



**ACT**  
Government

# 22 23

Australian Capital Territory

# Budget

Delivering for Canberrans:  
now and into the future

## **Budget Statements B**

Chief Minister, Treasury and  
Economic Development Directorate  
(CMTEDD) together with associated  
agencies

# Structure and Content of the 2022-23 Budget Papers

**The 2022-23 Budget is presented in two papers and a series of agency Budget Statements.**

## **Budget Speech**

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategy and key features of the Budget.

## **Budget Outlook**

The Budget Outlook summarises the 2022-23 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2022-23 Budget results are provided, as well as background information on the development of the 2022-23 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of 2022-23 initiatives. Full accrual financial statements and notes are provided for all sectors.

## **Budget Statements**

The Budget Statements contain information on each directorate and agency, including descriptions of functions and roles and responsibilities, together with major strategic priorities.

## **Acknowledgement**



We acknowledge the Traditional Custodians of the ACT, the Ngunnawal people. We acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region

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# CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

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## 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 shape and respond to change, and to continue to deliver against government priorities, now and in the future.

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;
- drive growth in our knowledge-based economy and our reputation as a global destination in collaboration with business, tertiary education institutions as well as community 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;
- keep the Canberra community well informed in times of a territory emergency through the whole of government Public Information Coordination Centre; and

- provide meaningful opportunities for Canberrans to inform government decision making, including the development of government policies, programs and services.

## 2022-23 Priorities

Strategic and operational priorities for CMTEDD in 2022-23 include:

- maintaining and improving ACT Government tools and capability for providing increased access to government information to support efficient administration, public accountability and to sustain the community memory's memory of our culture and history;
- embedding the ACT Wellbeing Framework as a basis for assisting government decision making in Budget and Cabinet processes through understanding how decisions will impact wellbeing in the ACT;
- building an evidence base for 'what works' for wellbeing, and exploring options for reporting on wellbeing outcomes, including the role of strategic and accountability indicators;
- 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;
- 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;
- leading efforts across the ACTPS to improve the wellbeing and circumstances of people of diverse sexualities, genders, bodies and relationships through the Office of LGBTIQ+ Affairs, including actions identified in the Capital of Equality Second Action Plan and work to protect the rights of people with variations in sex characteristics in medical settings;
- promoting inter-directorate cooperation and outcomes through Directorate committees and ongoing arrangements such as the Coordinator-General's Group and the Strategic Board and its committees;
- through the Coordinator-General COVID-19 non health whole of government response, ensuring health and non health aspects of the response to COVID-19 are coordinated and aligned;
- leading and coordinating the ACT Government's participation in National Cabinet, the Council for the Australian Federation, and the Council of Capital City Lord Mayors;
- working across government to lead rolling updates to the ACT Government's Infrastructure Plan to transform it into a 'living document' and ensure it responds to the city's needs and market conditions as they evolve;

- 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;
- guiding cultural change across government in order to achieve greater collaboration and innovation in the delivery of the ACT Government's priorities;
- building the ACTPS workforce capability required to deliver priorities and services;
- delivering leading edge and contemporary employment conditions for the current and future ACTPS workforce;
- delivering insights into the emerging needs of the ACTPS workforce and implementing strategic and operational reform that build on those insights (for example, the Secure Workforce Conversion);
- driving the Future of Work program to further embed the hybrid and flexible work agenda;
- leading whole of ACTPS senior executive leadership development and mobility to ensure the ACTPS has the required mix of leadership capabilities now and into the future;
- delivering contemporary programs which attract and develop entry level talent and drive increased workforce diversity and inclusion;
- providing workers compensation services;
- ensuring the ACT public sector workplace safety framework operates effectively to protect staff from COVID-19 and associated health and wellbeing hazards;
- promoting employee health and wellbeing through innovative policies and initiatives;
- maintaining a strong integrity framework for the ACTPS;
- contributing to strengthened territory procurement processes through administering the Ethical Treatment of Workers Assessments;
- monitoring and administering the Secure Local Jobs Code to ensure the Territory only engages with employers with the highest ethical and labour standards;
- delivering the biennial Whole of Service Employee Survey to support effective workforce reporting and analysis;
- insourcing strategic whole of government projects to build capability and improve shared outcomes;
- keeping the Canberra community well informed in times of a Territory emergency 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 and improvement of websites and digital channels;
  - better coordinating public information campaigns that are evidence-based and audience-driven;
  - leading topic based and regional based communication programs;
  - supporting enhanced Whole of Government engagement practice, making it easier for Canberrans to have their say on important ACT Government issues; and
  - expanding the membership of the YourSay Community Panel;
- continuing support for directorates to implement the ACT Data Governance and Management Framework, including to enhance data sharing across the service for public benefit;
- progressing alignment of projects to the ACT 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 making it easier for people to prove their eligibility for a range of concessions to access ACT Government services and establishing a ‘tell us once’ capability to make it easier for citizens to advise of changes in their personal circumstances;
- continuing to manage and maintain the technology infrastructure and end user services for all ACT Government directorates and agencies, and assist agencies with strategies to modernise legacy systems;
- continuing to support national forums and providing advice and guidance for the ACT’s participation in national initiatives such the Birth of a Child Project, Digital Identity and the Intergovernmental Agreement on Data Sharing;
- supporting a safe and liveable city by:
  - continuing to deliver effective regulatory and government services including revenue collection for the Territory;
  - continuing to support the government’s COVID-19 response including through COVID compliance activities, the COVID-19 Helpline and the Business Liaison Line;
  - providing services to businesses, community groups and individuals through a ‘no wrong door’ approach to government;

- making our services simpler and easier including through:
  - improved website functionality and digital solutions;
  - enhanced customer experience regardless of the transaction channel; and
  - providing targeted services for those who need additional assistance;
- undertaking regulatory activities to protect our community, the environment and integrity of industries, especially in the areas of:
  - building and construction;
  - business compliance;
  - road and traffic safety;
  - environmental protection;
  - working with vulnerable people; and
  - fair trading;
- supporting an ‘engage, educate and enforce’ regulatory approach under our Accountability Commitment framework through effective communication and engagement;
- investigating and managing complaints to achieve regulatory outcomes;
- implementing improved land titles processes through e-conveyancing;
- implementing business improvements to ensure Access Canberra continues to operate effectively and efficiently;
- managing key systems and registries on behalf of government including Rego.act, Births, Deaths and Marriages and Land Titles;
- upholding regulatory protections through various statutory functions including as the Registrar-General, Commissioner for Fair Trading, Construction Occupations Registrar and the Environment Protection Authority; and
- continuing to support government reforms that enhance the liveability, wellbeing, safety, sustainability and the economy of the Territory;
- delivering on the Government’s economic development priorities through programs, policies and initiatives to make Canberra an even better place to live, work, visit, study, invest in and do business;
- strengthening business ecosystems through collaboration with universities, training providers, research organisations, commercialisation entities, business organisations and other government agencies to drive knowledge-based economic growth;

- delivering investment attraction and facilitation services to attract responsible external investment and growing the number of high value jobs;
- delivering subsidised skills and vocational education and training to meet Canberra's current and future skills and workforce needs;
- providing assistance through the Aboriginal and Torres Strait Islander Business Support program to increase the number of Aboriginal and Torres Strait Islander businesses and to help existing businesses to develop and grow;
- promoting Canberra as a global destination with tourism, sporting, artistic and cultural experiences that reflect our city's identity and position as the nation's capital;
- attracting migrants and students to contribute to the diversity of our community and our economic growth;
- supporting arts and creative practice that reflects our community, as well as managing and maintaining arts facilities that support engaging and innovative art making for audiences to experience;
- 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;
- delivering infrastructure projects and maintenance that support community arts and sport participation and improve territory-owned venues;
- continuing to progress the National Arboretum Canberra and Stromlo Forest Park masterplans, including consultation with key user groups;
- 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;
- 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 advanced 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 strengths, and ensure alignment with our objectives to expand and diversify Canberra’s economy and its reputation;
- preparing the 2022-23 Budget Review, the 2023-24 Budget and the Territory’s consolidated financial statements and whole of government budget and financial reports and developing policy on financial and accountability frameworks;
- supporting the development of infrastructure projects through the revised *Capital Framework* and advise on the commercial and financial aspects of complex infrastructure projects, including Public Private Partnerships, and coordinating the consideration of unsolicited proposals made to the Territory;
- managing the Territory’s borrowings, investments, cash, liquidity needs, superannuation and liabilities;
- enhancing procurement capability across the ACTPS and improving procurement policies, systems, tools and practices to support transparent, fair and robust processes to deliver value for money and ethical and sustainable outcomes, including through implementation of the Procurement Reform Program;
- 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;
- 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;
- 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

	2020-21 Actual Outcome <sup>1</sup>	2021-22 Budget <sup>2</sup>	2021-22 Estimated Outcome <sup>1</sup>	2022-23 Budget <sup>2</sup>
Staffing (FTE) <sup>3</sup>	2,566	2,598	2,630 <sup>4</sup>	2,677 <sup>5</sup>

**Note(s):**

1. These figures relate to staffing levels paid at the end of the 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 2021-22 estimated outcome and the 2021-22 Budget is mainly due to additional positions to meet government priorities, particularly the COVID-19 response, and an increase in demand for services.
5. The difference in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to new and continuing initiatives, including those that assist with COVID-19 recovery, economic development and managing the demand for services.

## 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 an 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 Coordinator Generals Group and the Strategic Board and its committees;
- through the Coordinator-General COVID-19 non health whole of government response, ensure health and non health aspects of the response to COVID-19 are coordinated and aligned;



- leading and coordinating policy and project initiatives targeted at reducing regulatory burden and improving the effectiveness and efficiency of regulation;
- leading and coordinating reform of the ACT Government procurement framework to deliver more timely, efficient, effective, and accountable business outcomes, meet the policy objectives of the government and respond to the current procurement landscape in the ACTPS;
- 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 the National Cabinet, 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 such as the NSW Government including 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 improve the wellbeing and circumstances of 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;
- through Access Canberra, delivering integrated services for ACT businesses, community groups and individuals seeking service, support, licensing, registration, regulatory compliance and/or advice from the ACT Government;
- 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 every second year so that workforce trends and patterns inform strategic decision making;
- completing strategic whole of government projects and building the strategic capability of the service;

- leading whole of ACTPS senior executive leadership development including SES Induction, career development, leadership development and mobility to ensure the ACTPS has the required mix of leadership capabilities to support the ACTPS now and into the future;
- coordinating the ACTPS Graduate Development Program, including driving a national attraction campaign to attract top talent from across the Country; implementing a targeted, effective and efficient selection of suitable graduates supporting up to 70 graduates throughout 3 placements across the ACTPS; and designing and coordinating a contemporary program of learning and development to support graduates for a rewarding career into the future;
- driving the hybrid and flexible work agenda including creating innovative work spaces and practices, which involves the creation of flexi working hubs in Belconnen and Tuggeranong, the establishment of an ACTPS Innovation Centre in the Canberra City and the uplift of capabilities to effectively embed productive hybrid work practices and the continued achievement of outcomes;
- implementing the findings from the 2021 Respect Equity and Diversity (RED) Review to ensure programs, policies and practices across the ACTPS continue to support continued growth in workforce diversity and an inclusive workplace culture;
- 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, inclusive innovation, responsible investment in Canberra, 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 its collaborative partnerships with the tertiary education and research sectors, support recovery of the international education sector, and attract inbound investment.

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.**

Tourism will continue to play a critical role in the ACT's economic recovery.

Prior to the onset of the COVID-19 pandemic, the ACT had a thriving visitor economy valued at just over \$2.5 billion (based on total overnight visitor expenditure), while tourism as an industry accounted for an estimated 18,500 local jobs.

The Directorate will continue to implement a range of marketing and industry development programs that aim to increase the economic return from tourist 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 continue to undertake this work prior to, and as international borders begin to open, in a post-COVID-19 pandemic environment.

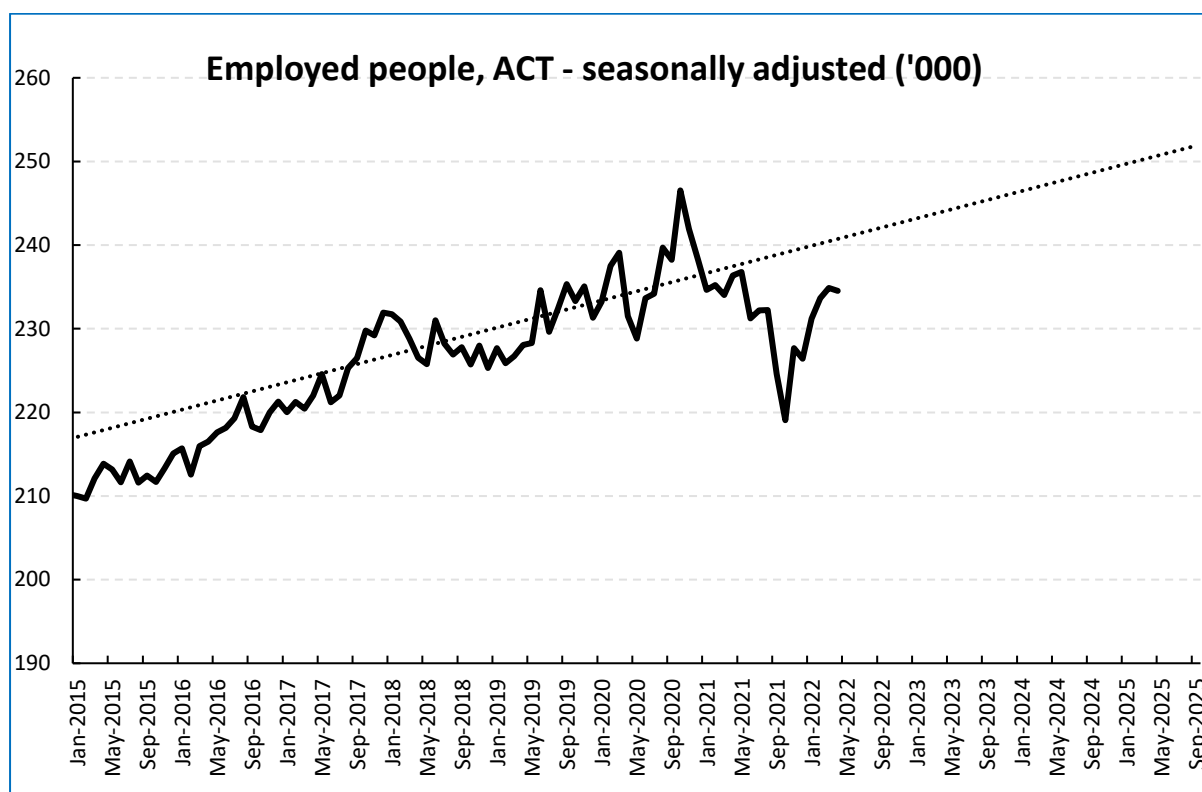
**Strategic Indicator 3b:** Growth in innovation, trade and investment.

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 attract investment that grows local research and development and support and accelerate the growth of local businesses.

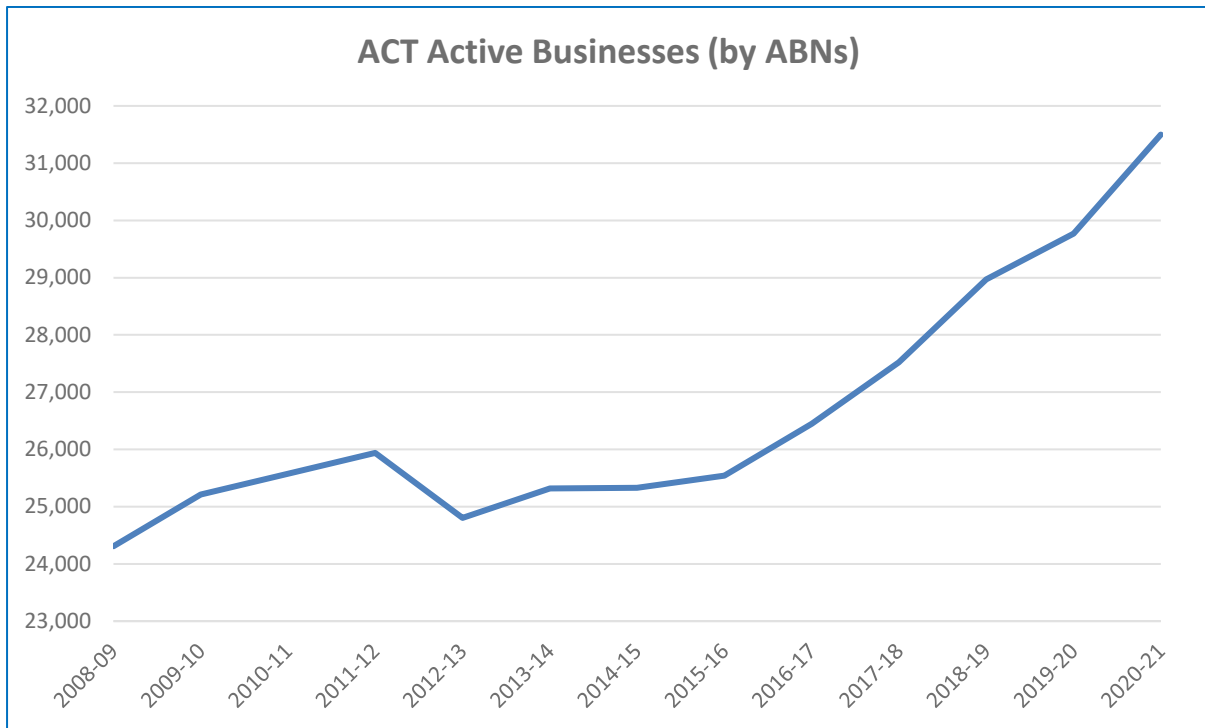
The Directorate will also promote export development through international engagement and trade activities.

**Figure 1: Employed People, Australian Capital Territory**



Source: Labour Force, Australia, April 2022 | Australian Bureau of Statistics (abs.gov.au) Employed people, Australian Capital Territory – Seasonally adjusted.

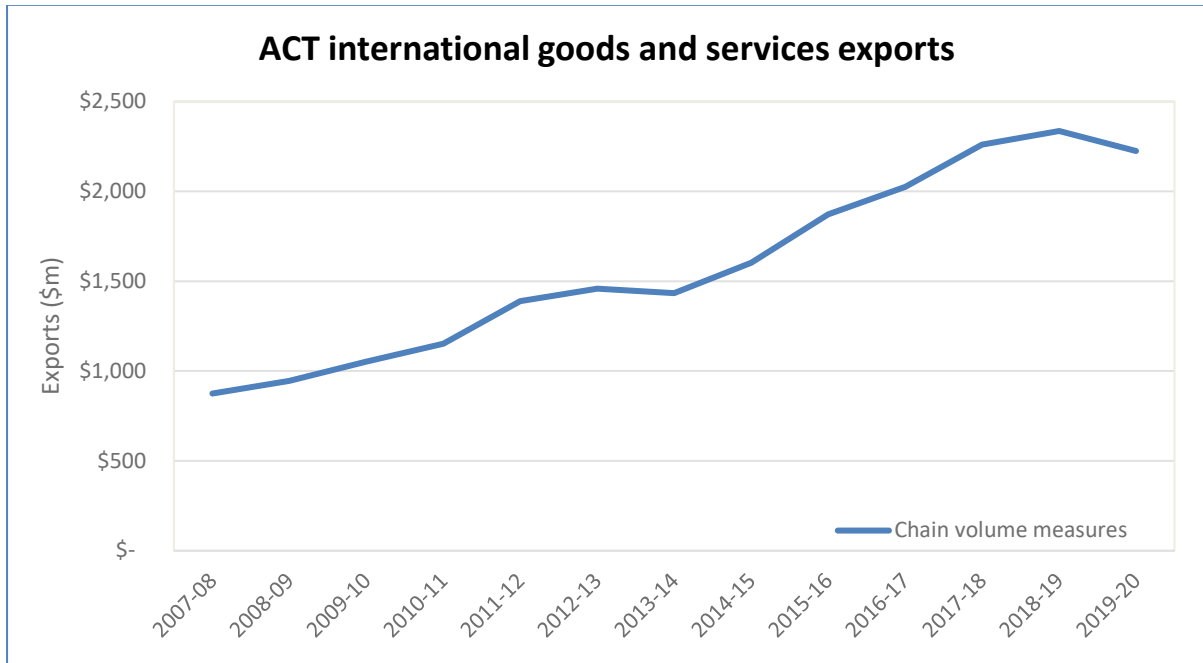
**Figure 2: ACT Active Businesses**



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

**Figure 3: 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.

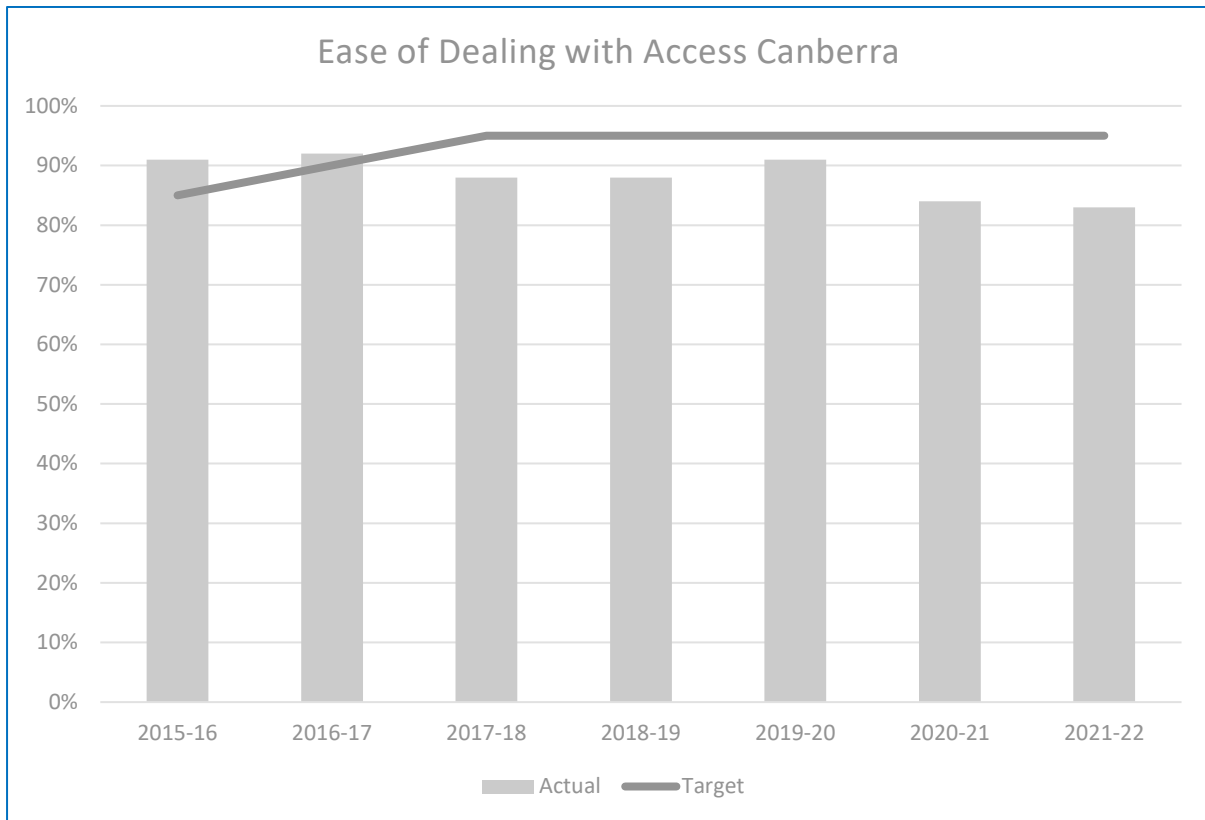


Source: ACT Services exports derived from ABS Catalogue 5368.0.55.003 - International Trade: Supplementary Information, Financial Year, 2020-21 (29 June 2022 release). ACT Goods exports derived from ABS Catalogue 5368 - International Trade in Goods and Services, Australia: TABLE 15a. MERCHANDISE EXPORTS, State and Australia, FOB Value (7 July 2022 release).

**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 business and citizens. Access Canberra provides in person services through its Service Centres; telephone services via its Contact Centres; and online services via its website, smartforms and digital capabilities, as well as field-based inspections, investigations and regulated compliance activities.

**Figure 4: Ease of Dealing with Access Canberra**

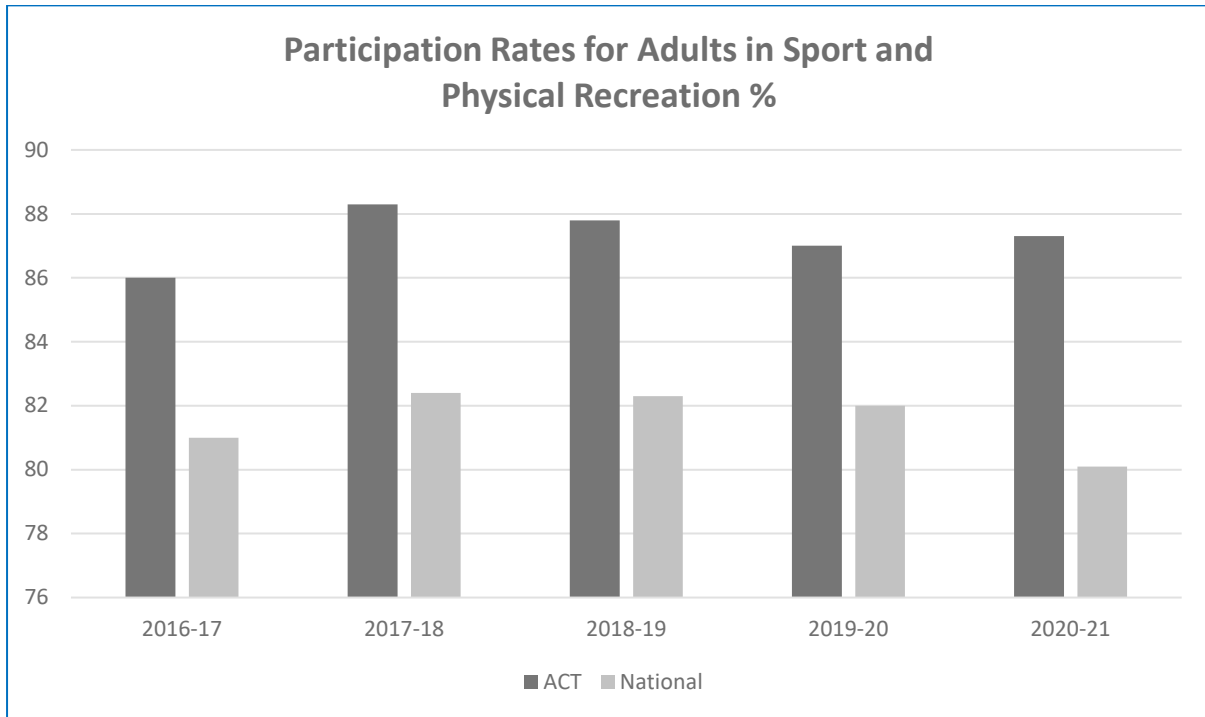


**Source: Business Improvement Manager client assessment feedback, which is collected from an on-going internal survey of businesses that have had a regulatory interaction with Access Canberra, combined with an annual survey of the general public assessing the ease of dealing with Access Canberra, based 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 Government’s objective to increase participation in competitive, non-competitive and social sport and recreation activities at all levels.

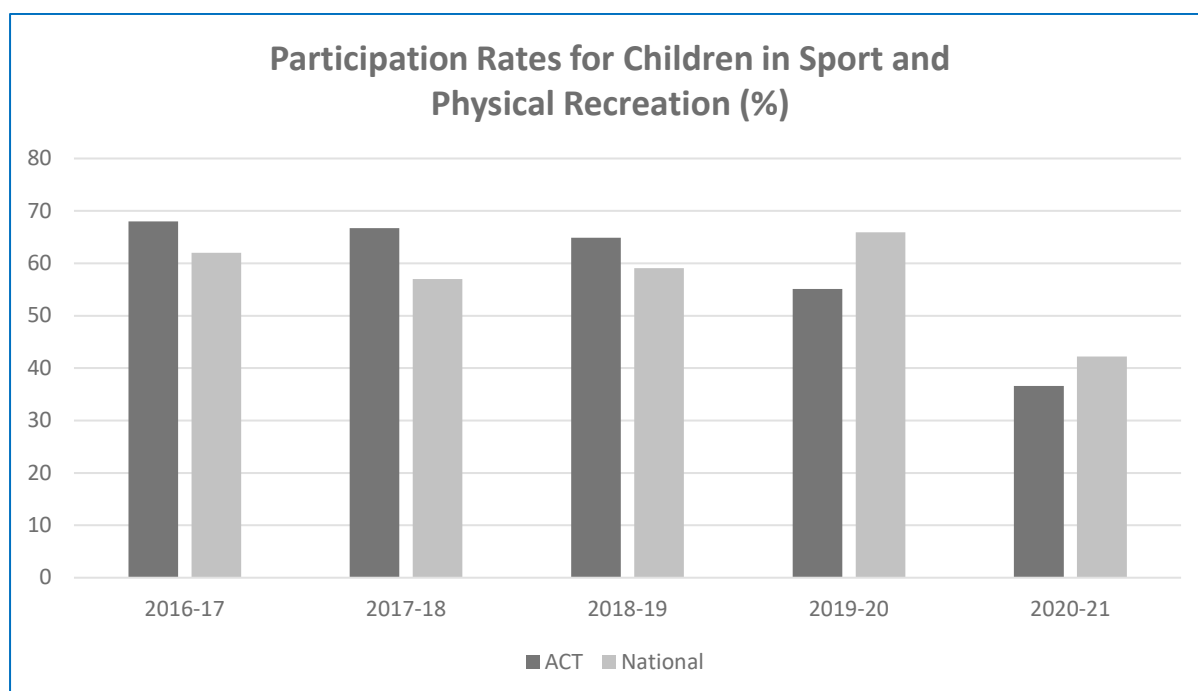
**Figure 5: Participation Rate for Adults in Sport and Physical Recreation**



Source: AusPlay Participation data for the sport sector (October 2021). The measure relates to persons aged 15 years or over who participate in sport and physical activity at least once a week.



**Figure 6: Participation Rate for Children in Sport and Physical Recreation**



Source: AusPlay Participation data for the sport sector (October 2021). The measure is for children aged 0-14 years who participated in organised sport at least once per week outside of school hours.

## 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:

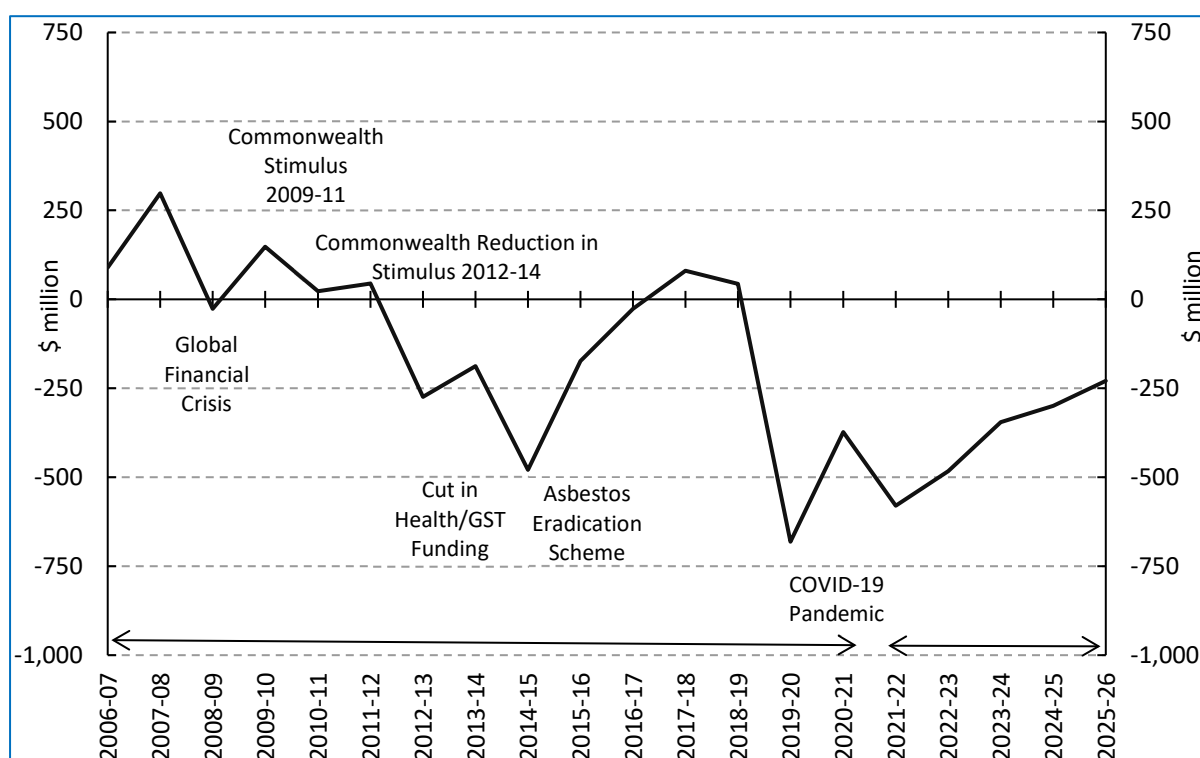
- assisting the Government to meet its fiscal strategy, which focuses on supporting the continuing public health and economic jobs recovery response to the COVID-19 pandemic, restoring public finances once the community and economy have fully recovered by systematically reducing net debt over the long term and strategically investing in infrastructure;
- 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 commercial and financial aspects of complex infrastructure projects, including 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 borrowings, financial investments, cash, and liquidity requirements and the defined benefit employer, superannuation and liabilities.

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

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) in 2021-22 is estimated to be a deficit of \$580.4 million. In 2022-23 the HNOB is forecast to be a deficit of \$483 million decreasing across the forward estimates to an estimated deficit of \$229.4 million in 2025-26.

**Figure 7: General Government Sector – Headline Net Operating Balance Forecast**



**Strategic Indicator 4b:** S&P Global Ratings 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 Australian Capital Territory’s is rated AAA (negative) by S&P Global Ratings (S&P).

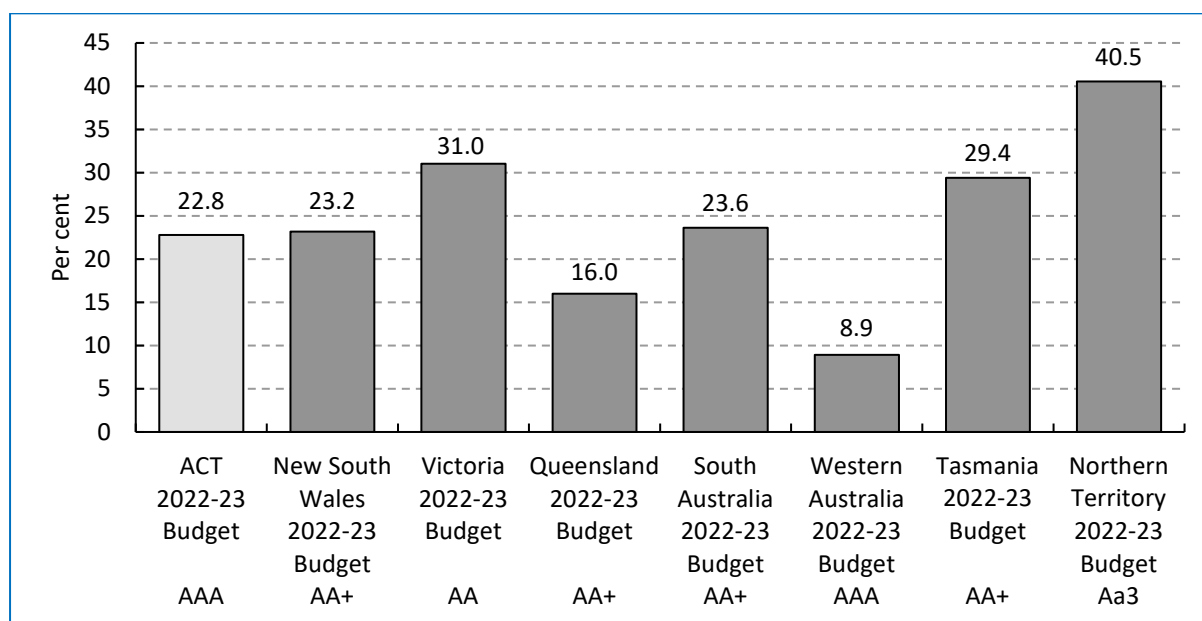
The Territory's AAA long-term and A1+ short-term local currency credit ratings were last affirmed by S&P following the 2021-22 Budget on 29 November 2021. S&P maintained the negative long-term rating outlook for the Territory. The AAA rating reflects the Territory's robust financial management, very high-income economy, and exceptional level of liquidity. The rating is also underpinned by Australia's excellent institutional framework. The Territory's AAA credit rating continues to outperform most other state or territory governments in the Asia Pacific region.

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

The forecast net financial liabilities to GSP ratio for 2022-23 is 22.8 per cent. This ratio is lower than the 2021-22 Budget Review mainly due to the latest annual defined benefit superannuation liability valuation review and a decrease in the liability valuation estimates due to changes in the financial assumptions adopted for the annual valuation including an increase in the long-term discount rate assumption, from 4 per cent to 5 per cent, offset by an increase in the long-term salary growth and inflation assumptions.

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 8: 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.

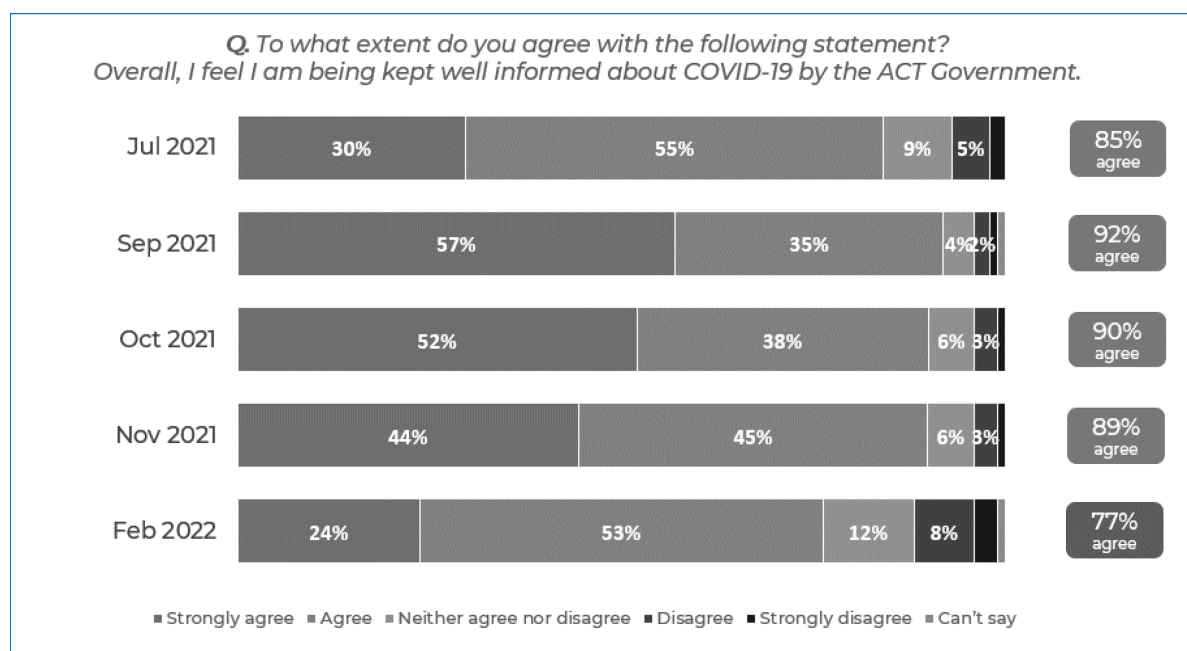
The Directorate will continue to lead the coordination of whole of government public information, ensuring the community is informed about government policies, projects and services. The Directorate will also lead the government’s strengthened campaign delivery and engagement commitment to deliver meaningful,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

Between March 2020 and December 2021, 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 research platform, the YourSay Panel which has almost 6,000 members, the community was asked how well informed they felt about COVID-19 through tracking surveys which began in April 2020.

Across five rounds of COVID-19 surveys conducted in the 2021-22 financial year, on average 86.6 per cent of Canberrans agreed or strongly agreed that they felt well informed about COVID-19 by the ACT Government.

**Figure 9: How Well Informed by the ACT Government the Community Feels About COVID-19**



The directorate will recommence tracking in the 2022-23 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 2022-23, the Directorate will continue to embed the principles of the ACT Digital Strategy through progression of Whole of Government Business Architecture and Threat and Risk Assessment initiatives.

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, through Access Canberra, continues to work with other directorates and agencies to expand and improve our digital service offering, with a focus on end-to-end digital solutions. We aim to better support our customers by delivering efficient, effective user-friendly services on behalf of the ACT Government, regardless of the service channel customers choose.

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

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost <sup>1, 2</sup>	1,251,763	892,292
Controlled Recurrent Payments	864,615	501,970

**Note(s):**

1. Total cost includes depreciation and amortisation of \$114.424 million in 2021-22 and \$119.959 million in 2022-23.
2. The cumulative Total Cost values included in the Output Class tables below will add up to more than the equivalent amounts shown in the Directorate's Total Cost above due to intra-directorate eliminations.

**Output Class 1: Government Strategy****Table 3: Output Class 1: Government Strategy**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	87,997	114,504
<b>Controlled Recurrent Payments</b>	67,089	90,061

**Note(s):**

1. Total cost includes depreciation and amortisation of \$3.714 million in 2021-22 and \$2.428 million in 2022-23.

**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. We perform 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. We also support the Coordinator General, Whole of Government (Non-Health) COVID-19 Response role.

Policy and Cabinet 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 government 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;
- through the Coordinator-General COVID-19 non health whole of government response, ensuring health and non health aspects of the response to COVID-19 are coordinated and aligned;
- leading and coordinating the ACT Government's participation in the National Cabinet the Council for the Australian Federation, and the Council of Capital City Lord Mayors;

- 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 such as the NSW government including 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 improve the wellbeing and circumstances of 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 in Budget and Cabinet processes through understanding how proposals will impact wellbeing in the ACT, 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	23,122	48,726
<b>Controlled Recurrent Payments</b>	19,379	31,081

***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 every second year so that workforce trends and patterns inform strategic decision making;
- completing strategic whole of government projects and building the strategic capability of the service;
- 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 ACT Government leased premises in various locations, and the creation of flexi working hubs in Belconnen and Tuggeranong, as well as a dedicated innovation and collaboration facility in the Nara Centre in the Canberra City;
- 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	17,705	22,536
<b>Controlled Recurrent Payments <sup>1</sup></b>	14,842	20,166

**Note(s):**

1. The 2022-23 Workforce Capability and Governance Controlled Recurrent Payments includes funding for the ACT Ombudsman as outlined in the table below.



**Table 6: ACT Ombudsman Funding by Function**

	<b>2022-23 Budget \$'000</b>
Ombudsman/ACT Policing	1,924
Reportable Conduct Scheme	1,093
Judicial Council	91
Freedom of Information Scheme	600
Inspector of the ACT Integrity Commission	217
<b>Total Ombudsman Funding</b>	<b>3,925</b>

**Output 1.3: Coordinated Communications and Community Engagement**

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

Communication and Engagement will deliver this output by:

- delivering coordinated communications to the Canberra community in times of Territory emergency;
- informing Canberrans about programs, policies and services through the ACT Government's key channels, including Our Canberra and ACT Government Facebook, 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 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**

	<b>2021-22 Estimated Outcome \$'000</b>	<b>2022-23 Budget \$'000</b>
<b>Total Cost</b>	13,683	12,066
<b>Controlled Recurrent Payments</b>	10,919	11,455

### **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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	13,539	11,919
<b>Controlled Recurrent Payments</b>	6,924	9,193

### **Output 1.5: International Engagement**

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: <sup>1</sup>

- 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	2,293	3,626
<b>Controlled Recurrent Payments</b>	2,113	3,439

**Note(s):**

1. Delivery of some parts of this output may be impacted by COVID-19 travel restrictions during the year.

**Output 1.6: Workforce Injury Management and Industrial Relations Policy**

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;
- coordinating the Territory’s consultative bodies for industrial relations regulation, workers’ compensation and work health and safety; and
- administering the Loose Fill Asbestos Disease Support Scheme, on behalf of the Chief Minister, to provide financial assistance to people with an asbestos disease caused by living in a loose fill asbestos insulation (Mr Fluffy) contaminated home.

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

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	17,655	15,631
<b>Controlled Recurrent Payments</b>	12,912	14,727

## Output Class 2 (Output 2.1): Access Canberra

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

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	122,509	124,332
<b>Controlled Recurrent Payments</b>	99,191	100,872

**Note(s):**

1. Total cost includes depreciation and amortisation of \$4.414 million in 2021-22 and \$3.935 million in 2022-23.

### 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

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	502,932	175,472
<b>Controlled Recurrent Payments</b>	471,726	142,669

**Note(s):**

1. Total cost includes depreciation and amortisation of \$8.265 million in 2021-22 and \$8.005 million in 2022-23.

Table 13: Output Class 3: Economic Development Expenditure by Function

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Business and Innovation	355,031	16,565
Tourism and Events	36,453	33,126
Sport and Recreation	20,122	22,704
Arts	19,341	19,906
Skills	38,967	48,885
Venues	33,018	34,286
<b>Total Economic Development Functional Expenditure</b>	<b>502,932</b>	<b>175,472</b>

### **Output 3.1: Economic Development** <sup>1</sup>

Through the Economic Development output the Directorate:

- delivers on the government’s economic development priorities through programs, policies and initiatives to make Canberra an even better place to live, work, visit, study, invest in and do business;
- strengthens collaboration with universities, training providers, research organisations, commercialisation entities, business organisations and other government agencies through initiatives that connect Canberra’s business ecosystems, which actively facilitates and attracts responsible investment in the ACT;
- attracts visitors to the ACT through innovative tourism marketing and industry development programs, while also delivering, supporting and promoting key events for Canberrans and visitors to enrich Canberra’s reputation as a global destination;
- enhances the wellbeing of Canberrans through participation in organised sport and recreation by delivering of programs, sporting infrastructure development and supporting player pathways;
- contributes to the liveability of Canberra by supporting arts and creative practice that is reflective of our community, as well as managing and maintaining arts facilities that support engaging and innovative art making for audiences to experience;
- supports the skills and workforce agenda for the ACT by facilitating skilled and business migration pathways; and
- manages and maintains key venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, National Arboretum Canberra and Stromlo Forest Park as premier tourism and recreational attractions.

**Table 14: Output Class 3.1: Economic Development**

	<b>2021-22 Estimated Outcome \$'000</b>	<b>2022-23 Budget \$'000</b>
<b>Total Cost</b> <sup>1</sup>	0	175,472
<b>Controlled Recurrent Payments</b>	0	142,669

**Note(s):**

1. New output. On 1 July 2022, all former Output Class 3 outputs have been combined to create this new Output 3.1 Economic Development.

### **Output 3.2: Business and Innovation (Discontinued) <sup>1</sup>**

**Table 15: Output 3.2: Business and Innovation (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	355,031	0
Controlled Recurrent Payments	353,721	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.1 Business and Innovation, and from 1 July 2022 has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

### **Output 3.3: Tourism and Events (Discontinued) <sup>1</sup>**

**Table 16: Output 3.3: Tourism and Events (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	36,453	0
Controlled Recurrent Payments	33,527	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.2 Tourism and Events, and from 1 July 2022 has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

### **Output 3.4: Sport and Recreation (Discontinued) <sup>1</sup>**

**Table 17: Output 3.4: Sport and Recreation (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	20,122	0
Controlled Recurrent Payments	18,692	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.3 Sport and Recreation, and from 1 July 2022 has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

### **Output 3.5: Arts (Discontinued) <sup>1</sup>**

**Table 18: Output 3.5: Arts (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	19,341	0
Controlled Recurrent Payments	16,745	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.4 Arts, and from 1 July 2022 has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

### **Output 3.6: Skills (Discontinued) <sup>1</sup>**

**Table 19: Output 3.6: Skills (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	38,967	0
<b>Controlled Recurrent Payments</b>	36,597	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.5 Skills, and from 1 July 2022 Events has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

### **Output 3.7: Venues (Discontinued) <sup>1</sup>**

**Table 20: Output 3.7: Venues (Discontinued)**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	33,018	0
<b>Controlled Recurrent Payments</b>	12,444	0

**Note(s):**

1. Discontinued output. This output was formerly Output 3.6 Venues, and from 1 July 2022 has been combined with all former Output Class 3 outputs to create the new Output 3.1 Economic Development.

