

Our Achievements



Reporting Preface

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

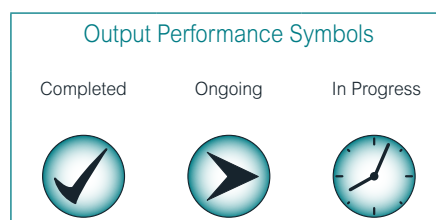
Achievement of this purpose is measured through five strategic objectives:

- Best practice financial management ➤ Financial Management
- Quality analysis and public policy advice on economic, social and commercial issues ➤ Economic Management
- Effective intergovernmental financial relations ➤ Intergovernmental Relations
- Management of a fair and efficient Territory tax system ➤ Revenue Management
- Appropriate public sector superannuation arrangements ➤ Superannuation

This section reports on Treasury's performance in delivering outputs to meet these strategic objectives. Details are provided on key projects and achievements during the year, with performance recorded for the priorities identified in last year's annual report.

Performance against the measures published in *Budget Paper No.3* is reported in the output performance tables. In almost all cases, measures were met or exceeded. Where performance did not meet the estimate, an explanation is provided.

Performance reporting for the Utilities Commission and Northern Territory Treasury Corporation is included in this section. These two statutory offices form part of Treasury for administrative purposes, however full details of achievements in 2008-09 are reported in their own annual reports.



Objective 1: Financial Management

Strategic Objective

Best practice financial management.

Outputs Delivered

Analysis and policy advice on resource allocation and reporting of the Territory's financial resources through:

- whole of government budgeting and financial reporting;
- monitoring agency financial and output performance;
- analysis of agency budget requirements and proposals;
- reporting and analysis of infrastructure budget requirements and coordination of the Infrastructure Program;
- management of financial accountabilities as prescribed in the *Financial Management Act*; and
- prudent management of the Government's loans, borrowings and investment programs.

Key Achievements

2009-10 Budget

Developing the Northern Territory's Budget is one of Treasury's primary roles and a major annual activity. The 2009-10 Budget was framed in the context of revenue reductions and economic uncertainty as a result of the global financial crisis. The Budget was tabled in Parliament in May 2009, following intensive work and effort by a range of Treasury staff, in collaboration with agencies. Various processes were enhanced, resulting in improved timeliness and quality of financial and policy advice to Government, and fostering better working relationships with agencies.

2007-08 Treasurer's Annual Financial Report

The 2007-08 TAFR was tabled in the Legislative Assembly in October 2008, providing a complete set of financial statements on a sectoral and whole of government basis.

The TAFR was issued with an unqualified audit opinion against AASB1049 Whole of Government and General Government Sector Financial Reporting. The standard aligns with the revised Uniform Presentation Framework (UPF) as adopted by all Australian jurisdictions, and harmonises the UPF with the Australian Accounting Standards.

2008 Pre-Election Fiscal Outlook Report

The PEFO is a requirement under the *Fiscal Integrity and Transparency Act*, which provides for the release of updated financial estimates for the Budget year plus three forward years within ten days of the issue of a writ for an election. In accordance with this requirement, a PEFO was released on 1 August 2008, prior to the 9 August general election. The PEFO included updated financial and economic projections for 2008-09 to 2011-12, based upon known variations since the delivery of the 2008-09 Budget, together with a preliminary estimate of the outcome for 2007-08.

2008-09 Mid-Year Report

The *Fiscal Integrity and Transparency Act* requires the release of a mid-year fiscal outlook report each year. The 2008-09 Mid-Year Report was tabled in the Legislative Assembly in November 2008, providing updated Budget projections from the May 2008 Budget by incorporating new and expanded policy decisions and revised Commonwealth revenue estimates. The Report also provided revised financial statements on a sectoral and whole of government basis, discussion on updated economic estimates and the fiscal strategy outlook for 2008-09 and three forward years.

Financial Management Policy Development

Treasury is responsible for administering the Territory's financial management framework, including the *Financial Management Act*, the *Fiscal Integrity and Transparency Act* and the Treasurer's Directions. In 2008-09, work continued on expanding the range of Treasurer's Directions and policy briefs to improve guidance for agencies on resource and infrastructure management, performance and governance practices.

Financial Management Act Amendments

A new Intergovernmental Agreement on Federal Financial Relations came into effect on 1 January 2009. Under the new agreement, funding for National Partnership Agreements and Specific Purpose Payments is paid directly by the Commonwealth Treasury to state and territory treasuries for on-passing to relevant general government agencies. Accordingly, the *Financial Management Act* was amended to create a new appropriation purpose, 'Commonwealth Appropriation', to enable the CHA to pass these funds to agencies in the Northern Territory. New procedures have been developed to facilitate the new funding arrangements.

