

# 2008-09 Financial Statements – Treasury

Like all general government agencies, Treasury's financial performance in 2008-09 and comparatives for 2007-08 are reported in four financial statements: the Operating Statement, Balance Sheet, Statement of Equity and Cash Flow Statement. These statements have been prepared in accordance with the whole of government financial management framework and accounting standards. Treasury also collects significant levels of Government revenue on behalf of the CHA for use across government. Information on income collected is also provided.

## Main Results

- Treasury reports an operating surplus of \$2.9 million in 2008-09, an improvement on the Budget estimate of \$1.1 million, following an unbudgeted National Partnership receipt from the Commonwealth, which will be paid out during 2009-10.
- Income and expenses increased during 2008-09 with the Territory's capital assistance to the Power and Water Corporation (PWC) and increases in home owner incentive grant schemes.
- Total assets decreased by \$20.1 million in 2008-09 compared with 2007-08, as the subordinated loan with the TIO was extinguished.

### NT Build

For the purposes of the financial statements, NT Build is included in the areas of payment of employee expenses, revenue received from NT Build under the cost recovery arrangement and employee benefit provisions.

NT Build staff are employed under the *Public Sector Employment and Management Act* within the Treasury portfolio and are made available to the NT Build Board under a full cost recovery arrangement.

The statutory office forms part of Treasury for machinery of government purposes, however full details of financial performance in 2008-09 are reported in NT Build's own annual report.

## Operating Statement – Summary

Table 28: Operating Statement

Operating Statement	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Operating income	166 915	186 487	19 572	11.7
Operating expenses	161 435	183 637	22 202	13.7
Net operating surplus	5 480	2 850	- 2 630	- 48.0

The 2008-09 net operating surplus of \$2.9 million was lower than the \$5.5 million surplus the previous financial year. This was due to greater demand for home owner incentive grant schemes and demographic research grant payments to CDU.

The large variation in operating income and expenses was due to a capital assistance payment to PWC and for payments under the home owner incentive grant schemes.

## Operating Income

Table 29: Operating Income

Operating Income	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Output appropriation	163 017	171 595	8 578	5.3
Commonwealth appropriation		10 292	10 292	
Goods and services received free of charge	1 876	1 910	34	1.8
Other income	2 022	2 690	668	33.0
<b>Total</b>	<b>166 915</b>	<b>186 487</b>	<b>19 572</b>	<b>11.7</b>

Treasury's principal source of revenue (92 per cent or \$172 million) is output appropriation transferred from the CHA. A new form of income was received in 2008-09 with the commencement of Commonwealth appropriation for National Partnership revenue (\$10.3 million). The remaining \$4.6 million is sourced from interest earned on a loan to the TIO and (notional) revenue to meet the (notional) cost

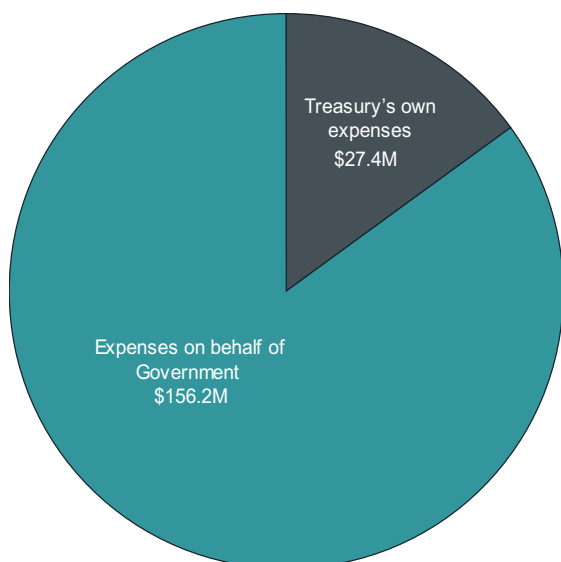
of services received free of charge from DBE. The increase in output appropriation in 2008-09 relates to additional capital assistance from the Territory Government to PWC towards its five-year electricity, water and sewerage infrastructure program and additional home owner incentive grant schemes.

## Operating Expenses

Table 30 : Operating Expenses

Operating Expenses	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Employee expenses	15 706	17 226	1 520	9.7
Administrative expenses				
Purchases of goods and services	6 190	6 409	219	3.5
DBE services free of charge	1 876	1 910	34	1.8
GST administration	6 168	6 458	290	4.7
Other expenses	195	399	204	104.6
Grants and subsidies				
Current	12 038	25 364	13 326	110.7
Capital	66 600	70 000	3 400	5.1
Community service obligations	52 662	55 871	3 209	6.1
<b>Total</b>	<b>161 435</b>	<b>183 637</b>	<b>22 202</b>	<b>13.7</b>

Figure 11: Operating Expenses



Expenses incurred by Treasury during the year were largely whole of government items paid from Treasury's budget. Figure 11 shows that only 15 per cent or \$27.4 million of 2008-09 operating expenses related to Treasury's own agency operations, while 85 per cent or \$156.2 million were Territory Government expenses met by Treasury in its central agency role. Although these expenses on

behalf of the Government are recorded in Treasury's financial reports, Treasury has no discretion on how these resources will be spent and cannot divert these resources to its own operations.

