DEPARTMENT OF TREASURY

Objectives

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

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

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- maintaining the Territory's AAA credit rating through sound and sustainable economic and financial management;
- managing the First Home Owners Scheme;
- increasing the number of transactions and services available electronically to customers;
- strengthening the budget process and financial policy framework;
- completing the review of output and performance measures;
- applying a strengthened financial analysis function, particularly with respect to major project proposals;
- participating in the review of GST funding distribution that will apply from 2004-05;
- implementing the Government's strategy to provide accessible and affordable insurance for community and sporting organisations and small business;
- implementing the Government's revenue initiatives, including a review of the ACT rating system;
- promoting expertise, accountability and transparency in Government procurement services; and
- reviewing corporate governance and performance of Government business enterprises.

Budgeted Financial Results

Section 31 of the *Financial Management Act 1996* (FMA) advises that Chief Executives are responsible for achievement of financial results. For the purpose of Section 31 of the FMA, key budgeted results are specified in the Budget papers to improve accountability. An outcome of the increased accountability will be the requirement for Chief Executives to explain material variances from specified budget results.

In accordance with Section 31 of the FMA, following are the key budgeted results for the Department:

Departmental

- ***Operating Result ($0.279m deficit)*** **–** this measure focuses on the financial performance of the Department, and will measure the Department's success in managing expenditure levels within government funding and other revenue limitations; the deficit is due to depreciation of capitalised software funded by capital injection; and

- ***Current Ratio (1.1:1)*** **–** the current ratio is an indication of the ability to fund short term liabilities from short term assets. The Department has sufficient funds to cover its short term liabilities in the next financial year.

Territorial

- ***Taxes, fees and fines ($504.012m)*** **–** this measures the Department's performance with the earning of taxes, fees and fines revenue for the Territory;

- ***Debt collection ratio (0.1:1)*** **–** this indicates the proportion of taxes, fees and fines which were earned, but uncollected.

Department of Treasury
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
25 847	Government Payment for Outputs	25 316	37 980	50	25 665	26 143	26 525
56	User Charges - Non ACT Government	56	106	89	106	107	108
0	User Charges - ACT Government	2 816	4 625	64	4 655	4 725	4 834
9 666	Interest	8 035	163	-98	204	204	204
268	Resources Received free of charge	268	268	-	268	268	268
35 837	**Total Ordinary Revenue**	**36 491**	**43 142**	**18**	**30 898**	**31 447**	**31 939**
	Expenses						
8 419	Employee Expenses	12 267	23 919	95	13 642	14 083	14 253
1 189	Superannuation Expenses	1 667	1 926	16	1 936	1 958	1 977
12 924	Administrative Expenses	10 282	13 085	27	10 542	10 821	11 127
0	Depreciation and Amortisation	59	614	941	2 531	2 522	2 010
4 749	Borrowing Costs	4 826	0	-100	0	0	0
4 133	Grants and Purchased Services	4 133	3 793	-8	3 870	3 958	3 960
-270	Other Expenses	413	84	-80	93	102	191
31 144	**Total Ordinary Expenses**	**33 647**	**43 421**	**29**	**32 614**	**33 444**	**33 518**
4 693	**Operating Result**	**2 844**	**-279**	**-110**	**-1 716**	**-1 997**	**-1 579**
-3 507	Increase / (Decrease) in other reserves	0	0	-	0	0	0
3 508	Transfer to/from Reserves	1	0	-100	0	0	0
1	**Change In Equity Other Than Those Resulting From Transactions With Owners As Owners**	**1**	**0**	**-100**	**0**	**0**	**0**
56 475	**Total Equity From Start of Period**	**52 094**	**53 777**	**3**	**9 984**	**8 268**	**6 271**
8 000	Capital Injections	269	8 018	#	0	0	0
0	Distributions to Government	0	-4 000	#	0	0	0
0	Inc/Dec in Net Assets from Admin Restructure	-1 431	-47 532	#	0	0	0
69 169	**Total Equity At The End of Period**	**53 777**	**9 984**	**-81**	**8 268**	**6 271**	**4 692**

Department of Treasury
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
13 016	Cash	3 556	3 138	-12	3 169	3 171	3 173
33 174	Receivables	38 205	13 739	-64	13 807	13 958	14 135
83 706	Investments	85 380	12 523	-85	12 941	13 361	13 782
29	Other	0	0	-	0	0	0
129 925	**Total Current Assets**	**127 141**	**29 400**	**-77**	**29 917**	**30 490**	**31 090**
	Non Current Assets						
51 795	Receivables	37 700	0	-100	0	0	0
0	Investments	21 546	0	-100	0	0	0
1 101	Property, Plant and Equipment	810	683	-16	556	429	335
7	Intangibles	36	8 696	#	6 292	3 897	1 981
3 000	Capital Works in Progress	1 129	0	-100	0	0	0
55 903	**Total Non Current Assets**	**61 221**	**9 379**	**-85**	**6 848**	**4 326**	**2 316**
185 828	**TOTAL ASSETS**	**188 362**	**38 779**	**-79**	**36 765**	**34 816**	**33 406**
	Current Liabilities						
7 297	Payables	13 676	13 435	-2	13 400	13 428	13 536
2 128	Interest Bearing Liabilities	1 782	0	-100	0	0	0
1 304	Employee Entitlements	2 217	2 235	1	1 955	1 957	2 001
1 022	Other	11 173	11 173	-	11 173	11 173	11 173
11 751	**Total Current Liabilities**	**28 848**	**26 843**	**-7**	**26 528**	**26 558**	**26 710**
	Non Current Liabilities						
103 620	Interest Bearing Liabilities	103 753	0	-100	0	0	0
1 287	Employee Entitlements	1 984	1 952	-2	1 969	1 987	2 004
104 907	**Total Non Current Liabilities**	**105 737**	**1 952**	**-98**	**1 969**	**1 987**	**2 004**
116 658	**TOTAL LIABILITIES**	**134 585**	**28 795**	**-79**	**28 497**	**28 545**	**28 714**
69 170	**NET ASSETS**	**53 777**	**9 984**	**-81**	**8 268**	**6 271**	**4 692**
	REPRESENTED BY FUNDS EMPLOYED						
49 397	Accumulated Funds	53 777	9 984	-81	8 268	6 271	4 692
19 772	Reserves	0	0	-	0	0	0
69 169	**TOTAL FUNDS EMPLOYED**	**53 777**	**9 984**	**-81**	**8 268**	**6 271**	**4 692**

