

Northern Territory Treasury

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
Output Group		
Financial Management	7 078	7 454
Economic	65 248	65 564
Commercial	3 628	2 474
Superannuation	3 710	3 843
Territory Revenue	20 156	20 567
Economic Regulation	614	633
Total Expenses	100 434	100 535
Output Appropriation	97 278	97 484
Capital Appropriation	329	53

2007-08 Staffing: 180

Agency Profile

Treasury contributes to the achievement of the Northern Territory Government's economic, fiscal and social policies through analysis and advice on sustainable Government finances, strategic positioning and effective risk management of the Government's economic, commercial and revenue activities.

Strategic issues in 2007-08 include:

- ongoing fiscal reforms and improved accountability in line with the Territory's financial management framework;
- ensuring adequate funds from the Australian Government that recognise the high level of special needs in the Territory; and
- an effective and efficient tax and business environment that promotes economic development.

Budget Highlights

- Continuous improvement in financial management practices at agency and whole of government levels.
- Continued implementation of new and revised national public sector accounting standards.
- Actively representing the Territory's position to the Commonwealth Grants Commission's 2010 Methodology Review of State Revenue Sharing Relativities.
- Ongoing tax reform initiatives, including the Territory's national tax reform commitments.
- Representing the Territory's interests in the Council of Australian Governments' National Reform Agenda.
- Implementing strengthened corporate governance and prudential regulation frameworks for the Territory Insurance Office.

- Refinement and monitoring of governance arrangements for government businesses to improve performance information for decision making.
- In conjunction with the Australian Bureau of Statistics and with other Territory Government agencies, coordinating a program of analysis of 2006 Census data to better inform decision making.
- Implementing the Territory Government's death and invalidity scheme and new superannuation products for member investment choice and allocated pensions, as well as complying with the Australian Government's Simpler Superannuation requirements.

Outputs and Performance

Output Group/Output	2006-07	2007-08	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Financial Management	7 078	7 454	376
Financial Management	7 078	7 454	376
Economic	65 248	65 564	316
Economic Services	12 392	12 847	455
Community Service Obligations	52 856	52 717	- 139
Commercial	3 628	2 474	- 1 154
Commercial Services	3 628	2 474	- 1 154
Superannuation	3 710	3 843	133
Superannuation	3 710	3 843	133
Territory Revenue	20 156	20 567	411
Territory Revenue	6 722	6 505	- 217
Tax-Related Subsidies	13 434	14 062	628
Economic Regulation	614	633	19
Economic Regulation	614	633	19
Total Expenses	100 434	100 535	101

Key Variations

- Higher estimate for the Financial Management output in 2007-08 reflects achievement of approved staffing level.
- Increase in the Economic Services output reflects additional resourcing associated with the Commonwealth Grants Commission's 2010 major review of GST relativities.
- The Commercial Services output is lower in 2007-08 as the operating payment to Alice Springs Convention Centre ceases in 2006-07.
- The Tax-Related Subsidies output increase in 2007-08 reflects higher estimates for the petroleum subsidy and first home owner grants.

Output Group: Financial Management

Analysis and public policy advice on whole of government resource issues including financial management frameworks, fiscal policy and fiscal strategy through:

- whole of government budgeting and financial reporting;
- monitoring agency financial and output performance, including analysis of agency budget proposals; and
- reporting and analysis of infrastructure budget requirements and coordination of the Infrastructure Program for Government.

The outcome is effective financial management advice to Government to assist in making informed decisions that benefit the Territory community.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Capacity to provide policy advice and analysis on:		
	– budget proposals and estimates	\$4.10M	\$4.32M
	– agency expenses and revenues	\$1.76M	\$1.86M
	– financial frameworks	\$1.22M	\$1.28M
<i>Quality</i>	Stakeholder satisfaction ¹ with:		
	– fiscal policy advice	≥ 5	≥ 5
	– key financial reports and publications	≥ 5	≥ 5
<i>Timeliness</i>	Timeframes met as agreed	> 85%	> 85%

¹ Stakeholders are the Treasurer and Government agencies. Stakeholder satisfaction ratings are:

1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

Output Group: Economic

Analysis and public policy advice on:

- national and Territory economic, social, demographic policy and statistical issues including development and oversight of economic reforms and frameworks; and
- public finance issues including management of the Territory's participation in major intergovernmental financial arrangements and other public finance matters.

Also includes the Territory Government's community service obligation (CSO) to supply electricity, water and sewerage customers at subsidised tariffs.

