

Part 3

Revenue

Revenue

Summary

CATEGORY	2008-09	2009-10	Variation
	Estimate	Budget	
	\$000	\$000	\$000
Taxation Revenue	492 566	481 255	- 11 311
Grants and Subsidies Revenue	3 060 186	3 347 094	286 908
Sales of Goods and Services	308 377	306 618	- 1 759
Interest Revenue	127 170	204 449	77 279
Royalties, Rents and Dividends	247 614	185 879	- 61 735
Gain/Loss on Disposal of Assets	6 854	16 477	9 623
Other Revenue	92 500	66 086	- 26 414
TOTAL	4 335 267	4 607 858	272 591

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.

In November 2008, the Council of Australian Governments (COAG) reaffirmed its commitment to cooperative working arrangements through a new Intergovernmental Agreement (IGA) on Federal Financial Relations, which the Commonwealth and all states and territories signed in December 2008. This has led to the majority of specific purpose grants from the Commonwealth, which prior to 1 January 2009 were received as agency revenue, being reclassified as Territory revenue from January 2009.

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. Revenue earned by government business divisions, and some grants from the Commonwealth, 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. This includes revenue generally received from compulsory statutory fees or taxes, such as payroll tax, stamp duty, motor vehicle registration fees and fines. Goods and Services Tax (GST) revenue is classified as Territory revenue. Specific Purpose Payments (SPPs) and National Partnership (NP) payments are also now 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 payments to the government owned corporation and government business divisions (GBDs) are outlined in Part 2 of this Budget Paper.

Taxation Revenue

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Central Holding Authority	489 743	478 329	- 11 414
Payroll tax	217 020	222 766	5 746
Stamp duty	161 822	152 542	- 9 280
Lotteries, gaming and wagering tax	70 776	68 082	- 2 694
Light vehicle registration	12 000	12 000	
Heavy vehicle registration	12 000	12 000	
Income tax equivalents ¹ :			
Northern Territory Treasury Corporation	4 903	6 130	1 227
Darwin Bus Service	144	184	40
Construction Division	778	782	4
Data Centre Services	713	720	7
Government Printing Office		42	42
NT Fleet	2 780	2 553	- 227
NT Home Ownership	344	89	- 255
Power and Water Corporation	6 034		- 6 034
Local government rates equivalents (Darwin Port Corporation and Power and Water Corporation)	429	439	10
Department of Justice	2 823	2 926	103
Community benefit levy	2 823	2 926	103
TOTAL	492 566	481 255	- 11 311

¹ GBDs not shown paid no tax in 2008-09 and are not expected to pay tax in 2009-10.

Taxation Revenue

Taxation revenue consists of compulsory levies imposed by Government 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 have been introduced in this Budget:

- a new *Payroll Tax Act* will commence from 1 July 2009, introducing payroll tax legislation that is identical as far as possible with New South Wales and Victoria and providing \$1.3 million of payroll tax savings;
- the abolition of stamp duty on non-land business property that was to occur from 1 July 2009, reducing stamp duty revenue by \$9.6 million, is to be delayed until 1 July 2012; and
- from 5 May 2009, the imposition of landholder stamp duty on the takeover (where a significant interest of 90 per cent or more is acquired) of companies and unit trusts that are listed on a stock exchange and on mergers.

Total taxation revenue collections are forecast to decrease by \$11.3 million, or around 2.3 per cent, in 2009-10. This reflects a decrease in stamp duty and gambling tax revenue generally, offset in part by an increase in payroll tax revenue. The major components are explained below.

Payroll tax is the most significant component in the taxation revenue category. The forecast for 2009-10 comprises:

- \$157.4 million from private sector businesses, public financial and non financial corporations; and
- \$65.4 million from general government agencies and government business divisions.

The \$5.7 million increase in collections is the result of forecast employment and wages growth in the Territory economy, offset by a \$1.3 million reduction arising from payroll tax harmonisation measures.

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 \$9.3 million in 2009-10 and this reflects an expected decrease in conveyance stamp duty collections arising from reduction in the number of large commercial conveyance transactions and number of residential transactions as a result of the slowing economy.

Gambling taxes mainly comprise lotteries tax, bookmakers' betting tax, casino tax, gaming machine tax and wagering tax. The decrease of \$2.7 million in 2009-10 is the net effect of growth in revenue from increased turnover from community gaming machines and betting with bookmakers, offset by:

- the Government's temporary moratorium on bookmaker turnover tax relating to betting on NSW racing; and
- the full-year impact of the reduction in community gaming machine tax rates effective from 1 January 2009.

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. There is a decrease in collections in 2009-10 of \$5.2 million, largely due to the Power and Water Corporation expecting to incur a tax loss.

Grants and Subsidies Revenue

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
GENERAL PURPOSE GRANTS	2 266 673	2 328 646	61 973
Central Holding Authority	2 266 673	2 328 646	61 973
GST revenue	2 244 100	2 319 400	75 300
First Home Owner Boost	8 822	1 000	- 7 822
Natural Disaster Relief and Recovery Arrangements	8 073	2 000	- 6 073
Grants in lieu of uranium royalties	5 678	6 246	568
COMMONWEALTH TIED GRANTS	782 036	1 011 556	229 520
Department of the Chief Minister	63	31	- 32
Commonwealth Grants (receipted by agency)			
Islamic Awareness Week	32		- 32
National Indigenous Cadetship Program	31	31	
Northern Territory Police, Fire and Emergency Services	22 798	10 310	- 12 488
Specific Purpose Payments (receipted by CHA)	1 390		- 1 390
Minimum Nationwide Person Profile project	1 390		- 1 390
National Partnerships (receipted by CHA)		5 450	5 450
Northern Territory Emergency Response - Remote Policing		5 450	5 450
Commonwealth Grants (receipted by agency)	21 408	4 860	- 16 548
Closing the Gap on Indigenous Disadvantage	13 455		- 13 455
Airport policing initiative	4 433	4 433	
Safer Suburb Plan funding for CCTV	2 250		- 2 250
Skilling Australia's Workforce	500	427	- 73
Minimum Nationwide Person Profile project	397		- 397
Peace at Home	248		- 248
Tactical Response exercise	125		- 125
Department of Education and Training	205 670	299 994	94 324
Specific Purpose Payments (receipted by CHA)	37 044	161 833	124 789
National Schools	26 423	62 406	35 983
National Skills and Workforce Development	6 027	13 677	7 650
Non-government schools	4 594	85 750	81 156
National Partnerships (receipted by CHA)	35 522	129 707	94 185
Primary Schools for the 21st Century	8 266	90 975	82 709
Digital Education Revolution (government schools)	7 783	2 066	- 5 717
Nation Building and Jobs Plan - National School Pride	4 765	11 119	6 354
Digital Education Revolution (non-government schools)	3 221	1 245	- 1 976
Early Learning and Care Centres	2 800	1 200	- 1 600
Government schools - recurrent capital	2 367		- 2 367
Northern Territory Emergency Response - classrooms	2 190		- 2 190

