

Part 3

# Revenue



# Revenue

## Summary

CATEGORY	2007-08	2008-09	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Taxation Revenue	496 050	496 878	828
Grants and Subsidies Revenue	2 966 884	3 108 892	142 008
Sales of Goods and Services	278 196	271 494	- 6 702
Interest Revenue	206 111	241 956	35 845
Royalties, Rents and Dividends	116 655	113 594	- 3 061
Gain/Loss on Disposal of Assets	6 724	18 473	11 749
Other Revenue	35 698	18 083	- 17 615
<b>TOTAL</b>	<b>4 106 318</b>	<b>4 269 370</b>	<b>163 052</b>

## Overview

This part of *Budget Paper No. 3* provides a detailed breakdown of the revenue for Northern Territory Government agencies, business divisions and the Central Holding Authority (CHA). Each revenue category is described and key variations summarised.

Revenue earned by the Northern Territory Government is broadly classified into either agency revenue or Territory revenue and can be disaggregated into functional category.

Agency revenue is earned through voluntary exchange transactions or fees paid for services. Examples of agency revenue are charges for the use of Government facilities, training course fees and sales of government products such as maps. Recurrent specific purpose grants from the Commonwealth and revenue earned by government business divisions are also classified as agency revenue. Agency revenue is paid into agency operating accounts and is retained by the agency and used to meet related expenses.

Territory revenue is paid to the CHA, is generally received from compulsory statutory fees or taxes, and is often not accompanied by a direct or specific service provided in return. Examples of Territory revenue are payroll tax, stamp duty, motor vehicle registration fees and fines. Goods and services tax (GST) revenue is classified as Territory revenue.

Territory revenue is collected and administered by agencies on behalf of the CHA and reported separately as 'Income Administered for the CHA'. Territory revenue is the source of funds for appropriation provided to agencies (see Part 1).

Territory and agency revenue is recorded in the financial statements of each agency included in Part 1 of this Budget Paper. This part of *Budget Paper No. 3* records, for each revenue category, the revenue earned by each agency and government business division, including revenue from both external clients and Territory Government entities. Following each table is a description of each revenue category and significant variances (where applicable).

Revenue is also reported in *Budget Paper No. 2* where the whole of government financial performance is presented. In this presentation, transactions between Territory Government entities are consolidated. As an example of the impact of the different presentation, all agencies pay payroll tax to the CHA and this would be reported as CHA income in *Budget Paper No. 3*, but the payment by agencies and receipt by the CHA would offset each other in the *Budget Paper No. 2* presentation.

As a government owned corporation, the Power and Water Corporation is not included in the Territory's budget sector and charges raised by it are not in the following tables. However, tax equivalents and dividends paid by the Power and Water Corporation to the CHA are recorded in the relevant tables as revenue for the CHA. Community service obligation (CSO) payments to the government owned corporation (GOC) and government business divisions (GBD) are outlined in Part 2 of this Budget Paper.

## Taxation Revenue

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Central Holding Authority</b>	<b>493 625</b>	<b>494 055</b>	<b>430</b>
Payroll tax	202 612	206 223	3 611
Stamp duty	161 778	156 004	- 5 774
Lotteries, gaming and wagering tax	68 738	73 724	4 986
Light vehicle registration	11 364	11 364	
Heavy vehicle registration	9 536	9 536	
Income tax equivalents <sup>1</sup> :			
Northern Territory Treasury Corporation	7 229	5 889	- 1 340
Darwin Bus Service	120	144	24
Construction Division	572	656	84
Data Centre Services	822	926	104
Government Printing Office	42	42	
NT Fleet	2 909	2 967	58
Power and Water Corporation	24 788	21 748	- 3 040
Territory Insurance Office (TIO)	2 700	4 400	1 700
Local Government rates equivalents:			
Darwin Port Corporation	184	190	6
Power and Water Corporation	231	239	8
<b>Department of Justice</b>	<b>2 425</b>	<b>2 823</b>	<b>398</b>
Community benefit levy	2 425	2 823	398
<b>TOTAL</b>	<b>496 050</b>	<b>496 878</b>	<b>828</b>

<sup>1</sup> GBDs not shown paid no tax in 2007-08 and are not expected to in 2008-09.

## Taxation Revenue

Taxation revenue consists of compulsory levies imposed by Government that are designed to raise revenue that the Government can apply to provide public services to the Territory community. Taxation revenue does not relate to a payment for goods and services provided. Taxation revenue only includes revenue raised from Northern Territory Government levies and does not include Commonwealth taxes.

A number of significant revenue initiatives are included in this Budget:

- reduction in stamp duty conveyance rates and an increase in the First Home Owner Concession from \$350 000 to \$390 000, estimated to cost \$12 million;
- reduction in the payroll tax rate from 6.2 per cent to 5.9 per cent, estimated to cost \$7.2 million; and
- payroll tax harmonisation initiatives with all states in eight agreed areas, estimated to cost \$1.7 million.

Overall gross taxation revenue collections are forecast to increase by \$0.8 million, or around 0.2 per cent, in 2008-09.

**Payroll tax** is a significant component in the taxation revenue category. The forecast for 2008-09 comprises:

- \$146.6 million forecast collections from private sector businesses, public financial and non financial corporations; and
- \$59.6 million forecast collections from general government agencies and government business divisions.

The forecast \$3.6 million increase in collections is the net impact of employment and wages growth in the Territory economy somewhat offset by the cost to the Budget of lowering the payroll tax rate and the payroll tax harmonisation initiatives.

**Stamp duty** collections are another large contributor in this revenue category and consist of stamp duty derived from property conveyances, insurance premiums, motor vehicle registration transfers, and other minor duties. Stamp duty collections are forecast to decline by \$5.8 million in 2008-09. This is the net impact of the expected increase in stamp duty collections offset by the \$12 million cost of reducing conveyance stamp duty rates and increasing the First Home Owner Concession.

**Tax equivalents regime** collections result from a national agreement that requires government businesses to pay the equivalent of income tax and local government rates on the same basis as private sector entities. The tax equivalents regime ensures public sector entities which operate with a commercial focus do not have a competitive advantage over their private sector counterparts. The Power and Water Corporation and Darwin Port Corporation also pay local government rates equivalents to the CHA.

The \$2.4 million reduction is mainly the result of lower tax to be paid by the Power and Water Corporation in 2008-09 due to a lower expected operating result.

**Gambling taxes** mainly comprise lotteries tax, bookmakers' betting tax, casino tax, gaming machine tax and wagering tax. The forecast increase of \$5 million is predominantly due to increased turnover from community gaming machines and increased receipts from bookmaker's betting tax.