Treasury's own expenses relate to employee and administrative costs. The expenses on behalf of the Government include grants and subsidies such as CSO payments to maintain uniform tariffs for households and small businesses, capital assistance grants to PWC, home owner incentive grant and subsidy schemes, fuel subsidies (note: the fuel subsidy scheme ceased in May 2009) and the Territory's share of GST administration costs. Further commentary is provided below for each category of expense and the variations during 2008-09.

### Employee Expenses

Employee expenses increased by \$1.52 million in 2008-09, reflecting the negotiated annual wages increase, fewer vacant positions and lower staff turnover than in previous years. Additional employee expenses were also recorded for NT Build, a new output for Treasury in 2008-09, following the transfer of responsibility from the Office of the Commissioner for Public Employment. The NT Build output reflects

employee expenses for NT Build staff who are employed under the *Public Sector Employment and Management Act* and are made available to NT Build under a full cost recovery arrangement.

#### Administrative Expenses

In 2008-09, administrative expenses increased by \$0.75 million from 2007-08. This increase was mainly a result of greater valuation requirements of the Territory Revenue Office and additional IT requirements for the national Standard Business Reporting initiative.

GST administration costs increased as a result of higher GST revenue collection. Other expenses also increased during 2008-09 resulting from payments to the Australian Taxation Office for National Tax Equivalent Regime administration charges and writing down of leasehold improvement assets.

#### Grants and Subsidies

In 2008-09, \$151.2 million in grants and subsidies were paid, \$19.9 million more than in 2007-08. Because of the magnitude of the grants and subsidies element of Treasury's expenses, it is useful

to understand its components in more detail. This information is presented in Table 31.

CSO payments were made during the year for uniform tariff subsidy (\$55.9 million) and Government's contributions towards PWC's five-year infrastructure program (\$70 million).

The Territory Revenue Office made payments of \$9.4 million to individuals and businesses for the Commonwealth's First Home Owner Boost scheme and the Territory's complementary Buildstart scheme, both introduced in October 2008. Also, payments for the First Home Owner Grant scheme were \$9.6 million, an increase of \$1.2 million from 2007-08. In addition, under a commercial agreement with the NT TAB, a subsidy was provided by way of a tax adjustment as a result of the introduction of race field product fees charged by the racing industry (\$0.73 million).

In 2008-09, Treasury continued its support of demographic research through grant payments to CDU (\$1.5 million).

Table 31: Grants and Subsidies

Grants and Subsidies	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Community service obligations	52 662	55 871	3 209	6.0
Capital grant to PWC	66 600	70 000	3 400	5.0
First Home Owner Grant	8 379	9 628	1 249	14.9
First Home Owner Boost		6 972	6 972	
Buildstart		2 450	2 450	
Fuel subsidy	3 648	4 067	419	11.5
CDU demographic research grants		1 515	1 515	
NT TAB		732	732	
Other grants	11		- 11	
<b>Total</b>	<b>131 300</b>	<b>151 235</b>	<b>19 935</b>	<b>15.2</b>

## Balance Sheet – Summary

Table 32: Balance Sheet

Balance Sheet	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Assets	29 576	9 488	- 20 088	- 67.9
Liabilities	3 543	3 414	- 129	- 3.6
Equity	26 033	6 074	- 19 959	- 76.7

The balance sheet, Table 32, provides information on Treasury's financial position at the end of the year and records balances of assets, liabilities and equity.

Treasury's assets comprise mostly cash, advances and receivables, with a small amount of property, plant and equipment which reflects Treasury's policy and advisory role rather than a service delivery role.

Both assets and liabilities decreased, with a larger decrease for assets than for liabilities, resulting in lower equity at the end of the year.

The decrease in assets is mainly a result of the subordinated loan with TIO being extinguished. This was offset by higher than usual receivables at year end.

Although the extinguishment of the TIO loan reduces Treasury's assets, there is no effect from a whole of government perspective. This is due to the nature of the Central Holding Authority which 'owns' agencies. Although CHA's ownership in Treasury has decreased, its ownership in TIO has increased by the same amount, resulting in no net difference.

Treasury's total liabilities of \$3.4 million were lower than on 30 June 2008, mainly due to lower accounts payable, although this was offset by increased provisions for employee entitlements. Employee entitlements are adjusted annually to reflect the net present value of future employee entitlements such as recreation leave, recreation leave fares and additional oncosts.

## Equity – Summary

Table 33: Equity

Equity	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Balance of equity at 1 July	20 345	26 033	5 688	27.9
Capital	6 227	- 16 581	- 22 808	- 366.3
Accumulated funds	19 806	22 655	2 849	14.4
Balance of equity	26 033	6 074	- 19 595	- 76.7

The balance of equity has decreased from 2007-08. This is mainly a result of a decrease in capital of \$22.8 million from the extinguished subordinated loan with TIO, which has been offset by the 2008-09 operating profit of \$2.85 million.