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Education and Training (continued)			
Smarter schools - literacy and numeracy	2 080	2 380	300
Early Childhood Education	740	1 500	760
Smarter schools - low socio-economic status schools	530	7 100	6 570
Quality Teachers Package - additional classrooms	227		- 227
Indigenous Early Childhood - recurrent	171	3 849	3 678
Borroloola Skill Centre	129		- 129
Nation Building and Jobs Plan - project delivery	98	1 076	978
Smarter schools - Improving teacher quality	80	160	80
TAFE fee waivers for childcare qualifications	75		- 75
Indigenous Early Childhood - capital		5 737	5 737
Trade Training Centres		1 300	1 300
Commonwealth Grants (received by agency)	133 104	8 454	- 124 650
Non-government schools - recurrent	72 772		- 72 772
Indigenous Education Strategic Initiatives Program	11 551		- 11 551
Government schools - recurrent	11 489		- 11 489
Targeted programs - government schools	9 815	1 285	- 8 530
Skilling Australia's Workforce - recurrent	7 575		- 7 575
Non-government schools - capital	6 907		- 6 907
Northern Territory Emergency Response - Community Development Employment Projects	4 470	6 908	2 438
Clever Network Project	3 868	225	- 3 643
Skilling Australia's Workforce - capital	3 777		- 3 777
Investing in our schools (non-government schools)	282		- 282
Northern Territory Emergency Response - Accelerating Literacy and Quality Teaching Package	230		- 230
Australian Early Development Index	150		- 150
Regional Education Coordinator Program	100		- 100
Universal Access Agreement	75		- 75
Investing in our schools (government schools)	39		- 39
Children's Week	4	4	
Other		32	32
Northern Territory Treasury	314	1 314	1 000
Commonwealth Grants (received by agency)			
Standard Business Reporting project	300	1 300	1 000
National Indigenous Cadetship Program	14	14	
Department of Justice	2 155	1 148	- 1 007
Specific Purpose Payments (received by CHA)			
Censorship Revenue - film and literature classifications	74	74	
Prisoner Education	33	60	27

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Justice (continued)			
Commonwealth Grants (received by agency)	2 048	1 014	- 1 034
Closing the Gap	1 500		- 1 500
Indigenous Education Strategic Initiatives Program	548	1 014	466
Department of Planning and Infrastructure	72 567	122 149	49 582
National Partnerships (received by CHA)	5 964	3 399	- 2 565
Johnston Sewerage Pump Station	4 000		- 4 000
Boom Gate Railway Crossings	840	1 680	840
Remote Aerodrome Safety Program	607	1 719	1 112
Other	517		- 517
Commonwealth Grants (received by agency)	66 603	118 750	52 147
Nation Building Program - repairs and maintenance	27 904	20 000	- 7 904
Nation Building Program - National Projects Capital	21 273	66 200	44 927
Nation Building Program - Strategic Regional Roads	4 607	4 600	- 7
Nation Building Program - Community, Beef and Mining Roads	4 000	22 000	18 000
Nation Building Program - Roads to Recovery	2 477		- 2 477
Aerial imagery and mapping over 73 Northern Territory Emergency Response communities	1 862		- 1 862
Nation Building Program Stimulus Package - Black Spot	1 500	1 000	- 500
Contribution to the Asset Management System	1 000	3 000	2 000
Nation Building Program - Black Spot Roads	757	1 000	243
Nation Building Program - Heavy Vehicle Safety and Productivity Program	400	600	200
Integrated Land Information System upgrade	400	100	- 300
Interstate Road Transport	250	250	
Water Sensitive Project	135		- 135
Natural Disaster Mitigation Program aerial imagery	38		- 38
Department of Business and Employment	1 875	238	- 1 637
Commonwealth Grants (received by agency)			
Skilling Australia's Workforce	1 875	238	- 1 637
Tourism NT	756	736	- 20
Commonwealth Grants (received by agency)			
Tourism Hubs	273	227	- 46
Accreditation mentoring	180	180	
Indigenous Business Australia Tourism Hub Nhulunbuy	150		- 150
Tourism development officers	136	274	138
Other	17	55	38

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Health and Families	274 600	236 837	- 37 763
Specific Purpose Payments (received by CHA)	7 472	160 412	152 940
National Disability Services	4 774	9 680	4 906
National Affordable Housing Agreement	2 698	5 439	2 741
National Healthcare		145 293	145 293
National Partnerships (received by CHA)	36 452	46 298	9 846
Emergency Departments	9 828		- 9 828
Trauma centre revenue	6 837		- 6 837
Home and Community Care	4 112	7 916	3 804
Sub-acute Care	3 823		- 3 823
Radiation Oncology	3 000	2 000	- 1 000
Sexual Assault Referral Centre - Mobile Outreach Service	1 436	1 386	- 50
Remote Clinic upgrades	1 383		- 1 383
Activity Based Funding	1 090		- 1 090
Elective Surgery Capital Program	700		- 700
Palmerston Super Clinic	600		- 600
Aged Care Assessment Program	584	890	306
Rheumatic Heart Disease	575	780	205
Remote Mobile Hearing and Dental Booths	529		- 529
Surgical Dental Chair	300		- 300
Satellite Renal Services	190		- 190
OzFoodNet	97	130	33
Perinatal Depression Initiative	88		- 88
National Bowel Cancer Screening Project	76	76	
Healthy Kids Checks	64		- 64
Centre for Disease Control Human Quarantine Services	13		- 13
Trauma Centre Funding from 2010 to 2012		14 005	14 005
Expanding Health Services Delivery Initiatives		12 000	12 000
Phase 2 continuation Hearing and Oral Health		4 900	4 900
Commonwealth Dental Health Program		1 590	1 590
Satellite Renal Dialysis		600	600
Preventive Health		25	25
Other	1 127		- 1 127
Commonwealth Grants (received by agency)	230 676	30 127	- 200 549
Health Care Grants	133 791	198	- 133 593
Northern Territory Emergency Response and Expanding Health Service Delivery Initiative	26 047		- 26 047
Primary Health Care Services	14 989	13 416	- 1 573
Home and Community Care	10 486		- 10 486
Trauma Centre	7 391		- 7 391
Highly Specialised Drugs	6 846	6 805	- 41

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Health and Families (continued)			
Disability Services	4 505		- 4 505
National Vaccination Program	4 495		- 4 495
Public Health Outcomes Funding Agreement - AIDS	4 153		- 4 153
Health Connect	3 000		- 3 000
Supported Accommodation Assistance Program	2 697		- 2 697
Medical Specialist Outreach	1 830	1 262	- 568
National Illicit Drugs Strategy	1 200		- 1 200
Illegal Fisherpersons	1 048	557	- 491
Extension of Fringe Benefits	1 013	1 031	18
Renal Services Development	715	439	- 276
Borrooloola - Regional Health Services	645	670	25
Family Violence	544	182	- 362
Centre for Disease Control	449		- 449
Community Education and Training	426		- 426
Aged Care Assessment	405		- 405
Advanced Specialist Training Post	353	206	- 147
Sexual Assault Referral Centre - forensic examinations for children in communities	275		- 275
School Vaccination Program - Human Papillomavirus	146		- 146
National Indigenous Cadetship Program	140	140	
Radiation Oncology		1 500	1 500
Palmerston Super Clinic		1 250	1 250
Other	3 087	2 471	- 616
Department of Regional Development, Primary Industry, Fisheries and Resources	11 848	11 307	- 541
National Partnerships (received by CHA)	245	11 307	11 062
Exceptional Circumstances Drought Subsidies	245		- 245
Renewable Remote Power Generation - capital		7 187	7 187
Solar Cities Project - capital		3 800	3 800
Renewable Remote Power Generation - administration		320	320
Commonwealth Grants (received by agency)	11 603		- 11 603
Renewable Remote Power Generation - capital	8 758		- 8 758
Solar Cities Project - capital	2 000		- 2 000
Renewable Remote Power Generation - administration	265		- 265
Exceptional Circumstances Drought Subsidies	233		- 233
Natural Heritage Trust Pastoral Extension/Enterprise Planning	181		- 181
Hazard Site Surveillance	100		- 100
Other	66		- 66

