



ACT
Government

Australian Capital Territory

Budget 2023–24

Budget Statements B

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

Structure and Content of the 2023-24 Budget Papers

The 2023-24 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 2023-24 Budget and forward estimates for the General Government Sector, the Public Trading Enterprise sector and the total Territory Government. Details of the projected 2023-24 Budget results are provided, as well as background information on the development of the 2023-24 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of 2023-24 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 wish to acknowledge the Ngunnawal people as traditional custodians of the land we are meeting on and recognise any other people or families with connection to the lands of the ACT and region. We wish to acknowledge and respect their continuing culture and the contribution they make to the life of this city and this region.

ISSN 1327-581X ©

© Canberra, Australian Capital Territory, June 2023

Publication No 23/0108

Material in this publication may be reproduced provided due acknowledgement is made. Produced by the Chief Minister, Treasury and Economic Development Directorate.

Enquiries about this publication should be directed to the:

Chief Minister, Treasury and Economic Development Directorate

GPO Box 158

Canberra ACT 2601

<https://www.treasury.act.gov.au/budget>

Telephone: Access Canberra - 13 22 81



Contents

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE.....	1
Purpose	1
2023-24 Priorities.....	2
Estimated Employment Levels.....	7
Strategic Objectives and Indicators	7
Output Classes	19
Accountability Indicators	35
Changes to Appropriation.....	57
Summary of 2023-24 Infrastructure Program	67
Financial Statements.....	72
Financial Statements – Territorial.....	79
Output Class Financial Statements	86
ACT GAMBLING AND RACING COMMISSION – STATEMENT OF INTENT	97
ACT GAMBLING AND RACING COMMISSION.....	99
The Gambling and Racing Commission Board	99
Purpose	100
Nature and Scope of Activities.....	101
Estimated Employment Level	104
Strategic Objectives and Indicators	104
Output Classes	110
Accountability Indicators	110
Changes to Appropriation.....	112
Monitoring and Reporting	112
Financial Arrangements	113
Financial Statements.....	115
ACT INSURANCE AUTHORITY - STATEMENT OF INTENT	121

ACT INSURANCE AUTHORITY	123
Purpose	123
Nature and Scope of Activities.....	124
2023-24 Priorities and Next Three Financial Years.....	125
Estimated Employment Levels.....	126
Key Performance Indicators.....	127
Monitoring and Reporting	128
Financial Statements.....	130
CANBERRA INSTITUTE OF TECHNOLOGY – STATEMENT OF INTENT	137
CANBERRA INSTITUTRE OF TECHNOLOGY	139
Purpose	139
Nature and Scope of Activities.....	140
2023-24 Priorities and the Next Three Years.....	141
2023-24 Training Profile and Associated Items	143
Monitoring and Reporting	144
Estimated Employment Levels.....	144
Strategic Objectives and Indicator.....	145
Output Class.....	146
Accountability Indicators	146
Key Performance Indicators for 2023	147
Changes to Appropriation.....	148
Summary of 2023-24 CIT Infrastructure Program	149
Monitoring and Reporting	150
Financial Arrangements	151
Financial Statements.....	153
Calendar Year Financial Statements	159
CIT SOLUTIONS.....	165
Purpose	165

2023-24 Priorities.....	165
Estimated Employment Levels.....	166
Strategic Objectives and Indicators	167
Financial Arrangements	167
Financial Statements – Controlled (PTE)	168
CULTURAL FACILITIES CORPORATION – STATEMENT OF INTENT	175
CULTURAL FACILITIES CORPORATION.....	177
Purpose	177
Nature and Scope of Activities.....	177
2023-24 Priorities and Next Three Financial Years.....	179
Estimated Employment Level and Employment Profile	181
Strategic Objectives and Indicators	182
Output Classes	183
Accountability Indicators	184
Changes to Appropriation.....	185
Summary of 2023-24 Infrastructure Program	187
Financial Statements.....	190
ICON WATER LIMITED	197
Purpose	197
2023-24 Priorities.....	197
Estimated Employment Levels.....	199
Financial Statements – Controlled (PTE)	200
INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT.....	209
INDEPENDENT COMPETITION AND REGULATORY COMMISSION	211
Purpose	211
Nature and Scope of Activities.....	212
2023-24 Priorities and Next Three Financial Years.....	216
Estimated Employment Levels.....	217

Key Performance Indicators for 2023-24 to 2026-2027	217
Assessment of Performance Against 2022-23 Objectives	218
Changes to Appropriation	218
Monitoring and Reporting	219
Annual Reporting	219
Financial Statements.....	220
LIFETIME CARE AND SUPPORT FUND.....	225
Purpose	225
2023-24 Priorities.....	225
Estimated Employment Levels.....	225
Strategic Objectives and Indicators	226
Output Classes (Territorial).....	226
Accountability Indicators	227
Financial Statements – Territorial.....	228
MOTOR ACCIDENT INJURIES COMMISSION – STATEMENT OF INTENT	235
MOTOR ACCIDENT INJURIES COMMISSION.....	237
Introduction	237
Purpose	237
Nature and scope of activities	238
2023-24 Priorities and next three financial years.....	239
Estimated Employment Levels.....	240
Key performance indicators for 2023-24 to 2026-27	241
Assessment of performance against 2022-23 objectives	243
Monitoring and Reporting	245
Financial arrangements.....	246
Financial Statements.....	247
OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER – STATEMENT OF INTENT	253
OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER	255

Purpose	255
Nature and Scope of Activities.....	255
Quality Assurance	255
Risks	255
2023-24 Priorities and Next Three Financial Years.....	256
Estimated Employment Level and Employment Profile	258
Strategic Objectives and Indicators	258
Output Classes	259
Accountability Indicators	260
Changes to Appropriation.....	262
Monitoring and Reporting	263
Financial Arrangements	263
Financial Statements.....	264
PUBLIC SECTOR WORKERS COMPENSATION FUND.....	271
Purpose	271
2023-2024 Priorities.....	271
Estimated Employment Levels.....	272
Strategic Objectives and Indicators	272
Output Classes (Territorial).....	272
Accountability Indicators	273
Financial Statements – Territorial.....	274
SUPERANNUATION PROVISION ACCOUNT	283
Purpose	283
2023-24 Priorities.....	283
Estimated Employment Levels.....	283
Strategic Objectives and Indicators	284
Output Classes (Territorial).....	286
Accountability Indicators	287

Financial Statements – Territorial.....	288
TERRITORY BANKING ACCOUNT	295
Purpose	295
2023-24 Priorities.....	295
Estimated Employment Levels.....	295
Strategic Objectives and Indicators	296
Output Classes (Territorial).....	298
Accountability Indicators	299
Financial Statements – Territorial.....	301

CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

Purpose

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

We work collaboratively within government and with the community to deliver government priorities and drive initiatives aimed at making Canberra a better place to live. CMTEDD also leads the strategic direction of the ACTPS to ensure it is well positioned to 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 Cabinet and Assembly business, 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 and procurement advisory services;
- support a safe and liveable city by helping businesses and community to access government services through Access Canberra;
- 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.

2023-24 Priorities

Strategic and operational priorities for CMTEDD in 2023-24 include:

- supporting the delivery of commitments in the Parliamentary and Governing Agreement;
- continuing to support the administration of governance conventions, procedures, and standards associated with ACT Cabinet;
- continuing to build the ACT Government's capability to capture, protect and make available government information to support efficient administration, public accountability and to sustain the community memory of our culture and history;
- further 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;
- strengthening the evaluation culture across the Service, delivering the ACT Evidence and Evaluation Academy, coordinating the Evaluation Champions network, and developing an evaluation governance strategy for CMTEDD;
- 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 growth 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;
- promoting inter-directorate cooperation, innovation, and outcomes through Directorate committees and ongoing arrangements such as Strategic Board and its committees, and the Deputy Director-General's Group;
- 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 and their sub-groups;
- working across government to lead rolling updates to the ACT Government's Infrastructure Plan to transform it into a 'living document', and ensuring it responds to the city's needs and market conditions as they evolve;
- leading the Government's engagement with regional stakeholders on mutually beneficial activities including the NSW Government and the NSW Cross-Border Commissioner, the Canberra Region Joint Organisation and local councils in the Canberra Region;
- 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 entry level programs which attract and develop diverse talent that is representative of the ACT community;
- driving further growth of a diverse and inclusive ACTPS workforce through strategy development that brings indicators of organisational inclusion and evidence based action together;
- delivering programs that engage, develop and retain diverse talent;
- providing contemporary workers compensation services that support the timely and effective return to work and recovery from illness or injury;
- ensuring the ACT public sector workplace health and safety framework operates effectively to prevent harm, promote health and wellbeing and support staff when injury or illness occurs;
- 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;
- providing a range of support services to directorates and agencies including: tactical and transitional finance services, payroll and payroll reporting, recruitment and new employee onboarding, and Learning Management Systems; and
- providing expert community and government property management and accommodation services on behalf of the ACT Government.
- 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 social media 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;

- keeping the Canberra community well informed in times of a Territory emergency through the whole of government Public Information Coordination Centre;
- continuing support for directorates to embed 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, through progression of the Best Practice Design and Delivery Guide, ensuring initiatives give full consideration to design when developing services for the community or internal to government;
- 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, assisting agencies with strategies to modernise legacy systems, and optimising security and resilience to support the work of government;
- 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;
 - 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
 - consumer affairs and fair trading;
 - being a proactive risk-based regulator under our Accountability Commitment framework, including through effective communication and engagement;
 - investigating and managing complaints to achieve regulatory and improved government service delivery outcomes;

- upholding regulatory protections through various statutory functions including as the Registrar-General, Commissioner for Fair Trading, Construction Occupations Registrar and the Environment Protection Authority;
 - managing key systems and registries on behalf of government including Rego.act, Births, Deaths and Marriages and Land Titles;
 - working collaboratively across government to support quality government services and robust regulatory protections; and
 - modernising our systems and approach to digitisation of services, as a foundation for more easily supporting 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;
 - supporting small businesses and social enterprises through a range of programs and improving access to information for people in business;
 - working in partnership with other areas of government and business to enhance the night time experience for Canberrans and visitors;
 - 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, education, sporting, artistic and cultural experiences that reflect our city’s identity and position as the nation’s capital;
 - working with businesses, training providers and universities to develop and attract talent and skills to meet the ACT’s workforce needs;
 - 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 ACT'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 2023-24 Budget Review, the 2024-25 Budget and the Territory's consolidated financial statements and whole of government budget and financial reports, and developing policy on financial and accountability frameworks;
- managing the Territory's borrowings, financial investments, cash and liquidity needs, and defined benefit superannuation liabilities;
- supporting the ACTPS to deliver value-for-money through policies, systems, tools and practices under the Procurement Reform Program, including by developing and maintaining the ACT Government procurement framework, establishing and managing whole of government procurement arrangements, platforms and data, providing procurement advisory and support services, and enhancing procurement capability;
- providing advice to Government on economic policy and reform, the economic outlook, infrastructure finance and insurance;
- through the Coordinator General for Housing, providing advice to Government on housing policy, including on affordable housing;
- implementing changes to federal financial relations arrangements, including an enhanced role for the Council on Federal Financial Relations in intergovernmental funding agreements; and
- 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.

Estimated Employment Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome ¹	2022-23 Budget ²	2022-23 Estimated Outcome ¹	2023-24 Budget ²
Staffing (FTE) ³	2,663	2,677	2,810 ⁴	2,873 ⁵

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 CMTEEDD 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 2022-23 estimated outcome and the 2022-23 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 between the 2023 24 Budget and the 2022 23 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:

- proactively engaging with directorates on key policy or service issues, including providing advice from a whole of government perspective; and promoting inter-directorate cooperation and outcomes through Directorate committees and ongoing arrangements such as the Deputy Director-Generals Group and the Strategic Board and its committees;
- focused effort through Coordinator-General roles:
 - 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; and
 - Coordinator-General for Housing, providing advice to Government on housing policy, including on affordable housing;
- leading and coordinating intergovernmental relations and engagement at the national, state and local level including with regional stakeholders;
- leading and coordinating policy and project initiatives targeted at reducing regulatory burden and improving the effectiveness and efficiency of regulation;

- delivering procurement reform to provide clearer opportunities for industry and local businesses to work with the ACT Government;
- embedding the ACT Wellbeing Framework as a basis for assisting government decision making;
- supporting whole of government improvement in records and information governance capabilities, including making archival information accessible;
- leading efforts to improve the wellbeing and circumstances of people of diverse sexualities, genders, bodies and relationships;
- delivering integrated services for ACT businesses, community groups and individuals seeking service, support, licensing, registration, regulatory protection and compliance and/or advice from the ACT Government; and
- ensuring the employment framework and industrial relations services deliver healthier workers and safer, more ethical and strategic employment practices; continue to support a flexible workforce; build capacity and deliver programs to attract and retain diverse talent; and continue to support reform agendas such as those which address a secure and diverse workforce.

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 ongoing and future response to the COVID-19 pandemic, and 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

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, quantum, 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 growth in 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.

In line with the Statement of Ambition for the Arts and the Arts, Culture, Creative Policy, the Directorate will support a culturally rich and vibrant community, where arts and creativity are apparent anywhere, at any time for everyone. The Directorate will support artists and creatives to develop 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 and to be recognised as Australia's arts capital.

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 growth.

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.

T2030: ACT Tourism Strategy 2023-2030 aims to grow the visitor economy to \$4.0 billion by 2030, as measured by domestic and international overnight expenditure and day trip expenditure.

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.

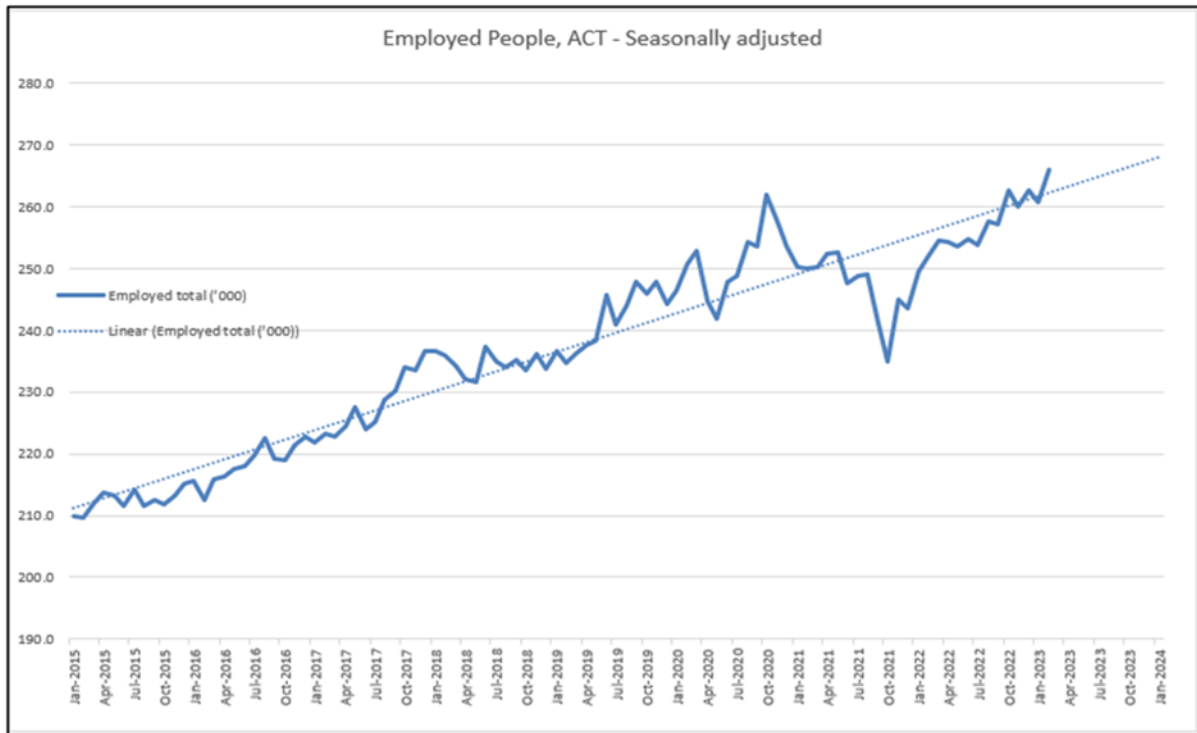
Strategic Indicator 3b: Growth in innovation, trade and investment.

The Government's objective is to continue to support private sector growth and economic diversification.

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.

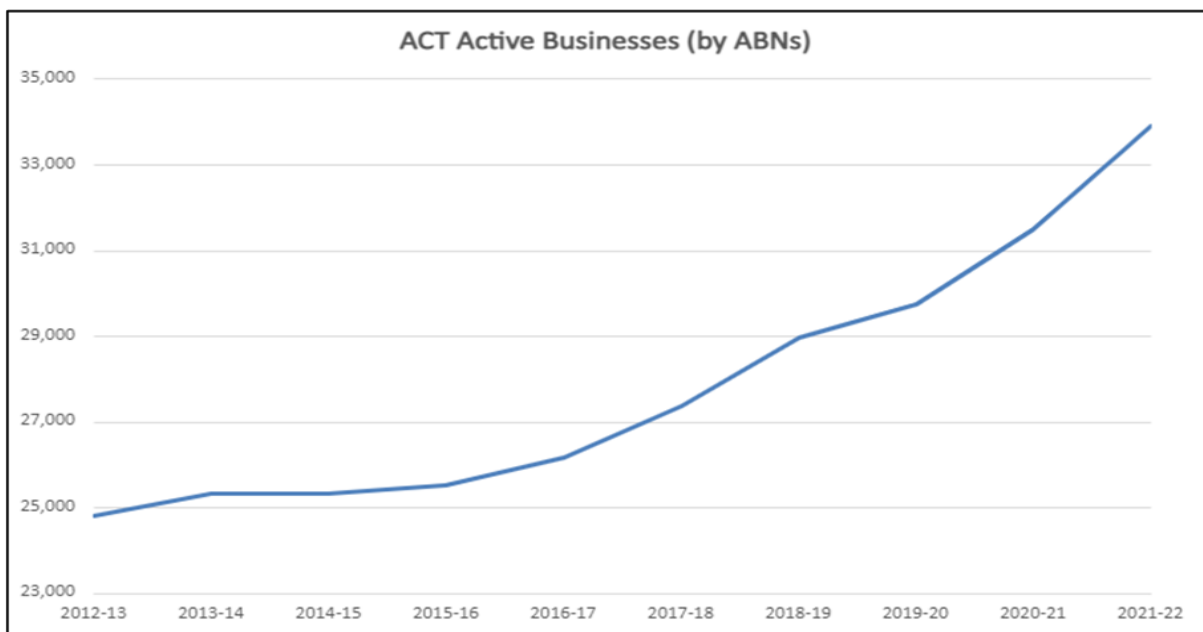
The Directorate will also promote export development through international engagement and trade activities.

Figure 1: Employed People, Australian Capital Territory



Source: ABS Catalogue No. 6202.0 Labour Force, Australia - February 2023, Employed people, Australian Capital Territory – Seasonally adjusted | Australian Bureau of Statistics (abs.gov.au).