Department of Treasury
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
25 847	Cash from Government for Outputs	24 352	37 980	56	25 665	26 143	26 525
56	User Charges	52 554	71 734	36	71 764	71 806	71 916
9 666	Interest Received	8 078	163	-98	204	204	204
1 156	Other Revenue	1 156	1 193	3	1 205	1 205	1 205
36 725	**Operating Receipts**	**86 140**	**111 070**	**29**	**98 838**	**99 358**	**99 850**
	Payments						
9 608	Related to Employees	13 878	25 775	86	15 837	16 016	16 164
12 655	Related to Administration	10 221	13 098	28	10 613	10 884	11 136
4 749	Borrowing Costs	4 826	0	-100	0	0	0
4 133	Grants and Purchased Services	4 133	3 793	-8	3 870	3 958	3 960
1 156	Other	45 964	68 048	48	68 069	68 078	68 167
32 301	**Operating Payments**	**79 022**	**110 714**	**40**	**98 389**	**98 936**	**99 427**
4 424	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**7 118**	**356**	**-95**	**449**	**422**	**423**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
19 492	Repayment of Home Loan Principal	21 528	0	-100	0	0	0
19 492	**Investing Receipts**	**21 528**	**0**	**-100**	**0**	**0**	**0**
	Payments						
3 000	Purchase of Property, Plant and Equipment	1 310	8 018	512	0	0	0
7 780	Advances Issued to Government Agencies	7 780	0	-100	0	0	0
0	Capital Payments to Government Agencies	5 000	6 600	32	0	0	0
10 780	**Investing Payments**	**14 090**	**14 618**	**4**	**0**	**0**	**0**
8 712	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**7 438**	**-14 618**	**-297**	**0**	**0**	**0**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
15 780	Capital Injection from Government	13 049	14 618	12	0	0	0
0	Receipt of Transferred Cash Balances	4 230	0	-100	0	0	0
15 780	**Financing Receipts**	**17 279**	**14 618**	**-15**	**0**	**0**	**0**
	Payments						

Department of Treasury
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
0	Distributions to Government	0	4 000	#	0	0	0
1 704	Repayment of Borrowings	2 055	0	-100	0	0	0
0	Payments of Transferred Cash Balances	0	69 631	#	0	0	0
1 704	**Financing Payments**	**2 055**	**73 631**	**#**	**0**	**0**	**0**
14 076	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**15 224**	**-59 013**	**-488**	**0**	**0**	**0**
27 212	**NET INCREASE/(DECREASE) IN CASH HELD**	**29 780**	**-73 275**	**-346**	**449**	**422**	**423**
69 510	**CASH AT BEGINNING OF REPORTING PERIOD**	**59 156**	**88 936**	**50**	**15 661**	**16 110**	**16 532**
96 722	**CASH AT THE END OF THE REPORTING PERIOD**	**88 936**	**15 661**	**-82**	**16 110**	**16 532**	**16 955**

Notes to the Budget Statements

To improve the clarity of financial information, from 2002-03 the Home Loan Portfolio is reported as a separate entity from the Department of Treasury. This is the main reason for the decreases in 2001-02 from the original budget.

Significant variations are as follows:

Statement of Financial Performance

- government payment for outputs: increase of $12.664m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the restructuring fund of $10.0m; additional funds and carryover of funds for the upgrade of Oracle Government Financial management systems of $2.734; increased financial management capacity $0.6m; offset by reductions in gambling and racing research funds of $0.350m;
- user charges – ACT Government: the increase of $1.809m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the full year effect of the transfer of Procurement Solutions from the Department of Urban Services in accordance with the Administrative Arrangement Orders dated 14 November 2001;
- employee expenses: the increase of $11.652m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the restructuring fund of $10.0m; the full year effect of the transfer of Procurement Solutions of $1.391m; and the increased financial management initiative of $0.311m;
- administrative expenses: the increase of $2.803m in the 2002-03 Budget from the 2001-02 estimated outcome is primarily related to the upgrade of the Oracle Government financial system for the Territory of $2.734m and the full year effect of the transfer of Procurement Solutions $0.612m;
- depreciation: the increase of $0.555m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the upgrade of the Oracle Government Financial system $0.472m;
- grants and purchased services: the decrease of $0.340m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to the reduction in gambling and research funds; and
- capital injection: the $8.018m in the 2002-03 Budget will be used for the replacement of the ACTAX Territory revenue system $2.731m and for the Oracle Government Financial systems upgrade $5.287m.