## Cash Flow Statement – Summary

Table 34: Cash Flow Statement

Cash Flows	2007-08	2008-09	Variation	
	\$000	\$000	\$000	%
Cash at 1 July	1 298	5 588	4 290	330.5
Receipts	167 328	185 023	17 696	10.6
Payments	161 642	183 386	21 744	13.5
Return on assets	- 1 468	21 270	22 738	- 1 548.9
Equity		- 22 923	- 22 923	
Financing activities	72		- 72	
Cash at 30 June	5 588	5 572	- 16	

Figures in the Cash Flow Statement summary provide information on the movement of cash in and out of Treasury during the year and show a small decrease in cash balances.

Figures in the Cash Flow Statement vary from those in the Operating Statement (Table 28), as the Cash

Flow Statement refers to cash transactions, such as cash received or cash paid out, whereas the Operating Statement includes non-cash items such as depreciation and annual non-cash adjustments to employee entitlements.

## Collection of Income

Table 35: Total Income Collected by Treasury

Income Collected	2007-08	% of Total	2008-09	% of Total
	\$000	%	\$000	%
Agency income – reported in Operating Statement	166 915	5.7	186 487	5.5
Territory income – reported in Note 19 to the financial statements	2 782 614	94.3	3 203 368	94.5
<b>Total Income Collected</b>	<b>2 949 529</b>	<b>100</b>	<b>3 389 855</b>	<b>100.0</b>

Table 35 shows agency income and Territory income, collected and administered by Treasury on behalf of the CHA. Territory income is not controlled by Treasury and is not therefore reported in Treasury's financial reports. Rather, it is summarised by way of disclosure in Note 19 to the financial statements.

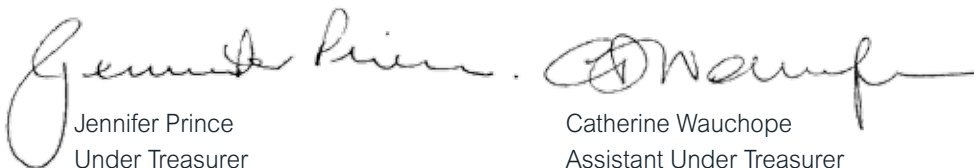
During 2008-09, Treasury collected a total of \$3.4 billion in income. However only 5.5 per cent of that income (\$186.5 million) flowed back to Treasury as an agency and this is the income figure reported in Treasury's financial statements. The remaining 94.5 per cent (or \$3.2 billion) is reported in the CHA financial statements.

# Certification of the Financial Statements

We certify that the attached financial statements for Northern Territory Treasury have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2009 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

The image shows two handwritten signatures in black ink. The signature on the left is for Jennifer Prince, and the signature on the right is for Catherine Wauchope. Both signatures are written in a cursive, flowing style.

Jennifer Prince  
Under Treasurer

Catherine Wauchope  
Assistant Under Treasurer  
(Corporate and Superannuation)

30 September 2009

30 September 2009

# Operating Statement

As at 30 June 2009

	Note	2009	2008
		\$000	\$000
<b>INCOME</b>			
Taxation revenue			
Grants and subsidies revenue			
Current		104	
Appropriation			
Output		171 595	163 017
Commonwealth		10 292	
Sales of goods and services		1 004	355
Interest revenue		1 564	1 468
Goods and services received free of charge	4	1 910	1 876
Other income		18	199
<b>TOTAL INCOME</b>	<b>3</b>	<b>186 487</b>	<b>166 915</b>
<b>EXPENSES</b>			
Employee expenses		17 226	15 706
Administrative expenses			
Purchases of goods and services	5	6 352	6 175
Repairs and maintenance		57	15
Depreciation and amortisation	8	199	172
Other administrative expenses (1)		8 562	8 050
Grants and subsidies expenses			
Current		25 364	12 038
Capital		70 000	66 600
Community service obligations		55 871	52 662
Interest expenses		6	17
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>183 637</b>	<b>161 435</b>
<b>NET SURPLUS</b>	<b>12</b>	<b>2 850</b>	<b>5 480</b>

1. Includes DBE service charges.

The Operating Statement is to be read in conjunction with the notes to the financial statements.