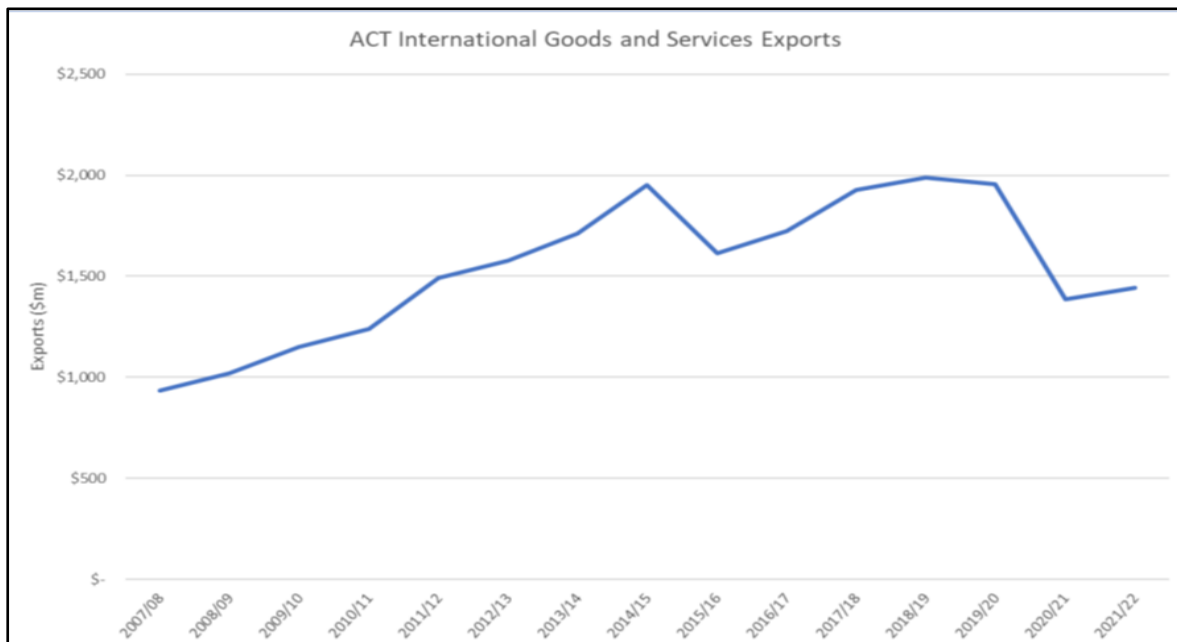
Figure 2: ACT Active Businesses



Source: ABS Catalogue No. 8165.0, Counts Australian Businesses, including Entries and Exits, to June 2022 | Australian Bureau of Statistics (abs.gov.au).

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.

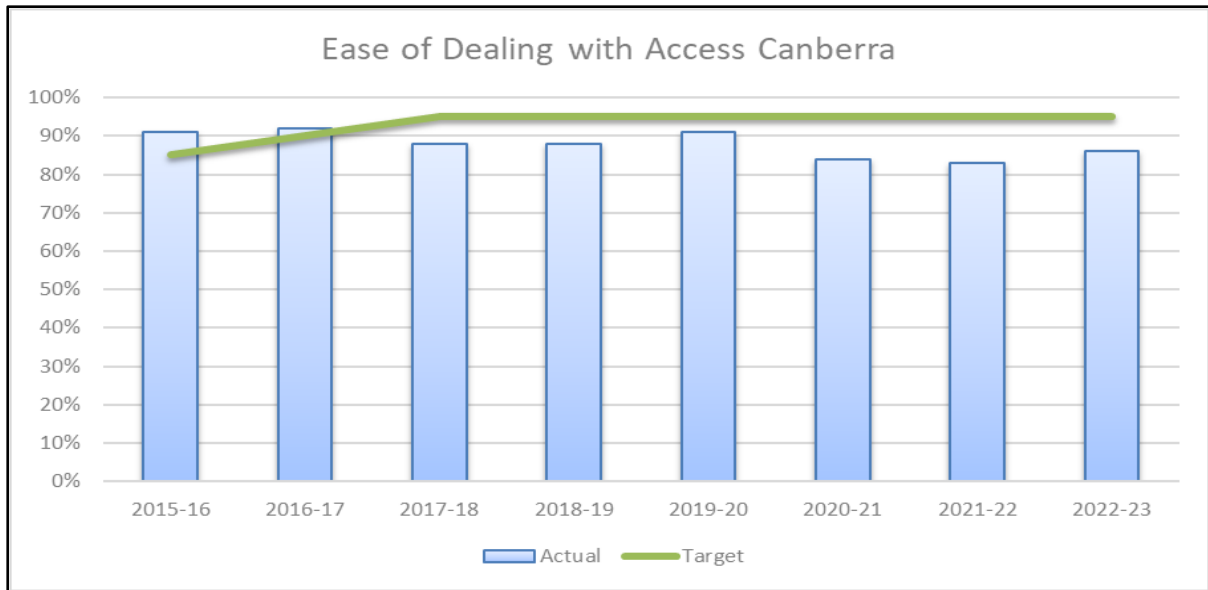


Source: ACT Services exports derived from ABS Catalogue 5368.0.55.003 - International Trade: Supplementary Information, Financial Year, 2021-22 (13 December 2022 release). ACT Goods exports derived from ABS Catalogue 5368 - International Trade in Goods and Services, Australia: TABLE 15a. MERCHANDISE EXPORTS, State and Australia, FOB Value (7 March 2023 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 businesses 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

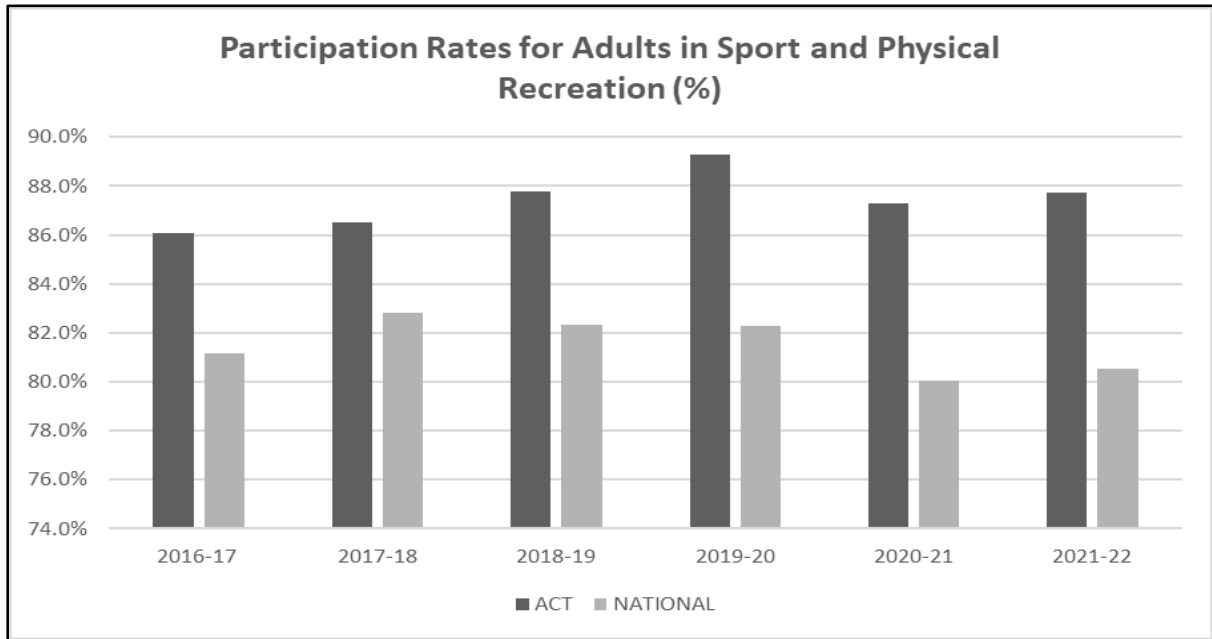


Source: Results up to 2022-23 are calculated from client assessment feedback, which is collected from an internal survey of businesses that have had a regulatory interaction with Access Canberra, combined with an annual survey of the general public assessing the ease of dealing with Access Canberra, based on their dealings over the past 12 months. From 2023-24, the measure (and target) is a combined result from ease of dealing with Access Canberra in-person and online. The results will be obtained from an annual survey of the general public and clients who have had a regulatory interaction with Access Canberra.

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

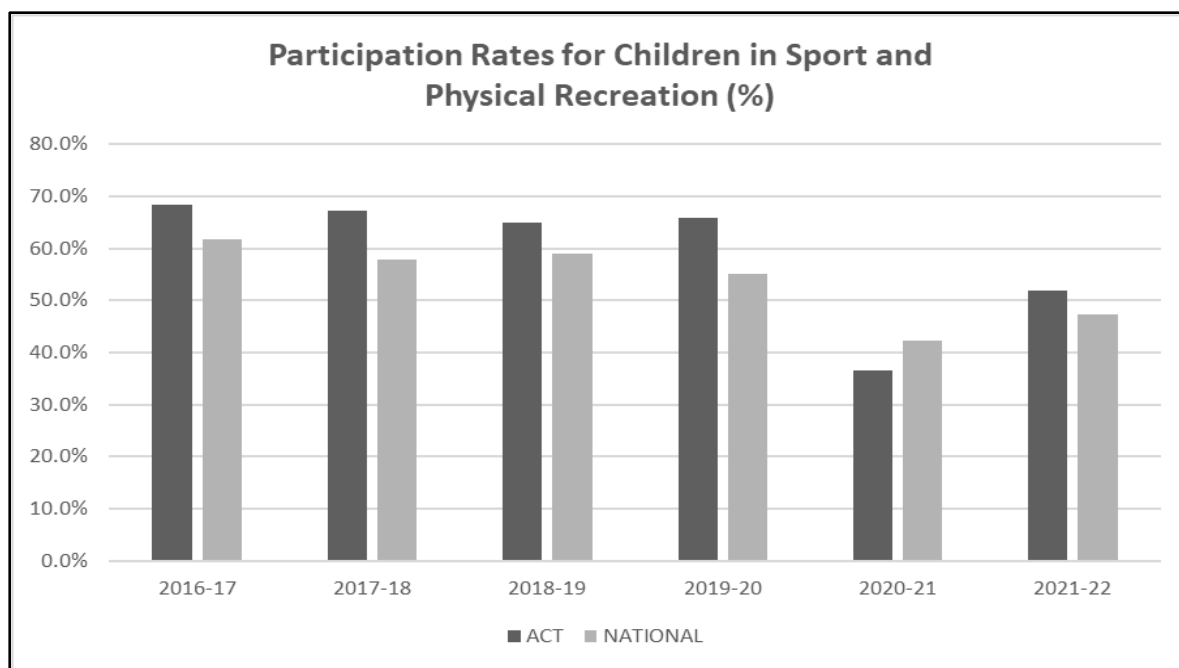
The benefits of physical activity are widely recognised and are consistent with Government’s objective to increase participation in competitive, non-competitive and social sport and recreation activities at all levels.

Figure 5: Participation rate for Adults in sport and physical recreation



Source: AusPlay Participation data for the sport sector (October 2022). 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 2022). 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:

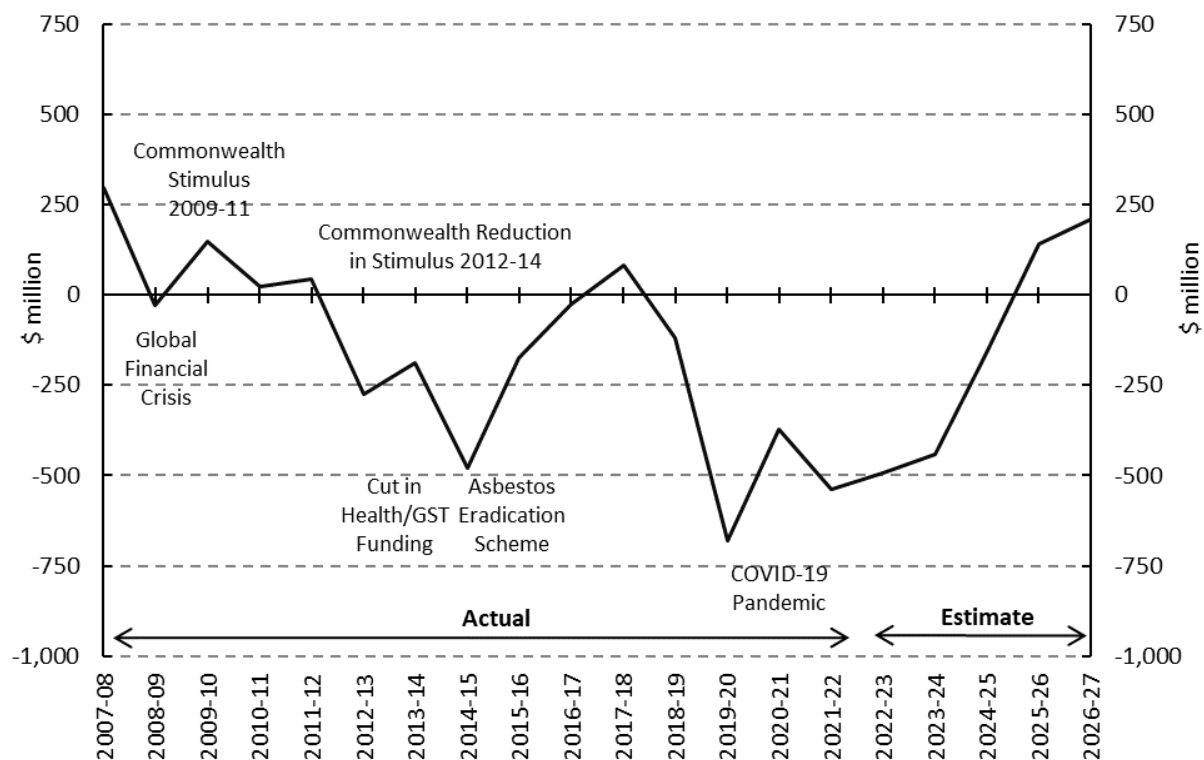
- assisting the Government to meet its fiscal strategy, which focuses on supporting the continuing public health and economic jobs recovery response to the COVID-19 pandemic, restoring public finances once the community and economy have fully recovered by systematically reducing net debt over the long 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 liabilities.

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

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) in 2022-23 is estimated to be a deficit of \$492 million. In 2023-24 the HNOB is forecast to be a deficit of \$442.7 million decreasing across the forward estimates to an estimated surplus of \$212.1 million in 2026-27.

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).

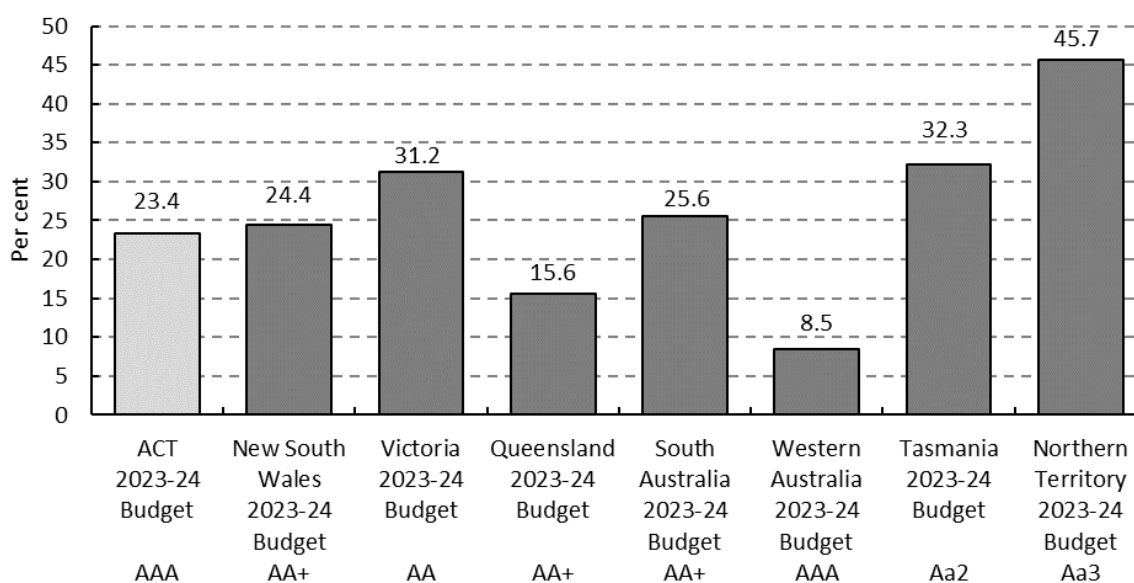
The Territory’s AAA long-term and A1+ short-term local currency credit ratings were last affirmed by S&P following the 2021-22 Budget on 29 November 2021. S&P maintained the negative long-term rating outlook for the Territory. The AAA rating reflects the Territory’s robust financial management, very 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 2023-24 is 23.4 per cent. This ratio is higher than the 2022-23 Budget Review mainly due to a higher superannuation liability estimate.

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



Note: Credit rating comparisons are from S&P except for NT where their Moodys rating is used. Other jurisdictions also hold ratings from other ratings agencies.

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.

In the 2022-23 financial year, the Directorate has continued to deliver coordinated, timely and accurate information to Canberrans on topics including climate action initiatives, the delivery of infrastructure projects across our regions and information to support the cost of living.

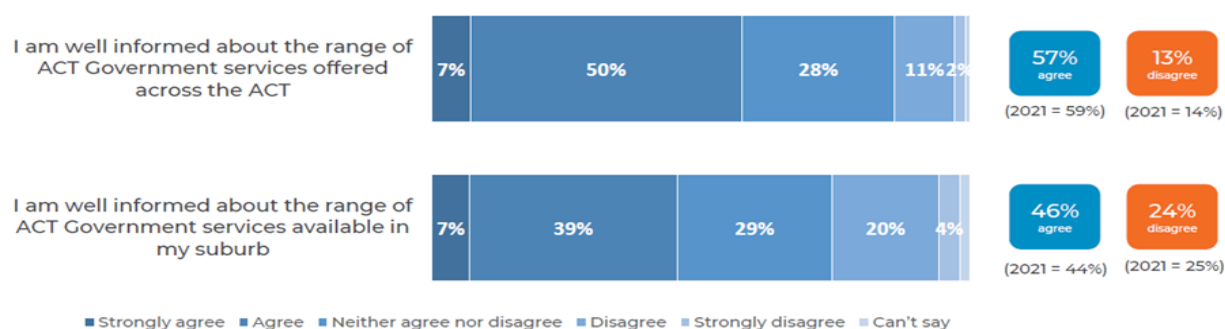
Through the ACT Government’s online research platform, the YourSay Panel – which has more than 6,000 members – the community was able to participate in shaping the planning and development of policies and projects across the ACT.

The annual Community Priorities survey was undertaken in September 2022, when Panel members were asked to identify the areas they felt were most important for the ACT Government to focus on. The top five most common priorities were better health services, affordable housing, climate action, investing in local infrastructure and support to manage the rising cost of living.

The community also shared its communication preferences for keeping informed, with Our Canberra the most preferred channel to find out about local issues, followed closely by social media sites.

The majority of respondents (57%) said they felt well informed about the range of ACT Government services offered across the ACT.

Figure 9: Percentage of the community who feel well informed on government priorities, services and major projects (Community Priorities survey, September 2022)



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. In 2023- 24 the Directorate will continue to embed the principles of the ACT Digital Strategy through progression of the Best Practice Design and Delivery Guide, ensuring initiatives give full consideration to design when developing services for the community, or internal to government.

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 Digital, Data and Technology Solutions and 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 (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost^{1, 2}	955 611	981 471
Controlled Recurrent Payments	487 637	645 559

Note(s):

1. Total cost includes depreciation and amortisation of \$115.213 million in 2022-23 and \$118.303 million in 2023-24.
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 Strategy¹

Table 3: Government Strategy (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost²	128 594	78 364
Controlled Recurrent Payments	85 296	43 657

Note(s):

1. This Output Class previously had six outputs.
 - Output 1.1 Government Policy and Reform now incorporates the records management function of the discontinued output 10.1.
 - Output 1.2 Workforce Capability and Governance has been renamed output 1.5 Workforce Capability and Governance and discontinued. The functions of this output are now reflected in output 9.1 Capability and Governance and 9.3 Public Sector Employment.
 - Output 1.3 Coordinated Communications and Community Engagement has been renamed output 1.2 Coordinated Communications and Community Engagement.
 - Output 1.4 Digital Strategy is discontinued and its functions have been combined with the discontinued output 10.2 in the new output 8.1 Digital Strategy and Solution Delivery.
 - Output 1.5 International Engagement has been renamed output 1.3 International Engagement.
 - Output 1.6 Workforce Injury Management and Industrial Relations Policy has been discontinued. The functions of this output are now reflected in output 9.2 Injury Management and Industrial Relations Policy.
2. Total cost includes depreciation and amortisation of \$3.885 million in 2022-23 and \$0.255 million in 2023-24.

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 and social, economic and regional policy, including high priority reforms and effective delivery of government policies and priorities. We also support the Whole of Government (Non Health) COVID-19 response.

