844</b>	<b>877 844</b>
0	Accum Funds Opening Adjustment	-30	1	103	0	0	1
-300 000	Distributions to Government	-300 000	0	#	0	0	0
-46 651	Dividend Declared	-59 041	-42 217	28	-46 259	-52 695	-56 290
<b>877 873</b>	<b>Accumulated Funds - End of Period</b>	<b>877 843</b>	<b>877 844</b>	<b>..</b>	<b>877 844</b>	<b>877 844</b>	<b>877 845</b>

**ACTEW Corporation**  
**Statement Of Financial Position**

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
<b>Current Assets</b>							
2 000	Cash	1 000	1 000	-	1 000	1 000	1 000
57 447	Receivables	65 241	76 084	17	77 710	69 243	69 880
20 279	Investments	21 529	21 925	2	28 300	42 900	54 800
5 985	Inventories	5 710	5 735	..	6 010	6 070	6 280
1 905	Other	830	1 623	96	1 620	1 710	1 710
<b>87 616</b>	<b>Total Current Assets</b>	<b>94 310</b>	<b>106 367</b>	<b>13</b>	<b>114 640</b>	<b>120 923</b>	<b>133 670</b>
<b>Non Current Assets</b>							
5 670	Investments	13 100	18 100	38	23 100	23 100	23 100
1 311 954	Property, Plant and Equipment	1 272 390	1 283 060	1	1 288 816	1 296 520	1 301 571
54	Intangibles	0	0	-	0	0	0
31 539	Capital Works in Progress	34 539	33 200	-4	33 900	33 900	33 900
55	Other	0	0	-	0	0	0
<b>1 349 272</b>	<b>Total Non Current Assets</b>	<b>1 320 029</b>	<b>1 334 360</b>	<b>1</b>	<b>1 345 816</b>	<b>1 353 520</b>	<b>1 358 571</b>
<b>1 436 888</b>	<b>TOTAL ASSETS</b>	<b>1 414 339</b>	<b>1 440 727</b>	<b>2</b>	<b>1 460 456</b>	<b>1 474 443</b>	<b>1 492 241</b>
<b>Current Liabilities</b>							
21 147	Creditors	31 500	41 900	33	44 155	41 580	43 255
4 092	Borrowings	4 100	4 100	-	4 100	4 900	6 500
9 984	Employee Entitlements	8 861	9 205	4	9 547	9 881	10 229
9 930	Other Provisions	12 747	9 828	-23	10 470	11 678	12 294
1 150	Other	9 320	10 100	8	10 340	10 560	10 808
<b>46 303</b>	<b>Total Current Liabilities</b>	<b>66 528</b>	<b>75 133</b>	<b>13</b>	<b>78 612</b>	<b>78 599</b>	<b>83 086</b>
<b>Non Current Liabilities</b>							
388 088	Borrowings	358 100	358 600	..	359 300	354 800	348 300
11 500	Employee Entitlements	13 400	13 700	2	13 700	14 000	14 200
99 090	Other Provisions	85 068	102 050	20	117 600	135 800	155 410
<b>498 678</b>	<b>Total Non Current Liabilities</b>	<b>456 568</b>	<b>474 350</b>	<b>4</b>	<b>490 600</b>	<b>504 600</b>	<b>517 910</b>
<b>544 981</b>	<b>TOTAL LIABILITIES</b>	<b>523 096</b>	<b>549 483</b>	<b>5</b>	<b>569 212</b>	<b>583 199</b>	<b>600 996</b>
<b>891 907</b>	<b>NET ASSETS</b>	<b>891 243</b>	<b>891 244</b>	<b>..</b>	<b>891 244</b>	<b>891 244</b>	<b>891 245</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
877 873	Accumulated Funds	877 843	877 844	..	877 844	877 844	877 845
14 034	Reserves	13 400	13 400	-	13 400	13 400	13 400
<b>891 907</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>891 243</b>	<b>891 244</b>	<b>..</b>	<b>891 244</b>	<b>891 244</b>	<b>891 245</b>