## **Output Class 4: Financial and Economic Management**

**Table 21: Output Class 4: Financial and Economic Management**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	97,592	26,071
<b>Controlled Recurrent Payments</b>	96,911	31,119

**Note(s):**

1. Total cost includes depreciation and amortisation of \$0.173 million in 2021-22 and \$0.692 million in 2022-23.

### **Output 4.1: Economic Management**

The Economic Management output incorporates provision of economic and revenue modelling, economic analysis and policy advice to the ACT Government and agencies, management of Federal Financial Relations, 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 a wide range of policy matters considered by government in terms of economic and regulatory impacts, 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; and
- administering the Lifetime Care and Support (LTCS) Scheme.

**Table 22: Output 4.1: Economic Management**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	8,918	8,510
<b>Controlled Recurrent Payments</b>	8,363	7,806

### ***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, management of financial investment assets and borrowing and superannuation liabilities and assists 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 Bureau of Statistics, and the Commonwealth Grants Commission;



- providing advice to the ACT Government on financial and budget policy issues;
- reviewing government programs and functions; and
- managing the Territory’s borrowings, financial investments, cash and liquidity needs and the defined benefit employer superannuation liabilities through the Territory Banking Account and the Superannuation Provision Account.

**Table 23: Output 4.2: Financial Management**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	88,674	17,561
<b>Controlled Recurrent Payments</b>	88,548	23,313

## **Output Class 5 (Output 5.1): Revenue Management**

**Table 24: Output Class 5 (Output 5.1): Revenue Management**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	32,652	32,721
<b>Controlled Recurrent Payments</b>	23,977	23,919

**Note(s):**

1. Total cost includes depreciation and amortisation of \$3.838 million in 2021-22 and \$3.772 million in 2022-23.

### **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

**Table 25: Output Class 6: Shared Services**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b> <sup>1,2</sup>	278,855	289,204
<b>Controlled Recurrent Payments</b>	80,678	80,748

**Note(s):**

1. Total cost includes depreciation and amortisation of \$27.481 million in 2021-22 and \$33.805 million in 2022-23.
2. The cumulative Total Cost values included in the Output Class 6 output tables below will add up to more than the equivalent amounts shown in the Output Class 6's Total Cost above due to intra-business unit eliminations.

### **Output 6.1: Human Resources, Finance and Record Services**

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 26: Output 6.1: Human Resources, Finance and Record Services**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	73,363	77,858
<b>Controlled Recurrent Payments</b>	52,338	54,715

### **Output 6.2: Digital, Data and Technology Solutions**

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 27: Output 6.2: Digital, Data and Technology Solutions**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	214,150	219,141
Controlled Recurrent Payments	28,340	26,033

### **Output Class 7: Infrastructure Finance and Procurement**

**Table 28: Output Class 7: Infrastructure Finance and Procurement**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost <sup>1</sup>	13,234	13,005
Controlled Recurrent Payments	9,112	8,765

**Note(s):**

1. Total cost includes depreciation and amortisation of \$0.074 million in 2021-22 and \$0.067 million in 2022-23.

### **Output 7.1: Infrastructure Finance**

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 for capital projects 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 on the policy frameworks that support the development and delivery of infrastructure projects, including the Capital Framework and the Partnerships Framework - Guidelines for Unsolicited Proposals and Guidelines for PPPs.

**Table 29: Output 7.1: Infrastructure Finance**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	3,792	3,354
<b>Controlled Recurrent Payments</b>	3,679	3,231

### **Output 7.2: Procurement**

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 Territory entities to support the pursuit of value for money in strategic goods and services procurement;
- supporting Territory Entities in undertaking low risk goods and services procurements by providing guidance and templates;
- developing and maintaining templated and standardised procurement guidance, documentation and processes to support all procurement;
- applying contemporary category procurement knowledge and contract management skills to establish and manage cost effective whole of government arrangements;
- managing and developing the legislation and policy that underpin the Procurement Framework ensuring it is aligned to the needs of the Territory;
- improving the maturity of procurement legislation, policies, systems, tools and practices, to support the pursuit of value for money, to drive transparent, supported and standardised procurement outcomes;
- uplifting 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 and bimonthly procurement eNewsletter;
- administering the whole of government procurement systems including ACT Government online tendering and contracts register platforms to comply with legislative obligations and international agreements;

- representing the ACT Government in cross-jurisdictional engagement on procurement policy matters, including in relation to international trade agreements; and
- working in collaboration with the Better Regulation Taskforce to reduce barriers faced by Small to Medium Enterprise in accessing ACT Government procurement opportunities.

**Table 30: Output 7.2: Goods and Services Procurement**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b>	9,442	9,651
<b>Controlled Recurrent Payments</b>	5,433	5,534

## **Output Class 8 (Output 8.1): Property Services**

**Table 31: Output Class 8 (Output 8.1): Property Services**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	169,815	173,900
<b>Controlled Recurrent Payments</b>	15,931	23,817

**Note(s):**

1. Total cost includes depreciation and amortisation of \$66.465 million in 2021-22 and \$67.255 million in 2022-23.

### **Output 8.1: Property Services**

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 31 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.

## Accountability Indicators

### Output Class 1: Government Strategy

#### Output 1.1: Government Policy and Reform

**Table 32: Accountability Indicators Output 1.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 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	1	1	2
g. Climate action reform initiatives	3	3	3

#### Accountability Indicator Descriptions and Variance Commentary:

- 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 2022-23 include the following.
  - Provision of legislation to government on regulation of deferrable medical interventions on children with variations in sex characteristics in the ACT.
  - Oversee implementation of actions under the Capital of Equality Strategy Second Action Plan across government.
  - Release a first update of the Wellbeing Data Dashboard in the course of 2022-23.
- 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.
- 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.
- This accountability indicator relates to the content coordination, production and release of the approved ACT Government Agreement Progress Report in delivering key government decisions.
- 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 scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. Initiatives scheduled for delivery in 2022-23 include:
  - whole of government co-ordination and implementation of automatic mutual recognition for occupational licences; and
  - commencement of delivery of government agreed reforms program for better regulation.
- 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 scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. The initiatives currently scheduled for delivery in 2022-23 are as follows.
  - Procurement activities to support the continuation of the Sustainable Household Scheme.
  - Supporting two ACT Directorates to pilot new approaches to adaptation risk management to inform the development of whole of government approaches.
  - Release of the tender documentation for Stream 1 of the Big Canberra Battery project.

## **Output 1.2: Workforce Capability and Governance**

**Table 33: Accountability Indicators Output 1.2**

	<b>2021-22 Targets</b>	<b>2021-22 Estimated Outcome</b>	<b>2022-23 Targets</b>
a. ACTPS Graduate Program positively impacts on business area outcomes and objectives	75%	75%	75%
b. Publish the State of the Service Report	December 2021	December 2021	October 2022
c. Deliver ACTPS Leadership and Development programs	2	2	2
d. Conduct entry level diversity and inclusion programs	85%	92%	85%
e. Support the Workforce Transformation program	2	1	2
f. Approval of Enterprise Agreements	1	1	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	43	24

### **Accountability Indicator Descriptions and Variance Commentary:**

- a. This accountability indicator measures the satisfaction of graduate supervisors. The indicator will be considered achieved if 75 per cent 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 has been renamed. This accountability indicator covers the implementation of a program of work for improving leadership capabilities across the ACTPS. The delivery of this indicator involves providing two opportunities for ACTPS SES leaders to participate in whole of government leadership development programs – SES induction and the SES Band 1 Leadership Program – 'Leadership Beyond Crisis'.
- d. This accountability indicator relates to conducting entry-level diversity and inclusion employment programs that increase workforce diversity. The indicator will be considered achieved if 85 per cent of the participants complete their program. This indicator acknowledges the importance of the ACT Public Service being representative of the diverse ACT community. The estimated outcome for 2021-22 reflects an increased number of employees completing the Vocational Employment Programs.
- e. This accountability indicator includes two deliverables in 2022-23: the creation of flexi working hubs in Belconnen and Tuggeranong, and a dedicated collaboration facility in the Nara Centre in Civic. During 2021-22 only one of the two deliverables was completed. Impacts on the construction industry from the COVID-19 pandemic have resulted in the flexi working hubs in Belconnen and Tuggeranong not being completed in this financial year. They are now scheduled for completion in the 2022-23 financial year.

- 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 estimated outcome shows that the performance target will be exceeded for the reporting period. This is due to a temporary reallocation of staffing resources across the financial year which has resulted in faster processing.
- h. This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package. The estimated outcome show that the performance target will be exceeded for the reporting period. This is due to the additional training courses that have been provided in relation to the Ethical Treatment of Workers Assessments which were introduced in February 2022.

### **Output 1.3: Coordinated Communications and Community Engagement**

**Table 34: Accountability Indicators Output 1.3**

	<b>2021-22 Targets</b>	<b>2021-22 Estimated Outcome</b>	<b>2022-23 Targets</b>
a. Annual numbers of ACT Government Digital Mail Service newsletters	20	24	22
b. Annual number of ACT Government Our Canberra newsletters	11	10	11
c. Annual whole of government Communications and Engagement Plan	1	1	1
d. Annual number of YourSay Community Panel surveys conducted	16	14	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 number of e-newsletters forecast to deliver in 2022-23 is based on no COVID-19 lockdowns. The Our Canberra electronic direct mail newsletters were sent with higher frequency due to editions going out in the lead up to Christmas and throughout January, which had not originally been planned.
- 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 publishing schedule for Our Canberra printed newsletters will return to a normal target of 11, also based on no COVID-19 impacts. A newsletter was not produced in September 2021 due to the COVID-19 lockdown. Resources were instead deployed to providing accurate daily information over digital channels.
- 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. 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. The number of surveys completed in 2022-23 is expected to return to a normal target of 16. Several priority (non Panel) research projects were completed throughout the year which reduced the capacity of the Digital Research and Insights team to conduct the target number of YourSay Panel surveys.



## Output 1.4: Digital Strategy

**Table 35: Accountability Indicators Output 1.4**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. ACT Data Analytics Centre	1	1	6
b. The value delivered through technology investment improves	2	2	4
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 (ACTDAC). This indicator is considered completed through the support of directorates to implement the Data Governance and Management Framework. In 2022-23, this indicator is considered complete when ACTDAC (in collaboration with directorates) develops:
- a whole of government data catalogue referencing key government datasets and identifying data custodians and stewards;
  - training materials to support data custodians and stewards in undertaking their roles;
  - sex, gender and sexual orientation data standards and implementation guidance for use in government systems and data collections;
  - whole of government data procurement and acquisition guidance;
  - whole of government data sharing policy and tools to support consistent sharing across directorates and with non-government partners; and
  - the next iteration of the ACT Wellbeing Framework indicators dashboard and any Wellbeing Lens dashboards that are identified for delivery in the 2022-23 financial year.
- 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 continue to support government to make informed technology investment decisions and will embed the principles outlined in the ACT Digital Strategy. In 2022-23, this indicator will be considered complete when:
- the Technology Governance Group provides advice that enables informed technology investment decisions;
  - maturation and adoption of best practice design and delivery for identifying key projects to further implement the principles of the Digital Strategy;
  - creation of a whole of government view of projects and programs across government to inform digital and technology priorities and investment decisions; and
  - achieving outcomes of the whole of government Business Architecture, including the establishment of a whole of government Architecture Governance Group.
- 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. In 2022-23, this indicator is considered complete through the following.
- Continuing to broaden the whole of government 'Tell us Once' capability for change of address by connecting the ACT Digital Account to Education. This will enable citizens to change their address within their Digital Account and have that information flow to Education. This is the second such service adding to the existing 'Tell us Once' service between the ACT Digital Account and the ACT Revenue Office.
  - Continuing to broaden the whole of government 'concessions management' capability by onboarding a yet to be determined concession type/benefit. This will enable citizens to manage these concessions within their ACT Digital Account. This will be the second such service adding to the existing 'concession management' service between the ACT Digital Account and the ACT Revenue Office.

## Output 1.5: International Engagement

**Table 36: Accountability Indicators Output 1.5**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Number of ACT businesses assisted with export development	25	103	75
b. Number of ACT businesses exporting because of essential support received from the OIE	25	9	10
c. Number of trade missions and other events organised, delivered or funded	10	10	20

### Accountability Indicator Descriptions and Variance Commentary:

- 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. Although the COVID-19 pandemic affected domestic commercial activity, international trade-building engagement, and actual export flows, ACT businesses continued to seek advice on export approaches to international markets, in anticipation of borders continuing to open to trade activities.
- 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. During 2021-22, the COVID-19 pandemic continued to have a significant impact on the ability of ACT businesses to build and maintain important in-person trade relationships in foreign markets. The pandemic also caused an exceptional rise in air and sea freight costs, and contorted supply chains, making export transactions less viable. With this, fewer export contracts were completed among export clients of the ACT in this period.
- 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).

## Output 1.6: Workforce Injury Management and Industrial Relations Policy

**Table 37: Accountability Indicators Output 1.6**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	April 2022	May 2022	April 2023
b. Maintain consultative work injury management fora within the ACT	4	4	8
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	30	30	30
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	14	14

### Accountability Indicator Descriptions and Variance Commentary:

- This accountability indicator covers 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. This indicator was completed on the first working day in May 2022.

- b. This accountability indicator now covers the secretariat role provided for the recently established Labour Hire Licensing Advisory Committee, in addition to the ACT Work Health and Safety Council. Both forums are expected to have four meetings each, eight in total, held in 2022-23. The indicator is considered complete when Council meetings are held.
- 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 have been signed by the Minister.
- 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.

## Output Class 2: Access Canberra

### Output 2.1: Access Canberra

**Table 38: Accountability Indicators Output 2.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Efficient Service Delivery – percentage of customers satisfied with Access Canberra	90%	84%	90%
b. Doing Business in the ACT is easy – percentage of the Canberra community satisfied with the ease of interacting with Access Canberra	95%	83%	95%
c. Percentage of services available online	82%	89%	90%
d. Percentage of services completed online	87%	91%	90%
e. Reduction of regulatory burden on business by undertaking risk-based coordinated inspection activities	80%	80%	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%	90%	90%
h. Average level of helpfulness after issuing a notice or before issuing a licence/authorisation	4.5 out of 5	4.7 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 overall satisfaction with Access Canberra has seen a reduction this year resulting in the target not being met. While Access Canberra continues to see a high level of satisfaction across all service channels, this year it has a larger number of satisfied opposed to highly satisfied reducing the overall score. Access Canberra has had to modify its service offering to comply with public health directions which has impacted on the delivery of our services. Workforce pressure as a result of COVID-19 impacts have also impacted our ability to deliver a high level of satisfaction. It is anticipated that satisfaction levels will improve as COVID-19 restrictions ease and service pressures reduce.
- 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.

The ease of dealing with Access Canberra has been negatively affected this year as a result of needing to adapt our service model as part of the Government's COVID-19 response. Access Canberra Service Centres were closed for an extended period during the COVID-19 Lockdown causing service impacts for the community. This resulted in longer wait times and increased processing times. As a result of Service Centre impacts and other ACT Government agencies being affected due to COVID-19, the Contact Centre also experienced an increase in call volumes and wait times. It is anticipated that service levels will improve as COVID-19 restrictions ease and service pressures reduce.

- c. Services available online are defined as interactions that can be conducted (at least in part) via the internet/portals. This result is ahead of target. The higher performance level is being boosted by activities to support solutions that enable citizens to complete government transactions remotely/online driven in part by COVID-19 priorities.
- 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.
- 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. The terms 'registration' and 'authorisation' can be used interchangeably.
- 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.
- h. Feedback is collected from an ongoing internal phone survey of randomly selected industry groups that have had a regulatory or licensing interaction 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

### Output 3.1: Economic Development <sup>1</sup>

Table 39: Accountability Indicators Output 3.1

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
<b>Business and Innovation</b>			
a. Businesses supported through innovation programs	20	20	30
b. Satisfaction levels with ACT Government funded business support services	>80%	>80%	>80%
c. Satisfaction of the tertiary education sector with the engagement of the ACT Government and its promotion of Canberra as a study destination of choice	>80%	>80%	>80%
d. Projects under investment attraction facilitation	5	5	5
<b>Tourism and Events</b>			
e. Local sentiment on major and community events			
- Major events	Average rating of 4 out of 5	Average rating of 4 out of 5	Average rating of 4 out of 5
- Community events	Average rating of 4 out of 5	Average rating of 4 out of 5	Average rating of 4 out of 5
f. Estimated economic benefit from delivery of major events	\$43.0 m	\$3.0 m	\$43.0 m
g. Estimated return on ACT Government investment from events supported under the Major Event Fund	Ratio of 40:1	Ratio of 40:1	Ratio of 40:1

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
h. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	90%	90%	90%
<b>Sport and Recreation</b>			
i. Number of nationally identified priority athletes supported by the ACT Academy of Sport	120	120	120
j. Number of organisations funded to support participation opportunities in sport and recreation	80	80	80
k. Estimated economic activity as a result of supporting local elite teams	\$14.0 million	\$14.0 million	\$14.0 million
<b>Arts</b>			
l. Percentage of the public art collection managed by artsACT in good or above condition	80%	85%	80%
m. Satisfaction with the management of grants administered by artsACT	80%	82%	80%
n. Number of artists directly and indirectly supported through Arts Activities funding	100	120	100
o. Satisfaction of audiences and participants of artsACT-funded arts organisations	80%	Not measured	80%
p. Number of attendees at programs delivered by artsACT funded organisations	175,000	170,000	250,000
<b>Skills</b>			
q. Participation rate of 15-64 year olds in VET			
- All students (percentage)	5.9%	N/A	5.9%
- Aboriginal and Torres Strait Islander students (percentage)	13.4%	N/A	13.4%
- Young Canberrans aged 15-24 (percentage)	12.5%	N/A	12.5%
r. VET graduate outcomes after training - Employed after training or in further study	92%	90%	92%
s. Skilled Migration Attraction and Facilitation			
- Skilled Independent Nominated	1,400	2,000	4,000
- Average processing time for applications across all skilled migration program streams	20 business days	5.6 business days	20 business days
<b>Venues</b>			
t. Number of Major Events at:			
- GIO Stadium	20	17	20
- Manuka Oval	8	8	8
- Exhibition Park in Canberra	85	72	85
- Stromlo Forest Park	10	17	12
u. Own Source Revenue by Venue at:			
- GIO Stadium	\$3.0 million	\$2.2 million	\$3.0 million
- Manuka Oval	\$360,000	\$260,000	\$360,000
- Exhibition Park in Canberra	\$3.5 million	\$2.0 million	\$3.5 million
v. The level of customer satisfaction at the National Arboretum Canberra	85%	98%	85%

**Note(s):**

- From 1 July 2022, the former six outputs within Output Class 3 Economic Development have been combined into one, Output 3.1 Economic Development.

## **Accountability Indicator Descriptions and Variance Commentary:**

### ***Business and Innovation***

- a. This accountability indicator tracks the number of businesses supported through programs delivered or supported by the CBR Innovation Network during the reporting period.
- b. 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. 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. This accountability indicator tracks the number of investment proposals under facilitation management by Business and Innovation during the reporting period.

### ***Tourism and Events***

- e. 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.
- f. 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. The variance relates to the cancellation of Floriade 2021 due to the COVID-19 pandemic. In recent years, Floriade has provided an average estimated economic benefit of around \$40 million.
- g. 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.
- h. 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.

### ***Sport and Recreation***

- i. 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.
- j. This accountability indicator reports the number of organisations funded through the Sport and Recreation Grant Program to deliver participation opportunities. Funding recipients are offered education and training assistance to improve the quality of these opportunities. The result will be reported at the end of the financial year.
- k. 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.

### ***Arts***

- l. 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 estimated outcome is higher than the target result because of the ongoing conservation of artworks in the collection. These conservation works result in an overall improvement in the condition of the collection.

- m. 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.
- n. 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 and will vary subject to the applications supported each year.
- o. This accountability indicator was introduced for 2021-22 and measures satisfaction of audiences and participants of artsACT-funded arts organisations. Data for this indicator is to be collated annually but was not measured in 2021-22 due to the ongoing impacts of COVID-19 on artsACT funded arts organisations.
- p. 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 target was reduced to account for the impacts of COVID-19 in 2021-22. The 2022-23 target reflects pre-COVID-19 targets.

#### **Skills**

- q. This accountability indicator measures 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.
- r. 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.
- s. This accountability indicator has two measures.
  - Skilled Independent Nominated – This indicator covers all skilled migration program streams, and aligns the target with the annual allocation provided by the Australian Government. The variance is due to an increase in the 2021-22 allocation of nomination places from 1,400 to 2,000 after the target was set.
  - Average Processing Time for Applications – This indicator tracks the number of business days to process an application including receipt of payment. The average processing time is 72 per cent below the target due to improvements to the Canberra Matrix process administered by Skills Canberra. Applicants are invited to submit an application for visa nomination based on their Canberra Matrix score. These invitations are issued pro rata against the number of places left in the monthly allocation and only the number of migrants needed to meet that month's allocation are invited to submit an application.

#### **Venues**

- t. These accountability indicators reflect the number of contracted major events to be held at each venue in 2022-23. Additional events may be secured during the year.
  - Major events at GIO Stadium are defined as concerts, national competition (National Rugby League (NRL) and Super Rugby) and international matches. The estimated outcome is lower than the target as NRL fixtures were moved to Queensland in July 2021. This resulted in the remainder of the 2021 season's Canberra Raiders matches unable to be played at GIO Stadium. There has been an offset to some extent by securing Matilda's vs New Zealand soccer match and a Women's State of Origin.
  - Major events at Manuka Oval are defined as national competition (Australian Football League (AFL) and Big Bash League) and international matches.
  - Major events at Exhibition Park in Canberra (EPIC) are defined as events with more than 500 attendees. Events were unable to go ahead at EPIC due to the change in public health directions restricting large events and festivals and some exhibition space has been used for government initiatives including the COVID-19 testing.
  - 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 estimated outcome is higher than the target because a number of event organisers had to reschedule their events due to COVID-19 lockdowns. The events were rescheduled to take place in 2021-22.

- u. 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. NRL matches were moved from GIO Stadium in the first half of the year and an international rugby test match did not occur due to COVID-19 implications. This resulted in decreases to own source revenue headings including parking, hospitality, catering commission and hire of facilities. For Manuka Oval, less revenue was received due to the lack of an AFL match and a reduction in function income as restrictions were reintroduced in the 2021 period. The third accountability indicator covers own source revenue (measured as gross revenue) generated by EPIC. EPIC has been unable to host large events due to restrictions and before this, due to the hosting of government initiatives including the COVID-19 testing. This has reduced hire of facilities and catering income. A number of commercial and community tenants have been eligible for rent relief resulting in a decrease in property rental income.
- v. Customer satisfaction at the National Arboretum Canberra is based on an annual survey undertaken towards the end of the financial year. The estimated outcome is higher than the target. This is due to the increasing popularity of the National Arboretum, with its 250 hectares of forests and gardens, as a venue with the ability to provide a safer destination for socially distanced activities during COVID-19.

## Output Class 4: Financial and Economic Management

### Output 4.1: Economic Management

**Table 40: Accountability Indicators Output 4.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Briefings on the ACT economy	165	165	172
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	1.09	1
c. Co-ordinate government participation in intergovernmental Treasury fora	36	19	12
d. Submission to credit rating agency	1	1	N/A

#### 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.
- 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. The target is a minimum ACT relativity of 1. During the 2021-22 financial year, the Commonwealth Grants Commission's *GST Revenue Sharing Relativities 2022 Update* has recommended that the ACT's equal per capita GST share for 2022-23 be 1.09250. This excludes the effects of the 'no-worse off guarantee', designed to temporarily insulate states and territories from the GST relativity floor introduced by the Commonwealth in the Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018.
- c. This indicator covers responsibility for ACT Treasury input to the operations of the Council on Federal Financial Relations, the Board of Treasurers and Heads of Treasuries. At time of setting the 2021-22 target, these meetings were occurring on an accelerated monthly basis due to the pandemic. These meeting have since reduced in frequency to their normal frequency. As a result, the 2021-22 estimated outcome reflects a part-year impact of the return to normal meeting frequency and the 2022-23 target reflects a full financial year of normal meeting frequency.
- d. This accountability indicator covers the annual submission to the credit rating agency Standard & Poor Global Ratings. This enables S&P Global Ratings to make an assessment of the credit rating of the Australian Capital Territory. The submission is a daylong meeting with the agency. This indicator is reflected under output 4.2 from 2022-23.



## Output 4.2: Financial Management

**Table 41: Accountability Indicators Output 4.2**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Budget presented in accordance with legislative timeframes	2	1	2
b. Budget Review presented in accordance with legislative timeframes	1	1	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. Regulatory reform in relation to financial processes	1	1	1
f. Submission to credit rating agency	N/A	N/A	1

### Accountability Indicator Descriptions and Variance Commentary:

- 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). The variance between the 2021-22 Target and 2021-22 Estimated Outcome reflects presentation of the 2022-23 Budget on 2 August 2022.
- 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 Annual Financial Statements for the Territory are provided to the Auditor General in accordance with the timing prescribed in section 24 of the FMA.
- The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
- This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes.
- This accountability indicator was previously reported in Output 4.1 and the 2021-22 target and estimated outcome are reflected there. This accountability indicator covers the annual submission to the credit rating agency S&P Global Ratings. This enables S&P Global Ratings to make an assessment of the credit rating of the Australian Capital Territory. The submission involves a presentation to S&P Global Ratings.

## Output Class 5: Revenue Management

### Output 5.1: Revenue Management

**Table 42: Accountability Indicators Output 5.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Debt Management – level of overdue rates as a percentage of total rates revenue	5%	11%	5%
b. Debt Management – level of overdue debt (not including rates) as a percentage of tax revenue (not including rates)	2%	6%	2%
c. Internal reviews of objections completed within 6 months	85%	97%	85%
d. Internal reviews of objections completed within 12 months	100%	100%	100%

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
e. Compliance revenue per inspector	\$650,000	\$700,000	\$650,000

**Accountability Indicator Descriptions and Variance Commentary:**

- 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. Debt recovery activity in 2021-22 was scaled back as the ACT went into a second COVID-19 lockdown.
- 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. Debt recovery activity in 2021-22 was scaled back as the ACT went into a second COVID-19 lockdown.
- Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions. Fewer objections has resulted in a greater proportion of objections being completed within 6 months.
- Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- 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 2021-22 result reflects additional compliance assessments for landholder duty.

## Output Class 6: Shared Services

### Output 6.1: Human Resources, Finance and Record Services

**Table 43: Accountability Indicators Output 6.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	90%	96%	95%
b. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	100%
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%	89%	90%

**Accountability Indicator Descriptions and Variance Commentary:**

- This accountability indicator covers the service requests logged by the HR Service Desk which are resolved within agreed timeframes (five working days). Improvements in process automation implemented by Shared Services have improved performance against this accountability indicator.
- 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.
- This accountability indicator covers the lodgement of annual Fringe Benefit Tax returns to the ATO. This is an annual measure.

- 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).

## Output 6.2: Digital, Data and Technology Solutions

**Table 44: Accountability Indicators Output 6.2**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	72%	90%
b. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	80% of calls within 240 seconds	36% of calls within 240 seconds	80% of calls within 240 seconds
c. Number of successful attacks on internally hosted ACT Government websites	0	2	0

### Accountability Indicator Descriptions and Variance Commentary:

- a. Service Level Agreements' timeframes are standards for service delivery. The variance is due to the complexity of supporting a workforce working from home and increased call volumes during this period relating to COVID-19, as well as changes in the new ServiceNow tool, reporting and business changes for the unit.
- b. This measure covers the percentage of calls answered by the Service Desk within 240 seconds. While the result of 36% is a slight increase on the 2021-22 half yearly result of 33.63%, it is forecast to further improve based on an increase in staffing numbers, staff retention and upcoming process improvement. The challenges of the continuing COVID-19 impact as well as incidents involving third party vendor outages has impacted incoming call traffic. The ICT Service desk has implemented a call back feature in the first quarter of 2022, this is anticipated to assist staff with getting timely responses during heavy traffic incidents.
- c. This measure covers security breaches of internally hosted ACT Government web sites and web applications. In early May 2022 the Cyber Security team became aware of an incident where two non-production systems that were owned by CIT may have been accessed by a malicious threat actor. There is no evidence of impact from the unauthorised access. An assessment of the dataset contained on these servers has revealed there was not Official-Sensitive or Personally Identifiable Information (PII) present on these servers or attached databases. The security incident is ongoing with DDTS working with the Australian Cyber Security Centre (ACSC) on incident response. An incident report will be available once the incident investigation and remediation activities have been completed.

## Output Class 7: Infrastructure Finance and Procurement

### Output 7.1: Infrastructure Finance

**Table 45: Accountability Indicators Output 7.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Life of Project PPP transactions successfully executed	100%	100%	100%
b. Assessments of Unsolicited Proposals completed within the prescribed timescales	>85%	50%	>85%

**Accountability Indicator Descriptions and Variance Commentary:**

- a. This indicator measures the efficiency of Infrastructure Finance and 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. One life of project transaction occurred during the reporting period. The transaction was 'successfully executed' on the basis the Territory provided its consent within the transaction timeframes set by the PPP Project Company.
- b. This indicator measures the efficiency of Infrastructure Finance 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.

Two Concept Submissions were considered during the reporting period. Of these two submissions, one did not achieve the 2-month timeframe for notification following presentation to the UPSC on 26 July 2021, due to additional consultation and the impact of COVID-19 on the availability of key stakeholders. The Proponent was kept informed of the status of the assessment and made aware that the assessment would likely exceed the timeframes in the Guidelines.

**Output 7.2: Procurement****Table 46: Accountability Indicators Output 7.2**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Proportion of Goods and Services contracts awarded to Indigenous suppliers or Social suppliers	1%	1.8%	1%
b. Public availability of Contract Register and Tenders ACT	99.5%	99.5%	99.5%
c. Public satisfaction with Tender systems	85%	85%	85%
d. Territory entity staff awareness of ACT Government procurement related policies	85%	89%	85%
e. Territory entity staff satisfaction with procurement training	85%	85%	85%

**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 transitioned 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.
- 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. This accountability indicator measures the level of awareness of the ACT Government's Procurement Framework 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 Procurement Framework. The positive variance is likely due to the release of three procurement e-learns, several new and updated procurement factsheets, the establishment of the Procurement Community of Practice and regular communications on existing and new policies and processes through whole of government messages and other directorate specific communications platforms such as CMTEDD's Loop which has driven increased awareness.
- e. 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

### Output 8.1: Property Services

**Table 47: Accountability Indicators Output 8.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Percentage of customers satisfied with management of aquatic centres	93%	95%	93%
b. Vacancy rate for properties designated for use by non-government tenants	3.5%	1.6%	3.5%
c. Average square metres of office accommodation per employee			
- Office accommodation established prior to 1 January 2016	14.3	34.5	N/A
- Office accommodation established from 1 January 2016	12.0	39.4	N/A
d. Percentage of planned ACTPG capital upgrade projects completed by expenditure	85%	85%	85%

#### 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). This variance is a result of ACT Property Group actively engaging with the prospective tenants and issuing offers to fill vacancies.
- c. Discontinued indicator. 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. During the COVID-19 pandemic there was a global trend for staff shifting to working from home/hybrid work practices where possible. Given the shift of the ACT Government work model, calculating results against employees in the office at a point in time is an arbitrary measurement, results can be largely affected by external factors that result in staff being away from the office including working from home arrangement and staff attending out of office training or meetings.
- d. 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 programmed for delivery under this funding appropriation, expressed as a percentage.

## Changes to Appropriation

**Table 48: Changes to Appropriation – Controlled Recurrent Payments**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>842,508</b>	<b>390,724</b>	<b>373,048</b>	<b>372,581</b>	<b>343,012</b>
<b>2021-22 Budget Review</b>					
Asbestos Disease Support Scheme	3,572	1,218	1,120	1,121	0
COVID-19 Business Support:					
- Amp it Up! Grants – Round two	500	0	0	0	0
- Indoor Play Centre assistance	120	0	0	0	0
- Nightclub assistance	100	0	0	0	0
Permanent Home for Dragon Boating in the ACT	0	0	0	19	38
Supporting Canberra's professional football teams:					
- Brumbies Performance Partnership Agreement	0	596	345	0	0
- Canberra Raiders Performance Partnership Agreement	0	-12	-25	336	679
Supporting Lifeline Canberra	25	0	0	0	0
Veteran, vintage and historical vehicle conditional registration scheme	0	69	0	0	0
<b>2022-23 Budget Policy Decisions</b>					
Arts and culture:					
- Refurbishing the Gorman House Arts Centre	0	100	0	0	0
- Supporting local arts organisations	0	635	995	720	720
Better community infrastructure:					
- Continuing operations at Canberra Olympic Pool	0	3,081	0	0	0
- Gungahlin tennis facility	0	0	0	0	98
- Refurbishing Canberra's public pools	0	1,076	699	729	749
- Refurbishing community and government buildings	0	750	0	0	0
Better digital services:					
- Continuing to make government services more accessible online	0	3,988	4,167	4,362	4,574
- Delivering digital services across the ACT Government	0	7,697	0	0	0
- E-invoicing for ACT Government	0	10	10	10	0
- Increasing Access Canberra Staff	0	3,881	1,675	1,739	1,782
Boosting business and the economy:					
- Knowledge Capital – Future Jobs Fund	0	5,811	6,436	165	0
- Strengthening the tertiary education sector	0	1,000	1,020	1,042	1,136
Climate action – Continuing the Office for Climate Action	0	1,290	1,230	1,245	0
Community support and connectedness:					
- Community Sector Indexation	0	18	26	34	40
- Supporting organisations to provide physical activities to children and young people	0	625	610	590	0
Continuing to reduce harmful impacts from electronic gaming machines	0	269	0	0	0
COVID-19 response:					
- Continuation of funding of the Office of the Coordinator-General COVID-19 Non-health and Strategic Emerging Priorities	0	434	0	0	0

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
- Continuing the COVID-19 public health support package	0	527	0	0	0
- Interstate quarantine payments	0	8,800	0	0	0
Implementing the Capital of Equality LGBTIQ+ Strategy	0	1,070	1,081	787	798
International Engagement Strategy	0	231	234	0	0
Investing in public services:					
- A new funding model for injury management	0	3,948	4,037	4,127	4,219
- Establishment of the Office of Industrial Relations and Workforce Strategy	0	1,321	1,296	0	0
- ICT support of ACT Revenue Office Systems	0	442	844	848	574
- Improving ACT Public Service flexibility	0	5,400	4,937	3,050	2,668
- Strategic Policy Development	0	789	543	0	0
- Strengthening building quality regulation	0	949	995	0	0
- Supporting implementation of Whole-of-Government human resources management	0	3,695	0	0	0
- Supporting the ACT Ombudsman	0	1,004	1,027	1,083	1,107
Protecting Canberra's unique environment:					
- Replacement of non-potable water pipeline to Uriarra Village	0	0	5,964	0	0
- Strengthening Environmental Protections	0	264	270	0	0
Strengthening our Tourism Industry	0	2,365	245	245	245
Support for Chief Minister's Charitable Fund charity house program	0	750	0	0	0
Supporting social inclusion:					
- ACT Public Service Workforce Diversity and Inclusion	0	778	832	863	893
- Fostering Neighbourhood Democracy	0	170	30	0	0
- Supporting Canberrans born with variations in sex characteristics	0	20	496	460	467
Vulnerable Household Energy Support Scheme	0	134	136	138	140
Savings – Offset for:					
- COVID-19 response – Continuation of funding of the Office of the Coordinator-General COVID-19 Non-health and Strategic Emerging Priorities	0	-49	0	0	0
- International Engagement Strategy	0	-176	-179	0	0
- Investing in public services – A new funding model for injury management	0	-177	-181	-185	-189
- Investing in public services – Establishment of the Office of Industrial Relations and Workforce Strategy	0	-28	-65	-92	-113
- Investing in public services – Improving ACT Public Service flexibility	0	-920	-1,334	-586	-554
- Investing in public services – Supporting the ACT Ombudsman	0	-46	-47	-48	-50
- Maintaining accountability and transparency of government	-44	0	0	0	0
- Supporting social inclusion – ACT Public Service Workforce Diversity and Inclusion	0	-67	-71	-74	-76
Shared Services Finance and Human Resources fixed cost contribution	0	1,235	869	740	762
<b>2022-23 Budget Technical Adjustments</b>					
Commonwealth Grants:					
- JobTrainer Fund	0	450	374	-36	-36

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
- National Agreement for Skills and Workforce Development	31	72	85	136	277
- Skilling Australians Fund	1,609	0	0	0	0
- Support for businesses impacted by COVID-19 lockdowns	1,052	0	0	0	0
Estimated Outcome:					
- COVID-19 Business Support – Business Support Grants and Extension Payments	32,453	0	0	0	0
- COVID-19 Business Support – Small Business Hardship Scheme	-7,546	0	0	0	0
- COVID-19 Response Fund	-3,568	0	0	0	0
- Sustainable Household Scheme	1,432	8,853	2,468	-1,620	-1,756
- Worker's Compensation	-298	0	0	0	0
Better Services – Weston Creek and Stromlo Swimming pool leisure centre	0	0	644	658	673
Improving and upgrading government accommodation	0	0	0	0	35
Maintaining accountability and transparency of government	135	137	0	0	0
Revised Funding Profile:					
- ACT Government office accommodation consolidation	-1,830	1,830	0	0	0
- Better care when you need it – Promoting organ and tissue donation	-75	75	0	0	0
- Better Regulation Taskforce	-188	188	0	0	0
- Better Services – Weston Creek and Stromlo Swimming pool leisure centre	-479	479	0	0	0
- Big Canberra Battery	-150	150	0	0	0
- Building a better city – Indoor sports centres – Early planning	-64	64	0	0	0
- Business support – International trade and engagement	-391	391	0	0	0
- Commonwealth Grants – JobTrainer Fund	-13,104	13,104	0	0	0
- Continuing implementation of the Wellbeing Framework	-125	125	0	0	0
- Coombs Community Facility	-15	0	0	0	15
- COVID-19 Business support – Mediation support services for commercial lease negotiations	-250	250	0	0	0
- COVID-19 Business support – Supporting Canberra's tourism sector	-750	750	0	0	0
- COVID-19 Response – Continuing Government services	-341	341	0	0	0
- COVID-19 Response – Continuing the COVID-19 Public Health support package	-175	175	0	0	0
- Digitising Government services	-200	200	0	0	0
- Exhibition Park Redevelopment and Expansion – Recurrent component	-395	395	0	0	0
- Feasibility and design studies for community infrastructure and upgrades	-316	316	0	0	0
- Growing future skills with more apprenticeship and vocational training places	-527	460	67	0	0
- Implementing the Automatic Mutual Recognition scheme	-416	416	0	0	0
- Improving and upgrading government accommodation	-290	290	0	0	0
- Improving road safety through Mobile Device Detection Cameras	-247	247	0	0	0



	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
- Investing in public services – Strengthening cyber–security	-941	941	0	0	0
- Investing in public services – Strengthening data analytics capability and digital solutions	-300	300	0	0	0
- Investment Logic Mapping	-126	-84	70	70	70
- Knowledge Capital – Future Jobs Fund	-555	455	100	0	0
- Major events funding	-133	133	0	0	0
- Marketing Canberra as a COVID-safe destination for domestic travellers	-885	885	0	0	0
- Meeting future ACT government accommodation needs	-2,272	2,272	0	0	0
- Modernising birth registrations	-154	154	0	0	0
- More and better jobs – Improving infrastructure planning and delivery	-488	488	0	0	0
- More jobs for our growing city – Delivering the Kingston Arts Precinct	-1,629	936	230	231	232
- More jobs for our growing city – Expanding Canberra’s events calendar	-1,518	1,518	0	0	0
- More support for women's elite sport	-50	50	0	0	0
- Restructure Fund	-3,401	0	0	0	3,401
- Smarter government spending – Centralising property custodianship	-1,826	1,826	0	0	0
- Strategic Asset Management Plan	-310	10	100	100	100
- Strengthening financial and economic management and advisory services	-868	868	0	0	0
- Supporting public pool operators	-638	638	0	0	0
- Sustainable Household Scheme	-300	300	0	0	0
- Tax Reform Advisory Group	-80	80	0	0	0
- Youth Support Package	-139	120	19	0	0
Revised Indexation Parameters	3	1,155	2,274	3,472	33,204
Revised Superannuation Parameters	698	743	827	630	207
Revised Wage Parameters	103	1,422	1,449	1,464	1,491
Offset – reduction in transfer expense	0	-1,075	-1,069	-984	-982
Transfer:					
- Climate action – Supporting action on climate change to EPSDD	0	-161	0	0	0
- COVID-19 Business support – Small Business Hardship Scheme from Expenses on Behalf of the Territory	22,500	0	0	0	0
- Improving road safety through Mobile Device Detection Cameras to Capital Injections	0	-210	0	0	0
- More and better jobs – Data analytics for smarter policy from Capital Injections	0	180	0	0	0
- Upgrading cyber security response from Capital Injections	0	134	0	0	0
Savings					
- Backing our Arts and Entertainment – More support for the Belconnen and Ainslie Arts Centres	0	-130	-130	-130	0
- Better Support when it matters – Office for LGBTIQ Affairs	0	-493	-502	-510	-518
- More and better jobs – Growing our creative capital	0	0	0	0	-130
- More support for families and inclusion – Making Canberra a more LGBTIQ friendly city	0	-179	-184	-187	-191
- Moving delivery of more community services online	0	-1,945	-1,994	0	0

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
- Strategic Asset Management Plan	0	-100	0	0	0
Treasurer's Advance – Interstate Quarantine Costs for ACT Residents	6,171	0	0	0	0
Other Technical Adjustments	0	5,292	1,180	562	234
<b>2022-23 Budget</b>	<b>864,615</b>	<b>501,970</b>	<b>419,503</b>	<b>399,905</b>	<b>400,045</b>

**Table 49: Changes to Appropriation – Expenses on Behalf of the Territory**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2023-24 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>153,322</b>	<b>89,951</b>	<b>80,043</b>	<b>80,126</b>	<b>79,820</b>
<b>2022-23 Budget Policy Adjustments</b>					
Community support and connectedness Community sector Indexation	0	75	116	149	188
<b>2022-23 Budget Technical Adjustments</b>					
Revised Funding Profile – Commonwealth Grant – HomeBuilder	-20,335	20,335	0	0	0
Revised Indexation Parameters	0	314	538	690	2,393
Transfer:					
- 2021-22 tax settings – Expanding concessions and assistance measures (utilities hardship fund component) to EPSDD	0	-250	-250	-250	0
- COVID-19 Business support – Small Business Hardship Scheme to Controlled Recurrent Payments	-22,500	0	0	0	0
Undrawn Funds	-17,000	0	0	0	0
<b>2022-23 Budget</b>	<b>93,487</b>	<b>110,425</b>	<b>80,447</b>	<b>80,715</b>	<b>82,401</b>

**Table 50: Changes to Appropriation – Capital Injections, Controlled**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2023-24 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>101,499</b>	<b>105,286</b>	<b>66,582</b>	<b>50,832</b>	<b>41,811</b>
<b>2021-22 Budget Review</b>					
Permanent Home for Dragon Boating in the ACT	48	1,194	0	0	0
Veteran, vintage and historical vehicle conditional registration scheme	0	108	0	0	0
<b>2022-23 Budget Policy Decisions</b>					
Better community infrastructure:					
- Continuing operations at Canberra Olympic Pool	0	694	0	0	0
- Gungahlin tennis facility	0	1,923	7,533	0	0
- Refurbishing Canberra's public pools	0	1,848	2,006	0	0
- Refurbishing community and government buildings	0	2,704	2,931	1,336	0
Better digital services:					
- Continuing to make government services more accessible online	0	2,214	703	712	721
- E-invoicing for ACT Government	0	507	0	0	0
Better venues for major events	0	2,236	0	0	0
Climate action – Moving more government facilities off gas	0	1,481	1,971	2,404	779
Investing in public services:					
- ICT support of ACT Revenue Office Systems	0	3,059	2,671	1,011	0
- Improving ACT Public Service flexibility	0	2,446	2,946	0	0
- Strengthening building quality regulation	0	150	0	0	0
Mr Fluffy Legacy – Place of Reflection	0	165	0	0	0
<b>2022-23 Budget Technical Adjustments</b>					
Better Infrastructure Fund	0	-218	0	0	0
Estimated Outcome – Sustainable Household Scheme	13,680	47,471	-6,064	-30,529	-30,529
Kingston Arts Precinct – Acquisition of land and buildings	0	0	0	0	146,388
Revised Funding Profile:					
- ACT Government office accommodation consolidation	-5,063	5,063	0	0	0
- Backing our Arts and Entertainment – Recognising significant women through public art	-200	200	0	0	0
- Backing our Arts and Entertainment – Upgrades to Tuggeranong Arts Centre Theatre	-200	-800	1,000	0	0
- Better Government – Boosting government digital security	-280	280	0	0	0
- Better Services – Weston Creek and Stromlo Swimming pool leisure centre	-271	271	0	0	0
- Casey Community Recreation Park	-475	475	0	0	0
- Commonwealth Grant – Local roads and community infrastructure	-1,570	1,570	0	0	0
- Data Storage Infrastructure	-2,890	2,890	0	0	0
- Delivering the Home of Football at Throsby	-1,950	-8,050	10,000	0	0
- Digitising Government services	-8,550	4,100	4,450	0	0
- Exhibition Park Redevelopment and Expansion – Capital component	-104	104	0	0	0
- Government Budget Management System	-665	665	0	0	0

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2023-24 Estimate \$'000	2025-26 Estimate \$'000
- Gungahlin District Tennis Centre – Design	-313	313	0	0	0
- Improving and upgrading government accommodation	-3,240	1,740	1,500	0	0
- Investing in public services – Critical ICT infrastructure	-4,810	-810	-1,410	1,690	5,340
- Meeting future ACT government accommodation needs	16,314	-16,314	0	0	0
- More and better jobs – Data analytics for smarter policy	-317	317	0	0	0
- More and better jobs – Modernising government ICT infrastructure	-1,538	1,538	0	0	0
- More and better jobs – More facilities for Stromlo Forest Park	-99	99	0	0	0
- More energy efficient Government accommodation	-1,761	261	750	750	0
- More jobs for our growing city – Better arts facilities	-68	68	0	0	0
- Moving delivery of more community services online	2,900	-2,900	0	0	0
- Planning for a permanent home for Dragon Boating	-265	265	0	0	0
- Remediating lead dust at the former transport depot in Kingston	-200	200	0	0	0
- Stromlo Forest Park – Improved parking	-103	-897	1,000	0	0
- Supporting smarter working in the new ACT Government office projects	-700	700	0	0	0
- Throsby Home of Football – Stage 2	0	-2,000	2,000	0	0
- Upgrading Canberra venues	-3,900	900	3,000	0	0
- Upgrading cyber security response	-134	134	0	0	0
Transfer:					
- Casey Community Recreation Park to TCCS	0	-2,475	-500	0	0
- Improving road safety through Mobile Device Detection Cameras from Controlled Recurrent Payments	0	210	0	0	0
- More and better jobs – Data analytics for smarter policy to Controlled Recurrent Payments	0	-180	0	0	0
- Upgrading cyber security response to Controlled Recurrent Payments	0	-134	0	0	0
Streamlining the funding of Major Projects Canberra – Capital Works	0	-386	-1,183	0	0
Other Technical Adjustments	0	669	0	0	0
<b>2022-23 Budget</b>	<b>94,775</b>	<b>161,354</b>	<b>101,886</b>	<b>28,206</b>	<b>164,510</b>

**Table 51: Changes to Appropriation – Capital Injections, Territorial**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>27,091</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<b>2022-23 Budget Policy Decisions</b>					
Boosting business and the economy – Knowledge Capital – Future Jobs Fund	0	5,000	5,000	0	0
<b>2022-23 Budget Technical Adjustments</b>					
Undrawn Funds – Land Rent Scheme	-14,976	0	0	0	0
<b>2022-23 Budget</b>	<b>12,115</b>	<b>30,000</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>

