

Northern Territory Treasury

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
Output Group		
Financial Management	7 064	7 108
Economic	120 877	72 901
Territory Revenue	30 406	20 079
Superannuation	3 945	4 157
Statutory Bodies	1 383	1 464
Total Expenses	163 675	105 709
Appropriation		
Output	160 417	101 018
Capital	24	24
Commonwealth		

2009-10 Staffing: 180

Agency Profile

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

A number of strategic issues arise from the adoption by the Council of Australian Governments of new federal financial arrangements including:

- revised accountability provisions for the Territory's financial management framework as a result of changes to payment arrangements for Specific Purpose Payments and National Partnership Agreements;
- ensuring the adequacy of Commonwealth funds that recognise the high level of special needs in the Territory; and
- meeting the obligations outlined in National Partnership Agreements for matching funds, performance targets and achievement.

Other strategic issues in 2009-10 include:

- consideration and assessment of recommendations and strategies from the outcome of the Henry Tax Review and other national issues as they affect the Territory;
- provision of timely and effective strategic advice in response to the effect of the global financial situation on the Territory's Budget and the Territory economy;
- an effective and efficient tax and business environment that promotes economic development; and
- effective management of the Territory Government's commercial operations and interactions with the private sector at a time of volatility in financial markets.

Budget Highlights

- Continuing to present the Territory's position to the Commonwealth Grants Commission's 2010 Methodology Review of State Revenue Sharing Relativities.
- Continuous improvement in financial management practices at agency and whole of government levels, including implementation of changes to the *Financial Management Act* in response to the new federal financial arrangements.
- Further development and implementation of economic, commercial and regulatory frameworks which govern the operation of Territory Government businesses and economic infrastructure.
- Further development and dissemination of analysis, projections and forecasts of key Territory economic, social and demographic indicators.
- Ongoing review of Territory tax policies having regard to national tax reform initiatives, including harmonisation and deregulation.
- Improving and streamlining the Territory public sector superannuation arrangements.

Outputs and Performance

Output Group/Output	2008-09 Estimate	2009-10 Budget	Variation
	\$000	\$000	\$000
Financial Management	7 064	7 108	44
Financial Management	7 064	7 108	44
Economic	120 877	72 901	- 47 976
Economic Services	8 476	8 324	- 152
Payments on Behalf of the Territory	112 401	64 577	- 47 824
Territory Revenue	30 406	20 079	- 10 327
Territory Revenue	7 016	8 109	1 093
Tax-Related Subsidies	23 390	11 970	- 11 420
Superannuation	3 945	4 157	212
Superannuation	3 945	4 157	212
Statutory Bodies	1 383	1 464	81
Utilities Commission	693	774	81
NT Build	690	690	
Total Expenses	163 675	105 709	- 57 966

Key Variations

- The decline in Payments on Behalf of the Territory output reflects the second contribution of \$50 million in 2008-09 from the Territory Government to the Power and Water Corporation towards its five-year infrastructure program. This is partially offset by growth in community service obligation (CSO) payments in 2009-10 as a result of annual indexation arrangements.

- The Territory Revenue output increase in 2009-10 is due to funding from the Commonwealth for the national Standard Business Reporting initiative which aims to reduce the reporting burden for business.
- The reduction in the Tax-Related Subsidies output reflects the cessation of the on-road fuel subsidy from 5 May 2009, to be replaced with additional funding for roads and public transport and cessation of the additional Commonwealth First Home Owner Boost scheme and the Territory's complementary Buildstart scheme on 30 June 2009.
- The Superannuation output reflects additional funding to review and enhance the administration of the Territory's superannuation arrangements.
- NT Build is a new output for Treasury in 2008-09 following transfer of responsibility from the Office of the Commissioner for Public Employment. The output reflects employee expenses for NT Build employees, employed under the *Public Sector Employment and Management Act*. These staff are made available to NT Build under a full cost recovery arrangement.

Output Group: Financial Management

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

- whole of government budgeting and financial reporting;
- monitoring agency financial and output performance, including analysis of agency budget proposals;
- reporting and analysis of infrastructure budget requirements and coordination of the Infrastructure Program for Government; and
- management of financial accountabilities as prescribed in the *Financial Management Act* and the *Fiscal Integrity and Transparency Act*.