# Balance Sheet

As at 30 June 2009

	Note	2009	2008
		\$000	\$000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	6	5 572	5 588
Receivables	7	2 863	609
Advances and investments			6 285
Prepayments		237	1 020
Other assets			- 7
<b>Total current assets</b>		<b>8 672</b>	<b>13 495</b>
<b>Non-current assets</b>			
Advances and investments		423	15 423
Property, plant and equipment	8	393	658
<b>Total non-current assets</b>		<b>816</b>	<b>16 081</b>
<b>TOTAL ASSETS</b>		<b>9 488</b>	<b>29 576</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	9	695	943
Borrowings and advances	10	78	102
Provisions	11	1 938	1 786
<b>Total current liabilities</b>		<b>2 711</b>	<b>2 831</b>
<b>Non-current liabilities</b>			
Provisions	11	703	712
<b>Total non-current liabilities</b>		<b>703</b>	<b>712</b>
<b>TOTAL LIABILITIES</b>		<b>3 414</b>	<b>3 543</b>
<b>NET ASSETS</b>		<b>6 074</b>	<b>26 033</b>
<b>EQUITY</b>			
Capital	12	- 16 581	6 227
Accumulated funds		22 655	19 806
<b>TOTAL EQUITY</b>		<b>6 074</b>	<b>26 033</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

# Statement of Changes in Equity

For the year ended 30 June 2009

	Note	2009	2008
		\$000	\$000
<b>BALANCE OF EQUITY AT 1 JULY</b>		<b>26 033</b>	<b>20 345</b>
<b>Capital</b>	<b>12</b>		
Balance at 1 July		6 227	6 019
Equity injections		114	208
Equity withdrawals		- 22 922	
Balance at 30 June		- 16 581	6 227
<b>Accumulated Funds</b>	<b>12</b>		
Balance at 1 July		19 805	14 326
Surplus for the period		2 850	5 480
Balance at 30 June		22 655	19 806
<b>BALANCE OF EQUITY AT 30 JUNE</b>		<b>6 074</b>	<b>26 033</b>

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

# Cash Flow Statement

For the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating receipts</b>			
Grants and subsidies received			
Current		104	
Appropriation			
Output		171 595	163 017
Commonwealth		10 292	
Receipts from sales of goods and services		1 468	2 843
Interest received		1 564	1 468
<b>Total operating receipts</b>		<b>185 023</b>	<b>167 328</b>
<b>Operating payments</b>			
Payments to employees		17 035	15 309
Payments for goods and services		15 110	15 016
Grants and subsidies paid			
Current		25 364	12 038
Capital		70 000	66 600
Community service obligations		55 871	52 662
Interest paid		6	17
<b>Total operating payments</b>		<b>183 386</b>	<b>161 642</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>13</b>	<b>1 637</b>	<b>5 686</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing receipts</b>			
Sales of investments		15 000	
<b>Total investing receipts</b>		<b>15 000</b>	
<b>Investing payments</b>			
Purchases of assets		- 15	
Advances and investing payments		6 285	1 468
<b>Total investing payments</b>		<b>6 270</b>	<b>1 468</b>
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>21 270</b>	<b>- 1 468</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing receipts</b>			
Proceeds of borrowings			72
Equity injections	12		
Capital appropriation		24	53
Commonwealth appropriation			
<b>Total financing receipts</b>		<b>24</b>	<b>125</b>
<b>Financing payments</b>			
Repayment of borrowings		24	53
Equity withdrawals	12	22 923	
<b>Total financing payments</b>		<b>22 947</b>	<b>53</b>
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>- 22 923</b>	<b>72</b>
Net increase/(decrease) in cash held		(16)	4 290
Cash at beginning of financial year		5 588	1 298
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>6</b>	<b>5 572</b>	<b>5 588</b>

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

# Notes to the Financial Statements

For the year ended 30 June 2009

## 1. Objectives and Funding

Treasury's purpose is to promote sustainable fiscal strength and economic development of the Northern Territory, and contribute to improved social and fiscal wellbeing for Territorians.

Treasury is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the agency are summarised into several output groups. Note 3 provides summary financial information in the form of an Operating Statement by Output Group.

## 2. Statement of Significant Accounting Policies

### (a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires Treasury to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements;
- (ii) an Operating Statement;
- (iii) a Balance Sheet;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

## 2. Statement of Significant Accounting Policies (continued)

### AASB 1004 Contributions (revised)

The revisions have the effect of relocating the requirements on contributions from AAS 27, 29 and 31, substantively unamended (with some exceptions), into AASB 1004. The Standard will not have an impact on the financial statements.

### AASB 1050 Administered Items

The main requirements of the Standard are for a government department to disclose administered income, expenses, assets and liabilities (applying the principles of AASB 1052), along with details of certain non-department controlled transfers. Treasury is unable to conform to all the requirements of the Standard for 2008-09 because administered items are not disclosed by output group.

### AASB 1052 Disaggregated Disclosures

The main requirements of the Standard are for a government department to disclose by each major activity the major classes of incomes and expenses, and assets deployed and liabilities incurred. Treasury is unable to conform to all the requirements of the Standard for 2008-09 because assets and liabilities are not disaggregated by output group.

### *AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AAS 27, AAS 29 and AAS 31*

The Standard relocates certain relevant requirements from AAS 27, 29 and 31, substantively unamended, into existing topic-based standards. This standard also makes consequential amendments, arising from the short-term review of AAS 27, 29 and 31, to AASB 5, AASB 8, AASB 101 and AASB 114. The Standard will not have an impact on the Financial Statements.

