BUDGET STATEMENTS

2021-22

for

Chief Minister, Treasury and Economic Development Directorate

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CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

Purpose

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) leads the ACT Public Service (ACTPS).

We work collaboratively within government and with the community to deliver government priorities and drive initiatives aimed at making Canberra a better place to live. CMTEDD also leads the strategic direction of the ACTPS to ensure it is well positioned to perform its role.

As a central agency, we:

- support the Chief Minister, the directorate's Ministers and the Cabinet by providing informed, holistic and innovative advice;
- provide support and direction across the ACTPS on policy and strategy;
- lead the ongoing development of the ACTPS, including advising on the structure of the ACTPS, ACT public sector employment legislation and conditions, employment, industrial relations, senior executive leadership development and human resource management;
- drive the evolution of Canberra into a smart and connected digital city, through leading-edge initiatives and cyber secure information and communication technology;
- improve the liveability and productivity of our city in collaboration with business, tertiary education institutions and industry partners;
- provide strategic financial and economic advice to the ACT Government to improve the Territory's financial position and economic management;
- administer the ACT tax laws and manage the assessment and collection of ACT taxes;
- support public sector health and productivity by providing effective injury prevention and management services and infrastructure;
- support government through the provision of financial, human resources, property, insurance, infrastructure advisory and procurement services;
- connect businesses and communities to government through Access Canberra's 'one-stop-shop' licensing and regulatory services; and
- keep the Canberra community well informed about the COVID-19 pandemic through the whole of government Public Information Coordination Centre, as well as government policies, programs and services. We also provide meaningful opportunities for Canberrans to inform government decision-making.

2021-22 Priorities

Strategic and operational priorities for CMTEDD in 2021-22 include:

- through the Office of the Coordinator-General for the Whole of Government (Non-Health) COVID-19 Response:
  - continuing to work with all directorates and agencies to ensure a well-coordinated and effective whole of government response to COVID-19;
  - closely coordinating with the Chief Health Officer to ensure alignment of health and non-health responses to COVID-19;
  - maintaining sound governance, decision-making and other processes, reviewing structures and legal authority as the COVID-19 response evolves; and
  - working with Treasury to monitor the implementation of economic support packages, and support a strategic approach to economic and community recovery;
- embedding the ACT Wellbeing Framework as a basis for assisting government decision making, supporting public service engagement, building an evidence base for 'what works' for wellbeing, and reporting on wellbeing outcomes;
- through the Office of the Coordinator-General for Climate Action:
  - leading and coordinating the ACT's emissions reduction initiatives; and
  - undertaking climate adaptation policy analysis to improve Canberra's resilience to the effects of a warming climate;
- supporting the ACT Government response to the Royal Commission into National Natural Disaster Arrangements;
- continuing work on developing regulation for Child Safe Standards, which will provide practical guidance to organisations on how to create safe environments for children and young people;
- delivering regulatory reform through the Better Regulation Taskforce to support the economic recovery of Canberra and make it easier to do business in the ACT;
- supporting the ACT Government to progress key policy reforms in areas including social inclusion, LGBTIQ affairs and intergovernmental relations;
- collaborating with the Commonwealth and other states and territories to progress national priorities under the National Cabinet and the National Federation Reform Council;
- strengthening regional collaboration with NSW state and local governments through working together on cross-border planning, service delivery and economic development opportunities;

- guiding cultural change across government in order to achieve greater collaboration and innovation in the delivery of the ACT Government's priorities;
- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;
- continuing to modernise the ACTPS employment framework through the 2021 enterprise agreement bargaining round and associated reviews of the legislative and policy landscape;
- leading a coherent approach to whole of government senior executive leadership development, talent management and mobility to ensure the ACTPS has the required mix of leadership capabilities now and into the future;
- embedding expansion of the ACTPS Graduate Program by 20 per cent and continuing with the talent bank program of recruited graduates as an accessible resource for ACTPS directorates;
- embarking on a Future of Work capability building program to further embed flexible work practice, activity based and remote working for a large segment of the ACTPS workforce;
- creating a foundation for the development of an ACTPS Secure Employment Framework;
- implementing recommendations from the review of operations of the Secure Local Jobs Code, which will further enhance compliance and enforcement of the Code;
- providing strategic advice on whole of government policy and workforce matters associated with the next component of the Human Resource Information Management System (HRIMS), providing the ACT Government's workforce with greater automation and process efficiencies, improved workforce analytical and reporting capability, employee self-service capability and standard HR frameworks;
- ensuring the ACT public sector workplace safety framework operates effectively to protect staff from COVID-19 and associated health and wellbeing hazards;
- improving work health and safety and return to work outcomes for injured employees;
- keeping the Canberra community well informed about the COVID-19 pandemic through the whole of government Public Information Coordination Centre;
- driving further improvements to the way government communicates and engages with Canberrans by:
    - enhancing the Our Canberra digital platforms;
    - supporting the consolidation of websites and digital channels;
    - better coordinating public information campaigns;
    - leading topic based and regional based communication programs;

  - supporting enhanced whole of government engagement practice; and
  - expanding the membership of the YourSay Community Panel;
- further demonstrating the value of the ACT Data Analytics Centre through continued support for directorates to implement the Data Governance and Management Framework, including to enhance data sharing across the ACTPS for public benefit;
- progressing alignment of projects to the Digital Strategy, including utilising the work of the Whole of Government Business Architecture and Threat and Risk Assessment initiatives;
- delivering against the Moving Delivery of More Community Services Online program of work, including designing ways to make it easier for people to prove their eligibility for a range of concessions to access ACT Government services and the design and delivery of automated mutual recognition of occupational licences;
- continuing to manage and maintain the technology infrastructure and end user services for all ACT Government directorates and agencies;
- continuing to support national forums such as the Data and Digital Ministers, providing advice and guidance for the ACT's participation in national initiatives such as the Intergovernmental Agreement on Data Sharing;
- continuing to support the government's COVID-19 recovery to ensure digital and technology initiatives are delivered in a way that provides the best outcomes for both the community and government;
- supporting the Government's emergency response to COVID-19 including through compliance activities, the COVID-19 Helpline and the Access Canberra Business Liaison Line;
- providing services to businesses, community groups and individuals through a 'no wrong door' approach to government;
- undertaking regulatory activities to protect the community and the environment and contribute to economic growth through risk-based compliance, licensing and regulation;
- strengthening regulatory compliance for the building industry to continuously improve building quality in the Territory, including through regulation of construction licensing;
- strengthening regulatory and communications engagement to reduce the need for regulatory intervention by providing the community, business and industry with timely information about emerging and existing regulatory compliance issues;
- supporting other directorates and agencies in delivering government priorities and providing regulatory support to key projects including Light Rail, the Automatic Mutual Recognition Scheme and the Sustainable Household Scheme;
- supporting road safety outcomes through traffic camera and speed monitoring activities;

- supporting the safety and amenity of our city through parking compliance activities;
- making services simpler and easier through improved digital services and website functionality;
- delivering a new Access Canberra Service Centre at Belconnen;
- implementing binding conciliation arrangements to support better outcomes in consumer affairs matters;
- implementing improved land titles processes through e-conveyancing;
- providing services and collecting revenue on behalf of other directorates;
- supporting the delivery of the ACT Government's COVID-19 business support measures;
- providing assistance to small businesses through access to business advice, financial and legal advice, as well as access to mental health and wellbeing services;
- creating, leading and fostering an innovative and responsive approach across all directorates to support economic recovery, job creation and diversification of the ACT economy;
- supporting key capability industries with high growth and competitive advantages to foster business growth, jobs creation and economic recovery;
- delivering investment attraction and facilitation services to attract external investment, grow the number of high value jobs and continue to diversify the ACT economy;
- providing assistance to increase the number of Aboriginal and Torres Strait Islander businesses and to help existing Aboriginal and Torres Strait Islander businesses to develop and grow;
- supporting artists, creatives, arts groups and organisations, through flexible and accessible funding and capacity building programs, which contribute to the vitality and vibrancy of our city;
- promoting and profiling the arts community and its important role in our economic, social and cultural identity;
- positioning the ACT tertiary education and research sector as a major driver for economic recovery, including further development of Canberra as a knowledge economy;
- continuing to support the Canberrra Institute of Technology (CIT) to deliver on the Strategic Compass;
- meeting Canberra's current and future skills and workforce needs through subsidised vocational education and training, including free training for jobseekers and young people under the JobTrainer Fund, and free infection control training for customer-facing workers under the National Infection Control Training Fund;

- attracting migrants and investors to address skills shortages and support sustained population growth in the Territory;
- facilitating increased research investments, the return of international students to the ACT when it is safe to do so, and diversification of student markets, promoting Canberra as a study destination;
- promoting Canberra as a welcoming city for people to visit and live in, with world-class tourism, sporting, artistic and cultural experiences that reflect our unique environment and position as the nation's capital;
- actively seeking events to increase economic benefit to the Territory and reputation for visitation;
- undertaking preliminary design and feasibility for a staged consolidation and redevelopment of Exhibition Park in Canberra;
- continuing to progress the National Arboretum Canberra and Stromlo Forest Park Masterplans, including consultation with key user groups;
- undertaking a feasibility and options study with a concept design of a second access road at the National Arboretum Canberra, to provide better access to the community by addressing the singular access road in and out of the Arboretum;
- delivering and supporting an exciting, diverse and engaging year-round calendar of major and community events that showcase the best Canberra has to offer and positively shape and reflect our city identity;
- continuing to support sport and recreation organisations to deliver and grow participation opportunities, particularly for women and girls, to encourage healthy and active lifestyles within our community;
- strengthening partnerships with elite sporting teams in the ACT to maximise the economic and social return on funding agreements;
- focusing on returning events to venues managed by the ACT Government to assist the community and the economy in recovering from the impact of COVID-19;
- restoring a long-term program of trade missions, inbound delegations and other events to invigorate export activity in a post-pandemic environment;
- working with Austrade, the Canberra Business Chamber, regional local governments and other stakeholders to prepare ACT firms for export activity;
- supporting export development in collaboration with partners and industry to assist businesses to sell into new markets;
- contributing strategic leadership, oversight and coordination of new sources of inbound investment opportunities originating from target-market countries;

- continuing to build Canberra's government-to-government relationships, including sister-city formal relationships, to raise the awareness of export and other opportunities within Canberra's economic Key Capability Areas, and ensure alignment with our objectives to expand and diversify Canberra's economy and its reputation;
- providing advice and implementing initiatives to support the ACT community and economy to recover from the impact of the COVID-19 pandemic, including the management of a central COVID-19 response fund;
- supporting the delivery of commitments in the Parliamentary and Governing Agreement;
- implementing changes to federal financial relations arrangements, including an enhanced role for the Council on Federal Financial Relations in intergovernmental funding agreements;
- preparing the 2021-22 Budget, the 2021-22 Budget Review, the 2022-23 Budget and the Territory's consolidated financial statements;
- administering the ACT tax laws, managing the assessment and collection of ACT taxes and administering concessions, exemptions and grants consistent with the Government's policies;
- providing whole of government advice and support on the development of infrastructure projects within the Capital Framework, strengthening the analysis to enable more robust decision making;
- supporting agencies in managing the Territory's first two Public Private Partnerships and unsolicited proposals made to the Territory;
- enhancing procurement capability across the ACTPS and improving procurement policies, systems, tools and practices to support value for money and ethical and sustainable outcomes;
- transitioning to the new payroll system while continuing to administer the existing payroll and payroll reporting obligations for ACT Government directorates and agencies;
- supporting local business by ensuring the timely processing of payments to goods and service providers; and
- supporting directorates in the management of government property through the delivery of property services for ACT Government directorates and agencies.

Estimated Employment Level

Table 1: Estimated Employment Level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Actual Outcome [1]	2021-22 Budget [2]
Staffing (FTE) [3]	2,462	2,461	2,566 [4]	2,598 [5]

Note(s):

1. These figures relate to staffing levels paid at end of financial year.
2. These figures relate to estimated average annual staffing figures.
3. All figures include FTE estimates for the following agencies, due to CMTEDD staff providing administrative support to them on a cost recovery or resources provided free of charge basis: ACT Gambling and Racing Commission, Lifetime Care and Support Fund, Motor Accident Injuries Commission, Public Sector Workers Compensation Fund, Superannuation Provision Account and Territory Banking Account.
4. The difference between the 2020-21 Budget and the 2020-21 Actual Outcome is mainly due to an extension of the Jobs for Canberrans program and extra positions to meet government priorities, particularly the COVID-19 response.
5. The difference between the 2021-22 Budget figure and the 2020-21 Actual Outcome is mainly due to new and continuing initiatives, including those that assist with COVID-19 recovery such as new business support grants and the Jobs for Canberrans program.

Strategic Objectives and Indicators

Strategic Objective 1

The Directorate will provide high quality policy advice and support to the ACT Government, including coordinated and integrated policy development and service delivery across government agencies, and delivery of a more agile, responsive and innovative public service to deliver government priorities

Effective delivery of government policy and objectives requires coordination, cohesion and alignment of efforts across the ACT Public Service (ACTPS). The Directorate will lead and coordinate whole of government strategy and policy development. This will include:

- leading whole of government policy development and priorities, and the implementation of key government decisions;
- proactively engaging with directorates on key policy or service issues, including providing advice from a whole of government perspective;
- ensuring that advice to the Chief Minister and Cabinet is evidence based, timely, accurate, robust and covers essential issues succinctly, clearly and in sufficient detail;
- promoting inter-directorate cooperation and outcomes through Directorate committees and ongoing arrangements such as the Strategic Board and its committees;
- leading and coordinating policy and project initiatives targeted at reducing regulatory burden and improving the effectiveness and efficiency of regulation;
- embedding the ACT Wellbeing Framework as a basis for assisting government decision making, supporting public service engagement, building an evidence base for 'what works' for wellbeing, and reporting on wellbeing outcomes;
- through the Coordinator-General, Climate Action, leading and coordinating the ACT's emissions reduction initiatives and undertaking climate adaptation policy analysis to improve Canberra's resilience to the effects of a warming climate;
- leading and coordinating the ACT Government's participation in National Cabinet, the National Federation Reform Council, the Council for the Australian Federation, and the Council of Capital City Lord Mayors;
- leading the ACT Government's engagement with regional stakeholders on mutually beneficial activities including the NSW Government, the Cross-Border Commissioner, the Canberra Region Joint Organisation, the Yass Valley Council and the Queanbeyan-Palerang Regional Council;
- leading efforts across the ACTPS to reduce discrimination and improve outcomes for people of diverse sexualities, genders, bodies and relationships through the Office of LGBTIQ+ Affairs;

- supporting whole of government improvement in records and information governance capabilities;
- providing services and initiatives that make ACT Government archives available to the public;
- ensuring the employment framework and industrial relations services deliver healthier workers and safer, more ethical and strategic employment practices;
- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;
- delivering a whole of service survey so that workforce trends and patterns inform strategic decision making;
- leading a more coherent approach to whole of government senior executive leadership development, talent management and mobility to ensure the ACTPS has the required mix of leadership capabilities now and into the future;
- driving transformational and cultural change with the recent occupation of the Dickson and Civic Government office buildings;
- developing more flexible working environments and practices through a phased approach, which will initially involve the introduction of wayfinding in ACT Government leased premises in various locations, and the creation of flexi working hubs in Belconnen and Tuggeranong;
- preparing the ACTPS for the implementation of the Human Resources Information Management Solution, which will allow for streamlined and harmonised business processes including talent planning and strategy, recruitment, learning and development, performance management, career planning, payroll and HR analytics and reporting;
- developing and implementing ACTPS capacity building programs, including programs for workforce health and wellbeing, graduates, Aboriginal and Torres Strait Islanders, and people with disability;
- maintaining and monitoring whole of government integrity, ethics and accountability frameworks;
- supporting the Head of Service, the Public Sector Standards Commissioner, the Public Sector Workers Compensation Commissioner and the ACT Remuneration Tribunal with their legislative responsibilities; and
- implementing recommendations from the Secure Local Jobs Code review, managing the Secure Local Jobs Code certification scheme, assisting Territory entities and suppliers to meet their legislative obligations under the Code and undertaking education and awareness raising activities on the implementation of the Code.

Strategic Objective 2

The Directorate will support Government in the delivery of responses to urgent and complex emerging priorities

The Directorate will be flexible and agile in responding to urgent and emerging government priorities, through consultation with other agencies, developing solutions and rapidly delivering services, leadership of cross agency and joint community taskforces and active participation in taskforces and committees led by other directorates. This includes the Government's response to the COVID-19 pandemic.

Strategic Objective 3

The Directorate will promote economic growth, innovation and opportunity, and social inclusion

The Directorate will support economic recovery and job growth by supporting our local business community and promoting diversification and greater innovation in the ACT economy.

The Directorate will leverage Canberra's competitive advantages in the tertiary education, space, defence, cyber security, advanced technology and manufacturing, health and sports science, and renewable energy sectors to support economic growth.

The Directorate will support the development of a skilled workforce through industry-led vocational education and training that responds to current and emerging skills needs, and targets cohorts experiencing barriers to participation, particularly young people and jobseekers.

The Directorate will continue collaborative partnerships with the tertiary education and research sectors and focus on bringing international students back to Canberra when it is safe to do so, and promoting investment in research partnerships with our key industry sectors.

The Directorate, via Access Canberra, will also support economic growth by making it easier to do business with government. Access Canberra will shape the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government, enabling a 'no wrong door' approach and ensuring the appropriate level of community protection to make Canberra an even better place to live.

The Directorate will support a culturally rich and vibrant community, where arts and creativity are apparent anywhere, at any time. The Directorate will support artists and creatives to build their capacity and capability, and encourage creative collaboration within the arts sector and beyond. The Directorate will achieve this through funding and activities which support artists and arts organisations, fostering Canberra's reputation as a premier city for creativity.

The Directorate will plan and deliver key community events that are inclusive and welcoming to all and aim to showcase the best of Canberra and the region.

Strategic Indicator 3a: Growth in the value of tourism.

The ACT Government and tourism industry had set a goal of growing overnight visitor expenditure to $2.5 billion by 2020. Tourism Research Australia's State Tourism Satellite Account results show we reached that goal in 2019, when the size of our visitor economy peaked. The total value of overnight visitor expenditure was $2.590 billion for the year ending September 2019. Around that time, tourism as an industry employed 18,500 people in the ACT, representing 8.1 per cent of the Territory's total workforce.

In 2020-21, the COVID-19 pandemic has resulted in a dramatic drop in the number of visitors to Canberra. Tourism is a key driver of the ACT economy and will play a critical role in recovery.

The Directorate will continue to implement marketing and development programs that aim to increase the economic return from tourism visitation. The Directorate will also leverage relationships with industry and other jurisdictions to promote aviation opportunities and attract new aviation carriers and routes into Canberra.

The Directorate will continue to focus on international engagement activities and new economic relationships, including export development, which support our priorities of investment facilitation and key sector development. The Directorate will undertake this work prior to, and as international borders begin to open, in a post-COVID-19 pandemic environment.

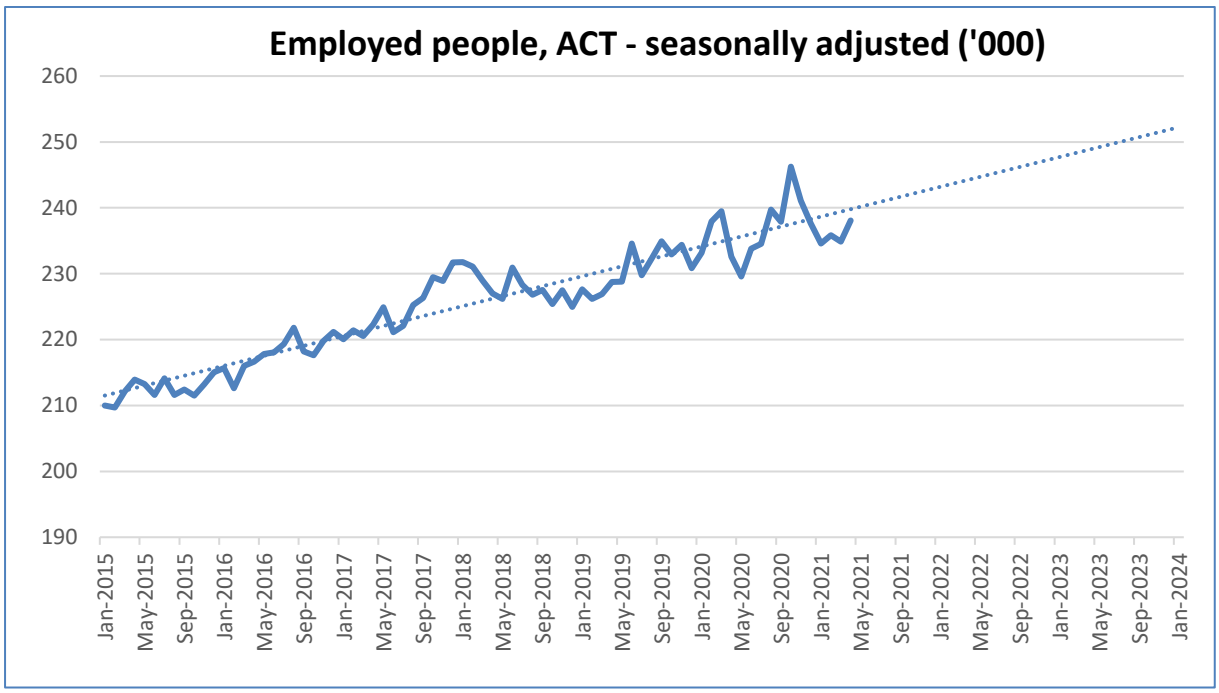
Strategic Indicator 3b: Growth in innovation, trade and investment.

The Government's objective is to continue to support private sector growth and economic diversification with a target of reaching a labour force in the ACT of 250,000 by 2025.

The Directorate will implement strategies that build on the strengths that the ACT has in knowledge, creativity and innovation, to support and accelerate the growth of local businesses.

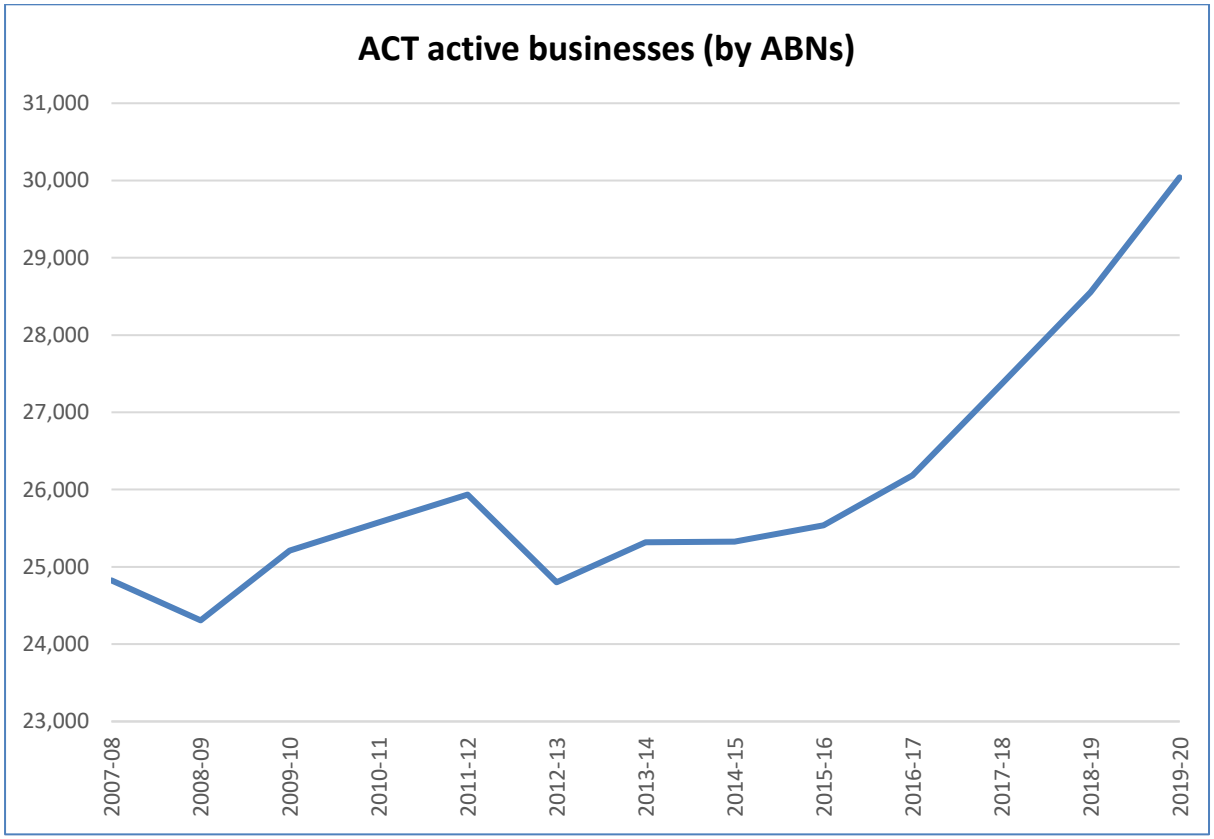
The Directorate will also promote export development through international engagement and trade activities.

Figure 1: Employed people, Australian Capital Territory



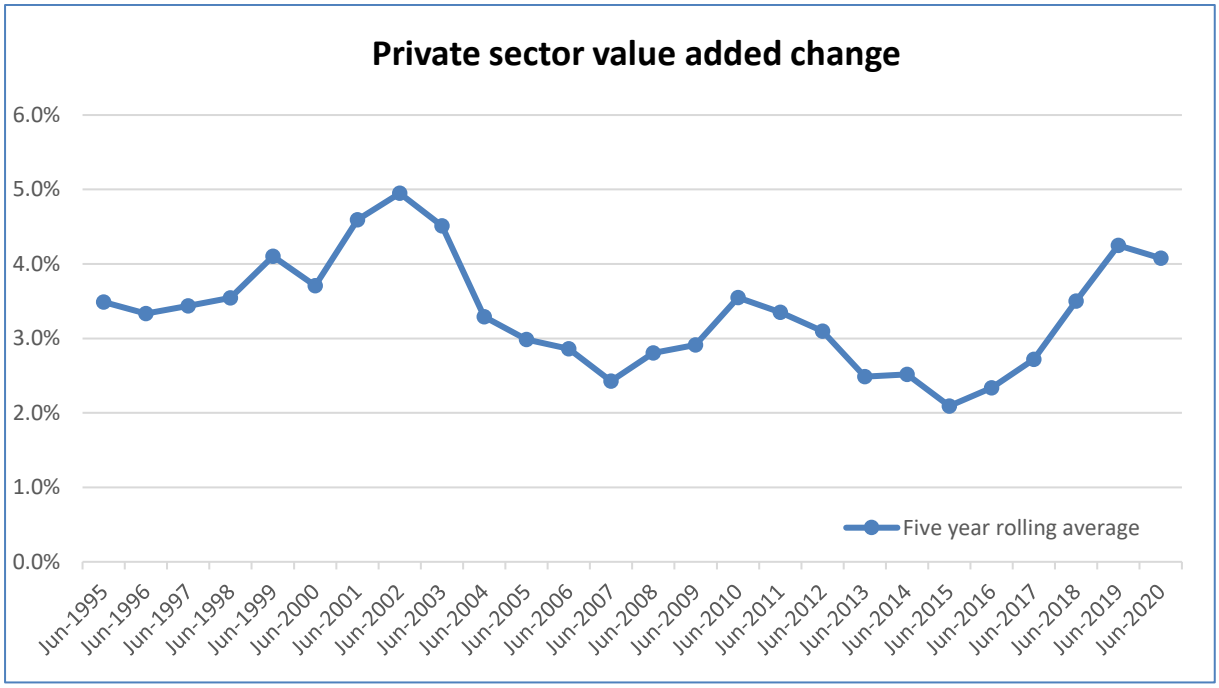
Source: ABS Catalogue No. 6202.0, Table 11a. Labour force status by sex, Australian Capital Territory – Seasonally adjusted.

Figure 2: ACT active businesses



Source: ABS Catalogue No. 8165.0, Table 4. Financial Year data.

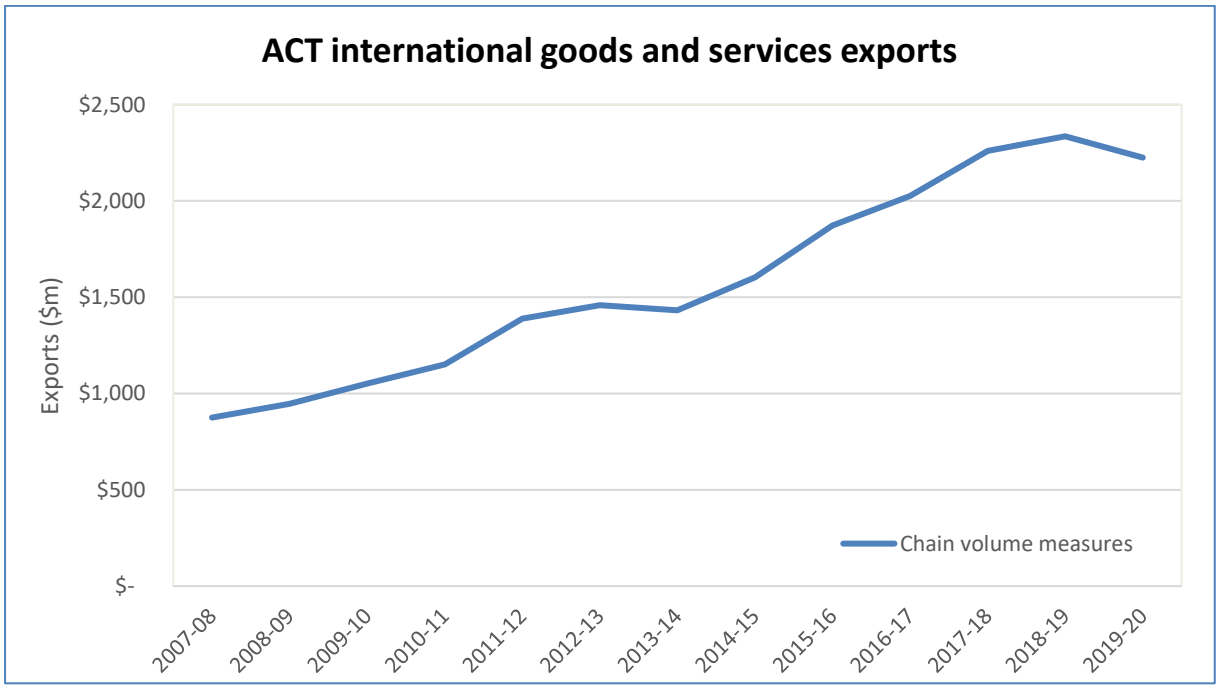
Figure 3: Gross value added to ACT economy – private sector



Source: ABS 5220, Table 9, Financial Year data, Series ID A2715165A; Series ID A2477744F.

Figure 4: ACT goods and services exports

Export of services and goods is critical to the growth and development of ACT businesses and to the diversification of the ACT's economy. The Directorate will continue to track export activity and its contribution to the overall economy.

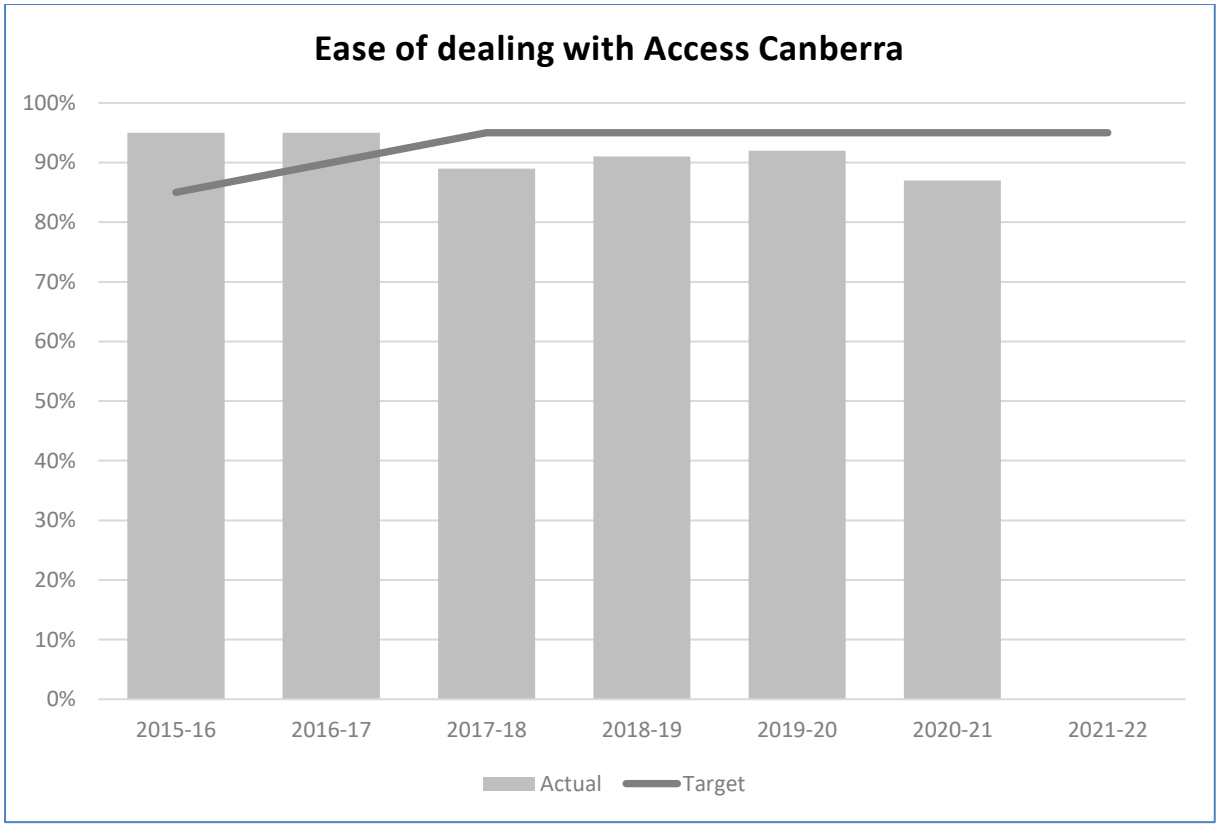


Source: ABS 5368.0.55.003, merchandise exports for the same period based on ABS 5368.0. Financial Year data.

Strategic Indicator 3c: It is easy to do business with the ACT Government.

The ACT Government will continue to focus on making it easy to do business in Canberra, both for industry and citizens. Access Canberra provides services through service centres, contact centres and online services, as well as field-based inspections and investigations.

Figure 5: Ease of dealing with Access Canberra

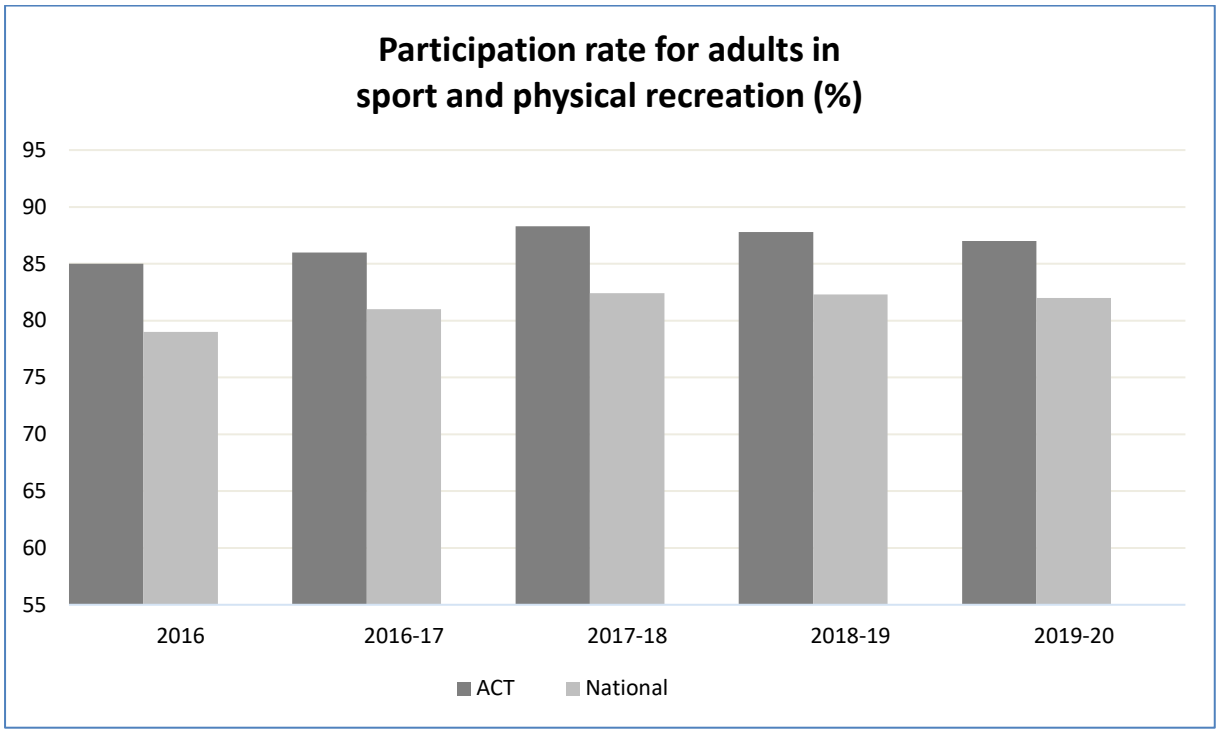


Source: Business Improvement Manager client assessment feedback, which is collected from an on-going internal phone survey of randomly selected industry groups that have had a regulatory interface with Access Canberra. Members of the general public are surveyed on an annual basis and asked to assess the ease of dealing with Access Canberra based on their dealings over the past 12 months.

Strategic Indicator 3d: Higher than national average participation in sport and physical recreation.

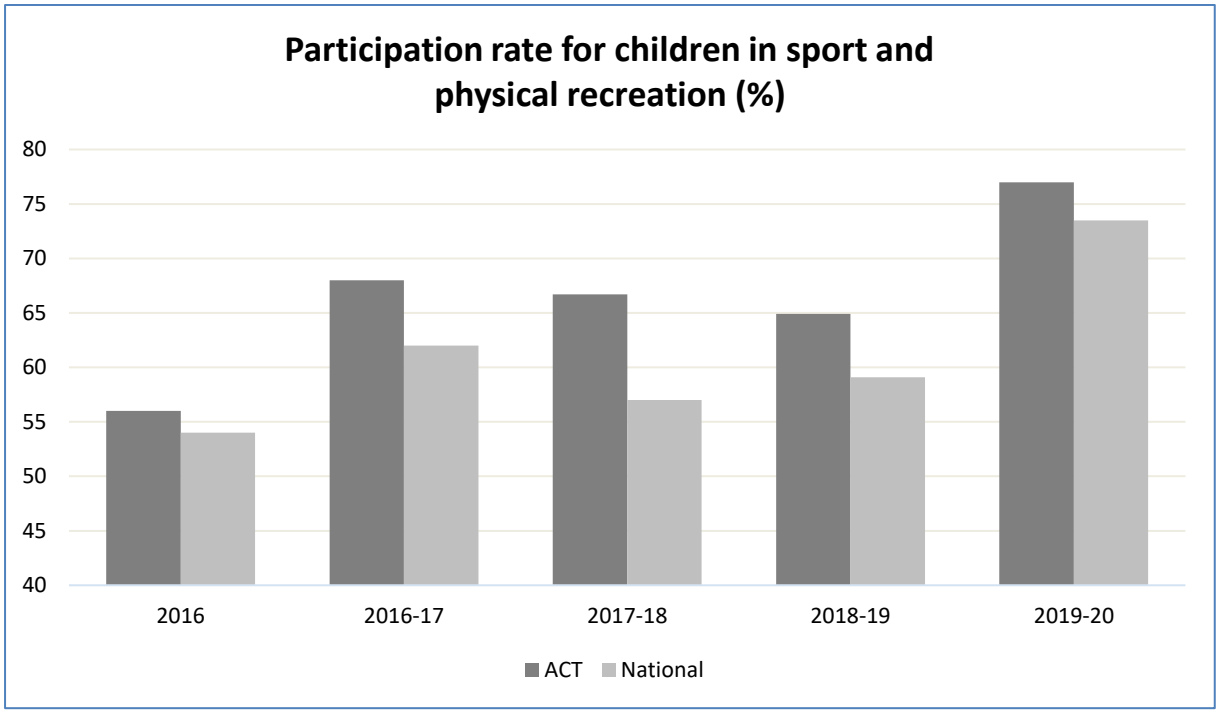
The benefits of physical activity are widely recognised and are consistent with the ACTIVE 2020 objective to increase participation in competitive, non-competitive and social sport and recreation activities at all levels. ACTIVE 2020 provided a blueprint upon which sport and recreation would be nurtured and promoted over the period to 2020. ACTIVE 2020 will be reviewed and updated in 2021.

Figure 6: Participation rate for adults in sport and physical recreation



Source: AusPlay Participation data for the sport sector (October 2020). 2016 represents the initial release of data report under new data source for sport and physical recreation participation. 2016-17 represents the first full year of data, and relates to persons aged 15 years or over who participate in sport and physical activity at least once a week.

Figure 7: Participation rate for children in sport and physical recreation



Source: AusPlay Participation data for the sport sector (October 2020). 2016 represents the initial release of data report under new data source for sport and physical recreation participation. 2016-17 represents the first full year of data, and relates to persons aged 0-14 years who participated in organised sport and physical activity outside of school hours at least once per week.

Strategic Objective 4

The Directorate will provide high quality advice and support to the ACT Government in the economic and fiscal management of the Territory, working closely with relevant government agencies

This will include:

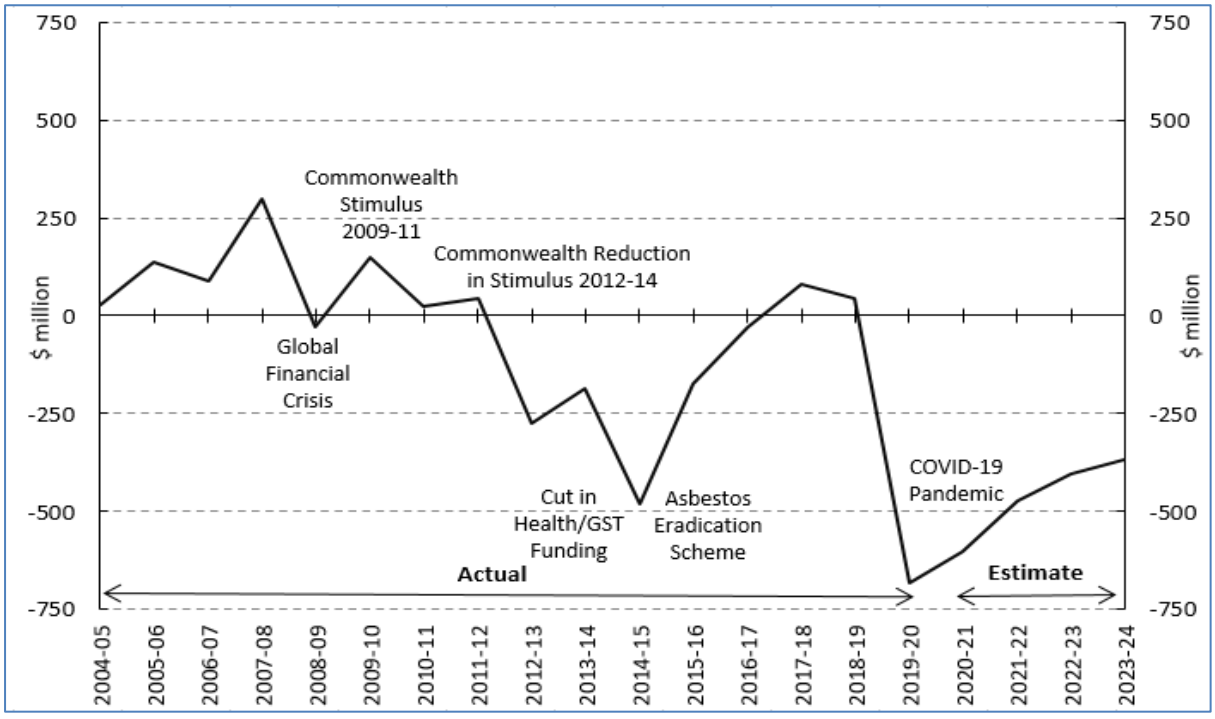
- assisting the Government to meet its fiscal strategy, which focuses on managing the public finances of the Territory in a rigorous and prudent manner, achieving an operating balance over the longer term and assisting the government to maintain a strong balance sheet;
- managing and coordinating the preparation of the ACT Government budget including providing advice on expenditure and revenue proposals;
- preparing whole of government budget and financial reports and developing policy on financial and accountability frameworks;
- leading and coordinating the Territory's role in intergovernmental financial arrangements including its involvement with the Commonwealth Grants Commission;
- providing whole of government advice and support on the development of infrastructure projects within the Capital Framework;

- supporting agencies in managing the Territory's first two Public Private Partnerships and unsolicited proposals made to the Territory;
- forecasting economic trends and government revenues, and providing advice on major economic policy initiatives;
- providing advice on tax policy and administration issues; and
- managing the Territory's financial assets and liabilities through the Territory Banking Account and Superannuation Provision Account.

Strategic Indicator 4a: General Government Sector Headline Net Operating Balance.

The General Government Sector (GGS) Interim Outcome Headline Net Operating Balance (HNOB) in 2020-21 was a deficit of $363.1 million. In 2021-22 the HNOB is forecast to be a deficit of $951.5 million decreasing to an estimated deficit of $474.1 million in 2024-25. The higher than previously expected deficits reflect the impact of the current public health emergency and the actions taken by the Government to minimise the impact on the community and the economy.

Figure 8: General Government Sector – Headline Net Operating Balance Forecast



Strategic Indicator 4b: Standard & Poor's credit rating.

S&P Global Ratings (S&P) assesses the Territory's credit rating each year. The Directorate assists the government to maintain the highest credit rating possible.

The Territory's AAA credit rating was reaffirmed by S&P on 17 March 2021. S&P maintained the negative long-term rating outlook for the Territory. While the negative outlook reflected that on the Australian sovereign at the time (on 7 June 2021, S&P revised its outlook on its long-term ratings for Australia to stable), there is a risk that the Territory's fiscal and economic recovery from the COVID-19 pandemic is more severe or prolonged than S&P's forecasts and there is increasing weakness in budgetary performance and debt levels.

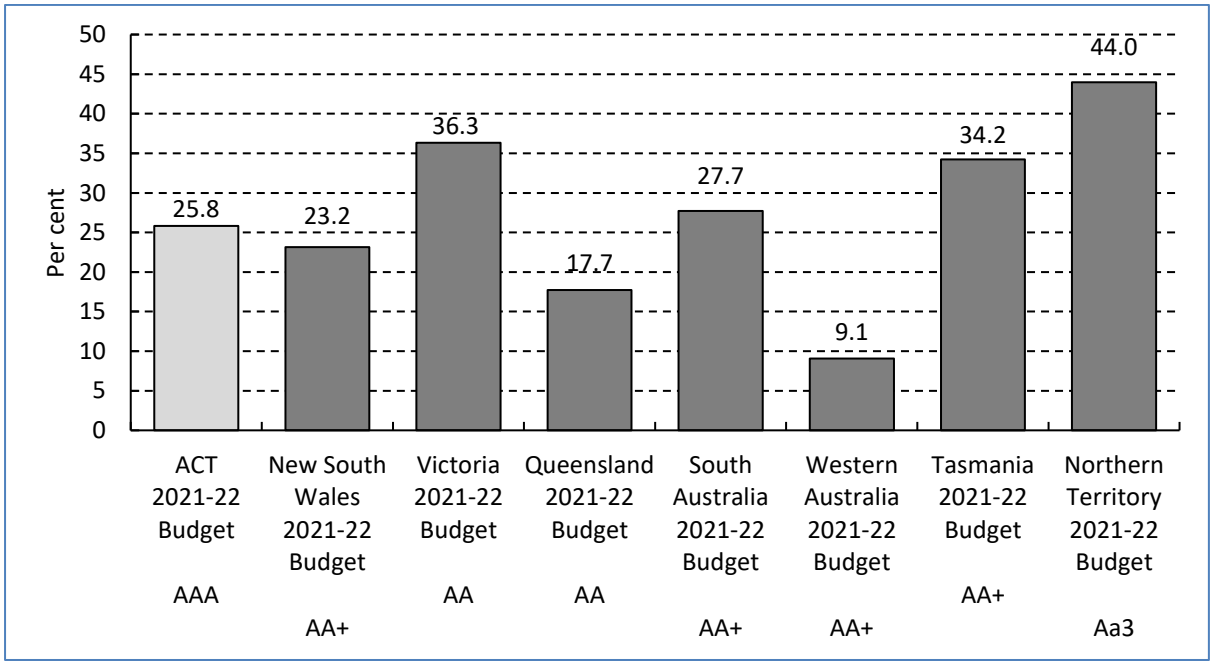
The Territory is currently the only sub-sovereign jurisdiction in the Asia Pacific with a AAA credit rating.

Strategic Indicator 4c: Net financial liabilities to Gross State Product (GSP) ratio.

The forecast net financial liabilities to GSP ratio for 2021-22 is 25.8 per cent. This ratio is higher than the 21.7 per cent forecast in the 2020-21 Budget reflecting the Government's fiscal response to support the economy and community through the current public health emergency.

The ratios in the chart below for all jurisdictions are based on each jurisdiction's most current budget documentation. In some instances, assumptions based on growth forecasts have been applied.

Figure 9: Net Financial Liabilities to Gross State Product (GSP) Ratio



Strategic Objective 5

The Directorate will deliver improved 'One Government' communications and community engagement

The Directorate will lead and coordinate communication and engagement initiatives, governance and programs across the ACT Government focusing on a 'One Government, One Voice' approach.

Strategic Indicator 5a: Ensure the community is aware of the delivery of government priorities, services and major projects.

The Directorate will continue to lead the coordination of whole of government public information, ensuring the community is informed about government policies, projects and services. The Directorate will also lead the government's strengthened campaign delivery and engagement commitment to deliver meaningful, responsive, accountable and inclusive opportunities for genuine engagement.

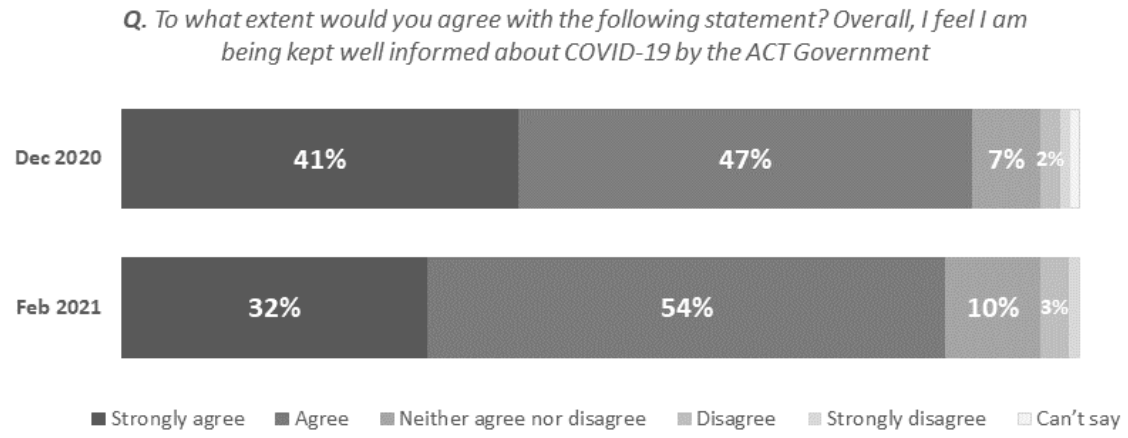
Since March 2020, the Directorate has led the COVID-19 Public Information Coordination Centre to deliver coordinated, timely and accurate information during the Public Health Emergency. The key focus for all government communications was about the actions Canberrans needed to take to protect themselves and their community, as well as government support and services available to them, including the business community.

Using the ACT Government's online market research platform, the YourSay Community Panel which has almost 5,000 members, the community was asked how well informed they felt about COVID-19 through tracking surveys which began in April 2020.

In December 2020, the Panel was specifically asked how well informed they felt about COVID-19 by the ACT Government. From a sample of 1,159 Canberrans, 88 per cent agreed or strongly agreed they felt well informed about COVID-19 by the ACT Government.

A survey in February 2021 from a sample of 1,417 Canberrans showed 86 per cent agreed or strongly agreed they felt well informed about COVID-19 by the ACT Government.

Figure 10: How well informed by the ACT Government the community feels about COVID-19



The directorate will recommence tracking in the 2021-22 financial year on how well informed the community feels on government priorities, services and major projects in their suburb and region. This will continue research from previous years.

Strategic Objective 6

The Directorate will drive the transformation of ACT Government through collaborative partnerships to harness the power of digital, data and technology to continue to grow Canberra as an inclusive, progressive and connected city.

The Directorate will take advantage of digital data to achieve:

- better services for the community;
- greater engagement and better outcomes for business and academia;
- more sustainable and efficient government; and
- a more productive, engaged and learning workforce.

The Directorate, through the Digital, Data and Technology Solutions Group, will continue to deliver value through data and digital initiatives that will assist in both the COVID-19 response and recovery. In 2021-22 the Directorate will continue to embed the principles of the ACT Digital Strategy through progression of the Business Architecture and the whole of government Threat and Risk Assessment projects.

The Directorate will continue to develop digital services that provide real value for the citizens of Canberra, support the growth of digital and data capabilities across the service, maintain the Data Lake infrastructure and work with directorates to embed the principles of the data governance and management framework through the delivery of data analytics projects.

The Directorate will also continue to ensure the ACT is best positioned to leverage the rapid evolution in technology and data, including optimising security and resilience, to support the work of government.

Output Classes

Total Directorate: Chief Minister, Treasury and Economic Development Directorate

Table 2: Chief Minister, Treasury and Economic Development Directorate

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1, 2]	769,454	1,217,799
Controlled Recurrent Payments	418,695	842,508

Note(s):

1. Total cost includes depreciation and amortisation of $101.607 million in 2020-21 and $116.934 million in 2021-22.
2. The cumulative Total Cost and Controlled Recurrent Payments values included in the Output Class tables below will add up to more than the equivalent amounts shown in the Directorate's Total Cost and Controlled Recurrent Payments above due to intra-directorate eliminations.

Output Class 1: Government Strategy

Table 3: Output Class 1: Government Strategy

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	54,680	81,834
Controlled Recurrent Payments	36,867	63,833

Note(s):

1. Total cost includes depreciation and amortisation of $2.001 million in 2020-21 and $3.232 million in 2021-22.

Output 1.1: Government Policy and Reform

Through this output the Directorate provides advice and support to the Chief Minister, the Head of Service and the Director-General on complex policy matters. The Directorate performs a central agency coordination role in strategic planning, social, economic and regional policy, including high priority reforms and effective delivery of government policies and priorities. The Directorate also supports the Coordinator-General, Whole of Government (Non-Health) COVID-19 Response role.

The Directorate will deliver this output by:

- providing ongoing advice to the Chief Minister and the ACT Government in relation to whole of government policy development and priorities, and the implementation of key government decisions;
- supporting the Chief Minister as Chair of Cabinet and the Head of Service as Secretary of Cabinet;
- supporting the Head of Service as Chair of the Strategic Board and providing advice on whole of service issues;
- leading, coordinating and monitoring policy and project initiatives to promote across government outcomes and delivery;
- supporting the development and improvement of policy capabilities, including design and evaluation, across government;
- leading and coordinating the ACT Government's participation in the National Cabinet, the National Federation Reform Council, the Council for the Australian Federation, and the Council of Capital City Lord Mayors and its engagement with regional leaders and local governments, including through the Canberra Region Joint Organisation;
- through the Coordinator-General, Climate Action, leading and coordinating the ACT's emissions reduction initiatives and undertaking climate adaptation policy analysis to improve Canberra's resilience to the effects of a warming climate;

- leading the Government's engagement with regional stakeholders on mutually beneficial activities including the NSW government, the Cross-Border Commissioner, the Canberra Region Joint Organisation, the Yass Valley Council and the Queanbeyan-Palerang Regional Council;
- leading efforts across the ACTPS to reduce discrimination and improve outcomes for people of diverse sexualities, genders, bodies and relationships through the Office of LGBTIQ+ Affairs;
- embedding the ACT Wellbeing Framework as a basis for assisting government decision making, supporting public service engagement, building an evidence base for 'what works' for wellbeing, and reporting on wellbeing outcomes;
- providing advice and support to Cabinet and the Manager of Government Business in the Legislative Assembly;
- through the Territory Records Office, leading the ACTPS' transition to whole of government digital recordkeeping capabilities; and
- providing services and initiatives that make ACT Government archives available to the public.

Table 4: Output 1.1: Government Policy and Reform

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	15,888	19,329
Controlled Recurrent Payments	13,042	18,588

Output 1.2: Workforce Capability and Governance

Through this output the Directorate provides an employment and policy framework to support a professional, skilled and accountable public service that is responsive to the ACT Government and the community. The Directorate also manages whole of government capacity building programs.

The Directorate will deliver this output by:

- developing and reviewing whole of government employment policies, regulations and standards and providing industrial relations services to support better employment practices;
- leading, supporting and co-ordinating enterprise bargaining, enterprise agreement implementation and application across the service;
- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;

- delivering a whole of service survey so that workforce trends and patterns inform strategic decision making;
- supporting and coordinating workforce planning and capability development across government, including through whole of government leadership and talent strategies, and delivery of whole of government learning and capability development programs;
- driving transformational and cultural change towards more flexible working environments and work force practices, which will initially include introduction of wayfinding in ACTPS Government leased premises in various locations, and the creation of flexi working hubs in Belconnen and Tuggeranong;
- developing and implementing ACTPS capacity building programs, including programs for graduates, Aboriginal and Torres Strait Islander people, and people with disability;
- maintaining and monitoring whole of government ethics and accountability frameworks;
- supporting the Head of Service, the Public Sector Standards Commissioner, the Public Sector Workers Compensation Commissioner, the ACT Remuneration Tribunal, the Strategic Board and its sub-committees and the Secure Local Jobs Code Ministerial Advisory Council;
- implementing recommendations from the Secure Local Jobs Code Review, managing the Secure Local Jobs Code certification scheme, assisting Territory entities and tenderers to meet their legislative obligations under the Code and undertaking education and awareness raising activities on the implementation of the Code; and
- developing and implementing a Secure Employment Framework across the ACT Public Sector to build the capability and expertise of the public sector and further solidify the role of the ACT Government in modelling good employment practices.

Table 5: Output 1.2: Workforce Capability and Governance

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	14,480	16,957
Controlled Recurrent Payments [1]	8,942	15,093

Note(s):

1. The 2021-22 Workforce Capability and Governance Controlled Recurrent Payments includes funding for the ACT Ombudsman as outlined in the table below.

Table 6: ACT Ombudsman Funding

	2021-22 Budget $'000
Ombudsman/ACT Policing	1,382
Reportable Conduct Scheme	876
Judicial Council	63
Freedom of Information Scheme	430
Inspector of the ACT Integrity Commission	105
Total Ombudsman Funding	**2,856**

Output 1.3: Coordinated Communications and Community Engagement

Through the Coordinated Communications and Community Engagement output the Directorate delivers communications support and protocol services to the ACT Government and community.

The Directorate will deliver this output by:

- delivering coordinated communications to the Canberra community during the COVID-19 public health emergency and any other emergency;
- informing Canberrans about programs, policies and services through the ACT Government's key channels including Our Canberra and ACT Government Facebook, Instagram, Twitter and LinkedIn;
- delivering priority communications and engagement activities for the Chief Minister and the Directorate's Ministers;
- coordinating the delivery of priority public information campaigns;
- providing research and insights services to inform government decision-making and managing the YourSay Community Panel and digital engagement platform YourSay Community Conversations;
- preparing an annual whole of government communications and engagement plan to outline the Government's priority public information campaigns and engagements;
- providing high quality creative design and production services for priority projects; and
- providing honours and awards, ceremonial and protocol services to the Chief Minister.

Table 7: Output 1.3: Coordinated Communications and Community Engagement

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	12,643	15,773
Controlled Recurrent Payments	10,292	11,065

Output 1.4: Digital Strategy

Through the Digital Strategy output the Directorate drives the digital transformation of government services and provides advice, support and project delivery on digital strategy development and implementation.

The Directorate will deliver this output by taking advantage of digital and data to achieve:

- better services for the community;
- greater engagement and better outcomes for business and academia;
- more sustainable and efficient government; and
- a more productive, engaged and learning workforce.

Table 8: Output 1.4: Digital Strategy

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	11,669	13,595
Controlled Recurrent Payments	4,591	7,417

Output 1.5: International Engagement [1]

The Directorate, through the International Engagement output, supports the economic growth and diversification of the Canberra economy, and enhances Canberra's global reputation as an innovative, creative, artistic, liveable and welcoming city.

The Directorate will deliver this output by: [2]

- undertaking strategic leadership, oversight, development and delivery of a targeted program of international engagement activities, including trade missions, inbound delegations, export-promotion programs, and other activities that enhance Canberra's economic welfare, international connectedness and reputation economically, culturally and socially;
- working with the Australian Government, including Austrade and its TradeStart program, and the Canberra Business Chamber, to make education and other export programs readily available to prospective and ongoing exporters;
- building relationships with the Canberra diplomatic community for the purpose of nurturing relationships and connections supportive of exporting and enhancing Canberra's international reputation;
- providing strategic leadership, oversight and coordination of inbound investment opportunities originating from target-market countries; and

- continuing to build Canberra's government-to-government relationships, including sister-city formal agreements, to raise awareness of export and other opportunities within Canberra's economic Key Capability Areas, and ensure alignment with our objectives to expand and diversify Canberra's economy and its reputation.

Table 9: Output 1.5: International Engagement

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	0	2,616
Controlled Recurrent Payments	0	2,479

Note(s):
1. New output. The International Engagement function was formerly incorporated in Output Class 3 Economic Development.
2. Delivery of some parts of this output may be impacted by COVID-19 travel restrictions currently in effect.

Output 1.6: Workforce Injury Management and Industrial Relations Policy [1]

Through the Workforce Injury Management and Industrial Relations Policy output the Directorate provides health and work sustainability solutions, focusing on risks arising from work and the relationship between employers and workers.

The Directorate will deliver this output by:

- managing ACT workers' compensation, work health and safety and industrial relations regulatory and policy frameworks;
- supporting the Public Sector Workers Compensation Commissioner in the management of the Public Sector Workers Compensation Fund;
- developing and reviewing whole of government health, safety and rehabilitation policies and providing work health and safety services to support the policy framework;
- supporting workplaces to implement approaches to deliver good work for health and productivity; and
- coordinating the Territory's consultative bodies for industrial relations regulation, workers' compensation and work health and safety.

Table 10: Output 1.6: Workforce Injury Management and Industrial Relations Policy

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	0	13,564
Controlled Recurrent Payments	0	9,191

Note(s):
1. This output was formerly Output Class 5 (and Output 5.1) Workforce Injury Management and Industrial Relations Policy, which has been renamed Output Class 9 (Output 9.1) Workforce Injury Management and Industrial Relations Policy (Discontinued). The 2020-21 Interim Outcome figures are recorded in Output 9.1 Workforce Injury Management and Industrial Relations Policy (Discontinued).

Output Class 2 (Output 2.1): Access Canberra

Table 11: Output Class 2 (Output 2.1): Access Canberra

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	118,576	120,083
Controlled Recurrent Payments	105,605	99,073

Note(s):

1. Total cost includes depreciation and amortisation of $5.547 million in 2020-21 and $5.748 million in 2021-22.

Output 2.1: Access Canberra

Through the Access Canberra output the Directorate contributes to the economic growth and vibrancy of the ACT community and helps protect its citizens and the community through compliance, licensing and regulation.

The Directorate will deliver this output by:

- undertaking its regulatory activities to protect the community and contribute to the Territory's economic growth through risk-based compliance, licensing and regulation;
- providing services and collecting revenue on behalf of other directorates; and
- providing customer services to businesses, community groups and individuals through a 'no wrong door' approach.

Output Class 3: Economic Development

Table 12: Output Class 3: Economic Development

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	124,954	471,118
Controlled Recurrent Payments	101,086	440,945

Note(s):

1. Total cost includes depreciation and amortisation of $2.376 million in 2020-21 and $9.656 million in 2021-22.

Output 3.1: Business and Innovation [1]

Through the Business and Innovation output the Directorate delivers programs, initiatives and business policy advice that promote the economic development of the broader capital region. This involves consultation and partnership with universities, research organisations, commercialisation entities, business organisations and other government agencies.

The Directorate will deliver this output through:

- supporting the delivery of supports for businesses impacted by COVID-19 public health measures;

- implementing targeted industry strategies in job-creating areas including space, defence, cyber, renewable energy, advanced technology and manufacturing, and the creative industries;
- assisting a connected innovation ecosystem that supports and enables entrepreneurs, start-ups and high growth businesses;
- investment attraction and facilitation, and investing in tertiary education institutions, research partners and industry to boost productivity and save and create jobs;
- creating enablers and platforms for small and medium sized businesses to open and grow in the ACT; and
- promoting Canberra as Australia's higher education and research capital with a particular focus on promoting Canberra as a study destination for international and domestic students.