## Summary of 2022-23 Infrastructure Program

**Table 52: 2022-23 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program**

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Four Year Investment \$'000	Revised Project Value \$'000	Physical Completion \$'000
<b>New Capital Works Projects</b>							
<u>Budget Review</u>							
Permanent Home for Dragon Boating in the ACT	1,194	0	0	0	1,194	1,300	Jun-23
<b>Sub-Total Budget Review</b>	<b>1,194</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,194</b>		
<u>2021-22 Budget</u>							
Better Community Infrastructure:							
- Continuing operations at Canberra Olympic Pool	694	0	0	0	694	722	Jun-23
- Gungahlin Tennis Facility	1,923	7,533	0	0	9,456	9,834	Jun-24
- Refurbishing Canberra's Public Pools	1,848	2,006	0	0	3,854	4,008	Jun-24
- Refurbishing community and government buildings	2,704	2,931	1,336	0	6,971	7,249	Jun-25
Better Digital Services:							
- Continuing to make government services more accessible online	2,214	703	712	721	4,350	Ongoing	Ongoing
- E-invoicing for ACT Government	507	0	0	0	507	507	Jun-23
Better Venues for major events	2,236	0	0	0	2,236	2,284	Jun-23
Climate action – Moving more government facilities off gas	1,481	1,971	2,404	779	6,635	6,900	Jun-26
Investing in public services:							
- ICT support of ACT Revenue Office Systems	3,059	2,671	1,011		6,741	6,741	Jun-25
- Improving ACT Public Service flexibility	2,446	2,946	0	0	5,392	5,608	Jun-24
- Strengthening building quality regulation	150	0	0	0	150	150	Jun-23
- Mr Fluffy Place of Reflection	165	0	0	0	165	165	Jun-23
<b>Sub-Total 2022-23 Budget</b>	<b>19,427</b>	<b>20,761</b>	<b>5,463</b>	<b>1,500</b>	<b>47,151</b>		
<b>Total New Capital Works Projects</b>	<b>20,621</b>	<b>20,761</b>	<b>5,463</b>	<b>1,500</b>	<b>48,345</b>		
<b>Capital Works In Progress</b>							
ACT Government office accommodation consolidation	5,063	0	0	0	5,063	12,213	Jun-23
Backing our Arts and Entertainment:							
- Recognising significant women through public art	200	0	0	0	200	200	Jun-23
- Upgrades to Tuggeranong Arts Centre Theatre	585	1,125	0	0	1,710	2,000	Jul-23

Project	2022-23	2023-24	2024-25	2025-26	Four Year Investment	Revised Project Value	Physical Completion
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Better Government – Boosting government digital security	280	0	0	0	280	1,178	May-23
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	271	0	0	0	271	34,810	Jun-23
Building a better city – Indoor sports centres – Early planning <sup>1</sup>	64	0	0	0	64	160	Jun-23
Commonwealth Grant – Local roads and community infrastructure	8,279	0	0	0	8,279	14,384	Dec-22
Data Storage Infrastructure	2,890	0	0	0	2,890	3,400	Nov-22
Delivering the Home of Football at Throsby	2,404	16,500	0	0	18,904	20,000	Jun-24
Digitising Government services	5,842	4,450	0	0	10,292	11,964	Jun-24
Equipment Purchase Funding	0	0	0	1,000	1,000	Ongoing	Ongoing
Exhibition Park redevelopment and expansion:							
- Capital component	104	0	0	0	104	104	Jun-23
- Recurrent component <sup>1</sup>	396	0	0	0	396	416	Jun-23
Feasibility and design studies for community infrastructure and upgrades <sup>1</sup>	316	0	0	0	316	516	Jun-23
Government Budget Management System	1,715	0	0	0	1,715	5,302	Jun-23
Gungahlin District Tennis Centre – Design	313	0	0	0	313	500	Jun-23
Improvements to the Canberra Museum and Gallery and the North Building	599	600	0	0	1,199	1,367	Jun-25
Improving and upgrading government accommodation	2,868	1,500	0	0	4,368	4,512	Mar-23
Improving road safety through Mobile Device Detection Cameras	210	0	0	0	210	210	Jun-23
Investing in public services – Critical ICT infrastructure	4,810	5,620	7,030	5,340	22,800	22,800	Jul-25
Meeting future ACT government accommodation needs	1,500	0	0	0	1,500	38,652	Dec-22
More and better jobs:							
- Data analytics for smarter policy	137	0	0	0	137	995	Jun-23
- Modernising government ICT infrastructure	1,538	0	0	0	1,538	15,001	Jun-23
- More facilities for Stromlo Forest Park	95	0	0	0	95	200	Jun-23
More energy efficient Government accommodation	4,029	5,472	5,651	0	15,152	15,252	Jun-24
More jobs for our growing city – Better arts facilities	68	0	0	0	68	250	Jun-23
Office Accommodation	500	500	500	500	2,000	Ongoing	Ongoing
Planning for a permanent home for Dragon Boating	265	0	0	0	265	400	Jun-23
Remediating lead dust at the former transport depot in Kingston	200	0	0	0	200	1,300	Dec-22

Project	2022-23	2023-24	2024-25	2025-26	Four Year Investment	Revised Project Value	Physical Completion
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Stromlo Forest Park – Improved parking	1,587	962	0	0	2,549	2,886	Jun-24
Supporting smarter working in the new ACT Government office projects	700	0	0	0	700	9,884	Jun-23
Throsby Home of Football – Stage 2	962	7,692	0	0	8,654	9,000	Jun-24
Upgrading Canberra venues	4,092	2,892	0	0	6,984	8,059	Jun-24
Upgrading local arts facilities	643	0	0	0	643	1,675	Jun-23
Upgrading local community Centres	288	0	0	0	288	1,000	Dec-22
<b>Total Capital Works in Progress</b>	<b>53,813</b>	<b>47,313</b>	<b>13,181</b>	<b>6,840</b>	<b>121,147</b>		
<b>Better Infrastructure Fund (BIF)</b>							
<u>ACT property upgrades</u>							
Building and safety upgrades	1,180	0	0	0	1,180	1,180	Sep-23
Building fire services upgrades	200	0	0	0	200	200	Sep-23
Building refurbishment including roofing, energy efficiency upgrades and internal remediation	550	0	0	0	550	550	Sep-23
Essential facilities and grounds upgrades	2,150	0	0	0	2,150	2,150	Sep-23
Hazardous material management	400	0	0	0	400	400	Sep-23
Pools Improvement Program	783	0	0	0	783	783	Sep-23
<u>Improving major venues</u>							
GIO Stadium – New emergency exit lighting system	259	0	0	0	259	259	Dec-22
Improving Major Venues	1,163	0	0	0	1,163	1,163	Sep-23
<u>National Arboretum Canberra (including Stromlo Forest Park)</u>							
National Arboretum Canberra	312	0	0	0	312	312	Sep-23
Stromlo Forest Park	143	0	0	0	143	143	Sep-23
<u>Funding for major events</u>							
Major & community event funding	139	0	0	0	139	139	Sep-23
Major event funding site upgrades	200	0	0	0	200	200	Sep-23
<u>Improving arts buildings and facilities</u>							
Building and safety upgrades	596	0	0	0	596	596	Sep-23
Building fire services upgrades	100	0	0	0	100	100	Sep-23
Unallocated BIF	0	8,603	8,818	9,038	26,459	Ongoing	Ongoing
<b>Total BIF</b>	<b>8,175</b>	<b>8,603</b>	<b>8,818</b>	<b>9,038</b>	<b>34,634</b>		
<b>TOTAL INFRASTRUCTURE PROGRAM</b>	<b>82,609</b>	<b>76,677</b>	<b>27,462</b>	<b>17,378</b>	<b>204,126</b>		



**Note(s):**

1. These items are funded through Controlled Recurrent Payments.

**Table 53: Reconciliation of the 2022-23 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program to Controlled Capital Injection Appropriation**

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Four Year Investment \$'000
<b>Total Infrastructure Program</b>	<b>82,609</b>	<b>76,677</b>	<b>27,462</b>	<b>17,378</b>	<b>204,126</b>
<i>Infrastructure Projects funded by Controlled Recurrent Payments appropriation</i>					
Building a better city – Indoor sports centres – Early planning	-64	0	0	0	-64
Exhibition Park redevelopment and expansion – Recurrent component	-396	0	0	0	-396
Feasibility and design studies for community infrastructure and upgrades	-316	0	0	0	-316
<b>Sub-total</b>	<b>-776</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-776</b>
<i>Capital Injection funded projects not included in Infrastructure Program</i>					
Acquisition of land and buildings for Kingston Arts Precinct project	0	0	0	146,388	<b>146,388</b>
Better support when it matters – Protecting vulnerable Canberrans	313	313	313	313	<b>1,252</b>
Rego ACT – Ongoing Investment	431	431	431	431	<b>1,724</b>
Sustainable Household Scheme	78,000	24,465	0	0	<b>102,465</b>
Veteran, vintage and historical vehicle conditional registration scheme	108	0	0	0	<b>108</b>
Other Capital Injection funded initiatives	669	0	0	0	<b>669</b>
<b>Sub-total</b>	<b>79,521</b>	<b>25,209</b>	<b>744</b>	<b>147,132</b>	<b>252,606</b>
<b>Total Controlled Capital Injection</b>	<b>161,354</b>	<b>101,886</b>	<b>28,206</b>	<b>164,510</b>	<b>455,956</b>

## Financial Statements

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 54: Chief Minister, Treasury and Economic Development Directorate: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
842,508	Controlled Recurrent Payments	864,615	501,970	-42	419,503	399,905	400,045
220	Fees	220	224	2	227	230	237
288,395	Sale of Goods and Services from Contracts with Customers	288,471	288,547	..	295,833	303,698	311,539
6,323	Grants and Contributions Revenue	5,819	69,896	#	7,846	6,214	6 316
243	Interest Revenue	305	1,940	536	3,490	3,629	3,291
7,071	Other Income	7,058	7,416	5	6,690	6,449	6,609
<b>1,144,760</b>	<b>Total Income</b>	<b>1,166,488</b>	<b>869,993</b>	<b>-25</b>	<b>733,589</b>	<b>720,125</b>	<b>728,037</b>
<b>Expenses</b>							
316,455	Employee and Superannuation Expenses	317,490	323,389	2	319,453	318,143	320,450
339,440	Supplies and Services	296,177	311,779	5	268,088	264,121	269,417
116,934	Depreciation and Amortisation	114,424	119,959	5	122,133	127,952	131,316
410,738	Grants and Purchased Services	485,655	90,189	-81	66,219	57,694	57,130
15,568	Borrowing Costs	18,059	31,481	74	20,135	13,999	13,400
8,792	Other Expenses	10,139	6,357	-37	3,433	2,635	2,580
9,872	Transfer Expenses	9,819	9,138	-7	12,694	12,889	13,145
<b>1,217,799</b>	<b>Total Expenses</b>	<b>1,251,763</b>	<b>892,292</b>	<b>-29</b>	<b>812,155</b>	<b>797,433</b>	<b>807,438</b>
<b>-73,039</b>	<b>Operating Result</b>	<b>-85,275</b>	<b>-22,299</b>	<b>74</b>	<b>-78,566</b>	<b>-77,308</b>	<b>-79,401</b>
<b>-73,039</b>	<b>Total Comprehensive Result</b>	<b>-85,275</b>	<b>-22,299</b>	<b>74</b>	<b>-78,566</b>	<b>-77,308</b>	<b>-79,401</b>

**Table 55: Chief Minister, Treasury and Economic Development Directorate: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
62,793	Cash	62,762	61,801	-2	58,510	57,131	55,938
33,814	Receivables and Contract Assets	98,266	44,436	-55	55,298	65,340	74,571
3,504	Inventories	3,504	3,505	..	3,506	3,507	3,508
12,440	Other Assets	12,440	12,486	..	13,485	14,482	15,479
<b>112,551</b>	<b>Total Current Assets</b>	<b>176,972</b>	<b>122,228</b>	<b>-31</b>	<b>130,799</b>	<b>140,460</b>	<b>149,496</b>
	<b>Non-Current Assets</b>						
1,531	Receivables	11,108	60,489	445	61,947	44,202	26,928
1,903,125	Property, Plant and Equipment	1,904,205	1,939,337	2	1,932,207	1,922,919	2,024,954
7,920	Investment Properties	4,150	4,150	-	4,150	4,150	4,150
106,274	Intangible Assets	97,762	85,573	-12	88,353	76,079	56,089
135,379	Capital Works in Progress	123,209	144,535	17	126,363	68,247	39,346
10,176	Other Assets	10,176	8,100	-20	6,024	3,948	1,872
<b>2,164,405</b>	<b>Total Non-Current Assets</b>	<b>2,150,610</b>	<b>2,242,184</b>	<b>4</b>	<b>2,219,044</b>	<b>2,119,545</b>	<b>2,153,339</b>
<b>2,276,956</b>	<b>TOTAL ASSETS</b>	<b>2,327,582</b>	<b>2,364,412</b>	<b>2</b>	<b>2,349,843</b>	<b>2,260,005</b>	<b>2,302,835</b>
	<b>Current Liabilities</b>						
48,449	Payables and Contract Liabilities	57,249	51,979	-9	55,192	58,405	61,618
333	Borrowings	63,445	347	-99	372	257	262
52,871	Lease Liabilities	50,843	51,975	2	52,965	54,071	54,230
105,863	Employee Benefits	105,753	111,857	6	118,202	124,535	130,834
303	Other Provisions	303	303	-	303	303	303
1,052	Other Liabilities	1,052	1,142	9	1,232	1,322	1,412
<b>208,871</b>	<b>Total Current Liabilities</b>	<b>278,645</b>	<b>217,603</b>	<b>-22</b>	<b>228,266</b>	<b>238,893</b>	<b>248,659</b>
	<b>Non-Current Liabilities</b>						
1,546	Borrowings	1,546	1,330	-14	1,088	966	844
828,249	Lease Liabilities	828,086	792,168	-4	754,709	715,564	675,766
5,951	Employee Benefits	5,884	6,214	6	6,513	6,812	7,110
1,532	Other Provisions	1,746	1,746	-	1,746	1,746	1,746
<b>837,278</b>	<b>Total Non-Current Liabilities</b>	<b>837,262</b>	<b>801,458</b>	<b>-4</b>	<b>764,056</b>	<b>725,088</b>	<b>685,466</b>
<b>1,046,149</b>	<b>TOTAL LIABILITIES</b>	<b>1,115,907</b>	<b>1,019,061</b>	<b>-9</b>	<b>992,322</b>	<b>963,981</b>	<b>934,125</b>
<b>1,230,807</b>	<b>NET ASSETS</b>	<b>1,211,675</b>	<b>1,345,351</b>	<b>11</b>	<b>1,357,521</b>	<b>1,296,024</b>	<b>1,368,710</b>

<b>Budget at 30/6/22 \$'000</b>		<b>Estimated Outcome at 30/6/22 \$'000</b>	<b>Budget at 30/6/23 \$'000</b>	<b>Var %</b>	<b>Estimate at 30/6/24 \$'000</b>	<b>Estimate at 30/6/25 \$'000</b>	<b>Estimate at 30/6/26 \$'000</b>
	<b>Equity</b>						
803,548	Accumulated Funds	785,856	921,797	17	933,967	872,470	945,156
427,259	Asset Revaluation Surplus	425,819	423,554	-1	423,554	423,554	423,554
<b>1,230,807</b>	<b>TOTAL EQUITY</b>	<b>1,211,675</b>	<b>1,345,351</b>	<b>11</b>	<b>1,357,521</b>	<b>1,296,024</b>	<b>1,368,710</b>

**Table 56: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
772,254	Opening Accumulated Funds	772,254	785,856	2	921,797	933,967	872,470
430,379	Opening Asset Revaluation Surplus	430,379	425,819	-1	423,554	423,554	423,554
<b>1,202,633</b>	<b>Balance at the Start of the Reporting Period</b>	<b>1,202,633</b>	<b>1,211,675</b>	<b>1</b>	<b>1,345,351</b>	<b>1,357,521</b>	<b>1,296,024</b>
	<b>Comprehensive Income</b>						
-73,039	Operating Result	-85,275	-22,299	74	-78,566	-77,308	-79,401
<b>-73,039</b>	<b>Total Comprehensive Result</b>	<b>-85,275</b>	<b>-22,299</b>	<b>74</b>	<b>-78,566</b>	<b>-77,308</b>	<b>-79,401</b>
	<b>Movement in Asset Revaluation Surplus</b>						
3,120	Transfer (to)/from Accumulated Funds	4,560	2,265	-50	0	0	0
-3,120	Movement in Asset Revaluation Surplus	-4,560	-2,265	50	0	0	0
<b>0</b>	<b>Total Movement in Reserves</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
101,499	Capital Injections	94,775	161,354	70	101,886	28,206	164,510
0	Capital Distributions	-222	-5,136	#	-10,131	-11,324	-11,324
-286	Dividend Approved	-236	-243	-3	-1,019	-1,071	-1,099
<b>101,213</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>94,317</b>	<b>155,975</b>	<b>65</b>	<b>90,736</b>	<b>15,811</b>	<b>152,087</b>
	<b>Closing Equity</b>						
803,548	Closing Accumulated Funds	785,856	921,797	17	933,967	872,470	945,156
427,259	Closing Asset Revaluation Surplus	425,819	423,554	-1	423,554	423,554	423,554
<b>1,230,807</b>	<b>Balance at the End of the Reporting Period</b>	<b>1,211,675</b>	<b>1,345,351</b>	<b>11</b>	<b>1,357,521</b>	<b>1,296,024</b>	<b>1,368,710</b>

**Table 57: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
842,508	Controlled Recurrent Payments	864,615	501,970	-42	419,503	399,905	400,045
220	Fees	220	224	2	227	230	237
299,554	Sale of Goods and Services from Contracts with Customers	299,638	299,654	..	306,927	319,094	327,380
265	Interest Received	0	0	-	0	0	0
45,717	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	45,717	45,717	-	45,717	45,717	45,717
22,013	Goods and Services Tax Collected from Customers	22,013	22,013	-	22,013	22,013	22,013
6,877	Other	6,856	6,372	-7	5,417	5,167	5,314
<b>1,217,154</b>	<b>Total Receipts from Operating Activities</b>	<b>1,239,059</b>	<b>875,950</b>	<b>-29</b>	<b>799,804</b>	<b>792,126</b>	<b>800,706</b>
<b>Payments</b>							
315,983	Employee and Superannuation	317,195	320,372	1	316,230	315,042	317,384
338,867	Supplies and Services	293,606	308,815	5	265,279	265,411	270,932
427,422	Grants and Purchased Services	493,539	108,610	-78	75,840	67,315	66,751
15,572	Borrowing Costs	15,559	15,255	-2	14,662	14,053	13,454
9,944	Transfer of Territory Receipts to the ACT Government	9,891	9,210	-7	12,766	12,961	13,217
21,989	Goods and Services Tax Paid to the Australian Taxation Office	21,989	21,989	-	21,989	21,989	21,989
45,626	Goods and Services Tax Paid to Suppliers	45,626	45,626	-	45,626	45,626	45,626
670	Other	676	2,634	290	2,373	1,544	1,489
<b>1,176,073</b>	<b>Total Payments from Operating Activities</b>	<b>1,198,081</b>	<b>832,511</b>	<b>-31</b>	<b>754,765</b>	<b>743,941</b>	<b>750,842</b>
<b>41,081</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>40,978</b>	<b>43,439</b>	<b>6</b>	<b>45,039</b>	<b>48,185</b>	<b>49,864</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
170	Proceeds from Sale of Property, Plant and Equipment	170	670	294	683	695	708
259	Loan Repayments Received	481	5,467	#	10,462	11,655	11,655
<b>429</b>	<b>Total Receipts from Investing Activities</b>	<b>651</b>	<b>6,137</b>	<b>843</b>	<b>11,145</b>	<b>12,350</b>	<b>12,363</b>

<b>2021-22 Budget</b>		<b>2021-22 Estimated Outcome \$'000</b>	<b>2022-23 Budget \$'000</b>	<b>Var %</b>	<b>2023-24 Estimate \$'000</b>	<b>2024-25 Estimate \$'000</b>	<b>2025-26 Estimate \$'000</b>
	<b>Payments</b>						
31,651	Relating to Property, Plant and Equipment	29,651	11,211	-62	12,255	12,255	12,255
107,533	Relating to Capital Works in Progress	89,129	80,757	-9	75,234	26,050	15,966
956	Relating to Intangibles	956	431	-55	431	0	146,388
0	Loans Provided	13,680	78,000	470	24,465	0	0
<b>140,140</b>	<b>Total Payments from Investing Activities</b>	<b>133,416</b>	<b>170,399</b>	<b>28</b>	<b>112,385</b>	<b>38,305</b>	<b>174,609</b>
<b>-139,711</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-132,765</b>	<b>-164,262</b>	<b>-24</b>	<b>-101,240</b>	<b>-25,955</b>	<b>-162,246</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
101,499	Capital Injections	94,775	161,354	70	101,886	28,206	164,510
<b>101,499</b>	<b>Total Receipts from Financing Activities</b>	<b>94,775</b>	<b>161,354</b>	<b>70</b>	<b>101,886</b>	<b>28,206</b>	<b>164,510</b>
	<b>Payments</b>						
0	Distributions to Government	222	5,136	#	10,131	11,324	11,324
191	Repayment of Borrowings	192	202	5	217	237	117
33,575	Repayment of Lease Liabilities	33,817	36,236	7	37,925	39,500	41,100
286	Payment of Dividend	236	243	3	1,019	1,071	1,099
<b>34,052</b>	<b>Total Payments from Financing Activities</b>	<b>34,467</b>	<b>41,817</b>	<b>21</b>	<b>49,292</b>	<b>52,132</b>	<b>53,640</b>
<b>67,447</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>60,308</b>	<b>119,537</b>	<b>98</b>	<b>52,594</b>	<b>-23,926</b>	<b>110,870</b>
<b>-31,183</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>-31,479</b>	<b>-1,286</b>	<b>96</b>	<b>-3,607</b>	<b>-1,696</b>	<b>-1,512</b>
<b>93,976</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>93,976</b>	<b>62,762</b>	<b>-33</b>	<b>61,801</b>	<b>58,510</b>	<b>57,131</b>
<b>62,793</b>	<b>Cash at the End of the Reporting Period</b>	<b>62,762</b>	<b>61,801</b>	<b>-2</b>	<b>58,510</b>	<b>57,131</b>	<b>55,938</b>

## Notes to the Controlled Budget Statements

Significant variations are as follows:

### *Operating Statement*

- controlled recurrent payments (CRP): the decrease of \$362.645 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the reduced funding profile and cessation of various COVID-19 related initiatives introduced in previous budgets (\$444 million), including the COVID-19 business support and related grants (\$351.7 million); partially offset by the impact of new initiatives (\$75.8 million) and a reprofiling of initiative funding from 2021-22 to future years.
- grants and contributions revenue: the increase of \$64.077 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the transfer of properties from Community Housing Canberra (CHC) in exchange for the planned extinguishment of the loans provided to CHC.
- interest revenue: the increase of \$1.635 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the unwinding of concessional loan interest associated with the issue of Sustainable household scheme (SHS) zero-interest loans to households and not-for-profit community organisations to assist with the upfront costs of investing in energy efficient home upgrades and zero emissions vehicles.
- supplies and services: the decrease of \$43.263 million in the 2021-22 estimated outcome from the original budget is largely due to a reclassification of expenses associated with the COVID-19 Response Fund to grants and purchased services and other accounts (\$30.1 million), reflecting that most payments made from the fund were made to other agencies or not related to supplies and services within CMTEDD; and the impact of the deferral of initiative expenditure to future years.
- grants and purchased services:
  - the increase of \$74.917 million in the 2021-22 estimated outcome from the original budget mainly reflects increased demand for the COVID-19 business support and related grants (\$47.6 million); a reclassification of expenses associated with the COVID-19 Response Fund from supplies and services (\$26.6 million), reflecting that most payments made from the fund were made to other agencies; and an increase in interstate quarantine costs for ACT residents (\$15 million); partially offset by the impact of the deferral of initiative expenditure to future years; and
  - the decrease of \$395.466 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to the cessation of the COVID-19 business support and related grants (\$351.7 million) and the COVID-19 Response Fund; partially offset by the impact of the deferral of initiative expenditure from 2021-22 to future years.



- borrowing costs: the increase of \$2.491 million in the 2021-22 estimated outcome from the original budget and the increase of \$13.422 million in the 2022-23 Budget from the 2021-22 estimated outcome is mostly due to the recording of concessional loans associated with the SHS.
- other expenses: the increase of \$1.347 million in the 2021-22 estimated outcome from the original budget and the decrease of \$3.782 million in the 2022-23 Budget from the 2021-22 estimated outcome largely reflect changes in the value of assets transferred to the Suburban Land Agency (SLA).
- operating result: the negative operating results in all years largely reflect the impact of depreciation, the forecast movement in employee entitlements and the impact of asset transfers to or from other directorates.
  - The decrease of \$12.236 million in the 2021-22 estimated outcome from the original budget is largely due to the impact of concessional loan interest associated with loans issued under the SHS; and the timing of payments, including interstate quarantine costs for ACT residents (\$8.8 million).
  - The increase of \$62.976 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the transfer of housing properties from CHC in exchange for the planned extinguishment of the loans provided to CHC (\$63.1 million) and the impact of payments to be made in 2022-23 for interstate quarantine costs for ACT residents that were incurred in 2021-22 (\$8.8 million); partially offset by concessional loan interest associated with loans issued under the SHS.

### **Balance Sheet**

- receivables and contract assets (current and non-current):
  - the increase of \$74.029 million in the 2021-22 estimated outcome from the original budget is mainly due to a later than planned extinguishment of the loans provided to CHC following a restructuring of the loan arrangement (\$63.1 million) and the commencement of the SHS; and
  - the decrease of \$4.449 million in the 2022-23 Budget from 2021-22 estimated outcome is mainly due to the planned extinguishment of the loans provided to CHC; partially offset by an increase in the value of SHS loans on issue.
- investment properties (non-current): the decrease of \$3.770 million in the 2021-22 estimated outcome from the original budget is mainly due to the reclassification of properties used to provide low cost accommodation to property, plant and equipment.

- intangible assets (non-current): the decrease of \$12.189 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the annual amortisation of existing assets and the impact of revised completion dates for a number of ICT projects, including the Replacing the Human Resources Information Management System (HRIMS), ACT Government Digital Services Design and Delivery and One Service, One Experience projects; partially offset by the impact of new initiatives.
- capital works in progress (non-current): the increase of \$21.326 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the impact of new capital works (\$20.1 million) and the forecast completion of capital works.
- other assets (current and non-current): the decrease of \$2.030 million in the 2022-23 Budget from the 2021-22 estimated outcome mainly reflects the amortisation of the rent-free lease incentive provided to the Health Directorate for office accommodation at Penhryn House.
- payables and contract liabilities (current): the increase of \$8.8 million in the 2021-22 estimated outcome from the original budget and the decrease of \$5.270 million in the 2022-23 Budget from the 2021-22 estimated outcome are mainly due to timing of payments associated with interstate quarantine costs for ACT residents.
- borrowings (current and non-current): the increase of \$63.112 million in the 2021-22 estimated outcome from the original budget and the decrease of \$63.314 million in the 2022-23 Budget from the 2021-22 estimated outcome is mostly due to a later than planned extinguishment of the loans provided to CHC following a restructuring of the loan arrangement.

### ***Statement of Changes in Equity and Cash Flow Statement***

Variations in these Statements are explained in the notes above.

## Financial Statements – Territorial

**Table 58: Chief Minister, Treasury and Economic Development Directorate: Statement of Income and Expenses on behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
153,322	Payment for Expenses on Behalf of the Territory	93,487	111,985	20	80,447	80,715	82,401
2,433,093	Taxes, Licences, Fees and Fines	2,628,095	2,640,425	..	2,747,243	2,869,890	3,030,680
43,461	Land Revenue	0	0	-	0	0	0
17,740	Sale of Goods and Services from Contracts with Customers	23,335	32,302	38	33,644	34,917	35,270
2,243,250	Grants from the Commonwealth	2,428,498	2,456,581	1	2,572,477	2,537,746	2,638,387
174,408	Dividend Revenue	227,188	151,420	-33	265,147	222,480	237,366
6,624	Other Income	10,876	9,495	-13	10,246	10,950	11,632
<b>5,071,898</b>	<b>Total Income</b>	<b>5,411,479</b>	<b>5,402,208</b>	<b>..</b>	<b>5,709,204</b>	<b>5,756,698</b>	<b>6,035,736</b>
<b>Expenses</b>							
12,324	Supplies and Services	12,248	10,919	-11	9,046	9,067	9,150
133,775	Grants and Purchased Services	73,940	92,423	25	61,490	61,753	63,442
27,475	Cost of Goods Sold	0	0	-	0	0	0
9,494	Other Expenses	9,494	11,760	24	7,453	7,856	7,949
4,888,830	Transfer Expenses	5,315,797	5,287,106	-1	5,631,215	5,678,022	5,955,195
<b>5,071,898</b>	<b>Total Expenses</b>	<b>5,411,479</b>	<b>5,402,208</b>	<b>..</b>	<b>5,709,204</b>	<b>5,756,698</b>	<b>6,035,736</b>
<b>0</b>	<b>Operating Result</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Comprehensive Income</b>							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
7,734	Increase/(Decrease) in the Asset Revaluation Surplus	-1,451	5,605	486	5,355	5,103	4,853
<b>7,734</b>	<b>Total Other Comprehensive Result</b>	<b>-1,451</b>	<b>5,605</b>	<b>486</b>	<b>5,355</b>	<b>5,103</b>	<b>4,853</b>
<b>7,734</b>	<b>Total Comprehensive Result</b>	<b>-1,451</b>	<b>5,605</b>	<b>486</b>	<b>5,355</b>	<b>5,103</b>	<b>4,853</b>

**Table 59: Chief Minister, Treasury and Economic Development Directorate: Statement of Assets and Liabilities on behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
13,522	Cash	13,522	13,522	-	13,522	13,522	13,522
368,781	Receivables	381,668	535,141	40	586,487	647,880	685,741
<b>382,303</b>	<b>Total Current Assets</b>	<b>395,190</b>	<b>548,663</b>	<b>39</b>	<b>600,009</b>	<b>661,402</b>	<b>699,263</b>
	<b>Non-Current Assets</b>						
65,050	Receivables	65,050	52,268	-20	39,486	26,704	13,922
3,817	Investments	3,817	8,817	131	13,817	13,817	13,817
289,359	Property	243,394	251,356	3	258,761	265,648	272,053
<b>358,226</b>	<b>Total Non-Current Assets</b>	<b>312,261</b>	<b>312,441</b>	<b>..</b>	<b>312,064</b>	<b>306,169</b>	<b>299,792</b>
<b>740,529</b>	<b>TOTAL ASSETS</b>	<b>707,451</b>	<b>861,104</b>	<b>22</b>	<b>912,073</b>	<b>967,571</b>	<b>999,055</b>
	<b>Current Liabilities</b>						
433,805	Payables	446,692	587,383	31	625,947	672,234	693,795
3,217	Other Provisions	3,217	3,217	-	3,217	3,217	3,217
<b>437,022</b>	<b>Total Current Liabilities</b>	<b>449,909</b>	<b>590,600</b>	<b>31</b>	<b>629,164</b>	<b>675,451</b>	<b>697,012</b>
	<b>Non-Current Liabilities</b>						
41,989	Payables	41,989	41,989	-	41,989	44,313	47,831
<b>41,989</b>	<b>Total Non-Current Liabilities</b>	<b>41,989</b>	<b>41,989</b>	<b>-</b>	<b>41,989</b>	<b>44,313</b>	<b>47,831</b>
<b>479,011</b>	<b>TOTAL LIABILITIES</b>	<b>491,898</b>	<b>632,589</b>	<b>29</b>	<b>671,153</b>	<b>719,764</b>	<b>744,843</b>
<b>261,518</b>	<b>NET ASSETS</b>	<b>215,553</b>	<b>228,515</b>	<b>6</b>	<b>240,920</b>	<b>247,807</b>	<b>254,212</b>
	<b>Equity</b>						
183,116	Accumulated Funds	146,336	153,693	5	160,743	162,527	164,079
78,402	Asset Revaluation Surplus	69,217	74,822	8	80,177	85,280	90,133
<b>261,518</b>	<b>TOTAL EQUITY</b>	<b>215,553</b>	<b>228,515</b>	<b>6</b>	<b>240,920</b>	<b>247,807</b>	<b>254,212</b>

**Table 60: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity on behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Opening Equity</b>							
183,500	Opening Accumulated Funds	183,500	146,336	-20	153,693	160,743	162,527
70,668	Opening Asset Revaluation Surplus	70,668	69,217	-2	74,822	80,177	85,280
<b>254,168</b>	<b>Balance at the Start of the Reporting Period</b>	<b>254,168</b>	<b>215,553</b>	<b>-15</b>	<b>228,515</b>	<b>240,920</b>	<b>247,807</b>
<b>Comprehensive Income</b>							
7,734	Increase/(Decrease) in the Asset Revaluation Reserve Surplus	-1,451	5,605	486	5,355	5,103	4,853
<b>7,734</b>	<b>Total Comprehensive Result</b>	<b>-1,451</b>	<b>5,605</b>	<b>486</b>	<b>5,355</b>	<b>5,103</b>	<b>4,853</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
27,091	Capital Injections	12,115	30,000	148	30,000	25,000	25,000
-27,474	Capital Distributions	-49,278	-22,643	54	-22,950	-23,216	-23,448
<b>-383</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-37,163</b>	<b>7,357</b>	<b>120</b>	<b>7,050</b>	<b>1,784</b>	<b>1,552</b>
<b>Closing Equity</b>							
183,117	Closing Accumulated Funds	146,336	153,693	5	160,743	162,527	164,079
78,402	Closing Asset Revaluation Surplus	69,217	74,822	8	80,177	85,280	90,133
<b>261,519</b>	<b>Balance at the End of the Reporting Period</b>	<b>215,553</b>	<b>228,515</b>	<b>6</b>	<b>240,920</b>	<b>247,807</b>	<b>254,212</b>

**Table 61: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement on behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
153,322	Payment for Expenses on Behalf of the Territory	93,487	111,985	20	80,447	80,715	82,401
2,518,870	Taxes, Licences, Fees and Fines	2,674,882	2,590,738	-3	2,682,381	2,836,510	2,947,761
17,690	Sale of Goods and Services from Contracts with Customers	23,285	32,252	39	33,593	34,868	35,221
2,242,125	Grants and Contributions Receipts	2,427,373	2,455,377	1	2,571,273	2,536,542	2,637,183
945	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	945	945	-	945	945	945
1,745	Goods and Services Tax Collected from Customers	1,745	1,745	-	1,745	1,745	1,745
183,210	Dividends	255,943	47,752	-81	277,917	194,344	266,668
6,799	Land Rental Receipts	0	0	-	0	0	0
7,150	Other	9,840	7,537	5	7,560	7,567	7,586
<b>5,131,856</b>	<b>Total Receipts from Operating Activities</b>	<b>5,487,500</b>	<b>5,248,331</b>	<b>-4</b>	<b>5,655,861</b>	<b>5,693,236</b>	<b>5,979,510</b>
<b>Payments</b>							
11,199	Supplies and Services	11,123	9,715	-13	7,842	7,863	7,946
129,117	Grants and Purchased Services	77,282	88,936	15	57,386	57,647	59,071
4,992,090	Transfer of Territory Receipts to the ACT Government	5,406,170	5,146,793	-5	5,592,423	5,630,182	5,915,316
1,745	Goods and Services Tax Paid to the Australian Taxation Office	1,745	1,745	-	1,745	1,745	1,745
945	Goods and Services Tax Paid to Suppliers	945	945	-	945	945	945
5,947	Other	637	9,195	#	5,247	5,277	5,573
<b>5,141,043</b>	<b>Total Payments from Operating Activities</b>	<b>5,497,902</b>	<b>5,257,329</b>	<b>-4</b>	<b>5,665,588</b>	<b>5,703,659</b>	<b>5,990,596</b>
<b>-9,187</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>-10,402</b>	<b>-8,998</b>	<b>31</b>	<b>-9,727</b>	<b>-10,423</b>	<b>-11,086</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
36,662	Proceeds from Sale of Property	59,680	31,641	-47	32,677	33,639	34,533
<b>36,662</b>	<b>Total Receipts from Investing Activities</b>	<b>59,680</b>	<b>31,641</b>	<b>-47</b>	<b>32,677</b>	<b>33,639</b>	<b>34,533</b>

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Payments</b>						
27,091	Purchase of Land	12,115	25,000	106	25,000	25,000	25,000
0	Purchase of Investments	0	5,000	#	5,000	0	0
<b>27,091</b>	<b>Total Payments from Investing Activities</b>	<b>12,115</b>	<b>30,000</b>	<b>148</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>
<b>9,571</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>47,565</b>	<b>1,641</b>	<b>-97</b>	<b>2,677</b>	<b>8,639</b>	<b>9,533</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
27,091	Capital Injections	12,115	30,000	148	30,000	25,000	25,000
<b>27,091</b>	<b>Total Receipts from Financing Activities</b>	<b>12,115</b>	<b>30,000</b>	<b>148</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>
	<b>Payments</b>						
27,475	Distributions to Government	49,278	22,643	-54	22,950	23,216	23,447
<b>27,475</b>	<b>Total Payments from Financing Activities</b>	<b>49,278</b>	<b>22,643</b>	<b>-54</b>	<b>22,950</b>	<b>23,216</b>	<b>23,447</b>
<b>-384</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>-37,163</b>	<b>7,357</b>	<b>120</b>	<b>7,050</b>	<b>1,784</b>	<b>1,553</b>
<b>0</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>13,522</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>13,522</b>	<b>13,522</b>	<b>-</b>	<b>13,522</b>	<b>13,522</b>	<b>13,522</b>
<b>13,522</b>	<b>Cash at the End of the Reporting Period</b>	<b>13,522</b>	<b>13,522</b>	<b>-</b>	<b>13,522</b>	<b>13,522</b>	<b>13,522</b>

## 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. *2022-23 Budget Paper 3: Budget Outlook* provides detailed information on budgeted GGS revenue, including taxes, licences, 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, licences, 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 (EBT):
  - the decrease of \$59.835 million in the 2021-22 estimated outcome from the original budget is largely due to a change in arrangements for the delivery of the small business hardship scheme, resulting in the reclassification of EBT appropriation to Controlled Recurrent Payments (CRP) (\$22.5 million); the impact of reprofiling associated with the HomeBuilder program from 2021-22 to 2022-23 (\$20.3 million); and undrawn funds, mostly due to a lower than expected budgeted demand for concession payments; and



- the increase of \$18.498 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to the impact of reprofiling associated with the HomeBuilder program from 2021-22 to 2022-23; the impact of the 2021-22 change in arrangements for the delivery of the small business hardship scheme, resulting in the reclassification of EBT appropriation to CRP (\$22.5 million); and the impact of 2021-22 undrawn funds, mostly due to a lower than expected budgeted demand for concession payments; partially offset by the reducing funding profile of existing initiatives, including the HomeBuilder program.
- land revenue: the decrease of \$43.461 million in the 2021-22 estimated outcome from the original budget reflects the impact of a change in accounting treatment introduced during 2021-22, which results in the netting off of revenues and the associated cost of goods sold from the sale of land rent blocks to gains/(losses) on the disposal of assets, which is part of other income, and the reclassification of land rent rental income to sales of goods and services from contracts with customers.
- sale of goods and services from contracts with customers:
  - the increase of \$5.595 million in the 2021-22 estimated outcome from the original budget is due to the reclassification of land rent rental income from land revenue; and
  - the increase of \$8.967 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to a return to more usual levels of parking fee collections as a result of eased COVID-19 restrictions.
- dividend revenue:
  - the increase of \$52.780 million in the 2021-22 estimated outcome from the original budget largely reflects a higher dividend from the Suburban Land Agency (SLA); and
  - the decrease of \$75.768 million the 2022-23 Budget from the 2021-22 estimated outcome is largely due to lower forecast dividends from SLA and Icon Water in 2022-23.
- other income:
  - the increase of \$4.252 million in the 2021-22 estimated outcome from the original budget largely reflects the impact of a change in accounting treatment introduced during 2021-22, which results in the netting off of revenues and the associated cost of goods sold from the sale of land rent blocks to gains/(losses) on the disposal of assets, which is part of other income; and
  - the decrease of \$1.381 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the impact a higher than forecast proceeds from the sale of land rent properties during 2021-22.

- supplies and services: the decrease of \$1.329 million in the 2022-23 Budget from the 2021-22 estimated outcome mostly reflects the reduction of the GST administration costs on account of the ATO's diversion of resources to support COVID-19 stimulus work.
- grants and purchased services:
  - the decrease of \$59.835 million in the 2021-22 estimated outcome from the original budget largely due to the transfer of responsibility for the delivery of the small business hardship scheme to the Directorate's controlled accounts (\$22.5 million); the deferral of expenditure associated with the HomeBuilder program from 2021-22 to 2022-23 (\$20.3 million); and a lower than budgeted demand for concession payments; and
  - the increase of \$18.483 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to the impact the deferral of expenditure associated with the HomeBuilder program from 2021-22 to 2022-23; the transfer of responsibility for the delivery of the small business hardship scheme to the Directorate's controlled accounts (\$22.5 million); and the impact of a lower than budgeted demand for concession payments in 2021-22; partially offset by the expenditure profile of existing initiatives, including the HomeBuilder program.
- cost of goods sold: the decrease of \$27.475 million in the 2021-22 estimated outcome from the original budget largely reflects the impact of a change in accounting treatment introduced during 2021-22, which results in the netting off of revenues and the associated cost of goods sold from the sale of land rent blocks to gains/(losses) on the disposal of assets, which is part of other income.
- other expenses: the increase of \$2.266 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the impact of a new initiative relating to increasing the betting operating tax from 2022-23 onwards; partially offset by the cessation of payroll tax and other waivers introduced to support local businesses during the COVID-19 health emergency.
- increase/(decrease) in the asset revaluation reserve: the decrease of \$9.185 million in the 2021-22 estimated outcome from the original budget and the increase of \$7.056 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects a lower than budgeted purchase and a higher than budgeted sale of land rent properties during 2021-22, resulting in a lower forecast revaluation of land rent properties and a net negative movement in the asset revaluation surplus in 2021-22.

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

- receivables (current and non-current): the increase of \$140.691 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to a forecast increase in dividends and income tax equivalent receivables from SLA.

- investments (non-current): the increase of \$5 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the establishment of the Future Jobs Fund to boost diversification of the ACT economy by investing in ACT based start-ups and high-tech companies.
- property (non-current): the decrease of \$45.965 million in the 2021-22 estimated outcome from the original budget is mainly due to a lower than budgeted value of land rent block purchases and a higher than budgeted value of land rent block sales during 2021-22, and a lower forecast annual valuation outcome.
- payables (current and non-current): the increase of \$140.691 million in the 2022-23 Budget from the 2021-22 estimated outcome largely reflects the variations in receivables mentioned above, as most funds received through CMTEDD's territorial accounts are on-passed to the Territory Banking Account (TBA).

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

Variations in these Statements are explained in the notes above.

## Output Class Financial Statements

Table 62: Output Class 1: Government Strategy Operating Statement

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
63,833	Controlled Recurrent Payments	67,089	90,061	34	76,673	67,490	65,038
12,440	Sale of Goods and Services from Contracts with Customers	12,140	2,912	-76	3,032	3,096	3,301
2,293	Grants and Contributions Revenue	2,428	2,706	11	2,750	2,639	2,698
0	Interest Revenue	62	1,633	#	3,187	3,325	2,985
<b>78,566</b>	<b>Total Income</b>	<b>81,719</b>	<b>97,312</b>	<b>19</b>	<b>85,642</b>	<b>76,550</b>	<b>74,022</b>
	<b>Expenses</b>						
47,552	Employee and Superannuation Expenses	48,375	51,092	6	50,994	47,385	46,523
25,540	Supplies and Services	24,398	36,788	51	24,535	19,108	18,773
3,232	Depreciation and Amortisation	3,714	2,428	-35	3,849	7,583	9,761
5,426	Grants and Purchased Services	8,851	7,047	-20	6,474	6,384	5,463
0	Borrowing Costs	2,563	16,288	536	5,527	0	0
84	Other Expenses	96	861	797	709	763	661
<b>81,834</b>	<b>Total Expenses</b>	<b>87,997</b>	<b>114,504</b>	<b>30</b>	<b>92,088</b>	<b>81,223</b>	<b>81,181</b>
<b>-3,268</b>	<b>Operating Result</b>	<b>-6,278</b>	<b>-17,192</b>	<b>-174</b>	<b>-6,446</b>	<b>-4,673</b>	<b>-7,159</b>

**Table 63: Output Class 2: Access Canberra Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
99,073	Controlled Recurrent Payments	99,191	100,872	2	97,834	97,605	99,209
12,880	Sale of Goods and Services from Contracts with Customers	15,658	16,229	4	16,569	16,932	17,279
2,483	Grants and Contributions Revenue	2,565	2,708	6	2,739	2,796	2,872
158	Interest Revenue	158	158	-	158	158	160
772	Other Income	790	838	6	867	896	922
<b>115,366</b>	<b>Total Income</b>	<b>118,362</b>	<b>120,805</b>	<b>2</b>	<b>118,167</b>	<b>118,387</b>	<b>120,442</b>
<b>Expenses</b>							
68,436	Employee and Superannuation Expenses	69,516	72,687	5	70,878	70,038	70,834
43,164	Supplies and Services	45,788	45,082	-2	44,126	45,104	46,302
5,748	Depreciation and Amortisation	4,414	3,935	-11	3,310	3,970	3,930
2,380	Grants and Purchased Services	2,380	2,436	2	2,495	2,554	2,624
44	Borrowing Costs	20	20	-	25	25	25
311	Other Expenses	311	90	-71	93	96	98
0	Transfer Expenses	80	82	3	83	85	84
<b>120,083</b>	<b>Total Expenses</b>	<b>122,509</b>	<b>124,332</b>	<b>1</b>	<b>121,010</b>	<b>121,872</b>	<b>123,897</b>
<b>-4,717</b>	<b>Operating Result</b>	<b>-4,147</b>	<b>-3,527</b>	<b>15</b>	<b>-2,843</b>	<b>-3,485</b>	<b>-3,455</b>

**Table 64: Output Class 3: Economic Development Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
440,945	Controlled Recurrent Payments	471,726	142,669	-70	106,459	98,756	99,333
220	Fees	220	224	2	227	230	237
14,810	Sale of Goods and Services from Contracts with Customers	15,940	17,183	8	17,668	18,195	18,695
2,178	Grants and Contributions Revenue	3,211	3,214	..	4,387	2,986	3,069
40	Interest Revenue	40	40	-	40	40	40
613	Other Income	613	1,858	203	993	615	637
<b>458,806</b>	<b>Total Income</b>	<b>491,750</b>	<b>165,188</b>	<b>-66</b>	<b>129,774</b>	<b>120,822</b>	<b>122,011</b>
<b>Expenses</b>							
27,261	Employee and Superannuation Expenses	27,915	26,251	-6	25,735	25,848	25,950
61,112	Supplies and Services	60,133	65,424	9	56,463	52,730	53,482
9,656	Depreciation and Amortisation	8,265	8,005	-3	8,104	9,291	9,202
371,873	Grants and Purchased Services	406,314	73,272	-82	46,178	43,556	43,836
83	Borrowing Costs	70	66	-6	59	59	60
1,133	Other Expenses	235	2,454	944	2,471	1,615	1,658
<b>471,118</b>	<b>Total Expenses</b>	<b>502,932</b>	<b>175,472</b>	<b>-65</b>	<b>139,010</b>	<b>133,099</b>	<b>134,188</b>
<b>-12,312</b>	<b>Operating Result</b>	<b>-11,182</b>	<b>-10,284</b>	<b>8</b>	<b>-9,236</b>	<b>-12,277</b>	<b>-12,177</b>

**Table 65: Output Class 4: Financial and Economic Management Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
98,276	Controlled Recurrent Payments	96,911	31,119	-68	27,740	22,096	22,332
5	Sale of Goods and Services from Contracts with Customers	450	2,529	462	2,592	2,658	2,723
733	Grants and Contributions Revenue	464	63,595	#	497	511	530
63	Interest Revenue	63	64	2	59	59	59
<b>99,077</b>	<b>Total Income</b>	<b>97,888</b>	<b>97,307</b>	<b>-1</b>	<b>30,888</b>	<b>25,324</b>	<b>25,644</b>
<b>Expenses</b>							
18,655	Employee and Superannuation Expenses	18,722	11,944	-36	11,709	11,804	11,914
42,596	Supplies and Services	12,429	9,117	-27	8,863	9,159	9,330
112	Depreciation and Amortisation	173	692	300	683	672	670
28,482	Grants and Purchased Services	66,171	4,159	-94	10,156	4,248	4,229
63	Borrowing Costs	63	59	-6	54	54	54
0	Other Expenses	34	0	-100	0	0	0
0	Transfer Expenses	0	100	#	103	106	109
<b>89,908</b>	<b>Total Expenses</b>	<b>97,592</b>	<b>26,071</b>	<b>-73</b>	<b>31,568</b>	<b>26,043</b>	<b>26,306</b>
<b>9,169</b>	<b>Operating Result</b>	<b>296</b>	<b>71,236</b>	<b>#</b>	<b>-680</b>	<b>-719</b>	<b>-662</b>

**Table 66: Output Class 5: Revenue Management Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
23,859	Controlled Recurrent Payments	23,977	23,919	..	25,361	25,823	25,441
616	Sale of Goods and Services from Contracts with Customers	1,174	1,276	9	1,309	1,342	1,379
2,034	Grants and Contributions Revenue	1,724	1,761	2	1,800	1,831	1,888
32	Interest Revenue	32	32	-	32	32	32
1,498	Other Income	1,498	1,543	3	1,584	1,628	1,673
<b>28,039</b>	<b>Total Income</b>	<b>28,405</b>	<b>28,531</b>	<b>..</b>	<b>30,086</b>	<b>30,656</b>	<b>30,413</b>
<b>Expenses</b>							
14,593	Employee and Superannuation Expenses	15,120	15,832	5	16,671	16,848	16,328
13,809	Supplies and Services	13,660	13,083	-4	13,805	14,196	14,472
3,622	Depreciation and Amortisation	3,838	3,772	-2	3,829	3,996	4,122
34	Other Expenses	34	34	-	34	34	34
<b>32,058</b>	<b>Total Expenses</b>	<b>32,652</b>	<b>32,721</b>	<b>..</b>	<b>34,339</b>	<b>35,074</b>	<b>34,956</b>
<b>-4,019</b>	<b>Operating Result</b>	<b>-4,247</b>	<b>-4,190</b>	<b>1</b>	<b>-4,253</b>	<b>-4,418</b>	<b>-4,543</b>



**Table 67: Output Class 6: Shared Services Operating Statement**

<b>2021-22 Budget</b>		<b>2021-22 Estimated Outcome</b>	<b>2022-23 Budget</b>	<b>Var %</b>	<b>2023-24 Estimate</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Income</b>						
84,548	Controlled Recurrent Payments	80,678	80,748	..	65,218	67,216	68,874
177,320	Sale of Goods and Services from Contracts with Customers	180,027	185,014	3	189,541	194,170	198,908
1,051	Grants and Contributions Revenue	1,069	1,105	3	1,118	1,132	1,161
13	Interest Revenue	13	13	-	13	14	14
3,412	Other Income	3,412	2,411	-29	2,460	2,508	2,557
<b>266,344</b>	<b>Total Income</b>	<b>265,199</b>	<b>269,291</b>	<b>2</b>	<b>258,350</b>	<b>265,040</b>	<b>271,514</b>
	<b>Expenses</b>						
114,382	Employee and Superannuation Expenses	111,512	119,130	7	116,550	119,034	121,426
128,506	Supplies and Services	130,273	127,644	-2	116,387	120,139	121,873
30,198	Depreciation and Amortisation	27,481	33,805	23	33,783	33,653	35,718
182	Borrowing Costs	173	145	-16	107	77	115
9,533	Transfer Expenses	9,416	8,480	-10	11,981	12,159	12,374
<b>282,801</b>	<b>Total Expenses</b>	<b>278,855</b>	<b>289,204</b>	<b>4</b>	<b>278,808</b>	<b>285,062</b>	<b>291,506</b>
<b>-16,457</b>	<b>Operating Result</b>	<b>-13,656</b>	<b>-19,913</b>	<b>-46</b>	<b>-20,458</b>	<b>-20,022</b>	<b>-19,992</b>

**Table 68: Output Class 7: Infrastructure Finance and Procurement Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
9,047	Controlled Recurrent Payments	9,112	8,765	-4	8,440	8,619	8,676
3,884	Sale of Goods and Services from Contracts with Customers	4,132	4,242	3	4,343	4,450	4,557
79	Grants and Contributions Revenue	57	59	4	60	60	61
<b>13,010</b>	<b>Total Income</b>	<b>13,301</b>	<b>13,066</b>	<b>-2</b>	<b>12,843</b>	<b>13,129</b>	<b>13,294</b>
<b>Expenses</b>							
8,830	Employee and Superannuation Expenses	9,332	9,261	-1	9,418	9,518	9,617
3,698	Supplies and Services	3,492	3,277	-6	2,917	3,068	3,149
26	Depreciation and Amortisation	74	67	-9	40	31	29
13	Other Expenses	13	14	8	11	11	11
339	Transfer Expenses	323	386	20	412	478	467
<b>12,906</b>	<b>Total Expenses</b>	<b>13,234</b>	<b>13,005</b>	<b>-2</b>	<b>12,798</b>	<b>13,106</b>	<b>13,273</b>
<b>104</b>	<b>Operating Result</b>	<b>67</b>	<b>61</b>	<b>-9</b>	<b>45</b>	<b>23</b>	<b>21</b>

**Table 69: Output Class 8: Property Services Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
22,927	Controlled Recurrent Payments	15,931	23,817	50	11,779	12,301	11,143
105,888	Sale of Goods and Services from Contracts with Customers	106,405	109,706	3	112,716	116,218	119,535
442	Grants and Contributions Revenue	434	923	113	741	594	485
917	Other Income	917	942	3	963	982	1,004
<b>130,174</b>	<b>Total Income</b>	<b>123,687</b>	<b>135,388</b>	<b>9</b>	<b>126,199</b>	<b>130,095</b>	<b>132,167</b>
	<b>Expenses</b>						
16,746	Employee and Superannuation Expenses	16,998	17,192	1	17,498	17,668	17,858
65,605	Supplies and Services	59,764	68,282	14	59,360	60,504	63,512
64,340	Depreciation and Amortisation	66,465	67,255	1	68,535	68,756	67,884
2,567	Grants and Purchased Services	1,929	3,275	70	916	952	978
15,257	Borrowing Costs	15,231	14,903	-2	14,363	13,784	13,146
7,229	Other Expenses	9,428	2,903	-69	114	115	117
0	Transfer Expenses	0	90	#	115	61	111
<b>171,744</b>	<b>Total Expenses</b>	<b>169,815</b>	<b>173,900</b>	<b>2</b>	<b>160,901</b>	<b>161,840</b>	<b>163,606</b>
<b>-41,570</b>	<b>Operating Result</b>	<b>-46,128</b>	<b>-38,512</b>	<b>17</b>	<b>-34,702</b>	<b>-31,745</b>	<b>-31,439</b>

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# ACT GAMBLING AND RACING COMMISSION – STATEMENT OF INTENT

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

This Statement of Intent for 2022-23 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 2022-23 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 2022-23 Statement of Intent has been agreed between:



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**Paul Baxter**

**Chairperson on behalf of**

**ACT Gambling and Racing Commission**



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**Andrew Barr MLA**

**Treasurer**



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**Tara Cheyne MLA**

**Minister for Business and Better  
Regulation**

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# ACT GAMBLING AND RACING COMMISSION

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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  
Ms Leanne Close
- 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 individual and the community.