The outcomes are:

- effective frameworks for the development of a strong, competitive economy;
- effective advice for Government on economic, demographic, statistical and social issues to assist in making informed decisions to benefit the Territory community; and
- an optimal share of Australian Government funding for the Territory.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Capacity to provide policy advice and analysis on:		
	– micro-economic and regulatory framework issues	\$2.24M	\$2.39M
	– macro-economic, demographic, statistical and social issues	\$2.66M	\$2.58M
	– public finance issues	\$1.27M	\$1.53M
	Contribution to Australian Taxation Office for GST collection costs	\$6.23M	\$6.34M
	CSO for uniform tariff subsidy	\$52.86M	\$52.72M
<i>Quality</i>	Stakeholder satisfaction ¹ with advice on:		
	– micro-economic and regulatory framework issues	≥ 5	≥ 5
	– macro-economic, demographic, statistical and social issues	≥ 5	≥ 5
	– public finance issues	≥ 5	≥ 5
	Stakeholder satisfaction ¹ with economic publications	≥ 5	≥ 5
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

¹ Stakeholders are the Treasurer, relevant Government agencies and users of Treasury's economic publications. Stakeholder satisfaction ratings are: 1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

Output Group: Commercial

Analysis and public policy advice on management of the Territory's commercial activities, accountabilities and risks, and related support for Government's business activities, including project assistance with commercial initiatives and private sector involvement in Government activities.

The outcomes are effective frameworks for:

- Government decision making on its commercial dealings;
- corporate governance and management of government owned businesses; and
- management of *Financial Management Act* accountabilities.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Capacity to provide policy advice and services on commercial dealings ¹	\$2.01M	\$2.15M
<i>Quality</i>	Stakeholder satisfaction ² with policy advice and services on commercial dealings	≥ 5	≥ 5
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

1 Alice Springs Convention Centre Performance Incentive Grant not included.

2 Stakeholders include the Treasurer and Government agencies. Stakeholder satisfaction ratings are: 1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

Output Group: Superannuation

Administration of and public policy advice on Territory Government superannuation arrangements, including investment, review boards and schemes, and managing the relationship between national and Territory legislation.

The outcome is effective and responsive superannuation arrangements for members.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Capacity to provide services and policy advice on superannuation	\$3.71M	\$3.84M
<i>Quality</i>	Stakeholder satisfaction ¹ with services and policy advice on superannuation	≥ 5	≥ 5
	Superannuation benefits paid accurately	100%	100%
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

1 Stakeholders include the Treasurer, superannuation scheme members and associated boards. Stakeholder satisfaction ratings are: 1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

Output Group: Territory Revenue

Analysis, public policy advice and management of the Territory's revenue framework encompassing:

- policy, legislative advice and services;
- administration systems;
- compliance activities;
- first home owner grant and fuel subsidy schemes; and
- community awareness and advisory services.

The outcome is an effective taxation regime that promotes economic development and supports Government service delivery.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Territory revenue collected ¹	\$498.61M	\$496.05M
	Capacity to provide revenue management policy advice	\$1.03M	\$1.14M
	Capacity to collect Territory revenue	\$5.24M	\$5.36M
	Subsidy payments	\$13.08M	\$13.72M
	Subsidy administration	\$0.33M	\$0.34M
<i>Quality</i>	Territory revenue forecast accuracy	± 5%	± 5%
	Stakeholder satisfaction ²	≥ 5	≥ 5
	Assessment accuracy	≥ 99%	≥ 99%
	Accuracy of subsidy payments processed	> 98%	> 98%
<i>Timeliness</i>	Revenue received within agreed timeframes	> 95%	> 95%
	Services completed within agreed service standards	> 95%	> 95%

¹ Includes taxes, gambling revenue and mining royalties. Gambling revenue was previously recorded against the 'Gambling, Liquor and Other Regulation' output, which has since transferred from Treasury to the Department of Justice. However, gambling revenue collection remains a responsibility of Treasury, and is now reflected in this performance measure.

² Stakeholders include the Treasurer and taxpayers. Stakeholder satisfaction ratings are: 1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

Output Group: Economic Regulation

Management of the Territory's economic regulatory regime in relation to the provision of essential services and, as necessary, promote competition or, in its absence, simulate competitive market conduct to prevent the misuse of monopoly power. Services include:

- development and implementation of licensing management processes;
- price regulation;
- conduct oversight and standards approval for defined essential services;
- provision of related consumer information;
- complaints handling; and
- advisory activities.

The outcome is an economic regulatory regime for the delivery of essential services that protects the long-term interests of Territory consumers.

