

# TREASURY DIRECTORATE

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## Purpose

The Treasury Directorate (Treasury) provides strategic financial and economic policy advice to the Government with the aim of promoting the Territory's financial position and economic management.

Treasury plays a leading role in promoting accountability and transparency in the delivery of services to the community. This is achieved through sound financial policies, management practices and analysis.

## 2012-13 Priorities

Strategic and operational issues to be pursued in 2012-13 include:

- assisting the Government to maintain the Territory's AAA credit rating through sound and sustainable economic and financial management;
- implementing taxation reforms to deliver a fairer, simpler and more efficient taxation system;
- continuing reviews of programs, functions and projects to support the savings adjustment required to return the Budget to surplus by 2015-16;
- presenting a pre-election budget update at least 30 days before the polling day;
- coordinating the official costing of election commitments;
- coordinating the Government's budget and reporting on financial outcomes;
- providing regular updates to the Budget Committee of Cabinet on the Territory's finances;
- continuing to improve the Territory's financial management framework;
- developing and implementing a Responsible Investment Policy;
- progressing the development of a National Disability Insurance Scheme;
- progressing work towards National Injury Insurance Scheme for Compulsory Third Party Insurance;
- progressing key information system upgrades relating to the Territory's revenue systems and government financial systems; and
- continuing to monitor and provide regular advice to the Government on the progress of its infrastructure program, including regular reports to the Budget Committee of Cabinet.

## Business and Corporate Strategies

Treasury will assist the Government to implement financially and economically sustainable policies and programs.

In accordance with its business, risk management and human resource plans, Treasury will:

- identify the most effective and efficient use of available resources through analysing programs and expenditure proposals;
- strengthen collaborative relationships with Government directorates, external organisations and other agencies through negotiation, consultation, best practice governance arrangements and effective service delivery; and
- build Treasury's capabilities through effective leadership, staff retention, recruitment policies, and personal and professional development practices.

### Estimated Employment Level

2010-11 Actual Outcome	2011-12 Budget	2011-12 Est. Outcome	2012-13 Budget
175 <b>Staffing (FTE)</b>	175	166 <sup>1</sup>	168 <sup>2</sup>

**Notes:**

1. The decrease of 9 FTEs in the 2011-12 estimated outcome from the original budget is due to temporary vacancies, and the need to decrease FTEs in preparation for budgeted savings in 2012-13.
2. The decrease of 7 FTEs in 2012-13 Budget from the original budget reflects a decrease of 6 FTEs due to savings initiatives and a decrease of 1 FTE associated with the whole of government Gateway Project.

## Strategic Objectives and Indicators

### Strategic Objective 1

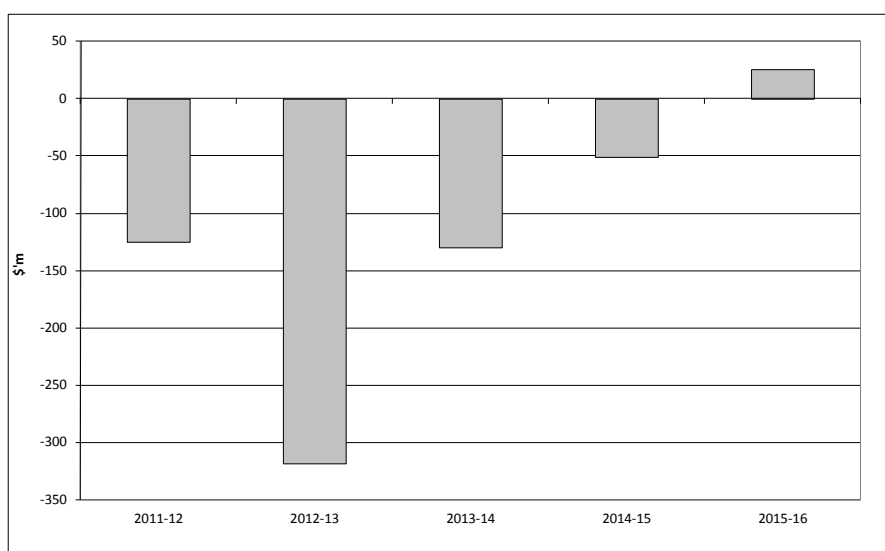
#### Achieving a Budget Operating Surplus

The Government's fiscal objective is to achieve an operating surplus: temporary deficits must only occur if they are offset by surpluses at other times.

The Budget forecasts a surplus in 2015-16 due largely to the saving measures incorporated into this and past budgets.

The General Government Sector Headline Net Operating Balance in 2012-13 is a deficit of \$319.3 million returning to a surplus in 2015-16 of \$25.2 million.

#### Strategic Indicator 1: General Government Sector Headline Net Operating Balance



### Strategic Objective 2

#### Maintaining a AAA Credit Rating

Standard & Poor's Ratings Services assesses the Territory's credit rating each year.

Treasury assists the Government to maintain this credit rating through the provision of sound policy advice and prudent financial management.

#### Strategic Indicator 2: Standard & Poor's Credit Rating

The Territory currently has a AAA credit rating, the highest possible credit rating.