Management of the Territory's Financial Assets and Liabilities

Conditions of Service Reserve

The Conditions of Service Reserve (COSR) is managed by Treasury Corporation on behalf of the CHA. The funds are managed by three investment managers: AMP Capital Investors Limited, Colonial First State Investments Ltd and MLC Implemented Consulting. The COSR fund has a long-term investment strategy oriented towards growth assets, such as shares, and is benchmarked against the InTech Investor Choice Performance Growth Survey.

The global financial crisis and broader economic concerns produced difficult investment conditions during the year. As a fund with a long-term investment strategy, COSR has a considerable allocation to equities and was adversely affected by the volatile trading conditions and weakness in growth type assets. Over the year, the COSR fund returned -14.5 per cent, underperforming its benchmark (-13.3 per cent) by more than one percentage point. Over a five-year period, the fund has generated an average annual return of 5.3 per cent, which is 2.2 percentage points above its benchmark (3.1 per cent).

Borrowing Program

As the Territory Government's central financing authority, Treasury Corporation implemented the Government's 2008-09 borrowing program. This program was initially set at \$394 million but was reduced during the year to \$295 million following the early repayment of \$100 million in loans by its loan counterparties. This program compares to a borrowing program of \$487 million in 2007-08 and \$338 million raised in 2006-07.

The entire borrowing requirement was met from the issue of wholesale and retail financial securities in the domestic market. The bulk of funds were raised through long-dated fixed interest securities, issued to institutional investors via private placements and public issues. Retail funding through Territory Bonds remained an important source, with \$76 million raised from this product during the year.

The cost of borrowing target was lowered from 7.25 per cent to 5.50 per cent to reflect the dramatic conditions witnessed in global and domestic financial markets throughout the financial year. The actual outcome for the Corporation's term funding was 5.96 per cent. This result is slightly higher than the revised budget estimate, however, 1.29 per cent below the original target. The weighted average cost of borrowing drops to 5.18 per cent when short-term promissory notes (issued and matured) are excluded.

Output Performance

| Priorities for 2008-09 | Achieved | Comments |
|--|---|---|
| Continued focus on major projects including development and publication of whole of government financial information including the Budget, TAFR and the Mid-Year Report. |  | PEFO released August 2008. 2007-08 TAFR released October 2008. 2008-09 Mid-Year Report released November 2008. Treasurer's Quarterly Financial Report released November 2008, February 2009 and May 2009. 2009-10 Budget released 5 May 2009. |
| Implementation of the Commonwealth's new financial framework and funding arrangements for specific purpose and national partnership payments to the Territory. |  | The <i>Financial Management Act</i> was amended and new procedures developed to enable the efficient recording and on-passing of tied Commonwealth funding to agencies. |
| Management of the budget effect of Government's election commitments and the changed administrative arrangements announced on 16 August 2008. |  | The 2008-09 Mid-Year Report and 2009-10 Budget incorporated election commitments and agency restructures. |
| Ongoing review of <i>Financial Management Act</i> accountability processes and enhancements to support information management systems and processes. |  | Workshops were held with agencies to discuss issues of internal controls and work has commenced on a whole of government toolkit to assist agency accountable officers. Treasurer's Direction on insurance arrangements was finalised and issued. Work on Treasurer's Directions relating to agency budget management and infrastructure programming continues. |
| Evaluate ongoing opportunities for enhancement to the whole of government Apex budget and reporting system. |  | Commenced preparation for a future system-wide software upgrade. |
| Implement the 2008-09 borrowing program. |  | Implemented refinancing and new borrowing program, with \$295 million borrowed in 2008-09. |

Future Priorities

- Continued focus on monitoring, development and publication of critical whole of government financial information in the Budget, TAFR and the Mid-Year Report.
 - Continue to provide advice, analysis and assistance on whole of government, major project and agency resource issues as required.
 - Ongoing development and amendment of Treasurer's Directions, with improvement to the agency budget management and infrastructure programming sections as priorities for 2009-10.
 - Evaluate ongoing opportunities for enhancement to the whole of government Apex budget and reporting system.
 - Continue to review *Financial Management Act* accountability processes.
 - Implement the Government's 2009-10 borrowing program.
 - Continue to enhance Treasury Corporation's business continuity planning and corporate governance framework.
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Objective 2: Economic Management

Strategic Objective

Quality analysis and public policy advice on economic, social and commercial issues.

