



ANNUAL REPORT

1996-97

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LETTER OF REPRESENTATION

The Honourable M A Reed MLA
Treasurer
GPO Box 3146
DARWIN NT 0801

Dear Treasurer

In accordance with the provisions of section 28 of the *Public Sector Employment and Management Act*, I am pleased to provide to you the Annual Report of Northern Territory Treasury for 1996-97 and to confirm that, in terms of that Act, all Employment Instructions have been satisfied.

This report describes developments and operational outcomes during the year in a form intended to be informative to a wide range of readers including Parliamentarians, other government agencies, the public and Treasury employees.

Pursuant to the *Financial Management Act*, I advise that to the best of my knowledge and belief:

- (a) proper records of all transactions affecting Treasury are kept and that employees under my control observe the provisions of the Act, the *Financial Management Regulations* and the Treasurer's Directions; and
- (b) procedures within Treasury afford proper internal control, and that these procedures are currently being reviewed for updating in the Accounting and Property Manual.

I am not aware of any indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records of Treasury for 1996-97. The Director Strategic and Audit Services in the Department of the Chief Minister reports to me upon matters internally audited in Treasury.

In my opinion the financial statements included in this Report have been prepared from proper accounts and records and are in accordance with the Territory's Financial Management legislation.

Yours sincerely

K B Clarke
Under Treasurer

November 1997

UNDER TREASURER'S REVIEW

Following the retirement of Neil Conn OA, my appointment as Under Treasurer commenced on 1 December 1996. Concurrently, Michael Martin was promoted to Territory Health Services. These changes led to a review of the executive in Treasury, resulting in the subsequent appointment of Gary Henry and Jennifer Prince as Deputy Under Treasurers. Since the last Annual Report, Murray Hancock has been appointed as Deputy Commissioner of Taxes following Joe Burley's return to Western Australia. Kevin Dent, Commissioner of Superannuation, has also moved interstate.

At an investiture on 9 May 1997, David Read, Commissioner of Taxes and Senior Director Revenue, received the Public Sector Medal for outstanding service to the Northern Territory's Treasury, which had been announced in the Australia Day Awards.

Strategic Services Division transferred to the Department of Communications and Advanced Technology on 2 July 1997. In addition, the Public Finance program has moved to the renamed Budgets and Public Finance Activity to better reflect the relationships between these areas.

Significant achievements since the last Annual Report have included:

- the establishment of the Government Asset Sales Team, led by Treasury and comprising representatives of the Department of Lands, Planning and Environment, NT Attorney-General's Department, and the NT Tourist Commission, in March 1997. The team's role is to investigate assets that Government may wish to sell, including the Trade Development Zone (TDZ) land, NT TAB, and Ayers Rock and Alice Springs Resorts. The team engaged specialist financial advice to assist in the sale of the Ayers Rock and Alice Springs Resorts, and to advise on future options for the TAB;
- the sale of Ayers Rock Resort for \$220 million to General Property Trust. This represents a tripling in value since 1992. Following a sale process that commenced in May 1997, contracts were exchanged on 25 October 1997, with the sale to be completed by 3 December 1997. Other highlights were the sale of Northern Territory Housing Commission housing at the Resort for \$15 million and a 60 year lease on Ayers Rock Resort Airport. Agreements with the Resort on electricity, water and sewerage services, as well as arrangements for the maintenance of Resort roads, fire and emergency services, and the dissolution of the town council, were also set in place;
- leadership of the team that developed the NT Gas Strategy for the period to 2030. This involved Arthur D Little (international energy consultants), the Department of Mines and Energy, and the Power and Water Authority (PAWA). The strategy was adopted by Government and tabled in Parliament in February/March 1997;
- heading a team negotiating to buy 70 PJ of gas (with a nominal value of \$200 million) over the period to 2008 for PAWA's fuel needs. A contract was settled in June 1997 and was signed in November;
- participation in formulation of PAWA's Alice Springs Gas Strategy, including a strategy for Yulara electricity supply;
- heading a detailed review of PAWA's contract with NT Power Pty Ltd regarding the future of Darwin to Katherine 132kV power transmission line;

- participating in the development of the Alice Springs to Darwin Railway project with the Department of Transport and Works, Department of Lands, Planning and Environment, and the Department of the Chief Minister. The team successfully achieved agreements and \$100 million in contributions from the South Australian and Commonwealth governments, plus the transfer of usage rights for the Tarcoola to Alice Springs line. Treasury assisted in developing this project to the stage where the private sector will now be invited to finance and operate the project, and also helped set up the AustralAsian Railway Corporation (joint NT/SA Corporation);
- leading a team that arranged for the takeover by Frontier Services of Chan Park Nursing Home in Palmerston. Negotiations commenced in late 1996, and the purchase was completed in October 1997. This is now to be further developed to provide a central health precinct in the growing Palmerston area;
- completion of the Territory's major submission to the Commonwealth Grants Commission's 1999 Review of General Grant Relativities of State and Territories relativities. This required a detailed analysis of all of the Territory's expenditure and own source revenue programs, quantifying those areas where the Territory experiences disabilities relative to the states;
- further enhancement of the NT Budget Papers, particularly Budget Paper No. 2 which combines all relevant material on all Activities in gross expenditure by program and by category of cost as well as in the economic transactions framework;
- the Northern Territory Treasury Corporation (NTTC) being rated for the first time which resulted in a rating of Aa2;
- a narrowing from 25 basis points to 15 basis points in the margin at which the NTTC issues its ten year debt, compared to its benchmark (NSW Treasury Corporation);
- an increase in the number of Territory Bonds to a record 47,318;
- reducing the average benefit processing time in the NT Superannuation Office from 28 days to 13 days, notwithstanding a 21 per cent increase in the total number of benefits processed;
- the hosting of visits in June and August to several Territory remote and regional communities to enable Commonwealth Grants Commissioners and their staff to meet service providers, including health workers, teachers and police, in their workplaces, and to see the conditions and issues they face in day to day provision of service;
- in April 1997, the Territory hosted the 27th State and Territory Taxation Commissioners Conference in Alice Springs with 28 delegates from all jurisdictions attending. The theme of the conference was 'Future Shock' which was chosen to encourage the examination of the climate for change and how to address the future in light of electronic commerce;
- the establishment of Intranet/Internet home pages for Treasury, the Superannuation Office and Territory Bonds to improve services to clients, both within the Territory public sector as well as externally;

- the continued targeted recruitment and development of graduates within Treasury; and
- recent approval for a sector-wide Finance Officers-in-Training program, incorporating initiatives for both graduates and undergraduates, to ensure that the Territory public sector develops and retains highly skilled staff in all areas of public finance.

In closing this review of the year, I would like to record my appreciation for the continued dedication, enthusiasm, and hard work shown by staff throughout Treasury, and for the personal support that I have encountered and valued during my first year as Under Treasurer.

K B Clarke

November 1997

KEN CLARKE

Ken Clarke was appointed as Under Treasurer in the Northern Territory Government on 1 December 1996.

Raised in rural Western Australia, Ken studied at the University of Western Australia and graduated with an Honours Degree in commerce in 1969.

He commenced his career as a Research Officer with the Bureau of Agricultural Economics in Canberra. After 3 years, Ken moved to London as a research editor in business reference publishing with Gower Economic Publications. In 1975, he was appointed to the Monetary Policy Branch in the Papua New Guinea Department of Finance in Port Moresby, and later became Assistant Secretary.

Ken joined the Northern Territory Government in the then Department of Treasury just prior to Self-Government in 1978, and was closely involved in establishing the Territory's base funding arrangements with the Commonwealth Government. He has had substantial experience with all aspects of public finance since then, with particular emphasis on inter-governmental financial relations and budget processes.

He is also a member of several Boards and Advisory Committees including the NT University Council and its Finance Committee, Northern Territory Treasury Corporation and the Superannuation Investment Board.

Together with Barbara and their three children, Ken also has a keen involvement with mango farming and various recreation and sporting interests.

FUNCTIONS AND FISCAL TARGETS

corporate functions

Northern Territory Treasury was established on 1 July 1978 following enactment of the *Northern Territory Self-Government Act (1978)*. Treasury's current functions as reflected in the Administrative Arrangements Order of 15 September 1997 are:

- Financial Administration
- Budgeting and Financial Policy
- Economic Policy and Assessment
- Government Revenue
- Mining Royalties
- Financial Asset and Liability Management
- Financial Agreements
- Financial Institutions
- Coordination of Statistical Matters
- Territory Borrowings
- Superannuation Conditions of Service
- Liquor Licence Fee Investigations

fiscal targets

Treasury makes a significant contribution to achieving the short, medium and long term fiscal targets as identified by the Government, published in the 1996-97 Budget Paper No. 5 as:

- current expenditure per capita will not increase in real terms;
- fixed capital expenditure will be maintained at levels sufficient to meet the Territory's economic and social development needs;
- interest payments will be no higher than the level of payments in 1992-93;
- interest payments as a proportion of Territory revenue and Commonwealth grants will be no higher than the six State average proportion;
- Territory rates of taxes and charges will, except where special circumstances exist, be no higher than the six State average level;
- the increase in Territory debt in any year will be no higher than five per cent of total expenditure; and
- any new borrowings must be for repayment of Commonwealth advances or development of economic infrastructure, and by 1998 new borrowings will be undertaken only where there is sufficient economic return to meet debt servicing costs and redemption of borrowings involved.

The only provisos are that:

- in any given year, the percentage change in Commonwealth Grants to the Northern Territory is not significantly different to the change for the States; and
- the Territory receives adequate discretion in the application of funds to priorities determined by Territorians.

ECONOMIC AND BUSINESS OVERVIEW

ECONOMIC GROWTH

In 1996-97, the Territory economy grew by 6.3 per cent, the largest growth of any jurisdiction and more than double the national average of 2.8 per cent. Independent forecasts of the Territory economy indicate that an average growth of 4.5 per cent to 6.5 per cent per annum will be achieved over the next few years. This is a rate considerably higher than the national average.

In 1996, the Territory's population increased by 2.2 per cent compared with an increase of 1.3 per cent nationally. Strong population growth is both a consequence of, and a contributor to, healthy economic growth.

LABOUR MARKET STRENGTH

The Territory continues to have the lowest rate of unemployment of all States and Territories, and is significantly lower than the national average. This is an indication of the ongoing job opportunities available in the Territory, with employment in a range of industries growing by 2.9 per cent in 1996-97.

PRICES AND WAGES

Territory price rises in 1996-97 were again moderate. Darwin's inflation was 0.6 per cent, slightly higher than the national rate of 0.3 per cent. Wage increase in the Territory was slightly higher than the national average after a period of slow growth over the past three years.

HOUSING AND CONSTRUCTION

The construction industry experienced another very strong year with significant activity in all sectors. Residential construction continued at a high level, buoyed by lower interest rates and high population growth. Work on non-residential building was the highest in the past decade, dominated by the construction of retail facilities and hotels. Engineering work was also strong with important areas being land servicing, mining infrastructure and the new port.

TOURISM GROWTH

The tourism industry now accounts for a sizeable proportion of Territory Gross State Product (GSP), and about one in five jobs. Visitors are attracted to the Territory's unique flora, fauna and natural beauty, including many world class national parks. Although visitor numbers declined slightly in 1996-97 due to a reduced number of interstate visitors, the industry is confident of a quick recovery. 600 new hotel and holiday apartment rooms commenced operation at the onset of the 1997 tourist season. In addition, a number of tourist accommodation projects are planned for construction over the next year, with a total of 380 rooms.

RURAL INDUSTRIES

The past year was one of consolidation for the Territory's rural industries and fisheries. Overall production was down primarily due to a decline in the value of the prawn catch. The burgeoning trade in live cattle to South East Asia continued with another strong increase in exports in 1996, with further growth expected in

1997. The prospects for horticulture are particularly good with increases anticipated in a range of products, especially mangoes, bananas, nursery plants and cut flowers.

MINING

For the second consecutive year the mining industry recorded an increase in the value of production, with the latest estimates showing that the industry accounts for about one-eighth of Territory GSP, which is larger than any other industry. New and upgraded gold mines, a new diamond mine and an expansion of the Nabalco alumina processing plant should see strong growth in mineral production and processing over the next few years. Oil production from the Elang/Kakatua field in Area A of the Zone of Cooperation is expected in mid 1998, while oil production from the larger Laminaria/Corallina field is expected in early 1999. A study undertaken this year indicates that due to various linkages to the rest of the economy, mining accounts for more than 25 per cent of the Territory's GSP.

*ASIAN TRADE
POSSIBILITIES*

Further strong growth, albeit at a lower rate, in the East Asia region, especially the Territory's closest neighbours in South East Asia, is expected over the next few years. These countries are among the Territory's most important trading partners and their ongoing transformation into more mature economies is important for the development of the Territory's export industries, particularly live cattle, horticulture, seafood, oil, a range of minerals, and increasingly, service exports including tourism.

*TRANSPORT
INFRASTRUCTURE*

An important factor in the development of the Northern Territory as a supplier of goods and services to Asia is the development of an efficient and appropriate system of transport infrastructure. The key components of this are modern and efficient airports in Darwin and other centres, the new East Arm Port in Darwin, and the Alice Springs to Darwin railway, the completion of which the Territory Government continues to facilitate.

TREASURY

ORGANISATION

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective and efficient financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

northern territory treasury: superannuation office

Administration
Conditions of Service
Provisions

northern territory treasury: Services

Corporate Management
Budgets and Public Finance
Economic Services
Territory Revenue Management
Financial Services
Community Service Obligations

northern territory treasury: corporation

Administration
External Debt
Management
Internal Funds
Management

Northern Territory Treasury is organised into three entities for financial management purposes. The Activities of each are shown above. In the following pages the contribution of each Activity and its programs to Treasury's corporate aim is shown by cross-referencing the outputs listed under 'What We Do'.

This section follows the current organisation to assist in understanding Treasury's future directions. In addition, reporting of the Strategic Services Activity, which transferred to the Department of Communications and Advanced Technology on 2 July 1997, has been included.

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: CORPORATE MANAGEMENT

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to the public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

<p style="text-align: center;">northern territory treasury: superannuation office</p> <p>Administration Conditions of Service Provisions</p>	<p style="text-align: center;">northern territory treasury: services</p> <div style="background-color: #008000; color: white; padding: 2px; margin-bottom: 5px;"> <p>Corporate Management Executive 1, 2, 3, 5 Corporate Services 5</p> </div> <p>Budgets and Public Finance Economic Services Territory Revenue Management Financial Services Community Service Obligations</p>	<p style="text-align: center;">northern territory treasury: corporation</p> <p>Administration External Debt Management Internal Funds Management</p>
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Functions

*COMMENT ON
ALL CABINET
SUBMISSIONS*

The Corporate Management Activity provides for the direction, coordination and monitoring of Treasury's activities, as well as the provision of advice on financial matters generally to the Treasurer and Cabinet.

Services are provided to the Treasurer and his Office by this Activity. It also processes all Ministerials involving Treasury, and provides a Treasury comment on all Cabinet Submissions.

The Activity provides frameworks for the management of human resources, financial information and other resources within Treasury, as well as related corporate services to a number of smaller Northern Territory Government agencies.

Strategies

A central strategy of this Activity is to become involved in complex issues with material financial implications.

The Corporate Services program pursues the continuous improvement of corporate services provided for, and on behalf of, the functional areas of Treasury. A client service orientation is continually emphasised, and partnership with users at all levels is actively pursued. Solutions and strategies focus on meeting needs within the framework of government and Treasury policy and objectives. Accuracy and timeliness of information, reports and processing are also emphasised.

The Executive program aims to provide high quality advice to Government on a range of financial and economic issues, and to process Ministerials and provide a well-reasoned, quality Treasury comment, principally directed at economic and budgetary considerations, on all Cabinet submissions.

LEADERSHIP

The program is responsible for the leadership of Treasury's activities, Ministerial liaison and the provision of quality comment, principally directed at economic and budgetary considerations, on all Cabinet Submissions. The program also manages Treasury's interest in the Australian transport system, particularly the railway from Alice Springs to Darwin.

STRATEGIC ISSUES

This Program has the major policy role for Northern Territory Treasury and becomes involved in a wide range of strategic issues which have a financial implication for the Territory. The Program is required to represent the Territory on national committees with participation on working parties involving other Territory agencies.

The Program provides timely and accurate processing of all Treasury Ministerials. Due to the nature of Treasury's role, this covers a comprehensive and complex spectrum of government issues.