## Strategic Objectives and Indicators cont.

### Strategic Objective 3

Maintain Net Financial Liabilities within the Range of AAA Rated Jurisdictions

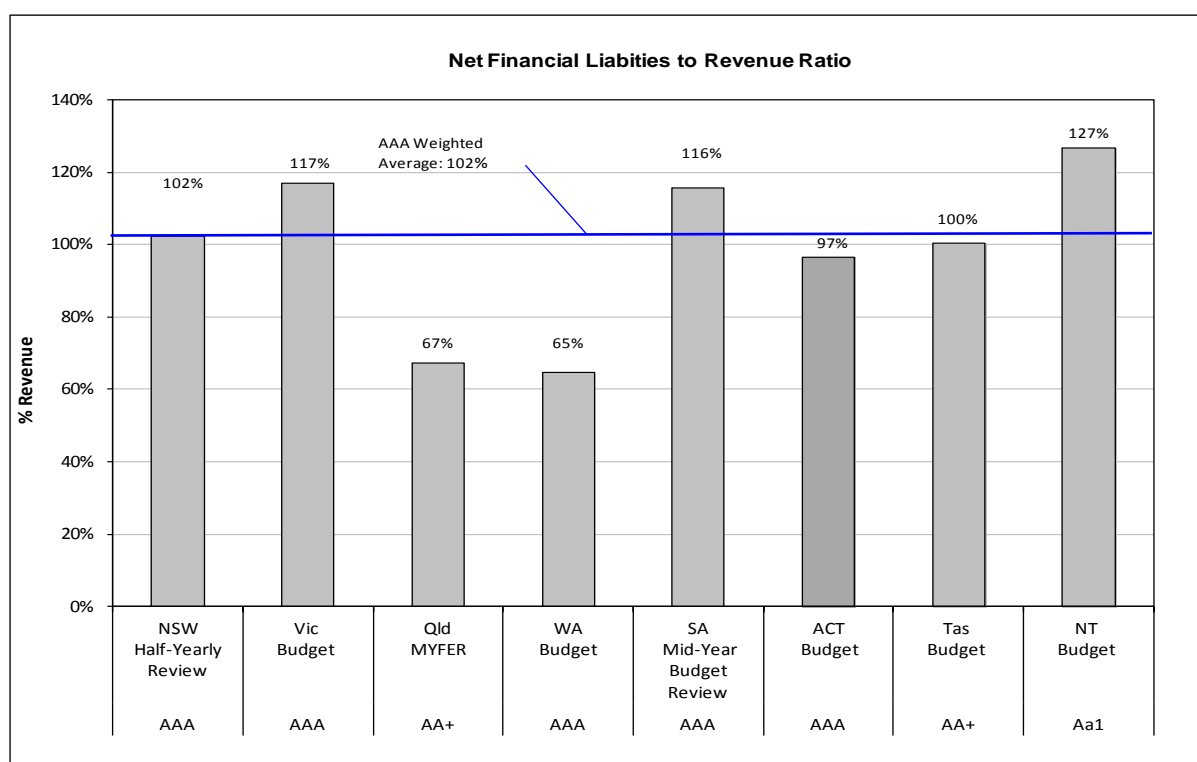
Net financial liabilities are a broad measure of General Government Sector liabilities, including net debt and superannuation liabilities. The ACT continues to have a strong balance sheet, and remains below the weighted average level for all AAA rated jurisdictions.

#### Strategic Indicator 3: Net Financial Liabilities to Revenue Ratio

The ratio for the 2012-13 Budget remains below the Weighted Average of all AAA rated jurisdictions.

The ratios appearing in the below table for all other jurisdictions are based on their Budgets, where released, or Mid Year Budget Review information has alternatively been utilised.

Detailed information for this objective is included in *Budget Paper 3 - Budget Overview*.



### Strategic Objective 4

To be Among the Top 4 Jurisdictions in Taxation Revenue Forecasting Accuracy

Treasury assists the Government in achieving better policy and planning outcomes through forecasting economic and fiscal variables, including taxation revenue, that provide the basis for resource allocation in the annual budget process.

Actual taxation revenue will rarely precisely agree with the revenue forecast in a Budget due to factors outside the Government's control. There are, however, boundaries of acceptable variances.

## Strategic Objectives and Indicators cont.

### Strategic Indicator 4: Mean Percentage Error in Taxation Revenue Forecasts Across Jurisdictions

This strategic indicator is designed to identify if the forecast variance is within a reasonable limit of expectation or whether an improvement in the statistical models and the process of producing these forecasts is required.

The Territory's forecasting performance is evaluated in comparison to other jurisdictions based on the Mean Percentage Error (MPE) of the most recent five years forecasts for General Government Sector taxation revenue<sup>1</sup>. A rolling average of five years forecast errors is used to minimise the influence of events at the national and international level that can have a dissimilar impact on jurisdictions due to their different economic structures and different sources of revenue.

The objective is for the Territory to be among the top four jurisdictions in taxation revenue forecasting accuracy. The 2006-07 to 2010-11 MPE identifies the ACT ranking falling to eighth in taxation revenue forecasting accuracy, largely due to ACT taxation revenue in 2010-11 exceeding the original budget estimate.

A key driver of the ACT's 2010-11 result was the housing market, which deteriorated significantly in 2008-09 and caused conveyance revenue to fall across the country. The recovery of the housing market was, however, unexpectedly strong in the ACT (in fact, stronger across all States) and resulted in a larger relative variance in the conveyance revenue forecasts.

MPE	ACT Ranking	NSW%	VIC %	QLD %	SA %	WA %	TAS %	ACT %	NT %
2003-04 to 2007-08	4th	2.4	6.3	9.3	7.6	17.8	10.3	8.3	12.8
2004-05 to 2008-09	4th	0.5	3.8	3.3	4.4	11.5	4.6	4.2	12.3
2005-06 to 2009-10	6th	2.0	4.2	1.5	4.0	10.4	3.4	7.0	10.0
2006-07 to 2010-11	8th	2.7	3.7	-0.5	3.0	4.8	1.8	7.0	4.7

**Note:**

1. Forecasts for General Government Sector taxation revenue are based on ABS publications.

## Output Classes

	Total Cost <sup>1</sup>		Government Payment for Outputs	
	2011-12	2012-13	2011-12	2012-13
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
<b>Output Class 1</b>				
<b>Financial and Economic Management</b>	49,010	49,378	40,492	43,366
<b>Output 1.1: Economic Management</b>	4,845	6,344	4,534	6,127

**Note:**

1. Total cost includes depreciation and amortisation of \$1.924 million in 2011-12 and \$0.545 million in 2012-13.

### Output Description

This output covers a range of services including: economic policy advice, regulatory reform advice, federal financial relations, insurance policy advice and oversight of the Territory's investments and debt.

The key outputs to be delivered in 2012-13 include:

- monitoring and advising on the state of the ACT economy;
- coordinating ACT Government involvement with the GST Distribution Review and Commonwealth Grants Commission (CGC);
- participating in Council of Australian Governments' (COAG) implementation of the COAG Seamless National Economy regulatory and competition reform program and developing a future agenda; and
- consolidating reforms to the ACT compulsory third party insurance scheme with the aim of facilitating the entry of additional insurers into the market.

	Total Cost		Government Payment for Outputs	
	2011-12	2012-13	2011-12	2012-13
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
<b>Output 1.2: Financial Management</b>	29,263	27,481	22,393	22,957

### Output Description

Provision of analysis, monitoring and reporting on major projects, the financial performance of agencies and the Territory's Budget, to assist the Government to achieve its policy objectives.

The key outputs to be delivered in 2012-13 include:

- the preparation and presentation of the Government's annual budget, budget review and annual financial statements;
- quarterly whole of government consolidated management reports;
- preparation of the pre-election budget update and provision to the Parliamentary Counsel for notification at least 30 days before the polling day;
- official costing of election commitments, in consultation with all relevant agencies across Government;

### Output Classes cont.

- reporting to external agencies including the Australian Loan Council, the Australian Bureau of Statistics and the CGC;
- reviews of government programs and functions; and
- advice on the structure and operation of Government Business Enterprises.