Table 13: Output 3.1: Business and Innovation

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	15,546	306,176
Controlled Recurrent Payments	13,001	305,490

Note(s):

1. This output has been renamed and was formerly Output 3.1 Innovation, Industry and Investment, and now incorporates the Higher Education and Research functions that were part of the former Output 3.6 Higher Education, Training and Research.

Output 3.2: Tourism and Events [1]

Through the Tourism and Events output, the Directorate creates and implements a range of innovative tourism marketing and development programs to enhance the benefits of tourist visitation to the ACT, while also delivering, supporting and promoting key events for the Canberra community and visitors.

The Directorate will deliver this output by:

- leading the delivery of the framework for recovery of the visitor economy;
- delivering ACT Government major and community events and festivals, including Floriade and Enlighten;
- positioning Canberra as the place to live, visit, study, do business, and invest in through Brand Canberra; and
- collaborating with key stakeholders from the tourism and events sectors to optimise on visitor economy development opportunities.

Table 14: Output 3.2: Tourism and Events

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	15,429	39,709
Controlled Recurrent Payments	12,312	36,929

Note(s):

1. This output has been renamed and was formerly Output 3.2 VisitCanberra, and now also includes the functions of Output 3.7 Events (Discontinued), which was formerly Output 3.4 Events.

Output 3.3: Sport and Recreation

Through the Sport and Recreation output, the Directorate supports Canberra's participation in organised sport and recreation through delivery of programs, sporting infrastructure development and supporting player pathways.

The Directorate delivers this output by:

- providing support services to local high-performance athletes and teams;
- administering grants and delivering education and training opportunities to maintain and enhance the capabilities of the community sport and recreation sector in the ACT;
- planning and developing sporting infrastructure to broaden access to participation opportunities; and
- partnering with elite teams to engage the community in sport and recreation.

Table 15: Output 3.3: Sport and Recreation

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	16,260	20,276
Controlled Recurrent Payments	12,845	19,098

Output 3.4: Arts [1]

Through the Arts output the Directorate facilitates participation in, and access to, the arts. It does so in partnership with the Canberra community and the arts sector, funding, enabling and delivering arts activity and programs.

The Directorate will deliver this output by:

- supporting great art and great artists by funding and promoting Canberra art and artists;
- supporting and recognising the vitality of the Canberra Region arts ecology and the benefits the arts and creativity bring to Canberra; and
- engaging with Aboriginal and Torres Strait Islander arts and cultures.

Table 16: Output 3.4: Arts

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	20,039	21,311
Controlled Recurrent Payments	14,188	18,582

Note(s):
1. This output was formerly Output 3.5 Arts Engagement.

Output 3.5: Skills [1]

Through the Skills output, the Directorate facilitates skilled and business migration pathways, and partners with registered training organisations to support skills development in the ACT.

The Directorate will deliver this output through:

- nominating skilled migrants to address skills shortages and support sustained population growth;
- nominating migrants who are seeking to invest in ACT businesses;
- subsidised vocational education and training in skills needs areas, including free training for jobseekers and young people under the JobTrainer Fund, and free infection control training for customer facing workers under the National Infection Control Training Fund; and
- positioning the ACT vocational and education sector as a major driver for economic recovery and growth in key sectors.

Table 17: Output 3.5: Skills

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	46,563	50,920
Controlled Recurrent Payments	40,665	48,991

Note(s):
1. This output was formerly Output 3.6 Higher Education, Training and Research. The Higher Education and Research functions of this output are now part of Output 3.1 Business and Innovation.

Output 3.6: Venues [1]

Through the Venues output, the Directorate promotes and manages major events at venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, National Arboretum Canberra and Stromlo Forest Park. The Directorate is also responsible for managing and maintaining these venues, with the National Arboretum Canberra and Stromlo Forest Park being premier tourism and recreational attractions.

The Directorate will deliver this output by:

- implementing the National Arboretum Canberra and Stromlo Forest Park Masterplan;
- promoting the National Arboretum Canberra as a premier tourism venue;
- continuing to attract local, national and international level major events at Stromlo Forest Park;
- actively seeking events to the Territory's venues to support economic growth and diversification, liveability and social inclusion;
- enhancing security measures and continuing to provide a safe, clean and accessible environment; and
- maintaining assets and implementing capital works program upgrades to its venues.

Table 18: Output 3.6: Venues

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	0	32,726
Controlled Recurrent Payments	0	11,855

Note(s):
1. This output was formerly Output 9.2 Venues. The 2020-21 Interim Outcome figures are recorded in Output 8.2 Venues (Discontinued).

Output 3.7: Events (Discontinued) [1]

Table 19: Output 3.7: Events (Discontinued)

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	11,117	0
Controlled Recurrent Payments	8,075	0

Note(s):
1. Discontinued output. This output has been combined with the former Output 3.2 VisitCanberra to create the new Output 3.2 Tourism and Events.

Output Class 4: Financial and Economic Management

Table 20: Output Class 4: Financial and Economic Management

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	52,172	89,908
Controlled Recurrent Payments	42,697	98,276

Note(s):
1. Total cost includes depreciation and amortisation of $0.423 million in 2020-21 and $0.112 million in 2021-22.

Output 4.1: Economic Management

The Economic Management output incorporates provision of economic and revenue modelling, analysis and advice to the ACT Government and agencies, management of Federal Financial Relations, management of financial assets and liabilities (including borrowings, superannuation and insurance), and provision of insurance policy advice and regulation/administration of the Motor Accident Injuries and Lifetime Care and Support schemes.

The Directorate will deliver this output by:

- monitoring and providing advice on the state of the ACT economy;
- preparing economic and fiscal modelling and providing economic forecasts and revenue forecasts for own source revenue;
- undertaking analysis and modelling to provide short, medium and long-term demographic projections;
- publishing tax expenditure statements;
- facilitating the development and review of taxation reform;
- providing advice on economic policy, competition reform, cost of living and industry sectoral matters, including economic regulation of water and energy markets;
- coordinating the function and responsibilities provided under the Intergovernmental Agreement on Federal Financial Relations;
- coordinating and/or contributing to:
    - Heads of Treasuries, Board of Treasurers and Council on Federal Financial Relations processes; and
    - ACT Government involvement with the Commonwealth Grants Commission;
- providing advice on the performance of selected government entities, including emerging issues and associated corporate governance arrangements;
- providing advice and regulating the Motor Accident Injuries (MAI) Scheme;
- administering the Lifetime Care and Support (LTCS) Scheme; and
- managing the Government's borrowings, investments, cash and liquidity needs and the unfunded employer superannuation liabilities through the Territory Banking Account and the Superannuation Provision Account.

Table 21: Output 4.1: Economic Management

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	7,925	7,971
Controlled Recurrent Payments	6,321	7,559

Output 4.2: Financial Management

Through the Financial Management output the Directorate provides analysis, monitoring and reporting on the financial performance of agencies, the Territory's budget, and major projects, to assist the ACT Government to achieve its policy objectives.

The Directorate will deliver this output by:

- managing the preparation and presentation of the ACT Government's annual budget, budget review and annual financial statements;
- providing quarterly whole of government consolidated financial reports;
- reporting to external agencies including the Australian Loan Council, the Australian Bureau of Statistics, and the Commonwealth Grants Commission;
- providing advice to the ACT Government on financial and budget policy issues; and
- reviewing government programs and functions.

Table 22: Output 4.2: Financial Management

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	44,247	81,937
Controlled Recurrent Payments	36,376	90,717

Output Class 5 (Output 5.1): Revenue Management [1]

Table 23: Output Class 5 (Output 5.1): Revenue Management

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [2]	31,822	32,058
Controlled Recurrent Payments	17,380	23,859

Note(s):

1. This output class and output was formerly Output Class 6 (Output 6.1) Revenue Management.
2. Total cost includes depreciation and amortisation of $3.470 million in 2020-21 and $3.622 million in 2021-22.

Output 5.1: Revenue Management

Through the Revenue Management output, the Directorate provides for the administration of the ACT Government's taxation revenue.

Revenue Management (ACT Revenue Office) will deliver this output by:

- collecting taxation revenue in accordance with legislation;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to taxation assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- ensuring the integrity, consistency and effectiveness of the ACT's taxation system through prioritised compliance programs and regular reviews of legislation;
- processing concessions in accordance with legislation; and
- administering Rental Bonds.

Output Class 6: Shared Services [1]

Table 24: Output Class 6: Shared Services

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [2]	236,172	282,801
Controlled Recurrent Payments	60,636	84,548

Note(s):
1. This output class was formerly Output 7 Shared Services.
2. Total cost includes depreciation and amortisation of $25.015 million in 2020-21 and $30.198 million in 2021-22.

Output 6.1: Human Resources, Finance and Record Services [1]

Through this output the Directorate provides a range of corporate services, including tactical and transactional human resource and finance services to directorates and agencies.

The Directorate delivers this output by:

- providing payroll, personnel and recruitment services;
- providing records management and courier activities to government directorates;
- providing monthly and annual financial reporting services;
- providing accounts payable, accounts receivable, banking and debt management functions;
- providing general ledger, cash flow and fixed asset management;

- providing advice on Fringe Benefits Tax, Goods and Services Tax and PAYG, including arranging external advice as required;
- administering production and lodgement to the Australian Taxation Office of monthly Business Activity Statements and annual Fringe Benefits Tax Returns; and
- delivering salary packaging services for employees across the ACT Government.

Table 25: Output 6.1: Human Resources, Finance and Record Services

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	236,173	75,563
Controlled Recurrent Payments	60,636	62,492

Note(s):
1. This output has been renamed and was formerly Output 7.1 Shared Services. The new name and output description results from the transfer of the ICT functions of the former Output 7.1 Shared Services to Output 6.2 Digital, Data and Technology Solutions..

Output 6.2: Digital, Data and Technology Solutions [1]

Through this output the Directorate provides a range of ICT services, including infrastructure, applications support and development and ICT projects to directorates and agencies.

The Directorate delivers this output by:

- providing services to government agencies as outlined in the ICT catalogue of services and affirmed through various service level and support agreements;
- managing the whole of government data and communications network; and
- providing general service and help desk functions.

Table 26: Output 6.2: Digital, Data and Technology Solutions

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	0	207,238
Controlled Recurrent Payments	0	22,056

Note(s):
1. New output. This results from the transfer of the ICT functions of the former Output 7.1 Shared Services to Output 6.2 Digital, Data and Technology Solutions.

Output Class 7: Infrastructure Finance and Procurement [1]

Table 27: Output Class 7: Infrastructure Finance and Procurement

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [2]	13,917	12,906
Controlled Recurrent Payments	8,402	9,047

Note(s):
1. This output class was formerly Output Class 8 Infrastructure Finance and Procurement.
2. Total cost includes depreciation and amortisation of $0.035 million in 2020-21 and $0.026 million in 2021-22.

Output 7.1: Infrastructure Finance [1]

Through the Infrastructure Finance output the Directorate provides advice to government on the development and management of major infrastructure projects, including unsolicited proposals and the use of private finance where appropriate. The Directorate partners with directorates to ensure project business cases provide the required evidence and analysis to justify the funding decisions of government.

The Directorate will deliver this output by:

- advising on the development of infrastructure projects within the Capital Framework;
- providing financial and commercial advice on the development and procurement of Public Private Partnership (PPP) and other major, complex infrastructure projects, and managing life-of-project transactions for PPP projects;
- managing the process and providing commercial support for the assessment of Unsolicited Proposals; and
- maintaining, and providing training in, the policy frameworks that support the development and delivery of infrastructure projects, including the Capital Framework and the Partnerships Framework, Guidelines for Unsolicited Proposals.

Table 28: Output 7.1: Infrastructure Finance

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	4,266	3,886
Controlled Recurrent Payments	2,484	3,838

Note(s):
1. This output was formerly Output 8.1 Infrastructure Finance.

Output 7.2: Procurement [1]

Through the Procurement output, the directorate has oversight of the ACT Government procurement framework. We assist ACT Government and suppliers through advice, support and services.

The Directorate delivers this output by:

- providing procurement advisory services to support the pursuit of value for money in goods and services procurement with a total estimated value of $200,000 or more;
- supporting Territory Entities in undertaking low risk goods and services procurements with a total estimated value of less than $200,000 by providing the online simple quotation and reporting (OSQAR) document creation system;
- developing and maintaining templated and standardised procurement documentation and processes;
- applying contemporary category procurement knowledge and contract management skills to establish and manage cost effective whole of government arrangements;
- developing policy to inform a procurement framework that is aligned to the needs of the Territory;
- improving the maturity of procurement policies, systems, tools and practices, to support the pursuit of value for money, including in relation to ethical and sustainable outcomes;
- helping to uplift procurement capability across the service by offering a range of training and knowledge sharing opportunities, including by coordinating a whole of service procurement community of practice as well as a bimonthly eNewsletter;
- administering the ACT Government online tendering, and contracts register platforms to comply with legislative obligations and international trade agreements; and
- representing the ACT Government in cross-jurisdictional engagement on procurement policy matters, including in relation to international trade agreements.

Table 29: Output 7.2: Procurement

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	9,651	9,020
Controlled Recurrent Payments	5,918	5,209

Note(s):

1. This output was formerly Output 8.2 Goods and Services Procurement. The new name reflects the broader functions of this output.

Output Class 8: Property Services [1]

Table 30: Output Class 8: Property Services

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [2]	197,250	171,744
Controlled Recurrent Payments	39,155	22,927

Note(s):
1. This output class was formerly Output Class 9 Property Services and Venues.
2. Total cost includes depreciation and amortisation of $62.668 million in 2020-21 and $64.340 million in 2021-22.

Output 8.1: Property Services [1]

Through the Property Services output the Directorate manages 238 Territory-owned buildings, including commercial buildings, government office and service provision accommodation, community/multipurpose buildings, and aquatic/leisure facilities. The Directorate also leases 24 commercial buildings on behalf of the Territory.

The Directorate will deliver this output by:

- managing a portfolio of properties used for the delivery of government, community and commercial services by the ACT Government and tenant organisations;
- leading the delivery of government accommodation projects that will provide security, flexibility, and a long-term approach to government office accommodation;
- managing the ACT Government's owned and leased government office buildings including sourcing and negotiating new leased properties;
- delivering property upgrade services and planned and reactive maintenance services for Territory-owned properties managed by ACT Property Group and other directorates;
- managing procurement and contract management of building maintenance service activities across multiple construction trades and maintenance service areas;
- ensuring continued operation of six ACT Government owned aquatic facilities including upgrades, maintenance and management of contracts with operators of the facilities;
- identifying and pursuing opportunities to improve the energy efficiency of Territory owned buildings to deliver ACT Government climate change priorities and policy; and
- representing the ACT Government at the National Government Property Group.

Table 31: Output 8.1: Property Services [1]

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	164,728	171,744
Controlled Recurrent Payments	23,240	22,927

Note(s):
1. This output was formerly Output 9.1 Property Services.

Output 8.2: Venues (Discontinued)

Table 32: Output 8.2: Venues (Discontinued) [1]

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	32,522	0
Controlled Recurrent Payments	15,915	0

Note(s):

1. This output was formerly Output 9.2 Venues. It is now Output 3.6 Venues.

Output Class 9 (Output 9.1): Workforce Injury Management and Industrial Relations Policy (Discontinued) [1]

Table 33: Output Class 9 (Output 9.1): Workforce Injury Management and Industrial Relations Policy (Discontinued)

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [2]	12,665	0
Controlled Recurrent Payments	6,867	0

Note(s):

1. Discontinued output class. This output class and associated output were formerly Output Class 5 (and Output 5.1) Workforce Injury Management and Industrial Relations Policy. The former Output 5.1 is now Output 1.6 Workforce Injury Management and Industrial Relations Policy. The output description is reported under Output 1.6.
2. Total cost includes depreciation and amortisation of $0.072 million in 2020-21 and $0.000 million in 2021-22.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

Output Class 1: Government Strategy

Output 1.1: Government Policy and Reform

Table 34: Accountability Indicators Output 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Whole of government policy and project initiatives	3	3	3
b.	Regional partnerships and participation	2	2	2
c.	Support for National Cabinet, NFRC, CAF and CCCLM	4	4	4
d.	Government Progress Report	1	1	1
e.	Cabinet and Assembly Support	2	2	2
f.	Regulatory and process reform initiatives	2	1	1
g.	Climate action reform initiatives	3	3	3

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator incorporates key government policy and project initiatives to be delivered during the year. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. Initiatives scheduled for delivery in 2021-22 include:
   - provision of advice to government on options to prohibit deferable medical interventions on intersex children in the ACT;
   - working with directorates and provision of advice to government on the response to COVID-19, through the Office of the Coordinator-General, Whole of Government COVID-19 Non-Health Response; and
   - continued embedding of the Wellbeing Framework, including its integration in the Budget and Cabinet decision making processes and commenced development of improved strategic and accountability indicators based on wellbeing.

b. This accountability indicator covers the administration of key partnerships with the surrounding regional governments through both the ACT-NSW MoU for Regional Collaboration and participation in the Canberra Region Joint Organisation (CRJO). Performance against this indicator will be measured by the establishment of cross-border working groups and a consultative forum to deliver key commitments under the MoU and through preparation of briefings to support the Chief Minister or his delegate's involvement with regional councils through the CRJO.

c. This accountability indicator covers briefing and support to the Chief Minister for intergovernmental meetings, including the National Federation Reform Council (NFRC), the National Cabinet, the Council of for the Australian Federation (CAF) and the Council of Capital City Lord Mayors (CCCLM). This indicator is counted as complete on delivery of the briefing packages to the Chief Minister.

d. This accountability indicator relates to the content coordination, production and release of the approved ACT Government Agreement Progress Report in delivering key government decisions.

e. This accountability indicator covers the annual cycle of Assembly and Cabinet support, including preparation and circulation of submissions and papers. This measure reflects support provided by CMTEDD to:
   - the Chief Minister as chair of Cabinet and to Cabinet Ministers; and
   - the Manager of Government Business in the Legislative Assembly.

f. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation and processes to strengthen the delivery of government priorities. The initiative currently scheduled for delivery in 2021-22 is a report to Government on the results of the Discovery Phase 1 of the Better Regulation Taskforce. The initiatives scheduled for delivery in 2020-21 were the establishment of the Better Regulation Taskforce and delivery of phase 1 of the Taskforce program. The 2020-21 interim outcome is below target because phase 1 of the Taskforce program is underway but has not been completed. The Better Regulation Taskforce program covers a range of actions to identify ways to improve the ACT Government rules, regulations, processes, information and support for business. On commencing the Discovery Phase, the Taskforce resolved to undertake a deeper level of engagement than was initially considered. This has extended the discovery period.

g. This accountability indicator covers policy and project initiatives targeted at coordinating the delivery of the Government's agenda of emissions reduction and climate adaptation and resilience projects. The initiatives currently scheduled for delivery are:
   - commence phased introduction of the Sustainable Households Scheme;
   - commence expression of interest to deliver the ACT distributed large scale battery storage system; and
   - support the Climate Action Cabinet Subcommittee to implement the ACT Government's climate agenda, including through facilitation of regular cross-directorate workstream meetings on fossil-fuel gas phase out, climate adaptation and resilience, household and community energy efficiency programs and zero emissions transport.

Output 1.2: Workforce Capability and Governance

Table 35: Accountability Indicators Output 1.2

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	ACTPS Graduate Program positively impacts on business area outcomes and objectives	85%	100%	75%
b.	Publish the State of the Service Report	Dec 2020	Dec 2020	Dec 2021
c.	Deliver ACTPS Leadership and Development programs	2	2	2
d.	Conduct vocational employment programs	85%	0%	85%
e.	Support the Workforce Transformation program	2	2	2
f.	Approval of Enterprise Agreements	2	2	1
g.	Issue SLJC Certificates within 5 working days of receipt of complete and correct audit report	85%	97%	85%
h.	Conduct SLJC Training sessions for industry and ACT Government	24	24	24

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator has been renamed and the target amended to better reflect the performance of the directorate in implementing the ACTPS whole of government Graduate Program. In 2020-21, this indicator was considered achieved if 85 per cent of the graduate intake completed the program. The 2020-21 interim outcome is above target because the 2020 Graduate Cohort ended in November 2020 with 100 per cent of the 42 graduates successfully completing the program. In 2021-22, this indicator will measure the satisfaction of graduate supervisors. The indicator will be considered achieved if 75% of business areas give the program a rating of at least 4 out of 5 in the end of rotation surveys with graduate supervisors across the ACTPS.

b. This accountability indicator covers the publication of the annual State of the Service Report.

c. This accountability indicator covers the implementation of a framework for improving leadership capabilities across the ACTPS. The name of this indicator has been modified from 2020-21. In 2020-21, this indicator covered the implementation of the Career Development Program for People with Disability and the Public Sector Management Program for Aboriginal and Torres Strait Islander People. In 2021-22, delivering this indicator involves providing two opportunities for future ACTPS leaders to engage with public servants from across jurisdictions through a leadership development program run by the Institute of Public Administration Australia.

d. This accountability indicator relates to provision of vocational employment programs for people with disability and Aboriginal and Torres Strait Islander people. The indicator will be considered achieved if 85 per cent of the participants complete the program. This indicator acknowledges the importance of the ACT Public Service being representative of the diverse ACT community. The 2020-21 interim outcome is below target due to participants not yet completing their 12-18 month programs. The 2020-21 Vocational Employment Programs for Aboriginal and Torres Strait Islander people and People with Disability (the programs) experienced a delayed start in 2020 due to the COVID-19 pandemic when many teams moved to remote working environments.

e. This accountability indicator includes two deliverables in 2021-22: the introduction of wayfinding at 480 Northbourne Avenue and 220 London Circuit and the creation of flexi working hubs in Belconnen and Tuggeranong.
f. This accountability indicator covers the negotiation of the Common Core terms and conditions of employment with the Unions. The accountability indicator will be considered complete once the negotiations are finalised.
g. This accountability indicator relates to the timely operation of the Secure Local Jobs certification function. The 2020-21 interim outcome is above target due to the efficient and timely operation and processing of the Secure Local Jobs certification function.
h. This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package.

Output 1.3: Coordinated Communications and Community Engagement

Table 36: Accountability Indicators Output 1.3

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Annual numbers of ACT Government Digital Mail Service newsletters	11	31	20
b.	Annual number of ACT Government Our Canberra newsletters	10	9	11
c.	Annual whole of government Communications and Engagement Plan	1	1	1
d.	Annual number of YourSay Community Panel surveys conducted	n/a	n/a	16

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator covers the total number of ACT Government messages distributed during the year to subscribers of the ACT Government Digital Mail Service. The 2020-21 interim outcome is above target because the Our Canberra electronic direct mail newsletters were sent with higher frequency due to the number of COVID-19 updates sent to the subscriber list.
b. The Our Canberra newsletter is distributed to all Canberra households during the year. Editions are published for the five main regions of Canberra - Belconnen; Inner North/Inner South/City; Gungahlin; Tuggeranong and Woden/Weston Creek/Molonglo. The 2020-21 interim outcome is below target as one fewer edition was published due to a longer than anticipated caretaker period.
c. This accountability indicator relates to the annual Whole of Government Communications and Engagement Plan which outlines the Government's communications and engagement priorities, to provide advance notice and to enable genuine and meaningful opportunities to participate in consultation and engagement activities.
d. New accountability indicator. This accountability indicator relates to surveys conducted through the YourSay Community Panel, which are weighted to provide a representative summary of views and opinions on topics relevant to the work of the ACT Government.

Output 1.4: Digital Strategy

Table 37: Accountability Indicators Output 1.4

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	ACT Data Analytics Centre	1	1	1
b.	The value delivered through technology investment improves	2	2	2
c.	Delivery of joined up services achieve benefits for the community and for government	2	2	2

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator covers the program of work for the ACT Data Analytics Centre. This indicator is considered completed through the support of directorates to implement the Data Governance and Management Framework.

b. The Digital, Data and Technology Solutions Group (DDTS) leads the provision of whole of government advice to inform technology priorities, resource allocation and investment decisions. DDTS will fulfil this role to prioritise whole of government COVID-19 responses, and then COVID-19 recovery. In the long term DDTS will continue to support government to make informed technology investment decisions and will embed the principles outlined in the ACT Digital Strategy. This indicator is considered complete when:
   - the Technology Governance Group provides advice that enables informed technology investment decisions; and
   - there is further development and refinement to the program of work to progress the Digital Strategy, including delivery of the reports, and utilisation of the outcomes, of the whole of government Business Architecture and whole of government Threat and Risk Assessment projects.

c. This accountability indicator covers the program of work for the ACT Digital Account and covers the delivery of new digital services for the community. This accountability indicator is considered complete when two new services are delivered through the ACT Digital Account.

Output 1.5: International Engagement [1]

Table 38: Accountability Indicators Output 1.5

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Number of ACT businesses assisted with export development	n/a	n/a	25
b.	Number of ACT businesses exporting because of essential support received from the OIE	n/a	n/a	25
c.	Number of trade missions and other events organised, delivered or funded	n/a	n/a	10

Note(s):

1. New output. The International Engagement function was formerly incorporated in Output Class 3 Economic Development.

Accountability Indicator Descriptions and Variance Commentary:

a. New accountability indicator. Assistance can be in the form of advice on, among other subjects: international market identification and segmentation; access to supply chains linked to target markets; regulatory and non-regulatory barriers to markets; effective participation in brick-and-mortar and online networking, social media, and business-to-business wholesale marketplaces; trade finance; and cultural considerations to market entry. Ongoing market intelligence is also provided.

b. New accountability indicator. Results of this indicator are tracked through the Office of International Engagement's (OIE) own relationship management records and those of the ACT's Business Development Manager based in Singapore.

c. New accountability indicator. This accountability indicator tracks the number of ministerially led outbound trade missions and other events organised and delivered by the OIE, both in Canberra and overseas markets. A yearly schedule of outbound trade missions and other events is approved by the Chief Minister and planned and executed by the Office of International Engagement. Trade missions are planned in accordance with the Chief Minister's schedule, and to leverage appropriate market opportunities and events. 'Other events' can include, for example: networking meetings for exporters and domestic and foreign trade specialists; and events for exporters regarding specific national markets, or specific ACT economic sectors (i.e., renewable energy). This accountability indicator has been modified to include other events, not just outbound trade missions and inbound delegations and inbound investment related events. The original indicator was formerly reported in Output 3.1 Innovation, Industry and Investment as indicator 3.1a. The 2020-21 interim outcome is reported as 3.1e(i) in Output 3.1 Business and Innovation.

Output 1.6: Workforce Injury Management and Industrial Relations Policy [1]

Table 39: Accountability Indicators Output 1.6

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	1	1	April 2022
b.	Maintain consultative work injury management fora within the ACT	4	3	4

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
c.	Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	30	32	30
d.	Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	18	14

Note(s):

1. This output was formerly Output 5.1 Workforce Injury Management and Industrial Relations Policy.

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator covers a review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety. The 2020-21 actuarial review was completed in April 2021. The target for 2021-22 has been amended to better reflect the timeframe for completion of the actuarial review.

b. This accountability indicator covers the secretariat role to the ACT Work Safety Council, supporting four meetings of the Council. The indicator is considered complete when Council meetings are held. The 2020-21 interim outcome is below target due to scheduling issues preventing a meeting from occurring during the reporting period.

c. This accountability indicator covers the preparation of briefing papers to the ACT Government on workers' compensation, industrial relations and work safety matters. This indicator is considered complete when submissions are lodged with the Executive. The 2020-21 interim outcome is above target, with the COVID-19 pandemic and the government response having impacted the content and frequency of briefings.

d. This accountability indicator covers representing the Territory at, and managing policy initiatives arising out of, national industrial relations and injury management forums, including SafeWork Australia and its policy sub-committees and the national industrial relations senior officials group. This indicator is considered complete with attendance at meetings. The 2020-21 interim outcome is above target because the national response to the COVID-19 pandemic necessitated additional work safety forum meetings in 2020-21.

Output Class 2: Access Canberra

Output 2.1: Access Canberra

Table 40: Accountability Indicators Output 2.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Efficient Service Delivery – percentage of customers satisfied with Access Canberra	90%	85%	90%
b.	Doing Business in the ACT is easy – percentage of the Canberra community satisfied with the ease of interacting with Access Canberra	95%	87%	95%
c.	Percentage of services available online	75%	82%	82%
d.	Percentage of services completed online	87%	87%	87%
e.	Reduction of regulatory burden on business by undertaking risk-based coordinated inspection activities	80%	100%	80%
f.	Average number of days to issue business authorisation or personal registration			
	- for business authorisation	10 working days or less	10 working days or less	10 working days or less
	- for personal registration	5 working days or less	5 working days or less	5 working days or less
g.	Compliance rate during targeted campaign inspections	90%	97%	90%
h.	Average level of helpfulness after issuing a notice or before issuing a licence/authorisation	4.5 out of 5	4.45 out of 5	4.5 out of 5

Accountability Indicator Descriptions and Variance Commentary:

a. The customer satisfaction result is determined by the responses to independent annual surveys of the Canberra community. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. This result will be reported annually. The 2020-21 interim outcome is below target because overall customer satisfaction was impacted by satisfaction with the Contact Centre. The Contact Centre gained responsibility for additional telephone lines over the past year including the COVID-19 Helpline, COVID-19 Business Liaison line and others. In addition, COVID-19 caused significant increases in demand for telephone services. As public health directions changed, Access Canberra modified its service model to shift many of its face-to-face services to online and telephone delivery during times of increased COVID-19 restrictions.

b. This accountability indicator measures satisfaction with the ease of interacting with Access Canberra. The result is determined by the responses to independent annual surveys of the Canberra community. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. This result will be reported annually. The 2020-21 interim outcome is below target because, as with indicator 2.1a, overall results for ease of interacting with Access Canberra were impacted by responses relating to the Contact Centre.

c. Services available online are defined as interactions that can be conducted (at least in part) via the internet/portals. The 2020-21 interim outcome is above target because a higher number of services were made available online than was forecast. This was primarily driven by service model changes implemented in response to COVID-19.

d. This accountability indicator measures the percentage of transactions completed online against the total number of transactions completed over the phone, in person and online.

e. This accountability indicator is an annual measure of the number of inspection activities focusing on more than one regulatory obligation for the business. Coordinated inspection activities reduce the regulatory burden on businesses by making inspections simpler, faster and less frequent. This result will be reported annually. The 2020-21 interim outcome is above target because Access Canberra and ACT Health redirected resources to undertake COVID-19 inspections. This meant that Access Canberra Fair Trading Compliance focused on a larger scale program (targeting multiple regulated areas) to reduce regulatory burden, especially during the COVID-19 pandemic.

f. This accountability indicator measures the average number of days it takes to issue business authorisations and personal registrations. This result will be reported annually.

g. Initial rates of compliance are assessed against a predetermined set of criteria set for targeted inspection campaigns. Following the completion of the campaign compliance rates are again assessed to determine the percentage shift in compliance. This result will be reported annually. The 2020-21 interim outcome is above target because Access Canberra Fair Trading Compliance worked with businesses both before inspections (outlining areas of regulatory interest) and after inspections. This has proven to be an effective model for increasing compliance.

h. Feedback is collected from an ongoing internal phone survey of randomly selected industry groups that have had a regulatory interface with Access Canberra. Results are collated using a helpfulness score: (1 to 5) 5 being the greatest level of support and 1 the lowest.

Output Class 3: Economic Development [1]

Note(s):

1. In 2020-21, the Directorate undertook a review of accountability indicators in Output Class 3 Economic Development. Following this review several accountability indicators have been amended or discontinued and several new indicators have been developed for 2021-22. The new and amended accountability indicators better align with the ACT Government response to the *ACT Auditor-General's Report 2/2018 ACT Government strategic and accountability indicators*, the ACT Jobs and Economic Recovery Plan, and the ACT Wellbeing Framework.

Output 3.1: Business and Innovation [1]

Table 41: Accountability Indicators Output 3.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Businesses supported through innovation programs	n/a	n/a	20
b.	Satisfaction levels with ACT Government funded business support services	n/a	n/a	>80%
c.	Satisfaction of the tertiary education sector with the engagement of the ACT Government and its	n/a	n/a	>80%

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
	promotion of Canberra as a study destination of choice			
d.	Projects under investment attraction facilitation	n/a	n/a	5
e.	Trade and investment			
	- number of international trade and investment campaigns and delegations	5	1	n/a
	- number of lead responses generated from Invest Canberra program activity	30	16	n/a
f.	Sector capability building			
	- Priority Investment Program	1	1	n/a
	- defence industry advocacy	1	1	n/a
	- ACT Vice Chancellors' Forum	1	0	n/a
	- cyber industry development	1	1	n/a
	- space industry development	1	1	n/a
	- screen industry through Screen Canberra	1	1	n/a
g.	Support for innovation eco-system building – CBR Innovation Network and associated programs	1	1	n/a
h.	Private sector investment facilitation – major projects under facilitation management	2	2	n/a

Note(s):

1. This output has been renamed and was formerly Output 3.1 Innovation, Industry and Investment, and now incorporates the Higher Education and Research functions that were part of the former Output 3.6 Higher Education, Training and Research.

Accountability Indicator Descriptions and Variance Commentary:

a. New accountability indicator. This accountability indicator tracks the number of businesses supported through programs delivered or supported by the CBR Innovation Network during the reporting period.

b. New accountability indicator. This accountability indicator measures the satisfaction with business programs and services facilitated by Business and Innovation service providers during the reporting period, including the CBR Innovation Network; Canberra Business Enterprise Centre; and others established during the reporting period. Stakeholder surveys will be conducted to measure satisfaction levels. The result reflects the aggregated total of surveys undertaken across programs. This is an annual process and the result will be delivered at the end of the reporting period.

c. New accountability indicator. This accountability indicator tracks satisfaction of the tertiary education sector with the engagement of the ACT Government and its promotion of Canberra as a study destination of choice. Canberra based institutions will be surveyed annually and the result will be delivered at the end of the reporting period.

d. New accountability indicator. This accountability indicator tracks the number of investment proposals under facilitation management by Business and Innovation during the reporting period.

e. Discontinued accountability indicator. This accountability indicator had two measures. The first measure has been transferred to Output 1.5, International Engagement and will be known as indicator 1.5c in 2021-22. The 2020-21 interim outcome for this measure is below target due to the Australian Government's COVID-19 travel restrictions that prohibited international travel under the state of emergency. The Chief Minister led one ACTGovernment delegation to New Zealand in May 2021. The second measure has been discontinued. The 2020-21 interim outcome for this measure is below target due to a global slowdown of foreign direct investment associated with COVID-19 restrictions, resulting in a significantly reduced number of qualified investment leads handled.

f. Discontinued accountability indicator. This accountability indicator had six measures which tracked delivery of: the Priority Investment Program; defence industry advocacy; the Vice-Chancellors' Forum; and cyber, space and screen industry development. The 2020-21 interim outcome for the third measure (the Vice-Chancellors' Forum) was not achieved due to no formal meetings of the Vice-Chancellor's Forum being held during the reporting period as institutions and the Government responded to the COVID-19 crisis.

g. Discontinued accountability indicator. This accountability indicator tracked support for innovation through programs delivered by the CBR Innovation Network.

h. Discontinued accountability indicator. This accountability indicator tracked ongoing projects supported by investment facilitation management.

Output 3.2: Tourism and Events [1]

Table 42: Accountability Indicators Output 3.2

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Local sentiment on major and community events			
	- major events	n/a	n/a	Average rating of 4 out of 5
	- community events	n/a	n/a	Average rating of 4 out of 5
b.	Estimated economic benefit from delivery of major events	n/a	n/a	$43 million
c.	Estimated return on ACT Government investment from events supported under the Major Event Fund	n/a	n/a	Ratio of 40:1
d.	Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	90%	98%	90%
e.	ACT Accommodation – Room Occupancy Rate (%)	>national average (59.3%)	>national average (68.3%)	n/a
f.	Number of visits to the 'visitcanberra' website	1,300,000	1,431,281	n/a

Note(s):

1. This output has been renamed and was formerly Ouput 3.2 VisitCanberra. It now includes the functions from both VisitCanberra and the former Output 3.4 Events, which is now Output 3.7 Events (Discontinued).

Accountability Indicator Descriptions and Variance Commentary:

a. New accountability indicator. This accountability indicator measures the level of local community agreement with a set of sentiment statements on major and community events delivered by Events ACT. A sample of ACT residents attending these events will be surveyed to determine how these events contribute to city vibrancy, community pride, social connection and value for money.

b. New accountability indicator. This accountability indicator measures the estimated direct economic benefit generated through staging Floriade and the Enlighten Festival in the ACT. This economic benefit is calculated via independent event evaluation reports which estimate spending from interstate and international visitors to these events. Direct expenditure impacts cover spending by visitors that come to Canberra specifically to attend these events or extend their stay as a result of these events. Spending by locals or by visitors already in Canberra for other purposes is not included in economic benefit calculations.

c. New accountability indicator. This accountability indicator measures the estimated return on investment derived from events supported under the Major Event Fund (MEF). The economic benefit generated each year as a result of MEF supported events will be measured and then compared against the annual MEF budget to determine return on investment. Economic benefit refers to the direct economic benefit generated through staging MEF-supported events in the ACT. This economic benefit is calculated via post event evaluation reports which estimate spending from interstate and international visitors to these events. The target of 40:1 represents $40 in estimated economic benefit for every $1 investment through the MEF.

d. This accountability indicator shows satisfaction with overall customer service levels at the CRVC, captured as part of a broader Satisfaction Survey open to visitors throughout the year. Survey data is recorded using the Survey Monkey online program. The 2020-21 interim outcome is above target due to dedicated efforts to deliver high quality service by the staff and volunteers.

e. Discontinued accountability indicator. This accountability indicator provided a comparison of the ACT's average accommodation room occupancy rate to the national average.

f. Discontinued accountability indicator. This accountability indicator was used to record the performance of the website http://www.visitcanberra.com.au. The 2020-21 interim outcome is above target due to Visit Canberra's marketing activity achieving more visits than expected to the VisitCanberra website.

Output 3.3: Sport and Recreation

Table 43: Accountability Indicators Output 3.3

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Number of nationally identified priority athletes supported by the ACT Academy of Sport	120	134	120
b.	Number of organisations funded to support participation opportunities in sport and recreation	80	89	80
c.	Estimated economic activity as a result of supporting local elite teams	n/a	n/a	$14.0m

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator measures the number of ACT Academy of Sport (ACTAS) supported athletes identified and/or prioritised by their respective sporting body as an athlete with emerging international level potential, through to podium potential, in an Olympic, Paralympic or Commonwealth Games sport. The 2020-21 interim outcome is above target because additional netball athletes were serviced through commercial agreement arrangements after the Netball Program partnership and scholarships ceased on 31 March 2021.

b. This accountability indicator reports the number of organisations funded through the Sport and Recreation Grant Program to deliver participation opportunities. This funding support is coupled with access to directorate delivered education and training assistance to improve the quality of these opportunities. The result will be reported at the end of the financial year. The 2020-21 interim outcome is above target due to a higher number of quality applications from eligible organisations being supported through the 2021 Sport and Recreation Grant Program.

c. New accountability indicator. This accountability indicator covers the estimated economic activity generated for the Territory by supporting home games for local elite teams including the Canberra Raiders, Brumbies, GWS Giants, Canberra Capitals and Canberra United. Visitor expenditure data is derived from post-game surveys conducted with a random sample of attendees. The direct expenditure impact aims to capture the spending of all visitors who come to the ACT specifically to attend a home game in Canberra.

Output 3.4: Arts [1]

Table 44: Accountability Indicators Output 3.4

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Percentage of the public art collection managed by artsACT in good or above condition	80%	89%	80%
b.	Satisfaction with the management of grants administered by artsACT	80%	78%	80%
c.	Number of artists directly and indirectly supported through Arts Activities funding	n/a	n/a	100
d.	Satisfaction of audiences and participants of artsACT funded arts organisations	n/a	n/a	80%
e.	Number of attendees at programs delivered by artsACT funded organisations	350,000	201,000	175,000
f.	Number of arts organisations supporting community participation	24	25	n/a

Note(s):

1. This output has been renamed and was formerly Output 3.5 Arts Engagement.

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator measures the condition of the public artworks in the ACT Government collection managed by artsACT. This indicator is measured in the annual collection audit using the condition rating system in the 2015 ACT Government Public Art Guidelines and the Public Art Condition Assessment and Maintenance Plan (September 2018). The 2020-21 interim outcome is above target because upgrade works are being worked through as funding allows, resulting in an overall improvement in the condition of the collection. A Condition Assessment and Maintenance Plan was completed for the collection in September 2018, identifying the highest priority conservation works required across the collection.

b. This accountability indicator measures the standard of service and assistance for arts organisations and artists through ACT Arts Fund grants. An annual satisfaction survey of applicants (Key Arts Organisations, Program and Activities grants) is used.
c. New accountability indicator. This accountability indicator measures the number of artists directly and indirectly supported through Arts Activities funding. The result will be measured through the grant acquittal process. Data for this indicator is collated annually.
d. New accountability indicator. This accountability indicator measures satisfaction of audiences and participants of artsACT-funded arts organisations. Data for this indicator is collated annually.
e. This accountability indicator measures the annual attendance numbers at programs delivered by artsACT funded organisations. Attendance numbers are collected as part of the grant acquittal process. The 2020-21 interim outcome is below target due to the impact of COVID-19 and consequent restrictions on audience numbers and programs delivered by artsACT funded organisations. The 2021-22 target has also been reduced by half compared to the 2020-21 target to take into account the ongoing effects of COVID-19 on face-to-face programming, with particular consideration of the ACT's significant COVID-19 outbreak and reimposition of Public Health Restrictions from August 2021.
f. Discontinued accountability indicator. This accountability indicator identified the number of arts organisations supported by ACT arts funding. The result was measured through the grant acquittal process. This indicator has been discontinued in 2021-22 in favour of the new accountability indicators, because the number of funded Key Arts and Program organisations is relatively fixed and is no longer considered a meaningful measure of directorate performance.

Output 3.5: Skills [1]

Table 45: Accountability Indicators Output 3.5

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Participation rate of 15-64 year olds in VET			
	- all students (percentage)	5.9%	6.1%	5.9%
	- Aboriginal and Torres Strait Islander students (percentage)	13.4%	13.1%	13.4%
	- Young Canberrans aged 15-24 (percentage)	n/a	n/a	12.5%
b.	VET graduate outcomes after training			
	- improved employment circumstances	65%	65%	n/a
	- employed after training or in further study	92%	86%	92%
c.	Skilled Migration Attraction and Facilitation			
	- Employer Sponsored Nominated	100	28	n/a
	- Skilled Independent Nominated	1,400	1,405	1,400
	- average number of monthly visits to Canberra. Create Your Future website	15,000	980	n/a
	- average processing time for applications across all skilled migration program streams	45 business days	5.4 business days	20 business days
d.	Total number of students undertaking VET qualifications			
	- all students	16,500	17,870	n/a
	- Aboriginal and Torres Strait Islander students	650	720	n/a
	- Students with a disability	1,850	2,030	n/a
e.	Deliver the ACT International Education Strategy			
	- Canberra: Australia's Education Capital Destination Marketing and Engagement (Study Canberra Program)	1	1	n/a
	- Student Experience (Student Ambassadors Program)	1	1	n/a

Note(s):
1. This output was formerly Output 3.6 Higher Education, Training and Research. The Higher Education and Research functions of this output are now part of Output 3.1 Business and Innovation.

Accountability Indicator Descriptions and Variance Commentary:

a. In 2021-22 this accountability indicator has been reframed to measure the participation rate for students (all; Aboriginal and Torres Strait Islander; and young Canberrans aged 15-24) undertaking government funded Vocational Education and Training (VET) in the ACT. The target is based on nationally published data. The result for this accountability indicator will be reported annually.

b. This accountability indicator measures the percentage of graduates employed after training or in further study, in the ACT, as defined by the state/territory of funding by year, in the National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. The result for this accountability indicator is reported annually. The first measure of this indicator (improved employment circumstances) is discontinued in 2021-22, as the retained measure is a more integrated and accurate measure. The 2020-21 interim outcome for the second measure of this indicator is below target because the COVID-19 pandemic and the associated economic downturn has impacted employability outcomes for graduates. All states and territories experienced a decrease in outcomes for this measure.

c. This accountability indicator has four measures as listed below, two of which is discontinued in 2021-22. The two retained measures are a more accurate reflection of program effectiveness and efficiency.
   - Discontinued accountability indicator. Employer Sponsored Nominated – The 2020-21 interim outcome is below target because border closures and the economic impacts of COVID-19 likely impacted program numbers in the reporting period. In addition, changes to visa criteria as a result of the Australian Government visa reform program in 2018-19 reduced the pool of available skilled workers who could be sponsored by employers, as they did not meet the new subclass 494 visa criteria.
   - Skilled Independent Nominated – This indicator covers all skilled migration program streams, and aligns the target with the annual allocation provided by the Australian Government.
   - Discontinued accountability indicator. Average Number of Monthly Visits to Canberra. Create Your Future website – The 2020-21 interim outcome is below target due to the redirection of traffic via the Canberra.com.au website. The 'Canberra. Create Your Future' website is at end of life and due to be decommissioned.
   - Average Processing Time for Applications – This indicator tracks the number of business days to process an application including receipt of payment. The 2020-21 interim outcome is above target due to a reduction in processing times due to changes in program management, including timeframes for releasing invitations to apply for ACT nomination.

d. Discontinued accountability indicator. This accountability indicator measured the number of students (all, Aboriginal and Torres Strait Islander and students with disability) undertaking government-funded VET in the ACT. This accountability indicator has been discontinued as it is less relevant than participation rate which is expressed in revised indicator 3.5a. The 2020-21 interim outcomes for all measures are above target because similar to previous years, the ACT has seen high levels of engagement in Vocational Education and Training by students, including Aboriginal and Torres Strait Islander students and students with a disability.

e. Discontinued accountability indicator. This accountability indicator had two measures and tracked the delivery of the Study Canberra and the Student Ambassadors programs as articulated in the ACT International Education Strategy. International education is now part of Output 3.1 Business and Innovation. This indicator has been replaced by the new accountability indicator 3.1c measuring satisfaction of the tertiary education sector with the engagement of the ACT Government and its promotion of Canberra as a study destination of choice.

Output 3.6: Venues [1]

Table 46: Accountability Indicators Output 3.6

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Number of major events at:			
	- GIO Stadium	20	26	20
	- Manuka Oval	8	18	8
	- Exhibition Park in Canberra	85	66	85
	- Stromlo Forest Park	10	13	10
b.	Own source revenue by venue at:			
	- GIO Stadium	$3.0 million	$2.0 million	$3.0 million
	- Manuka Oval	$360,000	$282,000	$360,000
	- Exhibition Park in Canberra	$3.5 million	$2.1 million	$3.5 million
c.	The level of customer satisfaction at the National Arboretum Canberra	85%	98%	85%

Note(s):

1. This output was formerly Output 9.2 Venues.

Accountability Indicator Descriptions and Variance Commentary:

a. These accountability indicators reflect the number of contracted major events to be held at each venue in 2021-22. Additional events may be secured during the year.
   - Major events at GIO Stadium are defined as concerts, national competition (NRL and Super Rugby) and international matches. The 2020-21 interim outcome for GIO Stadium is above target because the Raiders and Brumbies played final games at GIO Stadium. More matches than usual also occurred in the period July to December 2020 due to changes to NRL and Super Rugby draws.
   - Major events at Manuka Oval are defined as national competition (AFL and Big Bash League) and international matches. The 2020-21 interim outcome for Manuka Oval is above target as Manuka Oval hosted additional Big Bash League cricket matches due to restrictions in other parts of Australia.
   - Major events at Exhibition Park in Canberra (EPIC) are defined as events with more than 500 attendees. The 2020-21 interim outcome for Exhibition Park in Canberra (EPIC) is below target as EPIC has been unable to host regular events due to restrictions on large events and festivals. Additionally, some exhibition space has been used for government initiatives.
   - Major events at Stromlo Forest Park are defined as events with more than 500 attendees, or over 300 attendees if attracting national or international events – as their participation has multiplying economic impacts on the wider Canberra economy. The 2020-21 interim outcome for Stromlo Forest Park is above target due to the easing of COVID-19 restrictions in the Territory, especially for outdoor venues. Due to Stromlo Forest Park being an outdoor venue, planned and tentative events proceeded in 2020-21.

b. The first two accountability indicators for this measure cover own source revenue (measured by own source revenue less event related expenses) generated by GIO Stadium and Manuka Oval and are based on pre-existing hire agreements. The third accountability indicator covers own source revenue (measured as gross revenue) generated by Exhibition Park in Canberra. The 2020-21 interim outcome for GIO Stadium is below target as events held in the first half of the year were at limited capacity. Own source revenue including parking income, hospitality and catering commission was lower and there were additional costs to ensure safety including signage and cleaning. The 2020-21 interim outcome for Manuka Oval is below target because Manuka Oval, although hosting additional major events, was at restricted capacity for the duration of these events. Hospitality and catering commission was lower and there were higher expenses associated with hosting these events including signage, cleaning and security. The 2020-21 interim outcome for EPIC is below target as EPIC has been unable to host large events due to restrictions and the hosting of government initiatives. Some commercial and community tenants have also been eligible for rent relief, decreasing rental income.

c. Customer satisfaction at the National Arboretum Canberra is based on an annual survey undertaken towards the end of the financial year. The 2020-21 interim outcome is above target as the National Arboretum Canberra has exceeded its customer expectations based on survey results that indicate a positive visitor experience.

Output 3.7: Events (Discontinued) [1]

Table 47: Accountability Indicators Output 3.7

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Attendee satisfaction rating with key community events			
	- New Year's Eve	80%	n/a	n/a
	- Australia Day	80%	n/a	n/a
	- Canberra Nara Candle Festival	80%	n/a	n/a
	- Canberra Day Activities	80%	78%	n/a
b.	Economic activity generated as a result of staging Floriade	$40 million	n/a	n/a
c.	Economic activity generated as a result of staging the Enlighten Festival	$3 million	$0.5 million	n/a
d.	Satisfaction with the management of Events grants in the ACT	80%	90%	n/a

Note(s):

1. Discontinued output. This output was formerly Output 3.4 Events. The functions of this output are now part of Output 3.2 Tourism and Events.

Accountability Indicator Descriptions and Variance Commentary:

a. Discontinued accountability indicator. This accountability indicator measured attendee satisfaction of their experience while attending key community events. This was measured through a survey of sample event attendees for each event. There are no 2020-21 interim outcomes for the first three measures of this indicator for the following reasons.
   - The traditional fireworks and concert event for Canberra's 2020 New Year's Eve celebrations was cancelled as a result of the COVID-19 pandemic. An alternative model for marking New Year's Eve celebrations in Canberra was implemented that did not support the completion of an event attendee satisfaction survey.
   - The traditional Australia Day fireworks and concert event delivered by Events ACT was cancelled for 2021 as a result of the COVID-19 pandemic, which prevented the completion of an event attendee satisfaction survey. Australia Day celebrations in Canberra were instead delivered by the National Capital Authority.
   - The 2020 Canberra Nara Candle Festival was delivered in a modified format as a result of the COVID-19 pandemic. The modified approach prevented the completion of an event attendee satisfaction survey.

b. Discontinued accountability indicator. This accountability indicator reflected the estimated economic activity generated for the Territory by staging Floriade. This indicator has been replaced by indicator 3.2b *Estimated economic benefit from delivery of major events*, which will be reported as part of Output 3.2 Tourism and Events in 2021-22. There is no 2020-21 interim outcome for 3.7b because the traditional Floriade event staged in Commonwealth Park was cancelled for 2020 as a result of the COVID-19 pandemic. Instead the Directorate developed the *Floriade: Reimagined* program, with planting displays located around Canberra for the benefit of the local community. Interstate and international visitors were not a target audience for the reimagined format and the economic impact derived from these visitors could not be measured.

c. Discontinued accountability indicator. This accountability indicator covered the estimated economic activity generated for the Territory by staging the Enlighten Festival. This indicator has been replaced by indicator 3.2b *Estimated economic benefit from delivery of major events*, which will be reported as part of Output 3.2 Tourism and Events in 2021-22. The 2020-21 interim outcome is below target due to the impact of COVID-19 related restrictions on venue capacity and a requirement for attendees to pre-register for free tickets. This significantly limited overall attendance at the Enlighten Festival.

d. Discontinued accountability indicator. This accountability indicator reflected satisfaction with the management of Events grants in the ACT. The 2020-21 interim outcome is above target due to ongoing enhancements to the ACT Event Fund funding guidelines and application process, flexibility and support provided to event organisers during the COVID-19 pandemic and enhanced levels of engagement with funding recipients throughout the funding process.

Output Class 4: Financial and Economic Management

Output 4.1: Economic Management

Table 48: Accountability Indicators Output 4.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Briefings on the ACT economy	105	165	165
b.	To maintain ACT's share of GST above an equal per capita share of the GST Pool as recommended annually by the Commonwealth Grants Commission	1	1	1
c.	Co-ordinate government participation in intergovernmental Treasury fora	7	37	36
d.	Submission to credit rating agency	1	1	1

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator covers briefings prepared on the most recent key economic indicators for Canberra and the ACT. The 2020-21 interim outcome is above target due to additional briefings prepared on both new and more frequent data releases from the Australian Bureau of Statistics (ABS) to report on the state of the Australian and ACT economies due to the effects of COVID-19. Additional ABS publications are also expected in 2021-22.

b. This accountability indicator covers the annual submission to the Commonwealth Grant Commission, including collation of all data input and associated briefings including new methodology developments.

c. This indicator covers responsibility for Treasury input to the operations of the Council on Federal Financial Relations (12 meetings each year), Board of Treasurers (12 meetings each year) and Heads of Treasuries (12 meetings each year). The 2020-21 interim outcome is above target due to more Ministerial and Heads of Treasuries meetings held since July 2020 to consider and respond to the economic impacts of COVID-19. The 2021-22 target remains elevated as it is anticipated that meetings will also occur more frequently than usual in 2021-22.
d. This accountability indicator covers the annual submission to the credit rating agency Standard & Poor's (S&P). This enables S&P to make an assessment of the credit rating of the ACT Government. The submission is a daylong meeting with the agency.

Output 4.2: Financial Management

Table 49: Accountability Indicators Output 4.2

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Budget presented in accordance with legislative timeframes	1	1	2
b.	Budget Review presented in accordance with legislative timeframes	1	0	1
c.	Annual Financial Statements for the Territory in accordance with legislative timeframes	1	1	1
d.	Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes	4	4	4
e.	Policy/service reviews completed	1	1	n/a
f.	Regulatory reform in relation to financial processes	1	2	1

Accountability Indicator Descriptions and Variance Commentary:

a. The Territory Budget is presented to the Legislative Assembly in accordance with the timing prescribed in section 5 of the *Financial Management Act 1996* (FMA). On 16 September 2021, pursuant to section 5 of the FMA, the Legislative Assembly resolved to delay the 2021-22 Budget until 6 October 2021. A decision has not yet been taken on the timing of the 2022-23 Budget.
b. The Budget Review for the Territory is presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA. The 2020-21 interim outcome did not meet the target due to the delay in the 2020-21 Budget. The 2020-21 Budget was delivered on 9 February 2021 and the delay resulted in the release of the Budget occurring at the time the 2020-21 Budget Review would have been released under normal circumstances. Due to this, the ACT Government did not release a 2020-21 Budget Review as the estimates would have been unchanged from those outlined in the 2020-21 Budget.
c. The Annual Financial Statements for the Territory are provided to the Auditor General in accordance with the timing prescribed in section 24 of the FMA.
d. The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
e. Discontinued accountability indicator. This accountability indicator measured the completion in December 2020 of the review of funding arrangements for environmental offsets, which commenced in 2019-20. This accountability indicator has been discontinued as resources have been refocused on project-based work rather than major policy/service reviews. This includes work flowing from prior reviews, assisting other areas within government with internal reviews, and delivering other priority projects of government.
f. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes. In 2021-22, the targeted initiative is amendments to the FMA to clarify the interaction between budget provisions and the capital works reserve. The 2020-21 interim outcome is above target as two initiatives were delivered in 2020-21 instead of the targeted one: publication of the ACT Government policy on liability for and payment of GST between ACT Government related entities; and publication of the ACT Government Debtor Management Policy, which provides guidance and a framework covering a range of areas relating to debt management.

Output Class 5: Revenue Management [1]

Output 5.1: Revenue Management [2]

Table 50: Accountability Indicators Output 5.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Debt Management – level of overdue rates as a percentage of total rates revenue	5%	10%	5%
b.	Debt Management – level of overdue debt (not including rates) as a percentage of tax revenue (not including rates)	2%	5%	2%
c.	Internal reviews of objections completed within 6 months	85%	93%	85%
d.	Internal reviews of objections completed within 12 months	100%	98%	100%
e.	Compliance revenue per inspector	$650,000	$126,986	$650,000

Note(s):

1. This output class was formerly Output Class 6 Revenue Management.
2. This output was formerly Output 6.1 Revenue Management.

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator measures the level of overdue collectable rates debt as a percentage of forecast rates revenue. It excludes matters subject to objection and appeals. The 2020-21 interim outcome is above target as a result of the almost complete suspension of compliance debt recovery activity since March 2020 due to the impact of the COVID-19 pandemic on the community. Debt recovery activities are expected to gradually resume over 2021-22.

b. This accountability indicator measures the level of overdue collectable debt (less rates) as a percentage of forecast tax revenue (less rates). It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers. The 2020-21 interim outcome is above target for the reasons indicated above at 5.1a.

c. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions. The 2020-21 interim outcome is above target due to prioritisation of objections nearing the specified due date and a general reduction in case processing compared to the previous financial year.

d. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.

e. This accountability indicator measures all revenue assessed from compliance activities divided by the number of full time equivalent inspectors. It includes revenue from assessments and reassessments (being that portion not already assessed), outstanding returns, savings resulting from reductions in refund claims and other compliance activity. The 2020-21 interim outcome is below target as a result of the almost complete cessation of compliance activity in 2020-21 due to the COVID-19 pandemic and the diversion of staff resources to assist other areas (such as with COVID-19 assistance measures). Compliance activities are expected to gradually resume over 2021-22.

Output Class 6: Shared Services [1]

Output 6.1: Human Resources, Finance and Record Services [2]

Table 51: Accountability Indicators Output 6.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	90%	89%	90%
b.	Business Activity Statements completed in accordance with the ATO deadline	100%	100%	100%

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
c.	Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	100%	100%
d.	Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	100%
e.	Annual financial statements completed and provided to agencies by 10th working day of July	100%	100%	100%
f.	Finance service requests made via the Service Desk are resolved within Service Standards timeframes	90%	95%	90%
g.	ICT costs compared to peer organisations' costs, as benchmarked by an independent organisation	Within 5%	6% lower	n/a
h.	ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	82%	n/a
i.	Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	30 seconds	374 seconds	n/a
j.	Number of successful attacks on internally hosted ACT Government websites	0	0	n/a

Note(s):

1. This output class was formerly Output Class 7 Shared Services.
2. This output was formerly Output 7.1 Shared Services. The new name reflects the transfer of the ICT functions of the former Output 7.1 Shared Services to Output 6.2 Digital, Data and Technology Solutions. The 2020-21 interim outcomes for all ICT related accountability indicators are in this table. The 2021-22 targets for transferred ICT related accountability indicators are reported in the new output, 6.2 Digital, Data and Technology Solutions.

Accountability Indicator Descriptions and Variance Commentary:

a. This accountability indicator covers the service requests logged by the HR Service Desk which are resolved within agreed timeframes (five working days).

b. This accountability indicator covers the submission of Business Activity Statements (BAS) to the Australian Taxation Office (ATO) by the 21st of every month. The date of BAS lodgements' processed through the ATO Business Portal and that of GST remittance are monitored and recorded by the action officer.

c. This accountability indicator covers the lodgement of annual Fringe Benefit Tax returns to the ATO. This is an annual measure. The 2021-22 lodgement date is 21 May 2022.

d. This accountability indicator refers to the completion of processing of monthly financial information using Oracle Government Financials. Meeting this timeframe (6th working day of the month) facilitates agencies in finalising monthly management reports in a timely manner.

e. This accountability indicator covers the submission of draft annual financial reports to the directorates/agencies. Meeting this timeframe (10th working day of July) facilitates agencies in finalising the annual financial statements to meet audit office deadlines.

f. This accountability indicator covers the service requests logged by the Finance Service Desk which are resolved within agreed timeframes (five working days). The 2020-21 interim outcome is above target, reflecting the priority given to ensuring finance requests were processed within service level agreement timeframes.

g. Discontinued accountability indicator. In future reporting this accountability indicator will be reported in Output 6.2 Digital, Data and Technology Solutions. As independent benchmarking is only undertaken every two years, there is no target for this indicator in 2021-22. The 2020-21 interim outcome reflects the fact that ICT services, within the scope of the comparison, are delivered more cost effectively than the target, being approximately 6% lower than those of the public sector peer. In financial terms, Digital, Data and Technology Solutions delivers services for $9,470,091 less.

h. Discontinued accountability indicator. In 2021-22 this accountability indicator will be reported in Output 6.2 Digital, Data and Technology Solutions. Service Level Agreements' timeframes are standards for service delivery. The 2020-21 interim outcome did not meet the target due to the complexity of supporting a workforce working from home, which has led to significant increases in the time required to resolve issues, and increased call volumes during COVID-19. Service Desk requests handled in 2020-21 were 23% higher than in 2019-20.

i. Discontinued accountability indicator. In 2021-22 this accountability indicator will be reported in Output 6.2 Digital, Data and Technology Solutions. This measure covers the average time (in seconds) taken for a call to be answered by the Service Desk. The 2020-21 interim outcome did not meet the target for the reasons indicated above at 6.1h.

j. Discontinued accountability indicator. In 2021-22 this accountability indicator will be reported in Output 6.2 Digital, Data and Technology Solutions. This measure covers security breaches of internally hosted ACT Government web sites and web applications.

Output 6.2: Digital, Data and Technology Solutions [1]

Table 52: Accountability Indicators Output 6.2

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	n/a	n/a	90%
b.	Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	n/a	n/a	80% of calls within 240 seconds
c.	Number of successful attacks on internally hosted ACT Government websites	n/a	n/a	0

Note(s):

1. New output. This results from the transfer of the ICT functions of the former Output 7.1 Shared Services to Output 6.2 Digital, Data and Technology Solutions.

Accountability Indicator Descriptions and Variance Commentary:

a. New accountability indicator. This accountability indicator was formerly reported in Output 7.1 Shared Services. The 2020-21 interim outcome is reported as 6.1h in Output 6.1 Human Resources, Finance and Records Services. Service Level Agreements' timeframes are standards for service delivery.

b. New accountability indicator. This accountability indicator was formerly reported in Output 7.1 Shared Services. The 2020-21 interim outcome is reported as 6.1i in Output 6.1 Human Resources, Finance and Records Services. This measure covers the average time (in seconds) taken for a call to be answered by the Service Desk.

c. New accountability indicator. This accountability indicator was formerly reported in Output 7.1 Shared Services. The 2020-21 interim outcome is reported as 6.1j in Output 6.1 Human Resources, Finance and Records Services. This measure covers security breaches of internally hosted ACT Government web sites and web applications.

Output Class 7: Infrastructure Finance and Procurement [1]

Output 7.1: Infrastructure Finance [2]

Table 53: Accountability Indicators Output 7.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Life of Project PPP transactions successfully executed	100%	100%	100%
b.	Assessments of Unsolicited Proposals completed within the prescribed timescales	>85%	40%	>85%

Note(s):

1. This output class was formerly Output Class 8 Infrastructure Finance and Procurement.
2. This output was formerly Output 8.1 Infrastructure Finance.

Accountability Indicator Descriptions and Variance Commentary:

a. This indicator measures the efficiency of Infrastructure Finance & Reform in undertaking its responsibilities for Life of Project transactions for Public Private Partnerships (PPP) projects. PPPs are a form of infrastructure procurement that involve high levels of risk transfer to the private sector and high levels of integrated delivery. 'Life of Project' transactions are those that have a material impact on the financial and/or operational arrangements of the project as negotiated in the original PPP Contract, and normally result from a request by the Project Company that requires the consent of the Territory (for example, debt refinancing, changes in equity arrangements, changes to the payment mechanism or financial model, etc). 'Successfully executed' means that the Territory has responded to a request from the Project Company within the timescale specified in the PPP Contract and has not been unreasonable should it withhold its consent. The full year result is the number of Life of Project transactions completed successfully divided by the total number of such transactions scheduled to be completed within the reporting period.

b. This indicator measures the efficiency of Infrastructure Finance and Reform in undertaking its responsibilities for managing the assessment of Unsolicited Proposals. The Guidelines for Unsolicited Proposals is the framework for the treatment of Unsolicited Proposals in the Territory. The relevant timescales are those specified in the Guidelines and/or those agreed with the proponent, for each phase of the assessment process. Within three months of receiving the formal Concept Submission, the Government will aim to advise the proponent whether the Unsolicited Proposals Steering Committee (UPSC) would like to receive a presentation. Within two months of the presentation to the UPSC, the UPSC will notify the proponent of its decision on progressing the proposal, unless there are particular circumstances that require a longer review period. The full year result is the number of responses to proponents within the specified timescale divided by the total number of responses. The 2020-21 interim outcome is below target as three of the five Concept Submissions considered during the period did not achieve the three-month time frame for notification to the proponent of whether the UPSC would receive a presentation as per the Guidelines. This was due to the unique nature of each proposal, each of which required extensive cross directorate consultation with a broad range of stakeholders. Throughout the process, the proponents were kept informed of the status of the assessment of their submission and were made aware that the assessment would likely exceed the timeframes in the Guidelines.