Performance in 1996-97

POLICY ADVICE

The program continued to service Government with policy advice and submissions on numerous issues during the year covering the spectrum of economic and financial affairs. Specific projects included:

- continuing the documentation of the economic viability of the Alice Springs to Darwin Railway and the conditions necessary for commercial viability, as a part of the Railway Executive Group;

GOVERNMENT
ASSETS SALES
TEAM

- the establishment of the Government Asset Sales Team, led by Treasury and comprising representatives of the Department of Lands, Planning and Environment, NT Attorney-Generals Department, and the NT Tourist Commission, in March 1997. The team's role is to investigate assets that Government may wish to sell, including the Trade Development Zone (TDZ) land; NT TAB and Ayers Rock and Alice Springs Resorts. The team engaged specialist financial advice to assist in the sale of the Ayers Rock and Alice Springs Resorts, and to advise on future options for the TAB; and

NT GAS
STRATEGY

- leadership of the team that developed the NT Gas Strategy for the period to 2030. This involved Arthur D Little (international energy consultants), the Department of Mines and Energy, and the Power and Water Authority (PAWA). The strategy was adopted by Government and tabled in Parliament in February/March 1997.

Initiatives in 1997-98 include:

- finalisation of the sale of the Ayers Rock Resort; and
- evaluation of expressions of interest from consortia providing bids for the Alice Springs to Darwin Railway.

 Executive: 8999 6033

The Corporate Services program aims to provide support to clients in the management of their employees, financial, information and other corporate resources.

The Corporate Services program provides policy and advisory services, and operational support, tailored to the needs of the functional divisions of Treasury in relation to human resource management, internal financial management, information technology, library, registry and office services.

A salaries agency service is provided to the Racing and Gaming Authority, the Department of Asian Relations, Trade and Industry, NT Liquor Commission and the Trade Development Zone. A full financial agency service is provided to the Racing and Gaming Authority, and human resource assistance is provided to the Racing and Gaming Authority and the Liquor Commission.

Performance in 1996-97

During the year, significant developments occurred in relation to Treasury's information technology environment. The high level of

AGENCY
SERVICES



activity in this area reflects the critical importance of maintaining a stable information technology environment to support Treasury's emerging business needs.

*INFORMATION
NETWORKING*

The full conversion to Windows 95 was completed well ahead of schedule and at significantly less cost than anticipated. The high stability of Local Area Network (LAN) continued well within performance targets. An upgrade to the server was implemented to meet the expanding high levels of demand and to ensure that adequate storage capacity and response times are maintained during peak periods. Persistent effort resulted in a stable dial-in service to the LAN which provides significant benefits for staff working away from the office environment.

*ELECTRONIC
PUBLISHING*

Electronic publishing on the Internet commenced during the year, using a three tier approach with one point of entry for staff. Treasury's Internet Home Page was launched and is now actively used to supply information to the public, including the Government's Budget Papers, as well as for advertising some employment opportunities. Additional homepages have been created for the Superannuation Office and Territory Bonds, with the Territory Revenue page currently under construction. Given the volume and timing issues associated with many of these publications, Corporate Services program undertakes all work and responsibility for publishing directly to the Internet.

The Government Intranet is also being used to provide up to date and immediate access to Treasury documents such as the Treasurer's Directions, for all staff within the public sector. An Intranet accessible only by Treasury staff, known as TreasuryNett, has been established as a primary source of internal information, as well as providing the link to Intranet and Internet information.

YEAR 2000

An assessment of Treasury's hardware and software was undertaken to determine the extent of change needed to accommodate the Year 2000 difficulties. Other information technology developments included a full review of software licencing to ensure compliance with legal responsibilities; the networking of personal computers in the Alice Springs Regional Office to provide a cost effective level of functionality; and the installation of full virus protection.

A process of consultative development of major human resource initiatives culminated in the approval of Treasury's programs in relation to occupational health and safety, equal opportunity, Aboriginal and Torres Strait Islanders and employee performance management. The strategies associated with these programs are progressively being implemented.

LIBRARY
SERVICES

In addition to the established financial agency service provided to the Racing and Gaming Authority, considerable assistance was provided to the TAB for several months. The ledger rewrite required to comply with the Treasurer's Directions was also a significant undertaking.

Following an extensive strategic facilities planning exercise, the coordination of several significant accommodation changes was commenced, with the aim of achieving optimal use of existing building facilities with minimal disruption to the operations of the Divisions involved.

The services offered by the Library were extended to include a monthly Current Awareness Service aimed at informing staff of the latest publications relevant to their responsibilities. CD ROM technology has been implemented to enable staff to have timely access to some references. Cataloguing of materials held in Divisions commenced to ensure that all Treasury resources are readily available throughout the agency. In April, the Lou Marks Railway Collection transferred to the Department of Transport and Works.

Initiatives in 1997-98 include:

- development of a Middle Management Program within Treasury;
- development of Treasury's Finance Officer in Training program;
- a review of induction practices and outcomes; and
- fortification of the information technology environment to facilitate new and emerging business needs.

 Corporate Services: 8999 6796

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: BUDGETS AND PUBLIC FINANCE

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE</p> <p>Administration Conditions of Service Provisions</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SERVICES</p> <p>Corporate Management Budgets and Public Finance Budget Systems 1, 2, 4 Budget Management 1, 2, 4 Public Finance 1, 2, 3 Economic Services Territory Revenue Management Financial Services Community Service Obligations</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: CORPORATION</p> <p>Administration External Debt Management Internal Funds Management</p>
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Functions

BUDGET AND FORWARD ESTIMATES

The Budgets and Public Finance Activity undertakes the development, coordination, production and monitoring of the Northern Territory Budget and Forward Estimates throughout the financial year. The Territory Budget and Forward Estimates functions involve a three year rolling Forward Estimates process, annual Appropriation Acts and a Budget Review process.

WORKS PROGRAM

The Activity undertakes the development, coordination, production, and management of the Northern Territory Works Program throughout the financial year. The Territory Works Program is comprised of the Forward Works, Design List and Capital Works as well as the annual Minor New Works and the Repairs and Maintenance Programs.

FINANCIAL
STATEMENTS

The Activity provides guidelines, training, advice and analytical comment on all aspects of financial resource allocation, budgetary matters and works programming in the Public Sector.

The Treasurer's Financial Statements of the expenditures and receipts of the Public Account are coordinated, compiled and produced quarterly and annually. In addition, resource allocation and statistical reports are compiled and produced for Government purposes during the Budget process.

INTERGOVERNMENT
FINANCIAL
RELATIONS

The Activity also manages the Government's critical agency functions in financial relations with other Governments. The Activity monitors and reviews all intergovernmental financial arrangements affecting the Territory, prepares submissions for the Commonwealth Grants Commission and briefings for Ministers on financial issues and fundings to be discussed in national forums.

Strategies

The strategies encourage effective financial and budgetary management and reporting, and to maximise the net inflow of financial resources into the Territory from the Commonwealth. This is achieved by:

- ongoing improvement in the development and management of the Territory Budget;
- liaison between all areas of government and sharing of information;
- pro-active review of national and international procedures, outputs and outcomes; and
- provision of high standards of briefings and submissions on financial and funding issues.

The Budget Systems program aims to provide a more responsive and accountable budgetary process, accurate and timely documentation and comprehensive analysis and commentary on resource allocation matters, and to maintain responsive and responsible financial legislation and guidelines.

MONITORING

The program gathers, analyses and evaluates agency information necessary to develop, manage and monitor the Budget and Forward Estimates, advising Cabinet of the Budget implications of submissions for resources. The program also has a major role in preparing various Treasury publications.

Performance in 1996-97

REVIEW OF FINANCIAL MANAGEMENT ACT

A review of the budget management aspects of the *Financial Management Act* was undertaken to ensure their appropriateness in the light of 12 months of operational experience. A result of this review was the amendment to the wording of section 23 of the Act to allow Budget Allocations to be varied for changes to estimated receipts (as opposed to actual receipts) to the Operating Account.

FORWARD ESTIMATES

The 1997-98 Forward Estimates formed the basis of 1997-98 Budget which was developed throughout 1996-97, tabled in the Legislative Assembly in April 1997, and passed in June 1997.

The 1998-99 Forward Estimates were developed during the year and will provide a base for Government decisions on revenue raising and resource allocations for the future year.

Staff in the Budget Systems program were heavily involved in major program reviews of the funding for Museums and Art Galleries, Correctional Services, NT Employment and Training Authority and the Department of Education.

ACCRUAL BUDGETING

In cooperation with the Power and Water Authority, an accrual based Budget was established for the Authority which will come into effect in 1997-98.

Initiatives in 1997-98 include:

- the development and publication of Forward Estimates three years out from the Budget year;
- the implementation of revised uniform presentation arrangements; and
- assisting in the implementation of the Finance Officer in Training Program.

 Budget Systems: 8999 6711

*The **Budget Management program** aims to enhance the approach to, and outcomes of, budget management and resource allocation in the Territory public sector; ensure that appropriate budget and financial reporting meet Government's requirements; and administer the Territory's Works Programs.*

The program provides policy advice on resource allocation issues, a financial and budgetary reporting service to Government and other major users of Budget data, and coordinates the Government's

Works Programs and associated asset management policy. The program also has a major role in the preparation and production of various Treasury publications.

Performance in 1996-97

A small group was convened by Treasury and consisted of representatives from all Finance Sub-Committee agencies to examine the program information published in the 1996-97 Budget Paper No. 2, to recommend on improvements to this information, and to suggest enhanced processes and procedures for increasing the outcome focus of proposals for additional funding put to Budget Cabinet.

The recommendations for improvements to the Program Statements implemented in the 1997-98 Budget Paper No. 2 included:

ENHANCED PROGRAM INFORMATION

- replacement of the description of core functions of the Agency with 'key functional responsibilities';
- merging of 'current' and 'emerging' strategic issues facing the agency under one heading;
- relationship of a program to Government policy;
- description of a program's customers; and
- clear definitions of the terms used eg outputs/outcomes.

ENHANCED TREASURER'S FINANCIAL STATEMENTS

To enhance the information provided to Budget Cabinet, documentation to support proposals for additional resources a proforma was agreed by the group and presented to Cabinet. The information provided included a detailed description of the proposal, full costing across years, replacement options, outcomes sought and identification of measurable outputs.

Considerable work was undertaken in ensuring that the Treasurer's Financial Statements, both quarterly and annual, were produced in a timely and efficient manner. Amendments made to the Treasurer's Directions relating to the use of Standard Classifications throughout Government has assisted in this process.

In addition, discussions were held with all key stakeholders on the inclusion of analysis and discussion information as a supplement to future Treasurer's Annual Financial Statements.

INTEGRATION OF FINANCIAL DATA

Talks have been held with the Australian Bureau of Statistics (ABS) on the provision of integrated financial data for the ABS and the Commonwealth Grants Commission. Initial examination of the data available through the Budget and accounting systems has been

undertaken but further work will be required before the Territory can provide this integrated data.

A two-pronged approach was undertaken to improve the knowledge, understanding and skills relating to financial matters in the Territory Public Sector.

TRAINING

An intensive program of courses, workshops and briefings was undertaken during 1996-97. These ranged from a formal two day Budgets and Estimates Course to informal briefings on particular requirements of Treasury Directions and Circulars.

Approval was obtained from the Finance Sub-Committee of the Co-ordination Committee to develop a proposal for a two year Finance Officer in Training Program.

Initiatives in 1997-98 include:

- continued emphasis on outcomes in the Budget including enhanced information provided to Government on new initiatives, outputs and outcomes to assist resource allocation decisions;
- enhancement of the Treasurer's Annual Financial Statement and Supplement publication by inclusion of analysis and discussion to support the financial statements of Public Account activities; and
- improvements to data processing to increase the timeliness of budget monitoring and reporting and to harmonise reporting requirements of the Australian Bureau of Statistics and Commonwealth Grants Commission.

 Budget Management: 8999 7968

*The **Public Finance program** aims to maximise the net inflow of financial resources into the Territory from the Commonwealth while ensuring that the Territory retains adequate discretion in the use of these resources.*

INTERGOVERNMENTAL FINANCIAL ARRANGEMENTS

The program monitors and reviews all major intergovernmental financial arrangements affecting the Territory, and provides strategic advice to Government to ensure the flow of funds to the Territory is optimised.

The Commonwealth Grants Commission recommends the distribution of Commonwealth general purpose recurrent grants among States and Territories. This grant is the major source of funds for the Northern Territory Government. The Commission's assessment methods are carefully scrutinised by the program, and submissions are prepared for the Commission's five-yearly reviews.

Performance in 1996-97

PREMIERS' CONFERENCE

The Chief Minister and Treasurer were supplied with comprehensive background briefings, highlighting the Territory's funding requirements in preparation for the annual Premiers' Conference.

Extensive effort has been expended in the preparation of the Territory's first submission to the Grants Commission's 1999 Review of General Grant Relativities.

GRANTS COMMISSION

Submissions also were prepared in response to the inquiries into selected budgetary issues by the Grants Commission throughout the year, and the consultation and review program associated with the 1999 Review of Relativities.

Briefings on intergovernmental financial relations have been prepared in a timely manner for all heads of Government forums including Council of Australian Governments and Leaders' Forum meetings. The briefings provide background information and recommend appropriate strategies for the Territory Government to adopt on financial issues and funding in national forums.

Regular liaison has been maintained with other jurisdictions, both Commonwealth and States, to monitor developments in Commonwealth, State and Territory financial relations. Close liaison with other Territory agencies has also been maintained to ensure arrangements concerning tied grants do not have a negative impact on the Territory's global financial position.

Initiatives in 1997-98 include:

- coordination of submissions to the Commonwealth Grants Commission; and
- responses to major initiatives in intergovernmental financial relations.

 Public Finance: 8999 6691

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: ECONOMIC SERVICES

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE</p> <p>Administration Conditions of Service Provisions</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SERVICES</p> <p>Corporate Management Budgets and Public Finance Economic Services Economics 1, 2 Statistics 1, 2 Territory Revenue Management Financial Services Community Service Obligations</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: CORPORATION</p> <p>Administration External Debt Management Internal Funds Management</p>
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Functions

The Economic Services Activity provides comprehensive analysis and advice on a diverse range of economic and financial policy issues including major development projects in which the Government has an interest.

The Activity also maintains data on economic and financial statistics; provides advice on relevant statistics; and represents the Territory's interests in the development of statistical information.

Strategies

The Economic Services Activity strategies include:

- continually improving the quality, timeliness and usefulness of economic and financial analysis and advice provided to

POLICY AND STATISTICS

Government, to protect and enhance the Territory's long term financial and economic viability;

- promoting an appreciation and understanding of economic concepts and issues and their usefulness in the development of economic policy initiatives;
- ensuring that the cost and benefits of major new projects are accurately assessed in a timely and comprehensive manner; and
- pursuing continued improvement in the quality and timeliness of available statistics.

The Economics program aims to ensure that the Territory's financial and physical resources are applied in the most effective manner to protect and enhance the Territory's long term financial and economic viability.

ADVICE
AND
ANALYSIS

The program provides high quality advice on, and accurate and incisive analysis of, economic and financial issues affecting the Territory, including major development projects. It coordinates the Territory's involvement in and responses to national economic development proposals such as National Competition Policy. It also progresses a range of microeconomic reforms at the Territory level, including the reform of Government Business Division (GBDs).

Performance in 1996-97

NATIONAL
COMPETITION
POLICY

During 1996-97, the Territory Government's commitments under the National Competition Policy continued to be implemented. Foremost among these was the continued reform of GBDs, implementation of the National Gas Access Regime and the review of Territory legislation, in accordance with the review timetable published by the Northern Territory Government.

The program also contributed to the activities of the Government Assets Sales Team, in relation to investigations regarding the possible sale of a number of Government owned assets, namely the land and buildings at the Trade Development Zone, the TAB and the Government's share in the Ayers Rock Resort.

The program also provided analysis and advice on 150 Cabinet Submissions covering a range of development proposals.

Initiatives in 1997-98 include:

- key involvement in further development of an appropriate operating environment for GBDs;

- further progress in the possible sale of a number of Northern Territory Government assets; and
- key involvement in implementing the Territory's commitments to National Competition Policy.

📞 Economics: 8999 6700

The Statistics program aims to present a quantitative view of the Northern Territory economy as a basis for policy development by Government.

*STATISTICAL
LIAISON*

The program coordinates the Northern Territory Government's statistical needs and priorities, and liaises with the Australian Bureau of Statistics (ABS). The program chairs and provides secretarial support to the Northern Territory Statistics Liaison Committee and represents the Territory on the Australian Statistical Advisory Committee.

The program provides analysis and advice on key demographic and economic indicators and issues for the Treasurer, other Ministers and senior officers in Treasury and other agencies.

Performance in 1996-97

During 1996-97 the program produced 108 Economic Briefs. These briefs were primarily based on ABS publications and were generally prepared under pre-embargo lockup conditions.

*MONTHLY ECONOMIC
REVIEW*

The program continued to prepare and distribute the Monthly Economic Review which provides a concise and timely review of the major economic and demographic indicators affecting the Territory each month. The Monthly Economic Review is published on the Internet on the Territory Government's World Wide Web server.