### (b) Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

### *AASB 101 Presentation of Financial Statements (revised September 2007), AASB 2007-8 Amendments to Australian Accounting Standards Arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101*

Effective for annual reporting period beginning on or after 1 January 2009.

The main changes from the previous version of AASB 101 require an entity to:

- (a) present non-owner changes in equity separately from owner changes in equity. The former cannot be presented in the statement of changes in equity; and

## 2. Statement of Significant Accounting Policies (continued)

- (b) display components of other comprehensive income in the statement of comprehensive income. This change is expected to have a minimal impact on future financial statements.

### *AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*

Effective for annual reporting period beginning on or after 1 January 2009 that ends on or after 30 April 2009.

The Standard amends AASB 7 to require enhanced disclosures about fair value measurement of financial instruments. These changes are expected to have minimal impact on future financial statements.

### (c) Agency and Territory Items

The financial statements of Treasury include income, expenses, assets, liabilities and equity over which the agency has control (agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in note 19 - Schedule of Territory Items.

### (d) Comparatives

Where necessary, comparative information for the 2007-08 financial year has been reclassified to provide consistency with current year disclosures.

## 2. Statement of Significant Accounting Policies (continued)

### (e) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

### (f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2008-09 as a result of management decisions.

### (g) Accounting Judgements and Estimates

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgements and estimates are:

- Employee Benefits – Note 2(s) and Note 11. Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Doubtful Debts – Note 2(n) and 7: Receivables.
- Depreciation and Amortisation – Note 2(k) and Note 8: Property, Plant and Equipment.

### (h) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

## 2. Statement of Significant Accounting Policies (continued)

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

### (i) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

### Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

### Appropriation

Output Appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of Treasury's outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation is new to 2008-09, and follows from the Intergovernmental Agreement on Federal Financial Relations. It has resulted in Specific Purpose Payments and National Partnership payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by Treasury on behalf of the Central Holding Authority and then on-passed to the relevant agencies as Commonwealth Appropriation.

Revenue in respect of Appropriations is recognised in the period in which the agency gains control of the funds.

## 2. Statement of Significant Accounting Policies (continued)

### Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

### Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

### Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

### Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

### (j) Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with Treasury assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

## 2. Statement of Significant Accounting Policies (continued)

### (k) Depreciation and Amortisation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2009	2008
Plant and equipment	3-10 years	3-10 years

Assets are depreciated from the date of acquisition or from the time an asset is completed and held ready for use.

### (l) Interest Expense

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

### (m) Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

### (n) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 14 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days.

### (o) Property, Plant and Equipment

#### Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5000 threshold are expensed in the year of acquisition.

## 2. Statement of Significant Accounting Policies (continued)

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

### Complex Assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

### Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

### Construction (Work in Progress)

As part of Financial Management Framework, the Department of Planning and Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for most agency capital works is provided directly to the Department of Planning and Infrastructure and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the agency.

## (p) Revaluations and Impairment

### Revaluation of Assets

Subsequent to initial recognition, assets belonging to the infrastructure assets class of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

### Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable

## 2. Statement of Significant Accounting Policies (continued)

amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve for that class of asset to the extent that an available balance exists in the asset revaluation reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation reserve.

### (q) Leased Assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### Finance Leases

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

#### Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

### (r) Payables

Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

## 2. Statement of Significant Accounting Policies (continued)

### (s) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the *Financial Management Framework*, the CHA assumes the long service leave liabilities of Government Agencies, including Treasury and as such no long service leave liability is recognised in agency financial statements.

### (t) Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities' Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

Treasury makes superannuation contributions on behalf of its employees to the CHA or non-government employee nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the CHA and as such are not recognised in the agency's financial statements.

## 2. Statement of Significant Accounting Policies (continued)

### (u) Contributions by and Distributions to Government

Treasury may receive contributions from Government where the Government is acting as owner. Conversely, Treasury may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity and note 12 provide additional information in relation to contributions by, and distributions to, Government.

### (v) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 15 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

### 3. Operating Statement by Output Group

	Note	Financial Management		Economic		Territory Revenue	
		2009	2008	2009	2009	2009	2008
		\$000	\$000	\$000	\$000	\$000	\$000
<b>INCOME</b>							
Grants and subsidies revenue							
Current		12		13	6	6	
Appropriation							
Output		6 183	6 460	139 228	3 547	3 547	19 542
Commonwealth		428		1 487	192	192	
Sales of goods and services		4	9	331	2	2	8
Interest revenue				1 564			
Goods and services received free of charge	4	553	543	592	248	248	469
Other income			27	3	6	6	33
<b>TOTAL INCOME</b>		<b>7 180</b>	<b>7 039</b>	<b>143 218</b>	<b>4 001</b>	<b>4 001</b>	<b>20 052</b>
<b>EXPENSES</b>							
Employee expenses		4 848	4 554	4 615	2 382	2 382	4 201
Administrative expenses							
Purchases of goods and services	5	1 307	1 269	1 850	1 240	1 240	1 546
Repairs and maintenance		17	5	18	7	7	4
Depreciation and amortisation	8	64	53	59	25	25	35
Other administrative expenses <sup>1</sup>		593	544	7 092	265	265	475
Grants and subsidies expenses							
Current				1 515			12 027
Capital				70 000			
Community service obligations				55 871			
Interest expenses		2	2	1			12
<b>TOTAL EXPENSES</b>		<b>6 831</b>	<b>6 427</b>	<b>141 021</b>	<b>3 919</b>	<b>3 919</b>	<b>18 300</b>
<b>NET SURPLUS/(DEFICIT)</b>	12	<b>349</b>	<b>612</b>	<b>2 197</b>	<b>82</b>	<b>82</b>	<b>1 752</b>

1. Includes DBE service charges.

This Operating Statement by Output Group is to be read in conjunction with the notes to the financial statements.