Output 7.2: Procurement [1]

Table 54: Accountability Indicators Output 7.2

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Proportion of Goods and Services contracts awarded to Indigenous suppliers or Social suppliers	1%	2.57%	1%
b.	Public availability of Contract Register and Tenders ACT	99.5%	99.8%	99.5%
c.	Public satisfaction with Tender systems	85%	88%	85%
d.	Territory entity staff awareness of ACT Government procurement related policies	n/a	n/a	85%
e.	Territory entity staff satisfaction with procurement training	n/a	n/a	85%

Note(s):

1. This output was formerly Output 8.2 Goods and Services Procurement.

Accountability Indicator Descriptions and Variance Commentary:

a. ACT Government agencies are encouraged to include Indigenous business and social enterprises in their procurement opportunities. Indigenous suppliers must be registered or certified by Supply Nation, a supplier development council that manages a national directory of registered/certified indigenous businesses. Social enterprises deliver targeted social or community benefits using traditional business principles. They may be for profit or not for profit organisations, but they seek both a financial and a social return on investment. From June 2021, the ACT Government is transitioning from the social enterprise multi-use list to Social Traders Ltd, an online platform which provides access to a broader range of certified social enterprises through a secure online marketplace. The 2020-21 interim outcome is above target due to ACT Government agencies prioritising the inclusion of opportunities for Aboriginal and Torres Strait Islander Enterprises in their procurement activity since the introduction of the Aboriginal and Torres Strait Islander Procurement Policy.

b. Public availability of the Notifiable Contract Register and Tenders ACT measures the proportion of time that these systems are fully available for use by external parties interested in business opportunities of the ACT Government. This indicator is measured annually.

c. Public satisfaction with Tender systems measures the proportion of external users who are satisfied that tender process and documentation as delivered via Tenders ACT support meeting their business needs and objectives. This is collected annually by a survey of external Tenders ACT register parties.

d. New accountability indicator. Procurement related policies are ACT Government policies for which procurement has been identified as a means of delivery developed and implemented by Procurement ACT. This accountability indicator measures the level of awareness of the ACT Government's procurement related policies amongst Territory entity staff that undertake procurement. This will assist in measuring the effectiveness of procurement related policy implementation, communication and support tools. The measure will be calculated based on the percentage of Territory entity staff, which through annual survey, have identified as ‘strongly agree’ or ‘agree’ that they are aware of the listed current procurement related policies.

e. New accountability indicator. This indicator measures the effectiveness of procurement training and support delivered to Territory entity staff. The measure will be calculated based on the percentage of Territory entity staff, who through surveys undertaken following training sessions, have identified as 'strongly agree' or 'agree' that the training was useful.

Output Class 8: Property Services [1]

Output 8.1: Property Services [2]

Table 55: Accountability Indicators Output 8.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Percentage of customers satisfied with management of aquatic centres	93%	92%	93%
b.	Vacancy rate for properties designated for use by non-government tenants	3.5%	2.1%	3.5%
c.	Average square metres of office accommodation per employee			
	- Office accommodation established prior to 1 January 2016	14.3	34.5	14.3
	- Office accommodation established from 1 January 2016	12	39.4	12
d.	Percentage of planned ACTPG capital upgrade projects completed by expenditure	n/a	n/a	85%

Note(s):
1. This output class was formerly Output Class 9 Property Services and Venues.
2. This output was formerly Output 9.1 Property Services.

Accountability Indicator Descriptions and Variance Commentary:
a. An annual survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools.
b. This accountability indicator measures the vacancy rate for properties designated for use by non government tenants (community groups and commercial organisations). The 2020-21 interim outcome is above target due to the Directorate actively engaging with the prospective tenants and issuing offers to fill vacancies.
c. This accountability indicator covers the quantum of office space utilised per employee. The occupancy rate is the average net lettable area of office space measured on a square metre basis per employee in ACT Government owned and leased office accommodation that is being occupied by ACT Government agencies. The target reflects progress in implementing the whole of government Office Accommodation Strategy. The 2020-21 interim outcome shows lower occupancy than targeted. The annual survey occurred in late June 2021 when ACT Government office-based staff were primarily working away from office locations due to COVID-19. This resulted in reduced occupancy of office buildings.
d. New accountability indicator. This indicator measures the expenditure spent on planned ACTPG capital upgrade projects. The completion rate is the expenditure spent on ACTPG capital upgrade projects works against the total budget forecasted for the projects originally programed for delivery under this funding appropriation, expressed as a percentage.

Output 8.2: Venues (Discontinued) [1]

Note(s):
1. This output was formerly Output 9.2 Venues. It is now Output 3.6 Venues. The 2020-21 Interim Outcome results for accountability indicators and 2021-22 Targets are reported in Output 3.6 Venues.

Output Class 9: Workforce Injury Management and Industrial Relations Policy (Discontinued) [1]

Output 9.1: Workforce Injury Management and Industrial Relations Policy (Discontinued)

Note(s):

1. Discontinued output class. This output class and associated output were formerly Output Class 5 (and Output 5.1) Workforce Injury Management and Industrial Relations Policy. The former Output 5.1 is now Output 1.6 Workforce Injury Management and Industrial Relations Policy. The 2020-21 Interim Outcome results for accountability indicators results and 2021-22 Targets are reported under Output 1.6.

Changes to Appropriation

Table 56: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020–21 Budget	**468,314**	**363,930**	**346,209**	**345,310**	**320,282**
2021–22 Budget Policy Adjustments					
2021-22 tax settings – Expanding concessions and assistance measures	0	100	0	0	0
ACT Government office accommodation consolidation	0	3,017	2,129	986	1,023
Backing our Arts and Entertainment:					
- Funding Canberra artists – Homefront program	0	350	0	0	0
- More support for Screen Canberra	0	383	390	397	405
- More support for the Belconnen and Ainslie Arts Centres	0	330	130	130	130
Boosting Canberrans' Skills:					
- JobTrainer extension	0	10,050	6,700	0	0
- More support for vocational education and training and apprenticeships	0	2,273	0	0	0
Business support:					
- International trade and engagement	0	889	1,183	1,108	0
- More support for Aboriginal and Torres Strait Islander businesses	0	225	228	232	235
- More support for business development	0	950	964	0	0
Climate action – Supporting action on climate change	0	319	261	137	139
Community sector partnerships – More support for community sector organisations	0	5	5	5	5
Continuing implementation of the Wellbeing Framework	0	415	804	888	872
Continuing operations at Canberra Olympic Pool	0	1,300	0	0	0
Coombs Community Facility	0	67	69	71	73
COVID-19 Business support:					
- Business Support Grants and Extension Payments	0	290,915	0	0	0
- Commercial tenancy assistance	0	210	0	0	0
- Mediation support services for commercial lease negotiations	0	250	0	0	0
- Rental relief – ACT Government properties	0	1,608	0	0	0
- Small Business Hardship Scheme	0	280	0	0	0
- Supporting Canberra's tourism sector	0	3,840	2,335	350	350
- Tourism, Accommodation Provider and Hospitality Industry Support Fund	0	7,200	0	0	0
COVID-19 Response:					
- Continuing Government services	0	4,971	0	0	0
- Continuing the COVID-19 Public Health support package	0	3,798	0	0	0
- Residential tenancy assistance	0	300	0	0	0
COVID-19 Response continuation – Jobs for Canberrans	0	3,528	0	0	0
COVID-19 Response Fund	0	50,000	0	0	0
Digitising Government services	0	3,343	2,452	2,510	2,573
Exhibition Park redevelopment and expansion	0	416	0	0	0

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
Holocaust Museum and Education Centre in Canberra	0	750	0	0	0
Implementing recommendations on the Secure Local Jobs Code	0	615	935	948	961
Implementing the Automatic Mutual Recognition scheme	0	917	329	0	0
Improving ACT Revenue Office capability	0	2,324	1,446	1,477	1,508
Improving and upgrading government accommodation	0	880	342	344	345
Investing in public services:					
- Strengthening cyber–security	0	1,903	2,413	0	0
- Strengthening data analytics capability and digital solutions	0	10,375	3,300	0	0
Knowledge Capital – Future Jobs Fund	0	2,000	0	0	0
Maintaining accountability and transparency of government	0	4,624	4,693	4,763	4,858
Maintaining and growing affordable housing:					
- Financial support for Community Housing Canberra Limited (CHC)	0	145	10	10	10
- Increased awareness and compliance of 2021-22 tax settings	0	500	507	514	521
Major events funding	0	4,027	3,569	2,511	2,548
More support for the Gungahlin Leisure Centre	0	832	0	0	0
More support for trans, gender diverse and intersex Canberrans	0	150	154	158	162
More support for women's elite sport	0	425	382	388	396
Non-potable water rebate for high-intensity club users	0	100	0	0	0
Planning for a second access road at the National Arboretum Canberra	0	110	0	0	0
Remediating lead dust at the former transport depot in Kingston	0	799	0	0	0
Shared Services Finance and Human Resources fixed cost contribution	0	2,002	1,540	1,447	1,455
Strengthening building quality regulation	0	1,090	1,426	1,442	1,459
Strengthening financial and economic management and advisory services	0	3,381	2,080	1,789	1,816
Sustainable Household Scheme	0	-142	266	81	208
2021–22 Budget Technical Adjustments					
Cessation:					
- Digital Canberra – Digital Economy Initiative (CBR FREE Wifi)	0	0	0	-122	-122
- Whole of Government Software Upgrade	0	-1,515	-1,514	-1,566	-1,566
Commonwealth Grants:					
- Aboriginal and Torres Strait Islander National Subsidised Spectacles Scheme	0	14	0	0	0
- Local Roads Community Infrastructure Program	0	0	20	81	81
- Local Roads Community Infrastructure Program – Repairs and maintenance	0	0	0	19	106
- National Skills and Workforce Development SPP	1,019	-1,910	10	0	78
Interim Outcome – Workers Compensation	0	-299	0	0	0
Interstate Quarantine Costs for ACT Residents	9,551	4,787	0	0	0
Payroll Tax Waiver conversion – Canberra Raiders	0	615	629	645	330
Revised Funding Profile:					

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
- ACT Hardship Fund	-314	314	0	0	0
- Asset Management and Fiscal Sustainability	-225	100	125	0	0
- Better care when you need it – Promoting organ and tissue donation	-75	75	0	0	0
- Better Regulation Taskforce	-50	50	0	0	0
- Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia Strategic Partnership	-2,361	0	0	2,361	0
- Building a better city – Indoor sports centres – Early planning	-64	64	0	0	0
- Climate Action – Office of the Coordinator-General	-294	294	0	0	0
- Commonwealth Grants – JobTrainer Program	-3,652	3,652	0	0	0
- Commonwealth Grants – Skilling Australians Fund	-1,758	1,758	0	0	0
- COVID–19 Public Health Response	-400	400	0	0	0
- Data Storage Infrastructure	-850	2,550	-850	-850	0
- Expansion of ACT Public Service Graduate Program	-343	-329	672	0	0
- Growing future skills with more apprenticeship and vocational training places	-743	495	248	0	0
- Improving road safety through Mobile Device Detection Cameras	-247	247	0	0	0
- Investment Logic Mapping	-150	0	150	0	0
- Jobs for Canberrans Fund	-13,292	13,292	0	0	0
- Knowledge Capital – Future jobs fund	-1,993	1,368	625	0	0
- Marketing Canberra as a COVID-safe destination for domestic travellers	-750	750	0	0	0
- Meeting future ACT government accommodation needs	-5,301	5,301	0	0	0
- More and better jobs – Ensuring continuity of the Human Resources Information Management System	-5,237	5,237	0	0	0
- More and better jobs – Growing our creative capital	-138	138	0	0	0
- More and better jobs – Improving infrastructure planning and delivery	-1,459	1,459	0	0	0
- More and better Jobs – Key industry sector development	-4,975	3,551	1,324	100	0
- More jobs for our growing city – Better arts facilities	-212	212	0	0	0
- More jobs for our growing city – Better facilities for Manuka Oval	0	-27	-28	55	0
- More jobs for our growing city – Expanding Canberra's events calendar	-1,320	1,320	0	0	0
- More jobs for our growing city – New Canberra Theatre Complex	-70	70	0	0	0
- More services for our suburbs – Upgrading the Old Kingston Bus Depot	0	0	-60	-63	1
- More support for families and inclusion – Delivering a new Compulsory Third Party Insurance scheme	-337	337	0	0	0

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
- Office of the Coordinator-General for the Whole of Government (Non-Health Response to COVID-19)	-32	32	0	0	0
- Oracle Whole of Government licensing	-148	148	0	0	0
- Rental Relief – ACT Government properties	-2,326	2,326	0	0	0
- Repairing Gungahlin Leisure Centre	-274	274	0	0	0
- Restructure Fund	-3,371	-371	-284	2,013	2,013
- Showcasing Canberra's Aboriginal Heritage through the Yarramundi Cultural Centre	-100	100	0	0	0
- Smarter government spending – Centralising property custodianship	-1,826	1,826	0	0	0
- Smarter Regulation – Red tape reduction	-231	231	0	0	0
- Strategic Asset Management Plan	-200	0	200	0	0
- Supporting our tourism and events industries	-66	66	0	0	0
- Supporting public pool operators	-933	933	0	0	0
- Supporting smarter working in the new ACT Government office projects	-2,048	2,048	0	0	0
- Supporting the economic recovery of the creative sector	-375	375	0	0	0
- Sustainable Household Scheme	-270	270	0	0	0
- Tax Reform Advisory Group	-80	80	0	0	0
- Training Support – National Infection Control Fund	-700	700	0	0	0
- Whole of Government Threat Risks Assessment Evaluation Report	-72	72	0	0	0
Revised Indexation Parameters	-442	-135	209	1,005	28,344
Revised Superannuation Parameters	-55	-436	-756	-1,453	-1,918
Savings:					
- artsACT	0	-350	0	0	0
- Building a better city – Civic and Dickson office accommodation	0	-821	0	0	0
- Building a better city – Dickson office accommodation	0	-1,320	0	0	0
- Continuing the COVID–19 Public Health Response offset	0	-776	0	0	0
- Maintaining accountability and transparency of government offset	0	-314	-320	-324	-330
- Meeting future ACT government accommodation needs	0	-20	-29	-31	-33
- More and better jobs – Growing our creative capital	0	-130	-130	-130	-130
- Stromlo Forest Park – Enclosed oval feasibility	-159	0	0	0	0
Transfer:					
- Building a better city – Civic and Dickson office accommodation to various agencies	0	-506	-506	-514	-526
- Data Storage Infrastructure to Capital Injection	0	-3,400	0	0	0
- Deputy Chief Projects Officer – to Major Projects Canberra	0	-412	-417	-422	-427
- Feasibility and design studies for community infrastructure and upgrades from TCCS	0	516	0	0	0
- from Capital Distribution to Government	0	3,124	3,198	3,273	3,351
- Healthier Work Function from WorkSafe ACT	0	429	435	443	451

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
- Homefront Live Performance Package from Expenses on Behalf of the Territory	530	0	0	0	0
- Inspector funding from ACT Integrity Commission	0	100	103	105	108
- Intellectual Property Licensing and Public Archive Access Services from various agencies	0	347	354	360	367
- Judicial council from JACS	0	63	65	67	69
Undrawn Funds	-401	0	0	0	0
2021–22 Budget	**418,695**	**842,508**	**390,724**	**373,048**	**372,581**

Table 57: Changes to appropriation – Expenses on Behalf of the Territory

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**80,139**	**76,218**	**77,412**	**77,424**	**77,480**
2021-22 Budget Policy Adjustments					
2021-22 tax settings – Expanding concessions and assistance measures	0	4,115	2,580	2,605	2,630
Community sector partnerships – More support for community sector organisations	0	14	14	14	16
COVID-19 Business support:					
- Small Business Hardship Scheme	0	24,500	0	0	0
- Supporting Canberra's tourism sector	0	2,500	0	0	0
COVID-19 Response – Additional $200 rebate for Canberra's most vulnerable	0	6,200	0	0	0
2021-22 Budget Technical Adjustments					
Commonwealth Grant:					
- Aboriginal and Torres Strait Islander National Subsidised Spectacles Scheme	0	20	0	0	0
- HomeBuilder	3,750	39,755	9,945	0	0
Transfer – Homefront Live Performance Package to Controlled Recurrent Payments	-530	0	0	0	0
Undrawn Funds	-6,561	0	0	0	0
2021-22 Budget	**76,798**	**153,322**	**89,951**	**80,043**	**80,126**

Table 58: Changes to appropriation – Capital Injections, Controlled

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**159,336**	**78,002**	**51,287**	**42,147**	**42,147**
2021-22 Budget Policy Adjustments					
ACT Government office accommodation consolidation	0	12,213	0	0	0
Backing our Arts and Entertainment:					
- Recognising significant women through public art	0	200	0	0	0
- Upgrades to Tuggeranong Arts Centre Theatre	0	430	1,400	170	0
Casey Community Recreation Park	0	500	2,000	500	0
Coombs Community Facility	0	100	0	0	0
Digitising Government services	0	10,222	1,742	0	0
Exhibition Park redevelopment and expansion	0	104	0	0	0
Improvements to the Canberra Museum and Gallery and the North Building	0	120	623	624	0
Improving and upgrading government accommodation	0	3,384	1,128	0	0
Investing in public services – Critical ICT infrastructure	0	4,810	5,620	7,030	5,340
More energy efficient Government accommodation	0	1,861	3,768	4,722	4,901
More support for the Gungahlin Leisure Centre	0	360	0	0	0
Remediating lead dust at the former transport depot in Kingston	0	1,300	0	0	0
Stromlo Forest Park – Improved parking	0	343	2,543	0	0
Sustainable Household Scheme	0	-31,300	-771	-771	-771
Throsby Home of Football – Stage 2	0	0	3,000	6,000	0
Upgrading Canberra venues	0	4,859	3,200	0	0
2021-22 Budget Technical Adjustments					
Commonwealth Grant – Local roads and community infrastructure	0	1,870	6,889	0	0
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	0	200	0	0	0
Revised Funding Profile:					
- ACT Land Titles System Modernisation	-44	44	0	0	0
- Belconnen Service Centre Modernisation	-1,240	1,240	0	0	0
- Better Government – Boosting government digital security	108	-108	0	0	0
- Better Infrastructure Fund	-3,582	3,582	0	0	0
- Better online services through Access Canberra	-38	38	0	0	0
- Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	-672	672	0	0	0
- Better support when it matters – Protecting vulnerable Canberrans	-52	52	0	0	0
- Building a better city – Civic and Dickson office accommodation	-419	419	0	0	0
- Building a better city – Dickson office accommodation	-386	386	0	0	0
- Building a better city – Improving major venues	-91	91	0	0	0

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
- Commonwealth Grant – Local roads and community infrastructure	-446	446	0	0	0
- Delivering graduated licensing to reduce road deaths and accidents	-17	17	0	0	0
- Delivering the Home of Football at Throsby	60	-9,720	2,500	7,160	0
- Equipment Purchasing Funding	-1,000	1,000	0	0	0
- Fast Track Program	-8,168	8,168	0	0	0
- Government Budget Management System	-265	265	0	0	0
- Gungahlin District Tennis – Design	-288	288	0	0	0
- Improving Road Safety – Traffic camera adjudication system upgrades	-31	31	0	0	0
- Learning Management System	-313	313	0	0	0
- Meeting future ACT government needs	-12,814	-5,000	17,814	0	0
- More and better jobs – Data analytics for smarter policy	-677	677	0	0	0
- More and better jobs – Expanding Belconnen Arts Centre	-624	624	0	0	0
- More and better jobs – Improving arts facilities	-564	564	0	0	0
- More and better jobs – Modernising government ICT infrastructure	302	-302	0	0	0
- More and better jobs – More facilities for Stromlo Forest Park	-114	114	0	0	0
- More jobs for our growing city – Better arts facilities	-68	68	0	0	0
- More jobs for our growing city – Better facilities for Manuka Oval	-320	320	0	0	0
- More jobs for our growing city – Government facilities upgrade	-245	245	0	0	0
- More services for our suburbs – Upgrading the Old Kingston Bus Depot	-755	755	0	0	0
- Moving delivery of more community services online	-3,968	1,068	2,900	0	0
- Office Accommodation	-910	910	0	0	0
- Planning for a permanent home for Dragon Boating	-240	240	0	0	0
- Public Arts Scheme	-102	102	0	0	0
- Rego ACT – Ongoing Investment	-11	11	0	0	0
- Replacing the Human Resource Information Management System	-12,928	12,928	0	0	0
- Smarter Regulation – Red tape reduction	-198	198	0	0	0
- Supporting smarter working in the new ACT Government office projects	-5,037	5,037	0	0	0
- Upgrading local arts facilities	-311	-332	643	0	0
- Upgrading local community centres	-163	163	0	0	0
Revised Indexation Parameters – Better Infrastructure Fund	0	0	0	0	215
Transfer:					
- Data Storage Infrastructure from Controlled Recurrent Payments	0	3,400	0	0	0
- Fast Track Program to various Directorates	0	-6,702	0	0	0
Savings:					
- Building a better city – Civic and Dickson office accommodation	0	-419	0	0	0
- Building a better city – Dickson office accommodation	0	-386	0	0	0
- Equipment Purchase Funding	0	-2,000	-1,000	-1000	-1,000

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
- Meeting future ACT government accommodation needs	0	-3,790	0	0	0
- Office Accommodation	0	-1,410	0	0	0
- Public Art Scheme	0	-102	0	0	0
- Supporting smarter working in the new ACT Government office projects	0	-2,284	0	0	0
Accrued employee entitlements	1,901	0	0	0	0
Undrawn Funds	-8,111	0	0	0	0
2021-22 Budget	**96,495**	**101,499**	**105,286**	**66,582**	**50,832**

Table 59: Changes to appropriation – Capital Injections, Territorial

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**37,000**	**25,000**	**25,000**	**25,000**	**25,000**
2021-22 Budget Technical Adjustments					
Revised Funding Profile – Land Rent Scheme	-2,091	2,091	0	0	0
Undrawn Funds	-8,277	0	0	0	0
2021-22 Budget	**26,632**	**27,091**	**25,000**	**25,000**	**25,000**

Summary of 2021-22 Infrastructure Program

Table 60: 2021-22 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
New Capital Works Projects						
2021-22 Budget						
ACT Government office accommodation consolidation	12,213	0	0	0	**12,213**	Jun-22
Backing our Arts and Entertainment:						
- Recognising significant women through public art	200	0	0	0	**200**	Jun-22
- Upgrades to Tuggeranong Arts Centre Theatre	430	1,400	170	0	**2,000**	Aug-23
Casey Community Recreation Park	500	2,000	500	0	**3,000**	Dec-23
Coombs Community Facility	100	0	0	0	**100**	Dec-21
Digitising Government services	10,222	1,742	0	0	**11,964**	Jun-23
Exhibition Park redevelopment and expansion:						
- Capital component	104	0	0	0	**104**	Jun-22
- Recurrent component [1]	416	0	0	0	**416**	Jun-22
Improvements to the Canberra Museum and Gallery and the North Building	120	623	624	0	**1,367**	Jun-24
Improving and upgrading government accommodation	3,384	1,128	0	0	**4,512**	Dec-22
Investing in public services – Critical ICT infrastructure	4,810	5,620	7,030	5,340	**22,800**	Jun-25
More energy efficient Government accommodation	1,861	3,768	4,722	4,901	**15,252**	Jun-25
More support for the Gungahlin Leisure Centre	360	0	0	0	**360**	Jun-22
Planning for a second access road at the National Arboretum Canberra [1]	110	0	0	0	**110**	Jun-22
Remediating lead dust at the former transport depot in Kingston	1,300	0	0	0	**1,300**	Dec-21
Stromlo Forest Park – Improved parking	343	2,543	0	0	**2,886**	Jun-23
Throsby Home of Football – Stage 2	0	3,000	6,000	0	**9,000**	Sep-23
Upgrading Canberra venues	4,859	3,200	0	0	**8,059**	Jun-23
Total New Capital Works Projects	**41,332**	**25,024**	**19,046**	**10,241**	**95,643**	
Capital Works in Progress						
ACT Land Titles system modernisation	44	0	0	0	**44**	Nov-21
Belconnen Service Centre Modernisation	1,240	0	0	0	**1,240**	Dec-21

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
Better Government – Boosting government digital security	474	0	0	0	**474**	Jun-22
Better online services through Access Canberra	38	0	0	0	**38**	Aug-22
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	872	0	0	0	**872**	Jun-22
Building a better city:						
- Improving major venues	91	0	0	0	**91**	Jun-22
- Indoor sports centres – Early planning [1]	64	0	0	0	**64**	Jun-22
Commonwealth Grant – Local roads and community infrastructure	6,336	6,889	0	0	**13,225**	Jun-23
Data Storage Infrastructure	3,400	0	0	0	**3,400**	Jun-22
Delivering graduated licensing to reduce road deaths and accidents	17	0	0	0	**17**	May-22
Delivering the Home of Football at Throsby	2,000	10,500	7,160	0	**19,660**	Jun-24
Feasibility and design studies for community infrastructure and upgrades [1]	516	0	0	0	**516**	Jun-22
Government Budget Management System	1,315	1,050	0	0	**2,365**	Jun-23
Gungahlin District Tennis Centre – Design	488	0	0	0	**488**	Jun-22
Improving Road Safety – Traffic camera adjudication system upgrades	31	0	0	0	**31**	Aug-21
Learning Management System	313	0	0	0	**313**	Jun-22
Meeting future ACT government accommodation needs	4,540	17,814	0	0	**22,354**	Jun-22
More and better jobs:						
- Data analytics for smarter policy	347	0	0	0	**347**	Oct-22
- Expanding Belconnen Arts Centre	624	0	0	0	**624**	Jun-22
- Modernising government ICT infrastructure	2,698	0	0	0	**2,698**	Jun-22
- More facilities for Stromlo Forest Park	114	0	0	0	**114**	Jun-22
More jobs for our growing city:						
- Better arts facilities	68	0	0	0	**68**	Jun-22
- Better facilities for Manuka Oval	320	0	0	0	**320**	Jul-21
- Government facilities upgrade	245	0	0	0	**245**	Dec-21
- New Canberra Theatre Complex [1]	70	0	0	0	**70**	Dec-21
More services for our suburbs – Upgrading the Old Kingston Bus Depot	755	0	0	0	**755**	Jun-22
Moving delivery of more community services online	2,068	2,900	0	0	**4,968**	Jun-23
Office Accommodation	0	500	500	500	**1,500**	Ongoing

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
Planning for a permanent home for Dragon Boating	390	0	0	0	**390**	Jun-22
Replacing the Human Resource Information Management System	12,928	0	0	0	**12,928**	Jun-22
Smarter Regulation – Red tape reduction	198	0	0	0	**198**	Jan-22
Supporting smarter working in the new ACT Government office projects	2,753	0	0	0	**2,753**	Jun-22
Upgrading cyber security Response	273	0	0	0	**273**	Jun-22
Upgrading local arts facilities	643	643	0	0	**1,286**	Jun-23
Upgrading local community Centres	463	300	0	0	**763**	Jun-23
Total Capital Works in Progress	**46,736**	**40,596**	**7,660**	**500**	**95,492**	
Better Infrastructure Fund (BIF) including Fast Track Program						
More services in our suburbs – ACT property upgrades						
Building and safety upgrades	1,150	0	0	0	**1,150**	Sep-22
Building fire services upgrades	175	0	0	0	**175**	Sep-22
Building refurbishment including roofing, energy efficiency upgrades and internal remediation	545	0	0	0	**545**	Sep-22
Essential facilities and grounds upgrades	2,075	0	0	0	**2,075**	Sep-22
Hazardous material management	425	0	0	0	**425**	Sep-22
Pools Improvement Program	830	0	0	0	**830**	Sep-22
Prior year BIF rolled forward	2,344	0	0	0	**2,344**	Sep-21
More jobs for our growing city – Improving major venues						
Improving Major Venues	1,534	0	0	0	**1,534**	Sep-22
Prior year BIF rolled forward	913	0	0	0	**913**	Sep-21
National Arboretum Canberra (including Stromlo Forest Park)						
National Arboretum Canberra	304	0	0	0	**304**	Sep-22
Stromlo Forest Park	140	0	0	0	**140**	Sep-22
Prior year BIF rolled forward	11	0	0	0	**11**	Sep-21
More jobs for our growing city – Funding for major events						
Floriade and other major and community events	331	0	0	0	**331**	Sep-22
Prior year BIF rolled forward	308	0	0	0	**308**	Sep-21
More jobs for our growing city – Improving arts buildings and facilities						
Belconnen Arts Centre outdoor projection equipment	113	0	0	0	**113**	Sep-22
Improving arts facilities	246	0	0	0	**246**	Sep-22
More and better jobs – Improving arts facilities	564	0	0	0	**564**	Sep-21
Upgrades to arts buildings	320	0	0	0	**320**	Sep-22
Prior year BIF rolled forward	6	0	0	0	**6**	Sep-21
Unallocated BIF	0	8,393	8,603	8,818	**25,814**	Ongoing

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
Fast Track Program	1,466	0	0	0	**1,466**	Dec-21
Total BIF including Fast Track Program	**13,800**	**8,393**	**8,603**	**8,818**	**39,614**	
TOTAL INFRASTRUCTURE PROGRAM	**101,868**	**74,013**	**35,309**	**19,559**	**230,749**	

Note(s):
1. These items are funded through Controlled Recurrent Payments.

Table 61: Reconciliation of the 2021-22 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program to Controlled Capital Injection Appropriation

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000
Total Infrastructure Program	**101,868**	**74,013**	**35,309**	**19,559**	**230,749**
***Infrastructure Projects funded by Controlled Recurrent Payments* appropriation** [1]					
Building a better city – Indoor sports centres – Early planning	-64	0	0	0	**-64**
Exhibition Park redevelopment and expansion - Recurrent component	-416	0	0	0	**-416**
Feasibility and design studies for community infrastructure and upgrades	-516	0	0	0	**-516**
More jobs for our growing city – New Canberra Theatre Complex	-70	0	0	0	**-70**
Planning for a second access road at the National Arboretum Canberra	-110	0	0	0	**-110**
Sub-total	**-1,176**	**0**	**0**	**0**	**-1,176**
Capital Injection funded projects not included in Infrastructure Program					
Better support when it matters – Protecting vulnerable Canberrans	365	313	313	313	**1,304**
Rego ACT – Ongoing Investment	442	431	431	431	**1,735**
Sustainable Household Scheme	0	30,529	30,529	30,529	**91,587**
Sub-total	**807**	**31,273**	**31,273**	**31,273**	**94,626**
Total Controlled Capital Injection	**101,499**	**105,286**	**66,582**	**50,832**	**324,199**

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 62: Chief Minister, Treasury and Economic Development Directorate: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
468,314	Controlled Recurrent Payments	418,695	842,508	101	390,724	373,048	372,581
220	Fees	585	220	-62	220	220	220
262,605	Sale of Goods and Services from Contracts with Customers	266,833	288,395	8	294,288	301,469	308,687
3,963	Grants and Contributions	7,824	6,323	-19	6,257	84,655	6,307
386	Investment Revenue	137	243	77	1,427	2,513	3,499
4,160	Other Revenue	9,893	7,071	-29	8,272	7,364	8,128
739,648	**Total Revenue**	**703,967**	**1,144,760**	**63**	**701,188**	**769,269**	**699,422**
	Gains						
0	Gains from Disposal and Derecognition of Assets	3,499	0	-100	0	0	0
0	Other Gains	37,808	0	-100	0	0	0
0	**Total Gains**	**41,307**	**0**	**-100**	**0**	**0**	**0**
739,648	**Total Income**	**745,274**	**1,144,760**	**54**	**701,188**	**769,269**	**699,422**
	Expenses						
256,211	Employee Expenses	272,156	273,095	..	259,839	263,102	266,453
41,831	Superannuation Expenses	40,623	43,360	7	43,105	42,815	42,967
269,291	Supplies and Services	231,232	339,440	47	264,156	257,489	257,652
107,183	Depreciation and Amortisation	101,607	116,934	15	126,240	133,944	133,215
101,145	Grants and Purchased Services	103,078	410,738	298	60,456	50,989	51,485
14,335	Borrowing Costs	12,521	15,568	24	22,162	21,579	20,971
10,391	Other Expenses	8,237	8,792	7	1,644	1,888	2,151
1,108	Transfer Expenses	0	9,872	#	12,802	13,356	13,678
801,495	**Total Expenses**	**769,454**	**1,217,799**	**58**	**790,404**	**785,162**	**788,572**
-61,847	**Operating Surplus/(Deficit)**	**-24,180**	**-73,039**	**-202**	**-89,216**	**-15,893**	**-89,150**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Other Comprehensive Income						
	Items that will not be Reclassified Subsequently to Profit or Loss						
0	Increase/(Decrease) in Asset Revaluation Surplus	99,959	0	-100	0	0	0
55,451	Other Movements	0	0	-	0	0	0
55,451	**Total Other Comprehensive Income/(Deficit)**	**99,959**	**0**	**-100**	**0**	**0**	**0**
-6,396	**Total Comprehensive Income/(Deficit)**	**75,779**	**-73,039**	**-196**	**-89,216**	**-15,893**	**-89,150**

Table 63: Chief Minister, Treasury and Economic Development Directorate: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
61,078	Cash and Cash Equivalents	93,976	62,793	-33	61,005	57,097	55,124
22,892	Receivables	31,904	21,838	-32	25,185	28,090	30,552
5,052	Contract Assets	11,973	11,976	..	11,979	11,982	11,985
4,666	Inventories	3,503	3,504	..	3,505	3,506	3,507
0	Non Current Asset Held for Sale	4,790	0	-100	0	0	0
20,309	Other Assets	12,949	12,440	-4	12,486	13,485	14,482
113,997	**Total Current Assets**	**159,095**	**112,551**	**-29**	**114,160**	**114,160**	**115,650**
	Non Current Assets						
61,099	Receivables	56,132	1,531	-97	20,463	37,869	53,651
1,759,991	Property, Plant and Equipment	1,889,761	1,903,125	1	1,867,504	1,920,262	1,874,527
7,920	Investment Properties	7,920	7,920	-	7,920	7,920	7,920
132,601	Intangible Assets	54,348	106,274	96	106,236	97,786	79,124
158,525	Capital Works in Progress	111,236	135,379	22	140,444	97,831	70,514
13,210	Other Assets	12,252	10,176	-17	8,100	6,024	3,948
2,133,346	**Total Non Current Assets**	**2,131,649**	**2,164,405**	**2**	**2,150,667**	**2,167,692**	**2,089,684**
2,247,343	**TOTAL ASSETS**	**2,290,744**	**2,276,956**	**-1**	**2,264,827**	**2,281,852**	**2,205,334**
	Current Liabilities						
68,043	Payables	42,739	35,812	-16	38,797	41,465	44,133
11,429	Contract Liabilities	12,092	12,637	5	13,182	13,727	14,272
6,210	Interest-Bearing Liabilities and Borrowings	8,801	333	-96	347	372	257
22,370	Lease Liabilities	24,778	52,871	113	54,012	55,008	56,120
96,562	Employee Benefits	99,873	105,863	6	111,925	118,228	124,518
267	Other Provisions	317	303	-4	303	303	303
2,832	Other Liabilities	1,228	1,052	-14	1,142	1,232	1,322
207,713	**Total Current Liabilities**	**189,828**	**208,871**	**10**	**219,708**	**230,335**	**240,925**
	Non Current Liabilities						
61,774	Interest-Bearing Liabilities and Borrowings	56,266	1,546	-97	1,330	1,088	966
801,137	Lease Liabilities	834,617	828,249	-1	792,331	754,872	715,727
5,528	Employee Benefits	5,654	5,951	5	6,248	6,545	6,842
1,632	Other Provisions	1,746	1,532	-12	1,532	1,532	1,532
870,071	**Total Non Current Liabilities**	**898,283**	**837,278**	**-7**	**801,441**	**764,037**	**725,067**
1,077,784	**TOTAL LIABILITIES**	**1,088,111**	**1,046,149**	**-4**	**1,021,149**	**994,372**	**965,992**
1,169,559	**NET ASSETS**	**1,202,633**	**1,230,807**	**2**	**1,243,678**	**1,287,480**	**1,239,342**

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Equity						
837,978	Accumulated Funds	772,254	803,548	4	816,419	860,221	812,083
331,581	Asset Revaluation Surplus	430,379	427,259	-1	427,259	427,259	427,259
1,169,559	**TOTAL EQUITY**	**1,202,633**	**1,230,807**	**2**	**1,243,678**	**1,287,480**	**1,239,342**

Table 64: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
701,618	Opening Accumulated Funds	701,618	772,254	10	803,548	816,419	860,221
331,724	Opening Asset Revaluation Surplus	331,724	430,379	30	427,259	427,259	427,259
1,033,342	**Balance at the Start of the Reporting Period**	**1,033,342**	**1,202,633**	**16**	**1,230,807**	**1,243,678**	**1,287,480**
	Comprehensive Income						
-61,847	Operating Surplus/(Deficit)	-24,180	-73,039	-202	-89,216	-15,893	-89,150
0	Increase/(Decrease) in Asset Revaluation Reserve Surpluses	99,959	0	-100	0	0	0
55,451	Other Movements	0	0	-	0	0	0
-6,396	**Total Comprehensive Income/(Deficit)**	**75,779**	**-73,039**	**-196**	**-89,216**	**-15,893**	**-89,150**
	Movement in Asset Revaluation Surplus						
143	Transfer (to)/from Accumulated Funds	1,304	3,120	139	0	0	0
-143	Movement in Asset Revaluation Surplus	-1,304	-3,120	-139	0	0	0
0	**Total Movement in Asset Revaluation Surplus**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
151,211	Capital Injections	96,495	101,499	5	105,286	66,582	50,832
-5,384	Capital Distributions	-4,861	0	100	-2,900	-5,801	-8,701
1,869	Increase/(Decrease) in Net Assets due to Transfers to/from Other Agencies	1,878	0	-100	0	0	0
-5,083	Dividend Approved	0	-286	#	-299	-1,086	-1,119
142,613	**Total Transactions Involving Owners Affecting Accumulated Funds**	**93,512**	**101,213**	**8**	**102,087**	**59,695**	**41,012**
	Closing Equity						
837,978	Closing Accumulated Funds	772,254	803,548	4	816,419	860,221	812,083
331,581	Closing Asset Revaluation Surplus	430,379	427,259	-1	427,259	427,259	427,259
1,169,559	**Balance at the end of the Reporting Period**	**1,202,633**	**1,230,807**	**2**	**1,243,678**	**1,287,480**	**1,239,342**

Table 65: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
468,314	Controlled Recurrent Payments	418,695	842,508	101	390,724	373,048	372,581
220	Fees	585	220	-62	220	220	220
271,870	Sale of Goods and Services from Contracts with Customers	259,043	299,554	16	306,265	313,455	324,557
359	Interest Received	137	265	93	266	262	262
98,542	Other	80,969	74,607	-8	75,252	74,340	75,107
839,305	**Operating Receipts**	**759,429**	**1,217,154**	**60**	**772,727**	**761,325**	**772,727**
	Payments						
254,676	Employee	263,190	272,830	4	257,110	260,136	263,599
41,628	Superannuation	40,392	43,153	7	42,892	42,602	42,765
273,374	Supplies and Services	209,662	338,867	62	263,213	256,859	260,564
110,766	Grants and Purchased Services	92,199	427,422	364	70,077	60,610	61,106
12,864	Borrowing Costs	12,498	15,572	25	15,209	14,621	14,012
1,036	Transfer of Territory Receipts to the ACT Government	0	9,944	#	12,874	13,428	13,750
96,105	Other	71,975	68,285	-5	68,306	68,398	68,507
790,449	**Operating Payments**	**689,916**	**1,176,073**	**70**	**729,681**	**716,654**	**724,303**
48,856	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**69,513**	**41,081**	**-41**	**43,046**	**44,671**	**48,424**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
166	Proceeds from the Sale of Assets [1]	627	170	-73	170	170	170
5,381	Proceeds from Repayments of Loan Receivable	109	259	138	3,235	6,136	9,036
5,547	**Investing Receipts**	**736**	**429**	**-42**	**3,405**	**6,306**	**9,206**
	Payments						
19,408	Relating to Property, Plant and Equipment	15,035	31,651	111	12,001	13,255	12,255
138,875	Relating to Capital Works in Progress [1]	103,808	107,533	4	71,170	32,466	18,147
23,471	Relating to Intangibles	803	956	19	431	431	0
8,125	Relating to the Issue of Loans [1]	0	0	-	30,529	30,529	30,529
189,879	**Investing Payments**	**119,646**	**140,140**	**17**	**114,131**	**76,681**	**60,931**
-184,332	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-118,910**	**-139,711**	**-17**	**-110,726**	**-70,375**	**-51,725**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
159,336	Capital Injections	96,495	101,499	5	105,286	66,582	50,832
159,336	**Financing Receipts**	**96,495**	**101,499**	**5**	**105,286**	**66,582**	**50,832**
	Payments						
5,383	Distributions to Government	4,861	0	-100	2,899	5,800	8,890
5,307	Repayment of Borrowings	99	191	93	202	217	237
27,974	Repayment of Lease Liabilities	29,127	33,575	15	35,994	37,683	39,258
5,083	Payment of Dividend	0	286	#	299	1,086	1,119
43,747	**Financing Payments**	**34,087**	**34,052**	**..**	**39,394**	**44,786**	**49,504**
115,589	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**62,408**	**67,447**	**8**	**65,892**	**21,796**	**1,328**
-19,887	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**13,011**	**-31,183**	**-340**	**-1,788**	**-3,908**	**-1,973**
80,965	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**80,965**	**93,976**	**16**	**62,793**	**61,005**	**57,097**
61,078	**CASH AT THE END OF REPORTING PERIOD**	**93,976**	**62,793**	**-33**	**61,005**	**57,097**	**55,124**

Note(s):

1. For the 2021-22 Budget Statements, several line items in the Cash Flow Statement have been renamed to be consistent with the presentation used in the Directorate's annual reports. The items renamed are:
   - 'Proceeds from the Sale of Property, Plant and Equipment' to 'Proceeds from the Sale of Assets'; and
   - 'Relating to Capital Works' to 'Relating to Capital Works in Progress'.
   - 'Relating to Loans' to 'Relating to the Issue of Loans'.

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments:
  - the decrease of $49.619 million in the 2020-21 interim outcome from the original budget largely reflects the reprofiling of initiative funding from 2020-21 to future years ($58.5 million), partially offset by the receipt of a Treasurer's Advance to reimburse the NSW Government for the cost of accommodating ACT residents in NSW COVID-19 quarantine facilities ($9.6 million); and

- the increase of $423.813 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the impact of the new initiatives, including those to support the community during COVID-19 restrictions and the subsequent economic recovery ($118 million); new Commonwealth Grants and an ACT contribution to Commonwealth funded programs, particularly business support grants ($300.2 million) and a reprofiling of initiative funding from 2020-21 to 2021-22; partially offset by the net impact of the change in the funding profile for, and cessation of, existing initiatives.

- grants and contributions:

  - the increase of $3.861 million in the 2020-21 interim outcome from the original budget is mainly due to the transfer of Woden Childcare Centre from the Canberra Institute of Technology (CIT) and higher than forecast legal services received free of charge from the ACT Government Solicitors Office; and

  - the increase of $78.398 million in the 2023-24 estimate from the 2022-23 estimate is mainly due to the forecast completion and transfer of the Kingston Arts Precinct from the Suburban Land Agency (SLA).

- other revenue:

  - the increase of $5.733 million in the 2020-21 interim outcome from the original budget largely reflects revenue from hosting football matches and other events at Territory venues, which were budgeted for as sales of goods and services from contracts with customers, and the receipt of sponsorships; and

  - and the decrease of $2.822 million in the 2021-22 Budget from the 2020-21 interim outcome largely reflects a return to a more usual level of forecast other revenue.

- gains from disposal and derecognition of assets: the increase of $3.499 million in the 2020-21 interim outcome from the original budget and the decrease of $3.499 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the derecognition of the end of lease make good provision for Nara House that was no longer required ($2.8 million) and proceeds from the sale of motor vehicles during 2020-21.

- other gains: the increase of $37.808 million in the 2020-21 interim outcome from the original budget and the decrease of $37.808 million in the 2021-22 Budget from the 2020-21 interim outcome results from a change in the assumptions used to eliminate (remove the impact of) internal trading transactions between the Directorate's business units that were recorded in prior years.

- supplies and services:

  - the decrease of $38.059 million in the 2020-21 interim outcome from the original budget is largely due to the deferral of expenditure from 2021-22 to 2021-22; partially offset by a higher demand from other ACT Government directorates for the delivery of ICT projects; and

- the increase of $108.208 million in the 2021-22 Budget from the 2020-21 interim outcome mainly reflects the impact of new initiatives ($70.2 million), demand driven services being undertaken by Shared Services on behalf of other agencies and a reprofiling of initiative funding from 2020-21 to 2021-22; partially offset by the net impact of the change in the funding profile for, and cessation of, existing initiatives.

- depreciation and amortisation: the increase of $15.327 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to forecast completion of ICT and capital works, including the *More and Better Jobs – Expanding Belconnen Arts Centre* and *Belconnen Service Centre Modernisation* projects; the commencement of the leases for the Nara and Allara House Government Office Buildings (GOBs) and the full year impact of the lease for the Civic GOB; partially offset by the impact of the deferred completion date for the *More and better jobs – Ensuring continuity of the Human Resources Information Management System* ICT project (HRIMS).

- grants and purchased services: the increase of $307.660 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to new initiatives ($32.1 million); new Commonwealth Grants and an ACT contribution to Commonwealth funded programs, particularly business support grants ($298.5 million) and a reprofiling of initiative funding from 2020-21 to 2021-22; partially offset by the net impact of the change in the funding profile for, and cessation of, existing initiatives.

- borrowing costs:

  - the decrease of $1.814 million in the 2020-21 interim outcome from the original budget is largely due to the delay in the commencement of concessional loans associated with the Sustainable Household Scheme; and

  - the increase of $3.047 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the impact of commencing leases for the Nara and Allara House GOBs and the full year impact of the lease for the Civic GOB for use by CMTEDD and other government directorates, partially offset by a deferral in the commencement of concessional loans associated with the Sustainable Household Scheme.

- other expenses: the decrease of $2.154 million in the 2020-21 interim outcome from the original budget is mainly due to the delay in the Centralisation of Property Custodianship program ($7.489 million), partially offset by asset transfers to other agencies.

- transfer expenses:

  - the decrease of $1.108 million in the 2020-21 interim outcome from the original budget reflects the retention of funds originally forecast to be returned to the budget during the year to assist in meeting the Directorate's cost pressures, including those associated with providing assistance to the community during the COVID-19 health emergency; and

- the increase of $9.872 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the reclassification of funds forecast to be returned to the budget relating to prior year savings initiatives from capital distribution to Government to transfer expenses.

- operating surplus/(deficit): the negative operating results in all years largely reflect the impact of depreciation, the forecast movement in employee entitlements and assets transfers to or from other directorates.

  - the increase of $37.667 million in the 2020-21 interim outcome from the original budget and the decrease of $48.859 million in the 2021-22 Budget from the 2020-21 interim outcome are mostly due to a change in the assumptions used to eliminate (remove the impact of) internal trading transactions between the Directorate's business units that were recorded in prior years.

  - the increase of $73.323 million in the 2023-24 estimate from the 2022-23 estimate is mainly due to the forecast completion and transfer of the Kingston Arts Precinct from SLA.

Other Comprehensive Income

Variations in this section of the Operating Statement are explained in Statement of Changes in Equity section below.

Balance Sheet

- cash and cash equivalents: the increase of $32.898 million in the 2020-21 interim outcome from original budget and the decrease of $31.183 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the timing of cashflows around the end of the 2020-21 financial year.

- current and non current receivables: the decrease of $64.667 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the extinguishment of the loan provided to CHC following a restructuring of the loan arrangement.

- inventories: the decrease of $1.163 million in the 2020-21 interim outcome from the original budget is mainly due to use of ICT related inventories to equip the Civic office building prior to them being available for occupation.

- non current assets held for sale: the increase of $4.790 million in the 2020-21 interim outcome from original budget and the decrease of $4.790 million in the 2021-22 Budget from the 2020-21 interim outcome reflect the value of property held for sale as at 30 June 2021.

- intangible assets:

  - the decrease of $78.253 million in the 2020-21 interim outcome from the original budget reflects the impact of the later than forecast completion of ICT related projects, including HRIMS and the *Moving delivery of more community services online* project; and

- the increase of $51.926 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the revised completion dates of a number of ICT related projects, including the HRIMS and the *Meeting future ACT Government accommodation needs* project.

- capital works in progress:
  - the decrease of $47.289 million in the 2020-21 interim outcome from the the original budget is mainly due to the impact of reprofiling of existing capital works from 2020-21 to future years; and
  - the increase of $24.143 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to new capital works ($41.3 million) and the impact of reprofiling of existing capital works from 2020-21 to future years, partially offset by the forecast completion of capital works.

- other assets:
  - the decrease of $8.318 million in the 2020-21 interim outcome from the original budget is mainly due to renewing several agreements for the purchase of ICT related services in 2021-22 rather than in 2020-21 as originally planned; and
  - the decrease of $2.585 million in the 2021-22 Budget from the 2020-21 interim outcome mainly reflects the impact of the end of the rent free lease incentive provided to the Health Directorate for office accommodation at Penhryn House.

- current payables:
  - the decrease of $25.304 million in the 2020-21 interim outcome from the original budget is mainly due to the timing of cashflows around the end of the 2020-21 financial year; and
  - the decrease of $6.927 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the timing of payments to other ACT Government agencies for invoices associated with the Jobs for Canberrans Fund and cashflows around the end of the 2020-21 financial year ($9.402 million).

- current and non current interest-bearing liabilities: the decrease of $63.188 million in the 2021-22 Budget from the 2020-21 interim outcome largely reflects the planned extinguishment of the loan provided by TBA to CMTEDD following a restructuring of the associated loan arrangement with CHC.

- other liabilities: the decrease of $1.604 million in the 2020-21 interim outcome from the original budget is mainly due to the end of the rent free lease incentive period provided to Health Directorate for the office accommodation at Penhryn House.

- current and non current lease liabilities: the increase of $21.725 million in the 2021-22 Budget from the 2020-21 interim outcome mainly reflects the commencement of lease for the Nara House government office building for use by CMTEDD and other directorates, partially offset by the ACT Government's use of existing accommodation leases.

Statement of Changes in Equity

Comprehensive Income

- other movements: the decrease of $55.451 million in the 2020-21 interim outcome from the original budget is largely due to updates to the budgeted property, plant and equipment and intangible assets balances in 2020-21 Budget to reflect recent actual results.

- increase/(decrease) in asset revaluation surplus: the increase of $99.959 million in the 2020-21 interim outcome from the original budget and the decrease of $99.959 million in the 2021-22 Budget from the 2020-21 interim outcome are largely due to the 2021 valuation of ACT Property Group, Economic Development and National Arboretum Canberra assets.

Other variations in this Statement are explained in the Operating Statement and Balance Sheet notes above.

Cash Flow Statement

Variations in this Statement are explained in the notes above.

Financial Statements – Territorial

Table 66: Chief Minister, Treasury and Economic Development Directorate: Statement of Income and Expenses on behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
80,139	Payment for Expenses on Behalf of the Territory	76,798	153,322	100	89,951	80,043	80,126
2,246,882	Taxes, Licences, Fees and Fines	2,341,313	2,433,093	4	2,544,728	2,544,692	2,733,603
44,530	Land Revenue	50,688	43,461	-14	44,851	45,586	46,271
20,563	Sale of Goods and Services from Contracts with Customers	19,666	17,740	-10	26,169	27,263	28,310
1,890,767	Grants from the Commonwealth	2,027,035	2,243,250	11	2,185,714	2,280,600	2,268,219
353,758	Dividend Revenue	325,871	174,408	-46	206,431	98,088	189,538
5,425	Other Revenue	5,653	6,624	17	7,559	8,544	9,546
4,642,064	**Total Revenue**	**4,847,024**	**5,071,898**	**5**	**5,105,403**	**5,084,816**	**5,355,613**
	Expenses						
11,780	Supplies and Services	11,908	12,324	3	12,251	8,989	8,973
61,481	Grants and Purchased Services	54,855	133,775	144	70,388	61,084	61,162
28,736	Cost of Goods Sold	36,220	27,475	-24	27,424	27,109	26,836
8,473	Other Expenses	24,715	9,494	-62	7,350	7,408	7,774
4,531,594	Transfer Expenses	4,723,139	4,888,830	4	4,987,990	4,980,226	5,250,868
4,642,064	**Total Expenses**	**4,850,837**	**5,071,898**	**5**	**5,105,403**	**5,084,816**	**5,355,613**
0	**Operating Surplus/(Deficit)**	**-3,813**	**0**	**100**	**0**	**0**	**0**
	Other Comprehensive Income						
	Items that will not be Reclassified Subsequently to Profit or Loss						
8,626	Increase/(Decrease) in Asset Revaluation Surplus	4,422	7,734	75	7,169	6,522	5,939
8,626	**Total Other Comprehensive Income/(Deficit)**	**4,422**	**7,734**	**75**	**7,169**	**6,522**	**5,939**
8,626	**Total Comprehensive Income/(Deficit)**	**609**	**7,734**	**#**	**7,169**	**6,522**	**5,939**

Table 67: Chief Minister, Treasury and Economic Development Directorate: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
8,869	Cash	13,522	13,522	-	13,522	13,522	13,522
264,252	Receivables	487,887	368,781	-24	535,415	517,074	592,831
273,121	**Total Current Assets**	**501,409**	**382,303**	**-24**	**548,937**	**530,596**	**606,353**
	Non Current Assets						
210,324	Receivables	41,989	65,050	55	52,268	39,486	26,704
3,925	Investments	3,817	3,817	-	3,817	3,817	3,817
304,182	Property	282,009	289,359	3	294,104	298,517	302,621
518,431	**Total Non Current Assets**	**327,815**	**358,226**	**9**	**350,189**	**341,820**	**333,142**
791,552	**TOTAL ASSETS**	**829,224**	**740,529**	**-11**	**899,126**	**872,416**	**939,495**
	Current Liabilities						
300,355	Payables	529,851	433,805	-18	587,657	556,534	617,185
2,464	Other Provisions	3,217	3,217	-	3,217	3,217	3,217
212	Other Liabilities	0	0	-	0	0	0
303,031	**Total Current Liabilities**	**533,068**	**437,022**	**-18**	**590,874**	**559,751**	**620,402**
	Non Current Liabilities						
210,324	Payables	41,989	41,989	-	41,989	41,989	44,313
210,324	**Total Non Current Liabilities**	**41,989**	**41,989**	**-**	**41,989**	**41,989**	**44,313**
513,355	**TOTAL LIABILITIES**	**575,057**	**479,011**	**-17**	**632,863**	**601,740**	**664,715**
278,197	**NET ASSETS**	**254,167**	**261,518**	**3**	**266,263**	**270,676**	**274,780**
	Equity						
203,325	Accumulated Funds	183,500	183,117	..	180,693	178,584	176,749
74,872	Asset Revaluation Surplus	70,668	78,402	11	85,571	92,093	98,032
278,197	**TOTAL EQUITY**	**254,168**	**261,519**	**3**	**266,264**	**270,677**	**274,781**

Table 68: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
195,061	Opening Accumulated Funds	195,061	183,500	-6	183,117	180,693	178,584
66,246	Opening Asset Revaluation Surplus[1]	66,246	70,668	7	78,402	85,571	92,093
261,307	**Balance at the Start of the Reporting Period**	**261,307**	**254,168**	**-3**	**261,519**	**266,264**	**270,677**
	Comprehensive Income						
0	Operating Surplus/(Deficit)	-3,813	0	100	0	0	0
8,626	Increase/(Decrease) in Asset Revaluation Reserve Surplus	4,422	7,734	75	7,169	6,522	5,939
8,626	**Total Comprehensive Income/(Deficit)**	**609**	**7,734**	**#**	**7,169**	**6,522**	**5,939**
0	**Total Movement in Asset Revaluation Surplus**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
37,000	Capital Injections	26,632	27,091	2	25,000	25,000	25,000
-28,736	Capital Distributions	-34,380	-27,474	20	-27,424	-27,109	-26,835
8,264	**Total Transactions Involving Owners Affecting Accumulated Funds**	**-7,748**	**-383**	**95**	**-2,424**	**-2,109**	**-1,835**
	Closing Equity						
203,325	Closing Accumulated Funds	183,500	183,117	..	180,693	178,584	176,749
74,872	Closing Asset Revaluation Surplus	70,668	78,402	11	85,571	92,093	98,032
278,197	**Balance at the end of the Reporting Period**	**254,168**	**261,519**	**3**	**266,264**	**270,677**	**274,781**

Table 69: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement on behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
80,139	Payment for Expenses on Behalf of the Territory	76,798	153,322	100	89,951	80,043	80,126
2,016,722	Taxes, Licences, Fees and Fines	2,171,885	2,518,870	16	2,416,654	2,547,317	2,656,742
20,513	Sale of Goods and Services from Contracts with Customers	19,665	17,690	-10	26,119	27,213	28,260
1,889,722	Grants Received from the Commonwealth	1,909,648	2,242,125	17	2,184,510	2,279,396	2,267,015
528,266	Dividends	495,492	183,210	-63	175,076	121,126	199,600
7,182	Land Rental Receipts	5,829	6,799	17	7,234	7,352	7,464
9,078	Other	4,206	9,840	134	10,219	10,234	10,236
4,551,622	**Operating Receipts**	**4,683,523**	**5,131,856**	**10**	**4,909,763**	**5,072,681**	**5,249,443**
	Payments						
10,735	Supplies and Services	11,877	11,199	-6	11,047	7,785	7,769
59,076	Grants and Purchased Services	47,293	129,117	173	66,922	57,008	57,084
4,483,937	Transfer of Territory Receipts to the ACT Government	4,619,164	4,992,090	8	4,834,516	5,011,120	5,188,664
6,486	Other	11,405	8,637	-24	7,471	7,893	7,898
4,560,234	**Operating Payments**	**4,689,739**	**5,141,043**	**10**	**4,919,956**	**5,083,806**	**5,261,415**
-8,612	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**-6,216**	**-9,187**	**-48**	**-10,193**	**-11,125**	**-11,972**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
37,348	Proceeds from the Sale of Land	42,904	36,662	-15	37,617	38,234	38,807
37,348	**Investing Receipts**	**42,904**	**36,662**	**-15**	**37,617**	**38,234**	**38,807**
	Payments						
37,000	Purchase of Land	24,287	27,091	12	25,000	25,000	25,000
37,000	**Investing Payments**	**24,287**	**27,091**	**12**	**25,000**	**25,000**	**25,000**
348	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**18,617**	**9,571**	**-49**	**12,617**	**13,234**	**13,807**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
37,000	Capital Injections	26,632	27,091	2	25,000	25,000	25,000
37,000	**Financing Receipts**	**26,632**	**27,091**	**2**	**25,000**	**25,000**	**25,000**
	Payments						
28,736	Distributions to Government	34,380	27,475	-20	27,424	27,109	26,835
28,736	**Financing Payments**	**34,380**	**27,475**	**-20**	**27,424**	**27,109**	**26,835**
8,264	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**-7,748**	**-384**	**95**	**-2,424**	**-2,109**	**-1,835**
0	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**4,653**	**0**	**-100**	**0**	**0**	**0**
8,869	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**8,869**	**13,522**	**52**	**13,522**	**13,522**	**13,522**
8,869	**CASH AT THE END OF REPORTING PERIOD**	**13,522**	**13,522**	**-**	**13,522**	**13,522**	**13,522**

Notes to the Territorial Budget Statements

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) collects the majority of General Government Sector (GGS) revenue through its Territorial accounts on behalf of the ACT Government. *2021-22 Budget Paper 3: Budget Outlook* provides detailed information on budgeted GGS revenue, including taxes, fees and fines, Commonwealth Government grants and dividend revenue.

The CMTEDD Territorial financial statements include the impact of transactions associated with:

- grants received from the Commonwealth Government;
- taxes, fees and fines collected through the Revenue Office and Access Canberra, including:
  - general rates;
  - payroll tax;
  - residential conveyancing duty;
  - land tax;

  - motor vehicle registrations;
  - driver and taxi licence fees;
  - traffic infringement and parking fees and fines;
  - water abstraction charges;
  - building levies; and
  - other regulatory service fees;
- dividends collected from other ACT Government Agencies;
- a regulatory levy on workers' compensation insurers;
- transactions relating to the Land Rent Scheme;
- payments for First Home Owners' Grants;
- payments for HomeBuilder grants; and
- payments for a variety of concession schemes covering household utility expenses, transportation, spectacles and funeral expenses.

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- payment of expenses on behalf of the Territory: the increase of $76.524 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to the impact of the new initiatives to support the community during COVID-19 restrictions and the subsequent economic recovery, including the creation of a small business hardship scheme and increases in utilities concessions; and an increase in commonwealth grants associated with the HomeBuilder program.
- land revenue: the increase of $6.158 million in the 2020-21 interim outcome from the original budget and the decrease of $7.227 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to a higher than forecast value of land rent block sales in 2020-21.
- sale of goods and services from contracts with customers: the decrease of $1.926 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to a forecast lower collection parking fees as a result of COVID-19 restrictions.
- grants and contributions: the increase of $216.215 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to new and continuing commonwealth grants to support economic recovery as a result of COVID-19 restrictions.

- dividend revenue: the decrease of $151.463 million in the 2021-22 Budget from the 2020-21 interim outcome largely reflects a lower dividend from the Suburban Land Agency (SLA) due to a forecast reduction in land settlements in 2021-22.

- grants and purchased services:

  - the decrease of $6.626 million in the 2020-21 interim outcome from the original budget is mainly due to a lower than budgeted value general rate rebates and Community Service Obligation (CSO) [1] payments associated with the COVID-19 Economic Stimulus Package being made during 2020-21; partially offset by the provision of support through the HomeBuilder program; and

  - the increase of $78.920 million in the 2021-22 Budget from the 2020-21 interim outcome largely reflects the impact of the new initiatives to support the community during COVID-19 restrictions and the subsequent economic recovery, including the creation of a small business hardship scheme and increases in utilities concessions; and an increase in commonwealth grants associated with the HomeBuilder program.

- cost of goods sold: the increase of $7.484 million in the 2020-21 interim outcome from the original budget and the decrease of $8.745 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to a higher than forecast value of land rent block sales in 2020-21.

- other expenses: the increase of $16.242 million in the 2020-21 interim outcome from the original budget and the decrease of $15.221 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to a change in the assumptions used to eliminate (remove the impact of) internal trading transactions between the Directorate's business units that were recorded in prior years, and the provision of payroll tax and other waivers in 2020-21 to support local businesses during the COVID-19 health emergency.

- operating result/(deficit): the decrease of $3.813 million in the 2020-21 interim outcome from the original budget and the increase of $3.813 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to the timing of accessing appropriated funds during 2020-21 for the payment of concessions and CSOs, which included a higher than usual value of payments for concessions and CSOs recorded as expenses in the prior year.

- increase/(decrease) in asset revaluation surplus: the decrease of $4.204 million in the 2020-21 interim outcome from the original budget and the increase of $3.312 million in the 2021-22 Budget from the 2020-21 interim outcome reflects a lower than forecast December 2020 valuation of land rent property assets ($2 million) and higher than forecast reduction in the asset revaluation surplus due to the sale of land rent properties during 2020-21.

1. *2021-22 Budget Paper 3: Budget Outlook* provides an explanation of Community Service Obligations in the 'Expenses and forward estimates' chapter.

Statement of Assets and Liabilities on behalf of the Territory

- cash: the increase of $4.653 million in the 2020-21 interim outcome from the original budget is mainly due to the timing of cashflows towards the end of the 2020-21 financial year (end of year CMTEDD Territorial cash balances usually reflect appropriation drawn down prior to the end of the financial year for payments that are required within the first few weeks of the new financial year).

- current and non current receivables:

  - the increase of $55.300 million in the 2020-21 interim outcome from the original budget is largely due to higher payroll tax, dividend and income tax equivalent receivables from the SLA, partially offset by lower income tax equivalent receivables from Icon Water and the City Renewal Authority (CRA); and

  - the decrease of $96.045 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to a forecast decrease in dividends and income tax equivalent receivables from SLA.

- current and non current payables: the increase of $61.161 million in the 2020-21 interim outcome from the original budget and the decrease of $96.046 million in the 2020-21 Budget from the 2020-21 interim outcome largely reflect the variations in receivables mentioned above, as most funds received through CMTEDD's territorial accounts are on-passed to the Territory Banking Account.

Statement of Changes in Equity and Cash Flow Statement on behalf of the Territory

Variations in these Statements are explained in the notes above.