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 Deputy Director-Generals Group, ensuring any remaining 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 their sub-groups 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 including the NSW government and the NSW Cross-Border Commissioner, the Canberra Region Joint Organisation and local councils in the Canberra Region.
- iteratively publishing updates to the ACT Infrastructure Plan to outline the government's priorities for new and improved infrastructure;
- 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 (including understanding drivers of outcomes) 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;
- providing services and initiatives that make ACT Government archives available to the public; and
- providing records management and courier activities to government directorates.

Table 4: Output 1.1: Government Policy and Reform (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	57 934	61 489
Controlled Recurrent Payments	27 999	28 196

Output 1.2: Coordinated Communications and Community Engagement 1

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

Communications 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 digital support and services across Government;
- providing high quality creative services for priority projects; and
- providing honours and awards, ceremonial and protocol services to the Chief Minister.

Table 5: Output 1.2: Coordinated Communications and Community Engagement (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	11 335	13 171
Controlled Recurrent Payments	10 608	11 997

Note(s):

1. This output was previously Output 1.3 Coordinated Communications and Community Engagement.

Output 1.3: International Engagement¹

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:

- 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 6: Output 1.3: International Engagement (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	3 465	3 704
Controlled Recurrent Payments	3 239	3 464

Note(s):

1. This output was previously Output 1.5 International Engagement.

Output 1.4: Digital Strategy (Discontinued)¹

Table 7 Output 1.4: Digital Strategy (Discontinued) (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	16 866	0
Controlled Recurrent Payments	9 239	0

Note(s):

1. Discontinued output. The functions of this output have been combined with discontinued Output 10.2 to create the new Output 8.1 Digital Strategy and Solution Delivery

Output 1.5: Workforce Capability and Governance (Discontinued)1

Table 8: Output 1.5: Workforce Capability and Governance (Discontinued) (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	22 574	0
Controlled Recurrent Payments ¹	19 187	0

Note(s):

1. This Output was previously 1.2 Workforce Capability and Governance.

Output 1.6: Workforce Injury Management and Industrial Relations Policy (Discontinued)1

Table 9: Output 1.6: Workforce Injury Management and Industrial Relations Policy (Discontinued) (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	16 420	0
Controlled Recurrent Payments	15 024	0

Note(s):

1. Discontinued output. The functions of this output are now reflected in output 9.2 Injury Management and Industrial Relations Policy.

Output Class 2: Access Canberra

Table 10: Output Class 2: Access Canberra (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	128 123	135 998
Controlled Recurrent Payments	101 742	102 884

Note(s):

1. Total cost includes depreciation and amortisation of \$4.658 million in 2022-23 and \$4.462 million in 2023-24.

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 11: Output Class 3: Economic Development (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	162 701	182 258
Controlled Recurrent Payments	129 100	147 717

Note(s):

1. Total cost includes depreciation and amortisation of \$7.999 million in 2022-23 and \$7.758 million in 2023-24.

Table 12: Output Class 3: Economic Development Functional Expenditure (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Business and Innovation	16 984	20 550
Tourism and Events	30 317	34 169
Sport and Recreation	20 682	27 632
Arts	17 850	20 536
Skills	42 221	46 066
Venues	34 647	33 305
Total Economic Development Functional Expenditure	162 701	182 258

Output 3.1: Economic Development

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.

Output Class 4: Financial and Economic Management

Table 13: Output Class 4: Financial and Economic Management (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	34 608	75 426
Controlled Recurrent Payments	38 339	63 726

Note(s):

1. Total cost includes depreciation and amortisation of \$1.731 million in 2022-23 and \$2.044 million in 2023-24.

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, provision of advice to government on the development and management of major infrastructure projects, including unsolicited proposals and financing options, and development of affordable housing initiatives and coordination of housing policy advice across the ACT Government.

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.
- 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;
- 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;
- working with the Commonwealth Government to deliver on the priorities of the Housing Accord; and
- developing and implementing affordable housing policies and programs to deliver on Government commitments; and
- coordinating housing policy initiatives and activities across Government.

Table 14: Output 4.1: Economic Management (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	12 436	28 917
Controlled Recurrent Payments	11 619	27 425

Note(s):

1. The functions of this output includes discontinued Output 7.1 Infrastructure Finance

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.
- 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; and
- administering production and lodgement to the Australian Taxation Office of monthly Business Activity Statements and annual Fringe Benefits Tax Returns.

Table 15: Output 4.2: Financial Management (\$'000)

	2022-23	2023-24
	Estimated Outcome	Budget
Total Cost	22 172	46 509
Controlled Recurrent Payments	26 720	36 301

Output Class 5: Revenue Management

Table 16: Output Class 5 Output 5.1: Revenue Management (\$'000)

	2022-23	2023-24
	Estimated Outcome	Budget
Total Cost ¹	33 665	38 029
Controlled Recurrent Payments	24 434	27 771

Note(s):

2. Total cost includes depreciation and amortisation of \$757 million in 2022-23 and \$840 million in 2023-24.

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: Procurement ¹

Table 17: Output Class 6: Procurement (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ²	13 345	12 107
Controlled Recurrent Payments	8 898	7 317

Note(s):

1. This output class was previously Output Class 7: Infrastructure Finance and Procurement
2. Total cost includes depreciation and amortisation of \$0.060 million in 2022-23 and \$0.029 million in 2023-24.

Output 6.1: Procurement ¹

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

The Directorate delivers this output by:

- leading and coordinating a procurement reform program across the ACTPS;
- managing and developing the legislation and policy that underpin the ACT Government's procurement framework ensuring it is aligned to the needs of the Territory;
- 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;
- working in collaboration with the ACT Government's Better Regulation Taskforce to reduce barriers faced by Small to Medium Enterprise in accessing ACT Government procurement opportunities.
- 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 templates and standardised procurement guidance, documentation and processes to support all procurement; and
- applying contemporary category procurement knowledge and contract management skills to establish and manage cost effective whole of government arrangements for categories such as travel, electricity, stationery and fleet.

Table 18: Output 6.1: Procurement (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	9 890	12 107
Controlled Recurrent Payments	5 616	7 317

Note(s):

1. This output was previously Output 7.2 Procurement.

Output 6.2: Infrastructure Finance (Discontinued) ¹**Table 19: Output 6.2: Infrastructure Finance (Discontinued) (\$'000)**

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	3 455	0
Controlled Recurrent Payments	3 282	0

Note(s):

1. Discontinued output. This output was previously Output 7.1 Infrastructure Finance. These functions have now been included in output 4.1 Economic Management.

Output Class 7: Property Services ¹**Table 20: Output 7.1: Property Services ¹ (\$'000)**

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ²	188 695	193 321
Controlled Recurrent Payments	17 686	23 404

Note(s):

1. This output class was previously Output Class 8 and Output 8.1 Property Services.
2. Total cost includes depreciation and amortisation of \$70.342 million in 2022-23 and \$71.809 million in 2023-24.

Output 7.1: Property Services ²

Through this output the Directorate manages 230 Territory-owned buildings, including commercial buildings, government office and service provision accommodation, community/multipurpose buildings, and aquatic/leisure facilities. The Directorate also leases 34 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.

Output Class 8: Digital, Data and Technology Solution Delivery

Table 21: Output Class 8: Digital Strategy and Solution Delivery (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ²	0	251 714
Controlled Recurrent Payments	0	164 097

Note(s):

1. This new output class and new output incorporate the functions of the discontinued Output 1.4 Digital Strategy and discontinued Output 10.2 Digital, Data and Technology Solutions.
2. Total cost includes depreciation and amortisation of \$27.333 million in 2023-24

Output 8.1: Digital, Strategy and Solution Delivery

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; and
- provides a range of ICT services, including infrastructure, applications support and development and ICT projects to directorates and agencies.

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

Output Class 9: Workforce Strategy

Table 22: Output Class 9: Workforce Strategy ¹ (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ²	0	82 823
Controlled Recurrent Payments	0	64 986

Note(s):

1. This new output class incorporates the functions of the discontinued output 1.5 Workforce Capability and Governance, and the discontinued output 1.6 Workforce Injury Management and Industrial Relations Policy. Functions from discontinued output 10.1 Human Resources, Finance and Record Services have also been moved into this output.
2. Total cost includes depreciation and amortisation of \$1.074 million in 2023-24.

Output 9.1: Capability and Governance ¹

Through this output the Directorate provides capability and oversight for ensuring a professional, skilled and accountable public service that is responsive to the ACT Government and the community now and into the future including managing whole of government capacity building programs.

The Directorate will deliver this output by:

- 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, including the continued implementation of wayfinding technologies in ACT Government leased premises, the refurbishment of Winyu House in Gungahlin to support flexible working, and expanding the FlexiSpace program to make co-working facilities available to staff in each of Canberra's regional centres.
- 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 23: Output 9.1: Capability and Governance (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	0	40 180
Controlled Recurrent Payments²	0	27 626

Note(s):

1. New Output. This output incorporates some functions from the discontinued output 1.5 Workforce Capability and Governance, and from discontinued output 10.1 Human Resources, Finance and Records Services.
2. The Capability and Governance Controlled Recurrent Payments includes funding for the ACT Ombudsman as outlined in the table below.

Table 24: ACT Ombudsman Funding (\$'000)

	2023-24 Budget
Ombudsman/ACT Policing	2 158
Reportable Conduct Scheme	1 111
Judicial Council	95
Freedom of Information Scheme	766
Inspector of the ACT Integrity Commission	290
Total Ombudsman Funding	4,420

Output 9.2: Injury Management and Industrial Relation Policy ¹

Through this 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 25: Output 9.2: Injury Management and Industrial Relation Policy (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	0	18 505
Controlled Recurrent Payments	0	15 914

Note(s):

1. New Output. The functions of this output were previously reported in the discontinued Output 1.6 Workforce Injury Management and Industrial Relations Policy.

Output 9.3: Public Sector Employment ¹

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, as well as delivering transactional human resource services to directorates and agencies.

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;
- providing payroll, personnel and recruitment services; and
- delivering salary packaging services for employees across the ACT Government.

Table 26: Output 9.3: Public Sector Employment (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	0	24 138
Controlled Recurrent Payments	0	21 446

Note(s):

1. New Output. This output incorporates some functions from the discontinued output 1.5 Workforce Capability and Governance, and from discontinued output 10.1 Human Resources, Finance and Records Services.

Output Class 10: Shared Services (Discontinued) ²

Table 27: Output Class 10: Shared Services (Discontinued) (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	322 486	0
Controlled Recurrent Payments	82 142	0

Note(s):

1. Discontinued output class. This output class was previously Output Class 6: Shared Services Total cost includes depreciation and amortisation of \$22.781 million in 2022-23
2. Total cost includes depreciation and amortisation of \$22.781 million in 2022-23

Table 28: Output 10.1: Human Resources, Finance and Record Services (Discontinued) ¹ (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	75 743	0
Controlled Recurrent Payments	51 707	0

Note(s):

1. Discontinued Output. This output was previously Output 6.1 Human Resources, Finance and Records Services. The functions of this output are now reported in output 1.1 Government Policy and Reform, output 4.2 Financial Management and the new outputs 9.1 Capability and Governance and 9.3 Public Sector Employment.

Table 29: Output 10.2: Digital, Data and Technology Solutions (Discontinued) ¹ (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	254 538	0
Controlled Recurrent Payments	30 435	0

Note(s):

1. Discontinued Output. This output was previously Output 6.2 Digital, Data and Technology Solutions. The functions of this output are now reported in new Output 8.1 Digital Strategy and Solution Delivery.

Accountability Indicators

Output Class 1: Government Strategy

Output 1.1: Government Policy and Reform

Table 30: Accountability Indicators Output 1.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 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, CAF, FSG and CCCLM	4	4	4
d. Government Progress Report	1	1	1
e. Cabinet and Assembly Support	2	2	2
f. Regulatory and process reform initiatives	2	2	2
g. Climate action reform initiatives	3	3	4

Accountability Indicator Descriptions and Variance Commentary:

- a. This accountability indicator incorporates key government policy and project initiatives to be delivered during the year. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. This indicator will be measured as complete on delivery of the following initiatives:
 1. Provision of legislation to government to establish Child Safe Standards scheme.
 2. Iterative sector updates to the ACT Infrastructure Plan.
 3. Provision of recommendations to government on options for performance reporting and accountability in the context of wellbeing, including strategic and accountability indicators.
- b. This accountability indicator covers the administration of key partnerships with the surrounding regional governments through both the ACT-NSW MoU for Regional Collaboration and participation in the Canberra Region Joint Organisation (CRJO). Performance against this indicator will be measured by completion of a review of the ACT-NSW MoU for Regional Collaboration; delivery of a consultative forum to progress key commitments under the ACT-NSW MoU; and the preparation of briefings to support the Chief Minister or his delegate's involvement with regional councils through the CRJO.
- c. This accountability indicator covers briefing and support to the Chief Minister and Head of Service for intergovernmental meetings, including the National Cabinet, the Council of for the Australian Federation (CAF), the First Secretaries Group (FSG) 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 and Head of Service.
- d. This accountability indicator relates to the content coordination, production and release of the approved ACT Government Agreement Progress Report in delivering key government decisions. This report is expected to be released in quarter 2 of 2023-24.
- e. This accountability indicator covers the annual cycle of Assembly and Cabinet support, including preparation and circulation of submissions and papers. This measure reflects support provided by CMTEDD to:
 - the Chief Minister as chair of Cabinet and to Cabinet Ministers; and
 - the Manager of Government Business in the Legislative Assembly.
- f. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation and processes to strengthen the delivery of government priorities. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. In 2023-24 the indicator is considered complete if the following targets have been met (i) commencement and/or delivery of reform options for the Night Time Economy and (ii) completion of a review of model rules for incorporated associations under the Associations Incorporation Act 1991.

- 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. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability. The indicator is considered complete on delivery of the following initiatives:
- Implement the outcomes of the Sustainable Household Scheme Review;
 - Implement the outcomes from the Big Canberra Battery procurements Streams 1 and 2;
 - Develop a framework for electric vehicle charging; and
 - Continue to support two ACT Directorates to pilot new approaches to adaptation risk management to inform the development of whole of government approaches.

Output 1.2: Coordinated Communications and Community Engagement 1

Table 31: Accountability Indicators Output 1.2

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Annual numbers of ACT Government Digital Mail Service newsletters	22	25	25
b. Annual number of ACT Government Our Canberra newsletters	11	11	11
c. Annual whole of government Communications and Engagement Plan	1	1	1
d. Annual number of YourSay Community Panel surveys conducted	16	14	20

Note(s):

1. This output was previously Output 1.3 Coordinated Communications and Community Engagement.

Accountability Indicator Descriptions and Variance Commentary:

- a. This accountability indicator covers the total number of ACT Government digital newsletters distributed during the year to subscribers of the ACT Government Digital Mail Service. The Our Canberra electronic direct mail newsletters were sent with higher frequency due to editions being distributed in the lead up to Christmas and throughout January, which had not originally been planned.
- b. The Our Canberra newsletter is distributed monthly to all Canberra households, excluding January. Editions are published for the five main regions of Canberra - Belconnen; Inner North/Inner South/City; Gungahlin; Tuggeranong and Woden/Weston Creek/Molonglo.
- c. This accountability indicator relates to the annual Whole of Government Communications and Engagement Plan which is provided by 30 June each year, and 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 for the coming financial year.
- 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. 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. The indicator is amended in 2023-24 to reflect the expansion of CMTEDD's Research and Insights service delivery model. In addition to YourSay Panel surveys, the Research and Insights team will also offer qualitative research (focus groups) and support for a limited number of off-Panel stakeholder surveys. This will result in increased capability, offering more research and insights opportunities to ensure evidence-based decision making on all major projects/policies across ACT Government.

Output 1.3: International Engagement ¹

Table 32: Accountability Indicators Output 1.3

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Number of ACT businesses assisted with export development	75	113	75
b. Number of ACT businesses exporting because of essential support received from the OIE	10	3	10
c. Number of trade missions and other events organised, delivered or funded	20	32	20

Note(s):

1. This output was previously Output 1.5 International Engagement.

Accountability Indicator Descriptions and Variance Commentary:

- a. 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, a higher level than expected number of ACT businesses continued to seek advice on export approaches to international markets, in anticipation of borders continuing to open to trade activities.
- b. 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 2022-23 the COVID-19 pandemic had a continuing 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.
- c. 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: 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). In this period, a higher-than-expected number of inbound delegations were proposed externally, for which the OIE provided planning and delivery assistance.

Output 1.4: Digital Strategy (Discontinued) ¹

Table 33: Accountability Indicators Output 1.4 (Discontinued)

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. ACT Data Analytics Centre	6	5	N/A
b. The value delivered through technology investment improves	4	3	N/A
c. Delivery of joined up services achieve benefits for the community and for government	2	1	N/A

Note(s):

1. Discontinued output. These indicators are now reported as part of new Output 8.1 Digital Strategy and Solution Delivery.

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):
- 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.

The variance for 2022-23 relates to the creation of a Data Catalogue containing the full list of key datasets. The ACT Data Catalogue has been created as a trial using the Duta Hub, however, more work is required with directorates to fully populate the key government datasets.

- 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.

In 2022-23 the outcomes of the whole of government Business Architecture were only partially achieved. The need for whole of government architecture governance has been agreed with directorates. The establishment of the governance structure and creation of the committee will occur in 2023-24.

- c. This accountability indicator covers the program of work for the ACT Digital Program 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 on boarding 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.

In response to an assessment of the viability of piloting a 'Tell us Once' service, Project Sponsors agreed the need to redirect activities to piloting the service with a different business area in alignment with the establishment of a new service. Following procurement of resources required to support project delivery, design work for the 'Tell us Once' and new Service projects commenced mid-February with a view to delivery in quarter 1 of 2023-24.

Output 1.5: Workforce Capability and Governance (Discontinued) ¹

Table 34: Accountability Indicators Output 1.5 (Discontinued)

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. ACTPS Graduate Program positively impacts on business area outcomes and objectives	75%	72.4%	N/A
b. Publish the State of the Service Report	October 2022	October 2022	N/A
c. Deliver ACTPS Leadership and Development programs	2	2	N/A
d. Conduct entry level diversity and inclusion programs	85%	0%	N/A
e. Support the Workforce Transformation program	2	2	N/A
f. Approval of Enterprise Agreements	1	1	N/A
g. Issue SLJC Certificates within 5 working days of receipt of complete and correct audit report	85%	99%	N/A
h. Conduct SLJC Training sessions for industry and ACT Government	24	65	N/A

Note(s):

1. Discontinued output. These indicators are now reported as part of the new output class 9.

Accountability Indicator Descriptions and Variance Commentary:

- 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.
- This accountability indicator covers the publication of the annual State of the Service Report.
- 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’.
- 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 2022-23 reflects the activity for the Vocational Employment Program in 2022-23 which was primarily focused on conducting a comprehensive review of the program and developing an improved program that provides access to more diversity groups. Following a revised recruitment and selection process a new intake of VEP participants commenced in the ACTPS in 2023
- 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.
- 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.
- This accountability indicator relates to the timely operation of the Secure Local Jobs certification function. The target was exceeded in 2022-23 as a result of a temporary reallocation of staffing resources across the financial year which has resulted in faster processing.
- This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package. The target was exceeded in 2022-23 due to the additional training courses that were provided in relation to the Ethical Treatment of Workers Assessments, which were introduced in February 2022.