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Local Government and Housing	179 882	323 420	143 538
Specific Purpose Payments (received by CHA)	17 827	36 479	18 652
National Affordable Housing Agreement - Housing Assistance for Indigenous People	10 443	21 369	10 926
National Affordable Housing Agreement - Block Assistance	6 829	13 974	7 145
National Affordable Housing Agreement - Community Housing Program	342	700	358
National Affordable Housing Agreement - Crisis Accommodation Assistance	213	436	223
National Partnerships (received by CHA)	56 458	248 074	191 616
Make Good Payment	24 440		- 24 440
Strategic Indigenous Housing Infrastructure Program	23 186	158 120	134 934
Remote Reform Head Office	2 570	4 600	2 030
Nation Building and Jobs Plan - Stimulus Stage 1	2 058	2 058	
Social Housing	2 056	2 058	2
Homelessness - A Place to Call Home	1 288	1 288	
Nation Building and Jobs Plan - Stimulus Stage 2	860	20 610	19 750
Remote Public Housing Tenancy		34 400	34 400
Municipal Services funding		20 000	20 000
Homelessness - Support Services		3 250	3 250
Employment Related		1 690	1 690
Commonwealth Grants (received by agency)	105 597	38 867	- 66 730
Tenancy and Property Management	19 800		- 19 800
Municipal Services funding	16 640		- 16 640
Financial Assistance Grants for Local Government - untied local roads grants	13 616	13 616	
Financial Assistance Grants for Local Government - general purpose assistance	13 455	13 455	
Commonwealth-State Housing Agreement - Housing Assistance for Indigenous People	10 424		- 10 424
Indigenous Employment Program	10 000	10 000	
Commonwealth-State Housing Agreement - Block Assistance/ Base Funding	6 889		- 6 889
Municipal Services - Community Development Employment Projects Converted Jobs Agreement	5 510		- 5 510
Clever Networks funding	3 536	614	- 2 922
Aboriginal Interpreter Services	2 741	1 182	- 1 559
Development Coordinator funding	1 925		- 1 925
Fixing Houses for Better Health	395		- 395
Commonwealth-State Housing Agreement - Community Housing Program	352		- 352

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Local Government and Housing (continued)			
Commonwealth-State Housing Agreement - Crisis Accommodation assistance	218		- 218
Other	96		- 96
Department of Natural Resources, Environment, the Arts and Sport	9 508	4 072	- 5 436
Commonwealth Grants (received by agency)			
Caring for Our Country program	5 194	3 136	- 2 058
Natural Disaster Mitigation programs	752		- 752
Bureau of Meteorology funding	732		- 732
Indigenous Sports Program funding	427		- 427
Regional arts funding - including Art at the Heart Conference	392	236	- 156
Gulf Water Study	275		- 275
Weed Control program	258	121	- 137
Water Smart Australia	236		- 236
Land, water and vegetation assessment	198	232	34
Bushfires management and monitoring	195		- 195
Biodiversity marine monitoring and regional surveys	154	6	- 148
Environment and heritage funding	153	12	- 141
Return of Indigenous Property program	110	85	- 25
Raising National Water Standards	77	198	121
Australian Sports Commission	75		- 75
Other	280	46	- 234
OTHER GRANTS AND SUBSIDIES^{1,2}	11 477	6 892	- 4 585
Northern Territory Police, Fire and Emergency Services	494		- 494
User Choice funding for apprenticeship/traineeships	175		- 175
National Criminal History Checking funding	107		- 107
Youth Services Program Alice Springs	87		- 87
Remote Workforce Development funding	75		- 75
Other	50		- 50
Department of Education and Training	633	350	- 283
Indigenous Cadets	463	280	- 183
Welding Institute of Australia Build Skills Program	80		- 80
Learning Federation	70	50	- 20
Artists in Schools	20	20	
Department of Justice	3 984		- 3 984
Alcohol Management Initiatives	3 497		- 3 497
Agents Licensing Fidelity Guarantee Fund	250		- 250
Cross Border Justice Program	180		- 180
Credit NT Pilot	57		- 57

(continued)

Grants and Subsidies Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Darwin Port Corporation		3 200	3 200
Other		3 200	3 200
Territory Discoveries	1 913	1 693	- 220
Operating subsidy	1 913	1 693	- 220
Department of Health and Families	1 712	260	- 1 452
Other	1 712	260	- 1 452
Department of Local Government and Housing	250		- 250
Other	250		- 250
Department of Natural Resources, Environment, the Arts and Sport	2 491	1 389	- 1 102
West Arnhem Fire Management Agreement	1 210	1 075	- 135
Biodiversity marine, monitoring and regional surveys	372		- 372
Great Artesian Basin project	217	229	12
Telstra Indigenous Arts Awards	171		- 171
Other	521	85	- 436
TOTAL	3 060 186	3 347 094	286 908

1 These grants are not from Commonwealth sources.

2 Community service obligation revenue received by government business divisions are not included in this category.
Community service obligation payments are outlined in Part 2 of this budget paper.

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, although revenue is also received from non-Commonwealth sources.

Federal Financial Relations Reforms

In November 2008, the Council of Australian Governments (COAG) reaffirmed its commitment to cooperative working arrangements for Commonwealth-State financial matters through a new Intergovernmental Agreement (IGA) on Federal Financial Relations.

The IGA aims to improve government services through greater funding flexibility for state and territory delivered services, clarity of the roles and responsibilities of the different levels of government and accountability for delivering outcomes. The IGA encompasses six National Agreements (NAs) in the key service delivery areas of healthcare, school education, skills and workforce development, disability, housing and Indigenous reform. One Specific Purpose Payment (SPP) is associated with each of the functionally based NAs. While there is no SPP associated with the Indigenous reform NP, the five SPPs incorporate Indigenous related performance requirements. These reforms have significantly reduced the number of agreements and payment arrangements associated with a given sector. The IGA also

establishes National Partnerships (NPs) as vehicles for reform and/or projects in areas of national importance.

The IGA was signed by all governments in December 2008. The NAs came into effect from 1 January 2009 with the exception of the National Healthcare Agreement which will commence on 1 July 2009. Transitional arrangements for payments associated with the IGA are in place for January to July 2009. As discussed elsewhere in these papers, part of the reform arrangements is that payments will be on a Treasury to Treasury basis rather than between functional agencies. Because 2008-09 is a transitional year, payments from the Commonwealth have been received by agencies until 31 December and by the CHA thereafter. Both types of receipts are shown in these tables.