## Grants and Subsidies Revenue

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL PURPOSE GRANTS</b>	<b>2 185 727</b>	<b>2 415 082</b>	<b>229 355</b>
<b>Central Holding Authority</b>	<b>2 185 727</b>	<b>2 415 082</b>	<b>229 355</b>
GST revenue	2 174 400	2 405 900	231 500
Natural Disaster Relief and Recovery Arrangements	7 168	4 607	- 2 561
Grants in lieu of uranium royalties	4 159	4 575	416
<b>COMMONWEALTH TIED GRANTS</b>	<b>650 896</b>	<b>566 066</b>	<b>- 84 830</b>
<b>Department of the Chief Minister</b>	<b>62</b>	<b>47</b>	<b>- 15</b>
National Indigenous Cadetship Program	31	31	
National Action Plan	20		- 20
National Harmony Day		5	5
Other	11	11	
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>26 029</b>	<b>4 925</b>	<b>- 21 104</b>
Northern Territory Emergency Response – Operation Themis	16 062		- 16 062
Airport policing initiative	4 433	4 433	
Minimum Nationwide Person Profile project	2 545	150	- 2 395
Urban Search and Rescue Capability Development	1 235		- 1 235
Galiwin'ku Police Station	509		- 509
Skilling Australia's Workforce	508	342	- 166
Illicit Drug Diversion	211		- 211
Drug Use Monitoring	204		- 204
Tactical Response exercise	200		- 200
Peace at Home	122		- 122
<b>Department of Employment, Education and Training</b>	<b>158 613</b>	<b>134 102</b>	<b>- 24 511</b>
Non-government schools – recurrent	54 764	54 660	- 104
Government schools – recurrent	23 506	22 703	- 803
Indigenous Education Strategic Initiatives Program	20 121	18 092	- 2 029
Skilling Australia's Workforce – recurrent	14 137	13 451	- 686
Targeted programs – government schools and joint schools programs	11 799	9 587	- 2 212
Northern Territory Emergency Response	9 889	4 890	- 4 999
Investing in our Schools – government	6 847		- 6 847
Non-government schools – capital	6 477	5 898	- 579
Skilling Australia's Workforce – capital	4 660	3 970	- 690
Information Technology – Clever Network Project	3 713	567	- 3 146
Investing in our Schools – non-government	1 398		- 1 398
National Accelerated Literacy Program	900		- 900
National Indigenous Cadetship program	280	280	
Access Asia	75		- 75
Other	47	4	- 43

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**Grants and Subsidies Revenue – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Northern Territory Treasury</b>	<b>14</b>	<b>14</b>	
National Indigenous Cadetship Program	14	14	
<b>Central Holding Authority</b>	<b>21 597</b>	<b>4 067</b>	<b>- 17 530</b>
Government schools – capital	9 650	4 067	- 5 583
Tasks of Opportunity – Upgrade to Aerodromes in Remote Communities	4 620		- 4 620
Galiwin'ku Police Station	3 538		- 3 538
Wadeye Health Clinic	2 539		- 2 539
Desert Knowledge Australia Business Innovation Centre	1 250		- 1 250
<b>Department of Planning and Infrastructure</b>	<b>41 894</b>	<b>56 594</b>	<b>14 700</b>
AusLink – capital	14 772	33 663	18 891
AusLink – repairs and maintenance	14 580	14 580	
Roads to Recovery – Local Roads	8 000	4 000	- 4 000
Roads to Recovery – Strategic Regional Roads	3 560	3 429	- 131
Blackspot Roads	672	672	
Interstate Road Transport	250	250	
Water Sensitive Project	60		- 60
<b>Department of Health and Families</b>	<b>241 610</b>	<b>189 220</b>	<b>- 52 390</b>
Health care grants	122 946	128 676	5 730
Northern Territory Emergency Response	30 997		- 30 997
Primary Health Care Services	13 545	7 190	- 6 355
Trauma Centre <sup>1</sup>	13 500	13 700	200
Home and Community Care	7 567	7 569	2
Essential Vaccines	7 049	3 210	- 3 839
Disabilities Services	6 593	6 705	112
Highly Specialised Drugs	6 426	6 385	- 41
Health Connect	6 315		- 6 315
Supported Accommodation Assistance Program	4 787	4 891	104
National Public Health	4 087	4 137	50
Home and Community Care (Community Development Employment Project)	2 485		- 2 485
Health Check	1 800		- 1 800
Illegal fisherpersons	1 300		- 1 300
Diversions Program	1 224	1 200	- 24
Medical Specialist Outreach	1 147	1 126	- 21
Juvenile diversion persons	1 010		-1 010
Pensioner Concessions	995	1 013	18
Centre for Disease Control	933	356	- 577
Aged Care Assessment	859	874	15
Family Violence	833		- 833

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**Grants and Subsidies Revenue – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Department of Health and Families (continued)</b>			
Energy rebate	759	773	14
Borrooloola – Regional Health Services	646		- 646
Rheumatic Heart Disease Register	504		- 504
Supported Accommodation Assistance Program – innovation and investment	407	436	29
Advanced Specialist Training Post	225	126	- 99
National Indigenous Cadetship Program	218	140	- 78
Other	2 453	713	- 1 740
<b>Department of Justice</b>	<b>4 880</b>	<b>2 700</b>	<b>- 2 180</b>
Compensation – companies regulation	2 523	2 523	
Northern Territory Emergency Response – alcohol compliance	2 180		- 2 180
Indigenous Education Strategic Initiatives Program	177	177	
<b>Tourism NT</b>	<b>89</b>	<b>150</b>	<b>61</b>
Indigenous tourism business hub	59	150	91
Indigenous website development	30		- 30
<b>Department of Business, Economic and Regional Development</b>	<b>602</b>		<b>- 602</b>
Emerging Indigenous Entrepreneurs Initiative	437		- 437
Indigenous Small Business Fund – market research	120		- 120
Structured Training and Employment Projects – music program	45		- 45
<b>Department of Primary Industry, Fisheries and Mines</b>	<b>10 581</b>	<b>9 194</b>	<b>- 1 387</b>
Renewable Remote Power Generation – capital	6 179	7 193	1 014
Solar Cities Project – capital	3 000	1 500	- 1 500
Natural Heritage Trust Pastoral Extension/Enterprise Planning	534	186	- 348
FarmBis	300		- 300
Renewable Remote Power Generation – recurrent	279	315	36
Hazard Site Surveillance	93		- 93
Exceptional Circumstances Drought Subsidies	90		- 90
Other	106		- 106
<b>Department of Natural Resources, Environment and the Arts</b>	<b>9 081</b>	<b>4 913</b>	<b>- 4 168</b>
Natural Heritage Trust	4 883	3 860	- 1 023
Weed control	555	123	- 432
Biodiversity marine, monitoring and regional surveys	492	36	- 456
Water Smart Australia	400	236	- 164
Regional natural resource management facilitator	392		- 392
Water Quality Protection Plan	371		- 371

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**Grants and Subsidies Revenue – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Department of Natural Resources, Environment and the Arts (continued)</b>			
Regional arts funding	340		- 340
Land, water and vegetation assessment	308	5	- 303
Gulf Water Study	272	275	3
Museum and art gallery grants	200		- 200
National Landcare Program	135		- 135
Wetlands Aquatic Health	115	3	- 112
Litter abatement	100		- 100
Raising National Water Standards	89	173	84
Art at the Heart Conference	50	160	110
Other	379	42	- 337
<b>Department of Corporate and Information Services</b>	<b>960</b>	<b>1 057</b>	<b>97</b>
Skilling Australia's Workforce	960	1 057	97
<b>Department of Local Government, Housing and Sport</b>	<b>134 884</b>	<b>159 083</b>	<b>24 199</b>
National Aboriginal Health Strategy Crisis – Accommodation Assistance <sup>2</sup>	22 000	22 000	
Housing Assistance for Indigenous People – capital	20 543	20 543	
Community Housing and Infrastructure Program <sup>2</sup>	17 300	17 300	
Commonwealth-State Housing Agreement (CSHA) <sup>2</sup> block assistance/base funding – capital	13 612	13 612	
Financial Assistance Grants for Local Government – untied local roads grants	12 713	12 713	
Financial Assistance Grants for Local Government – general purpose assistance	12 654	12 654	
Tasks of Opportunity–Indigenous Essential Services	10 644		- 10 644
Strategic Indigenous Housing Infrastructure Funding	8 960	36 800	27 840
Healthy Indigenous Housing Initiative <sup>2</sup>	4 730	4 730	
Fixing Houses for Better Health	3 153		- 3 153
Information technology – Clever Networks Project	2 216	3 536	1 320
Development coordinator funding	1 800	2 400	600
Aboriginal Interpreter Services	1 681	1 156	- 525
Indigenous Employment Program	1 000	10 000	9 000
Community Housing Program – capital	689	689	
Indigenous Sports Program funding	523	523	
Crisis accommodation assistance	427	427	
Connecting Neighbours	120		- 120
Australian Sports Commission – Sport Development	105		- 105
Adult Learners Week – Community Heritage Grants for NT Libraries	14		- 14