Output 1.6: Workforce Injury Management and Industrial Relations Policy (Discontinued) ¹

Table 35: Accountability Indicators Output 1.6 (Discontinued)

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	April 2023	April 2023	N/A
b. Maintain consultative work injury management fora within the ACT	8	8	N/A
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	30	30	N/A
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	14	N/A

Note(s):

1. Discontinued output. These indicators are now reported as part of the new output class 9.

Accountability Indicator Descriptions and Variance Commentary:

- This accountability indicator covers a review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety.
- This accountability indicator covers the secretariat role provided for the 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.
- 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.
- 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 36: Accountability Indicators Output 2.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Access Canberra proactively communicates its priorities for risk-based regulation			
i. Statutory authorities have a public statement of expectation	N/A	N/A	100%
ii. Regulatory activities undertaken in line with the public statements are reported annually.	N/A	N/A	100%
b. Percentage of the community who find it easy to interact with Access Canberra person to person.			
i. Percentage of individuals that find it easy to interact with Access Canberra person to person.	N/A	N/A	90%
ii. Percentage of business clients that find it easy to interact with Access Canberra person to person.	N/A	N/A	90%
c. Percentage of the community who find it easy to interact with Access Canberra online.			
i. Percentage of individuals that find it easy to interact with Access Canberra online	N/A	N/A	85%
ii. Percentage of business clients that find it easy to interact with Access Canberra online	N/A	N/A	85%
d. Percentage of occupational licences issued within the published target timeframe	N/A	N/A	90%
e. Efficient Service Delivery – percentage of customers satisfied with Access Canberra	90%	85%	N/A
f. Doing Business in the ACT is easy – percentage of the Canberra community satisfied with the ease of interacting with Access Canberra	95%	86%	N/A
g. Percentage of services available online	90%	90%	N/A
h. Percentage of services completed online	90%	91%	N/A
i. Reduction of regulatory burden on business by undertaking risk-based coordinated inspection activities	80%	77%	80%
j. Average number of days to issue business authorisation or personal registration			
i. for business authorisation	10 working days or less	More than 10 working days	N/A
ii. for personal registration	5 working days or less	5 working days or less	N/A
k. Compliance rate during targeted campaign inspections	90%	87%	N/A
l. Average level of helpfulness after issuing a notice or before issuing a licence/authorisation	4.5 out of 5	4.6 out of 5	N/A

Accountability Indicator Descriptions and Variance Commentary:

- a. This is a new indicator in 2023-24 that ensures transparency on how Access Canberra will undertake its regulatory responsibilities in a risk-based manner. The indicator requires specified statutory authorities to publish a statement setting out priorities for regulatory activity, including addressing risk of harm. For each financial year, the Construction Occupations Registrar, Commissioner for Fair Trading and the Environment Protection Authority will be required to report on activity undertaken in line with the statement. This result will be reported annually.
- b. This is a new indicator in 2023-24 which replaces the discontinued 2.1e and 2.1f. This indicator will measure the ease of dealing with Access Canberra person to person, with results presented for individuals and business clients. The result is determined by responses of 'easy' and 'very easy' to the independent annual survey of the community who completed a person to person interaction with Access Canberra within the last 12 months.
- c. This is a new indicator in 2023-24 which replaces the discontinued 2.1e, 2.1f and 2.1h. This indicator will measure the ease of dealing with Access Canberra online, with results presented for individuals and business clients. The result is determined by responses of 'easy' and 'very easy' to the independent annual survey of the community who completed an online interaction with Access Canberra within the last 12 months.
- d. This is a new indicator in 2023-24 which replaces the discontinued 2.1j. The result is determined by the total number of occupational licensing/registration transactions which met published timeliness targets, divided by the total number of occupational licences/registrations issued. Target timeliness targets will be published on the Access Canberra website.
- e. Discontinued Indicator. 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 is reported annually. The Satisfaction measure has shown a turnaround from last year's outcome and returning to pre-COVID results. This indicator is discontinued in 2023-24 due to the high degree of correlation between satisfaction and ease, and ease being more informative of the customer's service experience. New indicators (2.1b and 2.1c), which improve measurement and reporting of ease in 2023-24, supersede this measure.
- f. Discontinued Indicator. This accountability indicator measures satisfaction with the ease of interacting with Access Canberra. The result is determined by the responses to independent annual surveys of the Canberra community. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. This result is reported annually. The Ease measure has shown a turnaround from last year's outcome and returning to pre-COVID results. This indicator is discontinued in 2023-24. New indicators (2.1b and 2.1c), which improve measurement and reporting of ease of interacting by service channel for different client groups, supersede this measure in 2023-24.
- g. Discontinued Indicator. Services available online are defined as interactions that can be conducted (at least in part) via the internet/portals. This indicator is discontinued in 2023-24 as it does not measure the quality of the online service. New indicator 2.1c, which reports the ease of transacting with Access Canberra online as a measure of the customer's digital service experience, supersedes this measure in 2023-24.
- h. Discontinued Indicator. This accountability indicator measures the percentage of transactions completed online against the total number of transactions completed over the phone, in person and online. This indicator is discontinued in 2023-24 as it does not measure the quality of the online service experience rather it is a measure of digital uptake.
- i. 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.
- j. Discontinued Indicator. This accountability indicator measures the average number of days it takes to issue business authorisations and personal registrations. The terms 'registration' and 'authorisation' can be used interchangeably. The target for business authorisations was not met due to reforms to the regulation of the Real Estate Industry in the ACT which required Access Canberra to manually transition the industry to new licence categories from 1 July 2022, and impacted renewal timeframes over the course of 2022-23. This indicator is discontinued in 2023-24 as the set target results in a binary measure of service timeliness which did not reflect the range of legislative or other timeframes for the wide range of licences. A new timeliness measure (2.1d) supersedes this indicator in 2023-24 and provides a more nuanced approach to setting targets and reporting timeliness.
- k. Discontinued Indicator. 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 indicator is discontinued in 2023-24 as it no longer reflects the full range of regulatory activity or outcome across Access Canberra. A new regulatory measure (2.1a) supersedes this indicator in 2023-24.
- l. Discontinued Indicator. Feedback is collected from an ongoing internal phone survey of randomly selected industry groups that have had a regulatory 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. This indicator is discontinued in 2023-24, as the results reflect similar attitudes to that captured by 2.1b (ease of interacting).

Output Class 3: Economic Development

Output 3.1: Economic Development

Table 37: Accountability Indicators Output 3.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
Business and Innovation			
a. Businesses supported through innovation programs	30	30	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	16	15
Tourism and Events			
e. Local sentiment on major and community events			
- major events	Average rating of 4 out of 5	4 out of 5	Average rating of 4 out of 5
- community events	Average rating of 4 out of 5	4 out of 5	Average rating of 4 out of 5
f. Estimated economic benefit from delivery of major events	\$43.0 m	\$43.0 m	\$43.0 m
g. Estimated return on ACT Government investment from events supported under the Major Event Fund	Ratio of 40:1	93:1	40:1
h. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	90%	96%	96%
Sport and Recreation			
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	50
k. Estimated economic activity as a result of supporting local elite teams	\$14.0 m	\$14.0 m	\$14.0 m
Arts			
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%	80%	80%
n. Number of artists directly and indirectly supported through Arts Activities funding	100	100	100
o. Satisfaction of audiences and participants of artsACT-funded arts organisations	80%	80%	80%
p. Number of attendees at programs delivered by artsACT funded organisations	250,000	250,000	250,000
Skills			
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%

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
s. Skilled Migration Attraction and Facilitation			
- Skilled Independent Nominated	4,000	4,050	5,000
- Average processing time for applications across all skilled migration program streams	20 business days	13 business days	20 business days
Venues			
t. Number of Major Events at:			
- GIO Stadium	20	18	20
- Manuka Oval	8	12	8
- Exhibition Park in Canberra	85	100	85
- Stromlo Forest Park	12	19	12
u. Own Source Revenue by Venue at:			
- GIO Stadium	\$3.0 m	\$3.0 m	\$3.0 m
- Manuka Oval	\$360,000	\$360,000	\$360,000
- Exhibition Park in Canberra	\$3.5 m	\$3.5 m	\$3.5 m
v. The level of customer satisfaction at the National Arboretum Canberra	85%	94%	85%

Accountability Indicator Descriptions and Variance Commentary:

Business and Innovation

- This accountability indicator tracks the number of businesses supported through programs delivered or supported by the CBR Innovation Network during the reporting period.
- 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.
- 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.
- This accountability indicator tracks the number of investment proposals under facilitation management by Business and Innovation during the reporting period. The significant variance is a result of this indicator being initiated during the COVID-19 pandemic and the uncertainty in the international economic climate. The increased number of investment proposal under facilitation management is a result of international borders opening up, and economic development priorities articulated in CBR Switched On informing a refreshed and proactive approach to investment attraction.

Tourism and Events

- 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.
- 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 who 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.
- This accountability indicator measures the estimated return on investment (ROI) 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. The variance is due to the strong economic benefits delivered by events in 2022-23.

- 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 online using SurveyMonkey. The estimated outcome is above target due to dedicated efforts to deliver high quality service by the staff and volunteers at the CRVC.

Sport and Recreation

- i. The ACT Academy of Sport provides support to targeted sporting bodies who identify and then prioritise athletes for support in their Olympic, Paralympic or Commonwealth Games sport. The result will be the total number of scholarship holders, transition athletes, training agreement athletes and commercial agreement athletes during the financial year. The result will be reported at the end of the financial year.
- j. This accountability indicator reports the number of organisations funded through the Sport and Recreation Investment Scheme to deliver participation opportunities. The result will be reported at the end of the financial year. The adjusted target for 2023-24 reflects changes that have been made to the Sport and Recreation Investment Scheme (formerly the Sport and Recreation Grants Program) following a review and sector consultation. The outcome of this review is a reduced number of funding categories (to four) and greater focus placed on projects of larger impact rather than a greater number of small projects. The target may require further adjustment in the out-years as the impact of these changes are better understood.
- 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. The result will be reported at the end of the financial year.

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 over time.
- 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 (Arts Organisation Investment Program and Arts 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 measures satisfaction of audiences and participants of artsACT-funded arts organisations. Data for this indicator is to be collated annually from 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

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 at the end of the financial year.
- 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 at the end of the financial year.
- s. This accountability indicator has two measures.
- Skilled Independent Nominated – this indicator covers nominations for both overseas and temporary Canberra residents, capturing all supported nominations, and aligns the target with the annual allocation provided by the Australian Government Department of Home Affairs. The variance is due to an increase in the 2022-23 allocation of nomination places after the target was set. The target for 2023-24 is 5000, which is the requested allocation in the submission provided by Skills Canberra to the Department of Home Affairs in May 2023. The Department of Home Affairs will decide on the final allocation later this year. The ACT cannot nominate migrants in excess of the final allocation even if the allocation is below the target.
 - 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 35 per cent below the target due to efficiencies applied to the process for submitting and processing applications.

Venues

- t. These accountability indicators reflect the number of contracted major events to be held at each venue in 2023-24. 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 only four Raiders matches were played in the second half of the 2022 calendar year, usually five are played in this period. In the 2023 Super Rugby season the Brumbies will play only seven matches at GIO Stadium, in previous years the Brumbies played eight of their matches at home.
 - Major events at Manuka Oval are defined as national competition (Australian Football League (AFL) and Big Bash League) and international matches. The estimated outcome is higher than the target due to an extra four events: a women's AFL match in the second half of 2022 due to timing changes in the women's AFL season; two international men's cricket matches secured through this year's agreement with Cricket Australia; and the return of the Prime Minister's XI.
 - Major events at Exhibition Park in Canberra (EPIC) are defined as events with more than 500 attendees. The return to events post COVID has resulted in extra content at EPIC. New events such as Spilt Milk have occurred and there has been an increase in demand for dates from event organisers. Some existing clients have had more events than usual at our facilities.
 - 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 due to a backlog of event organisers wanting to use the Park's facilities to host events for upcoming sport and recreation bookings..
- 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. The third accountability indicator covers own source revenue (measured as gross revenue) generated by Exhibition Park in Canberra.
- v. Customer satisfaction at the National Arboretum Canberra is based on an annual survey, open continuously throughout the year, with results extracted at the half year period and at 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 providing safe spaces for outdoor activities, and a high level of customer service.

Output Class 4: Financial and Economic Management

Output 4.1: Economic Management ¹

Table 38: Accountability Indicators Output 4.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Submissions made to the Commonwealth Grants Commission	N/A	N/A	4
b. Briefings on the ACT economy	172	174	174
c. 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	1.0925	N/A
d. Co-ordinate government participation in intergovernmental Treasury fora	12	10	12
e. Advice provided on Tier 1 infrastructure capital works projects under development within the Capital Framework	N/A	N/A	100%
f. Life of Project PPP transactions successfully executed	N/A	N/A	100%
g. Assessments of Unsolicited Proposals completed within the prescribed timescales	N/A	N/A	100%

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
h. Publish the annual affordable, community and public housing targets	N/A	N/A	1
i. Publish the annual ACT Housing Strategy report card	N/A	N/A	1

Note(s):

1. This output now includes the indicators from the discontinued Output 6.2 Infrastructure Finance.

Accountability Indicator Descriptions and Variance Commentary:

- a. New accountability indicator. This accountability indicator measures engagement that the ACT has with the Commonwealth Grants Commission on the distribution of the Goods and Services Tax (GST) grant. It replaces the previous accountability indicator of maintaining a GST relativity above one. The provision of submissions to the Commonwealth Grants Commission is not discretionary as data from the ACT is essential for the accurate determination of the GST relativities, and the zero-sum nature of the GST distribution means the ACT must represent its interests on issues relating to the distribution method or risk a reduced GST share
- b. This accountability indicator covers briefings prepared on the most recent key economic indicators for Canberra and the ACT.
- c. Discontinued indicator 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. It will be replaced with accountability indicator a from 2023-24. 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.
- d. 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. In 2022, the ACT chaired the Board of Treasurers, while the Commonwealth Government chairs both the Council on Federal Financial Relations and Heads of Treasuries. During 2022-23, several planned meetings, particularly of the Heads of Treasuries, were cancelled, resulting in a shortfall in comparison to the 2022-23 target. The decision to cancel meetings is largely outside of the ACT government's control.
- e. New accountability indicator. This indicator measures the advice provided on Tier 1 infrastructure capital works projects under development within the Capital Framework. The Capital Framework provides guidance to directorates and agencies on the development of infrastructure capital works projects, to ensure that business cases for these projects provide a robust basis for Government to invest in them, and for them to proceed to procurement and delivery. Tier 1 projects are infrastructure capital works projects assessed as Tier 1 under the Capital Framework - having an estimated project capital cost of \$100 million or above, or having a project cost of \$25 million to \$100 million and considered high risk.
- f. 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. This indicator was previously reported under the discontinued Output 6.2.
- g. 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. This indicator was previously reported under the discontinued Output 6.2.

- h. New accountability indicator. Housing targets include are published each year as part of the Budget and include public, community and affordable housing. Affordable housing can be delivered on privately held land as well as sites released in the Indicative Land Release Program (ILRP). Section 65 of the *City Renewal Authority and Suburban Land Agency Act 2017* requires relevant Ministers to determine the public, community and affordable housing targets for land release sites in the (ILRP).
- i. New accountability indicator. The ACT Housing Strategy commits to annual reporting on the progress of actions in its complementary Implementation Plan. This commitment is realised through the preparation of an annual report card made publicly available through the ACT Government's Homes and Housing website.

Output 4.2: Financial Management

Table 39: Accountability Indicators Output 4.2

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Budget presented in accordance with legislative timeframes	2	2	1
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. Budget Presentation to credit rating agency	1	1	1
g. Business Activity Statements completed in accordance with the ATO deadline	N/A	N/A	100%
h. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	N/A	N/A	100%
i. Monthly financial information available for use by agencies by 6th working day of the month	N/A	N/A	100%
j. Annual financial statements completed and provided to agencies by 10th working day of July	N/A	N/A	100%
k. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	N/A	N/A	90%

Note(s):

1. This output has incorporated indicators from the discontinued Output 10.1 Human Resources, Finance and Records Services.

Accountability Indicator Descriptions and Variance Commentary:

- a. The Territory Budget is presented to the Legislative Assembly in accordance with the timing prescribed in section 5 of the *Financial Management Act 1996 (FMA)*. The 2022-23 Estimated Outcome reflects the presentation of the 2022-23 Budget on 2 August 2022 and the anticipated presentation of the 2023-24 Budget on 27 June 2023. The 2023-24 Target assumes the 2024-25 Budget will be presented on or before 30 June 2024.
- b. The Budget Review for the Territory is presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA.
- c. The Annual Financial Statements for the Territory are provided to the Auditor General in accordance with the timing prescribed in section 24 of the FMA.
- d. The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
- e. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes.
- f. This accountability indicator covers the annual budget presentation to the credit rating agency S&P Global Ratings. This supports S&P Global Ratings in its assessment of the credit rating of the Australian Capital Territory. The presentation to S&P Global Ratings comprises a selection of content from the Annual Budget Papers.
- g. 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 indicator was previously reported in discontinued Output 10.1 Human Resources, Finance and Records Services.

- h. This accountability indicator covers the lodgement of annual Fringe Benefit Tax returns to the ATO. This is an annual measure. This indicator was previously reported in discontinued Output 10.1 Human Resources, Finance and Records Services.
- i. 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. This indicator was previously reported in discontinued Output 10.1 Human Resources, Finance and Records Services.
- j. 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. This indicator was previously reported in discontinued Output 10.1 Human Resources, Finance and Records Services.
- k. This accountability indicator covers the service requests logged by the Finance Service Desk which are resolved within agreed timeframes (five working days). This indicator was previously reported in discontinued Output 10.1 Human Resources, Finance and Records Services.

Output Class 5: Revenue Management

Output 5.1: Revenue Management

Table 40: Accountability Indicators Output 5.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Debt Management – level of overdue rates as a percentage of total rates revenue	5%	10%	5%
b. Debt Management – level of overdue debt (not including rates) as a percentage of tax revenue (not including rates)	2%	6%	2%
c. Internal reviews of objections completed within 6 months	85%	81%	85%
d. Internal reviews of objections completed within 12 months	100%	99.5%	100%
e. Compliance revenue per inspector	\$650,000	\$2,500,000	\$650,000

Accountability Indicator Descriptions and Variance Commentary:

- a. This accountability indicator measures the level of overdue collectable rates debt as a percentage of forecast rates revenue. It excludes matters subject to objection and appeals. Following a pause in debt recovery activities during the COVID-19 pandemic, there has been a gradual return to debt recovery activities over 2022-23.
- b. This accountability 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. Following a pause in debt recovery activities during the COVID-19 pandemic, there has been a gradual return to debt recovery activities over 2022-23.
- c. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- d. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- e. This accountability indicator measures all revenue assessed from compliance activities divided by the number of full time equivalent inspectors. It includes revenue from assessments and reassessments (being that portion not already

assessed), outstanding returns, savings resulting from reductions in refund claims and other compliance activity. The 2022-23 result reflects additional compliance assessments for landholder duty.

Output Class 6: Procurement ¹

Output 6.1: Procurement

Table 41: Accountability Indicators Output 6.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Proportion of Goods and Services contracts awarded to Indigenous suppliers or social suppliers	1%	1.84%	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%

Note(s):

1. This output was previously Output 7.2 Procurement.

Accountability Indicator Descriptions and Variance Commentary:

- 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
- 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.
- 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
- 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 which has driven increased awareness.
- This indicator measures the effectiveness of procurement training 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 6.2: Infrastructure Finance (Discontinued) ¹

Table 42: Accountability Indicators Output 6.2

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Life of Project PPP transactions successfully executed	100%	100%	N/A
b. Assessments of Unsolicited Proposals completed within the prescribed timescales	>85%	100%	N/A

Note(s):

1. Discontinued output. This output was previously output 7.1 Infrastructure Finance. These indicators are now included in Output 4.1 Economic Management.

Accountability Indicator Descriptions and Variance Commentary:

- a. Discontinued indicator. 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. Discontinued indicator. 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. One Concept Submission was considered during the reporting period. The Proponent was notified of the UPSC decision within the required 2-month timeframe following presentation to the UPSC on 28 July 2022

Output Class 7: Property Services ¹

Output 7.1: Property Services

Table 43: Accountability Indicators Output 7.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Percentage of customers satisfied with management of aquatic centres	93%	93%	93%
b. Vacancy rate for properties designated for use by non-government tenants	3.5%	1.2%	3.5%
c. Percentage of planned ACTPG capital upgrade projects completed by expenditure	85%	85%	85%

Note(s):

1. This output was previously Output 8.1 Property Services.

Accountability Indicator Descriptions and Variance Commentary:

- An annual survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools.
- 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.
- 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

Output Class 8: Digital Strategy and Solution Delivery

Output 8.1: Digital Strategy and Solution Delivery ¹

Table 44: Accountability Indicators Output 8.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. ACT Data Analytics Centre	N/A	N/A	2
b. The value delivered through technology investment improves	N/A	N/A	4
c. Delivery of joined up services achieve benefits for the community and for government	N/A	N/A	2
d. ICT service requests made via the Service Desk are resolved within Service Level Agreement timeframes	N/A	N/A	90%
e. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	N/A	N/A	80%
f. Number of successful attacks on internally hosted ACT Government websites	N/A	N/A	0

Note(s):

1. This new output class and output incorporate the indicators from the discontinued output 1.4 Digital Strategy and discontinued output 10.2 Digital, Data and Technology Solutions.