Major Categories of Grants and Subsidies

General Purpose Grants are untied grants from the Commonwealth, provided to the Northern Territory without restriction as to how the funds can be applied. This includes Goods and Services Tax (GST) payments and other general revenue assistance.

Commonwealth Tied Grants are payments that must be applied to designated services or functions. These are now classified by the Commonwealth as either SPPs or NPs. SPPs that were provided prior to the reform of federal financial relations have been reclassified as either SPPs, NPs or Commonwealth Own-Purpose Expenses (COPEs). COPEs paid to the Northern Territory represent fees for goods and services and are included under sale of goods and services.

Historically, there have been differences between Commonwealth and Northern Territory budget papers in both the scope of grants classified as SPPs and the associated budget estimates. It is anticipated that differences in tied funding estimates will reduce once the transition between old and new Commonwealth funding arrangements is completed, although differences in growth parameters may continue to impact on budget estimates. The Commonwealth may also include payments to non-government organisations in its budget papers.

A number of additional NPs are expected to be negotiated throughout the year, with funding to the Territory associated with other agreed NPs still under negotiation. Revenue associated with these NPs has not been incorporated into the Territory Budget at this time.

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 Northern Territory entities, but excludes community service obligation revenue received by government business divisions and the government owned corporation.

A description of major Commonwealth grants to the Northern Territory follows.

The figures reported are estimates made by the Northern Territory Government.

Commonwealth Grants and Subsidies

Total Commonwealth grants and subsidies to the Territory in 2009-10 are estimated to be \$3 340.2 million compared with \$3 048.7 million in 2008-09. Total grants in 2009-10 include an estimated \$2 319.4 million in GST revenue.

General Purpose Payments

Most Commonwealth funding to the Northern Territory is in the form of untied grants. GST revenue is allocated to the Territory based on the recommendations of the Commonwealth Grants Commission (the Commission) in accordance with the principle of horizontal fiscal equalisation (HFE), as outlined in the IGA. The Commonwealth also makes general purpose payments to the Territory in lieu of royalties on uranium mining given the Commonwealth's ownership of uranium in the Northern Territory.

The 2009-10 Commonwealth Budget will be released after the Northern Territory Budget, and will include revised GST revenue estimates for the Territory for both 2008-09 and 2009-10. The Territory Government will revise its own revenue estimates based on this information, and updated data will be reflected in the Treasurer's Annual Financial Report and the 2009-10 Mid-Year Report, as appropriate.

The IGA provides that Budget Balancing Assistance (BBA) will also be payable by the Commonwealth until 2008-09 if the level of GST revenue does not meet the Guaranteed Minimum Amount (the amount of revenue the Northern Territory would have received had the arrangements prior to the introduction of the GST continued). This is expected to occur in 2008-09 and paid in the following year. Accordingly, \$90 million has been included in the 2009-10 revenue estimate.

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

Commonwealth Tied Grants

The base funding for each National SPP will be provided on an ongoing basis and indexed annually by a sector specific growth factor. State shares of SPP funding will transition to an equal per capita distribution over five years from 2010-11 (the school SPP will be on the basis of student enrolments). This will result in a decline in the Territory's share of SPP funding. However, overall needs will continue to be assessed by the Commission in its determination of GST revenue sharing relativities and a higher share of GST revenue paid to the Territory is expected to offset the lower share of SPPs.

National Partnership payments will be made to the Territory to support the delivery of specified outputs or projects, to facilitate reforms or as a reward for delivery of nationally significant reforms. Although there are no longer input controls on SPPs, the NPs (particularly those which have a facilitation/reward payment structure) are subject to comparatively stringent requirements which may include funds matching, maintenance of effort, frequent and detailed reporting and clauses allowing withholding of funds. Determination of whether NP benchmarks are met will be made by the independent COAG Reform Council.

The Territory expects to receive more than \$1 011.6 million in Commonwealth tied grants in 2009-10 (\$358.9 million for SPPs and \$438.8 million for NPs). A description of major payments pertinent to specific agencies is provided below.

Department of Education and Training

National Schools SPP

The National Schools SPP provides funding to support the achievement of outputs and outcomes in the National Education Agreement as agreed by COAG. These include engagement with and benefit from schooling, achievement of literacy and numeracy targets, and successful transition from school to further study and work. Enhancement of outcomes for Indigenous children is also a key component of the Agreement.

The SPP includes an aggregation of previous recurrent and capital school education SPP funding for government and non-government schools (including Indigenous student specific programs). Non-government school funding will continue to be passed on to relevant schools.

State and Territory governments hold primary responsibility for funding government schools, with the Commonwealth providing supplementary assistance to achieve jointly agreed specific objectives. The Territory expects to receive \$62.4 million from the Commonwealth for government schools in 2009-10. It is estimated the Territory will receive \$85.8 million for on-passing to non-government schools in 2009-10.

Early Childhood and School NPs

The Territory is participating in a number of NPs agreed by COAG in 2008 to enhance the outcomes of early childhood education and schooling. Commonwealth payments for these NPs will be made to the Territory either as facilitation payments to assist with the implementation of relevant reform, or as rewards for achievement of agreed benchmarks. Territory funding is required to ensure successful implementation of these NPs – in some instances this includes specific funds matching. The Early Childhood and School NPs include:

Early Childhood Education which aims to improve the supply and integration of early childhood services (including child care and early learning and development), by increasing access to quality early childhood education in the year before full-time schooling for all children. \$1.5 million is anticipated to be received from the Commonwealth in 2009-10.

Indigenous Early Childhood Development, being progressed in collaboration with Department of Health and Families, which aims to enhance the early childhood outcomes of Indigenous children through the establishment of several Children and Family Centres (in remote and urban areas) that will deliver integrated early learning, child care and family support services, and increased access to ante-natal care, teenage reproductive and sexual health services and child and maternal health services. \$9.6 million is anticipated to be received from the Commonwealth in 2009-10.

Low Socio-Economic Status School Communities which seeks to improve the engagement, educational attainment and wellbeing of students from disadvantaged backgrounds by improving the quality of schooling in these

communities through the attraction of high performing teachers and principals, innovative, flexible and targeted educational and operational arrangements, and greater access to, and partnerships with, external services.

Literacy and Numeracy which aims to improve the literacy and numeracy outcomes of all school students, particularly those who are falling behind, through the development of whole of school initiatives.

Improving Teacher Quality which focuses on improving the quality of teaching and leadership in schools to improve educational outcomes. Attraction of high calibre entrants to teaching, minimisation of skill shortages, ongoing knowledge and skill development of teachers and school leaders throughout their careers, and retaining and rewarding quality principals, teachers and school leaders are its key features.