Outputs Delivered

Analysis and policy advice on:

- national and Territory economic, social, demographic policy and statistical issues including development and oversight of economic reforms and frameworks; and
- management of the Territory's commercial activities and project risk management from a financial and corporate governance perspective.

Key Achievements

Electricity Reform Program

Following the power failures experienced in Darwin's northern suburbs in September and October 2008, Treasury provided advice to Government on appropriate regulatory reform measures to improve system reliability and performance.

Independent reviews into the failures and the financial sustainability of the Power and Water Corporation were commissioned, and a new tariff structure and a reform program to strengthen regulatory oversight were developed.

Under the reform program, the role of the independent regulator, the Utilities Commission, will be strengthened and expanded with the appointment of a new Utilities Commissioner and two Associate Commissioners. The Commission now includes a regulatory expert, technical systems expert and Territory market expert. There will also be increased oversight of the Power and Water Corporation's capital program, prices, customer standards and system reliability.

Territory Insurance Office

In 2008-09, in consultation with the TIO, Treasury conducted a review of the *Territory Insurance Office Act* to ensure that the legislation remains contemporary and continues to incorporate sound governance arrangements. The review identified amendments aimed at streamlining the administration of the Act, removing legislative inconsistencies and aligning existing provisions where appropriate

with those in the *Government Owned Corporations Act*. The development of legislative amendments is expected to be completed by the end of 2009.

National Partnership Agreement to Deliver a Seamless National Economy

In December 2008, the Northern Territory became a party to the COAG National Partnership Agreement to deliver a seamless national economy. The implementation plan comprises 36 reforms to harmonise and streamline business regulation and to remove barriers to industry competition. Officers from Treasury, along with officials from the Departments of the Chief Minister, Justice, and Business and Employment assisted in developing the Agreement and have an ongoing role in its coordination and implementation.

Ministerial Council on Energy

Since January 2009, the Treasurer has represented the Territory on the Ministerial Council on Energy (MCE). The Council is responsible for implementing the Australian Energy Market Agreement and comprises Ministers with responsibility for energy from the Commonwealth, states and territories.

In support of the Treasurer, during 2009 Treasury officers provided policy analysis and advice on national energy policies and represented the Territory at meetings of the MCE Standing Committee of Officials and other national energy policy forums.

Population Projections for the Northern Territory





In conjunction with CDU, a projection model has been developed for the Territory's Indigenous and non-Indigenous populations. Using objectively derived values for population characteristics such as fertility and mortality rates, and for migration to and from the Territory, the model projects forward from ABS 2006 estimated resident population for the Territory. Preliminary 30-year projections for the whole of the Territory and 15-year projections for six key regions (Greater Darwin, Outer Darwin, East Arnhem, Katherine, Barkly and Alice Springs) are also produced by the model. The projections were published in August 2009 and are expected to be updated annually, with a major review conducted after each Census.

Commercial Projects

During 2008-09 commercial and financial advice was provided on a number of important Government projects:

- assessment and advice on the development of new land releases in the Palmerston suburbs of Bellamack and Johnston;
- development and review of the National Public Private Partnership guidelines in association with Infrastructure Australia;
- consultation and implementation of the barramundi licence buyback scheme;
- assistance in negotiations and planning with the Defence Support Industries Taskforce; and
- liaising with relevant bodies regarding the development of the Jetstar Aviation Hub.

Output Performance

| Priorities for 2008-09 | Achieved | Comments |
|--|---|---|
| Finalise the review of the <i>Territory Insurance Office Act</i> for relevance of current functions of the office and its operational environment. |  | A review of the <i>TIO Act</i> was undertaken to ensure it remains contemporary and continues to incorporate sound governance arrangements. Consideration of TIO's broader statutory framework is ongoing. |
| New Utilities Commission and electricity reform program. |  | The independent regulator, the Utilities Commission, was strengthened with a new Utilities Commissioner and two Associate Commissioners appointed. An electricity market reform program was also developed. |
| Continue to enhance forecasting and economic and demographic modelling capacities. |  | Staff development and training was conducted throughout the year on issues of demography and economic analysis. |
| Enhance financial analysis and financial modelling capacities. |  | Improved processes for financial analysis and modelling were implemented. This is an ongoing task, in line with contemporary practices. |

Future Priorities

- Continue to ensure the Territory maintains an efficient regulatory framework for business and industry that promotes economic development, including meeting national reform commitments.
- Participate in development and implementation of the Territory's electricity market reform program.
- Continue to provide advice and assistance on major government projects as required.
- Continued development of economic, social and demographic analysis and forecasting capacity and contribute to whole of government planning for future growth and service enhancement.
- Liaise with ABS to develop a range of strategies to support the ABS in conducting the 2011 Census.

