

Part 2

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# REVENUE

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# REVENUE

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<b>CATEGORY</b>	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
Taxation Revenue	311 428	311 299	- 129
Grants and Subsidies Revenue	1 889 137	1 935 523	46 386
Sale of Goods and Services Revenue	222 002	222 371	369
Interest Revenue	219 488	215 399	- 4 089
Royalties, Rents and Dividends Revenue	93 850	80 774	- 13 076
Other Revenue	14 879	13 427	- 1 452
Profit/Loss on Disposal of Assets	813	14	- 799
<b>TOTAL</b>	<b>2 751 597</b>	<b>2 778 807</b>	<b>27 210</b>

## OVERVIEW

This Part of *Budget Paper No. 3* provides a detailed breakdown of the operating revenue for agencies, government business divisions and the Central Holding Authority. A table is presented for each revenue category followed by a discussion of the key issues for that category.

Revenue earned by the Northern Territory Government is broadly classified into two types – agency revenue and Territory revenue – and is then categorised according to the above functional categories.

Agency revenue is revenue earned through voluntary, mutual exchange transactions, that is the revenue tends to be in the nature of a fee paid for a service. Examples of agency revenue are charges for the use of Government facilities, training course fees and map sales. Specific purpose grants from the Commonwealth and revenue earned by government business divisions are also classified as agency revenue. Agency revenue is retained by the agency to be used to meet operating expenses. Output appropriation is calculated on a net basis and takes into account the amount of agency revenue that each agency will have available to apply to meeting its operating expenses.

Territory revenue is generally revenue received from compulsory, statutory fees or taxes, and is often not accompanied by a direct or specific service provided in return. Examples of Territory revenue are payroll tax, stamp duty, motor vehicle registration fees, court fees, infringement notices and court fines. Territory revenue is recorded in the Central Holding Authority. In practice, agencies collect and administer Territory revenue and on-pass it to the Central Holding Authority. Territory revenue is incorporated into the Territory's total pool of financial resources from which appropriation funding is provided to agencies according to the Government's funding decisions. Thus Territory revenue is not able to be used by agencies to meet their operating expenses.

The tables in this Part record, for each revenue category, all the revenue earned by each agency and government business division, including revenue from external clients and Territory Government entities. *Budget Paper No. 2* also provides a number of revenue tables. However, as the focus in *Budget Paper No. 2* is on the Territory Government as a whole, the revenue figures are consolidated and thus eliminate revenue earned from other Government entities. Accordingly, they are often lower figures than presented in the comparable tables in this Part.

As a Government Owned Corporation, PowerWater is not included in the Territory's budget sector. However, as the focus in this Part is on the entity earning the revenue, tax equivalents revenue and dividends from PowerWater to the Central Holding Authority are recorded in the relevant tables.

## TAXATION REVENUE

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>GENERAL GOVERNMENT</b>	<b>311 428</b>	<b>311 299</b>	<b>- 129</b>
<b>Northern Territory Treasury</b>	<b>1 100</b>	<b>1 128</b>	<b>28</b>
Community Benefit Levy	1 100	1 128	28
<b>Central Holding Authority</b>	<b>310 328</b>	<b>310 171</b>	<b>- 157</b>
Payroll Tax	143 438	147 669	4 231
Stamp Duty	87 257	90 709	3 452
Debit Taxes	6 336	6 273	- 63
Tax Equivalents Regime	11 702	10 540	- 1 162
Wagering Tax	5 108	5 261	153
Lotteries and Gaming Tax	31 035	32 584	1 549
Light Vehicle Registration	10 100	10 145	45
Heavy Vehicle Registration	6 952	6 990	38
Temporary Budget Improvement Levy	8 400		- 8 400
<b>TOTAL</b>	<b>311 428</b>	<b>311 299</b>	<b>- 129</b>

## TAXATION REVENUE

Taxation revenue consists of compulsory levies imposed by Government that are designed to raise revenue that the Government can then apply to provide public services to the Territory community. Taxation revenue does not relate to a payment for goods or services provided. Taxation revenue only includes revenue raised from Northern Territory Government levies and does not, for instance, include Commonwealth taxes.

A number of taxation revenue initiatives have been introduced in this Budget, including:

- reducing the payroll tax rate from 6.3 per cent to 6.2 per cent in keeping with the Government's commitments;
- ceasing the Temporary Budget Improvement Levy from 1 July 2003, 18 months earlier than set out in the November 2001 Mini-Budget;
- exempting leases and franchises with an average annual rent of \$30 000 or less per annum from lease duty;
- increasing the hiring duty exemption threshold from \$36 000 to \$90 000;
- providing a payroll tax waiver to Trade Development Zone licensees for the remaining term of their licenses;
- more closely aligning the stamp duty consequences of indirect and direct acquisitions of interests in land; and
- legislating a range of anti-avoidance, administrative and technical amendments that enhance the administration, efficiency and equity of Territory taxes.

More information on these measures is set out in Chapter 5 of *Budget Paper No. 2*.

The major variations in the taxation revenue category for 2003-04 are explained below.

**Payroll tax** is the most significant contributor in the Taxation revenue category, and comprises payroll tax collected from private sector businesses, general government agencies, government business divisions, and public owned financial and non financial

corporations. The forecast \$4.2 million increase in collections reflects employment and wages growth in the Territory economy and includes the impact of the reduction in the payroll tax rate from 6.3 per cent to 6.2 per cent as announced in this Budget.

**Stamp duty** collections comprise the second largest contributor in this revenue category and consist of stamp duty derived from property conveyances, insurance premiums, hiring arrangements, leases, motor vehicle registration transfers, electronic bank account debits and transfers of marketable securities. The forecast \$3.45 million increase in stamp duty collections results from anticipated increases in insurance, transfers of motor vehicle registrations and hiring arrangement stamp duties, with the remaining stamp duties having only marginal variations from the 2002-03 estimated collections. The forecast estimate is based on a variety of economic factors that impact on these stamp duties.

**Tax equivalents regime** collections are derived from an arrangement that requires government business divisions, and public owned financial and non financial corporations to pay equivalent amounts for income tax and local government rates as if they were private sector entities subject to these taxing requirements. The tax equivalents regime is imposed to ensure that public sector entities, which operate with a commercial focus, have no competitive cost advantage over their private sector counterparts.