Table 70: Output Class 1: Government Strategy Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
37,855	Controlled Recurrent Payments	36,867	63,833	73	58,273	55,106	52,133
9,850	Sale of Goods and Services from Contracts with Customers	12,855	12,440	-3	7,794	8,006	8,106
897	Grants and Contributions	2,339	2,293	-2	2,285	2,300	2,334
53	Investment Revenue	0	0	-	1,179	2,264	3,250
0	Other Revenue	2	0	-100	0	0	0
48,655	**Total Revenue**	**52,063**	**78,566**	**51**	**69,531**	**67,676**	**65,823**
	Gains						
0	Gains from Disposal and Derecognition of Assets	518	0	-100	0	0	0
0	**Total Gains**	**518**	**0**	**-100**	**0**	**0**	**0**
48,655	**Total Income**	**52,581**	**78,566**	**49**	**69,531**	**67,676**	**65,823**
	Expenses						
25,210	Employee Expenses	27,803	40,370	45	37,142	37,489	36,949
5,585	Superannuation Expenses	4,297	7,182	67	6,984	6,500	6,369
15,311	Supplies and Services	17,655	25,540	45	20,313	17,437	15,237
2,720	Depreciation and Amortisation	2,001	3,232	62	5,411	7,021	9,953
2,335	Grants and Purchased Services	2,811	5,426	93	3,870	3,946	3,985
1,732	Borrowing Costs	1	0	-100	6,955	6,955	6,955
53	Other Expenses	112	84	-25	238	389	543
52,946	**Total Ordinary Expenses**	**54,680**	**81,834**	**50**	**80,913**	**79,737**	**79,991**
-4,291	**Operating Surplus/(Deficit)**	**-2,099**	**-3,268**	**-56**	**-11,382**	**-12,061**	**-14,168**

Table 71: Output Class 2: Access Canberra Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
90,803	Controlled Recurrent Payments	105,605	99,073	-6	92,179	93,219	94,054
12,798	Sale of Goods and Services from Contracts with Customers	15,273	12,880	-16	13,211	13,387	13,573
1,690	Grants and Contributions	2,594	2,483	-4	2,478	2,515	2,558
158	Investment Revenue	45	158	251	158	158	158
734	Other Revenue	1,057	772	-27	810	828	847
106,183	**Total Revenue**	**124,574**	**115,366**	**-7**	**108,836**	**110,107**	**111,190**
	Gains						
0	Gains from Disposal and Derecognition of Assets	829	0	-100	0	0	0
0	**Total Gains**	**829**	**0**	**-100**	**0**	**0**	**0**
106,183	**Total Income**	**125,403**	**115,366**	**-8**	**108,836**	**110,107**	**111,190**
	Expenses						
52,917	Employee Expenses	67,754	58,358	-14	56,756	57,264	57,647
9,738	Superannuation Expenses	9,740	10,078	3	9,806	9,691	9,620
39,700	Supplies and Services	33,510	43,164	29	38,457	39,273	40,010
5,371	Depreciation and Amortisation	5,547	5,748	4	5,383	5,278	4,963
1,824	Grants and Purchased Services	1,854	2,380	28	2,411	2,447	2,487
19	Borrowing Costs	44	44	-	44	49	49
88	Other Expenses	127	311	145	90	92	94
1,108	Transfer Expenses	0	0	-	0	0	0
110,765	**Total Ordinary Expenses**	**118,576**	**120,083**	**1**	**112,947**	**114,094**	**114,870**
-4,582	**Operating Surplus/(Deficit)**	**6,827**	**-4,717**	**-169**	**-4,111**	**-3,987**	**-3,680**

Table 72: Output Class 3: Economic Development Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
130,397	Controlled Recurrent Payments	101,086	440,945	336	108,443	94,967	93,824
0	Taxes, Licences, Fees and Fines	0	220	#	220	220	220
852	Sale of Goods and Services from Contracts with Customers	2,013	14,810	636	15,874	16,230	16,621
1,045	Grants and Contributions	2,104	2,178	4	2,192	2,212	2,242
0	Investment Revenue	0	40	#	40	40	40
181	Other Revenue	435	613	41	1,642	576	591
132,475	**Total Revenue**	**105,638**	**458,806**	**334**	**128,411**	**114,245**	**113,538**
	Gains						
0	Gains from Disposal and Derecognition of Assets	295	0	-100	0	0	0
0	**Total Gains**	**295**	**0**	**-100**	**0**	**0**	**0**
132,475	**Total Income**	**105,933**	**458,806**	**333**	**128,411**	**114,245**	**113,538**
	Expenses						
15,987	Employee Expenses	25,153	22,871	-9	20,812	20,333	20,481
3,196	Superannuation Expenses	3,748	4,390	17	4,262	4,290	4,255
41,025	Supplies and Services	23,766	61,112	157	55,253	50,725	49,384
2,475	Depreciation and Amortisation	2,376	9,656	306	9,495	9,252	10,034
74,294	Grants and Purchased Services	67,255	371,873	453	49,521	40,414	40,819
0	Borrowing Costs	0	83	#	79	72	72
1,507	Other Expenses	2,656	1,133	-57	1,169	1,259	1,365
138,484	**Total Ordinary Expenses**	**124,954**	**471,118**	**277**	**140,591**	**126,345**	**126,410**
-6,009	**Operating Surplus/(Deficit)**	**-19,021**	**-12,312**	**35**	**-12,180**	**-12,100**	**-12,872**

Table 73: Output Class 4: Financial and Economic Management Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
48,306	Controlled Recurrent Payments	42,697	98,276	130	22,181	21,563	21,816
0	Sale of Goods and Services from Contracts with Customers	534	5	-99	5	5	5
188	Grants and Contributions	395	733	86	751	767	782
79	Investment Revenue	105	63	-40	64	59	59
0	Other Revenue	1	0	-100	0	0	0
48,573	**Total Revenue**	**43,732**	**99,077**	**127**	**23,001**	**22,394**	**22,662**
	Gains						
0	Gains from Disposal and Derecognition of Assets	185	0	-100	0	0	0
0	**Total Gains**	**185**	**0**	**-100**	**0**	**0**	**0**
48,573	**Total Income**	**43,917**	**99,077**	**126**	**23,001**	**22,394**	**22,662**
	Expenses						
19,627	Employee Expenses	16,982	16,671	-2	9,719	9,555	9,672
1,985	Superannuation Expenses	2,365	1,984	-16	1,963	1,892	1,874
7,349	Supplies and Services	3,924	42,596	986	7,084	7,068	7,226
415	Depreciation and Amortisation	423	112	-74	9	9	5
19,577	Grants and Purchased Services	28,371	28,482	..	4,297	3,958	3,965
79	Borrowing Costs	105	63	-40	59	54	54
0	Other Expenses	2	0	-100	0	0	0
49,032	**Total Ordinary Expenses**	**52,172**	**89,908**	**72**	**23,131**	**22,536**	**22,796**
-459	**Operating Surplus/(Deficit)**	**-8,255**	**9,169**	**211**	**-130**	**-142**	**-134**

Table 74: Output Class 5: Revenue Management Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
20,956	Controlled Recurrent Payments	17,380	23,859	37	23,114	24,116	24,402
589	Sale of Goods and Services from Contracts with Customers	801	616	-23	628	642	656
3,829	Grants and Contributions	2,178	2,034	-7	2,043	2,061	2,082
32	Investment Revenue	16	32	100	32	32	32
1,457	Other Revenue	1,168	1,498	28	1,531	1,565	1,600
26,863	**Total Revenue**	**21,543**	**28,039**	**30**	**27,348**	**28,416**	**28,772**
	Gains						
0	Gains from Disposal and Derecognition of Assets	598	0	-100	0	0	0
0	**Total Gains**	**598**	**0**	**-100**	**0**	**0**	**0**
26,863	**Total Income**	**22,141**	**28,039**	**27**	**27,348**	**28,416**	**28,772**
	Expenses						
11,282	Employee Expenses	11,865	12,119	2	12,532	13,378	13,552
2,415	Superannuation Expenses	1,905	2,474	30	2,427	2,411	2,413
13,491	Supplies and Services	12,497	13,809	10	12,751	12,994	13,174
3,626	Depreciation and Amortisation	3,470	3,622	4	3,561	3,561	3,499
0	Grants and Purchased Services	3	0	-100	0	0	0
34	Other Expenses	2,082	34	-98	34	34	34
30,848	**Total Ordinary Expenses**	**31,822**	**32,058**	**1**	**31,305**	**32,378**	**32,672**
-3,985	**Operating Surplus/(Deficit)**	**-9,681**	**-4,019**	**58**	**-3,957**	**-3,962**	**-3,900**

Table 75: Output Class 6: Shared Services Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
72,002	Controlled Recurrent Payments	60,636	84,548	39	68,564	66,884	68,853
161,862	Sale of Goods and Services from Contracts with Customers	175,342	177,320	1	181,699	186,181	190,778
521	Grants and Contributions	693	1,051	52	1,078	1,084	1,097
24	Investment Revenue	15	13	-13	13	13	13
2,337	Other Revenue	1,801	3,412	89	3,497	3,582	4,261
236,746	**Total Revenue**	**238,487**	**266,344**	**12**	**254,851**	**257,744**	**265,002**
	Gains						
0	Gains from Disposal and Derecognition of Assets	534	0	-100	0	0	0
0	**Total Gains**	**534**	**0**	**-100**	**0**	**0**	**0**
236,746	**Total Income**	**239,021**	**266,344**	**11**	**254,851**	**257,744**	**265,002**
	Expenses						
94,261	Employee Expenses	92,923	99,055	7	99,325	101,155	103,913
14,861	Superannuation Expenses	13,769	15,327	11	15,749	16,057	16,477
104,911	Supplies and Services	103,962	128,506	24	113,724	114,589	118,132
28,005	Depreciation and Amortisation	25,015	30,198	21	36,557	36,603	36,522
0	Grants and Purchased Services	3	0	-100	0	0	0
166	Borrowing Costs	207	182	-12	152	114	85
22	Other Expenses	293	0	-100	0	0	0
0	Transfer Expenses	0	9,533	#	12,397	12,919	13,181
242,226	**Total Ordinary Expenses**	**236,173**	**282,801**	**20**	**277,904**	**281,437**	**288,310**
-5,480	**Operating Surplus/(Deficit)**	**2,849**	**-16,457**	**-678**	**-23,053**	**-23,693**	**-23,308**

Table 76: Output Class 7: Infrastructure Finance and Procurement Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
9,748	Controlled Recurrent Payments	8,402	9,047	8	7,720	7,885	8,032
3,801	Sale of Goods and Services from Contracts with Customers	3,983	3,884	-2	3,968	4,053	4,145
19	Grants and Contributions	445	79	-82	82	84	84
0	Other Revenue	142	0	-100	0	1	1
13,568	**Total Revenue**	**12,972**	**13,010**	**..**	**11,770**	**12,023**	**12,262**
	Gains						
0	Gains from Disposal and Derecognition of Assets	104	0	-100	0	0	0
0	**Total Gains**	**104**	**0**	**-100**	**0**	**0**	**0**
13,568	**Total Income**	**13,076**	**13,010**	**-1**	**11,770**	**12,023**	**12,262**
	Expenses						
5,496	Employee Expenses	7,586	7,446	-2	7,253	7,345	7,456
1,392	Superannuation Expenses	1,267	1,384	9	1,422	1,472	1,470
6,393	Supplies and Services	4,475	3,698	-17	2,540	2,663	2,771
31	Depreciation and Amortisation	35	26	-26	28	7	3
0	Grants and Purchased Services	7	0	-100	0	0	0
262	Other Expenses	547	13	-98	14	11	11
0	Transfer Expenses	0	339	#	405	437	497
13,574	**Total Ordinary Expenses**	**13,917**	**12,906**	**-7**	**11,662**	**11,935**	**12,208**
-6	**Operating Surplus/(Deficit)**	**-841**	**104**	**112**	**108**	**88**	**54**

Table 77: Output Class 8: Property Services Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
49,452	Controlled Recurrent Payments	39,155	22,927	-41	10,250	9,308	9,467
220	Fees	585	0	-100	0	0	0
107,393	Sale of Goods and Services from Contracts with Customers	117,301	105,888	-10	109,829	112,710	116,076
353	Grants and Contributions	3,266	442	-86	435	78,832	442
40	Investment Revenue	22	0	-100	0	1	1
1,497	Other Revenue	6,165	917	-85	936	957	976
158,955	**Total Revenue**	**166,494**	**130,174**	**-22**	**121,450**	**201,808**	**126,962**
	Gains						
0	Gains from Disposal and Derecognition of Assets	113	0	-100	6	6	6
0	**Total Gains**	**113**	**0**	**-100**	**6**	**6**	**6**
158,955	**Total Income**	**166,607**	**130,174**	**-22**	**121,456**	**201,814**	**126,968**
	Expenses						
20,024	Employee Expenses	22,562	14,205	-37	14,300	14,583	14,783
3,628	Superannuation Expenses	3,099	2,541	-18	2,492	2,502	2,489
84,016	Supplies and Services	90,079	65,605	-27	58,017	57,863	58,486
64,407	Depreciation and Amortisation	62,668	64,340	3	65,796	72,213	68,236
2,819	Grants and Purchased Services	2,793	2,567	-8	347	214	219
12,338	Borrowing Costs	12,230	15,257	25	14,929	14,389	13,810
8,605	Other Expenses	3,819	7,229	89	112	113	114
195,837	**Total Ordinary Expenses**	**197,250**	**171,744**	**-13**	**155,993**	**161,877**	**158,137**
-36,882	**Operating Surplus/(Deficit)**	**-30,643**	**-41,570**	**-36**	**-34,537**	**39,937**	**-31,169**

Table 78: Output Class 9: Workforce Injury Management and Industrial Relations Policy (Discontinued) Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
8,795	Controlled Recurrent Payments	6,867	0	-100	0	0	0
3,801	Sale of Goods and Services from Contracts with Customers	4,180	0	-100	0	0	0
44	Grants and Contributions	178	0	-100	0	0	0
12,640	**Total Revenue**	**11,225**	**0**	**-100**	**0**	**0**	**0**
	Gains						
0	Gains from Disposal and Derecognition of Assets	324	0	-100	0	0	0
0	**Total Gains**	**324**	**0**	**-100**	**0**	**0**	**0**
12,640	**Total Income**	**11,549**	**0**	**-100**	**0**	**0**	**0**
	Expenses						
9,407	Employee Expenses	8,299	0	-100	0	0	0
1,031	Superannuation Expenses	1,231	0	-100	0	0	0
1,930	Supplies and Services	3,056	0	-100	0	0	0
133	Depreciation and Amortisation	72	0	-100	0	0	0
286	Grants and Purchased Services	3	0	-100	0	0	0
36	Other Expenses	4	0	-100	0	0	0
12,823	**Total Ordinary Expenses**	**12,665**	**0**	**-100**	**0**	**0**	**0**
-183	**Operating Surplus/(Deficit)**	**-1,116**	**0**	**100**	**0**	**0**	**0**

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ACT GAMBLING AND RACING COMMISSION – STATEMENT OF INTENT

The ACT Gambling and Racing Commission is a Territory Authority established under the *Gambling and Racing Control Act 1999*.

This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996.*

The responsible Minister, Tara Cheyne MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the ACT Gambling and Racing Commission strategic and business planning processes.

The ACT Gambling and Racing Commission 2021-22 Statement of Intent has been agreed between:

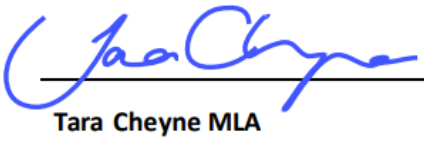
Paul Baxter

Chairperson on behalf of

ACT Gambling and Racing Commission

Andrew Barr MLA

Treasurer



Tara Cheyne MLA

Minister for Business and Better Regulation

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ACT GAMBLING AND RACING COMMISSION

As a result of the 2015 amendments to the *Financial Management Act 1996* (FMA), the budget statement for ACT Gambling and Racing Commission (the Commission) is its Statement of Intent.

The Gambling and Racing Commission Board

The Commission is an independent statutory authority established under section 5 of the *ACT Gambling and Racing Control Act 1999* (the Control Act) with the governing Board being established under section 11 of the Control Act. The Commission's members are appointed in accordance with sections 11 and 12 of the Control Act and the Chief Executive Officer (CEO) is appointed in accordance with section 80 of the FMA.

Under section 56 of the FMA the Board is responsible, under the Minister, for the efficient and effective financial management of the Authority (i.e. the Commission). Section 77 of the FMA provides that a governing board has the following functions:

- setting the Authority's policies and strategies;
- governing the authority consistently with the Authority's establishing Act and other relevant legislation;
- ensuring, as far as practicable, that the Authority operates in a proper, effective and efficient way; and
- ensuring, as far as practicable, that the Authority complies with applicable governmental policies.

The Commission's Board consists of four non-executive members made up of the Chairperson, Deputy Chairperson and two ordinary members. The Commission's CEO is also a member of the Board. Non-executive members' appointments are approved by the Attorney General. The Standing Committee on Public Accounts is consulted on all non-executive member appointments in accordance with section 228 (Consultation with appropriate Assembly Committee) of the *Legislation Act 2001*. The Commission's Board consists of the following members.

- Chairperson: Mr Paul Baxter
- Members: Ms Carmel Franklin

  Mr Carl Buik
- Chief Executive: Ms Yu-Lan Chan

Purpose

The Commission is an independent statutory authority responsible for ensuring the lawful conduct of gambling and racing in the ACT. The Commission was established by the Control Act which establishes the functions of the Commission including the administration of the Territory's gaming and racing laws and the control, supervision and regulation of gaming and racing in the ACT.

The objectives central to the Gambling and Racing Compliance Framework are **Harm minimisation, Integrity and Protection**.

Harm minimisation – we actively seek to reduce the risks associated with gambling and minimise the potential harm caused by gambling to the community and the individual.

Integrity – we aim to minimise the possibility of criminal or unethical activity in the gambling and racing industry.

Protection – we will provide the community with factual information about gambling activities. We will also provide the community with information about gambling harm, including how and where to obtain assistance. We aim to protect the community by reducing the risk of unethical or illegal gaming and racing dealings.

Figure 1: The relationship between our objectives

Nature and Scope of Activities

The Commission's relationship with Access Canberra

In December 2014 it was announced that a number of regulatory functions across the ACT Government, including gambling regulation, would be brought together to create Access Canberra. In September 2020 an agreement between Access Canberra and the Commission on "*the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT*" (the Agreement) was executed.

The Agreement states that the GRC will commission work from Access Canberra to fulfil its obligations under the Control Act, and satisfy its objectives through the Access Canberra Accountability Commitment, the Statement of Intent and the Gambling and Racing compliance framework.

Access Canberra acknowledges the responsibilities of the Commission as a statutory authority including those specified in the Control Act, other gaming laws, and the Commission's Statement of Intent. Access Canberra provides staff and support to the Commission on a purchase service agreement to enable the Commission to meet its responsibilities and obligations.

Access Canberra applies a risk-based compliance approach to ensure that its resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening its capacity to take action where the community, workers and the environment are most at risk. The Commission endorses this approach.

On behalf of the Commission, Access Canberra will promote the public interest by protecting consumers and reducing the risks and costs to the community and to individuals experiencing gambling harm. Access Canberra will continue to deliver these services on behalf of the Commission.

The Commission also has additional responsibilities relating to the conduct of research on the social effects of gambling and of gambling harm, as well as community education relating to gambling activity. These functions inform the Commission's activities in protecting consumers and reducing the risks and costs to the community and individuals experiencing gambling harm.

Risks

In relation to the delivery of the Commission's objectives, the following strategic risks have been identified. In broad terms, the Commission has a risk management register which is regularly reviewed and updated. Operational risks are also addressed in Access Canberra's risk management register. The registers have been developed in accordance with the Whole of Government risk matrix template, the AS ISO 31000:2018 Australian Risk

Management Standard, and the CMTEDD risk management framework and risk management plan.

Identified risks include:

- failure to achieve the Commission's intended objectives;
- failure to satisfy and meet external (non-government) stakeholder expectations;
- inability to ensure compliance with legislation and regulations (internal compliance); and
- inability to effectively enforce compliance with legislation and regulations (external risk event).

2021-22 priorities and next three financial years

Strategic and operational issues to be pursued in 2021-22 include:

Public Health Approach to Gambling harm prevention

Research indicates that while some gamblers, and their families, can be severely impacted by gambling activities, the greatest proportion of gambling harm in the community is borne by a larger group experiencing moderate to low levels of harm. Gambling harm in this context means the negative consequences of gambling behaviours experienced by individuals or their families and broader communities.

The five-year *Strategy for Gambling Harm Prevention in the ACT - A Public Health Approach 2019-2024* (the Strategy) was launched in 2019 by the ACT Gambling and Racing Commission. The Strategy is underpinned by a public health approach which recognises that gambling can have a wide and pervasive effect upon the community, extending beyond the individual gambler. Furthermore, a public health approach recognises that in addition to financial stress there are social, psychological, and physical health impacts and wider economic harms from gambling. These can and do extend through the community.

The Strategy provides a guide for the Commission in developing and delivering effective, co-ordinated evidence-based activities over a five-year period, from 2019-20 to 2023-24. It provides the rationale, principles, and objectives for adopting a public health approach and the framework for the development of annual plans for each of the five years of its operation.

Annual work plans ensure objectives of the Strategy are met, while being responsive to emerging issues through new research and evidence. COVID-19 restrictions during 2020-21 caused significant disruption to the gambling industry and had flow on effects for some harm prevention activities by the Commission. This has resulted in an adaptable and agile approach to the delivery of some harm prevention activities including how training is delivered for gambling contact officers and the community sector and to provide more digital awareness campaigns and activities.

The Commission has also worked with its support services providers who have adapted and will continue to offer a combination of face-to-face, telephone-based or video-based counselling sessions to the ACT community.

In recognising that public health strategies yield results over the long, rather than the short term and in seeking to capture the impact of the Strategy at its midway point, a fourth priority area of monitoring and evaluation has been added to the Annual Work Plan 2021-22. The four priority areas for the 2021-22 Annual Workplan are: (i) Education and engagement, (ii) Research, (iii) Support services, and (iv) Monitoring and evaluation.

The Commission will continue to provide and improve support and treatment for people experiencing high levels of gambling harm and will also implement harm prevention strategies to prevent and reduce gambling harm for all Canberrans.

Engage, educate and enforce

Like any regulatory regime, the optimal outcome is voluntary compliance. There are a number of activities that Access Canberra will carry out on behalf of the Commission to monitor compliance. These activities are risk-based, and resource allocation reflects the level of risk posed to the strategic objectives.

Engagement and education play a key role in maximising compliance. Engagement ensures a positive working relationship with the Commission's stakeholders and members of the public. Education is a way of pre-empting non-compliance as well as reinforcing norms regarding obligations under the gaming laws.

Access Canberra, as agreed with the Commission, will continue to engage, provide advice and education to the community, individuals, licensees and gambling and racing industry stakeholders through the course of its proactive and reactive compliance programs. The goal is to ensure that the Commission's stakeholders understand their rights, obligations and responsibilities under the ACT's gaming laws.

Enforcement builds on the engagement and education strategies and is applicable where there is demonstrable or significant harm or the potential for demonstrable or significant harm to eventuate if no action is taken.

Once it has been identified that an offence has been committed the next step is to determine the appropriate response. Access Canberra will prioritise its actions based on a range of considerations, including:

- conduct that causes harm or risk to life, health or the environment;
- conduct that is systemic and is likely to have a detrimental effect on the community and/or the environment; and
- conduct that demonstrates a blatant disregard for the law.

An educative response would be used where the conduct in question is low risk and has caused limited or no harm. An enforcement response would be used where the conduct in question is systemic, has caused, or has the potential for, demonstrable or significant harm, or where there is a blatant disregard of the law.

Enforcement of legislative requirements includes, but is not limited to:

- increased regulatory oversight;
- disciplinary action;
- issuing directions; or
- prosecution.

Valuing our partnerships

The Commission is committed to promoting awareness of the potential harms associated with gambling and building a culture of gambling harm prevention and reduction through consultation and engagement. Engagement with the gaming industry, the support sector, academic experts and the community is necessary to ensure that the gambling harm prevention and reduction framework using a public health approach remains effective.

The Commission will continue building the evidence-base on how to prevent gambling harm across the Canberra community, ensuring existing measures are evaluated and considering innovative solutions consistent with a public health approach.

The Commission will seek to build on the Government's changes to gaming legislation to develop, implement and evaluate stronger interventions to reduce harm caused by gambling. We will do so with the input of everyone in the sector including gambling providers, academic experts, community organisations and people with lived experience of harm from gambling.

The Commission will also continue to support the Government by providing independent advice utilising data, analysis and research on harm prevention measures, consumer protection and gambling and racing regulation.

Estimated employment level

Commission staff were transferred to Access Canberra as at 1 July 2016 under a purchase service agreement. From this date, the GRC commissioned work from Access Canberra to fulfil its obligations.

Strategic objectives and indicators

Strategic Objective 1

To take meaningful action to prevent gambling harm

Gambling harm is any negative consequence, caused or made worse by gambling, that affects the health or wellbeing of an individual, their family or community. Gambling harm includes economic, social and health harms which extend between generations and to society. The 2019 ACT Gambling Survey found that 14 per cent of Canberra adults experienced harm from their own or someone else's gambling in the last 12 months. Of the 5 per cent of adults who had experienced harm from another person's gambling, one in four reported financial difficulties. Emotional and relationship harms were more common than financial difficulties for people affected by another's gambling - with 59 per cent reporting feelings of stress or anxiety and 62 per cent reporting trust issues. Reducing the burden from the broad range of harms in the community requires a long-term commitment.

The Commission must perform its functions in a way that prevents and reduces the burden of gambling harm on the community and individuals. The Commission monitors the social effects of gambling and gambling harm in the ACT, conducts research to understand gambling harm, and implements innovative evidence-based activities using a public health approach to prevent and reduce gambling harm.

The public health approach acknowledges that focusing attention on only the small group of people who are experiencing extreme levels of harm will not in itself help to reduce the incidence or burden of gambling harm in the population.

A combination of strategies have been developed, reviewed, updated and implemented to prevent and reduce gambling harm. These include:

- enhanced collaboration for effective research to contribute to the body of knowledge on how to prevent gambling harm;
- strengthening community action to prevent gambling harm through supporting educative and gambling harm awareness resources for the entire Canberra community; and organising gambling harm awareness activities;
- partnering with gambling venues to deliver safer settings such as: quality staff training to prevent harm, including delivery of consistent information about self-exclusion options and available support services for people at risk; public health messages, and safer gambling environments; and
- strengthening community access to a range of resources and support services for people experiencing gambling harm including: funding of counselling and relapse prevention services; funding gambling harm awareness courses for non-gambling specific community sector workers.

Strategic Indicator 1: Prevent and reduce gambling harm in the ACT

The Problem Gambling Severity Index (PGSI) is a widely used measure of clinical (or extreme) levels of problem gambling in the population. It ranks risk along a continuum as follows: score of less than 1 – non-problem gambling; 1-2 – low risk gambling; 3-7 - moderate risk problem gambling; and, 8 or more – problem gambling. It was used in the ACT surveys undertaken in 2009, 2014 and 2019. The prevalence of 'problem gambling' was 0.5, 0.4 and 0.8 per cent across this time period. The 2014 prevalence study used the PGSI as a proxy measure for gambling harm while other measures were being developed.

One of these measures that has recently been developed and validated is the Short Gambling Harm Scale (SGHS) which was used in the 2019 ACT Gambling Survey. Developed and validated by Professor Matthew Browne and colleagues of Central Queensland University, this measure assesses the financial, emotional and relationship harms experienced by people who gamble. The SGHS has been used by most jurisdictions to assess the extent of gambling harm since it was released in 2016.

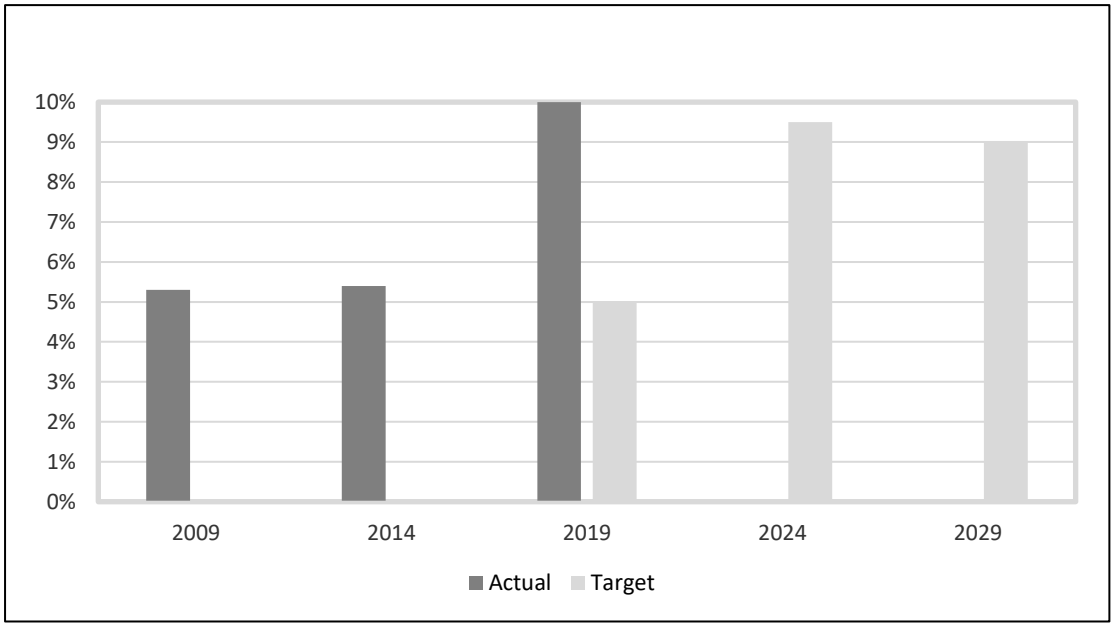
In the 2019 ACT Gambling Survey, 70 per cent of the survey participants were contacted via their mobile phone, whereas the previous surveys only contacted people using landline phones. The inclusion of mobile phone numbers was necessary given shifting preferences in the community from landline to mobile phones. However, it is likely to have influenced the prevalence rates. This is best illustrated by the finding that mobile phone respondents were almost twice as likely as landline respondents to be classified as problem gamblers.

This is demonstrated in Figure 2. The 2019 ACT Gambling Survey found that the proportion of the ACT adult population reporting one or more on the PGSI doubled from the results shown in the previous survey. This is a likely result of changes in the survey methodology from 2014 to 2019 which presented limitations in the ability to draw definitive conclusions about change over time in gambling activity, problems, harms or service use.

In addition, the adoption of a public health approach means that in the short term, rates of gambling harm and service use are likely to increase along with greater community understanding, recognition and responsive action to gambling harm embodied in the public health approach adopted by the Commission.

Further, the use of the SGHS in the 2019 ACT Gambling Survey is the first time the ACT has had an estimate of the nature and extent of gambling harm using a widely recognised and validated measure. The findings provide an invaluable benchmark and represent achieving a major and necessary milestone for assessing gambling harm prevention and reduction into the future. This is shown in Figure 3 where the SGHS found that 9.6 per cent of the adult population experienced harm from their own gambling in the last 12 months using the SGHS. This measure will continue to be used to demonstrate the extent to which public policies and Commission action has been successful in achieving prevention and reduction of gambling harm in the ACT.

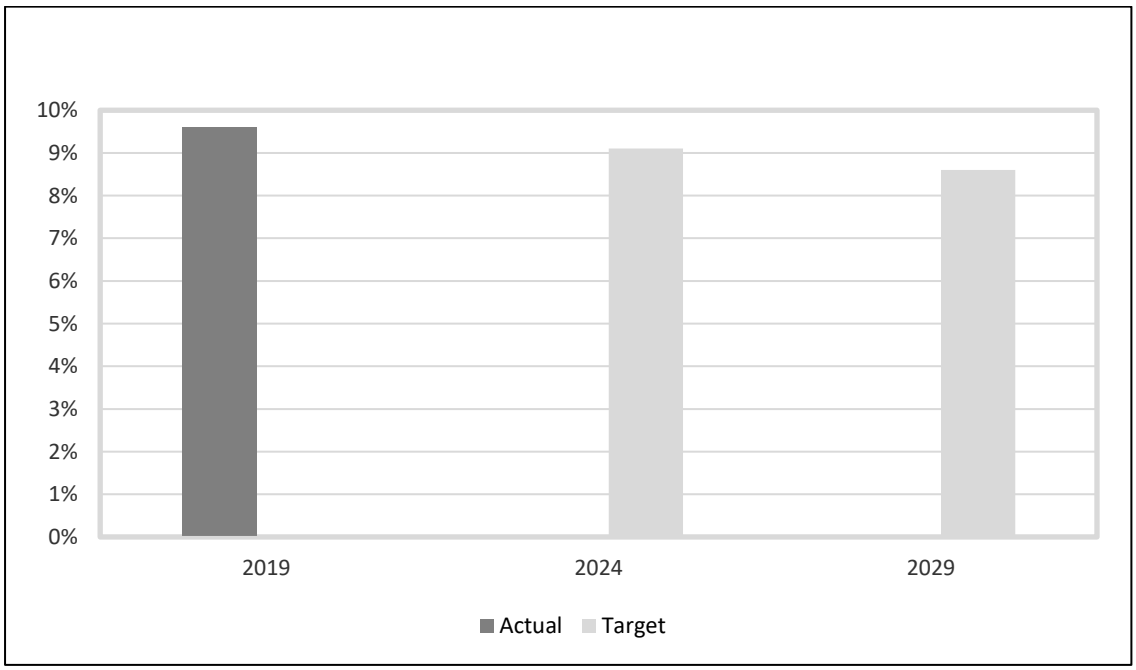
Figure 2: Proportion of the ACT adult population reporting one or more on the Problem Gambling Severity Index (PGSI)



Note(s):

1. An actual increase for 2019 was anticipated due to changes in the 2019 ACT Gambling Survey methodology and the adoption of a public health approach to gambling harm.

Figure 3: Proportion of the ACT adult population experiencing harm from their own gambling in the previous 12 months on the Short Gambling Harm Scale (SGHS)



Strategic Objective 2

Ensure gambling operators' compliance with legislation

On behalf of the Commission, Access Canberra conducts comprehensive programs to ensure that operators comply with relevant gaming and wagering legislation. Through this inspection program and its engagement and education approach to regulating operators, the Commission aims to increase compliance with the various gaming laws.

Access Canberra also receives returns from operators along with payments for gambling related taxes and levies. The returns will be reconciled against operators' activities for compliance, and variation advice issued if discrepancies are identified. The aim of this is to reduce the number of variations through engagement and education with operators in the ACT.

As a result of the enhanced engagement and education activities the Commission obtains information that is, within the risk and harm model, used to develop regulatory strategies in order to predict and prevent non-compliance.

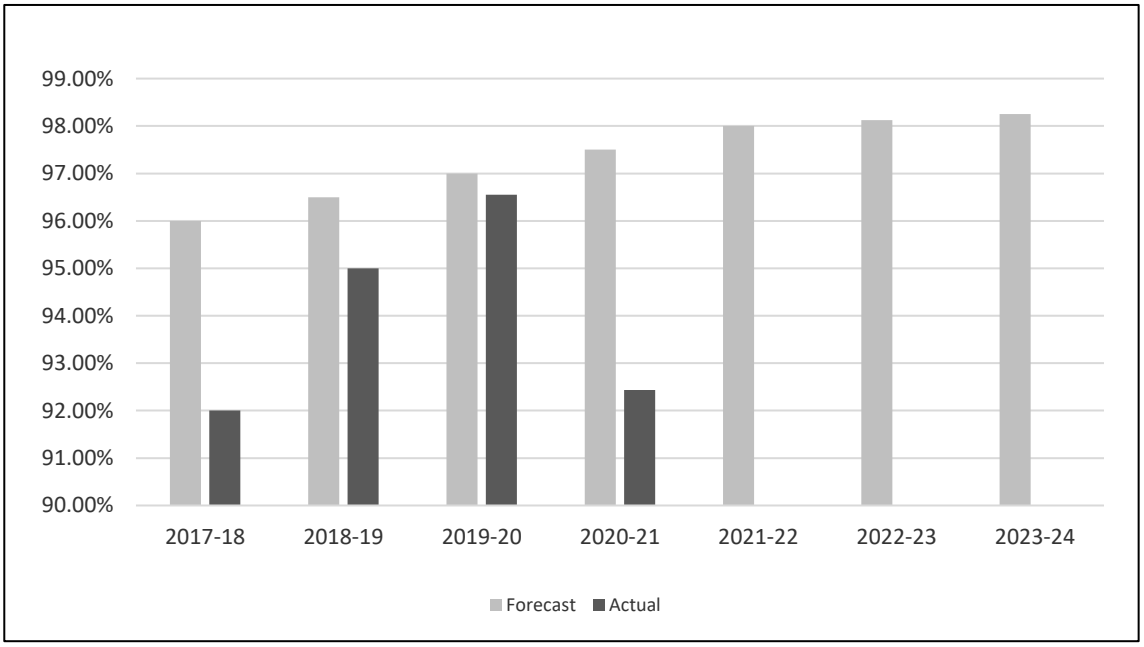
Strategic Indicator 2: Regulatory education and engagement activities result in a decreasing use of formal enforcement powers

An increase in successful engagement with, and education of, licensees is likely to reduce the need for formal enforcement powers as licensee behaviour demonstrates a higher level of regulatory compliance.

Strategic Indicator 3: Increase the accuracy of gambling taxation returns

The increase in the accuracy percentage, as a proportion of returns, will indicate the success, or otherwise, of engagement and education with operators.

Figure 4: Percentage of Accurate Gambling Taxation Returns as a Proportion of Returns.



Output Classes

Output Class 1 (Output 1.1): Gambling regulation and harm minimisation

Table 1: Output Class 1 (Output 1.1): Gambling regulation and harm minimisation

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	7,102	8,531
Controlled Recurrent Payments	5,350	5,461

Note(s):

1. Total cost includes depreciation and amortisation of $0.081 million in 2020-2021 and $0.062 million in 2021-22.

Output 1.1: Gambling regulation and harm minimisation

The Commission purchases the following services from Access Canberra:

- administration of gaming laws;
- the control, supervision and regulation of gaming in the Territory;
- collection and verification of gambling taxes, levies, fees and charges; and
- the development and implementation of projects through the Problem Gambling Assistance Fund.

Accountability Indicators

Output Class 1: Gambling regulation and harm minimisation

Output 1.1: Gambling regulation and harm minimisation

Table 2: Accountability Indicators Output 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Undertake evidence (e.g. research and evaluation) informed activities to prevent and reduce gambling harm, including through the Gambling Harm Prevention and Mitigation Fund [1]	12	13	12
b.	Percentage of customers satisfied with the Gambling and Racing Commission[2]	90%	100%	90%
c.	Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission[3]	95%	100%	95%
d.	Compliance rate during targeted campaign inspections[4]	90%	97%	90%
e.	Average level of helpfulness after issuing a notice or before issuing a license/authorisation[5]	4.2 out of 5	5 out of 5	4.2 out of 5

Note(s):

1. This accountability indicator measures the outcomes of activity aimed towards the Commission achieving the strategic objective "*To take meaningful action to prevent gambling harm"*.
2. The customer satisfaction result is determined by the responses to an independent survey of licensees. The survey is a measure of the awareness, attitudes, behaviour and customer satisfaction of/with the Commission's corporate identity, channels and services.
3. The satisfaction with ease of interacting result is determined by the responses to an independent survey of the Canberra community. The survey is a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services on behalf of the Commission. One of the initiatives undertaken is conducting joint inspections which has resulted in the ACT community finding it easier than expected to interact with the Commission.
4. Initial rates of compliance are assessed against a predetermined set of criteria set for targeted inspection campaigns. Following the completion of the campaign compliance rates are again assessed to determine the percentage shift in compliance.
5. Feedback is collected from an ongoing internal phone survey of randomly selected industry groups that have had a regulatory interface with the Commission. Results are collated annually using a helpfulness score (1:5) 5 being greatest level of support and 1 the lowest.

Changes to appropriation

Table 3: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**5,350**	**5,467**	**5,552**	**5,640**	**5,640**
2021-22 Budget Policy Adjustments					
Professional Standard Fees	0	-6	-6	-6	-6
2021-22 Budget Technical Adjustments					
Revised Indexation Parameters	0	0	0	0	80
2021-22 Budget	**5,350**	**5,461**	**5,546**	**5,634**	**5,714**

Monitoring and reporting

The Commission shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The Commission's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from the Commission for a stated period including annual, quarterly and monthly reporting.

Quarterly reporting

To enable consolidated whole of Government reporting requirements to be met on a quarterly basis, the Commission will ensure the availability to the Treasurer, through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) (by the eighth working day of each quarter, unless otherwise indicated), information, in the prescribed form and detail, in respect of the previous quarter:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Statement of Cash Flow;
- Operating Statement material variance explanations against seasonal budget provided by the ACT Gambling and Racing Commission;
- Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter); and
- Management Discussion and Analysis of results to date, forecast results and related issues that may impact on the financial condition of the ACT Gambling and Racing Commission (by the tenth working day of each quarter).

Monthly reporting

In addition to the quarterly information required as identified above, on a monthly basis the Commission will ensure the availability to the Treasurer through CMTEDD (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual reporting

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required at the CMTEDD and at the Auditor-General's Office.

- Certified financial statements.
- Management discussion and analysis.
- A full and accurate set of audited financial records for the preceding financial year in the form requested.
- Consolidation packs relating to the annual financial statements, draft and final.

Financial arrangements

The budgeted operating revenues included under the Commission's financial plan are received as an appropriation based on the Commission's budgeted expenditure for the period.

The Commission does not expect any additional major transactions to occur other than as indicated in the budgeted financial statements.

Financial statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years commencing 2021-22 appear below. These general purpose financial statements include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Statement of Cash Flow; and
- notes to the Financial Statements as appropriate including variations from the 2020-21 Budget to the 2020-21 Interim Outcome and variances from the 2020-21 Interim Outcome to the 2021-22 Budget that are in excess of $0.250 million and 5 per cent.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 4: ACT Gambling and Racing Commission: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
5,350	Controlled Recurrent Payments	5,350	5,461	2	5,546	5,634	5,714
55,890	Taxes, Fees and Fines	57,207	48,648	-15	59,924	60,185	60,522
25	Grants and Contributions	12	31	158	31	31	31
112	Investment Revenue	60	114	90	116	118	120
1,841	Other Revenue	2,404	3,063	27	3,062	3,062	3,099
63,218	**Total Revenue**	**65,033**	**57,317**	**-12**	**68,679**	**69,030**	**69,486**
	Expenses						
1,619	Supplies and Services	250	1,815	626	1,815	1,818	1,851
62	Depreciation and Amortisation	81	62	-23	28	5	5
5,509	Grants and Purchased Services	6,771	5,682	-16	5,766	5,853	5,939
0	Other Expenses	0	972	#	972	972	972
55,890	Transfer Expenses	57,205	48,648	-15	59,924	60,185	60,522
63,080	**Total Expenses**	**64,307**	**57,179**	**-11**	**68,505**	**68,833**	**69,289**
138	**Operating Result**	**726**	**138**	**-81**	**174**	**197**	**197**
138	**Total Comprehensive Income**	**726**	**138**	**-81**	**174**	**197**	**197**

Table 5: ACT Gambling and Racing Commission: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
4,891	Cash and Cash Equivalents	5,616	5,804	3	5,994	6,184	6,374
4,349	Receivables	5,531	5,536	..	5,541	5,546	5,551
3	Other Assets	3	3	-	3	3	3
9,243	**Total Current Assets**	**11,150**	**11,343**	**2**	**11,538**	**11,733**	**11,928**
	Non Current Assets						
5	Property, Plant and Equipment	0	5	#	10	15	20
104	Intangible Assets	80	23	-71	0	0	0
0	Capital Works in Progress	59	59	-	59	59	59
109	**Total Non Current Assets**	**139**	**87**	**-37**	**69**	**74**	**79**
9,352	**TOTAL ASSETS**	**11,289**	**11,430**	**1**	**11,607**	**11,807**	**12,007**
	Current Liabilities						
4,344	Payables	5,694	5,697	..	5,700	5,703	5,706
51	Other Liabilities	51	51	-	51	51	51
4,395	**Total Current Liabilities**	**5,745**	**5,748**	**..**	**5,751**	**5,754**	**5,757**
4,395	**TOTAL LIABILITIES**	**5,745**	**5,748**	**..**	**5,751**	**5,754**	**5,757**
4,957	**NET ASSETS**	**5,544**	**5,682**	**2**	**5,856**	**6,053**	**6,250**
	REPRESENTED BY FUNDS EMPLOYED						
4,957	Accumulated Funds	5,544	5,682	2	5,856	6,053	6,250
4,957	**TOTAL FUNDS EMPLOYED**	**5,544**	**5,682**	**2**	**5,856**	**6,053**	**6,250**

Table 6: ACT Gambling and Racing Commission: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
4,819	Opening Accumulated	4,818	5,544	15	5,682	5,856	6,053
4,819	**Balance at the Start of the Reporting Period**	**4,818**	**5,544**	**15**	**5,682**	**5,856**	**6,053**
	Comprehensive Income						
138	Operating Result	726	138	-81	174	197	197
138	**Total Comprehensive Income**	**726**	**138**	**-81**	**174**	**197**	**197**
	Closing Equity						
4,957	Closing Accumulated Funds	5,544	5,682	2	5,856	6,053	6,250
4,957	**Balance at the end of the Reporting Period**	**5,544**	**5,682**	**2**	**5,856**	**6,053**	**6,250**

Table 7: ACT Gambling and Racing Commission: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
5,350	Controlled Recurrent Payments	5,350	5,461	2	5,546	5,634	5,714
55,890	Taxes, Fees and Fines	56,285	48,648	-14	59,924	60,185	60,522
112	Investment Receipts	60	114	90	116	118	120
119	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	114	119	4	119	119	119
1,841	Other	2,115	3,063	45	3,062	3,062	3,099
63,312	**Operating Receipts**	**63,924**	**57,405**	**-10**	**68,767**	**69,118**	**69,574**
	Payments						
1,596	Supplies and Services	513	1,786	248	1,786	1,789	1,822
5,509	Grants and Purchased Services	6,061	5,682	-6	5,766	5,853	5,939
55,890	Transfer of Territory Receipts to the ACT Government	56,286	48,648	-14	59,924	60,185	60,522
119	Goods and Services Tax Paid to Suppliers	119	119	-	119	119	119
0	Other	0	972	#	972	972	972
63,114	**Operating Payments**	**62,979**	**57,207**	**-9**	**68,567**	**68,918**	**69,374**
198	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**945**	**198**	**-79**	**200**	**200**	**200**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
10	Purchase of Property, Plant and Equipment	32	10	-69	10	10	10
10	**Investing Payments**	**32**	**10**	**-69**	**10**	**10**	**10**
-10	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-32**	**-10**	**69**	**-10**	**-10**	**-10**
188	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**913**	**188**	**-79**	**190**	**190**	**190**
4,703	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**4,703**	**5,616**	**19**	**5,804**	**5,994**	**6,184**
4,891	**CASH AT THE END OF REPORTING PERIOD**	**5,616**	**5,804**	**3**	**5,994**	**6,184**	**6,374**

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating statement

- Taxes, fees and fines:
  - The increase of $1.317 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to higher gaming machine taxation and casino taxation receipts due to easing out of restrictions put in place in 2019-20 as a result of the COVID-19 health emergency; interstate lotteries revenue from higher than expected ticket sales; and regulatory fees as a result of higher activity. These increases were partially off-set by lower keno/trackside revenue.
  - The decrease of $8.559 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the expected decrease in gambling taxes as a result of the COVID-19 lockdown restrictions in the ACT.
- Other revenue:
  - The increase of $0.563 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to the increase in payments to the Gambling Harm Prevention and Mitigation Fund and Chief Ministers Charitable Fund due to restrictions on gaming machine venues put in place in 2019-20 as a result of the COVID-19 health emergency.
  - The increase of $0.659 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the expected increase in revenue to the Diversification Sustainability Support Fund as a result of the levy on gaming machine licenecees returning to normal after being reduced to zero for the tax period between 23 March 2020 and April 2021.
- Supplies and services: the decrease of $1.369 million in the 2020-21 interim outcome from the 2020-21 Budget and the increase of $1.565 million in the 2021-22 Budget from the 2020-21 interim outcome are mainly due to the reclassification of expenditure relating to Problem Gambling Support Services.
- Grants and purchased services: the increase of $1.262 million in the 2020-21 interim outcome from the 2020-21 Budget and decrease of $1.089 million in the 2021-22 Budget from the 2020-21 interim outcome are mainly due to the reclaffication of expenditure relating to Problem Gambling Support Services.
- Transfer expenses:
  - the increase of $1.315 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to higher gaming machine taxation and casino taxation receipts due to easing out of restrictions put in place in 2019-20 as a result of the COVID-19 health emergency; interstate lotteries revenue from higher than expected

ticket sales; and regulatory fees as a result of higher activity. These increases were partially off-set by lower keno/trackside revenue.

- The decrease of $8.557 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the expected decrease in gambling taxes as a result of the COVID-19 lockdown restrictions in the ACT.

Balance sheet

- Cash and cash equivalents: the increase of $0.725 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to the timing variance of cash transfers relating to Diversification and Sustainability Support Fund and Chief Ministers Charitable Fund.

- Receivables: the increase of $1.182 million in the 2020-21 interim outcome from the 2020-21 Budget is due to higher accrued gambling taxes as a result of the higher than expected gambling activity upon easing out of restrictions put in place in 2019-20 as a result of the COVID-19 health emergency and higher other receivables mainly due to increases in Gaming Harm Prevention and Mitigation Fund Levy, Chief Ministers Charitable Fund Levy and Diversification and Sustainability Support Fund Levy due to licensees gaming machines being closed in June 2020 as part of the ACT health emergency associated with COVID-19.

- Payables: the increase of $1.350 million in the 2020-21 interim outcome from the 2020-21 Budget is due to:

  - higher taxation revenue payable to Government as a result of the increase in outstanding Accrued Gambling Taxes Receivable as at 30 June 2021;

  - accrued levy payable to the Diversification and Sustainability Support Fund ($0.344 million) due to the timing of payments received by the Gambling and Racing Commission and transferred to the fund; and

  - accrued levy payable to the Chief Minister's Charity Fund ($0.104 million) due the timing of payments received by the Gambling and Racing Commission and transferred to the fund.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statement are explained in the above notes.

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ACT INSURANCE AUTHORITY – STATEMENT OF INTENT

As a result of the 2015 amendments to the *Financial Management Act 1996* (FMA), the budget statement for the ACT Insurance Authority is its Statement of Intent.

The ACT Insurance Authority is a Territory Authority established under the *Insurance Authority Act 2005* (the Act).

This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the FMA.

The responsible Minister was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the ACT Insurance Authority strategic and business planning processes.

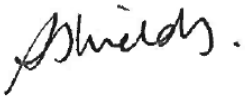
The ACT Insurance Authority 2021-22 Statement of Intent has been agreed between:

Andrew Barr MLA

Treasurer

Stephen Miners

A/g Under Treasurer



Penny Shields

General Manager

ACT Insurance Authority

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ACT INSURANCE AUTHORITY

Purpose

The organisation

The ACT Insurance Authority (the Authority) is established under the *Insurance Authority Act 2005*.

The Authority works to protect the assets and services of the Territory by providing risk management support and insurance services to all ACT Government directorates and statutory authorities. The Authority meets the insurable claims and losses of the ACT Government.

The Authority operates as the ACT Government's captive insurer of Territory risks. The captive insurance model protects the ACT Government budget from a range of catastrophic and accumulated risk exposures through its insurance arrangements, and the accumulation of a fund reserve to meet the cost of asset losses and legal liabilities that occur as a result of the activities of Government.

The portfolio represents just over $27.8 billion of insured assets, with annual premium revenue of $61.6 million, an operating result of $21.2 million and an equity position of $134.2 million forecasted in the 2021-22 Budget.

The Authority reports to the Special Minister of State through the Under Treasurer, Chief Minister, Treasury and Economic Development Directorate (CMTEDD).

The Authority operates on a cost recovery basis by collecting premiums from directorates and statutory authorities to meet the anticipated costs of claims.

Services and functions

The Authority provides insurance, claims and risk management services to directorates and statutory authorities.

The Authority's functions are to:

- carry on the business of insurer of Territory risks;
- take out insurance of Territory risks with other entities;
- manage and settle claims in relation to Territory risks;
- develop and promote good practices for the management of Territory risks; and
- give advice to the Minister about insurance and the management of Territory risks.

The Authority's operational model focuses on satisfying these functions by taking a leadership role to reduce the total cost of risk to the Territory and individual agencies.

The insurance coverage provided to directorates and statutory authorities and the Authority's reinsurance program is broad form cover that includes:

- public liability;
- medical malpractice;
- professional indemnity;
- property damage;
- directors and officers; and
- financial crime.

The Authority also arranges insurance policies on behalf of ACT Government agencies to cover contract works, travel, standing timber, art and galleries, aviation and personal accident cover for both aero retrieval and volunteer workers. The Authority bears no risk on these policies.

Nature and scope of activities

General activities

The general activities the Authority intends to undertake in achieving its functions are to:

- provide professional advice to the ACT Government and Territory agencies on insurance and risk management issues;
- deliver a value for money reinsurance program to protect the Territory's budget;
- continue to maximise reinsurance recoveries;
- review the Territory's asset register as part of the insurance renewal process;
- develop business practices that will enable the Authority to achieve best practice results, and if feasible, reduced premiums for agencies;
- proactively manage claims against the Territory in consultation with agency stakeholders and in accordance with the ACT model litigant requirements;
- conduct regular reviews of existing claims to ensure that appropriate management is being applied and that realistic claim estimates are included in financial statements;
- facilitate agency access to claims reporting and data analysis to support a risk managed approach to operational and asset management;
- continue to assist agencies with the application of the ACT Government Risk Management Policy;
- work with agencies to reduce the number and severity of incidents and ultimate claims cost;
- deliver to agencies a program of general and targeted risk management training;
- administer the financial transactions on behalf of the Territory through the agreement between QBE and Territory for QBE to continue to provide Builders Warranty Insurance with the Territory indemnifying QBE in respect of any claim losses;
- administer the Office of the Nominal Defendant of the ACT (ND); and
- administer the Default Insurance Fund (DIF).

Risk Management

The Authority has developed and implemented a risk management plan in accordance with the Australian Standard on risk management AS ISO 31000:2018 and the ACT Government's Risk Management Policy. The Authority's plan identifies and details risks and control measures and treatment action plans for financial, business and information technology risks.

The Authority has identified the following key risks:

- insufficient and/or unsatisfactory external insurance arrangements; and
- annual premiums are not sufficient to fully fund claims over the claim development period.

To manage these risks, the Authority engages a specialised insurance broker to provide professional advice and access to international and local reinsurance markets. Professional actuaries provide support and advice that aligns agency premiums with claims experience.

2021-22 priorities and next three financial years

Strategic and operational priorities to be pursued in 2021-22 and for the next three financial years include:

- implementing a program of reinsurance to protect the Territory budget based on an appropriate balance between transferred and retained risk;
- proactively managing claims against the Territory in consultation with agency stakeholders and in accordance with the ACT model litigant requirements;
- assisting agencies with the implementation and continuous improvement of risk management practices within the Territory that reflect international standards and business best practice;
- delivering risk management services including training, targeted educational seminars and consultancy services for agencies that increase the level of stakeholder engagement; and
- implementing an insurance management system consistent with the requirements identified in the Authority's Information Communication Technology Plan.

Estimated employment level and employment profile

Table 1: Estimated employment level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Actual Outcome	2021-22 Budget
Staffing (FTE)	19	21	21	31

Table 2: 2021-22 employment profile

Classification	Total
Senior Executive	1
SOG A	2
SOG B	5
SOG C	5
ASO6	7
ASO5	8
ASO4	1
ASO3	2
Total	**31**

The increase in estimated employment levels in 2021-22 is due to a proposed restructure incorporating an additional 10 FTE to address workload issues and promote the efficient delivery of claim management and risk management initiatives to meet the increasing demand from ACT Government Directorates.

Key performance indicators for 2021-22 to 2024-25

Table 3: Key performance indicators for the ACT Insurance Authority should be read in conjunction with the accompanying notes

Indicator	2020-21 Target	2020-21 Interim Outcome	2021-22 Target
a. Results from an annual customer satisfaction survey:			
- Overall customer satisfaction with the Authority	>80%	81%	80%
- Overall customer satisfaction of claims management	>80%	75%	N/A
- Overall customer satisfaction of technical insurance matters and annual insurance renewal	>80%	83%	N/A
- Overall customer satisfaction of risk management services	>80%	82%	N/A
- Overall customer satisfaction of financial management services	>80%	86%	N/A
b. Determine annual insurance premiums for territory agencies that allow full funding of claim costs and associated expenses	Annual premium determination completed	Annual premium determination completed	N/A
c. Maintain the Authority's funding ratio as outlined in the Authority's Capital Management Plan	132%	134%	134%
d. General and administrative expense as a percentage of total annual premium revenue	9%	8%	10%
e. The average number of days to process settlement of claim payments from the day all required documents are received from the agency	14 days	16 days	14 days
f. Review the Territory's insurance and reinsurance programs to ensure they are appropriate for its needs	Annual review completed	Annual review completed	N/A
g. Review the Territory's property assets register to ensure that values provided by agencies reflect insurance replacement costs	Annual review completed	Annual review completed	N/A
h. Complete Property Loss Control Surveys undertaken at a number of selected Territory locations	8	8	8
i. Hold quarterly reviews of all liability and medical malpractice claims to assess the claim management strategy for matters where the Territory's reserve exceeds $250,000	Quarterly claims review meetings held	4 quarterly claims review meetings held	4

Indicator	2020-21 Target	2020-21 Interim Outcome	2021-22 Target
j. Insurance claims data: **Public Liability**			
- Discounted Mean Term (for Outstanding Claims)	4.82 Years	3.83 Years	N/A
- Ultimate Claim Numbers	118	101	N/A
- Average Small Claim (<$1 m) Settlement Size	$108,348	$133,379	N/A
- Average Large Claim (≥$1 m) Settlement Size	$3,521,147	$3,516,844	N/A
Medical Malpractice			
- Discounted Mean Term (for Outstanding Claims)	6.51	4.43	N/A
- Ultimate Claim Numbers	84	91	N/A
- Average Small Claim (<$1 m) Settlement Size	$297,521	$315,323	N/A
- Average Large Claim (≥$1 m) Settlement Size	$4,061,614	$3,900,000	N/A
Property and Motor			
- Discounted Mean Term (for Outstanding Claims)	1.5 Years	1.45 Years	N/A
- Ultimate Claim Numbers	72	88	N/A
- Average Small Claim (<$1 m) Settlement Size	$69,603	$79,537	N/A
k. Provide Risk Profile Reports to assist agencies by profiling and measuring their risk management progress	Bi-annual reports provided to agencies	Risk Profile reports were provided in October 2020 and May 2021	N/A
l. Deliver a program of general and targeted risk management training courses to territory agencies	45	27	35
m. Overall participant satisfaction with introduction to risk management training sessions delivered to agency staff members	>90%	98%	90%
n. Provide briefing material on the agency annual insurance premiums	Brief provided to the Minister	Nil	N/A
o. Provide briefing material on the Authority's reinsurance program	Brief provided to the Minister	Nil	N/A
p. Provide briefing material on the Authority's Capital Management Plan	Brief provided to the Minister	Brief provided to the Minister	N/A

Indicator	2020-21 Target	2020-21 Interim Outcome	2021-22 Target
q. Provide quarterly reporting to directorates to assist the identification, assessment and treatment of risks	N/A	N/A	4

Notes for the key performance indicators:

a. Surveys are sent to a range of agency contacts including Director-Generals, Chief Executive Officers and other key stakeholders of ACT Government directorates and statutory authorities insured by the Authority. Respondents are asked to rate the quality of different areas of the Authority's services based on their experiences over the past 12 months. For questions relating to specific areas of service the satisfaction levels are determined by the respondents selecting either very good, good, average, poor or very poor. Very good and good responses are taken as a positive result. For the questions relating to the overall satisfaction of insurance management services the respondent is asked to select either very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied. Very satisfied or satisfied responses are taken as a positive result. Only 'Overall customer satisfaction with the Authority' indicator being retained for 2021-22 with all other indicators being discontinued.

b. The Authority completes an annual review of agency insurance premiums, with assistance from the Authority's actuary, PricewaterhouseCoopers Consulting (Australia) Pty Ltd. The actuarial approach relies on assumptions about the estimated future number of claims, the estimated average settlement size, expected inflation rates and investment returns. Annual premiums are allocated to agencies based on their claim's history, asset ownership, risk profile and the actuarial advice. Indicator discontinued in 2021-22.

c. The funding ratio is calculated by dividing total assets by total liabilities. The Authority aims to maintain its capital position between 100-120 per cent as outlined in the Authority's capital management plan. A capital position outside this range requires the Authority to consider corrective action. The parameters outlined in the Authority's capital management plan guide decision making to address a capital position outside the targeted ratio range. This would include action to seek capital injections (in a deficit situation) or returning excess capital (in a surplus situation) to the ACT Government.

d. The Authority's general and administrative expenses which includes employee and superannuation expenses, along with supplies and services is calculated as a percentage of gross earned premiums expressed as Sale of Goods & Services in the operating statement and is measured against the budgeted results for the Authority.

e. The Authority generally processes payments for the settlement of claims on a fortnightly basis. The number of days to process a payment is measured from the date all required documentation relating to settlements is received by the Authority to the date payment is made.

f. The Authority completes an annual review of the Territory's insurance arrangements. This includes a review of the Territory's reinsurance program structure, an analysis of market conditions and the suitability of policy terms and conditions. Indicator discontinued in 2021-22.

g. The Authority completes a review of the replacement value of assets detailed in the Territory's asset schedule as part of the property reinsurance renewal. Indicator discontinued in 2021-22.

h. The Authority's property reinsurers conduct an annual property loss control survey program on selected Territory locations. Property loss control reports identify the potential for property loss and assist agencies to reduce the risks of loss through loss prevention efforts. Recommendations are communicated to surveyed Territory agencies for consideration.

i. The Authority conducts quarterly claims review meetings to review all public liability and medical malpractice claims where the Territory's reserve exceeds $250,000. Meetings are also attended by representatives of the ACT Government Solicitor's Office, the Authority's insurance brokers as well as external insurers and their solicitors.

j. The measure for insurance claims data is provided by the Authority's actuary, PricewaterhouseCoopers Consulting (Australia) Pty Ltd. The planned figures are based on claims experience and include actuarial assumptions of growth, such as, population and price indexation.

The actuarial assumptions provide the basis for establishing the Authority's outstanding claims liabilities and measuring the impact of action taken by the Authority to influence that outcome. The Authority works with agencies and the Authority's legal advisors to develop strategies to reduce the occurrence and cost of insurance claims against the Territory by promoting the implementation of good risk and claim management practices.

The data shows an actuarial assessment of the discounted mean term to finalise claims, ultimate claims numbers, and the average cost of large and small claims.

Discounted Mean Term, Ultimate Claim Numbers and Average Settlement Size

The discounted mean term is the average time it takes to make payments of settlements with the discount rate applied. The payments are weighted according to the size of the settlement. Small payments have less weighting and large payments have a greater weighting on the mean term.

Applying a lower discount rate means the value of payments in the future increases resulting in an increase to the discounted mean term, all else being equal. A higher discount rate will lower the payment value in the future resulting in a decrease to the discounted mean term, all else being equal. In some cases, other changes may have a greater impact on the discount mean term than the change in discount rates. If discount rates change, the value of the expected future payments also change. Applying discount rate changes to payments due in the near future has little or no impact, whereas payments due further into the future will have a higher impact.

The ultimate number of claims for each insurance class is the estimated total number of claims expected to emerge from each insurance year. The ultimate number of claims is estimated by analysing historical claim reported values and applying them to the observed claims reported to date in order to predict the timing and number of future claims reported.

For medical malpractice, property and motor and public liability insurance classes, the Authority has adopted the average settlement size for small and large claims based on historical claims experience. In addition, the assessment of the outstanding claims liability allows for future inflation and average weighted inflation rates.

Indicator discontinued in 2021-22.

k. Risk Profile Reports are provided to directorates, which contain a detailed analysis of claim numbers and costs by insurance class and provide a comparison of the directorate against the whole of ACT Government. The reports are provided biannually. Indicator discontinued in 2021-22.

l. The Authority delivers a program of face-to face risk management training that covers general introductory and intermediate to advanced level risk management, along with entity specific training tailored to meet agency requirements.

m. Attendees of risk management training sessions are requested to complete feedback forms at the completion of the courses delivered by the Authority. Attendees are asked to assess the course based on areas such as, course suitability, facilitators' knowledge and whether they would recommend the training. The satisfaction levels are determined by the respondents selecting either strongly agree, agree, disagree or strongly disagree. Strongly agree and agree are taken as a satisfied result.

n. The Authority prepares a brief for the Minister each year seeking agreement to the annual premiums charged to agencies for inclusion in the ACT Government budget. Indicator discontinued in 2021-22.

o. The Authority prepares a brief for the Minister each year seeking agreement to proceed with renewal of the Territory's reinsurance program on the best available terms in the London and Australian insurance markets for the following insurance year. Indicator discontinued in 2021-22.

p. The Authority prepares a brief for the Minister each year seeking agreement on the Authority's Capital Management Plan. Indicator discontinued in 2021-22.

q. The Authority provides quarterly reports to directorates to assist in the identification, assessment and treatment of risk for Territory activities. The reports provide a range of information and data, including claim numbers, cost of claims and analytics to support ongoing risk management considerations. New Indicator for 2021-22.

Explanation of Variances (+/-10 %) between 20-21 Target and 20-21 Interim Outcome.