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 2023-24, this indicator is considered complete when ACTDAC (in collaboration with directorates):
- Completes the development of a whole of government data catalogue- referencing key government datasets
 - Develops training materials to support data users and data creators in using data.
- 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 2023-24, 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.
 - Achieving outcomes of the whole of government Business Architecture, including whole of government architecture governance.
- This indicator was previously reported under the discontinued Output 1.6.
- c. This accountability indicator covers the program of work for the ACT Digital Program 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 2023-24, 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 rego.act. This will enable citizens to change their address within their Digital Account and have that information flow to update residential address details of relevance to their driver licence and vehicles registered in their name. This is the third such service adding to the existing ‘Tell us Once’ service allowing information updated by a user in their ACT Digital Account to be passed [with the account holder's consent] to the ACT Revenue Office and Domestic Animal Services.
 - Continuing to broaden the whole of government ‘concessions management’ capability by enabling a concession type/benefit to be verified using an applicant's ACT Digital Account and passed through to rego.act where it can be applied to relevant vehicle registration and driver licence transactions. This will continue the rollout of integrated concession services enabling citizens to prove their entitlement and manage end-to-end through their ACT Digital Account.
- This indicator was previously reported under the discontinued Output 1.6.
- d. Service Level Agreement timeframes are standards for service delivery. This indicator was previously reported under discontinued Output 10.2.
- e. This measure covers the percentage of calls answered within 240 seconds. This indicator was previously reported under discontinued Output 10.2.
- f. This measure covers security breaches of internally hosted ACT Government web sites and web applications. This indicator was previously reported under discontinued Output 10.2.

Output Class 9: Workforce Strategy

Output 9.1: Capability and Governance ¹

Table 45: Accountability Indicators Output 9.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. ACTPS Graduate Program positively impacts on business area outcomes and objectives	N/A	N/A	75%
b. Publish the State of the Service Report	N/A	N/A	October 2023
c. Deliver ACTPS Leadership and Development programs	N/A	N/A	4
d. Conduct entry level diversity and inclusion programs	N/A	N/A	85%
e. Support the Workforce Transformation program	N/A	N/A	3

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
f. Issue SLJC Certificates within 5 working days of receipt of complete and correct audit report	N/A	N/A	90%
g. Conduct SLJC Training sessions for industry and ACT Government	N/A	N/A	24

Note(s):

1. These indicators were previously reported in discontinued output 1.5 Workforce Capability and Governance.

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 covers the implementation of a program of work for improving leadership capabilities across the ACTPS. The delivery of this indicator involves providing four opportunities for ACTPS SES leaders to participate in whole of government leadership development programs.
- d. This accountability indicator relates to conducting entry-level diversity and inclusion employment programs that increase workforce diversity and support inclusion across the ACTPS. This indicator acknowledges the importance of whole of Service programs in building a diverse and inclusive workforce that mirrors the ACT Community we serve. The indicator will be considered achieved if 85 per cent of 2023-2024 program candidates are retained during the program and successfully complete the program.
- e. This accountability indicator relates to the Flexible Work Program. In 2023-24, works to refurbish Winyu House to support flexible working will be completed, and additional FlexiSpaces will be established at Winyu House, 480 Northbourne in Dickson and the Cosmopolitan Centre in Woden. This accountability indicator will be considered complete when FlexiSpace at each of these three locations is available for staff to access.
- f. This accountability indicator relates to the timely operation of the Secure Local Jobs certification function. The target has been increased to 90 per cent in 2023-24.
- g. This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package.

Output 9.2: Injury Management and Industrial Relations Policy ¹

Table 46: Accountability Indicators Output 9.2

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	N/A	N/A	April 2024
b. Maintain consultative work injury management fora within the ACT	N/A	N/A	8
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	N/A	N/A	30
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	N/A	N/A	14

Note(s):

1. These indicators were previously reported in discontinued output 1.6 Workforce Injury Management and Industrial Relations Policy.

Accountability Indicator Descriptions and Variance Commentary:

- a. This accountability indicator covers a review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety.
- b. This accountability indicator covers the secretariat role provided for the 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 2023-24. 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 9.3: Public Sector Employment ¹

Table 47: Accountability Indicators Output 9.3

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Approval of Enterprise Agreements	N/A	N/A	1
b. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes.	N/A	N/A	95%

Note(s):

- 1. New output. These accountability indicators were previously reported under discontinued output 1.5 Workforce Capability and Governance and discontinued output 10.1 Human Resources, Finance and Records Services.

Accountability Indicator Descriptions and Variance Commentary:

- a. This accountability indicator covers the acceptance of the Administrative and Related Classifications Enterprise Agreement. The accountability indicator will be considered complete once the Fair Work Commission issues its decision on the agreement. This indicator was previously reported in discontinued output 1.5 Workforce Capability and Governance.
- b. This accountability indicator covers the service requests logged by the HR Service Desk which are resolved within agreed timeframes (five working days). This accountability indicator was previously reported under discontinued Output 10.1.

Output Class 10: Shared Services (Discontinued)

Output 10.1: Human Resources, Finance and Record Services (Discontinued)

Table 48: Accountability Indicators Output 10.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	95%	87.82%	N/A
b. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	N/A
c. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	100%	N/A
d. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	N/A
e. Annual financial statements completed and provided to agencies by 10th working day of July	100%	100%	N/A
f. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	90%	95%	N/A

Note(s):

- 1. Discontinued output. This output was previously output 6.2 Human Resources, Finance and Record Services. The indicators from this output are now included in output 4.2 Financial Management and output 9.3 Public Sector Employment.

Accountability Indicator Descriptions and Variance Commentary:

- a. Discontinued Indicator. This accountability indicator covers the service requests logged by the HR Service Desk which are resolved within agreed timeframes (five working days). The primary teams responsible for this KPI are Shared Services Payroll and Recruitment. These teams have both experienced increases in workload as a result of the increasing staff numbers in the ACTPS. Further automation opportunities are being explored to improve performance against this indicator. Both the Payroll and Recruitment teams are consistently achieving customer satisfaction ratings in excess of 90% satisfied or very satisfied. This indicator is now reported under Output 9.3.
- b. Discontinued 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 indicator is now reported under Output 4.2.
- c. Discontinued Indicator. This accountability indicator covers the lodgement of annual Fringe Benefit Tax returns to the ATO. This is an annual measure. This indicator is now reported under Output 4.2.
- d. Discontinued Indicator. 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. This indicator is now reported under Output 4.2.
- e. Discontinued Indicator. 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. This indicator is now reported under Output 4.2.
- f. Discontinued Indicator. This accountability indicator covers the service requests logged by the Finance Service Desk which are resolved within agreed timeframes (five working days). This indicator is now reported under Output 4.2.

Output 10.2: Digital, Data and Technology Solutions (Discontinued)**Table 49: Accountability Indicators Output 10.2 (Discontinued)**

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	73.2%	N/A
b. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	80% of calls within 240 seconds	73.7%	N/A
c. Number of successful attacks on internally hosted ACT Government websites	0	0	N/A

Note(s):

1. Discontinued output. These indicators are now included in Output 8.1: Digital Strategy and Solution Delivery.

Accountability Indicator Descriptions and Variance Commentary:

- a. Discontinued Indicator. Service Level Agreements' timeframes are standards for service delivery. The variance is a result of different challenges involved in supporting the hybrid working environment, with increased numbers of staff working remotely requiring different levels of support. Consideration is being given to appropriate support for hybrid work, in consultation with directorates.
- b. Discontinued Indicator. This measure covers the percentage of calls answered by the Service Desk within 240 seconds. The variance is a result of the complexity of the hybrid working environment requiring differing levels of support and response. Consideration is being given to appropriate support for hybrid work, in consultation with directorates.
- c. Discontinued Indicator. This measure covers security breaches of internally hosted ACT Government web sites and web applications.

Changes to Appropriation

Table 50: Changes to Appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome \$'000	2023-24 Budget \$'000	2024-25 Estimate \$'000	2025-26 Estimate \$'000	2026-27 Estimate \$'000
2022-23 Budget	501,970	419,503	399,905	400,045	399,820
2nd Appropriation					
Better community infrastructure:					
- Grants for community-owned sports facilities	1,000	1,025	1,051	1,077	0
- Phillip District Enclosed Oval upgrade	0	0	0	75	150
- Strategic infrastructure planning	1,066	1,150	0	0	0
Better venues for major events – extension	0	0	15	30	30
Climate action:					
- Sustainable Household Scheme – extension	-2,162	-1,412	0	0	0
- Transitioning to an emissions-based vehicle registration system	256	946	0	0	0
Community support and connectedness – Community Sector Indexation	134	136	137	139	0
Enterprise Agreement Bargaining and Pay Offer	7,130	8,308	14,731	20,277	25,779
Expanding motor vehicle registration concessions	48	0	0	0	0
Implementing the professional engineers registration scheme	205	552	560	567	0
Increasing the Betting Operations Tax	4,385	0	0	0	0
Investing in public services – Indemnity scheme for Out of Home Care providers	449	0	0	0	0
Master planning for the University of New South Wales Canberra City Campus	2,500	0	0	0	0
Other Policy Decisions	605	1,067	803	750	0
Transfer – Housing Strategy from EPSDD	232	478	494	509	523
FMA Section 16B Rollovers from 2021-22					
ACT Government office accommodation consolidation	422	0	0	0	0
Asbestos Disease Support Scheme	2,445	0	0	0	0
Commonwealth Grant – Skilling Australians Fund	2,092	0	0	0	0
COVID-19 Business Support – Business Support Grants and Extension Payments	200	0	0	0	0
COVID-19 Response – Continuing the COVID-19 Public Health support package	30	0	0	0	0
COVID-19 Response Fund	4,877	0	0	0	0
Feasibility and design studies for community infrastructure and upgrades	-41	0	0	0	0
Knowledge Capital – Future Jobs Fund	325	0	0	0	0
More and better Jobs – Key industry sector development	340	0	0	0	0
More support for the Gungahlin Leisure Centre	282	0	0	0	0
Planning for a second access road at the National Arboretum Canberra	110	0	0	0	0
Repairing Gungahlin Leisure Centre	843	0	0	0	0
Showcasing Canberra's Aboriginal Heritage through the Yarramundi Cultural Centre	100	0	0	0	0
Strengthening financial and economic management and advisory services	366	0	0	0	0

	2022-23	2023-24	2024-25	2025-26	2026-27
	Estimated Outcome	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Supporting smarter working in the new ACT Government office projects	676	0	0	0	0
2023-24 Budget Policy Decisions					
ACT Brumbies and Canberra Raiders – funding boost	0	492	250	250	250
Arts and culture – Celebrating significant women	0	0	0	0	3
Better community infrastructure:					
- Gungahlin Community Centre – design and construction	0	324	340	357	269
- Public building upgrades	0	1,155	439	414	391
- Upgrades at public pools	0	4,105	0	0	0
- Upgrading Canberra's netball facilities	0	4,000	3,425	0	0
Boosting business and the economy:					
- Canberra Small Business Advice and Support Service	0	150	154	0	0
- Continuing to strengthen our tourism and events industry	0	6,746	4,657	0	0
- Continuing to support Canberra businesses	0	4,750	2,403	323	331
- Expanding the Better Regulation Taskforce	0	499	427	0	0
- Implementing the International Engagement Strategy	0	251	217	224	230
- Small Business Expo	0	80	0	0	0
- Supporting mental health in the workplace	0	220	226	231	0
- Transforming and digitising services at Access Canberra	0	3,542	18	19	19
Climate action:					
- Big Canberra Battery Stream 1	0	270	275	13,874	18,816
- Extending the Sustainable Household Scheme	0	2,725	2,536	250	-368
Community Sector Indexation	0	25	0	0	0
Continuing CBRfree WiFi	0	118	118	118	78
Continuing development of Electronic Gaming Machine harm reduction measures	0	511	0	0	0
Continuing the transition of our financial and reporting systems	0	135,620	130,001	131,535	135,041
Improving assessments for driver safety	0	406	0	0	0
Increasing housing choice, access and affordability – Office of the Coordinator General for Affordable Housing	0	755	370	0	0
Investing in payroll capability and human resource management	0	11,473	0	0	0
Investing in public safety – Strengthening cyber security resilience	0	691	0	0	0
Investing in public services:					
- Broadening the ACT Public Service flexibility	0	2,684	2,771	2,997	3,086
- Continuing to digitise government services and digitising and archiving materials	0	1,338	236	89	92
- Implementing the Procurement Reform Program	0	1,685	1,028	906	929
- Implementing the Secure Employment Framework	0	285	0	0	0
- Joint research with the Australian National University	0	493	0	0	0

	2022-23	2023-24	2024-25	2025-26	2026-27
	Estimated Outcome	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Justice reform:					
- ACAT Trust Account	0	1,395	0	0	0
- Implementation of the Magistrates Court (Infringement Notices) Amendment Act 2020 and Court Fee parity	0	300	172	37	37
- Improving safety and wellbeing at the Alexander Maconochie Centre	0	70	0	0	0
Modernising our traffic and parking systems	0	1,346	0	0	0
Options for the future of Callam Offices	0	200	211	223	0
Other Policy Adjustments	0	11,830	4,206	4,672	5,074
Payroll tax surcharge for very large businesses	0	1,344	1,177	1,212	1,241
Safeguarding the Government's concessional investments	0	600	130	130	130
Supporting our nursing, midwifery and allied health students	0	1,008	1,008	1,008	0
Supporting public access to Government information	0	389	228	148	152
Whole of Government banking services	0	331	342	0	0
Offset:					
- Boosting business and the economy – Implementing the International Engagement Strategy	0	-100	-103	-106	-109
- Boosting business and the economy – Small Business Expo	0	-80	0	0	0
- Climate action – Continuing the Vulnerable Household Energy Support Scheme	0	0	-72	-75	0
- Continuing the transition of our financial and reporting systems	0	-23,171	-23,778	-24,404	-25,043
- Investing in payroll capability and human resource management	0	-3,743	-3,799	-3,818	-3,832
- Investing in public services – Broadening the ACT Public Service flexibility	0	-886	-915	-989	-1,020
- Investing in public services – Joint research with the Australian National University	0	-193	0	0	0
- Supporting public access to Government information	0	-39	-13	0	0
Shared Services Finance and Human Resources fixed cost contribution	92	1,746	1,801	1,562	1,533
2023-24 Budget Technical Adjustments					
ACT Government office accommodation consolidation	0	0	0	976	1,000
Asset renewal delivery options – Market conditions provision	0	500	0	0	0
Enterprise Agreement Bargaining and Pay Offer	-7,130	808	1,104	1,066	-4,244
Improving Building Quality – More specialist staff	0	0	410	420	428
Investing in public services – Establishment of the Office of Industrial Relations and Workforce Strategy	0	0	92	113	0
Restructure Fund	-2,726	-337	-380	-339	-422
Cessation – Investing in the CBR Innovation Network to boost business innovation	0	-1,293	-1,326	-1,358	-1,392

	2022-23	2023-24	2024-25	2025-26	2026-27
	Estimated Outcome	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Commonwealth Grant:					
- 12-Month Skills Agreement (Fee-free TAFE)	6,234	2,608	0	0	0
- JobTrainer Fund	-448	-374	0	0	0
- National Agreement for Skills and Workforce Development	445	765	842	962	1,239
- Skilling Australians Fund	1,609	0	0	0	0
Revised Funding Profile:					
- Asbestos Disease Support Scheme	-1,474	1,474	0	0	0
- Better community infrastructure – Continuing operations at Canberra Olympic Pool	-1,500	1,500	0	0	0
- Better community infrastructure – Refurbishing community and government buildings	-600	600	0	0	0
- Better community infrastructure – Strategic infrastructure planning	-660	660	0	0	0
- Better Regulation Taskforce	-101	101	0	0	0
- Boosting business and the economy – Knowledge Capital – Future Jobs Fund	-1,981	0	716	1,265	0
- Boosting Canberrans' Skills – JobTrainer extension	-10,097	6,646	3,451	0	0
- Business support – International trade and engagement	-195	195	0	0	0
- Climate action – Continuing the Office for Climate Action	-86	86	0	0	0
- Climate action – Transitioning to an emissions-based vehicle registration system	-93	0	93	0	0
- Commonwealth Grant – 12-Month Skills Agreement (Fee-free TAFE)	-2,786	2,786	0	0	0
- Commonwealth Grant – JobTrainer Fund	-3,707	3,707	0	0	0
- COVID-19 Business support – Supporting Canberra's tourism sector	-320	320	0	0	0
- Expansion of ACT Public Service Graduate Program	-165	165	0	0	0
- Growing future skills with more apprenticeship and vocational training places	-382	382	0	0	0
- Improving and upgrading government accommodation	-245	245	0	0	0
- Investing in public services – Improving ACT Public Service flexibility	-1,367	1,256	111	0	0
- Knowledge Capital – Future Jobs Fund	-1,410	951	459	0	0
- Marketing Canberra as a COVID-safe destination for domestic travellers	-647	647	0	0	0
- More jobs for our growing city – Delivering the Kingston Arts Precinct	-1,779	444	444	444	447
- More jobs for our growing city – Expanding Canberra's events calendar	-1,195	1,195	0	0	0
- More support for the Gungahlin Leisure Centre	-282	282	0	0	0
- Repairing Gungahlin Leisure Centre	-237	237	0	0	0
- Skilled Capital (Priority Support Program)	-770	770	0	0	0
- Smarter government spending – Centralising property custodianship	-1,736	1,736	0	0	0
- Strengthening financial and economic management and advisory services	-217	217	0	0	0
- Strengthening our Tourism Industry	-754	754	0	0	0
- Supporting smarter working in the new ACT Government office projects	-759	759	0	0	0

	2022-23	2023-24	2024-25	2025-26	2026-27
	Estimated Outcome	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
- Supporting social inclusion – Fostering Neighbourhood Democracy	-145	145	0	0	0
- Sustainable Household Scheme	-804	804	0	0	0
- Other initiatives	-3,000	3,000	0	0	0
Revised Indexation Parameters	-391	-864	-1,063	-749	6,625
Revised Superannuation Parameters	-1,197	-346	237	1,453	1,185
Savings:					
- Investment Logic Mapping	-68	0	0	0	0
- Strategic Asset Management Plan	-112	0	0	0	0
- Workers' Compensation	0	-331	0	0	0
Transfer:					
- Building a better city – Improving building quality – from EPSDD	0	494	500	507	515
- Capital Injections to Controlled Recurrent Payments – More energy efficient Government accommodation	0	1,000	0	0	0
- from Capital Distribution to Government	-82	-84	-86	-88	-91
- Improving road safety through Mobile Device Detection Cameras – from TCCS	0	1,741	1,786	1,830	1,876
- Maintaining and growing affordable housing – Gungahlin Common Ground Build to Rent – from EPSDD	0	156	0	0	0
- Supporting social inclusion – Supporting Canberrans born with variations in sex characteristics – to Health	0	-441	-398	-404	-409
Act of Grace	20	0	0	0	0
2023-24 Budget	487,637	645,559	555,174	560,754	570,389

Table 51: Changes to Appropriation – Expenses on Behalf of the Territory (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	111,985	80,447	80,715	82,401	82,401
FMA Section 16B Rollovers from 2021-22					
Commonwealth Grant – HomeBuilder	4,310	0	0	0	0
2023-24 Budget Policy Decisions					
Changes to the Police, Fire and Emergency Services Levy	0	0	0	250	539
Community Sector Indexation	0	110	0	0	0
Cost of living support for Canberrans on low incomes	0	10,645	9,045	9,045	9,045
Other Policy Adjustments	0	4,518	0	0	0
2023-24 Budget Technical Adjustments					
Commonwealth Grant – Energy Bill Relief	0	11,175	3,725	0	0
Revised Funding Profile – Commonwealth Grant – HomeBuilder	-12,285	12,285	0	0	0
Revised Indexation Parameters	6	839	872	907	1,602
Act of Grace	13	0	0	0	0
2023-24 Budget	104,029	120,019	94,357	92,603	93,587