Objective 3: Intergovernmental Relations

Strategic Objective

Effective intergovernmental financial relations.

Outputs Delivered

Analysis and policy advice on public finance issues including management of the Territory's participation in major intergovernmental financial arrangements and other public finance matters.

Key Achievements

Federal Financial Relations Reform

In 2008-09, Treasury represented the Territory in national working groups to develop a new Intergovernmental Agreement (IGA) on Federal Financial Relations. In December 2008, the IGA was signed by all governments, and provides a new framework for governments to collaborate on policy development, service delivery and implementing reforms in areas of national importance. The IGA established national agreements in the six key service delivery areas of health care, education, skills and workforce development, housing, disability and Indigenous reform. Specific Purpose Payments are associated with the five service sector national agreements. The IGA also established NPAs to implement nationally significant reforms, specified outputs or projects. Payments associated with NPAs retain some input controls that were previously part of SPPs.

Treasury has also assisted Territory agencies in the development and negotiation of National Partnership Agreements and associated implementation plans.

Commonwealth Grants Commission – 2010 Review

In 2008-09, Treasury continued its active participation in the CGC 2010 methodology review of state relativities, which will be used to inform the recommended distribution by the Commonwealth of GST revenue between the states and territories from 2010-11. The review is examining all aspects of the CGC's approach, including how the principle of

horizontal fiscal equalisation is applied, and methods of simplifying the calculation of relativities. The CGC is due to report on the findings of its review in February 2010.

Treasury prepared detailed submissions on behalf of the Territory, responding to discussion and position papers prepared by the CGC in late 2008 on revenue and expense categories. The CGC review is extremely important for the Territory as it will determine the base for the Territory's share of GST revenue, which forms a significant portion of the Territory's annual funding.

Goods and Services Tax

Treasury continued to monitor and advise on changes in the underlying parameters that determine the Territory's GST revenue share, including population, national GST collections and CGC relativities.

Treasury also provided advice to Government on a range of GST-related legislative proposals by the Commonwealth throughout the year, in order to protect the GST base.

Indigenous Expenditure Review

Treasury published the second Northern Territory Indigenous Expenditure Review in September 2008. It examined expenditure in the 2006-07 financial year and complemented the first Indigenous Expenditure Review, which was published in September 2006 and covered the 2004-05 financial year.

The 2006-07 Indigenous Expenditure Review sought to inform the debate about Indigenous issues by providing a robust and transparent measure of




the Territory Government's Indigenous-related expenditure and revenue. It is the only report of its kind among Australian jurisdictions and was audited by the Northern Territory Auditor-General.

National Indigenous Expenditure Framework

In 2007, COAG agreed to report transparently on expenditure on services for Indigenous people. A working group of Treasury officials from all governments, coordinated by Commonwealth

Treasury, has been developing a methodology for a National Indigenous Expenditure Framework. The national framework seeks, over time, to facilitate understanding of the link between Government expenditure and outcomes for Indigenous people. The Northern Territory is the most advanced of the jurisdictions in its ability to report Indigenous-related expenditure, having undertaken the two above-mentioned Territory Indigenous Expenditure Reviews. Treasury represents the Territory on the working group.

Output Performance

| Priorities for 2008-09 | Achieved | Results in 2008-09 |
|--|---|---|
| Oversight of the implementation of federal financial relations reform. |  | Treasury has continued its involvement in the implementation of the COAG National Reform Agenda, including through the development of National Agreements, National Partnership Agreements and implementation plans under the Intergovernmental Agreement on Federal Financial Relations. |
| Preparation of submissions to CGC as part of the 2010 Review. |  | Submissions relating to each of the major assessment categories were provided to CGC in early 2009 in response to the Commission's discussion and position papers. |
| Publication of the 2006-07 Indigenous Expenditure Review. |  | The updated Indigenous Expenditure Review was published in September 2008. |

Future Priorities

- Maximise the outcome of the CGC's 2010 methodology review for the Northern Territory, including preparation of targeted submissions and participation in relevant forums.
- Actively participate in the implementation of federal financial relations reform including:
 - participation in the Heads of Treasuries' Committee on Federal Financial Relations and the associated Consultative Forum;
 - providing advice to Northern Territory agencies on specific agreements; and
 - implementation of the IGA National Performance Reporting System in the Territory.
- Advise and influence the methodology for the National Indigenous Expenditure Framework.