Mainly due to lower Risk Management Initiative costs as a result of lower demand from directorates and also cost savings achieved by delivering the risk management workshops through webinars instead of face-to-face workshops.

d. Transition to the new claim management system caused some delays in processing invoices within the 14 days target.

e. Public Liability - Discounted Mean Term (for Outstanding Claims). The decrease is predominantly due to a reduction in the number of assumed large finalisations in the older insurance years. Additionally, discount rates have increased over the long term which will also act to reduce the discounted mean term.

j. Public Liability - Ultimate Claim Numbers. The number of claims reported for the 2020-21 insurance year as at 30 June 2021 was lower than expected and significantly lower than the preceding two insurance years from which the original target would have been partially based.

j. Public Liability - Average Small Claim (<$1 m) Settlement Size. The average size on finalised claims in recent years has been higher than expected across the medium-term due to finalisation delays. Additionally, average small claims during this reporting year have taken longer to finalise than expected which is reflected in recent claims experience. It is assumed that this trend will continue in the future and claims that take longer to finalise tend to have a higher assumed average settlement size.

j. Medical Malpractice - Discounted Mean Term (for Outstanding Claims). The decrease is predominantly due to a reduction in the number of assumed large finalisations in the older insurance years. Additionally, discount rates have increased over the long term which will also act to reduce the discounted mean term.

j. Property and Motor - Ultimate Claim Numbers. There were significantly more claims reported than expected in the 2021 insurance year. Although this year had a storm event which contributed 7 claims, there was a significant increase in the number of non-event related claims This has resulted in an increase in the assumed ultimate number of claims for this insurance year compared to the original target.

j. Property and Motor - Average Small Claim (<$1 m) Settlement Size. The average size of reported and finalised small claims observed for the most recent insurance years has been lower, leading to a reduction in the assumed average size assumption for small claims. However, fewer claims have been finalised to date with the outstanding finalisations for this year assumed to occur in the future. As a result, the weighted average size of small claims is weighted more heavily to the later claims which have a higher average size.

l. The significant reduction in delivery of training courses is primarily the result of COVID-19 restrictions that resulted in face-to-face training being cancelled and the difficulty in running these courses virtually. Demand for training from directorates was also reduced as entities focused on business continuity particularly during the first part of the year.

m. Due to difficult reinsurance market conditions experienced this year, finalisation of the reinsurance program was delayed which resulted in a delay in determining premiums and subsequently briefing the Minister. A brief was provided in July 2021.

n. Due to difficult reinsurance market conditions experienced this year, finalisation of the reinsurance program was delayed resulting in a delay in briefing the Minister. A brief was provided in July 2021.

Monitoring and reporting

The Authority will satisfy the requirements of the Chief Minister's Annual Reports Directions. The Authority's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The FMA authorises the Treasurer to obtain financial and other statements from the Authority for a stated period including monthly, quarterly and annual reporting.

Monthly reporting

The Authority prepares monthly reports that are available to the Treasurer through CMTEDD by the eighth working day of each month. The reports will be presented in the prescribed form and required detail in respect of the previous calendar month. These reports include:

- Operating Statement;
- Balance Sheet; and
- Cash Flow Statement.

Quarterly reporting

To enable consolidated whole of government reporting requirements to be met on a quarterly basis, the Authority will ensure the availability of the previous quarter's Management Discussion and Analysis to the Treasurer, through CMTEDD, by the tenth working day of each quarter. This will be presented in the prescribed form and detail, and show results to date, forecast results and related issues that may impact on the financial condition of the Authority.

Annual reporting

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required by the Audit Office and to CMTEDD. These reports include:

- certified financial statements;
- management discussion and analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

Financial arrangements

The Authority operates on a cost recovery basis by collecting premiums from directorates and statutory authorities to meet the cost of insurable claims and losses. The Authority's operating costs are largely driven by provisioning for future and current claims expense.

The Authority's 2020-21 actual outcome was an operating profit of $43.415 million. The result is $16.749 million increase from the original budget of an operating profit of $26.666 million in the 2020-21 Budget.

The variance to budget was primarily due to higher returns and gains on investments. The higher returns and gains on investments were due to the global macro-economic environment of unprecedented low interest rates and market gains for the financial year ended 30 June 2021.

The Authority also performs the functions of the DIF for default claims under the ACT Private Workers' Compensation Scheme and the ND for claims against uninsured and unidentified vehicles for the ACT Motor Accident Injuries Scheme. The Authority provides support services on a cost recovery basis and recovers these costs from DIF and ND on a six monthly basis.

Financial statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity; and
- a Cash Flow Statement.

Financial Statements

Table 5: ACT Insurance Authority: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
49,009	Sale of Goods and Services from Contracts with Customers	49,009	61,620	26	62,701	63,798	65,071
23	Grants and Contributions	44	48	9	48	50	50
14,016	Investment Revenue	20,639	10,947	-47	11,182	11,423	11,670
6,187	Other Revenue	48,599	5,233	-89	5,325	5,421	5,529
20,039	Gains on Investments	27,777	8,074	-71	8,248	8,425	8,606
89,274	**Total Revenue**	**146,068**	**85,922**	**-41**	**87,504**	**89,117**	**90,926**
	Expenses						
2,485	Employee Expenses	2,447	3,801	55	3,851	3,900	3,952
395	Superannuation Expenses	382	523	37	529	537	542
1,282	Supplies and Services	1,086	1,540	42	1,567	1,596	1,625
70	Depreciation and Amortisation	57	76	33	76	76	76
3,079	Other Expenses	2,668	2,475	-7	2,518	2,562	2,614
9,063	Outward Reinsurance Expense	9,063	14,355	58	14,606	14,862	15,159
46,234	Claims Expense	86,950	41,914	-52	44,812	47,818	50,981
62,608	**Total Expenses**	**102,653**	**64,684**	**-37**	**67,959**	**71,351**	**74,949**
26,666	**Operating Result**	**43,415**	**21,238**	**-51**	**19,545**	**17,766**	**15,977**
26,666	**Total Comprehensive Income**	**43,415**	**21,238**	**-51**	**19,545**	**17,766**	**15,977**

Table 6: ACT Insurance Authority: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
10,071	Cash and Cash Equivalents	9,328	9,076	-3	8,233	11,838	13,460
367,835	Investments	375,578	460,423	23	492,069	518,522	545,156
8,888	Receivables	24,689	8,576	-65	8,945	9,212	9,492
630	Other Assets	63	65	3	67	69	71
387,424	**Total Current Assets**	**409,658**	**478,140**	**17**	**509,314**	**539,641**	**568,179**
	Non Current Assets						
6,167	Receivables	37,048	0	-100	0	0	0
133	Property, Plant and Equipment	133	103	-23	73	43	13
391	Intangible Assets	318	272	-14	226	180	134
385	Other Assets	0	0	-	0	0	0
7,076	**Total Non Current Assets**	**37,499**	**375**	**-99**	**299**	**223**	**147**
394,500	**TOTAL ASSETS**	**447,157**	**478,515**	**7**	**509,613**	**539,864**	**568,326**
	Current Liabilities						
362	Payables	463	458	-1	462	467	472
725	Employee Benefits	738	747	1	756	756	756
41,019	Other Provisions	75,997	77,148	2	78,487	79,947	81,407
981	Other Liabilities	613	2,433	297	4,320	6,272	8,224
43,087	**Total Current Liabilities**	**77,811**	**80,786**	**4**	**84,025**	**87,442**	**90,859**
	Non Current Liabilities						
80	Employee Benefits	99	100	1	101	102	103
254,717	Other Provisions	256,245	263,390	3	271,704	280,772	289,840
395	Other Liabilities	35	34	-3	33	32	31
255,192	**Non-Current Liabilities**	**256,379**	**263,524**	**3**	**271,838**	**280,906**	**289,974**
298,279	**TOTAL LIABILITIES**	**334,190**	**344,310**	**3**	**355,863**	**368,348**	**380,833**
96,221	**NET ASSETS**	**112,967**	**134,205**	**19**	**153,750**	**171,516**	**187,493**
	REPRESENTED BY FUNDS EMPLOYED						
96,221	Accumulated Funds	112,967	134,205	19	153,750	171,516	187,493
96,221	**TOTAL FUNDS EMPLOYED**	**112,967**	**134,205**	**19**	**153,750**	**171,516**	**187,493**

Table 7: ACT Insurance Authority: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
69,555	Opening Accumulated Funds	69,552	112,967	62,	134,205	153,750	171,516
69,555	**Balance at the Start of the Reporting Period**	**69,552**	**112,967**	**62,**	**134,205**	**153,750**	**171,516**
	Comprehensive Income						
26,666	Operating Result	43,415	21,238	-51	19,545	17,766	15,977
26,666	**Total Comprehensive Income**	**43,415**	**21,238**	**-51**	**19,545**	**17,766**	**15,977**
	Closing Equity						
96,221	Closing Accumulated Funds	112,967	134,205	19,	153,750	171,516	187,493
96,221	**Balance at the end of the Reporting Period**	**112,967**	**134,205**	**19**	**153,750**	**171,516**	**187,493**

Table 8: ACT Insurance Authority: g Statement of Cash Flow

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
49,009	Sale of Goods and Services from Contracts with Customers	49,009	61,620	26	62,701	63,798	65,071
14,327	Investment Receipts	16,198	12,827	-21	12,425	13,138	13,373
14,188	Other	13,697	60,498	342	8,235	8,451	8,572
77,524	**Operating Receipts**	**78,904**	**134,945**	**71**	**83,361**	**85,387**	**87,016**
	Payments						
2,389	Employee	2,410	3,787	57	3,837	3,895	3,947
395	Superannuation	396	523	32	529	537	542
1,251	Supplies and Services	1,115	1,487	33	1,514	1,540	1,569
9,063	Outward Reinsurance Payments	9,063	14,355	58	14,606	14,862	15,159
36,765	Claims Payments	40,974	33,619	-18	35,160	37,291	40,454
11,097	Other	9,246	3,421	-63	3,558	3,657	3,723
60,960	**Operating Payments**	**63,204**	**57,192**	**-10**	**59,204**	**61,782**	**65,394**
16,564	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**15,700**	**77,753**	**395**	**24,157**	**23,605**	**21,622**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
10,000	Proceeds from Sale/Maturity of Investments	10,000	20,000	100	20,000	20,000	20,000
10,000	**Investing Receipts**	**10,000**	**20,000**	**100**	**20,000**	**20,000**	**20,000**
	Payments						
236	Purchase of Land and Intangibles	115	0	-100	0	0	0
30,000	Purchase of Investments	30,000	98,005	227	45,000	40,000	40,000
30,236	**Investing Payments**	**30,115**	**98,005**	**225**	**45,000**	**40,000**	**40,000**
-20,236	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-20,115**	**-78,005**	**-288**	**-25,000**	**-20,000**	**-20,000**
-3,672	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**-4,415**	**-252**	**94**	**-843**	**3,605**	**1,622**
13,743	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**13,743**	**9,328**	**-32**	**9,076**	**8,233**	**11,838**
10,071	**CASH AT THE END OF REPORTING PERIOD**	**9,328**	**9,076**	**-3**	**8,233**	**11,838**	**13,460**

Notes to the controlled budget statements

Significant variations are as follows:

Operating Statement

- sale of goods and services from contracts with customers: the increase in the 2021-22 Budget from the 2020-21 interim outcome is primarily due deteriorating claims experience in the medical malpractice, property and motor insurance classes, deteriorating global market conditions and an increase in the Territory's reinsurance premium.

- investment revenue:

  - the increase of $6.623 million in the 2020-21 interim outcome from the original budget is due to a higher than expected return on investments as a result of the global macro-economic environment of unprecedented low interest rates and market gains for the financial year ended 30 June 2021; and

  - the decrease of $9.692 million in the 2021-22 Budget from the 2020-21 interim outcome is due to an expected return to normal market conditions for investments in 2021-22.

- other revenue:

  - the increase of $42.412 million in the 2020-21 interim outcome from the original budget is predominantly due to claims related recoveries as a result of significant losses incurred from a number of large weather events; and

  - the decrease of $43.366 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the value of claims related recoveries received in 2020-21 which is not expected in future years.

- gains on investments:

  - the increase of $7.738 million in the 2020-21 interim outcome from the original budget is due to the fair value of investments increasing. Investment returns achieved in 2020-21 were 14.4 per cent compared to the expected 5 per cent, with the higher rate being mainly due to the global macro-economic environment of unprecedented low interest rates and market gains for the financial year ended 30 June 2021; and

  - the decrease of $19.703 million in the 2021-22 Budget from the 2020-21 interim outcome is due to an expected return to normal market conditions and returns for 2021-22 of approximately 5 per cent.

- outward reinsurance expense: the increase of $5.292 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the increase to the reinsurance premium mainly as the result of continued deteriorating claims experience in the medical malpractice, property and motor insurance classes and global market conditions.

- claims expense:
    - the increase of $40.716 million in the 2020-21 interim outcome from the original budget is predominantly due to claims as a result of significant losses incurred from a number of large weather events and several large claims being assessed in the 2020-21 insurance year; and
    - the decrease of $45.036 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.

Balance Sheet

- investment: the increase of $84.845 million in the 2021-22 Budget from the 2020-21 interim outcome is primarily due to the net cash inflow from operating activities and an expected increase in the market value of investment due to positive returns achieved.
- receivables:
    - the increase of $15.801 million in the 2020-21 interim outcome from the original budget is primarily due to an increase in claim related recoveries and the distribution receivable from investments; and
    - the decrease of $16.113 million in the 2021-22 Budget from the 2020-21 interim outcome is primarily due to a decrease in expected claim related recoveries in 2021-22 and a reduced distribution receivable from investments due to an expected return to normal investment conditions in 2021-22.
- non current receivables:
    - the increase of $30.881 million in the 2020-21 interim outcome from the original budget is primarily due to an increase in claim related recoveries and the distribution receivable from investments; and
    - the decrease of $37.048 million in the 2021-22 Budget from the 2020-21 interim outcome is due to an expected decrease in claim related recoveries in 2021-22.
- current other provision: the increase of $34.978 million in 2020-21 interim outcome from the original budget is predominantly due to a number of large claims emerging during 2020-21 and deterioration in case estimates for large claims in medical malpractice, property and motor liability with the expectation of a higher proportion of payments expected in the next 12 months.

Statement of Changes in Equity

- operating result:
    - the increase of $16.749 million in 2020-21 interim outcome from the original budget is primarily due to higher than expected return on investments reflecting the global macro-economic environment of unprecedented low interest rates and market gains for the financial year ended 30 June 2021; and
    - the decrease of $22.177 million in the 2021-22 Budget from the 2020-21 interim outcome is predominantly due to the expected return to normal market conditions for investments in 2021-22.

Statement of Cash Flow

- sale of goods and services from contracts with customers: the increase in the 2021-22 Budget from the 2020-21 interim outcome is primarily due to deteriorating claims experience in the medical malpractice, property and motor insurance classes, deteriorating global market conditions and an increase in the Territory's reinsurance premium.
- other receipts: the increase of $46.801 million in the 2021-22 Budget from the 2020-21 interim outcome is predominantly due to claims related recoveries as a result of significant losses incurred from a number of large weather events being recorded as at 30 June 2021 with payments expected to be received in early 2021-22.
- outward reinsurance payments: the increase of $5.292 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the increase in the reinsurance premium as the result of continued deteriorating claims experience in the medical malpractice, property and motor insurance classes and global market conditions.
- claims payments:
    - the increase of $4.209 million in the 2020-21 interim outcome from the original budget is due to the settlement of claims occurring earlier than expected in comparison to the budget; and
    - the decrease of $7.355 million in the 2021-22 Budget from the 2020-21 interim outcome is the result of the anticipated claims payments returning to normal actuarial calculated levels for the cost of future claims as valued by the Authority's actuary.
- other payments: the decrease of $6.628 million in the 2021-22 Budget from the 2020-21 interim outcome is predominantly due to a change in invoicing arrangements whereby appropriated ACT Government directorates and agencies are no longer charged GST and a decrease in contract works insurance expense for 2021-22.

- proceeds from sale/maturity of investments: the increase of $10.000 million in the 2021-22 Budget from the 2020-21 interim outcome is predominantly due to a redraw of invested funds being required at the end of the financial year to fund the following year's reinsurance premium which has increased for 2021-22.
- purchase of investments: the increase of $68.005 million in the 2021-22 Budget from the 2020-21 interim outcome is predominantly due to the net inflow from operating activities and less funds being withdrawn from investments due to no return of capital being forecast.

CANBERRA INSTITUTE OF TECHNOLOGY – STATEMENT OF INTENT

The Canberra Institute of Technology (CIT) is a Territory Authority established under the *Canberra Institute of Technology Act 1987* (the Act).

This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996* (the FMA).

The responsible Minister, Mr Chris Steel MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the CIT strategic and business planning processes.

The CIT 2021-22 Statement of Intent has been agreed between:

Andrew Barr MLA

Treasurer

Chris Steel MLA

Minister for Skills

Craig Sloan

Chair, CIT Board

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CANBERRA INSTITUTE OF TECHNOLOGY

Purpose

The corporate objectives of CIT relevant to the Statement of Intent are to:

- create a more agile CIT that is able to effectively respond to the changing Vocational Education and Training (VET) environment;
- be the provider of choice for students, employers, industry and government;
- improve educational outcomes of disadvantaged groups;
- operate as a customer centric organisation through increased focus on the student experience;
- operate as the public provider of VET in the ACT;
- operate with greater commercial and entrepreneurial focus in the increasingly contestable market place;
- meet industry needs by providing the highest quality, contemporary training in a variety of flexible modes;
- grow the capability and capacity of Canberra's changing workforce for employers and industry; and
- contribute to the ACT's growing economy and the ACT's reputation of being one of the world's most liveable cities by attracting high-achieving students and delivering quality training and education that skills the ACT and regional workforce.

Nature and scope of activities

General activities

CIT is a major contributor to the economic growth of the ACT through ensuring a qualified and skilled workforce, increasing skill levels for those self-employed, attracting international students, contributing to the ACT innovation ecosystem and driving life long learning for the ACT's economic and social benefit.

The CIT Board will continue to monitor the progress of transformation at CIT as outlined in the *CIT Strategic Compass - CIT Futures 2025* (Strategic Compass) strategy. The four themes of the Strategic Compass are:

- Leading Change – raising our ambitions to meet new expectations;

- Growing our Region's Economy – supporting jobs, economic resilience, and future prosperity;
- Advancing Canberra's Workforce – adapting our courses and means of delivery to provide skills for the future; and
- Transforming our Business – investing in our business for viability and value.

The CIT Board is committed to CIT partnering with industry, business, education organisations and governments, to foster economic growth for the ACT and region, including furthering partnerships with Canberra based companies, working with current and emerging businesses (including entrepreneur and start-ups) and supporting local organisations who are competing at the national level.

CIT changes lives through quality education and skills development for individuals, industry and the community. CIT seeks to strengthen its position as a leader of VET and to be successful in a more demand driven market by leading innovation in the delivery of VET through the development of unique learning experiences that meet training package requirements and provide students with qualifications. CIT is committed to providing experiences that set CIT students up for success in employment.

CIT is similarly committed to enriching learners with skills and knowledge from now and into the future by supporting the CIT workforce to embody a culture of passion, innovation and high performance, by collaborating with industry including focussed attention on industry engagements and by collaborating with the community and government to diversify and grow CIT partnerships.

Risks

CIT is committed to ensuring that all business and operational processes are underpinned by an effective risk management strategy. To this end, CIT has adopted an organisational-wide approach to risk management as a part of its key governance framework. The CIT Enterprise Risk Management Profile and the Anti-Fraud and Corruption Profile are central to this. Enterprise risks are reviewed quarterly while anti-fraud and corruption risks are reviewed six monthly. Risks are monitored through the Executive Management Committee, the CIT Audit Committee and the CIT Board. CIT also has an overarching Fraud Control Plan that is reviewed every two years.

The CIT risk management framework aligns with the ACT Government Risk Management Policy published in 2019.

CIT manages financial risks through a well-defined financial management framework that includes:

- clearly established ownership of internal budgets;
- monthly variance reporting;

- quarterly strategic reviews of financial performance and as applicable, reviews of corrective actions;
- regularly updated financial policy, procedures and practice documents;
- access to training for all staff who have financial responsibilities; and
- implementation, monitoring and continuous review of process improvement strategies.

Monthly reporting and analysis of CIT's financial performance assists in identifying and addressing any financial risks. CIT also undertakes monthly reporting and analysis of its annual performance measures for early identification of performance risks. Financial and performance risk is reported at each CIT Board meeting as a part of CIT's governance arrangements.

Risks for CIT are considered through:

- internal and external reviews;
- reviews of CIT's governance framework including through programmed reviews of policies and procedures;
- regular interactions with the CIT Board, Executive, and management team;
- monitoring the implementation of internal performance reviews and audit recommendations;
- quality assurance assessments and spot checks;
- regular review of risk across CIT including business continuity, fraud and corruption; and
- review of key compliance and business support mechanisms including those associated with work health and safety (WHS) and records management.

2021-22 priorities

Board Priorities for 2021-22 include:

- maintaining a sustainable financial model for the future of CIT;
- improving CIT's responsiveness and flexibility to meet the changing VET environment (including changes emanating from the National Cabinet Skills Committee);
- building additional capacity and industry partnerships in emerging industries and areas of government demand (such as cyber, renewables, health, education and apprenticeships/traineeships);
- improving the recognition of CIT as a major economic and social contributor to the ACT and region, now and into the future;

- enhancing contemporary organisational transformation and workforce development at CIT through ongoing investment in our people;
- enhancing teacher capability (including by advancing digital fluency) and reshaping education and training offerings so students have contemporary learning experiences;
- maintaining focus on transforming our business through people, processes and system changes including fully understanding the costs of service delivery;
- working collaboratively with Major Projects Canberra on campus renewal including CIT Woden and the establishment of a new Yurauna Centre at CIT Bruce campus; and
- investing in digital infrastructure including as a part of CIT's campus renewal strategy and in line with the Chief Minister's ambitions for Canberra.

CIT will continue to contribute to the Government's agenda of making Canberra more inclusive, progressive and connected over 2021-22 through:

Inclusive:

- contributing to the ACT's open and diversified economy by providing critical skills training for the ACT and regional economy in key capability areas such as the renewable energy, cyber security and health sectors;
- improving access to supportive VET for those experiencing disadvantage and marginalised groups;
- increasing contemporary teaching and learning practices to improve student experiences;
- attracting and retaining talented people with diverse skill sets;

Progressive*:*

- continuing CIT's transformation through the *CIT Strategic Compass – CIT Futures 2025* strategy, leveraging the investment to date in the Evolving Together approach;
- actively contributing to the innovation and entrepreneurial culture in the ACT;
- maintaining a high performing workforce;
- targeting funding toward apprenticeships that address areas of priority industry growth;
- supporting the ACT Government's efforts to develop our economy's competitive strengths;

Connected*:*

- modernising campuses, technology and systems including investing in digital infrastructure and ensuring that CIT's systems are 'fit for purpose';

- strengthening our position as a leader of VET to ensure success in an increasingly competitive market;
- building on CIT's reputation as a trusted and high-quality provider of VET for those employers in the ACT seeking skilled workers and learners wishing to gain qualifications;
- collaborating across Government, including partnership activities with the CBR Innovation Network;
- supporting the ACT Government's international engagement agenda.

CIT training profile and associated items

Contextual framework

A well educated community is the basis of Canberra's social and economic wellbeing. There is a clear strategic link between VET and the economic and social development of the ACT.

The provision of VET through CIT is an important element in the ACT Government's commitment to assist the people of the ACT to be a part of a well trained and highly skilled workforce that will promote a strong and vibrant ACT economy. CIT's delivery forms an integral component of the ACT's VET commitment with CIT receiving a high percentage of ACT training funding.

Reporting requirements

Reporting for all items relevant to CIT's Training profile will be to the relevant standard set by the Australian Government Department of Education, Skills and Employment (DESE) through the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS), or any other National Centre for Vocational Education Research (NCVER) standard, as required by CMTEDD. Variations from these standards can only occur with the agreement of CMTEDD. CMTEDD will coordinate the reporting of financial data for the annual National VET Statistics Collection.

Monitoring and reporting

Statistical data

CIT will provide to CMTEDD statistical and other information to support the Directorate's reporting requirements to the ACT Government and DESE, as well as supporting planning of VET within the ACT.

The AVETMISS compliant statistical information will be provided to NCVER (through CMTEDD) in accordance with DESE reporting requirements.

Implementation of training packages

Under national agreements, the ACT is committed to implementing Training Packages. CIT will comply with Clauses 1.26 and 1.27 of the *Standards for Registered Training Organisations (RTOs) 2015* (Transition of training products).

CIT will comply with the Australian Skills Quality Authority's (ASQA) general directions with regard to the implementation of Training Packages.

Estimated employment level

Table 1: Estimated employment level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome	2021-22 Budget
Staffing (FTE)	658	705	668 [1]	675 [2]

Notes(s):

1. The decrease of 37 FTE in the 2020-21 Interim Outcome from 2020-21 Budget is primarily due to fewer than expected additional staff being engaged for teaching and project work.
2. The increase of seven FTE in the 2021-22 Budget from the 2020-21 Interim Outcome is primarily due to the anticipated need to engage additional staff as teaching activity increases as COVID-19 restrictions ease and demand in the training market increases.

Strategic Objectives and Indicators

Strategic Objective 1

Student Outcomes

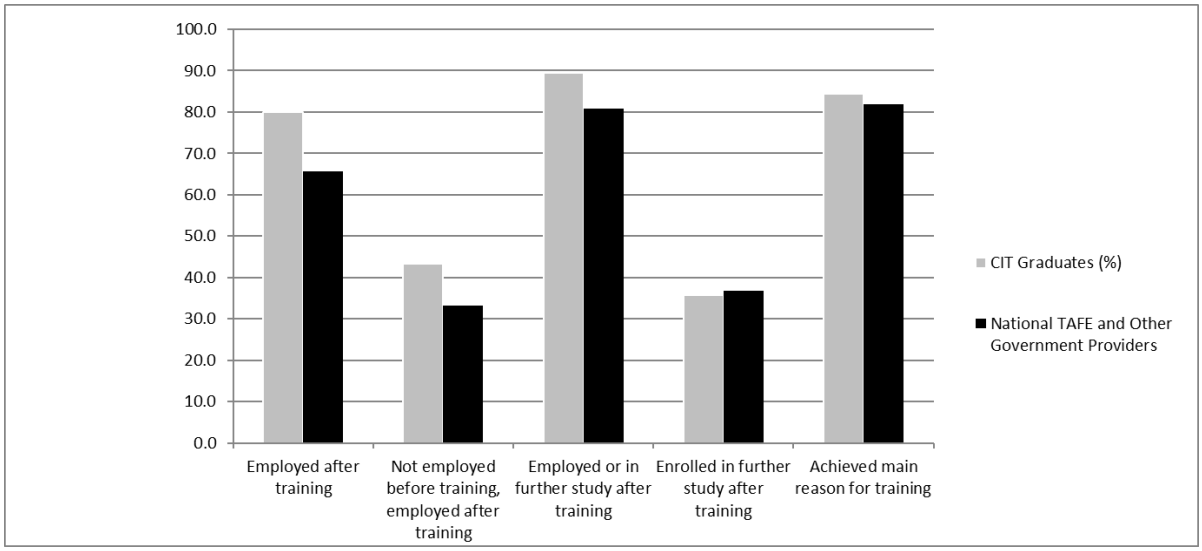
CIT's objective is to provide training that meets student needs ensuring for our future workers, a job ready skill set.

Strategic Indicator 1: Student Outcomes Survey

The key strategic indicator used by CIT to measure its success is students' employment outcomes as measured through the annual Student Outcomes survey. By focusing on students' employment outcomes and satisfaction with VET, the Student Outcomes survey gauges as an indicative measure, how well CIT serves individuals and the community.

Quality and effectiveness can be measured through student outcomes against national performance. When compared against national TAFE performance, CIT students consistently achieve high levels of employment or are undertaking further study after training. The 2020 performance of CIT graduates against national performance for Australian TAFE Graduates is highlighted in Figure 1 below. As illustrated, CIT graduates have exceeded the national performance on virtually all measures indicating generally, strong performance .

Figure 1: VET Graduate Outcomes, 2020



Note: Data source of the graph above is CIT's annual Student Outcomes survey.

Output Classes

Output Class 1: Canberra Institute of Technology

Table 2: Output Class 1: Canberra Institute of Technology

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	122,125	127,284
Controlled Recurrent Payments	77,402	78,742

Note(s): Total cost includes depreciation and amortisation of $9.267 million in 2020-21 and $9.016 million in 2021-22.

Output 1.1: Provision of Vocational Education and Training Services

This output involves the provision of places in publicly funded programs at CIT, consistent with training needs for the ACT.

Accountability indicators

Due to the unusual timing of the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Accountability Indicators below refer to an Interim Outcome as included in CIT's *2020-21 Statement of Performance*, which was unaudited at the time of preparing these budget statements.

Table 3 below reflects CIT's current Accountability Indicators on a July to June financial year basis.

Output Class 1: Canberra Institute of Technology

Output 1.1: Provision of Vocational Education and Training Services

Table 3: Accountability indicators July to June Financial Year - Output 1.1

	2020-21 Targets	2020-21 Interim Outcome[3]	2021-22 Targets
– Subject Enrolments	108,000	123,514	108,000
– Subject Pass Rates	85%	88%	85%
– Nominal Hours[1,2]	2,600,000	3,013,281	2,600,000
– Achieve key output targets:			
- Program Enrolments[1,2]	10,200	11,023	10,200
- Module Pass Rates[1,2]	75%	82%	75%
- Program Completions[1,2]	3,400	3,158	3,400
- Learner Satisfaction Rate	85%	88%	85%
- Employer Satisfaction Rate	80%	90%	80%
– Average Controlled Recurrent Payment per Nominal Hour[1,2]	$29.81	$25.69	$30.29

Note(s):

1. Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour will be discontinued as Accountability Indicators from 1 July 2022.
2. These measures only relate to training delivered under CIT's 'Profile' funding scheme and do not include students enrolled under other schemes.
3. Notes on variances are provided under the Explanation of Material Variances section below.

Key Performance Indicators for 2021

The figures shown in the following table represent calendar year information as consistent with CIT's annual reporting cycle on a January to December financial year basis.

Table 4: Accountability Indicators January to December Calendar Year - Output 1.1

	2020 Targets	2020 Audited Outcome[3]	2021 Targets
– Subject Enrolments	N/A	96,634	108,000
– Subject Pass Rates	N/A	86%	85%
– Nominal Hours[1,2]	3,226,000	2,456,123	2,600,000
– Achieve key output targets:			
– Program Enrolments[1,2]	11,700	9,558	11,700
– Module Pass Rates[1,2]	75%	80%	75%
– Program Completions[1,2]	4,500	3,102	4,500
– Learner Satisfaction Rate	85%	88%	85%
– Employer Satisfaction Rate	80%	90%	80%
– Average Controlled Recurrent Payment per Nominal Hour[1,2]	$23.96	$31.48	$30.14

Note(s):

1. Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour will be discontinued as Accountability Indicators from 1 July 2022.
2. These measures only relate to training delivered under CIT's 'Profile' funding scheme and do not include students enrolled under other schemes.
3. Notes on variances are provided under the Explanation of Material Variances section below.

Performance Measure Definitions

- The Accountability Indicators measure aspects of CIT's delivery of training according to national AVETMISS standards. Students who withdraw without attendance (Withdrawal - Without Attendance) (WW) grade are not included.
- The older measures included here and marked as "Profile Only" relate only to accredited training delivered under CIT's 'Profile' scheme. All other training is not included. In particular, the following training activity is excluded from these measures.
  - Students studying under other fee-subsidy schemes, including User Choice (apprentices and trainees), Skilled Capital and JobTrainer.
  - Full fee-paying students such as commercial and international students.
  - Non-accredited training such as Adult Community Education (ACE) programs.

- Measures not marked as “Profile Only” include all Government subsidised and full fee accredited training.

  - **Subject Enrolments** is the sum of the total student enrolments in each individual Unit of Competency for the reporting period, excluding any enrolments relating to students who withdrew without attendance (i.e. where a Withdrawal - Without Attendance/WW grade has been recorded). This measure includes all students enrolled at CIT during the reporting period.

  - **Subject Pass Rates** reflect the proportion of subject enrolments issued with a grade indicating successful completion of the Unit of Competency during the reporting period, expressed as a percentage of total subject enrolments during the same period. This measure includes all students enrolled at CIT during the reporting period.

  - **Nominal Hours** (Profile only) measures the anticipated hours of supervised learning or training provided by CIT to eligible students as a notional representation of the educational effort associated with the delivery and assessment of a given endeavour of study. It also includes student contact hours delivered through a recognition of prior learning process.

  - Key output targets include the following qualitative measures of CIT’s performance:

    - **Program Enrolments** (Profile only) represents the number of records of completing program enrolment requirements in accordance with AVETMISS by eligible students.

    - **Module Pass Rates** (Profile only) represents the proportion of successful eligible module (subject) outcomes compared to module enrolments weighted by Nominal Hours in accordance with the national AVETMISS requirements.

    - **Program Completions** (Profile only) represents the number of student records where program completion requirements have been met in accordance with the AVETMISS requirements for eligible students completing study in the previous academic year(s).

    - **Learner Satisfaction Rate** measures the proportion of current students who indicated that they were satisfied with the training they received at CIT. The learner survey has been designed by the Australian Council for Educational Research (ACER) to collect data relating to the Australian Quality Training Framework (AQTF) quality indicator (QI) ‘Learner Satisfaction’.

    - **Employer Satisfaction Rate** measure the proportion of employers indicating that they were satisfied with the training provided by CIT. The Employer Survey has been designed by ACER to collect data relating to the AQTF QI’s and Employer Satisfaction metrics.

Explanation of Material Variances

General notes

The studying preferences of current and prospective students has been significantly impacted by the COVID-19 pandemic thereby further impacting on teaching and learning outputs. CIT has set 2021 performance targets according to its best estimates in line with currently available information.

Nominal Hours and Program Completions

In addition to the impacts of the COVID-19 pandemic, Nominal Hours and Program Completions for 2020 were lower than target due to the emerging trend of students who are studying and completing given subjects in preference to enrolling in programs. This trend supports the reasoning to graduate away from Nominal Hours and Program Completions as performance measures.

Subject Pass Rates and Module Pass Rates

Pass rates reflect CIT's continued focus on high-quality and relevant training and in providing support for students as reflected in the 2020 Learner Engagement Survey results.

Learner Satisfaction Rate and Employer Satisfaction Rate

The 2020 survey of learner engagement and employer satisfaction showed overall, high levels of satisfaction with the training, reflecting the positive views of both employers and students on their experience with CIT. Learner Satisfaction Rate results were based on the survey of students who were enrolled in nationally accredited programs. Demonstrated by the survey results, CIT has continued to improve its responsiveness to customers and has also continued to demonstrate its effectiveness in skilling students through the utilisation of contemporary training methods.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**77,500**	**79,352**	**80,260**	**81,252**	**81,252**
2021-22 Budget Policy Decisions					
Extension of temporary contract positions	0	138	0	0	0
2021-22 Budget Technical Adjustments					
Super Round Robin Adjustment	0	-532	-426	-318	-266
Revised Indexation Parameters	0	0	0	0	1,073
Commonwealth Grants - National Skills and Workforce Development SPP	-94	-6	22	0	183
Maintaining accountability and transparency of government	0	-210	-213	-217	-221
2021-22 Budget	**77,406**	**78,742**	**79,643**	**80,717**	**82,021**

Table 6: Changes to appropriation – Capital Injections, Controlled

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**11,231**	**5,881**	**4,246**	**4,320**	**4,320**
2021-22 Budget Technical Adjustments					
Better Infrastructure Fund Indexation 2024-25	0	0	0	0	77
Correction to TAFE Revitalisation Program adjustment in 2020-21 Budget	-2,000	-608	0	0	0
ACT Contribution - Expansion of CIT Fyshwick Campus - reprofiling	-167	167	0	0	0
Undrawn Funds	-194	0	0	0	0
2021-22 Budget	**8,870**	**5,440**	**4,246**	**4,320**	**4,397**

Summary of 2021-22 CIT Infrastructure Program

Table 7: 2021-22 CIT Infrastructure Program

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
CAPITAL WORKS PROGRAM						
Work In Progress						
CIT Baseline Property, Plant and Equipment	1,257	1,257	1,257	1,257	**5,028**	
Expansion of CIT Fyshwick campus	1,267	-	-	-	**1,267**	Jun-22
Total Work In Progress	**2,524**	**1,257**	**1,257**	**1,257**	**6,295**	
Capital Upgrade Programs						
Base BIF of the agency	2,917	2,990	3,064	3,064	**12,035**	Jun-22
Total Capital Upgrade Programs	**2,917**	**2,990**	**3,064**	**3,064**	**12,035**	
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM	**5,441**	**4,247**	**4,321**	**4,398**	**18,407**	

Monitoring and Reporting

CIT complies with the requirements of the Annual Reports Directions 2020-21. The CIT Annual Report will, amongst other things, report against the Statement of Intent.

The FMA authorises the Treasurer to obtain financial and other statements from CIT for a stated period including through annual, quarterly and monthly reporting.

Quarterly Reporting

To enable consolidated whole of government reporting requirements to be met on a quarterly basis, CIT will ensure the availability to the Treasurer, through CMTEDD (by the eighth working day of each quarter, unless otherwise indicated), in the prescribed form and detail, in respect of the previous quarter:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by CIT;
- a status report to supplement performance reporting to the ACT Legislative Assembly and other stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter); and
- a Financial Management Analysis of results to date, forecast results and related issues that may impact on the financial condition of CIT (by the tenth working day of each quarter).

Monthly Reporting

In addition to the quarterly information required as identified above and on a monthly basis, CIT will ensure the availability to the Treasurer through CMTEDD (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required by CMTEDD and at the Auditor-General's Office.

- Certified financial statements.
- Management discussion and analysis.

- A full and accurate set of audited financial records for the preceding financial year in the form requested.
- Consolidation packs relating to the annual financial statements.

Financial Arrangements

Financial Performance Targets

CIT undertakes to assess financial performance against the achievement or otherwise of the financial performance measures (at the *Key Performance Indicators for 2021* section of this Statement of Intent).

Budget Variations

Any variations from the 2020-21 Budget, including calls on the Treasurer's Advance, will be considered in the context of end of year cash requirements, unless the relevant legal appropriation is first exhausted. CIT will manage within existing funding sources until such a time that this facility may be required.

Sustaining Public Funds and Operating Surplus/Loss

CIT will manage its resources to ensure it achieves the planned financial position at the end of each year, as set out in the Statement of Intent.

Capital Structure

The Statement of Intent covers the capital employed by CIT. Any capital injections will be subject to an agreed business case. Capital employed can be either an injection of equity or a repayable advance (debt capital) in accordance with terms and conditions determined by the Treasurer. The business case will cover the budget year in detail and the three forward years in outline.

A targeted level of capital employed necessary for the budgeted level of service delivery and financial stability of CIT is reflected in the attached budgeted statements of financial position.

Budgeted cash equity capital injections (or distributions) will be payable at the end of the relevant financial year and will be determined in the context of the budgeted and actual year-end balance sheet position, including cash and other assets. CIT will meet funding needs during the year through prudent management of its funding sources and options, including through operational receipts and where applicable, financing facilities.

Agreement to asset acquisition and disposal is separate from the issue of the appropriate capital position of CIT. Any decision to provide added capital or return funds to the Territory as a result of asset acquisition or disposal will be based on an assessment of CIT's balance sheet, including its capital position in consideration of any proposed action.

All transfers of fixed assets between ACT agencies will be the subject of a formal agreement between the gaining and losing agencies in relation to the timing and valuation of the assets.

A copy of the agreement must be distributed immediately to CMTEDD as part of normal monthly reporting arrangements when an agreement has been reached. The maximum timeframe to reach an agreement is six weeks.

Subsidiaries

CIT Solutions Pty Limited (CIT Solutions) is a company wholly owned by CIT. The company reports to the Australian Securities and Investments Commission in accordance with the *Corporations Act 2001*. The company's audited financial statements are consolidated within CIT's financial statements on a calendar year basis.

CIT Solutions offers a range of educational activities and services including customised training programs for commercial clients, study tours for groups from overseas and educational and specialist consultancies. The company is also a major provider of adult and community education programs in the ACT and region.

CIT Solutions will provide quarterly financial statements to CMTEDD as part of the company's quarterly and annual ownership reporting requirements.

Financial Statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Cash Flow Statement; and
- notes to the Financial Statements as appropriate.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 8: Canberra Institute of Technology: Operating Statement

2020-21 Budget		2020-21 Interim Outcome	2021-22 Budget	Var	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
$'000		$'000	$'000	%	$'000	$'000	$'000
	Income						
	Revenue						
77,500	Controlled Recurrent Payments	77,406	78,742	2	79,643	80,717	82,021
44,583	Sale of Goods and Services from Contracts with Customers	36,911	35,170	-5	36,034	36,926	37,493
1,605	Grants and Contributions	1,546	1,966	27	2,008	2,052	2,096
263	Investment Revenue	99	267	170	271	275	279
500	Dividend Revenue	0	500	#	500	500	500
2,761	Other Revenue	3,384	2,360	-30	2,437	2,516	2,566
127,212	**Total Revenue**	**119,346**	**119,005**	**..**	**120,893**	**122,986**	**124,955**
	Gains						
0	Other Gains	11	0	-100	0	0	0
0	**Total Gains**	**11**	**0**	**-100**	**0**	**0**	**0**
127,212	**Total Income**	**119,357**	**119,005**	**..**	**120,893**	**122,986**	**124,955**
	Expenses						
76,020	Employee Expenses	67,005	70,696	6	71,469	72,398	73,339
12,508	Superannuation Expenses	10,309	11,063	7	11,257	11,456	11,661
37,344	Supplies and Services	34,613	36,106	4	36,988	37,978	38,829
8,710	Depreciation and Amortisation	9,267	9,016	-3	9,030	9,030	9,030
0	Borrowing Costs	62	0	-100	0	0	0
403	Other Expenses	869	403	-54	409	415	419
134,985	**Total Expenses**	**122,125**	**127,284**	**4**	**129,153**	**131,277**	**133,278**
-7,773	**Operating Result**	**-2,768**	**-8,279**	**-199**	**-8,260**	**-8,291**	**-8,323**
	Other Comprehensive Income						
	Items that will not be Reclassified Subsequently to Profit or Loss						
-2,002	Increase/(Decrease) in Asset Revaluation Surplus	12,543	-2,002	-116	-2,002	-2,002	-2,002
-2,002	**Total Other Comprehensive Income**	**12,543**	**-2,002**	**-116**	**-2,002**	**-2,002**	**-2,002**
-9,775	**Total Comprehensive Income**	**9,775**	**-10,281**	**-205**	**-10,262**	**-10,293**	**-10,325**

Table 9: Canberra Institute of Technology: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
8,619	Cash and Cash Equivalents	14,622	15,590	7	16,621	17,652	18,683
3,000	Investments	3,000	3,000	-	3,000	3,000	3,000
2,111	Receivables	6,332	6,357	..	6,382	6,407	6,432
8,549	Assets Held for Sale	6,940	6,940	-	6,940	6,940	6,940
0	Capital Works in Progress	0	0	-	3	6	9
767	Other Assets	504	504	-	504	504	504
23,046	**Total Current Assets**	**31,398**	**32,391**	**3**	**33,450**	**34,509**	**35,568**
	Non Current Assets						
20	Investment - Joint Venture	20	20	-	20	20	20
181,453	Property, Plant and Equipment	184,027	178,880	-3	172,319	165,758	159,197
230	Intangible Assets	494	494	-	494	494	494
3,732	Capital Works in Progress	4,830	4,928	2	5,229	5,604	6,056
185,435	**Total Non Current Assets**	**189,371**	**184,322**	**-3**	**178,062**	**171,876**	**165,767**
208,481	**TOTAL ASSETS**	**220,769**	**216,713**	**-2**	**211,512**	**206,385**	**201,335**
	Current Liabilities						
1,831	Payables	2,820	2,855	1	2,890	2,925	2,960
0	Interest-Bearing Liabilities	105	105	-	105	105	105
707	Lease Liabilities	789	789	-	789	789	789
22,737	Employee Benefits	22,915	23,646	3	24,407	25,199	26,023
2,635	Other Liabilities	5,703	5,757	1	5,811	5,865	5,919
27,910	**Total Current Liabilities**	**32,332**	**33,152**	**3**	**34,002**	**34,883**	**35,796**
	Non Current Liabilities						
890	Interest-Bearing Liabilities	785	615	-22	445	275	105
4,169	Lease Liabilities	3,579	3,579	-	3,579	3,579	3,579
1,293	Employee Benefits	1,105	1,240	12	1,375	1,510	1,645
653	Other Provisions	500	500	-	500	500	500
7,005	**Non-Current Liabilities**	**5,969**	**5,934**	**-1**	**5,899**	**5,864**	**5,829**
34,915	**TOTAL LIABILITIES**	**38,301**	**39,086**	**2**	**39,901**	**40,747**	**41,625**
173,566	**NET ASSETS**	**182,468**	**177,627**	**-3**	**171,611**	**165,638**	**159,710**
	REPRESENTED BY FUNDS EMPLOYED						
77,318	Accumulated Funds	101,836	98,997	-3	94,983	91,012	87,086
96,248	Asset Revaluation Surplus	80,632	78,630	-2	76,628	74,626	72,624
173,566	**TOTAL FUNDS EMPLOYED**	**182,468**	**177,627**	**-3**	**171,611**	**165,638**	**159,710**

Table 10: Canberra Institute of Technology: Statement of Changes in Equity

Budget at 30/6/21 $'000		2020-21 Interim Outcome at $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
73,860	Opening Accumulated Funds	73,860	101,836	38	98,997	94,983	91,012
98,250	Opening Asset Revaluation Reserve	98,250	80,632	-18	78,630	76,628	74,626
172,110	**Balance at the Start of the Reporting Period**	**172,110**	**182,468**	**6**	**177,627**	**171,611**	**165,638**
	Comprehensive Income						
-7,773	Operating Result	-2,768	-8,279	-199	-8,260	-8,291	-8,323
-2,002	Inc/Dec in Asset Revaluation Reserve Surpluses	12,543	-2,002	-116	-2,002	-2,002	-2,002
-9,775	**Total Comprehensive Income**	**9,775**	**-10,281**	**-205**	**-10,262**	**-10,293**	**-10,325**
	Movement in Asset Revaluation Surplus						
0	Transfer to/from Accumulated Funds	30,161	0	-100	0	0	0
0	Movement in Asset Revaluation Reserve	-30,161	0	100	0	0	0
0	**Total Movement in Asset Revaluation Surplus**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
11,231	Capital Injections	8,870	5,440	-39	4,246	4,320	4,397
0	Inc/Dec in Net Assets due to Admin Restructure	-8,287	0	100	0	0	0
11,231	**Total Transactions Involving Owners Affecting Accumulated Funds**	**583**	**5,440**	**833**	**4,246**	**4,320**	**4,397**
	Closing Equity						
77,318	Closing Accumulated Funds	101,836	98,997	-3	94,983	91,012	87,086
96,248	Closing Asset Revaluation Reserve	80,632	78,630	-2	76,628	74,626	72,624
173,566	**Balance at the end of the Reporting Period**	**182,468**	**177,627**	**-3**	**171,611**	**165,638**	**159,710**

Table 11: Canberra Institute of Technology: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
77,500	Controlled Recurrent Payments	77,406	78,742	2	79,643	80,717	82,021
44,028	Sale of Goods and Services from Contracts with Customers	37,081	35,015	-6	35,879	36,771	37,338
263	Investment Receipts	99	267	170	271	275	279
500	Dividends	0	500	#	500	500	500
7,253	Other	8,592	6,854	-20	6,933	7,014	7,065
129,544	**Operating Receipts**	**123,178**	**121,378**	**-1**	**123,226**	**125,277**	**127,203**
	Payments						
75,354	Employee	66,364	69,830	5	70,573	71,471	72,380
12,508	Superannuation	10,309	11,063	7	11,257	11,456	11,661
35,586	Supplies and Services	30,825	33,989	10	34,831	35,779	36,587
4,858	Other	9,880	4,858	-51	4,864	4,870	4,874
128,306	**Operating Payments**	**117,378**	**119,740**	**2**	**121,525**	**123,576**	**125,502**
1,238	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**5,800**	**1,638**	**-72**	**1,701**	**1,701**	**1,701**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
11,731	Purchase of Property, Plant and Equipment	8,099	5,940	-27	4,746	4,820	4,897
11,731	**Investing Payments**	**8,099**	**5,940**	**-27**	**4,746**	**4,820**	**4,897**
-11,731	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-8,099**	**-5,940**	**27**	**-4,746**	**-4,820**	**-4,897**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
11,231	Capital Injections	8,870	5,440	-39	4,246	4,320	4,397
11,231	**Financing Receipts**	**8,870**	**5,440**	**-39**	**4,246**	**4,320**	**4,397**
	Payments						
170	Repayment of Borrowings	0	170	#	170	170	170
170	**Financing Payments**	**0**	**170**	**#**	**170**	**170**	**170**
11,061	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**8,870**	**5,270**	**-41**	**4,076**	**4,150**	**4,227**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
568	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,571	968	-85	1,031	1,031	1,031
8,051	CASH AT THE BEGINNING OF REPORTING PERIOD	8,051	14,622	82	15,590	16,621	17,652
8,619	CASH AT THE END OF REPORTING PERIOD	14,622	15,590	7	16,621	17,652	18,683

Notes to the Controlled Budget Statements

Significant variation explanations are as follows:

Operating Statement

- controlled recurrent payments: the increase of $1.336 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the annual indexation factor.
- sales of goods and services from contracts with customers:
  - the decrease of $7.672 million in the 2020-21 interim outcome from the original budget is mainly due to the COVID-19 pandemic adversely affecting CIT's training activity; and
  - the decrease of $1.741 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the cessation of the government funded JobTrainer initiative.
- dividend revenue: the increase of $0.5 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the expectation that CIT Solutions will benefit from a recovery in demand in the training market and will be in a financial position to provide a dividend to CIT.
- employee expenses:
  - the decrease of $9.015 million in the 2020-21 interim outcome from the original budget is due to fewer staff being engaged for teaching as training demand is still recovering from the effects of COVID-19 and lower than expected engagement of additional staff for project related work; and
  - the increase of $3.691 million in the 2021-22 Budget from the 2020-21 interim outcome is due to additional staff being engaged as the demand for training is expected to continue to recover from the effects of COVID-19 and the annual indexation of salary costs.
- superannuation expenses:
  - the decrease of $2.199 million in the 2020-21 interim outcome from the original budget is in accordance with the decrease in employee expenses; and
  - the increase of $0.754 million in the 2021-22 Budget from the 2020-21 interim outcome is in accordance with the increase in employee expenses.
- supplies and services:
  - the decrease of $2.731 million in the 2020-21 interim outcome from the original budget is due mainly to reduced training activity as a result of COVID-19; and

- the increase of $1.493 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to an expectation that training demand will recover from the effects of COVID-19.

Balance Sheet

- cash and equivalents: the increase of $6.003 million in the 2020-21 interim outcome from the original budget is mainly due to the receipt of funding from the JobTrainer initiative.

- current and non-current receivables: the increase of $4.221 million in the 2020-21 interim outcome from the original budget is mainly due to the difference in timing for semester two 2021 student enrolments and invoicing for other training activity delivered between the two comparative periods.

- assets held for sale: the decrease of $1.609 million in the 2020-21 interim outcome from the original budget is due to the transfer of the Woden Childcare property to the ACT Government.

- property, plant and equipment:

  - the increase of $2.574 million in the 2020-21 interim outcome from the original budget is mainly due to the addition of new assets following the completion of budget initiatives such as the COVID-19 Stimulus initiatives, Better Infrastructure Fund projects and other equipment upgrades and purchases; and

  - the decrease of $5.147 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to asset depreciation outpacing the addition of new assets.

- current and non-current capital works in progress: the increase of $1.098 million in the 2020-21 interim outcome from the original budget is mainly due to additional work required on the *Better ICT Services for CIT Students and Staff* budget initiative.

- current and non-current payables: the increase of $0.989 million in the 2020-21 interim outcome from the original budget is mainly due to accrued expenses for services and goods received where the supplier has not yet invoiced CIT.

- other liabilities: the increase of $3.068 million in the 2020-21 interim outcome from the original budget predominately relates to later timing of student enrolments for semester two, 2021.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

Calendar Year Financial Statements

CANBERRA INSTITUTE OF TECHNOLOGY
OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Actual 2020 $'000	Budget 2020 $'000	Budget 2021 $'000
INCOME			
Revenue			
Controlled Recurrent Payments	80,296	77,308	78,374
Sales of Goods and Services from Contracts with Customers	27,409	31,853	27,683
Grants and Contributions	2,768	3,262	12,555
Investment Revenue	149	300	170
Other Revenue	964	600	600
Total Revenue	**111,586**	**113,323**	**119,382**
Gains			
Other Gains	8	0	0
Contributions from CIT Solutions Pty Limited	0	500	100
Total Gains	**8**	**500**	**100**
Total Income	**111,594**	**113,823**	**119,482**
EXPENSES			
Employee Expenses	67,295	68,857	70,623
Superannuation Expenses	9,982	10,228	10,866
Supplies and Services	32,553	35,259	34,088
Depreciation and Amortisation	9,039	9,349	9,480
Borrowing Costs	126	125	125
Other Expenses	3,148	1,708	1,680
Total Expenses	**122,143**	**125,526**	**126,862**
Operating (Deficit)	**-10,549**	**-11,703**	**-7,380**

CANBERRA INSTITUTE OF TECHNOLOGY
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Actual 2020 $'000	Budget 2020 $'000	Budget 2021 $'000
CURRENT ASSETS			
Cash and Cash Equivalents	11,745	5,020	11,536
Receivables	2,497	2,900	2,900
Assets Held for Distribution to Owners	6,940	0	6,940
Other Assets	1,940	1,900	1,900
Total Current Assets	**23,122**	**9,820**	**23,276**
NON-CURRENT ASSETS			
Investments	20	20	20
Property, Plant and Equipment	185,785	190,642	183,629
Intangible Assets	584	230	500
Capital Works in Progress	2,341	1,200	3,500
Total Non-Current Assets	**188,730**	**192,092**	**187,649**
Total Assets	**211,852**	**201,912**	**210,925**
CURRENT LIABILITIES			
Payables	3,452	1,700	2,200
Lease Liabilities	822	680	680
Employee Benefits	24,112	20,150	23,500
Other	1,287	1,800	1,400
Total Current Liabilities	**29,673**	**24,330**	**27,780**
NON-CURRENT LIABILITIES			
Employee Benefits	1,166	1,034	1,200
Lease Liabilities	3,627	3,500	3,550
Other Provisions	0	300	300
Other	1,390	994	850
Total Non-Current Liabilities	**6,183**	**5,828**	**5,900**
Total Liabilities	**35,856**	**30,158**	**33,680**
NET ASSETS	**175,996**	**171,754**	**177,245**
EQUITY			
Accumulated Funds	95,252	45,785	96,501
Asset Revaluation Reserve	80,744	125,969	80,744
TOTAL EQUITY	**175,996**	**171,754**	**177,245**

CANBERRA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Actual 2020 $'000	Budget 2020 $'000	Budget 2021 $'000
Opening Balance	**181,994**	**181,994**	**175,996**
Operating (Deficit)	-10,549	-11,702	-7,380
Increase in Asset Revaluation Reserve	5,865	8,000	0
Transfer of Assets	-8,287	-16,199	0
Capital Injection	6,973	9,661	9,641
Closing Balance	**175,996**	**171,754**	**178,257**

CANBERRA INSTITUTE OF TECHNOLOGY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Actual 2020 $'000	Budget 2020 $'000	Budget 2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Payment for Outputs	80,296	77,308	78,374
Sales of Goods and Services from Contracts with Customers	27,138	31,793	27,280
Interest Received from Bank	149	300	170
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,415	3,030	3,430
Goods and Services Tax Collected from Customers	1,065	1,500	1,500
Government Grants	973	1,727	11,020
Other	964	700	700
Contributions	0	500	100
Total Receipts from Operating Activities	**114,000**	**116,858**	**122,574**
Payments			
Related to Employee	64,660	70,857	70,623
Related to Superannuation	9,891	10,228	10,866
Related to Supplies and Services	31,641	35,592	34,393
Goods and Services Tax paid to Suppliers	4,507	4,300	4,300
Other	1,193	1,800	1,800
Total Payments from Operating Activities	**111,892**	**122,777**	**121,982**
Net Cash Inflow (Outflows) from Operating Activities	**2,108**	**-5,919**	**592**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from Sale of Property, Plant & Equip	8	0	0
Total Receipts from Investing Activities	**8**	**0**	**0**
Payments			
Purchase of Property, Plant & Equipment	7,314	9,661	9,641
Total Payments from Investing Activities	**7,314**	**9,661**	**9,641**
Net Cash (Outflows) from Investing Activities	**-7,306**	**-9,661**	**9,641**
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Capital Contributions from Government (not operations)	6,973	9,661	9,641
Decrease in Cash from Administrative Restructure	0	0	0
Total Receipts from Financing Activities	**6,973**	**9,661**	**9,641**
Payments			
Repayment of Lease Liabilities - Principal	969	0	800
Total Payments from Financing Activities	**969**	**9,661**	**800**
Net Cash Inflows from Financing Activities	**6,004**	**9,661**	**8,841**
Net Increase / (Decrease) in Cash Held	**806**	**-5,918**	**-208**
Cash and Cash Equivalents at the Beginning of the Reporting Period	**10,938**	**10,938**	**11,744**
Cash and Cash Equivalents at the End of the Reporting Period	**11,745**	**5,020**	**11,536**

CIT SOLUTIONS PTY LTD

Purpose

CIT Solutions Pty Ltd (CIT Solutions) is a wholly owned subsidiary of the Canberra Institute of Technology (CIT). CIT Solutions is able to issue a range of nationally recognised qualifications from the Australian Qualifications Framework under CIT's Registered Training Organisation status (RTO 0101) to individuals both in the government and corporate sectors. CIT Solutions has a proven capability of delivering its programs and consultancy services in the ACT, interstate and internationally. CIT Solutions provides training in a large range of foreign languages as well as marketing services to CIT for the recruitment of international students. The Company offers a diverse range of short courses, both in professional development and recreational interests, ensuring that people in the Canberra region have access to lifelong learning and opportunities to interact with their communities.

2021-22 Priorities

Strategic and operational initiatives to be pursued in 2021-22 include:

- maintaining an engaged workforce with the right mix of skills and experience to provide excellent client service and promote future growth;
- enhancing CIT Solutions' reputation as a high quality provider of customised and responsive learning solutions using innovative learning technologies;
- securing increased repeat work with existing clients and expanding the client base through partnerships and collaborations with other institutions; and
- developing a culture of sustainability whilst maintaining profitability and achieving revenue growth.

Estimated Employment Level

Table 1: Estimated Employment Level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome	2021-22 Budget
Staffing (FTE)	105	106	94 [1]	106

Note(s):

1. The variation between the 2020-21 Budget and the 2021-22 interim outcome is due to a reduction in staffing numbers during 2020-21 with less.training activity resulting from COVID-19 workplace restrictions.

Strategic Objectives and Indicators

Strategic Objective 1

Increase student enrolments through customer experience

This will be achieved by:

- developing new programs and learning models to address changing student and client needs;
- strengthening capability to deliver anywhere, anytime, or on any device;
- increasing agility to be able to quickly move programs from face-to-face to virtual delivery; and
- enhancing the student satisfaction by customising and personalising their complete learning experience.

Strategic Objective 2

Increase innovation and digitalisation in learning technologies

This will be achieved by:

- using the personalised adaptive learning approach to pilot a program with a selected client using artificial intelligence adapted learning and accelerate content development with new technology; and
- promoting courses available on the "CIT Cloud Campus", as a superior integrated online learning platform for teachers and students to collaborate, learn and assess.

Strategic Objective 3

Recruit, develop and retain the right people to meet the needs of students and industry

This will be achieved by:

- accelerating skill capabilities through targeted professional development offerings to bridge gaps identified in a recently completed staff capability review; and
- investing in a future leaders program to build resilience, a positive workplace culture and leaders who will shape and drive CIT Solutions future growth.

Strategic Objective 4

Develop partnerships for mutual and ongoing benefits

This will be achieved by:

- strengthening existing relationships with stakeholders and continuing to explore opportunities for long term partnerships and new strategic alliances;
- deepening collaboration with CIT through pilot programs in emerging growth areas and assisting in business development of new industry training opportunities beyond Canberra; and
- exploring direct packaging pathways with other higher education institutions for CIT Solutions accredited programs.

Financial Arrangements

CIT Solutions Pty Ltd is a private company receiving no funding from the ACT Government.

Financial Statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements, and include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity; and
- a Cash Flow Statement.

Financial Statements (PTE)

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 2: CIT Solutions: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
20,156	Sale of Goods and Services from Contracts with Customers	16,969	20,446	20	20,817	21,171	21,595
290	Grants and Contributions	331	0	-100	0	0	0
10	Investment Revenue	0	10	#	10	10	10
154	Other Revenue	57	154	170	157	160	163
20,610	**Total Revenue**	**17,357**	**20,610**	**19**	**20,984**	**21,341**	**21,768**
	Expenses						
10,997	Employee Expenses	10,406	10,997	6	11,154	11,299	11,445
1,028	Superannuation Expenses	950	1,028	8	1,042	1,055	1,069
6,452	Supplies and Services	2,867	6,452	125	6,619	6,800	6,920
597	Depreciation and Amortisation	612	636	4	649	649	649
11	Borrowing Costs	21	11	-48	12	12	12
736	Other Expenses	600	736	23	754	772	786
19,821	**Total Expenses**	**15,456**	**19,860**	**28**	**20,230**	**20,587**	**20,881**
789	**Operating Result**	**1,901**	**750**	**-61**	**754**	**754**	**887**
789	**Total Comprehensive Income**	**1,901**	**750**	**-61**	**754**	**754**	**887**

Table 3: CIT Solutions: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
4,548	Cash and Cash Equivalents	5,549	5,780	4	6,026	6,272	6,661
2,662	Receivables	1,526	1,577	3	1,628	1,679	1,730
170	Other Assets	295	303	3	311	319	327
7,380	**Total Current Assets**	**7,370**	**7,660**	**4**	**7,965**	**8,270**	**8,718**
	Non Current Assets						
1,044	Property, Plant and Equipment	942	413	-56	437	461	485
1,044	**Total Non Current Assets**	**942**	**413**	**-56**	**437**	**461**	**485**
8,424	**TOTAL ASSETS**	**8,312**	**8,073**	**-3**	**8,402**	**8,731**	**9,203**
	Current Liabilities						
837	Payables	907	958	6	1,009	1,060	1,111
1,488	Employee Benefits	1,241	1,257	1	1,284	1,311	1,348
3,479	Other Liabilities	2,043	2,043	-	2,043	2,043	2,043
5,804	**Total Current Liabilities**	**4,191**	**4,258**	**2**	**4,336**	**4,414**	**4,502**
	Non Current Liabilities						
883	Lease Liabilities	890	337	-62	337	337	337
222	Employee Benefits	158	207	31	256	305	354
52	Other Liabilities	0	-52	#	-104	-156	-208
1,157	**Non-Current Liabilities**	**1,048**	**492**	**-53**	**489**	**486**	**483**
6,961	**TOTAL LIABILITIES**	**5,239**	**4,750**	**-9**	**4,825**	**4,900**	**4,985**
1,463	**NET ASSETS**	**3,073**	**3,323**	**8**	**3,577**	**3,831**	**4,218**
	REPRESENTED BY FUNDS EMPLOYED						
1,578	Accumulated Funds	3,073	3,323	8	3,577	3,831	4,218
-115	Asset Revaluation Surplus	0	0	-	0	0	0
1,463	**TOTAL FUNDS EMPLOYED**	**3,073**	**3,323**	**8**	**3,577**	**3,831**	**4,218**

Table 4: CIT Solutions: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
1,289	Opening Accumulated	1,287	3,073	139	3,323	3,577	3,831
-115	Opening Asset Revaluation Reserve	-115	0	100	0	0	0
1,174	**Balance at the Start of the Reporting Period**	**1,172**	**3,073**	**162**	**3,323**	**3,577**	**3,831**
	Comprehensive Income						
789	Operating Result	1,901	750	-61	754	754	887
789	**Total Comprehensive Income**	**1,901**	**750**	**-61**	**754**	**754**	**887**
	Movement in Asset Revaluation Surplus						
0	Transfer to/from Accumulated Funds	-115	0	100	0	0	0
0	Movement in Asset Revaluation Reserve	115	0	-100	0	0	0
0	**Total Movement in Asset Revaluation Surplus**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
-500	Dividend Approved	0	-500	#	-500	-500	-500
-500	**Total Transactions Involving Owners Affecting Accumulated Funds**	**0**	**-500**	**#**	**-500**	**-500**	**-500**
	Closing Equity						
1,578	Closing Accumulated Funds	3,073	3,323	8	3,577	3,831	4,218
-115	Closing Asset Revaluation Reserve	0	0	-	0	0	0
1,463	**Balance at the end of the Reporting Period**	**3,073**	**3,323**	**8**	**3,577**	**3,831**	**4,218**

Table 5: CIT Solutions: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
20,347	Sale of Goods and Services from Contracts with Customers	16,624	20,347	22	20,718	21,072	21,496
10	Investment Receipts	388	10	-97	10	10	10
154	Other	0	154	#	157	160	163
20,511	**Operating Receipts**	**17,012**	**20,511**	**21**	**20,885**	**21,242**	**21,669**
	Payments						
10,607	Employee	11,730	10,607	-10	10,753	10,898	11,034
1,008	Superannuation	0	1,008	#	1,022	1,035	1,049
6,930	Supplies and Services	3,285	6,930	111	7,111	7,292	7,412
888	Other	689	888	29	906	924	938
19,433	**Operating Payments**	**15,704**	**19,433**	**24**	**19,792**	**20,149**	**20,433**
1,078	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**1,308**	**1,078**	**-18**	**1,093**	**1,093**	**1,236**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
347	Purchase of Property, Plant and Equipment	76	347	357	347	347	347
347	**Investing Payments**	**76**	**347**	**357**	**347**	**347**	**347**
-347	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-76**	**-347**	**-357**	**-347**	**-347**	**-347**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
500	Payment of Dividend	0	500	#	500	500	500
500	**Financing Payments**	**0**	**500**	**#**	**500**	**500**	**500**
-500	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**0**	**-500**	**#**	**-500**	**-500**	**-500**
231	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**1,232**	**231**	**-81**	**246**	**246**	**389**
4,317	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**4,317**	**5,549**	**29**	**5,780**	**6,026**	**6,272**
4,548	**CASH AT THE END OF REPORTING PERIOD**	**5,549**	**5,780**	**4**	**6,026**	**6,272**	**6,661**

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges: the decrease of $3.187 million in the 2020-21 interim outcome from the original budget and the increase of $3.477 million in the 2021-22 Budget is due to reduced demand for training under contracts with Commonwealth government departments for accredited qualifications during the 2020-21 year as a result of COVID-19 restrictions on workplace activity. The 2021-22 Budget is estimating that demand will increase with restrictions being eased.