The Territory is implementing the above three school NPs together, with a coordinated whole of school approach in government and non-government schools in low socio-economic status areas, with a particular focus on enhancing Indigenous educational outcomes. The approach is consistent with recent Territory Government initiatives including Closing the Gap on Indigenous Disadvantage. Strategies include enhancing school leadership and subsequent teaching programs and school operations, increased support for teachers to deliver high quality and relevant programs, greater collaboration with family, community and support services to assist with learning readiness and wellbeing, and integration of relevant support services where appropriate. In 2009-10 the Territory will receive \$9.6 million from the Commonwealth for the three NPs.

In 2009-10, the Commonwealth is anticipated to provide \$12.2 million for the education component of the **Nation Building and Jobs Plan** NP. This funding is to assist schools to build and upgrade facilities such as libraries, multi-purpose halls, secondary school science laboratories, language centres and trade training centres in schools.

Skills and Workforce Development SPP

The Skills and Workforce Development SPP represents an aggregation of previous recurrent and capital SPPs for government funded Vocational Education and Training (VET), including those for Indigenous student specific purposes. It provides funding to support the achievement of the outputs and outcomes of the National Skills and Workforce Development Agreement that aims to increase the opportunities of working aged Australians to develop the skills and qualifications needed, to enable them to be effective participants in and contributors to the modern labour market. This includes the maintenance of a responsive training system and assistance to individuals to overcome barriers to access education, training and employment to develop and use new skills. The Territory will receive \$13.7 million in 2009-10 for the Skills and Workforce Development SPP.

Skills and Workforce Development NPs

In 2009-10, the Territory will receive funding for the Productivity Places Program (PPP). The PPP will contribute to additional VET places for job seekers and for existing workers particularly in skills shortage and emerging skill shortage areas. The implementation of this NP is still under negotiation,

and it is not yet clear what level of Commonwealth funding the Territory will receive.

Department of Planning and Infrastructure

National Network NP

National Network is a program designed to promote regional and national development through developing efficient and reliable transport networks. The 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 under this NP for projects falling within the National Network, with states and territories bidding for funding which is provided on a cost-shared basis. States and territories assume the risk of budget over-runs.

Commonwealth funding for this agreement is estimated to be \$114.8 million in 2009-10.

Nation Building and Jobs Plan NP

The **Nation Building and Jobs Plan** NP includes funding for roads projects under the Black Spot Program, the installation of boom gates and safety measures at high risk rail crossings and repairs to regional roads to improve safety. About \$2 million is anticipated to be received from the Commonwealth in 2009-10.

Department of Health and Families

National Healthcare SPP

The National Healthcare SPP provides funding to support the improvement of health outcomes for all Australians and the sustainability of the Australian health system as articulated in the National Healthcare Agreement agreed by COAG in 2008. The Agreement covers a broader scope of services and activities than included in the previous Australian Health Care Agreements. These include the prevention, primary and community care, hospital and related care and aged care sectors.

The level of national funding provided through this SPP reflects both this increase in scope (and associated aggregation of a number of large and small SPPs) as well as an increase in allocation and indexation to enable a more appropriate, integrated, efficient and effective approach to the delivery of healthcare, with an emphasis on the maintenance of health as well as the treatment of illness and injury.

The Territory expects to receive \$145.3 million from the Commonwealth under the National Healthcare SPP in 2009-10.

Health NPs

The Territory will receive Commonwealth funding for the following health NPs agreed by COAG in 2008.

Hospital and Health Workforce Reform which aims to improve the efficiency of public hospital services, the capability of the health workforce, sub-acute services and emergency departments. \$14.7 million was received in 2008-09 for this NP, with expenditure occurring across the next four years.

Preventive Health which addresses the rising prevalence of lifestyle related chronic diseases by encouraging behaviour change to reduce risk, healthier food choice availability and chronic disease risk factor surveillance and research (\$25 000 in 2009-10).

Commonwealth payments for these NPs will be made to the Territory either as facilitation payments to assist with the implementation of relevant reform, or as rewards for achievement of agreed benchmarks and outcomes.

Commonwealth funding continues (as a project NP) to enable Royal Darwin Hospital to operate as the **National Critical Care and Trauma Response Centre**, assisting in the development of Australia's frontline medical preparedness and emergency response capability. Commonwealth funding for this agreement is estimated to be \$14 million in 2009-10.

Disability SPP

The National Disability SPP provides funding to support the achievement of outputs and outcomes in the National Disability Agreement as agreed by COAG in 2008. The scope of the Disability Agreement includes services that provide skills and support to people living with a disability to enable them to live as independently as possible in stable and sustainable living arrangements, those that assist families and carers and those providing income support for people with disability and their carers.

The Territory expects to receive \$9.7 million from the Commonwealth under the Disability SPP in 2009-10.

Home and Community Care NP

The Commonwealth continues to provide funding towards the Territory's Home and Community Care (HACC) program (now paid as a project NP). This 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. \$7.9 million is expected to be received from the Commonwealth in 2009-10.

Department of Regional Development, Primary Industry, Fisheries and Resources

Renewable Remote Power Generation NP

NP project funding is received under the **Renewable Remote Power Generation** Program (RRPGP) to install renewable generation equipment in remote areas that currently 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 available for this program is estimated to be \$7.5 million in 2009-10.

Department of Local Government and Housing

Financial Assistance Grants to Local Government

Local Government Financial Assistance Grants are paid through the states 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 that jurisdiction's Local Government Grants Commission.

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.

Both General Purpose Assistance and Untied Local Roads grants are indexed to account for population and inflation. In 2009-10, the Territory expects to receive \$13.5 million in General Purpose Assistance grants for local government, and \$13.6 million in Untied Local Roads grants.

National Affordable Housing SPP

The National Affordable Housing SPP provides funding to support the achievement of outputs and outcomes in the National Affordable Housing Agreement as agreed by COAG in 2008. Services supported through this Agreement include those for the provision of social housing, assistance to people in the private rental market, support and accommodation for people who are homeless or at risk of homelessness, and home purchase assistance. The Agreement includes a specific focus on enhancing housing opportunities and amenity for Indigenous people.

The Agreement consolidates a number of previous housing and homelessness agreements including the Commonwealth-State Housing Agreement, community housing, crisis accommodation assistance, housing assistance for Indigenous people, the Supported Accommodation Assistance Program, the Housing Affordability Fund and the National Rental Assistance Scheme.

The Territory expects to receive \$39.7 million from the Commonwealth for the National Affordable Housing SPP in 2009-10.

Housing NPs

The Territory is participating in three housing NPs (Social Housing, Homelessness and Remote Indigenous Housing) agreed by COAG in 2008. Funding is provided for capital in all three NPs, and recurrent funding in both the Homelessness and Remote Indigenous Housing NPs. The Territory is required to match funding in the Homelessness NP only.

The **Social Housing** NP aims to increase the amount of social housing through new construction and to provide more accommodation opportunities (including long-term options) for people who are homeless or at risk of homelessness. In 2009-10, the Territory expects to receive \$2.1 million from the Commonwealth for this NP.

The **Homelessness** NP focuses on reducing homelessness particularly for those who are repeatedly homeless or who "sleep rough", including prevention and early intervention strategies to tackle homelessness and sustainable housing, as well as initiatives to assist homeless people to better participate in society. \$4.5 million is anticipated to be received from the Commonwealth in

2009-10. Some of this funding will be distributed to the Department of Health and Families and the Department of Justice to support relevant programs.