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

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Capacity to provide policy advice and analysis on financial management issues	\$7.06M	\$7.11M
<i>Quality</i>	Stakeholder satisfaction ¹ with:		
	– fiscal policy advice	≥ 5	≥ 5
	– key financial reports and publications	≥ 5	≥ 5
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

¹ Stakeholders are the Treasurer and Government agencies. Measures range from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Output Group: Economic

Analysis, policy advice and related support activities relevant to commercial, economic, demographic and public finance issues affecting the Territory, and various payments on behalf of Government.

The outcomes are:

- effective frameworks for the development of a strong, competitive economy;

- effective advice for Government on commercial, economic, demographic, statistical and social issues to assist in making informed decisions that benefit the Territory community; and
- an optimal share of Commonwealth funding for the Territory.

Economic Services

Analysis and public policy advice on:

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

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Capacity to provide policy advice and analysis on economic and related issues	\$8.48M	\$8.32M
<i>Quality</i>	Stakeholder satisfaction ¹		
	– advice on economic and related issues	≥ 5	≥ 5
	– economic publications	≥ 5	≥ 5
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

¹ Stakeholders are the Treasurer, relevant Government agencies and users of Treasury's economic publications. Measures range from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Payments on Behalf of the Territory

Expenses incurred on behalf of Government as a result of either formal agreements or specified in legislation, including:

- the Territory Government's community service obligation (CSO) to supply electricity, water and sewerage customers at subsidised tariffs;
- capital assistance to the Power and Water Corporation associated with its electricity, water and sewerage infrastructure program; and
- goods and services tax (GST) collection costs of the Australian Taxation Office (ATO).

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	CSO payment for uniform tariff subsidy	\$55.87M	\$58.05M
	Capital assistance to Power and Water	\$50.00M	
	GST collection costs	\$6.48M	\$6.48M

Output Group: Territory Revenue

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

- policy and legislative advice and services;
- administration systems;
- compliance activities;
- home incentive grant schemes; and
- community awareness and advisory services.

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

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Territory revenue collected ¹	\$690.35M	\$614.80M
	Capacity to provide revenue management policy advice	\$1.42M	\$1.41M
	Capacity to collect Territory revenue	\$5.59M	\$6.70M
	Subsidy payments	\$23.02M	\$11.60M
	Subsidy administration	\$0.37M	\$0.37M
<i>Quality</i>	Territory revenue forecast accuracy	± 5%	± 5%
	Stakeholder satisfaction ²		
	– taxpayers ³	≥ 85%	≥ 85%
	– Treasurer	≥ 5	≥ 5
	Assessment accuracy	≥ 99%	≥ 99%
	Accuracy of grant payments	100%	100%
<i>Timeliness</i>	Revenue received within agreed timeframes	> 95%	> 95%
	Services completed within agreed service standards	> 95%	> 95%

¹ Includes taxes, gambling revenue and mining royalties.

² Measures range from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

³ Taxpayers' satisfaction rating represents the percentage of respondents who indicate a score of ≥ 5.

Output Group: Superannuation

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

The outcome is effective and responsive superannuation arrangements for members.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Capacity to provide policy advice and services on superannuation	\$3.95M	\$4.16M
<i>Quality</i>	Stakeholder satisfaction ¹ with policy advice and services on superannuation	≥ 5	≥ 5
	Superannuation benefits paid accurately	100%	100%
<i>Timeliness</i>	Timeframes met as agreed	≥ 5	≥ 5

¹ Stakeholders include the Treasurer, superannuation scheme members and associated boards. Measures range from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

Output Group: Statutory Bodies

Statutory bodies for which Northern Territory Treasury has principal administrative responsibility. This includes the Utilities Commission and NT Build.

Utilities Commission

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

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

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

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Capacity to administer regulatory regime	\$0.55M	\$0.62M
	Capacity to advise the Regulatory Minister	\$0.14M	\$0.15M
<i>Quality</i>	Stakeholder satisfaction ¹	≥ 5	≥ 5
<i>Timeliness</i>	Determinations and approvals issued within statutory timeframes ²	100%	100%

1 Stakeholder is the Regulatory Minister. Measures range from a rating of 1 = extremely dissatisfied through to 6 = extremely satisfied.

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

NT Build

Employment expenses for NT Build employees. NT Build is an industry funded portable long service leave scheme for the construction industry established under the *Construction Industry Long Service Leave and Benefits Act* which came into effect on 1 July 2005. NT Build employees are employed under the *Public Sector Employment and Management Act* within the Treasury portfolio and are made available to NT Build under a full cost recovery arrangement.