	Total Cost		Government Payment for Outputs	
	2011-12	2012-13	2011-12	2012-13
	Est. Outcome	Budget	Est. Outcome	Budget
	\$'000	\$'000	\$'000	\$'000
<b>Output 1.3: Revenue Management</b>	14,902	15,553	13,565	14,282

#### *Output Description*

This output provides for the administration of the ACT Government's taxation revenue. It also includes the provision of policy advice on taxation matters.

The key outputs to be delivered in 2012-13 include:

- collecting taxation revenue in line with budget estimates;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- processing around 1,700 Home Buyer Concession Scheme transactions and 70 Pensioner Duty Concession Scheme transactions;
- processing around 240 Deferred Duty applications; and
- processing around 2,700 First Home Owner Grant applications.

## Accountability Indicators

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
<b>Output Class 1: Financial and Economic Management</b>			
<b>Output 1.1: Economic Management</b>			
a. Briefings on the ACT Economy	117	117	115
b. Submission to CGC Annual Update	1	1	1
c. Submission to credit rating agency <sup>1</sup>	1	1	1

**Note:**

- The credit rating agency submission is a day long meeting with the agency, which includes a presentation.

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
<b>Output 1.2: Financial Management</b>			
a. Budget presented in accordance with legislative timeframes <sup>1</sup>	1	1	1
b. Budget Review presented in accordance with legislative timeframes <sup>2</sup>	1	1	1
c. Annual Financial Statements for the Territory provided in accordance with legislative timeframes <sup>3</sup>	1	1	1
d. Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes <sup>4</sup>	4	4	4
e. Pre-election Budget Update in accordance with legislative timeframes <sup>5</sup>	n/a	n/a	1
f. Policy/Service Area Reviews	1	1	1

**Notes:**

- The Territory Budget presented to the Legislative Assembly in accordance with the timing prescribed in section 5 of the *Financial Management Act 1996* (FMA).
- The Budget Review for the Territory presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA.
- The Annual Financial Statements for the Territory to be provided to the Auditor-General in accordance with the timing prescribed in section 24 of the FMA.
- The Quarterly Consolidated Financial Statements to be presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
- New Measure for the 2012-13 financial year only. The Pre-election Budget update is to be provided to Parliamentary Counsel for notification under section 20C of the FMA, at least 30 days before the polling day.

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
<b>Output 1.3: Revenue Management</b>			
a. Debt Management - level of overdue debt as a percentage of Treasury tax revenue <sup>1</sup>	2.5%	2.5%	2.5%
b. Compliance revenue per inspector	\$360,000	\$360,000	\$360,000

**Note:**

- 'Level of overdue debt' measures the level of overdue collectable debt as a percentage of forecast Treasury tax revenue. It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.



## Changes to Appropriation

### Changes to Appropriation - Controlled

Government Payment for Outputs	2011-12 Est. Out. \$'000	2012-13 Budget \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
<b>2011-12 Budget</b>	<b>52,034</b>	<b>34,084</b>	<b>34,270</b>	<b>34,049</b>	<b>34,049</b>
<b>2nd Appropriation</b>					
Revised Wage Parameters	94	363	365	369	373
<b>FMA Section 16B Rollover from 2010-11</b>					
Capital Improvement Program	47	-	-	-	-
<b>2012-13 Budget Policy Adjustments</b>					
Revenue Management Division Business Systems	-	400	-	-	-
Approach to Market for Pay Parking Ticket Machines	-	300	-	-	-
Restructure Fund – Additional Funding	-	2,000	-	-	-
Savings Initiatives	-	(440)	(624)	(791)	(959)
<b>2012-13 Budget Technical Adjustments</b>					
Revised Indexation Parameters	-	(36)	(37)	(38)	613
Revised Notional Superannuation Contribution Rates	-	134	123	124	125
Rollover – Whole of Government Banking	(113)	113	-	-	-
Rollover – Oracle E-Business Suite Upgrade	(340)	340	-	-	-
Rollover – Strategic Asset Management Program	(500)	500	-	-	-
Rollover – Accelerated Land Development	(300)	300	-	-	-
Rollover – Territory Revenue Systems Upgrade	(53)	53	-	-	-
Rollover – Project Advice	(300)	300	-	-	-
Revised Funding Profile – Seamless National Economy NP	(2,952)	1,000	1,952	-	-
Revised Funding Profile – Restructure Fund	(6,000)	4,500	1,500	-	-
Revised Funding Profile – Accelerated Land Development	-	581	-	-	-
Cessation – Seamless National Economy NP	-	-	-	(935)	(935)
Cessation – CTPI Administrator Funding	(125)	(126)	(128)	(132)	(135)
Cessation – Accelerated Land Development	-	(1,000)	(1,000)	-	-
Cessation – Strategic Asset Management Program	-	-	-	(466)	(466)
Saving – Project Advice	(1,000)	-	-	-	-
<b>2012-13 Budget</b>	<b>40,492</b>	<b>43,366</b>	<b>36,421</b>	<b>32,180</b>	<b>32,665</b>

## Changes to Appropriation cont.

### Changes to Appropriation - Territorial

	2011-12	2012-13	2013-14	2014-15	2015-16
Payment for Expenses on Behalf of Territory	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011-12 Budget</b>	<b>22,609</b>	<b>19,518</b>	<b>17,518</b>	<b>17,518</b>	<b>17,518</b>
<b>2012-13 Budget Technical Adjustments</b>					
Revised First Home Owner Grant	(3,284)	(1,962)	(60)	(60)	(60)
Commonwealth Grants – First Home Owner Boost NP	138	224	-	-	-
National Tax Equivalent Regime Administration Costs	2	2	2	2	2
<b>2012-13 Budget</b>	<b>19,465</b>	<b>17,782</b>	<b>17,460</b>	<b>17,460</b>	<b>17,460</b>

### Changes to Appropriation - Controlled

	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011-12 Budget</b>	<b>53,977</b>	<b>2,314</b>	-	-	-
<b>2012-13 Budget Technical Adjustments</b>					
Rollover – Loan - Community Housing Canberra	(3,838)	3,838	-	-	-
Rollover – Whole of Government Banking	(277)	277	-	-	-
Rollover – Oracle E-Business Suite Upgrade	(3,050)	3,050	-	-	-
Cessation – Mortgage Relief Fund	-	(300)	-	-	-
Savings – Loan – University of Canberra	(1,337)	-	-	-	-
<b>2012-13 Budget</b>	<b>45,475</b>	<b>9,179</b>	-	-	-