The annual review and outlook report on the Territory economy, the Northern Territory Economy, continued to be published both in printed form and on the Internet. It was distributed widely within the Territory, nationally and internationally.

*STATISTICAL
PRIORITIES*

A review of the statistical priorities of Northern Territory Government agencies was completed in the second half of 1996. This review was conducted by a joint effort between this program and the ABS.

*POPULATION
PROJECTIONS*

A set of Statistical Local Area population projections was produced and distributed to each member of the Northern Territory Statistical Liaison Committee (NTSLC) in early 1997. The ABS was contracted for the production of these projections using the specifications or

assumptions prepared by the Population Projection Sub-Committee of the NTSLC. An update of these projections is expected to be released during 1997-98.

The 1996 Financial Assets and Liabilities Survey was completed during the second half of 1996.

Progress was made in the development of a register of Northern Territory Government statistical collections and holdings.

Initiatives in 1997-98 include:

- continued development of a register of Northern Territory Government statistical collections and holdings;
- publishing updated Statistical Local Area population projections with the ABS;
- investigation, with the ABS, of alternative methodology to improve the estimated resident population for the Territory; and
- investigation of demographic changes and the implications for the Territory economy.

 Statistics: 8999 6447

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: TERRITORY REVENUE MANAGEMENT



Functions

The Territory Revenue Management Activity comprises revenue development functions and the Office of the Commissioner for Taxes. It provides the administrative machinery for the collection of revenue from Territory taxes, and mineral and petroleum royalties.

REVENUE REGIME

The Activity is concerned with the development of a revenue regime which, whilst responsive to needs of Government, minimises uncertainty and compliance costs for revenue payers. The Activity includes responsibility for the review and amendment of revenue legislation.

The Activity monitors the implications of change in the community and ensures the viability and future relevance of the revenue regime. It includes monitoring performance to ensure the timely payment of

amounts due. The functions include research into revenue potential and the review of current revenue performance.

Strategies

Strategies are developed to provide Government with the revenue from Territory sources in the most efficient manner. Efficiency requires that the cost of collection be optimised both to the Government and the taxpayer.

EFFICIENT REVENUE COLLECTION

Strategies include:

- increasing staff and taxpayer awareness and understanding of the revenue legislation;
- improving administrative procedures and eliminate practices which do not add value, so as to reduce compliance costs;
- reviewing legislation, improving its relevance to changing market circumstances;
- ensuring the viability of the revenue regime and its capacity to meet current and future demands of Government; and
- monitoring program performance on a regular basis.

The Revenue Collection program aims to ensure effective collection of revenue in accordance with relevant tax and royalty legislation and to develop community understanding of revenue obligations.

The program covers the administration of the relevant legislation, including the identification of tax and royalty payers and the minimisation of losses of revenue from avoidance and evasion practices, the development of rulings and guidelines to assist and improve community understanding, and the provision of advice on those issues.

Performance in 1996-97

REVENUE COLLECTIONS PRACTICES

The integration of the royalty management program with the general revenue management program has proved effective. Multiskilling of revenue auditors undertaken during the year, together with the issue of internal guidelines and audit procedures, saw an improvement in the timing of royalty assessments and payments.

Enhancements to the general debt recovery process has also resulted in a fall in the number of outstanding debts and a higher degree of taxpayer compliance in lodging returns within the required periods.

**OUTSTANDING
DEBTS HALVED**

This resulted in the total outstanding debts at 30 June 1997 being half that of the same time in the previous year. Actual amounts are detailed in the Financial Statement in this report. These amounts represent debts which have crystallised, that is, all due administrative process is completed. Where the amount is in dispute, for example as a consequence of a bona fide difference in interpretation of the liability, or where an assessment is under appeal, it has not been included.

**COMMUNITY
AWARENESS**

As part of the objective to promote public awareness of Territory revenue laws, a number of seminars were held during the year including a lecture to the Northern Territory University's Faculty of Business. Staff also participated in industry sponsored seminars to further enhance the public's awareness of revenue matters.

Several rulings were issued to taxpayers. Comprehensive draft guidelines have been issued to industry for comment and are scheduled for publication in early 1997-98.

**TRAINING AND
DEVELOPMENT**

A strong commitment to promoting learning opportunities for all staff continued, with regular internal training sessions and through external institutions including the nationally accredited Australian Taxation Studies Program conducted by the University of New South Wales.

**SELF
ASSESSMENT**

The implementation of a self assessment stamp duty regime for certain instruments was progressed during the year with a review of self assessment regimes operating in other jurisdictions being undertaken. It is expected that the scheme will be introduced in 1997-98 with significant benefits to the Division and industry.

A review of the mineral royalty scheme was also undertaken during the year to determine the feasibility of extending the self assessment regime to royalty payments.

Initiatives in 1997-98 include:

- implementation of a program communicating information to the public about Territory revenue laws and implementing a system of guidelines to assist tax and royalty payers in meeting their liabilities;
- development of a self assessment electronic payment regime for approved documents and transactions with periodic remittance to Treasury; and
- implementation of simplified royalty audit procedures, and the development of a self assessment scheme for mineral royalty payers.

 Revenue Collection: 8999 6326

The Revenue Development program aims to ensure the continuing relevance and responsiveness of the Territory revenue regime to the needs of the Territory.

ADMINISTRATIVE
REVIEW

The program covers the review and development of the Territory revenue regime. It includes the provision of advice to Government on revenue issues; review of administrative decisions made under the respective tax and royalty legislation; budget projections and monitoring; development of public awareness and options for change to the revenue regime; the analysis to comparative development in other jurisdictions.

Performance in 1996-97

REVENUE
REFORM

Further attention was directed to the future revenue regime and the legislation necessary for its support. The program participated in broader legislative reviews in conjunction with Revenue authorities in other jurisdictions, with the objective of improving administration of revenue laws. It is expected that the ease of reform will increase in the coming year. This will require input to reform processes at both Territory and national levels.

The implementation of the decisions review process has proved effective. It has addressed the backlog of objections and reduced the time within which those matters are resolved, as well as improving the decision reporting process.

Taxation administration data management techniques were refined to improve the reporting of revenue performance during the year. The development of forecasting techniques continued with particular attention to royalties.

IMPROVED
SYSTEMS

System performance was improved by the introduction of additional modules to the existing receipting and accounting system, labour saving automatic generation of reminder notices to late lodgers, and implementation of Pay-roll Tax reconciliation procedures.

Regular performance reports enabled implementation of measures to protect the Territory revenue base and to develop revenue options for consideration by Government. Work commenced on the development of an information/intelligence database to assist in monitoring the growth of the Territory's revenue base.

ELECTRONIC
LODGEMENT

Work on the development of an electronic lodgement system commenced but progress has been slow due to unavailability of external resources.

Initiatives in 1997-98 include:

- enhancement of the procedure for the review of certain administrative decisions;
- development and implementation of an electronic lodgement system;
- development of options for a tax regime appropriate to the future of the Territory including subsequent development of appropriate future Territory revenue laws;
- participation in a range of inter-jurisdictional reviews;
- development of improved revenue forecasting, assessment and performance measurement programs and techniques; and
- review and improvement of royalty procedures.

 Revenue Development: 8999 7935

The Revenue Administration program aims to provide effective support in administration of legislation, enhancing community and staff understanding of the Territory revenue regime.

The program covers responsibility for the efficient management of the Revenue programs, effective internal audit and control system including risk management, the coordination of reporting to Government, and the publication and dissemination of group information material.

Performance in 1996-97

COMMISSIONERS CONFERENCE

In April 1997, the Territory hosted the 27th State and Territory Taxation Commissioners Conference in Alice Springs with 28 delegates from all jurisdictions attending. The theme of the conference was 'Future Shock' chosen to encourage the examination of the climate for change and how to address the future in light of Electronic Commerce.

The increased volume of information provided in hard copy form poses a problem for its eventual archival if retained in that form. Micro-imaging of Revenue records continued during the year. Records Administration transferred some four hundred Royalty files from a manual filing system to the electronic records management system.

INTERNAL AUDIT

Additional internal audit programs were introduced during 1996-97. These included regular monitoring of assessments under The Motor Vehicle Certificate of Registration head of duty, and random evaluation of general assessments. Work commenced on the

development of a Risk Management Plan to ensure minimisation of financial, technological and administrative risk.

A special half day seminar involving all Revenue staff was held late in the year, with the primary objective being to present an overview of the restructure of the office following an external review. A revised Office Manual was prepared and distributed to staff.

Program performance continued to be measured through the Revenue Management Committee which meets twice monthly.

Initiatives in 1997-98 include:

- enhanced procedures for measurement of performance of programs;
- contribution to the development of appropriate revenue laws at the national and Territory levels;
- implementation of enhanced risk management practices;
- establishment of an effective revenue advisory service and consultation procedures; and
- establishment of an appropriate staff performance management system.

 Revenue Administration: 8999 7918

TERRITORY TAXATION PERFORMANCE INDICATORS

	1994-95	1995-96	1996-97
Operations			
Population Served '000	174.0	178.0	182.7
Number of Staff Employed	40	40	42
Operational Costs	\$2.2 M	\$2.2 M	\$2.4 M
Investigations and Royalty Audit Costs	\$0.3 M	\$0.4 M	\$0.3 M
Total Revenue Collected	\$243.9 M	\$272.7 M	\$295.6 M
Number of Assessments	35 800	36 600	37 000
Number of Investigations	133	145	150
Value of Investigations	\$1.7 M	\$2.1 M	\$1.9 M
Number of Royalty Audits	12	12	10
Royalty Revenue	\$25.8 M	\$22.9 M	\$27.7 M
Performance			
Operation Costs/Staff Member	\$54 600	\$55 950	\$57 000
Operation Costs/\$000 of Revenue	\$9	\$8	\$8
Operation Costs/Assessment	\$61	\$61	\$65
Compliance Costs/Audit	\$2 072	\$2 398	\$1 690
Revenue/Head of Population	\$1 402	\$1 532	\$1 618
Revenue/\$ of Cost	\$112	\$122	\$123
Revenue/Staff Member	\$6.1 M	\$6.8 M	\$7.0 M
Revenue/Assessment	\$6 813	\$7 451	\$7 989
Assessment/Staff Member	895	915	881
Value of Investigations/Investigation	\$12 722	\$14 428	\$12 640

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: FINANCIAL SERVICES

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

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WHAT WE DO

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5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE	NORTHERN TERRITORY TREASURY: SERVICES	NORTHERN TERRITORY TREASURY: CORPORATION
Administration	Corporate Management	Administration
Conditions of Service Provisions	Budgets and Public Finance	External Debt Management
	Economic Services	Internal Funds Management
	Territory Revenue Management	
	Financial Services	
	Financial Management 1, 2, 4	
	Financial Systems 1, 4	
	Community Service Obligations	

Functions

The Financial Services Activity develops and interprets the Territory's financial legislation and provides a range of services associated with the operation of the Territory's accounting and personnel systems. The Activity formulates, advises and administers financial management policy and provides corporate systems to Government Agencies to support accounting and personnel services. System services include provision of banking, ledger, personnel and payroll functionality and associated client support. Financial management services include guidance and training on the Territory's financial legislation and control and coordination of Fringe Benefits Tax (FBT). The Activity also manages Territory loans, administers the Alice Springs Office and prepares submissions to the Treasurer on requests to exercise his statutory powers.

FINANCIAL POLICY AND SYSTEMS



Strategies

The strategies aim to improve public sector financial management, reporting, control and accountability and include:

IMPROVING FINANCIAL MANAGEMENT

- developing and maintaining comprehensive, contemporary, relevant and understandable financial legislation;
- enhancement of accounting policies by contributing to the development of Accounting Standards and the improvement of public sector accounting methodologies;
- initiating and implementing projects to enhance financial reporting;
- ensuring compliance with FBT requirements across the public sector;
- improving the quality and timeliness of submissions to the Treasurer;
- enhancing corporate systems in the areas of information reporting and the scope of system facilities, and providing strong representation of users' needs to system vendors;
- improving banking services, through emphasising cost effectiveness and an increasing use of electronic technology; and
- managing effectively those Northern Territory Government loans which are Treasury's responsibility.

The Financial Management program aims to facilitate the management of, and accountability for, the Government's resources through the formulation and support of government financial management policies and services.

ACCOUNTING STANDARDS

The Financial Management program sets service-wide accounting policies and standards, and develops and maintains relevant and understandable financial legislation through the pursuit of sound and modern financial management principles. It provides professional advice and policy development to Government on public sector accounting concepts, standards and practices; contributes to the Territory's global financial reports; provides fringe benefits tax (FBT) services to agencies; and performs the whole of government bank account and ledger reconciliations.

Performance in 1996-97

Changes in the global reporting requirements and the increased emphasis on commercial accounting and recording systems associated with the introduction of the Government Business Divisions (GBDs) necessitated a complete review of the standard classifications. The review resulted in a new set of standard

classifications that cater for both cash and accrual accounting methodologies, as well as global and agency information needs.

As planned, Treasurer's Directions relating to Tax Equivalents Regimes for GBDs were also issued during the year.

In expanding the accrual information reported in financial statements, a new schedule of finance leases was included in the Under Treasurer's Directions as an essential reporting requirement for all agencies. Inventories on hand with a value of more than \$50,000 were also reported for the first time in the 1996-97 Treasurer's Annual Financial Report.

UPDATED
TREASURER'S
DIRECTIONS

As well as enhancing the information provided in financial statements, the Treasurer's Directions were amended to change the format of agency financial statements to align with the Treasurer's Annual Financial Statement. A reconciliation schedule was introduced for all agencies. These initiatives provide improved linkages between agency and global financial reporting and consistency in reporting to Government.

As foreshadowed, the program continued to minimise the Government's exposure to FBT liability. During the year, two outstanding issues relating to FBT were concluded with the Australian Taxation Office, resulting in the Territory successfully retaining public benevolent institution status for Rural Community Health Centres, and resolving the taxation treatment of salary packaging for Executive Contract Officers.

FBT SUCCESS

Initiatives in 1997-98 include:

- commencement of comprehensive reviews of the Treasurer's Directions and issue of new Treasurer's Directions relating to insurance, fraud control and finance leases;
- development of standards and policies to apply to GBDs in an accrual budgeting environment;
- implementation of a FBT software package across all agencies, to ensure uniformity in the calculation of FBT and to satisfy the record keeping requirements of the Australian Taxation Office;
- enhancement of global reporting of expanded accrual information; and
- amendment of the *Financial Management Act* to clarify existing requirements and improve devolution of accountability to agencies.

 Financial Management: 8999 6708

The Financial Systems program aims to provide whole of Government reporting and a range of activities associated with the provision of corporate personnel, payroll, accounting and banking systems.

ALICE
SPRINGS
OFFICE

Human resource, financial and banking management systems operated by the program provide facilities such as ledger, payments, accounts, banking, personnel and payroll to Government agencies. Administration of the Treasury's Alice Springs Regional Office also falls within the scope of this program. An important component of the facilities provided is the ability to support whole of government financial and human resource reporting requirements.

The program provides a comprehensive, integrated accounting system (GAS) which contains a diverse range of modules and features for both cash and accrual accounting and reporting.

On behalf of the system owner, the Commissioner for Public Employment, the program also provides a personnel information and payroll system (PIPS) to support the needs of Government in relation to the management of recruitment, employee entitlements, personnel functionality and reporting.

Performance in 1996-97

YEAR 2000
COMPLIANCE

The Year 2000 compliant version of PIPS (Release 13) was installed and implemented in the test environment. The current version of GAS is already Year 2000 compliant but more detailed testing will be required. A key issue with GAS and PIPS Year 2000 compliancy is the number of external interfaces to both Northern Territory Government and external systems and the number of stakeholders and level of coordination that will be required.

PIPS/GAS
INTERFACE

The development of an interface to support the charging of the ledger with salary expenditure at the cost centre level was implemented. This interface also supports the automatic charging of ledgers with employee accrual information for the Government Business Divisions (GBDs). Many problems encountered during the implementation of this enhancement have now been resolved and work is in progress to build on the current foundation and provide further enhancements.

AD-HOC
REPORTING

Data extract and ad-hoc reporting facilities for PIPS and GAS were made available and successfully implemented in some agencies. This proved to be a particularly onerous task due to the multitude of technical environments in use throughout agencies. The PIPS ad-hoc reporting facilities, in particular, have provided agencies with a totally

ACCRUAL
ACCOUNTING AND
CASH REPORTING

flexible reporting solution that overcomes previous problems associated with the inaccessibility of human resource data.

