

Department of Business, Industry and Resource Development

EXPENSES AND APPROPRIATION SUMMARY

| | 2003-04 Estimate | 2004-05 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| Output Group | | |
| Business, Trade and Industry Development Services | 17 880 | 17 514 |
| Minerals and Petroleum Industry Services | 24 880 | 25 419 |
| Animal, Plant and Fisheries Industry Services | 50 110 | 43 678 |
| Total Operating Expenses | 92 870 | 86 611 |
| <i>less</i> | | |
| Depreciation and Amortisation | 2 600 | 2 875 |
| DCIS Services Free of Charge | 5 284 | 5 299 |
| Agency Revenue (a) | 15 412 | 13 618 |
| Use of Cash Balances | 3 396 | |
| Other Accrual/Non-cash Items | - 773 | - 2 |
| <i>equals</i> | | |
| Output Appropriation | 66 951 | 64 821 |
| Capital Expenditure | 1 367 | 251 |
| <i>less</i> | | |
| Capital Receipts | 1 156 | 1 046 |
| Use of Cash Balances | - 474 | - 795 |
| <i>equals</i> | | |
| Capital Appropriation | 685 | |

Total 2004-05 Staffing: 609

(a) Operating Revenue less Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets

Agency Profile

Overview

The Department of Business, Industry and Resource Development has a key role in strengthening economic development throughout the Northern Territory. The Department, in partnership with business and industry, supports economic development in the Territory and the sustainable and responsible management of resources across the Territory's regions.

The Department manages programs that develop the minerals, petroleum, pastoral, agriculture, horticulture, fishing, manufacturing and services sectors. It also assists individual businesses to grow and improve. In addition to a wide range of research and industry support programs, the Department also provides financial support to several industry organisations in the Territory.

Key functional responsibilities include:

- increasing the capacity of businesses and industries through investment attraction;
- identifying new opportunities and increased knowledge of, and access to, Territory resources;

- improving the performance of businesses and industries through enhanced human capabilities, improved production technologies, policy, institutional settings and improved trade opportunities and international relationships;
- improving the sustainability of businesses, industries and resources through information and regulation, mine site occupational health and safety, environmental safeguards and long-term economic viability;
- improving equity to Indigenous communities, local businesses and regions through policies and initiatives designed to increase local participation and diversify economic activity; and
- building extensive partnerships across industries, communities, agencies, governments and global regions to ensure maximum leverage for the economic development of Territory businesses and industries.

Strategic Issues

- Focus on the development and implementation of policy initiatives in the areas of mining and minerals processing, primary industry and fisheries, investment, trade and business growth which flow from the Economic Development Strategy.
- Develop partnerships to advance Indigenous economic development and establish sustainable enterprises on Indigenous land.
- Implement a Business and Skilled Migration Strategy.
- Build defence support industry capability.
- Develop the Territory's services sector and export of services.
- Strengthen and develop the Territory's international relationships and implement the Asian Engagement Plan.
- Implement Making it in the Territory, the Territory's manufacturing industry strategy.
- Further develop web-based services for Territory businesses dealing with Government.
- Grant tenure and support mineral and petroleum exploration, and facilitate and develop new mining and petroleum ventures.
- Review key legislation to keep pace with developing business, community and environmental requirements, specifically the *Mining Act* and the *Fisheries Act*.
- Provide continued protection from pests and diseases and implement a biosecurity strategy and associated measures for the Territory's primary industries.

Budget Highlights

- New strategies for horticulture, fisheries and pastoral industries to improve Indigenous economic development with additional resources of \$1 million in 2004-05.
- Implement Making it in the Territory, the Territory's manufacturing industry strategy, in partnership with industry and unions.
- Implement the Building Northern Territory Industry Participation Plan.
- Resource commitment of \$0.35 million in 2004-05 for implementation of the Business and Skilled Migration Strategy.
- Continue Building the Territory's Resource Base to provide pre-exploration information and assist in access to land for mineral and petroleum exploration and production.