Objective 4: Revenue Management

Strategic Objective

A fair and efficient Territory revenue system.

Outputs Delivered

Management of the Territory's revenue and tax-related subsidies framework, encompassing:

- analysis and policy advice;
- administration systems;
- compliance activities; and
- community awareness and advisory services.

Key Achievements

Changes to the Territory Tax System

A range of reforms was successfully developed and changes made to systems, publications and processes to implement these reforms within the timeframes established by the Territory Government. These include revenue measures announced in the 2009-10 Budget and the introduction of nationally harmonised payroll tax provisions including the introduction of the new *Payroll Tax Act*. These changes are summarised in the Legislative Changes 2008-09 section of this report.

New Home Ownership Incentive Schemes

The Commonwealth's temporary increase (known as Boost) to the First Home Owner Grant effective from 14 October 2008 to 30 June 2009 inclusive was implemented. The scheme was extended for a further six months until 31 December 2009.

In addition, the Territory's Buildstart scheme, which took effect from 27 October 2008, subsequently extended until 31 December 2009, was successfully developed and implemented.

Information Systems Developments

On behalf of the Territory, Treasury continued to develop and implement the inclusion of payroll tax returns within the SBR initiative. Standard Business Reporting (SBR) is a multi-agency COAG initiative, funded by the Commonwealth, designed to simplify business-to-government reporting by making forms easier to understand, use accounting/record keeping software to automatically pre-fill government forms, and introduce a signal secure way to interact with

participating agencies. Treasury will continue to implement SBR requirements during 2009-10, for implementation across Australia in mid 2010.

The Territory's electronic payroll tax lodgement and payment system (TRMeR) was further enhanced during 2008-09 with improvements to the payroll tax June and Annual Adjustment Return. The change maximised screen usability and minimised workflow requirements in response to user feedback conducted during August 2008. TRMeR enables users to lodge their payroll tax return electronically and update contact details, and facilitates online payment of payroll tax through the Territory payment gateway.

A project was commenced to examine extending the TRMeR online processing facility to other revenue lines including stamp duties, mining royalties, and racing and gaming taxes. The project will continue during 2009-10.

All Territory Revenue Office forms were amended to enable them to be completed electronically prior to manual lodgement. This assists clients in completing forms and improves the quality and legibility of the information.

Taxation Reform

Treasury developed the Territory Government's submission to the Australia's Future Tax System review and provided information as requested by the review panel for the review. Contributions were also made to the submission provided by CAF to the Future Tax System review.

Output Performance

| Priorities for 2008-09 | Achieved | Results in 2008-09 |
|---|---|--|
| Implementing full harmonisation of the Territory's payroll tax legislation with those states that have already moved to consistent payroll tax legislation. |  | <p>Legislation commenced on 1 July 2009.</p> <p>The Territory introduced full payroll tax harmonisation from 1 July 2009 including the adoption of 33 payroll tax rulings that are consistent with those in the other jurisdictions that have adopted payroll tax harmonisation.</p> |
| Implementing the Territory Government's announced abolition of stamp duty on business property, excluding land, completing the Territory's obligations under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. |  | The Territory Government announced that it will defer the abolition of this duty until 1 July 2012. |
| Continuing work to include payroll tax returns as part of the Commonwealth SBR initiative. |  | The inclusion of payroll tax returns in SBR was substantially developed in line with Commonwealth guidelines and timeframes. |
| Continuing refinement and development of revenue-related information systems. |  | <p>Enhancements were made to the TRMeR payroll tax module to further streamline operation for users in line with user feedback conducted during August 2008.</p> <p>Undertook further work on extending the TRMeR online processing facility to other Territory revenue lines.</p> |
| Contribute to the Australia's Future Tax System review. |  | Treasury developed the Territory Government's submission to the review and provided information requested by the review panel. Also contributed to the submission to the review from CAF. |

Future Priorities

- Implement the 2009-10 Budget initiative to review agency user charges and the conversion of all appropriate fees to revenue units.
- Contribute to the Commonwealth's review of taxation arrangements and benefit payments
- Continuing work to include payroll tax returns as part of the Commonwealth SBR initiative.
- Continuing development of revenue-related information systems.
- Develop and implement 2010-11 Budget-related revenue options.

Objective 5: Superannuation

Strategic Objective

Appropriate public sector superannuation arrangements.

Outputs Delivered

Superannuation policy for Government and administration of the Government's superannuation schemes, including the relationship between national

and Territory legislation, and advice and assistance to investment and review boards.