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## Grants and Subsidies Revenue – continued

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>OTHER GRANTS AND SUBSIDIES<sup>3,4</sup></b>	<b>130 261</b>	<b>127 744</b>	<b>- 2 517</b>
<b>Department of Employment, Education and Training</b>	<b>170</b>	<b>150</b>	<b>- 20</b>
Welding Institute of Australia	80	80	
Learning Federation	70	50	- 20
Artists in Schools	20	20	
<b>Department of Justice</b>	<b>589</b>	<b>750</b>	<b>161</b>
Agents Licensing Fidelity Guarantee Fund	250	250	
Prison Officer in Training – Subsidy	140		- 140
Alcohol Harm Reduction Initiative Program	70		- 70
Credit NT Pilot	68		- 68
Indigenous Family Offenders Program	61		- 61
Prisoner education		500	500
<b>Territory Discoveries</b>	<b>1 925</b>	<b>1 934</b>	<b>9</b>
Operating subsidy	1 925	1 934	9
<b>Department of Health and Families</b>	<b>4 644</b>	<b>2 488</b>	<b>- 2 156</b>
Other	4 644	2 488	- 2 156
<b>Territory Housing</b>	<b>120 939</b>	<b>121 197</b>	<b>258</b>
Closing the Gap and other grant funding	16 000	10 000	- 6 000
Commonwealth-State Housing Agreement	35 271	35 271	
National Aboriginal Health Strategy	22 000	22 000	
Community Housing and Infrastructure Program	17 300	17 300	
Strategic Indigenous Housing Infrastructure Program <sup>5</sup>	27 160	33 300	6 140
Other	3 208	3 326	118
<b>Department of Natural Resources, Environment and the Arts</b>	<b>1 977</b>	<b>1 225</b>	<b>- 752</b>
Fire management (Conoco Phillips)	1 075	1 075	
Museum and Art Gallery grants	284		- 284
Biodiversity regional surveys	240		- 240
Biodiversity marine	154	65	- 89
Herbaria grants	111		- 111
Alice Springs Town Council–art collection management	85	85	
Other	28		- 28
<b>Territory Wildlife Parks</b>	<b>17</b>		<b>- 17</b>
Other	17		- 17
<b>TOTAL</b>	<b>2 966 884</b>	<b>3 108 892</b>	<b>142 008</b>

1 Royal Darwin Hospital - Equipped, Prepared and Ready.

2 On-passed to Territory Housing.

3 These grants are not from Commonwealth sources.

4 CSO revenue received by GBDs is not included in this category. CSO payments are outlined in Part 2 of this Budget Paper.

5 Includes part of the Territory Government's five-year \$100 million commitment to improve remote Indigenous housing.

## Grants and Subsidies Revenue

Grants and subsidies revenue encompasses revenue received for general and specific purposes. The majority of grants and subsidies revenue is received from the Commonwealth as either general purpose grants or tied grants (referred to as specific purpose payments (SPPs)), although revenues are also received from non-Commonwealth sources.

## Financial Reforms

In December 2007, the Council of Australian Governments (COAG) agreed to reform the architecture of Commonwealth State financial relations, and agreed on the key elements of a new Intergovernmental Agreement on Commonwealth State Financial Arrangements. The Agreement is to be finalised by the end of 2008 following negotiations on outputs, outcomes, reforms, performance indicators and funding arrangements.

The reforms will result in a significant rationalisation of SPPs, with the current 92 SPPs reduced to around five new SPPs without a reduction in total Commonwealth SPP funding. Under the reform, SPPs will be converted to either:

- national SPPs in the areas of education and early childhood, health, housing, vocational education and training and disabilities services;
- national partnership payments; or
- general revenue grants.

The new SPP arrangements are expected to commence from 1 January 2009. This chapter discusses the major SPPs the Territory currently receives, although it should be noted that changes as a result of the COAG SPP reforms are likely to be phased in from 1 January 2009.

## Major Categories of Grants and Subsidies

**General Purpose Grants** are untied grants from the Commonwealth, provided to the Territory without restriction as to how the funds can be applied.

**Commonwealth Tied Grants** are payments that must be applied to designated services or functions. The majority of these grants are classified by the Commonwealth as SPPs, which are often subject to conditions outlined in formal agreements.

Historically, there have been differences between Commonwealth and Northern Territory budget papers in the scope of grants classified as SPPs.

Differences between Northern Territory and Commonwealth budget estimates will remain because the estimates are influenced by factors such as differences in growth parameters and the expected take up of payments based on demand. The Commonwealth also publishes numerous payments made to non-government organisations and off-budget entities as specific purpose payments.

Capital SPPs received from the Commonwealth for the purpose of constructing new or improving existing Territory Government assets are regarded as Territory revenue. Accordingly, they are recognised and recorded by the CHA with capital appropriation then provided to the Department of

Planning and Infrastructure (DPI) to undertake the work. The exception to this is capital SPPs received directly by DPI.

**Other Grants and Subsidies** are grant funds received from organisations other than the Commonwealth. These include sponsorship and donation programs from private sector corporations or non-government research bodies. This category can include grants and subsidies received by agencies or government business divisions from other Territory entities, but excludes community service obligation revenue received by government business divisions and the government owned corporation.

A description of major grants and for each agency follows.

The figures reported are estimates made by the Territory Government.

## Commonwealth Grants and Subsidies

Total Commonwealth grants and subsidies to the Territory in 2008-09 are estimated to be \$2981.1 million compared with \$2836.6 million in 2007-08. Total grants in 2008-09 include an estimated \$2405.9 million in goods and services tax (GST) revenue.

## General Purpose Payments

Most Commonwealth funding to the Territory is in the form of untied grants. Untied grants comprise GST revenue and general purpose payments. In accordance with the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (Intergovernmental Agreement), the Commonwealth Grants Commission (CGC) recommends the distribution of GST revenue collections based on the principle of horizontal fiscal equalisation.

The 2008-09 Commonwealth Budget will be released after the Northern Territory Budget, and will include revised GST revenue estimates for the Territory for both 2007-08 and 2008-09. These estimates will be based on the latest GST and population data. In June 2008 the Commonwealth Treasurer will issue his determination in respect of payments to the states and territories. The Territory Government will revise its own revenue estimates based on this determination, and updated data will be reflected in the 2008-09 Mid-Year Report.