### 3. Operating Statement by Output Group (continued)

	Note	Superannuation		Statutory Bodies		Total	
		2009	2008	2009	2008	2009	2008
		\$000	\$000	\$000	\$000	\$000	\$000
<b>INCOME</b>							
Grants and subsidies revenue							
Current		6		1		104	
Appropriation							
Output		3 547	3 848	524	592	171 595	163 017
Commonwealth		192		30		10 292	
Sales of goods and services		2	4	663		1 004	355
Interest revenue						1 564	1 468
Goods and services received free of charge	4	248	244	38	38	1 910	1 876
Other income		6	19		3	18	199
<b>TOTAL INCOME</b>		<b>4 001</b>	<b>4 115</b>	<b>1 256</b>	<b>633</b>	<b>186 487</b>	<b>166 915</b>
<b>EXPENSES</b>							
Employee expenses		2 382	2 266	1 012	363	17 226	15 706
Administrative expenses							
Purchases of goods and services	5	1 240	1 430	216	214	6 352	6 175
Repairs and maintenance		7	2	1		57	15
Depreciation and amortisation	8	25	36	4	3	199	172
Other administrative expenses <sup>1</sup>		265	244	41	37	8 562	8 050
Grants and subsidies expenses							
Current						25 364	12 038
Capital						70 000	66 600
Community service obligations						55 871	52 662
Interest expenses			1			6	17
<b>TOTAL EXPENSES</b>		<b>3 919</b>	<b>3 979</b>	<b>1 274</b>	<b>617</b>	<b>183 637</b>	<b>161 435</b>
<b>NET SURPLUS/(DEFICIT)</b>	12	<b>82</b>	<b>136</b>	<b>- 18</b>	<b>16</b>	<b>2 850</b>	<b>5 480</b>

1. Includes DBE service charges.

This Operating Statement by Output Group is to be read in conjunction with the notes to the financial statements.

## 4. Goods and Services Received Free of Charge

Corporate and information services

2009	2008
\$000	\$000
1 910	1 876
<b>1 910</b>	<b>1 876</b>

## 5. Purchases of Goods and Services

The net surplus has been arrived at after charging the following goods and services expenses:

Consultants <sup>1</sup>	1 166	1 032
Advertising <sup>2</sup>	168	51
Marketing and promotion <sup>3</sup>	44	24
Document production	229	324
Legal expenses <sup>4</sup>	456	583
Recruitment <sup>5</sup>	111	180
Training and study	385	371
Official duty fares	257	287
Travelling allowance	34	42

1. Includes marketing, promotion and IT consultants.

2. Does not include recruitment advertising or marketing and promotion advertising.

3. Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

4. Includes legal fees, claim and settlement costs.

5. Includes recruitment-related advertising costs.

## 6. Cash and Deposits

Cash on hand	3	2
Cash at bank	5 569	5 586
<b>Total cash and deposits</b>	<b>5 572</b>	<b>5 588</b>

## 7. Receivables

<b>Current</b>		
Accounts receivable	12	35
GST receivables	2 191	574
Other receivables	660	
	2 863	609
<b>Total receivables</b>	<b>2 863</b>	<b>609</b>

## 8. Property, Plant and Equipment

### Construction (work in progress)

At capitalised cost

43

**43**

### Plant and equipment

At fair value

856

1 332

Less: accumulated depreciation

- 522

- 688

334

644

### Computer hardware

At fair value

263

248

Less: accumulated depreciation

- 247

- 234

16

14

**Total property, plant and equipment**

**393**

**658**

### Impairment of property, plant and equipment

Treasury property, plant and equipment assets were assessed for impairment as at 30 June 2009. No impairment adjustments were required as a result of this review.

### Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2008-09 is set out below:

#### Construction (work in progress)

Carrying amount as at 1 July

Additions from asset transfers

43

**Carrying amount as at 30 June**

**43**

#### Plant and equipment

Carrying amount as at 1 July

644

642

Depreciation

- 186

- 153

Additions/(disposals) from asset transfers

- 124

155

**Carrying amount as at 30 June**

**334**

**644**

#### Computer hardware

Carrying amount as at 1 July

14

33

Additions

15

Depreciation

- 13

- 19

**Carrying amount as at 30 June**

**16**

**14**

## 9. Payables

	2009	2008
	\$000	\$000
Accounts payable	203	624
Accrued expenses	492	319
<b>Total payables</b>	<b>695</b>	<b>943</b>

## 10. Borrowings and Advances

Current		
Loans and advances	78	102
<b>Total borrowings and advances</b>	<b>78</b>	<b>102</b>

## 11. Provisions

<b>Current</b>		
Employee benefits		
Recreation leave	1 388	1 295
Leave loading	181	164
Other employee benefits	49	36
Other current provisions		
Other provisions	320	291
	<b>1 938</b>	<b>1 786</b>
<b>Non-current</b>		
Employee benefits		
Recreation leave	703	712
	<b>703</b>	<b>712</b>
<b>Total provisions</b>	<b>2 641</b>	<b>2 498</b>

The agency employed 189 employees as at 30 June 2009 (188 employees as at 30 June 2008). This excludes Northern Territory Treasury Corporation employees and includes NT Build employees.

## 12. Equity

Equity represents the residual interest in the net assets of Treasury. The Government's ownership interest in Treasury is held in the CHA as described in note 2(b).

### Capital

	2009	2008
	\$000	\$000
<b>Balance as at 1 July</b>	<b>6 227</b>	<b>6 019</b>
Equity injections		
Capital appropriation	24	378
Equity transfers in	90	- 170
Equity withdrawals		
Capital withdrawal	- 22 922	- 1
Equity transfers out		1
<b>Balance as at 30 June</b>	<b>- 16 581</b>	<b>6 227</b>
<b>Accumulated funds</b>		
<b>Balance as at 1 July</b>	<b>19 805</b>	<b>14 326</b>
Surplus for the period	2 850	5 480
<b>Balance as at 30 June</b>	<b>22 655</b>	<b>19 806</b>

2009	2008
\$000	\$000

## 13. Notes to the Cash Flow Statement

### Reconciliation of cash

The total of agency cash and deposits of \$5 572 000 recorded in the Balance Sheet is consistent with that recorded as cash in the Cash Flow Statement.

### Reconciliation of net surplus to net cash from operating activities

<b>Net surplus</b>	<b>2 850</b>	<b>5 480</b>
Non-cash items:		
Depreciation and amortisation	199	172
Asset write-offs/write-downs	134	
Repairs and maintenance – minor new works – non cash	38	
Changes in assets and liabilities		
(Increase) in receivables	- 2 254	- 169
Increase/(decrease) in prepayment	783	- 294
(Increase) in other assets	- 7	
(Decrease)/increase in payables	- 248	153
Increase in provision for employee benefits	113	290
Increase in other provisions	29	54
<b>Net cash from operating activities</b>	<b>1 637</b>	<b>5 686</b>

### Non-cash financing and investing activities

During the financial year, Treasury capitalised \$9000 leasehold improvements which was transferred in from the 2008-09 minor new works program managed by the Department of Planning and Infrastructure.

## 14. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by Treasury include cash and deposits, receivables, advances and payables. Treasury has limited exposure to financial risks as discussed below.

### (a) Categorisation of Financial Instruments

The carrying amounts of Treasury's financial assets and liabilities by category are disclosed in the table below.

	2009	2008
	\$000	\$000
<b>Financial assets</b>		
Cash and deposits	5 572	5 588
Advance and receivables	249	22 340
<b>Financial liabilities</b>		
Fair value through profit and loss (FVTPL)		
Designated as at FVTPL	695	943
Amortised cost	78	102

### (b) Credit Risk

The agency has limited credit risk exposure (risk of default). Generally Treasury deals with Government organisations, limiting the risk of financial loss from default.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents Treasury's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

#### Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

	2009	2008
	\$000	\$000
<b>Aging of receivables</b>		
Not overdue	2 863	574
Overdue for less than 30 days		
Overdue for 30 to 60 days		32
Overdue for more than 60 days		3
<b>Total receivables</b>	<b>2 863</b>	<b>609</b>

### (c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the undiscounted cash flows payable by Treasury by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals reconcile to the carrying amounts presented in the Balance Sheet.

#### 2009 Maturity analysis for financial liabilities

	Variable Interest	Fixed Interest Rate			Non Interest Bearing	Total	Average
		Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000	%
Payables					695	695	
Borrowings and advances	78					78	2.93
Total financial liabilities	78				695	773	

#### 2008 Maturity analysis for financial liabilities

Payables					943	943	
Borrowings and advances	102					102	2.89
Total financial liabilities	102				943	1 045	

### (d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, price risk and currency risk. The primary market risk that Treasury may be exposed to is interest rate risk.

#### (i) Interest Rate Risk

Treasury has limited exposure to interest rate risk as its financial assets and financial liabilities, with the exception of borrowings are non-interest bearing. Treasury's borrowings are with the Commonwealth. The interest rate charged by the Commonwealth is concessional, therefore Treasury has minimal exposure to interest rate risk.

## 14. Financial Instruments (continued)

Treasury's exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables.