Key Achievements

More Investment Choice

In 2008-09, investment mixing and a new managed cash option were introduced to provide NTGPASS members with greater investment choice and flexibility, bringing the number of investment options to six.

The managed cash option is invested in a range of low-risk investments, and is less exposed to market volatility compared to the other options. NTGPASS members can now also choose one investment option for their account balance, and a different option for future contributions. Pension members can choose to invest their account balance in any or all six investment options.

Associated changes were implemented to systems and internal processes, forms and publications.

Anti-Money Laundering and Counter-Terrorism Financing

The Commonwealth AML/CTF imposes a range of governance and operational obligations designed to combat money laundering and terrorism financing activities. All the Territory's public sector superannuation schemes are required to comply with the legislation but, due to their nature, a number of the schemes present a very low risk of money laundering or terrorism financing activities.

Complying with the AML/CTF program includes a detailed risk assessment of each scheme, member identification requirements, staff and due diligence programs, maintaining a range of records and regular reporting to AUSTRAC.

The AML/CTF program implemented in early 2008 has been updated to incorporate revised obligations which commenced in December 2008. Compliance will be ongoing, with the second progress report submitted to AUSTRAC in March 2009.

Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008

The Commonwealth *Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008* came into effect on 1 March 2009. This legislation updates the *Family Law Act 1975* to provide for opposite sex and same sex de facto couples to access the Federal Family Law Courts on property and maintenance matters. The changes also include recognition of financial agreements between de facto couples and superannuation splitting, where this has been determined by court proceedings. Previously this was only available to legally married couples. The Superannuation Office reviewed each of the schemes to ensure they align with the new amendments.

Member Communication

A range of publications including fact sheets and newsletters were issued to assist members understand the impact of the global financial crisis and the consequential negative returns on their superannuation accounts.

In addition, member information seminars were held around the Territory in November and December 2008.

Output Performance

Priorities for 2008-09

Achieved

Results in 2008-09

Introduce a cash investment option and further enhancements to member investment choice to give NTGPASS members more investment flexibility.



Investment mixing and the managed cash option commenced in March 2009. To support this functionality, system modifications were tested and implemented, member education seminars were presented in major regional centres and several publications were updated to inform members about these changes.

Improve information available to NTGPASS members through various media including an information booklet and online information statements.



Online information statements were made available to active members through ePASS. A number of publications were developed to better inform members on how their benefit can be affected by investment returns, including an Investment Update newsletter. Online versions of the Member Investment Choice and Allocated Pension booklets were updated.

Continue to develop AML/CTF compliance.



The AML/CTF program was revised to incorporate required obligations and was approved by trustees. Exemption from compliance has been sought for the LAMS, Police, Judges and Administrators schemes, which is under review by AUSTRAC.

Consider and develop options for improving and streamlining the administration of Territory public sector superannuation arrangements.



Work is continuing on the review of processes and procedures, and development of options to improve the administration of Territory superannuation schemes, including NTGPASS, NTSSS and NTGDIS.

Future Priorities

- Analyse the impact of Commonwealth reviews (Henry, Harmer, Cooper) on Northern Territory superannuation arrangements.
- Progress the simplification of Territory public sector superannuation arrangements, which may include legislative amendment.

- Reduce the number of accounts where benefits remain unclaimed.
- Continue to manage AML/CTF compliance.
- Update the NTGPASS information booklet.

Output Performance Tables

The output performance tables in this section provide comparative data for 2008-09 and the two earlier years, against measures published in Budget Paper No. 3. The 2009-10 estimate is also included for information. Although measures vary for each output, one is common to them all, and this is the stakeholder satisfaction survey rating. Unless otherwise indicated, the stakeholder is the Treasurer and measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied. In most cases, other performance data is also provided for information.

Financial Management

Table 5: Financial Management Output Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|--|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Develop and present the Budget | 1 | 1 | 1 | 1 |
| Financial performance reporting – TAFR, PEFO ¹ , Mid-Year Report, Treasurer’s quarterly financial reports | 5 | 5 | 6 | 5 |
| Capacity to provide policy advice and analysis on financial management issues | \$6.15M | \$6.42M | \$6.83M | \$7.11M |
| Quality | | | | |
| Acceptable audit opinion from Auditor-General for TAFR | yes | yes | yes | yes |
| Stakeholder satisfaction survey rating: | | | | |
| fiscal policy advice | 5 | 5 | 5 | ≥ 5 |
| key financial reports and publications | 5 | 5 | 5 | ≥ 5 |
| Timeliness | | | | |
| Timeframes met as agreed | 85% | 5 | 5 | ≥ 5 |
| Budget published by date set by Treasurer | yes | yes | yes | yes |
| TAFR published in accordance with legislation | yes | yes | yes | yes |
| PEFO published in accordance with legislation ¹ | | | yes | |
| Mid-Year Report published in accordance with legislation | yes | yes | yes | yes |
| Treasurer’s quarterly financial reports published in accordance with legislation | yes | yes | yes | yes |

1. Published in 2008-09 within ten days of the issue of a writ for a general election in accordance with requirements under the *Fiscal Integrity and Transparency Act*.