Statement of Financial Position

- cash and investments: the decrease of $73.275m in the 2002-03 Budget from the 2001-02 estimated outcome reflects the transfer of the Home Loan Portfolio;
- intangibles: the increase of $8.660m in the 2002-03 Budget from the 2001-02 estimated outcome represents replacement of the ACTAX Territory revenue system $3.481m and upgrade of the Oracle Government Financial system $5.666m; and
- current and non current interest bearing liabilities: the decrease of $105.535m and in the 2002-03 Budget from the 2001-02 estimated outcome reflects the transfer of the Home Loan Portfolio.

Department of Treasury
Statement of Revenues and Expenses on Behalf of the Territory

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
52 334	Payment for Expenses on behalf of Territory	57 452	42 962	-25	51 032	52 112	52 923
435 046	Taxes Fees and Fines	513 793	504 012	-2	511 585	528 448	527 398
667 875	Grants from the Commonwealth	694 712	707 046	2	738 680	768 028	809 090
15	Interest	467	15	-97	15	15	15
115 570	Dividend Revenue	126 992	112 976	-11	116 631	107 902	117 741
6 789	Other Revenue	6 321	6 525	3	6 714	6 908	7 109
1 277 629	**Total Ordinary Revenue**	**1 399 737**	**1 373 536**	**-2**	**1 424 657**	**1 463 413**	**1 514 276**
	Expenses						
12 467	Administrative Expenses	8 343	9 000	8	9 200	9 300	9 500
39 087	Grants and Purchased Services	49 009	33 862	-31	41 732	42 712	43 323
980	Other Expenses	25 896	4 803	-81	4 778	4 543	4 558
1 225 095	Transfer Expenses	1 316 489	1 325 871	1	1 368 947	1 406 858	1 456 895
1 277 629	**Total Ordinary Expenses**	**1 399 737**	**1 373 536**	**-2**	**1 424 657**	**1 463 413**	**1 514 276**
0	**Operating Result**	**0**	**0**	**-**	**0**	**0**	**0**
2 000	**Total Equity From Start of Period**	**2 000**	**2 000**	**-**	**2 000**	**2 000**	**2 000**
2 000	**Total Equity At The End of Period**	**2 000**	**2 000**	**-**	**2 000**	**2 000**	**2 000**

Department of Treasury
Statement of Assets and Liabilities on Behalf of the Territory

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
931	Cash	513	445	-13	1 062	1 679	2 296
38 619	Receivables	50 860	58 601	15	60 095	61 782	65 655
657	Investments	1 930	1 930	-	1 930	1 930	1 930
40 207	**Total Current Assets**	**53 303**	**60 976**	**14**	**63 087**	**65 391**	**69 881**
	Non Current Assets						
2 533	Receivables	0	0	-	0	0	0
2 000	Investments	2 000	2 000	-	2 000	2 000	2 000
4 533	**Total Non Current Assets**	**2 000**	**2 000**	**-**	**2 000**	**2 000**	**2 000**
44 740	**TOTAL ASSETS**	**55 303**	**62 976**	**14**	**65 087**	**67 391**	**71 881**
	Current Liabilities						
41 908	Payables	40 833	54 941	35	57 052	59 356	63 846
832	Other	12 470	6 035	-52	6 035	6 035	6 035
42 740	**Total Current Liabilities**	**53 303**	**60 976**	**14**	**63 087**	**65 391**	**69 881**
42 740	**TOTAL LIABILITIES**	**53 303**	**60 976**	**14**	**63 087**	**65 391**	**69 881**
2 000	**NET ASSETS**	**2 000**	**2 000**	**-**	**2 000**	**2 000**	**2 000**
	REPRESENTED BY FUNDS EMPLOYED						
2 000	Accumulated Funds	2 000	2 000	-	2 000	2 000	2 000
2 000	**TOTAL FUNDS EMPLOYED**	**2 000**	**2 000**	**-**	**2 000**	**2 000**	**2 000**

Department of Treasury
Budgeted Statement of Cashflows on Behalf of the Territory

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
50 416	Cash from Government for EBT	57 174	42 670	-25	50 740	51 820	52 631
292	Cash from Government - CSO Payments	292	292	-	292	292	292
438 751	Taxes, Fees and Fines	483 649	491 961	2	502 815	520 163	519 098
15	Interest Received	467	15	-97	15	15	15
667 875	Grants Received from the Commonwealth	694 712	707 046	2	738 680	768 028	809 090
6 074	Other Revenue	6 457	6 654	3	6 841	7 041	7 242
1 163 423	**Operating Receipts**	**1 242 751**	**1 248 638**	**..**	**1 299 383**	**1 347 359**	**1 388 368**
	Payments						
10 813	Related to Administration	8 343	9 000	8	9 200	9 300	9 500
39 087	Grants and Purchased Services	49 009	33 862	-31	41 732	42 712	43 323
1 008	Other	182	229	26	227	233	233
1 233 673	Territory Receipts to Government	1 322 733	1 317 493	..	1 363 325	1 401 601	1 451 994
1 284 581	**Operating Payments**	**1 380 267**	**1 360 584**	**-1**	**1 414 484**	**1 453 846**	**1 505 050**
-121 158	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**-137 516**	**-111 946**	**19**	**-115 101**	**-106 487**	**-116 682**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
3 500	Proceeds from Sale/Maturities of Investments	0	0	-	0	0	0
119 357	Dividends	136 365	111 878	-18	115 718	107 104	117 299
122 857	**Investing Receipts**	**136 365**	**111 878**	**-18**	**115 718**	**107 104**	**117 299**
	Payments						
3 500	Purchase of Investments	0	0	-	0	0	0
580	Capital Payments to Government Agencies	580	310	-47	0	0	0
4 080	**Investing Payments**	**580**	**310**	**-47**	**0**	**0**	**0**
118 777	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**135 785**	**111 568**	**-18**	**115 718**	**107 104**	**117 299**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
580	Capital Injection from Government	580	310	-47	0	0	0
580	**Financing Receipts**	**580**	**310**	**-47**	**0**	**0**	**0**