**Integrity** – we aim to minimise the possibility of criminal or unethical activity in the gambling and racing industry by gathering information from a range of different sources, including law enforcement bodies.

**Protection** – we will provide the community with factual information about gambling products so that people can make informed choices about their gambling. 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 Corporate 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 August 2016 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 and as outlined in the 2018-2020 Strategic Plan, 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/NZS ISO 31000:2009 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).

## **2022-23 Priorities and Next Three Financial Years**

Strategic and operational issues to be pursued in 2022-23 include the following.

### **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 work/study, relationship, physical health, emotional/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 and 2021-22 caused significant disruption to gambling venues 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.

The four priority areas for the 2022-23 Annual Workplan are: (i) Education and engagement, (ii) Research, (iii) Support services, and (iv) Monitoring and evaluation. The plan commits to ongoing education and engagement with the ACT community, gambling industry and the community sector. It provides a renewed focus on research as required to meet the Commission's ongoing commitment to the development of the evidence-base for its public health approach.

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: providing and supporting the ACT's gambling exclusion scheme and 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 calculated 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.

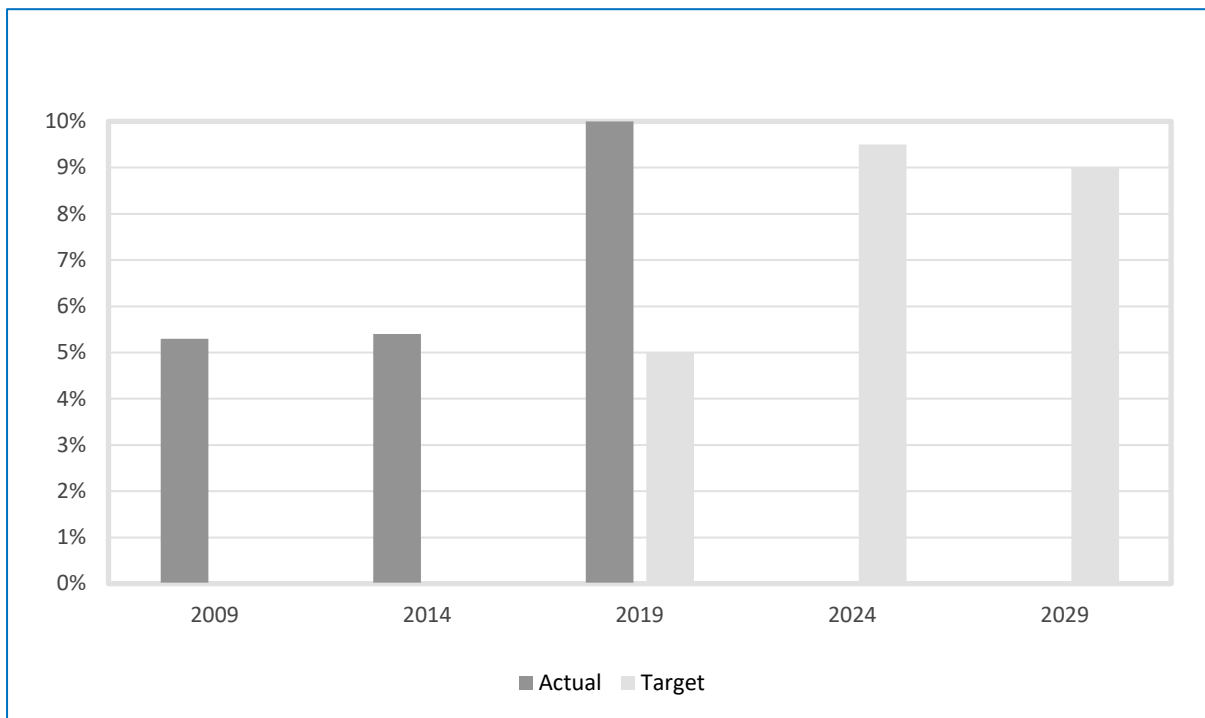
This is demonstrated in Figure 2. The 2019 ACT Gambling Survey found that the proportion of the ACT adult population reporting one or more on the PGSI doubled from the results shown in the previous survey. This is a likely result of changes in the survey methodology from 2014 to 2019 which presented 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.

The next gambling prevalence survey is scheduled for 2024 and will provide the Commission with a means for assessing any ongoing impacts of COVID-19 on gambling behaviour and harm.

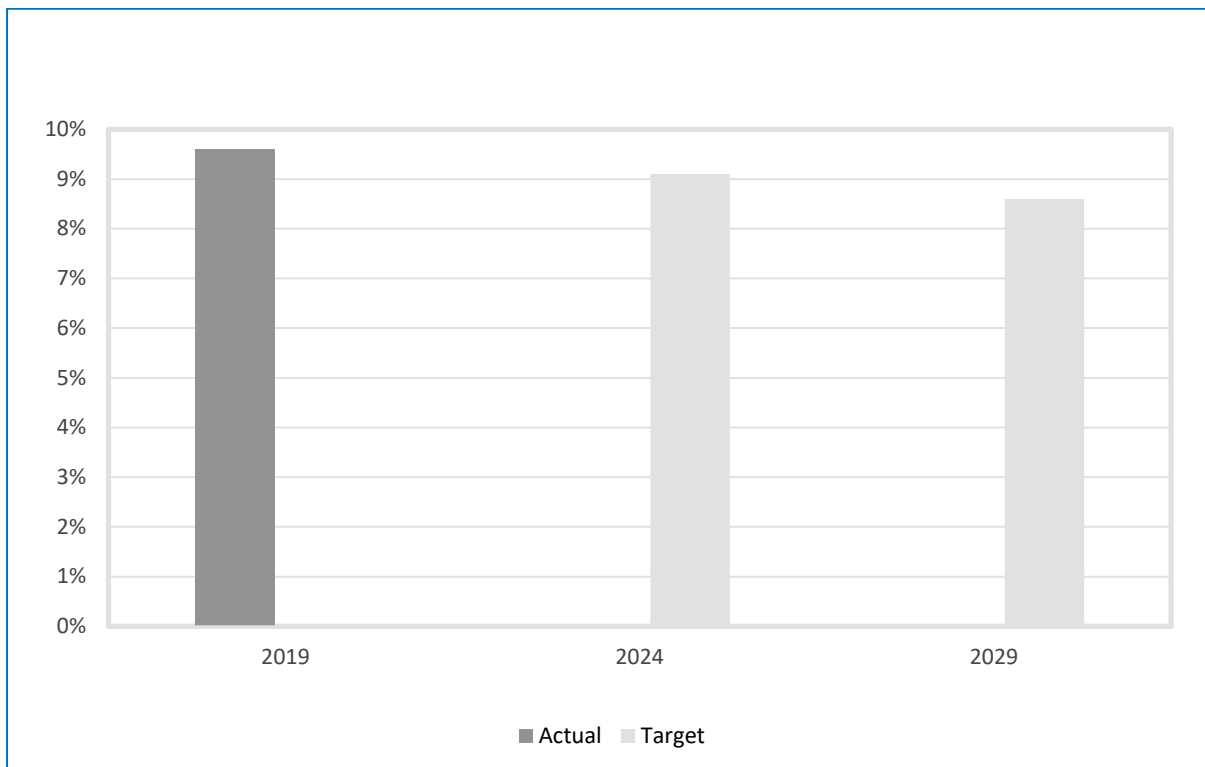
**Figure 2: Proportion of the ACT Adult Population Reporting One or More on the Problem Gambling Severity Index (PGSI)**



**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 inspection programs and its engagement and education approach to gambling 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.

Increased compliance by gambling operators will support public confidence in relation to the gambling industry in the Territory.

### **Strategic Indicator 2: Regulatory Education and Engagement Activities Result in a Decreasing use of Formal Enforcement Powers**

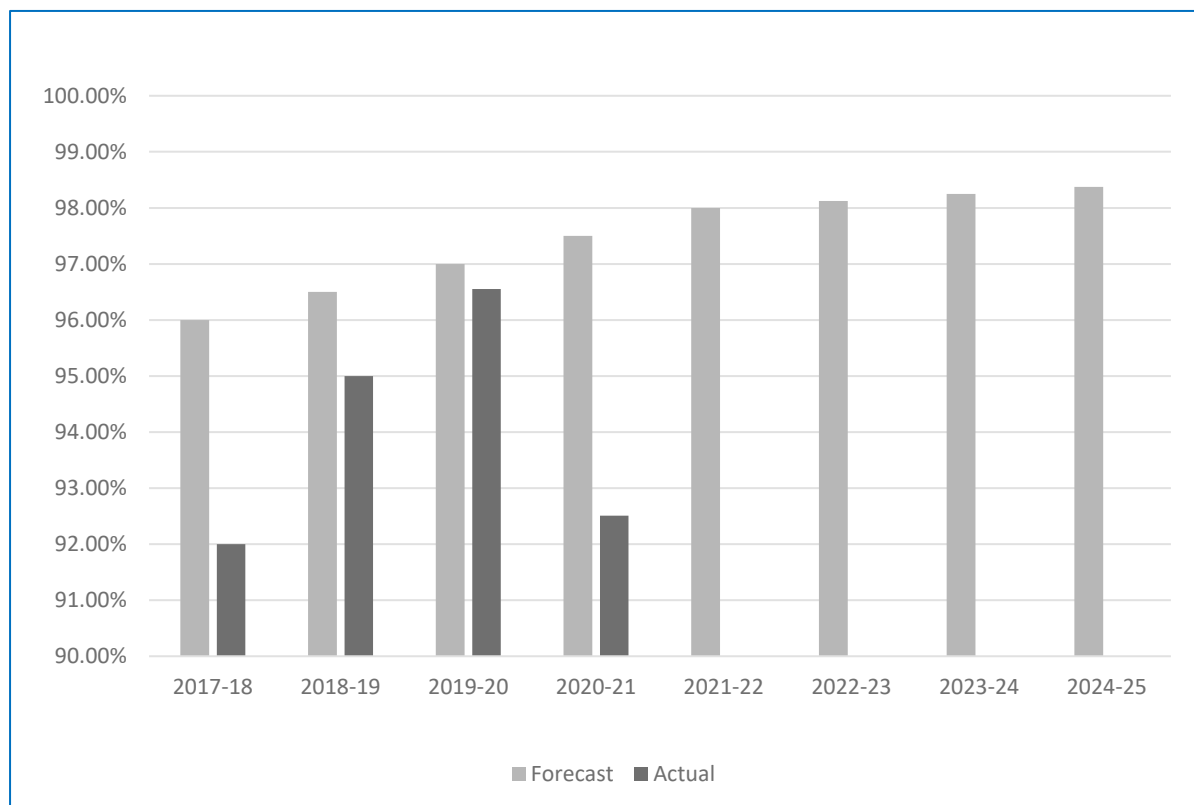
An increase in successful engagement with, and education of, licensees is likely to reduce the need for formal enforcement powers as licensee behaviour demonstrates a higher level of regulatory compliance.



### 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.**



Decreases in the actual indicator are due to inaccuracies in the returns submitted by licensees. Access Canberra, on behalf of the Commission, will continue its approach of engagement and education with licensees to increase the accuracy 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost<sup>1</sup></b>	8,531	8,666
<b>Controlled Recurrent Payments</b>	5,461	5,628

**Note(s):**

- Total cost includes depreciation and amortisation of \$0.062 million in 2021-22 and \$0.028 million in 2022-23.

## **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**

	<b>2021-22 Targets</b>	<b>2021-22 Estimated Outcome</b>	<b>2022-23 Targets</b>
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	12	12	12
b. Percentage of customers satisfied with the Gambling and Racing Commission	90%	90%	90%
c. Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission	95%	95%	95%
d. Compliance rate during targeted campaign inspections	90%	90%	90%
e. Average level of helpfulness after issuing a notice or before issuing a license/authorisation	4.2 out of 5	4.2 out of 5	4.2 out of 5

**Note(s):**

- This accountability indicator measures the outcomes of activity aimed towards the Commission achieving the strategic objective *“To take meaningful action to prevent gambling harm”*.
- 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.
- 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.
- 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.
- 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

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
2021-22 Budget	5,461	5,546	5,634	5,714	5,714
2022-23 Budget Technical Adjustments					
Revised Indexation Parameters	0	82	122	157	276
2022-23 Budget	5,461	5,628	5,756	5,871	5,990

## 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.

### Monthly Reporting

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.

### 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 Cash Flow Statement;
- 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).

## **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.

## **Budgeted Financial Statements**

Budgeted financial statements for the 2022-23 Budget year, as well as forward estimates for the three financial years commencing 2023-24 appear below. These general purpose financial statements 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 including variations from the 2021-22 Budget to the 2021-22 estimated outcome and variances from the 2021-22 estimated outcome to the 2022-23 Budget that are in excess of \$0.250 million and 5 per cent.

## Financial Statements

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 4: ACT Gambling and Racing Commission: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
5,461	Controlled Recurrent Payments	5,461	5,628	3	5,756	5,871	5,990
48,648	Taxes, Licences, Fees and Fines	58,237	58,809	1	59,188	59,581	59,993
31	Grants and Contributions Revenue	31	31	-	31	31	31
114	Interest Revenue	114	116	2	118	120	122
3,063	Other Income	3,063	3,065	..	3,069	3,109	3,189
<b>57,317</b>	<b>Total Income</b>	<b>66,906</b>	<b>67,649</b>	<b>1</b>	<b>68,162</b>	<b>68,712</b>	<b>69,325</b>
	<b>Expenses</b>						
1,815	Supplies and Services	1,815	1,820	..	1,829	1,866	1,922
62	Depreciation and Amortisation	62	28	-55	5	5	5
5,682	Grants and Purchased Services	5,682	5,846	3	5,971	6,091	6,217
972	Other Expenses	972	972	-	972	972	991
48,648	Transfer Expenses	58,237	58,809	1	59,188	59,581	59,993
<b>57,179</b>	<b>Total Expenses</b>	<b>66,768</b>	<b>67,475</b>	<b>1</b>	<b>67,965</b>	<b>68,515</b>	<b>69,128</b>
<b>138</b>	<b>Operating Result</b>	<b>138</b>	<b>174</b>	<b>26</b>	<b>197</b>	<b>197</b>	<b>197</b>
<b>138</b>	<b>Total Comprehensive Result</b>	<b>138</b>	<b>174</b>	<b>26</b>	<b>197</b>	<b>197</b>	<b>197</b>

**Table 5: ACT Gambling and Racing Commission: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
5,804	Cash	5,804	5,994	3	6,184	6,374	6,564
5,536	Receivables	5,536	5,541	..	5,546	5,551	5,556
3	Other Assets	3	3	-	3	3	3
<b>11,343</b>	<b>Total Current Assets</b>	<b>11,343</b>	<b>11,538</b>	<b>2</b>	<b>11,733</b>	<b>11,928</b>	<b>12,123</b>
<b>Non-Current Assets</b>							
5	Property, Plant and Equipment	5	10	100	15	20	25
23	Intangible Assets	23	0	-100	0	0	0
59	Capital Works in Progress	59	59	-	59	59	59
<b>87</b>	<b>Total Non-Current Assets</b>	<b>87</b>	<b>69</b>	<b>-21</b>	<b>74</b>	<b>79</b>	<b>84</b>
<b>11,430</b>	<b>TOTAL ASSETS</b>	<b>11,430</b>	<b>11,607</b>	<b>2</b>	<b>11,807</b>	<b>12,007</b>	<b>12,207</b>
<b>Current Liabilities</b>							
5,697	Payables	5,697	5,700	..	5,703	5,706	5,709
51	Other Liabilities	51	51	-	51	51	51
<b>5,748</b>	<b>Total Current Liabilities</b>	<b>5,748</b>	<b>5,751</b>	<b>..</b>	<b>5,754</b>	<b>5,757</b>	<b>5,760</b>
<b>5,748</b>	<b>TOTAL LIABILITIES</b>	<b>5,748</b>	<b>5,751</b>	<b>..</b>	<b>5,754</b>	<b>5,757</b>	<b>5,760</b>
<b>5,682</b>	<b>NET ASSETS</b>	<b>5,682</b>	<b>5,856</b>	<b>3</b>	<b>6,053</b>	<b>6,250</b>	<b>6,447</b>
<b>Equity</b>							
5,682	Accumulated Funds	5,682	5,856	3	6,053	6,250	6,447
<b>5,682</b>	<b>TOTAL EQUITY</b>	<b>5,682</b>	<b>5,856</b>	<b>3</b>	<b>6,053</b>	<b>6,250</b>	<b>6,447</b>

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

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
5,544	Opening Accumulated Funds	5,544	5,682	2	5,856	6,053	6,250
<b>5,544</b>	<b>Balance at the Start of the Reporting Period</b>	<b>5,544</b>	<b>5,682</b>	<b>2</b>	<b>5,856</b>	<b>6,053</b>	<b>6,250</b>
	<b>Comprehensive Income</b>						
138	Operating Result	138	174	26	197	197	197
<b>138</b>	<b>Total Comprehensive Result</b>	<b>138</b>	<b>174</b>	<b>26</b>	<b>197</b>	<b>197</b>	<b>197</b>
	<b>Closing Equity</b>						
5,682	Closing Accumulated Funds	5,682	5,856	3	6,053	6,250	6,447
<b>5,682</b>	<b>Balance at the End of the Reporting Period</b>	<b>5,682</b>	<b>5,856</b>	<b>3</b>	<b>6,053</b>	<b>6,250</b>	<b>6,447</b>

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

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
5,461	Controlled Recurrent Payments	5,461	5,628	3	5,756	5,871	5,990
48,648	Taxes, Licences, Fees and Fines	58,237	58,809	1	59,188	59,581	59,993
114	Interest Receipts	114	116	2	118	120	122
119	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	119	119	-	119	119	119
3,063	Other	3,063	3,065	..	3,069	3,109	3,189
<b>57,405</b>	<b>Total Receipts from Operating Activities</b>	<b>66,994</b>	<b>67,737</b>	<b>1</b>	<b>68,250</b>	<b>68,800</b>	<b>69,413</b>
<b>Payments</b>							
1,786	Supplies and Services	1,786	1,791	..	1,800	1,837	1,893
5,682	Grants and Purchased Services	5,682	5,846	3	5,971	6,091	6,217
48,648	Transfer of Territory Receipts to the ACT Government	58,237	58,809	1	59,188	59,581	59,993
119	Goods and Services Tax Paid to Suppliers	119	119	-	119	119	119
972	Other	972	972	-	972	972	991
<b>57,207</b>	<b>Total Payments from Operating Activities</b>	<b>66,796</b>	<b>67,537</b>	<b>1</b>	<b>68,050</b>	<b>68,600</b>	<b>69,213</b>
<b>198</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>198</b>	<b>200</b>	<b>1</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
10	Purchase of Property, Plant and Equipment	10	10	-	10	10	10
<b>10</b>	<b>Total Payments from Investing Activities</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>-10</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-10</b>	<b>-10</b>	<b>-</b>	<b>-10</b>	<b>-10</b>	<b>-10</b>
<b>188</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>188</b>	<b>190</b>	<b>1</b>	<b>190</b>	<b>190</b>	<b>190</b>
<b>5,616</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>5,616</b>	<b>5,804</b>	<b>3</b>	<b>5,994</b>	<b>6,184</b>	<b>6,374</b>
<b>5,804</b>	<b>Cash at the End of the Reporting Period</b>	<b>5,804</b>	<b>5,994</b>	<b>3</b>	<b>6,184</b>	<b>6,374</b>	<b>6,564</b>



## **Notes to the Controlled Budget Statements**

Significant variations are as follows:

### ***Operating Statement***

- taxes, licences, fees and fines: the increase of \$9.589 million in the 2021-22 estimated outcome from the 2021-22 Budget is mainly due to the easing out of COVID-19 restrictions earlier than expected, interstate lotteries revenue from higher than expected ticket sales, and regulatory fees as a result of higher activity.
- transfer expenses: the increase of \$9.589 million in the 2021-22 estimated outcome from the 2021-22 Budget is mainly due to the easing out of COVID-19 restrictions earlier than expected, interstate lotteries revenue from higher than expected ticket sales, and regulatory fees as a result of higher activity.

### ***Balance Sheet***

There are no significant variations to be explained for this Statement.

### ***Statement of Changes in Equity and Cash Flow Statement***

Variations in these Statements are explained in the above notes.

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# ACT INSURANCE AUTHORITY – STATEMENT OF INTENT

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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 2022-23 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 2022-23 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.

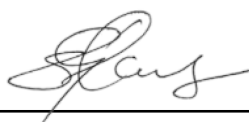
The ACT Insurance Authority 2022-23 Statement of Intent has been agreed between:



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**Andrew Barr MLA**

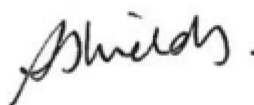
**Chief Minister**



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**Stuart Hocking PSM**

**Under Treasurer**



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**Penny Shields**

**General Manager**

**ACT Insurance Authority**

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# ACT INSURANCE AUTHORITY

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## 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 \$29.7 billion of insured assets, with annual premium revenue of \$71.1 million, an operating result of \$22.7 million and an equity position of \$124.4 million forecasted in the 2022-23 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 with the aim of reducing 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 liability; 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 where feasible;
- review the Territory's asset register as part of the insurance renewal process;
- develop business practices which 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 in the ACT, 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, control measures and treatment action plans for financial, business and information technology risks.

The Authority has identified the following key financial risks.

- Insufficient and/or unsatisfactory external insurance arrangements.
- 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 external actuaries provide support and advice that aligns agency premiums with claims experience.

## **2022-23 Priorities and Next Three Financial Years**

Strategic and operational priorities to be pursued in 2022-23 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 information management system to enable the Authority to continue to deliver mature services to Territory agencies.

## Estimated Employment Level and Employment Profile

**Table 1: Estimated Employment Level**

	2020-21 Actual Outcome <sup>1</sup>	2021-22 Budget <sup>2</sup>	2021-22 Estimated Outcome <sup>1</sup>	2022-23 Budget <sup>2</sup>
<b>Staffing (FTE)</b>	21	31	29 <sup>3</sup>	32 <sup>4</sup>

**Table 2: 2022-23 Employment Profile**

Classification	Total
Senior Executive	1
SOG A	2
SOG B	5
SOG C	5
ASO6	7
ASO5	9
ASO4	1
ASO3	2
<b>Total</b>	<b>32</b>

**Note(s):**

1. These figures relate to estimated staffing at the end of the financial year.
2. These figures relate to estimated average annual staffing figures.
3. The difference between the 2021-22 estimated outcome and 2021-22 Budget is mainly due to the full budgeted staffing levels not being achieved by 30 June 2022 due to the recruitment for the new structure being taken in a phased approach commencing with recruiting senior positions mid-year and operational positions expected to be finalised towards the fourth quarter of the year.
4. The difference between the 2022-23 Budget figure and the 2021-22 estimated outcome is mainly due to recruitment for new structure positions expected to be concluded by end of June 2022 and new staff expected to commence from the first quarter of 2022-23.



## Key Performance Indicators

**Table 3: Key Performance Indicators**

Key performance indicator	2021-22 Target	2021-22 Estimated Outcome	2022-23 Target
a. Overall customer satisfaction with the Authority from annual customer satisfaction survey	80%	83%	80%
b. Maintain the Authority's funding ratio as outlined in the Authority's Capital Management Plan	134%	131%	140%
c. General and administrative expense as a percentage of total annual premium revenue	10%	8%	10%
d. The average number of days to process payments for the settlement of claims from the day all required documents are received from the agency	14 days	14 days	14 days
e. Complete Property Loss Control Surveys at a number of selected territory locations	8	8	8
f. 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	4	4	4
g. Deliver a program of general and targeted risk management training courses to territory agencies	35	9	35
h. Overall participant satisfaction with risk management training sessions delivered to agency staff members	90%	100%	90%
i. Provide quarterly reporting to directorates to assist the identification, assessment and treatment of risks	4	3	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 the Authority's services based on their experiences over the past 12 months. 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.
- b. 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.
- c. The Authority's general and administrative expenses, including employee expenses, supplies and services, is calculated as a percentage of gross earned premiums expressed as Sale of Goods and Services from contracts with customer in the operating statement and is measured against the budgeted results for the Authority.
- d. 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.
- e. 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.

- f. 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, external insurers and their solicitors.
- g. 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.
- h. 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.
- i. 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.

**Explanation of Variances (+/-10 per cent) Between 2021-22 Target and 2021-22 Estimated Outcome:**

- c. Lower general administrative expenses as a percentage of total annual premium revenue are mainly due to lower employee expenses related to the timing of recruitment for an additional 10 FTEs staff for new structure positions. Recruitment for the new structure was taken in a phased approach commencing with recruiting senior positions midyear and operational positions towards the fourth quarter of the year.
- g. Lower number of general and targeted risk management training courses delivered to territory agencies is due to the lower demand for face-to-face training activities from directorates and agencies as a result of extended lockdown and very slow return to the office environment. Many directorates instead chose to request their workers to complete ACTIA's on-line risk training modules, which saw a sharp increase. The demand and delivery of face-to-face training are expected to increase in 2022-23.
- i. Lower quarterly reporting result to directorates to assist the identification, assessment and treatment of risks is due to data for the first quarter not being reported on, as the reporting structure had not been properly adjusted in the system to account for the change to quarterly reporting, as per the amended KPI for 2021-22. This was resolved in the second quarter of 2021-22 for future reporting.

## 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:

- an Operating Statement;
- a Balance Sheet; and
- a 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 ACT 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 2021-22 estimated outcome was an operating deficit of \$11.181 million. The result is a \$32.419 million decrease from the original budgeted operating result of \$21.238 million forecasted in the 2021-22 budget.

The variance to budget was primarily due to lower returns on investments and higher claims expenses. The lower return on investments is due to the increased geopolitical risks, increase in commodity prices and increasing global supply chain constraints that have resulted in higher global and domestic inflation and rising interest rates. Claims expenses are higher than budget mainly due to recent claims experience and actuarial estimation based on 2021-22 mid-year review.

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 Injury Scheme. The Authority provides support services on a cost recovery basis and recovers these costs from DIF and ND on a six monthly basis.

## **Budgeted Financial Statements**

Budgeted financial statements for the 2022-23 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

Presentational changes have been made to streamline the financial statements, with the 2021-22 Budget column also reflecting these changes. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 4: ACT Insurance Authority: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome	2022-23 Budget	Var %	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
	<b>Income</b>						
61,620	Sale of Goods and Services from Contracts with Customers	61,667	71,077	15	72,677	74,311	75,985
48	Grants and Contributions Revenue	48	48	-	50	50	50
10,847	Investment Revenue	3,939	10,577	169	11,186	11,491	11,796
100	Interest Revenue	288	244	-15	255	258	286
5,233	Other Income	5,233	5,403	3	5,578	5,758	5,960
8,074	Net Gain/(Loss) on Investments	-8,446	7,578	190	8,014	8,233	8,451
<b>85,922</b>	<b>Total Income</b>	<b>62,729</b>	<b>94,927</b>	<b>51</b>	<b>97,760</b>	<b>100,101</b>	<b>102,528</b>
	<b>Expenses</b>						
4,324	Employee and Superannuation Expenses	3,300	4,434	34	4,543	4,666	4,794
1,540	Supplies and Services	1,554	1,745	12	1,790	1,834	1,879
76	Depreciation and Amortisation	76	46	-39	46	46	46
2,475	Other Expenses	2,578	2,555	-1	2,652	2,729	2,825
14,355	Outward Reinsurance Expense	13,027	14,606	12	14,970	15,346	15,729
41,914	Claims Expense	53,375	48,859	-8	54,979	58,910	60,827
<b>64,684</b>	<b>Total Expenses</b>	<b>73,910</b>	<b>72,245</b>	<b>-2</b>	<b>78,980</b>	<b>83,531</b>	<b>86,100</b>
<b>21,238</b>	<b>Operating Result</b>	<b>-11,181</b>	<b>22,682</b>	<b>303</b>	<b>18,780</b>	<b>16,570</b>	<b>16,428</b>
<b>21,238</b>	<b>Total Comprehensive Result</b>	<b>-11,181</b>	<b>22,682</b>	<b>303</b>	<b>18,780</b>	<b>16,570</b>	<b>16,428</b>

**Table 5: ACT Insurance Authority: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
469,499	Cash and Investments	373,811	385,063	3	410,332	440,171	471,344
8,576	Receivables	22,886	24,981	9	25,146	25,236	25,326
65	Other Assets	65	67	3	69	71	73
<b>478,140</b>	<b>Total Current Assets</b>	<b>396,762</b>	<b>410,111</b>	<b>3</b>	<b>435,547</b>	<b>465,478</b>	<b>496,743</b>
<b>Non-Current Assets</b>							
0	Receivables	28,804	28,804	-	28,804	28,804	28,804
103	Property, Plant and Equipment	0	0	-	0	0	0
272	Intangible Assets	272	226	-17	180	134	88
<b>375</b>	<b>Total Non-Current Assets</b>	<b>29,076</b>	<b>29,030</b>	<b>-</b>	<b>28,984</b>	<b>28,938</b>	<b>28,892</b>
<b>478,515</b>	<b>TOTAL ASSETS</b>	<b>425,838</b>	<b>439,141</b>	<b>3</b>	<b>464,531</b>	<b>494,416</b>	<b>525,635</b>
<b>Current Liabilities</b>							
458	Payables	458	462	1	467	472	477
747	Employee Benefits	760	795	5	782	800	835
77,148	Other Provisions	65,335	63,030	-4	63,980	66,293	68,904
2,433	Other Liabilities	2,433	4,320	78	6,272	8,224	10,176
<b>80,786</b>	<b>Total Current Liabilities</b>	<b>68,986</b>	<b>68,607</b>	<b>-1</b>	<b>71,501</b>	<b>75,789</b>	<b>80,392</b>
<b>Non-Current Liabilities</b>							
100	Employee Benefits	99	101	2	102	103	104
263,390	Other Provisions	254,933	245,932	-4	249,648	258,675	268,863
34	Other Liabilities	34	33	-3	32	31	30
<b>263,524</b>	<b>Total Non-Current Liabilities</b>	<b>255,066</b>	<b>246,066</b>	<b>-4</b>	<b>249,782</b>	<b>258,809</b>	<b>268,997</b>
<b>344,310</b>	<b>TOTAL LIABILITIES</b>	<b>324,052</b>	<b>314,673</b>	<b>-3</b>	<b>321,283</b>	<b>334,598</b>	<b>349,389</b>
<b>134,205</b>	<b>NET ASSETS</b>	<b>101,786</b>	<b>124,468</b>	<b>22</b>	<b>143,248</b>	<b>159,818</b>	<b>176,246</b>
<b>Equity</b>							
134,205	Accumulated Funds	101,786	124,468	22	143,248	159,818	176,246
<b>134,205</b>	<b>TOTAL EQUITY</b>	<b>101,786</b>	<b>124,468</b>	<b>22</b>	<b>143,248</b>	<b>159,818</b>	<b>176,246</b>

**Table 6: ACT Insurance Authority: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
112,967	Opening Accumulated Funds	112,967	101,786	-10	124,468	143,248	159,818
<b>112,967</b>	<b>Balance at the Start of the Reporting Period</b>	<b>112,967</b>	<b>101,786</b>	<b>-10</b>	<b>124,468</b>	<b>143,248</b>	<b>159,818</b>
	<b>Comprehensive Income</b>						
21,238	Operating Result	-11,181	22,682	303	18,780	16,570	16,428
<b>21,238</b>	<b>Total Comprehensive Result</b>	<b>-11,181</b>	<b>22,682</b>	<b>303</b>	<b>18,780</b>	<b>16,570</b>	<b>16,428</b>
	<b>Closing Equity</b>						
134,205	Closing Accumulated Funds	101,786	124,468	22	143,248	159,818	176,246
<b>134,205</b>	<b>Balance at the End of the Reporting Period</b>	<b>101,786</b>	<b>124,468</b>	<b>22</b>	<b>143,248</b>	<b>159,818</b>	<b>176,246</b>

**Table 7: ACT Insurance Authority: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
61,620	Sale of Goods and Services from Contracts with Customers	61,667	71,077	15	72,677	74,311	75,985
12,727	Investment Receipts	11,594	8,496	-27	11,034	11,415	11,721
100	Interest Receipts	288	244	-15	255	258	286
1,680	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	1,680	1,777	6	1,866	1,866	1,866
1,113	Goods and Services Tax Collected from Customers	1,113	1,144	3	1,175	1,188	1,188
57,705	Other	10,322	5,392	-48	5,567	5,747	5,949
<b>134,945</b>	<b>Total Receipts from Operating Activities</b>	<b>86,664</b>	<b>88,130</b>	<b>2</b>	<b>92,574</b>	<b>94,785</b>	<b>96,995</b>
<b>Payments</b>							
4,310	Employee and Superannuation	3,274	4,393	34	4,551	4,643	4,754
1,487	Supplies and Services	1,501	1,692	13	1,734	1,778	1,823
14,355	Outward Reinsurance Payments	13,027	14,606	12	14,970	15,346	15,729
33,619	Claims Payments	65,349	60,166	-8	50,314	47,571	48,029
1,113	Goods and Services Tax Paid to the Australian Taxation Office	1,113	1,144	3	1,175	1,188	1,188
1,682	Goods and Services Tax Paid to Suppliers	1,682	1,779	6	1,868	1,868	1,868
626	Other	626	672	7	704	782	878
<b>57,192</b>	<b>Total Payments from Operating Activities</b>	<b>86,572</b>	<b>84,452</b>	<b>-2</b>	<b>75,316</b>	<b>73,176</b>	<b>74,269</b>
<b>77,753</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>92</b>	<b>3,678</b>	<b>-</b>	<b>17,258</b>	<b>21,609</b>	<b>22,726</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
20,000	Proceeds from Sale/Maturity of Investments	20,000	20,000	-	20,000	20,000	20,000
<b>20,000</b>	<b>Total Receipts from Investing Activities</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Payments</b>							
98,005	Purchase of Investments	0	40,000	-	30,000	30,000	30,000
<b>98,005</b>	<b>Total Payments from Investing Activities</b>	<b>0</b>	<b>40,000</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>-78,005</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>20,000</b>	<b>-20,000</b>	<b>-200</b>	<b>-10,000</b>	<b>-10,000</b>	<b>-10,000</b>



2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
-252	Net Increase/(Decrease) in Cash	20,092	-16,322	-181	7,258	11,609	12,726
9,328	Cash at the Beginning of the Reporting Period	9,328	29,420	215	13,098	20,356	31,965
9,076	Cash at the End of the Reporting Period	29,420	13,098	-55	20,356	31,965	44,691

## 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 \$9.410 million in the 2022-23 Budget from the 2021-22 estimated outcome for annual insurance premiums is primarily due to deteriorating claims experience in the medical malpractice, property, and motor insurance classes, deteriorating global market conditions and an expected increase in the Territory's reinsurance premium.
- investment revenue:
  - the decrease of \$6.908 million in the 2021-22 estimated outcome from the original budget is due to the return on investments decreasing mainly due to the increased geopolitical risks, increase in commodity prices and increasing global supply chain constraints that have resulted in higher global and domestic inflation and rising interest rates. Increasing inflation expectations and significant increases in interest rates have negatively impacted returns from the debt asset classes including both Australian and international government bonds and Australian government inflation bonds, as well as impacting on share market returns; and
  - the increase of \$6.638 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to an expected return to pre 2021-22 market conditions, which are in line with the Authority's long term investment plans and investment strategy of making a targeted annual return on investment at CPI plus 2.5 per cent.
- net gain/(loss) on investments:
  - the decrease of \$16.520 million in the 2021-22 estimated outcome from the original budget is due to the fair value of investments decreasing mainly due to the increased geopolitical risks, increase in commodity prices and global supply chain constraints that have resulted in higher global and domestic inflation and rising interest rates; and

- the increase of \$16.024 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to an expected increase in investment distribution as per the Authority's long term investment plans and investment strategy making a targeted annual return on investment at CPI plus 2.5 per cent.
- employee expenses:
  - the decrease of \$1.024 million in the 2021-22 estimated outcome from the original budget is due to full budgeted staffing levels not being attained until 30 June 2022 due to the recruitment for the new structure being taken in a phased approach commencing with recruiting senior positions mid-year and operational positions expected to be finalised towards the fourth quarter of the year; and
  - the increase of \$1.134 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the finalisation of recruitment processes for all the new structure positions by 30 June 2022.
- outward reinsurance expense: the increase of \$1.579 million in the 2022-23 Budget from the 2021-22 estimated 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 \$11.461 million in the 2021-22 estimated outcome from the original budget is due to the movement in actuarial forecasts for the Authority's claims expense, which mainly reflects an increase in liabilities resulting from recent claims experiences and the changes in actuarial variables such as inflation; and
  - the decrease of \$4.516 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.
- operating result:
  - the decrease of \$32.419 million in 2021-22 estimated outcome from the original budget is primarily due to lower gains and distribution on investments as a result of increasing uncertainties in the investment market, particularly higher inflation expectations and a significant increase in interest rates that have negatively impacted returns on investments, and a significant loss on the book value of investments together with higher claims expense due to recent claims experiences and updated actuarial estimates; and
  - the increase of \$33.863 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to an increase in future returns from investments along with a decrease in claims expense with an expectation that the investments and insurance variables will normalise.

### **Balance Sheet**

- cash and investments:
  - the decrease of \$95.688 million in the 2021-22 estimated outcome from the original budget is mainly due to larger cash payments for the settlement of claims and the decrease in market value of investment as explained above for gain on investment; and
  - the increase of \$11.252 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to an increase in the premium income and expectation of normal market return and gain on investments for 2022-23 as per the Authority's investment strategies.
- receivables (current): the increase of \$14.310 million in the 2021-22 estimated outcome from the original budget is primarily due to expected receivable from reinsurance and the timing of the reinsurance settlements.
- receivables (non-current): the increase of \$28.804 million in the 2021-22 estimated outcome from the original budget is mainly due to expected recoveries from reinsurance claims based on actuarial estimates.
- other provisions (current): the decrease of \$11.813 million in 2021-22 estimated outcome from the original budget is due to a larger number of old claims that have been settled and paid during the year.

### **Statement of Changes in Equity and Cash Flow Statement**

Variations in these Statements are explained in the notes above.

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# CANBERRA INSTITUTE OF TECHNOLOGY – STATEMENT OF INTENT

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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 2022-23 has been prepared in accordance with Section 61 of the *Financial Management Act 1996* (the FMA).

The Statement of Intent, which focuses on the 2022-23 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 2022-23 Statement of Intent has been agreed between:

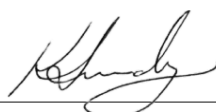


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**Andrew Barr MLA**

**Treasurer**

**29 July 2022**



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**Kate Lundy**

**Chair, CIT Board**

**25 July 2022**



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**Chris Steel MLA**

**Minister for Skills**

**25 July 2022**

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## Purpose

The 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 an 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 lifelong learning for the ACT's economic and social benefit.

The CIT Board will continue to monitor the progress of transformation. 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.

Through the Strategic Compass Implementation Plan, CIT will focus on enhancing our industry and community engagement, our digital capacity, our adaptive capability and our collaborative culture. CIT is strengthening its commitment to partnering with industry, business, other educational organisations and governments to foster economic growth for the ACT and region. Examples includes furthering partnerships with Canberra based companies, working with current and emerging businesses (including entrepreneur and start-up organisations) and supporting local organisations who are competing at the local and national levels.

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. CIT will meet the needs of students and deliver quality educational services to secure its success in a more demand driven market. CIT is committed to providing experiences that ensure students gain sought after qualifications and are set up for success in their chosen career.

CIT will provide a VET workforce that embodies a culture of passion, innovation and high performance. The education services CIT provide will be grounded in what industry needs now and in the future. CIT will prioritise industry engagement along with government and community collaboration.

## **Risks**

Business and operational processes are underpinned by a risk management framework. CIT has an organisational-wide approach to risk management as an integral part of its overall governance framework. Subject to review, the CIT Strategic Risk Register is utilised to identify key areas of risk. Risk controls and treatments and emerging risks are monitored through the CIT Executive Management Committee, the CIT Audit Committee and the CIT Board. Subject to review, CIT also has an overarching Fraud Control Plan.

The CIT risk management framework aligns with the ACT Government Risk Management Policy published in April 2021.

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

- financial delegations;
- clearly established ownership of internal budgets;
- periodic financial reporting (monthly, quarterly, annually and as required);
- ongoing reviews of financial performance and as applicable, response mechanisms including corrective actions;
- regularly updated financial policy, procedures and practice documents;



- 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 to each CIT Board meeting as 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, the Executive and the management team;
- monitoring the implementation of internal performance reviews and audit recommendations;
- quality assurance assessments and spot checks;
- consideration of external scrutiny including through the ACT Audit Office;
- regular review of risk across CIT including business continuity, fraud and corruption;
- review of key compliance and business support mechanisms including those associated with work health and safety (WHS) and records management; and
- exploring opportunities to engage with compliance and regulatory bodies (e.g. Skills Canberra, Australian Skills Quality Authority (ASQA), Tertiary Education Quality and Standards Agency (TEQSA) and the Australian Nursing & Midwifery Accreditation Council (ANMAC).

A review and strengthening of CIT governance frameworks is a priority for 2022-23.

CIT has also identified the efficiency, suitability and security of ICT systems, including the capacity to innovate for an exemplary online and hybrid digital learning and teaching environment as a risk.

## **2022-23 Priorities**

CIT will support the following four priorities of the ACT Government's Skilled to Succeed skills and workforce agenda.

- Delivering skills inclusively to provide all Canberrans a foundation for lifelong learning.
- Building a more responsive, flexible and future-focused skills system.
- Assisting employers to build, attract and retain the right workforce.

- Strengthening skills sector foundations.

CIT will support the above four priorities through continuing to implement the following reform directions articulated in the Strategic Compass Implementation Plan by:

***Courses:***

- reconfiguring and developing identified courses based on the application of a range of factors;
- reviewing the relevance of selected courses through consultation and developing options around potential changes to courses or possible changes to student pathways to industry and employment;
- engaging with government and emerging industries in co-designing new courses to attract and train future workforces for key priority sectors in the ACT economy;
- identifying opportunities for expanded course offerings outside of the subsidised qualifications framework, with a potential focus on fee-paying students and Statement of Attainment and/or micro credential-style offerings; and
- improving access to VET for those that are unemployed, facing transition in their work or experiencing disadvantage;

***CIT Campus-Woden project:***

- continuing to work with Major Projects Canberra to complete detailed design for the construction of the CIT Campus Woden to create a major new state of the art campus, incorporating the cloud campus initiative, and to position CIT to increase opportunities for students, local business, industry and the broader ACT community;

***Workforce:***

- undertaking work in collaboration with CIT's workforce and unions to identify current skill and capability gaps and implementing a focused program of workforce upskilling linked to areas of need in priority course offerings;
- continuing to increase the technological capabilities and capacity of our workforce to deliver superior online student experiences throughout the student journey at CIT;
- developing teacher capability in the areas of pedagogy, industry engagement and contemporary practices in training and assessing;
- refreshing the CIT workforce by actively recruiting VET practitioners who are aligned with the Institute's mission and values; and
- supporting the workforce for the operation from CIT Woden;

### ***Community/Government:***

- ensuring the VET needs that are unique to the context of the Canberra community are met in close consultation with the ACT Government; and
- developing new measures of performance which better capture CIT's current operating context and provide a more accurate picture of its performance in areas of priority to the Government and community;

### ***Governance:***

- undertaking a review of CIT governance arrangements including reporting systems to ensure that the systems are fit for purpose and provide for accountability; and
- undertaking a review of CIT governance arrangements in respect to financial expenditure and procurement practices and accountability for effectively and transparently managing public funds.