**ACTEW Corporation  
Cashflow Statement**

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
<b>18 761</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>37 519</b>	<b>18 348</b>	<b>-51</b>	<b>23 743</b>	<b>35 118</b>	<b>49 718</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
337 680	User Charges	346 700	451 440	30	475 926	457 370	466 210
1 500	Interest Received	2 930	1 758	-40	1 100	1 700	2 400
<b>339 180</b>	<b>Operating Receipts</b>	<b>349 630</b>	<b>453 198</b>	<b>30</b>	<b>477 026</b>	<b>459 070</b>	<b>468 610</b>
	<b>Payments</b>						
56 100	Related to Employees	61 393	63 411	3	65 313	66 593	67 123
55 871	Related to Administration	47 282	52 644	11	52 705	57 037	53 602
7 627	Finance Costs	11 520	27 896	142	27 200	27 700	27 300
110 441	Other	117 866	203 596	73	222 782	187 232	198 875
<b>230 039</b>	<b>Operating Payments</b>	<b>238 061</b>	<b>347 547</b>	<b>46</b>	<b>368 000</b>	<b>338 562</b>	<b>346 900</b>
<b>109 141</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>111 569</b>	<b>105 651</b>	<b>-5</b>	<b>109 026</b>	<b>120 508</b>	<b>121 710</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
2 000	Proceeds from Sale of Property, Plant & Equipment	230	120	-48	200	200	200
0	Proceeds from Sale/Maturities of Investments	12 330	0	-100	0	0	0
<b>2 000</b>	<b>Investing Receipts</b>	<b>12 560</b>	<b>120</b>	<b>-99</b>	<b>200</b>	<b>200</b>	<b>200</b>
	<b>Payments</b>						
77 325	Purchase of Property, Plant and Equipment	47 300	50 694	7	48 300	50 800	49 700
<b>77 325</b>	<b>Investing Payments</b>	<b>47 300</b>	<b>50 694</b>	<b>7</b>	<b>48 300</b>	<b>50 800</b>	<b>49 700</b>
<b>-75 325</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-34 740</b>	<b>-50 574</b>	<b>-46</b>	<b>-48 100</b>	<b>-50 600</b>	<b>-49 500</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
320 000	Borrowings Received	265 000	0	-100	0	0	0
<b>320 000</b>	<b>Financing Receipts</b>	<b>265 000</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
300 000	Distributions to Government	300 000	0	-100	0	0	0
46 206	Dividends to Government	56 900	45 582	-20	45 451	51 208	55 410
4 092	Repayment of Borrowings	4 100	4 100	-	4 100	4 100	4 900
<b>350 298</b>	<b>Financing Payments</b>	<b>361 000</b>	<b>49 682</b>	<b>-86</b>	<b>49 551</b>	<b>55 308</b>	<b>60 310</b>

## ACTEW Corporation Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
-30 298	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-96 000	-49 682	48	-49 551	-55 308	-60 310
3 518	NET INCREASE/(DECREASE) IN CASH HELD	-19 171	5 395	128	11 375	14 600	11 900
22 279	CASH AT THE END OF THE REPORTING PERIOD	18 348	23 743	29	35 118	49 718	61 618

### Notes to the Budget Statements

These Budget Statements do not include any impacts relating to the proposed ACTEW/AGL Partnership discussions that are currently taking place in accordance with the *ACTEW/AGL Partnership Facilitation Bill 2000*.

Significant variations are as follows:

#### *Operating Statement*

- user charges: the increase of \$74.1m in 2000-01 from the 1999-2000 estimated outcome is mainly due to:
  - increase in energy sales (over 60% of the increase in business revenue is attributable to the addition of a major national retail customer);
  - the Independent Pricing and Regulatory Commission (IPARC) determinations, which allow for overall increases in tariff revenues for our regulated activities; and
  - implementation of the water abstraction charge of 10c/kl where the total revenue raised is passed on to the Government;
- cost of goods sold: the increase of \$63.3m in 2000-01 is in line with expected increases in business revenue;
- administrative expenses: are budgeted to decrease by a further 4%;
- interest expenses: the increase of \$16.3m in 2000-01 from the 1999-2000 estimated outcome is due to the full year impact of the borrowings for the \$300m capital repatriation, that occurred in January 2000; and
- the expected impacts of the GST and other changes to the taxation system have been incorporated into the forecasts from 2000-01 onwards.