Department of Treasury
Budgeted Statement of Cashflows on Behalf of the Territory

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
580	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**580**	**310**	**-47**	**0**	**0**	**0**
-1 801	**NET INCREASE/(DECREASE) IN CASH HELD**	**-1 151**	**-68**	**94**	**617**	**617**	**617**
3 389	**CASH AT BEGINNING OF REPORTING PERIOD**	**3 594**	**2 443**	**-32**	**2 375**	**2 992**	**3 609**
1 588	**CASH AT THE END OF THE REPORTING PERIOD**	**2 443**	**2 375**	**-3**	**2 992**	**3 609**	**4 226**

Notes to the Budget Statements

The Department of Treasury's territorial financial statements include taxes, fees and fines collected on behalf of the Territory. A detailed explanation of the movement in taxes, fees and fines for 2002-03 is provided in *Budget Paper 3, Part 5.2 – Revenue 2002-03 and Forward Estimates*. An explanation of the movement from the original 2001-02 budget to the estimated outcome is detailed in *Budget Paper 3, Part 3 – 2001-02 Estimated Outcome.*

Significant variations are as follows:

Statement of Revenues and Expenses on Behalf of the Territory

- payment for expenses on behalf of the Territory: the increase of $5.118m in 2001-02 from the original budget is due mainly to increased payments of $6.249m for First Home Owners Grants; increased GST administration cost to the Australian Taxation Office (ATO) of $2.243m; increased low alcohol subsidy of $0.7m and payments to Racing Development Funds of $0.413m offset by savings in gambling tax refund $4.201m. The decrease of $14.490m in the 2002-03 Budget from the 2001-02 estimated outcome is primarily due to the decrease in First Home Owners Scheme payments of $14.249m; reduction to the low alcohol subsidy of $0.7m and payments to the Australian International Hotel School of $0.5m; offset by an increase in GST administration cost to the ATO of $0.657m;
- taxes, fees and fines: the increase of $78.747m in 2001-02 from the original budget primarily reflects the increase in conveyancing due to the First Home Owners Grant Scheme and low interest rates. The inclusion of tax waivers of $25.796m also contributed to the increase. The decrease of $9.781m in the 2002-03 Budget reflects a decrease in conveyancing duties, due to the cessation of stage 2 of First Home Owners Grant Scheme, increasing interest rates of $14.970m, offset by an increase in revenue from a number of budget initiatives; and a decrease in tax waivers of $21.096m. Rates and land tax will experience a modest increase due to an expanding tax base and a CPI increase in general rates;
- grants from the Commonwealth: increase of $26.837m in 2001-02 from the original budget is due to an increase in the Budget Balancing Assistance of $29.4m; and the special purpose payment for First Home Owners Grant of $4.049m; offset by a decrease in the GST Revenue Grant of $7.3m. The increase of $12.334m in the 2002-03 Budget from the 2001-02 estimated outcome is primarily due to an increase to the GST Revenue Grant of $52.0m; offset by a corresponding reduction of the Budget Balancing Assistance $38.5m;
- dividends: increase of $11.422m in 2001-02 compared to the original budget and the decrease of $14.016m in the 2002-03 Budget from the 2001-02 estimated outcome are mainly due to revised dividend estimates from ACTEW, Land (formerly Land and Property), and Gungahlin Development Authority;
- administrative expenses: the decrease of $4.124m in 2001-02 from the original budget is mainly due to savings in the gambling tax refund $4.201m. The increase of $0.657m in the 2002-03 Budget from the 2001-02 estimated outcome reflects an increase in GST administration payments to the ATO;

- grants and purchased services: the increase of $9.922m in 2001-02 from the original budget is primarily due to an increase in First Home Owners Grant of $6.249m, low alcohol subsidies of $0.7m and payments to the Racing Development Fund of $0.413m; the transfer of First Home Owners Scheme from administrative expenses $2.3m. The decrease in of $15.147m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to a decrease in First Home Owners Scheme of $14.249m; and
- other expenses: the increase of $24.916m in 2001-02 from the original budget is mainly due to the inclusion of tax waivers of $25.796m. The decrease of $21.093m in the 2002-03 Budget from the 2001-02 estimated outcome is due to substantial tax waivers primarily for conveyancing granted in 2001-02 and not expected to recur.

Statement of Assets and Liabilities on Behalf of the Territory

- current receivables: the increase of $12.241m in 2001-02 from the original budget and the increase of $7.741m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to an increase in tax and dividend accruals; and
- current payables: the increase of $1.075m in 2001-02 from original budget and the increase of $14.108m in the 2002-03 Budget from estimated outcome, relates mainly to the accrued transfer of revenues to the Central Financing Unit (CFU).