- Develop and implement additional online licensing and transactions functions for business dealings with Government via the web-based Integrated Business Services Channel at a cost of \$0.8 million over two years, utilising financial contributions from relevant agencies.
- Additional funding of \$0.1 million for improved management of agricultural and veterinary chemicals.
- The following table shows the approved major capital project for 2004-05. The amount shown is the total project cost and is not necessarily the cash commitment for 2004-05. For further details, see *Budget Paper No. 4*.

| 2004-05 Major Capital Works Projects | \$M |
|--|------|
| Darwin – mineralised drill core building, including a core-handling workshop | 0.36 |

Outputs and Performance

OUTPUT COSTS

| Output Group/Output | 2003-04 Estimate | 2004-05 Budget | Variation |
|--|---------------------|-------------------|----------------|
| | \$000 | \$000 | \$000 |
| Business, Trade and Industry Development Services | 17 880 | 17 514 | - 366 |
| Business, Trade and Industry Development Services | 17 880 | 17 514 | - 366 |
| Minerals and Petroleum Industry Services | 24 880 | 25 419 | 539 |
| Minerals and Petroleum Resource Development Services | 15 443 | 16 277 | 834 |
| Minerals and Petroleum Resource Management Services | 9 437 | 9 142 | - 295 |
| Animal, Plant and Fisheries Industry Services | 50 110 | 43 678 | - 6 432 |
| Animal and Plant Industry Production Services | 31 421 | 30 634 | - 787 |
| Animal and Plant Resource Protection Services | 8 829 | 3 742 | - 5 087 |
| Fisheries Resource Development and Management Services | 9 860 | 9 302 | - 558 |
| Total Operating Expenses | 92 870 | 86 611 | - 6 259 |

Key Variations

- Funding from 2004-05 of \$1 million for the Indigenous economic development initiative (output group – Animal, Plant and Fisheries Industry Services).
- Reduction of \$1.3 million linked to the Commonwealth decision from 2004-05 to transfer the Australian Quarantine Inspection Service management (output group – Animal, Plant and Fisheries and Industry Services).
- Output cost increases in 2003-04 reflect additional expenses of \$2.3 million, related to externally-funded projects where funds were received in 2002-03. These include Northern Territory Fisheries Industry Resource Development Association, private research organisation funds, Renewable Remote Power Generation Program and Photovoltaic Rebate Program, FarmBis and red imported fire ants (across all output groups).
- \$1.9 million in revenue and expenses is projected to decrease in 2004-05 for externally-funded projects including mudcrab research, red imported fire ants, peanut breeding, FarmBis and the Tuberculosis Freedom Assurance Program.
- Litigation and compensation expenses required in 2003-04 of \$3.1 million (output group – Animal, Plant and Fisheries Industry Services).

- Commonwealth grant funding of \$1.4 million in 2004-05 for the Renewable Remote Power Generation Program (output group – Minerals and Petroleum Industry Services).

Business, Trade and Industry Development Services

Provides strategic developmental and assistance services to business and industry sectors throughout the Territory to enhance their capacity, performance and sustainability, including:

- information, advisory and facilitation services to Territory business operators and industry sectors;
- enterprise improvement and financial assistance services for small to medium-sized enterprises;
- financial assistance services to industry associations;
- strategic policy and industry development;
- new business and industry investment strategies;
- strategies for industry performance, trade and sustainability;
- economic analysis, industry performance analysis and economic impact studies; and
- development of Asian and international relations.

Outcome

Enhanced industry capacity, performance and sustainability.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|---|---------------------|---------------------|
| <i>Quantity</i> | | |
| Businesses and industry associations receiving financial assistance | 338 | 338 |
| Direct assistance provided to businesses and industry associations | \$4.54M | \$3.75M |
| Territory Business Centre (TBC) client contacts | 85 000 | 85 000 |
| Other client contacts | 47 200 | 51 100 |
| Overseas representation arrangements | 2 | 2 |
| <i>Quality</i> | | |
| Customer satisfaction | 83% | 83% |
| <i>Timeliness</i> | | |
| Customer satisfaction with timeliness of services | 82% | 82% |
| <i>Cost</i> | | |
| Average cost of TBC client contacts | \$13 | \$13 |
| Average cost of other client contacts | \$254 | \$239 |
| Average cost of overseas representation arrangements | \$0.14M | \$0.20M |

Minerals and Petroleum Industry Services

Provides strategic resource management services for Government to safeguard the capacity, performance and sustainability of the Territory's mineral and petroleum industries and information and assistance to support those industries, and applies legislation for Government's custodial role for minerals and petroleum resources.