### Changes to Appropriation - Territorial

	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Injections	Est. Out.	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2011-12 Budget</b>	<b>62,300</b>	<b>32,300</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>FMA Section 16B Rollover from 2010-11</b>					
Land Rent Scheme	23,414	-	-	-	-
<b>2012-13 Budget Technical Adjustment</b>					
Land Rent Scheme – Additional Resourcing	-	40,000	-	-	-
<b>2012-13 Budget</b>	<b>85,714</b>	<b>72,300</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>

## Treasury Directorate Operating Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
52,034	Government Payment for Outputs	40,492	43,366	7	36,421	32,180	32,665
10	User Charges - ACT Government	10	10	-	10	10	10
4,410	Interest	4,131	3,824	-7	3,821	3,746	3,669
62	Other Revenue	64	54	-16	44	38	26
1,339	Resources Received Free of Charge	1,339	1,372	2	1,407	1,442	1,442
<b>57,855</b>	<b>Total Revenue</b>	<b>46,036</b>	<b>48,626</b>	<b>6</b>	<b>41,703</b>	<b>37,416</b>	<b>37,812</b>
<b>57,855</b>	<b>Total Income</b>	<b>46,036</b>	<b>48,626</b>	<b>6</b>	<b>41,703</b>	<b>37,416</b>	<b>37,812</b>
<b>Expenses</b>							
15,823	Employee Expenses	16,424	15,977	-3	15,968	16,029	16,104
2,704	Superannuation Expenses	2,717	2,721	..	2,689	2,700	2,713
16,095	Supplies and Services	13,969	15,317	10	13,091	13,153	13,538
2,124	Depreciation and Amortisation	1,924	545	-72	2,203	2,201	1,971
4,410	Borrowing Costs	4,131	3,824	-7	3,821	3,746	3,669
19,050	Grants and Purchased Services	9,845	10,994	12	6,201	1,861	1,873
<b>60,206</b>	<b>Total Ordinary Expenses</b>	<b>49,010</b>	<b>49,378</b>	<b>1</b>	<b>43,973</b>	<b>39,690</b>	<b>39,868</b>
<b>-2,351</b>	<b>Operating Result</b>	<b>-2,974</b>	<b>-752</b>	<b>75</b>	<b>-2,270</b>	<b>-2,274</b>	<b>-2,056</b>
<b>-2,351</b>	<b>Total Comprehensive Income</b>	<b>-2,974</b>	<b>-752</b>	<b>75</b>	<b>-2,270</b>	<b>-2,274</b>	<b>-2,056</b>

## Treasury Directorate Balance Sheet

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
	<b>Current Assets</b>						
1,350	Cash and Cash Equivalents	3,033	2,646	-13	2,812	2,996	3,193
2,547	Receivables	2,237	1,950	-13	2,048	2,146	2,256
6	Other Current Assets	57	57	-	57	57	57
<b>3,903</b>	<b>Total Current Assets</b>	<b>5,327</b>	<b>4,653</b>	<b>-13</b>	<b>4,917</b>	<b>5,199</b>	<b>5,506</b>
	<b>Non Current Assets</b>						
91,715	Receivables	88,186	90,905	3	89,688	88,373	86,946
162	Property, Plant and Equipment	209	160	-23	158	157	156
2,388	Intangibles	1,139	6,638	483	4,438	2,238	268
3,327	Capital Works in Progress	232	0	-100	0	0	0
<b>97,592</b>	<b>Total Non Current Assets</b>	<b>89,766</b>	<b>97,703</b>	<b>9</b>	<b>94,284</b>	<b>90,768</b>	<b>87,370</b>
<b>101,495</b>	<b>TOTAL ASSETS</b>	<b>95,093</b>	<b>102,356</b>	<b>8</b>	<b>99,201</b>	<b>95,967</b>	<b>92,876</b>
	<b>Current Liabilities</b>						
1,055	Payables	1,057	1,248	18	1,300	1,351	1,402
2,123	Interest-Bearing Liabilities	1,406	1,105	-21	1,179	1,254	1,341
88	Finance Leases	59	59	-	59	59	59
6,210	Employee Benefits	7,004	7,175	2	7,340	7,506	7,672
125	Other Provisions	125	0	-100	0	0	0
<b>9,601</b>	<b>Total Current Liabilities</b>	<b>9,651</b>	<b>9,587</b>	<b>-1</b>	<b>9,878</b>	<b>10,170</b>	<b>10,474</b>
	<b>Non Current Liabilities</b>						
91,227	Interest-Bearing Liabilities	87,932	90,665	3	89,486	88,232	86,891
24	Finance Leases	45	45	-	45	45	45
334	Employee Benefits	410	415	1	418	420	422
<b>91,585</b>	<b>Total Non Current Liabilities</b>	<b>88,387</b>	<b>91,125</b>	<b>3</b>	<b>89,949</b>	<b>88,697</b>	<b>87,358</b>
<b>101,186</b>	<b>TOTAL LIABILITIES</b>	<b>98,038</b>	<b>100,712</b>	<b>3</b>	<b>99,827</b>	<b>98,867</b>	<b>97,832</b>
<b>309</b>	<b>NET ASSETS</b>	<b>-2,945</b>	<b>1,644</b>	<b>156</b>	<b>-626</b>	<b>-2,900</b>	<b>-4,956</b>
	<b>REPRESENTED BY FUNDS EMPLOYED</b>						
309	Accumulated Funds	-2,945	1,644	156	-626	-2,900	-4,956
<b>309</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>-2,945</b>	<b>1,644</b>	<b>156</b>	<b>-626</b>	<b>-2,900</b>	<b>-4,956</b>