Changes to Appropriation

Changes to Appropriation – Departmental

Government Payment for Outputs	2001-02 Est. Outc. $'000	2002-03 Budget $'000	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
2001-02 Budget	**25 847**	**24 046**	**24 093**	**24 533**	**24 533**
Revised indexation parameters	0	29	59	89	485
Transfer of Executive from CMD	123	123	123	123	123
Transfer to JACS for Co-op Legislation	- 35	- 35	- 35	- 35	- 35
Transfer Economic Policy from CMD	108	175	177	180	183
Transfer Energy Regulation from DUS	358	559	566	579	586
Transfer Procurement Solutions from DUS	391	607	604	619	630
Rollover - Oracle Government Financials Upgrade	-1 612	1 612	0	0	0
Gambling and Racing – reversal of 00-01 rollover	- 828	0	0	0	0
Gambling and racing - Commission research funds	0	- 350	- 350	- 350	- 350
Oracle Government Financials Upgrade	0	1 122	334	304	264
Strengthening Financial Management	0	600	600	605	610
Board Fees for ACT Government Procurement	0	30	32	34	36
Insurance policy development and coordination	0	200	206	212	218
Productivity savings	0	- 678	- 685	- 692	- 700
Restructuring fund	0	10 000	0	0	0
Insurance premium increase	0	15	18	21	23
2002-03 Budget	**24 352**	**38 055**	**25 742**	**26 222**	**26 606**
Transfer to Disability, Housing and Community Services Department	0	- 75	- 77	- 79	- 81
2002-03 Amended Budget	**24 352**	**37 980**	**25 665**	**26 143**	**26 525**

Changes to Appropriation - Territorial

Payment for Expenses on Behalf of the Territory	2001-02 Est. Outc. $'000	2002-03 Budget $'000	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
2001-02 Budget	**50 708**	**49 990**	**50 441**	**50 918**	**50 918**
Removal of territorial appropriation for GST	- 14	- 28	- 28	- 28	- 28
Gambling tax refund to Commonwealth - not required	-2 547	-4 201	-4 247	-4 247	-4 247
Territorial expenditure adjustments	- 53	135	476	758	959
Cellar door subsidy	0	100	100	100	100
Low Alcohol subsidy **	700	0	0	0	0
GST Refund to Clubs **	180	180	180	180	0
First Home Owners Grant **	4 707	0	0	0	0
Revised FHOG admin expenditure	1 000	-6 200	800	1 100	1 500
Revised GST admin expenditure	2 243	3 000	3 300	3 400	3 600
Water and Sewerage assistance	0	- 14	10	- 69	121
First Home Owners Grant – original program	-2 159	0	0	0	0
First Home Owners Grant – extended program	2 701	0	0	0	0
2002-03 Budget	**57 466**	**42 962**	**51 032**	**52 112**	**52 923**

** Funding provided through the 3rd Appropriation Act 2001-02

Changes to Appropriation - Departmental

Capital Injection	2001-02 Est. Outc. $'000	2002-03 Budget $'000	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
2001-02 Budget	**15 780**	**0**	**0**	**0**	**0**
KFDA Capital Injection	0	6 600	0	0	0
Rollover - ACTAX project	-2 731	2 731	0	0	0
Oracle Government Financial Upgrade	0	5 287	0	0	0
2002-03 Budget	**13 049**	**14 618**	**0**	**0**	**0**

Changes to Appropriation - Territorial

Capital Injection	2001-02 Est. Outc. $'000	2002-03 Budget $'000	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
2001-02 Budget	**580**	**0**	**0**	**0**	**0**
2002-03 Capital works program - EPIC	0	310	0	0	0
2002-03 Budget	**580**	**310**	**0**	**0**	**0**

Commonwealth Grants

Estimate of grants from the Commonwealth Government for 2002-03 is as follows:

Name of Grant	**2002-03 $'000**
Assistance for Water and Sewerage	8 675
Financial assistance – Local Government functions	30 500
National Capital Influences – Local Government functions	21 571
Special Revenue Assistance	14 700
Competition Payments	11 900
GST Revenue Grants	600 000
Balancing Budget Assistance	19 700
Total Grants from the Commonwealth Government	**707 046**

OUTPUT CLASS 1: FINANCIAL AND ECONOMIC MANAGEMENT

PRINCIPAL MEASURES

OUTPUT 1.1: ECONOMIC MANAGEMENT[1]

Description: Develop and pursue initiatives to ensure the economic interests of the ACT and its residents are protected and maximised, including through providing advice on economic and regulatory reform, gaming and racing, energy and water policies and major projects and ensuring appropriate returns on assets and appropriate intergovernmental financial relations.[2]

Measures	2001-02 Targets	2001-02 Est. Outcome	2002-03 Targets
Quantity			
(a) Competitive neutrality compliance advice.[3]	74	102	-
(b) Annual Report to National Competition Council.[4]	-	-	1
(c) Briefings for Ministerial Council Meetings.[4]	-	-	7
(d) Intergovernmental Financial Relations activities.[3]	34	28	-
(e) To maintain the ACT's share of General Revenue Assistance above an equal per capita share of funds made available from the Commonwealth.[4]	-	-	1.000000
(f) Economic Analysis.[5]	152	208	77
(g) Procurement Policy.[3]	134	-	-
(h) Provide advice to Government on the structures and operations of Government Business Enterprises (GBEs) and GBE performance and implement Government decisions.[6]	25 projects	45 projects	35
(i) Gambling and Racing Policy Advice.[3]	–	60	-
(j) Energy and Water Markets Reforms.[8]	–	36	-
Quality/Effectiveness			
(k) Policy proposals implemented are consistent with competition principles and implementation of COAG agreements.[9]	–	–	Receive full NCP tranche payment
(l) Treasurer's and Chief Executives' satisfaction with quality as assessed by six-monthly survey.[10]	–	–	95%
(m) Rated satisfactory or above according to *ACT Government Policy Performance Measures*.[3]	95%	95%	-
(n) Implementation of COAG agreements to ensure the ACT achieves compliance with the Agreement to Implement National Competition Policy and Related Reforms.[3]	100%	100%	-
(o) Implemented reforms are consistent with the ACT's National Competition Policy and related commitments.[11]	–	30 June 2002	-
(p) Board appointment processes comply with statutory requirements.	100%	100%	100%
Timeliness			
(q) Policy and research to be provided within agreed timeframes.[3]	95%	95%	-
(r) Advice provided in a timely manner in accordance with emerging needs.[3]	100%	100%	-