The \$1.16 million reduction to tax equivalents regime collections expected for 2003-04 mainly reflects the impact on income tax equivalent collections from downward profitability forecast by some of these entities.

**Lotteries and gaming tax** mainly comprise lotteries tax, bookmakers' betting tax, casino tax and gaming machine tax. The forecast increase of \$1.55 million for lotteries and gaming tax is based on turnover projections for existing games and includes increased casino taxes due to cessation of the community gaming allowance tax offset for Lasseters Casino.

The **Temporary Budget Improvement Levy** was introduced in November 2001 as part of the Deficit Reduction Strategy announced in the Mini-Budget. The Levy was originally set to cease on 28 November 2004 for new motor vehicle registrations and from 4 January 2005 for motor vehicle registrations due for renewal on or after that date. However, as part of this Budget, the Government has decided to cease the Levy from 1 July 2003. The forecast \$8.4 million reduction in Levy collections reflects the early cessation of the Levy.

## GRANTS AND SUBSIDIES REVENUE

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>GST REVENUE AND BUDGET BALANCING ASSISTANCE</b>	<b>1 529 900</b>	<b>1 592 500</b>	<b>62 600</b>
<b>Central Holding Authority</b>	<b>1 529 900</b>	<b>1 592 500</b>	<b>62 600</b>
GST Revenue	1 512 400	1 592 500	80 100
Budget Balancing Assistance	17 500		- 17 500
<b>GENERAL PURPOSE GRANTS</b>	<b>11 777</b>	<b>11 148</b>	<b>- 629</b>
<b>Central Holding Authority</b>	<b>11 777</b>	<b>11 148</b>	<b>- 629</b>
Grant in Lieu of Uranium Royalties	2 203	2 080	- 123
National Competition Payments	7 500	7 700	200
Compensation from Commonwealth for <i>Financial Transactions Act</i>	1 384	1 368	- 16
Natural Disaster Relief Arrangements	690		- 690
<b>SPECIFIC PURPOSE GRANTS</b>	<b>329 072</b>	<b>317 166</b>	<b>- 11 906</b>
<b>Department of the Chief Minister</b>	<b>433</b>	<b>100</b>	<b>- 333</b>
Year of the Outback	300		- 300
Desert Knowledge	17		- 17
National Youth Week	11		- 11
Harmony Day Sponsorship	5		- 5
NT Freight Working Group	100	100	
<b>Central Holding Authority</b>	<b>623</b>		<b>- 623</b>
First Home Owner Grant (Additional Grant)	623		- 623
<b>Department of Employment, Education and Training</b>	<b>92 670</b>	<b>91 507</b>	<b>- 1 163</b>
Government Schools – Current	16 746	17 704	958
Government Schools – Capital	4 378	2 996	- 1 382
Indigenous Education Strategic Initiatives Program	12 563	12 338	- 225
Non-Government Schools – Recurrent and Targeted Programs	33 536	35 296	1 760
Non-Government Schools – Capital	875	907	32
Targeted Government and Joint Schools Programs	8 460	7 904	- 556
ANTA – Capital	5 227	3 726	- 1 501
ANTA – Recurrent	10 885	10 636	- 249
<b>Department of Justice</b>	<b>2 959</b>	<b>2 807</b>	<b>- 152</b>
Corporate Affairs Revenue Forgone	2 200	2 200	
Educational and Training Funding to Correctional Services	759	607	- 152
<b>Department of Corporate and Information Services</b>	<b>359</b>	<b>283</b>	<b>- 76</b>
Apprentices - Capital	283	283	
Other Grants	76		- 76
<b>Department of Business, Industry and Resource Development</b>	<b>7 975</b>	<b>4 409</b>	<b>- 3 566</b>
Renewable Remote Power Generation Project - Capital	1 785		- 1 785
Renewable Remote Power Generation Project	237	397	160
Photovoltaic Rebate Program	15		- 15
Grape Vine Rust Survey	1 000		- 1 000
Australian Fisheries Management Authority	545	570	25
Australian Quarantine Inspection Service	3 348	2 932	- 416
FarmBis	205	150	- 55
Tuberculosis Freedom Assurance Program	840	360	- 480

(Continued)

## GRANTS AND SUBSIDIES REVENUE – Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>5 475</b>	<b>4 062</b>	<b>- 1 413</b>
Australian Fisheries Management Authority	143	143	
Commonwealth New Apprentiships Incentives for Funding	30		- 30
Emergency Management Australia	194	194	
Funding to Develop Night Patrol Protocols	95		- 95
Juvenile Pre-Court Diversion Program	3 725	3 725	
Provision of Fire Services to Commonwealth Properties	1 288		- 1 288
<b>Department of Community Development, Sport and Cultural Affairs</b>	<b>66 516</b>	<b>56 014</b>	<b>- 10 502</b>
Community Housing Program - Capital	652	652	
Aboriginal Rental Housing Program - Capital	25 942	19 458	- 6 484
Untied Housing Assistance - Capital	17 548	13 889	- 3 659
Local Government - Financial Assistance	10 439	10 235	- 204
Local Government - Roads	10 573	10 433	- 140
Aboriginal Interpreter Services	540	540	
Australian Sports Commission - Indigenous Sport	494	486	- 8
Australian Sports Commission - Sport Development	105	95	- 10
Regional Arts Fund	223	226	3
<b>Department of Health and Community Services</b>	<b>118 540</b>	<b>125 720</b>	<b>7 180</b>
Aged Care Assessment	721	721	
Australian Health Care Agreement (AHCA)	78 595	92 274	13 679
Blood Transfusion Services	766	766	
Capital – Blood Transfusion Services	176	66	- 110
Commonwealth, State and Territories Disability Agreement (CSTDA)	5 514	5 696	182
Home and Community Care	4 559	4 610	51
Highly Specialised Drugs	3 943	3 426	- 517
National Health Program Grants	294		- 294
OATSIH Remote Sexual Health	125	125	
Pensioner Concession Scheme	861	861	
Public Health Outcomes Funding Agreement	4 515	4 548	33
Supported Accommodation Assistance / Domestic Violence	4 636	4 754	118
Other Specific Purpose Grants	2	3	1
Capital - Robinson River	30		- 30
Advanced Specialist Training Post	123	123	
Meningococcal C Vaccination Program	1 290	782	- 508
COAG National Illicit Drugs Initiative	327		- 327
DEWRSB Indigenous Cadetship	140	140	
Coordinated Care Trial Information System	450	450	
Coordinated Care Trials	296		- 296
CSTDA Indigenous Project	91		- 91
HACC Indigenous Project	65		- 65
Fringe Benefits Taxation Liability	234		- 234
Mental Health Information Project	244		- 244
DMO Bulk Billing Transitional Allowance		189	189
Chronic Disease Programs for Remote Areas	3 000	2 500	- 500
Off-road Diesel Fuel Rebate	832		- 832
Combined Hepatitis C and Illicit Drug Initiative	292		- 292
Remote Community Initiative	2 001	1 923	- 78