- employee expenses:

  - the decrease of $0.591 million in the 2020-21 interim outcome from the original budget is due to reduced staffing levels through natural attrition and minimal recruitment to combat the negative effect of COVID-19 on business operations; and

  - the increase of $0.591 million in the 2021-22 Budget from the 2020-21 interim outcome is to allow staffing levels and training activity to increase to pre COVID-19.

- supplies and services:

  - the decrease of $3.585 million in the 2020-21 interim outcome from the original budget is due to restrictions imposed on use of offices and classrooms from COVID-19 regulations resulting in significant saving in operating costs. Savings are most noticeable in contractor expenses, travel expenses and classroom materials required with reduced training delivery; and

  - the increase of $3.585 million in the 2021-22 Budget from the 2020-21 Interim Outcome is due to the 2021-22 Budget estimating that demand for classroom training will return to previous year levels with COVID-19 restrictions being eased.

Balance Sheet

- current assets: the increase of $0.290 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the estimated operating profit of $0.750 million for the 2021-21 Budget off-set by a cash return to owner of $0.5 million.

- non-current assets: the decrease of $0.529 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the company's current building lease expiring in January 2022.

- other liabilities: the decrease of $1.436 million in the 2020-21 Interim Outcome from the original budget is due to the lower value of the management fee received in advance from CIT each semester from its international student fee revenue which has been significantly reduced due to international border restrictions.

- non-current liabilities: the decrease of $0.556 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the company's current building lease expiring in January 2022.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

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CULTURAL FACILITIES CORPORATION – STATEMENT OF INTENT

The Cultural Facilities Corporation is a Territory Authority established under the *Cultural Facilities Corporation Act 1997*.

This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996.*

The responsible Minister, Ms Tara Cheyne MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Cultural Facilities Corporation's strategic and business planning processes.

The Cultural Facilities Corporation's 2021-22 Statement of Intent has been agreed between:

Harriet Elvin AM

Chief Executive Officer

Cultural Facilities Corporation

Andrew Barr MLA

Treasurer

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CULTURAL FACILITIES CORPORATION

Purpose

The Cultural Facilities Corporation (CFC) recognises that Canberra is a creative capital that values the arts and heritage for their intrinsic qualities, their contribution to community and individual wellbeing, their support for making the city an exciting place to live and an attractive destination for business and tourism, and their important role in the economy of the ACT and region.

The CFC's vision is for the Cultural Facilities Corporation to be a leader in this creative city, by :

- acknowledging that the culture of the region's First Peoples is the foundation for this creativity;
- providing high quality creative experiences for the people of Canberra and visitors to our city;
- celebrating and supporting local arts and heritage, and local creative practice;
- sharing the many stories of Canberra;
- promoting community and individual wellbeing through our activities;
- playing a significant role in the region's cultural and economic life; and
- advocating for the value of the arts and heritage to our community, city and region.

Nature and Scope of Activities

General activities

The CFC connects people with rich and diverse cultural experiences through activities at the venues it manages. These venues are :

- the Canberra Theatre Centre;
- the Canberra Museum and Gallery (CMAG), including the Nolan Collection; and
- the ACT Historic Places (Lanyon, Calthorpes' House, and Mugga Mugga).

Through its activities at these venues, the CFC provides cultural services across the performing arts, the visual arts, social history and cultural heritage management, by:

- providing performing arts presentations, exhibitions, education programs, community programs and other events; and
- conserving and interpreting the historic sites that it manages.

Risks

The key strategic risk currently affecting the CFC's financial position is the adverse impact of the COVID-19 situation on the CFC's performing arts business. Theatre revenues form the majority of the CFC's non-government revenue, which in normal circumstances comprises over 50% of the CFC's total income, and represent the main variable in its financial performance.

The CFC's theatre revenues are always highly dependent on the variability and unpredictability of the performing arts business, which is impacted by such factors as: the availability of performing arts productions for touring; commerciality of available productions; national developments with regard to major performing arts companies; popularity of productions; and discretionary consumer expenditure, which is vulnerable to general economic downturns.

Added to these factors at present is the impact of restrictions arising from the COVID-19 pandemic on the Australian live performance industry. For example, border closures, lockdowns in major cities and quarantine requirements are creating significant difficulties in rehearsing, mounting and touring productions.

These challenges are exacerbated by the fast-moving nature of restrictions, the different restrictions in different jurisdictions, and frequent changes in what is allowed, which can result in a need to cancel, postpone or reschedule productions at short notice.

Overall, these factors mean that the production of theatre performances is an especially risky financial proposition at present, resulting in a very limited supply of high quality, larger scale productions, and a greater preponderance of lower-risk, smaller scale events.

The major additional funding provided to the CFC by the Government in 2020-21 enabled the CFC to continue its operations, and to start rebuilding theatre business, despite the significant adverse impact of the COVID-19 pandemic on the performing arts industry.

Part of this funding has been carried over into 2021-22 as continuing support for the CFC's operations, and further major additional funding has been provided through this Budget. This funding will support the CFC in addressing the ongoing vulnerability of the performing arts industry to disruptions arising from the COVID-19 pandemic, in the year ahead.

The CFC's Theatre Reserve is a further means that is supporting the organisation's efforts to rebuild theatre business and recover from COVID-19 impacts. This fund has been developed from the proceeds of previous theatre commercial activity, and now stands at $1.2 million.

The Reserve supports efforts to program larger-scale shows and assists in managing the risks inherent in theatre programming. This is particularly important as the CFC seeks to contribute to national efforts to support performing arts touring, and to bring major shows to Canberra, as part of the ACT's creative recovery from COVID-19.

The CFC will address the major risk discussed above, and other risks, to the best of its ability, including through its Strategic Risk Management Plan. This Plan informs the prioritisation of projects for internal audit programs and is supported by other plans, such as those covering Fraud Control, Business Continuity, Disaster Preparedness and Security.

The Plan was revised and updated during 2020–21 to reflect the experience gained in managing major challenges such as the impacts of the COVID-19 pandemic, and will be further updated in 2021-22.

2021-22 Priorities and Next Three Financial Years

The CFC has developed a new three-year Strategic Plan to cover the period from 2021 to 2024. Priorities in this new Plan cover the following main areas of activity.

- Progress the development of a major new theatre for the nation's capital, with fit-for-purpose, audience-focused facilities, and build towards this new venue by programming large-scale productions and developing creative partnerships.
- Expand and enhance CMAG's facilities and programs, including its presence and profile on London Circuit and Civic Square.
- Position the Canberra Civic and Culture District as a premier cultural location, and the vibrant creative heart of Canberra.
- Celebrate the multi-layered heritage values and continuing relevance of the ACT Historic Places, and their importance for tourism and for community wellbeing.
- Promote Indigenous engagement and reconciliation through the CFC's activities.
- Deliver cultural leadership for the ACT region, including in the region's creative recovery from COVID-19.

In addition to the main areas identified above, other specific issues to be pursued by the CFC in 2021-22 include the following, to the extent that these can be progressed within restrictions arising from the COVID-19 situation.

- Encourage visitation to, access to, and patronage of, the CFC's facilities, programs and collections.
- Present exhibitions, learning and community programs, including outreach activities and partnership programming.
- Present a varied program of performing arts productions.

- Provide Vocational Education and Training in theatre technical skills at the Canberra Theatre Centre.

- Undertake the first year of a three-year program of upgrades for the Canberra Theatre Centre, in order to enhance the safety of patrons, ensure a high level of Work Health Safety standards for staff, enhance security infrastructure, and implement other essential works.

- Undertake the first year of a two-year package of works at CMAG to improve Work Health Safety standards and accessibility, together with the first year of a further two-year package of works and initiatives to enhance CMAG's presence and profile on London Circuit and Civic Square, to support activation of the precinct.

- Continue to implement a program of infrastructure upgrades at Lanyon, to facilitate effective business operations and achieve high standards of Work Health Safety, especially by progressing a new water infrastructure project, undertaking building stabilisation measures, and upgrading security infrastructure.

- Undertake ongoing programs of other infrastructure upgrades and capital projects, in order to ensure the CFC's cultural facilities remain fit for purpose and support the delivery of high-quality cultural experiences.

Apart from the areas identified above, the main ongoing priority of the CFC is to provide cultural leadership through a high standard of service to the community. In keeping with this priority, the CFC will continue to promote the value of a vibrant cultural life for community wellbeing, for economic development, and for the ACT's recovery from the COVID-19 pandemic.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome	2021-22 Budget
Staffing (FTE)	91	92	104 [1]	93 [1]

Note(s):

1. The high number of casuals employed and the variations in patterns of casual employment make a definitive Full Time Equivalent (FTE) difficult to estimate. The 2021-22 Budget FTE has been calculated on the basis of expectations of staffing, especially casual employment. As a result of the large numbers of casual and part-time staff employed by the CFC, the actual headcount of employees is typically a much higher figure than the FTE figure.

Table 2: 2021-22 Employment Profile

Classification	Male	Female	Total
ASO2	2	5	7
ASO3	0	4	4
ASO4	3	6	9
ASO5	5	5	10
ASO6	5	4	9
GSO2	1	0	1
GSO5	2	1	3
GSO7	1	0	1
GSO9	1	0	1
PO1	1	5	6
PO2	0	3	3
SOG C	2	7	9
SOG A	1	2	3
Box Office	2	3	5
Executive Contract	1	1	2
Patron Services	3	5	8
Tech. Level 1	4	2	6
Tech. Level 2	3	0	3
Tech. Level 4	3	0	3
Total	**40**	**53**	**93**

Strategic Objectives and Indicators

Strategic Objective 1 - CFC

To provide cultural leadership in the Canberra region and beyond

Strategic Indicator 1: The extent to which the CFC connects people with rich and diverse cultural experiences through activities at its venues, in the following areas.

Leadership: A cultural leader in the ACT region and beyond

Strategy: A clear direction for the future

Governance: An accountable and dynamic organisation

People: An employer of choice

Finances: Long-term financial sustainability

Assets: Support for delivering high quality cultural experiences

Strategic Objective 2 – Canberra Theatre Centre

To be a leading theatre centre in Australasia and Asia

Strategic Indicator 2: The extent to which the Canberra Theatre Centre connects people with theatre experiences of national and international quality, in the following areas.

Customers: Audiences that are growing, diverse, engaged and entertained

Programming: A diverse, high quality, entertaining and distinctive program

Business: Venues, systems and people that support high quality live performances

Leadership: An integral part of the cultural life of the Canberra region and beyond

Strategic Objective 3 - CMAG

To be a leading regional cultural venue in Australia and beyond

Strategic Indicator 3: The extent to which CMAG connects people with the Canberra region's rich and diverse stories, sense of place, and contemporary identity, in the following areas.

Customers: Audiences that are growing, diverse and engaged

Programming: Exhibitions and programs that reflect Canberra's unique identity

Stewardship: Venues and collections that allow CMAG to tell the many stories of Canberra

Leadership: An integral part of the cultural life of the Canberra region and beyond

Strategic Objective 4 – ACT Historic Places

To be leading historic places in Australia and beyond

Strategic Indicator 4: The extent to which ACT Historic Places connects people with Canberra's rich and diverse stories and heritage, in the following areas.

Customers: Audiences that are growing, diverse and engaged

Programming: Programs that explore Canberra's history by interpreting each place

Stewardship: Buildings, grounds and collections that are conserved and researched

Leadership: An integral part of the cultural life of the Canberra region and beyond

Output Classes

Output Class 1: Cultural Facilities Management

Table 3: Output Class 1: Cultural Facilities Management

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost[1]	20,463	22,934
Controlled Recurrent Payments	12,487	12,802

Note(s):

1. Total cost includes depreciation and amortisation of $2.526 million in 2020-21 and $2.756 million in 2021-22.

Output 1.1: Cultural Facilities Management

CFC manages a number of the ACT's major cultural assets, comprising:

- the Canberra Theatre Centre;
- CMAG, including the Nolan Collection; and
- the ACT Historic Places (Lanyon, Calthorpes' House and Mugga Mugga).

Through its activities at these venues, the CFC provides cultural services across the performing arts, the visual arts, social history and cultural heritage management, by:

- providing performing arts presentations, exhibitions, education programs, community programs and other events; and
- conserving and interpreting the historic sites that it manages.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Further information on the 2020-21 Targets and outcomes will be available in the Cultural Facilities Corporation's 2020-21 Annual Report, once this is completed, at http://culturalfacilities.act.gov.au/.

Output Class 1: Cultural Facilities Management

Output 1.1: Cultural Facilities Management

Table 4: Accountability Indicators Output 1.1

		2020-21 Target	2020-21 Interim Outcome	2021-22 Target
a.	Estimated number of visitors/patrons to CFC facilities/programs [1]	184,300	225,568	185,000
b.	Number of exhibitions at facilities managed by CFC [2]	27	21	27
c.	Number of education and community programs provided by CFC [3]	194	322	220
d.	Number of days venue usage at the Canberra Theatre Centre's venues [4]	378	424	400
e.	Customer satisfaction with quality of services provided by CFC, as measured by annual survey	90%	99%	90%
f.	Cost to Government per estimated visitor/patron to CFC facilities/programs [5]	$70.15	$55.36	$69.20
g.	Own sourced revenue as a proportion of total revenue for CFC	35.4%	32.5%	36.8%
h.				

Note(s):

1. The increase in the 2020-21 Interim Outcome from the 2020-21 Target is due to higher than expected visitor/patron numbers in the second half of the year, especially with the return to 100% capacity audiences at the Canberra Theatre Centre. The decrease in the 2021-22 Target from the 2020-21 Interim Outcome is due to the expected impact on visitor/patron numbers of the ACT lockdown and anticipated recovery period, arising from the COVID-19 pandemic.
2. The decrease in the 2020-21 Interim Outcome from the 2020-21 Target is due to CMAG extending certain exhibitions in 2020-21 due to the COVID-19 pandemic. The increase in the 2021-22 Target from the 2020-21 Interim Outcome is due to a projected greater turnover in exhibitions at CMAG during 2021-22, despite the anticipated impact of the COVID-19 pandemic.
3. The increase in the 2020-21 Interim Outcome from the 2020-21 Target is due to higher than expected programs being delivered in the second half of the year. The decrease in the 2021-22 Target from the 2020-21 Interim Outcome is due to the expected impacts on program provision of the ACT lockdown and anticipated recovery period, arising from the COVID-19 pandemic.
4. The increase in the 2020-21 Interim Outcome from the 2020-21 Target is due to a higher than expected level of theatre activity in the second half of the year, prompted by the return to 100% capacity audiences. The decrease in the 2021-22 Target from the 2020-21 Interim Outcome is due to the expected impact on theatre usage of the ACT lockdown and anticipated recovery period, arising from the COVID-19 pandemic.
5. The decrease in the 2020-21 Interim Outcome from the 2020-21 Target is due both to the rollover of part of the additional COVID-19 support funding received from the Government from 2020-21 into 2021-22, and to increased visitor/patron numbers. The increase in the 2021-22 Target from the 2020-21 Interim Outcome is due both to the further additional COVID-19 support funding from the Government and to the reduced visitor/patron numbers expected in 2021-22.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**12,926**	**9,558**	**9,685**	**9,822**	**9,822**
2021-22 Budget Policy Decisions					
COVID-19 Response – Supporting Canberra's Arts and Events	0	2,395	0	0	0
COVID-19 Response – Supporting Canberra's Arts and Events - CTC Vocational Education and Training Officer	0	122	124	0	0
Improvements to the Canberra Museum and Gallery and the North building	0	173	190	0	0
2021-22 Budget Technical Adjustments					
Audited Outcome and flow on adjustment	-1	0	0	0	0
Comcare premium savings	0	-5	0	0	0
Reprofiling 2020-21 COVID-19 economic support initiative	-438	438	0	0	0
Revised Indexation Parameters	0	25	37	38	195
Superannuation Expenses (Round Robin)	0	97	106	116	113
Territory Records Office transfer	0	-1	-1	-1	-1
2021-22 Budget	**12,487**	**12,802**	**10,141**	**9,975**	**10,129**

Table 6: Changes to appropriation – Capital Injections, Controlled

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**3,039**	**1,710**	**750**	**461**	**461**
2021-22 Budget Policy Decisions					
Improvements to the Canberra Museum and Gallery and the North building	0	350	250	0	0
Improvements to the Canberra Theatre Centre	0	900	195	347	0
2021-22 Budget Technical Adjustments					
Indexation of Better Infrastructure Fund	0	0	0	0	12
Rollover of Part of - More jobs for our growing city - Upgrading the Canberra Theatre Centre	-110	110	0	0	0
Rollover of Part of - Upgrading Lanyon Homestead	-1,038	-283	1,321	0	0
2021-22 Budget	**1,891**	**2,787**	**2,516**	**808**	**473**

Summary of 2021-22 Cultural Facilities Corporation Infrastructure Program

Table 7: 2021-22 Cultural Facilities Corporation Infrastructure Program

Project	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	Four Year Investment $'000	Physical Completion Date
CAPITAL WORKS PROGRAM						
New Work						
Improvements to the Canberra Museum and Gallery and the North building	350	250	-	-	**600**	Jun-23
Improvements to the Canberra Theatre Centre	900	195	347	-	**1,442**	Jun-24
Total New Capital	**1,250**	**445**	**347**	**-**	**2,042**	
CAPITAL WORKS PROGRAM						
Capital Upgrade Programs						
Better Infrastructure Fund	439	450	461	473	**1,823**	Jun-22
Total Capital Upgrade Programs	**439**	**450**	**461**	**473**	**1,823**	
Work In Progress						
More jobs for our growing city - Upgrading the Canberra Theatre Centre	110	-	-	-	**110**	Jun-22
Upgrading Lanyon Homestead	988	1,621	-	-	**2,609**	Jun-23
Total Work In Progress	**1,098**	**1,621**	**-**	**-**	**2,719**	
TOTAL CAPITAL WORKS PROGRAM	**2,787**	**2,516**	**808**	**473**	**6,584**	

Strategic Asset Management Plan

The CFC is the custodian and manager of a number of public building assets in the ACT. The assets are culturally significant to the ACT community, and include venues of historical importance, public theatres and galleries. The building portfolio is diverse, including income generating, non commercial and heritage assets. The managed premises range from domestic housing to major civic buildings.

The CFC's Strategic Asset Management Plan forms the basis of its strategic asset planning, including the development of proposals for capital works funding. A comprehensive review and update of the Plan was undertaken in 2010-11 to cover the 20 year timeframe from 2011-2030. A further update of the Plan for the Canberra Theatre Centre was completed in 2016-17, while further updates for CMAG and the ACT Historic Places were completed in 2017-18.

Monitoring and Reporting

The CFC will satisfy the requirements of the Chief Minister's Annual Reports Directions. The CFC Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from CFC for a stated period including annual, quarterly and monthly reporting.

Annual Reporting

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required at the CMTEDD and at the Auditor-General's Office.

- Certified financial statements.
- Management discussion and analysis.
- A full and accurate set of audited financial records for the preceding financial year in the form requested.
- Consolidation packs relating to the annual financial statements, draft and final.

Financial Arrangements

During 2021-22, the CFC's main focus in terms of financial management will be to manage through, and recover from, the impacts of the COVID-19 pandemic, especially in terms of impacts on the CFC's theatre-related business.

The major additional funding provided to the CFC by the Government in 2020-21 enabled the CFC to continue its operations, and to start rebuilding theatre business, despite the significant adverse impact of the COVID-19 pandemic on the performing arts industry. Part of this funding, which was not needed in 2020-21 due to a temporary improvement in trading conditions, has been carried over into 2021-22 as continuing support for the CFC's operations, and further major additional funding has been provided through this Budget. This funding will support the CFC in addressing the ongoing vulnerability of the performing arts industry to disruptions arising from the COVID-19 pandemic, in the year ahead.

Managing the impact for the CFC of the COVID-19 pandemic, especially the impact on theatre business, will continue to represent a major focus for the CFC's financial management in the year ahead.

The deficits that are projected for the CFC's operating results for 2021-22 and the forward years are due to it incurring large, unfunded depreciation expenses on its substantial asset holdings. The CFC's approach to managing its finances is to seek to achieve operating outcomes equal to, or better than, the projected deficits.

The CFC will receive funding in the 2021-22 Budget for the following initiatives.

- A three-year program of upgrades for the Canberra Theatre Centre, in order to enhance the safety of patrons, ensure a high level of Work Health Safety standards for staff, enhance security infrastructure, and implement other essential works.
- A two-year package of works at CMAG to improve Work Health Safety standards and accessibility, together with a further two-year package of works and initiatives to enhance CMAG's presence and profile on London Circuit and Civic Square, to support activation of the precinct.
- Continuation of a Vocational Education and Training program in theatre technical skills at the Canberra Theatre Centre.
- Major additional COVID-19 support funding.

Financial Statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the following three financial years, appear below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity; and
- a Cash Flow Statement.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 8: Cultural Facilities Corporation: Operating Statement

2020-21 Budget		2020-21 Interim Outcome	2021-22 Budget	Var	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
$'000		$'000	$'000	%	$'000	$'000	$'000
	Revenue						
12,926	Controlled Recurrent Payments	12,487	12,802	3	10,141	9,975	10,129
6,909	Sale of Goods and Services from Contracts with Customers	6,028	7,356	22	9,869	10,021	10,179
52	Grants and Contributions	147	50	-66	50	50	50
63	Investment Revenue	47	134	185	135	137	139
19,950	**Total Revenue**	**18,709**	**20,342**	**9**	**20,195**	**20,183**	**20,497**
	Expenses						
9,664	Employee Expenses	9,983	9,221	-8	9,337	9,353	9,540
1,152	Superannuation Expenses	1,665	1,330	-20	1,347	1,355	1,372
8,901	Supplies and Services	6,216	9,557	54	9,281	9,241	9,364
2,674	Depreciation and Amortisation	2,526	2,756	9	2,848	2,866	2,877
70	Other Expenses	73	70	-4	70	70	70
22,461	**Total Expenses**	**20,463**	**22,934**	**12**	**22,883**	**22,885**	**23,223**
-2,511	**Operating Result**	**-1,754**	**-2,592**	**-48**	**-2,688**	**-2,702**	**-2,726**
	Other Comprehensive Income						
0	Increase/(Decrease) in Asset Revaluation Surplus	29	0	-100	0	0	0
0	**Total Other Comprehensive Income**	**29**	**0**	**-100**	**0**	**0**	**0**
-2,511	**Total Comprehensive Income**	**-1,725**	**-2,592**	**-50**	**-2,688**	**-2,702**	**-2,726**

Table 9: Cultural Facilities Corporation: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
1,335	Cash and Cash Equivalents	1,697	1,764	4	1,831	1,898	1,965
322	Receivables	1,317	668	-49	669	670	671
12	Inventories	32	32	-	32	32	32
101	Other Assets	140	140	-	140	140	140
1,770	**Total Current Assets**	**3,186**	**2,604**	**-18**	**2,672**	**2,740**	**2,808**
	Non Current Assets						
67,445	Property, Plant and Equipment	66,758	66,939	..	66,757	64,857	62,599
54	Intangible Assets	36	36	-	36	36	36
956	Capital Works in Progress	658	658	-	658	658	670
68,455	**Total Non Current Assets**	**67,452**	**67,633**	**..**	**67,451**	**65,551**	**63,305**
70,225	**TOTAL ASSETS**	**70,638**	**70,237**	**-1**	**70,123**	**68,291**	**66,113**
	Current Liabilities						
475	Payables	607	442	-27	477	512	547
16	Lease Liabilities	27	23	-15	19	11	3
2,213	Employee Benefits	2,655	2,339	-12	2,373	2,407	2,454
172	Other Liabilities	273	173	-37	173	173	173
2,876	**Total Current Liabilities**	**3,562**	**2,977**	**-16**	**3,042**	**3,103**	**3,177**
	Non Current Liabilities						
20	Lease Liabilities	62	50	-19	42	42	42
121	Employee Benefits	168	169	1	170	171	172
141	**Non-Current Liabilities**	**230**	**219**	**-5**	**212**	**213**	**214**
3,017	**TOTAL LIABILITIES**	**3,792**	**3,196**	**-16**	**3,254**	**3,316**	**3,391**
67,208	**NET ASSETS**	**66,846**	**67,041**	**..**	**66,869**	**64,975**	**62,722**
	REPRESENTED BY FUNDS EMPLOYED						
27,272	Accumulated Funds	26,881	27,076	1	26,904	25,010	22,757
38,706	Asset Revaluation Surplus	38,735	38,735	-	38,735	38,735	38,735
1,230	Other Reserves	1,230	1,230	-	1,230	1,230	1,230
67,208	**TOTAL FUNDS EMPLOYED**	**66,846**	**67,041**	**..**	**66,869**	**64,975**	**62,722**

Table 10: Cultural Facilities Corporation: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
26,744	Opening Accumulated Funds	26,744	26,881	1	27,076	26,904	25,010
38,706	Opening Asset Revaluation Reserve	38,706	38,735	..	38,735	38,735	38,735
1,230	Opening Other Reserve	1,230	1,230	-	1,230	1,230	1,230
66,680	**Balance at the Start of the Reporting Period**	**66,680**	**66,846**	**..**	**67,041**	**66,869**	**64,975**
	Comprehensive Income						
-2,511	Operating Result - Including Economic Flows	-1,754	-2,592	-48	-2,688	-2,702	-2,726
0	Inc/Dec in Asset Revaluation Reserve Surpluses	29	0	-100	0	0	0
-2,511	**Total Comprehensive Income**	**-1,725**	**-2,592**	**-50**	**-2,688**	**-2,702**	**-2,726**
0	**Total Movement in Reserves**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
3,039	Capital Injections	1,891	2,787	47	2,516	808	473
3,039	**Total Transactions Involving Owners Affecting Accumulated Funds**	**1,891**	**2,787**	**47**	**2,516**	**808**	**473**
	Closing Equity						
27,272	Closing Accumulated Funds	26,881	27,076	1	26,904	25,010	22,757
38,706	Closing Asset Revaluation Reserve	38,735	38,735	-	38,735	38,735	38,735
1,230	Closing Other Reserve	1,230	1,230	-	1,230	1,230	1,230
67,208	**Balance at the end of the Reporting Period**	**66,846**	**67,041**	**..**	**66,869**	**64,975**	**62,722**

Table 11: Cultural Facilities Corporation: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome at $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
12,926	Controlled Recurrent Payments	12,487	12,802	3	10,141	9,975	10,129
6,882	Sale of Goods and Services from Contracts with Customers	5,187	7,328	41	9,841	9,993	10,151
63	Investment Receipts	47	134	185	135	137	139
511	Other	563	511	-9	511	511	511
20,382	**Operating Receipts**	**18,284**	**20,775**	**14**	**20,628**	**20,616**	**20,930**
	Payments						
9,612	Employee	9,467	9,152	-3	9,268	9,284	9,458
1,152	Superannuation	1,665	1,330	-20	1,347	1,355	1,372
8,798	Supplies and Services	5,986	9,455	58	9,179	9,139	9,262
605	Other	650	605	-7	605	605	605
20,167	**Operating Payments**	**17,768**	**20,542**	**16**	**20,399**	**20,383**	**20,697**
215	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**516**	**233**	**-55**	**229**	**233**	**233**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
3,189	Purchase of Property, Plant and Equipment	1,977	2,937	49	2,666	958	623
3,189	**Investing Payments**	**1,977**	**2,937**	**49**	**2,666**	**958**	**623**
-3,189	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-1,977**	**-2,937**	**-49**	**-2,666**	**-958**	**-623**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
3,039	Capital Injections	1,891	2,787	47	2,516	808	473
3,039	**Financing Receipts**	**1,891**	**2,787**	**47**	**2,516**	**808**	**473**
	Payments						
14	Repayment of Lease Liabilities - Principal	17	16	-6	12	16	16
14	**Financing Payments**	**17**	**16**	**-6**	**12**	**16**	**16**
3,025	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**1,874**	**2,771**	**48**	**2,504**	**792**	**457**

2020-21 Budget $'000		2020-21 Interim Outcome at $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
51	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	413	67	-84	67	67	67
1,284	CASH AT THE BEGINNING OF REPORTING PERIOD	1,284	1,697	32	1,764	1,831	1,898
1,335	CASH AT THE END OF REPORTING PERIOD	1,697	1,764	4	1,831	1,898	1,965

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- sale of goods and services from contracts with customers:
  - the increase of $1.328 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to higher theatre related revenues, as a result of the expected nature of theatre activity during the COVID recovery period in 2021-22, which is anticipated to involve a higher proportion of product presented by the CFC, resulting in higher ticketing revenues but also higher costs.
  - the decrease of $0.881 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to the COVID-19 situation impacting on theatre revenues, and associated costs, in 2020-21.
- supplies and services:
  - the increase of $3.341 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to higher theatre related expenses, as a result of the expected nature of theatre activity during the COVID recovery period in 2021-22, which is anticipated to involve a higher proportion of product presented by the CFC, resulting in higher ticketing revenues but also higher costs. A further reason for higher expenditure is the extra cost of implementing COVIDSafe measures in the COVID recovery period.
  - the decrease of $2.685 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to the COVID-19 situation impacting on theatre revenues, and associated costs, in 2020-21.

Balance Sheet

- receivables:
  - the decrease of $0.649 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the timing of theatre shows leading to a large amount of revenue being owed to the CFC at 30 June 2021.
  - the increase of $0.995 million in the 2020-21 interim outcome from the 2020-21 Budget is mainly due to the same reason.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

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ICON WATER LIMITED

Purpose

Icon Water provides water and sewerage services to the ACT community and bulk water to Queanbeyan. Icon Water also holds a 50 per cent investment in the ActewAGL joint venture (the energy investment) which provides electricity and gas to the ACT and surrounding region.

The Territory-owned Corporations Act 1990 (TOC Act) identifies four equally important objectives for Icon Water.

- To operate at least as efficiently as any comparable business.
- To maximise the sustainable return to the Territory on its investments, in accordance with the performance targets in Icon Water's Statement of Corporate Intent.
- To show a sense of social responsibility by having regard to the interests of the community in which we operate, and by trying to accommodate and encourage those interests.
- Where our activities affect the environment, to effectively integrate environmental and economic considerations in decision-making processes.

These main objectives provide the foundation upon which we conducted strategic planning and identified our vision and objectives.

2021-22 Priorities

Over the period 2021-22 to 2024-25 Icon Water's work will be guided by three strategic objectives, to:

- build a culture that values safety, innovation and inclusiveness;
- deliver sustainable value for our community and shareholders; and
- enhance the customer experience.

Achievement of these objectives is underpinned by strategies in three key areas.

- *Workplace strategies*: our objective to build a culture that values safety, innovation and inclusiveness represents the foundation of our Statement of Corporate Intent. We recognise that our people enable us to provide essential services to the Canberra community and region.

  To achieve our workplace objective, we will implement strategies with a focus on enhancing leadership safety capability, refreshing our diversity and inclusion program, improving pre-start hazard identification tools and modernising flexible work arrangements.

- *Sustainable value strategies*: our objective to deliver sustainable value for our community and shareholders recognises the important role we play in Canberra and the region. In undertaking our core purpose to sustain and enhance quality of life, we support the community to grow and prosper through the provision of high quality drinking water and environmentally sustainable water and sewerage services.

  To achieve our sustainable value objective we will focus on the strategic priorities to enhance sustainability, plan for major end of life assets, implement our digital strategy, improve data management and governance, support the 2023-28 price review and implement a sourcing strategy for corporate and customer services.

- *Customer strategies*: our objective to enhance the customer experience reflects our commitment to delivering quality products and services that our customers and community value. Community expectations of service and value are evolving and we need to make it easier for our customers to interact with us.

  In order to achieve our customer objective, we will implement strategies to improve the billing experience, enhance the developer journey, improve the complaints experience and improve delivery of complex technical services and advice.

Icon Water's 2021-22 Budget forecasts are subject to potentially significant variation arising from factors outside Icon Water's control. These factors include the following.

- Regulatory conditions – revenue targets in the 2021-22 Budget and forward estimates are based on the Independent Competition and Regulatory Commission (ICRC) final pricing decision, adjusted for the consumer price index (CPI). The budget prices for 2023-24, the first year of the next regulatory period, are prior year prices adjusted for CPI. This assumes no changes to capital or operating expenditure, nor to the Weighted Average Cost of Capital (WACC) in the next regulatory period (2023-28). Pricing is highly sensitive to changes in WACC. A WACC movement in the next regulatory period will result in a movement to the budgeted revenue outcome for 2023-24 onwards.

- Climatic conditions – average projection weather patterns with a high dam level baseline and wet initial conditions in the catchment have been assumed in determining the budget estimates. Variability in climatic conditions may result in material variations to Icon Water's profitability.

- The energy investment – the profitability of the energy investment may be affected by external factors including climatic conditions and regulatory outcomes.

Estimated Employment Level

Table 1: Estimated Employment Level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome	2021-22 Budget
Staffing (FTE)	401	418	402 [1]	426 [2]

Note(s):

1. The lower FTE interim outcome relates to the timing of recruitment activities.
2. The 2021-22 Budget increase in FTE primarily relates to a combination of digital strategy implementation and timing of recruitment activities.

Table 2: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	12,900	13,223	13,553	13,892	13,892
2021-22 Budget Technical Adjustments					
Revised Indexation Parameters - Assistance for Water and Sewerage Services	0	-91	-184	-283	-38
2021-22 Budget	**12,900**	**13,132**	**13,369**	**13,609**	**13,854**

Financial Statements (PTE)

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 3: Icon Water Limited: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
14,904	Controlled Recurrent Payments	12,900	13,132	2	13,369	13,609	13,854
313,223	Sale of Goods and Services from Contracts with Customers	307,963	334,507	9	329,760	340,636	351,818
381	Investment Revenue	218	194	-11	194	405	637
4,512	Other Revenue	10,850	3,973	-63	4,042	4,128	4,239
333,020	**Total Revenue**	**331,931**	**351,806**	**6**	**347,365**	**358,778**	**370,548**
	Gains						
11,360	Other Gains	25,563	14,000	-45	14,155	15,686	19,134
11,360	**Total Gains**	**25,563**	**14,000**	**-45**	**14,155**	**15,686**	**19,134**
344,380	**Total Income**	**357,494**	**365,806**	**2**	**361,520**	**374,464**	**389,682**
	Expenses						
51,006	Employee Expenses	49,047	52,976	8	53,921	54,861	55,955
8,614	Superannuation Expenses	8,406	8,966	7	9,126	9,285	9,470
83,488	Supplies and Services	77,518	91,045	17	97,925	96,507	89,601
68,969	Depreciation and Amortisation	69,897	71,640	2	75,027	77,319	80,200
30,614	Cost of Goods Sold	31,111	34,381	11	35,555	37,090	38,553
50,984	Borrowing Costs	56,988	61,937	9	64,109	64,109	63,390
10,867	Other Expenses	11,564	12,743	10	12,008	14,629	15,602
304,542	**Total Expenses**	**304,531**	**333,689**	**10**	**347,671**	**353,800**	**352,771**
36,930	Share of Operating Profit from energy investments accounted for using the Equity Method	41,539	77,093	86	78,721	76,638	72,079
76,768	**Operating Result from Ordinary Activities**	**94,502**	**109,210**	**16**	**92,570**	**97,302**	**108,990**
23,019	Income Tax Equivalent	27,665	32,763	18	27,771	29,191	32,697
53,749	**Operating Result**	**66,837**	**76,447**	**14**	**64,799**	**68,111**	**76,293**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Other Comprehensive Income						
	Items that will not be Reclassified Subsequently to Profit or Loss						
0	Increase/(Decrease) in Asset Revaluation Surplus	-58,094	0	100	0	0	0
0	**Total Other Comprehensive Income**	**-58,094**	**0**	**100**	**0**	**0**	**0**
53,749	**Total Comprehensive Income**	**8,743**	**76,447**	**774**	**64,799**	**68,111**	**76,293**

Table 4: Icon Water Limited: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
45,366	Cash and Cash Equivalents	80,122	72,486	-10	59,225	59,392	59,270
34,044	Receivables	30,237	33,292	10	34,274	35,279	36,330
21,824	Contract Assets	21,477	21,477	-	21,477	21,477	21,477
4,395	Inventories	4,337	4,337	-	4,337	4,337	4,337
10,694	Other Assets	10,651	10,652	..	10,652	10,652	10,652
116,323	**Total Current Assets**	**146,824**	**142,244**	**-3**	**129,965**	**131,137**	**132,066**
	Non Current Assets						
7,011	Receivables	5,457	4,225	-23	2,992	2,273	2,273
1,047,451	Investment - Energy Investments	969,514	993,607	2	1,010,828	1,020,466	1,023,545
2,495,764	Property, Plant and Equipment	2,556,700	2,609,142	2	2,613,506	2,669,313	2,737,785
12,000	Investment Properties	18,750	18,750	-	18,750	18,750	18,750
38,913	Intangible Assets	43,264	50,352	16	59,102	58,654	51,348
170,015	Capital Works in Progress	95,034	95,034	-	95,034	95,034	95,034
21,513	Tax Assets	18,105	18,105	-	18,105	18,105	18,105
3,792,667	**Total Non Current Assets**	**3,706,824**	**3,789,215**	**2**	**3,818,317**	**3,882,595**	**3,946,840**
3,908,990	**TOTAL ASSETS**	**3,853,648**	**3,931,459**	**2**	**3,948,282**	**4,013,732**	**4,078,906**
	Current Liabilities						
54,920	Payables	50,365	54,472	8	55,610	56,832	59,039
0	Interest-Bearing Liabilities	0	2,875	#	101,840	4,081	129,602
2,860	Lease Liabilities	2,822	2,822	-	2,822	2,822	2,822
23,062	Employee Benefits	22,004	22,002	..	22,002	22,002	22,002
4,360	Income Tax Payable	-4,249	723	117	-3,891	-3,887	-3,883
9,303	Other Provisions	16,425	22,655	38	20,294	20,650	21,597
2,832	Other Liabilities	1,131	1,126	..	1,126	1,126	1,126
7,118	Contract Liabilities	9,216	10,215	11	10,215	10,215	10,215
104,455	**Total Current Liabilities**	**97,714**	**116,890**	**20**	**210,018**	**113,841**	**242,520**
	Non Current Liabilities						
1,824,169	Interest-Bearing Liabilities	1,832,198	1,876,775	2	1,786,315	1,932,257	1,849,617
6,645	Lease Liabilities	4,646	4,647	..	4,647	4,647	4,647
1,331	Employee Benefits	1,556	1,556	-	1,556	1,556	1,556
454,529	Deferred Tax Liability	439,097	439,097	-	439,097	439,097	439,097
4,217	Other Provisions	6,597	6,647	1	6,647	6,647	6,647
1,081	Contract Liabilities	3,021	3,021	-	3,021	3,021	3,021
2,291,972	**Non-Current Liabilities**	**2,287,115**	**2,331,743**	**2**	**2,241,283**	**2,387,225**	**2,304,585**
2,396,427	**TOTAL LIABILITIES**	**2,384,829**	**2,448,633**	**3**	**2,451,301**	**2,501,066**	**2,547,105**
1,512,563	**NET ASSETS**	**1,468,819**	**1,482,826**	**1**	**1,496,981**	**1,512,666**	**1,531,801**

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	REPRESENTED BY FUNDS EMPLOYED						
991,797	Accumulated Funds	1,006,145	1,020,153	1	1,034,308	1,049,993	1,069,128
520,766	Asset Revaluation Surplus	462,674	462,673	..	462,673	462,673	462,673
1,512,563	**TOTAL FUNDS EMPLOYED**	**1,468,819**	**1,482,826**	**1**	**1,496,981**	**1,512,666**	**1,531,801**

Table 5: Icon Water Limited: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
980,438	Opening Accumulated	980,438	1,006,145	3	1,020,153	1,034,308	1,049,993
520,766	Opening Asset Revaluation Reserve	520,766	462,674	-11	462,673	462,673	462,673
1,501,204	**Balance at the Start of the Reporting Period**	**1,501,204**	**1,468,819**	**-2**	**1,482,826**	**1,496,981**	**1,512,666**
	Comprehensive Income						
53,749	Operating Result	66,837	76,447	14	64,799	68,111	76,293
0	Inc/Dec in Asset Revaluation Reserve Surpluses	-58,094	0	100	0	0	0
53,749	**Total Comprehensive Income**	**8,743**	**76,447**	**774**	**64,799**	**68,111**	**76,293**
0	**Total Movement in Asset Revaluation Surplus**	**0**	**0**	**-**	**0**	**0**	**0**
	Transactions Involving Owners Affecting Accumulated Funds						
-42,390	Dividend Approved	-41,127	-62,447	-52	-50,644	-52,426	-57,158
-42,390	**Total Transactions Involving Owners Affecting Accumulated Funds**	**-41,127**	**-62,447**	**-52**	**-50,644**	**-52,426**	**-57,158**
	Closing Equity						
991,797	Closing Accumulated Funds	1,006,145	1,020,153	1	1,034,308	1,049,993	1,069,128
520,766	Closing Asset Revaluation Reserve	462,674	462,673	..	462,673	462,673	462,673
1,512,563	**Balance at the end of the Reporting Period**	**1,468,819**	**1,482,826**	**1**	**1,496,981**	**1,512,666**	**1,531,801**

Table 6: Icon Water Limited: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
14,904	Controlled Recurrent Payments	12,900	13,132	2	13,369	13,609	13,854
316,452	Sale of Goods and Services from Contracts with Customers	318,889	335,425	5	332,820	343,759	355,006
374	Investment Receipts	223	194	-13	194	405	637
33,250	Other	30,750	53,000	72	61,500	67,000	69,000
364,980	**Operating Receipts**	**362,762**	**401,751**	**11**	**407,883**	**424,773**	**438,497**
	Payments						
52,051	Employee	48,350	51,916	7	52,843	53,763	54,836
8,790	Superannuation	8,375	8,891	6	8,943	9,099	9,281
82,442	Supplies and Services	79,279	93,672	18	97,086	97,402	90,519
54,690	Interest Expenses	58,333	66,339	14	67,099	67,727	66,856
16,752	Income Tax Equivalent Payments	17,135	27,791	62	32,385	29,186	32,693
34,381	Related to Cost of Goods Sold	30,426	34,381	13	35,555	37,090	38,553
10,704	Other	10,886	12,861	18	13,717	14,629	15,602
259,810	**Operating Payments**	**252,784**	**295,851**	**17**	**307,628**	**308,896**	**308,340**
105,170	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**109,978**	**105,900**	**-4**	**100,255**	**115,877**	**130,157**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant and Equipment	34	0	-100	0	0	0
0	**Investing Receipts**	**34**	**0**	**-100**	**0**	**0**	**0**
	Payments						
107,036	Purchase of Property, Plant and Equipment	88,429	84,987	-4	49,329	99,170	110,710
4,286	Purchase of Land and Intangibles	4,357	13,452	209	16,810	9,623	3,000
111,322	**Investing Payments**	**92,786**	**98,439**	**6**	**66,139**	**108,793**	**113,710**
-111,322	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-92,752**	**-98,439**	**-6**	**-66,139**	**-108,793**	**-113,710**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
50,000	Proceeds from Borrowings	49,835	40,000	-20	5,000	145,000	40,000
50,000	**Financing Receipts**	**49,835**	**40,000**	**-20**	**5,000**	**145,000**	**40,000**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Payments						
6,322	Repayment of Borrowings	2,543	-4,286	-269	-3,899	96,518	-3,032
3,157	Repayment of Lease Liabilities - Principal	3,250	3,213	-1	3,271	3,330	3,389
38,039	Payment of Dividend	30,182	56,170	86	53,005	52,069	56,212
47,518	**Financing Payments**	**35,975**	**55,097**	**53**	**52,376**	**151,917**	**56,569**
2,482	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**13,860**	**-15,097**	**-209**	**-47,376**	**-6,917**	**-16,569**
-3,670	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**31,086**	**-7,636**	**-125**	**-13,260**	**167**	**-122**
49,036	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**49,036**	**80,122**	**63**	**72,486**	**59,225**	**59,392**
45,366	**CASH AT THE END OF REPORTING PERIOD**	**80,122**	**72,486**	**-10**	**59,225**	**59,392**	**59,270**

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the decrease of $2.004 million in the 2020-21 interim outcome from the original budget is due to alignment of the original budget with the appropriation bill.

- sales of goods and services from contracts with customers:

  - the decrease of $5.260 million in the 2020-21 interim outcome from the original budget is primarily due to lower consumption volumes related to high rainfall and low temperatures; and

  - the increase of $26.544 million in the 2021-22 Budget from the 2020-21 interim outcome is primarily due to a lifting of COVID-19 price freezes and an increase in water consumption in line with projected water sales.

- other revenue: the increase of $6.338 million in the 2020-21 interim outcome from the original budget is largely due the upward revaluation of an investment property.

- other gains:

  - the increase of $14.203 million in the 2020-21 interim outcome from the original budget is largely due to gifted assets received; and

  - the decrease of $11.563 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to gifted assets received.

- employee expenses: the decrease of $1.959 million in the 2020-21 interim outcome from the original budget relates to a combination of digital strategy implementation and timing of recruitment activities.

- supplies and services:

  - the decrease of $5.970 million in the 2020-21 interim outcome from the original budget is mainly due to timing of implementation of the digital strategy; and

  - the increase of $13.527 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to costs relating to digital strategy implementation, 2023-28 price review and sourcing strategy for corporate and customer services.

- cost of goods sold: the increase of $3.270 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to an increase in water consumption in line with projected water sales.

- borrowing costs: the increase of $6.004 million in the 2020-21 interim outcome from the original budget and the increase of $4.949 million in the 2021-22 Budget is mainly due to a higher interest expense on indexed bonds driven by higher Consumer Price Index.

- energy investments share of operating profits: the increase of $4.609 million in the 2020-21 interim outcome from the original budget and the increase of $35.554 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the effect of feed in tariff fluctuations.

- asset revaluation surplus: the decrease of $58.094 million in the 2020-21 interim outcome from the original budget is largely due to the revaluation of the energy investment.

Balance Sheet

- cash and cash equivalents: the increase of $34.756 million in the 2020-21 interim outcome from the original budget is mainly due to lower payments for property, plant and equipment and lower dividend payments.

- current receivables: the decrease of $3.807 million in the 2020-21 interim outcome from the original budget is largely due to lower water sales.

- non-current receivables:

  - the decrease of $1.554 million in the 2020-21 interim outcome from the original budget was due to a reduction in prepayments; and

  - the decrease of $1.232 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the amortisation of IT system upgrade expenses.

- energy investments:

  - the decrease of $77.937 million in the 2020-21 interim outcome from the original budget was mainly due to a revaluation of the energy investment; and

  - the increase of $24.093 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the higher share of operating profits mainly due to the effect of feed in tariff fluctuations.

- property, plant and equipment: the increase of $60.936 million in the 2020-21 interim outcome from the original budget is mainly due higher capitalisation of capital works in progress.

- investment properties: the increase of $6.750 million in the 2020-21 interim outcome from the original budget is due to the upward revaluation of an investment property.

- intangible assets: the increase of $7.088 million in 2021-22 Budget from the 2020-21 interim outcome largely relates to the digital strategy implementation and the sourcing strategy for corporate and customer services.

- capital works in progress: the decrease of $74.981 million in the 2020-21 interim outcome from the original budget is due to higher capitalisation of capital works in progress.

- income tax payable:

  - the decrease of $8.609 million in the 2020-21 interim outcome from the original budget is mainly due to higher tax payments made during the financial year; and

  - the increase of $4.972 million in the 2021-22 Budget from the 2020-21 interim outcome is due to an increase in operating result from ordinary activities.

- other current provisions: the increase of $7.122 million in the 2020-21 outcome from the original budget and the increase of $6.230 million in the 2021-22 Budget is mainly due to movements in the provision for the final dividend payable to the ACT Government.

- current contract liabilities: the increase of $2.098 million in the 2020-21 interim outcome from the original budget and the increase of $0.999 million in the 2021-22 Budget is mainly due to an increase in revenue received in advance relating to water and sewerage supply contracts.

- non-current contract liabilities: the increase of $1.940 million in the 2020-21 interim outcome from the original budget is mainly due to an increase in revenue received in advance relating to water and sewerage capital contributions.

Statement of Changes in Equity

- operating result for the period:

  - the increase of $13.088 million in the 2020-21 interim outcome from the original budget is mainly due to an increase in gifted asset revenues; and

  - the increase of $9.611 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to an increase in profit from the energy investment.

- asset revaluation reserve movement: the decrease of $58.094 million in the 2020-21 interim outcome from the original budget is largely due to the revaluation of the energy investment.

Cash Flow Statement

Variations in the Statement are explained in the notes above.

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT

The Independent Competition and Regulatory Commission (the Commission) is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act). The Commission is constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments. The current commissioner is Senior Commissioner Joe Dimasi who has direct responsibility for delivery of the outcomes that are foreshadowed in this Statement of Intent.

This Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996.*

The responsible Minister, Mr Andrew Barr MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Independent Competition and Regulatory Commission strategic and business planning processes.

The Independent Competition and Regulatory Commission 2021-22 Statement of Intent has been agreed between:

Joe Dimasi
Senior Commissioner

Andrew Barr MLA
Treasurer
17 September 2021

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION

Purpose

The Commission has responsibilities for a broad range of competition, regulation and consumer protection matters. The Commission is responsible under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act) for:

- regulating, and advising government about, pricing and other matters for monopoly, near-monopoly and ministerially declared regulated industries;
- providing advice on competitive neutrality complaints and government-regulated activities, and on other industry-related matters referred to the Commission; and
- arbitrating infrastructure access disputes under the ICRC Act.

The Commission's objectives are set out in sections 7 and 19L of the ICRC Act and section 3 of the *Utilities Act 2000* (Utilities Act). Those objectives are:

- promoting effective competition in the interests of consumers;
- facilitating an appropriate balance between efficiency, environmental and social considerations;
- ensuring non-discriminatory access to monopoly and near-monopoly infrastructure; and
- when making a price direction in a regulated industry, promoting the efficient investment in, and efficient operation and use of, regulated services for the long-term interests of consumers in relation to price, quality, safety, reliability and security of the service.

The Utilities Act provides for the licensing of electricity, natural gas, water, and sewerage utility services. In meeting its responsibilities under this legislation, the Commission's objectives are to:

- encourage the provision of safe, reliable, efficient and high-quality utility services at reasonable prices;
- minimise the potential for misuse of monopoly power and promote competition in the provision of utility services;
- encourage long term investment, growth and employment in utility services; and
- protect the interests of consumers.

Nature and scope of activities

Activities to meet legislated objectives

Water and sewerage services pricing arrangements

As a regulated industry under the ICRC Act, prices for water and sewerage services in the ACT are determined by the Commission or, if reviewed and determined by an Industry Panel, implemented by the Commission.

On 1 May 2018, the Commission released its final decision and price direction on the amount of revenue Icon Water can earn, and the prices it can charge, for regulated water and sewerage services over the period 1 July 2018 to 30 June 2023, subject to annual adjustments for pass-through events specified in the price direction.

In accordance with the price direction, the Commission has made annual adjustments to regulated water and sewerage services prices – for 2019-20 in late May 2019, for 2020-21 in late May 2020, and for 2021-22 in late May 2021.

Before the next water and sewerage services price investigation, the Commission is reviewing aspects of its pricing methodology to ensure it remains current and appropriate and provides incentives for Icon Water to operate efficiently. In August 2020, the Commission completed its review of incentive mechanisms. In April 2021, the Commission completed its review of its methodology for determining the regulated rate of return to ensure Icon Water receives an appropriate return on its prudent and efficient investments in infrastructure used for delivering water and sewerage services. In May 2021, the Commission started reviewing its model and methods for forecasting demand for water and sewerage services.

Retail electricity pricing arrangements

From 1 July 2012, some responsibilities for regulating retail electricity were transferred to the Australian Energy Regulator (AER) but responsibility for technical regulation, complaints handling, and retail electricity pricing remained with state and territory governments. Pursuant to ACT government policy and the regulated industry provisions in the ICRC Act, the Commission determines retail prices for the supply of electricity to small customers on standard retail contracts who consume less than 100MWh of electricity over any period of 12 consecutive months.

On 5 June 2020, the Commission released its final decision and price direction on the regulated retail electricity prices to apply from 1 July 2020 to 30 June 2024, subject to annual adjustments for pass-through events specified in the price direction. In making its decision, the Commission implemented improvements to its pricing model and methodology identified in the review completed in May 2019.

During the price investigation completed in June 2020, the Commission decided to review the approach (the 'form of price control') it uses to regulate retail electricity prices. The review examined the impacts of recent and ongoing changes in electricity markets to ensure the Commission's approach to setting regulated prices remains appropriate in the context of these changes. On 30 April 2021, the Commission released its final decision to revise the form of price control and apply the revised method from the next annual price adjustment.

In accordance with the price direction, the Commission announced the maximum allowed increase in average retail electricity prices for 2021-22 on 7 June 2021. In setting the price increase, the Commission applied the revised form of price control.

In the terms of reference for the price investigation completed in June 2020, the Treasurer asked the Commission to consider whether changes could be made in the Territory to promote improved transparency and comparability of electricity price offers. In response to the Treasurer's request, the Commission made two recommendations on improving the transparency and comparability of electricity price offers to help consumers choose an offer that better suits their individual circumstances and find savings on their bills.

On 22 February 2021, the Minister for Water, Energy and Emissions Reduction directed the Commission to create a clear advice entitlement and establish new regulatory obligations on electricity retailers by determining an industry code to: (a) compare the annual price of their offers to the reference bill to enable customers to more easily compare electricity offers; and (b) regularly notify their customers if they have a better offer and ask customers to contact them for information.

On 2 July 2021, the Commission released the ACT Retail Electricity (Transparency and Comparability) Code and final report, following extensive consultation with stakeholders. The Code takes effect from 1 October 2021, the same day as the ACT Government's reference price takes effect. There are transitional arrangements for retailers to fully implement the better offer obligation; these arrangements will reduce retailers' implementation costs.

Advice to government on industry-related matters

The Commission provides advice to the ACT Government on matters related to an industry or to industries in general under terms of reference given under the ICRC Act.

On 26 February 2021, the Treasurer asked the Commission to investigate Icon Water's prices and costs for supplying recycled water to high-intensity club users and provide advice to ensure that prices reflect costs. The Commission gave its report to the Under-Treasurer on 29 April 2021, as required by the Treasurer's request, to inform the ACT Government's review of non-potable water prices.

Competition policy

The Commission provides advice on competition policy matters as required by the ACT Government under the ICRC Act. The Commission also investigates and reports on competitive neutrality complaints as they are received, consistent with the National Competition Policy Agreements and the ACT Competitive Neutrality Policy.

On 20 December 2019, the Commission received a request from the Treasurer for advice to help ensure that the new crematorium facility to be built and operated by the ACT Public Cemeteries Authority (Canberra Cemeteries) operates in a manner consistent with competitive neutrality. The scope of work for the advice specified a two-stage process.

- In the first stage, the Commission developed detailed pricing principles to guide Canberra Cemeteries in developing a costing methodology and prices for the public crematorium services and products that will be consistent with the ACT Competitive Neutrality Policy. The Commission gave the final report to the Treasurer, Minister for City Services and Canberra Cemeteries on 29 May 2020.

- In the second stage, the Commission assessed Canberra Cemeteries' December 2020 pricing proposal, including its proposed costing methodology and prices, for compliance with the detailed pricing principles and more broadly with the Competitive Neutrality Policy. The Commission gave the report on its findings to the Treasurer, Minister for City Services and Canberra Cemeteries on 12 March 2021.

Utilities regulatory regime

The Commission has a statutory responsibility to ensure that licensed utilities authorised to provide services in the Territory comply with their obligations under the Utilities Act, licence conditions, and industry codes. The ACT licensing regime applies to electricity and gas transmission, distribution and connection services and water and sewerage services. The Commission assesses licence applications, maintains the licensing regime, and monitors and reports on licensed utilities' compliance with licence conditions.

The Commission regularly reviews and updates utility licences, codes and guidelines to ensure they remain appropriate, considering current and emerging consumer issues and utility industry developments.

- From 1 July 2020, a new consumer protection code that strengthens protections for utility consumers came into effect, following completion of the Commission's review of the code in December 2019. In May 2020, the Commission made consequential amendments to the consumer protection provisions of the Feed-in Tariff Code, which also came into effect from 1 July 2020.

- In February 2021, the Commission updated the utility licence terms and conditions to improve clarity, streamline reporting requirements, and reflect changes in the regulatory framework. The update reduces regulatory burden and ensures the regulatory regime remains current and continues to meet the objectives of the Utilities Act.

Under the industry code covering capital contributions for water and sewerage infrastructure upgrades, which took effect from 1 January 2018, the Commission reviews the contributions charge and associated infrastructure projects annually. The Commission also assesses any applications for approval of updates to the precinct map. In June each year since 2018, the Commission has approved precinct map updates and the level of the charge. The Commission also monitors the operation of the code.

As discussed under retail electricity pricing arrangements, the Commission has made a new ACT Retail Electricity (Transparency and Comparability) Code, which takes effect from

1 October 2021, in response to a direction by the Minister for Water, Energy and Emissions Reduction under the Utilities Act. The new code will make it easier for small customers to compare electricity offers and find an offer that could save them money off their bills.

Risks

Effective risk management is essential to achieving the Commission's purpose, satisfying stakeholder expectations, and ensuring compliance with legislation and regulations governing the Commission's operations.

The Commission has developed an organisational risk management plan and a risk register to identify and manage risks across the organisation. The risk register is reviewed and updated regularly. In addition, project-specific plans are developed, monitored and updated during each project. The Commission has identified three main areas of risk for achieving its objectives – operational, organisational and financial.

The Commission has strategies to manage the operational risks arising from the cyclical nature of its work. These include smoothing out, where possible, workload peaks and troughs to create a more stable workload and reduce pressure on staff, given the deadlines associated with the Commission's decision-making responsibilities. Operational risk is also managed by appropriate training and supervision of staff and adequate internal policies, processes and systems. External risks, such as non-performance under contracts, are managed through careful evaluation of risk factors and implementation of policies and procedures to manage those risks.

Over 2020-21, the Commission has continued to monitor the health and safety risks associated with the COVID pandemic, implemented suitable policies and processes to manage these risks, and activated its business continuity plan when required. These actions ensured the Commission continued to operate effectively and met all statutory deadlines while protecting the health and safety of its staff and stakeholders. In 2021-22, the Commission will continue to monitor the risks and implement appropriate risk management strategies.

Organisational risk arises from the complexity of the Commission's work and its small and specialised staff. The Commission faces the ongoing risk of loss of organisational capacity and corporate knowledge caused by challenges in attracting and retaining staff with the required specialised skills and experience. The Commission has strategies to manage organisational risk, including training and development of staff, provision of an attractive and rewarding working environment, effective records and knowledge management, and business continuity and project planning.

As a largely user-funded organisation, the Commission's financial risk mainly arises from inadequate cash reserves to meet the Commission's financial commitments. The Commission has appropriate risk management procedures to identify and manage financial risk, including actively monitoring credit risk in areas such as cash and other receivables appropriate to its nature, scale and size.

2021-22 priorities and next three financial years

The Commission's strategic and operational priorities for 2021-22 include:

Water and sewerage services pricing arrangements

- approving the annual adjustment to the regulated prices for water and sewerage services for 2022-23 in accordance with the price direction;
- completing the research and analysis for the review of the water demand forecasting model and methods before the next price investigation into regulated water and sewerage service prices;
- responding to any terms of reference from the ACT Government to undertake a pricing investigation to determine regulated water and sewerage service prices from 1 July 2023;

Retail electricity pricing arrangements

- approving the annual adjustment to the maximum average change in the price of electricity for small customers on standard retail contracts for 2022-23 in accordance with the price direction;
- developing guidelines to help retailers implement the new ACT Retail Electricity (Transparency and Comparability) Code effectively and monitoring compliance with the code, including the transitional arrangements for the better offer obligation;
- monitoring and analysing market developments, and regulatory developments in other jurisdictions, that have implications for effective retail electricity price regulation and competition in the ACT;

Utilities regulatory regime

- overseeing the regulatory regime established under the Utilities Act, including: licensing utilities operating in the ACT; monitoring and reporting on compliance with utility licence conditions, the consumer protection code and other industry codes; and assessing and reporting on the utilities' annual performance;
- recovering annual utility licence fees and administering the annual energy industry levy;
- reviewing the contributions charge and associated infrastructure projects under the industry code covering capital contributions for water and sewerage infrastructure upgrades, and assessing any applications for approval of updates to the precinct map;

Advice to government on industry-related matters and competition policy

- responding to any new terms of reference received from the ACT Government for advice on industry-related matters; and

- responding to the ACT Government's requirements for advice on competition policy matters and handling any competitive neutrality complaints received.

In the following three financial years, the Commission will continue to meet its obligations under its legislation, while being responsive to requests by the ACT Government for advice, emerging issues, and industry developments that have implications for its regulatory approaches. The strategic and operational issues for the following three financial years include:

Water and sewerage services pricing arrangements

- subject to receiving terms of reference from the ACT Government, completing a pricing investigation to determine regulated water and sewerage service prices to apply in the regulatory period from 1 July 2023;

Retail electricity pricing arrangements

- approving the annual adjustment to the maximum average change in the price of electricity for small customers on standard retail contracts for 2023-24 in accordance with the price direction;

- responding to any terms of reference issued by the ACT Government to undertake a pricing investigation to determine the price of electricity for small customers on standard retail contracts in the regulatory period from 1 July 2024;

- monitoring compliance with the new ACT Retail Electricity (Transparency and Comparability) Code effectively and the code, including retailers' full implementation of the better offer obligation from the transitional arrangements from 1 July 2022.

Utilities regulatory regime

- overseeing the regulatory regime established under the Utilities Act, including: licensing utilities operating in the ACT; monitoring and reporting on compliance with utility licence conditions, the consumer protection code and other industry codes; amending existing licences to take account of any legislative changes; developing and updating industry codes as required; and assessing and reporting on the utilities' annual performance;

- recovering annual utility licence fees and administering the annual energy industry levy;

- reviewing the contributions charge and associated infrastructure projects under the industry code covering capital contributions for water and sewerage infrastructure upgrades, and assessing any applications for approval of updates to the precinct map;

Advice to government on industry-related matters and competition policy

- responding to any terms of reference from the ACT Government for advice on industry-related matters; and

- responding to the ACT Government's requirements for advice on competition policy matters and handling any competitive neutrality complaints received.

Estimated employment level

Table 1: Estimated employment level[1]

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome [2]	2021-22 Estimate
Staffing (FTE)	11	11	9.5	10

Notes(s):

1. The Commission has worked to smooth out its cyclical work program to promote stability in its employment level.
2. Staff turnover was higher than expected in 2020-21.

Key performance indicators for 2021-22 to 2024-2025

Table 2: Key performance indicators for 2021-22, 2022-23, and 2023-24 to 2024-25

Item	Indicators		
	2021-22	**2022-23**	**2023-24 to 2024-25**
Water and sewerage services pricing	Annual price adjustment. Completion of review of water demand forecasting model and methods.	Price determination for regulatory period from 1 July 2023, subject to terms of reference from ACT Government.	Annual price adjustments, subject to making new price determination for regulatory period from 1 July 2023.
Retail electricity pricing	Annual price adjustment. Guidelines for ACT Retail Electricity (Transparency and Comparability) Code.	Annual price adjustment.	Price determination for regulatory period from 1 July 2024, subject to terms of reference from ACT Government. Annual price adjustment, subject to making new price determination for regulatory period from 1 July 2023.
Advice on industry-related matters or competition policy issues.	Subject to receipt of references.	Subject to receipt of references.	Subject to receipt of references.
Utilities compliance and performance monitoring	1 report.	1 report.	Annual reports.
Utility licence fees (water and sewerage services, and energy sector utilities not subject to energy industry levy)	Licence fees determination and collection.	Licence fees determination and collection.	Annual licence fee determinations and annual collection of licence fees.
Utility levies (energy sector)	4 determinations.	5 determinations.	4 determinations each year.
Industry code determinations	Determinations as required.	Determinations as required.	Determinations as required.
Capital Contributions Code (water and sewerage infrastructure upgrades)	1 annual review and 1 approval of precinct map update if required.	1 annual review and 1 approval of precinct map update if required.	2 annual reviews and 2 approvals of precinct map update if required.