The **Remote Indigenous Housing** NP aims to reduce overcrowding in remote Indigenous communities by increasing the supply of new houses and improving the condition of existing houses, and ensuring that rental houses are well maintained and managed. This NP includes initiatives previously agreed under the Memorandum of Understanding between the Territory and the Commonwealth signed in 2007 (the Strategic Indigenous Housing Infrastructure Program, previously funded under the auspices of the Community Housing and Infrastructure Program and Australian Remote Indigenous Accommodation programs). There is ongoing discussion with the Commonwealth regarding the funding and delivery responsibility for municipal and essential services under this NP. In 2009-10, \$132.4 million is expected to be received from the Commonwealth.

Funding will also be provided to the Territory under the **Nation Building and Jobs Plan** NP for the construction and refurbishment of social housing and repairs and maintenance to public housing and for assistance to people who are homeless or at risk of homelessness (\$22.7 million in 2009-10). This will complement funding and initiatives being undertaken in social housing and homelessness areas.

Department of Natural Resources, Environment, the Arts and Sport

Caring for our Country NP

Commonwealth NP funding is provided for the **Caring for our Country Program** which integrates a number of previous Commonwealth natural resource management initiatives including the Natural Heritage Trust, the National Action Plan for Salinity and Water Quality, the National Landcare Program, the Environmental Stewardship Program and the Working on Country Indigenous land and environmental program.

Commonwealth funding for this agreement is estimated to be \$3.1 million in 2009-10.

Sales of Goods and Services

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
GENERAL GOVERNMENT	279 737	272 664	- 7 073
Auditor-General's Office	490	490	
Recoverable audits	490	490	
Northern Territory Electoral Commission	904		- 904
Other	904		- 904
Ombudsman's Office	42	31	- 11
Commonwealth Ombudsman Service Agreement	42	31	- 11
Department of the Chief Minister	3 113	2 746	- 367
Recovery of agency costs	2 609	2 242	- 367
Provision of corporate support to OCPE	420	420	
OCPE Apprentices Program	72	72	
Other	12	12	
Department of the Legislative Assembly	21	32	11
Room hire	18	18	
OCPE Apprentices Program	3	3	
Other		11	11
Northern Territory Police, Fire and Emergency Services	4 343	4 263	- 80
Fire protection - Commonwealth properties	1 428	1 428	
Security for United States Naval Vessels	500	500	
Ayers Rock Resort Corporation receipts	367	367	
Nhulunbuy Corporation receipts	345	337	- 8
Emergency Management Australia Funding	188	188	
Other	1 515	1 443	- 72
Department of Education and Training	1 943	863	- 1 080
TIO Driver Training and Licensing payment	1 016		- 1 016
Teacher accommodation rent	430	430	
Regional training centres	140	140	
Callistemon House	138	138	
International services - study tours	52	52	
International services - overseas students	38	38	
OCPE Apprentices Program	60	60	
Other	69	5	- 64
Northern Territory Treasury	1 071	1 074	3
OCPE Apprentices Program	24	24	
Fees	1 047	1 050	3
Central Holding Authority	12 930	12 328	- 602
Motor vehicle licences and taxi fees	4 992	4 992	
Exploration and pipeline licences	2 550	1 950	- 600
Fees from regulatory services	1 869	1 869	

(continued)

Sales of Goods and Services – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Central Holding Authority (continued)			
Fire alarm monitoring fees	1 435	1 435	
Licensing fees	717	717	
Building Advisory Service fees	418	418	
Teachers' Registration Board fees	326	326	
NT Worksafe Fees	294	294	
Marine fees	152	152	
Rail safety	140	140	
Other	37	35	- 2
Department of Justice	7 852	7 411	- 441
Land title and mortgage lodgement fees	2 921	2 571	- 350
Land title searches	932	932	
Enforcement fees	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	200	
Supreme Court fees	120	120	
Other	1 051	960	- 91
Department of Planning and Infrastructure	14 099	11 426	- 2 673
Motor Vehicle Registry administration charges	5 162	5 162	
Bus fares and passes	2 156	1 296	- 860
Rent charged on Government-owned buildings	1 434	1 434	
School bus passes	1 110		- 1 110
Business division support charges	1 103	1 103	
Development assessment application fees	925	927	2
Sale of products, maps and valuations	865	865	
Pensioner concession bus passes	600		- 600
Registry charges to other agencies	378	378	
Special bus services for Arafura Games	139		- 139
Other	227	261	34
Construction Division	58 909	60 987	2 078
Project management fees	58 909	60 987	2 078
Department of Business and Employment	13 443	12 867	- 576
Rent recovery	5 861	5 496	- 365
Shared services corporate management charges	4 886	4 780	- 106
Short courses	880	880	
Desert Knowledge Precinct	792	792	
Salary sacrifice administrative fee	750	750	

(continued)

Sales of Goods and Services – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Business and Employment (continued)			
October Business Month	75	75	
Indigenous Employment Program	60		- 60
Other	139	94	- 45
Data Centre Services	19 379	19 429	50
Data Centre Management	19 379	19 429	50
Government Printing Office	5 717	6 130	413
Sales and charges	5 717	6 130	413
NT Fleet	37 915	37 965	50
Vehicle lease revenue	37 915	37 965	50
Land Development Corporation	1 226	1 126	- 100
Rent	1 226	1 126	- 100
Tourism NT	1 009	714	- 295
Territory Discoveries service level agreement	508	523	15
International marketing fees	80	10	- 70
NT Brolga Awards	81	50	- 31
Accreditation Program	70	70	
Other	270	61	- 209
Territory Discoveries	4 314	4 707	393
Commissions	2 310	2 520	210
Information services for Tourism NT	1 205	1 243	38
Joint marketing programs	432	580	148
Participation fees	334	334	
Cancellation fees	33	30	- 3
Department of Health and Families	35 133	27 036	- 8 097
Cross border charges	15 649	15 924	275
Compensable patients (TIO, non-TIO and workers compensation)	5 115	2 149	- 2 966
Veterans' Affairs	2 183	1 568	- 615
Hospital patients (private, ineligible, nursing home)	1 947	500	- 1 447
District Medical Officer medical bulk billing	1 878	1 878	
Stock recoveries	1 776	796	- 980
Staff accommodation rent	1 422	295	- 1 127
Salaries recoveries	1 377	1 736	359
Rights to private practice facility fees	533	332	- 201
Rental of departmental facilities	455	185	- 270
Electricity recoveries	356	227	- 129
Other	2 442	1 446	- 996

(continued)