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## GRANTS AND SUBSIDIES REVENUE – Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
Bali Bombing	1 300		- 1 300
Specialist Outreach Project RDH	279	558	279
Family Coping	132	110	- 22
Health Connect	600		- 600
Medical Specialist Outreach	456	377	- 79
Other Grants direct from Commonwealth	1 651	718	- 933
<b>Department of Infrastructure, Planning and Environment</b>	<b>33 422</b>	<b>32 127</b>	<b>- 1 295</b>
National Highways - Interstate Road Transport	103	103	
National Highways - Capital	26 713	27 352	639
Roads of National Importance - Capital	1 650		- 1 650
Road Safety Black Spot - Capital	634	634	
Weeds Management	612	612	
Natural Heritage Trust - Capital	557	557	
Land and Water Resource Partnership - Capital	2 750	2 869	119
Marine Safety Radio - Capital	208		- 208
IPAA - Layahapuy	65		- 65
IPAA - Angus Downs	70		- 70
Mary River Adaptation Study	60		- 60
<b>Darwin Bus Service</b>	<b>100</b>	<b>137</b>	<b>37</b>
Diesel and Alternative Fuels Grant Scheme	100	137	37
<b>OTHER GRANTS AND SUBSIDIES</b>	<b>18 288</b>	<b>14 609</b>	<b>- 3 679</b>
<b>Department of Employment, Education and Training</b>	<b>20</b>		<b>- 20</b>
Other Grants	20		- 20
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>68</b>	<b>68</b>	
New Apprenticeships for Aborigines	68	68	
<b>Housing Business Services</b>	<b>18 200</b>	<b>14 541</b>	<b>- 3 659</b>
CSHA funding on-passed from Department of Community Development, Sport and Cultural Affairs	18 200	14 541	- 3 659
<b>TOTAL</b>	<b>1 889 037</b>	<b>1 935 423</b>	<b>46 386</b>

## COMMONWEALTH GRANTS AND SUBSIDIES

Total Commonwealth grants and subsidies to the Territory in 2003-04 are estimated at \$1 920.8 million compared with \$1 870.7 million in 2002-03. The 2003-04 total Commonwealth grants comprise an estimated GST revenue of \$1 592.5 million, \$11.1 million in general purpose grants, and \$317.2 million in specific purpose payments and other direct payments.

The Commonwealth's 2003-04 Budget included significantly revised GST revenue estimates for the Territory for both 2002-03 and 2003-04, reflecting stronger than expected national GST collections. The estimates for 2002-03 will be revised in June 2003 when the Commonwealth Treasurer issues his determination in respect of payments to States and Territories and towards the end of the first quarter of 2003-04 when the accounts for 2002-03 are finalised.

The Territory's expectation is that the estimate for 2002-03 is likely to be revised down in 2003-04 and that this will result in net lower GST revenue payments in 2003-04 (due to repayments associated with overestimation in respect of 2002-03) and future years. Hence the estimate for 2002-03 is consistent with the Commonwealth's 2003-04 Budget but the 2003-04 estimate is lower, reflecting the net amount in GST revenue following correction for overestimation and payment in 2002-03.

The Commonwealth's estimate for the Australian Health Care Agreement (which interacts with the GST revenue amount) has been used. The amounts for other items in this table, primarily specific purpose payments from the Commonwealth, reflect the Territory's best estimates at early May 2003 and do not incorporate Commonwealth 2003-04 Budget changes.

#### GENERAL PURPOSE GRANTS AND PAYMENTS

The majority of Commonwealth funding to the Territory is in the form of untied grants which provides the Territory with discretion as to the use of these grants. Untied grants comprise GST revenue grants and general purpose payments. The total estimate of untied Commonwealth grants to the Territory is \$1 603.6 million in 2003-04.

#### GST REVENUE AND BUDGET BALANCING ASSISTANCE

In accordance with the Intergovernmental Agreement on the *Reform of Commonwealth-State Financial Relations* (IGA), the Commonwealth Grants Commission recommends the distribution of the GST revenue collections based on the principles of horizontal fiscal equalisation. The Territory's share of the 2003-04 GST revenue collections (\$1 592.5 million) is calculated by applying adjusted population shares which incorporate the Commonwealth Grants Commission's recommended relativities.

Budget balancing assistance is provided to ensure that States and Territories are no worse off as a result of tax reform. Based on current estimates, the Territory will not require budget balancing assistance in 2002-03 and 2003-04, as the predicted growth in GST revenue collections means that the Territory will exceed its guaranteed minimum amount as specified in the IGA. The Territory has received \$17.5 million in budget balancing assistance in 2002-03. The Commonwealth has now determined that, due to the increasing GST revenue collections, this assistance has been overpaid and needs to be paid back to the Commonwealth. In accordance with accrual accounting principles, a liability to the Commonwealth and an associated expense have now been recognised in the Territory's accounts. The expense does not appear in the above table, as the table records revenue amounts.

The distribution of GST revenue pool grants and budget balancing assistance arrangements in 2002-03 and 2003-04 are discussed in more detail in *Budget Paper No.2*.

#### Grant In Lieu Of Uranium Royalties

Under the *Northern Territory (Self-Government) Act 1978*, the Commonwealth retained ownership of uranium resources. A grant in lieu of uranium royalties, equivalent to 1.25% of sales revenue, is paid to the Territory. It is estimated that the Territory will receive \$2.1 million under this arrangement in 2003-04.

#### National Competition Payments

National Competition payments are made in accordance with agreements between the States/Territories and the Commonwealth, and are based on States/Territories

satisfying requirements specified by the Commonwealth under National Competition Policy guidelines. The payments are also indexed for inflation and distributed on a per capita basis. Competition payments are made in three cumulative tranches.

