

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, which encompasses both revenue and gains, 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 Operating Statement, Balance Sheet and Cash Flow Statement.

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 Planning and Infrastructure, 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.

Operating Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
INCOME		
Taxation revenue	450 782	402 990
Grants and subsidies revenue		
GST revenue	1 829 400	1 967 700
Current	21 663	3 140
Capital		
Fees from regulatory services	11 070	11 050
Interest revenue	57 803	27 914
Royalties, rents and dividends	88 382	101 998
Superannuation contributions	43 635	41 954
Other revenue	6 699	5 108
TOTAL INCOME	2 509 434	2 561 854
EXPENSES		
Long service leave expense	29 358	24 177
Superannuation expense	72 876	163 023
Other salary expenses	2 384	1 702
Administrative expenses	19 117	19 520
Interest expense	116 375	111 971
Government transfers		
Output expense	2 034 731	2 060 814
Treasurer's Advance	10 000	30 000
TOTAL EXPENSES	2 284 841	2 411 207
NET SURPLUS(+)/DEFICIT(-)	224 593	150 647

Balance Sheet

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
ASSETS		
Cash and deposits	34 873	59 508
Receivables	75 606	84 715
Prepayments		
Advances	416 274	426 763
Equity investments	4 180 196	4 348 352
Other assets		
TOTAL ASSETS	4 706 949	4 919 338
LIABILITIES		
Deposits held	119 297	124 983
Creditors and accruals	4 487	4 481
Borrowings and advances	1 599 867	1 598 928
Superannuation liability	1 733 793	1 787 877
Provision for long service leave	156 025	162 266
Provision for workers' compensation	63 800	63 800
TOTAL LIABILITIES	3 677 269	3 742 335
NET ASSETS	1 029 680	1 177 003
EQUITY		
Capital	586 916	583 592
Reserves		
Accumulated funds		
Opening balance	218 171	442 764
Current year surplus(+)/deficit(-)	224 593	150 647
Accounting policy changes and corrections		
TOTAL EQUITY	1 029 680	1 177 003

Cash Flow Statement

	2005-06 Estimate	2006-07 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received	457 286	398 430
Grants and subsidies received		
GST receipts	1 829 400	1 967 700
Current	21 663	3 140
Capital		
Receipts from regulatory services	18 089	16 485
Interest received	17 727	13 814
Royalties, rents and dividends received	96 573	97 107
Superannuation contributions	43 635	41 954
Total operating receipts	2 484 373	2 538 630
Operating payments		
Long service leave payments	17 600	18 300
Superannuation benefits paid	100 592	108 939
Other salary payments	1 431	1 338
Payments for goods and services	18 970	19 505
Interest paid	116 399	111 977
Government transfer payments		
Output Appropriation payments	2 034 731	2 060 814
Treasurer's Advance	10 000	30 000
Total operating payments	2 299 723	2 350 873
NET CASH FROM OPERATING ACTIVITIES	184 650	187 757
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Repayment of advances		
Equity withdrawals from agencies	20 984	715
Total investing receipts	20 984	715
Investing payments		
Advance payments	- 41 484	- 3 611
Capital Appropriation payments	188 230	172 195
Equity injections to agencies	18 876	
Total investing payments	165 622	168 584
NET CASH FROM INVESTING ACTIVITIES	- 144 638	- 167 869
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	250	
Deposits received	- 23 031	5 686
Total financing receipts	- 22 781	5 686
Financing payments		
Repayment of borrowings	1 063	939
Total financing payments	1 063	939
NET CASH FROM FINANCING ACTIVITIES	- 23 844	4 747
Net increase(+)/decrease(-) in cash held	16 169	24 635
Cash at beginning of financial year	18 704	34 873
CASH AT END OF FINANCIAL YEAR	34 873	59 508