1996-97 saw the implementation of accrual accounting in GBDs. Several changes were made to GAS to cater for the production of cash reports (based on posting level data) from these accrual ledgers. The initial model that was implemented proved to be too onerous in terms of user input and a simpler, more effective solution was implemented in the latter part of 1996-97. This later solution has now been proven and is being implemented across all GBDs. Programs to automate the employee accruals (from PIPS) and subsequent ledger charging were also implemented. Confidence in the latest solution is expected to grow as the accuracy and integrity of the data is proven.

ENHANCED USER
INTERFACES

Several initiatives were undertaken during the year by both the GAS and PIPS product vendors to deliver enhanced user interfaces. The GAS web browser technology is now capable of supporting Internet and mail enabling capabilities. A change in ownership of the PIPS software during the year detracted from the delivery of major enhancements.

Initiatives in 1997-98 include:

- progression of Year 2000 compliancy - testing and co-ordination of Financial Services systems and external interfaces;
- implementation of improved payment procedures and systems - streamlining of cheque production and dispatch procedures and electronic funds transfer payments and notices;
- implementation of more improvements to integrated financial and human resource reporting;
- installation and roll out of the enhanced user interface for the financial management system;
- preparation for the introduction of electronic commerce opportunities; and
- review of banking arrangements and services, and identify opportunities for improvement.

 Financial Systems: 8999 6346

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: COMMUNITY SERVICE OBLIGATIONS

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

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WHAT WE DO

1. Provide policy advice and analysis to Government.
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HOW WE ARE ORGANISED

<p>NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE</p> <p>Administration Conditions of Service Provisions</p>	<p>NORTHERN TERRITORY TREASURY: SERVICES</p> <p>Corporate Management Budgets and Public Finance Economic Services Territory Revenue Management Financial Services Community Service Obligations GBD-Community Service Obligations 4</p>	<p>NORTHERN TERRITORY TREASURY: CORPORATION</p> <p>Administration External Debt Management Internal Funds Management</p>
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Functions

The Community Service Obligations Activity ensures that Community Service Obligations funded by its program are delivered efficiently and represent value for money.

Strategies

The Activity provides a mechanism to transfer Consolidated Revenue Account funds to Government Business Divisions (GBDs) to cater for Community Service Obligations that have implications across Government, and are not administered by a host agency.

*FUNDS
BENEFITTING
THE COMMUNITY*

The funds are to pay for those services directed by Government that are not of a commercial nature but are to the benefit of the community.

The GBD-Community Service Obligations program aims to ensure the least cost delivery of those community services provided by specified GBDs.

PAWA CSO

In the first year of operation, funding was provided only in relation to Power and Water Authority (PAWA) Community Service Obligations.

Performance in 1996-97

During the year, a level of payment was negotiated with PAWA in relation to uniform tariff policies.

Initiatives in 1997-98 include:

- developing funding mechanisms which promote efficient capital financing and operational decisions by PAWA, covering all regions of the Territory.

 GBD-Community Service Obligations: 8999 6700

NORTHERN TERRITORY TREASURY: SERVICES

ACTIVITY: STRATEGIC SERVICES

TRANSFERRED FUNCTION

During 1996-97 Strategic Services was an Activity within Northern Territory Treasury: Services. Under the Administrative Arrangements Order of 2 July 1997, the function transferred to the newly created Department of Communications and Advanced Technology.

Functions

The Strategic Services Activity provided strategic advice concerning information management, technology and communications.

IDENTIFYING OPPORTUNITIES

It played a key role in identifying, in consultation with relevant private and public sector groups, opportunities for the use of information technology and communications to facilitate the business of Government.

Strategies

The Activity developed and promulgated whole of Government policies and standards in relation to information management, technology and communications

The development of a communications facilities strategy for the Northern Territory, to ensure that adequate facilities exist to support the needs of service providers and the community, was a high priority.

PRIVATE SECTOR INVOLVEMENT

Opportunities to involve the private sector in new and emerging information technology and communications initiatives were identified.

Strategic Services encouraged the involvement of other agencies in the performance of its functions. Cooperation with other State, Territory and the Commonwealth governments was a key strategy. The interchange of ideas, and the ability to influence national policy outcomes, had substantial benefit.

The Strategic Services program aimed to develop and implement sound and effective information management policies, strategies and guidelines for use by Government agencies.

POLICY ADVICE

In consultation with relevant stakeholders, the program prepared policies and strategies on information management issues and

provided advice to agencies on information management and communications matters.

The program managed strategic projects, and participated in associated steering committees and working parties.

Performance in 1996-97

Work progressed on the development of communications strategies to service the needs of remote communities.

Preliminary work on a draft information strategy was completed.

YEAR 2000 INITIATIVE

The Year 2000 initiative was commenced. Recommendations were made on strategies and actions required across the Territory public sector.

ELECTRONIC COMMERCE PILOT

Electronic commerce pilots were conducted and the results analysed.

A whole of Government records management strategy was completed and endorsed.

NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE

ACTIVITY: ADMINISTRATION

WHY WE ARE HERE

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WHERE WE FOCUS

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WHAT WE DO

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HOW WE ARE ORGANISED

<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE</p> <p style="text-align: center;">Administration Superannuation Schemes 1, 2, 4 Workers Compensation 1, 2, 4</p> <p>Conditions of Service Provisions</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: SERVICES</p> <p>Corporate Management Budgets and Public Finance Economic Services Territory Revenue Management Financial Services Community Service Obligations</p>	<p style="text-align: center;">NORTHERN TERRITORY TREASURY: CORPORATION</p> <p>Administration External Debt Management Internal Funds Management</p>
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Functions

PUBLIC SECTOR SUPERANNUATION

Through the Superannuation Office, the Administration Activity administers Northern Territory Public Sector superannuation schemes and manages the Territory's liabilities for superannuation and workers compensation benefits. Support services are provided to the Boards of the various superannuation schemes as well as policy advice on public sector superannuation and workers compensation matters.

Strategies

In administering the superannuation schemes the following strategies have been adopted:

- extensive computerisation of membership records, ongoing enhancement of systems to maximise operational efficiency and service to members and the use of sector-wide systems;
- training and development so that staff are equipped to meet

PUBLIC
SECTOR
WORKERS
COMPENSATION

objectives, goals and output targets; and

- use of external fund management services to assist trustees obtain cost effective access to a diversified portfolio of investments.

In coordinating workers compensation in the Northern Territory Public Sector the following strategies have been adopted:

- further data base refinement to provide ongoing information on a wide range of workers compensation and rehabilitation activities;
- continual monitoring of Government liabilities and provision of information to Government and to individual agencies to assist in cost containment;
- liaison with the Office of the Commissioner for Public Employment to facilitate development of service wide, consistent workers compensation policies; and
- development of changed arrangements to minimise duplication of effort between agencies and the Territory Insurance Office.

The Superannuation Schemes program aims to meet the statutory requirements of both Territory and Commonwealth legislation; to provide superannuation services which are responsive to member needs and which are delivered in a timely basis and in a cost efficient manner; and to assist Trustees develop, implement and monitor appropriate investment strategies.

MAIN
SCHEMES

The program administers the main superannuation schemes applying to Northern Territory Public Sector employees, including the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS) and the Northern Territory Supplementary Superannuation Scheme (NTSSS), provides support services to the Boards of various schemes and policy advice on superannuation matters.

Performance in 1996-97

MEMBER
STATEMENTS
AND
REPORTS

All statutory requirements were met during the year. The 1995-96 financial statements were prepared, audited without qualification and tabled within the required time frame.

The 1995-96 NTGPASS information statements and member reports were distributed to members within three months of the end of the financial year. The format of the information statement and the member report was updated to provide more detailed membership and scheme information. The information booklet for new employees was also reviewed and modified to assist members to more easily understand their superannuation entitlements.

A compliance audit undertaken during the year by the Auditor-General's Office confirmed that the Territory schemes were operating in accordance with the Heads of Government Agreement dealing with exempt public sector schemes.

The superannuation contributions tax (surcharge) legislation to levy an additional tax on employer contributions for high income earners was passed during the year. The legislation requires superannuation funds to forward tax file numbers and contribution details of members each year to the Australian Taxation Office. The Superannuation Office has begun the process of collecting members' tax file numbers for surcharge purposes.

PROCESSING
TIME
HALVED

Operational efficiency was further improved during 1996-97 with the average benefit processing time reducing from 28 days to 13 days. This result was consistent with the planned outcome of a 14 day turn around for benefit payments. This reduction in benefit processing time was achieved notwithstanding a 21 per cent increase in the total number of benefits processed for all schemes administered by the Superannuation Office.

INFORMATION
AND TRAINING

To improve services to both members and agency personnel staff, the Superannuation Office established a Home Page on the Territory Government Intranet as well as the Internet. The Home Page contains the Superannuation Information Booklet for New Employees, the NTGPASS Report to Members, the NTGPASS Annual Report, the Benefit Application Form, superannuation circulars, taxation information, superannuation legislation and links to the ComSuper and Australian Tax Office sites.

Training courses and seminars were conducted in all major centres during the year for members and personnel staff. The seminars provided information on NTGPASS/NTSSS benefit entitlements and other superannuation related issues.

Members who have not been able to be located in the Territory schemes were identified and reported to the Australian Tax Office who will use the data to set up a national Lost Member Register.

INVESTMENT
RETURN

The various scheme Boards were provided with comprehensive reports in regard to the use of derivatives by the investment fund managers. The reports covered whether the use of derivatives was properly controlled and whether sound risk management systems were in place.

The investment objective of the NTGPASS Superannuation Investment Board is to achieve a real rate of return on fund assets, measured over a five year period, with moderate to low volatility.

The average crediting rate over the last five years has been 9.2 per cent which, after allowing for average annual inflation of 2.3 per cent over this period, represents an average real (after inflation) return of 6.7 per cent.

Initiatives in 1997-98 include:

- modifications to be made to existing schemes to accommodate Commonwealth superannuation policy initiatives, in particular the superannuation surcharge tax;
- review of the NTGPASS and NTSSS, with the objective of simplification; and
- a review of the superannuation schemes computer system.

 Superannuation Schemes: 8999 7702

The Workers Compensation program aims to facilitate the equitable, cost effective administration of workers compensation in the Northern Territory Public Sector by ensuring agency staff have a full understanding of the legislative and policy framework and are provided with relevant and timely financial and case management information.

GOVERNMENT
EMPLOYEES
WORKERS
COMPENSATION
OFFICE

The Workers Compensation program, through the Government Employees Workers Compensation Office, monitors the service wide self insurance arrangements; provides policy advice on workers compensation issues; provides seminars for agency compensation staff; provides advice to government on liabilities; and coordinates the Territory's responsibilities under Commonwealth workers compensation legislation.

Performance in 1996-97

Workers compensation claims in 1997-98 were at a level similar to previous years, with the majority of claims being small lacerations and sprains with less than 5 days away from the workplace.

STREAMLINED
ADMINISTRATION

A new service agreement being developed with the Territory Insurance Office (TIO) will focus on minimisation of administrative duplication between agencies and TIO for the many small claims, which will enable earlier intervention, rehabilitation and return to work programs for more complex claims.

Monthly monitoring reports were provided to all agencies and several training courses were held for workers compensation staff. The program also participated in cross jurisdictional public sector

stress network meetings.

*CENTRALISED CASE
MANAGEMENT*

Options were explored in relation to sector-wide computerised workers compensation data collection and case management.

Initiatives in 1997-98 include:

- improved management of workers compensation claims in the Territory public sector.

 Workers Compensation: 8999 6810

ACTIVITY: CONDITIONS OF SERVICE PROVISIONS

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

<p>NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE</p> <p>Administration</p> <p>Conditions of Service Provisions 4</p>	<p>NORTHERN TERRITORY TREASURY: SERVICES</p> <p>Corporate Management</p> <p>Budgets and Public Finance</p> <p>Economic Services</p> <p>Territory Revenue Management</p> <p>Financial Services</p> <p>Community Service Obligations</p>	<p>NORTHERN TERRITORY TREASURY: CORPORATION</p> <p>Administration</p> <p>External Debt Management</p> <p>Internal Funds Management</p>
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Functions

*FUNDING
EMPLOYER
LIABILITIES*

The Conditions of Service Provisions Activity provides the employer funding required for the Territory's superannuation liabilities, including the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS), the Northern Territory Supplementary Superannuation Scheme (NTSSS), the Legislative Assembly Members' Superannuation Trust, the Commonwealth Superannuation Scheme and the Northern Territory Police Supplementary Benefit Scheme.

The reimbursement to the Commonwealth Government for outlays incurred in respect of former Northern Territory Public Sector employees covered by Commonwealth workers compensation legislation (which applied prior to the commencement of the *Work Health Act*) is also made from this Activity.

Strategies

EMERGING COST BASIS

The Territory's superannuation and workers compensation liabilities are met on an emerging cost basis. The actuarial data provides the basis for the budget and forward estimates of expenditure. Provision exists within the superannuation legislation for automatic adjustments to the budget allocation to allow all required expenditure on benefits to be made.

The Conditions of Service Provisions Activity aims to provide reliable estimates of liabilities and emerging cost expenditures for inclusion in the budget and forward estimates processes, and to ensure that all obligations for benefits are met as and when payment is due.

Performance in 1996-97

FOUR PROGRAMS

Actuarial assessments of accrued superannuation liabilities and projections of emerging costs were updated and the results incorporated in the 1996-97 Treasurer's Annual Financial Statement.

The four programs included in the Conditions of Service Provisions activity are for financial management purposes only.

Further information can be obtained in the 1996-97 Annual Reports for the:

- Northern Territory Government and Public Authorities Superannuation Scheme;
- Legislative Assembly Members' Superannuation Trust; and
- Northern Territory Police Supplementary Benefit Scheme.

 Conditions of Service Provision: 8999 6810

NORTHERN TERRITORY TREASURY CORPORATION

ACTIVITY: ADMINISTRATION

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
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5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

<p>northern territory treasury: superannuation office</p> <p>Administration Conditions of Service Provisions</p>	<p>northern territory treasury: services</p> <p>Corporate Management Budgets and Public Finance Economic Services Territory Revenue Management Financial Services Community Service Obligations</p>	<p>northern territory treasury: corporation</p> <p style="background-color: #008000; color: white; padding: 2px;">Administration 2, 3, 4</p> <p>External Debt Management Internal Funds Management</p>
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Functions

The Northern Territory Treasury Corporation is the central borrowing authority for the Northern Territory Government and is responsible for the borrowing, lending and investment functions. The funds raised are used to finance the Territory's infrastructure, including roads, ports, water, health and education facilities. Funds are also lent to Government Business Divisions and local authorities.

The Corporation acts as the central borrowing authority for the Territory public sector; lends funds and provides financial advice to the Northern Territory Government, its business divisions and local authorities; and manages the Government's cash balances.

Strategies

The Corporation's strategies have been developed with the aim of ensuring the efficient and cost effective administration of the Government's borrowing and financial asset management programs.

CENTRAL
BORROWING
AUTHORITY



*COST EFFECTIVE
ADMINISTRATION*

These include:

- minimising the cost of borrowing;
- maintaining a strong demand for the Territory's Government guaranteed securities;
- increasing the duration of the Territory's debt profile; and
- maximising the return of the Territory's cash balances.

The Administration program aims to ensure that an effective administration service is provided to the Northern Territory Corporation.

*SUPPORT TO
ADVISORY
BOARD*

The program produces regular financial statements on a commercial basis; provides service to the Corporation's Advisory Board; maintains the Corporation's stock register, debt profile, and loan repayments for lendings; prepares and distributes Territory Bonds material; and provides a service to bondholders through the FREECALL '1800' telephone number.

Performance in 1996-97

*47 000 TERRITORY
BOND HOLDERS*

The program reached a record number of 47 000 Territory Bond Holders during 1996-97, which was a seven per cent increase on the past year. More than \$56 million was raised through Territory Bonds.

Radio sponsorship was used for the first time to promote Territory Bonds interstate.

A high standard of customer service was maintained throughout the year.

Talks were given at the major Stock Exchange Share Days held throughout the country.

INVESTOR TALKS

The Corporation assisted in the development of a secondary market in Territory Bonds.

Initiatives in 1997-98 include:

- improved administrative efficiency of Territory Bonds.

 Administration: 8999 6318

ACTIVITY: EXTERNAL DEBT MANAGEMENT

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
4. Provide comprehensive financial services to public sector agencies and individuals.
5. Manage Treasury as an agency.

HOW WE ARE ORGANISED

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Functions

The External Debt Management Activity manages the Territory's external debt to minimise the cost of funding for Territory taxpayers; borrows funds at the lowest possible margin compared to a benchmark to reduce interest payments; ensures cashflow is available to repay maturing debt; and makes timely payment of interest.

Strategies

The Activity pursues a strategy to increase the investor base for the Territory internationally and domestically by visiting international and domestic financial institutions to promote the Territory.

*INCREASING
INVESTOR BASE*

The Interest on Commonwealth Advances program aims to ensure that interest payments to the Commonwealth are accurate and timely.