The National Competition Council's 2003 Assessment Framework was released in February 2003. The Framework outlines the approach adopted by the National Competition Council in assessing the progress of each jurisdiction in implementing National Competition Policy reforms. Compliance with the 2003 Framework will result in the Territory being eligible for an estimated \$7.7million in competition payments in 2003-04.

### ***Financial Transactions Act Compensation***

The Commonwealth provides compensation in relation to the reduced Commonwealth contributions to the Territory Debt Sinking Fund due to accelerated rates of debt redemption. This payment will amount to \$1.4 million in 2003-04.

### **SPECIFIC PURPOSE PAYMENTS AND OTHER DIRECT PAYMENTS**

The Commonwealth has committed, in the IGA, to maintain the aggregate level of specific purpose payments provided to the States. Specific purpose payments are provided subject to conditions, typically in line with Commonwealth policy objectives. In many cases States are required to match Commonwealth funding or to maintain existing levels of funding, thus reducing flexibility in resource allocation and, in some cases, producing less than optimal results.

The Territory will receive over sixty specific purpose payments and other direct payments in 2003-04, including those made direct to agencies. It is estimated that a total of \$317.2 million will be received in this form, representing 16.3 per cent of all Commonwealth funding to the Territory in 2003-04.

Descriptions of the major specific purpose payments are provided below.

### **Department of Health and Community Services**

Health related specific purpose payments are estimated to total \$125.7 million for 2003-04, an increase of \$7.2 million from \$118.5 million in 2002-03.

#### **AUSTRALIAN HEALTH CARE AGREEMENT**

The Australian Health Care Agreement provides core Commonwealth funding to States for the provision of, primarily, hospital services. The current Agreement expires at the end of 2002-03. Negotiations are currently underway between the Commonwealth and the States and Territories to develop a new five year agreement commencing in 2003-04.

The Territory's share of the Australian Health Care Agreement for 2003-04 is estimated at \$92.3 million, reflecting the latest Commonwealth offer and the Commonwealth's 2003-04 Budget. While this represents an increase of \$13.7 million compared to 2002-03, much of this increase is off-set by reductions in the Territory's GST revenue grant. This is related to a proposed change in the treatment of the Australian Health Care Agreement funds in determining the Territory's GST revenue share.

Nationally, maximum funding under the Commonwealth's offer is approximately \$1 billion less than if the existing arrangements continued. The shortfall relates, primarily, to a reduction in indexation compared to the previous Agreement. The Territory's share of the \$1 billion shortfall is approximately \$16 million over five years.

As the proposed new Agreement does not give adequate recognition to increasing growth in health care costs, all jurisdictions are continuing to negotiate with the Commonwealth.

#### **PUBLIC HEALTH OUTCOMES FUNDING AGREEMENT**

The Public Health Outcomes Funding Agreement was implemented in 1998-99 with the aim of better coordinating and integrating national public health strategies, whilst strengthening national public health infrastructure and capacity. It was designed to incorporate all agreements under the National Women's Health, Alternative Birthing Services, Female Genital Mutilation Education, Breast Screening Prevention and Cervical Screening Programs. Funding in 2003-04 is estimated to be \$4.5 million.

#### **COMMONWEALTH, STATE AND TERRITORIES DISABILITY AGREEMENT**

The Commonwealth, State and Territories Disability Agreement provides a framework between the Commonwealth, States and Territories for the provision of specialist services for those aged less than 65 years with severe or profound disabilities. The objective of the Agreement is to enhance the quality of life experienced by people with a disability through assisting them to live as valued and participating members of the community.

The current Commonwealth, State and Territories Disability Agreement expired on 30 June 2002. While the Commonwealth and States are committed to a new 5 year agreement, negotiations for that agreement have not yet been finalised. Roll over arrangements have been put in place to allow outstanding issues delaying the finalisation of the new agreement to be resolved. Commonwealth funding for the Territory is estimated to be \$5.7 million in 2003-04.

#### **HOME AND COMMUNITY CARE**

This program provides support services to enable frail, aged and younger people with disabilities, at risk of institutionalisation, to remain at home. The Territory expects to receive \$4.6 million as part of the Home and Community Care program in 2003-04.

#### **HIGHLY SPECIALISED DRUGS**

This program ensures communities access to certain highly specialised drugs. Funding provides for reimbursement to the Territory for highly specialised drugs used for very specific purposes and conditions, reflecting the need to address the division between the Territory's responsibility for in-hospital treatment and the Commonwealth's responsibility for community pharmaceutical use. The estimated funding allocation for this program in 2003-04 is \$3.4 million.

#### **SUPPORTED ACCOMMODATION ASSISTANCE PROGRAM**

This program provides accommodation and support services for homeless people and people in crisis. For 2003-04, funding is estimated to be \$4.8 million.

### **Department of Employment, Education and Training**

For 2003-04, the total amount of specific purpose payments for education and training from the Commonwealth to the Territory is estimated to be \$91.5 million.

#### **SCHOOL EDUCATION**

Recurrent assistance is provided in accordance with the national objectives for schooling which address access and equity issues for targeted school students. Commonwealth programs for schools may contain a Government element, a non-government element, or a joint element and funding is categorised accordingly.

The Government and non-government elements provide assistance specifically identified for these schools, for example, funding is allocated to improve and maintain literacy and numeracy in Government schools. The joint element can provide assistance for both Government and non-government schools for programs, such as the National Asian Languages and Studies in Australian Schools program.

Funding for these programs, estimated to be \$43.2 million for 2003-04, is allocated directly to the Department of Employment, Education and Training.

#### **INDIGENOUS EDUCATION PROGRAMS**

Funds are provided for Indigenous Education Programs in primary and secondary schools. In 2003-04 this revenue is expected to be \$12.3 million.

#### **VOCATIONAL EDUCATION AND TRAINING**

Commonwealth grants for vocational education and training are made through the Australian National Training Authority (ANTA) direct to each State/Territory training authority under the National Vocational Education and Training Agreement.

Under the 1999-2000 Australian National Training Authority Agreement, funds come through a variety of agreements for a range of purposes, such as specific programs to address growth in the number of student places for capital development.

Capital development funding from the Australian National Training Authority is dependent on the Territory maintaining an appropriate share of investment in vocational education and training infrastructure. There is an expectation that this averages out to a one third contribution over five years.

Grants from the Australian National Training Authority are estimated to total \$14.4 million in 2003-04, a decrease of \$1.7 million from \$16.1 million in 2002-03.