Outcome

Resource ownership, safety and sustainable minerals and petroleum resource development, and enhanced industry capacity, performance and sustainability.

Minerals and Petroleum Resource Development Services

Provision of information to industry on mineral and petroleum resource availability for potential development, including provision of geoscientific information presented in a variety of formats, community education services including Indigenous participation services, and assistance to industry and communities through administration of the Commonwealth Government's Renewable Energy Rebate Programs.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Geoscientific information products released ¹ | 102 | 105 |
| Indigenous community participation activities, knowledge and education programs provided | 18 | 18 |
| Assistance provided under Renewable Energy Rebate Programs | \$4.96M | \$4.94M |
| <i>Quality</i> | | |
| Customer satisfaction | 93% | 93% |
| Agreed national standards met (maps) | 100% | 100% |
| <i>Timeliness</i> | | |
| Customer satisfaction with timeliness of service | 92% | 92% |
| <i>Cost</i> | | |
| Average cost of geoscientific information products released | \$90 000 | \$94 000 |
| Average cost of Indigenous programs delivered | \$70 000 | \$80 000 |

¹ Geoscientific products include geoscientific maps, monographs, spatial datasets, geoscientific databases, geographical information system packages, airborne and gravity survey data and geoscientific papers.

Minerals and Petroleum Resource Management Services

Provision of tenure for resource management, and safety and environmental regulation services for mining and petroleum operations. The services include the granting and maintenance of tenure, and the inspection and audit of safety and environmental activities.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Mineral and petroleum titles and exploration licences administered | 4 642 | 4 556 |
| Mineral and petroleum safety and environmental plans and activities managed | 240 | 260 |
| <i>Quality</i> | | |
| Customer satisfaction | 93% | 93% |
| <i>Timeliness</i> | | |
| Legislated/established timeframes met | 95% | 95% |
| <i>Cost</i> | | |
| Average cost of administering mineral and petroleum titles and exploration licences | \$929 | \$909 |
| Average cost of managing mineral and petroleum safety and environmental plans and activities | \$21 000 | \$19 000 |

Animal, Plant and Fisheries Industry Services

Provides strategic resource management and development services for Government to safeguard the capacity, performance and sustainability of the Territory's animal, plant and fisheries production and resources, and applies legislation for Government's custodial role for animal, plant and fisheries resources.

Outcome

Resource ownership, safety and sustainable animal, plant and fishery resource development and enhanced industry capacity, performance and sustainability.

Animal and Plant Industry Production Services

Provision of information, advice and facilitation services to agricultural (animal and plant) business operators and industry sectors. The services include new and improved investment opportunities and production technologies delivered through agricultural research and extension activities and market development activities.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Capacity to conduct animal health and plant surveillance and diagnostic services (including laboratories) | \$5.11M | \$5.06M |
| Capacity to provide and maintain research facilities throughout the Territory (research farms) | \$5.79M | \$6.33M |
| Client contacts for diagnostic, certification, export advice and export consignment services | 5 300 | 5 300 |
| Research and development projects ¹ | 91 | 98 |
| <i>Quality</i> | | |
| Customer satisfaction | 79% | 79% |
| <i>Timeliness</i> | | |
| Customer satisfaction with timeliness of service | 81% | 81% |
| <i>Cost</i> | | |
| Average cost of client contacts for diagnostic, certification, export advice and export consignment services | \$974 | \$1 004 |
| Average cost of research and development projects | \$172 000 | \$142 000 |

¹ Research and development projects include agricultural development, beef cattle production and management, animal health, horticultural development and resource protection projects.

Animal and Plant Resource Protection Services

Provision of services for animal and plant regulatory control and agricultural resource protection. The services include:

- policy development;
- licensing of abattoirs;
- meat inspection;
- agricultural and veterinary chemicals controls;
- plant disease controls;
- animal disease controls; and
- Territory quarantine.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|---|---------------------|---------------------|
| <i>Quantity</i> | | |
| Administration of the Commonwealth's Australian Quarantine Inspection Service program in accordance with the Memorandum of Understanding ¹ | \$1.33M | |
| Monitoring programs implemented for plant pests and diseases | 14 | 13 |
| Capacity to identify, assess and plan the management of an emergency or endemic animal disease outbreak including surveillance | \$3.27M | \$1.23M |
| <i>Quality</i> | | |
| Customer satisfaction | 82% | 82% |
| <i>Timeliness</i> | | |
| Customer satisfaction with timeliness of service | 92% | 92% |
| <i>Cost</i> | | |
| Average cost of monitoring programs | \$0.30M | \$0.19M |

¹ Australian Quarantine Inspection Service transferred back to the Commonwealth in December 2003.