Assessment of performance against 2020-21 indicators

The Commission's performance against the indicators for 2020-21 should be read in conjunction with the accompanying notes.

Table 3: Comparison of performance at 30 June 2021 and the Statement of Intent for 2020-21

Item	Indicators	Actual performance
Water and sewerage services pricing	Annual price adjustment. Review of incentive mechanisms.	Annual price adjustment. Review of incentive mechanisms. Review of regulated rate of return methodology.
Retail electricity pricing	Annual price adjustment. Review of the form of price control. Determination of reference bill.	Annual price adjustment. Review of the form of price control.
Public crematorium services—competitive neutrality assessment	1 draft findings report and 1 final report. 1 advice to Government.	1 draft findings report and 1 final report. 1 advice to Government.
Advice on any additional referred matters	1 advice on recycled water pricing.	1 advice on recycled water pricing.
Utilities compliance and performance monitoring	1 report.	1 report.
Utility licence fees (water, sewerage services, and energy sector utilities not subject to energy industry levy)	Licence fees determination and collection.	Licence fees determination and collection.
Utility levies (energy sector)	4 determinations.	4 determinations.
Industry code determinations	1 determination.	1 determination.
Capital Contributions Code (water and sewerage infrastructure upgrades)	1 annual review and 1 approval of precinct map update if required.	1 annual review and 1 approval of precinct map update.

Note(s):

1. In June 2018, the Commission committed to reviewing aspects of its pricing methodology for water and sewerage services pricing before the next water and sewerage services price investigation, to ensure its methodology remains current and appropriate and provides incentives for Icon Water to operate efficiently. The timing of when the reviews would be completed during the five-year regulatory period from 1 July 2018 was subject to the Commission's workload over the period, including the receipt of terms of references from the ACT Government.
2. After the Commission's Statement of Intent for 2020-21 was agreed, the ACT Government decided that the determination of the reference price for retail electricity price comparisons would be made by the Government.

Changes to Appropriation

Table 4: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**656**	**412**	**414**	**413**	**413**
2021-22 Budget Technical Adjustments					
Revised Indexation Parameters	0	8	8	13	20
Revised Superannuation Parameters	0	6	4	4	4
Revised parameters – Energy Industry Levy Appropriation	0	323	171	87	191
2021-22 Budget [1]	**656**	**749**	**597**	**517**	**628**

Note(s):

1. The increase of $0.093 million (14 per cent) in the 2021-22 Budget from the 2020-21 Outcome largely reflects the request for advice from the ACT Government on implementing measures for improving the transparency and comparability of retail electricity price offers.

Monitoring and reporting

The Commission will satisfy the requirements of the Chief Minister's Annual Reports Directions. The Commission's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The FMA authorises the Treasurer to obtain financial and other statements from the Commission for a stated period including annual, quarterly and monthly reporting.

Annual reporting

As part of preparations for end of year reporting, the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) will advise the dates when the following documents are required by the CMTEDD and the Auditor-General's Office.

- Certified financial statements.
- Management discussion and analysis.
- A full and accurate set of audited financial records for the preceding financial year in the form requested.
- Consolidation packs relating to the annual financial statements, draft and final.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited and subject to change at the time of preparing these budget statements.

Table 5: Independent Competition and Regulatory Commission: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome [1] $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
656	Controlled Recurrent Payments	656	749	14	597	517	628
906	Taxes, Licences, Fees and Fines	875	641	-27	433	541	554
743	Sale of Goods and Services from Contracts with Customers	140	283	102	865	683	-
18	Grants and Contributions	446	445	-	449	453	457
12	Investment Revenue	17	15	-12	15	15	15
-	Other Revenue	68	-	-100	-	-	-
2,335	**Total Revenue**	**2,202**	**2,133**	**-3**	**2,359**	**2,209**	**1,654**
	Expenses						
1,402	Employee Expenses	1,449	1,359	-6	1,420	1,458	1,494
189	Superannuation Expenses	196	189	-4	197	202	207
636	Supplies and Services	499	441	-12	609	417	419
2,227	**Total Expenses**	**2,144**	**1,989**	**-7**	**2,226**	**2,077**	**2,120**
108	**Operating Result**	**58**	**145**	**150**	**134**	**133**	**-465**

Note(s):

1. For the 2021-22 Statement of Intent, some revenue has been reclassified from 'Sales of Services from Contracts with Customers' to 'Grants and Contributions' after a review of revenue sources in 2020-21. This change was not reflected in the 2021 Original Budget and has been done to match the accounting treatment used in the Commission's 2020-21 annual report.

Table 6: Independent Competition and Regulatory Commission: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
1,988	Cash and Cash Equivalents	1,712	1,853	8	1,983	2,112	1,643
124	Receivables	162	181	12	200	219	238
2,112	**Total Current Assets**	**1,874**	**2,034**	**9**	**2,183**	**2,331**	**1,881**
2,112	**TOTAL ASSETS**	**1,874**	**2,034**	**9**	**2,183**	**2,331**	**1,881**
	Current Liabilities						
78	Payables	97	98	1	99	100	101
323	Employee Benefits	400	409	2	418	427	436
184	Other Liabilities	-	-	-	-	-	-
585	**Total Current Liabilities**	**497**	**507**	**2**	**517**	**527**	**537**
	Non Current Liabilities						
37	Employee Benefits	8	13	63	18	23	28
69	Other Liabilities	-	-	-	-	-	-
106	**Total Non Current Liabilities**	**8**	**13**	**63**	**18**	**23**	**28**
691	**TOTAL LIABILITIES**	**505**	**520**	**3**	**535**	**550**	**565**
1,421	**NET ASSETS**	**1,369**	**1,514**	**11**	**1,648**	**1,781**	**1,316**
	REPRESENTED BY FUNDS EMPLOYED						
1,421	Accumulated Funds	1,369	1,514	11	1,648	1,781	1,316
1,421	**TOTAL EQUITY**	**1,369**	**1,514**	**11**	**1,648**	**1,781**	**1,316**

Table 7: Independent Competition and Regulatory Commission: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
1,313	Opening Accumulated Funds	1,311	1,369	4	1,513	1,646	1,778
1,313	**Balance at the Start of the Reporting Period**	**1,313**	**1,369**	**4**	**1,513**	**1,646**	**1,778**
	Comprehensive Income						
108	Operating Result	58	144	148	133	132	-466
108	**Total Comprehensive Income**	**58**	**144**	**148**	**133**	**132**	**-466**
	Closing Equity						
1,421	Closing Accumulated Funds	1,369	1,513	11	1,648	1,781	1,316
1,421	**Balance at the end of the Reporting Period**	**1,369**	**1,513**	**11**	**1,648**	**1,781**	**1,316**

Table 8: Independent Competition and Regulatory Commission: Statement of Cash Flows

2021-22 Budget $'000		2020-21 Interim Outcome [1] $'000	2020-21 Budget $'000	Var %	2021-22 Estimate $'000	2022-23 Estimate $'000	2023-24 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
656	Controlled Recurrent Payments	656	749	14	597	517	628
1,153	Taxes, Licences, Fees and Fines	636	641	1	433	541	554
743	Sale of Goods and Services from Contracts with Customers	387	283	-27	865	683	-
12	Investment Receipts	17	15	-12	15	15	15
45	Other	509	477	-6	481	485	489
2,609	**Operating Receipts**	**2,205**	**2,165**	**-2**	**2,391**	**2,241**	**1,686**
	Payments						
1,408	Employee	1,390	1,363	-2	1,424	1,462	1,498
193	Superannuation	196	193	-2	201	206	211
658	Supplies and Services	458	468	2	636	444	446
-	Other	87	-	-100	-	-	-
2,259	**Operating Payments**	**2,131**	**2,024**	**-5**	**2,261**	**2,112**	**2,155**
350	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**74**	**141**	**91**	**130**	**129**	**469**
350	**NET INCREASE/(DECREASE) IN CASH HELD**	**74**	**141**	**91**	**130**	**129**	**469**
1,638	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**1,638**	**1,712**	**5**	**1,853**	**1,983**	**2,112**
1,988	**CASH AT THE END OF REPORTING PERIOD**	**1,712**	**1,853**	**8**	**1,983**	**2,112**	**1,643**

Note(s):

1. For the 2021-22 Statement of Intent, some receipts have been reclassified from 'Sales of Services from Contracts with Customers' to 'Grants and Contributions' after a review of revenue sources in 2020-21. This change was not reflected in the 2021 Original Budget and has been done to match the accounting treatment used in the Commission's 2020-21 annual report.

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of $0.093 million (14 per cent) in the 2021-22 Budget from the 2020-21 interim outcome reflects the ACT Government's request for advice on implementing measures to improve the transparency and comparability of retail electricity price offers, the Commission's review of the retail electricity form of control, and updates to energy utility licences.

- taxes, fees and fines: the decrease of $0.234 million (27 per cent) in the 2021-22 Budget from the 2020-21 interim outcome reflects reduced fees due to completion of two Commission reviews of its water pricing methodology in 2020-21.

- sales of goods and services from contracts with customers: the increase of $0.145 million (102 per cent) in the 2021-22 Budget from the 2020-21 interim outcome reflects the expected commencement in late 2021 of a pricing investigation to determine the regulated prices of water and sewerage services in the regulatory period from 1 July 2023.

Balance Sheet, Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

LIFETIME CARE AND SUPPORT FUND

Purpose

The Lifetime Care and Support Fund (LTCS fund) was established under the *Lifetime Care and Support (Catastrophic Injuries) Act 2014* (LTCS Act) and commenced operations on 1 July 2014. The LTCS Fund reflects the financial operations of the Lifetime Care and Support Scheme (LTCS Scheme).

The LTCS Scheme provides on-going treatment and care on a no-fault basis to people who have been catastrophically injured as a result of a motor accident in the Australian Capital Territory (ACT) or a workplace accident in the course of their private sector employment in the ACT.

The LTCS Scheme is funded by two levies: a levy on all Motor Accident Injuries (MAI) insurance policies and a levy on private sector workers' compensation insurers and self-insurers.

2021-22 Priorities

The LTCS fund will be pursuing a number of strategic and operational matters in 2021-22, including:

- issuing/amending guidelines and determinations when required under the LTCS Act;
- developing a framework for future funding requirements and levy setting;
- collecting feedback from participants on their expectations and experience with the LTCS Scheme; and
- undertaking investments in accordance with the Fund's Investment Strategy.

Estimated Employment Level

The functions of the LTCS Scheme are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The LTCS Fund reimburses CMTEDD for the salary and superannuation expenses associated with the staff allocated to carry out the LTCS Scheme's functions.

Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

Strategic Indicator 1: To achieve a long-term annualised return of CPI + 2.5 per cent to 3.5 per cent.[1]

Note(s):
1. The portfolio return is calculated as the annualised performance of each individual financial year return (net of CPI and fees).

Output Classes (Territorial)

EBT Class 1: Lifetime Care and Support Fund

Table 1: EBT Class 1: Lifetime Care and Support Fund

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost [1]	44,334	26,769
Payment for Expenses on Behalf of the Territory	0	0

Note(s):
1. Total cost includes nil depreciation and amortisation in 2020-21 and 2021-22.

EBT 1.1: Lifetime Care and Support Fund

The LTCS Fund reflects the operation of the LTCS Scheme to provide on-going treatment and care to people who have been catastrophically injured as a result of a motor accident in the ACT or workplace accident in the course of private sector employment in the ACT.

The key outputs to be delivered in 2020-21 include:

- deciding the eligibility of applicants to the LTCS Scheme in accordance with Part 4 of the LTCS Act and the LTCS Guidelines;
- assessing the treatment and care needs of participants in the LTCS Scheme in accordance with Part 5 of the LTCS Act;
- paying all reasonable expenses incurred by or on behalf of an injured person in relation to the injured person's assessed treatment and care needs in accordance with Part 6 and Part 9 of the LTCS Act;
- monitoring service delivery and participant outcomes, including collecting feedback from participants on their expectations and experience with the LTCS Scheme;
- developing a framework for future funding requirements and levy setting;

- undertaking investments in accordance with the Fund's Investment Strategy; and
- determining LTCS levies in accordance with Part 10 of the LTCS Act.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the draft 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

EBT Class 1: Lifetime Care and Support Fund

EBT 1.1: Lifetime Care and Support Fund

Table 2: Accountability Indicators EBT 1.1

	2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
Provision of LTCS Scheme in the ACT			
a. LTCS levies determined during the fourth quarter	2	2	2
b. Undertake an annual client feedback process	1	1	1

Note(s):

a. The levy determinations must be made in accordance with section 84 of the LTCS Act. The determinations need to occur during the fourth quarter of the financial year so that they are available for commencement of 1 July. The Levy determination for the 2021-22 contribution period for motor vehicles was notified on the Legislation Register on 17 May 2021 and for private workers' compensation insurers and self-insurers on 1 June 2021.

b. This indicator requires the LTCS Commissioner to seek formal feedback from scheme participants during the financial year. The focus and process for each year's feedback will be decided by the LTCS Commissioner. The survey for 2020-21 was undertaken in the second half of 2020-21 with the final report received in June 2021.

Financial Statements – Territorial

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 3: Lifetime Care and Support Fund: Statement of Income and Expenses on Behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
1,870	Investment Revenue	5,054	2,284	-55	2,914	3,368	3,865
15,308	Other Revenue	15,521	18,973	22	20,823	22,765	24,781
5,763	Gains on Investments	6,288	2,683	-57	3,440	3,982	4,573
22,941	**Total Revenue**	**26,863**	**23,940**	**-11**	**27,177**	**30,115**	**33,219**
	Expenses						
501	Supplies and Services	475	651	37	618	670	726
25,972	Other Expenses	43,859	26,118	-40	28,333	30,227	32,516
26,473	**Total Expenses**	**44,334**	**26,769**	**-40**	**28,951**	**30,897**	**33,242**
-3,532	**Operating Result**	**-17,471**	**-2,829**	**84**	**-1,774**	**-782**	**-23**
-3,532	**Total Comprehensive Income**	**-17,471**	**-2,829**	**84**	**-1,774**	**-782**	**-23**

Table 4: Lifetime Care and Support Fund: Statement of Assets and Liabilities on Behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
5,440	Cash and Cash Equivalents	6,049	6,849	13	7,756	8,714	9,961
1,873	Receivables	3,322	1,785	-46	2,043	2,270	2,511
600	Other Assets	200	600	200	600	600	600
7,913	**Total Current Assets**	**9,571**	**9,234**	**-4**	**10,399**	**11,584**	**13,072**
	Non Current Assets						
89,726	Investments	93,302	110,627	19	128,244	147,721	168,906
89,726	**Total Non Current Assets**	**93,302**	**110,627**	**19**	**128,244**	**147,721**	**168,906**
97,639	**TOTAL ASSETS**	**102,873**	**119,861**	**17**	**138,643**	**159,305**	**181,978**
	Current Liabilities						
1,534	Payables	1,138	1,822	60	2,090	2,338	2,603
5,971	Other Provisions	5,364	7,386	38	8,266	9,208	10,109
7,505	**Total Current Liabilities**	**6,502**	**9,208**	**42**	**10,356**	**11,546**	**12,712**
	Non Current Liabilities						
109,801	Other Provisions	129,977	147,088	13	166,496	186,750	208,280
109,801	**Total Non Current Liabilities**	**129,977**	**147,088**	**13**	**166,496**	**186,750**	**208,280**
117,306	**TOTAL LIABILITIES**	**136,479**	**156,296**	**15**	**176,852**	**198,296**	**220,992**
-19,667	**NET ASSETS**	**-33,606**	**-36,435**	**-8**	**-38,209**	**-38,991**	**-39,014**
	REPRESENTED BY FUNDS EMPLOYED						
-19,667	Accumulated Funds	-33,606	-36,435	-8	-38,209	-38,991	-39,014
-19,667	**TOTAL FUNDS EMPLOYED**	**-33,606**	**-36,435**	**-8**	**-38,209**	**-38,991**	**-39,014**

Table 5: Lifetime Care and Support Fund: Statement of Changes in Equity on Behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
-16,135	Opening	-16,135	-33,606	-108	-36,435	-38,209	-38,991
-16,135	**Balance at the Start of the Reporting Period**	**-16,135**	**-33,606**	**-108**	**-36,435**	**-38,209**	**-38,991**
	Comprehensive Incom						
-3,532	Operating Result	-17,471	-2,829	84	-1,774	-782	-23
-3,532	**Total Comprehensive Income**	**-17,471**	**-2,829**	**84**	**-1,774**	**-782**	**-23**
	Closing Equity						
-19,667	Closing Accumulated Funds	-33,606	-36,435	-8	-38,209	-38,991	-39,014
-19,667	**Balance at the end of the Reporting Period**	**-33,606**	**-36,435**	**-8**	**-38,209**	**-38,991**	**-39,014**

Table 6: Lifetime Care and Support Fund: Statement of Cash Flow on Behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
1,869	Investment Receipts	3,854	3,858	..	2,791	3,283	3,771
15,460	Other	15,827	18,935	20	20,688	22,624	24,634
17,329	**Operating Receipts**	**19,681**	**22,793**	**16**	**23,479**	**25,907**	**28,405**
	Payments						
491	Supplies and Services	454	637	40	616	669	724
5,446	Other	4,177	6,714	61	7,780	8,785	9,822
5,937	**Operating Payments**	**4,631**	**7,351**	**59**	**8,396**	**9,454**	**10,546**
11,392	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**15,050**	**15,442**	**3**	**15,083**	**16,453**	**17,859**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
11,451	Purchase of Investments	14,500	14,642	1	14,176	15,495	16,612
11,451	**Investing Payments**	**14,500**	**14,642**	**1**	**14,176**	**15,495**	**16,612**
-11,451	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-14,500**	**-14,642**	**-1**	**-14,176**	**-15,495**	**-16,612**
-59	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**	**550**	**800**	**45**	**907**	**958**	**1,247**
5,499	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**5,499**	**6,049**	**10**	**6,849**	**7,756**	**8,714**
5,440	**CASH AT THE END OF REPORTING PERIOD**	**6,049**	**6,849**	**13**	**7,756**	**8,714**	**9,961**

Notes to the Territorial Budget Statements

Significant variations are as follows:

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

- investment revenue: includes distributions from investments with the Territory Banking Account (TBA) and interest from cash at bank:

  - the increase of $3.184 million in the 2020-21 interim outcome from the original budget is mainly due to the higher distributions from investments with the TBA resulting from the strong performance of investments during the financial year; and

  - the decrease of $2.770 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the higher distributions from investments with the TBA associated with the strong performance of investments during 2020-21, the investment performance is estimated at benchmark level for 2021-22.

The 2021-22 Budget includes interest from cash at bank ($0.057 million).

- other revenue: is associated with the two LTCS levies - a levy relating to motor accident injuries and a levy relating to work injuries: the increase of $3.452 million in the 2021-22 Budget from the interim outcome is mainly due to the increase in the levies as determined by the Acting LTCS Commissioner.

  LTCS levies for 2021-22 were determined in the last quarter of 2020-21 by the Acting LTCS Commissioner in accordance with the recommendations made in an independent actuary's report. The LTCS levy relating to motor accident injuries for the 2021-22 contribution period is $45.70 (2020-21: $37.00) for a 12-month ACT MAI policy charged proportionately. The LTCS levy for vehicles registered under the ACT's Veteran, Vintage and Historic Registration Scheme, remains at 20% of the unrestricted LTCS levy. The LTCS levy relating to private sector work injuries for the 2021-22 contribution period is $4.6 million (2020-21: $3.8 million).

  Sufficiency of the LTCS Levies to fund the Scheme's estimated liabilities is reassessed before the start of a financial year by the LTCS Commissioner based on advice of an independent actuary.

- gains/losses on investments with the Territory Banking Account (TBA):

  - the increase of $0.525 million in the 2020-21 interim outcome from the original budget is mainly due to the strong performance of investments during the year (gains/losses on investments reflect the changes in the fair value of investments held with the TBA which fluctuates year on year depending on the performance of the investments in the market); and

  - the decrease of $3.605 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the strong performance of investments during 2020-21. The 2021-22 Budget anticipates investment performance at benchmark level.

- other expenses: are associated with the provision for estimated future treatment and care costs of LTCS Scheme participants based on actuarial projections and the unwinding of the discount rate associated with the estimation of the present value of those future costs.

  The 2021-22 Budget includes unwinding of discount expenses ($7.298 million) attributable to the change in liabilities as they become one year closer to payment:

  - the increase of $17.887 million in the 2020-21 interim outcome from the original budget is mainly due to the increase in provision for the new participants associated with the higher than estimated number of new participants and the higher than average cost for a number of the new participants entering the LTCS Scheme during 2020-21 (associated with their injury severity and younger age); and

  - the decrease of $17.741 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to an estimated lower number of new participants entering the LTSC Scheme in 2021-22 compared to the higher number of new participants that entered the Scheme in 2020-21.

    Volatility is expected each year regarding the number of new participants entering the LTCS Scheme and their estimated lifetime treatment and care expenses.

Statement of Assets and Liabilities on Behalf of the Territory

- cash and equivalents: the increase of $0.609 million in the 2020-21 interim outcome from the original budget and increase of $0.8 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly associated with maintaining sufficient cash balance to allow payment of all current liabilities when they fall due.

- receivables:

  - the increase of $1.449 million in the 2020-21 interim outcome from the original budget is mainly due to the higher receivable for distribution on investments held with the TBA for the quarter ended 30 June 2021 resulting from the strong performance of investments; and

  - the decrease of $1.537 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly associated with the higher receivable for distribution on investments held with the TBA for the quarter ended 30 June 2021, the investment performance is estimated at benchmark level for 2021-22.

- non current investments with the TBA:

  - the increase of $3.576 million in the 2020-21 interim outcome from the original budget is mainly due to the higher additional amount invested during 2020-21 resulting mainly from higher distributions from investments and lower participants' treatment and care payments; and

- the increase of $17.325 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the additional investment of collected funds to provide for estimated new participants. Funds are collected to provide for the estimated whole of life costs of participants in the year they are accepted into the Scheme.

- payables: the increase of $0.684 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the estimated increase in the accrued participants' treatment and care costs for the quarter ended 30 June 2022 compared to the amount for the quarter ended 30 June 2021 resulting largely from the estimated new participants entering the LTCS Scheme in 2021-22.

- other provisions:

  - the increase of $19.569 million 2020-21 interim outcome from the original budget is mainly due to the increase in provision for the new participants associated with the higher than estimated number of new participants and the higher than average cost for a number of the new participants entering the LTCS Scheme during 2020-21 (associated with their injury severity and younger age); and

  - the increase of $19.133 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the estimated lifetime costs of the estimated new participants entering the LTCS Scheme in 2021-22.

Statement of Changes in Equity and Statement of Cash Flow on Behalf of the Territory

Variations in these Statements are explained in the notes above.

MOTOR ACCIDENT INJURIES COMMISSION – STATEMENT OF INTENT

The Motor Accident Injuries Commission (MAI Commission) is a Territory Authority established under the *Motor Accident Injuries Act 2019* (MAI Act).

The Statement of Intent for 2021-22 has been prepared in accordance with section 61 of the *Financial Management Act 1996* (FMA).

The responsible Minister, Chris Steel MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the MAI Commission's strategic and planning processes.

The MAI Commission's 2021-22 Statement of Intent has been agreed between:

Andrew Barr MLA

Treasurer

Chris Steel MLA

Special Minister of State

Kim Salisbury

Acting Motor Accident Injuries Commissioner

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MOTOR ACCIDENT INJURIES COMMISSION

Introduction

The MAI Commission is a Territory authority established under the *Motor Accident Injuries Act 2019* (MAI Act). The MAI Commission started operations on the commencement of the MAI Act on 1 February 2020.

The MAI Commission replaced the ACT Compulsory Third-party Insurance (CTP) Regulator and the CTP Regulator's obligations for motor accidents that occurred before the new MAI Scheme commenced, are now the responsibility of the MAI Commission. These obligations include overseeing and monitoring the CTP regulation and procedures, as well as compliance with the *Road Transport (Third-Party Insurance) Act 2008* (CTP Act) until all remaining claims are finalised.

The Statement of Intent for the MAI Commission, including strategies, key performance indicators and priorities, has been developed by the MAI Commission in accordance with the FMA and the MAI Act.

Purpose

The MAI Commission is established by section 22 of the MAI Act and is headed by the MAI Commissioner.

The functions of the MAI Commission are more extensive than those of the previous CTP Regulator. They include functions such as providing information and assistance on the MAI Scheme, and a strengthened monitoring and regulatory role particularly in relation to the provision of defined benefits by insurers. The MAI Commission's functions are detailed in section 25 of the MAI Act. Its responsibilities include:

- regulating the licensing of insurers under the MAI Scheme;
- reviewing premiums to ensure they fully fund the present and likely future costs of the Scheme but are not excessive;
- monitoring insurers' compliance with their obligations under the Act;
- providing information to the public about the MAI Scheme;
- managing complaints about the market practices of licensed insurers and the handling practices of insurers under the MAI Scheme;
- issuing, monitoring and reviewing the MAI guidelines and other statutory instruments under the Act; and
- monitoring and advising the Minister about the administration, efficiency and effectiveness of the MAI Scheme.

The Commission does not have powers to change a decision of an insurer regarding a defined benefit application or a common law claim.

The functions of the MAI Commission are funded by a levy applied on every motor vehicle registration on a per annum basis.

Nature and scope of activities

General activities

MAI Scheme monitoring and insurer compliance

In order to monitor the operation of the MAI Scheme, the MAI Commission meets regularly with the Insurance Council of Australia, MAI insurers and the ACT Nominal Defendant to discuss:

- any post implementation matters of the new MAI Scheme;
- operational aspects of the MAI Scheme; and
- emerging issues, such as the potential for MAI schemes to cover personal injuries resulting from accidents involving autonomous vehicles.

The MAI Commission also intends to periodically meet with other scheme service providers such as the Defined Benefits Information Service provider, the ACT Civil and Administrative Tribunal and the legal profession.

In addition, the MAI Commission receives feedback from the community regarding the MAI Scheme through Access Canberra via email (address listed on the MAI Commission website at www.act.gov.au/maic), and through direct enquiries (both oral and written correspondence).

The MAI Commission monitors insurers' compliance with the legislation using multiple sources of information. Analysis of the applications and claims data provided by insurers is a key part of the MAI Commission's compliance activity, supplemented by systemic issues identified from meetings, feedback mechanisms and from complaints received. Given the scheme commenced in early 2020, the MAI Commission will continue to engage and educate insurers on any questions or issues of compliance that arise.

The MAI Commission also monitors the regulations and guidelines developed to support the scheme, including reviewing the documents in light of any feedback or issues raised with a view to providing clarification where necessary.

Defined Benefits Information Service and other activities

The Defined Benefits Information Service (DBIS) was established on 1 February 2020 and assists the public with information in relation to available benefits for injured people, the application process and how to navigate the scheme.

The DBIS is being run as a pilot, extended to April 2022, and is currently being provided by Care Inc, a Canberra based community organisation. The MAI Commission will review the pilot during the year.

The MAI Commission has developed a website (www.act.gov.au/maic) to provide information about the MAI Scheme, and intends to expand the content over time. The Commission has also been undertaking and will continue to undertake other outreach activities to inform the community and service providers about the new scheme.

Premiums and viability of the MAI Scheme

MAI premium filings are required to be submitted at least annually unless a longer period is permitted by the MAI Commission. A premium filing is a document provided by a licensed insurer to the MAI Commission containing a range of information in support of its annual MAI premiums. MAI premium filings lodged with the MAI Commission are reviewed by the scheme's actuary in accordance with the MAI Act and Premium Guidelines to ensure that the premium fully funds the insurer's present and likely future liability and is not excessive.

The MAI Commissioner approved the insurer MAI premiums to apply from 1 February 2021 on 30 November 2020. The MAI Commission publishes the applicable MAI premiums for all vehicle classes on the MAI Commission's website see www.act.gov.au/maic.

The MAI Commission will continue to regulate premiums charged by insurers for MAI policies, based on compliance with the Premium Guidelines and independent actuarial advice on whether a premium meets the fully funded and not excessive tests.

The MAI Commission also participates in the inter-directorate ACT Road Safety Executive Group that allows it to monitor and comment on aspects of road safety policy. This forum informs the MAI Commission about how to target funding for various road safety initiatives to promote public awareness of the causes of motor accidents, and ways of reducing and mitigating the impact of motor accidents. A reduction in accidents assists in lowering MAI premiums.

Maintaining claims statistics for the MAI Scheme

Due to the increased data collection and reporting requirements for the MAI Scheme compared to the Personal Injury Register used by the former CTP regulator, a new ICT system was implemented that incorporates both the CTP Scheme and the MAI Scheme data on a shared platform to provide enhanced and systematic data capture and reporting capabilities. It assists the Commission in monitoring compliance as well as analysing how the scheme is performing relative to its aims.

The data are collected from licensed insurers and the Nominal Defendant at regular intervals. It is intended that data will also be collected from lawyers who provide certain types of legal services in relation to the MAI Scheme.

The MAI Commission commenced the quarterly publishing of key MAI Scheme statistics (from the quarter ended 30 June 2020) on its website – see the Scheme Knowledge Centre at www.act.gov.au/maic.

Risks

Financial risks include adequacy of funding for the MAI Commission's activities. A levy of $16 per annum is collected from every motor vehicle registration to fund the MAI Commission. The MAI Commission's revenues are thus predominantly dependent upon the number of new registrations and registration renewals.

The MAI Commission has developed a risk management plan to identify and address risks and will review and update this plan as part of its ongoing business processes.

2021-22 priorities and next three financial years

Priorities in 2021-22 and over the next three financial years relate to the functions of the MAI Commission and include:

- issuing additional guidelines and regulations under the MAI Act, as required;
- updating forms for the MAI Scheme, as required;
- promoting and distributing information about the MAI Scheme, including via the MAI Commission website;
- assessing MAI premium filings and monitoring premium processes;
- maintaining an ICT system for the scheme's data requirements;
- monitoring the scheme's performance;
- reporting on the scheme's statistics; and
- contributing to targeted road safety initiatives that assist in reducing motor accidents and personal injuries, and mitigating their impact.

Estimated Employment Level

In accordance with section 24 of the MAI Act, the then responsible Minister, Andrew Barr MLA, appointed the Executive Branch Manager, Insurance Branch, Economic and Financial Group, Chief Minister, Treasury and Economic Development Directorate (CMTEDD) as MAI Commissioner for a period of five years effective from 17 September 2019. Roles and responsibilities of the MAI Commission are delegated by the MAI Commissioner to officers of CMTEDD. The MAI Commission does not employ any staff.

The Insurance Branch of the Economic and Financial Group provides a supporting role to the MAI Commission by providing a number of staff to carry out the Commission's functions. The MAI Commission reimburses the Insurance Branch for the salary and superannuation expenses associated with the staff allocated to carrying out the MAI Commission's functions.

Key performance indicators for 2021-22 to 2024-25

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the draft 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

Table 1: Key performance indicators

	2020-21	Planned			
	Interim Outcome	2021-22	2022-23	2023-24	2024-25
a. MAI Premiums are approved in accordance with the MAI Act [1]	All MAI premium filings submitted to the MAI Commissioner were reviewed and approved in accordance with the MAI Act [1]	Review annual MAI premium filings	Review annual MAI premium filings	Review annual MAI premium filings	Review annual MAI premium filings
b. The scheme is fully funded [2]	All premium filing applications received by the MAI Commission were reviewed by the scheme actuary by 30/6/2021 [2]	Actuarial review of premium filing applications by 30/06/2022	Actuarial review of premium filing applications by 30/06/2023	Actuarial review of premium filing applications by 30/06/2024	Actuarial review of premium filing applications by 30/06/2025
c. Promote public awareness of the new MAI Scheme [3]	As part of the media campaign flyers continued to be inserted into registration renewals until September 2020 [3]	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme
d. Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents [4]	The MAI Commission contributed $200,000 towards road safety strategies in 2020-21 [4]	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents

	2020-21	Planned			
	Interim Outcome	2021-22	2022-23	2023-24	2024-25
e. Reporting on the scheme's statistics [5]	The first report for the quarter ended 30 June 2020 was published on 31 August 2020, after the target of six weeks. Subsequent reports were published within target timeframes [5]	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website
f. Queries handling within 10 working days of receipt of the query [6]	100% compliance [6]	85% compliance	85% compliance	85% compliance	85% compliance
g. Complaints handling within 25 working days of receipt of the complaint [7]	Nil compliance [7]	85% compliance	85% compliance	85% compliance	85% compliance
h. Three-yearly review of the operation of the MAI Act in accordance with legislative timeframes (s493)	N/A	N/A	1	N/A	N/A

The above should be read in conjunction with the accompanying notes.

Note(s):

1. The de novo premium filings under the new MAI Scheme were formally received from AAMI, GIO, APIA and NRMA in November 2020 and took effect on 1 February 2021. In addition a partial premium filing was received from NRMA in January 2021 and took effect on 1 April 2021; a partial premium filing was received from GIO in February 2021 and took effect on 4 May 2021; and another partial premium filing was received from NRMA in April 2021 and took effect on 1 July 2021.
   A full de novo premium filing is one in which all evidence in support of a filed premium including assumptions and statistical data, are considered anew. All of the premium filings were assessed and approved in accordance with the MAI Act.
   - A premium filing is a report provided by a MAI insurer to the MAI Commissioner containing a range of information in support of its MAI premium submissions. Consistent with the MAI Act, each filing is assessed by the scheme actuary to ensure the MAI insurance scheme remains fully funded and that the premium is not excessive. The MAI Commissioner must then approve or reject the premium, and no later than six weeks after the day of receiving the premium application from the licensed insurer, advise the insurer about the decision and the reasons for the decision. Premiums can be rejected if they will not fully fund the present and likely future liabilities of the insurer; or the premiums are excessive; or the premium does not comply with the MAI premium guidelines.
2. An actuarial assessment was conducted in respect of each premium filing to ensure each met the fully funded test, that is, the premium met the present and likely future liabilities of the insurer under the MAI Scheme. Consistent with the streamlining arrangements, the MAI Commissioner approved partial premium filings if the change in premiums were within the permitted actuarially set bands, and were equal to or above the agreed minimum amount.
3. The communication campaign was implemented, with a radio and social media campaign completed in March 2020. Flyers continued to be inserted into registration renewals until September 2020.

4. The MAI Commission contributed $200,000 towards road safety strategies comprised of $20,000 for a speeding campaign; $30,000 for a drink driving campaign; $30,000 for a seat belt campaign and $120,000 for driver distraction campaign. The campaigns are targeted at supporting and promoting the prevention of motor accidents and the safe use of motor vehicles, with the aim of reducing the number and/or severity of injuries arising from these accidents (consistent with the pertinent MAI Commission's objective under the MAI Act).
5. The MAI Commission commenced reporting scheme statistics on a quarterly basis during 2020-21 with the first report published for the quarter ended 30 June 2020. Ensuring the design and usefulness of the information published and robustness of the data collected from a recently implemented ICT system meant it took longer than six weeks to publish the first report. It was published on 31 August 2020. Subsequent reports were published within six weeks after the end of each quarter. All scheme statistics reports are published on the MAI Commission website –see the Scheme Knowledge Centre at www.act.gov.au/maic.
6. Responses to queries directed to the MAI Commission within ten working days of receipt of the queries apply in cases where the MAI Commission does not need to liaise with another area of government or external entity. Queries do not include responses received as part of a consultation process. Also refers to written correspondence only, not phone calls. During 2020-21, all queries received by the MAI Commission were responded to within 10 working days of receipt.
7. Responses to complaints directed to the MAI Commission within twenty five working days of receipt of the complete complaint (e.g. when the person making the complaint has provided all the details of their complaint) as the MAI Commission will likely need to liaise with an external entity (e.g. an insurer). The MAI Commission can review the decision making process of an insurer but cannot change the insurer's actual decision. An injured person has review avenues under the MAI Scheme in relation to insurer decisions, such as requesting an internal review or lodging an external review application with the ACT Civil and Administrative Tribunal. Some complaints require longer timeframes due to the complexity of the matters raised, or where multiple issues are raised. During 2020-21 the MAI Commission received a number of complex complaints. Due to their complexity, the need for further information from parties, the Commission was not able to meet the 25 day timeframe.
   Complaints do not include responses received as part of a consultation process. Also refers to written correspondence only, not phone calls. This indicator does not apply to a complaint relating to multiple injured people as such complaints are likely to require more liaison with insurers or other service providers and take longer to finalise.

Assessment of performance against 2020-21 objectives

The MAI Commission's performance against its objectives and targets from 1 July 2020 to 30 June 2021 included in its 2020-21 Statement of Intent shows that the MAI Commission met its targets. Further non-financial and performance outcomes are detailed below.

- ***MAI Premiums are approved in accordance with the MAI Act***

  The MAI Commissioner is required to approve or reject a premium application under section 319 of the MAI Act. Under section 318, there are two key grounds on which the MAI Commissioner is permitted to reject a premium filing: the premiums applied for by MAI insurers are too low (the fully funded test); or are too high (the excessive premium test). Consistent with premium streamlining arrangements, the MAI Commissioner approved premium partial filings if the change in premiums was within the permitted set bands and above the agreed minimum amount.

  Premium filings for the MAI Scheme were assessed and approved in accordance with the Act, and were received from:

  - AAMI, APIA and GIO full de novo filings (received November 2020) and approved in November 2020 for MAI premiums commencing 1 February 2021;

  - NRMA full de novo filing (received November 2020) and approved in November 2020 for MAI premiums commencing 1 February 2021;

- NRMA partial filing (received January 2021) and approved in January 2021 for MAI premiums commencing 1 April 2021;

- GIO partial filing (received February 2021) and approved in March 2021 for MAI premiums commencing 4 May 2021; and

- NRMA partial filing (received April 2021) and approved in April 2021 for MAI premiums commencing 1 July 2021.

- ***The scheme is fully funded***

  All premium filings by licensed MAI insurers were reviewed by the Scheme Actuary to ensure they met the fully funded test. This ensures that the Scheme is able to pay out all present and future liabilities. The Scheme Actuary considered that all insurers' premiums met the fully funded test to 30 June 2021.

- ***Promote public awareness of the new MAI Scheme***

  The communication campaign was implemented, with a radio and social media campaign completed in March 2020. Flyers continued to be inserted into registration renewals until September 2020.

- ***Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents***

  The MAI Commission contributed $200,000 in 2020-21 towards road safety strategies associated with campaigns to support and promote the prevention of motor accidents and the safe use of motor vehicles, with the aim of reducing the number and/or severity of injuries arising from motor accidents (consistent with the relevant MAI Commission's objective under the MAI Act).

  The amount has been allocated to the following campaigns.

  - Driver Distraction - **$120,000**

  - Speeding – additional funding of **$20,000,** bringing the total funding provided for this campaign in last two financial years to $50,000

  - Drink Driving - additional funding of **$30,000,** bringing the total funding provided for this campaign in last two financial years to $70,000

  - Seatbelts - additional funding of **$30,000,** bringing the total funding provided for this campaign in last two financial years to $60,000

- ***Reporting on the Scheme's statistics***

  Each quarter report is published within six weeks after the end of each quarter on the MAI Commission website was not met. Ensuring the design and usefulness of the information published and robustness of the data collected from a recently implemented ICT system meant the first report took longer than 6 weeks after the end of quarter. The first report for the quarter ended 30 June 2020 was published on 31 August 2020. Subsequent reports were published within target timeframes.

- ***Queries handling within ten working days of receipt of the query***

  All queries received by the MAI Commission were responded to within ten working days of receipt.

- ***Complaints handling within 25 working days of receipt of the complaint***

  The MAI Commission received several complaints during the reporting period which were resolved in accordance with the complaints handling framework principles. The compliance indicator that 85% of complaints be responded to within 25 working days was not met as a result of the:

  - complexity of the issues raised and the number of sub-issues in each complaint;
  - need to seek clarification from complainants in relation to a number of issues; and
  - time required by the insurer to provide responses and clarify matters, including the need to undertake follow-up inquiries.

Monitoring and Reporting

The MAI Commission will satisfy the requirements of the Chief Minister's Annual Reports Directions.

The MAI Commission's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The FMA authorises the Treasurer to obtain financial and other statements from the MAI Commission for a stated period including annual, quarterly and monthly reporting.

Monthly reporting

The MAI Commission prepares monthly financial reports for internal scrutiny and management. These reports include tables and variance analysis for:

- an Operating Statement;
- a Balance Sheet; and
- a Cash Flow Statement.

Annual reporting

As part of preparations for end of year reporting CMTEDD will advise the dates when documents are required by the Audit Office and to CMTEDD. These reports include:

- certified financial statements;
- management discussion and analysis;
- a full and accurate set of audited financial records for the preceding financial year in the form requested; and
- consolidation packs relating to the annual financial statements, draft and final.

Financial arrangements

The MAI Commission is a self-funded statutory authority.

The Motor Accident Levy (MA Levy) of $16 per annum is payable in relation to MAI policies issued with effect from 1 February 2020, except for veteran, vintage and historic registration scheme vehicles that have a $4 levy per annum per MAI policy. The levy applies for a full year policy and is pro-rated for shorter registration periods.

This levy has been estimated to fully fund the MAI Commission.

Financial statements

The budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years commencing 2022-23 appear below. These general purpose financial statements include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity; and
- a Statement of Cash Flows.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 2: Motor Accident Injuries Commission: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
4,933	Taxes, Licences, Fees and Fines	5,065	5,033	-1	5,048	5,084	5,129
23	Interest	26	32	23	38	43	48
4,956	**Total Revenue**	**5,091**	**5,065**	**-1**	**5,086**	**5,127**	**5,177**
	Expenses						
2,480	Supplies and Services	1,763	3,196	81	3,184	3,192	3,312
504	Depreciation and Amortisation	514	588	14	588	588	482
1,156	Transfer Expenses	1,156	1,281	11	1,314	1,347	1,383
4,140	**Total Expenses**	**3,433**	**5,065**	**48**	**5,086**	**5,127**	**5,177**
816	**Operating Result**	**1,658**	**0**	**-100**	**0**	**0**	**0**
816	**Total Comprehensive Income**	**1,658**	**0**	**-100**	**0**	**0**	**0**

Table 3: Motor Accident Injuries Commission: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
2,387	Cash and Cash Equivalents	3,183	3,826	20	4,413	5,003	5,491
494	Receivables	489	489	-	489	489	489
2,881	**Total Current Assets**	**3,672**	**4,315**	**18**	**4,902**	**5,492**	**5,980**
	Non Current Assets						
2,124	Intangible Assets	2,320	1,732	-25	1,144	556	74
2,124	**Total Non Current Assets**	**2,320**	**1,732**	**-25**	**1,144**	**556**	**74**
5,005	**TOTAL ASSETS**	**5,992**	**6,047**	**1**	**6,046**	**6,048**	**6,054**
	Current Liabilities						
157	Payables	96	151	57	150	152	158
157	**Total Current Liabilities**	**96**	**151**	**57**	**150**	**152**	**158**
157	**TOTAL LIABILITIES**	**96**	**151**	**57**	**150**	**152**	**158**
4,848	**NET ASSETS**	**5,896**	**5,896**	**-**	**5,896**	**5,896**	**5,896**
	REPRESENTED BY FUNDS EMPLOYED						
4,848	Accumulated Funds	5,896	5,896	-	5,896	5,896	5,896
4,848	**TOTAL FUNDS EMPLOYED**	**5,896**	**5,896**	**-**	**5,896**	**5,896**	**5,896**

Table 4: Motor Accident Injuries Commission: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
3,607	Opening Accumulated Funds	3,607	5,896	63	5,896	5,896	5,896
3,607	**Balance at the Start of the Reporting Period**	**3,607**	**5,896**	**63**	**5,896**	**5,896**	**5,896**
	Comprehensive Income						
816	Operating Result	1,658	0	-100	0	0	0
816	**Total Comprehensive Income**	**1,658**	**0**	**-100**	**0**	**0**	**0**
425	Designated Equity Transfer of Assets/Liabilities	631	0	-100	0	0	0
	Closing Equity						
4,848	Closing Accumulated Funds	5,896	5,896	-	5,896	5,896	5,896
4,848	**Balance at the end of the Reporting Period**	**5,896**	**5,896**	**-**	**5,896**	**5,896**	**5,896**

Table 5: Motor Accident Injuries Commission: Statement of Cash Flow

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
4,933	Taxes, Licences, Fees and Fines	5,076	5,033	-1	5,048	5,084	5,129
23	Interest Received	26	32	23	38	43	48
0	Other	43	0	-100	0	0	0
4,956	**Operating Receipts**	**5,145**	**5,065**	**-2**	**5,086**	**5,127**	**5,177**
	Payments						
2,341	Supplies and Services	1,685	3,141	86	3,185	3,190	3,306
1,156	Transfer Expenses	1,156	1,281	11	1,314	1,347	1,383
0	Other	49	0	-100	0	0	0
3,497	**Operating Payments**	**2,890**	**4,422**	**53**	**4,499**	**4,537**	**4,689**
1,459	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**2,255**	**643**	**-71**	**587**	**590**	**488**
1,459	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**2,255**	**643**	**-71**	**587**	**590**	**488**
928	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**928**	**3,183**	**243**	**3,826**	**4,413**	**5,003**
2,387	**CASH AT THE END OF REPORTING PERIOD**	**3,183**	**3,826**	**20**	**4,413**	**5,003**	**5,491**

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- supplies and services:
  - the decrease of $0.717 million in the 2020-21 interim outcome from the original budget is mainly due to lower salary and associated expenses for the CMTEDD staff allocated to undertake the MAI Commission's functions resulting from lower than anticipated number of FTEs due to their timing and assignment, lower actuarial and consultant charges and contracts for services continuing to be refined, and lower support costs for the new ICT system mainly resulting from lower infrastructure costs; and
  - the increase of $1.433 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the lower expenses in 2020-21 explained above.

Balance Sheet Statement

- cash and cash equivalents:
  - the increase of $0.796 million in the 2020-21 interim outcome from the original budget is mainly due to lower than anticipated expense payments; and
  - the increase of $0.643 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly associated with the higher estimated levy collections compared to expenses in 2021-22. The cash at bank provides a buffer against variances in levy revenue and will assist the funding of future ICT requirements.

Statement of Changes in Equity and Statement of Cash Flow

Variations in these Statements are explained in the notes above.

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OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER – STATEMENT OF INTENT

The Office of the Work Health and Safety Commissioner (WorkSafe ACT) is a Territory Authority established under the *Work Health and Safety Act 2011*.

The Statement of Intent for 2021-22 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Mick Gentleman MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2021-22 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the WorkSafe ACT's strategic and business planning processes.

The WorkSafe ACT 2021-22 Statement of Intent has been agreed between:

Jacqueline Agius

Work Health and Safety Commissioner

Andrew Barr MLA

Treasurer

Mick Gentleman MLA

Minister for Industrial Relations and Workplace Safety

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OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER

Purpose

The Office of the Work Health and Safety Commissioner (WorkSafe ACT) was established on 1 July 2020. It is an independent prescribed Territory authority headed by the Work Health and Safety (WHS) Commissioner who is the Territory's regulator. It achieves its objectives through a combination of compliance and enforcement, awareness raising, education, inspection and investigation.

WorkSafe ACT has been operating independently for just over 12 months and during this time has implemented 22 of the 27 recommendations of the 2018 Independent Review of the ACT's work safety compliance infrastructure, policies and procedures (the 2018 Review). It will continue to work towards fully implementing the recommendations of the 2018 Review and ensure that the consequent improvements to governance, technology, compliance and enforcement are fully realised and effective. During this period WorkSafe ACT has also substantially increased its presence in the community through improvements to its website, targeted awareness raising and the implementation of compliance campaigns for both WHS and workers' compensation.

Regulation of the *Workers Compensation Act 1951* (WC Act) and *Labour Hire Licensing Act 2020* (LHL Act) is also the responsibility of WorkSafe ACT. In June 2020, the WC Act was amended to modernise the insurer and self-insurer provisions to align with a best practice licensing framework. The purpose of these amendments is to ensure injured workers have access to a consistent standard of service, regardless of whether their employer has a workers' compensation insurance policy or is self-insured.

Further amendments to the WC Act were also introduced to align the regulatory licensing functions with the new independent regulatory role of WorkSafe ACT. The WHS Commissioner (as the regulator) is now directly responsible for issuing and compliance oversight of licences for both approved insurer and self-insurer licences.

The LHL Act commenced in May 2020. The purpose of the LHL scheme is to encourage responsible practices in the ACT labour hire industry and to ensure labour hire businesses operating in the Territory meet their workplace obligations and responsibilities to their workers. The LHL scheme creates a framework intended to prevent and respond to non-compliance with workplace standards in the labour hire industry.

In accordance with the LHL Act, the WHS Commissioner is also the LHL Commissioner. As such, WorkSafe ACT is responsible for determining the suitability of provider applications for a licence as well as undertaking compliance and enforcement activities associated with the LHL scheme.

Nature and Scope of Activities

Identifying areas of focus in order to minimise harm, particularly in regard to compliance activities, is key to the success of the measures WorkSafe ACT is implementing. In addition to priorities set at the national level, WorkSafe ACT draws from compensation data and inspection intelligence to develop operational objectives appropriate to the local regulatory context. WHS compliance focus areas are selected following consideration of industry size and share, hazard and risk factors, data analysis, areas of previous or systemic non-compliance and may include large or small sample target areas regardless of the level of risk. This approach provides two streams of inspection activity comprising:

- targeted inspection programs which are planned through data-led analysis; and
- reactionary actions in response to emerging issues or incidents.

In 2021-22, WorkSafe ACT will target six industries in its planned WHS compliance inspection programs, covering:

- construction;
- retail, Accommodation & Food Services;
- health & Community Services;
- education & Training;
- administrative & Support Services; and
- manufacturing.

Risks

In relation to the delivery of WorkSafe ACT's objectives, the following risks and risk mitigations have been identified.

- Inadequate internal change management processes – mitigated through appropriate and effective planning and consultation.
- Poor stakeholder management leading to lack of engagement from influential workplace parties including industry, government and unions – mitigated through systematic and planned stakeholder engagement.
- Lack of appropriate governance – mitigated through the implementation of a strong Governance Framework, internal audit and continuous improvements to business processes, practices and systems.
- Identified capability gaps are not addressed – mitigated by the development and implementation of a capability framework and an associated investment in capability.

- Inadequate information management and the failure to effectively use data to inform better practice – mitigated through ongoing investment in business systems and processes to embed contemporary technologies and practices that support the use of data to improve the quality of analysis.
- WorkSafe ACT failing to meet the expectations of the Minister provided in the annual Statement of Expectations – mitigated through regular meetings with the Minister and the monitoring of response timeframes and the allocation of dedicated resources to effectively manage business requirements.

2021-22 Priorities and Next Three Financial Years

2021-22 Priorities

In accordance with the *WHS Act*, the WHS Commissioner is required to prepare a Statement of Operational Intent in response to the Minister's Statement of Expectations. The Statement of Expectations for 2021-22, received by the WHS Commissioner on 27 July 2021 sets out the priorities which the Minister expects WorkSafe ACT to action. In summary these priorities are:

- addressing present and emerging WHS risks including:
    - psychosocial hazards in the workplace;
    - silica dust exposure; and
    - the impacts of climate change.
- actively implementing the National Principles to Support Families following an Industrial Death published by Safe Work Australia (SWA);
- continued focus on improving the safety culture of the Construction industry;
- continuing to improve the operational effectiveness of WorkSafe ACT, including implementation of the 2018 Independent Review recommendations; and
- engagement with the WHS Council.

These priorities will be progressed in the context of meeting the outcomes of *WorkSafe ACT's Strategic Plan 2020-2024*. The plan includes four high-level strategies that underpin WorkSafe ACT's activities and assists in achieving outcomes:

- ensuring fair and firm enforcement against non-compliance;
- minimising physical and psychological harm and improving WHS practice and culture;
- engaging with stakeholders to better understand and respond to current and emerging WHS issues; and
- creating an exemplary regulator.

Across its range of responsibilities, WorkSafe ACT's focus areas for 2021-2022 include the following:

- **Addressing psychosocial hazards** – WorkSafe ACT will continue to increase its capability and tools to address psychosocial hazards, including specialised training of inspectors along with the deployment of additional resources. Engagement with industry and social partners to understand barriers, enablers and opportunities will inform WorkSafe's regulatory response to psychosocial hazards the workplace, combined with a high-level review of ACT psychosocial hazards at work incidents. Based on the evidence collected, WorkSafe ACT will develop and release a psychosocial strategy to guide the

work in this area, including the prevention of sexual harassment and the prevention of work-related violence.

In addition, the People at Work (PAW) tool will continue to be promoted for persons conducting a business or undertaking (PCBU) to assess workplace psychological risks using an evidence-based psychosocial survey.

- **Preventing silica dust exposure in the workplace** – As an emerging WHS risk, silicosis is a preventable disease with the potential to affect many workers and their families. WorkSafe ACT will prioritise its regulatory response of enforcing compliance with the silica dust exposure standard. This includes working with industry representatives to provide education and undertaking compliance and enforcement actions to ensure all workers in the manufacturing and construction industries with a risk of exposure to respirable crystalline silica are protected.

- **Ensuring that all workers and workplaces across the Territory are safe and healthy** – WorkSafe ACT is committed to preventing injury and traumatic fatality and during 2021-2022 will develop and begin implementing a range of strategies to support compliance with relevant legislation. These strategies and awareness campaigns will include:

  - a young workers' strategy, including addressing the health and safety of apprentices;
  - a strategy to prevent Musculoskeletal Disorders;
  - an occupational lung diseases strategy;
  - a lead risk awareness campaign; and
  - an hazardous chemicals awareness strategy.

- **Addressing work related impacts of climate change** – In response to recommendations from the WHS Council, through its Extreme Weather Conditions Advisory Committee, WorkSafe ACT will develop guidance material for air quality, working in weather and extreme heat risks to improve industry capability to manage these issues in the workplace.

- **Supporting the families of those killed or seriously injured at work** – SWA's *National Principles to Support Families following an Industrial Death* provide a high-level framework to guide WHS regulators in implementing family-centred policies and practices to support families impacted by an industrial death or serious injury. WorkSafe ACT will actively implement the National Principles during 2021-2022.

- **Continuing to work to improve the safety culture in the construction industry** – The safety culture in the construction industry remains inconsistent creating a high-risk working environment for its workers. Economic indicators highlight a significant rise in residential construction activity in the 2021-22 period, with residential dwellings approvals in March 2021 increasing by 121.1 per cent over the same time last year, March 2020. WorkSafe ACT will maintain its strong and ongoing focus to improve compliance and safety standards across both residential and commercial sectors through specific strategies for each segment of this industry, along with continued engagement with stakeholders and social partners to provide appropriate information and guidance materials.

- **Improving the operational efficiency of WorkSafe ACT** – WorkSafe ACT will remain focused on ensuring improvements to its governance and operations continue to build on the recommendations of the 2018 Review. During 2021-22, WorkSafe ACT will commence the implementation of the remaining recommendations from the 2018 Independent Review which focus on capability development.

An internal audit function will be established as a critical part of WorkSafe's corporate governance. The internal audit function will be used to test management and internal controls and provide assurance that they are fit for purpose, ensuring WorkSafe's business activities are conducted in accordance with the proper legislative, regulatory and policy framework.

- **Engaging with the WHS Council** – The WHS Council is a statutory body that provides advice to the Government and Minister on WHS and workers' compensation matters across the Territory. As an ex-officio member of the WHS Council, the WHS Commissioner will continue to participate in WHS Council meetings and collaborate with its members as set out in the WHS Act.

- **Implementing the Territory's labour hire licensing scheme** – WorkSafe will ensure responsible practices in the ACT labour hire industry through a combination of information and the active monitoring of compliance and enforcement when the scheme fully commences in November 2021.

- **Ensuring compliance with the WC Act** – In addition to carrying out compliance campaigns across a range of ACT businesses, WorkSafe ACT will develop and publish a workers' compensation compliance and enforcement policy during 2021-2022.

Next Three Financial Years

WorkSafe ACT's vision is aligned with the *Australian Work Health and Safety Strategy 2012-2022*, with strategic priorities focussed on ensuring all workers in the Territory have healthy, safe and productive working lives, regardless of their status or employment arrangements.

Over the 2020-2024 period, WorkSafe ACT will implement the strategies in its Strategic Plan. The activities that WorkSafe ACT will undertake each year to support these strategies are outlined in its Statement of Operational Intent, prepared annually in response to the Minister's Statement of Expectations. These documents are notifiable instruments and are available on the WorkSafe ACT website.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2019-20 Actual Outcome	2020-21 Budget	2020-21 Interim Outcome	2021-22 Budget
Staffing (FTE)	0	53	57.6	62

Table 2: 2021-22 Employment Profile

Classification	Male [1]	Female [1]	Total [1]
Executive	0	2	2
SOGA	1	1	2
SOGB	3	3	6
SOGC	6	6	12
WCO6	16	5	21
WCO5	2	3	5
ASO6	1	5	6
ASO5	1	3	4
ASO4	1	2	3
ASO3	1	0	1
Total	**32**	**30**	**62**

Note(s):

1. Figures in the table are the number of Full Time Equivalent (FTE) staff.

Strategic Objectives and Indicators

The Australian Strategy sets out three national targets to be achieved by 2022. These targets have been adopted by WorkSafe ACT:

- A reduction in the number of worker fatalities due to injury of at least 20 per cent.
- A reduction in the incidence rate of claims resulting in one or more weeks off work of at least 30 per cent.
- A reduction in the incidence rate of claims for musculoskeletal disorders resulting in one or more weeks off work of at least 30 per cent.

The performance of the ACT is reported in the *Comparative Performance Monitoring Report* produced by SWA and published annually on its website.

Output Classes

Output Class 1 (Output 1.1): Worksafe ACT

Table 3: Output Class 1 (Output 1.1): Regulatory compliance and enforcement

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	8,911	11,700
Controlled Recurrent Payments	7,948	9,427

Output 1.1: Regulatory compliance and enforcement

The aim of WorkSafe ACT's WHS and dangerous substances compliance and enforcement activity is to prevent work-related deaths, injuries and diseases and to protect property and the environment from the damage presented by hazards associated with dangerous substances by securing the highest possible level of compliance with legislation.

WorkSafe ACT's approach to compliance monitoring and enforcement for WHS and dangerous substances is detailed in its *Compliance and Enforcement Policy 2020-2024*. WorkSafe ACT determines the most appropriate tool to be used in accordance with the policy's decision-making process. The use of these tools promotes and secures compliance with the legislation by ensuring:

- duty holders eliminate or minimise exposure to the risk of illness and injury;
- duty holders who contravene WHS or dangerous substances requirements are held to account; and
- officers [1] of a PCBU exercise due diligence to ensure the PCBU is complying with any relevant duties.

Integral to WorkSafe ACT's approach is the recognition that:

- duty holders in control of work or premises that generate WHS risks are in the best position to eliminate or minimise exposure to those risks; and
- real and sustainable improvement in WHS and dangerous substances management and control is primarily achieved by the active involvement of all duty holders in hazard identification, management, and elimination or minimisation of risk.

It is essential that employers hold appropriate workers' compensation policies and labour hire licences for their workplace. During 2021-2022, WorkSafe ACT will develop two new compliance and enforcement policies to frame and clearly communicate its approach to regulating workers' compensation and labour hire licensing.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the draft 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

Output Class 1: Worksafe ACT

Output 1.1: Regulatory compliance and enforcement

Table 4: Accountability Indicators Output 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Number of 2018 independent review recommendations implemented [1]	20 out of 27	22 out of 27	25 out of 27
b.	WHS compliance activities in line with Compliance and Enforcement Policy: education and improvement, prevention, enforcement [2]	Ratio: 65:25:10	Ratio: 76:19:5	Ratio: 65:25:10
c.	Compliance rate during workers' compensation inspections [3]	90%	90%	90%
d.	Compliance rate during inspections of labour hire providers and hosts are appropriately licensed and compliant with the licence conditions [4]	n/a	n/a	90%
e.	Investigations commenced within 14 days of notification of incident [5]	100%	99.5%	100%
f.	Major investigations completed within 12 months of commencing investigation, with the exception of fatalities [6]	60%	70%	60%
g.	All EU sanctioned entities meet EU obligations for the financial year [7]	100%	100%	100%
h.	Media engagement to improve awareness[8]	20 interviews	41 interviews	100%

Note(s):

1. The 2018 Independent review of the ACT's work safety compliance infrastructure, policies and procedures by the Nous Group offered recommendations for improving ACT's work health and safety (WHS) compliance and enforcement arrangements. The phased implementation of recommendations is being overseen by the WHS Council and will continue into the next financial year. This indicator is considered complete when all 27 recommendations have been implemented.
2. This indicator sets a ratio for the activities which WorkSafe ACT employs to achieve its goal of preventing work-related deaths, injuries and diseases and protecting property and the environment. Education activities principally involve the issuing of improvement notices. Prevention activities involve the issuing of prohibition notices, along with proactive audits and targeted campaigns. Enforcement activities include the issuing of infringement notices and other sanctions.
3. Rates of compliance are assessed against a predetermined set of criteria relating to the responsibility to hold a workers' compensation insurance policy.
4. New accountability indicator. Rates of compliance are assessed against predetermined set of criteria relating to the responsibility to hold a labour hire licence as well as host employers only using licensed providers.
5. This accountability indicator measures the percentage of investigations opened within 14 days of WorkSafe ACT being notified of a serious WHS incident within WorkSafe's jurisdiction which the Regulator considers requires investigation.
6. This accountability indicator measures the percentage of major investigations completed (referred for enforcement/regulatory action) within 12 months of the investigation's commencement. The major investigations relevant to this indicator are those completed (not commenced) in a financial year.
7. This accountability indicator concerns ongoing enforceable undertakings (EUs) in a financial year. WorkSafe ACT monitors compliance of EU-sanctioned entities with their EU obligations.
8. This accountability indicator measures coverage because of media releases.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**8,028**	**8,517**	**8,628**	**8,744**	**8,721**
2021-22 Budget Policy Decisions					
Improve Operational Efficiency and Effectiveness	0	929	1,989	2,965	3,001
Funding to Public Sector Standards ommissioner Function Effectiveness	0	-6	-6	-7	-7
2021-22 Budget Technical Adjustments					
Revised Funding Profile - Labour Hire Licensing Awareness Campaign Rollover	-25	25	0	0	0
Revised Indexation Parameters	0	16	29	38	140
Revised Superannuation Parameters	0	388	385	384	385
Shared Services - Cost Model Review		-13	-31	-42	-44
Transfer - Healthier Work function to CMTEDD	0	-429	-435	-443	-451
Undrawn Funds	-55	0	0	0	0
2021-22 Budget	**7,948**	**9,427**	**10,559**	**11,639**	**11,745**

Table 6: Changes to appropriation – Capital Injections, Controlled

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**400**	**0**	**0**	**0**	**0**
2021-22 Budget Policy Decisions					
Improve Operational Efficiency and Effectiveness	0	350	0	0	0
2021-22 Budget Technical Adjustments					
Accrued Employee Entitlements	141	0	0	0	0
2021-22 Budget	**541**	**350**	**0**	**0**	**0**

Monitoring and Reporting

WorkSafe ACT shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The WorkSafe's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from Worksafe ACT for a stated period including annual reporting.

Quarterly Reporting

To enable consolidated whole of Government reporting requirements to be met on a quarterly basis, WorkSafe ACT will ensure the availability to the Treasurer, through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) (by the eighth working day of each quarter, unless otherwise indicated), information, in the prescribed form and detail, in respect of the previous quarter:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by WorkSafe ACT;
- Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter); and
- Management Discussion and Analysis of results to date, forecast results and related issues that may impact on the financial condition of WorkSafe ACT (by the tenth working day of each quarter).

Annual Reporting

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required at the CMTEDD and at the Auditor-General's Office.

- Certified financial statements.
- Management discussion and analysis.
- A full and accurate set of audited financial records for the preceding financial year in the form requested.
- Consolidation packs relating to the annual financial statements, draft and final.

Financial Arrangements

A majority of WorkSafe ACT's budgeted operating revenue is received as an appropriation based on the estimated expenditure for the period.

Financial Statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years commencing 2022-23 appear below. These general purpose financial statements include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Statement of Cash Flow; and
- notes to the Financial Statements as appropriate including variations from the 2020-21 Budget to the 2020-21 interim outcome and variances from the 2020-21 interim outcome to the 2021-22 Budget that are in excess of $0.250 million and 5 per cent.