A more detailed discussion of the factors that determine GST revenue is included in *Budget Paper No. 2*.

## Commonwealth Tied Grants

Under the Intergovernmental Agreement, the Commonwealth has committed to maintaining the aggregate level of SPPs made to the states and territories. SPPs are provided subject to conditions, typically in line with Commonwealth policy objectives. In many cases, states are required to match Commonwealth funding or to maintain existing levels of funding. These conditions reduce flexibility in resource allocation and, in some cases, can result to sub optimal outcomes.

The Territory expects to receive more than \$566 million in Commonwealth tied grants and other direct grants in 2008-09, including those made directly

to agencies. This represents 19 per cent of Commonwealth funding to the Territory in 2008-09. A description of major payments is given below.

## Department of Employment, Education and Training

### Government and Non-Government Schools

Government and non-government schools grants include recurrent and capital components. Recurrent grants assist schools to meet the costs to provide educational programs directed at Commonwealth and state priorities. Capital grants are used to improve or add to infrastructure and are indexed to movements in the Building Price Index. Capital grant funding used for construction is recorded in the CHA.

State and territory governments hold primary responsibility for funding government schools, with the Commonwealth providing supplementary assistance to achieve jointly agreed specific objectives. Commonwealth grants represent around 5 per cent of the total public spending on Government schools in the Territory, with the balance provided by the Territory Government.

The Territory expects to receive \$26.8 million for Government schools in 2008-09.

Non-government schools grants are paid to the states for on-passing to private schools. Commonwealth grants represent approximately 59 per cent of total public spending on non-government schools in the Territory, with the balance provided by the Territory Government.

It is estimated the Territory will receive \$60.6 million for on-passing to non-government schools in 2008-09.

### Indigenous Education

The 2005-2008 Indigenous Education Strategic Initiatives Program aims to close the gap between Indigenous and non-Indigenous educational outcomes. Main elements of the program include:

- Supplementary Recurrent Assistance;
- English as a Second Language for Indigenous Language Speaking Students;
- National Indigenous English Literacy and Numeracy Strategy;
- Working Together for Indigenous Youth; and
- Indigenous Tutorial Assistance Scheme.

Commonwealth funding for this program is estimated to be \$18.1 million in 2008-09. Beyond the current program, funding will depend on the outcome of the SPP Reform Agenda.

### Skilling Australia's Workforce

The Skilling Australia's Workforce Agreement 2005-2008 marks a significant change in funding and governance arrangements for vocational education and training (VET).

The Commonwealth is expected to provide \$60.2 million to the Territory over the term of the agreement, including \$17.4 million in 2008-09. The Northern

Territory's funding commitment over the same period is \$243.9 million, including \$63.9 million in 2008-09. Beyond the current agreement, funding will depend on the outcome of the SPP Reform Agenda.

## Department of Planning and Infrastructure

### AusLink

AusLink is a program designed to promote regional and national development through developing efficient and reliable transport networks. The AusLink National Network is based on national, regional and urban transport corridors, links to ports and airports and interconnections between road and rail.

The Commonwealth provides funding for projects falling within the AusLink National Network, with states and territories bidding for funding which is provided on a cost-sharing basis. States and territories assume the risk of budget over-runs.

Commonwealth funding for this agreement is estimated to be \$48.2 million in 2008-09.

## Department of Health and Families

### Health Care Grants

The current Australian Health Care Agreement (AHCA) expires on 30 June 2008 but is to be rolled over for one year pending the outcome of the SPP Reform Agenda. The new National Healthcare Agreement and funding arrangements are expected to commence on 1 July 2009.

Health care grants under the AHCA are primarily used to fund public hospital services, but also fund mental health services, palliative care and improved safety and quality of patient services. Health care grants are the largest single SPP to the states and territories and are subject to stringent reporting and financial conditions.

Additional funding of \$5.7 million in 2007-08 has been provided under the AHCA and the Commonwealth has committed \$128.7 million in 2008-09.

### Trauma Centre

In 2005 the Territory signed a five-year agreement with the Commonwealth to establish the Royal Darwin Hospital as the National Critical Care and Trauma Response Centre (NCCTRC). The Royal Darwin Hospital – Equipped, Prepared and Ready Agreement acknowledges Darwin's strategic position in relation to Australia's defence and international activities in the Asia Pacific region. Under the agreement the hospital will assist develop Australia's frontline medical preparedness and emergency response capability.

Commonwealth funding for this agreement is estimated to be \$13.7 million in 2008-09.

### Home and Community Care

The Home and Community Care program provides basic maintenance and support services to frail aged and disabled younger people to enable them to stay in their homes and avoid premature or unnecessary admission to residential care. State and territory governments are responsible for managing

the program, approving individual projects and reporting outcomes to the Commonwealth.

The Commonwealth contributes about 70 per cent of program funding, with state and territory governments providing the balance. The Territory expects to receive \$7.6 million as part of the Home and Community Care program in 2008-09.

### Disabilities Services

The Disabilities Services payment is governed by the Commonwealth State Territory Disability Services Agreement. The agreement funds services to improve the quality of life for people under the age of 65 with severe disabilities.

Commonwealth funding for this agreement is estimated to be \$6.7 million in 2008-09.

### Highly Specialised Drugs

The Highly Specialised Drugs Agreement was established in 1991 and is an adjunct to the Pharmaceutical Benefits Scheme. The agreement ensures community access to specialised, high cost medication that must be supplied through hospitals. The process to incorporate drugs onto the Highly Specialised Drugs Program is similar to that for general benefits listing.

Under the agreement, states provide funding for inpatient usage of highly specialised drugs within public hospitals, with the Commonwealth providing subsidised access for outpatients. The quantum of funding is determined by a demand assessment.

Commonwealth funding for this agreement is estimated to be \$6.4 million in 2008-09.

### Supported Accommodation Assistance

The Supported Accommodation Assistance program provides transitional supported accommodation and other support services to people who are homeless or at imminent risk of becoming homeless. State and territory governments administer and manage the program, with the Commonwealth responsible for national strategic planning, evaluation and reporting.

Commonwealth funding for this program is estimated to be \$4.9 million in 2008-09.

## Department of Primary Industry, Fisheries and Mines

### Renewable Remote Power Generation

The Renewable Remote Power Generation Program (RRPGP) provides funds to install renewable generation equipment in remote areas that rely on fossil fuel for electricity generation.

Commonwealth funding is allocated on the basis of the amount of diesel fuel excise paid by public electricity generators outside the Darwin, Katherine and Alice Springs grid systems. The RRPGP typically funds up to 50 per cent of a Government-approved project's capital costs.

Commonwealth funding for this program is estimated to be \$7.5 million in 2008-09.

## Department of Natural Resources, Environment and the Arts

### Natural Heritage Trust

The Natural Heritage Trust (NHT) was established by the Commonwealth in 1997 to help restore and conserve Australia's environment and natural resources. Programs funded under NHT include Bushcare, Coastcare, Landcare and Rivercare.

A condition of the bilateral agreement is that NHT projects in the Territory must prioritise water management and allocation issues, develop legislative controls for clearance of native vegetation, resolve land claim and native title issues associated with parks and reserves, and develop Territory-wide strategies for fire, weeds and feral animal management. The program is to expire on 30 June 2008. A future agreement is expected to encompass both the NHT and the National Action Plan for Salinity and Water Quality.