## **CIT Training Profile and Associated Items**

### **Contextual Framework**

With CIT being the ACT's public VET provider, a well educated community is a cornerstone in contributing to Canberra's social and economic wellbeing. There is a clear strategic link between VET and its role in influencing and enhancing 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 and region to be a part of a well trained and highly skilled workforce that will promote and grow a robust and vibrant ACT economy. CIT's course offerings form 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 and the Department of Employment and Workplace Relations through the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS), any other National Centre for Vocational Education Research (NCVER) standard or as required by the Chief Minister, Treasury and Economic Development Directorate (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.

### **Statistical Data**

CIT will provide to CMTEDD statistical and other information to support the Directorate's reporting requirements to the ACT Government and Commonwealth Governments.

The AVETMISS compliant statistical information will be provided to NCVER (through CMTEDD) in accordance with relevant Commonwealth Government 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**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
<b>Staffing (FTE)</b>	655	675	657 <sup>1</sup>	665 <sup>2</sup>

**Notes:**

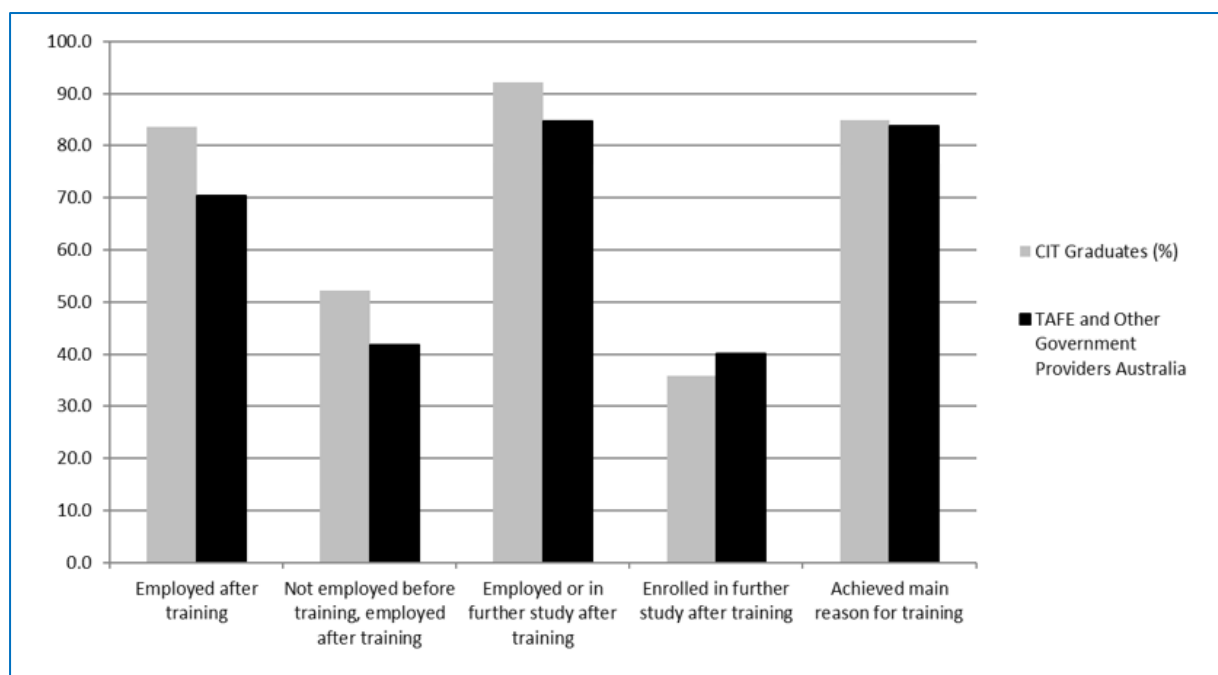
1. The decrease of 18 FTE in the 2021-22 estimated outcome from 2021-22 Budget is primarily due to fewer than expected additional staff being engaged for teaching and project work.
2. The decrease of 10 FTE in the 2022-23 Budget from the 2021-22 Budget is mainly due to a scale back of the JobTrainer initiative in 2022-23, which means a reduction in the budgeted staffing numbers. The increase of eight FTE in the 2022-23 Budget from the 2021-22 estimated outcome is primarily due to the budgeted five FTE working on the CIT Woden project.

## Strategic Objectives and Indicators

The key strategic indicator used by CIT to measure its success is student employment outcomes as measured through the annual Student Outcomes Survey. By focusing on student employment outcomes and satisfaction with VET, the Student Outcomes Survey is an indicative measure of 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. The 2021 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 a strong performance.

**Figure 1: VET Graduate Outcomes, 2021**



Source: CIT's annual Student Outcomes survey.

## Output Classes

### Output Class 1: Canberra Institute of Technology

**Table 2: Output Class 1: Canberra Institute of Technology**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost</b> <sup>1</sup>	121,750	128,093
<b>Controlled Recurrent Payments</b>	78,742	80,372

**Note(s):**

- Total cost includes depreciation and amortisation of \$9.559 million in 2021-22 and \$9.030 million in 2022-23.

#### **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

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

	2021-22 Targets	2021-22 Estimated Outcome <sup>3</sup>	2022-23 Targets
a. Subject Enrolments <sup>1</sup>	108,000	94,667	100,000
b. Subject Pass Rates <sup>2</sup>	85%	87%	85%
c. Achieve key output targets:			
- Learner Satisfaction Rate	85%	88%	85%
- Employer Satisfaction Rate	80%	90%	80%

**Note(s):**

1. Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour have been 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 2022

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

	2021 Targets	2021 Audited Outcome <sup>3</sup>	2022 Targets
a. Subject Enrolments <sup>1</sup>	108,000	111,464	100,000
b. Subject Pass Rates <sup>2</sup>	85%	86%	85%
c. Achieve key output targets:			
- Learner Satisfaction Rate	85%	88%	85%
- Employer Satisfaction Rate	80%	90%	80%

**Note(s):**

1. Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour have been 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 Strategic Compass articulates measures of success through four key indicators. The four key indicators are as follows.

- Learning for Life – Post-School opportunities and Outcomes.

- Employment – Employment, unemployment, underemployment and labour force participation.
- Digital Access – Digital inclusion through three aspects: digital literacy, access and affordability.
- Sense of belonging and inclusion – people’s sense of belonging in their community, how inclusive they find their local area and whether people experience discrimination in Canberra.

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) grades are not included.

- 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.

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

- Learner satisfaction rates measure 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 rates 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

**Note 1:** The studying preferences of current and prospective students has been significantly impacted by the COVID-19 pandemic thereby impacting on teaching and learning outputs. CIT has set 2022 performance targets according to its best estimates in line with currently available information.

**Note 2:** Subject pass rates are slightly above target due to CIT’s continued focus on high-quality and relevant training and in providing support for students as reflected in the 2021 Learner Engagement Survey results.

**Note 3:** The 2021 survey of learner engagement and employer satisfaction showed overall, high levels of satisfaction with the training, reflecting positive views of their experiences within CIT by both employers and students. 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**

	2021-22 Estimated Outcome \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>78,742</b>	<b>79,643</b>	<b>80,717</b>	<b>82,021</b>	<b>82,021</b>
<b>2022-23 Budget Policy Decisions</b>					
Whole of Government Savings	0	-128	-131	-134	-137
<b>2022-23 Budget Technical Adjustments</b>					
Revised Indexation Parameters	0	-129	-191	-305	632
Commonwealth Grants - National Skills and Workforce Development SPP	72	167	201	317	645
Revised Wage Parameters	49	500	507	513	519
Revised Superannuation Parameters	0	319	186	49	-31
<b>2022-23 Budget</b>	<b>78,863</b>	<b>80,372</b>	<b>81,289</b>	<b>82,461</b>	<b>83,649</b>

**Table 6: Changes to Appropriation – Capital Injections, Controlled**

	2021-22 Estimated Outcome \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>5,440</b>	<b>4,246</b>	<b>4,320</b>	<b>4,397</b>	<b>4,475</b>
<b>2022-23 Budget Technical Adjustments</b>					
CIT Campus Woden - FTE funding for entry into design and construct contract	0	783	783	783	0
Acquisition of Land for CIT Woden Project	0	1,500	0	0	0
<b>2022-23 Budget</b>	<b>5,440</b>	<b>6,529</b>	<b>5,103</b>	<b>5,180</b>	<b>4,475</b>



## Summary of 2022-23 CIT Infrastructure Program

Table 7: 2022-23 CIT Infrastructure Program

Project	2022-23	2023-24	2024-25	2025-26	Four Year Investment	Physical Completion Date
	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>CAPITAL WORKS PROGRAM</b>						
<b>Work In Progress</b>						
Acquisition of Land for CIT Woden Project	1,500	0	0	0	1,500	Jun-23
CIT Baseline Property, Plant and Equipment	1,257	1,257	1,257	1,257	5,028	
<b>Total Work In Progress</b>	<b>2,757</b>	<b>1,257</b>	<b>1,257</b>	<b>1,257</b>	<b>6,528</b>	
<b>Better Infrastructure Fund (BIF)</b>						
Base BIF of the agency	2,990	3,064	3,141	3,220	12,415	
<b>Total Capital Upgrade Programs</b>	<b>2,990</b>	<b>3,064</b>	<b>3,141</b>	<b>3,220</b>	<b>12,415</b>	
<b>TOTAL INFRASTRUCTURE INVESTMENT PROGRAM</b>	<b>5,747</b>	<b>4,321</b>	<b>4,398</b>	<b>4,477</b>	<b>18,943</b>	

## Monitoring and Reporting

CIT complies with the requirements of the Annual Reports Directions 2021-22. The CIT Annual Report will, among other things, report against the requirements of this Statement of Intent.

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

### Monthly Reporting

In addition to the quarterly information required as identified above, 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.

### 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), the following 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 budget provided by CIT;
- a status report to supplement performance reporting to the Legislative 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
- 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).

## **Annual Reporting**

As part of preparations for end of year reporting, CMTEDD will advise the dates when the following documents are required at 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.

## **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 2022 section of this Statement of Intent).

### **Budget Variations**

Any variations from the 2022-23 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 this time.

### **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 operational receipts and finance 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 capital position, in light of the 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 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, which reflect the resource capability of CIT. These include 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 also provide quarterly financial statements to CMTEDD as part of the company's quarterly and annual ownership reporting requirements.

## **Budgeted Financial Statements**

Budgeted financial statements for the 2022-23 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

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 8: Canberra Institute of Technology: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
78,742	Controlled Recurrent Payments	78,742	80,372	2	81,289	82,461	83,649
35,170	Sale of Goods and Services from Contracts with Customers	21,295	29,213	37	32,717	35,490	38,059
1,966	Grants and Contributions Revenue	2,007	2,008	-	2,053	2,097	2,098
267	Interest Revenue	134	110	-18	95	99	103
500	Dividend Revenue	500	500	-	500	500	500
2,360	Other Income	1,794	2,617	46	2,727	2,791	2,861
<b>119,005</b>	<b>Total Income</b>	<b>104,472</b>	<b>114,820</b>	<b>10</b>	<b>119,381</b>	<b>123,438</b>	<b>127,270</b>
	<b>Expenses</b>						
81,759	Employee and Superannuation Expenses	79,638	83,614	5	84,610	84,125	85,655
36,106	Supplies and Services	31,944	35,039	10	37,422	38,190	40,016
9,016	Depreciation and Amortisation	9,559	9,030	..	9,030	9,030	12,380
403	Other Expenses	655	410	2	417	422	427
<b>127,284</b>	<b>Total Expenses</b>	<b>121,750</b>	<b>128,093</b>	<b>5</b>	<b>131,479</b>	<b>134,767</b>	<b>138,478</b>
<b>-8,279</b>	<b>Operating Result</b>	<b>-17,324</b>	<b>-13,273</b>	<b>..</b>	<b>-12,098</b>	<b>-8,329</b>	<b>-11,208</b>
	<b>Other Comprehensive Income</b>						
	<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>						
-2,002	Increase/(Decrease) in the Asset Revaluation Surplus	-2,002	-2,002	-	-2,002	-2,002	-2,002
<b>-2,002</b>	<b>Total Other Comprehensive Result</b>	<b>-2,002</b>	<b>-2,002</b>	<b>-</b>	<b>-2,002</b>	<b>-2,002</b>	<b>-2,002</b>
<b>-10,281</b>	<b>Total Comprehensive Result</b>	<b>-19,326</b>	<b>-15,275</b>	<b>..</b>	<b>-14,100</b>	<b>-10,331</b>	<b>-13,210</b>

**Table 9: Canberra Institute of Technology: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
18,590	Cash and Investments	11,013	7,044	-33	4,275	5,306	6,837
6,357	Receivables	3,857	3,882	..	3,907	3,932	3,957
6,940	Assets Held for Sale	6,940	0	-100	0	0	0
0	Capital Works in Progress	0	786	#	1,572	2,358	2,361
504	Other Assets	504	504	-	504	504	504
<b>32,391</b>	<b>Total Current Assets</b>	<b>22,314</b>	<b>12,216</b>	<b>-43</b>	<b>10,258</b>	<b>12,100</b>	<b>13,659</b>
<b>Non-Current Assets</b>							
20	Investment - Joint Venture	20	20	-	20	20	20
178,880	Property, Plant and Equipment	178,880	173,819	-3	167,258	428,685	418,774
494	Intangible Assets	494	494	-	494	494	494
4,928	Capital Works in Progress	4,928	5,229	6	5,604	6,056	6,587
<b>184,322</b>	<b>Total Non-Current Assets</b>	<b>184,322</b>	<b>179,562</b>	<b>-3</b>	<b>173,376</b>	<b>435,255</b>	<b>425,875</b>
<b>216,713</b>	<b>TOTAL ASSETS</b>	<b>206,636</b>	<b>191,778</b>	<b>-7</b>	<b>183,634</b>	<b>447,355</b>	<b>439,534</b>
<b>Current Liabilities</b>							
2,855	Payables	2,855	2,890	1	2,925	2,960	2,995
105	Borrowings	105	105	-	105	105	105
789	Lease Liabilities	789	789	-	789	789	789
23,646	Employee Benefits	23,628	24,394	3	25,192	26,021	26,879
5,757	Other Liabilities	5,757	5,811	1	5,865	5,919	5,973
<b>33,152</b>	<b>Total Current Liabilities</b>	<b>33,134</b>	<b>33,989</b>	<b>3</b>	<b>34,876</b>	<b>35,794</b>	<b>36,741</b>
<b>Non-Current Liabilities</b>							
615	Borrowings	615	445	-28	275	105	-65
3,579	Lease Liabilities	3,579	3,579	-	3,579	3,579	3,579
1,240	Employee Benefits	1,226	1,369	12	1,505	1,641	1,777
500	Other Provisions	500	500	-	500	500	500
<b>5,934</b>	<b>Total Non-Current Liabilities</b>	<b>5,920</b>	<b>5,893</b>	<b>..</b>	<b>5,859</b>	<b>5,825</b>	<b>5,791</b>
<b>39,086</b>	<b>TOTAL LIABILITIES</b>	<b>39,054</b>	<b>39,882</b>	<b>2</b>	<b>40,735</b>	<b>41,619</b>	<b>42,532</b>
<b>177,627</b>	<b>NET ASSETS</b>	<b>167,582</b>	<b>151,896</b>	<b>-9</b>	<b>142,899</b>	<b>405,736</b>	<b>397,002</b>
<b>Equity</b>							
98,997	Accumulated Funds	88,952	75,268	-15	68,273	333,112	326,380
78,630	Asset Revaluation Surplus	78,630	76,628	-3	74,626	72,624	70,622
<b>177,627</b>	<b>TOTAL EQUITY</b>	<b>167,582</b>	<b>151,896</b>	<b>-9</b>	<b>142,899</b>	<b>405,736</b>	<b>397,002</b>

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

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
101,836	Opening Accumulated Funds	101,836	88,952	-12	72,268	68,273	333,112
80,632	Opening Asset Revaluation Reserve	80,632	78,630	-2	76,628	74,626	72,624
<b>182,468</b>	<b>Balance at the Start of the Reporting Period</b>	<b>182,468</b>	<b>167,582</b>	<b>-8</b>	<b>151,896</b>	<b>142,899</b>	<b>405,736</b>
	<b>Comprehensive Income</b>						
-8,279	Operating Result	-17,324	-13,273	..	-12,098	-8,329	-11,208
-2,002	Increase/(Decrease) in the Asset Revaluation Reserve Surplus	-2,002	-2,002	-	-2,002	-2,002	-2,002
<b>-10,281</b>	<b>Total Comprehensive Result</b>	<b>-19,326</b>	<b>-15,275</b>	<b>..</b>	<b>-14,100</b>	<b>-10,331</b>	<b>-13,210</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
5,440	Capital Injections	5,440	6,529	20	5,103	5,180	4,476
0	Increase/(Decrease) in Net Assets due to Transfers to/from Other Agencies	0	-6,940	#	0	261,048	0
<b>5,440</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>5,440</b>	<b>-411</b>	<b>-108</b>	<b>5,103</b>	<b>266,228</b>	<b>4,476</b>
	<b>Closing Equity</b>						
98,997	Closing Accumulated Funds	88,952	75,268	-15	68,273	333,112	326,380
78,630	Closing Asset Revaluation Reserve	78,630	76,628	-3	74,626	72,624	70,622
<b>177,627</b>	<b>Balance at the End of the Reporting Period</b>	<b>167,582</b>	<b>151,896</b>	<b>-9</b>	<b>142,899</b>	<b>405,736</b>	<b>397,002</b>

**Table 11: Canberra Institute of Technology: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
78,742	Controlled Recurrent Payments	78,742	80,372	2	81,289	82,461	83,649
35,015	Sale of Goods and Services from Contracts with Customers	22,295	29,058	30	32,562	35,335	37,904
267	Interest Receipts	134	110	-18	95	99	103
500	Dividends	500	500	-	500	500	500
3,030	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,030	3,030	-	3,030	3,030	3,030
1,273	Goods and Services Tax Collected from Customers	1,273	1,273	-	1,273	1,273	1,273
2,551	Other	2,210	2,810	4	2,923	2,988	3,059
<b>121,378</b>	<b>Total Receipts from Operating Activities</b>	<b>108,184</b>	<b>117,153</b>	<b>7</b>	<b>121,672</b>	<b>125,686</b>	<b>129,518</b>
<b>Payments</b>							
80,893	Employee and Superannuation	78,947	82,705	5	83,676	83,160	84,661
33,989	Supplies and Services	31,368	32,882	5	35,223	35,948	37,774
1,273	Goods and Services Tax Paid to the Australian Taxation Office	973	1,273	-	1,273	1,273	1,273
3,030	Goods and Services Tax Paid to Suppliers	2,280	3,030	-	3,030	3,030	3,030
555	Other	555	562	1	569	574	579
<b>119,740</b>	<b>Total Payments from Operating Activities</b>	<b>114,123</b>	<b>120,452</b>	<b>8</b>	<b>123,771</b>	<b>123,985</b>	<b>127,317</b>
<b>1,638</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>-5,939</b>	<b>-3,299</b>	<b>-6</b>	<b>-2,099</b>	<b>1,701</b>	<b>2,201</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
5,940	Purchase of Property, Plant and Equipment	5,940	5,529	-7	5,603	5,680	4,976
0	Purchase of Land and Intangibles	0	1,500	#	0	0	0
<b>5,940</b>	<b>Total Payments from Investing Activities</b>	<b>5,940</b>	<b>7,029</b>	<b>18</b>	<b>5,603</b>	<b>5,680</b>	<b>4,976</b>
<b>-5,940</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-5,940</b>	<b>-7,029</b>	<b>-18</b>	<b>-5,603</b>	<b>-5,680</b>	<b>-4,976</b>



<b>2021-22 Budget</b>		<b>2021-22 Estimated Outcome</b>	<b>2022-23 Budget</b>	<b>Var %</b>	<b>2023-24 Estimate</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
5,440	Capital Injections	5,440	6,529	20	5,103	5,180	4,476
<b>5,440</b>	<b>Total Receipts from Financing Activities</b>	<b>5,440</b>	<b>6,529</b>	<b>20</b>	<b>5,103</b>	<b>5,180</b>	<b>4,476</b>
<b>Payments</b>							
170	Repayment of Borrowings	170	170	-	170	170	170
<b>170</b>	<b>Total Payments from Financing Activities</b>	<b>170</b>	<b>170</b>	<b>-</b>	<b>170</b>	<b>170</b>	<b>170</b>
<b>5,270</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>5,270</b>	<b>6,359</b>	<b>21</b>	<b>4,933</b>	<b>5,010</b>	<b>4,306</b>
<b>968</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>-6,609</b>	<b>-3,969</b>	<b>-29</b>	<b>-2,769</b>	<b>1,031</b>	<b>1,531</b>
<b>14,622</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>14,622</b>	<b>8,013</b>	<b>-38</b>	<b>4,044</b>	<b>1,275</b>	<b>2,306</b>
<b>15,590</b>	<b>Cash at the End of the Reporting Period</b>	<b>8,013</b>	<b>4,044</b>	<b>-44</b>	<b>1,275</b>	<b>2,306</b>	<b>3,837</b>

## Notes to the Controlled Budget Statements

Significant variation explanations are as follows:

### ***Operating Statement***

- controlled recurrent payments (CRP): the increase of \$1.630 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the provision of additional CRP to fund increased salary expenses resulting from Enterprise Bargaining Agreements and includes an annual indexation factor.
- sale of goods and services from contracts with customers: the increase of \$7.918 million in the 2021-22 estimated outcome to the 2022-23 Budget is to reflect the intention to recognise JobTrainer 1 funding as income that is currently held as a liability (revenue received in advance) for contract liabilities as required by Accounting Standard AASB 15 as the performance obligations under the agreement have not yet been fully met. Provision for marginal increases in contract income is also included.
- other income: the increase of \$0.823 million in the 2021-22 estimated outcome to the 2022-23 Budget is to reflect marginal increases in other sources of income.
- employee expenses: the increase of \$3.976 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to increased salary expenses resulting from the Enterprise Bargaining Agreements and the annual indexation of salary costs.
- supplies and services: the increase of \$3.095 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to a broad range of factors including increasing supplies and materials costs including those required for teaching purposes.
- depreciation: the increase in the depreciation expense from the 2024-25 estimate to the 2025-26 estimate is due to recognising depreciation of the new Woden campus currently scheduled to be commissioned in January 2025.

### ***Balance Sheet***

- assets held for sale: with an offsetting equity adjustment in the Budget at 30/6/23, the decrease is due to handing back the Watson Campus to the ACT Government; and
- property, plant and equipment: the decrease of \$5.061 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to asset depreciation outpacing the addition of new assets. With a corresponding equity transfer, the increase commencing from the Estimate at 30/6/25 is to recognise the take up of the new Woden campus asset in January 2025.

### ***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

	Actual 2021 \$'000	Budget 2021 \$'000	Budget 2022 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Controlled Recurrent Payments	78,374	75,386	78,758
Sales of Goods and Services from Contracts with Customers	27,683	31,380	32,268
Grants and Contributions	12,555	1,824	2,897
Investment Revenue	170	119	101
Other Revenue	600	1,650	600
<b>Total Revenue</b>	<b>119,382</b>	<b>110,359</b>	<b>114,624</b>
<b>Gains</b>			
Other Gains	0	19	0
Contributions from CIT Solutions Pty Limited	100	0	755
<b>Total Gains</b>	<b>100</b>	<b>19</b>	<b>755</b>
<b>Total Income</b>	<b>119,482</b>	<b>110,378</b>	<b>115,379</b>
<b>Expenses</b>			
Employee Expenses	70,623	69,112	74,979
Superannuation Expenses	10,866	10,719	11,258
Supplies and Services	34,088	31,849	35,720
Depreciation and Amortisation	9,480	9,489	9,789
Borrowing Costs	125	105	125
Other Expenses	1,680	1,338	1,529
<b>Total Expenses</b>	<b>126,862</b>	<b>122,612</b>	<b>133,400</b>
<b>Operating (Deficit)</b>	<b>-7,380</b>	<b>-12,234</b>	<b>-18,021</b>

**CANBERRA INSTITUTE OF TECHNOLOGY  
BALANCE SHEET  
AS AT 31 DECEMBER**

	Actual 2021 \$'000	Budget 2021 \$'000	Budget 2022 \$'000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11,536	15,333	6,695
Receivables	2,900	3,054	2,900
Assets Held for Distribution to Owners	6,940	6,940	2,914
Other Assets	1,900	1,765	1,900
<b>Total Current Assets</b>	<b>23,276</b>	<b>27,092</b>	<b>14,409</b>
<b>NON-CURRENT ASSETS</b>			
Investments	20	20	20
Property, Plant and Equipment	183,629	183,969	178,700
Intangible Assets	500	404	500
Capital Works in Progress	3,500	1,828	2,598
<b>Total Non-Current Assets</b>	<b>187,649</b>	<b>186,221</b>	<b>181,818</b>
<b>Total Assets</b>	<b>210,925</b>	<b>213,313</b>	<b>196,227</b>
<b>CURRENT LIABILITIES</b>			
Payables	2,200	4,068	3,200
Lease Liabilities	680	753	680
Employee Benefits	23,500	24,970	23,500
Other	1,400	6,291	4,400
<b>Total Current Liabilities</b>	<b>27,780</b>	<b>36,082</b>	<b>31,780</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits	1,200	1,191	1,200
Lease Liabilities	3,550	2,873	3,000
Other Provisions	300	0	300
Other	850	1,103	850
<b>Total Non-Current Liabilities</b>	<b>5,900</b>	<b>5,167</b>	<b>5,350</b>
<b>Total Liabilities</b>	<b>33,680</b>	<b>41,249</b>	<b>37,130</b>
<b>NET ASSETS</b>	<b>177,245</b>	<b>172,064</b>	<b>159,097</b>
<b>EQUITY</b>			
Accumulated Funds	96,501	91,459	78,492
Asset Revaluation Reserve	80,744	80,605	80,605
<b>TOTAL EQUITY</b>	<b>177,245</b>	<b>172,064</b>	<b>159,097</b>

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

	Actual 2021 \$'000	Budget 2021 \$'000	Budget 2022 \$'000
<b>Opening Balance</b>	<b>175,996</b>	<b>175,996</b>	<b>172,064</b>
Operating (Deficit)	-7,380	-12,234	-18,021
Capital Injection	9,641	8,302	5,054
<b>Closing Balance</b>	<b>178,257</b>	<b>172,064</b>	<b>159,097</b>

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

	Actual 2021 \$'000	Budget 2021 \$'000	Budget 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Controlled Recurrent Payments	78,374	75,386	78,758
Sales of Goods and Services from Contracts with Customers	27,280	30,826	28,886
Interest Received from Bank	170	119	101
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,430	3,391	3,430
Goods and Services Tax Collected from Customers	1,500	1,101	1,500
Government Grants	11,020	5,383	4,897
Other	700	1,150	700
Contributions	100	500	100
<b>Total Receipts from Operating Activities</b>	<b>122,574</b>	<b>117,856</b>	<b>118,372</b>
<b>Payments</b>			
Related to Employee	70,623	67,607	74,979
Related to Superannuation	10,866	10,658	11,258
Related to Supplies and Services	34,393	30,233	33,875
Goods and Services Tax paid to Suppliers	4,300	4,570	4,300
Other	1,800	1,421	1,800
<b>Total Payments from Operating Activities</b>	<b>121,982</b>	<b>114,489</b>	<b>126,212</b>
<b>Net Cash Inflow (Outflows) from Operating Activities</b>	<b>592</b>	<b>3,367</b>	<b>-7,840</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Sale of Property, Plant & Equip	0	19	0
<b>Total Receipts from Investing Activities</b>	<b>0</b>	<b>19</b>	<b>0</b>
<b>Payments</b>			
Purchase of Property, Plant & Equipment	9,641	7,173	5,054
<b>Total Payments from Investing Activities</b>	<b>9,641</b>	<b>7,173</b>	<b>5,054</b>
<b>Net Cash (Outflows) from Investing Activities</b>	<b>-9,641</b>	<b>-7,154</b>	<b>-5,054</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Capital Contributions from Government (not operations)	9,641	8,302	5,054
Decrease in Cash from Administrative Restructure	0	0	0
<b>Total Receipts from Financing Activities</b>	<b>9,641</b>	<b>8,302</b>	<b>5,054</b>
<b>Payments</b>			
Repayment of Lease Liabilities - Principal	800	927	800
<b>Total Payments from Financing Activities</b>	<b>800</b>	<b>927</b>	<b>800</b>
<b>Net Cash Inflows from Financing Activities</b>	<b>8,841</b>	<b>7,375</b>	<b>4,254</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>-208</b>	<b>3,588</b>	<b>-8,638</b>
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>	<b>11,744</b>	<b>11,745</b>	<b>15,333</b>
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>	<b>11,536</b>	<b>15,333</b>	<b>6,695</b>

## Notes to the Calendar Year Financial Statements

Significant variation explanations are as follows:

### ***Operating Statement***

- controlled recurrent payments: the increase from 2022 Budget from the 2021 actual outcome is due to the restoration of the normal timing of payments from 2022 where in 2021 there was one less fortnightly drawdown with no effect on total income over 2021 and 2022.
- sales of goods and services from contracts with customers:
  - the increase of \$3.697 million in the 2021 actual outcome from the 2021 Budget is mainly due to the JobTrainer 1 initiative whereby \$9.2 million was received with \$4.1 million being recognised as revenue in 2021 and the balance of \$5.1 million being held as revenue received in advance for contract liabilities as required by Accounting Standard AASB 15 as the performance obligations under the agreement had not yet been fully met; and
  - the increase of \$0.888 million in the 2022 Budget from the 2021 actual outcome is mainly due to the expectation that the demand for training activity may improve from 2021 levels for all student types.
- grants and contributions:
  - the decrease of \$10.731 million in the 2021 actual outcome from the 2021 Budget is due to expected reductions in revenue and the categorisation and reporting of the JobTrainer 1 initiative revenue in the sales of goods and services from contracts with customers instead of grants and contributions as now reflected in the 2022 Budget; and
  - the increase of \$1.073 million in the 2022 Budget from the 2021 actual outcome is due to additional income estimates.
- other revenue:
  - inclusive of realised increases in some other revenue sources, the increase of \$1.050 million in the 2021 actual outcome from the 2021 Budget is also due to CIT receiving a dividend payment from CIT Solutions; and
  - the decrease of \$1.050 million in the 2022 Budget from the 2021 actual outcome is mainly due to the transfer of the CIT Solutions Dividend payment to the Gains category.
- employee expenses:
  - the decrease of \$1.511 million in the 2021 actual outcome from the 2021 Budget is mainly due to CIT engaging fewer staff than budgeted in 2021 as training activity did not recover as much as anticipated; and

- the increase of \$5.867 million in the 2022 Budget from the 2021 actual outcome is due to the expectation of increased training activity.
- supplies and services:
  - the decrease of \$2.239 million in the 2021 actual outcome from the 2021 Budget is mainly due to overall expenditure restraint; and
  - the increase of \$3.871 million in the 2022 Budget from the 2021 actual outcome is due to the expectation of increased training activity as well as additional resources required to deliver the CIT Futures 2025 – Strategic Compass projects.

### **Balance Sheet**

- cash and cash equivalents:
  - the increase of \$3.797 million in the 2021 actual outcome from the 2021 Budget is mainly due to the receipt of JobTrainer 1 funding; and
  - the decrease of \$8.638 million in the 2022 Budget from the 2021 actual outcome is due to the budgeted 2022 operating deficit which will reduce cash.
- assets held for distribution to owners: the decrease of \$4.026 million in the 2022 Budget from the 2021 actual outcome is due to the expected transfer of the Watson Campus asset back to the ACT Government.
- property, plant and equipment: the decrease of \$5.269 million in the 2022 Budget from the 2021 actual outcome is mainly due to asset depreciation outpacing the addition of new assets.
- capital works in progress: the decrease of \$1.672 million in the 2021 actual outcome from the 2021 Budget is mainly due to the capitalisation or as applicable, expensing of capital projects; and
- payables (current): the increase of \$1.868 million in the 2021 actual outcome from the 2021 Budget is mainly due to the timing of invoices received at the end of the year requiring recording as liabilities for subsequent payment.
- other liabilities (current):
  - the increase of \$4.891 million in the 2021 actual outcome from the 2021 Budget is mainly due to recognising JobTrainer 1 funding as revenue received in advance (AASB 15). At the end of the year, all enrolment targets had not been reached and all students had not yet completed their qualifications precluding recognition as income; and
  - the decrease of \$1.891 million in the 2022 Budget from the 2021 actual outcome is in anticipation of the JobTrainer 1 funding being recognised as revenue throughout 2022.



***Statement of Changes in Equity and Cash Flow Statement***

Variations in these Statements are explained in the notes above.

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# CIT SOLUTIONS PTY LTD

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## 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.

## 2022-23 Priorities

Strategic and operational initiatives to be pursued in 2022-23 include:

- maintaining an engaged workforce with the right mix of skills and experience to provide excellent client service under a contemporary framework;
- enhancing CIT Solutions' reputation as a high quality provider of fit-for-purpose learning solutions;
- securing increased repeat work with existing clients and converting new opportunities into an expanded client base; and
- developing a culture of sustainability whilst maintaining profitability and achieving revenue growth.

## Estimated Employment Level

**Table 1: Estimated Employment Level**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
<b>Staffing (FTE)</b>	97	106 <sup>1</sup>	88 <sup>1</sup>	106 <sup>1</sup>

**Note(s):**

1. The lower FTE in the 2021-22 estimated outcome compared to the the 2021-22 and 2022-23 Budgets are due to decreased staffing levels required from reduced training activity under COVID-19 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 student satisfaction by customising and personalising their 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
- implementing a “Cloud Campus”, as a superior integrated online learning platform for teachers and students to collaborate, learn and assess.

## Financial Arrangements

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

### Budgeted Financial Statements

Budgeted financial statements for the 2022-23 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)

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 2: CIT Solutions: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
20,446	Sale of Goods and Services from Contracts with Customers	16,654	21,054	26	21,517	22,053	22,658
154	Other Income	4	158	#	162	166	171
<b>20,600</b>	<b>Total Income</b>	<b>16,658</b>	<b>21,212</b>	<b>27</b>	<b>21,679</b>	<b>22,219</b>	<b>22,829</b>
	<b>Expenses</b>						
12,025	Employee and Superannuation Expenses	10,764	12,282	14	12,440	12,601	12,764
6,452	Supplies and Services	2,752	6,650	142	6,865	7,003	7,160
636	Depreciation and Amortisation	636	649	2	649	649	649
11	Borrowing Costs	11	12	9	12	12	12
736	Other Expenses	586	757	29	779	795	813
<b>19,860</b>	<b>Total Expenses</b>	<b>14,749</b>	<b>20,350</b>	<b>38</b>	<b>20,745</b>	<b>21,060</b>	<b>21,398</b>
<b>740</b>	<b>Operating Result</b>	<b>1,909</b>	<b>862</b>	<b>-55</b>	<b>934</b>	<b>1,159</b>	<b>1,431</b>
<b>740</b>	<b>Total Comprehensive Result</b>	<b>1,909</b>	<b>862</b>	<b>-55</b>	<b>934</b>	<b>1,159</b>	<b>1,431</b>

**Table 3: CIT Solutions: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
5,780	Cash	6,842	7,217	5	7,664	8,346	9,311
1,577	Receivables	1,577	1,628	3	1,679	1,730	1,781
303	Other Assets	303	311	3	319	327	335
<b>7,660</b>	<b>Total Current Assets</b>	<b>8,722</b>	<b>9,156</b>	<b>5</b>	<b>9,662</b>	<b>10,403</b>	<b>11,427</b>
<b>Non-Current Assets</b>							
413	Property, Plant and Equipment	413	437	6	461	485	509
<b>413</b>	<b>Total Non-Current Assets</b>	<b>413</b>	<b>437</b>	<b>6</b>	<b>461</b>	<b>485</b>	<b>509</b>
<b>8,073</b>	<b>TOTAL ASSETS</b>	<b>9,135</b>	<b>9,593</b>	<b>5</b>	<b>10,123</b>	<b>10,888</b>	<b>11,936</b>
<b>Current Liabilities</b>							
958	Payables	2,661	2,712	2	2,763	2,814	2,865
1,257	Employee Benefits	1,160	1,196	3	1,232	1,278	1,335
2,043	Other Liabilities	340	340	-	340	340	340
<b>4,258</b>	<b>Total Current Liabilities</b>	<b>4,161</b>	<b>4,248</b>	<b>2</b>	<b>4,335</b>	<b>4,432</b>	<b>4,540</b>
<b>Non-Current Liabilities</b>							
337	Lease Liabilities	337	337	-	337	337	337
207	Employee Benefits	207	258	25	309	360	411
-52	Other Liabilities	-52	-104	-100	-156	-208	-260
<b>492</b>	<b>Total Non-Current Liabilities</b>	<b>492</b>	<b>491</b>	<b>..</b>	<b>490</b>	<b>489</b>	<b>488</b>
<b>4,750</b>	<b>TOTAL LIABILITIES</b>	<b>4,653</b>	<b>4,739</b>	<b>2</b>	<b>4,825</b>	<b>4,921</b>	<b>5,028</b>
<b>3,323</b>	<b>NET ASSETS</b>	<b>4,482</b>	<b>4,854</b>	<b>8</b>	<b>5,298</b>	<b>5,967</b>	<b>6,908</b>
<b>Equity</b>							
3,323	Accumulated Funds	4,482	4 854	8	5,298	5,967	6,908
<b>3,323</b>	<b>TOTAL EQUITY</b>	<b>4,482</b>	<b>4 854</b>	<b>8</b>	<b>5,298</b>	<b>5,967</b>	<b>6,908</b>

**Table 4: CIT Solutions: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/06/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
3,073	Opening Accumulated Funds	3,073	4,482	46	4,854	5,298	5,967
<b>3,073</b>	<b>Balance at the Start of the Reporting Period</b>	<b>3,073</b>	<b>4,482</b>	<b>46</b>	<b>4,854</b>	<b>5,298</b>	<b>5,967</b>
	<b>Comprehensive Income</b>						
750	Operating Result	1,909	872	-54	944	1,169	1,441
<b>750</b>	<b>Total Comprehensive Result</b>	<b>1,909</b>	<b>872</b>	<b>-54</b>	<b>944</b>	<b>1,169</b>	<b>1,441</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
-500	Dividend Approved	-500	-500	-	-500	-500	-500
<b>-500</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-500</b>	<b>-500</b>	<b>-</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>
	<b>Closing Equity</b>						
3,323	Closing Accumulated Funds	4,482	4,854	8	5,298	5,967	6,908
<b>3,323</b>	<b>Balance at the End of the Reporting Period</b>	<b>4,482</b>	<b>4,854</b>	<b>8</b>	<b>5,298</b>	<b>5,967</b>	<b>6,908</b>

**Table 5: CIT Solutions: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
20,347	Sale of Goods and Services from Contracts with Customers	16,555	20,955	27	21,418	21,954	22,559
10	Interest Receipts	0	10	#	10	10	10
154	Other	4	158	#	162	166	171
<b>20,511</b>	<b>Total Receipts from Operating Activities</b>	<b>16,559</b>	<b>21,123</b>	<b>28</b>	<b>21,590</b>	<b>22,130</b>	<b>22,740</b>
<b>Payments</b>							
11,615	Employee and Superannuation	10,451	11,850	13	12,008	12,159	12,311
6,930	Supplies and Services	3,230	7,142	121	7,357	7,495	7,652
888	Other	738	909	23	931	947	965
<b>19,433</b>	<b>Total Payments from Operating Activities</b>	<b>14,419</b>	<b>19,901</b>	<b>38</b>	<b>20,296</b>	<b>20,601</b>	<b>20,928</b>
<b>1,078</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>2,140</b>	<b>1,222</b>	<b>-43</b>	<b>1,294</b>	<b>1,529</b>	<b>1,812</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
347	Purchase of Property, Plant and Equipment	347	347	-	347	347	347
<b>347</b>	<b>Total Payments from Investing Activities</b>	<b>347</b>	<b>347</b>	<b>-</b>	<b>347</b>	<b>347</b>	<b>347</b>
<b>-347</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-347</b>	<b>-347</b>	<b>-</b>	<b>-347</b>	<b>-347</b>	<b>-347</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Payments</b>							
500	Payment of Dividend	500	500	-	500	500	500
<b>500</b>	<b>Total Payments from Financing Activities</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>-500</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>-500</b>	<b>-500</b>	<b>-</b>	<b>-500</b>	<b>-500</b>	<b>-500</b>
<b>231</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>1,293</b>	<b>375</b>	<b>-71</b>	<b>447</b>	<b>682</b>	<b>965</b>
<b>5,549</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>5,549</b>	<b>6,842</b>	<b>23</b>	<b>7,217</b>	<b>7,664</b>	<b>8,346</b>
<b>5,780</b>	<b>Cash at the End of the Reporting Period</b>	<b>6,842</b>	<b>7,217</b>	<b>5</b>	<b>7,664</b>	<b>8,346</b>	<b>9,311</b>



## Notes to the Controlled (PTE) Budget Statements

Significant variations are as follows:

### **Operating Statement**

- sale of goods and services from contracts with customers: decrease of \$3.792 million in the 2021-22 estimated outcome from the original budget and the increase of \$4.4 million in the 2022-23 Budget from the 2021-22 estimated outcome are mainly due to reduced opportunity for training programs to be delivered during the 2021-22 year arising from COVID19 restrictions on use of workplaces but expectations are that demand will return in 2022-23 with revised programs with increased use of virtual training technologies.
- employee and superannuation expenses:
  - the decrease of \$1.261 million in the 2021-22 estimated outcome from the original budget is due to reduced staffing levels resulting from the reduction in training programs delivered in 2021-22 requiring administrative support; and
  - the increase of \$1.518 million in the 2022-23 Budget from the 2021-22 estimated outcome is forecasting a return in the level of training requiring support in 2022-23.
- supplies and services:
  - the decrease of \$3.7 million in the 2021-22 estimated outcome from the original budget is mostly due to reduced training activity resulting from COVID19 restrictions, with the main cost reduction from the reduced need for contracted facilitators to deliver classroom training along with savings in travel costs and printing of materials; and
  - the increase of \$3.898 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to increases in expenses of contractors, marketing and promotional and travel to deliver the expected increase in demand for training in 2022-23 and to drive future growth and business system improvements.

### **Balance Sheet**

- cash:
  - the increase of \$1.062 million in the 2021-22 estimated outcome from the original budget is due to an estimated operating surplus for the year of \$1.909 million resulting from operational savings under reduced training activity in 2021-22; and
  - the increase of \$0.375 million in the 2022-23 Budget from the 2021-22 estimated outcome is attributed to a smaller operating surplus in 2022-23.
- employee benefits: the decrease in the 2021-22 estimated outcome from the original budget of \$0.097 million is due to the reduced staff levels maintained during the period of reduced training activity;

- current liabilities: the increase of \$1.073 million in payables and contract liabilities and the decrease in other liabilities of \$1.073 million in the 2021-22 estimated outcome is due to the recognition of contract fees paid in advance of services being delivered being moved from other liabilities to payables and contract liabilities.

***Statement of Changes in Equity and Cash Flow Statement***

Variations in these Statements are explained in the notes above.

# CULTURAL FACILITIES CORPORATION – STATEMENT OF INTENT

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

This Statement of Intent for 2022-23 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 2022-23 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 2022-23 Statement of Intent has been agreed between:



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**Gordon Ramsay**

**Chief Executive Officer**

**Cultural Facilities Corporation**



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**Andrew Barr MLA**

**Treasurer**

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# CULTURAL FACILITIES CORPORATION

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## 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 consumer and professional uncertainty arising from the ongoing pandemic and its impact on the CFC's performing arts business as well as the risk of further disruptions caused by subsequent 'waves'. Theatre revenues form the majority of the CFC's non-government revenue, which in normal circumstances comprises over 50 per cent 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. These are 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 impact of COVID infection by members of theatre productions. This continues to lead to short-notice cancellations of performances across the industry. This provides particular risks in the ACT, due to the shortness of seasons in our venues, making it more difficult to make up lost sales from cancellations.

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 a risky financial proposition at present, resulting in a limited supply of high quality, larger scale productions, and a greater proportion of lower-risk, smaller scale events.

The major additional funding provided to the CFC by the Government in 2020-21 and 2021-22 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.

This funding will support the CFC in addressing the ongoing vulnerability of the performing arts industry arising from the COVID-19 pandemic in the year ahead and invest in the rebuilding of production and consumer confidence.

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 2021–22 to reflect the experience gained in managing major challenges such as the impacts of the COVID-19 pandemic, and will be further updated in 2022-23.

## **2022-23 Priorities and Next Three Financial Years**

The CFC is implementing its three-year Strategic Plan which covers 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, through exceptional management, development, presentation, co-ordination and promotion of cultural activities.

In addition to the main areas identified above, other specific issues intended to be pursued by the CFC in 2022-23 include the following.

- 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 a range of educational, skills development and career pathways, including through partnership with CIT.
- Upgrades of 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.
- Complete a package of works at CMAG to improve Work Health Safety standards and accessibility and works and initiatives to enhance CMAG’s presence and profile on London Circuit and Civic Square, to support activation of the precinct.
- Work collaboratively with Government and agencies and the arts sector in increased activity and events relating to festivals and significant Canberra events.
- 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 increasing internet connectivity, undertaking building stabilisation measures, upgrading security infrastructure, ensuring quality staffing space, improving collections storage, management of trees, and progressing a new water infrastructure project.

- Lead in collaborative programming, production and promotion with other cultural and arts institutions, individuals, and cultural tourism businesses.

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**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
<b>Staffing (FTE)</b>	104	93	93 <sup>1</sup>	95 <sup>1</sup>

**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 2022-23 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: 2022-23 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 B	1	0	1
SOG A	1	3	4
Box Office	2	3	5
Executive Contract	2	0	2
Patron Services	3	5	8
Tech. Level 1	4	2	6
Tech. Level 2	3	0	3
Tech. Level 4	3	0	3
<b>Total</b>	<b>42</b>	<b>53</b>	<b>95</b>



## 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	22,909	23,065
<b>Controlled Recurrent Payments</b>	12,802	10,204

**Note(s):**

1. Total cost includes depreciation and amortisation of \$2.756 million in 2021-22 and \$2.904 million in 2022-23.

#### ***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

## Output Class 1: Cultural Facilities Management

### Output 1.1: Cultural Facilities Management

**Table 4: Accountability Indicators Output 1.1**

	2021-22 Target	2021-22 Estimated Outcome	2022-23 Target
a. Estimated number of visitors/patrons to CFC facilities/programs <sup>1</sup>	185,000	249,853	261,500
b. Number of exhibitions at facilities managed by CFC <sup>2</sup>	27	19	27
c. Number of education and community programs provided by CFC <sup>3</sup>	220	186	205
d. Number of days venue usage at the Canberra Theatre Centre's venues <sup>4</sup>	400	465	475
e. Customer satisfaction with quality of services provided by CFC, as measured by annual survey	90%	>90%	90%
f. Cost to Government per estimated visitor/patron to CFC facilities/programs <sup>5</sup>	\$69.20	\$51.24	\$39.02
g. Own sourced revenue as a proportion of total revenue for CFC <sup>6</sup>	36.8%	37.1%	49.8%

**Note(s):**

1. The increase in the 2021-22 Estimated Outcome from the 2021-22 Target is due to higher than expected visitor/patron numbers in the second half of the year, especially with the return to 100 per cent capacity audiences at the Canberra Theatre Centre. The increase in the 2022-23 Target from the 2021-22 Estimated Outcome is due to the continued recovery from the ACT Lockdown that occurred in 2021-22.
2. The decrease in the 2021-22 Estimated Outcome from the 2021-22 Target is due to CMAG extending certain exhibitions in 2021-22 due to the COVID-19 pandemic. The increase in the 2022-23 Target from the 2021-22 Estimated Outcome is due to a projected greater turnover in exhibitions at CMAG during 2022-23.
3. The decrease in the 2021-22 Estimated Outcome from the 2021-22 Target is due to lower than expected programs being delivered in the first half of the year due to the ACT lockdown. The increase in the 2022-23 Target from the 2021-22 Estimated Outcome is due to the continued recovery from the ACT Lockdown that occurred in 2021-22.
4. The increase in the 2021-22 Estimated Outcome from the 2021-22 Target is due to higher than expected level of theatre activity in the second half of the year.
5. The decrease in the 2021-22 Estimated Outcome from the 2021-22 Target is due to increased visitor/patron numbers. The decrease in the 2022-23 Target from the 2021-22 Estimated Outcome is due to the further additional COVID-19 support funding from the Government received in 2021-22.
6. The increase in the 2022-23 Target from the 2021-22 Estimated Outcome is due to the higher own sourced revenue expected from the continued recovery from the ACT Lockdown that occurred in 2021-22.

