

Appendix 2: Explanatory Terms

Capital Grants

Capital grants are provided to fund the construction or upgrade of significant assets that are owned by entities outside the Budget Sector (grant recipients). Works may either be managed by the grant recipient (to which the grant is provided directly), or by the Department of Planning and Infrastructure, in which case grant funds are held by the agency that is providing the grant and the asset is handed over to the grant recipient on completion of construction.

Capital Works

Capital works are defined as building and engineering works that create an asset, as well as constructing or installing facilities and fixtures associated with, and forming an integral part of, those works. This definition focuses on capital projects where construction activity is required in order to create an asset. Capital works projects would typically include constructing buildings, roads and bridges, installing large airconditioning plants or lifts, upgrading or extending existing buildings, and major roadworks that upgrade existing roads. A further breakdown is provided with a split between major and minor new works (see definitions below).

The definition excludes capital items, which are capital purchases where limited construction or fabrication is required, such as equipment and vehicles. Repairs and maintenance work is also excluded as this work relates to maintaining an existing asset in a workable condition, not constructing or upgrading an asset.

Committal Target Date

The committal target date gives an indication of the likely date that a project will commence, with design work and planning completed. It should be noted that this date is the best assessment that construction authorities are able to provide at Budget time and is subject to change. It can be affected by a number of factors in the preparatory stages that can change the timeframe, such as delays in obtaining clearances, weather conditions, design modifications and consultation processes.

Government Owned Corporation

A government owned corporation is a corporatised commercial entity within the terms of the *Government Owned Corporations Act* and is not included in the Budget Sector due to its commercial nature. Power and Water Corporation is the Territory's one government owned corporation.

Infrastructure Program

The Infrastructure Program is the amalgamation of capital works, capital grants, repairs and maintenance, and infrastructure-related expenses. It is the Northern Territory Government's total commitment to the construction and maintenance of assets across the Territory (including both Government and non-government owned assets).

Infrastructure-Related Expenses

Infrastructure-related expenses are operational costs that directly relate to the Infrastructure Program and ensure that infrastructure development information is centrally recorded. These expenses cover items such as strategic infrastructure planning and programs of low value projects that individually do not classify as assets (for example, signage and landscaping).

Major New Works

Major new works are construction projects that relate to improvements or construction of a new Territory Government asset with an estimated value greater than \$300 000.

Minor New Works

Minor new works are construction projects that relate to improvements or construction of a new Territory Government asset with an estimated value of \$300 000 or less.

New Works

New works are those projects approved to start in the 2007-08 financial year. Individual new works projects are recorded in this Budget Paper for projects over \$300 000 (major new works), with projects of \$300 000 or less (minor new works) recorded in aggregate.

Program Delivery

Program delivery comprises the indirect costs required to facilitate capital works projects. These costs include project management, development and design services and costs for plans. Program delivery costs are recorded individually for major works projects and are added to the value of the capital assets that are constructed.

Repairs and Maintenance

Repairs and maintenance works are undertaken to maintain existing assets in working condition. Repairs and maintenance keep an asset functioning at its current capacity and do not enhance the asset significantly or extend its useful life. This is in contrast to capital works on existing assets, which will substantially change or improve the asset through expansion or upgrade.

Repairs and maintenance are operational expenses recorded by agencies. Repairs and maintenance grants may also be provided to entities outside the Budget Sector to enable these entities to maintain their assets.

Revoted Works

Revoted works are capital works programmed in previous years that are carried forward into the next year.

As construction of larger projects will often span more than one year, the works which are not completed at the end of the financial year are revoted out of that year and into the new budget year. These incomplete portions of projects are referred to as revoted works and are distinct from new works, which are new projects introduced to the Infrastructure Program in the budget year.