Fisheries Resource Development and Management Services

Provision of information, advice and facilitation services to the fishing and aquaculture industry, and licensing and marine resource management services for the custody of marine resources and the sustainable utilisation by fishers. The services include:

- new and improved investment opportunities and production technologies delivered through aquaculture research;
- policy development;
- granting and maintenance of licences; and
- development of formal fishery management plans for the various Territory fish resources.

| Performance Measures | 2003-04 Estimate | 2004-05 Estimate |
|--|---------------------|---------------------|
| <i>Quantity</i> | | |
| Aquaculture licences maintained | 18 | 18 |
| Regional communities engaged in fisheries activities | 7 | 7 |
| Northern Territory fisheries with management arrangements | 17 | 17 |
| <i>Quality</i> | | |
| Legislated standards met | 80% | 80% |
| Customer satisfaction | 88% | 88% |
| <i>Timeliness</i> | | |
| Customer satisfaction with timeliness of service | 81% | 81% |
| <i>Cost</i> | | |
| Average cost per aquaculture licence maintained | \$0.15M | \$0.14M |
| Average cost of engaging regional communities in fisheries activities | \$0.10M | \$0.11M |
| Average cost of management arrangements for Northern Territory fisheries | \$0.40M | \$0.36M |

Statement of Financial Performance

| | 2003-04 Estimate | 2004-05 Budget |
|---|---------------------|-------------------|
| | \$000 | \$000 |
| OPERATING REVENUE | | |
| Taxation Revenue | | |
| <i>Grants and Subsidies</i> | | |
| Current | 2 039 | 763 |
| Capital | 3 509 | 5 029 |
| <i>Sales of Goods and Services</i> | | |
| Output Revenue | 66 951 | 64 821 |
| Other Agency Revenue | 7 181 | 5 797 |
| Interest Revenue | 140 | 136 |
| Miscellaneous Revenue | 2 543 | 1 893 |
| Goods and Services Received Free of Charge | 5 284 | 5 299 |
| Profit/Loss on Disposal of Assets | 121 | |
| TOTAL OPERATING REVENUE | 87 768 | 83 738 |
| OPERATING EXPENSES | | |
| Employee Expenses | 42 514 | 42 528 |
| <i>Administrative Expenses</i> | | |
| Purchases of Goods and Services | 30 180 | 25 105 |
| Repairs and Maintenance | 1 748 | 1 400 |
| Depreciation and Amortisation | 2 600 | 2 875 |
| DCIS Services Free of Charge | 5 284 | 5 299 |
| Other Administrative Expenses | 342 | |
| <i>Grants and Subsidies</i> | | |
| Current | 5 795 | 4 405 |
| Capital | 4 399 | 4 998 |
| Community Service Obligations | | |
| Interest Expense | 8 | 1 |
| TOTAL OPERATING EXPENSES | 92 870 | 86 611 |
| NET OPERATING SURPLUS | - 5 102 | - 2 873 |
| AGENCY REVENUE FOR APPROPRIATION PURPOSES | 15 412 | 13 618 |
| (Operating Revenue less Output Revenue, Goods and Services Received Free of Charge and Profit/Loss on Disposal of Assets) | | |

Revenue Administered for Central Holding Authority

| | 2003-04 Estimate | 2004-05 Budget |
|------------------------------------|---------------------|-------------------|
| | \$000 | \$000 |
| OPERATING REVENUE | | |
| Taxation Revenue | | |
| <i>Grants and Subsidies</i> | | |
| GST Revenue | | |
| Current | | |
| Capital | | |
| <i>Sales of Goods and Services</i> | | |
| Fees from Regulatory Services | 1 073 | 1 051 |
| Interest Revenue | | |
| Royalties and Rents | 1 346 | 1 346 |
| Other Revenue | 245 | 245 |
| TOTAL OPERATING REVENUE | 2 664 | 2 642 |