## Changes to Appropriation

**Table 5: Changes to Appropriation – Controlled Recurrent Payments**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>12,802</b>	<b>10,141</b>	<b>9,975</b>	<b>10,129</b>	<b>10,129</b>
<b>2022-23 Budget Policy Decisions</b>					
Workers Compensation savings	0	-4	0	0	0
<b>2022-23 Budget Technical Adjustments</b>					
Revised Indexation Parameters	0	32	64	87	276
Revised Superannuation Parameters	0	-2	0	1	18
Revised Wages Parameters	0	37	37	38	38
<b>2022-23 Budget</b>	<b>12,802</b>	<b>10,204</b>	<b>10,076</b>	<b>10,255</b>	<b>10,461</b>

**Table 6: Changes to Appropriation – Capital Injections, Controlled**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>2,787</b>	<b>2,516</b>	<b>808</b>	<b>473</b>	<b>497</b>
<b>2022-23 Budget Policy Decisions</b>					
Arts and culture:					
- Canberra Theatre Centre expansion and redevelopment	0	1,688	705	0	0
- Lanyon Homestead Upgrades	0	375	342	157	41
<b>2022-23 Budget Technical Adjustments</b>					
Revised Funding Profile:					
- Improvements to the Canberra Museum and Gallery and the North building	-280	280	0	0	0
- Improvements to the Canberra Theatre Centre	-550	550	0	0	0
- Upgrading Lanyon Homestead	-665	-616	1,281	0	
Removal of the 4% MPC fee:					
- Improvements to the Canberra Museum and Gallery and the North building	0	-10	0	0	0
- Improvements to the Canberra Theatre Centre	0	-8	-13	0	0
- Upgrading Lanyon Homestead	0	-62	0	0	0
<b>2022-23 Budget</b>	<b>1,292</b>	<b>4,713</b>	<b>3,123</b>	<b>630</b>	<b>538</b>

## Summary of 2022-23 Cultural Facilities Corporation Infrastructure Program

Table 7: 2022-23 Cultural Facilities Corporation Infrastructure Program

Project	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Four Year Investment \$'000	Physical Completion Date
<b>CAPITAL WORKS PROGRAM</b>						
<b>New Works</b>						
Arts and culture:						
- Canberra Theatre Centre expansion and redevelopment	1,688	705	-	-	<b>2,393</b>	Jun-24
- Lanyon Homestead Upgrades	375	342	157	41	<b>915</b>	Jun-26
<b>Total New Capital</b>	<b>2,063</b>	<b>1,047</b>	<b>157</b>	<b>41</b>	<b>3,308</b>	
<b>Works in Progress</b>						
Improvements to the Canberra Museum and Gallery and the North Building	520	-	-	-	<b>520</b>	Jun-23
Improvements to the Canberra Theatre Centre	737	334	-	-	<b>1,071</b>	Jun-24
Upgrading Lanyon Homestead	943	1,281	-	-	<b>2,224</b>	Jun-24
<b>Total Works in Progress</b>	<b>2,200</b>	<b>1,615</b>	<b>-</b>	<b>-</b>	<b>3,815</b>	
<b>Better Infrastructure Fund (BIF)</b>						
Base BIF of the agency	450	461	473	497	<b>1,881</b>	Jun-23
<b>Total BIF</b>	<b>450</b>	<b>461</b>	<b>473</b>	<b>497</b>	<b>1,881</b>	
<b>TOTAL CAPITAL WORKS PROGRAM</b>	<b>4,713</b>	<b>3,123</b>	<b>630</b>	<b>538</b>	<b>9,004</b>	

### 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 2022-23, the CFC's main focus in terms of financial management will be to rebuild the organisation's health in light of the impacts of the COVID-19 pandemic, especially in terms of impacts on the CFC's theatre-related business and to position itself for its ongoing leadership role of driving growth in the contribution of the arts to the ACT economy.

Additional funding provided to the CFC by the Government in 2020-21 and 2021-22 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. Remaining funding from this investment 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 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 2022-23 Budget for the following initiatives.

- A four year package of works for improvements at Lanyon Homestead, including converting the former Nolan Gallery into staff workspaces and collection storage as well as conserving, removing and replacing trees.
- Commence detailed design and planning for the Canberra Theatre Centre expansion and redevelopment for new purpose-built facilities that will attract additional high quality live performances to our vibrant and modern city, by providing a range of venues capable of producing and hosting local, national and international events.

## **Budgeted Financial Statements**

Budgeted financial statements for the 2022-23 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

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 8: Cultural Facilities Corporation: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
12,802	Controlled Recurrent Payments	12,802	10,204	-20	10,076	10,255	10,461
7,356	Sale of Goods and Services from Contracts with Customers	7,359	9,931	35	10,120	10,303	10,505
50	Grants and Contributions Revenue	50	65	30	63	56	52
134	Interest Revenue	134	135	1	137	139	141
<b>20,342</b>	<b>Total Income</b>	<b>20,345</b>	<b>20,335</b>	<b>..</b>	<b>20,396</b>	<b>20,753</b>	<b>21,159</b>
	<b>Expenses</b>						
10,551	Employee and Superannuation Expenses	10,526	10,746	2	10,780	10,988	11,157
9,557	Supplies and Services	9,557	9,345	-2	9,369	9,538	9,779
2,756	Depreciation and Amortisation	2,756	2,904	5	2,993	3,036	3,039
70	Other Expenses	70	70	-	70	70	70
<b>22,934</b>	<b>Total Expenses</b>	<b>22,909</b>	<b>23,065</b>	<b>1</b>	<b>23,212</b>	<b>23,632</b>	<b>24,045</b>
<b>-2,592</b>	<b>Operating Result</b>	<b>-2,564</b>	<b>-2,730</b>	<b>-6</b>	<b>-2,816</b>	<b>-2,879</b>	<b>-2,886</b>
<b>-2,592</b>	<b>Total Comprehensive Result</b>	<b>-2,564</b>	<b>-2,730</b>	<b>-6</b>	<b>-2,816</b>	<b>-2,879</b>	<b>-2,886</b>



**Table 9: Cultural Facilities Corporation: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/06/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
1,764	Cash	1,764	1,831	4	1,898	1,965	2,032
668	Receivables	668	669	..	670	671	672
32	Inventories	32	32	-	32	32	32
140	Other Assets	140	140	-	140	140	140
<b>2,604</b>	<b>Total Current Assets</b>	<b>2,604</b>	<b>2,672</b>	<b>3</b>	<b>2,740</b>	<b>2,808</b>	<b>2,876</b>
<b>Non Current Assets</b>							
66,939	Property, Plant and Equipment	65,444	67,028	2	66,974	64,557	62,126
36	Intangible Assets	36	36	-	36	36	36
658	Capital Works in Progress	658	1,048	59	1,403	1,578	1,668
<b>67,633</b>	<b>Total Non-Current Assets</b>	<b>66,138</b>	<b>68,112</b>	<b>3</b>	<b>68,413</b>	<b>66,171</b>	<b>63,830</b>
<b>70,237</b>	<b>TOTAL ASSETS</b>	<b>68,742</b>	<b>70,784</b>	<b>3</b>	<b>71,153</b>	<b>68,979</b>	<b>66,706</b>
<b>Current Liabilities</b>							
442	Payables and Contract Liabilities	615	650	5	685	720	755
23	Lease Liabilities	23	19	-17	11	3	-5
2,339	Employee Benefits	2,317	2,351	1	2,385	2,432	2,479
173	Other Liabilities	0	0	-	0	0	0
<b>2,977</b>	<b>Total Current Liabilities</b>	<b>2,955</b>	<b>3,020</b>	<b>2</b>	<b>3,081</b>	<b>3,155</b>	<b>3,229</b>
<b>Non Current Liabilities</b>							
50	Lease Liabilities	50	42	-16	42	42	42
169	Employee Benefits	163	165	1	166	167	168
<b>219</b>	<b>Total Non-Current Liabilities</b>	<b>213</b>	<b>207</b>	<b>-3</b>	<b>208</b>	<b>209</b>	<b>210</b>
<b>3,196</b>	<b>TOTAL LIABILITIES</b>	<b>3,168</b>	<b>3,227</b>	<b>2</b>	<b>3,289</b>	<b>3,364</b>	<b>3,439</b>
<b>67,041</b>	<b>NET ASSETS</b>	<b>65,574</b>	<b>67,557</b>	<b>3</b>	<b>67,864</b>	<b>65,615</b>	<b>63,267</b>
<b>Equity</b>							
27,076	Accumulated Funds	25,609	27,592	8	27,899	25,650	23,302
38,735	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
<b>67,041</b>	<b>TOTAL EQUITY</b>	<b>65,574</b>	<b>67,557</b>	<b>3</b>	<b>67,864</b>	<b>65,615</b>	<b>63,267</b>

**Table 10: Cultural Facilities Corporation: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Opening Equity</b>							
26,881	Opening Accumulated Funds	26,881	25,609	-5	27,592	27,899	25,650
38,735	Opening Asset Revaluation Reserve	38,735	38,735	-	38,735	38,735	38,735
1,230	Opening Other Reserve	1,230	1,230	-	1,230	1,230	1,230
<b>66,846</b>	<b>Balance at the Start of the Reporting Period</b>	<b>66,846</b>	<b>65,574</b>	<b>-2</b>	<b>67,557</b>	<b>67,864</b>	<b>65,615</b>
<b>Comprehensive Income</b>							
-2,592	Operating Result	-2,564	-2,730	-6	-2,816	-2,879	-2,886
<b>-2,592</b>	<b>Total Comprehensive Result</b>	<b>-2,564</b>	<b>-2,730</b>	<b>-6</b>	<b>-2,816</b>	<b>-2,879</b>	<b>-2,886</b>
<b>Transactions Involving Owners Affecting Accumulated Funds</b>							
2,787	Capital Injections	1,292	4,713	265	3,123	630	538
<b>2,787</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>1,292</b>	<b>4,713</b>	<b>265</b>	<b>3,123</b>	<b>630</b>	<b>538</b>
<b>Closing Equity</b>							
27,076	Closing Accumulated Funds	25,609	27,592	8	27,899	25,650	23,302
38,735	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
<b>67,041</b>	<b>Balance at the End of the Reporting Period</b>	<b>65,574</b>	<b>67,557</b>	<b>3</b>	<b>67,864</b>	<b>65,615</b>	<b>63,267</b>

**Table 11: Cultural Facilities Corporation: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
12,802	Controlled Recurrent Payments	12,802	10,204	-20	10,076	10,255	10,461
7,328	Sale of Goods and Services from Contracts with Customers	7,335	9,903	35	10,092	10,275	10,477
134	Interest Receipts	134	135	1	137	139	141
244	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	244	244	-	244	244	244
267	Goods and Services Tax Collected from Customers	267	267	-	267	267	267
<b>20,775</b>	<b>Total Receipts from Operating Activities</b>	<b>20,782</b>	<b>20,753</b>	<b>..</b>	<b>20,816</b>	<b>21,180</b>	<b>21,590</b>
<b>Payments</b>							
10,482	Employee and Superannuation	10,489	10,676	2	10,711	10,906	11,075
9,455	Supplies and Services	9,455	9,243	-2	9,267	9,436	9,677
515	Goods and Services Tax Paid to Suppliers	515	515	-	515	515	515
90	Other	90	90	-	90	90	90
<b>20,542</b>	<b>Total Payments from Operating Activities</b>	<b>20,549</b>	<b>20,524</b>	<b>..</b>	<b>20,583</b>	<b>20,947</b>	<b>21,357</b>
<b>233</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>233</b>	<b>229</b>	<b>-2</b>	<b>233</b>	<b>233</b>	<b>233</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
2,937	Purchase of Property, Plant and Equipment	1,442	4,863	237	3,273	780	688
<b>2,937</b>	<b>Total Payments from Investing Activities</b>	<b>1,442</b>	<b>4,863</b>	<b>237</b>	<b>3,273</b>	<b>780</b>	<b>688</b>
<b>-2,937</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-1,442</b>	<b>-4,863</b>	<b>-237</b>	<b>-3,273</b>	<b>-780</b>	<b>-688</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
2,787	Capital Injections	1,292	4,713	265	3,123	630	538
<b>2,787</b>	<b>Total Receipts from Financing Activities</b>	<b>1,292</b>	<b>4,713</b>	<b>265</b>	<b>3,123</b>	<b>630</b>	<b>538</b>
<b>Payments</b>							
16	Repayment of Lease Liabilities - Principal	16	12	-25	16	16	16
<b>16</b>	<b>Total Payments from Financing Activities</b>	<b>16</b>	<b>12</b>	<b>-25</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>2,771</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>1,276</b>	<b>4,701</b>	<b>268</b>	<b>3,107</b>	<b>614</b>	<b>522</b>

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
67	Net Increase/(Decrease) in Cash	67	67	-	67	67	67
1,697	Cash at the Beginning of the Reporting Period	1,697	1,764	4	1,831	1,898	1,965
1,764	Cash at the End of the Reporting Period	1,764	1,831	4	1,898	1,965	2,032

## Notes to the Controlled Budget Statements

Significant variations are as follows:

### **Operating Statement**

- controlled recurrent payments: the decrease of \$2.598 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to the major additional funding provided to the CFC in 2021-22 to support the CFC to continue its operations, and to start rebuilding theatre business due to the significant impact of the COVID 19 health emergency on the performing arts industry.
- sale of goods and services from contracts with customers: the increase of \$2.572 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to higher theatre related revenues resulting from increased business activity at the Canberra Theatre Centre as it rebuilds after the impact of the COVID 19 health emergency on the performing arts industry.

### **Balance Sheet**

No significant variations in the Balance Sheet.

### **Statement of Changes in Equity and Cash Flow Statement**

Variations in the Statements are explained in the notes above.

# ICON WATER LIMITED

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## 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.

## 2022-23 Priorities

Over the period 2022-23 to 2025-26 Icon Water's work will be guided by three key strategic objectives, to:

- build a culture that values safety, innovation and inclusiveness;
- deliver sustainable value for our community and shareholders; and
- enhance the customer and community engagement.

Achievement of these objectives is underpinned by strategies in three key areas, as follows.

- *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 safety leadership capability, refreshing our diversity and inclusion program, improving pre-start hazard identification tools and modernising flexible working 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 the 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 customer and community engagement 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 improve our strategic customer and community engagement with a focus on increasing community understanding and collaboration, streamlining the billing experience, enhancing the complaints experience and improving delivery of complex technical services and advice.

Icon Water's 2022-23 Budget forecasts are subject to potentially significant variation arising from factors outside Icon Water's control. These factors include the following.

- Regulatory – revenue targets in the 2022-23 Budget are based on the Independent Competition and Regulatory Commission (ICRC) 2018-23 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 pricing assumption is subject to change following the ICRC 2023-28 price direction. It assumes no changes to the current regulatory period values for capital or operating expenditure, demand, nor to the Weighted Average Cost of Capital (WACC) in the next regulatory period (2023-28). Pricing is sensitive to such changes and movement in any of these elements in the next regulatory period may result in a movement to the budgeted revenue outcome for 2023–24 onwards. The ICRC's final pricing decision for 2023-28 will be made in May 2023.
- 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, feed in tariff fluctuations, regulatory outcomes, and flow on impacts to achieve net zero emissions by 2045.
- Financial markets and capital structure – Icon Water's new and existing debt is subject to fluctuations in market interest rates which can create volatility in the annual interest expense.

- Service contracts – the current corporate and customer services contracts between Icon Water and ActewAGL expire in 2023. The assumptions for future sourcing and ongoing service provision are based on available estimates at the time of budget development. These may vary as future arrangements become more certain.
- Impairment – the budget assumes no impairment or revaluation adjustment of assets. Significant impairment or revaluation adjustments will impact the return on investment.

## Estimated Employment Level

**Table 1: Estimated Employment Level**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
<b>Staffing (FTE)</b>	398	426	413 <sup>1</sup>	436 <sup>2</sup>

**Note(s):**

1. The lower FTE estimated outcome relates to the timing of recruitment activities.
2. The 2022-23 Budget increase in FTE primarily relates to a combination of digital strategy implementation and timing of recruitment activities.

## Changes to Appropriation

**Table 2: Changes to Appropriation – Controlled Recurrent Payments**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	13,132	13,369	13,609	13,854	13,854
<b>2022-23 Budget Technical Adjustments</b>					
Revised Indexation Parameters - Assistance for Water and Sewerage Services	0	124	255	391	783
<b>2022-23 Budget</b>	<b>13,132</b>	<b>13,493</b>	<b>13,864</b>	<b>14,245</b>	<b>14,637</b>

## Financial Statements (PTE)

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 3: Icon Water Limited: Statement of Comprehensive Income**

2021-22 Budget		2021-22 Estimated Outcome	2022-23 Budget	Var %	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
	<b>Income</b>						
13,132	Controlled Recurrent Payments	13,132	13,493	3	13,864	14,245	14,637
334,507	Sale of Goods and Services from Contracts with Customers	311,290	323,025	4	337,998	352,629	367,883
14,000	Grants and Contributions Revenue	14,000	16,846	20	16,400	17,911	17,999
194	Interest Revenue	249	689	177	1,244	1,334	1,324
3,973	Other Income	3,813	3,606	-5	3,715	3,828	3,944
<b>365,806</b>	<b>Total Income</b>	<b>342,483</b>	<b>357,658</b>	<b>4</b>	<b>373,222</b>	<b>389,947</b>	<b>405,787</b>
	<b>Expenses</b>						
61,942	Employee and Superannuation Expenses	64,958	67,928	5	68,190	69,471	71,181
91,045	Supplies and Services	96,600	118,663	23	105,041	85,295	87,919
71,640	Depreciation and Amortisation	74,634	76,617	3	78,912	81,724	85,013
34,381	Cost of Goods Sold	30,229	34,733	15	36,531	38,346	40,248
61,937	Borrowing Costs	76,010	72,304	-5	71,994	73,029	74,268
12,743	Other Expenses	11,755	12,013	2	12,568	13,154	13,767
<b>333,689</b>	<b>Total Expenses</b>	<b>354,185</b>	<b>382,258</b>	<b>8</b>	<b>373,237</b>	<b>361,019</b>	<b>372,396</b>
77,093	Share of Operating Profit from energy investments accounted for using the Equity Method	85,621	70,892	-17	80,143	72,995	72,097
<b>109,210</b>	<b>Operating Result from Ordinary Activities</b>	<b>73,919</b>	<b>46,292</b>	<b>-37</b>	<b>80,128</b>	<b>101,923</b>	<b>105,488</b>
32,763	Income Tax Equivalent	22,097	13,888	-37	24,038	30,577	31,646
<b>76,447</b>	<b>Operating Result</b>	<b>51,822</b>	<b>32,405</b>	<b>-37</b>	<b>56,090</b>	<b>71,346</b>	<b>73,842</b>
<b>76,447</b>	<b>Total Comprehensive Result</b>	<b>51,822</b>	<b>32,405</b>	<b>-37</b>	<b>56,090</b>	<b>71,346</b>	<b>73,842</b>



**Table 4: Icon Water Limited: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
72,486	Cash	76,169	49,180	-35	53,758	58,891	60,981
54,769	Receivables and Contract Assets	53,592	52,263	-2	52,981	53,717	54,469
4,337	Inventories	4,643	4,643	..	4,643	4,643	4,643
10,652	Other Assets	9,285	9,285	..	9,285	9,285	9,285
<b>142,244</b>	<b>Total Current Assets</b>	<b>143,689</b>	<b>115,370</b>	<b>-20</b>	<b>120,666</b>	<b>126,535</b>	<b>129,378</b>
<b>Non-Current Assets</b>							
4,225	Receivables and Contract Assets	4,203	2,969	-29	2,250	2,250	2,250
993,607	Investment - Energy Investments	987,564	1,008,956	2	1,013,099	1,013,594	1,022,691
2,609,142	Property, Plant and Equipment	2,656,960	2,668,550	..	2,704,094	2,751,273	2,799,489
18,750	Investment Properties	18,750	18,750	-	18,750	18,750	18,750
50,352	Intangible Assets	40,226	42,278	5	41,524	40,358	40,729
95,034	Capital Works in Progress	109,061	129,935	19	179,112	194,538	203,787
18,105	Tax Assets	18,105	18,105	..	18,105	18,105	18,105
<b>3,789,215</b>	<b>Total Non-Current Assets</b>	<b>3,834,869</b>	<b>3,889,543</b>	<b>1</b>	<b>3,976,935</b>	<b>4,038,868</b>	<b>4,105,801</b>
<b>3,931,459</b>	<b>TOTAL ASSETS</b>	<b>3,978,558</b>	<b>4,004,913</b>	<b>1</b>	<b>4,097,601</b>	<b>4,165,402</b>	<b>4,235,179</b>
<b>Current Liabilities</b>							
64,687	Payables and Contract Liabilities	55,898	58,634	5	59,704	61,832	63,584
2,875	Borrowings	0	100,856	#	1,366	126,834	2,767
2,822	Lease Liabilities	2,743	2,743	..	2,743	2,743	2,743
22,002	Employee Benefits	23,472	23,472	..	23,472	23,472	23,472
723	Income Tax Payable	-2,441	-3,831	-57	-3,824	-3,811	-3,823
22,655	Other Provisions	8,597	4,144	-52	8,970	11,719	12,200
1,126	Other Liabilities	853	853	-	853	853	853
<b>116,890</b>	<b>Total Current Liabilities</b>	<b>89,121</b>	<b>186,871</b>	<b>110</b>	<b>93,284</b>	<b>223,642</b>	<b>101,796</b>
<b>Non-Current Liabilities</b>							
1,876,775	Borrowings	1,869,033	1,780,793	-5	1,950,668	1,870,200	2,043,823
4,647	Lease Liabilities	3,171	3,171	..	3,171	3,171	3,171
1,556	Employee Benefits	1,556	1,556	-	1,556	1,556	1,556
439,097	Deferred Tax Liability	465,597	465,597	-	465,597	465,597	465,597
6,647	Other Provisions	5,697	5,697	-	5,697	5,697	5,697
3,021	Other Liabilities	5,106	5,106	-	5,106	5,106	5,106
<b>2,331,743</b>	<b>Total Non-Current Liabilities</b>	<b>2,350,160</b>	<b>2,261,919</b>	<b>-4</b>	<b>2,431,795</b>	<b>2,351,326</b>	<b>2,524,950</b>
<b>2,448,633</b>	<b>TOTAL LIABILITIES</b>	<b>2,439,281</b>	<b>2,448,790</b>	<b>..</b>	<b>2,525,079</b>	<b>2,574,968</b>	<b>2,626,746</b>
<b>1,482,826</b>	<b>NET ASSETS</b>	<b>1,539,276</b>	<b>1,556,123</b>	<b>1</b>	<b>1,572,523</b>	<b>1,590,434</b>	<b>1,608,433</b>

<b>Budget at 30/6/22 \$'000</b>		<b>Estimated Outcome at 30/6/22 \$'000</b>	<b>Budget at 30/6/23 \$'000</b>	<b>Var %</b>	<b>Estimate at 30/6/24 \$'000</b>	<b>Estimate at 30/6/25 \$'000</b>	<b>Estimate at 30/6/26 \$'000</b>
	<b>Equity</b>						
1,020,153	Accumulated Funds	1,020,150	1,036,997	2	1,053,397	1,071,308	1,089,307
462,673	Asset Revaluation Surplus	519,126	519,126	-	519,126	519,126	519,126
<b>1,482,826</b>	<b>TOTAL EQUITY</b>	<b>1,539,276</b>	<b>1,556,123</b>	<b>1</b>	<b>1,572,523</b>	<b>1,590,434</b>	<b>1,608,433</b>

**Table 5: Icon Water Limited: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
1,006,145	Opening Accumulated Funds	1,006,151	1,020,150	1	1,036,997	1,053,397	1,071,308
462,674	Opening Asset Revaluation Reserve	519,126	519,126	..	519,126	519,126	519,126
<b>1,468,819</b>	<b>Balance at the Start of the Reporting Period</b>	<b>1,525,276</b>	<b>1,539,276</b>	<b>1</b>	<b>1,556,123</b>	<b>1,572,523</b>	<b>1,590,434</b>
	<b>Comprehensive Income</b>						
76,447	Operating Result	51,822	32,405	-37	56,090	71,346	73,842
<b>76,447</b>	<b>Total Comprehensive Result</b>	<b>51,822</b>	<b>32,405</b>	<b>-37</b>	<b>56,090</b>	<b>71,346</b>	<b>73,842</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
-62,447	Dividend Approved	-37,822	-15,558	59	-39,690	-53,435	-55,842
<b>-62,447</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>-37,822</b>	<b>-15,558</b>	<b>59</b>	<b>-39,690</b>	<b>-53,435</b>	<b>-55,842</b>
	<b>Closing Equity</b>						
1,020,153	Closing Accumulated Funds	1,020,150	1,036,997	2	1,053,397	1,071,308	1,089,307
462,673	Closing Asset Revaluation Reserve	519,126	519,126	..	519,126	519,126	519,126
<b>1,482,826</b>	<b>Balance at the End of the Reporting Period</b>	<b>1,539,276</b>	<b>1,556,123</b>	<b>1</b>	<b>1,572,523</b>	<b>1,590,434</b>	<b>1,608,433</b>

**Table 6: Icon Water Limited: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
13,132	Controlled Recurrent Payments	13,132	13,493	3	13,864	14,245	14,637
335,425	Sale of Goods and Services from Contracts with Customers	315,931	329,960	4	340,996	355,721	371,073
194	Interest Receipts	249	689	177	1,244	1,334	1,324
53,000	Other	66,000	49,500	-25	76,000	72,500	63,000
<b>401,751</b>	<b>Total Receipts from Operating Activities</b>	<b>395,312</b>	<b>393,642</b>	<b>..</b>	<b>432,104</b>	<b>443,800</b>	<b>450,034</b>
<b>Payments</b>							
60,807	Employee	64,065	67,919	6	69,399	70,974	72,800
93,672	Supplies and Services	96,142	118,673	23	103,832	83,792	86,301
66,339	Borrowing Costs	76,656	74,188	-3	74,248	75,302	77,128
27,791	Income Tax Equivalent Payments	17,983	15,278	-15	24,031	30,564	31,659
34,381	Related to Cost of Goods Sold	30,229	34,733	15	36,531	38,346	40,248
12,861	Other	11,755	12,012	2	12,570	13,155	13,767
<b>295,851</b>	<b>Total Payments from Operating Activities</b>	<b>296,830</b>	<b>322,803</b>	<b>9</b>	<b>320,611</b>	<b>312,133</b>	<b>321,903</b>
<b>105,900</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>98,482</b>	<b>70,840</b>	<b>-28</b>	<b>111,494</b>	<b>131,668</b>	<b>128,132</b>
<b>Payments</b>							
84,987	Purchase of Property, Plant and Equipment	79,916	63,574	-20	132,004	107,084	101,414
13,452	Purchase of Land and Intangibles	8,321	21,412	157	5,686	8,940	13,933
<b>98,439</b>	<b>Total Payments from Investing Activities</b>	<b>88,237</b>	<b>84,986</b>	<b>-4</b>	<b>137,690</b>	<b>116,024</b>	<b>115,347</b>
<b>-98,439</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-88,237</b>	<b>-84,986</b>	<b>4</b>	<b>-137,690</b>	<b>-116,024</b>	<b>-115,347</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
40,000	Proceeds from Borrowings	20,000	0	-100	160,000	35,000	165,000
<b>40,000</b>	<b>Total Receipts from Financing Activities</b>	<b>20,000</b>	<b>0</b>	<b>-100</b>	<b>160,000</b>	<b>35,000</b>	<b>165,000</b>
<b>Payments</b>							
-4,286	Repayment of Borrowings	-14,086	-10,301	27	91,072	-8,547	116,879
3,213	Repayment of Lease Liabilities - Principal	2,956	3,133	6	3,290	3,372	3,457
56,170	Payment of Dividend	45,329	20,011	-56	34,863	50,686	55,361
<b>55,097</b>	<b>Total Payments from Financing Activities</b>	<b>34,198</b>	<b>12,843</b>	<b>-62</b>	<b>129,225</b>	<b>45,511</b>	<b>175,697</b>
<b>-15,097</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>-14,198</b>	<b>-12,843</b>	<b>10</b>	<b>30,774</b>	<b>-10,511</b>	<b>-10,697</b>
<b>-7,636</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>-3,953</b>	<b>-26,989</b>	<b>-583</b>	<b>4,578</b>	<b>5,133</b>	<b>2,089</b>

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
80,122	Cash at the Beginning of the Reporting Period	80,122	76,169	-5	49,180	53,758	58,891
72,486	Cash at the End of the Reporting Period	76,169	49,180	-35	53,758	58,891	60,981

## Notes to the Controlled (PTE) Budget Statements

Significant variations are as follows:

### **Statement of Comprehensive Income**

- sale of goods and services from contracts with customers:
  - the decrease of \$23.217 million in the 2021-22 estimated outcome from the original budget is primarily due to lower consumption volumes related to above average rainfall; and
  - the increase of \$11.735 million in the 2022-23 Budget from the 2021-22 estimated outcome is primarily driven by an increase in water consumption in line with projected water sales.
- grants and contributions revenue: the increase of \$2.846 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to gifted assets received.
- employee and superannuation expenses:
  - the increase of \$3.015 million in the 2021-22 estimated outcome from the original budget largely relates to lower capitalisation of labour; and
  - the increase of \$2.970 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the combination of annual wage increases and timing of recruitment activities.
- supplies and services: the increase of \$5.555 million in the 2021-22 estimated outcome from the original budget and the increase of \$22.063 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to costs relating to the corporate services sourcing strategy and implementation.
- depreciation and amortisation: the increase of \$2.994 million in the 2021-22 estimated outcome from the original budget and the increase of \$1.983 million in the 2022-23 Budget from the 2021-22 estimated outcome is largely due to higher prior year capitalisations.

- cost of goods sold: the decrease of \$4.152 million in the 2021-22 estimated outcome from the original budget and the increase of \$4.504 million in the 2022-23 Budget from the 2021-22 estimated outcome is primarily due to fluctuations in water abstraction charges (WAC), in line with water consumption patterns.
- borrowing costs: the increase of \$14.073 million in the 2021-22 estimated outcome from the original budget and the decrease of \$3.706 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the impact of CPI on the interest expense for indexed bonds.
- energy investments share of operating profits: the increase of \$8.528 million in the 2021-22 estimated outcome from the original budget and the decrease of \$14.729 million in the 2022-23 budget from the 2021-22 estimated outcome primarily relates to the effect of feed in tariff fluctuations.
- income tax equivalent: the decrease of \$10.666 million in the 2021-22 estimated outcome from the original budget and the decrease of \$8.209 million in the 2022-23 budget from the 2021-22 estimated outcome is the result of a lower operating result from ordinary activities.

### **Balance Sheet**

- cash:
  - the increase of \$3.683 million in the 2021-22 estimated outcome from the original budget is due to timing of receipts and payments; and
  - the decrease of \$26.989 million in the 2022-23 budget from the 2021-22 estimated outcome is driven by lower new borrowings.
- other assets: the decrease of \$1.367 million in the 2021-22 estimated outcome from the original budget is mainly due to a reduction in prepayments.
- non-current receivables and contract assets: the decrease of \$1.234 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the amortisation of IT system upgrade expenses.
- energy investments:
  - the decrease of \$6.043 million in the 2021-22 estimated outcome from the original budget was mainly driven by the receipt of higher cash distributions from the investment; and
  - the increase of \$21.392 million in the 2022-23 Budget from the 2021-22 estimated outcome is driven by lower cash distributions in comparison to profit share.
- property, plant and equipment:
  - the increase of \$47.818 million in the 2021-22 estimated outcome from the original budget is mainly due to higher prior year capitalisation of capital works in progress; and

- the increase of \$11.590 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to growth in capital assets.
- intangible assets: the decrease of \$10.126 million in the 2021-22 estimated outcome from the original budget and the increase of \$2.052 million in the 2022-23 Budget from the 2021-22 estimated outcome relates to the digital strategy implementation and the sourcing strategy for corporate services.
- capital works in progress: the increase of \$14.027 million in the 2021-22 estimated outcome from the original budget and the increase of \$20.874 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to a change in timing of capital spend.
- current payables and contract liabilities: the decrease of \$8.789 million in the 2021-22 estimated outcome from the original budget and the increase of \$2.736 million in the 2022-23 Budget from the 2021-22 estimated outcome relates to the timing of payments.
- current borrowings: the decrease of \$2.875 million in the 2021-22 estimated outcome from the original budget and the increase of \$100.856 million in the 2022-23 Budget from the 2021-22 estimated outcome relates to the timing of principal loan repayments.
- income tax payable: the decrease of \$3.164 million in the 2021-22 estimated outcome from the original budget and the decrease of \$1.390 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to an reduction in operating result from ordinary activities.
- other current provisions: the decrease of \$14.058 million in the 2021-22 outcome from the original budget and the decrease of \$4.453 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to movements in the provision for the final dividend payable to the ACT Government.
- non-current borrowings: the decrease of \$7.742 million in the 2021-22 estimated outcome from the original budget and the decrease of \$88.241 million in the 2022-23 Budget from the 2021-22 estimated outcome relates primarily to the timing of principal loan repayments.
- non-current lease liabilities: the decrease of \$1.476 million in the 2021-22 estimated outcome from the original budget is due to a change in strategy for fleet lease renewals.
- non-current deferred tax liabilities: the increase of \$26.5 million in the 2021-22 estimated outcome from the original budget is due to the difference in timing of income tax expense recognition under tax legislation compared to accounting standard requirements.
- non-current other liabilities: the increase of \$2.085 million in the 2021-22 estimated outcome from the original budget is mainly due to timing of capital contributions.

### ***Statement of Changes in Equity***

- operating result for the period:
  - the decrease of \$24.625 million in the 2021-22 estimated outcome from the original budget is primarily due to an decrease in water sales as a result of wet weather; and
  - the decrease of \$19.418 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to investment in the corporate services sourcing strategy and implementation.
- asset revaluation reserve movement: the increase of \$56.453 million in the 2021-22 estimated outcome from the original budget is largely due to the revaluation of infrastructure assets.

### ***Cash Flow Statement***

Variations in this Statement are explained in the notes above.



# INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT

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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 2022-23 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 2022-23 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 2022-23 Statement of Intent has been agreed between:



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**Joe Dimasi**

**Senior Commissioner**



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**Andrew Barr MLA**

**Treasurer**

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# INDEPENDENT COMPETITION AND REGULATORY COMMISSION

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## 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, are 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 four annual adjustments to regulated water and sewerage services prices with the final adjustment in May 2022 for 2022-23.

Leading up to the next water and sewerage services price investigation, the Commission has reviewed 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 December 2021, the Commission completed a review of its model and methods for forecasting demand for water and sewerage services.

On 10 December 2021 the commission received an industry reference to determine a price direction for water and sewerage services for 2023-28. The commission released an issues paper on 1 March 2022, to solicit stakeholder responses on priorities and issues to be considered in the investigation. These responses have been published on our website. The final report of the investigation will be released in mid-2023.

#### **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.

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 as determined on 30 April 2021. On 6 June 2022, the Commission announced the minimum average decrease in retail electricity prices for 2022-23.

On 2 July 2021, the Commission released the ACT Retail Electricity (Transparency and Comparability) Code and final report, following extensive consultation with stakeholders. This industry code created a clear advice entitlement and established new regulatory obligations on electricity retailers 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.

The Code took effect from 1 October 2021, the same day as the ACT Government's reference price took effect. The Code included transitional arrangements for retailers to fully implement the better offer obligation; these arrangements are designed to reduce retailers' implementation costs.

On 31 March 2022, the AER released its Better Bills Guideline which overlaps with the ACT Retail Electricity Code regarding the better offer requirements. To reduce confusion and administrative costs the Commission decided to vary the ACT Electricity Code in June 2022 to remove the overlap. The Commission continues to engage with the AER to coordinate regulatory responsibilities and prevent duplication.

### **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.

The Commission monitors compliance of each licensed utility with its regulatory obligations through a Utility Licence Annual Report. Each utility is required to report on the exercise of its functions under the Utilities Act; and compliance with the conditions of its licence. Each July the Commission sends licensed utility an information request, from which the Commission assesses the material for compliance with the relevant obligations and conditions. The results of the assessment are set out in the Commission's monitoring report.

The 2021-22 report was released on 5 May 2022 and for the first time included reporting on payments made against the Guaranteed Service Levels in the Consumer Protection Code. This report also included a new section on the compliance of electricity retailers.

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 the ACT Retail Electricity (Transparency and Comparability) Code, which took effect from 1 October 2021. The code makes 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 2021-22, 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 2022-23, 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.

## 2022-23 Priorities and Next Three Financial Years

The Commission's strategic and operational priorities for 2022-23 include:

- undertaking a price investigation into regulated water and sewerage services for the regulatory period 2023-28 and, in consultation with Icon Water, the community and other stakeholders, determining prices that meet our objectives as set out in section 7 and 19L of the ICRC Act and section 3 of the Utilities Act;
- overseeing the annual adjustment, including for pass-through events, required by the price determination for retail electricity supplied to small customers on standard retail contracts from 1 July 2020;
- responding to any terms of reference issued by the ACT Government to undertake a pricing investigation for the determination of the price of retail electricity for small customers on standard retail contracts in the regulatory period from 1 July 2024;
- overseeing the regulatory regime established under the Utilities Act, including licensing, industry code development and updates and compliance monitoring;
- reporting on utility compliance and performance, benchmarking against the Guaranteed Service Levels defined in the Consumer Protection Code as well as electricity retailers' compliance with the Retail Electricity Code;
- recovering annual utility licence fees and administering the annual energy industry levy;
- responding to any new terms of reference received from the ACT Government for advice on industry-related matters; and
- responding to the Government's requirements for advice on competition policy matters and discharging the Commission's statutory role in competitive neutrality complaints handling.

The strategic and operational issues to be pursued in the following three financial years include:

- undertaking the annual adjustment to regulated water and sewerage service prices for the financial years 2024-25 and 2025-26 in accordance with the price direction;
- completing the necessary research and analysis in respect to tariff structures for sewerage services well in advance of the next price investigation into regulated water and sewerage service prices;
- overseeing any annual adjustments, including for pass-through events, required by a price determination for retail electricity supplied to small customers on standard retail contracts that is made in response to terms of reference issued by the Government for the regulatory period from 1 July 2024;
- responding to any terms of reference received from the ACT Government for advice on industry-related matters;



- overseeing the regulatory regime established under the Utilities Act, including licensing, amending existing licences to take account of any legislative changes, industry code development and updates, recovering annual utility licence fees, administering the energy levy, compliance monitoring, and reporting on utility compliance and performance; and
- responding to the Government’s requests for advice on competition policy matters and discharging the Commission’s statutory role in competitive neutrality complaints handling.

## Estimated Employment Level

**Table 1: Estimated Employment Level**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
<b>Staffing (FTE)</b>	9.5	10	9	10.5

## Key Performance Indicators for 2022-23 to 2025-2026

**Table 2: Key Performance Indicators for 2022-23, 2023-2024, and 2024-2025 to 2025-2026**

Item	Measure		
	2022-23	2023-2024	2024-2025 to 2025-2026
Water and sewerage services pricing	Price determination for regulatory period from 1 July 2023, in line with terms of reference from ACT Government.	Annual price adjustments, subject to making new price determination for regulatory period from 1 July 2023.	Annual price adjustments, subject to making new price determination for regulatory period from 1 July 2023.
Retail electricity pricing	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 2024.
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)	5 determinations.	4 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.	Annual reviews and approvals of precinct map update if required.

## Assessment of Performance Against 2021-22 Objectives

**Table 3: Comparison of Estimated Performance at 2021-22 and the Statement of Intent for 2021-22**

Item	Measure <sup>1</sup>	Estimated performance
Water and sewerage services pricing	Annual price adjustment. Completion of review of water demand forecasting model and methods.	Annual price adjustment. Completion of review of water demand forecasting model and methods.
Retail electricity pricing	Annual price adjustment. Guidelines for ACT Retail Electricity (Transparency and Comparability) Code.	Annual price adjustment. Guideline for ACT Retail Electricity(Transparency and Comparability) Code.
Advice on industry-related matters or competition policy issues	Subject to receipt of references.	No references received.
Utilities compliance and performance monitoring	1 report.	1 report.
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.
Utility levies (energy sector)	4 determinations.	4 determinations.
Industry code determinations	Determinations as required.	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.

**Notes(s):**

- In addition to the performance measures included in the Statement of Intent for 2021-22, the Commission completed a variation of ACT Retail Electricity Code.

## Changes to Appropriation

**Table 4: Changes to Appropriation – Controlled Recurrent Payments**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>749</b>	<b>597</b>	<b>517</b>	<b>628</b>	<b>628</b>
<b>2022-23 Budget Technical Adjustments</b>					
Revised Indexation Parameters	0	-8	-11	-9	10
Revised Superannuation Parameters	0	6	5	7	7
Revised Wage Parameters	0	3	3	3	3
<b>2022-23 Budget</b>	<b>749</b>	<b>598</b>	<b>514</b>	<b>629</b>	<b>648</b>

## 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 *Financial Management Act 1996* (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

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 6: Independent Competition and Regulatory Commission: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
749	Controlled Recurrent Payments	749	598	-20	514	629	648
641	Fees	654	405	-38	512	548	564
283	Sale of Goods and Services from Contracts with Customers	363	871	140	689	0	0
445	Grants and Contributions Revenue	445	448	1	452	456	456
15	Interest Revenue	15	15	-	15	15	15
<b>2,133</b>	<b>Total Income</b>	<b>2,226</b>	<b>2,337</b>	<b>5</b>	<b>2,182</b>	<b>1,648</b>	<b>1,683</b>
	<b>Expenses</b>						
1,547	Employee and Superannuation Expenses	1,553	1,650	6	1,690	1,729	1,751
441	Supplies and Services	516	553	7	359	360	371
<b>1,988</b>	<b>Total Expenses</b>	<b>2,069</b>	<b>2,203</b>	<b>6</b>	<b>2,049</b>	<b>2,089</b>	<b>2,122</b>
<b>145</b>	<b>Operating Result</b>	<b>157</b>	<b>134</b>	<b>-15</b>	<b>133</b>	<b>-441</b>	<b>-439</b>
<b>145</b>	<b>Total Comprehensive Result</b>	<b>157</b>	<b>134</b>	<b>-15</b>	<b>133</b>	<b>-441</b>	<b>-439</b>

**Table 7: Independent Competition and Regulatory Commission: Balance Sheet**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
1,853	Cash	1,822	1,952	7	2,081	1,636	1,193
181	Receivables	225	244	8	263	282	301
<b>2,034</b>	<b>Total Current Assets</b>	<b>2,047</b>	<b>2,196</b>	<b>7</b>	<b>2,344</b>	<b>1,918</b>	<b>1,494</b>
<b>2,034</b>	<b>TOTAL ASSETS</b>	<b>2,047</b>	<b>2,196</b>	<b>7</b>	<b>2,344</b>	<b>1,918</b>	<b>1,494</b>
	<b>Current Liabilities</b>						
98	Payables	98	99	1	100	101	102
409	Employee Benefits	407	416	2	425	434	443
<b>507</b>	<b>Total Current Liabilities</b>	<b>505</b>	<b>515</b>	<b>2</b>	<b>525</b>	<b>535</b>	<b>545</b>
	<b>Non-Current Liabilities</b>						
13	Employee Benefits	16	21	31	26	31	36
<b>13</b>	<b>Total Non-Current Liabilities</b>	<b>16</b>	<b>21</b>	<b>31</b>	<b>26</b>	<b>31</b>	<b>36</b>
<b>520</b>	<b>TOTAL LIABILITIES</b>	<b>521</b>	<b>536</b>	<b>3</b>	<b>551</b>	<b>566</b>	<b>581</b>
<b>1,514</b>	<b>NET ASSETS</b>	<b>1,526</b>	<b>1,660</b>	<b>9</b>	<b>1,793</b>	<b>1,352</b>	<b>913</b>
	<b>Equity</b>						
1,514	Accumulated Funds	1,526	1,660	9	1,793	1,352	913
<b>1,514</b>	<b>TOTAL EQUITY</b>	<b>1,526</b>	<b>1,660</b>	<b>9</b>	<b>1,793</b>	<b>1,352</b>	<b>913</b>

**Table 8: Independent Competition and Regulatory Commission: Statement of Changes in Equity**

<b>Budget at 30/6/22 \$'000</b>		<b>Estimated Outcome at 30/6/22 \$'000</b>	<b>Budget at 30/6/23 \$'000</b>	<b>Var %</b>	<b>Estimate at 30/6/24 \$'000</b>	<b>Estimate at 30/6/25 \$'000</b>	<b>Estimate at 30/6/26 \$'000</b>
	<b>Opening Equity</b>						
1,369	Opening Accumulated Funds	1,369	1,526	11	1,660	1,793	1,352
<b>1,369</b>	<b>Balance at the Start of the Reporting Period</b>	<b>1,369</b>	<b>1,526</b>	<b>11</b>	<b>1,660</b>	<b>1,793</b>	<b>1,352</b>
145	Operating Result	157	134	-15	133	-441	-439
<b>145</b>	<b>Total Comprehensive Result</b>	<b>157</b>	<b>134</b>	<b>-15</b>	<b>133</b>	<b>-441</b>	<b>-439</b>
	<b>Closing Equity</b>						
1,514	Closing Accumulated Funds	1,526	1,660	9	1,793	1,352	913
<b>1,514</b>	<b>Balance at the End of the Reporting Period</b>	<b>1,526</b>	<b>1,660</b>	<b>9</b>	<b>1,793</b>	<b>1,352</b>	<b>913</b>

**Table 9: Independent Competition and Regulatory Commission: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
749	Controlled Recurrent Payments	749	598	-20	514	629	648
641	Fees	660	405	-39	512	548	564
283	Sale of Goods and Services from Contracts with Customers	313	871	178	689	0	0
15	Interest Receipts	15	15	-	15	15	15
45	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	45	45	-	45	45	45
432	Other	432	436	1	440	444	444
<b>2,165</b>	<b>Total Receipts from Operating Activities</b>	<b>2,214</b>	<b>2,370</b>	<b>7</b>	<b>2,215</b>	<b>1,681</b>	<b>1,716</b>
<b>Payments</b>							
1,556	Employee and Superannuation	1,561	1,659	6	1,699	1,738	1,760
468	Supplies and Services	543	581	7	387	388	399
<b>2,024</b>	<b>Total Payments from Operating Activities</b>	<b>2,104</b>	<b>2,240</b>	<b>6</b>	<b>2,086</b>	<b>2,126</b>	<b>2,159</b>
<b>141</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>110</b>	<b>130</b>	<b>18</b>	<b>129</b>	<b>-445</b>	<b>-443</b>
<b>141</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>110</b>	<b>130</b>	<b>18</b>	<b>129</b>	<b>-445</b>	<b>-443</b>
<b>1,712</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>1,712</b>	<b>1,822</b>	<b>6</b>	<b>1,952</b>	<b>2,081</b>	<b>1,636</b>
<b>1,853</b>	<b>Cash at the End of the Reporting Period</b>	<b>1,822</b>	<b>1,952</b>	<b>7</b>	<b>2,081</b>	<b>1,636</b>	<b>1,193</b>

## Notes to the Controlled Budget Statements

Significant variations are as follows:

### ***Operating Statement***

- controlled recurrent payments: the decrease of \$0.151 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the completion of 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, licences, fees and fines: the decrease of \$0.249 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects reduced fees as the Commission completes a pricing investigation to determine the regulated prices of water and sewerage services in the regulatory period from 1 July 2023.
- sales of goods and services from contracts with customers: the increase of \$0.538 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the water and sewerage pricing investigation to be completed in 2022-23.

### ***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

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## 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.

## 2022-23 Priorities

The LTCS fund will be pursuing a number of strategic and operational matters in 2022-23, including:

- issuing/amending guidelines and determinations when required under the LTCS Act;
- implementing 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 investment return of CPI + 2.5 per cent per annum. <sup>1</sup>

**Note(s):**

1. This indicator measures the annual LTCS fund's portfolio investment return since inception. The objective is to achieve an investment return of CPI + 2.5 per cent per annum over the long-term.