Sales of Goods and Services – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Regional Development, Primary Industry, Fisheries and Resources	6 036	5 660	- 376
Research farms - sale of stock and produce	1 320	1 320	
Water analysis testing	1 187	1 172	- 15
Offshore petroleum rents	980	980	
Sale of fingerlings	600	600	
Application, advertising and dealing fees (licences/titles)	442	442	
Fisheries licence fees	410	420	10
Geophysical acquisition	192		- 192
Disease risk assessment	170	171	1
National Geochemical Survey of Australia	129		- 129
Livestock export and diagnostic testing	120	120	
Australian Quarantine and Inspection Service	60	80	20
Tanami Exploration Agreement	60	60	
OCPE Apprentices Program	60	25	- 35
Other	306	270	- 36
Department of Local Government and Housing	41 946	46 121	4 175
Rent and tenant charges	40 510	44 727	4 217
Darwin Rates Act	800	800	
Aboriginal Interpreter Services	400	400	
Other	236	194	- 42
Office of the Commissioner for Public Employment	755	2 215	1 460
Professional programs	406	616	210
Project employment	349	349	
Layered Scholarship and Graduate Development Program		1 250	1 250
Department of Natural Resources, Environment, the Arts and Sport	4 216	3 774	- 442
Museum shop sales and other charges	687	686	- 1
Parks camping fees	645	645	
Hydrographic and drilling projects	615	615	
Araluen Cultural Precinct charges	547	547	
Natural resource management	459	274	- 185
Territory Wildlife Parks service level agreement	242	242	
Sport and recreation charges	219	218	- 1
Hidden Valley Motor Sports Complex hire	180	180	
Library services to the Department of Planning and Infrastructure	158		- 158
Apprentice program contribution	149	57	- 92
Wildlife management and permits	95	95	
Marrara Indoor Stadium hire	79	118	39
Other	141	97	- 44

(continued)

Sales of Goods and Services – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Territory Wildlife Parks	2 166	2 186	20
Fees and charges	2 166	2 186	20
Aboriginal Areas Protection Authority	765	1 083	318
Fees and charges	765	1 083	318
PUBLIC NON FINANCIAL CORPORATIONS	28 169	33 483	5 314
Darwin Bus Service	7 620	7 788	168
Contract revenue	7 620	7 788	168
Darwin Port Corporation	20 549	25 695	5 146
Commercial shipping - wharfage and berthage	16 065	19 682	3 617
Pilotage	2 634	3 430	796
Port dues	1 400	2 065	665
Mooring basin charges	450	518	68
PUBLIC FINANCIAL CORPORATIONS	471	471	
Northern Territory Treasury Corporation	471	471	
Investment management fees	471	471	
TOTAL	308 377	306 618	- 1 759

Sales of Goods and Services

The sales 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 2009-10 being:

- Construction Division – infrastructure project management costs (\$61 million);
- Department of Local Government and Housing – rental and tenancy charges (\$44.7 million);
- NT Fleet – provision and management of Government vehicles (\$38 million); and
- Data Centre Services – computing and communication services (\$19.4 million).

Overall, the sales of goods and services revenue comprises 7 per cent of total revenue in 2009-10. Revenue received from sales of goods and services is expected to decrease by \$1.8 million in 2009-10. The more significant variations are described below.

- The Department of Health and Families goods and services revenue is expected to decrease by \$8.1 million in 2009-10 across most categories, with the largest due to decreased revenue from compensable patients and hospital patients.
- Darwin Port Corporation goods and services revenue is expected to increase by \$5.1 million in 2009-10 due to the introduction of commercial tariff prices.
- The Department of Local Government and Housing goods and services revenue is expected to increase by \$4.2 million in 2009-10 due to the commencement of rent collection from remote Indigenous housing dwellings in 2008-09. Rent was collected for just over half the year in 2008-09, with a full-year rent collection reflected in 2009-10.
- The Department of Planning and Infrastructure goods and services revenue is expected to decrease by \$2.7 million in 2009-10 due to the introduction of free bus travel for pensioners, carers, seniors and students.
- Construction Division goods and services revenue is expected to increase by \$2.1 million in 2009-10 in line with an increase in the infrastructure program and associated program delivery fees.
- Office of the Commissioner for Public Employment goods and services revenue is expected to increase by \$1.5 million in 2009-10 due to the introduction of a whole of government scholarship and graduate development program.
- The Department of Education and Training goods and services revenue is expected to decrease by \$1.1 million in 2009-10 due to the transfer of driver training and licensing to the Department of Planning and Infrastructure.

Interest Revenue

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
GENERAL GOVERNMENT	- 42 885	27 985	70 870
Northern Territory Treasury	1 563	1 678	115
Interest	1 563	1 678	115
Central Holding Authority	- 47 337	24 996	72 333
Interest	38 933	24 996	- 13 937
Conditions of Service Reserve (net unrealised movements)	- 85 177		85 177
Medium term investments (net unrealised movements)	- 1 093		1 093
Department of Planning and Infrastructure	1 020	50	- 970
Interest on cash balances	1 020	50	- 970
Construction Division	480	220	- 260
Interest on cash balances	480	220	- 260
Department of Business and Employment	20	20	
Natural Disaster Relief and Recovery Arrangement loans	15	15	
Business loans	5	5	
Data Centre Services	207	114	- 93
Interest on cash balances	207	114	- 93
Government Printing Office	65	65	
Interest on cash balances	65	65	
NT Fleet	242	100	- 142
Interest on cash balances	242	100	- 142
Territory Discoveries	463	350	- 113
Interest	463	350	- 113
Department of Natural Resources, Environment, the Arts and Sport	374	374	
Interest on cash balances (Caring for our Country) ¹	374	374	
Territory Wildlife Parks	18	18	
Interest on cash balances	18	18	
PUBLIC NON FINANCIAL CORPORATIONS	10 050	8 870	- 1 180
Darwin Bus Service	235	235	
Interest on cash balances	235	235	
Darwin Port Corporation	70	100	30
Interest on cash balances	70	100	30
NT Home Ownership	9 745	8 535	- 1 210
Interest on loans	8 437	8 165	- 272
Interest on cash balances	1 308	370	- 938

(continued)

Interest Revenue – continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
PUBLIC FINANCIAL CORPORATIONS	160 005	167 594	7 589
Northern Territory Treasury Corporation	160 005	167 594	7 589
Interest from general government	115 758	112 376	- 3 382
Interest from public non financial corporations	44 011	54 986	10 975
Gain on Territory Bonds	200	200	
Interest from local government	34	32	- 2
Interest from Charles Darwin University	2		- 2
TOTAL	127 170	204 449	77 279

¹Interest revenue received for/on Caring for our Country 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 NT Home Ownership;
- loans to local government bodies; and
- cash balances held by the CHA and government business divisions.

The \$77 million increase in interest revenue in 2009-10 reflects:

- an unrealised negative return for the Conditions of Service Reserve in 2008-09 associated with the downturn in financial markets resulting from the global financial crisis. For 2009-10 a nil return has been forecast as market conditions are expected to moderate with more usual growth not anticipated until at least 2010-11;
- CHA cash balances and interest rates are estimated to be lower in 2009-10 leading to lower interest revenue of \$13.9 million;
- NT Home Ownership interest revenue is expected to decrease by \$1.2 million, largely due to lower interest being received from new and existing home loans; and
- Treasury Corporation interest revenue expected to increase by \$7.6 million, reflecting higher interest received due to increased borrowings by Power and Water Corporation and Darwin Port Corporation. This is somewhat offset by a decrease in interest revenue from general government due to the revising down of the interest rates forecast by 0.75 per cent.