### **Department of Community Development, Sport and Cultural Affairs**

#### **UNTIED HOUSING ASSISTANCE**

The Commonwealth State Housing Agreement provides funds for public rental housing throughout the Territory.

The current multilateral Commonwealth State Housing Agreement expires in June 2003 and States and Territories are finalising negotiations with the Commonwealth for a new Agreement to cover the period 2003-04 to 2007-08.

The Territory estimates that it will receive \$13.9 million in 2003-04 as an untied grant. This represents a decrease of \$3.7 million and is primarily due to the Commonwealth not continuing GST compensation payments under the new Agreement.

#### **ABORIGINAL RENTAL HOUSING PROGRAM**

This grant forms part of the Commonwealth State Housing Agreement and is aimed at the provision of housing and infrastructure in Aboriginal communities. Except for one-off funding of \$4.3 million in 2002-03 to address needs identified in the Community Housing and Infrastructure Needs Survey (CHINS) undertaken in 1999, funding has remained fixed at \$19.5 million for several years. However, it is anticipated that these funds should increase over the life of the next Commonwealth State Housing Agreement currently being negotiated. The funds are paid to the Indigenous Housing Authority of the Northern Territory, established in 1995, which pools funds from Territory and Commonwealth sources to better coordinate the delivery of housing to Aboriginal communities.

#### **LOCAL GOVERNMENT FINANCIAL ASSISTANCE AND ROADS GRANTS**

The Territory will receive approximately \$10.2 million in financial assistance from the Commonwealth for on-passing to local government authorities in 2003-04. The current per capita distribution of these funds does not take into account the relative cost disabilities faced by local government in the Territory when compared to other States and, therefore, underestimates the cost of providing local government services in the Territory. A further \$10.4 million is to be received in roads grants for the local government program in 2003-04.

#### **Department Of Infrastructure, Planning and Environment**

The Commonwealth provides funding directly to the Department of Infrastructure, Planning and Environment for a variety of projects including: Environment Australia; the Natural Heritage Trust; the National Land and Water Resources Audit; the Cooperative Research Centre for Tropical Savannas; and the Environmental Flow Initiative. Funding for these programs is estimated to be \$4.1 million in 2003-04.

The Commonwealth Government extended the National Heritage Trust for five years, from 2002-03 to 2006-07 in its May 2001 Budget. Some jurisdictions, including the Territory, are still to finalise their negotiations with the Commonwealth and sign Bilateral Agreements.

#### **NATIONAL HIGHWAYS**

From 1 January 1994, the Commonwealth ceased to have direct funding responsibility for all roads. However, the Commonwealth continues to provide funding of the national highway system, and contributes to the capital cost of declared Roads of National Importance on a yearly basis.

This program covers a national network of roads comprising the national highway system and urban roads linking the current points of termination of the national highway system. The Territory expects to receive \$27.3 million under the program in 2003-04.

#### **Department Of Justice**

##### **CORPORATE AFFAIRS REVENUE FORGONE**

Under the terms of the Corporations Agreement, the Commonwealth agreed to compensate the States for revenues forgone on the takeover of corporate regulation functions by the Commonwealth. The original pool in 1989-90 of \$102 million has been escalated each year in line with Consumer Price Index increases. The Territory's share of this pool is \$2.2 million in 2003-04.

## SALE OF GOODS AND SERVICES REVENUE

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>GENERAL GOVERNMENT</b>	<b>164 960</b>	<b>165 893</b>	<b>933</b>
<b>Auditor-General's Office</b>	<b>187</b>	<b>148</b>	<b>- 39</b>
Recoverable Audits	187	148	- 39
<b>Ombudsman's Office</b>	<b>28</b>	<b>28</b>	
Commonwealth Ombudsman Service Agreement	28	28	
<b>Department of the Chief Minister</b>	<b>228</b>	<b>532</b>	<b>304</b>
Year of the Outback Conference	56		- 56
OCPE Apprentices Program	72	72	
Regional Development Fund for Year of Outback 2002	100		- 100
TIO Sponsorship for Territory Seniors Card		20	20
NT Railway		440	440
<b>Department of the Legislative Assembly</b>	<b>47</b>	<b>37</b>	<b>- 10</b>
Room Hire/Hansard Fees	35	25	- 10
OCPE Apprentices Program	12	12	
<b>Northern Territory Treasury</b>	<b>182</b>	<b>180</b>	<b>- 2</b>
Fees	30	30	
OCPE Apprentices Program	24	24	
Other Charges	128	126	- 2
<b>Central Holding Authority</b>	<b>12 094</b>	<b>12 181</b>	<b>87</b>
Fees and Charges	1 544	1 508	- 36
Work Health Registrations	158	94	- 64
Fire Alarm Monitoring Fees	860	896	36
Firearms Licences	278	278	
Criminal Court Fees	130	130	
Civil Court Fees	430	430	
Supreme Court Fees	145	145	
Business Affairs Fees	260	260	
Exploration and Pipeline Licences	1 069	1 073	4
Fees from Kings Canyon	79	79	
Marine Fees	193	200	7
Land Administration	80	82	2
Motor Vehicle Licences and Taxi Leases	5 564	5 590	26
Nitmiluk Gorge Recreational Fees	275	280	5
Rail Safety	250	252	2
Development Assessment - Subdivision/Rezoning/Development Applications	246	250	4
Electrical Licencing and Safety Unit	64	130	66
Miscellaneous Receipts - Health	404	412	8
Miscellaneous Receipts	65	92	27
<b>Department of Employment, Education and Training</b>	<b>1 453</b>	<b>1 429</b>	<b>- 24</b>
Teacher Accommodation Rent	576	552	- 24
International Services	173	173	
Callistemon House	128	128	
Centre of Appropriate Technology	330	330	
Regional Training Centres	140	140	
OCPE Apprentices Program	96	96	
Other Charges	10	10	

(Continued)