Operating Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current	314	1 314
Capital		
Appropriation		
Output	160 417	101 018
Commonwealth		
Sales of goods and services	1 071	1 074
Interest revenue	1 563	1 678
Goods and services received free of charge	1 930	1 930
Gain(+)/loss(-) on disposal of assets		
Other revenue	110	110
TOTAL INCOME	165 405	107 124
EXPENSES		
Employee expenses	17 391	17 808
Administrative expenses		
Purchases of goods and services	8 058	9 569
Repairs and maintenance	54	26
Depreciation and amortisation	207	207
Services free of charge	1 930	1 930
Other administrative expenses	6 529	6 484
Grants and subsidies expenses		
Current	23 595	11 600
Capital	50 000	
Community service obligations	55 871	58 046
Interest expenses	40	39
TOTAL EXPENSES	163 675	105 709
NET SURPLUS(+)/DEFICIT(-)	1 730	1 415

Income Administered for the Central Holding Authority

INCOME		
Taxation revenue	465 743	454 329
Commonwealth revenue		
GST revenue	2 244 100	2 319 400
Specific purpose payments	63 840	358 858
National partnership agreements	116 125	438 836
Current grants	22 573	9 246
Capital grants		
Fees from regulatory services	1 142	1 142
Interest revenue		
Royalties and rents	224 610	160 466
Other revenue		
TOTAL INCOME	3 138 133	3 742 277

Balance Sheet

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
ASSETS		
Cash and deposits	5 991	5 935
Receivables	604	604
Prepayments	1 021	1 021
Inventories		
Advances and investments	23 271	24 949
Property, plant and equipment	495	288
Other assets		
TOTAL ASSETS	31 382	32 797
LIABILITIES		
Deposits held		
Creditors and accruals	946	946
Borrowings and advances	78	54
Provisions	2 575	2 575
Other liabilities		
TOTAL LIABILITIES	3 599	3 575
NET ASSETS	27 783	29 222
EQUITY		
Capital		
Opening balance	6 228	6 248
Equity injections/withdrawals	20	24
Reserves		
Accumulated funds		
Opening balance	19 805	21 535
Current year surplus(+)/deficit(-)	1 730	1 415
Accounting policy changes and corrections		
TOTAL EQUITY	27 783	29 222

Assets and Liabilities Administered for the Central Holding Authority

ASSETS		
Taxes receivable	30 948	32 152
Grants and subsidies receivable		
Royalties and rent receivable		
Other receivables	2 032	2 032
TOTAL ASSETS	32 980	34 184
LIABILITIES		
Central Holding Authority income payable	31 613	32 817
Unearned Central Holding Authority income	1 367	1 367
TOTAL LIABILITIES	32 980	34 184
NET ASSETS		

Cash Flow Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Taxes received		
Grants and subsidies received		
Current	314	1 314
Capital		
Appropriation		
Output	160 417	101 018
Commonwealth		
Other agency receipts from sales of goods and services	1 181	1 184
Interest received	1 563	1 678
Total operating receipts	163 475	105 194
Operating payments		
Payments to employees	17 314	17 808
Payments for goods and services	14 612	16 079
Grants and subsidies paid		
Current	23 595	11 600
Capital	50 000	
Community service obligations	55 871	58 046
Interest paid	40	39
Total operating payments	161 432	103 572
NET CASH FROM OPERATING ACTIVITIES	2 043	1 622
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances	648	648
Sales of investments		
Total investing receipts	648	648
Investing payments		
Purchases of assets		
Advances and investing payments	2 211	2 326
Total investing payments	2 211	2 326
NET CASH FROM INVESTING ACTIVITIES	- 1 563	- 1 678
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings		
Deposits received		
Appropriation		
Capital	24	24
Commonwealth		
Equity injections		
Total financing receipts	24	24
Financing payments		
Repayment of borrowings	24	24
Finance lease payments		
Equity withdrawals	77	
Total financing payments	101	24
NET CASH FROM FINANCING ACTIVITIES	- 77	
Net increase(+)/decrease(-) in cash held	403	- 56
Cash at beginning of financial year	5 588	5 991
CASH AT END OF FINANCIAL YEAR	5 991	5 935