The program covers the Territory's interest payments for debt servicing requirements to the Commonwealth Government, which comprises assets transferred to the Territory at Self-Government, advances provided under the *Northern Territory Housing Advances Act and State (Works and Housing) Act*, and loans received through the General Purpose Capital program.

Performance in 1996-97

The Territory has no discretion with this program.

 External Debt Management: 8999 5599

The Interest on Territory Borrowings program aims to ensure that interest payments to Territory investors are accurate and timely, and incur the lowest possible level of interest for the Territory.

INTEREST TO
TERRITORY
GOVERNMENT

The program refers to the interest payments for the Northern Territory Government borrowing program, including both public and private investors. Financial derivative products are also transacted to ensure that the Territory's borrowing criteria are achieved.

Performance in 1996-97

REDUCTION IN
BORROWING COSTS

There was a reduction in the benchmark borrowing margin by some 10 basis points to new lows.

The number of international and domestic investors increased during the year.

A debt reduction program was implemented with the intention of reducing gross debt below \$2 billion.

Initiatives in 1997-98 include:

- reduction of gross debt outstanding.

 Interest on Territory Borrowings: 8999 6318

PRINCIPAL
PAYMENTS

The **Repayment of Commonwealth Advances program** aims to ensure that advances are repaid to the Commonwealth Government in a timely and accurate manner.

The program covers the Territory's principal repayments for debt servicing requirements to the Commonwealth Government, which comprises assets transferred to the Territory at Self-Government, advances provided under the *Northern Territory Housing Advances Act and State (Works and Housing) Act*, and loans received through the General Purpose Capital program.

Performance in 1996-97

There is no discretion with this program.

☎ Repayment of Commonwealth Advances: 8999 5599

INTERNATIONAL
INVESTORS

The **Repayment of Territory Borrowings program** aims to ensure that advances are repaid to the Commonwealth Government in a timely and accurate manner.

The program refers to the principal repayments made for borrowings which have been undertaken by the Territory, but excludes the repayment of maturing Territory debt, which is offset against Territory Borrowing as a net receipt.

Performance in 1996-97

This is covered under the Interest on Territory Borrowings program.

☎ Repayment of Territory Borrowings: 8999 5599

ACTIVITY: INTERNAL FUNDS MANAGEMENT

WHY WE ARE HERE

To assist the Government in securing the long term viability of the Territory.

WHERE WE FOCUS

Providing efficient and effective acquisition and management of public sector resources through effective financial management, control, reporting and accountability.

WHAT WE DO

1. Provide policy advice and analysis to Government.
2. Provide specialist financial and policy advice to the public sector.
3. Secure appropriate financial resources for the Territory.
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Functions

ADVICE AND REVIEW

The Internal Funds Management Activity lends funds and provides financial advice to the Government Business Divisions (GBDs) and local authorities; and reviews lending schedules in consultation with GBDs and local authorities.

Strategies

LENDING FACILITY

The Activity provides an efficient and attractive lending facility to GBDs and local authorities, by utilising current commercial practices whilst ensuring that terms and conditions are suitable both to the lender and borrower.

It also provides financial advice to the Northern Territory Government, GBDs and local authorities, by keeping up to date with Government legislation, current commercial practices and understanding the requirements of clients.

The Dividends to Territory Government program aims to ensure that the Corporation's dividend, which is paid to the Northern Territory Government, is equal to its profit, after consideration of future risk factors.

**DIVIDEND
PAYMENT**

The dividend is paid in the following year, once the audited financial statements are available.

Performance in 1996-97

The 1996-97 dividend payment to the Northern Territory Government will be paid in 1997-98 following the completion of auditing.

☎ Internal Funds Management: 8999 5599

The Advances to Territory Agencies program aims to lend funds and provide financial advice to the Northern Territory Government, its business divisions and local authorities.

ADVANCES

The program provides advances to Territory agencies which are funded through the Government's borrowing program or the Corporation's cash balances and repaid at terms and conditions approved by the Treasurer.

Performance in 1996-97

ADVICE

Funds totalling \$39.7 million were advanced.

Advice was provided to local government councils.

☎ Advances to Territory Agencies: 8999 6318

APPENDICES

- A: Legislation Administered
- B: Legislative Changes in 1996-97
- C: Treasury People
- D: Senior Executives
- E: Staffing
- F: Management Controls
- G: Boards, Committees and Publications
- H: Resources Summary

APPENDIX A: LEGISLATION ADMINISTERED

Treasury has responsibility for the following statutes and legal arrangements.

APPROPRIATION ACT 1997-98

Authorises the issuing of the money of the Territory in respect of the year ending 30 June 1998 in the form of Allocations to Activities.

BUSINESS FRANCHISE ACT AND REGULATIONS

Requires persons selling tobacco or petroleum products in the Territory to be licensed. This Act is to be amended to reflect consequence of High Court decision of 5 August 1997.

CO-OPERATIVE TRADING SOCIETIES (LOANS GUARANTEE) ACT

Provides a mechanism for Government to guarantee bank loans to Co-operative Trading Societies for agricultural purposes.

DEBITS TAX ACT AND REGULATIONS

Imposes tax at stepped rates on debits to specified banking and similar accounts maintained by financial institutions.

ENERGY RESOURCE CONSUMPTION LEVY ACT

Provides for a levy on the consumption above a specified annual quantity of specified fuel and oil.

FEDERAL HOTELS CASINOS (COMPENSATION) ACT

Provides for compensation to Federal Hotels for the acquisition of the Darwin and Alice Springs Casinos. This Act was repealed through Act No. 17 on 1 May 1997.

FINANCIAL AGREEMENT BETWEEN THE COMMONWEALTH, STATES AND TERRITORIES (APPROVAL) ACT

Approves an agreement between the Commonwealth, the States, the Territory and the Australian Capital Territory with respect to public debts.

FINANCIAL INSTITUTIONS DUTY ACT AND REGULATIONS

Imposes duty on the receipts of registered financial institutions.

FINANCIAL MANAGEMENT ACT

Provides governing principles for the financial management of the Territory and the identification and operation of certain government business activities.

FINANCIAL MANAGEMENT (CONSEQUENTIAL AMENDMENTS) ACT

Provides amendments to Northern Territory legislation, as a result of the replacement of the *Financial Administration and Audit Act* with the *Financial Management Act*, effective from 1 April 1995.

FINANCIAL MANAGEMENT REGULATIONS

Supplement the *Financial Management Act* and expands upon matters covered by that Act, including requirements relating to losses, overpayments, rights of recovery and limits for transfers of Allocations.

FINANCIAL TRANSACTIONS REPORTS ACT

A memorandum of understanding which provides that cash transactions above a specified size, which must be reported by banks to the Commonwealth Government, also be reported to the Northern Territory Police.

FINANCIAL TRANSACTIONS REPORTS ACT

A memorandum of understanding which provides that cash transactions above a specified size, which must be reported by banks to the Commonwealth Government, also be reported to the Northern Territory Police.

LEGISLATIVE ASSEMBLY MEMBERS' SUPERANNUATION ACT

Provides for administration of a superannuation scheme for past and present members of the Legislative Assembly.

MINERAL ROYALTY ACT

Provides for the assessment and collection of mineral royalties. Operates in conjunction with Part 3, Division 5 of the Petroleum Act which provides for the imposition of royalty payments.

NORTHERN TERRITORY TREASURY CORPORATION REGULATION

Presently provide a supplement to the *Financial Management Act* pending their revision and transfer to the *Northern Territory Treasury Corporation Act*. These Regulations specifically address financial controls over NT Treasury Corporation Stock, including issue, inscription, transfer, redemption and the payment of interest and principal.

NT GOVERNMENT CONDITIONS OF SERVICE TRUST

Holds money on behalf of the Territory for use by the Trustees as the Northern Territory Treasurer directs, and in particular to be applied towards meeting the Territory's service related liabilities including, but not confined to, salaries, allowances, leave entitlements, airfares and superannuation payments.

NT POLICE SUPPLEMENTARY BENEFIT TRUST DEED

Provides for supplementary benefits to members of the Northern Territory Police Force who are entitled to a Commonwealth Superannuation Scheme Pension.

NT SUPPLEMENTARY SUPERANNUATION SCHEME INSTRUMENT-IN-WRITING

Provides for a Territory financed superannuation benefit at the rate of 3 per cent of salary for each year of service since 1 October 1988 in addition to any other superannuation benefits provided for employees in the Territory public sector.

PAY-ROLL TAX ACT AND REGULATIONS

Requires employers whose payrolls exceed a specified threshold to pay a tax according to the level of their payrolls. Certain exemptions and concessional arrangements are available to specified employers.

PETROLEUM ACT (ROYALTY PROVISIONS)

Replaced the Petroleum (Prospecting and Mining) Act in 1984. No royalty payers operate under the new Act, as they all operate under the repealed Act, which preserved the leases issued under that Act.

STAMP DUTY ACT AND (EXEMPTION) REGULATIONS

Imposes duty at a number of different rates on a range of legal instruments and certain transactions. The most significant items are Conveyance Duty, Motor Vehicle Certificate of Registration Duty, and Insurance Duty.

SUPERANNUATION ACT AND REGULATIONS

Provides superannuation benefits to persons employed in the Territory public sector.

SUPERANNUATION GUARANTEE (SAFETY NET) ACT

Enabling legislation that extends the Northern Territory Supplementary Superannuation Scheme to provide top-up superannuation benefits to enable the Government to meet its obligations under the Commonwealth's minimum superannuation benefit requirements.

TAXATION (ADMINISTRATION) ACT AND REGULATIONS

Provides the administrative framework for the collection of duty and tax where the relevant taxing Act has no such provisions, and provides for the imposition of penalties for late payment, avoidance, or evasion and the exchange of information between jurisdictions.

TREASURER'S DIRECTIONS

Extends the principles of the *Financial Management Act* by specifying the practices and procedures to be observed by Accountable Officers in the financial management of their agencies.

TAX EQUIVALENT REGIME MANUAL

Introduced under the Treasurer's Directions it contains the basis for administering the Northern Territory Tax Equivalent Regime.

TREASURY (NORTHERN TERRITORY STOCK) REGULATIONS

Established the Northern Territory Treasury Corporation from 1 July 1994 and specifically addresses financial controls over Territory borrowings including issue, inscription, transfer, redemption and payment of interest.

APPENDIX B: LEGISLATIVE CHANGES IN 1996-97

FINANCIAL MANAGEMENT ACT

Section 23(1) amended to allow Allocations to be varied for changes to estimated receipts to Operating Accounts. In addition, minor amendments were made to remove the requirement to furnish a copy of Agency's Accounting and Property Manual with Auditor General and to specifically allow categories of receipts to Operating Accounts to be specified in the Treasurer's Directions.

TAXATION (ADMINISTRATION) REGULATIONS

Minor changes were made to provide an exemption for vehicles registered as classic, veteran or vintage.

TREASURER'S DIRECTIONS

Amendments issued during 1996-97 included:

- a new section covering the requirements of the Northern Territory Tax Equivalent Regime developed as part of the nationwide competition policy reforms to remove tax advantages enjoyed by public sector entities;
- issue a new set of Standard Classifications that cater for both cash and accrual accounting methodologies as well as global and agency information needs;
- revision of the Directions dealing with hospitality including definition of hospitality expenditure, specification of the conditions for approval of such expenditure and tax implications;
- changes to the mandatory reporting requirements for agency and Government Business Divisions financial statements to provide improved linkages between agency and global financial reporting requirements and consistency in reporting to Government and the Legislative Assembly; and
- reclassification of certain receipt categories to enable them to be posted to the agency Operating Accounts.

LEGISLATIVE ASSEMBLY MEMBERS' SUPERANNUATION ACT

Amendments introduced some greater efficiencies and equity in relation to members' superannuation.

APPENDIX C: TREASURY PEOPLE

Treasury continues to place a strong emphasis on the development of existing and potential staff through a number of integrated programs.

recruiting graduates

The program to target recruitment of graduates, which has been operating since 1985, continues to bring a pool of well qualified young professionals into Treasury and the public sector as a whole. Of the thirteen who commenced in the 1996 intake, six remain in Treasury, two were promoted to other Northern Territory Public Sector agencies and five resigned. Ten graduates joined the 1997 program. Treasury's graduate opportunities are widely publicised, and now includes Internet advertising as well as promotion through the Aboriginal and Torres Strait Islander Faculty at NT University.

Funding has now been approved for this program to develop into a sector wide initiative to develop both graduates and undergraduates to meet the current and evolving demands for well qualified staff able to meet the demands of public sector finance across the public sector.

developing our people

In addition to providing study assistance in relation to a range of tertiary studies during the year, Treasury supports staff to develop in their chosen professions. Staff in Treasury's accounting areas are actively encouraged to participate in the Certified Practising Accountants (CPA) program, with Treasury providing support through study time and reimbursement of fees on successful completion of CPA units. Two senior superannuation staff are being supported in progress toward a Diploma in Superannuation Management offered externally through Macquarie University.

The development of managers within Treasury has also continued. One employee successfully completed the Executive Development Program with another finishing the Public Sector Management Course. Two nominations have been supported for the next Executive Development Program scheduled to commence in 1998.

Treasury continues to support students studying at Northern Territory University and Centralian College by donating prizes for the Most Outstanding Student in the first year of study in six different subjects in the Bachelor of Business. In addition to a cash prize, the winners are offered the opportunity to undertake vacation employment with Treasury.

*FINANCE
OFFICER IN
TRAINING*

*PROFESSIONAL
DEVELOPMENT*

*MANAGEMENT
DEVELOPMENT*

*UNIVERSITY
PRIZES*



ADMINISTRATIVE
DEVELOPMENT

Four employees are involved at various stages of the competency based assessment and training process for base grade clerical staff under which they can achieve accelerated salary advancement by attaining identified competencies.

Two employees successfully completed their training under the Australian Traineeship System. Another two Office Clerical trainees commenced in 1997, and both have been successful in gaining promotion to higher positions before completing the training program.

equal opportunity management program

Treasury's Equal Opportunity Management Program (EOMP) was approved during the year, with the goal of maintaining a working environment which reflects and values the diversity in the community, and which optimises the skills of Treasury's workforce by the application of fair and consistent work practices. The objectives of the EOMP are:

- integration of equal opportunity principles into all human resource and related activities;
- development of an equal opportunity culture across Treasury;
- implementation of special measures for disadvantaged groups; and
- provision of a safe, harassment free work place.

AWARENESS
SESSIONS

The major focus of implementation has been to raise the awareness of staff to the issues involved. Ninety five per cent of staff attended Equal Opportunity Awareness Sessions conducted in Treasury by the NT Anti-Discrimination Commission. The course has been integrated into Treasury's Induction Program to maintain the level of awareness across all staff.

MORE WOMEN

The percentage of women employed in Treasury is steadily increasing throughout all levels of staff. At 30 June 1997, 64 per cent of Treasury staff were female.

Aboriginal and torres strait islander employment and career development program

An Aboriginal and Torres Strait Islander Employment and Career Development Program was approved with the aim of increasing the representation of Aboriginal and Torres Strait

CADETSHIPS

Islander people in Treasury. The program focuses on:

- increasing Aboriginal cross cultural awareness and encouraging support for the aims of the program;
- providing the means for the employment of greater numbers of Aboriginal and Torres Strait Islander people in Treasury; and
- development and support for Aboriginal and Torres Strait Islander employees to improve their career prospects and retention in the public sector.

While the action to attract Aboriginal students to the existing graduate program was not successful, Treasury has expressed interest in participating in the Aboriginal and Torres Strait Islander Cadetship program currently under development by the Office of the Commissioner for Public Employment. Aboriginal Cadets will be integrated into the new Public Finance Officer in Training Scheme, as well as into other areas of Treasury.

occupational health and safety program

An Occupational Health and Safety (OH&S) Program has been approved, with the aim of preventing workplace related accidents, illnesses and injuries, as well as ensuring that systems are in place to minimise their occurrence and impact. The objectives of the program are to:

- to promote an awareness of the need for a safe and healthy workplace and work practices;
- introduce systematic hazard/risk assessment and management procedures;
- maintain effective emergency and evacuation procedures, and suitably trained staff to deal with these; and
- actively manage rehabilitation and workers compensation matters.

ERGONOMIC
ASSESSMENTS

Treasury has continued to take a proactive approach to the provision of professional ergonomic assessments and education to groups and individual employees. Supervisors are also encouraged to monitor staff in relation to the proper use of office furniture and work practices using qualified consultants.

Emergency and evacuation procedures for the Darwin office were reviewed, updated and rehearsed during the year, to ensure that staff are properly prepared in the event of a fire or other emergency situation arising.

employee performance management

Treasury's employee performance management program was approved with the goals of:

- ensuring that the work effort and development of individuals is aligned with the current objectives, initiatives, planned outcomes and cultures of the Division and Treasury;
- setting individual goals and provide feedback against those goals;
- enabling regular two way feedback between employees and managers (in addition to normal day to day feedback);
- promoting effective communication and planning at all levels in the organisation;
- promoting increased job satisfaction; and
- identifying personal learning needs for individual employees in relation to their current and future responsibilities.