**Treasury Directorate  
Statement of Changes in Equity**

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
<b>Opening Equity</b>							
-967	Opening Accumulated Funds	-271	-2,945	-987	1,644	-626	-2,900
<b>-967</b>	<b>Balance at the Start of the Reporting Period</b>	<b>-271</b>	<b>-2,945</b>	<b>-987</b>	<b>1,644</b>	<b>-626</b>	<b>-2,900</b>
<b>Comprehensive Income</b>							
-2,351	Operating Result for the Period	-2,974	-752	75	-2,270	-2,274	-2,056
<b>-2,351</b>	<b>Total Comprehensive Income</b>	<b>-2,974</b>	<b>-752</b>	<b>75</b>	<b>-2,270</b>	<b>-2,274</b>	<b>-2,056</b>
<b>0</b>	<b>Total Movement in Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
3,627	Capital Injections	300	5,341	#	0	0	0
<b>3,627</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>300</b>	<b>5,341</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing Equity</b>							
309	Closing Accumulated Funds	-2,945	1,644	156	-626	-2,900	-4,956
<b>309</b>	<b>Balance at the End of the Reporting Period</b>	<b>-2,945</b>	<b>1,644</b>	<b>156</b>	<b>-626</b>	<b>-2,900</b>	<b>-4,956</b>

## Treasury Directorate Cash Flow Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
52,034	Cash from Government for Outputs	40,492	43,366	7	36,421	32,180	32,665
10	User Charges	10	10	-	10	10	10
4,410	Interest Received	2,967	4,194	41	3,821	3,746	3,669
1,219	Other Receipts	1,219	1,181	-3	1,200	1,223	1,211
<b>57,673</b>	<b>Operating Receipts</b>	<b>44,688</b>	<b>48,751</b>	<b>9</b>	<b>41,452</b>	<b>37,159</b>	<b>37,555</b>
<b>Payments</b>							
15,590	Related to Employees	15,671	15,801	1	15,799	15,860	15,935
2,682	Related to Superannuation	2,695	2,700	..	2,668	2,679	2,692
14,666	Related to Supplies and Services	12,540	13,813	10	11,544	11,571	11,956
4,410	Borrowing Costs	3,491	4,194	20	3,821	3,746	3,669
19,050	Grants and Purchased Services	9,845	10,994	12	6,201	1,861	1,873
1,211	Other	1,211	1,363	13	1,267	1,296	1,296
<b>57,609</b>	<b>Operating Payments</b>	<b>45,453</b>	<b>48,865</b>	<b>8</b>	<b>41,300</b>	<b>37,013</b>	<b>37,421</b>
<b>64</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-765</b>	<b>-114</b>	<b>85</b>	<b>152</b>	<b>146</b>	<b>134</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
120	Repayment of Home Loan Principal	4	1,100	#	1,183	1,281	1,379
<b>120</b>	<b>Investing Receipts</b>	<b>4</b>	<b>1,100</b>	<b>#</b>	<b>1,183</b>	<b>1,281</b>	<b>1,379</b>
<b>Payments</b>							
3,889	Purchase of Land and Intangibles	211	5,614	#	0	0	0
50,770	Issue of Loan	45,479	3,902	-91	64	64	62
<b>54,659</b>	<b>Investing Payments</b>	<b>45,690</b>	<b>9,516</b>	<b>-79</b>	<b>64</b>	<b>64</b>	<b>62</b>
<b>-54,539</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-45,686</b>	<b>-8,416</b>	<b>82</b>	<b>1,119</b>	<b>1,217</b>	<b>1,317</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
53,977	Capital Injections from Government	45,475	9,179	-80	0	0	0
<b>53,977</b>	<b>Financing Receipts</b>	<b>45,475</b>	<b>9,179</b>	<b>-80</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Payments</b>							
0	Repayment of Borrowings	0	1,036	#	1,105	1,179	1,254
<b>0</b>	<b>Financing Payments</b>	<b>0</b>	<b>1,036</b>	<b>#</b>	<b>1,105</b>	<b>1,179</b>	<b>1,254</b>
<b>53,977</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>45,475</b>	<b>8,143</b>	<b>-82</b>	<b>-1,105</b>	<b>-1,179</b>	<b>-1,254</b>

## Treasury Directorate Cash Flow Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
-498	NET INCREASE/(DECREASE) IN CASH HELD	-976	-387	60	166	184	197
1,848	CASH AT THE BEGINNING OF REPORTING PERIOD	4,009	3,033	-24	2,646	2,812	2,996
1,350	CASH AT THE END OF REPORTING PERIOD	3,033	2,646	-13	2,812	2,996	3,193

## Notes to the Budget Statements

Significant variations are as follows:

### *Operating Statement*

- government payment for outputs:
  - the decrease of \$11.542 million in the 2011-12 estimated outcome from the original budget is mainly due to savings in Project Advice (\$1 million), return of funding for the Administration of the Compulsory Third-Party Insurance (CTPI) Levy (\$0.125 million) and the rollover of funding from 2011-12 for the Restructure Fund (\$6 million), Seamless National Economy National Partnership (NP) (\$2.952 million), Strategic Asset Management Program (\$0.5 million), Project Advice (\$0.3 million), Preparation of the Accelerated Land Development (\$0.3 million), Oracle E-Business Suite Upgrade (\$0.340 million), whole of government banking (\$0.113 million) and Territory Revenue Systems Upgrade (\$0.053 million), partially offset by revised wage parameters (\$0.094 million) and the rollover of funding from 2010-11 to 2011-12 for the Capital Improvement Program (\$0.047 million); and
  - the increase of \$2.874 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to new 2012-13 initiatives associated with the Revenue Management Division Business Systems (\$0.4 million) and Approach to Market for Pay Parking Ticket Machines (\$0.3 million), increased expenditure in Seamless National Economy NP (\$1.729 million), Project Advice (\$0.599 million), Restructure Fund (\$2.281 million), whole of government banking (\$0.113 million), revised wage parameters (\$0.706 million), indexation (\$0.314 million), (\$0.269 million), and the rollover of funding from 2011-12 to 2012-13 for whole of government E-Business Suite (\$0.680 million) and the whole of government banking (\$0.226 million), partially offset by decreased expenditure associated with investment in Finance and HR improvement (\$1 million), Accelerated Land Development (\$1.819 million), Strategic Asset Management Program (\$0.442 million), Oracle E-Business Suite Upgrade (\$0.180 million), business needs analysis initiative (\$0.1 million) and savings initiatives (\$0.847 million).
- employee expenses:
  - the increase of \$0.601 million in the 2011-12 estimated outcome from the original budget is mainly due to the impact of the discount rate on the long service leave liability (\$0.390 million) and revised wage parameters (\$0.211 million); and
  - the decrease of \$0.447 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the impact of the discount rate on the long service leave liability (\$0.390 million) and savings initiatives (\$0.428 million), partially offset by the revised wage parameters (\$0.410 million).
- supplies and services:
  - the decrease of \$2.126 million in the 2011-12 estimated outcome from the original budget is mainly due to savings relating to Project Advice (\$1 million), and the rollover of funding from 2011-12 to 2012-13 for whole of government initiatives (\$1.253 million); and