Commonwealth funding for this agreement is estimated to be \$3.9 million in 2008-09. Beyond the current agreement, funding will depend on the outcome of the SPP Reform Agenda.

## Department of Local Government, Housing and Sport

### Commonwealth State Housing Agreement – Block Assistance/Base Funding

Untied housing assistance funding is provided under the Commonwealth State Housing Agreement (CSHA) to provide public rental housing. CSHA funding is paid to the Department of Local Government, Housing and Sport and is on-passed to Territory Housing.

The CSHA includes a multilateral agreement between all states and territories with the Commonwealth setting out funding levels, grant indexation and sanctions; and a bilateral agreement between the Territory and the Commonwealth detailing agreed strategic directions and performance measures. Under the agreements there are four funding streams: CSHA block assistance, the Aboriginal Rental Housing Program (ARHP), the Crisis Accommodation Program and the Community Housing Program.

Features of the CSHA include matched funding conditions (states and territories must match 48.95 per cent of Commonwealth base funding); indexation by a composite measure of inflation; and the application of a 1 per cent per annum efficiency dividend. The agreement also allows for a 5 per cent reduction in funding if states and territories fail to meet reporting requirements and other conditions, including the attraction of investment in public housing from external sources.

The Territory expects to receive \$14.7 million in CSHA funding in 2008-09, including \$13.6 million in base funding, \$0.7 million for the Community Housing Program and \$0.4 million for Crisis Accommodation Assistance.

The CSHA expires on 30 June 2008 but is to be rolled over into 2008-09 pending the outcome of the SPP Reform Agenda. The new National Affordable Housing Agreement (NAHA) and funding arrangements are expected to commence on 1 January 2009.

## Indigenous Housing and Infrastructure Agreement

The Indigenous Housing and Infrastructure Agreement (IHIA) between the Commonwealth and Territory governments formalises a common policy framework for the delivery of housing and housing related infrastructure for Indigenous people within the Territory across the following programs:

- the Indigenous component of the Community Housing and Infrastructure Program (CHIP);
- the Indigenous component of the National Aboriginal Health Strategy;
- the Healthy Indigenous Housing Initiative; and
- the capital component of CSHA Housing Assistance for Indigenous People.

Commonwealth funding for the program in 2008-09 is \$57.6 million.

The Commonwealth and the Northern Territory governments signed a Memorandum of Understanding (MOU) in September 2007 committing \$793 million over four years for housing and related services for Indigenous people in the Territory. The MOU includes all existing Commonwealth commitments for Indigenous specific housing funding to the Territory. Funding under the MOU will be provided under the auspices of the new Australian Remote Indigenous Accommodation program which will replace CHIP.

The IHIA expires on 30 June 2008 and future funding for Indigenous housing initiatives will depend on the outcome of the SPP Reform Agenda, negotiations for the new NAHA to replace the CSHA and how programs relate to the MOU.

## Financial Assistance Grants to Local Government

Local Government Financial Assistance Grants are paid through the states and territories and give local governments the financial capacity to provide equitable service levels through General Purpose Assistance grants and Untied Local Roads grants.

General Purpose Assistance grants are allocated to the states and territories on a per capita basis and then distributed to local government authorities based on recommendations of the Local Government Grants Commission. The Commission's recommendations are based on the principles of horizontal fiscal equalisation.

Untied Local Roads grants are allocated to states and territories based on an historical formula and then distributed to local government authorities based on recommendations of the Local Government Grants Commission. The Commission's recommendations are based on shares of relevant infrastructure, such as road length and sealed pavements.

Both General Purpose Assistance and Untied Local Roads grants are indexed to account for population and inflation.

In 2008-09, the Territory expects to receive \$12.7 million in General Purpose Assistance grants for local government, and \$12.7 million in Untied Local Roads grants.

## Sales of Goods and Services

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>254 173</b>	<b>242 261</b>	<b>- 11 912</b>
<b>Auditor-General's Office</b>	<b>490</b>	<b>490</b>	
Recoverable audits	490	490	
<b>Northern Territory Electoral Commission</b>	<b>280</b>		<b>- 280</b>
Other	280		- 280
<b>Ombudsman's Office</b>	<b>38</b>	<b>31</b>	<b>- 7</b>
Commonwealth Ombudsman Service Agreement	38	31	- 7
<b>Department of the Chief Minister</b>	<b>2 725</b>	<b>2 807</b>	<b>82</b>
Recovery of agency costs	2 232	2 314	82
Corporate Service Charges from OCPE	420	420	
OCPE Apprentices Program	72	72	
Other	1	1	
<b>Department of the Legislative Assembly</b>	<b>55</b>	<b>21</b>	<b>- 34</b>
Room hire/Hansard fees	23	18	- 5
OCPE Apprentices Program	14	3	- 11
Other	18		- 18
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>4 050</b>	<b>4 125</b>	<b>75</b>
Fire protection – Commonwealth properties	1 400	1 400	
Security for United States Naval Vessels	500	500	
Ayers Rock Resort Corporation Receipts	354	354	
Nhulunbuy Corporation receipts	310	290	- 20
Emergency Management Australia Funding	188	188	
Australian Fisheries Management Authority	143	143	
Other	1 155	1 250	95
<b>Department of Employment, Education and Training</b>	<b>2 023</b>	<b>1 942</b>	<b>- 81</b>
TIO Driver Training and Licensing payment	1 016	1 016	
Teacher accommodation rent	430	430	
Regional training centres	140	140	
Callistemon House	138	138	
OCPE Apprentices Program	60	60	
OCPE Workforce Development	56		- 56
NT Worksafe	55	55	
International services – study tours	52	52	
International services – overseas students	38	38	
Centre for Appropriate Technology	25		- 25
Project employment	13	13	

(continued)

**Sales of Goods and Services – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Aboriginal Areas Protection Authority</b>	<b>465</b>	<b>465</b>	
Fees and charges	465	465	
<b>Northern Territory Treasury</b>	<b>378</b>	<b>381</b>	<b>3</b>
OCPE Apprentices Program	24	24	
Fees	354	357	3
<b>Central Holding Authority</b>	<b>12 156</b>	<b>12 277</b>	<b>121</b>
Motor vehicle and commercial vehicle licences	4 858	4 992	134
Exploration and pipeline licences	1 950	1 950	
Fees from regulatory services	1 856	1 856	
Fire alarm monitoring fees	1 435	1 435	
Licensing fees	742	742	
Teachers' Registration Board fees	620	620	
Building Advisory Service – building registration fees	418	418	
Marine fees	152	152	
Rail safety	100	100	
Other	25	12	- 13
<b>Department of Planning and Infrastructure</b>	<b>15 181</b>	<b>15 445</b>	<b>264</b>
Motor Vehicle Registry administration charges	4 862	4 862	
Bus fares and passes	2 156	2 156	
Department of Natural Resources, Environment and the Arts service level agreement for provision of land information services	1 508	1 508	
Rent charged on Government-owned buildings	1 405	1 405	
Business division support charges	1 248	1 248	
School bus passes	1 110	1 110	
Sale of products, maps and valuations	795	795	
Development assessment application fees	700	925	225
Pensioner concession bus passes	600	600	
Registry charges to other agencies	378	378	
Special bus services for Middle Schools	100		- 100
PowerWater service level agreement for Technology Services	76	76	
Special bus services for Arafura Games		139	139
Other	243	243	
<b>Construction Division</b>	<b>44 382</b>	<b>44 542</b>	<b>160</b>
Project management fees	44 382	44 542	160
<b>Office of the Commissioner for Public Employment</b>	<b>1 275</b>	<b>1 468</b>	<b>193</b>
NT Build salaries recovery	543	605	62
Professional programs	383	514	131
Project employment	349	349	