## SALE OF GOODS AND SERVICES REVENUE – Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>Office of the Commissioner for Public Employment</b>	<b>1 473</b>	<b>1 985</b>	<b>512</b>
Leadership Development Program	1 473	1 985	512
<b>Department of Justice</b>	<b>4 306</b>	<b>4 487</b>	<b>181</b>
Public Trustee/Registrar General Applications	245	245	
Public Trustee Commissions	150	150	
Land Title and Mortgage Lodgement Fees	2 130	2 130	
Land Title Searches	835	835	
Court Transcript Fees	60	60	
Number Plate Sales	365	365	
Custody Recoveries	55	55	
Other Charges	466	647	181
<b>Department of Corporate and Information Services</b>	<b>10 193</b>	<b>10 731</b>	<b>538</b>
Business Division Corporate Management Charges	4 937	5 134	197
Rent Recovery	4 734	5 075	341
Short Courses	450	450	
OCPE Apprentices Program	72	72	
<b>Data Centre Services</b>	<b>19 085</b>	<b>18 590</b>	<b>- 495</b>
Data Centre Management	19 085	18 590	- 495
<b>Government Printing Office</b>	<b>5 775</b>	<b>6 026</b>	<b>251</b>
Sales and Charges	5 775	6 026	251
<b>NT Fleet</b>	<b>26 526</b>	<b>27 977</b>	<b>1 451</b>
Vehicle Lease Revenue	26 526	27 977	1 451
<b>Department of Business, Industry and Resource Development</b>	<b>3 831</b>	<b>3 610</b>	<b>- 221</b>
Application, Advertising and Dealing Fees (Licences/Titles)	140	140	
Employee Housing Rentals	46	46	
Fisheries Licence Fees	317	310	- 7
Interstate Certification Audits	6	6	
Off-shore Petroleum Rents	723	736	13
Research Farms Trading Accounts	950	962	12
Sale of Produce	5	2	- 3
Vet Fees	17	17	
Water Analysis Testing	872	765	- 107
Pivot Aquaculture - Sale of Fingerlings	350	350	
Livestock Export and Diagnostic	142	80	- 62
Other Charges	263	196	- 67
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>2 844</b>	<b>2 909</b>	<b>65</b>
Nhulunbuy Corporation Receipts	246	252	6
Chamber of Mines Receipts	116		- 116
Ayers Rock Resort Corporation Receipts	159	163	4
Neighbourhood Watch Receipts	20	21	1
Security for US Naval Vessels	1 806	1 851	45
Other Charges	497	622	125
<b>Department of Community Development, Sport and Cultural Affairs</b>	<b>4 318</b>	<b>4 313</b>	<b>- 5</b>
IHANT Administration Fees	2 020	2 020	
Nhulunbuy Rent	22	22	
Darwin Rates Act	252	242	- 10
Interpreter Fees	440	445	5

(Continued)

## SALE OF GOODS AND SERVICES REVENUE– Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
Museum Shop Sales	380	430	50
Rent	175	175	
Exhibitions	130	180	50
Admissions	310	310	
Other Charges	589	489	- 100
<b>Aboriginal Areas Protection Authority</b>	<b>330</b>	<b>250</b>	<b>- 80</b>
Fees and Charges	330	250	- 80
<b>Department of Health and Community Services</b>	<b>19 575</b>	<b>19 841</b>	<b>266</b>
Service Recoveries Darwin Private Hospital	105	105	
Rental of Departmental Facilities	181	181	
Palmerston Health Precinct Lease	184	184	
Offshore Aerial Medical Evacuation Service	357	357	
Additional Services (Katherine West Health Board)	307	307	
Additional Services (Umbakumba)	217	217	
Electricity Recoveries	291	291	
Rights to Private Practice Facility Fees	349	349	
Ineligible Patients	555	555	
Private Patients	709	709	
Compensable Patients (TIO)	2 192	2 192	
Compensable Patients (non-TIO)	897	897	
Cross Border Charges	7 521	7 521	
DMO Medicare Bulk Billing	486	663	177
Stock Recoveries	1 731	1 731	
Staff Accommodation Rent	2 098	2 098	
OCPE Apprentices Program	108	108	
Tri-State Arrangement	120	120	
Other Charges	1 167	1 256	89
<b>Department of Infrastructure, Planning and Environment</b>	<b>13 193</b>	<b>13 160</b>	<b>- 33</b>
Sale of Products, Maps and Valuations	977	1 023	46
Motor Vehicle Registry Administration Charges	2 800	2 934	134
Bus Fares and Passes	2 400	2 400	
Pensioner Concession Bus Passes	600	600	
School Bus Passes	900	900	
Special Bus Services for the Arafura Games	130		- 130
Business Division Support Charges	1 484	1 414	- 70
Government Owned Corporations and Private Trading Enterprises	399	372	- 27
Support Charges			
Rent Charges on Government Owned Buildings	1 150	1 150	
Registry Charges to Other Agencies	249	249	
Recoverable Works - Recurrent	1 520	1 520	
OCPE Apprentices Program	96	96	
External and Other Charges	488	502	14
<b>Construction Division</b>	<b>33 733</b>	<b>32 173</b>	<b>- 1 560</b>
Project Management Fees	33 733	32 173	- 1 560
<b>Trade Development Zone Authority</b>	<b>170</b>	<b>174</b>	<b>4</b>
Fees and Charges	170	174	4
<b>Territory Wildlife Parks</b>	<b>2 000</b>	<b>2 047</b>	<b>47</b>
Fees and Charges	2 000	2 047	47

(Continued)

## SALE OF GOODS AND SERVICES REVENUE – Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>Northern Territory Tourist Commission</b>	<b>1 034</b>	<b>863</b>	<b>- 171</b>
Northern Territory Holiday Centre Commissions	120		- 120
Territory Discoveries Service Level Agreement	200	200	
Other Charges	714	663	- 51
<b>Territory Discoveries</b>	<b>2 355</b>	<b>2 222</b>	<b>- 133</b>
Commissions	1 405	1 272	- 133
Information Provision Services for Northern Territory Tourist Commission	950	950	
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>56 780</b>	<b>56 216</b>	<b>- 564</b>
<b>Housing Business Services</b>	<b>38 231</b>	<b>38 213</b>	<b>- 18</b>
Rent and Tenant Charges	38 231	38 213	- 18
<b>Darwin Bus Service</b>	<b>5 972</b>	<b>5 972</b>	
Charges to Territory Public Transport Charters	5 912 60	5 912 60	
<b>Darwin Port Corporation</b>	<b>12 577</b>	<b>12 031</b>	<b>- 546</b>
Commercial Wharves	9 368	8 552	- 816
Small Craft Services	414	432	18
Pilotage	1 131	1 184	53
Navigation and Safety	738	1 000	262
Cruise and Defence Facilities	111	50	- 61
Tourism Real Estate Development	202	200	- 2
Corporate Support and Marketing	613	613	
<b>PUBLIC FINANCIAL CORPORATIONS</b>	<b>262</b>	<b>262</b>	
<b>Northern Territory Treasury Corporation</b>	<b>262</b>	<b>262</b>	
Investment Management Fees	262	262	
<b>TOTAL</b>	<b>222 002</b>	<b>222 371</b>	<b>369</b>

## SALE OF GOODS AND SERVICES REVENUE

The sale of goods and services revenue category includes fees and charges levied on regulatory functions, the provision of certain services, and the issue of licences and permits to carry out otherwise prohibited or restricted activities. The intent of this revenue collection by Government is primarily the recouping of costs, significantly regulation costs.