UMBRELLA POLICY

Under this umbrella policy, each Division has the flexibility to develop a scheme suited to their own identified needs and geared to their own timeframes.

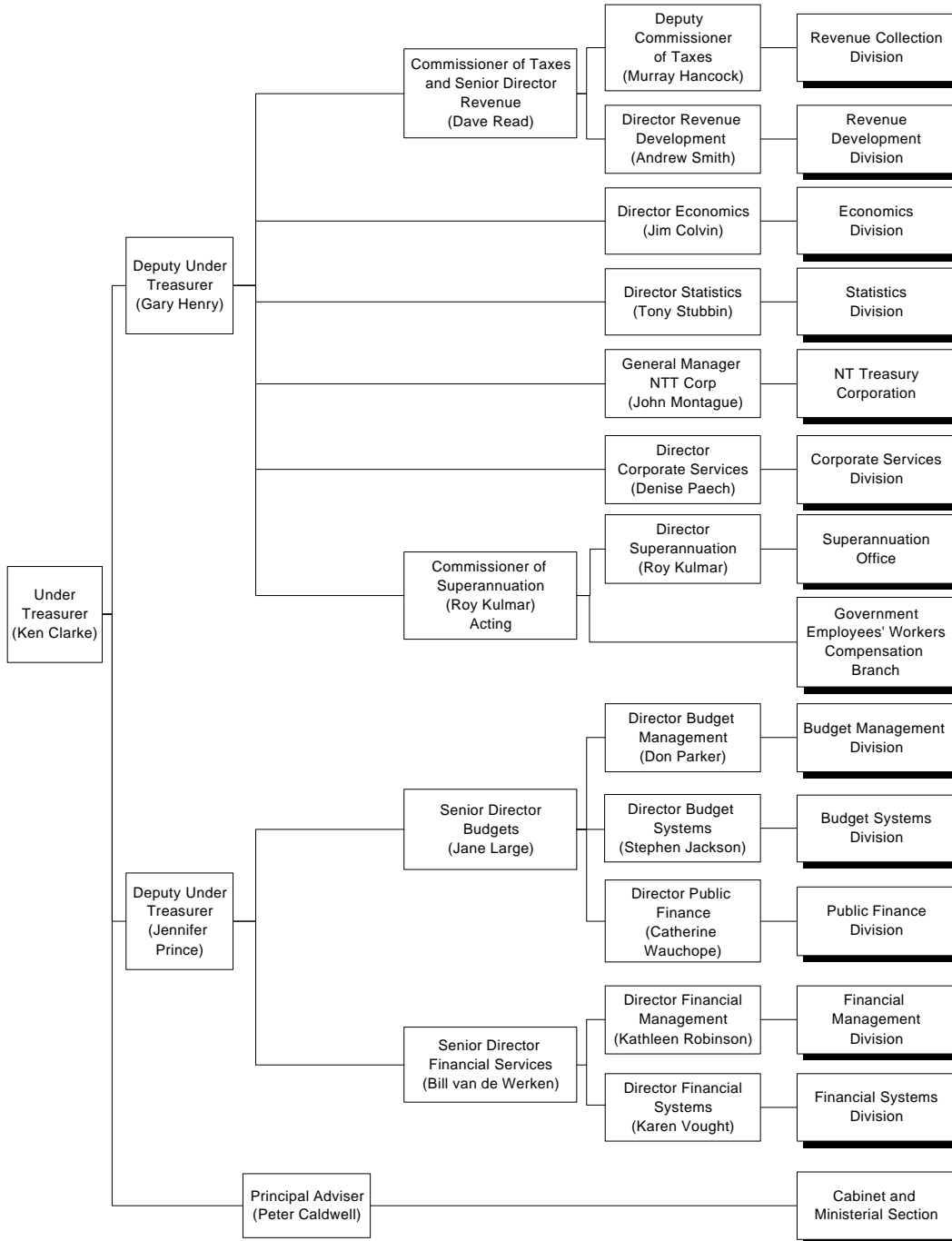
Staff at all levels actively participate during development and implementation as well as in relation to training specifically designed to enhance their understanding of the scheme and to refine skills needed for successful participation.

human resource management policies

EASY ACCESS

In addition, four human resource management policies were approved during the year covering a range of issues on which the need for specific Treasury policies were identified. All Treasury human resource management policies, together with a wealth of other organisational information, are readily accessible to all staff through Treasury's internal intranet, to assist them to understand their rights and responsibilities as valued employees in Treasury.

NORTHERN TERRITORY TREASURY



APPENDIX D: SENIOR EXECUTIVES

Ken Clarke B Comm (Hons)

Under Treasurer

Commenced career in Canberra with the Bureau of Agricultural Economics in 1969 and subsequently in London as an editor with a London business reference publishing group. Joined the Papua New Guinea Department of Finance Monetary Policy Unit in 1975 before moving to Northern Territory Treasury in 1978. Held senior positions in intergovernmental financial relations and budget management before being appointed Deputy Under Treasurer in 1987.

Gary Henry B Comm (Econ)

Deputy Under Treasurer

After several years experience as a teacher in NSW and a period of self employment, joined the Industries Assistance Commission in 1984 and served in the Econometric and Inquiry Divisions. Appointed to Northern Territory Treasury in 1990. Held senior positions in economics areas before being appointed Deputy Under Treasurer in 1996.

Jennifer Prince Dip Rad

Deputy Under Treasurer

Commenced career as a senior Therapy Radiographer before moving to the NT Department of Health in 1979, with involvement in a range of intergovernmental health policy issues and hospital management. Joined Treasury in 1985 with responsibility for intergovernmental and budget policy matters. After moving interstate in 1989, continued to work for the Treasury on a wide range of policy issues, particularly intergovernmental financial arrangements, public finance and budget issues. In April 1997, Jennifer returned to Northern Territory Treasury as Deputy Under Treasurer.

Peter Caldwell BA (Hons Econ)

Principal Adviser

After working at the University of Ghana in 1963, worked in Canberra in the Australian Government Departments of Trade, Territories and Treasury. Joined the Department of the Northern Territory, Darwin in 1973. Worked in Asian Development Bank, Philippines as Economist 1974 to 1980. Joined the Department of Mines and Energy, Darwin in 1980; moved to Northern Territory Treasury 1981 (Director Economic Policy, later Director Capital Resources); and then to Department of Industries and Development, 1988 (Assistant Secretary). Returned to Northern Territory Treasury in 1992 as Senior Director Economic Services. Appointed Principal Adviser in 1994.

David Read LLB PSM

Senior Director Revenue

Commissioner of Taxes

Commenced career as Field Officer with Department of District Administration, Papua New Guinea public service. Joined the Northern Territory Public Service in 1979, working in development of community government. Moved to Northern Territory Treasury 1982;

appointed Commissioner of Taxes 1986 and is now also Senior Director Revenue. Awarded the Public Sector Medal in 1997 for outstanding service to the Northern Territory's Treasury.

Jane Large JP

Senior Director Budgets

Thirty eight years experience in the British Civil Service, Commonwealth, State and Northern Territory Public Services. Previous agencies have included Foreign Office, Police, Attorney-General, Law, Legal Aid and Mines and Energy. Joined Northern Territory Treasury in 1982 as Senior Budget Liaison Officer. Appointed as Director Budgets in 1986, and Senior Director Budgets in 1995. Also a Northern Territory Legal Aid Commissioner and Justice of the Peace.

Bill van de Werken

Senior Director Financial Services

After an early career in Australian Public Service data processing, spanning computer operations, programming, analysis, systems software and communications support, joined Northern Territory Treasury in 1982 in the accounting services area. Appointed in January 1991 as Director Financial Systems, with responsibility for the government's banking arrangements and for the operation and development of accounting, personnel and payroll systems. Appointed Senior Director Financial Services in 1995.

Jim Colvin B Comm (Hons) LLB

Director Economics

Commenced career as a lecturer in accounting, finance and law at the University of Queensland (Gatton Campus) before moving to Price Waterhouse, Melbourne, as a Senior Taxation Consultant. Joined the Northern Territory Treasury in 1994 as a Senior Research Officer within the Economics Services Division. Promoted to Director Economics in 1996.

Murray Hancock

Director Revenue Collection

Deputy Commissioner of Taxes

Commenced career in the Western Australian State Revenue Department where he gained extensive experience in the administration of stamp duty laws and the development of policy and legislation for all state taxes. Joined Northern Territory Treasury as Director Revenue Collection and Deputy Commissioner of Taxes in 1997.

Stephen Jackson M Sc Grad Dip PSEM Dip Comp Tech MACS

Director Budget Systems

After an early career in Britain, held the position of Systems Development Manager with the Papua New Guinea Government from 1978 to 1981. Moved to the role of Lecturer in Information Systems at Griffith University, Queensland. Joined the Darwin Institute of Technology (later to become the Northern Territory University) in 1983 as Principal Lecturer

and was instrumental in developing the Bachelor of Business (Computing) program. Joined Northern Territory Treasury (NCOM Services) in 1986. Appointed Director Budget Systems in 1995.

Roy Kulmar

Director Superannuation

Early career in investment and money market operations with Reserve Bank Sydney, Port Moresby and Darwin. Joined Northern Territory Treasury in 1979 as Manager Investment and Loan Raising. From 1983 was Associate Director, Capel Court (Merchant Bank); Manager NT National Mutual and Senior Manager Financial Services, Territory Insurance Office. Rejoined Northern Territory Treasury as Director Superannuation in 1995.

John Montague BA (Hons Econ)

General Manager Northern Territory Treasury Corporation

Commenced with Westpac Banking Corporation in 1986 holding various trading and management positions in Sydney and Melbourne within the bank's Treasury Fixed Interest department. Seconded to NT Treasury Corporation as Manager Financial Assets and Liabilities in 1994. Appointed General Manager of the Corporation in 1996.

Denise Paech BA FAHRI

Director Corporate Services

After a 10 year career in human resources in the South Australian Public Service, joined the Northern Territory Public Service in 1982. Appointed as Staff Development Manager in the Department of Transport and Works and later as Director Personnel Services in the Office of the Public Service Commissioner. Joined Northern Territory Treasury in 1989 as Director Corporate Services. Achieved successful completion of the Territory's Executive Development Program in 1997.

Don Parker B Comm (Econ & Japanese Studies)

Director Budget Management

Commenced with the Reserve Bank of Australia in 1976. Winner of 1981 Mitsui Education Foundation Scholarship to Japan. Following a period of secondment to the Department of Foreign Affairs (Japan Secretariat) in 1985-86, returned to various management roles in the Reserve Bank of Australia. Joined the Northern Territory Treasury in 1988, in the Intergovernmental Relations and Economic Policy areas. Promoted to Director Public Finance in 1995 and transferred to Director Budget Management early in 1997.

Kathleen Robinson B Bus (Accy) CPA

Director Financial Management

Commenced employment with Northern Territory Treasury in 1978 as a Finance Officer-in-Training, then worked in a number of other Northern Territory Government agencies, primarily in the internal audit field. Returned to Northern Territory Treasury in 1987 and managed the Accounting Policy and Debt Management units for three years, then worked in

various policy and operational positions in the Department of the Chief Minister. Returned to the Northern Territory Treasury in 1993 to resume work in financial management and accounting policy areas. Appointed Director Financial Management in 1994

Andrew Smith B Bus (Accy) LLB

Director Revenue Development

Assistant Commissioner of Taxes

Commenced career in Brisbane in the taxation consulting division of Ernst & Young. Primarily involved in providing taxation services to government agencies (including the Northern Territory and Queensland Treasuries) and corporate clients. Promoted to Manager in 1995. Joined Northern Territory Treasury as Director Revenue Development and Assistant Commissioner of Taxes in 1996.

Tony Stubbin BA (Econ)

Director Statistics

Commenced with the Commonwealth Government in 1983 working in a range of policy areas related to the Australian Capital Territory. Worked with ACT Treasury in the Economic Policy Section. Spent two years with the Department of Employment, Education and Training as Assistant Director Labour Market Analysis Section. Joined Northern Territory Treasury in 1992 with the then Economic Policy and Assessment Division. Appointed Director Statistics in January 1996.

Karen Vought MACS

Director Financial Systems

Commenced work at NSW Sub-Treasury in 1970 under an information technology training scheme. Began career in the Northern Territory with NCOM in 1978 and has held a number of information technology positions over the past 18 years, involving the delivery of a range of technology services to Government agencies. In recent years has been involved, as an external consultant, in a number of large service-wide systems including the implementation of the Personnel Information and Payroll System and upgrade of the Government Accounting System to Version 3. Appointed as Director Financial Systems in 1996.

Catherine Wauchope B Ec (Econ Pol)

Director Budget Management

Commenced employment with the Northern Territory Public Service in 1980, working mainly in regional areas of the Department of Education and the Parks and Wildlife Commission. After two and a half years as a researcher on the Chief Minister's staff, travelled and worked overseas before completing an economics and politics degree. Joined Northern Territory Treasury in 1993 as an economics graduate and shortly thereafter moved into Budget Policy. Promoted to Director Budget Management in 1996 and transferred to Director Public Finance in August 1997.

APPENDIX E: STAFFING

PERSONNEL

	Average Paid Staff 1996-97	Actual Staff 30 June 1997
Northern Territory Treasury: Services	162	157
Northern Territory Treasury Corporation	11	10
Northern Territory Treasury: Superannuation Office	20	20
TOTAL	193	187

STAFF MOVEMENTS

	1995-96	1996-97
Staff Employed as at 1 July	196	189
<i>less</i> Resignations	20	22
Retirements		2
Deaths		
Transfers/Promotions to other agencies	26	31
Leave Without Pay (over 12 weeks)	5	14
Redundancy	3	
	-54	-69
<i>plus</i> Appointments/Engagements	39	31
Transfers/Promotions from other agencies	8	29
Return from Leave Without Pay (over 12 weeks)		7
	47	67
STAFF EMPLOYED AS AT 30 JUNE	189	187

STAFF BY LEVEL AND GENDER

Level	Male	Female	Total
EO1 and above	16	6	22
AO7 to AO8	10	16	26
Up to AO6	42	96	138
Professional		1	1
TOTAL AS AT 30 JUNE 1996	68	119	187

Notes:

Includes Northern Territory Treasury: Services, and Northern Territory Treasury Corporation, Northern Territory Treasury: Superannuation Office.

These figures show the number of employees paid at these levels on that date.

NORTHERN TERRITORY TREASURY: SERVICES

<i>Activity/Program</i>	Average Paid Staff 1996-97	Actual Staff 30 June 1997
<i>Corporate Management</i>	37	37
Executive	7	7
Corporate Services	30	30
<i>Budget Development and Management</i>	26	23
Budget Systems	15	15
Budget Management	11	8
<i>Economic Services</i>	16	16
Economics	7	8
Statistics	5	4
Public Finance	4	4
<i>Territory Revenue Management</i>	40	41
Revenue Collection	28	30
Revenue Development	7	6
Revenue Administration	5	5
<i>Financial Services</i>	40	37
Financial Management	10	9
Financial Systems	30	28
<i>Strategic Services</i>	3	3
Strategic Services	3	3
TOTAL	162	157

NORTHERN TERRITORY TREASURY: SUPERANNUATION OFFICE

<i>Activity/Program</i>	Average Paid Staff 1996-97	Actual Staff 30 June 1997
<i>Administration</i>		
Superannuation Schemes	18	18
Workers Compensation	2	2
TOTAL	20	20

Note: All staff are attached to the Administration Activity.

NORTHERN TERRITORY TREASURY CORPORATION

<i>Activity/Program</i>	Average Paid Staff 1996-97	Actual Staff 30 June 1997
<i>Administration</i>		
Administration	11	10
TOTAL	11	10

Note: All staff are attached to the Administration Activity.