Performance Measures		2006-07 Estimate	2007-08 Estimate
<i>Quantity</i>	Capacity to administer regulatory regime	\$0.49M	\$0.51M
	Capacity to advise the Regulatory Minister	\$0.12M	\$0.13M
<i>Quality</i>	Stakeholder satisfaction ¹	≥ 5	≥ 5
<i>Timeliness</i>	Determinations and approvals issued within statutory timeframes ²	100%	100%

¹ Stakeholder is the Regulatory Minister. Stakeholder satisfaction ratings are: 1: Extremely Dissatisfied, 2: Dissatisfied, 3: Somewhat Dissatisfied, 4: Somewhat Satisfied, 5: Satisfied, 6: Extremely Satisfied.

² Covers determinations and approvals on monopoly pricing, minimum service standards and other activities as provided for under the *Utilities Commission Act* and other relevant industry regulation legislation.

Operating Statement

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	42	14
Capital		
Output revenue	97 278	97 484
Sales of goods and services	327	378
Interest revenue	1 253	1 338
Goods and services received free of charge	2 531	2 531
Gain(+)/loss(-) on disposal of assets		
Other revenue	110	110
TOTAL INCOME	101 541	101 855
EXPENSES		
Employee expenses	16 327	16 567
Administrative expenses		
Purchases of goods and services	8 157	8 117
Repairs and maintenance	42	40
Depreciation and amortisation	188	189
DCIS services free of charge	2 531	2 531
Other administrative expenses	6 230	6 339
Grants and subsidies expenses		
Current	14 105	14 048
Capital		
Community service obligations	52 805	52 662
Interest expense	49	42
TOTAL EXPENSES	100 434	100 535
NET SURPLUS(+)/DEFICIT(-)	1 107	1 320

Income Administered for the Central Holding Authority

INCOME		
Taxation revenue	423 483	423 883
Grants and subsidies revenue		
GST revenue	1 975 900	2 123 400
Current	6 792	6 463
Capital		
Fees from regulatory services	1 243	1 142
Interest revenue		
Royalties and rents	75 122	72 171
Other revenue		
TOTAL INCOME	2 482 540	2 627 059

Balance Sheet

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
ASSETS		
Cash and deposits	434	605
Receivables	635	635
Prepayments	355	355
Inventories		
Advances and investments	20 126	21 464
Property, plant and equipment	637	448
Other assets		
TOTAL ASSETS	22 187	23 507
LIABILITIES		
Deposits held	63	63
Creditors and accruals	1 684	1 684
Borrowings and advances	82	29
Provisions	2 340	2 340
Other liabilities		
TOTAL LIABILITIES	4 169	4 116
NET ASSETS	18 018	19 391
EQUITY		
Capital		
Opening balance	17 094	5 984
Equity injections/withdrawals	- 11 110	53
Reserves		
Accumulated funds		
Opening balance	10 927	12 034
Current year surplus(+)/deficit(-)	1 107	1 320
Accounting policy changes and corrections		
TOTAL EQUITY	18 018	19 391

Assets and Liabilities Administered for the Central Holding Authority

ASSETS		
Taxes receivable	41 732	40 693
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	1 032	1 032
TOTAL ASSETS	42 764	41 725
LIABILITIES		
Central Holding Authority income payable	42 412	41 373
Unearned Central Holding Authority income	352	352
TOTAL LIABILITIES	42 764	41 725
NET ASSETS		

Cash Flow Statement

	2006-07 Estimate	2007-08 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	42	14
Capital		
Receipts from sales of goods and services		
Output revenue received	97 278	97 484
Other agency receipts	143	488
Interest received	1 253	1 338
Total operating receipts	98 716	99 324
Operating payments		
Payments to employees	16 877	16 567
Payments for goods and services	14 133	14 496
Grants and subsidies paid		
Current	14 105	14 048
Capital		
Community service obligations	52 805	52 662
Interest paid	49	42
Total operating payments	97 969	97 815
NET CASH FROM OPERATING ACTIVITIES	747	1 509
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances	588	617
Sales of investments		
Total investing receipts	588	617
Investing payments		
Purchases of assets		
Advances and investing payments	1 841	1 955
Total investing payments	1 841	1 955
NET CASH FROM INVESTING ACTIVITIES	- 1 253	- 1 338
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received	- 88	
Equity injections		
Capital Appropriation	329	53
Other equity injections	638	
Total financing receipts	879	53
Financing payments		
Repayment of borrowings	329	53
Finance lease payments		
Equity withdrawals	12 174	
Total financing payments	12 503	53
NET CASH FROM FINANCING ACTIVITIES	- 11 624	
Net increase(+)/decrease(-) in cash held	- 12 130	171
Cash at beginning of financial year	12 564	434
CASH AT END OF FINANCIAL YEAR	434	605