This category also includes charges paid by one Government agency or government business division to another, with the main charges being:

- NT Fleet - provision and management of Government vehicles \$26.5 million;
- Data Centre Services - computing and communication services \$19 million; and
- Construction Division - capital works project management costs \$33.7 million.

Overall the sale of goods and services revenue comprises around 8 per cent of the total revenue from Territory sources.

There is no substantial estimated change in the collection of this type of revenue in the 2003-04 Budget with most estimates remaining relatively static. Specifically, the increase in goods and services revenue of \$1.5 million for NT Fleet, reflects an increase in vehicle lease charges as a result of an additional twenty five vehicles and an increase in charge rates from \$825 to \$835 per vehicle per month. However, as stated above, this revenue increase is off set by increased expenses in agencies.

## INTEREST REVENUE

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>GENERAL GOVERNMENT</b>	<b>13 762</b>	<b>14 677</b>	<b>915</b>
<b>Central Holding Authority</b>	<b>12 859</b>	<b>13 814</b>	<b>955</b>
Interest	12 859	13 814	955
<b>Department of Justice</b>	<b>360</b>	<b>360</b>	
Interest	360	360	
<b>Data Centre Services</b>	<b>39</b>	<b>4</b>	<b>- 35</b>
Interest on Cash Balances	39	4	- 35
<b>Government Printing Office</b>	<b>64</b>	<b>65</b>	<b>1</b>
Interest on Cash Balances	64	65	1
<b>NT Fleet</b>	<b>134</b>	<b>160</b>	<b>26</b>
Interest on Cash Balances	134	160	26
<b>Department of Business, Industry and Resource Development</b>	<b>186</b>	<b>136</b>	<b>- 50</b>
Katherine Regional Flood Loans	120	96	- 24
Business Loans	42	30	- 12
Rural Adjustment Scheme Loans	20	10	- 10
Regional Mineral Study	4		- 4
<b>Construction Division</b>	<b>120</b>	<b>120</b>	
Interest on Cash Balances	120	120	
<b>Territory Wildlife Parks</b>		<b>18</b>	<b>18</b>
Interest on Cash Balances		18	18
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>14 371</b>	<b>13 911</b>	<b>- 460</b>
<b>Housing Business Services</b>	<b>13 781</b>	<b>13 280</b>	<b>- 501</b>
Interest on Loans	12 281	12 080	- 201
Interest on Cash Balances	1 500	1 200	- 300
<b>Darwin Bus Service</b>	<b>92</b>	<b>62</b>	<b>- 30</b>
Interest on Cash Balances	92	62	- 30
<b>Darwin Port Corporation</b>	<b>498</b>	<b>569</b>	<b>71</b>
Interest on Cash Balances	498	569	71
<b>PUBLIC FINANCIAL CORPORATIONS</b>	<b>191 355</b>	<b>186 811</b>	<b>- 4 544</b>
<b>Northern Territory Treasury Corporation</b>	<b>191 355</b>	<b>186 811</b>	<b>- 4 544</b>
Interest from Local Government	135	47	- 88
Interest from Charles Darwin University	206	170	- 36
Interest from Public Non Financial Corporations	27 390	26 651	- 739
Interest from General Government	137 083	134 688	- 2 395
Interest from Non-Budget Entities	26 348	24 906	- 1 442
Interest from Private Financial Entities	193	349	156
<b>TOTAL</b>	<b>219 488</b>	<b>215 399</b>	<b>- 4 089</b>

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## INTEREST REVENUE

This revenue category comprises interest earned on:

- investments of surplus cash balances;
- advances outstanding, such as home loans by Housing Business Services;
- loans to local government bodies; and
- cash balances held by the Central Holding Authority and government business divisions.

The variation in estimates from the 2002-03 to the 2003-04 Budget of \$4 million is largely a result of a change in methodology applied by Northern Territory Treasury Corporation for estimating interest earned on investments and commercial decisions taken in the non-budget entities sector regarding refinancing of advances.

## ROYALTIES, RENTS AND DIVIDENDS REVENUE

	2002-03 Estimate	2003-04 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>93 850</b>	<b>80 774</b>	<b>- 13 076</b>
<b>Central Holding Authority</b>	<b>93 850</b>	<b>80 774</b>	<b>- 13 076</b>
Mining and Petroleum Royalties	39 300	41 300	2 000
Mining and Petroleum Rents	1 246	1 346	100
Land Administration	559	565	6
Pastoral Land Management	2 880	2 890	10
Dividends from Data Centre Services	602	646	44
Dividends from NT Fleet	2 291	2 236	- 55
Dividends from Government Printing Office		21	21
Dividends from Construction Division	631		- 631
Dividends from Darwin Bus Service	86	39	- 47
Dividends from PowerWater	20 097	24 412	4 315
Dividends from Northern Territory Treasury Corporation	26 138	7 298	- 18 840
Other	20	21	1
<b>TOTAL</b>	<b>93 850</b>	<b>80 774</b>	<b>- 13 076</b>

### ROYALTIES, RENTS AND DIVIDENDS REVENUE

This category includes royalties receivable from mining operations. Mining royalties are the most significant contributor to this category.

Rents relate primarily to land rents paid under certain land holding arrangements, for example pastoral lease rents.

The dividends component of this category records dividends returned to the Central Holding Authority from the surplus results of government business divisions and PowerWater.

The \$2.0 million increase in mining and petroleum royalties is based on mining company financial projections and includes the impact of the Mineral Royalty Revenue measures announced in this Budget. These measures entail decreasing the eligible exploration expenditure cap from 35% to 25% and the removal of the 50% eligible exploration expenditure uplift factor.