Measures	2001-02 Targets	2001-02 Est. Outcome	2002-03 Targets
(s) Treasurer's and Chief Executives' satisfaction with timeliness as assessed by six-monthly survey. [4]	-	-	95%
(t) Arrangements in place for natural gas customers with consumption less than 1 terajoule to have retailer of choice.[3]	–	1 Jan 2002	-
(u) Operational systems in place to allow introduction of agreed market reforms.[12]	–	30 June 2002	-
Cost			
(v) Cost of economic management.[4]	-	-	$5,347,000
(w) Cost of provision of National Competition and Microeconomic Reform activities.[7]	$1,095,000	$1,229,000	–
(x) Cost of provision of Intergovernmental Financial Relations activities.[7]	$915,000	$1,062,000	–
(y) Cost of Economic Analysis.[7]	$534,000	$812,000	–
(z) Cost of Procurement Policy activities.[7]	$453,000	–	–
(aa) Cost of Energy and Water Markets Reform. [13]	–	$342,000	–
(ab) Cost of GBE Management. [7]	$1,365,000	$1,323,000	–
(ac) Cost per 1000 head of population.[3]	$13,969	-	-
(ad) Cost per ACT Public Service employee.[3]	$247	-	-
TOTAL COST ($'000)[14]	**$4,362.0**	**$4,769.0**	**$5,347.0**
GOVERNMENT PAYMENT FOR OUTPUT ($'000)[14]	**$4,398.0**	**$4,738.0**	**$5,341.0**

Notes

(1) As a result of Administrative Arrangements of 14 November 2001 and internal departmental changes:
- part of the measure relating to Economic Analysis was transferred from the Chief Minister's Department and incorporated under Principal Measure (c);
- the measure relating to Procurement Policy was transferred to the new Output 1.4 Procurement Support Services;
- the measure relating to Gambling and Racing Policy Advice was inserted during 2001-02 to reflect transfer of function from Revenue Office; and
- the measures relating to Energy and Water Market Reforms were transferred from the Department of Urban Services.

(2) Description modified to reflect 2002-03 outputs. Previous description was "Develop and pursue initiatives to ensure the economic interests of the ACT and its residents are protected and maximised, including ensuring an efficient regulatory and business environment, appropriate returns on assets and appropriate intergovernmental financial relations."

(3) Measure discontinued.

(4) New measure

(5) 2001-02 Estimated Outcome reflects transfers from the Chief Minister's Department as a result of Administrative Arrangements of 14 November 2001. 2002-03 Target reflects key outputs.

(6) 2001-02 Estimated Outcome reflects number of projects actually allocated during the year. 2002-03 Target reflects number of projects expected.

(7) 2001-02 Estimated Outcome reflects transfer of appropriation as a result of Administrative Arrangements of 14 November 2001. Measure discontinued.

(8) Name change. Old measure was "Energy Market Reforms and Technical Regulations"

(9) Name change. Old measure was "Policy proposals implemented are consistent with competition principles, and implementation of COAG agreements ensure compliance with the Agreement to implement National Competition Policy and related reforms."

(10) Name change. Old measure was "Treasurer's and Chief Executive's satisfaction with advice as assessed by six monthly survey"

(11) Name change. Old measure was "National electricity and gas reforms are in place in the ACT"

(12) Name change. Old measure was "Arrangements in place for electricity customers with consumption less than 100MWh to have retailer of choice"

(13) Name change. Old measure was "Cost of Energy Market Reforms and Technical Regulation"

(14) 2001-02 Estimated Outcome reflects transfer of appropriation as a result of Administrative Arrangements of 14 November 2001.

OUTPUT CLASS 1: FINANCIAL AND ECONOMIC MANAGEMENT

PRINCIPAL MEASURES

OUTPUT 1.2: FINANCIAL MANAGEMENT

Description: Provision of analysis, monitoring and reporting on financial performance to assist the Government to achieve its preferred outcomes.[1]