Table 52: Changes to appropriation – Capital Injections, Controlled (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	161,354	101,886	28,206	164,510	11,509
2022-23 Budget Review					
Arts and culture – Gorman House Arts Centre Centenary upgrade	2,231	7,783	2,390	0	0
Better community infrastructure:					
- Improved trails for Stromlo Forest Park	64	0	0	0	0
- Phillip District Enclosed Oval upgrade	192	6,474	0	0	0
Better venues for major events – extension	1,442	0	0	0	0
Climate action:					
- Sustainable Household Scheme – extension	38,465	11,535	0	0	0
- Transitioning to an emissions-based vehicle registration system	67	903	138	0	0
Implementing the professional engineers registration scheme	190	0	0	0	0
Offset – Stromlo Forest Park – Improved parking	-64	0	0	0	0
Transfer – Commonwealth Grant – Local roads and community infrastructure to TCCS	-3,594	0	0	0	0

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
FMA Section 16B Rollovers from 2021-22					
ACT Government office accommodation consolidation	2,403	0	0	0	0
Backing our Arts and Entertainment – Upgrades to Tuggeranong Arts Centre Theatre	213	0	0	0	0
Better Government – Boosting government digital security	37	0	0	0	0
Better Infrastructure Fund	2,702	0	0	0	0
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	319	0	0	0	0
Building a better city – Improving major venues	74	0	0	0	0
Climate Action – Sustainable Household Scheme	-4,105	0	0	0	0
Commonwealth Grant – Local roads and community infrastructure	892	0	0	0	0
Data Storage Infrastructure	-4	0	0	0	0
Delivering the Home of Football at Throsby	-94	0	0	0	0
Digitising Government services	1,116	0	0	0	0
Exhibition Park redevelopment and expansion – Capital component	-2	0	0	0	0
Government Budget Management System	-5	0	0	0	0
Gungahlin District Tennis Centre – Design	-7	0	0	0	0
Improvements to the Canberra Museum and Gallery and the North Building	120	0	0	0	0
Improving and upgrading government accommodation	-5	0	0	0	0
Learning Management System	160	0	0	0	0
Meeting future ACT government accommodation needs	-611	0	0	0	0
More and better jobs:					
- Data analytics for smarter policy	30	0	0	0	0
- Expanding Belconnen Arts Centre	562	0	0	0	0
- Modernising government ICT infrastructure	117	0	0	0	0
- More facilities for Stromlo Forest Park	2	0	0	0	0
More energy efficient government accommodation	63	0	0	0	0
More services for our suburbs – Upgrading the Old Kingston Bus Depot	239	0	0	0	0
Office Accommodation	-118	0	0	0	0
Permanent Home for Dragon Boating in the ACT	48	0	0	0	0
Planning for a permanent home for Dragon Boating	11	0	0	0	0
Remediating lead dust at the former transport depot in Kingston	466	0	0	0	0
Stromlo Forest Park – Improved parking	154	0	0	0	0
Supporting smarter working in the new ACT Government office projects	149	0	0	0	0
Upgrading Canberra venues	671	0	0	0	0
Upgrading local arts facilities	381	0	0	0	0
Upgrading local community centres	282	0	0	0	0

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2023-24 Budget Policy Adjustments					
Arts and culture – Celebrating significant women	0	112	177	0	0
Better community infrastructure:					
- Designing the Stromlo Forest Park district playing fields	0	770	384	0	0
- Gungahlin Community Centre – design and construction	0	630	0	0	0
- Public building upgrades	0	10,518	9,009	7,047	459
- Upgrades at public pools	0	2,373	365	0	0
Climate action:					
- Big Canberra Battery Stream 1	0	400	0	0	0
- Extending the Sustainable Household Scheme	0	48,000	32,000	0	0
Designing improved access to the National Arboretum	0	384	361	0	0
Improving assessments for driver safety	0	242	0	0	0
Investing in payroll capability and human resource management	0	5,694	0	0	0
Investing in public services – Implementing the Procurement Reform Program	0	114	0	0	0
Justice reform – Implementation of the Magistrates Court (Infringement Notices) Amendment Act 2020 and Court Fee parity	0	214	0	0	0
Upgrading venues for major events	0	1,000	2,432	0	0
2023-24 Budget Technical Adjustments					
Permanent Home for Dragon Boating in the ACT	0	382	0	0	0
Revised Funding Profile:					
- Arts and culture – Gorman House Arts Centre Centenary upgrade	-2,000	-3,783	5,000	783	0
- Backing our Arts and Entertainment – Recognising significant women through public art	-170	170	0	0	0
- Backing our Arts and Entertainment – Upgrades to Tuggeranong Arts Centre Theatre	-598	-375	848	125	0
- Better community infrastructure – Improved trails for Stromlo Forest Park	-64	64	0	0	0
- Better community infrastructure – Phillip District Enclosed Oval Upgrade	-167	-1,833	2,000	0	0
- Better community infrastructure – Refurbishing Canberra’s public pools	-848	-506	1,354	0	0
- Better community infrastructure – Refurbishing community and government buildings	-1,500	0	1,500	0	0
- Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	-167	167	0	0	0
- Better venues for major events	-600	600	0	0	0
- Better venues for major events – extension	-700	700	0	0	0
- Big Canberra Battery – Stream 2	-469	469	0	0	0
- Climate action – Moving more government facilities off gas	-1,381	250	1,000	131	0
- Climate action – Sustainable Household Scheme	-8,000	8,000	0	0	0
- Commonwealth Grant – Local roads and community infrastructure	-300	300	0	0	0
- Delivering the Home of Football at Throsby	-2,160	-14,340	16,500	0	0

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
- Digitising Government services	-769	769	0	0	0
- Government Budget Management System	-900	900	0	0	0
- Gungahlin District Tennis Centre – Design	-1,923	-5,533	7,456	0	0
- Implementing the professional engineers registration scheme	-66	66	0	0	0
- Improvements to the Canberra Museum and Gallery and the North Building	-50	50	0	0	0
- Improving and upgrading government accommodation	1,500	-1,500	0	0	0
- Improving road safety through Mobile Device Detection Cameras	-210	210	0	0	0
- Investing in public services – Improving ACT Public Service flexibility	-2,396	2,396	0	0	0
- Investing in public services – Mr Fluffy Legacy – Place of Reflection	-165	165	0	0	0
- Investing in public services – Strengthening building quality regulation	-150	0	150	0	0
- More and better jobs – More facilities for Stromlo Forest Park	-62	62	0	0	0
- More energy efficient government accommodation	-4,016	8,258	-4,242	0	0
- More services for our suburbs – Upgrading the Old Kingston Bus Depot	-100	100	0	0	0
- Permanent Home for Dragon Boating in the ACT	-967	483	484	0	0
- Planning for a permanent home for Dragon Boating	-100	100	0	0	0
- Remediating lead dust at the former transport depot in Kingston	-200	200	0	0	0
- Stromlo Forest Park – Improved parking	-1,397	538	859	0	0
- Supporting smarter working in the new ACT Government office projects	-587	587	0	0	0
- Throsby Home of Football – Stage 2	-962	-6,730	7,692	0	0
- Upgrading Canberra venues	-767	767	0	0	0
- Upgrading local arts facilities	-300	300	0	0	0
- Upgrading local community centres	-50	50	0	0	0
Enterprise Agreement Bargaining and Pay Offer	0	7,992	0	0	0
Transfer:					
- Capital Injections to Controlled Recurrent Payments – More energy efficient Government accommodation	0	-1,000	0	0	0
- Maintaining and growing affordable housing – Gungahlin Common Ground Build to Rent – from EPSDD	0	391	0	0	0
Savings – Office Accommodation	-382	0	0	0	0
Other Technical Adjustments	0	1,235	1,025	457	0
2023-24 Budget	172,464	200,153	117,088	173,053	11,968

Table 53: Changes to appropriation – Capital Injections, Territorial (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	30,000	30,000	25,000	25,000	25,000
2023-24 Budget Technical Adjustments					
Revised Funding Profile – Boosting business and the economy – Knowledge Capital – Future Jobs Fund	-5,000	5,000	0	0	0
Undrawn Funds – Land Rent Scheme	-23,843	0	0	0	0
2023-24 Budget	1,157	35,000	25,000	25,000	25,000

Summary of 2023-24 Infrastructure Program

Table 54: 2023-24 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program (\$'000)

Project	Total Project Value ¹	2023-24	2024-25	2025-26	2026-27	Four year investment	Physical completion date
Capital Works Program							
New works							
Arts and culture – Celebrating significant women	300	112	177	0	0	289	Jun-25
Better community infrastructure:							
- Designing the Stromlo Forest Park district playing fields	1,200	770	384	0	0	1,154	Oct-24
- Gungahlin Community Centre – design and construction	630	630	0	0	0	630	Mar-24
- Public building upgrades	27,127	10,518	9,009	7,047	459	27,033	Dec-27
- Upgrades at public pools	2,738	2,373	365	0	0	2,738	Jun-25
Capital upgrades	2,717	1,235	1,025	457	0	2,717	Dec-25
Climate action – Big Canberra Battery Stream 1	400	400	0	0	0	400	Jul-24
Designing improved access to the National Arboretum	775	384	361	0	0	745	Jul-25
Improving assessments for driver safety	242	242	0	0	0	242	Jun-24
Investing in payroll capability and human resource management	5,694	5,694	0	0	0	5,694	Jun-24
Investing in public services – Implementing the Procurement Reform Program	114	114	0	0	0	114	Jun-24
Justice reform – Implementation of the Magistrates Court (Infringement Notices) Amendment Act 2020 and Court Fee parity	214	214	0	0	0	214	Jun-24
Upgrading venues for major events	3,569	1,000	2,432	0	0	3,432	Jun-25
Total new works		23,686	13,753	7,504	459	45,402	
Works in progress							
Arts and culture – Gorman House Arts Centre Centenary upgrade	12,900	4,000	7,390	783	0	12,173	Jun-26
Backing our Arts and Entertainment:							
- Recognising significant women through public art	200	170	0	0	0	170	Jun-24
- Upgrades to Tuggeranong Arts Centre Theatre	2,000	750	848	125	0	1,723	Jul-26

Project	Total Project Value ¹	2023-24	2024-25	2025-26	2026-27	Four year investment	Physical completion date
Better community infrastructure:							
- Grants for community-owned sports facilities ²	Ongoing	1,025	1,051	1,077	1,104	4,257	Ongoing
- Gungahlin Tennis Facility	9,834	2,000	7,456	0	0	9,456	Dec-24
- Improved trails for Stromlo Forest Park	64	64	0	0	0	64	Dec-23
- Phillip District Enclosed Oval Upgrade	6,933	4,641	2,000	0	0	6,641	Jul-24
- Refurbishing Canberra's Public Pools	4,008	1,500	1,354	0	0	2,854	Jun-25
- Refurbishing community and Government buildings	7,249	2,931	2,836	0	0	5,767	Jun-25
- Strategic infrastructure planning ²	2216	1,810	0	0	0	1,810	Jun-24
Better digital services – Continuing to make Government services more accessible online	2830	703	712	721	0	2,136	Jun-26
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	34,810	167	0	0	0	167	Dec-23
Better venues for major events	2,284	600	0	0	0	600	Jun-24
Better venues for major events – extension	1,500	700	0	0	0	700	Jun-24
Big Canberra Battery – Stream 2	692	469	0	0	0	469	Jun-24
Climate action:							
- Moving more Government facilities off gas	6,900	2,221	3,404	910	0	6,535	Jun-26
- Transitioning to an emissions-based vehicle registration system	1,108	903	138	0	0	1,041	Jun-25
Commonwealth Grant – Local roads and community infrastructure	10,790	300	0	0	0	300	Jun-24
Delivering the Home of Football at Throsby	20,000	2,160	16,500	0	0	18,660	Dec-24
Digitising Government services	11,964	5,219	0	0	0	5,219	Jun-24
Equipment Purchase Funding Government Budget Management System	Ongoing	0	0	1,000	1,000	2,000	Ongoing
Implementing the professional engineers registration scheme	5,302	900	0	0	0	900	Jun-24
Improvements to the Canberra Museum and Gallery and the North Building	190	66	0	0	0	66	Aug-23
Improving road safety through Mobile Device Detection Cameras	1,367	650	0	0	0	650	Jun-24
	210	210	0	0	0	210	Dec-23

Project	Total Project Value ¹	2023-24	2024-25	2025-26	2026-27	Four year investment	Physical completion date
Investing in public services:					0		
- Critical ICT infrastructure	22,800	5,620	7,030	5,340	0	17,990	Jul-25
- ICT support of ACT Revenue Office Systems	6,741	2,671	1,011	0	0	3,682	Jun-25
- Improving ACT Public Service flexibility	5,608	5,342	0	0	0	5,342	Jun-24
- Strengthening building quality regulation	150	0	150	0	0	150	Jun-25
Maintaining and growing affordable housing – Gungahlin Common Ground Build to Rent	391	391	0	0	0	391	Dec-23
More and better jobs – More facilities for Stromlo Forest Park	200	62	0	0	0	62	Jan-24
More energy efficient Government accommodation	15,252	12,730	1,409	0	0	14,139	Jun-25
More services for our suburbs – Upgrading the Old Kingston Bus Depot	5953	100	0	0	0	100	Jun-24
Mr Fluffy Legacy – Place of Reflection	165	165	0	0	0	165	Dec-23
Office Accommodation	Ongoing	500	500	500	500	2,000	Ongoing
Permanent Home for Dragon Boating in the ACT	1,300	865	484	0	0	1,349	Jul-24
Planning for a permanent home for Dragon Boating	400	100	0	0	0	100	Dec-23
Remediating lead dust at the former transport depot in Kingston	1,300	200	0	0	0	200	Jun-24
Stromlo Forest Park – Improved parking	2,822	1,500	859	0	0	2,359	Jul-24
Supporting smarter working in the new ACT Government office projects	9,884	587	0	0	0	587	Jun-24
Throsby Home of Football – Stage 2	9,000	962	7,692	0	0	8,654	Dec-24
Upgrading Canberra venues	8,059	3,659	0	0	0	3,659	Jun-24
Upgrading local arts facilities	1,675	300	0	0	0	300	Jun-24
Upgrading local community Centres	1,000	50	0	0	0	50	Dec-23
Total works in progress		69,963	62,824	10,456	2,604	145,847	
Better Infrastructure Fund (BIF)							
<u>ACT property upgrades:</u>							
Building and safety upgrades – Compliance with the Disability Discrimination Act 1992	750	750	0	0	0	750	Jun-24
Building fire services upgrades	200	200	0	0	0	200	Jun-24
Building upgrades: - Electrical	150	150	0	0	0	150	Jun-24

Project	Total Project Value ¹	2023-24	2024-25	2025-26	2026-27	Four year investment	Physical completion date
- Hazardous material management	400	400	0	0	0	400	Jun-24
- Heating, ventilation and air conditioning	550	550	0	0	0	550	Jun-24
- High use fit out areas	600	600	0	0	0	600	Jun-24
- Landscaping safety	75	75	0	0	0	75	Jun-24
- Mechanical	250	250	0	0	0	250	Jun-24
- Painting, plumbing, electrical and associated works	270	270	0	0	0	270	Jun-24
- Sustainability and solar	275	275	0	0	0	275	Jun-24
Lighting upgrades in community facilities	60	60	0	0	0	60	Jun-24
Namadgi Depot power supply upgrade	50	50	0	0	0	50	Jun-24
Other building and safety upgrades	400	400	0	0	0	400	Jun-24
Pools improvement program	800	800	0	0	0	800	Jun-24
Refurbishment of Oaks Estate Community Hall	80	80	0	0	0	80	Jun-24
Roof rectification works	403	403	0	0	0	403	Jun-24
Security systems upgrades	150	150	0	0	0	150	Jun-24
<u>Improving major venues:</u>							
Exhibition Park	724	724	0	0	0	724	Jun-24
GIO Stadium	560	560	0	0	0	560	Jun-24
Manuka Oval	330	330	0	0	0	330	Jun-24
<u>National Arboretum</u>							
<u>Canberra:</u>							
Administration office upgrade	130	130	0	0	0	130	Jun-24
Forest signage installation and other improvements	40	40	0	0	0	40	Jun-24
Village centre bathroom upgrade	70	70	0	0	0	70	Jun-24
Village centre upgrade	80	80	0	0	0	80	Jun-24
<u>Stromlo Forest Park:</u>							
Depot upgrades	76	76	0	0	0	76	Jun-24
Electrical upgrades	70	70	0	0	0	70	Jun-24
<u>Funding for major events:</u>							
Major and community event funding	147	147	0	0	0	147	Jun-24
Major event funding site upgrades	200	200	0	0	0	200	Jun-24
<u>Improving arts buildings and facilities</u>							
Building and safety upgrades	313	313	0	0	0	313	Jun-24
Watson Arts Centre upgrade	400	400	0	0	0	400	Jun-24
Unallocated BIF	Ongoing	0	8,818	9,038	9,265	27,121	Ongoing
Total BIF		8,603	8,818	9,038	9,265	35,724	
TOTAL INFRASTRUCTURE PROGRAM		102,252	85,395	26,998	12,328	226,973	

Note(s):

1. The Total Project Value is inclusive of Major Projects Canberra's (MPC) management fee, where applicable, for which funding is appropriated directly to MPC and may include amounts relating to other Directorates (with shared project responsibility).
2. These items are funded through Controlled Recurrent Payments.