(continued)

**Sales of Goods and Services – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Department of Health and Families</b>	<b>34 430</b>	<b>26 018</b>	<b>- 8 412</b>
Cross border charges	13 200	11 582	- 1 618
Compensable patients (TIO, non-TIO and Workers Compensation)	4 495	1 249	- 3 246
Veterans' Affairs	2 324	1 068	- 1 256
Staff accommodation rent	1 994	254	- 1 740
District Medical Officer medical bulk billing	1 854	1 878	24
Stock recoveries	1 633	746	- 887
Hospital Patients (Private, Ineligible, Nursing Home)	1 631	500	- 1 131
Salaries recoveries	1 413	829	- 584
Rights to private practice facility fees	533	333	- 200
Rental of departmental facilities	432	202	- 230
Electricity recoveries	369	227	- 142
Additional services (Katherine West Health Board)	241	61	- 180
Darwin Private Hospital – service recoveries	105		- 105
Other	4 206	7 089	2 883
<b>Department of Justice</b>	<b>7 398</b>	<b>7 356</b>	<b>- 42</b>
Land title and mortgage lodgement fees	2 571	2 571	
Land title searches	932	932	
Fines recovery	640	640	
Civil Court fees	550	550	
Criminal Court fees	466	466	
Public Trustee commissions	405	405	
Registrar-General applications	320	320	
Number plate sales	247	247	
Business name registrations	200	196	- 4
Supreme Court fees	120	120	
Other	947	909	- 38
<b>Department of Business, Economic and Regional Development</b>	<b>870</b>	<b>712</b>	<b>- 158</b>
Desert Knowledge Precinct	600	600	
Indigenous Economic Development Forum	84		- 84
October Business Month	80	75	- 5
Indigenous Small Business Fund (ISBF) – market research	40		- 40
NT Research and Innovation Awards	29		- 29
Other	37	37	
<b>Land Development Corporation</b>	<b>816</b>	<b>1 226</b>	<b>410</b>
Rent	816	1 226	410

(continued)

**Sales of Goods and Services – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Tourism NT</b>	<b>946</b>	<b>779</b>	<b>- 167</b>
Territory Discoveries Service Level Agreement	578	578	
International Marketing fees	105		- 105
NT Brolga Awards	75	81	6
NT Convention Bureau	48		- 48
Accreditation Program	20		- 20
Other	120	120	
<b>Territory Discoveries</b>	<b>5 300</b>	<b>5 774</b>	<b>474</b>
Commissions	3 228	3 457	229
Information services for Tourism NT	1 128	1 184	56
Advertising	510	612	102
Participation fees	278	334	56
Cancellation fees	30	36	6
Other	126	151	25
<b>Territory Housing</b>	<b>33 456</b>	<b>33 024</b>	<b>- 432</b>
Rent and tenant charges	33 456	33 024	- 432
<b>Department of Primary Industry, Fisheries and Mines</b>	<b>10 411</b>	<b>5 605</b>	<b>- 4 806</b>
Offshore petroleum rents	3 980	980	- 3 000
Application, advertising and dealing fees (licences/titles)	1 825	410	- 1 415
Research farms trading accounts	1 400	1 400	
Water analysis testing	932	962	30
Sale of fingerlings	550	525	-25
Fisheries licence fees	338	348	10
Livestock export and diagnostic testing	327	327	
National Livestock Identification Scheme	320		- 320
Disease risk assessment	140	145	5
OCPE Apprentices Program	130	25	- 105
Australian Quarantine and Inspection Service	80	80	
Tanami Exploration Agreement	60	60	
Other	329	343	14
<b>Department of Natural Resources, Environment and the Arts</b>	<b>3 282</b>	<b>2 866</b>	<b>- 416</b>
Hydrographic and drilling projects	615	615	
Parks camping fees	580	580	
Alice Springs Cultural Precinct rent and charges	492	492	
Museum shop sales	430	430	
Museum other	256	256	
Territory Wildlife Parks service level agreement	242	242	

(continued)

## Sales of Goods and Services – continued

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Department of Natural Resources, Environment and the Arts (continued)</b>			
Library Services to the Department of Planning and Infrastructure	158		- 158
Wildlife management and permits	142	95	- 47
Trainee Program	127		- 127
Natural Resource Management	76	76	
Department of Corporate and Information Services – Apprentices Program	57	57	
Other	107	23	- 84
<b>Territory Wildlife Parks</b>	<b>2 219</b>	<b>2 166</b>	<b>- 53</b>
Fees and charges	2 219	2 166	- 53
<b>Department of Corporate and Information Services</b>	<b>10 504</b>	<b>10 604</b>	<b>100</b>
Rent recovery	5 000	5 000	
Business division corporate management charges	4 244	4 244	
Short courses	780	880	100
Salary sacrifice administrative fee	480	480	
<b>Government Printing Office</b>	<b>5 895</b>	<b>6 130</b>	<b>235</b>
Sales and charges	5 895	6 130	235
<b>NT Fleet</b>	<b>35 000</b>	<b>35 245</b>	<b>245</b>
Vehicle lease revenue	35 000	35 245	245
<b>Data Centre Services</b>	<b>18 754</b>	<b>19 429</b>	<b>675</b>
Information technology charges	18 754	19 429	675
<b>Department of Local Government, Housing and Sport</b>	<b>1 394</b>	<b>1 333</b>	<b>- 61</b>
Darwin Rates Act	572	572	
Marrara Indoor Stadium rental	118	118	
Other	704	643	- 61
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>23 552</b>	<b>28 762</b>	<b>5 210</b>
<b>Darwin Bus Service</b>	<b>6 575</b>	<b>6 740</b>	<b>165</b>
Contract revenue	6 575	6 740	165
<b>Darwin Port Corporation</b>	<b>16 977</b>	<b>22 022</b>	<b>5 045</b>
Commercial shipping – wharfage and berthage	11 638	16 065	4 427
Pilotage	2 374	2 609	235
Port dues	1 378	1 761	383
Property rental	552	552	
Mooring Basin charges	425	425	
Cruise and defence berthage and facility hire	380	380	
Wharf Precinct – shop rentals	230	230	

(continued)

## Sales of Goods and Services – continued

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>PUBLIC FINANCIAL CORPORATIONS</b>	<b>471</b>	<b>471</b>	
<b>Northern Territory Treasury Corporation</b>	<b>471</b>	<b>471</b>	
Investment management fees	471	471	
<b>TOTAL</b>	<b>278 196</b>	<b>271 494</b>	<b>- 6 702</b>

## Sales of Goods and Services

The sale of goods and services category includes fees and charges levied on regulatory functions, the provision of certain services, and the issue of licences and permits to carry out otherwise prohibited or restricted activities. Goods and services revenue is primarily collected by Government to recoup costs, particularly regulation costs.

This category also includes charges paid by one agency or government business division to another, with the main charges for 2008-09 being:

- Construction Division – infrastructure project management costs (\$44.5 million);
- Data Centre Services – computing and communication services (\$19.4 million); and
- NT Fleet – provision and management of Government vehicles (\$35.2 million).