Statement of Financial Position

| | 2003-04 Estimate | 2004-05 Budget |
|--------------------------------|---------------------|-------------------|
| | \$000 | \$000 |
| ASSETS | | |
| Cash and Deposits | 7 535 | 8 330 |
| Receivables | 2 005 | 2 005 |
| Prepayments | 156 | 156 |
| Inventories | | |
| Advances and Investments | 2 139 | 1 099 |
| Land and Improvements | 65 026 | 62 875 |
| Plant and Equipment | 2 742 | 2 263 |
| Other Assets | | |
| TOTAL ASSETS | 79 603 | 76 728 |
| LIABILITIES | | |
| Deposits Held | 2 349 | 2 349 |
| Creditors and Accruals | 3 896 | 3 894 |
| Borrowings and Advances | 31 | 31 |
| Provisions | 7 160 | 7 160 |
| Other Liabilities | | |
| TOTAL LIABILITIES | 13 436 | 13 434 |
| NET ASSETS | 66 167 | 63 294 |
| EQUITY | | |
| <i>Capital</i> | | |
| Opening Balance | 71 421 | 72 899 |
| Equity Injections/Withdrawals | 1 478 | |
| Reserves | | |
| <i>Accumulated Funds</i> | | |
| Opening Balance | - 1 630 | - 6 732 |
| Current Year Surplus/(Deficit) | - 5 102 | - 2 873 |
| TOTAL EQUITY | 66 167 | 63 294 |

Assets and Liabilities Administered for Central Holding Authority

| | 2003-04 Estimate | 2004-05 Budget |
|--|---------------------|-------------------|
| | \$000 | \$000 |
| Assets | | |
| Taxes Receivable | | |
| Grants and Subsidies Receivable | | |
| Royalties and Rent Receivable | 33 | 33 |
| Other Receivables | 1 974 | 1 974 |
| Total Assets | 2 007 | 2 007 |
| Liabilities | | |
| Central Holding Authority Revenue Payable | 65 | 65 |
| Unearned Central Holding Authority Revenue | 1 942 | 1 942 |
| Total Liabilities | 2 007 | 2 007 |
| Net Assets | | |

Statement of Cash Flows

| | 2003-04 Estimate | 2004-05 Budget |
|--|---------------------|-------------------|
| | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating Receipts | | |
| Taxes Received | | |
| <i>Grants and Subsidies Received</i> | | |
| Current | 2 039 | 763 |
| Capital | 3 509 | 5 029 |
| <i>Receipts from Sales of Goods and Services</i> | | |
| Output Revenue Received | 66 951 | 64 821 |
| Other Agency Receipts | 8 646 | 7 690 |
| Interest Received | 140 | 136 |
| Total Operating Receipts | 81 285 | 78 439 |
| Operating Payments | | |
| Payments to Employees | 42 521 | 42 528 |
| Payments for Goods and Services | 31 952 | 26 505 |
| <i>Grants and Subsidies Paid</i> | | |
| Current | 5 795 | 4 405 |
| Capital | 4 399 | 4 998 |
| Community Service Obligations | | |
| Interest Paid | 14 | 3 |
| Total Operating Payments | 84 681 | 78 439 |
| NET CASH FROM OPERATING ACTIVITIES | - 3 396 | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investing Receipts | | |
| Proceeds from Asset Sales | 6 | 6 |
| Repayment of Advances | 1 150 | 1 040 |
| Sales of Investments | | |
| Total Investing Receipts | 1 156 | 1 046 |
| Investing Payments | | |
| Purchases of Assets | 1 266 | 251 |
| Advances and Investing Payments | | |
| Total Investing Payments | 1 266 | 251 |
| NET CASH FROM INVESTING ACTIVITIES | - 110 | 795 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Financing Receipts | | |
| Proceeds of Borrowings | | |
| Deposits Received | | |
| <i>Equity Injections</i> | | |
| Capital Appropriation | 685 | |
| Other Equity Injections | | |
| Total Financing Receipts | 685 | |
| Financing Payments | | |
| Repayment of Borrowings | 101 | |
| Finance Lease Payments | | |
| Equity Withdrawals | | |
| Total Financing Payments | 101 | |
| NET CASH FROM FINANCING ACTIVITIES | 584 | |
| Net Increase in Cash Held | - 2 922 | 795 |
| Cash at Beginning of Financial Year | 10 457 | 7 535 |
| CASH AT END OF FINANCIAL YEAR | 7 535 | 8 330 |