

Central Holding Authority

Overview

The Central Holding Authority (CHA) is a key element of the Territory's financial management framework. It records on behalf of the Territory:

- **assets** which are not assigned to agencies, such as the Territory's investment portfolio. The CHA does not hold physical assets such as land and buildings;
- **liabilities** where it is not practical or effective to assign them to individual agencies. The CHA has two major liabilities – Territory borrowings and unfunded employee liabilities. Territory borrowings comprise the stock of general government debt that has accumulated since Self Government and has been used to fund the construction of major infrastructure in the Territory over this period. Unfunded employee liabilities are those which have accrued but are not yet due to be paid, such as superannuation and long service leave;
- **revenue** collected by the CHA is regarded as Territory revenue, the main categories being taxation, untied grants (predominantly GST revenue) and fines; and
- **expenses** where the main expense is the payment of appropriation to agencies. Other significant expenses are interest on Territory borrowings, interest on cash balances of government business divisions and the government owned corporation, and the centrally-managed employee costs of superannuation and long service leave.

These items are detailed on the following Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows.

Appropriations from the Central Holding Authority

The *Appropriation Act* provides the CHA with the authority to pay Appropriations for Purposes. The main Purposes are output and capital appropriations to agencies.

Appropriations are also paid by the CHA for employee entitlements, interest, taxes, other administrative payments and Treasurer's Advance.

Appropriations to Agencies

The CHA pays both output and capital appropriations to general government agencies.

Output appropriation is the payment for outputs and is identified in the Expenses and Appropriation Summary for each agency.

Capital appropriation is the payment for capital investment, which comprises capital items for most agencies. Capital works for general government is largely centrally managed by the Department of Infrastructure, Planning and Environment, with this agency receiving a capital appropriation comprising most of the total capital works budget. Government business divisions, such as Housing Business Services, may receive a capital appropriation, although they would usually utilise commercial funding arrangements. For general government agencies, payments of advances also require a capital appropriation.

Statement of Financial Performance

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation Revenue	333 776	336 377
<i>Grants and Subsidies</i>		
GST Revenue	1 684 200	1 692 500
Current	9 514	11 152
Capital		
<i>Sales of Goods and Services</i>		
Fees from Regulatory Services	11 073	11 309
Other Revenue		
Interest Revenue	30 714	23 264
Royalties, Rents and Dividends	78 351	79 127
Employer Superannuation Contributions	51 929	52 305
Miscellaneous Revenue	4 696	4 696
TOTAL OPERATING REVENUE	2 204 253	2 210 730
OPERATING EXPENSES		
Long Service Leave Expense	19 750	20 343
Superannuation Expense	133 538	118 142
Other Salary Expenses	4 225	1 261
Administrative Expenses	32 002	29 968
Interest Expense	141 610	127 453
<i>Government Transfers</i>		
Output Expense	1 709 733	1 766 166
Treasurer's Advance		29 000
TOTAL OPERATING EXPENSES	2 040 858	2 092 333
NET OPERATING SURPLUS	163 395	118 397

Statement of Financial Position

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
ASSETS		
Cash and Deposits	40 752	77 558
Receivables	96 178	94 036
Prepayments	627	627
Advances	413 801	367 463
Equity Investments	3 869 076	3 996 386
Other Assets		
TOTAL ASSETS	4 420 434	4 536 070
LIABILITIES		
Deposits, Creditors and Accruals	262 247	203 861
Borrowings and Advances	1 601 446	1 630 680
Superannuation Liability	1 487 004	1 512 971
Provision for Long Service Leave	133 788	137 548
Provision for Workers' Compensation	63 330	63 330
TOTAL LIABILITIES	3 547 815	3 548 390
NET ASSETS	872 619	987 680
EQUITY		
Capital	586 916	583 580
Reserves		
<i>Accumulated Funds</i>		
Opening Balance	122 308	285 703
Current Year Surplus/(Deficit)	163 395	118 397
TOTAL EQUITY	872 619	987 680

Statement of Cash Flows

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
Taxes Received	318 149	337 583
<i>Grants and Subsidies Received</i>		
GST Receipts	1 684 200	1 692 500
Current	9 514	11 152
Capital		
Receipts from Sales of Goods and Services	15 546	16 317
Interest Received	16 814	13 814
Royalties, Rents and Dividends Received	91 184	79 751
Agency Superannuation Contributions	51 929	52 305
Total Operating Receipts	2 187 336	2 203 422
Operating Payments		
Long Service Leave Payments	16 100	16 583
Superannuation Benefits Paid	85 000	92 175
Other Salary Payments	29 225	1 261
Payments for Goods and Services	958	29 968
Interest Paid	141 778	127 688
<i>Government Transfer Payments</i>		
Output Payments	1 709 733	1 766 166
Treasurer's Advance		29 000
Total Operating Payments	1 982 794	2 062 841
NET CASH FROM OPERATING ACTIVITIES	204 542	140 581
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing Receipts		
Repayment of Advances		
Equity Sales or Withdrawals	18 038	
Total Investing Receipts	18 038	
Investing Payments		
Advance Payments	- 40 889	- 55 788
Capital Appropriation	154 410	130 570
Equity Injections	1 630	77
Total Investing Payments	115 151	74 859
NET CASH FROM INVESTING ACTIVITIES	- 97 113	- 74 859
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Proceeds of Borrowings		30 000
Deposits Received	- 40 478	- 58 151
Total Financing Receipts	- 40 478	- 28 151
Financing Payments		
Repayment of Borrowings	70 567	766
Total Financing Payments	70 567	766
NET CASH FROM FINANCING ACTIVITIES	- 111 045	- 28 917
Net Increase in Cash Held	- 3 615	36 806
Cash at Beginning of Financial Year	44 367	40 752
CASH AT END OF FINANCIAL YEAR	40 752	77 558