Measures	**2001-02 Targets**	**2001-02 Est. Outcome**	**2002-03 Targets**
Quantity			
(a) Budget.	1	1	1
(b) Monitor purchase and ownership agreements – including Government Business Enterprises (GBE) and authorities.[2]	22	13	–
(c) Whole of Government Consolidated – Management Reports.	–	–	4
(d) Whole of Government Consolidated Finance Report.	1	1	1
(e) Financial management policy advice, guidance and direction.[3]	110	110	-
(f) External Government Reporting.	–	–	16
(h) Whole of Government Capital Works Program Reporting. [6]	–	–	4
(i) Monitor GST Implementation activity in agencies.[3]	4	4	–
(j) Commission of Audit.[4]	-	1	1
Quality/Effectiveness			
(k) Budget documents meet agreed standards.	100%	100%	100%
(l) Services meet standards described *in ACT Public Service Customer Service Standards* and the *ACT Government Policy Performance Measures*.[3]	100%	100%	-
(m) Relevant Minister's and Chief Executives' satisfaction with quality as assessed by six-monthly survey.[7]	-	-	95%
Timeliness			
(n) Relevant Minister's and Chief Executives' satisfaction with timeliness as assessed by six-monthly survey.[8]	-	-	95%
Cost			
(o) Cost per 1000 head of population.[3]	$22,934	-	-
(p) Cost per ACT Public Service employee.[3]	$405	-	-
(q) Cost per $m of whole of government expenses.	$3,803	$2,364	$8,505
TOTAL COST ($'000) [5]	**$7,162.0**	**$5,180.0**	**$18,669.0**
GOVERNMENT PAYMENT FOR OUTPUT ($'000)[5]	**$7,180.0**	**$5,661.0**	**$18,293.0**

Notes

(1) Description modified. Previous description was "Provision and maintenance of a financial management framework conducive to the analysis, monitoring and reporting on performance to assist the Government to achieve its preferred outcomes."
(2) 2001-02 Estimated Outcome reflects change from monthly to quarterly reporting as a result of amendment to the *Financial Management Act 1996*. Measure discontinued.
(3) Measure discontinued.
(4) New measure.
(5) 2001-02 Estimated Outcome reflects rollover of Oracle project. 2002-03 Target reflects Oracle project and the restructuring fund.
(6) Name change. Old measure was "Monitoring of capital works program"
(7) Name change. Old measure was "Treasurer's and Chief Executive's satisfaction with advice as assessed by six monthly survey"
(8) Name change. Old measure was "Services provided in line with completion dates and agreed turnaround times"

OUTPUT CLASS 1: FINANCIAL AND ECONOMIC MANAGEMENT
PRINCIPAL MEASURES

OUTPUT 1.3: REVENUE MANAGEMENT

Description: Optimise tax revenue concurrent with achieving a simple, equitable and efficient tax system; develop policy; and advise and assist clients to meet their obligations.

Measures	**2001-02 Targets**	**2001-02 Est. Outcome**	**2002-03 Targets**
Quantity			
(a) Manage agreed priority projects related to revenue research, policy and legislation.[1]	–	–	44
(b) Monthly Revenue Analysis.[3]	–	–	12
Provide services and advice related to:			
(c) Client services;	112,535	114,721	109,012
(d) Taxpayer Services (assessments, reminder notices, reconciliations, applications and data quality); [12]	–	–	524,042
(e) Compliance revenue per inspector;[5]	$200,000	$522,239	$220,000
(f) Debt management – level of outstanding debt;[6]	<2%	2%	<2%
(g) Objections and review of decisions;[7]	220	98	215
(h) First Home Owners Grant applications;	3,000	3,649	3,100
(i) Stamp Duty Homebuyer Concession;[8]and	1,000	238	100
(j) Number of Home Loans managed.[4]	1,174	1,177	-
Quality/Effectiveness			
(k) Policy advice rated satisfactory or above according to *ACT Government Policy Performance Measures*.[4]	100%	100%	-
(l) Services provided in line with quality criteria set out in the *ACT Public Service Customer Service Standards*.[4]	100%	100%	–
(m) Relevant Minister's and Chief Executives' satisfaction with quality as assessed by six-monthly survey. [14]	–	–	95%
Timeliness			
(n) Relevant Minister's and Chief Executives' satisfaction with timeliness as assessed by six-monthly survey. [13]	–	–	95%
(o) Improve the efficiency, flexibility and functionality of the state type tax and duty computer system.[4]	–	–	March 2003
Cost			
(p) Cost per 1000 head of population. [4]	$62,820	–	-
(q) Cost per ACT Public Service employee.[4]	$1,110	–	-
(r) Cost per $m of whole of government expenses.	$10,419	$8,757	$5,945
TOTAL COST ($'000)[12]	**$19,619.0**	**$19,986.0**	**$13,778.0**
GOVERNMENT PAYMENT FOR OUTPUT ($'000)[12]	**$14,269.0**	**$13,945.0**	**$13,372.0**

Notes

(1) Name change. Old measure was "Manage agreed priority projects related to revenue policy and legislation" Measure modified during 2001-02 to reflect the transfer of gambling and racing policy to Output 1.1 Economic Management.
(2) Measure modified.
(3) New measure to reflect significant proportion of output.
(4) Measure discontinued.
(5) 2001-02 Estimated Outcome is higher than expected due to two significant assessments.
(6) New measure. Previously reported as a deliverable
(7) 2001-02 Estimated Outcome is lower than expected due to fewer valuation objections than forecast.
(8) 2001-02 Estimated Outcome is lower than expected as property values have increased significantly, resulting in fewer properties under the threshold limit of $140,000.
(9) 2001-02 Estimated Outcome is lower than expected as property values have increased significantly, resulting in fewer properties under the threshold limit of $140,000.
(10) Measure discontinued. Function transferred to new Output Class 1 and Output 1.1 Home Loan Portfolio.
(11) Name change. Old measure was "Taxpayer Services (assessments, reminder notices, reconciliations, applications)"
(12) 2002-03 Target reflects transfer of the Home Loan Portfolio to a separate reporting entity (see the new Output Class 1 Home Loan Portfolio and Output 1.1 Home Loan Portfolio).
(13) Name change. Old measure was "Services provided in line with completion dates and agreed turnaround times".
(14) Name change. Old measure was " Treasurer's and Chief Executives satisfaction with advice as assessed by six monthly survey".