More information on these measures is set out in Chapter 5 of *Budget Paper No. 2*.

Increased dividends from PowerWater reflect improved operating performance during 2002-03.

The higher dividend from Northern Territory Treasury Corporation in 2002-03 reflects the payment of excess cash balances to return balances to previous levels and will be used to reduce general government gross debt.

## OTHER REVENUE

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>GENERAL GOVERNMENT</b>	<b>13 805</b>	<b>12 425</b>	<b>- 1 380</b>
<b>Department of the Chief Minister</b>	<b>118</b>	<b>45</b>	<b>- 73</b>
Year of the Outback 2002	73		- 73
Miscellaneous	45	45	
<b>Department of the Legislative Assembly</b>	<b>43</b>	<b>5</b>	<b>- 38</b>
Building Recoveries	5	5	
Miscellaneous	38		- 38
<b>Northern Territory Treasury</b>	<b>770</b>	<b>500</b>	<b>- 270</b>
Miscellaneous	770	500	- 270
<b>Central Holding Authority</b>	<b>6 013</b>	<b>6 011</b>	<b>- 2</b>
On-costs from Externally Funded Programs	1 464	1 464	
Work Health Fees and Charges	38	38	
Criminal Infringement and Other Fines	4 197	4 197	
On-costs	279	277	- 2
Miscellaneous	35	35	
<b>Department of Employment, Education and Training</b>	<b>1 372</b>	<b>990</b>	<b>- 382</b>
Territory Insurance Office - driver training	763	763	
SOCCI	50	50	
Westfield/Gingermax	24	24	
Miscellaneous	535	153	- 382
<b>Office of the Commissioner for Public Employment</b>	<b>2</b>	<b>2</b>	
Miscellaneous	2	2	
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>240</b>	<b>240</b>	
Community Program Receipts (such as Neighbourhood Watch)	78	78	
Miscellaneous	162	162	
<b>Department of Justice</b>	<b>564</b>	<b>600</b>	<b>36</b>
Miscellaneous	564	600	36
<b>Department of Corporate and Information Services</b>	<b>170</b>	<b>170</b>	
Medical Staff Contribution	55	55	
Miscellaneous	115	115	
<b>Data Centre Services</b>	<b>110</b>		<b>- 110</b>
Miscellaneous	110		- 110
<b>NT Fleet</b>		<b>8</b>	<b>8</b>
Miscellaneous		8	8
<b>Department of Business, Industry and Resource Development</b>	<b>1 936</b>	<b>1 440</b>	<b>- 496</b>
Private Research and Development Corporations/Organisations	1 806	1 348	- 458
General Provisions	130	92	- 38

(Continued)

## OTHER REVENUE – Continued

	2002-03 Estimate \$000	2003-04 Budget \$000	Variation \$000
<b>Department of Community Development, Sport and Cultural Affairs</b>	<b>440</b>	<b>338</b>	<b>- 102</b>
Miscellaneous	440	338	- 102
<b>Department of Health and Community Services</b>	<b>500</b>	<b>549</b>	<b>49</b>
Miscellaneous	500	549	49
<b>Department of Infrastructure, Planning and Environment</b>	<b>1 512</b>	<b>1 512</b>	
Territory Insurance Office - Road Safety	886	886	
Territory Insurance Office - Motorcyclist Training	247	247	
Victoria River District Pest Control Program	215	215	
Conservation Management	33	33	
Miscellaneous	131	131	
<b>Territory Wildlife Parks</b>	<b>15</b>	<b>15</b>	
Miscellaneous	15	15	
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>1 074</b>	<b>1 002</b>	<b>- 72</b>
<b>Housing Business Services</b>	<b>4</b>	<b>4</b>	
Miscellaneous	4	4	
<b>Darwin Bus Service</b>	<b>7</b>		<b>- 7</b>
Diesel and Alternative Fuels Grants Scheme	7		- 7
<b>Darwin Port Corporation</b>	<b>1 063</b>	<b>998</b>	<b>- 65</b>
Miscellaneous	1 063	998	- 65
<b>TOTAL</b>	<b>14 879</b>	<b>13 427</b>	<b>- 1 452</b>

## OTHER REVENUE

The other revenue category includes:

- fines, defined by the Australian Bureau of Statistics as 'civil and criminal penalties imposed on law breakers other than penalties imposed by tax authorities';
- contributions from non-government sources towards an agency program or program component;
- any remaining balances in clearing accounts;
- refunds of overpayments incurred in previous financial years; and
- unclaimed money.

Superannuation receipts were incorrectly recorded as other revenue in the 2002-03 Budget. It should be noted that this treatment has now been corrected.

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**PROFIT/LOSS ON DISPOSAL OF ASSETS**

	2002-03 Estimate	2003-04 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>799</b>		<b>- 799</b>
<b>NT Fleet</b>	<b>652</b>		<b>- 652</b>
Profit on Sale of Vehicles	652		- 652
<b>Department of Corporate and Information Services</b>	<b>147</b>		<b>- 147</b>
Profit on Sale of Assets	147		- 147
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>14</b>	<b>14</b>	
<b>Darwin Bus Service</b>	<b>14</b>	<b>14</b>	
Profit on Sale of Buses	14	14	
<b>TOTAL</b>	<b>813</b>	<b>14</b>	<b>- 799</b>

**PROFIT/LOSS ON DISPOSAL OF ASSETS**

This category includes profits and losses from asset disposals, including from the sale of Crown land and Government property, principally dwellings and vehicles.

Profit/Loss is an accrual concept and does not reflect the cash received on sale of the asset, but rather the difference between the asset's, written down book value and the sale price.

While some assets will be sold across Government in 2003-04, specific allowances for profit or loss on their disposal has not been made. This is for two main reasons, firstly because reliably estimating profit/loss is exceptionally difficult due to the disposal process being subject to many variable factors (for instance timing, method and market conditions). Secondly, the Territory Government has adopted a current valuation methodology for most asset classes, in accordance with Australian Accounting Standards. Therefore, the book value of assets would often approximate market value, resulting in a minimal profit or loss arising on disposal.

Specifically in relation to land sales, a number of Government land sales are planned for 2003-04 that are anticipated to return \$9 million in capital receipts. This represents a significant increase from the estimated \$5 million in capital receipts to be collected from land sales during 2002-03.