Economic

Table 6: Economic Services Output Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|---|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Capacity to provide policy advice and analysis on economic and related issues | \$5.72M | \$6.65M | \$8.64M | \$8.32M |
| Publish Northern Territory Economy | 1 | 1 | 1 | 1 |
| Publish Territory Economic Review | 11 | 11 | 11 | 11 |
| Publish Social Indicators | | 11 | 11 | 11 |
| Quality | | | | |
| Stakeholder satisfaction survey rating: | | | | |
| advice on economic and related services | 5 | 5 | 5 | ≥5 |
| economic publications | 5 | 5 | 5 | ≥5 |
| Timeliness | | | | |
| Stakeholder satisfaction survey rating of timeframes met as agreed | 5 | 5 | 5 | ≥5 |
| Briefings on ABS economic data provided on day of release | 100% | 100% | 100% | 100% |
| Economic publications published by agreed date | 100% | 100% | 100% | 100% |

Table 7: Payments on Behalf of the Territory

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|---|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Community service obligation payment for uniform tariff subsidy | \$52.85M | \$52.66M | \$55.87M | \$58.05M |
| Capital assistance to Power and Water Corporation | | \$66.60M | \$70.00M | |
| Contribution to Australian Taxation Office for GST collection costs | \$6.31M | \$6.20M | \$6.46M | \$6.48M |

Territory Revenue

Table 8: Territory Revenue Output Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|---|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Territory revenue collected ¹ | \$509.2M | \$575.6M | \$689.52M | \$614.80M |
| Capacity to provide revenue-related policy advice | \$0.9M | \$1.19M | \$1.34M | \$1.41M |
| Capacity to collect Territory revenue | \$5.15M | \$4.77M | \$4.93M | \$5.36M |
| Subsidy payments ² | \$11.88M | \$12.03M | \$23.85M | \$11.60M |
| Subsidy administration | \$0.32M | \$0.31M | \$0.33M | \$0.36M |
| Quality | | | | |
| Territory revenue forecast accuracy ³ | 2.1% | 2.58% | -0.1% | ±5% |
| Stakeholder satisfaction survey rating: | | | | |
| taxpayers ⁴ | 86% | 5.01 | 4.99 | ≥5 |
| Treasurer | 6 | 5 | 6 | ≥5 |
| Assessment accuracy ⁵ | 99.9% | 99.9% | 99.9% | ≥99% |
| Accuracy of first home owner grant payments processed | 100% | 100% | 100% | 100% |
| Timeliness | | | | |
| Revenue received within agreed timeframes | 96.6% | 95.1% | 91.2% | > 95% |
| Services completed within agreed service standards ⁶ | 99.7% | 94.9% | 89.7% | > 95% |

1. Includes taxes, gambling revenue and mining royalties. The increased revenue in 2008-09 is mainly attributed to greater mineral royalty collections.

2. The increase in 2008-09 mainly reflects the impact of the Commonwealth's First Home Owners Boost scheme and the Territory's Buildstart scheme, which commenced in October 2008. The lower estimate for 2009-10 is due to the cessation of the fuel subsidies scheme from 5 May 2009 and the cessation of the Boost and Buildstart schemes in 2009-10 that was expected at the time of publishing the 2009-10 Budget. Since then both schemes have been extended to 31 December 2009.

3. This figure reflects the difference between the estimate in the May Budget and actual revenue collected.

4. Taxpayer satisfaction was determined via an email survey issued to over 1100 clients from the 2008-09 target groups of frequent stamp duty lodgers, conveyance by return (CBR) clients and payroll taxpayers. 196 responses were received. The survey measures satisfaction with services provided by the Territory Revenue Office with a range of ratings from 1: extremely dissatisfied through to 6: extremely satisfied. The overall rating is the average of all responses.

5. This is the percentage of assessments issued for the year that have been revised by way of allowed objections and appeals.

6. The measure is the weighted average performance of a series of lower level measures in the Territory Revenue Office Service Charter as published on the Territory Revenue Office website. Table 9 below details the components that comprise the weighed average. The 2008-09 result is less than the target, with reasons detailed in Table 9.