Table 55: Reconciliation of the 2023-24 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program to Controlled Capital Injection Appropriation (\$'000)

Project	2023-24	2024-25	2025-26	2026-27	Four Year Investment
Total Infrastructure Program	102,252	85,395	26,998	12,328	226,973
Infrastructure Projects funded by Controlled Recurrent Payments appropriation					
Better community infrastructure:					
- Grants for community-owned sports facilities	-1,025	-1,051	-1,077	-1,104	-4,257
- Strategic infrastructure planning	-1,810	0	0	0	-1,810
Sub-total	-2,835	-1,051	-1,077	-1,104	-6,067
Capital Injection funded projects not included in Infrastructure Program					
Acquisition of land and buildings for Kingston Arts Precinct project	0	0	146,388	0	146,388
Better support when it matters – Protecting vulnerable Canberrans	313	313	313	313	1,252
Enterprise Agreement Bargaining and Pay Offer	7,992	0	0	0	7,992
Rego ACT – Ongoing Investment	431	431	431	431	1,724
Sustainable Household Scheme	92,000	32,000	0	0	124,000
Sub-total	100,736	32,744	147,132	744	281,356
TOTAL CONTROLLED CAPITAL INJECTIONS	200,153	117,088	173,053	11,968	502,262

Financial Statements

Presentational changes have been made to streamline the financial statements and the 2022-23 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 56: Chief Minister, Treasury and Economic Development Directorate: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	501,970	487,637	645,559	32	555,174	560,754	570,389
Taxes, Licences, Fees and Fines	246	246	641	161	639	634	669
Sale of Goods and Services from Contracts with Customers	288,525	313,252	225,356	-28	230,755	232,135	237,915
Grants and Contributions Revenue	69,896	69,197	7,669	-89	8,469	6,617	6,752
Interest Revenue	1,940	2,880	6,679	132	9,112	8,296	7,435
Other Income	6,910	5,774	4,233	-27	5,131	5,260	5,425
Gains from Disposal, Derecognition and Remeasurement of Assets	506	506	206	-59	211	216	221
Total Income	869,993	879,492	890,343	1	809,491	813,912	828,806
Expenses							
Employee Expenses	323,389	337,277	363,630	8	360,364	364,847	369,981
Supplies and Services	311,779	323,871	327,111	2	288,740	293,635	299,940
Depreciation and Amortisation	119,959	115,213	118,303	3	120,325	114,358	107,644
Grants and Purchased Services	90,189	102,523	142,860	39	80,766	76,152	80,126
Borrowing Costs	31,481	16,126	15,733	-2	15,076	14,448	13,860
Other Expenses	6,357	51,545	4,038	-92	3,364	3,349	3,157
Transfer Expenses	9,138	9,056	9,796	8	9,890	10,066	10,238
Total Expenses	892,292	955,611	981,471	3	878,525	876,855	884,946
Operating Result	-22,299	-76,119	-91,128	-20	-69,034	-62,943	-56,140
Other Comprehensive Income <i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
Increase/(Decrease) in Asset Revaluation Surplus	0	82,589	0	-100	0	0	0
Total Other Comprehensive Result	0	82,589	0	-100	0	0	0
Total Comprehensive Result	-22,299	6,470	-91,128	#	-69,034	-62,943	-56,140

Table 57: Chief Minister, Treasury and Economic Development Directorate: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	61,801	103,192	99,779	-3	98,585	97,536	96,513
Receivables	32,457	31,210	38,923	25	39,997	37,719	35,441
Contract Assets	11,979	10,003	10,006	..	10,009	10,012	10,015
Inventories	3,505	1,176	1,177	..	1,178	1,179	1,180
Other Assets	12,486	14,302	15,442	8	16,440	17,579	18,718
Total Current Assets	122,228	159,883	165,327	3	166,209	164,025	161,867
Non-Current Assets							
Receivables	60,489	75,648	125,155	65	135,400	121,691	107,121
Property, Plant and Equipment	1,939,337	2,083,129	2,062,086	-1	2,021,813	2,189,126	2,164,249
Investment Properties	4,150	5,020	5,020	-	5,020	5,020	5,020
Intangible Assets	85,573	63,931	70,480	10	67,285	57,868	46,466
Capital Works in Progress	144,535	60,618	79,635	31	109,656	30,165	16,624
Other Assets	8,100	9,240	8,061	-13	7,023	5,985	4,947
Total Non-Current Assets	2,242,184	2,297,586	2,350,437	2	2,346,197	2,409,855	2,344,427
TOTAL ASSETS	2,364,412	2,457,469	2,515,764	2	2,512,406	2,573,880	2,506,294
Current Liabilities							
Payables	38,797	33,319	35,814	7	38,482	41,150	43,818
Contract Liabilities	13,182	12,087	12,632	5	13,177	13,722	14,267
Borrowings	347	656	676	3	556	556	556
Lease Liabilities	51,975	37,193	40,062	8	41,762	34,657	36,732
Employee Benefits	111,857	122,512	123,256	1	131,864	138,525	144,931
Other Provisions	303	240	240	-	240	240	240
Other Liabilities	1,142	1,049	1,139	9	1,229	1,319	1,409
Total Current Liabilities	217,603	207,056	213,819	3	227,310	230,169	241,953
Non-Current Liabilities							
Borrowings	1,330	390	241	-38	212	183	154
Lease Liabilities	792,168	847,780	807,453	-5	765,636	738,843	702,222
Employee Benefits	6,214	5,745	6,141	7	6,594	7,019	7,323
Other Provisions	1,746	2,398	2,398	-	2,398	2,398	2,398
Total Non-Current Liabilities	801,458	856,313	816,233	-5	774,840	748,443	712,097
TOTAL LIABILITIES	1,019,061	1,063,369	1,030,052	-3	1,002,150	978,612	954,050
NET ASSETS	1,345,351	1,394,100	1,485,712	7	1,510,256	1,595,268	1,552,244
Equity							
Accumulated Funds	921,797	863,736	955,348	11	979,892	1,064,904	1,021,880
Asset Revaluation Surplus	423,554	530,364	530,364	-	530,364	530,364	530,364
TOTAL EQUITY	1,345,351	1,394,100	1,485,712	7	1,510,256	1,595,268	1,552,244

Table 58: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	785,856	776,616	863,736	11	955,348	979,892	1,064,904
Opening Asset Revaluation Surplus	425,819	445,565	530,364	19	530,364	530,364	530,364
Balance at the Start of the Reporting Period	1,211,675	1,222,181	1,394,100	14	1,485,712	1,510,256	1,595,268
Comprehensive Income							
Operating Result	-22,299	-76,119	-91,128	-20	-69,034	-62,943	-56,140
Increase/(Decrease) in the Asset Revaluation Reserve Surpluses	0	82,589	0	-100	0	0	0
Total Comprehensive Result	-22,299	6,470	-91,128	#	-69,034	-62,943	-56,140
Movement in Asset Revaluation Surplus							
Transfer (to)/from Accumulated Funds	2,265	-2,210	0	100	0	0	0
Movement in Asset Revaluation Surplus	-2,265	2,210	0	-100	0	0	0
Total Movement in Reserves	0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated							
Capital Injections	161,354	172,464	200,153	16	117,088	173,053	11,968
Capital Distributions	-5,136	-6,821	-16,394	-140	-22,439	-23,999	-23,999
Net Assets Transferred in/(out) from Other Agencies as part of an Administrative Restructure	0	49	0	-100	0	0	26,246
Dividend Approved	-243	-243	-1,019	-319	-1,071	-1,099	-1,099
Total Transactions Involving Owners Affecting Accumulated Funds	155,975	165,449	182,740	10	93,578	147,955	13,116
Closing Equity							
Closing Accumulated Funds	921,797	863,736	955,348	11	979,892	1,064,904	1,021,880
Closing Asset Revaluation Surplus	423,554	530,364	530,364	-	530,364	530,364	530,364
Balance at the end of the Reporting Period	1,345,351	1,394,100	1,485,712	7	1,510,256	1,595,268	1,552,244

Table 59: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	501,970	487,112	645,003	32	554,598	560,158	569,772
Payment for Community Service Obligations	0	525	556	6	576	596	617
Taxes, Licences, Fees and Fines	224	246	663	170	646	642	674
Sale of Goods and Services from Contracts with Customers	299,654	324,282	236,505	-27	246,144	247,968	253,751
Interest Receipts	325	266	262	-2	263	265	265
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	45,717	45,717	45,717	-	45,717	45,717	45,717
Goods and Services Tax Collected from Customers	22,013	22,013	22,013	-	22,013	22,013	22,013
Other	6,372	5,236	3,479	-34	4,380	4,509	4,674
Total Receipts from Operating Activities	876,275	885,397	954,198	8	874,337	881,868	897,483
Payments							
Employee Payments	320,372	324,779	366,084	13	354,834	361,292	366,802
Supplies and Services	308,815	322,183	327,458	2	293,233	298,549	304,656
Grants and Purchased Services	108,610	92,795	127,666	38	83,319	85,773	89,747
Borrowing Costs	15,255	16,185	15,787	-2	15,130	14,502	13,914
Transfer of Territory Receipts to the ACT Government	9,210	9,128	9,868	8	9,962	10,138	10,310
Goods and Services Tax Paid to the Australian Taxation Office	21,989	21,989	21,989	-	21,989	21,989	21,989
Goods and Services Tax Paid to Suppliers	45,626	45,626	45,626	-	45,626	45,626	45,626
Other	2,634	7,760	394	-95	-501	-618	-874
Total Payments from Operating Activities	832,511	840,445	914,872	9	823,592	837,251	852,170
Net Cash Inflows/(Outflows) from Operating Activities	43,764	44,952	39,326	-13	50,745	44,617	45,313
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from Sale of Property, Plant and Equipment	670	670	370	-45	375	380	385
Loan Receivable Repayment Received	5,467	7,765	16,811	116	22,814	24,330	24,330

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Total Receipts from Investing Activities	6,137	8,435	17,181	104	23,189	24,710	24,715
Payments							
Purchase of Property, Plant and Equipment	11,211	11,432	11,186	-2	14,396	159,074	12,686
Purchase of Capital Works	80,757	65,517	99,674	52	80,791	24,078	9,381
Purchase of Intangibles	431	0	0		0	0	0
Loans Receivable Provided	78,000	104,360	92,000	-12	32,000	0	0
Total Payments from Investing Activities	170,399	181,309	202,860	12	127,187	183,152	22,067
Net Cash Inflows/(Outflows) from Investing Activities	-164,262	-172,874	-185,679	-7	-103,998	-158,442	2,648
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	161,354	172,464	200,153	16	117,088	173,053	11,968
Total Receipts from Financing Activities	161,354	172,464	200,153	16	117,088	173,053	11,968
Payments							
Distributions to Government	5,136	6,821	16,394	140	22,439	23,999	23,999
Repayment of Borrowings	202	1,643	129	-92	149	29	29
Repayment of Lease Liabilities - Principal	36,236	36,803	39,671	8	41,370	35,150	35,825
Payment of Dividend	243	243	1,019	319	1,071	1,099	1,099
Total Payments from Financing Activities	41,817	45,510	57,213	26	65,029	60,277	60,952
Net Cash Inflows/(Outflows) from Financing Activities	119,537	126,954	142,940	13	52,059	112,776	-48,984
Net Increase/(Decrease) in Cash and Cash Equivalents	-961	-968	-3,413	-253	-1,194	-1,049	-1,023
Cash and Cash Equivalents at the Beginning of the Reporting Period	62,762	104,160	103,192	-1	99,779	98,585	97,536
Cash and Cash Equivalents at the End of the Reporting Period	61,801	103,192	99,779	-3	98,585	97,536	96,513

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments (CRP): the increase of \$157.922 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the introduction of a direct appropriation model for Digital, Data and Technology services as part of the Continuing the transition of our financial and reporting systems initiative combined with funding for a range of new initiatives to support better community infrastructure, boosting business and the economy and investing in public services.
- sale of goods and services from contracts with customers: the decrease of \$87.918 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to a reduction in the user charges revenue following the introduction of a direct appropriation model for Digital, Data and Technology services as part of the Continuing the transition of our financial and reporting systems initiative.
- grants and contributions revenue: the decrease of \$61.528 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the one-off transfer of properties in 2022-23 from Community Housing Canberra (CHC) in exchange for the extinguishment of the loans provided to CHC.
- grants and purchased services: the increase of \$40.337 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects expenditure associated with the introduction of new initiatives supporting better community infrastructure and boosting business and the economy.
- borrowing costs: the decrease of \$15.355 million in the 2022-23 estimated outcome from the original budget is mainly due to the impact of reclassification of concessional loan discount expense in 2022-23 (\$16.288 million) associated with Sustainable Household Scheme (SHS) from borrowing costs to grants and purchased services.
- other expenses: the increase of \$45.188 million in the 2022-23 estimated outcome from the original budget and the decrease of \$47.507 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the impairment of capital works in progress balances relating to the Human Resources and Information Management System (HRIMS) project (\$39.6 million) project in 2022-23
- operating result: the negative operating results in all years largely reflect the impact of non-cash expenses such as depreciation, movements in employee entitlements, accounting for the SHS concessional loan arrangements and the impact of asset transfers to or from other directorates which do not require funding through CRP.
 - the decrease of \$53.820 million in the 2022-23 estimated outcome from the original budget is largely due to the impairment of capital works in progress relating to the HRIMS project (\$39.6 million); and net impact of interest revenue and concessional loan discount expense associated with SHS (\$10.905 million).
 - the decrease of \$15.009 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the one-off impacts the transfer of properties from Community Housing Canberra (CHC) and the impairment of capital works in progress balance included in 2022-23.

Balance Sheet

- cash and cash equivalents: the increase of \$41.391 million in estimated outcome from the original budget is mainly due to the timing of cashflows towards the end of financial year.
- receivables and contract assets (current and non-current): the increase of \$13.12 million in the 2022-23 estimated outcome from the original budget and the increase of \$57.220 million in the 2023-24 Budget from 2022-23 estimated outcome is largely attributable to the extension of the Sustainable Household Scheme (SHS) in the 2022-23 mid-year review and 2023-24 Budget to help more households and community groups transition to environmentally sustainable future.
- intangible assets (non-current): the decrease of \$21.642 million in the 2022-23 estimated outcome from the original budget is mainly related to the impairment of HRIMS project; which was expected to be capitalised; partially offset by the completion of a number of ICT projects in 2022-23, including ACT digital and accounts projects and HRIMS - Learning Management System
- capital works in progress (non-current):
 - the decrease of \$83.9 million in the 2022-23 estimated outcome from the original budget is mainly due to the slower than expected progress of the Directorate's Infrastructure Program in 2022-23 and the earlier than the expected completion of some capital works projects.
 - the increase of \$19.017 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the impact of new capital works and reprofiling of existing capital works from 2022-23 to future years; partially offset by the forecast completion of projects.
- asset revaluation surplus: the increase of \$106.810 million in the 2022-23 estimated outcome from the original budget reflects the increasing valuations of land, land improvements, buildings, leasehold improvements, infrastructure assets, investment property and artworks held by the Directorate.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

Financial Statements – Territorial

Table 60: Chief Minister, Treasury and Economic Development Directorate: Statement of Income and Expenses on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Payment for Expenses on Behalf of the Territory	111,985	104,029	120,019	15	94,357	92,603	93,587
Taxes, Licences, Fees and Fines	2,640,425	2,711,238	2,777,365	2	2,974,074	3,217,609	3,378,068
Land Revenue	6,085	5,102	6,580	29	6,747	6,903	7,047
Sale of Goods and Services from Contracts with Customers	26,217	18,941	17,080	-10	17,506	17,981	18,459
Grants and Contributions Revenue	2,456,581	2,513,410	2,813,822	12	2,835,103	2,929,643	3,054,407
Dividend Revenue	151,420	94,682	111,079	17	239,183	261,707	186,808
Other Income	497	497	7,522	#	529	23,878	24,305
Gains from Disposal, Derecognition and Remeasurement of Assets	8,998	0	0	-	0	0	0
Total Income	5,402,208	5,447,899	5,853,467	7	6,167,499	6,550,324	6,762,681
Expenses							
Supplies and Services	10,919	12,835	29,324	128	17,515	14,087	14,150
Grants and Purchased Services	92,423	84,407	84,459	..	70,698	72,473	72,931
Other Expenses	11,760	23,733	7,453	-69	7,856	7,949	8,040
Transfer Expenses	5,287,106	5,343,269	5,732,231	7	6,071,430	6,455,815	6,667,560
Total Expenses	5,402,208	5,464,244	5,853,467	7	6,167,499	6,550,324	6,762,681
Operating Result	0	-16,345	0	100	0	0	0
Other Comprehensive Income <i>Items that will not be Reclassified Subsequently to</i>							
Increase/(Decrease) in the Asset Revaluation Surplus	5,605	18,624	15,696	-16	16,098	16,470	16,817
Total Other Comprehensive Income	5,605	18,624	15,696	-16	16,098	16,470	16,817
Total Comprehensive Result	5,605	2,279	15,696	589	16,098	16,470	16,817

Table 61: Chief Minister, Treasury and Economic Development Directorate: Statement of Assets and Liabilities on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	13,522	8,793	8,793	-	8,793	8,793	8,793
Receivables	535,141	617,443	839,254	36	894,816	1,053,438	990,228
Total Current Assets	548,663	626,236	848,047	35	903,609	1,062,231	999,021
Non-Current Assets							
Receivables	52,268	70,911	70,911	-	70,911	70,911	70,911
Investments	8,817	3,894	13,894	257	13,894	13,894	13,894
Property, Plant and Equipment	251,356	261,601	268,289	3	274,509	280,293	285,672
Total Non-Current Assets	312,441	336,406	353,094	5	359,314	365,098	370,477
TOTAL ASSETS	861,104	962,642	1,201,141	25	1,262,923	1,427,329	1,369,498
Current Liabilities							
Payables	587,383	639,741	861,552	35	914,790	1,069,894	1,003,166
Other Provisions	3,217	4,199	4,199	-	4,199	4,199	4,199
Total Current Liabilities	590,600	643,940	865,751	34	918,989	1,074,093	1,007,365
Non-Current Liabilities							
Payables	41,989	70,911	70,911	-	73,235	76,753	80,271
Total Non-Current Liabilities	41,989	70,911	70,911	-	73,235	76,753	80,271
TOTAL LIABILITIES	632,589	714,851	936,662	31	992,224	1,150,846	1,087,636
NET ASSETS	228,515	247,791	264,479	7	270,699	276,483	281,862
Equity							
Accumulated Funds	153,693	125,684	142,550	13	148,523	153,720	158,241
Asset Revaluation Surplus	74,822	122,107	121,929	..	122,176	122,763	123,621
TOTAL EQUITY	228,515	247,791	264,479	7	270,699	276,483	281,862

Table 62: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	146,336	164,472	125,684	-24	142,550	148,523	153,720
Opening Asset Revaluation Surplus	69,217	132,142	122,107	-8	121,929	122,176	122,763
Balance at the Start of the Reporting Period	215,553	296,614	247,791	-16	264,479	270,699	276,483
Comprehensive Income							
Operating Result	0	-16,345	0	100	0	0	0
Increase/(Decrease) in the Asset Revaluation Reserve Surplus	5,605	18,624	15,696	-16	16,098	16,470	16,817
Total Comprehensive Result	5,605	2,279	15,696	589	16,098	16,470	16,817
Transfer to/from Accumulated Funds	0	28,659	15,874	-45	15,851	15,883	15,959
Movement in Asset Revaluation Surplus	0	-28,659	-15,874	45	-15,851	-15,883	-15,959
Transactions Involving Owners Affecting							
Capital Injections	30,000	1,157	35,000	#	25,000	25,000	25,000
Capital Distributions	-22,643	-52,259	-34,008	35	-34,878	-35,686	-36,438
Total Transactions Involving Owners Affecting Accumulated Funds	7,357	-51,102	992	102	-9,878	-10,686	-11,438
Closing Equity							
Closing Accumulated Funds	153,694	125,684	142,550	13	148,523	153,720	158,241
Closing Asset Revaluation Surplus	74,822	122,107	121,929	..	122,176	122,763	123,621
Balance at the end of the Reporting Period	228,516	247,791	264,479	7	270,699	276,483	281,862

Table 63: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Payment for Expenses on Behalf of the Territory	71,623	63,667	79,657	25	53,995	52,241	53,225
Payment for Community Service Obligations	40,362	40,362	40,362	-	40,362	40,362	40,362
Taxes, Licences, Fees and Fines	2,590,738	2,671,739	2,732,024	2	2,868,729	3,144,347	3,355,974
Sale of Goods and Services from Contracts with Customers	26,167	18,891	17,030	-10	17,456	17,931	18,409
Grants and Contributions Receipts	2,455,377	2,512,206	2,812,618	12	2,833,899	2,928,439	3,053,203
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	945	945	945	-	945	945	945
Goods and Services Tax Collected from Customers	1,745	1,745	1,745	-	1,745	1,745	1,745
Dividends	47,752	73,166	29,088	-60	234,203	273,811	227,035
Land Rental Receipts	6,085	5,102	6,579	29	6,748	6,904	7,048
Other	7,537	7,537	14,562	93	7,569	30,918	31,345
Total Receipts from Operating Activities	5,248,331	5,395,360	5,734,610	6	6,065,651	6,497,643	6,789,291
Payments							
Supplies and Services	9,715	11,631	28,120	142	16,311	12,883	12,946
Grants and Purchased Services	88,936	80,961	80,316	-1	66,692	68,116	68,119
Transfer of Territory Receipts to the ACT Government	5,146,793	5,295,296	5,618,199	6	5,974,781	6,408,395	6,699,493
Goods and Services Tax Paid to the Australian Taxation Office	1,745	1,745	1,745	-	1,745	1,745	1,745
Goods and Services Tax Paid to Suppliers	945	945	945	-	945	945	945
Other	9,195	4,782	5,286	11	5,177	5,559	6,043
Total Payments from Operating Activities	5,257,329	5,395,360	5,734,611	6	6,065,651	6,497,643	6,789,291
Net Cash Inflows/(Outflows) from Operating Activities	-8,998	0	-1	#	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from Sale of Property, Plant and Equipment	31,641	52,259	34,009	-35	34,878	35,686	36,438

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Total Receipts from Investing Activities	31,641	52,259	34,009	-35	34,878	35,686	36,438
Payments							
Purchase of Property, Plant and Equipment	25,000	1,157	25,000	#	25,000	25,000	25,000
Purchase of Investments	5,000	0	10,000	#	0	0	0
Total Payments from Investing Activities	30,000	1,157	35,000	#	25,000	25,000	25,000
Net Cash Inflows/(Outflows) from Investing Activities	1,641	51,102	-991	-102	9,878	10,686	11,438
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	30,000	1,157	35,000	#	25,000	25,000	25,000
Total Receipts from Financing Activities	30,000	1,157	35,000	#	25,000	25,000	25,000
Payments							
Distributions to Government	22,643	52,259	34,008	-35	34,878	35,686	36,438
Total Payments from Financing Activities	22,643	52,259	34,008	-35	34,878	35,686	36,438
Net Cash Inflows/(Outflows) from Financing Activities	7,357	-51,102	992	102	-9,878	-10,686	-11,438
Cash and Cash Equivalents at the Beginning of the Reporting Period	13,522	8,793	8,793	-	8,793	8,793	8,793
Cash and Cash Equivalents at the End of the Reporting Period	13,522	8,793	8,793	-	8,793	8,793	8,793

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. This includes own source taxation revenue including payroll tax, rates, land tax and motor vehicle registrations along with Goods and Services Tax (GST) and other grants received from the Commonwealth Government. The revenue collected is transferred to the ACT Government and is not retained in CMTEDD. The *2023-24 Budget Paper: Budget Outlook* provides detailed information on budgeted General Government Sector (GGS) revenue, including taxes, licences, fees and fines, Commonwealth Government grants and dividend revenue.