APPENDIX F: MANAGEMENT CONTROLS

INTERNAL REVIEW PROCESSES

The Treasury management control strategy involves:

- formal and informal monitoring of all Treasury programs to include, but not be confined to:
 - Directors' reports on work in progress covering general and specific issues, reviewed by Executive Management and with peer interaction of all Treasury Directors at monthly Directors' meetings;
 - scheduled staff meetings in operational areas to communicate and monitor specific elements;
 - regular progress reports covering key operational functions;
 - monthly Treasury Management Group (TMG) meetings to review current issues and set immediate task directions;
 - regular liaison meetings with external parties covering key areas of interest, including the Auditor-General, other agencies, consultants and other jurisdictions; and
 - participation in various inter and intra-governmental committees covering areas relevant to Treasury responsibilities.
- regular monitoring and adjustment where appropriate in the light of emerging needs of:
 - activity and program structures;
 - organisational structures and staff profiles;
 - internal and external communications processes; and
 - internal and external management reporting.
- progressive monitoring of key control elements in areas of:
 - financial management;
 - risk management;
 - asset management;
 - strategic planning and program maintenance;
 - fraud prevention and protection;
 - functional allocation;
 - change implementation;
 - project management;

*THE
REVIEW PROCESS*

*MONITORING AND
ADJUSTMENT*

INTERNAL CONTROL

MAJOR ANNUAL
REVIEW

PROGRAM
EVALUATION

- ♦ staff delegation;
 - ♦ work flow organisation;
 - ♦ purchasing; and
 - ♦ records management and security.
- review of strategic planning, operational and developmental issues during the annual Treasury Executive Conference, supported by regular reviews to monitor progress and to address emerging issues and, as necessary, to reset major priorities and resource allocations.
 - progressive analysis of Treasury programs to ensure appropriateness and to implement, where necessary, adjustments which will improve their relevance, effectiveness and efficiency.
 - the TMG acts as the Treasury Audit Committee. Extensive external audits continued throughout the year, particularly in relation to the activities of Financial Services, Territory Revenue, Corporate Services, Northern Territory Treasury Corporation and the Superannuation Office.
 - a Deputy Under Treasurer has been designated as the coordinator for all internal audit matters. TMG considers any internal audit issues under a standing agenda item at each months meeting.

PROGRAM EVALUATION AND REVIEW

The following program evaluations were conducted during 1996-97.

northern territory treasury corporation

OBJECTIVE

To review the operation of the capital markets, client services and administration functions and ensure that procedures are current and applicable and meet the future needs of the borrowing and onlending functions.

METHODOLOGY

The review was carried out in consultation with all staff in the Corporation and the comments of external users of products such as Territory Bonds and the Corporations Registry.

The review covered:

REVIEW FINDINGS

- wholesale borrowing;
- retain borrowing;
- marketing;

- investment of cash balances;
- lending;
- interest paid to agencies;
- advisory services;
- settlements; and
- administrative reporting.

As the Corporation is relatively new, the review only highlighted minimal changes to current procedures. It was considered more appropriate for the Territory Bonds and lending functions to be transferred from the Financial Administration section to the Financial Assets and Liabilities section and for the settlements function to be undertaken by two staff in each section.

OUTCOMES

Territory Bonds and lending functions are to be transferred from the Financial Administration section to the Financial Assets and Liabilities section.

The settlements function will be undertaken by two staff in each section.

A new organisational structure will reflect these changes.

treasurer's financial statements review

OBJECTIVE

To ensure that the Treasurer's Financial Statements are produced from the Government Accounting System (GAS) in the Budget and Government Finance Statistics format in an accurate, timely and auditable manner.

METHODOLOGY

A multi-disciplinary task force was formed with members from Financial Services and Budgets Divisions of Treasury. The task force conducted initial brain storming sessions to identify the scope of issues influencing the production of the Treasurer's Financial Statements. Key stakeholders, within Treasury and other agencies, were interviewed to confirm the critical areas that needed examination and improvement.

The task force adopted an interactive development approach whereby improvements and innovations to the processes involved in the production of the Treasurer's Financial Statements were introduced, evaluated and implemented where they were proved necessary and successful.

REVIEW FINDINGS

The critical issues identified in the Review as impinging on the successful development and publication of the Treasurer's Financial Statements were:

- a lack of knowledge and understanding across Government agencies of the requirements of whole of Government reporting and the use of GAS for these reports. This problem was particularly manifest in the areas of:
 - use of Standard Classifications;
 - agency ledger restructure action; and
 - maintenance of Sub-Ledgers and Central Ledgers.
- insufficient documentation of systems, procedures and processes within Treasury.

Initiatives as a result of this review have included:

OUTCOMES

- briefing sessions by Treasury staff either through the GAS User Group or directly with agencies on whole of Government reporting requirements;
- the revision of Treasurer's Direction Part 2 Section 7 in consultation with major agencies, and the issuing of new requirements for the use of Standard Classifications;
- monthly verification of the status of ledgers and actual expenditures and receipts. This ensures base data and systems are continuously tested and monitored;
- new procedures put in place to ensure that the process of compiling data for the Treasurer's Financial Statements meets audit requirements; and
- a procedures manual documenting the systems, procedures and processes utilised in the production of the Treasurer's Financial Statements. This manual will be updated as new procedures and technology are developed.

corporate services program review

OBJECTIVE

To provide organisational arrangements which would position the Corporate Services Program to meet changed and emerging demands, overcome any current deficiencies and allow for improved outputs in the future.

METHODOLOGY

All staff employed in the Program were involved through special staff meetings, as well as 'headlights' groups which addressed specific aspects of the review. Directors and Treasury Executive were consulted to provide feedback on strengths, weaknesses and any

REVIEW FINDINGS

changes required to the services provided during the process. Significant changes were trialed and refined as they evolved.

While the core activities of the Program remained unchanged, the focus of the program moved to client service, rather than administration. This required a shift in culture as well as operations.

The need for change was identified in relation to:

- flexibility in resources to meet emerging priorities;
- organisational structure;
- career paths for some staff;
- use of floor space to meet business needs; and
- broadening the skills base of individuals, particularly for operational staff.

OUTCOMES

The multiskilling of operational staff in the AO1 and AO2 levels became the key to overcoming resourcing problems. Through a process of consultation, generic job descriptions were approved. Training of staff to develop competencies in all functional areas commenced, while at the same time meeting the operational requirements of the Program.

Multiskilling of staff also provides insurance against the anticipated impact of technological change in some areas of the Program in the future.

Operational areas were combined, allowing better use of resources to meet deadlines, and to allow the functional branches more opportunity to focus on policy and development work.

A new floor plan was devised to provide better client service and to enable staff to be grouped in more functional ways.

Implementation of these outcomes will occur on an ongoing basis.

FUTURE REVIEWS

In addition to the individual program reviews which have occurred over the past three years, a full review of the funding of each program has commenced to ensure that program funding is aligned to the priorities of Treasury as a whole.

APPENDIX G: BOARDS, COMMITTEES AND PUBLICATIONS

BOARDS AND COMMITTEES

Agents Licensing Board
Australian Statistics Advisory Council
Barramundi Fishery Licence Buy Back Expert Working Group
Capital Works Review Committee (Chair)
Co-ordination Committee
Co-ordination Committee Executive
Co-ordination Committee Finance Sub-Committee (Chair)
Co-ordination Committee Human Resource Development Sub-Committee
Co-ordination Committee Infrastructure and Development Sub-Committee
Darnor Pty Ltd
Deputy Secretaries Information Management Group
Department of Finance Payroll Stakeholders Management Committee
Education Communications and Technology Committee
Education Outsourcing Committee
Electronic Commerce Steering Committee
Executive Remuneration Panel
Financial Institutions Duty Industry Consultative Forum
Fraud Control Working Party
Fringe Benefits Tax - ATO and State Governments Liaison Group
Fringe Benefits Tax - Jurisdictional Liaison Committee
GAS (Government Accounting System) User Group
GAS/PIPS Steering Committee
Gasgo Pty Ltd
Government Business Divisions Steering Committee (Chair)
Government Business Division Reference Group
Heads of Treasuries
Heads of Treasuries Accounting and Reporting Advisory Committee
Heads of Treasuries Financial Taxes Review Working Party
Heads of Treasuries Financial Reporting by Governments Committee
Heads of Treasuries Working Party on Loan Council Reporting and Monitoring
Indicative Planning Council for the Housing Industry - Northern Territory
Information Management Reference Group
Information Technology Training Centre Management Board
Interstate Review of Compliance Practices (Police)
Interstate Review of Investigative Practices (Police and Taxes)
Joint Commonwealth State Tax Equivalents Regimes Standing Committee
Legislative Assembly Members' Superannuation Trust

Menzies School of Health Research Finance Committee
National NOMAD User Group (Chair)
NOMAD Strategic Forum
Nominal Defendant Committee of the Northern Territory
Northern Territory Ord River Working Group
Northern Territory Public Sector Accounting Group
Northern Territory Treasury Corporation Advisory Board
Northern Territory Users of CA Masterpiece (NTUCAM)
NT Conditions of Service Trust
NTETA Planning and Resource Advisory Council
NT Fishing Industry Research and Development Trust Fund Advisory Committee
NT Government and Public Authorities Superannuation Scheme Investment Board
NT Government and Public Authorities Superannuation Scheme Review Board
NT Land Information System Executive Committee
NT Legal Aid Commission
NT Police Legacy Committee
NT Police Supplementary Benefit Trust
NT Statistical Liaison Committee (Chair)
NT University Council
NT University Finance Committee
NTPS Career Development Reference Group
PIPS (Personnel Information and Payroll System) User Group
Power and Water Authority Board
Prison Advisory Committee
Procurement Review Board
Public Sector Accounting Standards Board (PSASB)
Public Sector Accounting Standards Board Consultative Group
Public Sector Consultative Council
Public Trustee Investment Board
Railnorth Pty Ltd
Railway Executive Group
Real Estate Agents Fidelity Fund
Steering Committee on National Performance Monitoring of Government Trading Enterprises
Territory Loans Management Advisory Committee (Chair)
Tourism Masterplan Task Force
Territory Revenue Legislative Review Committee

PUBLICATIONS

Treasury publications which are available on the Internet can be found at <http://www.nt.gov.au/ntt/>

1997-98 budget

The 1997-98 Budget was brought down on 30 April 1997 and was accompanied by the following Budget Papers:

BUDGET SPEECH AND APPROPRIATION BILL - BUDGET PAPER NO 1

The Treasurer's speech to the Legislative Assembly describes the Government's Budget strategy and key features of the Budget for 1997-98, together with the Bill presented to Parliament seeking Allocations to Activities for 1997-98.

THE BUDGET - BUDGET PAPER NO 2

Detailed dissection and description of the Budget by Ministerial portfolio and programs. Detailed estimates of receipts and expenditure by category of cost and source of funds, together with outlays, revenue and financing transactions for all agencies within the Northern Territory budget sector, presented according to the Economic Transactions Framework.

SOURCES OF FUNDS - BUDGET PAPER NO 3

A summary and the major components of all Territory receipts, Commonwealth grants and the Territory borrowing program, including comparisons with other States.

CAPITAL WORKS PROGRAM - BUDGET PAPER NO 4

Detailed dissection and description of the 1997-98 Capital Works Program.

ISSUES IN PUBLIC FINANCE - BUDGET PAPER NO 5

A Northern Territory Treasury view of current issues in public finance which have a current or potential impact on Northern Territory financial management and reporting.

NORTHERN TERRITORY ECONOMY - BUDGET PAPER NO 6

An overview of the Northern Territory economy, as well as reviews of the performance and outlook for major industry sectors.

supplementary budget papers

WOMEN IN THE BUDGET

An overview of Budget expenditures on women.

REGIONAL HIGHLIGHTS

The effect of the 1997-98 Northern Territory Budget on the major regions of the Northern Territory.

treasurer's financial statements

TREASURER'S ANNUAL FINANCIAL STATEMENT 1996-97

Gross outlays, receipts and balances of the Public Account, variations to Allocations, the Public Account on an Economic Transactions basis, Accountable Officers' Trust Accounts, asset and liability management, contingent liabilities; includes Auditor-General's Report. The Treasurer's Annual Financial Statement is produced in accordance with section 9 of the *Financial Management Act*.

SUPPLEMENT TO THE TREASURER'S ANNUAL FINANCIAL STATEMENT FOR 1996-97

Additional commentary and tables on asset and liability management as well as further information on the Public Account on an Economic Transactions basis, in accordance with the agreement on Uniform Presentation of Government Financial Information; includes an appendix detailing the Public Account 1991-92 to 1995-96.

TREASURER'S QUARTERLY FINANCIAL STATEMENTS 1996-97

These statements summarise the quarterly and year to date financial transactions for the Public Account and Accountable Officers' Trust Accounts and provide a summary of the overall Account balances.

annual reports

Separate Annual Reports are produced for the:

- Northern Territory Treasury;
- Northern Territory Treasury Corporation;
- Northern Territory Government and Public Authorities Superannuation Scheme;
- Northern Territory Police Supplementary Benefit Scheme;
- Legislative Assembly Members' Superannuation Trust; and
- Northern Territory Government Conditions of Service Trust.

other publications

SUBMISSION FOR THE COMMONWEALTH GRANTS COMMISSION 1999 REVIEW OF GENERAL REVENUE GRANT RELATIVITIES

The Northern Territory Government's submission of the major (five yearly) review of Commonwealth Grants Commission methodologies in assessing the Territory's need for Commonwealth financial assistance.

TREASURY NOTES

This quarterly newsletter explains and provides further information on Treasury policies, activities and financial management issues. It was initially aimed at users of Treasury services, ie other NT Government agencies, but subscription has expanded to include a large number of external people and entities.

TERRITORY TALKING

This publication is aimed specifically at holders, and prospective holders, of Territory Bonds. Articles are prepared both in-house and by interested external parties, such as the Registry Managers.

MONTHLY ECONOMIC REVIEW

Treasury publishes the Monthly Economic Review closely following the end of each month. This publication provides an economic overview for the previous month as well as a variety of comparative statistical tables. It is distributed within the Northern Territory Government and supplied on request to other individuals and organisations

PAY-ROLL TAX BOOKLET

The Pay-roll Tax Booklet is an aid to employers who may have a liability for pay-roll tax. The booklet sets out the basic provisions of the Act and gives examples of how to calculate payroll tax. The booklet was revised for re-distribution in July 1996.

STAMP DUTY BOOKLET

The Stamp Duty Booklet provides information for taxpayers on certain duties imposed under the *Stamp Duty Act* and gives a brief explanation of the administrative requirements for those duties. The booklet is updated as necessary and is available on request.

APPENDIX H: RESOURCES SUMMARY

NORTHERN TERRITORY TREASURY: SERVICES

	1994-95	1995-96	1996-97
Average Paid Staff			
Corporate Management	44	37 ^(a)	37
Programs and Financial Relations	25	^(b)	
Budget Development and Management		22	26
Economic Services	9	14	16
Territory Revenue Management	39	38	40
Financial Services	39	42 ^(c)	40
Strategic Services	3	3	3 ^(d)
Community Service Obligations			^(e)
TOTAL	159	156	162
Expenditure			
	\$M	\$M	\$M
Corporate Management	4.5	4.5	6.6 ^(f)
Programs and Financial Relations	1.5	^(b)	
Budget Development and Management		1.3	1.6
Economic Services	0.9	1.1	1.4
Territory Revenue Management	2.2	2.2	2.4
Financial Services	4.9	5.9 ^(c)	10.3 ^(f)
Strategic Services	0.5	0.7	1.0 ^(d)
Community Service Obligations			15.9 ^(e)
TOTAL	14.5	15.7	39.2

Notes:

(a) Six Corporate Service staff transferred to Department of Transport and Works with NCOM on 1 July 1995.

(b) Changed to Budget Development and Management, with part transfer to Economic Services.

(c) Previously Financial Systems and Services.

(d) Transferred to Department of Communications and Advanced Technology on 2 July 1997.

(e) New Activity which has no staff.

(f) Includes expenditure on government computing charges previously funded centrally.

**NORTHERN TERRITORY TREASURY:
SUPERANNUATION OFFICE**

	1994-95	1995-96	1996-97
Average Paid Staff			
Administration (a)	19	20	20
TOTAL	19	20	20
Expenditure			
	\$M	\$M	\$M
Administration	1.8	1.6	1.6
Conditions of Service Provisions	27.7	25	43.8
TOTAL	29.5	26.6	45.4

Note: (a) All staff are attached to the Administration Activity.

NORTHERN TERRITORY TREASURY CORPORATION

	1994-95	1995-96	1996-97
Average Paid Staff			
Administration (a)	11	11	11
TOTAL	11	11	11
Expenditure			
	\$M	\$M	\$M
Administration		2.0 ^(b)	1.9
External Debt Management	334.3	267.6	331.0
Internal Funds Management		16.3	51.4
Total	334.3	285.9	384.3

Notes:

(a) All staff are attached to the Administration Activity.

(b) New Activity Structure in 1995-96.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

PRESENTATION

The 1996-97 financial statements and accounts included in this section have been prepared in accordance with Part 2 Section 5 of the Treasurer's Directions. Where there has been no activity in relation to any of the reporting elements prescribed, such schedules have not been included. Within each schedule, only items with activity during the year have been shown. Unless otherwise indicated, all amounts in the financial statements have been rounded off to the nearest one thousand dollars. To assist the reader, explanatory notes have been included within each schedule.