OUTPUT CLASS 1: FINANCIAL AND ECONOMIC MANAGEMENT
PRINCIPAL MEASURES

OUTPUT 1.4: PROCUREMENT SUPPORT SERVICES[1]

Description: Includes procurement policy; buyers and sellers information services (basis), including on-line procurement services, business opportunities, supplier notification of tenders and contracts and support to ACT Government purchasing officers; and the implementation of construction industry reforms including pre-qualification of suppliers and the provision of risk management services to ACT Government agencies.[2]

Measures	**2001-02 Targets**	**2001-02 Est. Outcome**	**2002-03 Targets**
Quantity			
Procurement Policy			
(a) Procurement guidelines and circulars reviewed or issued. [3]	–	–	15
ACT Procurement Solutions (GPO)			
(b) Online Procurement Services – number of business opportunities notified to local suppliers. [9]	–	–	2,000
(c) Online Procurement reform - net increase in suppliers registered on basis. [10]	–	–	3.3%
(d) Construction Industry Policy - additional OH&S criteria included in the pre-qualification scheme.[4]	–	1	-
ACT Procurement Solutions (Fee for Service)			
(e) Risk Management Services - number of tenders called.[5]	–	200	275
(f) Risk Management Services - Number of contracts let.[5]	–	300	340
(g) The proportion of the Government funded annual capital works program supported with project director services.	–	60%	60%
Other			
(h) Australian Capital Region (ACR) Online.	–	1	1
Quality/Effectiveness			
(i) Relevant Minister's and Chief Executives' satisfaction with quality as assessed by six-monthly survey. [11]	–	–	95%
Procurement Policy			
(j) Rated satisfactory or above according to *ACT Government Policy Performance Measures*.[6]	–	95%	-
ACT Procurement Solutions (GPO)			
(k) Online Procurement Services – responses to queries received via the help line services (basis) responded to within 24 hours.[4]	–	95%	-
(l) Quality Management Systems Compliance under ISO9001:2000 – number of Category 1 non-conformance findings.[i]	–	–	<3
(m) Construction Industry –- government pre-qualification scheme for construction industry suppliers conforms with nationally agreed reforms.[4]	–	100%	-
ACT Procurement Solutions (Fee for Service)			
(n) Customer satisfaction with ACT Procurement Solutions. [12]	–	75%	80%

Measures	2001-02 Targets	2001-02 Est. Outcome	2002-03 Targets
Timeliness			
Procurement Policy			
(o) Policy and research to be provided within agreed timeframes.[4]	–	95%	-
(p) Procurement guidelines and circulars reviewed or issued within agreed timeframes.[6]	–	–	100%
ACT Procurement Solutions (GPO)			
(q) Online Procurement Services – responses to queries received via the help line services (basis) responded to within 24 hours.[6]	–	–	95%
ACT Procurement Solutions (Fee for Service)			
(r) Third Party Accreditation of the Quality system achieved to conform with Australian and New Zealand Quality System Standards (ISO9001).[4]	–	Sept 2001	-
Cost			
Procurement Policy			
(s) Cost of Procurement Policy activities.[7]	–	$581,000	$390,000
ACT Procurement Solutions (GPO)			
(t) Cost of Online Procurement services.[8]	–	$176,030	$250,000
(u) Cost of construction industry reforms and pre-qualification.[8]	–	$263,142	$375,000
ACT Procurement Solutions (Fee for Service)			
(v) Cost of Risk Management Services.[8]	–	$2,691,828	$4,612,000
TOTAL COST ($'000)[8]	**–**	**$3,712.0**	**$5,627.0**
GOVERNMENT PAYMENT FOR OUTPUT ($'000)[8]	**–**	**$972.0**	**$974.0**

Notes

(1) As a result of Administrative Arrangements of 14 November 2001 and internal departmental changes:
- the measure relating to Procurement Policy were transferred from Output 1.1 Economic Management to this new output;
- the measures relating to ACT Procurement Solutions and Construction Industry Policy were transferred from the Department of Urban Services to this new output; and
- the measure relating to Australian Capital Region Online was transferred from the Chief Minister's Department to this new output.

(2) Description modified to reflect 2002-03 outputs. Previous description was "Includes procurement policy advice, review of major procurement projects, and provision of training courses; buyers and sellers information services (basis), including on-line procurement services, business opportunities, supplier notification of tenders and contracts and support to ACT Government purchasing officers; and the implementation of construction industry reforms including pre-qualification of suppliers and the provision of risk management services to ACT Government agencies.

(3) Name change. Old measure was "Procurement policy

(4) Measure discontinued.

(5) 2001-02 Estimated Outcome reflects part-year performance since Administrative Arrangements of 14 November 2001. 2002-03 Target reflects full-year target.

(6) New measure

(7) 2002-03 Target reflects separation of Procurement Policy and Procurement Board Secretariat functions.

(8) 2001-02 Estimated Outcome reflects part-year performance since Administrative Arrangements of 14 November 2001. 2002-03 Target reflects full-year target.

(9) Name change. Old measure was " Online Procurement Services – number of visits to the basis website".

(10) Name change. Old measure was "Online Procurement Services – net increase in suppliers registered on basis"

(11) Name change. Old measure was "Treasurer's and Chief Executives' satisfaction with advice as assessed by six monthly survey.

(12) Name change. Old measure was "Customer satisfaction with ACT Procurement and Projects".