Overall, the sale of goods and services revenue comprises 6 per cent of total revenue in 2008-09. Revenue received from the sale of goods and services is expected to decrease by \$6.7 million in 2008-09. The more significant variations are described below.

- The Department of Health and Families goods and services revenue is expected to decrease by \$8.4 million in 2008-09 due to decreased revenue from compensable patients and cross border charges, and rent received for staff accommodation due to this function transferring to Territory Housing.
- The Department of Primary Industry, Fisheries and Mines goods and services revenue is expected to decline by \$4.8 million in 2008-09 mainly due to revenue received from one-off fees for offshore petroleum dealings in 2007-08.
- Darwin Port Corporation goods and services revenue is expected to increase by \$5 million due to commercial shipping activity increasing in line with increased trade in bulk minerals and petroleum shipping.

## Interest Revenue

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>32 183</b>	<b>73 346</b>	<b>41 163</b>
<b>Northern Territory Treasury</b>	<b>1 460</b>	<b>1 563</b>	<b>103</b>
Interest	1 460	1 563	103
<b>Central Holding Authority</b>	<b>5 968</b>	<b>55 743</b>	<b>49 775</b>
Interest	38 358	29 373	- 8 985
Conditions of Service Reserve	- 32 390	23 370	55 760
Medium term investments		3 000	3 000
<b>Department of Planning and Infrastructure</b>	<b>1 605</b>	<b>96</b>	<b>- 1 509</b>
Interest on AusLink funding	1 605	96	- 1 509
<b>Construction Division</b>	<b>120</b>	<b>120</b>	
Interest on cash balances	120	120	
<b>Department of Business, Economic and Regional Development</b>	<b>20</b>	<b>20</b>	
Natural Disaster Relief and Recovery Arrangement loans	15	15	
Business loans	5	5	
<b>Territory Discoveries</b>	<b>400</b>	<b>480</b>	<b>80</b>
Interest	400	480	80
<b>Territory Housing</b>	<b>21 167</b>	<b>14 509</b>	<b>- 6 658</b>
Interest on loans	11 252	13 309	2 057
Interest on early loan repayment	6 338		- 6 338
Interest on cash balances	3 577	1 200	- 2 377
<b>Department of Natural Resources, Environment and the Arts</b>	<b>720</b>		<b>- 720</b>
Interest on Natural Heritage Trust <sup>1</sup> cash balances	720		- 720
<b>Territory Wildlife Parks</b>	<b>18</b>	<b>18</b>	
Interest on cash balances	18	18	
<b>Department of Corporate and Information Services</b>	<b>16</b>		<b>- 16</b>
Interest on cash balances	16		- 16
<b>Government Printing Office</b>	<b>125</b>	<b>65</b>	<b>- 60</b>
Interest on cash balances	125	65	- 60
<b>NT Fleet</b>	<b>329</b>	<b>370</b>	<b>41</b>
Interest on cash balances	329	370	41
<b>Data Centre Services</b>	<b>235</b>	<b>362</b>	<b>127</b>
Interest on cash balances	235	362	127
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>355</b>	<b>355</b>	
<b>Darwin Bus Service</b>	<b>235</b>	<b>235</b>	
Interest on cash balances	235	235	

(continued)

**Interest Revenue —continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Darwin Port Corporation</b>	<b>120</b>	<b>120</b>	
Interest on cash balances	120	120	
<b>PUBLIC FINANCIAL CORPORATIONS</b>	<b>173 573</b>	<b>168 255</b>	<b>- 5 318</b>
<b>Northern Territory Treasury Corporation</b>	<b>173 573</b>	<b>168 255</b>	<b>- 5 318</b>
Interest from general government	142 843	130 121	- 12 722
Interest from public non financial corporations	30 452	37 881	7 429
Gain on Territory Bonds	200	200	
Interest from local government	54	51	- 3
Interest from Charles Darwin University	24	2	- 22
<b>TOTAL</b>	<b>206 111</b>	<b>241 956</b>	<b>35 845</b>

<sup>1</sup>Interest revenue received for/on Natural Heritage Trust funds and on-passed to the Commonwealth.

**Interest Revenue**

This revenue category comprises interest earned on:

- investments of surplus cash balances;
- advances outstanding, such as home loans by Territory Housing;
- loans to local government bodies; and
- cash balances held by the CHA and government business divisions.

The \$35.8 million increase in interest revenue in 2008-09 reflects:

- positive returns expected from the Conditions of Service Reserve after a negative return in 2007-08 associated with volatility in equity markets. The estimated return for 2008-09 is \$23.4 million;
- CHA cash balances are estimated to be lower in 2008-09 leading to lower interest revenue, estimated at \$29.4 million, noting that current cash levels represent efficient cash management having regard to investment conditions;
- Territory Housing revenue is expected to decrease by \$6.7 million, largely due higher revenue in 2007-08 associated with a one-off gain associated with an interest rate differential; and
- Treasury Corporation interest revenue from general government is expected to decrease by \$12.7 million partly reflecting the early repayment of loans made to other entities. This is somewhat offset by interest revenue from public non financial corporations increasing by \$7.4 million, largely due to increased Power and Water Corporation borrowings.

## Royalties, Rents and Dividends

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Central Holding Authority</b>	<b>116 655</b>	<b>113 594</b>	<b>- 3 061</b>
Mining and petroleum royalties	88 394	88 000	- 394
land rents	5 343	5 138	- 205
Mining and petroleum rents	820	820	
Wildlife royalties	21	21	
Dividends from:			
Northern Territory Treasury Corporation	16 867	13 740	- 3 127
Territory Discoveries		347	347
NT Fleet	3 394	3 462	68
Data Centre Services	959	1 084	125
Construction Division	668	765	97
Darwin Bus Service	140	168	28
Government Printing Office	49	49	
<b>TOTAL</b>	<b>116 655</b>	<b>113 594</b>	<b>- 3 061</b>

## Royalties, Rents and Dividends

Revenue from royalties, rents and dividends is expected to decrease by \$3.1 million in 2008-09.

Mining and petroleum royalties, the most significant contributor for this category are expected to decrease by \$0.4 million to \$88 million in 2008-09 due to slightly weaker industry profitability.

Land rents relate primarily to payments made under certain landholding arrangements, for example, pastoral lease rents and mining lease rents, and are expected to decrease by \$0.2 million in 2008-09 to \$5.1 million.

Dividends represent a portion of profits from the government owned corporation and government business divisions paid to the Government through the CHA, and represent a return of the Government's investment.

The Power and Water Corporation reported a loss in 2006-07 due to asset write downs resulting from the application of accounting standards. This loss position means that PWC will make no dividend payment in 2007-08.

In 2007-08, following an assessment of service requirements, the Power and Water Corporation commenced a significant infrastructure investment program. Since then, the program has expanded as a result of cost escalations and additional necessary projects. Having regard to the significant investment required and the timing differences between expenditure on infrastructure and the return on investment, the Territory Government has committed to assist the Power and Water Corporation with this investment program through a combination of grant assistance and a dividend moratorium. The dividend moratorium means that the Corporation will not make a dividend payment in 2008-09.

Dividends received from other government business divisions are expected to decrease by \$2.5 million in 2008-09 to \$19.6 million.