## Output Classes (Territorial)

### EBT Class 1: Lifetime Care and Support Fund

**Table 1: EBT Class 1: Lifetime Care and Support Fund**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
<b>Total Cost <sup>1</sup></b>	29,906	31,267
<b>Payment for Expenses on Behalf of the Territory</b>	0	0

**Note(s):**

1. Total cost includes nil depreciation and amortisation in 2021-22 and 2022-23.

#### ***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 2022-23 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;
- implementing a framework for future funding requirements and levy setting;
- reviewing and updating the LTCS Guidelines;
- 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

## EBT Class 1: Lifetime Care and Support Fund

### EBT 1.1: Lifetime Care and Support Fund

Table 2: Accountability Indicators EBT 1.1

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
<b>Provision of LTCS Scheme in the ACT</b>			
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 2022-23 contribution period for motor vehicles was notified on the Legislation Register in May 2022 and for private workers' compensation insurers and self-insurers in June 2022.
- b. This indicator requires the LTCS Commission 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 2021-22 commenced in the second half of 2021-22 with the final report expected to be received in June 2022.

## Financial Statements – Territorial

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 3: Lifetime Care and Support Fund: Statement of Income and Expenses on Behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
2,227	Investment Revenue	1,418	3,418	141	4,116	4,901	5,755
57	Interest Revenue	87	106	22	68	77	87
18,973	Other Income	18,973	25,077	32	28,903	31,171	33,511
2,683	Net Gain/(Loss) on Investments	-2,800	2,449	187	2,949	3,512	4,123
<b>23,940</b>	<b>Total Income</b>	<b>17,678</b>	<b>31,050</b>	<b>76</b>	<b>36,036</b>	<b>39,661</b>	<b>43,476</b>
<b>Expenses</b>							
651	Supplies and Services	634	793	25	851	912	977
26,118	Other Expenses	29,272	30,474	4	32,957	35,598	38,400
<b>26,769</b>	<b>Total Expenses</b>	<b>29,906</b>	<b>31,267</b>	<b>5</b>	<b>33,808</b>	<b>36,510</b>	<b>39,377</b>
<b>-2,829</b>	<b>Operating Result</b>	<b>-12,228</b>	<b>-217</b>	<b>98</b>	<b>2,228</b>	<b>3,151</b>	<b>4,099</b>
<b>-2,829</b>	<b>Total Comprehensive Result</b>	<b>-12,228</b>	<b>-217</b>	<b>98</b>	<b>2,228</b>	<b>3,151</b>	<b>4,099</b>

**Table 4: Lifetime Care and Support Fund: Statement of Assets and Liabilities on Behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
6,849	Cash	6,912	7,638	11	8,795	10,012	11,418
1,785	Receivables	1,675	2,534	51	2,993	3,346	3,719
600	Other Assets	1,180	1,180	-	1,180	1,180	1,180
<b>9,234</b>	<b>Total Current Assets</b>	<b>9,767</b>	<b>11,352</b>	<b>16</b>	<b>12,968</b>	<b>14,538</b>	<b>16,317</b>
	<b>Non-Current Assets</b>						
110,627	Investments	103,723	124,665	20	149,505	176,829	206,498
<b>110,627</b>	<b>Total Non-Current Assets</b>	<b>103,723</b>	<b>124,665</b>	<b>20</b>	<b>149,505</b>	<b>176,829</b>	<b>206,498</b>
<b>119,861</b>	<b>TOTAL ASSETS</b>	<b>113,490</b>	<b>136,017</b>	<b>20</b>	<b>162,473</b>	<b>191,367</b>	<b>222,815</b>
	<b>Current Liabilities</b>						
1,822	Payables	1,872	2,066	10	2,336	2,625	2,929
7,386	Other Provisions	7,261	8,222	13	9,243	10,328	11,480
<b>9,208</b>	<b>Total Current Liabilities</b>	<b>9,133</b>	<b>10,288</b>	<b>13</b>	<b>11,579</b>	<b>12,953</b>	<b>14,409</b>
	<b>Non-Current Liabilities</b>						
147,088	Other Provisions	150,191	171,780	14	194,717	219,086	244,979
<b>147,088</b>	<b>Total Non-Current Liabilities</b>	<b>150,191</b>	<b>171,780</b>	<b>14</b>	<b>194,717</b>	<b>219,086</b>	<b>244,979</b>
<b>156,296</b>	<b>TOTAL LIABILITIES</b>	<b>159,324</b>	<b>182,068</b>	<b>14</b>	<b>206,296</b>	<b>232,039</b>	<b>259,388</b>
<b>-36,435</b>	<b>NET ASSETS</b>	<b>-45,834</b>	<b>-46,051</b>	<b>-</b>	<b>-43,823</b>	<b>-40,672</b>	<b>-36,573</b>
	<b>Equity</b>						
-36,435	Accumulated Funds	-45,834	-46,051	-	-43,823	-40,672	-36,573
<b>-36,435</b>	<b>TOTAL EQUITY</b>	<b>-45,834</b>	<b>-46,051</b>	<b>-</b>	<b>-43,823</b>	<b>-40,672</b>	<b>-36,573</b>

**Table 5: Lifetime Care and Support Fund: Statement of Changes in Equity on Behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
-33,606	Opening Accumulated Funds	-33,606	-45,834	-36	-46,051	-43,823	-40,672
<b>-33,606</b>	<b>Balance at the Start of the Reporting Period</b>	<b>-33,606</b>	<b>-45,834</b>	<b>-36</b>	<b>-46,051</b>	<b>-43,823</b>	<b>-40,672</b>
	<b>Comprehensive Income</b>						
-2,829	Operating Result	-12,228	-217	98	2,228	3,151	4,099
<b>-2,829</b>	<b>Total Comprehensive Result</b>	<b>-12,228</b>	<b>-217</b>	<b>98</b>	<b>2,228</b>	<b>3,151</b>	<b>4,099</b>
	<b>Closing Equity</b>						
-36,435	Closing Accumulated Funds	-45,834	-46,051	-	-43,823	-40,672	-36,573
<b>-36,435</b>	<b>Balance at the End of the Reporting Period</b>	<b>-45,834</b>	<b>-46,051</b>	<b>-</b>	<b>-43,823</b>	<b>-40,672</b>	<b>-36,573</b>

**Table 6: Lifetime Care and Support Fund: Cash Flow Statement on Behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Cash Flows From Operating Activities</b>							
<b>Receipts</b>							
3,801	Investment Receipts	3,165	3,009	-5	3,979	4,743	5,583
57	Interest Receipts	87	106	22	68	77	87
0	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	717	802	12	888	1,002	1,126
18,935	Other	18,935	24,634	30	28,608	31,006	33,341
<b>22,793</b>	<b>Total Receipts from Operating Activities</b>	<b>22,904</b>	<b>28,551</b>	<b>25</b>	<b>33,543</b>	<b>36,828</b>	<b>40,137</b>
<b>Payments</b>							
637	Supplies and Services	615	791	29	850	910	975
0	Goods and Services Tax Paid to Suppliers	780	809	4	914	1,032	1,157
6,714	Other	7,425	7,733	4	8,731	9,857	11,053
<b>7,351</b>	<b>Total Payments from Operating Activities</b>	<b>8,820</b>	<b>9,333</b>	<b>6</b>	<b>10,495</b>	<b>11,799</b>	<b>13,185</b>
<b>15,442</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>14,084</b>	<b>19,218</b>	<b>36</b>	<b>23,048</b>	<b>25,029</b>	<b>26,952</b>
<b>Cash Flows From Investing Activities</b>							
<b>Payments</b>							
14,642	Purchase of Investments	13,221	18,492	40	21,891	23,812	25,546
<b>14,642</b>	<b>Total Payments from Investing Activities</b>	<b>13,221</b>	<b>18,492</b>	<b>40</b>	<b>21,891</b>	<b>23,812</b>	<b>25,546</b>
<b>-14,642</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-13,221</b>	<b>-18,492</b>	<b>-40</b>	<b>-21,891</b>	<b>-23,812</b>	<b>-25,546</b>
<b>800</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>863</b>	<b>726</b>	<b>-16</b>	<b>1,157</b>	<b>1,217</b>	<b>1,406</b>
<b>6,049</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>6,049</b>	<b>6,912</b>	<b>14</b>	<b>7,638</b>	<b>8,795</b>	<b>10,012</b>
<b>6,849</b>	<b>Cash at the End of the Reporting Period</b>	<b>6,912</b>	<b>7,638</b>	<b>11</b>	<b>8,795</b>	<b>10,012</b>	<b>11,418</b>

## Notes to the Territorial Budget Statements

Significant variations are as follows:

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

- investment revenue: is associated with distributions from investments with the Territory Banking Account (TBA):
  - the decrease of \$0.809 million in the 2021-22 estimated outcome from the original budget is mainly due to lower distributions from investments with the TBA resulting from the weaker than expected performance of investments reflecting volatility in the markets during the financial year; and
  - the increase of \$2 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the lower distributions from investments with the TBA associated with the weak performance of investments during 2021-22, the investment performance is estimated at benchmark level for 2022-23.
- other income: is associated with the two LTCS levies - a levy relating to motor accident injuries and a levy relating to work injuries: the increase of \$6.104 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the increase in the levies as determined by the Acting LTCS Commissioner.

LTCS levies for 2022-23 were determined in the last quarter of 2021-22 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 2022-23 contribution period is \$60.40 (2021-22: \$45.70) 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 per cent of the full year LTCS levy. The LTCS levy relating to private sector work injuries for the 2022-23 contribution period is \$5.4 million (2021-22: \$4.6 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.

- net gain/(loss) on investments with the Territory Banking Account (TBA):
  - the decrease of \$5.483 million in the 2021-22 estimated outcome from the original budget is mainly due to the weak performance of investments reflecting volatility in the markets 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 increase of \$5.249 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the weak performance of investments during 2021-22. The 2022-23 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 2022-23 Budget includes unwinding of discount expenses (\$8.076 million) attributable to the change in liabilities as they become one year closer to payment.

- The increase of \$3.154 million in the 2021-22 estimated 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 2021-22 (associated with their injury severity and younger age); and.
- The increase of \$1.202 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to an increase in the estimated unwinding of discount expenses resulting from higher opening liabilities and an increase in the average cost per participant (based on updated economic assumptions), partially offset by the higher costs for the higher number of new participants that entered the Scheme in 2021-22.

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: the increase of \$0.726 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly associated with maintaining sufficient cash balance to allow payment of all current liabilities when they fall due.
- receivables: the increase of \$0.859 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly associated with the higher receivable for distribution on investments held with the TBA for the quarter ended 30 June 2023 compared to 30 June 2022 (the investment performance is estimated at benchmark level for 2022-23) and the higher levy relating to motor accident injuries receivable for the month of June 2023.
- other assests: the increase of \$0.580 million in the 2021-22 estimated outcome from the original budget is associated with the increase in reserve held by the New South Wales Lifetime Treatment and Care Authority (NSW LTCSA) due to the increase in the participants' treatment and care payments resulting from an increase in the number of participants in the LTCS Scheme. The reserve is held by the NSW LTCSA to fund the estimated ACT LTCS Scheme participants' treatment and care payments for the next quarter until reimbursement from the LTCS fund. This is under the arrangement for NSW LTCSA to administer the ACT LTCS Scheme that commenced during 2015-16.
- investments:
  - the decrease of \$6.904 million in the 2021-22 estimated outcome from the original budget is mainly due to the decrease in the market value of investments held with the TBA associated with the weak performance of investments during 2021-22; and
  - the increase of \$20.942 million in the 2022-23 Budget from the 2021-22 estimated 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.

- other provisions:
  - the increase of \$2.978 million in the 2021-22 estimated 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 2021-22 (associated with their injury severity and younger age); and
  - the increase of \$22.550 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the estimated lifetime costs of the estimated new participants entering the LTCS Scheme in 2022-23.

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

Variations in this Statement are explained in the notes above.

***Cash Flow Statement on Behalf of the Territory***

- Goods and Services Tax (GST): GST Input Tax Credits from the Australian Taxation Office and GST Paid to Suppliers were not budgeted in the 2021-22 Budget.

Other variations in this Statement are explained in the notes above.

# MOTOR ACCIDENT INJURIES COMMISSION – STATEMENT OF INTENT

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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 2022-23 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 2022-23 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 2022-23 Statement of Intent has been agreed between:



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**Andrew Barr MLA**

**Treasurer**



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**Chris Steel MLA**

**Special Minister of State**



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**Lisa Holmes**

**Acting Motor Accident  
Injuries Commissioner**

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# MOTOR ACCIDENT INJURIES COMMISSION

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## 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 provided by Care Inc, 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.treasury.act.gov.au/maic](http://www.treasury.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. Following a pilot process (which ended in April 2022), the DBIS is provided by Care Inc, a Canberra based community organisation.

The MAI Commission has developed a website ([www.treasury.act.gov.au/maic](http://www.treasury.act.gov.au/maic)) to provide information about the MAI Scheme. In March 2022 the website was refreshed to provide easier navigation and additional content. 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 insurers' full de novo MAI premiums to apply from 1 February 2022 on 30 November 2021, as well as a number of partial MAI premiums. The MAI Commission publishes the applicable MAI premiums for all vehicle classes on the MAI Commission's website see [www.treasury.act.gov.au/maic](http://www.treasury.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 provides targeted 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. Data is now able to be collected from lawyers who provide certain types of legal services in relation to the MAI Scheme, through a lawyer portal link that is available on the MAI Commission's website.

The MAI Commission continues the publishing of key MAI Scheme statistics quarterly (from the quarter ended 30 June 2020) on its website – see the Scheme Knowledge Centre at [www.treasury.act.gov.au/maic](http://www.treasury.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 accident insurance policy during 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.

## 2022-23 Priorities and Next Three Financial Years

Priorities in 2022-23 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;
- contributing to targeted road safety initiatives that assist in reducing motor accidents and personal injuries, and mitigating their impact; and
- undertaking the three-yearly review of the operation of the MAI Act with the terms of reference to be issued in 2022-23 and the report to be issued in 2023-24.

## 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 2022-23 to 2025-26

**Table 1: Key performance indicators**

	2021-22 Estimated Outcome	Planned			
		2022-23	2023-24	2024-25	2025-26
a. MAI Premiums are approved in accordance with the MAI Act <sup>1</sup>	All MAI premium filings submitted to the MAI Commissioner expected to be reviewed and approved in accordance with the MAI Act	N/A	N/A	N/A	N/A
b. The scheme is fully funded <sup>2</sup>	All premium filings received by the MAI Commission were reviewed by the scheme actuary	N/A	N/A	N/A	N/A
c. MAI Premium filings are reviewed by the Scheme actuary and are approved in accordance with the MAI Act, including fully funding the scheme <sup>1,2</sup>	N/A	Actuarial review of annual MAI premium filings by 30/6/2023	Actuarial review of annual MAI premium filings by 30/6/2024	Actuarial review of annual MAI premium filings by 30/6/2025	Actuarial review of annual MAI premium filings by 30/6/2026
d. Insurer MAI premiums for all vehicle classes are published on the MAI Commission's website <sup>3</sup>	N/A	Insurer MAI premiums for all vehicle classes published on the MAI Commission's website six weeks before the effective date	Insurer MAI premiums for all vehicle classes published on the MAI Commission's website six weeks before the effective date	Insurer MAI premiums for all vehicle classes published on the MAI Commission's website six weeks before the effective date	Insurer MAI premiums for all vehicle classes published on the MAI Commission's website six weeks before the effective date
e. Promote public awareness of the new MAI Scheme <sup>4</sup>	Continues to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme

	2021-22 Estimated Outcome	Planned			
		2022-23	2023-24	2024-25	2025-26
f. Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents <sup>5</sup>	The MAI Commission contributed \$100,000 towards road safety strategies in 2021-22	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents
g. Reporting on the scheme's statistics <sup>6</sup>	All reports were published on MAI Commission website within target timeframes	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
h. Queries handling within 10 working days of receipt of the query <sup>7</sup>	85% compliance	85% compliance	85% compliance	85% compliance	85% compliance
i. Complaints handling within 25 working days of receipt of the complaint <sup>8</sup>	85% compliance	85% compliance	85% compliance	85% compliance	85% compliance
j. Three-yearly review of the operation of the MAI Act in accordance with legislative timeframes (s493)	N/A	Terms of Reference issued	Report issued	N/A	N/A

**Note(s):**

1. 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 are 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 is conducted in respect of each premium filing to ensure each met the fully funded test, that is, the premium meets the present and likely future liabilities of the insurer under the MAI Scheme. Consistent with the streamlining arrangements, the MAI Commissioner approves partial premium filings if the change in premiums are within the permitted actuarially set bands, and are equal to or above the agreed minimum amount.
3. The MAI Commission publishes the applicable MAI premiums for all vehicle classes on the MAI Commission's website at [www.treasury.act.gov.au/maic](http://www.treasury.act.gov.au/maic) six weeks before the effective date.
4. The MAI Commission continues to undertake social media campaigns to promote and raise the profile of the Scheme.

5. The MAI Commission contributes a minimum of \$50,000 towards road safety strategies 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).
6. 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. Reports are 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.treasury.act.gov.au/maic](http://www.treasury.act.gov.au/maic).
7. 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.
8. 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.

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 2021-22 Objectives

The MAI Commission's performance against its objectives and targets from 1 July 2021 to 30 June 2022 included in its 2021-22 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 that were assessed and approved in accordance with the Act, were received from:

- AAMI partial filing (received June 2021) and approved in June 2021, for MAI premiums commencing 1 September 2021;
- AAMI, APIA and GIO full de novo filings (received November 2021) and approved in November 2021 for MAI premiums commencing 1 February 2022;
- NRMA full de novo filing (received November 2021) and approved in November 2021 for MAI premiums commencing 1 February 2022;
- GIO partial filing (received December 2021) and approved in January 2022 for MAI premiums commencing 28 March 2022; and
- NRMA partial filing (received March 2022) and approved in April 2022 for MAI premiums commencing 8 June 2022.

- ***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 and not excessive test.

- ***Promote public awareness of the new MAI Scheme***

The communication campaign pivoted to using social media and associated tools to promote awareness of the scheme. It is intended to continue with this style of communication.

- ***Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents***

The MAI Commission contributed \$100,000 in 2021-22 towards road safety strategies associated with campaign to support and promote the prevention of motor accidents and the safe use of motor vehicles. The aim is to reduce the number and/or severity of injuries arising from motor accidents (consistent with the relevant MAI Commission's objective under the MAI Act). The 2021-22 contribution particularly related to Mobile Device Detection Cameras in the ACT. The media campaign is designed to increase driver awareness and educate the community of the dangers of using a mobile device while driving, create awareness on the use of the cameras in the Territory and the penalties that apply for illegal mobile device use while driving.

- ***Reporting on the Scheme's statistics***

Report for each quarter during 2021-22 was published on the MAI Commission website within target timeframes.

- ***Queries handling within ten working days of receipt of the query***

All queries received by the MAI Commission for the year to date to 31 May 2022 were responded to within ten working days of receipt.

- ***Complaints handling within 25 working days of receipt of the complaint***

The MAI Commission did not receive any complaints in the year to date to 31 May 2022. The compliance indicator that 85 per cent of complaints be responded to within 25 working days is expected to be met.

## **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 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 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.

## Budgeted Financial Statements

The budgeted financial statements for the 2022-23 Budget year, as well as forward estimates for the three financial years commencing 2023-24 appear below. These general purpose financial statements include:

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

## Financial Statements

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 2: Motor Accident Injuries Commission: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
5,033	Taxes, Licences, Fees and Fines	5,033	5,213	4	5,281	5,352	5,424
32	Interest	68	101	49	65	70	71
<b>5,065</b>	<b>Total Income</b>	<b>5,101</b>	<b>5,314</b>	<b>4</b>	<b>5,346</b>	<b>5,422</b>	<b>5,495</b>
<b>Expenses</b>							
3,196	Supplies and Services	1,693	3,410	101	3,406	3,649	4,095
588	Depreciation and Amortisation	588	588	-	588	482	74
1,281	Transfer Expenses	1,281	1,316	3	1,352	1,291	1,326
<b>5,065</b>	<b>Total Expenses</b>	<b>3,562</b>	<b>5,314</b>	<b>49</b>	<b>5,346</b>	<b>5,422</b>	<b>5,495</b>
<b>0</b>	<b>Operating Result</b>	<b>1,539</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>Total Comprehensive Result</b>	<b>1,539</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 3: Motor Accident Injuries Commission: Balance Sheet**

<b>Budget at 30/6/22 \$'000</b>		<b>Estimated Outcome at 30/6/22 \$'000</b>	<b>Budget at 30/6/23 \$'000</b>	<b>Var %</b>	<b>Estimate at 30/6/24 \$'000</b>	<b>Estimate at 30/6/25 \$'000</b>	<b>Estimate at 30/6/26 \$'000</b>
	<b>Current Assets</b>						
3,826	Cash	5,364	5,939	11	6,528	7,011	7,086
489	Receivables	490	504	3	505	505	505
<b>4,315</b>	<b>Total Current Assets</b>	<b>5,854</b>	<b>6,443</b>	<b>10</b>	<b>7,033</b>	<b>7,516</b>	<b>7,591</b>
	<b>Non-Current Assets</b>						
1,732	Intangible Assets	1,732	1,144	-34	556	74	0
<b>1,732</b>	<b>Total Non-Current Assets</b>	<b>1,732</b>	<b>1,144</b>	<b>-34</b>	<b>556</b>	<b>74</b>	<b>0</b>
<b>6,047</b>	<b>TOTAL ASSETS</b>	<b>7,586</b>	<b>7,587</b>	<b>-</b>	<b>7,589</b>	<b>7,590</b>	<b>7,591</b>
	<b>Current Liabilities</b>						
151	Payables	151	152	1	154	155	156
<b>151</b>	<b>Total Current Liabilities</b>	<b>151</b>	<b>152</b>	<b>1</b>	<b>154</b>	<b>155</b>	<b>156</b>
<b>151</b>	<b>TOTAL LIABILITIES</b>	<b>151</b>	<b>152</b>	<b>1</b>	<b>154</b>	<b>155</b>	<b>156</b>
<b>5,896</b>	<b>NET ASSETS</b>	<b>7,435</b>	<b>7,435</b>	<b>-</b>	<b>7,435</b>	<b>7,435</b>	<b>7,435</b>
	<b>Equity</b>						
5,896	Accumulated Funds	7,435	7,435	-	7,435	7,435	7,435
<b>5,896</b>	<b>TOTAL EQUITY</b>	<b>7,435</b>	<b>7,435</b>	<b>-</b>	<b>7,435</b>	<b>7,435</b>	<b>7,435</b>

**Table 4: Motor Accident Injuries Commission: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
5,896	Opening Accumulated Funds	5,896	7,435	26	7,435	7,435	7,435
<b>5,896</b>	<b>Balance at the Start of the Reporting Period</b>	<b>5,896</b>	<b>7,435</b>	<b>26</b>	<b>7,435</b>	<b>7,435</b>	<b>7,435</b>
	<b>Comprehensive Income</b>						
0	Operating Result	1,539	0	-100	0	0	0
<b>0</b>	<b>Total Comprehensive Result</b>	<b>1,539</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Closing Equity</b>						
5,896	Closing Accumulated Funds	7,435	7,435	-	7,435	7,435	7,435
<b>5,896</b>	<b>Balance at the End of the Reporting Period</b>	<b>7,435</b>	<b>7,435</b>	<b>-</b>	<b>7,435</b>	<b>7,435</b>	<b>7,435</b>



**Table 5: Motor Accident Injuries Commission: Cash Flow Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Cash Flows From Operating Activities</b>							
<b>Receipts</b>							
5,033	Taxes, Licences, Fees and Fines	5,033	5,213	4	5,281	5,352	5,424
32	Interest Receipts	68	101	49	65	70	71
0	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	54	99	83	115	115	118
<b>5,065</b>	<b>Total Receipts from Operating Activities</b>	<b>5,155</b>	<b>5,413</b>	<b>5</b>	<b>5,461</b>	<b>5,537</b>	<b>5,613</b>
<b>Payments</b>							
3,141	Supplies and Services	1,638	3,409	108	3,404	3,648	4,094
1,281	Transfer Expenses	1,281	1,316	3	1,352	1,291	1,326
0	Goods and Services Tax Paid to Suppliers	55	113	105	116	115	118
<b>4,422</b>	<b>Total Payments from Operating Activities</b>	<b>2,974</b>	<b>4,838</b>	<b>63</b>	<b>4,872</b>	<b>5,054</b>	<b>5,538</b>
<b>643</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>2,181</b>	<b>575</b>	<b>-74</b>	<b>589</b>	<b>483</b>	<b>75</b>
<b>643</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>2,181</b>	<b>575</b>	<b>-74</b>	<b>589</b>	<b>483</b>	<b>75</b>
<b>3,183</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>3,183</b>	<b>5,364</b>	<b>69</b>	<b>5,939</b>	<b>6,528</b>	<b>7,011</b>
<b>3,826</b>	<b>Cash at the End of the Reporting Period</b>	<b>5,364</b>	<b>5,939</b>	<b>11</b>	<b>6,528</b>	<b>7,011</b>	<b>7,086</b>

## Notes to the Controlled Budget Statements

Significant variations are as follows:

### ***Operating Statement***

- supplies and services:
  - the decrease of \$1.503 million in the 2021-22 estimated 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 due to staff vacancies; lower consultant and contractors costs with these services continuing to be refined; and the timing of road safety initiatives; and
  - the increase of \$1.717 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the lower expenses in 2021-22 explained above.

### ***Balance Sheet Statement***

- cash:
  - the increase of \$1.538 million in the 2021-22 estimated outcome from the original budget is mainly due to lower than anticipated expense payments; and
  - the increase of \$0.575 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly associated with the estimated levy collections in 2022-23 including an amount to assist with the funding of future ICT requirements.

### ***Statement of Changes in Equity***

Variations in this Statement are explained in the notes above.

### ***Cash Flow Statement***

- Goods and Services Tax (GST): GST Input Tax Credits from the Australian Taxation Office and GST Paid to Suppliers were not budgeted in the 2021-22 Budget.

Other variations in this Statement are explained in the notes above.

# OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER – STATEMENT OF INTENT

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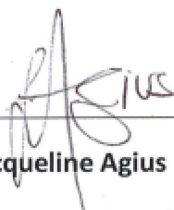
The Office of the Work Health and Safety Commissioner (WorkSafe ACT) is a Territory Authority established under the *Work Health and Safety Act 2011*.

The Statement of Intent for 2022-23 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 2022-23 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's 2022-23 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

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## 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.

The ACT Government introduced the Labour Hire Licensing (LHL) Act in May 2020 to encourage responsible practices in the ACT labour hire industry. The WHS Commissioner is also the Labour Hire Licensing Commissioner. 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.

This Statement outlines the strategic priorities, objectives and indicators for the 2022-23 financial year and next three financial years and reports against the accountability indicators for the 2021-22 financial year.

## Nature and Scope of Activities

Identifying areas of focus to prevent or minimise harm is key to the success of WorkSafe ACT's operations. In addition to the priority areas set out at the national level, WorkSafe ACT draws from workers' compensation and inspection data and business intelligence to develop operational objectives appropriate to the local regulatory context. Priority compliance areas are identified following consideration of multiple factors and may include targeted consultation with key industry or representative stakeholders. In line with this approach, in 2021-22, WorkSafe ACT released six Strategies:

- managing work-related psychosocial hazards, including plans for managing work-related sexual harassment and work-related violence and aggression;
- young workers;
- preventing occupational lung diseases;
- preventing musculoskeletal disorders;
- commercial construction; and
- residential construction (relaunch).

Each Strategy focuses on key Territory industries, occupations and workgroups requiring priority attention based on intelligence and data. To ensure effective implementation, the strategies are supported by communication, engagement, compliance and enforcement, and capability development activities. An important element of each strategy is the annual evaluation to ensure the objectives are being met and continued alignment with WorkSafe ACT's *Strategic Plan 2020-24*.

WorkSafe ACT plays a critical compliance and enforcement role with responsibility across a range of WHS and associated legislative frameworks. Through scheduled proactive campaigns and responding to incidents and complaints, Inspectors work across all industries, occupations and suburbs to enforce statutory obligations. Duty holders, workers and the ACT community can expect a firm regulatory posture with sanctions and penalties applied as general practice. WorkSafe ACT Inspectors have limited flexibility in responding to breaches and the agency progresses investigations to prosecution through referral to the Office of the Director of Public Prosecutions.

WorkSafe ACT also plays a significant licensing role for labour hire, workers' compensation insurers and self-insurers and dangerous goods, and actively engages with stakeholders and the community to promote the importance of work health and safety, worker wellbeing and workers' compensation and return to work.

## Quality Assurance

WorkSafe ACT ensures all Inspectors consistently apply powers and sanctions through the *Compliance and Enforcement Policy*, standard operating procedures and operational policies. Quality assurance and training is a continual improvement process that uses the principles of MERI (monitoring, evaluation, reporting and improvement) to ensure work is conducted within a quality management system. This process is applied to key elements of governance mechanisms, systems and capability and training elements.

Within WorkSafe ACT the delegation of powers and standard procedures are distributed to ensure that review, decision making, and release of regulatory sanctions is escalated through a hierarchy, and quality is addressed and improved at each step.

## Risks

In relation to the delivery of WorkSafe ACT's objectives, the following risks have been identified and mitigation measures applied.

- **Inadequate internal change management:** mitigated through appropriate and effective planning and consultation including with worker representatives.
- **Poor stakeholder management leading to lack of engagement from influential workplace parties including industry, government and unions:** mitigated through systematic and planned stakeholder engagement and horizon scanning to identify stakeholders with a potential or perceived need.
- **Lack of appropriate governance:** mitigated through the implementation of a strong *Governance Framework*, an Audit & Risk Committee, 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 continuous improvement of capability.

- **Identified capacity gaps are not managed:** mitigated through the astute analysis and use of data to develop strategies to target the most at risk workers and industries and to address priority diseases, conditions, hazards and risks.
- **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 to inform compliance programs and reporting and the development and implementation of a *Data Governance and Management Strategy*.
- **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.

## 2022-23 Priorities and Next Three Financial Years

### 2022-23 Priorities

WorkSafe ACT has six priority Strategies that it will progress and evaluate in 2022-23:

- managing work-related psychosocial hazards, including plans for managing work-related sexual harassment and work-related violence and aggression;
- young workers;
- preventing occupational lung diseases;
- preventing musculoskeletal disorders;
- commercial construction; and
- residential construction.

In addition to these Strategies, WorkSafe ACT will focus on increasing compliance and enforcement of Labour hire providers and users and employers meeting their workers' compensation obligations.

During 2022-23, Safe Work Australia will release a new Australian Work Health and Strategy and an updated National Compliance and Enforcement Policy. Consequently, WorkSafe ACT will undertake reviews of its *2020-2024 Strategic Plan* and *2020-2024 Compliance and Enforcement Policy* to ensure WorkSafe ACT's foundation documents remain contemporary and reflect national priorities and targets.

In addition, in accordance with the *Work Health and Safety Act 2011*, the WHS Commissioner is required to provide a Statement of Operational Intent in response to the Minister's Statement of Expectations. The Statement of Expectations for 2022-23 will set out priority activities and initiatives which the Minister expects WorkSafe ACT to action.

## Next Three Financial Years

WorkSafe ACT's vision focusses on ensuring the health, safety and wellbeing of all workers in all workplaces, regardless of their status or employment arrangements.

Over the 2020-2024 period, WorkSafe ACT has four high-level strategies that will underpin its activities and assist in achieving outcomes. These are:

- 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.

The activities 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**

	2020-21 Actual Outcome	2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget
Staffing (FTE)	53	62	65	73

**Table 2: 2022-23 Employment Profile**

Classification	Male <sup>1</sup>	Female <sup>1</sup>	Total <sup>1</sup>
Executive	0	2	2
SOGA	1	2	3
SOGB	3	2	5
SOGC	7.7	4.7	12.4
WCO6	17	10	27
WCO5	2	6	8
ASO6	4	4	8
ASO5	2	3.6	5.6
ASO4	0	1	1
ASO3	1	0	1
<b>Total</b>	<b>37.7</b>	<b>35.3</b>	<b>73</b>

**Note(s):**

1. Figures in the table are the number of Full Time Equivalent (FTE) staff.



## Strategic Objectives and Indicators

WorkSafe ACTs performance is measured through its Accountability Indicators. Performance against these indicators is publicly reported within the WorkSafe ACT Annual Report.

With the development of the new Australian WHS Strategy underway, WorkSafe ACT will examine and apply any measures relevant for the Territory.

The performance of the ACT is also 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**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	12,488	14,209
Controlled Recurrent Payments	9,427	11,294

#### ***Output 1.1: Regulatory Compliance and Enforcement***

The aim of WorkSafe ACT's 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 regulatory approach and decision making process is detailed in its *Compliance and Enforcement Policy 2020-2024*. Integral to WorkSafe ACT's approach is the recognition that:

- duty holders in control of work or premises that pose risks to health and safety are in the best position to eliminate or minimise these risks; and
- real and sustainable improvement in managing risks to health and safety is achieved through the active involvement of all duty holders and workers in the processes of hazard identification, risk assessment and management and the review of control measures.

WorkSafe ACT's regulatory approach and decision making process for Labour Hire Licensing is detailed in its *Labour Hire Licensing Compliance and Enforcement Policy*, endorsed by the Labour Hire Licensing Advisory Committee.

A priority for WorkSafe ACT for 2022-2023 will be the development of a *Compliance and Enforcement Policy for Workers' Compensation* to ensure its regulatory approach and decision making process is made clear to regulated entities.

# Accountability Indicators

## Output Class 1: WorkSafe ACT

### Output 1.1: Regulatory Compliance and Enforcement

**Table 4: Accountability Indicators Output 1.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Number of 2018 independent review recommendations implemented	25 out of 27	25 out of 27	27 out of 27
b. WHS compliance activities in line with Compliance and Enforcement Policy: education and improvement, prevention, enforcement	Ratio: 65:25:10	Ratio: 83:14:3	Ratio: 65:25:10
c. Compliance rate during workers' compensation inspections	90%	95%	90%
d. Compliance rate during inspections of labour hire providers and hosts are appropriately licensed and compliant with the licence conditions	90%	94%	90%
e. Investigations commenced within 14 days of notification of incident	100%	100%	100%
f. Major investigations completed within 12 months of commencing investigation, with the exception of fatalities	60%	70%	60%
g. All EU sanctioned entities meet EU obligations for the financial year or are referred to the DPP for prosecution	100%	100%	100%
h. Media engagement to improve awareness	100%	100%	100%

**Note(s):**

- a. 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 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.
- b. 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.
- c. Rates of compliance are assessed against a predetermined set of criteria relating to the responsibility to hold a workers' compensation insurance policy.
- d. 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 licenced providers.
- e. 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.
- f. 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.
- g. 2021-22 this indicator was: all EU sanctioned entities meet EU obligations for the financial year. This accountability indicator concerns ongoing enforceable undertakings (EUs) in a financial year. WorkSafe ACT monitors compliance of EU-sanctioned entities with their EU obligations. WorkSafe ACT is responsible for monitoring compliance of EU-sanctioned entities with their EU obligations. If an entity fails to meet its obligations, WorkSafe refers the entity to the Director of Public Prosecutions. One EU sanctioned has failed to meet its obligations this financial year and has been referred to the DPP.
- h. This accountability indicator measures coverage because of media releases.

## Changes to Appropriation

**Table 5: Changes to Appropriation – Controlled Recurrent Payments**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>9,427</b>	<b>10,559</b>	<b>11,639</b>	<b>11,745</b>	<b>11,719</b>
<b>2022-23 Budget Policy Decisions</b>					
Continued support for the Labour Hire Licensing scheme	0	777	787	796	806
Investing in public services – A new funding model for injury management	0	-3	-3	-3	-3
<b>2022-23 Budget Technical Adjustments</b>					
Rationalising Rent Payment	0	-96	0	0	0
Revised Indexation Parameters	0	0	12	18	144
Revised Wage Parameters	0	57	62	63	64
<b>2022-23 Budget</b>	<b>9,427</b>	<b>11,294</b>	<b>12,497</b>	<b>12,619</b>	<b>12,730</b>

**Table 6: Changes to Appropriation – Capital Injections**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022-23 Budget Technical Adjustments</b>					
Revised Funding Profile – Improve Operational Efficiency and Effectiveness	-158	158	0	0	0
<b>2022-23 Budget</b>	<b>192</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Monitoring and Reporting

WorkSafe ACT shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The WorkSafe ACT 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 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 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; and
- 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.

## Budgeted Financial Statements

Budgeted financial statements for the 2022-23 Budget year, as well as forward estimates for the three financial years commencing 2023-24 appear below. These general purpose financial statements 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 including variations from the 2021-22 Budget to the 2021-22 estimated outcome and variances from the 2021-22 estimated outcome to the 2022-23 Budget that are in excess of \$0.5 million and 10 per cent.

## Financial Statements

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 7: Office of the Work Health and Safety Commissioner: Operating Statement**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
	<b>Income</b>						
9,427	Controlled Recurrent Payments	9,427	11,294	20	12,497	12,619	12,730
1,812	Licences, Fees and Fines	2,529	2,700	7	2,807	2,855	2,899
261	Sale of Goods and Services from Contracts with Customers	197	25	-87	0	0	0
131	Grants and Contributions Revenue	254	261	3	266	270	274
<b>11,631</b>	<b>Total Income</b>	<b>12,407</b>	<b>14,280</b>	<b>15</b>	<b>15,570</b>	<b>15,744</b>	<b>15,903</b>
	<b>Expenses</b>						
7,785	Employee and Superannuation Expenses	7,714	9,259	20	9,919	10,042	10,171
2,077	Supplies and Services	2,212	2,320	5	2,911	2,943	2,979
166	Depreciation and Amortisation	166	144	-13	211	179	179
0	Borrowing Costs	0	2	#	2	2	2
1,672	Transfer Expenses	2,396	2,484	4	2,644	2,665	2,665
<b>11,700</b>	<b>Total Expenses</b>	<b>12,488</b>	<b>14,209</b>	<b>14</b>	<b>15,687</b>	<b>15,831</b>	<b>15,996</b>
<b>-69</b>	<b>Operating Result</b>	<b>-81</b>	<b>71</b>	<b>188</b>	<b>-117</b>	<b>-87</b>	<b>-93</b>
<b>-69</b>	<b>Total Comprehensive Result</b>	<b>-81</b>	<b>71</b>	<b>188</b>	<b>-117</b>	<b>-87</b>	<b>-93</b>

**Table 8: Office of the Work Health and Safety Commissioner: Balance Sheet**

<b>Budget at 30/6/22 \$'000</b>	<b>Estimated Outcome at 30/6/22 \$'000</b>	<b>Budget at 30/6/23 \$'000</b>	<b>Var %</b>	<b>Estimate at 30/6/24 \$'000</b>	<b>Estimate at 30/6/25 \$'000</b>	<b>Estimate at 30/6/26 \$'000</b>
<b>Current Assets</b>						
377 Cash	377	510	35	642	773	904
587 Receivables	575	674	17	708	743	778
<b>964 Total Current Assets</b>	<b>952</b>	<b>1,184</b>	<b>24</b>	<b>1,350</b>	<b>1,516</b>	<b>1,682</b>
<b>Non-Current Assets</b>						
118 Plant and Equipment	118	279	136	250	221	192
723 Intangible Assets	565	605	7	423	273	123
<b>841 Total Non-Current Assets</b>	<b>683</b>	<b>884</b>	<b>29</b>	<b>673</b>	<b>494</b>	<b>315</b>
<b>1,805 TOTAL ASSETS</b>	<b>1,635</b>	<b>2,068</b>	<b>26</b>	<b>2,023</b>	<b>2,010</b>	<b>1,997</b>
<b>Current Liabilities</b>						
293 Payables	293	293	-	293	293	293
72 Lease Liabilities	72	172	139	162	152	142
1,807 Employee Benefits	1,809	1,899	5	1,991	2,085	2,185
<b>2,172 Total Current Liabilities</b>	<b>2,174</b>	<b>2,364</b>	<b>9</b>	<b>2,446</b>	<b>2,530</b>	<b>2,620</b>
<b>Non-Current Liabilities</b>						
122 Lease Liabilities	122	135	11	125	115	105
140 Employee Benefits	138	139	1	139	139	139
<b>262 Total Non-Current Liabilities</b>	<b>260</b>	<b>274</b>	<b>5</b>	<b>264</b>	<b>254</b>	<b>244</b>
<b>2,434 TOTAL LIABILITIES</b>	<b>2,434</b>	<b>2,638</b>	<b>8</b>	<b>2,710</b>	<b>2,784</b>	<b>2,864</b>
<b>-629 NET ASSETS</b>	<b>-799</b>	<b>-570</b>	<b>29</b>	<b>-687</b>	<b>-774</b>	<b>-867</b>
<b>Equity</b>						
-629 Accumulated Funds	-799	-570	29	-687	-774	-867
<b>-629 TOTAL EQUITY</b>	<b>-799</b>	<b>-570</b>	<b>29</b>	<b>-687</b>	<b>-774</b>	<b>-867</b>

**Table 9: Office of the Work Health and Safety Commissioner: Statement of Changes in Equity**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
-910	Opening Accumulated Funds	-910	-799	12	-570	-687	-774
<b>-910</b>	<b>Balance at the Start of the Reporting Period</b>	<b>-910</b>	<b>-799</b>	<b>12</b>	<b>-570</b>	<b>-687</b>	<b>-774</b>
	<b>Comprehensive Income</b>						
-69	Operating Result	-81	71	188	-117	-87	-93
<b>-69</b>	<b>Total Comprehensive Result</b>	<b>-81</b>	<b>71</b>	<b>188</b>	<b>-117</b>	<b>-87</b>	<b>-93</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
350	Capital Injections	192	158	-18	0	0	0
<b>350</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>192</b>	<b>158</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Closing Equity</b>						
-629	Closing Accumulated Funds	-799	-570	29	-687	-774	-867
<b>-629</b>	<b>Balance at the End of the Reporting Period</b>	<b>-799</b>	<b>-570</b>	<b>29</b>	<b>-687</b>	<b>-774</b>	<b>-867</b>

**Table 10: Office of the Work Health and Safety Commissioner: Cash Flow Statement**

2021-22 Budget	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
9,427	9,427	11,294	20	12,497	12,619	12,730
Controlled Recurrent Payments						
1,662	2,379	2,751	16	2,807	2,855	2,899
Licences, Fees and Fines						
261	197	25	-87	0	0	0
Sale of Goods and Services from Contracts with Customers						
155	155	158	2	161	164	164
Goods and Services Tax Input Tax Credits from the Australian Taxation Office						
<b>11,505</b>	<b>12,158</b>	<b>14,228</b>	<b>17</b>	<b>15,465</b>	<b>15,638</b>	<b>15,793</b>
<b>Total Receipts from Operating Activities</b>						
<b>Payments</b>						
7,733	7,715	9,171	19	9,831	9,951	10,074
Employee and Superannuation						
3,182	2,934	2,229	-24	2,643	2,672	2,704
Supplies and Services						
1,672	2,591	2,484	-4	2,644	2,665	2,665
Transfer of Territory Receipts to the ACT Government						
207	207	211	2	215	219	219
Goods and Services Tax Paid to Suppliers						
<b>12,794</b>	<b>13,447</b>	<b>14,095</b>	<b>5</b>	<b>15,333</b>	<b>15,507</b>	<b>15,662</b>
<b>Total Payments from Operating Activities</b>						
<b>-1,289</b>	<b>-1,289</b>	<b>133</b>	<b>110</b>	<b>132</b>	<b>131</b>	<b>131</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>						
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
350	192	158	-18	0	0	0
Purchase of Plant and Equipment						
<b>350</b>	<b>192</b>	<b>158</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Payments from Investing Activities</b>						
<b>-350</b>	<b>-192</b>	<b>-158</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>						
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
350	192	158	-18	0	0	0
Capital Injections						
<b>350</b>	<b>192</b>	<b>158</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Receipts from Financing Activities</b>						
<b>350</b>	<b>192</b>	<b>158</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash Inflows from Financing Activities</b>						



2021-22 Budget	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
-1,289	-1,289	133	110	132	131	131
Net Increase/(Decrease) in Cash						
1,666	1,666	377	-77	510	642	773
Cash at the Beginning of the Reporting Period						
377	377	510	35	642	773	904
Cash at the End of the Reporting Period						

## Notes to the Territorial Budget Statements

Significant variations are as follows:

### **Operating Statement**

- **Controlled Recurrent Payments:** the increase of \$1.867 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to a new initiative to support increases in licensing, compliance and enforcement activities of Labour Hire Licensing scheme, and an incremental funding increase from the 2021-22 initiative to improve operational efficiency and effectiveness of WorkSafe ACT.
- **Licences, Fees and Fines:** the increase of \$0.717 million in 2021-22 estimated outcome from the 2021-22 Budget reflects higher than estimated applications received for Labour Hire Licences.
- **Employee and Superannuation Expenses:** the increase of \$1.545 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to a new initiative to support increases in licensing, compliance and enforcement activities of Labour Hire Licensing scheme and an incremental funding increase from the 2021-22 initiative to improve operational efficiency and effectiveness of WorkSafe ACT.
- **Transfer Expenses:** the increase of \$0.724 million in the 2021-22 estimated outcome from the 2021-22 Budget relates to higher than anticipated revenue collected from Labour Hire Licence applications.

### **Balance Sheet**

No significant variations in the Balance Sheet.

### **Statement of Change in Equity and Cash Flow Statement**

Variations in these Statements are explained in the notes above.

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# PUBLIC SECTOR WORKERS COMPENSATION FUND

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## Purpose

### The Organisation

The Public Sector Workers Compensation Fund (PSWC Fund) is established by 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 workers' compensation self-insurance arrangements for public sector employees, which are delivered under a licence issued by the Safety Rehabilitation and Compensation Commission in accordance with 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 integral to 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; and
- 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, including from premium contributions apportioned by the PSWC commissioner amongst Territory directorates and agencies. Assets are invested, with earnings retained to help meet workers' compensation costs.

## 2022-23 Priorities and Next Three Financial Years

Strategic and operational priorities to be pursued in 2022-23 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;

- ensuring the effective and efficient management of the PSWC Fund assets in accordance with the PSWC Fund investment guidelines; and
- continuously improving injured worker and directorate satisfaction with workers' compensation insurance and rehabilitation services.

## 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 2022-23 to 2025-26

### 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)

**Table 1: EBT 1.1: Public Sector Workers Compensation Fund**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	58,876	65,108
Controlled Recurrent Payments	0	0

## 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 PSWC Fund and providing associated claim management and vocational rehabilitation services.

The key outputs to be delivered in 2022-23 include:

- delivering best practice health, wellbeing and return to work strategies, policies and interventions; and
- continuously improving workers' compensation claim management service standards.

## Accountability Indicators

### EBT Class 1 (EBT 1.1): Public Sector Workers Compensation Fund

**Table 2: Accountability Indicators EBT 1.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Reduce the ACT public sector incidence of serious workplace injury	8.72	9.37	8.72
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%	>100%	≥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):**

- 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. The target was not achieved in 2021-22. This is mainly attributed to a higher than expected number of injuries from frontline service areas impacted by COVID-19.
- It is a condition of the ACT Government's self-insurance licence that the Territory maintain a rehabilitation management system that complies with Commonwealth guidelines and that conformance be audited annually. The target was exceeded in 2021-22, with an independent audit recording 100 per cent compliance with the relevant rehabilitation standards and associated audit criteria.
- 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).
- It is a condition of the ACT Government's self-insurance licence that the Territory maintains a claims management system that complies with Commonwealth guidelines and that conformance be audited annually. The target was exceeded in 2021-22 with an independent audit recording 100 per cent compliance with the relevant claim management standards and associated audit criteria.