- the increase of \$1.348 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to new 2012-13 initiatives (\$0.7 million), the rollover of funding from 2011-12 to 2012-13 for whole of government IT projects (\$0.906 million), increased expenditure for Project Advice (\$0.599 million), indexation (\$0.339 million), partially offset by a re-profiling of whole of government initiatives (1.217 million).
- depreciation and amortisation: the decrease of \$0.2 million in the 2011-12 estimated outcome from the original budget and \$1.379 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to delays associated with the completion of various IT system upgrades and the full depreciation of the IT system in 2011-12.
- borrowing costs: the decrease of \$0.279 million in the 2011-12 estimated outcome from the original budget and the decrease of \$0.307 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the timing and the amount of drawdowns of the finance facilities to Community Housing Canberra (CHC) and University of Canberra (UC), and decreased interest rates.
- grants and purchased services:
  - the decrease of \$9.205 million in the 2011-12 estimated outcome from the original budget is mainly due to the impact of rollovers from 2011-12 to future years for the Restructure Fund (\$6 million), Seamless National Economy NP (\$2.952 million), and Accelerated Land Development (\$0.3 million); and
  - the increase of \$1.149 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to increased expenditure from the Seamless National Economy NP (\$1.729 million) and Restructure Fund (\$2.281 million), partially offset by decreased expenditure for the Accelerated Land Development (\$1.819 million) and the investment in Finance and HR improvement (\$1 million).

#### *Balance Sheet*

- cash and cash equivalents:
  - the increase of \$1.683 million in the 2011-12 estimated outcome from the original budget is mainly due to the reassessment of cash holdings, partially offset by the payment of interest received from CHC at the end of the 2010-11 financial year to the Territory Banking Account and the expenditure from existing resources for the Government Financial Systems; and
  - the decrease of \$0.387 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to expenditure from existing resources for IT system upgrades.
- current receivables: the decrease of \$0.310 million in the 2011-12 estimated outcome from the original budget and the decrease of \$0.287 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to revised arrangements for the finance facility to UC partially offset by a reassessment of interest receivable.

- non current receivables:
  - the decrease of \$3.529 million in the 2011-12 estimated outcome from the original budget is mainly due to the delay in the drawdown of the finance facility to CHC (\$3.838 million) and a reassessment of receivables (\$0.234 million), partially offset by the revised loan arrangements for the finance facility to UC (\$0.543 million); and
  - the increase of \$2.719 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the delay in the timing of the drawdown of the finance facility to CHC (\$3.838 million), partially offset by the revised loan arrangements for the finance facility to UC (\$1.015 million).
- intangibles:
  - the decrease of \$1.249 million in the 2011-12 estimated outcome from the original budget is mainly due to delays associated with the finalisation of the IT system upgrades; and
  - the increase of \$5.499 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the finalisation of a number of IT system upgrades.
- capital works in progress:
  - the decrease of \$3.095 million in the 2011-12 estimated outcome from the original budget is mainly due to rollovers from 2011-12 to 2012-13 resulting from delays in works associated with IT system upgrades; and
  - the decrease of \$0.232 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the anticipated finalisation of the various IT system upgrades.
- current interest bearing liabilities: the decrease of \$0.717 million in the 2011-12 estimated outcome from the original budget and the decrease of \$0.301 million in the 2012-13 Budget from the 2011-12 estimated outcome are due to revised drawdown arrangements for the finance facility to UC.
- current employee benefits:
  - the increase of \$0.794 million in the 2011-12 estimated outcome from the original budget is mainly due to the impact of the discount rate on the long service leave liability and revised wage parameters; and
  - the increase of \$0.171 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the reassessment of annual leave and long service leave liabilities.
- non current interest bearing liabilities:
  - the decrease of \$3.295 million in the 2011-12 estimated outcome from the original budget is mainly due to the delay in the drawdown of the finance facility to CHC, partially offset by the revised loan arrangements for the finance facility to UC; and
  - the increase of \$2.733 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the delay in the timing of the drawdown of the finance facility to CHC, partially offset by the revised loan arrangements for the finance facility to UC.

### *Statement of Changes in Equity*

- capital injections:
  - the decrease of \$3.327 million in the 2011-12 estimated outcome from the original budget is due to rollovers from 2011-12 to 2012-13 for IT system upgrades; and
  - the increase of \$5.041 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to IT system upgrades (\$4.5 million) and whole of government banking (\$0.841 million).

### *Cash Flow Statement*

Variations in the statement are explained in the notes above.

**Treasury Directorate**  
**Statement of Income and Expenses on Behalf of the Territory**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
22,609	Payment for Expenses on behalf of Territory	19,465	17,782	-9	17,460	17,460	17,460
1,191,099	Taxes, Fees and Fines	1,121,087	1,181,273	5	1,261,308	1,335,258	1,426,023
1,550,379	Grants from the Commonwealth	1,580,621	1,399,113	-11	1,478,214	1,575,405	1,602,997
21	Interest	0	0	-	0	0	0
254,022	Dividend Revenue	222,304	172,357	-22	228,974	248,605	306,129
1,317	Land Revenue	2,593	6,324	144	7,693	8,801	9,964
246	Other Revenue	200	200	-	200	200	200
<b>3,019,693</b>	<b>Total Revenue</b>	<b>2,946,270</b>	<b>2,777,049</b>	<b>-6</b>	<b>2,993,849</b>	<b>3,185,729</b>	<b>3,362,773</b>
<b>3,019,693</b>	<b>Total Income</b>	<b>2,946,270</b>	<b>2,777,049</b>	<b>-6</b>	<b>2,993,849</b>	<b>3,185,729</b>	<b>3,362,773</b>
<b>Expenses</b>							
11,146	Supplies and Services	10,973	11,058	1	11,101	11,231	10,982
22,376	Grants and Purchased Services	19,230	17,547	-9	17,225	17,225	17,225
2,272	Other Expenses	2,579	3,009	17	2,956	2,710	2,464
2,983,899	Transfer Expenses	2,913,488	2,745,435	-6	2,962,567	3,154,563	3,332,102
<b>3,019,693</b>	<b>Total Ordinary Expenses</b>	<b>2,946,270</b>	<b>2,777,049</b>	<b>-6</b>	<b>2,993,849</b>	<b>3,185,729</b>	<b>3,362,773</b>
<b>0</b>	<b>Operating Result</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
0	Inc/Dec in Asset Revaluation Reserve Surpluses	8,030	10,336	29	11,855	13,452	15,128
<b>0</b>	<b>Total Other Comprehensive Income</b>	<b>8,030</b>	<b>10,336</b>	<b>29</b>	<b>11,855</b>	<b>13,452</b>	<b>15,128</b>
<b>0</b>	<b>Total Comprehensive Income</b>	<b>8,030</b>	<b>10,336</b>	<b>29</b>	<b>11,855</b>	<b>13,452</b>	<b>15,128</b>