Financial Statements

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 7: Office of the Work Health and Safety Commissioner: Operating Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Income						
	Revenue						
8,028	Controlled Recurrent Payment	7,948	9,427	19	10,559	11,639	11,745
400	License Fees and Fines	446	1,812	306	1,847	1,878	1,976
299	Sale of Goods and Services from Contracts with Customers	327	261	-20	36	37	38
110	Grants and Contributions	542	131	-76	152	166	167
0	Other Revenue	62	0	-100	0	0	0
8,837	**Total Revenue**	**9,325**	**11,631**	**25**	**12,594**	**13,720**	**13,926**
	Gains						
0	Other Gains	13	0	-100	0	0	0
0	**Total Gains**	**13**	**0**	**-100**	**0**	**0**	**0**
8,837	**Total Income**	**9,338**	**11,631**	**25**	**12,594**	**13,720**	**13,926**
	Expenses						
5,993	Employee Expenses	6,420	6,684	4	7,418	8,019	8,122
639	Superannuation Expenses	888	1,101	24	1,181	1,245	1,257
1,884	Supplies and Services	1,186	2,077	75	2,218	2,641	2,660
0	Depreciation and Amortisation	137	166	21	150	150	150
0	Other Expenses	33	0	-100	0	0	0
400	Transfer Expenses	247	1,672	577	1,680	1,720	1,794
8,916	**Total Expenses**	**8,911**	**11,700**	**31**	**12,647**	**13,775**	**13,983**
-79	**Operating Result**	**427**	**-69**	**-116**	**-53**	**-55**	**-57**
-79	**Total Comprehensive Income**	**427**	**-69**	**-116**	**-53**	**-55**	**-57**

Table 8: Office of the Work Health and Safety Commissioner: Balance Sheet

Budget at 30/6/21 $'000		Interim Outcome at 30/06/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
0	Cash and Cash Equivalents	1,666	377	-77	510	642	773
0	Receivables	385	587	52	640	694	749
0	**Total Current Assets**	**2,051**	**964**	**-53**	**1,150**	**1,336**	**1,522**
	Non Current Assets						
305	Property, Plant and Equipment	204	118	-42	118	118	118
400	Intangible Assets	453	723	60	573	423	273
705	**Total Non Current Assets**	**657**	**841**	**28**	**691**	**541**	**391**
705	**TOTAL ASSETS**	**2,708**	**1,805**	**-33**	**1,841**	**1,877**	**1,913**
	Current Liabilities						
17	Payables	1,530	293	-81	293	293	293
86	Lease Liabilities	72	72	-	72	72	72
1,930	Employee Benefits	1,749	1,807	3	1,896	1,987	2,080
2,033	**Total Current Liabilities**	**3,351**	**2,172**	**-35**	**2,261**	**2,352**	**2,445**
	Non Current Liabilities						
164	Lease Liabilities	122	122	-	122	122	122
56	Employee Benefits	145	140	-3	140	140	140
220	**Non-Current Liabilities**	**267**	**262**	**-2**	**262**	**262**	**262**
2,253	**TOTAL LIABILITIES**	**3,618**	**2,434**	**-33**	**2,523**	**2,614**	**2,707**
-1,548	**NET ASSETS**	**-910**	**-629**	**31**	**-682**	**-737**	**-794**
-1,548	Accumulated Funds	-910	-629	31	-682	-737	-794
-1,548	**TOTAL FUNDS EMPLOYED**	**-910**	**-629**	**31**	**-682**	**-737**	**-794**

Table 9: Office of the Work Health and Safety Commissioner: Statement of Changes in Equity

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
0	Opening Accumulated Funds	0	-910	#	-629	-682	-737
0	**Balance at the Start of the Reporting Period**	**0**	**-910**	**#**	**-629**	**-682**	**-737**
	Comprehensive Income						
-79	Operating Result	427	-69	-116	-53	-55	-57
-79	**Total Comprehensive Income**	**427**	**-69**	**-116**	**-53**	**-55**	**-57**
	Transactions Involving Owners Affecting Accumulated Funds						
400	Capital Injections	541	350	-35	0	0	0
-1,869	Inc/Dec in Net Assets due to Admin Restructure	-1,878	0	100	0	0	0
-1,469	**Total Transactions Involving Owners Affecting Accumulated Funds**	**-1,337**	**350**	**126**	**0**	**0**	**0**
	Closing Equity						
-1,548	Closing Accumulated Funds	-910	-629	31	-682	-737	-794
-1,548	**Balance at the end of the Reporting Period**	**-910**	**-629**	**31**	**-682**	**-737**	**-794**

Table 10: Office of the Work Health and Safety Commissioner: Cash Flow Statement

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
8,028	Controlled Recurrent Payment	7,948	9,427	19	10,559	11,639	11,745
400	Licence Fees and Fines	273	1,662	509	1,847	1,878	1,976
299	Sale of Goods and Services from Contracts with Customers	201	261	30	36	37	38
0	Other	7,070	155	-98	158	161	164
0	Grants and Contributions	432	0	-100	0	0	0
8,727	**Operating Receipts**	**15,924**	**11,505**	**-28**	**12,600**	**13,715**	**13,923**
	Payments						
5,914	Employee	5,678	6,632	17	7,331	7,931	8,031
639	Superannuation	721	1,101	53	1,182	1,246	1,258
1,774	Supplies and Services	473	3,182	574	2,063	2,471	2,490
400	Transfer of Territory Receipts to the ACT Government	247	1,672	577	1,680	1,720	1,794
0	Other	7,095	207	-97	211	215	219
8,727	**Operating Payments**	**14,214**	**12,794**	**-10**	**12,467**	**13,583**	**13,792**
0	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**1,710**	**-1,289**	**-175**	**133**	**132**	**131**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale of Property, Plant and Equipment	13	0	-100	0	0	0
0	**Investing Receipts**	**13**	**0**	**-100**	**0**	**0**	**0**
	Payments						
400	Purchase of Property, Plant and Equipment	502	350	-30	0	0	0
400	**Investing Payments**	**502**	**350**	**-30**	**0**	**0**	**0**
-400	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-489**	**-350**	**28**	**0**	**0**	**0**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
400	Capital Injections	541	350	-35	0	0	0
400	**Financing Receipts**	**541**	**350**	**-35**	**0**	**0**	**0**
	Payments						
0	Repayment of Lease Liabilities - Principal	96	0	-100	0	0	0
0	**Financing Payments**	**96**	**0**	**-100**	**0**	**0**	**0**
400	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**445**	**350**	**-21**	**0**	**0**	**0**
0	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**1,666**	**-1,289**	**-177**	**133**	**132**	**131**
0	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**0**	**1,666**	**#**	**377**	**510**	**642**
0	**CASH AT THE END OF REPORTING PERIOD**	**1,666**	**377**	**-77**	**510**	**642**	**773**

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled Recurrent Payment: the increase of $1.479 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to the impact of the new initiative to increase the operational capability of WorkSafe ACT to ensure compliance with WHS regulations across the Territory.

- licence Fees and Fines: the increase of $1.366 million in the 2021-22 Budget from the 2020-21 interim outcome mainly reflects the forecast of a higher volume of applications for labour hire licences.

- grants and Contributions:
  - the increase of $0.432 million in the 2020-21 interim outcome from the original budget is due to the reimbursement of the severance-related component of the voluntary redundancies from the Restructure Fund; and
  - the decrease of $0.411 million in the 2021-22 Budget from the 2020-21 interim outcome reflects a return of revenue forecast consistent with the previous Budget estimation.

- employee Expenses: the increase of $0.427 million in the 2020-21 interim outcome from the original budget relates to voluntary redundancies which arose due to an organisational restructure.

- supplies and Services:
  - the decrease of $0.698 million in the 2020-21 interim outcome from the original budget is partially due to delays in the delivery of awareness campaigns and consultancy services. This resulted from the timing of the implementation of labour hire licensing legislation and resulting framework implementation. There was also lower than anticipated staff training undertaken due to a delay in the development of WorkSafe ACT's staff capability framework; and
  - the increase of $0.891 million in the 2021-22 Budget from the 2020-21 interim outcome is primarily due to the anticipated higher expenses associated with the 2021-22 budget initiative.

- transfer Expense: the increase of $1.425 million in the 2021-22 Budget from the 2020-21 interim outcome largely relates to a forecast increase in the labour hire licence applications.

Balance Sheet

- cash and Cash Equivalents:
  - the increase of $1.666 million in the 2020-21 interim outcome from the original budget reflects higher than anticipated cash holdings required at the end of the financial year; and
  - the decrease of $1.289 million in the 2021-22 Budget from the 2020-21interim outcome is as a result of the necessary realignment of cash balances to reflect the predicted cash movement forecast.
- receivables: the increase of $0.385 million in the 2020-21 interim outcome from the original budget is mainly due to the timing of receipts associated with the payment of fines.
- intangible Assets: the increase of $0.270 million in the 2021-22 Budget from the 2020-21 interim outcome relates to the additional funding provided for the continued development of the case management system to improve the efficiency and effectiveness of business process.
- payables:
  - the increase of $1.513 million in the 2020-21 interim outcome from the original budget mainly relates to the higher accrued expenses associated with the one-off repayment to Access Canberra; and
  - the decrease of $1.237 million in the 2021-22 Budget from the 2020-21 interim outcome is largely due to a reduction in payable balances to reflect the predicted expenditure movement forecast.

Statement of Change in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

PUBLIC SECTOR WORKERS COMPENSATION FUND

Purpose

The organisation

The Public Sector Workers Compensation Fund (PSWC Fund) was established under the *Public Sector Workers Compensation Fund Act 2018* (the Act) and commenced operations on 1 March 2019.

The Act provides a financial and prudential governance framework to support the Territory's self-insurance arrangements under the *Safety Rehabilitation and Compensation Act 1988* (SRC Act).

The PSWC Fund has been designed to ensure the effective management of the Territory's workers' compensation assets and features governance and management arrangements in relation to those assets. The PSWC Fund is an integral part of the Territory's compliance with its self-insurance licence.

The PSWC Fund is administered by the Public Sector Workers Compensation Commissioner (PSWC commissioner) who is responsible for:

- managing the PSWC Fund;
- advising the Minister about the administration, efficiency and effectiveness of the PSWC Fund;
- in relation to a licence granted to the Territory under section 103 of the SRC Act:
    - managing the Territory's liability under the SRC Act; and
    - managing claims under the SRC Act.

The PSWC Fund is funded by the Territory and premium amounts apportioned by the PSWC commissioner amongst Territory directorates and agencies. Assets are invested, with earnings retained to help meet workers' compensation costs.

2021-22 priorities and next three financial years

Strategic and operational priorities to be pursued in 2021-22 and for the next three financial years include:

- developing and deploying best practice health, wellbeing and return to work strategies, policies and interventions for the ACT public sector;
- ensuring the effective and efficient management of new and existing ACT public sector workers' compensation claims;

- finalising transitional arrangements with the Commonwealth, including the final assessment of transferred claim liabilities and associated asset transfers;
- ensuring injured worker and directorate satisfaction with the services and arrangements under self-insurance; and
- reviewing the processes between Shared Services Payroll and Employers Mutual Limited (EML), the claims manager, to ensure that they support the timely processing of payments for incapacity and that the process is as accessible and streamlined as possible for injured workers.

Estimated employment level and employment profile

The functions of the PSWC Fund are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The PSWC Fund may reimburse CMTEDD for expenses associated with the staff allocated to carry out the PSWC Fund functions.

Key performance indicators for 2021-22 to 2024-25

Strategic Objectives and Indicators

Strategic Objective 1

Achievement of harm prevention and return to work objective

Strategic Indicator 1: To achieve superior health and return to work outcomes for ACT public sector workers who are injured in the course of their work.

Strategic Objective 2

Funding the workers' compensation liabilities of the ACT public sector

Strategic Indicator 2: To achieve and maintain a fully funded scheme.

Strategic Objective 3

Achievement of Investment Return Objective

Strategic Indicator 3: To achieve a long-term annualised return of CPI + 1.5 per cent to 2.5 per cent.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Public Sector Workers Compensation Fund

The output involves the management of ACT public sector workers' compensation self-insurance, in accordance with the SRC Act. This includes managing the public sector workers' compensation fund and providing claim management and vocational rehabilitation services.

The key outputs to be delivered in 2021-22 include:

- delivering best practice health, wellbeing and return to work strategies, policies and interventions;
- improving workers' compensation claim management service standards; and
- completing assessment of transferred claim liability and associated asset transfer.

Table 1: EBT 1.1: Public Sector Workers Compensation Fund

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	56,156	59,812
Controlled Recurrent Payments	0	0

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the draft 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

EBT Class 1 (EBT 1.1): Public Sector Workers Compensation Fund

Table 2: Accountability Indictors EBT 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Reduce the ACT public sector incidence of serious workplace injury	9.1	12.5	8.7
b.	Achieve a conformance rating of 85 per cent or higher in the annual audit of the ACT workers compensation self-insurance rehabilitation management system	85%	100%	85%
c.	Maintain a PSWC Fund asset to liability ratio greater than or equal to 100 per cent	≥100%	27%	≥100%
d.	Achieve a conformance rating of 85 per cent or higher in the annual audit of the ACT workers compensation self-insurance claims management system	85%	100%	85%

Note(s):

a. This accountability indicator covers public sector injury prevention activities and aligns with targets from the Safe Work Australia National WHS Strategy 2012-22. This accountability indicator measures the number of ACT public servant workers' compensation claims resulting in absence from the workplace of one week or more, per 1,000 employees.

b. It is a condition of the ACT Government's self-insurance licence under the SRC Act that the Territory maintains a rehabilitation management system that complies with the Commonwealth guidelines and that conformance be audited annually.

c. This accountability indicator aligns with the PSWC Fund requirements under the *Public Sector Workers Compensation Fund (Investment and Funding Ratio) Management Guidelines 2019 (No 1)*.

d. It is a condition of the ACT Government's self-insurance licence under the SRC Act that the Territory maintains a claims management system that complies with the Commonwealth guidelines and that conformance be audited annually.

Financial statements

Budgeted financial statements for the 2021-22 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

- a Statement of Income and Expenses on Behalf of the Territory;
- a Statement of Assets and Liabilities on Behalf of the Territory;
- a Statement of Changes in Equity on Behalf of the Territory; and
- a Cash Flow Statement on Behalf of the Territory.

Financial Statements – Territorial

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 Interim Outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which was unaudited at the time of preparing these budget statements.

Table 3: Public Sector Workers Compensation Fund: Statement of Income and Expenses on Behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	Revenue						
56,143	Sale of Goods and Services from Contracts with Customers	56,157	58,876	5	59,812	61,245	62,713
350	Grants and Contributions	494	350	-29	350	350	350
939	Investment Revenue	2,794	1,014	-64	11,803	12,141	12,323
0	Other Revenue	786	0	-100	0	0	0
57,432	**Total Revenue**	**60,231**	**60,240**	**..**	**71,965**	**73,736**	**75,386**
	Expenses						
7,954	Supplies and Services	11,115	8,178	-26	8,373	8,575	8,779
48,189	Claims Expense	-6,076	50,697	934	51,438	52,670	53,934
56,143	**Total Expenses**	**5,039**	**58,875**	**#**	**59,811**	**61,245**	**62,713**
1,289	**Operating Result**	**55,192**	**1,365**	**-98**	**12,154**	**12,491**	**12,673**
1,289	**Total Comprehensive Income**	**55,192**	**1,365**	**-98**	**12,154**	**12,491**	**12,673**

Table 4: Public Sector Workers Compensation Fund: Statement of Assets and Liabilities on Behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
82,315	Cash and Cash Equivalents	87,570	88,929	2	100,184	112,647	125,292
309,792	Investments	0	312,897	#	312,897	312,897	312,897
463	Receivables	313,454	347	-100	1,246	1,274	1,302
0	Other Assets	1	1	-	1	1	1
392,570	**Total Current Assets**	**401,025**	**402,174**	**..**	**414,328**	**426,819**	**439,492**
	Non Current Assets						
882	Receivables	593	593	-	593	593	593
882	**Total Non Current Assets**	**593**	**593**	**-**	**593**	**593**	**593**
393,452	**TOTAL ASSETS**	**401,618**	**402,767**	**..**	**414,921**	**427,412**	**440,085**
	Current Liabilities						
625	Payables	4,242	4,026	-5	4,026	4,026	4,026
48,163	Other Provisions	45,691	45,691	-	45,691	45,691	45,691
48,788	**Total Current Liabilities**	**49,933**	**49,717**	**..**	**49,717**	**49,717**	**49,717**
	Non Current Liabilities						
324,588	Other Provisions	277,708	277,708	-	277,708	277,708	277,708
324,588	**Non-Current Liabilities**	**277,708**	**277,708**	**-**	**277,708**	**277,708**	**277,708**
373,376	**TOTAL LIABILITIES**	**327,641**	**327,425**	**..**	**327,425**	**327,425**	**327,425**
20,076	**NET ASSETS**	**73,977**	**75,342**	**2**	**87,496**	**99,987**	**112,660**
	REPRESENTED BY FUNDS EMPLOYED						
20,076	Accumulated Funds	73,977	75,342	2	87,496	99,987	112,660
20,076	**TOTAL FUNDS EMPLOYED**	**73,977**	**75,342**	**2**	**87,496**	**99,987**	**112,660**

Table 5: Public Sector Workers Compensation Fund: Statement of Changes in Equity on Behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
18,787	Opening Accumulated Funds	18,785	73,977	294	75,342	87,496	99,987
18,787	**Balance at the Start of the Reporting Period**	**18,785**	**73,977**	**294**	**75,342**	**87,496**	**99,987**
	Comprehensive Income						
1,289	Operating Result	55,192	1,365	-98	12,154	12,491	12,673
1,289	**Total Comprehensive Income**	**55,192**	**1,365**	**-98**	**12,154**	**12,491**	**12,673**
	Closing Equity						
20,076	Closing Accumulated Funds	73,977	75,342	2	87,496	99,987	112,660
20,076	**Balance at the end of the Reporting Period**	**73,977**	**75,342**	**2**	**87,496**	**99,987**	**112,660**

Table 6: Public Sector Workers Compensation Fund: Cash Flow Statement on Behalf of the Territory

2020-21 Budget		2020-21 Interim Outcome	2021-22 Budget	Var	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
$'000		$'000	$'000	%	$'000	$'000	$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
56,143	Sale of Goods and Services from Contracts with Customers	56,337	58,876	5	59,812	61,245	62,713
861	Investment Receipts	696	1,008	45	10,904	12,113	12,295
310,914	Other	1,636	313,895	#	801	820	820
367,918	**Operating Receipts**	**58,669**	**373,779**	**537**	**71,517**	**74,178**	**75,828**
	Payments						
641	Supplies and Services	555	878	58	687	717	921
48,766	Claims Payments	43,203	50,697	17	51,438	52,670	53,934
7,723	Other	8,661	7,948	-8	8,137	8,328	8,328
57,130	**Operating Payments**	**52,419**	**59,523**	**14**	**60,262**	**61,715**	**63,183**
310,788	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**6,250**	**314,256**	**#**	**11,255**	**12,463**	**12,645**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
309,792	Purchase of Investments	0	312,897	#	0	0	0
309,792	**Investing Payments**	**0**	**312,897**	**#**	**0**	**0**	**0**
-309,792	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**0**	**-312,897**	**#**	**0**	**0**	**0**
996	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**6,250**	**1,359**	**-78**	**11,255**	**12,463**	**12,645**
81,319	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**81,320**	**87,570**	**8**	**88,929**	**100,184**	**112,647**
82,315	**CASH AT THE END OF REPORTING PERIOD**	**87,570**	**88,929**	**2**	**100,184**	**112,647**	**125,292**

Notes to the territorial budget statements

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory

- Investment Revenue:
  - the increase of $1.855 million in 2020-21 interim outcome from the original budget is due to amounts receivable from Comcare for transferred claims liabilities not being received as expected in 2020-21 and the cash rate received from bank by the PSWC Fund used for the accrued interest income in the 2020-21 interim outcome being higher than the risk-free return assumed in the original budget; and
  - the decrease of $1.780 million in the 2021-22 Budget from the 2020-21 interim outcome is due to payment not received from Comcare as expected in 2020-21 and reflect current expectations for the payment to be received by end of December 2021, and the funds invested, once received, in a Territory Banking Account (TBA) with a target return of CPI plus 1.5 per cent.
- Supplies and Services: the increase of $3.161 million in 2020-21 interim outcome from the original budget and the decrease of $2.937 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the recognition of expenses relating to performance based fees for the first and second year of the Third Party Administrator (TPA) service agreement.
- Claims Expense: the decrease of $54.265 million in 2020-21 interim outcome from the original budget and the increase of $56.773 million in the 2021-22 Budget from the 2020-21 interim outcome is due to changes in actuarial estimates of outstanding claims liabilities as at 30 June 2021 and favourable net incurred claim costs for prior accident years in the 2020-21 interim outcome, compared to breakeven underwriting result assumptions in the original budget and 2021-22 Budget.

Statement of Assets and Liabilities on Behalf of the Territory

- Investments: the decrease of $309.792 million in 2020-21 interim outcome from the original budget and the increase of $312.897 million in the 2021-22 Budget from the 2020-21 interim outcome is due to amounts receivable from Comcare for transferred claims liabilities not being received as expected in 2020-21, which delayed the opportunity to invest funds.
- Receivables:
  - the increase of $312.991 million in 2020-21 interim outcome from the original budget is due to amounts receivable from Comcare for transferred claims liabilities not being received in 2020-21 as expected; and

- the decrease of $313.107 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the receipt of the claim liability payment from Comcare by the end of December 2021.

- Payables: the increase of $3.617 million in the 2020-21 interim outcome from the original budget is due to accrued TPA expenses and outstanding directorate costs which were not budgeted for.

- Current and Non-Current Other Provisions: the decrease of $49.352 million in the 2021-22 Budget from the 2020-21 interim outcome is due to a change in the actuarial estimate of net outstanding claims liabilities.

Statement of Changes in Equity and Statement of Cash Flow

Variations in these statements are explained in the notes above.

SUPERANNUATION PROVISION ACCOUNT

Purpose

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Superannuation Provision Account, assists the Government to effectively manage the defined benefit employer superannuation liabilities of the Territory.

These liabilities are related to past and current ACT employees who are members of the Australian Government's Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme and Members of the Legislative Assembly Defined Benefit Superannuation Scheme.

2021-22 Priorities

Strategic and operational initiatives to be pursued in 2021-22 include:

- completing the annual actuarial valuation review of the Territory's defined benefit employer superannuation liability using salary and membership data on 30 June 2021;
- managing the Investment Plan of the Superannuation Provision Account; and
- monitoring the funding plan to extinguish the unfunded defined benefit superannuation liability.

Estimated Employment Level

The functions of the Superannuation Provision Account are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The Superannuation Provision Account reimburses CMTEDD for the salary and superannuation expenses associated with the staff allocated to carrying out the functions of the Superannuation Provision Account.

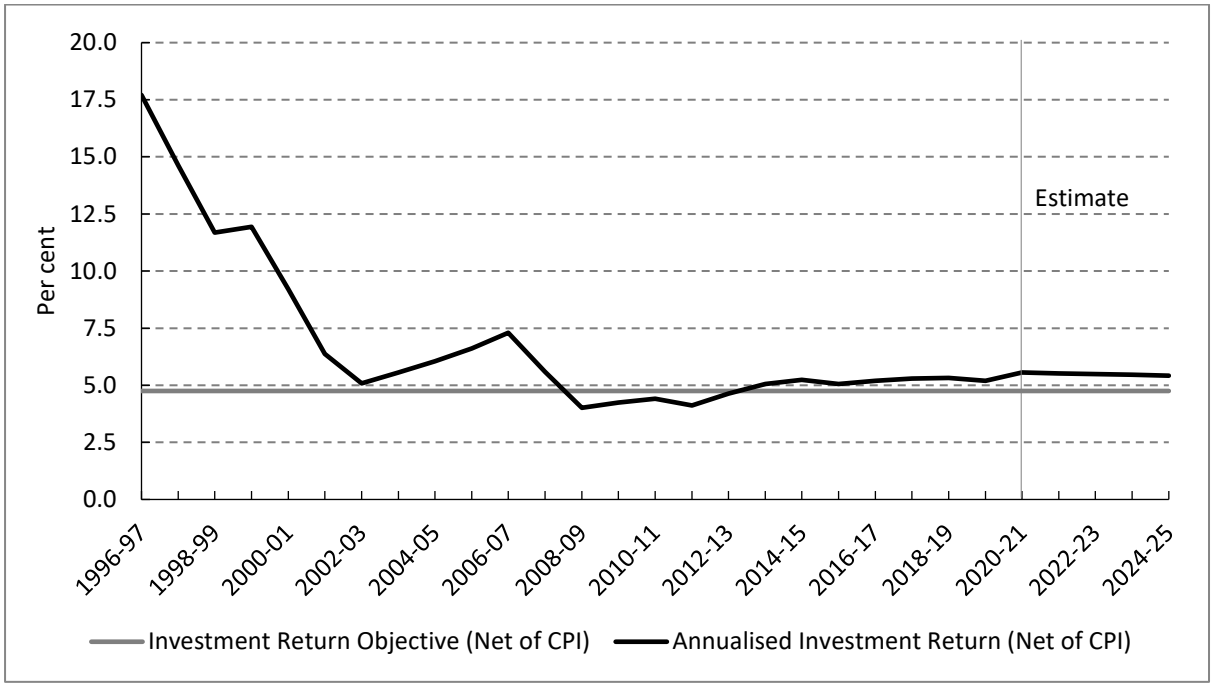
Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

To achieve a long-term investment return of CPI + 4.75 per cent per annum. [1]

Figure 1: Strategic Indicator 1: Investment Return



Note(s):

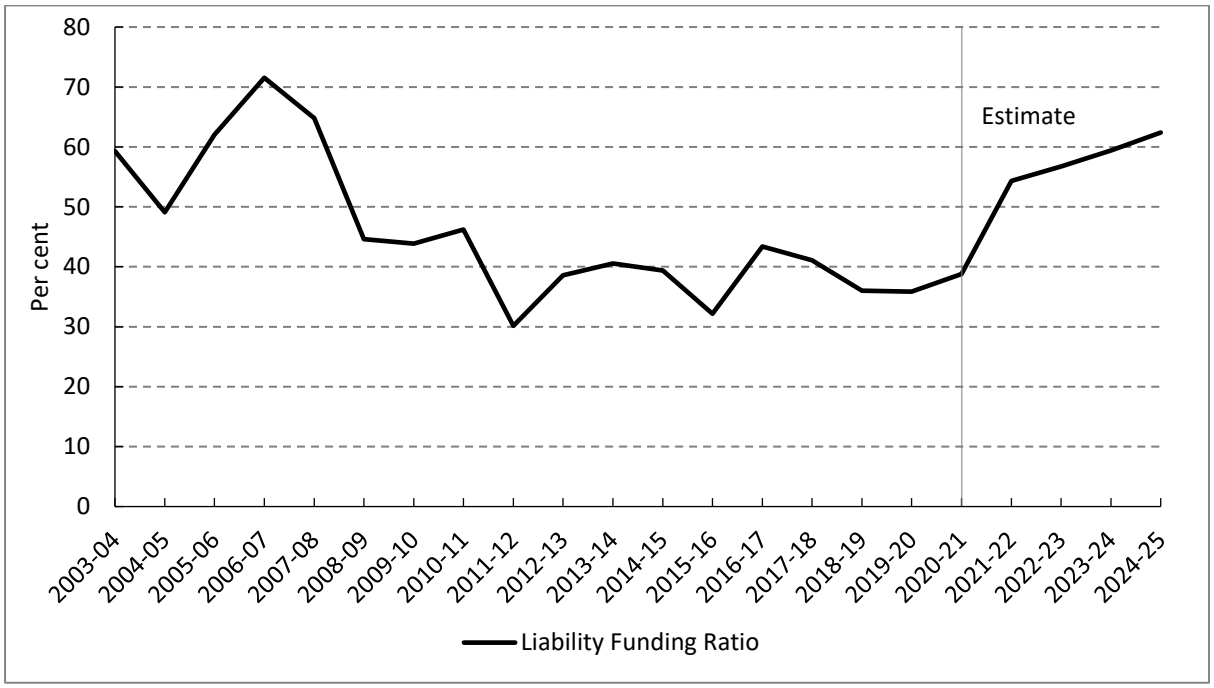
1. This indicator measures the annual Superannuation Provision Account portfolio investment return since the base performance financial year of 1996-97. The objective is to achieve an investment return of CPI + 4.75 per cent per annum over the long-term, calculated since the base financial year. Over the past 25 years to 30 June 2021 the portfolio has achieved an average investment return of CPI + 5.55 per cent per annum.

Strategic Objective 2

Funding the Defined Benefit Superannuation Liability

To fully fund the defined benefit superannuation liability by 30 June 2030. [1]

Figure 2: Strategic Indicator 2: Liability Funding



Note(s):

1. This indicator measures the percentage of the defined benefit superannuation liabilities funded by financial investment assets. The funding objective is to increase the liability funding percentage over time with 100 per cent coverage by 30 June 2030. The liability funding percentage is calculated by comparing the actual value of financial investment assets to the actual value of the defined benefit superannuation liability at the end of each financial year. From 2021-22 the defined benefit superannuation liability annual valuation is based on a long-term discount rate assumption of 4 per cent.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Superannuation Provision Account

Table 1: EBT Class 1 (EBT1.1): Superannuation Provision Account

	2020-21 Interim Outcome $'000	2021-22 Budget $'000
Total Cost	483,556	616,265
Payment for Expenses on Behalf of the Territory	0	0

EBT 1.1: Superannuation Provision Account

This output involves the management of the Territory's defined benefit employer superannuation liabilities and financial investment assets.

The key outputs to be delivered in 2021-22 include:

- managing the Investment Plan and reporting on the financial investment assets set aside to fund the Territory's defined benefit employer superannuation liability;
- completing the annual liability valuation review of the Territory's Commonwealth Superannuation Scheme / Public Sector Superannuation Scheme defined benefit employer superannuation liability;
- managing the defined benefit superannuation liability funding plan and emerging cost payments to the Commonwealth in respect of the Territory's share of employee retirement benefits;
- completing the annual Member Information Statements for the Members of the Legislative Assembly Defined Benefit Superannuation Scheme, with calculation and settlement of benefit determinations as required; and
- budgeting, managing and reporting on the financial operations of the Superannuation Provision Account.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 accountability indicators below refer to the interim outcome included in the 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

EBT Class 1: Superannuation Provision Account

EBT 1.1: Superannuation Provision Account

Table 2: Accountability Indicators EBT 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Completion of Annual Actuarial Review	1	1	1
b.	Completion and delivery of Monthly Financial Reporting	12	12	12
c.	Completion and delivery of unmodified Annual Financial Statements	1	1	1
d.	Completion of Annual Budget Estimates	1	1	1
e.	Preparation of MLA Member Superannuation Statements	2	2	1

Note(s):

a. This accountability indicator involves an annual actuarial review of the Territory's defined benefit employer superannuation liabilities that will be completed and included in the budget estimates.

b. This accountability indicator incorporates monthly financial reporting and the preparation of accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.

c. This accountability indicator incorporates the preparation of the previous year's annual financial statements for auditing and inclusion in the annual report. The objective is to receive an unmodified auditor's report.

d. This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the annual Territory Budget.

e. This accountability indicator incorporates the preparation of annual Member Information Statements for those Members of the Legislative Assembly who have a defined benefit superannuation entitlement on 30 June in accordance with the *Legislative Assembly (Members' Superannuation) Act 1991*. Individual Member Information Statement for the previous financial year not delivered by end September of the Budget Year will not be counted in the result.

Table 3: Changes to appropriation – Capital Injections, Territorial

	2020-21 Interim Outcome $'000	2021-22 Budget $'000	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
2020-21 Budget	**308,993**	**330,357**	**350,469**	**371,001**	**371,001**
2021-22 Budget Technical Adjustments					
Estimated Outcome - Capital Injection Appropriation	0	-2,076	-1,492	-882	21,813
2021-22 Budget	**308,993**	**328,281**	**348,977**	**370,119**	**392,814**

Financial Statements – Territorial

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 4: Superannuation Provision Account: Statement of Income and Expenses on behalf of the Territory

2020-21 Budget		2020-21 Interim Outcome	2021-22 Budget	Var	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
$'000		$'000	$'000	%	$'000	$'000	$'000
	Revenue						
124,217	Investment Revenue	248,121	144,395	-42	154,577	165,483	177,168
399,683	Gains on Investments	555,598	216,060	-61	231,358	247,745	265,301
523,900	**Total Revenue**	**803,719**	**360,455**	**-55**	**385,935**	**413,228**	**442,469**
	Expenses						
479,660	Superannuation Expenses	479,653	612,151	28	592,182	591,879	590,861
4,001	Supplies and Services	3,903	4,114	5	4,196	4,280	4,366
483,661	**Total Expenses**	**483,556**	**616,265**	**27**	**596,378**	**596,159**	**595,227**
40,239	**Operating Result**	**320,163**	**-255,810**	**-180**	**-210,443**	**-182,931**	**-152,758**
	Other Comprehensive Income						
	Items that will not be Reclassified Subsequently to Profit or Loss						
3,942,926	Superannuation Prior Year Actuarial Movement	-994,929	3,412,160	443	0	0	0
3,942,926	**Total Other Comprehensive Income**	**-994,929**	**3,412,160**	**443**	**0**	**0**	**0**
3,983,165	**Total Comprehensive Income**	**-674,766**	**3,156,350**	**568**	**-210,443**	**-182,931**	**-152,758**

Table 5: Superannuation Provision Account: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
36,084	Cash and Cash Equivalents	99,085	99,085	-	99,085	99,085	99,085
4,774,081	Investments	4,918,796	5,353,409	9	5,732,603	6,138,824	6,574,006
30,990	Receivables	114,223	35,951	-69	38,496	41,223	44,144
4,841,155	**Total Current Assets**	**5,132,104**	**5,488,445**	**7**	**5,870,184**	**6,279,132**	**6,717,235**
4,841,155	**TOTAL ASSETS**	**5,132,104**	**5,488,445**	**7**	**5,870,184**	**6,279,132**	**6,717,235**
	Current Liabilities						
53	Payables	45	45	-	45	45	45
330,357	Employee Benefits	328,281	348,977	6	370,119	392,814	414,750
330,410	**Total Current Liabilities**	**328,326**	**349,022**	**6**	**370,164**	**392,859**	**414,795**
	Non Current Liabilities						
7,952,188	Employee Benefits	12,903,152	9,754,166	-24	9,976,229	10,175,294	10,351,405
7,952,188	**Non-Current Liabilities**	**12,903,152**	**9,754,166**	**-24**	**9,976,229**	**10,175,294**	**10,351,405**
8,282,598	**TOTAL LIABILITIES**	**13,231,478**	**10,103,188**	**-24**	**10,346,393**	**10,568,153**	**10,766,200**
-3,441,443	**NET ASSETS**	**-8,099,374**	**-4,614,743**	**43**	**-4,476,209**	**-4,289,021**	**-4,048,965**
	REPRESENTED BY FUNDS EMPLOYED						
-3,441,443	Accumulated Funds	-8,099,374	-4,614,743	43	-4,476,209	-4,289,021	-4,048,965
-3,441,443	**TOTAL FUNDS EMPLOYED**	**-8,099,374**	**-4,614,743**	**43**	**-4,476,209**	**-4,289,021**	**-4,048,965**

Table 6: Superannuation Provision Account: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
-7,733,601	Opening Accumulated	-7,733,601	-8,099,374	-5	-4,614,743	-4,476,209	-4,289,021
-7,733,601	**Balance at the Start of the Reporting Period**	**-7,733,601**	**-8,099,374**	**-5**	**-4,614,743**	**-4,476,209**	**-4,289,021**
	Comprehensive Income						
3,942,926	Superannuation Prior Year Actuarial Movement	-994,929	3,412,160	443	0	0	0
40,239	Operating Result	320,163	-255,810	-180	-210,443	-182,931	-152,758
3,983,165	**Total Comprehensive Income**	**-674,766**	**3,156,350**	**568**	**-210,443**	**-182,931**	**-152,758**
	Transactions Involving Owners Affecting Accumulated Funds						
308,993	Capital Injections	308,993	328,281	6	348,977	370,119	392,814
308,993	**Total Transactions Involving Owners Affecting Accumulated Funds**	**308,993**	**328,281**	**6**	**348,977**	**370,119**	**392,814**
	Closing Equity						
-3,441,443	Closing Accumulated Funds	-8,099,374	-4,614,743	43	-4,476,209	-4,289,021	-4,048,965
-3,441,443	**Balance at the end of the Reporting Period**	**-8,099,374**	**-4,614,743**	**43**	**-4,476,209**	**-4,289,021**	**-4,048,965**

Table 7: Superannuation Provision Account: Cash Flow Statement on behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
124,217	Investment Receipts	162,044	144,395	-11	154,577	165,483	177,168
280	Other	28	28	-	28	28	28
124,497	**Operating Receipts**	**162,072**	**144,423**	**-11**	**154,605**	**165,511**	**177,196**
	Payments						
310,120	Superannuation	299,079	328,281	10	348,977	370,119	392,814
4,001	Supplies and Services	3,911	4,114	5	4,196	4,280	4,366
0	Other	26	0	-100	0	0	0
314,121	**Operating Payments**	**303,016**	**332,395**	**10**	**353,173**	**374,399**	**397,180**
-189,624	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**-140,944**	**-187,972**	**-33**	**-198,568**	**-208,888**	**-219,984**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
155,423	Proceeds from Sale/Maturity of Investments	21,570	0	-100	0	0	0
155,423	**Investing Receipts**	**21,570**	**0**	**-100**	**0**	**0**	**0**
	Payments						
274,792	Purchase of Investments	126,619	140,309	11	150,409	161,231	172,830
274,792	**Investing Payments**	**126,619**	**140,309**	**11**	**150,409**	**161,231**	**172,830**
-119,369	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-105,049**	**-140,309**	**-34**	**-150,409**	**-161,231**	**-172,830**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
308,993	Capital Injections	308,993	328,281	6	348,977	370,119	392,814
308,993	**Financing Receipts**	**308,993**	**328,281**	**6**	**348,977**	**370,119**	**392,814**
308,993	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**308,993**	**328,281**	**6**	**348,977**	**370,119**	**392,814**
0	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**63,000**	**0**	**-100**	**0**	**0**	**0**
36,084	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**36,085**	**99,085**	**175**	**99,085**	**99,085**	**99,085**
36,084	**CASH AT THE END OF REPORTING PERIOD**	**99,085**	**99,085**	**-**	**99,085**	**99,085**	**99,085**

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- investment revenue:
  - the increase of $123.904 million in the 2020-21 interim outcome from the original budget is related to distributions from investments held with the Territory Banking Account which are determined by the level of distributable income and for 2020-21 included the distribution of realised gains due to the strong investment return achieved; and
  - the decrease of $103.726 million in the 2021-22 Budget from the 2020-21 interim outcome is due to distribution revenue being based on expected distributable income and the use of the long-term investment return objective, which is lower than the investment return achieved for the 2020-21 financial year.
- gains on investment:
  - the increase of $155.915 million in the 2020-21 interim outcome from the original budget is due to achieving a higher-than-expected investment return for the 2020-21 financial year; and
  - the decrease of $339.538 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the use of the long-term investment return objective, which is lower than the investment return achieved for the 2020-21 financial year.
- superannuation expenses: the increase of $132.498 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the latest triennial liability valuation review and changes in the financial and demographic assumptions adopted for the defined benefit superannuation liability valuation estimates.

Statement of Assets and Liabilities on behalf of the Territory

- total assets:
  - the increase of $290.949 million in the 2020-21 interim outcome from the original budget is due to a higher-than-expected investment return for the 2020-21 financial year; and
  - the increase of $356.341 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the long-term investment return objective.
- current employee benefits: the increase of $20.696 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the estimated growth in the annual payment of the Territory's employer share of employee superannuation retirement benefits.

- non current employee benefits:
    - the increase of $4.951 billion in the 2020-21 interim outcome from the original budget is due to the latest triennial liability valuation review and changes in the financial and demographic assumptions adopted for the defined benefit superannuation liability valuation estimate at 30 June 2020; and
    - the decrease of $3.149 billion in the 2021-22 Budget from the 2020-21 interim outcome is due to changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimates.

Statement of Changes in Equity and Cash Flow Statement on behalf of the Territory

Variations in these Statements are explained in the notes above.

TERRITORY BANKING ACCOUNT

Purpose

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Territory Banking Account, provides services to the Government including financial asset and liability management.

The Territory Banking Account is established to recognise and manage the Government's financial investment assets and borrowing liabilities. Revenues on behalf of the Territory are transferred to the Territory Banking Account and fortnightly budget appropriation disbursements are made to agencies from the Territory Banking Account.

2021-22 Priorities

Strategic and operational initiatives to be pursued in 2021-22 include:

- managing the Territory's borrowing program;
- cash and liquidity management;
- managing the centralised investment administration structure for Territory financial investment assets;
- managing and reporting on the Government's Responsible Investment policy; and
- procuring external service providers as required.

Estimated Employment Level

The functions of the Territory Banking Account are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The Territory Banking Account reimburses CMTEDD for the salary and superannuation expenses associated with the staff allocated to carrying out the Territory Banking Account functions.

Strategic Objectives and Indicators

Strategic Objective 1

Management of the Government's Financing Requirements

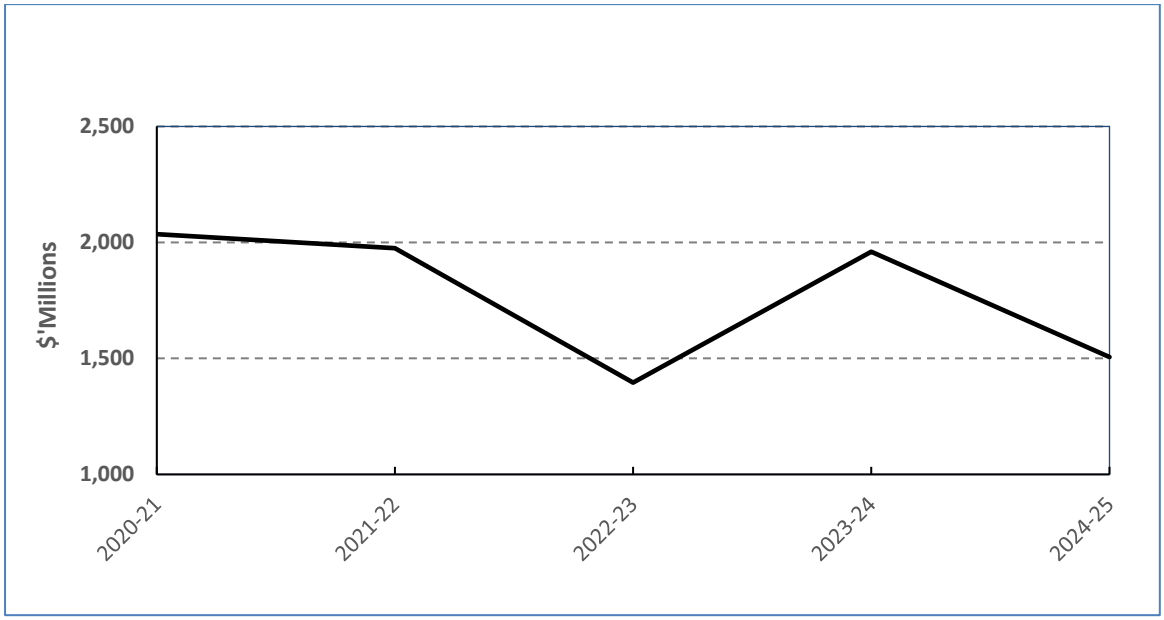
The Territory Banking Account's activities include the issuance of debt instruments to meet the Government's financing requirements and managing the aggregate daily cash balances of the Territory Banking Account to ensure the settlement and payment of debt obligations of the Government can be met.

The achievement of this objective involves:

- the maintenance of a debt issuance program providing access to funding from the capital markets;
- the establishment of benchmark bond lines with varying maturities; and
- the maintenance of appropriate levels of cash and investment balances to meet the Government's financial obligations.

Strategic Indicator 1a: Cash and Investment Balance

Figure 1: Cash and Investment Balance of the Territory Banking Account

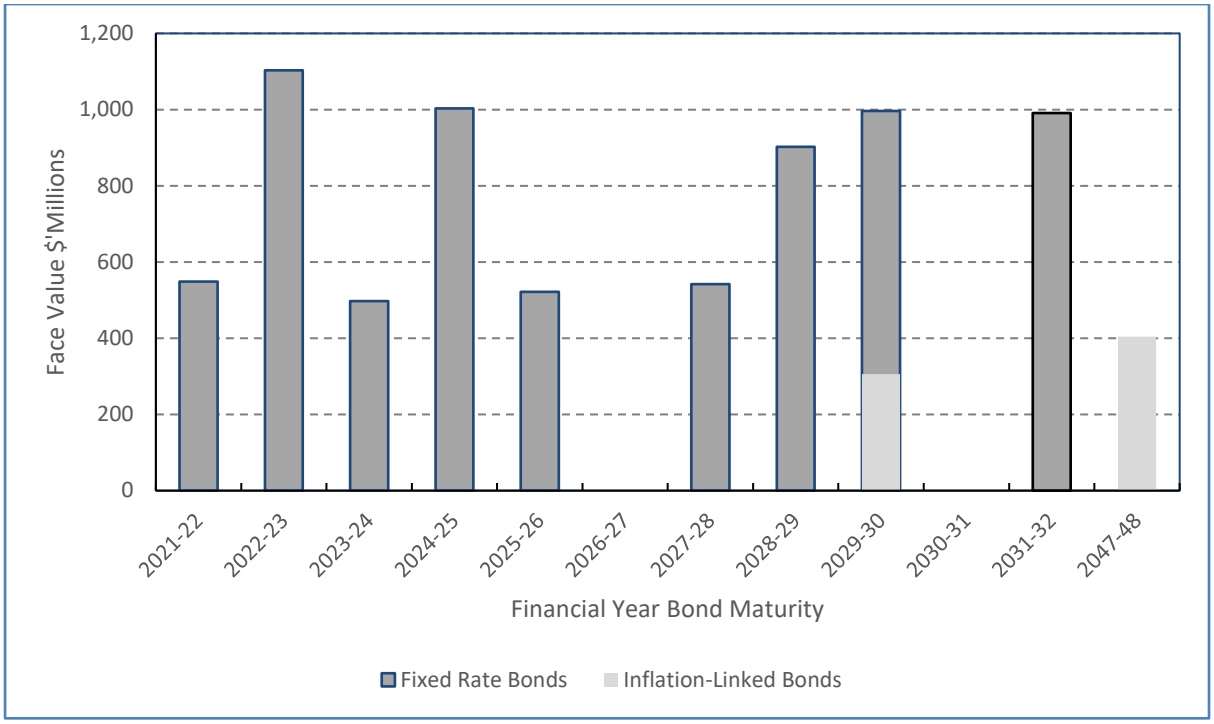


Note(s):

1. The chart reflects the aggregate cash and investment balance of the Territory Banking Account at 30 June each year.
2. The daily cash balance of the Territory Banking Account is managed to maintain appropriate daily liquidity and to enable financial obligations to be met as they fall due.

Strategic Indicator 1b: Territory Bonds on Issue

Figure 2: Territory Benchmark Bonds on Issue



Note(s):

1. Benchmark bond lines represent medium to long–term bonds in the form of fixed rate medium term notes and inflation-linked bonds. Short–term variable rate notes and off–market loans provided by the Commonwealth Government are not included in this Figure.
2. The establishment of benchmark bond lines is an important feature of the borrowing strategy. Benchmark-size bond lines with varying maturities increase the liquidity and appeal of Territory bonds to investors and supports the management of refinancing risk. Varying maturities also provide relative pricing guidance (comparative cost of funds to peers) to investors. This Figure shows the actual current outstanding benchmark bond lines at 30 June 2021.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Territory Banking Account

Table 1: EBT Class 1: Territory Banking Account

	2020-2021 Interim Outcome $'000	2021-2022 Budget $'000
Total Cost	6,687,809	7,649,919
Payment for Expenses on Behalf of the Territory	0	0

This output involves the management of the Government's investment and borrowing activities and the Territory Banking Account as the central account of the Government. The key outputs to be delivered in 2021-22 include:

- managing the investment plan and reporting on the financial investment assets of the Territory Banking Account;
- managing the centralised investment administration structure for Territory financial investment assets;
- managing and reporting on the Government's Responsible Investment Policy;
- completing the Principles for Responsible Investment annual reporting assessment which is mandatory for the Territory as a signatory to the Principles for Responsible Investment;
- managing and reporting on the financial borrowing liabilities of the Territory Banking Account;
- raising new Territory borrowings as required;
- managing cash flow and liquidity requirements, and completing the settlement of all financial investment and debt servicing obligations; and
- budgeting, managing and reporting on the financial operations of the Territory Banking Account.

Accountability Indicators

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Statement of Performance, which was unaudited at the time of preparing these budget statements.

EBT Class 1: Territory Banking Account

Table 2: Accountability Indicators EBT 1.1

		2020-21 Targets	2020-21 Interim Outcome	2021-22 Targets
a.	Cash and liquidity management of the Territory Banking Account	100%	100%	100%
b.	Exposure to directly-owned share investments related to the manufacture of Tobacco, Cluster Munitions and Land Mines	0%	0%	0%
c.	The exercising of ownership voting rights for directly-owned shares	>95%	>99%	95%
d.	Completion of the Principles for Responsible Investment Annual Reporting and Assessment Framework	1	1	1
e.	Completion of new Territory Borrowings	100%	100%	100%
f.	Completion of Debt Servicing Obligations	100%	100%	100%
g.	Completion of Budget Appropriation Disbursements	100%	100%	100%
h.	Completion and delivery of Monthly Financial Reporting	12	12	12
i.	Completion and delivery of unmodified Annual Financial Statements	1	1	1
j.	Completion of Annual Budget Estimates	1	1	1

Note(s):

a. This accountability indicator involves maintaining a positive aggregate cash and investment balance of the Territory Banking Account to meet ongoing cash payment obligations. For performance measurement purposes, the actual daily aggregate cash and investment balance will be counted as the result. If the aggregate cash and investment balance is not positive at the end of the day, this will not be counted in the result.

b. This accountability indicator incorporates the monitoring of the investment portfolio to ensure it is not exposed to any prohibited investments, in accordance with the Government's Responsible Investment Policy. For performance measurement, the actual portfolio direct share holdings will be compared with the prevailing prohibited shares list at the end of each month. The exposure measure will be the weighted value of any prohibited share investments on the total value of the share portfolio.

c. This accountability indicator incorporates the exercising of proxy voting rights in accordance with the Government's Responsible Investment Policy. The target is that more than 95 per cent of all eligible voting items in the year will be cast in relation to the total voting items. The measure will be the total actual votes cast compared to total eligible voting items.

d. This accountability indicator incorporates the completion of the Principles of Responsible Investment annual reporting framework via an online reporting portal. As the Territory is a signatory to the Principles for Responsible Investment the annual reporting requirement is mandatory. The annual reporting is designed to provide accountability and transparency around signatories and their responsible investment practices.

e. This accountability indicator incorporates raising new Territory borrowing requirements in accordance with approved borrowing limits and guidelines. The measure will be the actual number of conforming borrowing transactions compared to the total borrowing transactions completed.
f. This accountability indicator incorporates the accurate and timely payment of Territory debt interest and principal repayment obligations being paid accurately and on-time. The measure will be the actual number of conforming debt servicing settlement transactions compared with the total number of settlement transactions completed.
g. This accountability indicator incorporates the payment of budget appropriation disbursements to agencies to be completed accurately and within required timeframes. The measure will be the actual number of conforming disbursement payments compared with the total number of disbursement transactions completed.
h. This accountability indicator incorporates the preparation of monthly accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.
i. This accountability indicator incorporates the preparation of the annual financial statements for auditing and inclusion in the Chief Minister, Treasury and Economic Development Directorate annual report. The measure will be to achieve an unmodified auditor's report.
j. This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the Annual Territory Budget.

Financial Statements – Territorial

Due to the release of the 2021-22 Budget on 6 October 2021, the 2020-21 interim outcome column reflects the interim outcome included in the draft 2020-21 Financial Statements, which were unaudited at the time of preparing these budget statements.

Table 3: Territory Banking Account: Statement of Income and Expenses on behalf of the Territory

2020-21 Budget		2020-21 Interim Outcome	2021-22 Budget	Var %	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
$'000		$'000	$'000		$'000	$'000	$'000
	Revenue						
218,781	Investment Revenue	256,346	245,913	-4	257,385	264,862	274,670
4,679,316	Transfer Revenue	4,834,806	5,043,869	4	5,167,879	5,159,595	5,441,810
167,586	Other Revenue	160,203	178,029	11	179,501	180,916	182,943
425,193	Gains on Investments	685,921	229,223	-67	249,103	266,729	285,465
5,490,876	**Total Revenue**	**5,937,276**	**5,697,034**	**-4**	**5,853,868**	**5,872,102**	**6,184,888**
	Expenses						
6,146,723	Payments to ACT Government Agencies	5,641,774	6,974,886	24	6,340,683	6,696,093	6,823,064
173,748	Borrowing Costs	172,916	209,937	21	225,272	260,908	289,140
9,607	Other Expenses	10,445	75,695	625	12,126	13,895	13,270
570,464	Agency Investment Expenses	862,674	389,401	-55	426,139	456,135	487,949
6,900,542	**Total Expenses**	**6,687,809**	**7,649,919**	**14**	**7,004,220**	**7,427,031**	**7,613,423**
-1,409,666	**Operating Result**	**-750,533**	**-1,952,885**	**-160**	**-1,150,352**	**-1,554,929**	**-1,428,535**
-1,409,666	**Total Comprehensive Income**	**-750,533**	**-1,952,885**	**-160**	**-1,150,352**	**-1,554,929**	**-1,428,535**

Table 4: Territory Banking Account: Statement of Assets and Liabilities on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Current Assets						
1,543,573	Cash and Cash Equivalents	2,035,672	1,975,041	-3	1,395,921	1,959,539	1,506,480
409,853	Receivables	692,784	498,551	-28	758,893	633,960	826,511
5,546,776	Investments	5,387,608	6,246,553	16	6,680,364	7,140,021	7,630,897
7,500,202	**Total Current Assets**	**8,116,064**	**8,720,145**	**7**	**8,835,178**	**9,733,520**	**9,963,888**
	Non Current Assets						
2,116,212	Receivables	1,943,678	1,959,513	1	1,870,148	2,019,890	1,939,257
2,116,212	**Total Non Current Assets**	**1,943,678**	**1,959,513**	**1**	**1,870,148**	**2,019,890**	**1,939,257**
9,616,414	**TOTAL ASSETS**	**10,059,742**	**10,679,658**	**6**	**10,705,326**	**11,753,410**	**11,903,145**
	Current Liabilities						
60,539	Payables	149,058	68,259	-54	74,655	88,730	100,684
752,786	Interest-Bearing Liabilities	752,767	1,305,829	73	703,524	1,205,360	729,157
5,548,369	Agency Investment Deposits	5,387,676	6,246,554	16	6,680,365	7,140,020	7,630,898
6,361,694	**Total Current Liabilities**	**6,289,501**	**7,620,642**	**21**	**7,458,544**	**8,434,110**	**8,460,739**
	Non Current Liabilities						
7,469,940	Interest-Bearing Liabilities	7,316,169	8,509,183	16	9,816,977	11,411,514	12,927,619
7,469,940	**Non-Current Liabilities**	**7,316,169**	**8,509,183**	**16**	**9,816,977**	**11,411,514**	**12,927,619**
13,831,634	**TOTAL LIABILITIES**	**13,605,670**	**16,129,825**	**19**	**17,275,521**	**19,845,624**	**21,388,358**
-4,215,220	**NET ASSETS**	**-3,545,928**	**-5,450,167**	**-54**	**-6,570,195**	**-8,092,214**	**-9,485,213**
	REPRESENTED BY FUNDS EMPLOYED						
-4,215,220	Accumulated Funds	-3,545,928	-5,450,167	-54	-6,570,195	-8,092,214	-9,485,213
-4,215,220	**TOTAL FUNDS EMPLOYED**	**-3,545,928**	**-5,450,167**	**-54**	**-6,570,195**	**-8,092,214**	**-9,485,213**

Table 5: Territory Banking Account: Statement of Changes in Equity on behalf of the Territory

Budget at 30/6/21 $'000		Interim Outcome at 30/6/21 $'000	Budget at 30/6/22 $'000	Var %	Estimate at 30/6/23 $'000	Estimate at 30/6/24 $'000	Estimate at 30/6/25 $'000
	Opening Equity						
-2,871,393	Opening	-2,871,392	-3,545,928	-23	-5,450,167	-6,570,195	-8,092,214
-2,871,393	**Balance at the Start of the Reporting Period**	**-2,871,392**	**-3,545,928**	**-23**	**-5,450,167**	**-6,570,195**	**-8,092,214**
	Comprehensive Income						
-1,409,666	Operating Result	-750,533	-1,952,885	-160	-1,150,352	-1,554,929	-1,428,535
-1,409,666	**Total Comprehensive Income**	**-750,533**	**-1,952,885**	**-160**	**-1,150,352**	**-1,554,929**	**-1,428,535**
	Transactions Involving Owners Affecting Accumulated Funds						
65,839	Capital Distributions to Government	75,997	48,646	-36	30,324	32,910	35,536
65,839	**Total Transactions Involving Owners Affecting Accumulated Funds**	**75,997**	**48,646**	**-36**	**30,324**	**32,910**	**35,536**
	Closing Equity						
-4,215,220	Closing Accumulated Funds	-3,545,928	-5,450,167	-54	-6,570,195	-8,092,214	-9,485,213
-4,215,220	**Balance at the end of the Reporting Period**	**-3,545,928**	**-5,450,167**	**-54**	**-6,570,195**	**-8,092,214**	**-9,485,213**

Table 6: Territory Banking Account: Cash Flow Statement on behalf of the Territory

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
214,623	Investment Receipts	265,083	236,935	-11	248,983	256,366	266,296
165,933	Other	245,120	173,332	-29	178,399	180,023	182,255
4,631,761	Transfers from ACT Government Agencies	4,746,657	5,147,548	8	5,014,801	5,190,875	5,379,992
5,012,317	**Operating Receipts**	**5,256,860**	**5,557,815**	**6**	**5,442,183**	**5,627,264**	**5,828,543**
	Payments						
169,366	Interest Expenses	163,713	200,340	22	217,581	251,555	280,430
3,893,325	Payments to General Government Agencies for Outputs	3,796,818	4,466,224	18	3,969,446	3,971,164	3,996,167
810,969	Payments to Agencies for Expenses on Behalf of the Territory	792,208	986,772	25	1,097,926	1,146,313	1,245,516
138,612	Agency Investment Distributions Paid	181,293	160,179	-12	172,822	186,313	199,215
3,357	Other	10,311	5,866	-43	4,942	6,356	5,394
5,015,629	**Operating Payments**	**4,944,343**	**5,819,381**	**18**	**5,462,717**	**5,561,701**	**5,726,722**
-3,312	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**312,517**	**-261,566**	**-184**	**-20,534**	**65,563**	**101,821**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
461,993	Net Investment Deposits from Agencies	139,549	549,342	294	193,138	200,346	213,127
65,838	Capital Distributions from ACT Government Agencies	75,997	60,896	-20	30,323	32,909	35,725
527,831	**Investing Receipts**	**215,546**	**610,238**	**183**	**223,461**	**233,255**	**248,852**
	Payments						
254,658	Net Purchase of Investments	4,907	586,207	#	207,126	212,387	227,431
49,161	Net Loans Provided to Agencies	43,369	46,702	8	10,444	49,942	44,195
1,440,012	Capital Payments to ACT Government Agencies	1,052,748	1,519,243	44	1,269,234	1,569,244	1,572,009
1,140	Capital Payments to Government Agencies - PTE	0	390	#	731	0	0
1,744,971	**Investing Payments**	**1,101,024**	**2,152,542**	**96**	**1,487,535**	**1,831,573**	**1,843,635**
-1,217,140	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-885,478**	**-1,542,304**	**-74**	**-1,264,074**	**-1,598,318**	**-1,594,783**

2020-21 Budget $'000		2020-21 Interim Outcome $'000	2021-22 Budget $'000	Var %	2022-23 Estimate $'000	2023-24 Estimate $'000	2024-25 Estimate $'000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
1,146,732	Proceeds from Borrowings	991,341	1,747,350	76	709,784	2,100,863	1,044,595
1,146,732	**Financing Receipts**	**991,341**	**1,747,350**	**76**	**709,784**	**2,100,863**	**1,044,595**
	Payments						
5,596	Repayment of Borrowings	5,597	4,111	-27	4,296	4,490	4,692
5,596	**Financing Payments**	**5,597**	**4,111**	**-27**	**4,296**	**4,490**	**4,692**
1,141,136	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**985,744**	**1,743,239**	**77**	**705,488**	**2,096,373**	**1,039,903**
-79,316	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**412,783**	**-60,631**	**-115**	**-579,120**	**563,618**	**-453,059**
1,622,889	**CASH AT THE BEGINNING OF REPORTING PERIOD**	**1,622,889**	**2,035,672**	**25**	**1,975,041**	**1,395,921**	**1,959,539**
1,543,573	**CASH AT THE END OF REPORTING PERIOD**	**2,035,672**	**1,975,041**	**-3**	**1,395,921**	**1,959,539**	**1,506,480**

Notes to the Territorial Budget Statements

Many of the variations in the Territory Banking Account budget statements are driven by agency activity during and between financial years.

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- investment revenue:
    - the increase of $37.565 million in the 2020-21 interim outcome from the original budget is mainly due to a higher level of distributions from investments due to the strong investment performance for the financial year reflecting the global macroeconomic environment of unprecedented low interest rates and market gains; and
    - the decrease of $10.433 million in the 2021-22 Budget from the 2020-21 interim outcome is due to distribution revenue being based on expected distributable income and the use of the long-term investment return objectives for the portfolio investment strategies, which are lower than the investment returns achieved for the 2020-21 financial year.
- transfer revenue represents the transfer from agencies of revenue received on behalf of the Territory and includes taxes, fees, fines and grants. Variances are driven by agency activity.
- other revenue:
    - the decrease of $7.383 million in the 2020 21 interim outcome from the original budget is due to lower employer superannuation contributions from agencies for those employees with membership of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme and other investment revenue; and
    - the increase of $17.826 million in the 2021-22 Budget from the 2020 21 interim outcome is mainly due to higher employer superannuation contributions from agencies for those employees with membership of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme.
- gains on investment:
    - the increase of $260.728 million in the 20202-21 interim outcome from the original budget is mainly due to the 2020-21 investment returns outperformance relative to the underlying target return objectives of the portfolio strategies as a result of strong performance in most asset class sectors reflecting the global macroeconomic environment of unprecedented low interest rates and market gains for the financial year ended 30 June 2021; and

- the decrease of $456.698 million in the 2021-22 Budget from the 2020 21 interim outcome is due to the use of the long-term investment return objectives for the portfolio investment strategies, which are lower than the investment returns achieved for the 2020-21 financial year.

- payments to ACT Government agencies represent the transfer of budget appropriation funds to agencies. Variances are driven by agency activity.

- borrowing costs: the increase of $37.021 million in the 2020-21 Budget from the 2020-21 interim outcome is mainly due to the projected increase in the outstanding level of borrowings.

- other expenses: the increase of $65.250 million in the 2021-22 Budget from the 2020-21 interim outcome is mainly due to the planned extinguishment of the loan provided to CMTEDD for Community Housing Canberra following a restructuring of the loan arrangement.

- agency investment expenses are the investment earnings on agency investments held with the Territory Banking Account. Investment earnings comprise investment distributions and net capital gains or losses.

  - the increase of $292.210 million in the 2020-21 interim outcome from the original budget is mainly due to the strong investment performance for the financial year reflecting the global macroeconomic environment of unprecedented low interest rates and market gains; and

  - the decrease of $473.273 million in the 2021-22 Budget from the 2020-21 interim outcome is due to the use of the long-term investment return objectives for the portfolio investment strategies, which are lower than the investment returns achieved for the 2020-21 financial year.

Statement of Assets and Liabilities on behalf of the Territory

- cash and cash equivalents: The cash at bank balance reflects the operational and liquidity needs of the Territory Banking Account and the timing of within year cash flow requirements. Liquidity is maintained within the Territory Banking Account to meet budget appropriation requirements and debt servicing obligations, including interest and maturities.

- current and non-current receivables are accrued transfer revenue receivables from agencies and loans provided to agencies (Icon Water, ACTION and CMTEDD):

  - the increase of $110.397 million in the 2020-21 interim outcome from the original budget comprises higher accrued transfer revenues and accrued investment revenue; and

  - the decrease of $178.398 million in the 2021-22 Budget from the 2020-21 interim outcome comprises lower accrued transfer revenues, accrued investment revenue and loans from CMTEDD.

- investments:
    - the decrease of $159.168 million in the 2020-21 interim outcome from the original budget is the net result from the increase in investment balances due to the strong investment performance for the financial year offset by a change in timing of investment deposits by the Public Sector Workers Compensation Fund; and
    - the increase of $858.945 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the estimated increase to investments including the commencement of investing by the Public Sector Workers Compensation Fund.
- current and non-current interest bearing liabilities:
    - the decrease of $153.790 million in the 2020-21 interim outcome from the original budget is due to a lower amount of new borrowings than originally estimated; and
    - the increase of $1.746 billion in the 2021-22 Budget from the 2020-21 interim outcome reflects the estimated net new borrowings for budget funding requirements.
- agency investment deposits:
    - the decrease of $160.693 million in the 2020-21 interim outcome from the original budget is the net result from the increase in agency investment balances due to the strong investment performance for the financial year offset by a change in timing of investment deposits by the Public Sector Workers Compensation Fund; and
    - the increase of $858.878 million in the 2021-22 Budget from the 2020-21 interim outcome reflects the estimated increase to investment deposits including the commencement of investing by the Public Sector Workers Compensation Fund.

Statement of Changes in Equity and Cash Flow Statement on behalf of the Territory

Variations in these Statements are reflected in the notes above.