Royalties, Rents and Dividends

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Central Holding Authority	247 614	185 879	- 61 735
Mining and petroleum royalties	224 610	160 466	- 64 144
Land rents	5 170	5 170	
Mining and petroleum rents	820	820	
Wildlife royalties	21	21	
Dividends from:			
Northern Territory Treasury Corporation	11 440	14 303	2 863
Darwin Bus Service	168	214	46
Construction Division	908	913	5
Data Centre Services	831	840	9
Government Printing Office		49	49
NT Fleet	3 244	2 979	- 265
NT Home Ownership	402	104	- 298
TOTAL	247 614	185 879	- 61 735

Royalties, Rents and Dividends

Revenue from royalties, rents and dividends is expected to decrease by \$61.7 million in 2009-10.

Mining and petroleum royalties, the most significant in this category, are expected to decrease by \$64.1 million to \$160.5 million in 2009-10 due to weaker industry profitability, the impact of the global financial crisis on resource demand and changes in the value of the Australian dollar. However, the 2008-09 estimate has been revised upwards significantly from \$88 million in the May 2008 Budget to \$224.6 million in this Budget, resulting from increased profits in the mining sector generally, largely due to extraordinary profitability generated from historically high commodity prices, and contracted prices prior to the global financial crisis.

Land rents relate primarily to payments made under certain landholding arrangements, for example, pastoral lease rents and mining lease rents, and are expected to remain the same in 2009-10 at \$5.2 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 on the Government's investment.

The Power and Water Corporation was granted a dividend moratorium in 2007-08 and the moratorium is expected to continue.

Dividends received from other government business divisions are expected to increase by \$2.4 million in 2009-10 to \$19.4 million.

Gain/Loss on Disposal of Assets

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
GENERAL GOVERNMENT	4 741	15 004	10 263
Department of the Chief Minister		11 520	11 520
Gain on disposal of assets		11 520	11 520
Northern Territory Police, Fire and Emergency Services	20	60	40
Gain on disposal of assets	20	60	40
Government Printing Office	20	20	
Gain on sale of assets	20	20	
NT Fleet	1 000	1 000	
Gain on sale of vehicles	1 000	1 000	
Land Development Corporation	388	404	16
Gain on disposal of assets	388	404	16
Department of Regional Development, Primary Industry, Fisheries and Resources	13		- 13
Gain on disposal of assets	13		- 13
Department of Local Government and Housing	3 300	2 000	- 1 300
Gain on sale of assets	3 300	2 000	- 1 300
PUBLIC NON FINANCIAL CORPORATIONS	2 113	1 473	- 640
Darwin Bus Service	120	180	60
Gain on disposal of buses	120	180	60
NT Home Ownership	1 993	1 293	- 700
Gain on sale of assets	700		- 700
Revaluation of investments	1 293	1 293	
TOTAL	6 854	16 477	9 623

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. 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, resulting in minimal gains or losses.

For this reason, although some assets will be sold by agencies in 2009-10, specific allowances for gains or losses on their disposal are not generally made.

Budget variations in gains/losses across years reflect the fact that disposal of assets are typically one-off occurrences rather than regular business.

Overall, there is expected to be an increased gain of \$9.6 million on disposal of assets in 2009-10 mainly due to the stage 1 land sales for the residential component of the Darwin Waterfront development.

Other Revenue

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
GENERAL GOVERNMENT	89 486	63 035	- 26 451
Department of the Chief Minister	45	45	
Other	45	45	
Department of the Legislative Assembly	5	5	
Building recoveries	2	2	
Other	3	3	
Northern Territory Police, Fire and Emergency Services	888	790	- 98
Commonwealth Seconded Staff Arrangements	400	400	
Other	488	390	- 98
Department of Education and Training	515	356	- 159
Other	515	356	- 159
Northern Territory Treasury	110	110	
Other	110	110	
Central Holding Authority	64 113	50 673	- 13 440
Superannuation contributions	41 035	40 495	- 540
Change in investments on agency restructures	13 494		- 13 494
Criminal infringement and other fines	9 059	9 648	589
Unclaimed monies	468	473	5
Oncosts	57	57	
Department of Justice	5 190	2 181	- 3 009
Other	5 190	2 181	- 3 009
Department of Planning and Infrastructure	1 804	2 820	1 016
Territory Insurance Office - road safety	1 056	1 056	
Territory Insurance Office - motorcyclist training	343	343	
Territory Insurance Office - driver training and licensing		1 016	1 016
Wharf Precinct electricity costs reimbursement	360	360	
Other	45	45	
Department of Business and Employment	70	70	
Other	70	70	
Government Printing Office	15	15	
Other	15	15	
NT Fleet	70	70	
Other	70	70	
Tourism NT	43	43	
Other	43	43	
Territory Discoveries	150	150	
Other	150	150	

(continued)

Other Revenue - continued

	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Department of Health and Families	4 755	4 196	- 559
WA Beds	1 370	3 350	1 980
Pitjantjatjara Lands	540		- 540
Jade Software Program	330		- 330
Early Childhood Development	326		- 326
Clinical, Technical and Ethical Principal Committee	250		- 250
Home and Community Care - Disability Supported	199		- 199
Centre for Disease Control	145		- 145
Flu Immunisation Program	134		- 134
Indigenous Cord Blood Program	121		- 121
Tobacco National Pregnancy Project	59		- 59
Standing Committee on Aboriginal and Torres Strait Islander Health	109		- 109
Other	1 172	846	- 326
Department of Regional Development, Primary Industry, Fisheries and Resources	2 515	1 481	- 1 034
Private research and development corporations/organisations	2 509	1 481	- 1 028
Other	6		- 6
Department of Local Government and Housing	9 198	30	- 9 168
Return of funds from Indigenous Essential Services	5 300		- 5 300
Return of funds from Power and Water Corporation	3 713		- 3 713
Other	185	30	- 155
PUBLIC NON FINANCIAL CORPORATIONS	3 014	3 051	37
Darwin Bus Service	414	264	- 150
Diesel and Alternative Fuels Grants Scheme	414	264	- 150
Darwin Port Corporation	2 600	2 787	187
Property rental	1 750	1 750	
Other	850	1 037	187
TOTAL	92 500	66 086	- 26 414

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 \$26.4 million in 2009-10 due to:

- a decrease in the Department of Local Government and Housing other revenue due to one-off revenue in 2008-09 associated with the Power and Water Corporation and Indigenous Essential Services;
- a decrease in the Department of Justice other revenue of \$3 million in 2009-10, primarily due to contracts for the provision of legal advice and services to government agencies not yet being finalised, at which point estimates for 2009-10 will be revised;
- an anticipated increase in the Department of Health and Families other revenue of \$2 million due to payments from Western Australia for cross border hospital patients, which is partially offset by higher Commonwealth Own-Purpose Expenses programs in 2008-09, most of which are yet to be finalised for 2009-10;
- an estimated decrease in the Department of Regional Development, Primary Industry, Fisheries and Resources other revenue of \$1 million due to a reduction in the number of research agreements. It is anticipated that estimates for 2009-10 will be revised once formal agreements are finalised; and
- changes in investments held by the CHA from the restructure of the Department of Local Government and Housing and the creation of NT Home Ownership.