THREE ENTITIES

The financial statements are separated into the following three financial agencies:

- Northern Territory Treasury: Services;
- Northern Territory Treasury: Superannuation Office; and
- Northern Territory Treasury Corporation.

The format of these financial statements reflects the Activity and Program structure of the entities as at 30 June 1997.

Details of investments held in corporations, trusts, joint ventures or similar entities, together with contingent liabilities, have been provided in accordance with Treasurer's Directions for consideration in global reporting in the Treasurer's Annual Financial Statement.

FINANCIAL MANAGEMENT FRAMEWORK

Treasury's internal financial management is undertaken within a policy framework which includes:

- maintenance and presentation of financial information in a manner which enables timely monitoring and effective control of Treasury's financial activities;
- use of cash accounting principles for all financial matters, with supplementary accrual information maintained for key liabilities and assets;
- adherence to statutory requirements and policies as set out in the *Financial Management Act and Regulations*, Treasurer's Directions, and the *Procurement Act* and related Circulars;
- management of Treasury assets in accordance with Accounting and Property Manual guidelines including recognition of appropriate risk management strategies;
- active internal control monitoring procedures; and
- formal annual planning processes to ensure resource allocations and priorities are consistent with Government requirements.

NORTHERN TERRITORY TREASURY: SERVICES

EXPENDITURE BY ACTIVITY AND PROGRAM 1996-97

	final allocation	Actual Expenditure
<i>Activity/Program</i>	\$000	\$000
<i>Corporate Management</i>	6 585	6 583
Executive		1 626
Corporate Services		4 957
<i>Budget Development and Management</i>	1 603	1 599
Budget Management		698
Budget Systems		901
<i>Economic Services</i>	1 436	1 431
Economics		564
Public Finance		362
Statistics		505
<i>Territory Revenue Management</i>	2 398	2 394
Revenue Collection		1 477
Revenue Development		647
Revenue Administration		270
<i>Financial Services</i>	10 247	10 246
Financial Management		524
Financial Systems		9 722
<i>Strategic Services</i>	1 044	1 044
Strategic Services		1 044
<i>Community Service Obligations</i>	15 875	15 875
Community Service Obligations		15 875
TOTAL	39 188	39 172

EXPENDITURE BY STANDARD CLASSIFICATION 1996-97

	\$000
Personnel Costs	10 103
Advance to Payees	- 10
Fringe Benefits Tax	1 588
Higher Duties	155
Leave Loading	74
Northern Territory Allowance	47
Other Allowances	88
Other Benefits Paid by Employer	146
Overtime	93
Payroll Tax	541
Penalty Payments	2
Recreation Leave Fares	13
Recreation Leave Fares - 1995 EBA	113
Salaries	7 086
Termination Payments	82
Workers Compensation	85
Operational Costs	13 104
Advertising	4
Clothing	2
Communications	296
Consultants Fees	966
Consumables/General Expenses	92
Document Production	241
Hospitality	1
Freight	12
Furniture and Fittings	41
General Equipment and Machines	49
Information Technology Services	8 703
Legal Expenses	30
Library Services	100
Office Requisites and Stationery	64

(continued)

EXPENDITURE BY STANDARD CLASSIFICATION 1996-97 *(cont)*

\$000

Operational Costs *(continued)*

Official Duty Fares	276
Property Management	133
Recruitment Expenses	47
Regulatory and Advisory Boards	1
Relocation Expenses	12
Training and Study Expenses	127
Transport/Vehicles	191
Travelling Allowance	121
Payments to Northern Territory Government - FID	798
Payroll Charges	360
Bank Fees and Charges	437

Capital Expenditure **90**

Information Technology Software and Hardware	90
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Grants and Subsidies **15 875**

TOTAL **39 172**

RECEIPTS 1996-97

	Estimated \$000	Actual \$000
TO CONSOLIDATED REVENUE ACCOUNT	1 268 858	1 285 379
Taxes, Fees and Fines	225 525	225 645
Stamp Duty	52 072	50 946
Payroll Tax	73 462	74 164
Business Franchise	80 699	81 165
Energy Resources Consumption Levy	524	551
Financial Institutions Duty	10 800	11 051
Debits Tax	7 208	7 002
Tax Equivalents	760	766
Property Income	33 303	32 808
Land Rent	5 173	5 154
Mining Royalties	28 130	27 654
General Purpose Commonwealth Grants	925 298	947 831
Current Grants	918 298	940 831
Capital Grants	7 000	7 000
Intrasector Receipts	83 418	82 275
Profit Distribution from General Government	12 559	12 559
Profit Distribution from Public Trading Enterprises	2 534	2 714
Profit Distribution from Government Business Divisions	28 272	27 755
Stamp Duty Equivalent from NTHC: Lending	3 416	3 416
Payroll Tax from General Government	36 637	35 831
TO OPERATING ACCOUNT	1 314	- 3 180
Charges for Goods and Services	440	354
Sale of Government Assets	5	6
Miscellaneous Receipts	869	-3 540

RECONCILIATION SCHEDULE FOR YEAR ENDED 30 JUNE 1997

	Expenditure and Receipts Schedules	Adjustments	Treasurer's Annual Financial Statement (Schedule 1.4)
	\$000	\$000	\$000
Receipts			
Receipts by Source			
Taxes, Fees and Fines	225 645	495	226 140
Charges	354		354
Miscellaneous Receipts	- 3 540		- 3 540
Capital Receipts	6		6
Property Income	32 808		32 808
General Purpose Commonwealth Grants	947 831		947 831
Intrasector Receipts	82 275	- 495	81 780
TOTAL RECEIPTS	1 285 379	0	1 285 379

Note: The adjustment reflects receipts for payroll tax from some Government Business Divisions classified as Intrasector Receipts in the Receipts Schedule, and recorded as Taxes, Fees and Fines in the Treasurer's Annual Financial Statement.

VARIATIONS AUTHORISED TO ALLOCATIONS DURING 1996-97

Activity	Approp Act 1996- 97 \$000	section 18 \$000	section 20(1)(a) \$000	section 20(1)(b) \$000	Final Allocation \$000	Actual Expenditure \$000
Activity	\$000	\$000	\$000	\$000	\$000	\$000
Corporate Management	26 761	1 474	- 21 601	- 49	6 585	6 583
Budget Development and Management	1 488		8	107	1 603	1 599
Economic Services	1 454	196	3	- 217	1 436	1 431
Territory Revenue Management	2 281		1	116	2 398	2 394
Financial Services	5 379		4 859	9	10 247	10 246
Strategic Services	764		336	- 56	1 044	1 044
Community Service Obligations			15 875		15 875	15 875
TOTAL	38 127	1 670	- 519	- 90	39 188	39 172

Notes:

Variations under section 18

- Corporate Management was varied to provide funds to meet FBT liability accrued since 1995-96.
- Economic Services was varied to fund the Commonwealth Grants Commission quinquennial relativities review.

Variations under section 20(1)(a)

- Corporate Management reduction due to transfer of Community Service Obligations grant to new Activity in Treasury: Services.
- Corporate Management further reduced for transfer of responsibility for GBD associated costs to Financial Services and to contribute to Budget improvement measures.
- Strategic Services varied for joint Treasury/NCOM review of Year 2000 impact.

Variations under section 20(1)(b)

- Reductions relate to contributions to Budget improvement measures and to transfers to other Activities to meet increased personnel costs.

ACCOUNTABLE OFFICER'S TRUST ACCOUNT 1996-97

Nature of Trust Money	Opening Balance 1 July 96	Receipts	Payments	Closing Balance 30 June 97
	\$000	\$000	\$000	\$000
Miscellaneous Money	1	15	0	16
Unclaimed Money	153	180	196	137
TOTAL	154	195	196	153

Notes:

A single Accountable Officer's Trust Account is maintained for Treasury's three entities.

All transactions during 1996-97 related to Northern Territory Treasury: Services.

ACCOUNTS RECEIVABLE AS AT 30 JUNE 1997

Activity/Program	Age of Outstanding Receivables			Total Receivable
	< 30 days	30-90 days	> 90 days	
	\$000	\$000	\$000	\$000
<i>Corporate Management</i>				
Corporate Services				
From other NT Government Agencies	51			51
<i>Economic Services</i>				
Statistics				
From other NT Government Agencies	1			1
<i>Territory Revenue Management</i>				
Revenue Collection				
From External Bodies	169	105	957 ^(a)	1 231
<i>Financial Services</i>				
Financial Systems				
From External Bodies	1			1
TOTAL	222	105	957	1 284

Note: (a) Includes doubtful debtors of \$539 000. Amounts disputed or appealed are not included.

EMPLOYEE ENTITLEMENTS OUTSTANDING AS AT 30 JUNE 1997

	Amount Outstanding 30 June 97 \$000
Recreation Leave	1 191
Recreation Leave Loading	134
Long Service Leave	
5 to 10 years service	164
Over 10 years service	1 329
TOTAL	2 818

Notes:

The value of leave entitlements has been calculated based on each employee's annual salary and entitlements at 30 June 1997.

Long service leave entitlements are recognised as accruing after the completion of five years service.

FINANCE LEASES FOR YEAR ENDED 30 JUNE 1997

Lease Category	Opening Balance 1 July 1996^(a) \$000	Payments \$000	Closing Balance 30 June 1997 \$000
<i>Information Technology</i>			
Hardware	442	147	295
TOTAL	442	147	295

Notes:

Information Technology leases were previously held by NCOM.

These leases cover all three financial agencies in Treasury as facilities are managed centrally.

Finance Leases are leases where substantially all the risks and benefits of ownership transfer from the lessor to the agency. Operating leases are not included.

Balances are recorded at the value of future lease payments.

Payments include all finance lease payments made during the 1996-97 financial year.

ACCOUNTS PAYABLE AS AT 30 JUNE 1997

Activity	Age of Outstanding Payables				Total
	Under 30 days		30 days and over		
	NT Govt Agencies \$000	External Bodies \$000	NT Govt Agencies \$000	External Bodies \$000	
Corporate Management	3	41	3	1	48
Budget Development and Management		1	96	1	98
Economic Services			28	1	29
Territory Revenue Management		17		1	18
Financial Services	367	110		14	491
Strategic Services	3	34			37
TOTAL	373	203	127	18	721

Note: Figures have not been disaggregated to program level as amounts are not material.

**NORTHERN TERRITORY TREASURY:
SUPERANNUATION OFFICE**

EXPENDITURE BY ACTIVITY AND PROGRAM 1996-97

	Final Allocation	Actual Expenditure
	\$000	\$000
<i>Administration</i>	1 638	1 623
Superannuation Schemes		1 445
Workers Compensation		178
<i>Conditions of Service Provisions</i>	43 801	43 800
NTGPASS Payments		20 920
CSS Payments		8 856
Workers Compensation Payments		1 690
Other Payments and Provisions		12 334
TOTAL	45 439	45 423

EXPENDITURE BY STANDARD CLASSIFICATION 1996-97

	\$000
Personnel Costs	44 832
Advance to Payee	2
Higher Duties	19
Leave Loading	13
Northern Territory Allowance	5
Other Allowances	4
Other Benefits paid by Employer	16
Overtime	10
Payroll Tax	65
Recreation Leave Fares - 1995 EBA	19
Salaries	872
Superannuation Benefits Paid	42 109
Termination Payments	7
Workers Compensation	1 691
Operational Costs	591
Agency Costs	316
Audit Fees	7
Clothing	1
Communications	2
Consultants Fees	51
Consumables/General Expenses	16
Document Production	32
Furniture and Fittings	4
General Equipment and Machines	4
Information Technology Services	88
Library Services	3
Office Requisites and Stationery	6
Official Duty Fares	13
Regulatory and Advisory Boards and Committees	17
Training and Study Expenses	11
Transport/Vehicles	8
Travelling Allowance	12
TOTAL	45 423

RECEIPTS 1996-97

	Estimated \$000	Actual \$000
To Operating Account	11 530	10 574
Miscellaneous Revenue	9 445	8 580
Intrasector Receipts	2 085	1 994

VARIATIONS AUTHORISED TO ALLOCATIONS DURING 1996-97

	Approp. Act 1996- 97	sectio n 18	section 20(1)(a)	section 20(1)(b)	section 22(1)	Final Allocation	Actual Expenditure
Activity	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Administration	1 645			- 7		1 638	1 623
Conditions of Service Provisions	35 842	1 300	6 137		522	43 801	43 800
TOTAL	37 487	1 300	6 137	- 7	522	45 439	45 423

Notes:

Variations under sections 18 and 22(1) - Additional superannuation benefits processed above actuarial estimates.

Variation under section 20(1)(a) - Additional superannuation benefits processed following implementation of voluntary redundancy programs by a number of agencies.

Variation under section 20(1)(b) - Parameter variations resulting from the revised 1996-97 CPI.

EMPLOYEE ENTITLEMENTS OUTSTANDING AS AT 30 JUNE 1997

	Amount Outstanding 30 June 96
	\$000
Recreation Leave	142
Recreation Leave Loading	16
Long Service Leave	
5 to 10 years service	26
Over 10 years service	131
TOTAL	315

Notes:

The value of leave entitlements has been calculated based on each employee's annual salary and entitlements at 30 June 1997.

Long service leave entitlements are recognised as accruing after the completion of five years service.

NORTHERN TERRITORY TREASURY: CORPORATION

EXPENDITURE BY ACTIVITY AND PROGRAM 1996-97

	Final Allocation \$000	Actual Expenditure \$000
<i>Administration</i>	1 875	1 859
Administration		1 859
<i>External Debt Management</i>	331 348	331 097
Interest on Commonwealth Advances		39 105
Interest on Territory Borrowings		155 618
Repayment of Commonwealth Advances		61 844
Repayment of Territory Bonds		74 530
<i>Internal Funds Management</i>	51 819	51 349
Dividends to Territory Government		11 569
Advances to Territory Agencies		39 780
TOTAL	385 042	384 305

EXPENDITURE BY STANDARD CLASSIFICATION 1996-97

	\$000
Personnel Costs	657
Higher Duties	13
Leave Loading	7
Northern Territory Allowance	3
Other Allowances	16
Other Benefits paid by Employer	4
Overtime	2
Payroll Tax	37
Recreation Leave Fares	1
Salaries	565
Termination Payments	9

(continued)

EXPENDITURE BY STANDARD CLASSIFICATION 1996-97
(cont)

	\$000
Operational Costs	1 202
Audit Fees	73
Communications	153
Consultants Fees	532
Consumables/General Expenses	4
Document Production	117
Freight	6
General Equipment and Machines	4
Information Technology Services	152
Library Services	10
Marketing and Promotion	64
Office Requisites and Stationery	1
Official Duty Fares	16
Recruitment Expenses	3
Regulatory and Advisory Boards and Committees	32
Training and Study Expenses	7
Transport/Vehicles	8
Travelling Allowance	20
Interest	194 723
Interest Payments	194 723
Grants and Subsidies	11 569
Intrasector Payments	11 569
Advances	176 154
Advances paid to Public Enterprises	39 780
Commonwealth Advance Repaid	61 844
Repayment of Territory Borrowings	74 530
TOTAL	384 305

RECEIPTS 1996-97

	Estimated \$000	Actual \$000
To Consolidated Revenue Account	26 761	29 047
Interest Received on Cash Balances	26 761	29 047
To Operating Account	155 566	154 830
Charges	212	212
Interest received from Local Government	2 065	2 132
Advances Received from Local Government	2 734	2 484
Grants Direct from Commonwealth	5 623	5 624
Territory Borrowings	56 348	55 789
Intrasector Receipts	88 584	88 589

Notes:

Interest received on cash balances is net of \$6.682M paid on Government Business Division Operating Accounts.

Receipts to capital operating account exclude \$133.850M transferred from the Consolidated Revenue Account.

ACCOUNTS RECEIVABLE AS AT 30 JUNE 1997

	Age of Outstanding Receivables	
	< 30 days \$000	Total \$000
<i>Internal Funds Management</i>		
Advances to Territory Agencies from other NT Government Agencies	6 073	6 073
TOTAL	6 073	6 073

EMPLOYEE ENTITLEMENTS OUTSTANDING AS AT 30 JUNE 1997

	Amount Outstanding 30 June 96 \$000
Recreation Leave	50
Recreation Leave Loading	6
Long Service Leave	
5 to 10 years service	5
Over 10 years service	34
TOTAL	95

Notes:

The value of leave entitlements has been calculated based on each employee's annual salary and entitlements at 30 June 1997.

Long service leave entitlements are recognised as accruing after the completion of five years service.

ACCOUNTS PAYABLE AS AT 30 JUNE 1997

<i>Activity/Program</i>	Age of Outstanding Payables	
	< 30 days \$000	Total \$000
<i>Administration</i>		
Administration	13	13
<i>External Debt Management</i>		
Interest on Territory Borrowings	48 681	48 681
TOTAL	48 694	48 694

Note: All amounts were owed to external bodies.