

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 to each agency for the outputs they provide.

Capital appropriation is the payment for capital investment, which comprises capital items for most agencies. Capital works for general government is 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 Territory Housing, 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

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
OPERATING REVENUE		
Taxation revenue	367 687	372 065
Grants and subsidies		
GST revenue	1739 100	1829 300
Current	12 152	21 029
Capital		
Sales of goods and services		
Fees from regulatory services	11 276	11 077
Other revenue	15	15
Interest revenue	36 077	24 916
Royalties, rents and dividends	84 878	88 257
Employer superannuation contributions	55 589	55 623
Miscellaneous revenue	4 924	4 769
TOTAL OPERATING REVENUE	2311 698	2407 051
OPERATING EXPENSES		
Long service leave expense	20 343	20 953
Superannuation expense	118 142	109 376
Other salary expenses	1 261	11 299
Administrative expenses	277	28 694
Interest expense	127 218	117 728
Government transfers		
Output expense	1859 627	1928 073
Treasurer's advance	10 000	30 000
TOTAL OPERATING EXPENSES	2136 868	2246 123
NET OPERATING SURPLUS	174 830	160 928

Statement of Financial Position

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
ASSETS		
Cash and deposits	70 212	26 235
Receivables	78 102	75 552
Prepayments	43	43
Advances	331 154	340 772
Equity investments	4006 124	4211 621
Other assets		
TOTAL ASSETS	4485 635	4654 223
LIABILITIES		
Deposits, creditors and accruals	135 450	132 635
Borrowings and advances	1600 680	1599 833
Superannuation liability	1492 877	1503 661
Provision for long service leave	139 274	143 147
Provision for workers' compensation	60 636	60 636
TOTAL LIABILITIES	3428 917	3439 912
NET ASSETS	1056 718	1214 311
EQUITY		
Capital	586 916	583 581
Reserves		
Accumulated funds		
Opening balance	294 972	469 802
Current year surplus(+)/deficit(-)	174 830	160 928
TOTAL EQUITY	1056 718	1214 311

Statement of Cash Flows

	2004-05 Estimate	2005-06 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received	383 248	371 092
Grants and subsidies received		
GST receipts	1739 100	1829 300
Current	12 152	21 029
Capital		
Receipts from sales of goods and services	16 420	16 147
Interest received	15 977	13 814
Royalties, rents and dividends received	84 300	91 479
Agency superannuation contributions	55 589	55 623
Total operating receipts	2306 786	2398 484
Operating payments		
Long service leave payments	16 583	17 080
Superannuation benefits paid	92 175	98 592
Other salary payments	1 261	11 299
Payments for goods and services	262	28 679
Interest paid	127 250	117 748
Government transfer payments		
Output payments	1859 627	1928 073
Treasurer's advance	10 000	30 000
Total operating payments	2107 158	2231 471
NET CASH FROM OPERATING ACTIVITIES	199 628	167 013
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Repayment of advances		
Equity sales or withdrawals	31 029	
Total investing receipts	31 029	
Investing payments		
Advance payments	-96 520	-1 484
Capital appropriation	137 731	202 918
Equity injections	11 444	5 915
Total investing payments	52 655	207 349
NET CASH FROM INVESTING ACTIVITIES	-21 626	-207 349
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received	-164 679	-2 795
Total financing receipts	-164 679	-2 795
Financing payments		
Repayment of borrowings	766	847
Total financing payments	766	847
NET CASH FROM FINANCING ACTIVITIES	-165 445	-3 642
Net increase in cash held	12 558	-43 977
Cash at beginning of financial year	57 654	70 212
CASH AT END OF FINANCIAL YEAR	70 212	26 235