Table 9: Territory Revenue Office Standards Published in the Service Charter

| | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|--|-------------------|-------------------|-------------------|---------------------|
| | % | % | % | % |
| Stamp duty assessing document turnaround (proportion assessed within five working days) ¹ | 90 | 87 | 82 | 90 |
| Response to written inquiries within 14 days of receipt ² | 93 | 87 | 76 | 100 |
| Audits completed within respective timeframes ³ | 80 | 68 | 74 | 80 |
| Objections determined within 120 days | 100 | 84 | 82 | 80 |
| Fuel subsidy and other grant applications determined within respective timeframes ⁴ | 98 | 98 | 99 | 95 |

1. The 2008-09 result is less than the 90 per cent target due to recruitment difficulties combined with the increased workload from the First Home Owner Boost and Buildstart schemes.
2. The 2008-09 result is less than the 100 per cent target due to recruitment difficulties combined with increased workload from the First Home Owner Boost and Buildstart schemes.
3. The measure reflects Territory payroll tax, stamp duty and first home owner grant audits completed within 120 days and mining and petroleum royalty audits completed within 180 days of commencement. The 2007-08 and 2008-09 results are less than the 80 per cent target. The 2007-08 result was due to recruitment difficulties, which led to a backlog of older uncompleted audit cases carrying over to 2008-09.
4. The measure is the weighted average performance of fuel subsidy and other grant applications processed within the timeframes stated in the Service Charter. The relevant standards are that 95 per cent of approved first home owner grant payments are made within 24 hours of the payment eligibility date and 95 per cent of all fuel subsidy and other grant applications are paid within five business days of receipt of all relevant information.

Superannuation

Table 10: Superannuation Output Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|---|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Capacity to provide policy advice and services on superannuation | \$3.53M | \$3.98M | \$3.92M | \$4.16M |
| Quality | | | | |
| Stakeholder satisfaction survey rating ¹ of policy advice and services on superannuation | 5.4 | 5 | 5 | ≥ 5 |
| Superannuation benefits paid accurately | 100% | 100% | 100% | 100% |
| Timeliness | | | | |
| Stakeholder satisfaction survey rating of timeframes met as agreed | 5 | 5 | 5 | ≥ 5 |

1. Stakeholders are the Treasurer, superannuation scheme members and associated boards.

Statutory Bodies

The Statutory Bodies output group includes the Utilities Commission and NT Build.

Table 11: Utilities Commission Output Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|--|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Capacity to administer regulatory regime | \$0.44M | \$0.49M | \$0.46M | \$0.62M |
| Capacity to advise Regulatory Minister | \$0.11M | \$0.12M | \$0.12M | \$0.15M |
| Quality | | | | |
| Stakeholder satisfaction survey rating | 5 | 5 | 5 | ≥ 5 |
| Timeliness | | | | |
| Determinations approved within statutory timeframes ¹ | 100% | 100% | 100% | 100% |

1. Covers determinations and approvals on monopoly pricing, minimum service standards and other activities as provided for under the *Utilities Commission Act* and other relevant industry regulation legislation.

Northern Territory Treasury Corporation

Table 12: Treasury Corporation Business Line Performance

| Performance Measures | 2006-07 Actual | 2007-08 Actual | 2008-09 Actual | 2009-10 Estimate |
|---|-------------------|-------------------|-------------------|---------------------|
| Quantity | | | | |
| Weighted average cost of borrowing during the year ¹ | 6.13% | 6.67% | 5.96% | 6.00% |
| Capacity to provide services | \$1.99M | \$2.18M | \$2.09M | \$2.21M |
| Quality | | | | |
| Borrowing rate margin compared to industry peers | + 0.10% | + 0.11% | + 0.13% | ≤ 0.20% |
| Investment portfolio ² : | | | | |
| return above benchmark | + 0.03% | - 0.02% | - 0.02% | > indices |
| volatility of return against benchmark | - 0.03% | - 0.02% | - 0.02% | ± 0.25% |
| Stakeholder satisfaction survey rating | 6 | 5 | 6 | ≥5 |
| Timeliness | | | | |
| Quotes issued within three working days ³ | 100% | 100% | 100% | 100% |
| Funding available within five working days | 100% | 100% | 100% | 100% |

1. Borrowing cost forecasts are based on prevailing financial market expectations for interest rates.

2. The benchmark is measured against weighted relevant UBS Warburg indices.

3. Response to a request for information relating to a loan by a government business division or a government owned corporation.