**Treasury Directorate**  
**Statement of Assets and Liabilities on Behalf of the Territory**

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
	<b>Current Assets</b>						
12,464	Cash and Cash Equivalents	56,541	56,541	-	56,541	56,541	56,541
143,326	Receivables	130,618	134,757	3	135,841	136,073	136,304
358	Investments	0	0	-	0	0	0
<b>156,148</b>	<b>Total Current Assets</b>	<b>187,159</b>	<b>191,298</b>	<b>2</b>	<b>192,382</b>	<b>192,614</b>	<b>192,845</b>
	<b>Non Current Assets</b>						
125,452	Property, Plant and Equipment	168,637	217,043	29	248,968	282,490	317,688
<b>125,452</b>	<b>Total Non Current Assets</b>	<b>168,637</b>	<b>217,043</b>	<b>29</b>	<b>248,968</b>	<b>282,490</b>	<b>317,688</b>
<b>281,600</b>	<b>TOTAL ASSETS</b>	<b>355,796</b>	<b>408,341</b>	<b>15</b>	<b>441,350</b>	<b>475,104</b>	<b>510,533</b>
	<b>Current Liabilities</b>						
144,159	Payables	212,106	182,015	-14	180,869	178,871	176,872
6,597	Other Provisions	2,872	2,872	-	2,872	2,872	2,872
5,392	Other Liabilities	5,500	5,500	-	5,500	5,500	5,500
<b>156,148</b>	<b>Total Current Liabilities</b>	<b>220,478</b>	<b>190,387</b>	<b>-14</b>	<b>189,241</b>	<b>187,243</b>	<b>185,244</b>
<b>156,148</b>	<b>TOTAL LIABILITIES</b>	<b>220,478</b>	<b>190,387</b>	<b>-14</b>	<b>189,241</b>	<b>187,243</b>	<b>185,244</b>
<b>125,452</b>	<b>NET ASSETS</b>	<b>135,318</b>	<b>217,954</b>	<b>61</b>	<b>252,109</b>	<b>287,861</b>	<b>325,289</b>
	<b>REPRESENTED BY FUNDS EMPLOYED</b>						
125,300	Accumulated Funds	125,300	197,600	58	219,900	242,200	264,500
152	Reserves	10,018	20,354	103	32,209	45,661	60,789
<b>125,452</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>135,318</b>	<b>217,954</b>	<b>61</b>	<b>252,109</b>	<b>287,861</b>	<b>325,289</b>

**Treasury Directorate**  
**Statement of Changes in Equity on Behalf of the Territory**

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
<b>Opening Equity</b>							
63,000	Opening Accumulated Funds	39,586	125,300	217	197,600	219,900	242,200
152	Opening Asset Revaluation Reserve	1,988	10,018	404	20,354	32,209	45,661
<b>63,152</b>	<b>Balance at the Start of the Reporting Period</b>	<b>41,574</b>	<b>135,318</b>	<b>225</b>	<b>217,954</b>	<b>252,109</b>	<b>287,861</b>
<b>Comprehensive Income</b>							
0	Inc/Dec in Asset Revaluation Reserve Surpluses	8,030	10,336	29	11,855	13,452	15,128
<b>0</b>	<b>Total Comprehensive Income</b>	<b>8,030</b>	<b>10,336</b>	<b>29</b>	<b>11,855</b>	<b>13,452</b>	<b>15,128</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
62,300	Capital Injections	85,714	72,300	-16	22,300	22,300	22,300
<b>62,300</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>85,714</b>	<b>72,300</b>	<b>-16</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>Closing Equity</b>							
125,300	Closing Accumulated Funds	125,300	197,600	58	219,900	242,200	264,500
152	Closing Asset Revaluation Reserve	10,018	20,354	103	32,209	45,661	60,789
<b>125,452</b>	<b>Balance at the End of the Reporting Period</b>	<b>135,318</b>	<b>217,954</b>	<b>61</b>	<b>252,109</b>	<b>287,861</b>	<b>325,289</b>

**Treasury Directorate**  
**Statement of Cash Flows on Behalf of the Territory**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
22,609	Cash from Government for EBT	19,465	17,782	-9	17,460	17,460	17,460
1,055,971	Taxes, Fees and Fines	1,056,725	1,112,011	5	1,173,466	1,238,169	1,303,786
1,550,379	Grants Received from the Commonwealth	1,580,621	1,398,553	-12	1,477,654	1,574,845	1,602,437
21	Interest Received	0	0	-	0	0	0
110,698	Other Receipts	73,256	81,887	12	101,726	112,081	138,384
232,811	Dividends	223,263	171,852	-23	224,659	246,189	304,446
<b>2,972,489</b>	<b>Operating Receipts</b>	<b>2,953,330</b>	<b>2,782,085</b>	<b>-6</b>	<b>2,994,965</b>	<b>3,188,744</b>	<b>3,366,513</b>
<b>Payments</b>							
11,146	Related to Supplies and Services	10,973	11,058	1	11,101	11,231	10,982
22,376	Grants and Purchased Services	19,230	17,547	-9	17,225	17,225	17,225
888	Other	888	895	1	903	911	911
2,938,079	Territory Receipts to Government	2,922,239	2,756,815	-6	2,967,966	3,161,607	3,339,625
<b>2,972,489</b>	<b>Operating Payments</b>	<b>2,953,330</b>	<b>2,786,315</b>	<b>-6</b>	<b>2,997,195</b>	<b>3,190,974</b>	<b>3,368,743</b>
<b>0</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>0</b>	<b>-4,230</b>	<b>#</b>	<b>-2,230</b>	<b>-2,230</b>	<b>-2,230</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
0	Proceeds from Sale of Property, Plant and Equipment	0	4,230	#	2,230	2,230	2,230
<b>0</b>	<b>Investing Receipts</b>	<b>0</b>	<b>4,230</b>	<b>#</b>	<b>2,230</b>	<b>2,230</b>	<b>2,230</b>
<b>Payments</b>							
62,300	Purchase of Property, Plant and Equipment and Capital Works	85,714	72,300	-16	22,300	22,300	22,300
<b>62,300</b>	<b>Investing Payments</b>	<b>85,714</b>	<b>72,300</b>	<b>-16</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>-62,300</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-85,714</b>	<b>-68,070</b>	<b>21</b>	<b>-20,070</b>	<b>-20,070</b>	<b>-20,070</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
62,300	Capital Injections from Government	85,714	72,300	-16	22,300	22,300	22,300
<b>62,300</b>	<b>Financing Receipts</b>	<b>85,714</b>	<b>72,300</b>	<b>-16</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>62,300</b>	<b>NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>85,714</b>	<b>72,300</b>	<b>-16</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>12,823</b>	<b>CASH AT THE BEGINNING OF REPORTING PERIOD</b>	<b>56,541</b>	<b>56,541</b>	<b>-</b>	<b>56,541</b>	<b>56,541</b>	<b>56,541</b>
<b>12,823</b>	<b>CASH AT THE END OF REPORTING PERIOD</b>	<b>56,541</b>	<b>56,541</b>	<b>-</b>	<b>56,541</b>	<b>56,541</b>	<b>56,541</b>