## Gain/Loss on Disposal of Assets

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>6 664</b>	<b>18 353</b>	<b>11 689</b>
<b>Department of the Chief Minister</b>		<b>11 520</b>	<b>11 520</b>
Gain on disposal of assets		11 520	11 520
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>20</b>	<b>20</b>	
Gain on disposal of assets	20	20	
<b>Land Development Corporation</b>	<b>- 169</b>		<b>169</b>
Loss on disposal of assets	- 169		169
<b>Territory Housing</b>	<b>5 293</b>	<b>5 293</b>	
Gain on sale of assets	4 000	4 000	
Revaluation of Investments	1 293	1 293	
<b>Government Printing Office</b>	<b>20</b>	<b>20</b>	
Gain on disposal of assets	20	20	
<b>NT Fleet</b>	<b>1 500</b>	<b>1 500</b>	
Gain on disposal of vehicles	1 500	1 500	
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>60</b>	<b>120</b>	<b>60</b>
<b>Darwin Bus Service</b>	<b>60</b>	<b>120</b>	<b>60</b>
Gain on disposal of buses	60	120	60
<b>TOTAL</b>	<b>6 724</b>	<b>18 473</b>	<b>11 749</b>

## Gain/Loss on Disposal of Assets

This category includes gains and losses from asset disposals, primarily dwellings and vehicles, but also includes the sale of Crown Land.

The recognition of a gain or loss is an accrual concept and does not reflect the cash received on the sale of an asset, but rather the difference between an asset's written down book value and the sale proceeds. Nonetheless, consistent with Australian Accounting Standards, the Territory Government has adopted a current valuation methodology for most asset classes, meaning the book value of assets typically approximates the market value, and implies a minimal gain or loss on disposal.

For this reason, although some assets will be sold by Territory Government agencies in 2008-09, specific allowances for gains or losses on their disposal are not generally made.

Budget variations in gains/losses across years reflects the fact that the disposal of assets is typically a one-off occurrence rather than a regular business line.

Overall, there is expected to be an increased gain of \$11.7 million on disposal of assets in 2008-09 mainly due to the gain on stage 1 land sales for the residential component of the Darwin Waterfront development.

## Other Revenue

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>GENERAL GOVERNMENT</b>	<b>34 307</b>	<b>16 692</b>	<b>- 17 615</b>
<b>Department of the Chief Minister</b>	<b>45</b>	<b>45</b>	
Other revenue	45	45	
<b>Department of the Legislative Assembly</b>	<b>5</b>	<b>5</b>	
Building recoveries	2	2	
Other revenue	3	3	
<b>Northern Territory Police, Fire and Emergency Services</b>	<b>1 181</b>	<b>790</b>	<b>- 391</b>
Commonwealth Seconded Staff Arrangements	400	400	
Securing Our Regional Skies	129		- 129
Counter-terrorism training funding	125		- 125
Other	527	390	- 137
<b>Department of Employment, Education and Training</b>	<b>363</b>	<b>356</b>	<b>- 7</b>
Other	363	356	- 7
<b>Northern Territory Treasury</b>	<b>110</b>	<b>110</b>	
Other	110	110	
<b>Central Holding Authority</b>	<b>13 622</b>	<b>9 123</b>	<b>- 4 499</b>
Criminal infringement and other fines	9 601	8 598	- 1 003
Unclaimed monies	3 964	468	- 3 496
Oncosts	57	57	
<b>Department of Planning and Infrastructure</b>	<b>1 971</b>	<b>2 002</b>	<b>31</b>
Territory Insurance Office – road safety	1 021	1 056	35
Wharf Precinct electricity costs reimbursement	540	540	
Territory Insurance Office – motorcyclist training	332	343	11
Register of Encumbered Vehicles – sponsorship advertising	15		- 15
Other	63	63	
<b>Office of the Commissioner for Public Employment</b>	<b>2</b>	<b>2</b>	
Other	2	2	
<b>Department of Health and Families</b>	<b>1 727</b>	<b>706</b>	<b>- 1 021</b>
Centre for Disease Control	253		- 253
Remote Food Supply project	145		- 145
Indigenous Cord Blood Program	130		- 130
Kava Health Monitoring	58		- 58
Flu Immunisation Program	57		- 57
Tobacco National Pregnancy Project	53	11	- 42
Other	1 031	695	- 336
<b>Department of Justice</b>	<b>3 364</b>	<b>1 888</b>	<b>- 1 476</b>
Other	3 364	1 888	- 1 476

(continued)

**Other Revenue – continued**

	2007-08 Estimate	2008-09 Budget	Variation
	\$000	\$000	\$000
<b>Territory Housing</b>	<b>4</b>	<b>4</b>	
Other	4	4	
<b>Department of Primary Industry, Fisheries and Mines</b>	<b>3 015</b>	<b>1 298</b>	<b>- 1 717</b>
Private research and development corporations/organisations	2 998	1 298	- 1 700
Other revenue	17		- 17
<b>Department of Corporate and Information Services</b>	<b>70</b>	<b>70</b>	
Other	70	70	
<b>Government Printing Office</b>	<b>15</b>	<b>15</b>	
Other	15	15	
<b>NT Fleet</b>	<b>69</b>	<b>70</b>	<b>1</b>
Other	69	70	1
<b>Department of Local Government, Housing and Sport</b>	<b>8 744</b>	<b>208</b>	<b>- 8 536</b>
Funding for Remote Housing Reform Unit	6 960		- 6 960
Funding from the Bill and Melinda Gates Foundation	1 122		- 1 122
Other	662	208	- 454
<b>PUBLIC NON FINANCIAL CORPORATIONS</b>	<b>1 391</b>	<b>1 391</b>	
<b>Darwin Bus Service</b>	<b>264</b>	<b>264</b>	
Diesel and Alternative Fuels Grants Scheme	264	264	
<b>Darwin Port Corporation</b>	<b>1 127</b>	<b>1 127</b>	
Other	1 127	1 127	
<b>TOTAL</b>	<b>35 698</b>	<b>18 083</b>	<b>- 17 615</b>

**Other Revenue**

This revenue category includes:

- fines that are defined by the Australian Bureau of Statistics as ‘civil and criminal penalties imposed on law breakers other than penalties imposed by tax authorities’;
- contributions from non-government sources towards an agency program or program component;
- any balances in clearing accounts;
- refunds of overpayments incurred in previous financial years; and
- unclaimed money.

Overall, other revenue is expected to decrease by \$17.6 million in 2008-09.

Other revenue for the CHA is expected to decrease by \$4.5 million in 2008-09 due to a decrease in the collection of criminal infringements, other fines and unclaimed monies.

The Department of Health and Families expects a decrease in other revenue of \$1 million in 2008-09, primarily due to one-off funding for the Centre for Disease Control, Remote Food Supply project and the Indigenous Cord Blood Program in 2007-08.

The Department of Primary Industry, Fisheries and Mines estimates other revenue to decline by \$1.7 million in 2008-09 due to a reduction in the number of research agreements. It is anticipated that estimates for 2008-09 will be revised once formal agreements are finalised.

The Department of Local Government, Housing and Sport expects other revenue to decrease by \$8.5 million in 2008-09 mainly due to a one-off transfer from Territory Housing of \$7 million for the Remote Housing Reform Unit in 2007-08 and a one-off grant of \$1.1 million from the Bill and Melinda Gates Foundation in 2007-08.