## Budgeted Financial Statements

Budgeted financial statements for the 2022-23 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

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 3: Public Sector Workers Compensation Fund: Statement of Income and Expenses on Behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
58,876	Sale of Goods and Services from Contracts with Customers	58,877	65,108	11	67,500	70,600	74,000
350	Grants and Contributions Revenue	350	350	-	350	350	350
801	Investment Revenue	3,205	8,296	159	9,440	10,302	10,877
213	Interest Revenue	5,730	924	-84	791	1,066	2,007
0	Other Income	23,555	0	-100	0	0	0
0	Net Gain/(Loss) on Investments	-6,792	3,516	152	4,000	4,366	4,609
<b>60,240</b>	<b>Total Income</b>	<b>84,925</b>	<b>78,194</b>	<b>-8</b>	<b>82,081</b>	<b>86,684</b>	<b>91,843</b>
<b>Expenses</b>							
8,178	Supplies and Services	8,178	8,425	3	8,679	8,939	9,208
50,697	Claims Expense	50,697	56,683	12	58,821	61,662	64,792
<b>58,875</b>	<b>Total Expenses</b>	<b>58,875</b>	<b>65,108</b>	<b>11</b>	<b>67,500</b>	<b>70,601</b>	<b>74,000</b>
<b>1,365</b>	<b>Operating Result</b>	<b>26,050</b>	<b>13,086</b>	<b>-50</b>	<b>14,581</b>	<b>16,083</b>	<b>17,843</b>
<b>1,365</b>	<b>Total Comprehensive Result</b>	<b>26,050</b>	<b>13,086</b>	<b>-50</b>	<b>14,581</b>	<b>16,083</b>	<b>17,843</b>

**Table 4: Public Sector Workers Compensation Fund: Statement of Assets and Liabilities on Behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
401,826	Cash and Investments	421,319	434,054	3	448,285	464,019	481,512
347	Receivables	800	800	-	800	799	799
1	Other Assets	1	1	-	1	1	1
<b>402,174</b>	<b>Total Current Assets</b>	<b>422,120</b>	<b>434,855</b>	<b>3</b>	<b>449,086</b>	<b>464,819</b>	<b>482,312</b>
	<b>Non-Current Assets</b>						
593	Receivables	593	593	-	593	593	593
<b>593</b>	<b>Total Non-Current Assets</b>	<b>593</b>	<b>593</b>	<b>-</b>	<b>593</b>	<b>593</b>	<b>593</b>
<b>402,767</b>	<b>TOTAL ASSETS</b>	<b>422,713</b>	<b>435,448</b>	<b>3</b>	<b>449,679</b>	<b>465,412</b>	<b>482,905</b>
	<b>Current Liabilities</b>						
4,026	Payables	3,363	3,012	-10	2,662	2,312	1,962
45,691	Other Provisions	41,615	41,615	-	41,615	41,615	41,615
<b>49,717</b>	<b>Total Current Liabilities</b>	<b>44,978</b>	<b>44,627</b>	<b>-1</b>	<b>44,277</b>	<b>43,927</b>	<b>43,577</b>
	<b>Non-Current Liabilities</b>						
277,708	Other Provisions	277,708	277,708	-	277,708	277,708	277,708
<b>277,708</b>	<b>Total Non-Current Liabilities</b>	<b>277,708</b>	<b>277,708</b>	<b>-</b>	<b>277,708</b>	<b>277,708</b>	<b>277,708</b>
<b>327,425</b>	<b>TOTAL LIABILITIES</b>	<b>322,686</b>	<b>322,335</b>	<b>..</b>	<b>321,985</b>	<b>321,635</b>	<b>321,285</b>
<b>75,342</b>	<b>NET ASSETS</b>	<b>100,027</b>	<b>113,113</b>	<b>13</b>	<b>127,694</b>	<b>143,777</b>	<b>161,620</b>
	<b>Equity</b>						
75,342	Accumulated Funds	100,027	113,113	13	127,694	143,777	161,620
<b>75,342</b>	<b>TOTAL EQUITY</b>	<b>100,027</b>	<b>113,113</b>	<b>13</b>	<b>127,694</b>	<b>143,777</b>	<b>161,620</b>

**Table 5: Public Sector Workers Compensation Fund: Statement of Changes in Equity on Behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
73,977	Opening Accumulated Funds	73,977	100,027	35	113,113	127,694	143,777
<b>73,977</b>	<b>Balance at the Start of the Reporting Period</b>	<b>73,977</b>	<b>100,027</b>	<b>35</b>	<b>113,113</b>	<b>127,694</b>	<b>143,777</b>
	<b>Comprehensive Income</b>						
1,365	Operating Result	26,050	13,086	-50	14,581	16,083	17,843
<b>1,365</b>	<b>Total Comprehensive Result</b>	<b>26,050</b>	<b>13,086</b>	<b>-50</b>	<b>14,581</b>	<b>16,083</b>	<b>17,843</b>
	<b>Closing Equity</b>						
75,342	Closing Accumulated Funds	100,027	113,113	13	127,694	143,777	161,620
<b>75,342</b>	<b>Balance at the End of the Reporting Period</b>	<b>100,027</b>	<b>113,113</b>	<b>13</b>	<b>127,694</b>	<b>143,777</b>	<b>161,620</b>



**Table 6: Public Sector Workers Compensation Fund: Cash Flow Statement on Behalf of the Territory**

2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	Var %	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
58,876	58,876	65,108	11	67,500	70,600	74,000
796	2,912	8,296	185	9,440	10,302	10,877
212	14,777	924	-94	791	1,066	2,007
782	1,458	801	-45	820	820	820
0	34,681	598	-98	620	648	680
313,113	361,561	0	-100	0	0	0
<b>373,779</b>	<b>440,225</b>	<b>75,727</b>	<b>-83</b>	<b>79,171</b>	<b>83,436</b>	<b>88,384</b>
<b>Total Receipts from Operating Activities</b>						
<b>Payments</b>						
878	1,085	1,205	11	1,253	1,301	1,351
50,697	50,697	56,683	12	58,821	61,661	64,792
0	34,681	598	-98	620	648	680
782	446	1,152	158	1,170	1,170	1,170
7,166	8,793	6,870	-22	7,076	7,288	7,507
<b>59,523</b>	<b>95,702</b>	<b>66,508</b>	<b>-31</b>	<b>68,940</b>	<b>72,0680</b>	<b>75,500</b>
<b>Total Payments from Operating Activities</b>						
<b>314,256</b>	<b>344,523</b>	<b>9,219</b>	<b>-97</b>	<b>10,231</b>	<b>11,368</b>	<b>12,884</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>						
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
312,897	290,000	35,000	-88	25,000	15,000	10,000
<b>312,897</b>	<b>290,000</b>	<b>35,000</b>	<b>-88</b>	<b>25,000</b>	<b>15,000</b>	<b>10,000</b>
<b>Total Payments from Investing Activities</b>						
<b>-312,897</b>	<b>-290,000</b>	<b>-35,000</b>	<b>88</b>	<b>-25,000</b>	<b>-15,000</b>	<b>-10,000</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>						
<b>1,359</b>	<b>54,523</b>	<b>-25,781</b>	<b>-147</b>	<b>-14,769</b>	<b>-3,632</b>	<b>2,884</b>
<b>Net Increase/(Decrease) in Cash</b>						
<b>87,570</b>	<b>87,570</b>	<b>142,093</b>	<b>62</b>	<b>116,312</b>	<b>101,543</b>	<b>97,911</b>
<b>Cash at the Beginning of the Reporting Period</b>						
<b>88,929</b>	<b>142,093</b>	<b>116,312</b>	<b>-18</b>	<b>101,543</b>	<b>97,911</b>	<b>100,795</b>
<b>Cash at the End of the Reporting Period</b>						

## Notes to the territorial budget statements

Significant variations are as follows:

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

- sale of goods and services from contracts with customers: the increase of \$6.231 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to workers compensation premium collections increasing to account for growth in the size of the insured workforce.
- investment revenue:
  - the increase of \$2.404 million in 2021-22 estimated outcome from the original budget is due to distributions on investments via the Territory Banking Account (TBA) actual to April 2022 and estimated distributions for May and June 2022 in the 2021-22 estimated outcome being higher than the cash rate received from bank by the PSWC Fund assumed in the original budget; and
  - the increase of \$10.308 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the latest advice from the TBA and the increase in the expected total returns on investments via TBA with a target return of CPI plus 1.5 per cent from 3.9 per cent for 2021-22 to 4.32 per cent for 2022-23 and the forward years.
- interest revenue: the increase of \$5.517 million in 2021-22 estimated outcome from the original budget and the decrease of \$4.806 million in the 2022-23 Budget from the 2021-22 estimated outcome are due to additional interest earned during 2021-22 on the receivable from Comcare for transferred claims liabilities over the accrued interest not being allowed for in the original budget, which is not expected to recur in future years.
- other income: the increase of \$23.555 million in 2021-22 estimated outcome from the original budget and the decrease of \$23.555 million in the 2022-23 Budget from the 2021-22 estimated outcome relates to additional amounts received from Comcare for transferred claims liabilities over the receivable expected being recognised as revenue not allowed for in the original budget, which is not expected to recur in future years.
- net gain/(loss) on investments:
  - the decrease of \$6.792 million in 2021-22 estimated outcome from the original budget is due to capital gain (loss) on investments via the Territory Banking Account (TBA) actual to April 2022 and estimated for May and June 2022 in the 2021-22 estimated outcome not allowed for in the original budget; and
  - the increase of \$10.308 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the latest advice from the TBA and the increase in the expected total returns on investments via TBA with a target return of CPI plus 1.5 per cent from 3.9 per cent for 2021-22 to 4.32 per cent for 2022-23 and the forward years.

- claims expense: the increase of \$5.986 million in 2022-23 Budget from the 2021-22 estimated outcome reflects adjustments to the actuarially assessed number and ultimate cost of claims occurring during the year due in part to the growth in the size of the insured workforce.

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

- cash and investments:
  - the increase of \$19.493 million in the 2021-22 estimated outcome from the original budget is due to the additional amounts received from Comcare, and higher than expected interest and investment revenue; and
  - the increase of \$12.735 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the expected premium collection and claims payments during the year and planned additional investments with the TBA.
- receivables (current): the increase of \$0.453 million in the 2021-22 estimated outcome from the original budget is due to GST receivable from the ATO and distributions receivable from the TBA not allowed for in the original budget.
- payables (current): the decrease of \$0.663 million in the 2021-22 estimated outcome from the original budget is due to actual supplies and services expenses being lower than allowed for in the original budget.

#### ***Statement of Changes in Equity and Cash Flow Statement on Behalf of the Territory***

Variations in these Statements are explained in the notes above.

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# **SUPERANNUATION PROVISION ACCOUNT**

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## **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.

## **2022-23 Priorities**

Strategic and operational initiatives to be pursued in 2022-23 include:

- completing the annual actuarial valuation review of the Territory's defined benefit employer superannuation liability using salary and membership data on 30 June 2022;
- 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.

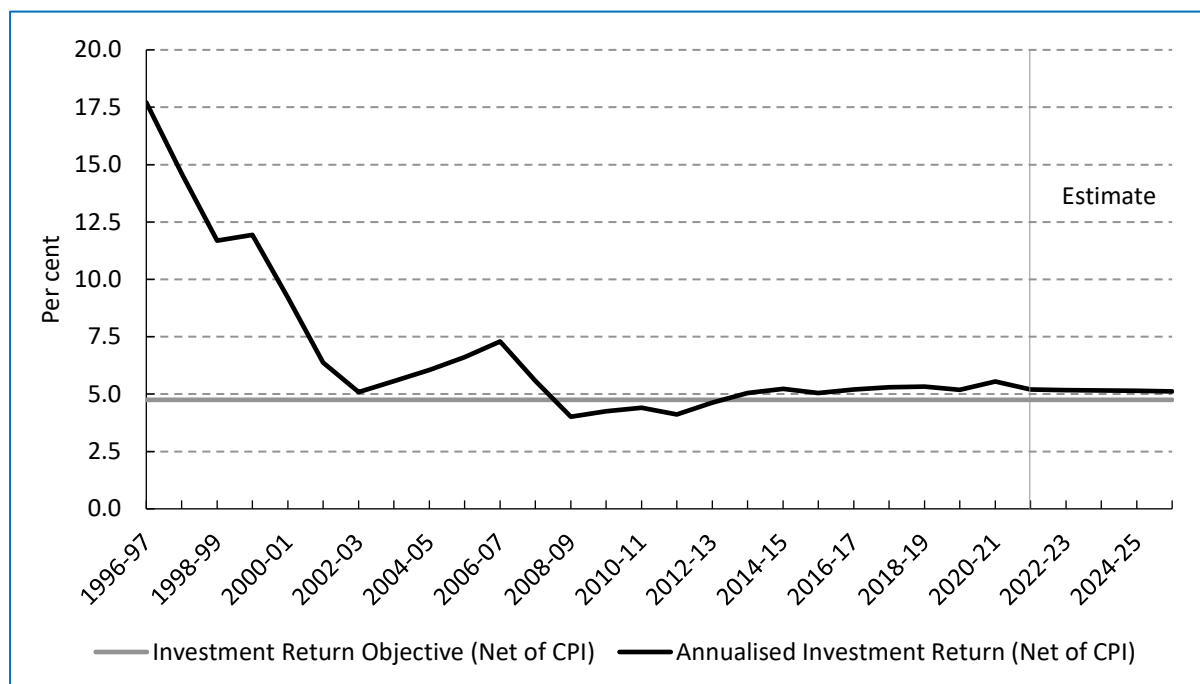
# Strategic Objectives and Indicators

## Strategic Objective 1

### *Achievement of Investment Return Objective*

To achieve a long-term investment return of CPI + 4.75 per cent per annum. <sup>1</sup>

**Figure 1: Strategic Indicator 1: Investment Return**



**Note(s):**

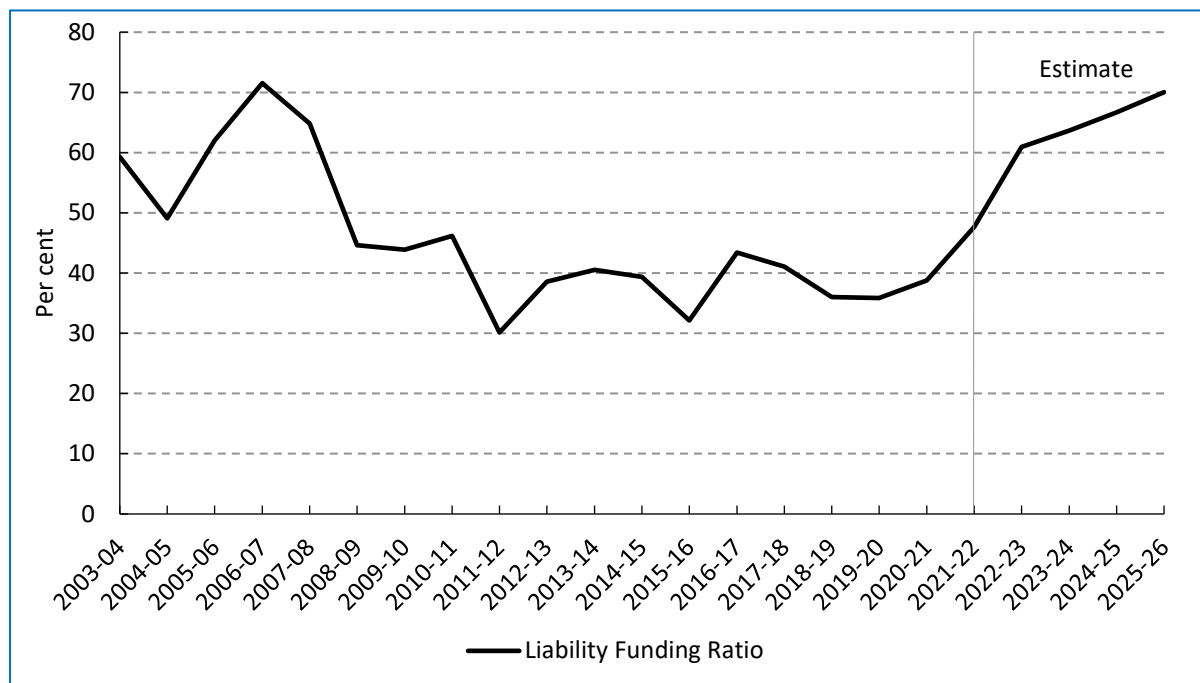
1. This indicator measures the annual Superannuation Provision Account portfolio investment return since the base performance financial year of 1996-97. The objective is to achieve an investment return of CPI + 4.75 per cent per annum over the long-term, calculated since the base financial year. Over the past 26 years to 30 June 2022 the portfolio is estimated to have achieved an average investment return of CPI + 5.20 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. <sup>1</sup>

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 2022-23 the defined benefit superannuation liability annual valuation is based on a long-term discount rate assumption of 5 per cent.

## Output Classes (Territorial)

### EBT Class 1 (EBT 1.1): Superannuation Provision Account

Table 1: EBT Class 1 (EBT1.1): Superannuation Provision Account

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000
Total Cost	616,265	647,612
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 2022-23 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

### EBT Class 1: Superannuation Provision Account

#### EBT 1.1: Superannuation Provision Account

**Table 2: Accountability Indicators EBT 1.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 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	1	1	1

**Note(s):**

- 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.
- 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.
- 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.
- This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the annual Territory Budget.
- 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*. Any 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.

## Changes to Appropriation

**Table 3: Changes to Appropriation – Capital Injections, Territorial**

	2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>2021-22 Budget</b>	<b>328,281</b>	<b>348,977</b>	<b>370,119</b>	<b>392,814</b>	<b>392,814</b>
<b>2022-23 Budget Technical Adjustments</b>					
Estimated Outcome - Capital Injection Appropriation	0	-1,069	-686	-307	22,792
<b>2022-23 Budget</b>	<b>328,281</b>	<b>347,908</b>	<b>369,433</b>	<b>392,507</b>	<b>415,606</b>

## Financial Statements – Territorial

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 4: Superannuation Provision Account: Statement of Income and Expenses on behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>Income</b>							
143,800	Investment Revenue	115,647	164,564	42	176,764	189,875	203,962
595	Interest Revenue	595	842	42	842	842	842
216,060	Net Gain/(Loss) on Investments	-29,334	218,099	844	234,269	251,644	270,314
<b>360,455</b>	<b>Total Income</b>	<b>86,908</b>	<b>383,505</b>	<b>341</b>	<b>411,875</b>	<b>442,361</b>	<b>475,118</b>
<b>Expenses</b>							
612,151	Superannuation Expenses	612,151	643,397	5	619,854	623,798	626,851
4,114	Supplies and Services	4,114	4,215	2	4,320	4,427	4,536
<b>616,265</b>	<b>Total Expenses</b>	<b>616,265</b>	<b>647,612</b>	<b>5</b>	<b>624,174</b>	<b>628,225</b>	<b>631,387</b>
<b>-255,810</b>	<b>Operating Result</b>	<b>-529,357</b>	<b>-264,107</b>	<b>50</b>	<b>-212,299</b>	<b>-185,864</b>	<b>-156,269</b>
<b>Other Comprehensive Income</b>							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
3,412,160	Superannuation Prior Year Actuarial Movement	2,577,265	2,058,371	-20	0	0	0
<b>3,412,160</b>	<b>Total Other Comprehensive Result</b>	<b>2,577,265</b>	<b>2,058,371</b>	<b>-20</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3,156,350</b>	<b>Total Comprehensive Result</b>	<b>2,047,908</b>	<b>1,794,264</b>	<b>-12</b>	<b>-212,299</b>	<b>-185,864</b>	<b>-156,269</b>

**Table 5: Superannuation Provision Account: Statement of Assets and Liabilities on behalf of the Territory**

Budget at 30/6/22 \$'000		Esimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Current Assets</b>						
5,452,494	Cash and Investments	5,185,985	5,553,046	7	5,957,551	6,392,207	6,859,267
35,951	Receivables	28,913	41,142	42	44,192	47,470	50,992
<b>5,488,445</b>	<b>Total Current Assets</b>	<b>5,214,898</b>	<b>5,594,188</b>	<b>7</b>	<b>6,001,743</b>	<b>6,439,677</b>	<b>6,910,259</b>
<b>5,488,445</b>	<b>TOTAL ASSETS</b>	<b>5,214,898</b>	<b>5,594,188</b>	<b>7</b>	<b>6,001,743</b>	<b>6,439,677</b>	<b>6,910,259</b>
	<b>Current Liabilities</b>						
45	Payables	45	45	-	45	45	45
348,977	Employee Benefits	347,908	369,433	6	392,507	415,606	463,205
<b>349,022</b>	<b>Total Current Liabilities</b>	<b>347,953</b>	<b>369,478</b>	<b>6</b>	<b>392,552</b>	<b>415,651</b>	<b>463,250</b>
	<b>Non-Current Liabilities</b>						
9,754,166	Employee Benefits	10,590,130	8,805,723	-17	9,033,070	9,241,262	9,404,908
<b>9,754,166</b>	<b>Total Non-Current Liabilities</b>	<b>10,590,130</b>	<b>8,805,723</b>	<b>-17</b>	<b>9,033,070</b>	<b>9,241,262</b>	<b>9,404,908</b>
<b>10,103,188</b>	<b>TOTAL LIABILITIES</b>	<b>10,938,083</b>	<b>9,175,201</b>	<b>-16</b>	<b>9,425,622</b>	<b>9,656,913</b>	<b>9,868,158</b>
<b>-4,614,743</b>	<b>NET ASSETS</b>	<b>-5,723,185</b>	<b>-3,581,013</b>	<b>37</b>	<b>-3,423,879</b>	<b>-3,217,236</b>	<b>-2,957,899</b>
	<b>Equity</b>						
-4,614,743	Accumulated Funds	-5,723,185	-3,581,013	37	-3,423,879	-3,217,236	-2,957,899
<b>-4,614,743</b>	<b>TOTAL EQUITY</b>	<b>-5,723,185</b>	<b>-3,581,013</b>	<b>37</b>	<b>-3,423,879</b>	<b>-3,217,236</b>	<b>-2,957,899</b>

**Table 6: Superannuation Provision Account: Statement of Changes in Equity on behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
-8,099,374	Opening Accumulated Funds	-8,099,374	-5,723,185	29	-3,581,013	-3,423,879	-3,217,236
<b>-8,099,374</b>	<b>Balance at the Start of the Reporting Period</b>	<b>-8,099,374</b>	<b>-5,723,185</b>	<b>29</b>	<b>-3,581,013</b>	<b>-3,423,879</b>	<b>-3,217,236</b>
	<b>Comprehensive Income</b>						
3,412,160	Superannuation Prior Year Actuarial Movement	2,577,265	2,058,371	-20	0	0	0
-255,810	Operating Result	-529,357	-264,107	50	-212,299	-185,864	-156,269
<b>3,156,350</b>	<b>Total Comprehensive Result</b>	<b>2,047,908</b>	<b>1,794,264</b>	<b>-12</b>	<b>-212,299</b>	<b>-185,864</b>	<b>-156,269</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
328,281	Capital Injections	328,281	347,908	6	369,433	392,507	415,606
<b>328,281</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>328,281</b>	<b>347,908</b>	<b>6</b>	<b>369,433</b>	<b>392,507</b>	<b>415,606</b>
	<b>Closing Equity</b>						
-4,614,743	Closing Accumulated Funds	-5,723,185	-3,581,013	37	-3,423,879	-3,217,236	-2,957,899
<b>-4,614,743</b>	<b>Balance at the End of the Reporting Period</b>	<b>-5,723,185</b>	<b>-3,581,013</b>	<b>37</b>	<b>-3,423,879</b>	<b>-3,217,236</b>	<b>-2,957,899</b>

**Table 7: Superannuation Provision Account: Cash Flow Statement on behalf of the Territory**

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
143,800	Investment Receipts	115,647	164,564	42	176,764	189,875	203,962
595	Interest Receipts	595	842	42	842	842	842
28	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	28	28	-	28	28	28
<b>144,423</b>	<b>Total Receipts from Operating Activities</b>	<b>116,270</b>	<b>165,434</b>	<b>42</b>	<b>177,634</b>	<b>190,745</b>	<b>204,832</b>
<b>Payments</b>							
328,281	Superannuation	328,281	347,908	6	369,433	392,507	415,606
4,114	Supplies and Services	4,114	4,215	2	4,320	4,427	4,536
<b>332,395</b>	<b>Total Payments from Operating Activities</b>	<b>332,395</b>	<b>352,123</b>	<b>6</b>	<b>373,753</b>	<b>396,934</b>	<b>420,142</b>
<b>-187,972</b>	<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	<b>-216,125</b>	<b>-186,689</b>	<b>14</b>	<b>-196,119</b>	<b>-206,189</b>	<b>-215,310</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
140,309	Purchase of Investments	112,156	161,219	44	173,314	186,318	200,296
<b>140,309</b>	<b>Total Payments from Investing Activities</b>	<b>112,156</b>	<b>161,219</b>	<b>44</b>	<b>173,314</b>	<b>186,318</b>	<b>200,296</b>
<b>-140,309</b>	<b>Net Cash Inflows/(Outflows) from Investing Activities</b>	<b>-112,156</b>	<b>-161,219</b>	<b>-44</b>	<b>-173,314</b>	<b>-186,318</b>	<b>-200,296</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
328,281	Capital Injections	328,281	347,908	6	369,433	392,507	415,606
<b>328,281</b>	<b>Total Receipts from Financing Activities</b>	<b>328,281</b>	<b>347,908</b>	<b>6</b>	<b>369,433</b>	<b>392,507</b>	<b>415,606</b>
<b>328,281</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>328,281</b>	<b>347,908</b>	<b>6</b>	<b>369,433</b>	<b>392,507</b>	<b>415,606</b>
<b>0</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>99,085</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>99,085</b>	<b>99,085</b>	<b>-</b>	<b>99,085</b>	<b>99,085</b>	<b>99,085</b>
<b>99,085</b>	<b>Cash at the End of the Reporting Period</b>	<b>99,085</b>	<b>99,085</b>	<b>-</b>	<b>99,085</b>	<b>99,085</b>	<b>99,085</b>

## Notes to the Territorial Budget Statements

Significant variations are as follows:

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

- investment revenue:
  - the decrease of \$28.153 million in the 2021-22 estimated 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, which was impacted by increased financial market volatility and lower returns; and
  - the increase of \$48.917 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to distribution revenue being based on expected distributable income and the long-term investment return objective.
- net gain/(loss) on investments:
  - the decrease of \$245.394 million in the 2021-22 estimated outcome from the original budget is due to achieving a lower-than-expected investment return for the 2021-22 financial year; and
  - the increase of \$247.433 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the use of the long-term investment return objective, which is higher than the investment return achieved for the 2021-22 financial year.
- superannuation expenses: the increase of \$31.246 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to the latest annual liability valuation review and changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimates.

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

- total assets:
  - the decrease of \$273.547 million in the 2021-22 estimated outcome from the original budget is due to a lower-than-expected investment return for the 2021-22 financial year; and
  - the increase of \$379.290 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the long-term investment return objective.
- employee benefits (current): the increase of \$21.525 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the estimated growth in the annual payment of the Territory's employer share of employee superannuation retirement benefits.
- employee benefits (non-current):
  - the increase of \$835.964 million in the 2021-22 estimated outcome from the original budget is due to the latest annual liability valuation review and changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimate at 30 June 2022; and

- the decrease of \$1.784 billion in the 2022-23 Budget from the 2021-22 estimated 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.

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# **TERRITORY BANKING ACCOUNT**

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## **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.

## **2022-23 Priorities**

Strategic and operational initiatives to be pursued in 2022-23 include:

- managing the Territory's borrowing program;
- cash and liquidity management;
- managing the centralised investment administration structure for Territory financial investment assets; and
- managing and reporting on the Government's Responsible Investment policy.

## **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*

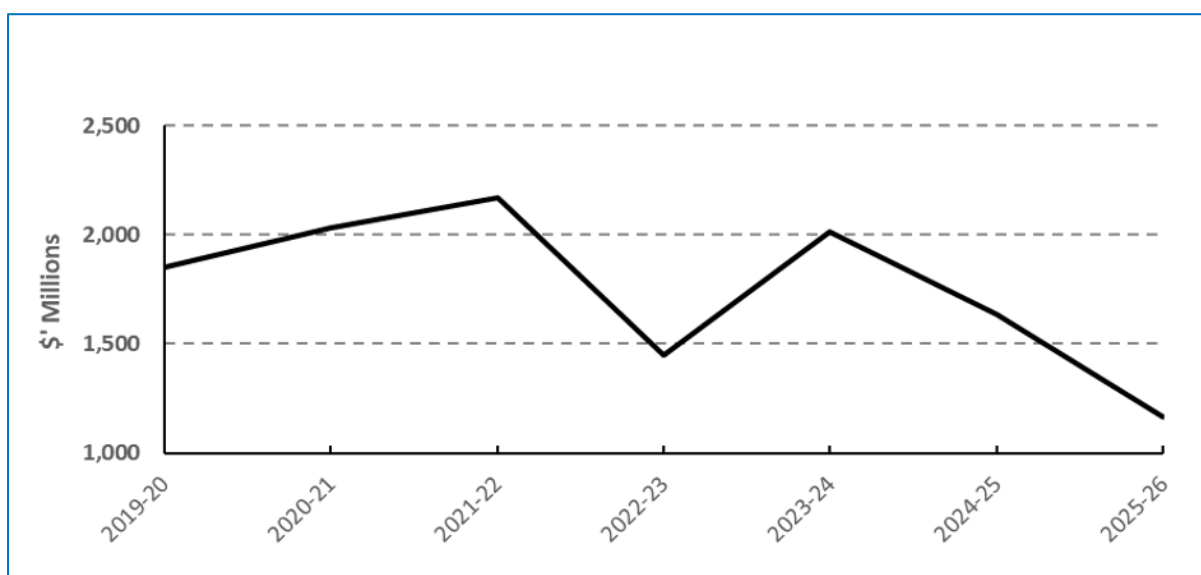
The Territory Banking Account's activities include the issuance of debt instruments to meet the Government's financing requirements and managing the aggregate daily cash balances of the Territory Banking Account to ensure the settlement and payment of debt obligations of the Government can be met.

The achievement of this objective involves:

- the maintenance of a debt issuance program providing access to funding from the Australian 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**

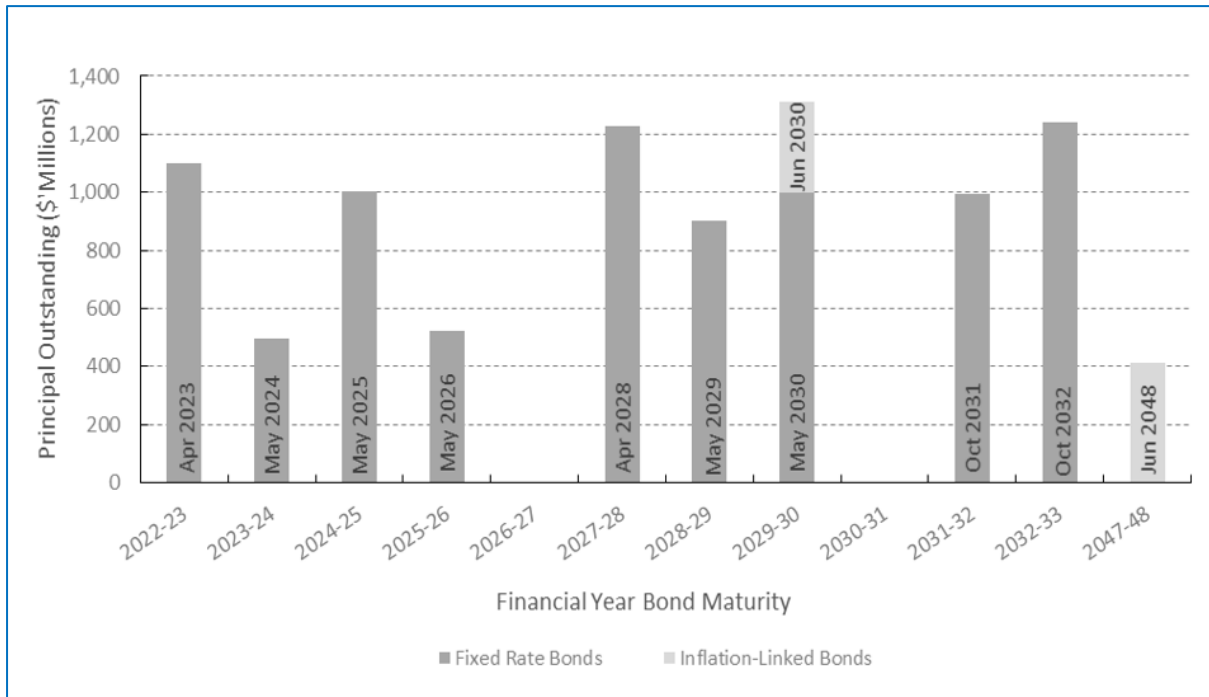


**Note(s):**

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 estimated outstanding benchmark bond lines at 30 June 2022.

## Output Classes (Territorial)

### EBT Class 1 (EBT 1.1): Territory Banking Account

Table 1: EBT Class 1: Territory Banking Account

	2021-2022 Estimated Outcome \$'000	2022-2023 Budget \$'000
Total Cost	7,032,710	7,721,407
Payment for Expenses on Behalf of the Territory	0	0

#### ***EBT 1.1: Territory Banking Account***

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 2022-23 include:

- managing the investment plan and reporting on the financial investment assets of the Territory Banking Account;
- managing the centralised investment 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

## EBT Class 1: Territory Banking Account

### EBT 1.1: Territory Banking Account

**Table 2: Accountability Indicators EBT 1.1**

	2021-22 Targets	2021-22 Estimated Outcome	2022-23 Targets
a. Cash and liquidity management of the Territory Banking Account	100%	100%	100%
b. Exposure to directly owned share investments that are prohibited in accordance with the Government's Responsible Investment Policy	0%	0%	0%
c. The exercising of ownership voting rights for directly owned shares	>95%	>95%	>95%
d. Completion of the Principles for Responsible Investment Annual Reporting and Assessment Framework	1	0	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. The 2021-22 estimated outcome result is nil because due to a number of problems associated with the UN Principles of Responsible Investment reporting tool, there will be no submissions for assessment required in 2022.
- 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

Presentational changes have been made to streamline the financial statements and the 2021-22 Budget column also reflects this change. These changes will be consistent with future annual financial statements and ensure comparability of the annual financial statements with the budget estimates as required under section 27 of the *Financial Management Act 1996*.

**Table 3: Territory Banking Account: Statement of Income and Expenses on behalf of the Territory**

<b>2021-22 Budget</b>		<b>2021-22 Estimated Outcome</b>	<b>2022-23 Budget</b>	<b>Var %</b>	<b>2023-24 Estimate</b>	<b>2024-25 Estimate</b>	<b>2025-26 Estimate</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Income</b>						
146,745	Investment Revenue	150,530	169,690	13	183,066	196,912	211,502
99,168	Interest Revenue	128,063	129,593	1	109,389	107,941	108,181
5,043,869	Transfer Revenue	5,477,785	5,436,312	-1	5,783,928	5,884,094	6,118,938
178,029	Other Income	176,374	181,366	3	182,353	183,431	185,434
229,223	Net Gain/(Loss) on Investments	-94,148	231,739	346	249,461	268,148	288,072
<b>5,697,034</b>	<b>Total Income</b>	<b>5,838,604</b>	<b>6,148,700</b>	<b>5</b>	<b>6,508,197</b>	<b>6,640,526</b>	<b>6,912,127</b>
	<b>Expenses</b>						
6,974,886	Payments to ACT Government Agencies	6,715,030	6,958,632	4	6,767,172	7,039,623	7,265,196
209,937	Borrowing Costs	226,099	268,773	19	350,888	416,676	474,870
75,694	Other Expenses	16,539	75,462	356	12,853	13,017	12,007
389,402	Agency Investment Expenses	75,042	418,540	458	451,090	485,062	521,049
<b>7,649,919</b>	<b>Total Expenses</b>	<b>7,032,710</b>	<b>7,721,407</b>	<b>10</b>	<b>7,582,003</b>	<b>7,954,378</b>	<b>8,273,122</b>
<b>-1,952,885</b>	<b>Operating Result</b>	<b>-1,194,106</b>	<b>-1,572,707</b>	<b>-32</b>	<b>-1,073,806</b>	<b>-1,313,852</b>	<b>-1,360,995</b>
<b>-1,952,885</b>	<b>Total Comprehensive Result</b>	<b>-1,194,106</b>	<b>-1,572,707</b>	<b>-32</b>	<b>-1,073,806</b>	<b>-1,313,852</b>	<b>-1,360,995</b>

**Table 4: Territory Banking Account: Statement of Assets and Liabilities on behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
<b>Current Assets</b>							
8,221,594	Cash and Investments	7,993,570	7,717,935	-3	8,761,509	8,881,915	8,944,923
498,551	Receivables	527,642	722,480	37	669,790	853,052	775,539
<b>8,720,145</b>	<b>Total Current Assets</b>	<b>8,521,212</b>	<b>8,440,415</b>	<b>-1</b>	<b>9,431,299</b>	<b>9,734,967</b>	<b>9,720,462</b>
<b>Non Current Assets</b>							
1,959,513	Receivables	1,934,561	1,850,079	-4	2,018,857	1,937,194	2,109,569
<b>1,959,513</b>	<b>Total Non-Current Assets</b>	<b>1,934,561</b>	<b>1,850,079</b>	<b>-4</b>	<b>2,018,857</b>	<b>1,937,194</b>	<b>2,109,569</b>
<b>10,679,658</b>	<b>TOTAL ASSETS</b>	<b>10,455,773</b>	<b>10,290,494</b>	<b>-2</b>	<b>11,450,156</b>	<b>11,672,161</b>	<b>11,830,031</b>
<b>Current Liabilities</b>							
68,259	Payables	52,049	65,814	26	69,386	74,611	77,094
1,305,829	Borrowings	1,105,829	503,524	-54	1,005,360	529,157	5,123
6,246,554	Agency Investment Deposits	5,819,641	6,271,944	8	6,747,870	7,247,290	7,777,144
<b>7,620,642</b>	<b>Total Current Liabilities</b>	<b>6,977,519</b>	<b>6,841,282</b>	<b>-2</b>	<b>7,822,616</b>	<b>7,851,058</b>	<b>7,859,361</b>
<b>Non-Current Liabilities</b>							
8,509,183	Borrowings	8,159,913	9,675,799	19	10,892,684	12,361,180	13,832,503
<b>8,509,183</b>	<b>Total Non-Current Liabilities</b>	<b>8,159,913</b>	<b>9,675,799</b>	<b>19</b>	<b>10,892,684</b>	<b>12,361,180</b>	<b>13,832,503</b>
<b>16,129,825</b>	<b>TOTAL LIABILITIES</b>	<b>15,137,432</b>	<b>16,517,081</b>	<b>9</b>	<b>18,715,300</b>	<b>20,212,238</b>	<b>21,691,864</b>
<b>-5,450,167</b>	<b>NET ASSETS</b>	<b>-4,681,659</b>	<b>-6,226,587</b>	<b>-33</b>	<b>-7,265,144</b>	<b>-8,540,077</b>	<b>-9,861,833</b>
<b>Equity</b>							
-5,450,167	Accumulated Funds	-4,681,659	-6,226,587	-33	-7,265,144	-8,540,077	-9,861,833
<b>-5,450,167</b>	<b>TOTAL EQUITY</b>	<b>-4,681,659</b>	<b>-6,226,587</b>	<b>-33</b>	<b>-7,265,144</b>	<b>-8,540,077</b>	<b>-9,861,833</b>



**Table 5: Territory Banking Account: Statement of Changes in Equity on behalf of the Territory**

Budget at 30/6/22 \$'000		Estimated Outcome at 30/6/22 \$'000	Budget at 30/6/23 \$'000	Var %	Estimate at 30/6/24 \$'000	Estimate at 30/6/25 \$'000	Estimate at 30/6/26 \$'000
	<b>Opening Equity</b>						
-3,545,928	Opening Accumulated Funds	-3,545,928	-4,681,659	-32	-6,226,587	-7,265,144	-8,540,077
<b>-3,545,928</b>	<b>Balance at the Start of the Reporting Period</b>	<b>-3,545,928</b>	<b>-4,681,659</b>	<b>-32</b>	<b>-6,226,587</b>	<b>-7,265,144</b>	<b>-8,540,077</b>
	<b>Comprehensive Income</b>						
-1,952,885	Operating Result	-1,194,106	-1,572,707	-32	-1,073,806	-1,313,852	-1,360,995
<b>-1,952,885</b>	<b>Total Comprehensive Result</b>	<b>-1,194,106</b>	<b>-1,572,707</b>	<b>-32</b>	<b>-1,073,806</b>	<b>-1,313,852</b>	<b>-1,360,995</b>
	<b>Transactions Involving Owners Affecting Accumulated Funds</b>						
48,646	Capital Distributions to Government	58,375	27,779	-52	35,249	38,919	39,239
<b>48,646</b>	<b>Total Transactions Involving Owners Affecting Accumulated Funds</b>	<b>58,375</b>	<b>27,779</b>	<b>-52</b>	<b>35,249</b>	<b>38,919</b>	<b>39,239</b>
	<b>Closing Equity</b>						
-5,450,167	Closing Accumulated Funds	-4,681,659	-6,226,587	-33	-7,265,144	-8,540,077	-9,861,833
<b>-5,450,167</b>	<b>Balance at the End of the Reporting Period</b>	<b>-4,681,659</b>	<b>-6,226,587</b>	<b>-33</b>	<b>-7,265,144</b>	<b>-8,540,077</b>	<b>-9,861,833</b>

**Table 6: Territory Banking Account: Cash Flow Statement on behalf of the Territory**

2021-22 Budget	2021-22 Estimated Outcome	2022-23 Budget	Var %	2023-24 Estimate	2024-25 Estimate	2025-26 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
146,745	150,530	169,695	13	183,066	196,911	211,502
90,190	115,683	113,744	-2	98,742	97,424	97,545
492	889	504	-43	532	557	583
172,840	171,245	179,649	5	180,817	182,072	184,075
5,147,548	5,568,772	5,296,995	-5	5,746,122	5,836,640	6,079,445
<b>5,557,815</b>	<b>6,007,119</b>	<b>5,760,587</b>	<b>-4</b>	<b>6,209,279</b>	<b>6,313,604</b>	<b>6,573,150</b>
<b>Total Receipts from Operating Activities</b>						
<b>Payments</b>						
200,340	212,783	250,392	18	336,064	402,399	459,667
4,466,224	4,534,886	4,314,821	-5	4,180,358	4,180,924	4,216,061
986,772	912,567	948,858	4	1,213,489	1,220,511	1,344,066
160,179	130,336	186,801	43	201,628	216,913	232,976
492	889	504	-43	532	557	583
5,374	12,989	12,351	-5	12,855	13,017	12,008
<b>5,819,381</b>	<b>5,804,450</b>	<b>5,713,727</b>	<b>-2</b>	<b>5,944,926</b>	<b>6,034,321</b>	<b>6,265,361</b>
<b>Total Payments from Operating Activities</b>						
<b>-261,566</b>	<b>202,669</b>	<b>46,860</b>	<b>-77</b>	<b>264,353</b>	<b>279,283</b>	<b>307,789</b>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>						
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
549,342	415,371	234,680	-44	230,172	235,092	245,798
60,896	82,922	29,915	-64	35,258	38,919	39,238
<b>610,238</b>	<b>498,293</b>	<b>264,595</b>	<b>-47</b>	<b>265,430</b>	<b>274,011</b>	<b>285,036</b>
<b>Total Receipts from Investing Activities</b>						
<b>Payments</b>						
586,207	467,336	242,079	-48	237,970	243,261	254,350
46,702	21,749	15,328	-30	68,977	43,165	47,556
1,519,633	1,267,589	1,695,565	34	1,373,911	1,638,174	1,705,055
<b>2,152,542</b>	<b>1,756,674</b>	<b>1,952,972</b>	<b>11</b>	<b>1,680,858</b>	<b>1,924,600</b>	<b>2,006,961</b>
<b>Total Payments from Investing Activities</b>						
<b>-1,542,304</b>	<b>-1,258,381</b>	<b>-1,688,377</b>	<b>-34</b>	<b>-1,415,428</b>	<b>-1,650,589</b>	<b>-1,721,925</b>
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>						

2021-22 Budget		2021-22 Estimated Outcome \$'000	2022-23 Budget \$'000	Var %	2023-24 Estimate \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
1,747,350	Proceeds from Borrowings	1,198,080	917,876	-23	1,723,211	996,986	952,192
<b>1,747,350</b>	<b>Total Receipts from Financing Activities</b>	<b>1,198,080</b>	<b>917,876</b>	<b>-23</b>	<b>1,723,211</b>	<b>996,986</b>	<b>952,192</b>
<b>Payments</b>							
4,111	Repayment of Borrowings	4,111	4,296	5	4,490	4,692	4,903
<b>4,111</b>	<b>Total Payments from Financing Activities</b>	<b>4,111</b>	<b>4,296</b>	<b>5</b>	<b>4,490</b>	<b>4,692</b>	<b>4,903</b>
<b>1,743,239</b>	<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>1,193,969</b>	<b>913,580</b>	<b>-23</b>	<b>1,718,721</b>	<b>992,294</b>	<b>947,289</b>
<b>-60,631</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>138,257</b>	<b>-727,937</b>	<b>-627</b>	<b>567,646</b>	<b>-379,012</b>	<b>-466,847</b>
<b>2,035,672</b>	<b>Cash at the Beginning of the Reporting Period</b>	<b>2,035,672</b>	<b>2,173,929</b>	<b>7</b>	<b>1,445,992</b>	<b>2,013,638</b>	<b>1,634,626</b>
<b>1,975,041</b>	<b>Cash at the End of the Reporting Period</b>	<b>2,173,929</b>	<b>1,445,992</b>	<b>-33</b>	<b>2,013,638</b>	<b>1,634,626</b>	<b>1,167,779</b>

## 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 \$3.786 million in the 2021-22 estimated outcome from the original budget is mainly due to a higher level of distributions from investments; and
  - the increase of \$19.160 million in the 2022-23 Budget from the 2021-22 estimated outcome is due to distribution revenue reflecting estimated distributable income and the long-term investment return assumptions for the portfolio investment strategies, which are higher than the investment returns achieved for the 2021-22 financial year.
- interest revenue:
  - the increase of \$28.895 million in the 2021-22 estimated outcome from the original budget is mainly due to higher loan interest from Icon Water in relation to inflation-linked loans and higher interest on investments; and

- the net increase of \$1.530 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to higher cash at bank interest offset by lower loans and investment interest.
- 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 income:
  - the decrease of \$1.655 million in the 2021-22 estimated outcome from the original budget is due to lower other investment revenue; and
  - the increase of \$4.992 million in the 2022-23 Budget from the 2021-22 estimated 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 and higher other investment revenue.
- net gain/(loss) on investments:
  - the decrease of \$323.371 million in the 2021-22 estimated outcome from the original budget is due to lower than expected investment returns for the 2021-22 financial year reflecting the global macroeconomic environment of rising inflation, interest rates and financial market volatility; and
  - the increase of \$325.887 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the long-term investment return assumptions for the portfolio investment strategies, which are higher than the investment returns achieved for the 2021-22 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 \$16.162 million in the 2021-22 estimated outcome from the original budget is mainly due to the impact of higher interest rates on new borrowings transactions during the year and interest costs on inflation-linked bonds; and
  - the increase of \$42.674 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the impact of higher interest rates on a higher level of borrowings.
- other expenses:
  - the decrease of \$59.155 million in the 2021-22 estimated outcome from the original budget is mainly due to a later than planned completion of the restructuring of the loan arrangements between CMTEDD and Community Housing Canberra (CHC), which has deferred the timing of the extinguishment of the loan provided to CMTEDD from the Territory Banking Account for CHC; and

- the increase of \$58.923 million in the 2022-23 Budget from the 2021-22 estimated outcome is mainly due to the planned completion of the extinguishment of the loan provided to CMTEDD for CHC 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 decrease of \$314.360 million in the 2021-22 estimated outcome from the original budget is due to lower than expected investment returns for the 2021-22 financial year reflecting the global macroeconomic environment of rising inflation, interest rates and financial market volatility; and
  - The increase of \$343.498 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the long-term investment return assumptions for the portfolio investment strategies, which are higher than the investment returns achieved for the 2021-22 financial year.

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

- cash and investments comprises cash at bank and the Government's financial investments that are implemented and managed through the Territory Banking Account centralised investment structure.
  - The net decrease of \$228.024 million in the 2021-22 estimated outcome from the original budget reflects higher cash at bank (\$198.903 million) offset by lower investment balances (\$426.913 million) due to the lower than expected investment returns for the 2021-22 financial year; and
  - The net decrease of \$275.635 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects a lower cash at bank requirement due to the estimated operational and liquidity needs of the Territory Banking Account (\$727.937 million) offset by an increase in investment balances reflecting the long-term investment return assumptions for the portfolio investment strategies, which are higher than the investment returns achieved for the 2021-22 financial year (\$452.303 million).
- receivables (current and non-current) are accrued transfer revenue receivables from agencies and loans provided to agencies (Icon Water and CMTEDD):
  - the net increase of \$4.139 million in the 2021-22 estimated outcome from the original budget is mainly due to the delay in the extinguishment of the loan provided to CMTEDD for CHC in relation to the restructuring of the loan arrangement offset by lower receivables; and
  - the net increase of \$110.356 million in the 2022-23 Budget from the 2021-22 estimated outcome comprises higher accrued receivables offset by loans from CMTEDD reflecting the completion of the CHC loan restructure.
- borrowings (current and non-current):
  - the decrease of \$549.270 million in the 2021-22 estimated outcome from the original budget is due to net lower borrowings than originally estimated; and

- the increase of \$913.581 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects an increase in net estimated borrowings to meet budget funding requirements.
- agency investment deposits:
  - the decrease of \$426.913 million in the 2021-22 estimated outcome from the original budget is mainly due to the lower than expected investment returns for the 2021-22 financial year; and
  - the increase of \$452.303 million in the 2022-23 Budget from the 2021-22 estimated outcome reflects the long-term investment return assumptions for agencies investment strategies, which are higher than the investment returns achieved for the 2021-22 financial year.

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

Variations in these Statements are reflected in the notes above.