## Notes to the Budget Statements

Treasury's Territorial financial statements include grants received from the Commonwealth under the framework for Federal Financial Relations implemented by COAG on 1 January 2009. The principal impact of the framework is the amalgamation of many grant payments previously made to ACT Agencies, into one monthly payment from the Commonwealth Treasury to ACT Treasury's Territorial Account. A detailed explanation of the grants is provided in Budget Paper 3.

Treasury's Territorial financial statements also include taxes, fees and fines collected on behalf of the Territory. A detailed explanation of the movement in taxes, fees and fines is also provided in Budget Paper 3.

Significant variations are as follows:

### *Statement of Income and Expenses on Behalf of the Territory*

- payment for expenses on behalf of the Territory: the decrease of \$3.144 million in the 2011-12 estimated outcome from the original budget and the decrease of \$1.683 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to decreased funding for the Commonwealth Government's First Home Owners Boost (FHOB) and the First Home Owner Grant (FHOG).
- taxes, fees and fines:
  - the decrease of \$70.012 million in the 2011-12 estimated outcome from the original budget is mainly due to a reduction in Income Tax Equivalents (\$43.376 million), a reduction in residential and commercial conveyance (\$26.125 million), and a reduction in General Rates (\$1.5 million). These reductions are partially offset by an increase in the Ambulance Levy (\$0.956 million); and
  - the increase of \$60.186 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to expected increases in general rates (\$88.018 million), payroll tax (\$13.182 million), income tax equivalents (\$4.893 million), conveyances (\$4.731 million) and network facilities tax (\$3.935 million). These increases are partially offset by decreased receipts associated with Land Tax (\$48.508 million) and General Insurance (\$7.763 million).
- grants from the Commonwealth:
  - the increase of \$30.242 million in the 2011-12 estimated outcome from the original budget is mainly due to increased Capital Roads NPPs (\$29.077 million), funding for the Arboretum brought forward (\$15 million), increased Financial Assistance Grants – Local Government (\$12.232 million), various health NPPs (\$10.534 million) and other recurrent NPPs (\$4.381 million). These increases were partially offset by decreases including a reduction in GST revenue (\$43.310 million); and



- the decrease of \$181.508 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to a transfer of National Healthcare SPP funding from Treasury to the New Local Hospital Network (\$149.670 million), reductions in the Capital Roads NPPs (\$48.448 million), Financial Assistance Grants – Local Government (\$33.612 million), Home and Community Care NPPs (\$19.791 million), health NPPs (\$16.755 million) and recurrent Government and non-government schools NPPs (\$11.089 million). These decreases have been partially offset by increases to GST revenue (\$101.540 million).
- dividend revenue:
  - the decrease of \$31.718 million in the 2011-12 estimated outcome from the original budget is mainly due to an estimated decrease in dividends from ACTEW (\$19.335 million) and the LDA (\$15.777 million); and
  - the decrease of \$49.947 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to a decrease in the dividends from the LDA (\$67.374 million), partially offset by an increase in the dividends from ACTEW (\$15.743 million).
- land revenue: the increase of \$1.276 million in the 2011-12 estimated outcome from the original Budget and the increase of \$3.731 million in the 2012-13 budget from the 2011-12 estimated outcome is due to rent received from an increased number of properties under the Land Rent Scheme.
- grants and purchased services: the decrease of \$3.146 million in the 2011-12 estimated outcome from the original budget and the decrease of \$1.683 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to decreased expenditure for the FHOB and the FHOG.
- transfer expenses: the decrease of \$70.411 million in the 2011-12 estimated outcome from the original budget and the decrease of \$168.053 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to transferring revenue received for taxes, fees and fines, Commonwealth grants, and dividends to the Territory Banking Account.

#### *Statement of Assets and Liabilities on Behalf of the Territory*

- cash and cash equivalents: the increase of \$44.077 million in the 2011-12 estimated outcome from the original budget is due to the timing of when cash is transferred to the Territory Banking Account.
- current receivables: the decrease of \$12.708 million in the 2011-12 estimated outcome from the original budget and the increase of \$4.139 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to changes to estimates at year end for dividends, income tax equivalents and tax accruals.
- property, plant and equipment: the increase of \$43.185 million in the 2011-12 estimated outcome from the original budget and the further increase of \$48.406 million in the 2012-13 budget from the 2011-12 estimated income are both due to an increase in the number of land rent properties held under the land rent scheme.

- current payables:
  - the increase of \$67.947 million in the 2011-12 estimated outcome from the original budget is due to an increase in the accrued transfer of revenue to the Territory Banking Account and increased payables to the LDA; and
  - the decrease of \$30.091 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the decrease in the payable to the LDA.
- current other provisions: the decrease of \$3.752 million in the 2011-12 estimated outcome from the original budget is due to a reassessment of the provision for refund of taxes.
- current other liabilities: the increase of \$0.108 million in the 2011-12 estimated outcome from the original budget is due to a reassessment of revenue received in advance.

*Statement of Changes in Equity on Behalf of the Territory*

- capital injections: the increase of \$23.414 million in the 2011-12 estimated outcome from the original budget is due to the rollover of funding for the Land Rent Scheme.
- closing accumulated funds: the increase of \$72.3 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the funding required for the purchase of land rent properties.
- reserves: the increase in the forward years represents estimated valuation increases in the land held by the directorate.

*Statement of Cash Flows on Behalf of the Territory*

Variations in the statement are explained in the notes above.