	2009	2008
	\$000	\$000
<b>Variable rate instruments</b>		
Financial assets		21 285
Financial liabilities	78	102
<b>Total</b>	<b>78</b>	<b>21 810</b>

### Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date are zero as the previously reported advance to the Territory Insurance Office was extinguished during 2008-09.

	Profit or Loss		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
<b>30 June 2009</b>				
Advance				
<b>Net sensitivity</b>				
<b>30 June 2008</b>				
Advance	220	- 220	220	- 220
<b>Net sensitivity</b>	<b>220</b>	<b>- 220</b>	<b>220</b>	<b>- 220</b>

### (ii) Price Risk

Treasury is not exposed to price risk as it does not hold units in unit trusts.

### (iii) Currency Risk

Treasury is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

### (e) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values.

## 15. Commitments

### (i) Other Expenditure Commitments

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

	2009	2008
	\$000	\$000
Within one year	1 028	
	<b>1 028</b>	

### (ii) Operating Lease Commitments

Treasury leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year	30	27
Later than one year and not later than five years	32	16
	<b>62</b>	<b>46</b>

## 16. Contingent Liabilities and Contingent Assets

### (a) Contingent Liabilities

Unquantifiable contingent liabilities of the Territory, and possibly Treasury are:

#### Workers Compensation Insurance

The Government has indemnified private sector insurers, who provide workers compensation insurance in the Territory. The indemnity covers insurers for losses which arise as a result of acts of terrorism. The resultant contingent liability is unquantifiable but reportable as is deemed to be above the materiality threshold.

#### Finance

The Territory financial management framework is underpinned by centralised banking arrangements. The sole provider of banking-related services has been granted indemnities under the whole of government banking contract. The contingent liability resulting from the indemnities is unquantifiable and not reportable.

Several other minor indemnities have been provided by Treasury, however none of these are considered significantly material.

### (b) Contingent Assets

Treasury had no contingent assets as at 30 June 2009 or 30 June 2008.

## 17. Events Subsequent to Balance Date

In September 2009, the High Court of Australia considered an appeal by a taxpayer against an assessment made by the Northern Territory for stamp duty. The taxpayer's appeal was allowed with legal costs.

In 2007-08 the Territory refunded to the taxpayer the value of the stamp duty assessed plus interest. The taxpayer's legal costs could not be determined reliably at the date of signing this statement and, accordingly, no provision has been recognised.

## 18. Write-Offs, Postponements and Waivers

	Agency		Agency		Territory Items		Territory Items	
	2009	No. of Trans.	2008	No. of Trans.	2009	No. of Trans.	2008	No. of Trans.
	\$000		\$000		\$000		\$000	
<b>Write-offs, postponements and waivers under the <i>Financial Management Act</i></b>								
Represented by:								
Amounts written off, waived and postponed by delegates	1	1						
Irrecoverable amounts payable to the Territory or an agency written off					9	6	14	8
<b>Total written off, waived and postponed by delegates</b>	<b>1</b>	<b>1</b>			<b>9</b>	<b>6</b>	<b>14</b>	<b>8</b>
<b>Amounts written off, postponed and waived by the Treasurer</b>								
Irrecoverable amounts payable to the Territory or an agency written off					993	6	60	4
Public property written off								
Waiver or postponement of right to receive or recover money or property					492	3	97	4
<b>Total written off, postponed and waived by the Treasurer</b>					<b>1 485</b>	<b>9</b>	<b>157</b>	<b>8</b>
<b>Total write-offs, postponements and waivers authorised</b>	<b>1</b>	<b>1</b>			<b>1 494</b>	<b>15</b>	<b>171</b>	<b>16</b>

## 19. Schedule of Territory Items

The following Territory items are managed by Treasury on behalf of the Government and are recorded in the CHA (refer Note 2(b)).

	2009	2008
	\$000	\$000
<b>TERRITORY INCOME AND EXPENSES</b>		
<b>Income</b>		
Taxation revenue	466 239	481 239
Grants and subsidies revenue		
GST revenue	2 247 514	2 207 175
Specific Purpose Payments	62 651	
National Partnership Agreements	188 339	
Current	13 751	11 326
Fees from regulatory services	1 561	1 735
Royalties and rents	223 281	94 360
Other income	32	80
<b>Total income</b>	<b>3 203 368</b>	<b>2 795 915</b>
<b>Expenses</b>		
CHA income transferred	3 203 513	2 796 207
Doubtful debts	- 145	- 292
<b>Total expenses</b>	<b>3 203 368</b>	<b>2 795 915</b>
Territory income less expenses		
<b>TERRITORY ASSETS AND LIABILITIES</b>		
<b>Assets</b>		
Taxes receivable	34 629	52 674
Accounts receivable	336	665
Other receivables	10 340	1 367
<b>Total assets</b>	<b>45 305</b>	<b>54 706</b>
<b>Liabilities</b>		
CHA income payable	34 965	53 339
Unearned CHA income	10 340	1 367
<b>Total liabilities</b>	<b>45 305</b>	<b>54 706</b>
<b>Net assets</b>		