CMTEDD is responsible for a payments on behalf of the Territory associated with a range of concession schemes covering household utility expenses, transportation, spectacles and funeral expenses along with Grant programs including the First Home Owners and HomeBuilder schemes. A Payment for Expenses on Behalf of the Territory is received as income to cover these payments

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- payment for expenses on behalf of the Territory (EBT): the increase of \$15.990 million in the 2023-24 Budget from the 2022-23 estimated outcome is largely due to the introduction of the Energy Bill Relief program to provide financial relief to eligible households and small businesses,
- grants and contributions revenue: the increase of \$300.412 million in the 2023-24 Budget from the 2022-23 estimated outcome is explained in more detail in the 2023-24 Budget Paper: Budget Outlook and is mainly due to the forecast increase in GST revenue grant,
- dividend revenue: the variance between original budget, 2022-23 estimated outcome and 2023-24 Budget is explained in more detail in the 2023-24 Budget Paper: Budget Outlook and is mainly due to changes in the pattern of dividend payments from a range of organisations including the City Renewal Authority (CRA), the Suburban Land Agency (SLA) and Icon Water;
- supplies and services: the increase of \$16.489 million in the 2023-24 Budget from the 2022-23 estimated outcome is largely due to the introduction of the Energy Bill Relief program the previously announced change in ACT Betting Operations Tax.
- other expenses: - the increase of \$11.973 million in the 2022-23 estimated outcome from the original budget is mainly due to the losses of land previously held by CMTEDD as an asset under the Land Rent Scheme .of land rent blocks in 2022 23 Future year budgets and estimates are based on an assumption that sale prices will reflect current valuations and that losses will not be incurred.

Statement of Assets and Liabilities on behalf of the Territory

- receivables (current and non-current):
 - the increase of \$100.945 million in the 2022-23 estimated outcome from the original budget is largely due to higher income tax equivalent receivables from the SLA and Icon Water, and payroll tax receivables.
 - the increase of \$221.811 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to a forecast increase in dividends receivables from SLA and Income Tax Equivalent from Icon Water.
- payables (current and non-current): the variance between original budget, 2022-23 estimated outcome and 2023-24 Budget are driven by the movement in the receivables balance and reflect amounts due to be paid to the Territory Banking Account (TBA).
- accumulated funds:
 - the decrease of \$28.009 million in the 2022-23 estimated outcome from the original budget is driven in part by reflects lower than budgeted demand for lower capital injection required for the purchase of land under Land Rent Scheme which reduced capital injections to fund those purchases..
 - the increase of \$16,866 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the impact of future expected sales to lessees of land previously held under the Land Rent Scheme (impacts Transfers to Accumulated Funds and Capital Distributions) and new Capital Injections to fund the new Boosting business and the economy Knowledge Capital – Future Jobs Fund initiative and new purchases of land that will be subject to the Land Rent Scheme.
- asset revaluation surplus: the increase of \$47.285 million in the 2022-23 estimated outcome from the original budget reflects higher assets revaluation of land rent blocks.

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 64: Output Class 1: Government Strategy Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	90,061	85,296	43,657	-49	35,828	45,260	50,137
Sale of Goods and Services from Contracts with Customers	2,912	7,042	6,623	-6	6,638	6,817	6,990
Grants and Contributions Revenue	2,706	2,473	2,181	-12	2,219	2,279	2,329
Interest Revenue	1,633	2,632	6,430	144	8,862	8,044	7,183
Other Income	0	0	102	#	105	108	111
Total Income	97,312	97,443	58,993	-39	53,652	62,508	66,750
Expenses							
Employee Expenses	51,092	51,925	28,036	-46	27,290	25,927	26,092
Supplies and Services	36,788	35,709	23,086	-35	16,286	13,915	13,840
Depreciation and Amortisation	2,428	3,885	255	-93	301	298	303
Grants and Purchased Services	7,047	36,169	26,419	-27	8,459	14,794	19,765
Borrowing Costs	16,288	2	2	-	2	2	2
Other Expenses	861	904	566	-37	721	637	637
Total Expenses	114,504	128,594	78,364	-39	53,059	55,573	60,639
Operating Result	-17,192	-31,151	-19,371	38	593	6,935	6,111

Table 65: Output Class 2: Access Canberra Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	100,872	101,742	102,884	1	97,524	102,086	102,692
Taxes, Licences, Fees and Fines	0	0	435	#	415	404	428
Sale of Goods and Services from Contracts with Customers	16,229	16,181	16,385	1	16,785	17,162	17,643
Grants and Contributions Revenue	2,708	2,518	11,109	341	11,348	11,699	12,023
Interest Revenue	158	158	158	-	158	160	160
Other Income	838	838	331	-61	898	924	957
Total Income	120,805	121,437	131,302	8	127,128	132,435	133,903
Expenses							
Employee Expenses	72,687	74,409	78,731	6	76,892	80,171	80,413
Supplies and Services	45,082	46,455	50,138	8	47,667	49,177	50,238
Depreciation and Amortisation	3,935	4,658	4,462	-4	5,358	4,373	3,913
Grants and Purchased Services	2,436	2,437	2,496	2	2,555	2,625	2,699
Borrowing Costs	20	74	79	7	79	79	79
Other Expenses	90	90	92	4	95	98	103
Transfer Expenses	82	0	0	-	0	0	0
Total Expenses	124,332	128,123	135,998	6	132,646	136,523	137,445
Operating Result	-3,527	-6,686	-4,696	30	-5,518	-4,088	-3,542

Table 66: Output Class 3: Economic Development Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	142,669	129,100	147,717	14	115,083	102,997	101,156
Taxes, Licences, Fees and Fines	224	224	228	2	231	238	246
Sale of Goods and Services from Contracts with Customers	17,183	17,289	17,847	3	18,288	18,702	19,143
Grants and Contributions Revenue	3,214	2,797	5,611	101	6,680	5,007	5,133
Interest Revenue	40	40	40	-	40	40	40
Other Income	1,858	1,658	1,194	-28	617	639	662
Total Income	165,188	151,108	172,637	14	140,939	127,623	126,380
Expenses							
Employee Expenses	26,251	29,733	30,634	3	30,830	29,759	30,140
Supplies and Services	65,424	62,848	59,736	-5	52,798	51,211	51,001
Depreciation and Amortisation	8,005	7,999	7,758	-3	9,506	11,036	9,955
Grants and Purchased Services	73,272	58,937	81,207	38	56,720	47,596	46,360
Borrowing Costs	66	9	8	-11	8	8	8
Other Expenses	2,454	3,175	2,915	-8	2,059	2,102	1,898
Total Expenses	175,472	162,701	182,258	12	151,921	141,712	139,362
Operating Result	-10,284	-11,593	-9,621	17	-10,982	-14,089	-12,982

Table 67: Output Class 4: Financial and Economic Management Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	31,119	38,339	63,726	66	45,984	45,571	46,658
Sale of Goods and Services from Contracts with Customers	2,529	2,521	7,280	189	7,495	7,709	7,929
Grants and Contributions Revenue	63,595	63,571	1,811	-97	1,860	1,908	1,962
Interest Revenue	64	5	5	-	5	5	5
Total Income	97,307	104,436	72,822	-30	55,344	55,193	56,554
Expenses							
Employee Expenses	11,944	12,836	31,834	148	32,175	32,545	32,997
Supplies and Services	9,117	13,833	20,704	50	16,781	17,142	17,589
Depreciation and Amortisation	692	1,731	2,044	18	2,031	2,034	2,041
Grants and Purchased Services	4,159	1,703	20,741	#	6,870	5,892	6,420
Borrowing Costs	59	0	0	-	0	0	0
Other Expenses	0	4,405	0	-100	0	0	0
Transfer Expenses	100	100	103	3	106	109	109
Total Expenses	26,071	34,608	75,426	118	57,963	57,722	59,156
Operating Result	71,236	69,828	-2,604	-104	-2,619	-2,529	-2,602

Table 68: Output Class 5: Revenue Management Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	23,919	24,434	27,771	14	27,200	26,997	27,407
Sale of Goods and Services from Contracts with Customers	1,276	1,247	1,547	24	1,583	1,621	1,662
Grants and Contributions Revenue	1,761	1,782	3,566	100	3,639	3,755	3,870
Interest Revenue	32	32	32	-	32	32	32
Other Income	1,543	1,543	731	-53	1,632	1,677	1,736
Total Income	28,531	29,038	33,647	16	34,086	34,082	34,707
Expenses							
Employee Expenses	15,832	16,679	19,406	16	19,705	19,358	19,603
Supplies and Services	13,083	13,195	14,749	12	14,882	15,120	15,484
Depreciation and Amortisation	3,772	3,757	3,840	2	4,005	4,130	4,130
Other Expenses	34	34	34	-	34	34	34
Total Expenses	32,721	33,665	38,029	13	38,626	38,642	39,251
Operating Result	-4,190	-4,627	-4,382	5	-4,540	-4,560	-4,544

Table 69: Output Class 6: Procurement Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	8,765	8,898	7,317	-18	6,958	7,025	7,085
Sale of Goods and Services from Contracts with Customers	4,242	4,229	4,279	1	4,398	4,529	4,625
Grants and Contributions Revenue	59	64	525	720	536	548	562
Other Income	0	0	1	#	1	1	1
Total Income	13,066	13,191	12,122	-8	11,893	12,103	12,273
Expenses							
Employee Expenses	9,261	9,753	8,871	-9	8,996	9,113	9,218
Supplies and Services	3,277	3,129	2,784	-11	2,391	2,450	2,282
Depreciation and Amortisation	67	60	29	-52	22	20	20
Borrowing Costs	0	3	0	-100	0	0	0
Other Expenses	14	14	11	-21	11	11	11
Transfer Expenses	386	386	412	7	478	467	688
Total Expenses	13,005	13,345	12,107	-9	11,898	12,061	12,219
Operating Result	61	-154	15	110	-5	42	54

Table 70: Output Class 7: Property Services Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	23,817	17,686	23,404	32	13,420	13,776	13,564
Sale of Goods and Services from Contracts with Customers	109,706	129,724	133,854	3	137,323	140,755	144,265
Grants and Contributions Revenue	923	768	800	4	817	562	540
Interest Revenue	0	0	1	#	1	1	1
Other Income	936	0	0	-	0	0	0
Gains from Disposal, Derecognition and Remeasurement of Assets	6	6	6	-	6	6	6
Total Income	135,388	148,184	158,065	7	151,567	155,100	158,376
Expenses							
Employee Expenses	17,192	19,681	25,077	27	25,611	26,281	26,687
Supplies and Services	68,282	76,097	75,547	-1	69,823	79,455	84,279
Depreciation and Amortisation	67,255	70,342	71,809	2	71,872	65,854	65,504
Grants and Purchased Services	3,275	3,275	5,004	53	940	972	768
Borrowing Costs	14,903	15,887	15,533	-2	14,907	14,310	13,743
Other Expenses	2,903	3,322	115	-97	116	118	119
Transfer Expenses	90	90	236	162	106	158	109
Total Expenses	173,900	188,694	193,321	2	183,375	187,148	191,209
Operating Result	-38,512	-40,510	-35,256	13	-31,808	-32,048	-32,883

Table 71: Output Class 8: Digital, Strategy and Solution Delivery Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	0	0	164,097	#	151,899	155,240	159,224
Sale of Goods and Services from Contracts with Customers	0	0	72,786	#	74,484	72,885	74,669
Grants and Contributions Revenue	0	0	1,635	#	1,624	1,657	1,702
Other Income	0	0	105	#	108	111	114
Gains from Disposal, Derecognition and Remeasurement of Assets	0	0	200	#	205	210	215
Total Income	0	0	238,823	#	228,320	230,103	235,924
Expenses							
Employee Expenses	0	0	87,591	#	85,602	87,988	90,112
Supplies and Services	0	0	127,583	#	118,895	117,759	122,290
Depreciation and Amortisation	0	0	27,333	#	26,365	25,967	21,245
Grants and Purchased Services	0	0	28	#	28	28	28
Borrowing Costs	0	0	111	#	80	49	28
Other Expenses	0	0	22	#	22	22	22
Transfer Expenses	0	0	9,046	#	9,201	9,332	9,331
Total Expenses	0	0	251,714	#	240,193	241,145	243,056
Operating Result	0	0	-12,891	#	-11,873	-11,042	-7,132

Table 72: Output Class 9: Workforce Strategy Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	0	0	64,986	#	61,278	61,802	62,466
Sale of Goods and Services from Contracts with Customers	0	0	4,335	#	4,453	3,686	3,781
Grants and Contributions Revenue	0	0	9,398	#	9,414	9,655	9,906
Interest Revenue	0	0	13	#	14	14	14
Other Income	0	0	1,769	#	1,770	1,800	1,844
Total Income	0	0	80,501	#	76,929	76,957	78,011
Expenses							
Employee Expenses	0	0	53,450	#	53,263	53,705	54,719
Supplies and Services	0	0	21,353	#	19,584	19,598	19,624
Depreciation and Amortisation	0	0	773	#	865	646	533
Grants and Purchased Services	0	0	6,965	#	5,194	4,245	4,086
Other Expenses	0	0	282	#	305	327	334
Total Expenses	0	0	82,823	#	79,211	78,521	79,296
Operating Result	0	0	-2,322	#	-2,282	-1,564	-1,285

Table 73: Output Class 10: Shared Services (Discontinued) Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	80,748	82,142	0	#	0	0	0
Sale of Goods and Services from Contracts with Customers	185,014	185,585	0	#	0	0	0
Grants and Contributions Revenue	1,105	1,087	0	#	0	0	0
Interest Revenue	13	13	0	#	0	0	0
Other Income	1,911	1,911	0	#	0	0	0
Gains from Disposal, Derecognition and Remeasurement of Assets	500	500	0	#	0	0	0
Total Income	269,291	271,238	0	#	0	0	0
Expenses							
Employee Expenses	119,130	122,261	0	#	0	0	0
Supplies and Services	127,643	129,210	0	#	0	0	0
Depreciation and Amortisation	33,805	22,781	0	#	0	0	0
Grants and Purchased Services	0	2	0	#	0	0	0
Borrowing Costs	145	151	0	#	0	0	0
Other Expenses	1	39,601	0	#	0	0	0
Transfer Expenses	8,480	8,480	0	#	0	0	0
Total Expenses	289,204	322,486	0	#	0	0	0
Operating Result	(19,913)	(51,248)	0	#	0	0	0

This page deliberately left blank

ACT GAMBLING AND RACING COMMISSION – STATEMENT OF INTENT

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

This Statement of Intent for 2023-24 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 2023-24 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 2023-24 Statement of Intent has been agreed between:



Paul Baxter

Chairperson on behalf of

ACT Gambling and Racing Commission



Andrew Barr MLA

Treasurer



Tara Cheyne MLA

**Minister for Business and Better
Regulation**

This page deliberately left blank

ACT GAMBLING AND RACING COMMISSION

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

The Gambling and Racing Commission Board

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

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

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

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

- Chairperson: Mr Paul Baxter
- Members: Ms Leanne Close
Mr Carl Buik
Ms Carmel Franklin
- 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 documents the arrangement between Access Canberra and the Commission in relation to work commissioned by the Commission for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT. The Agreement provides for the Commission to perform its functions and obligations as specified in section 6 of the Control Act and outlined in the Commission's Statement of Intent.

Access Canberra acknowledges the responsibilities and obligations 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 of gambling harm to the community and individuals. Access Canberra will continue to deliver these services on behalf of the Commission.

The Commission also has 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).

2023-24 Priorities and Next Three Financial Years

Strategic and operational issues to be pursued in 2023-24 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 Commission 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 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 previous 12 months. Of the 5 per cent of adults who had experienced harm from another person's gambling, one in four reported financial difficulties however 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;
- establishing a Gambling Harm Prevention Community of Practice for community and primary health care workers to share learnings, build shared understandings and create opportunities for collaboration in gambling harm education, prevention, early intervention, counselling, and referral across the ACT;
- 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;
- directly engaging with industry, help service providers, and community sector organisations through convening the Gambling and Racing Commission Advisory Committee to assist the Commission develop, communicate, and implement strategies and initiatives to prevent and mitigate gambling harm; 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.

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 since 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.

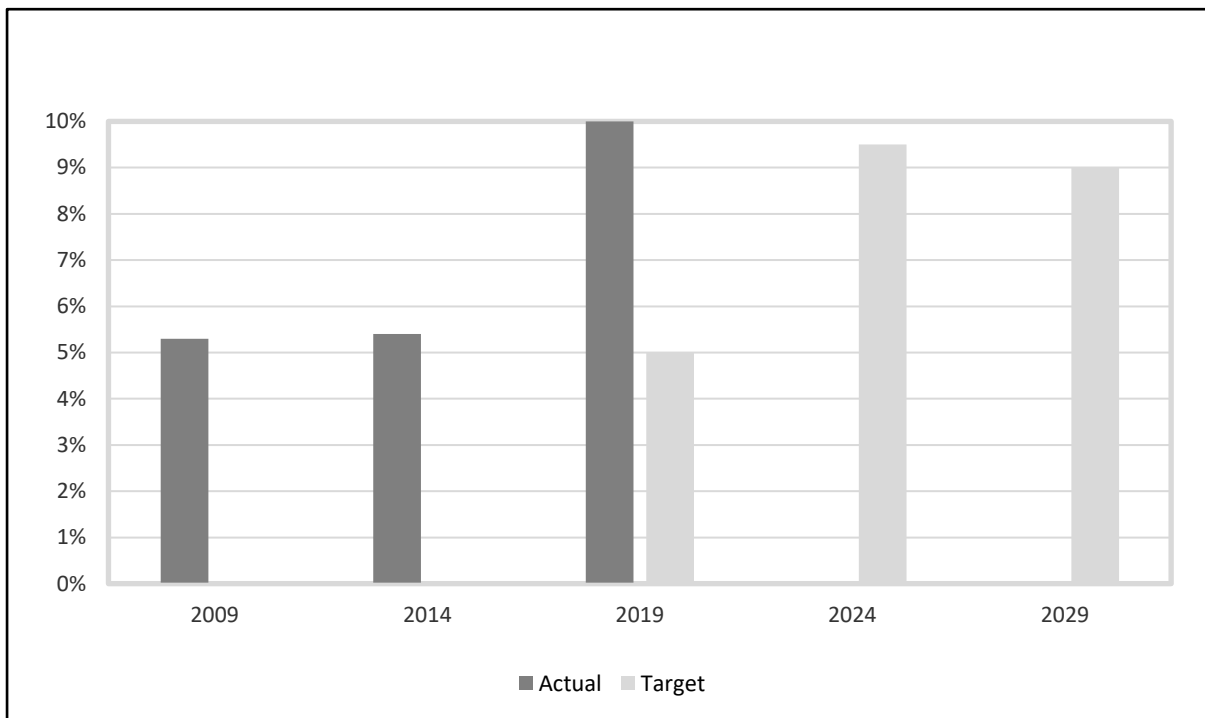
This is demonstrated in Figure 2. The 2019 ACT Gambling Survey found that the proportion of the ACT adult population reporting one or more on the PGSI doubled from the results shown in the previous survey. This is a likely result of changes in the survey methodology from 2014 to 2019 which presented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

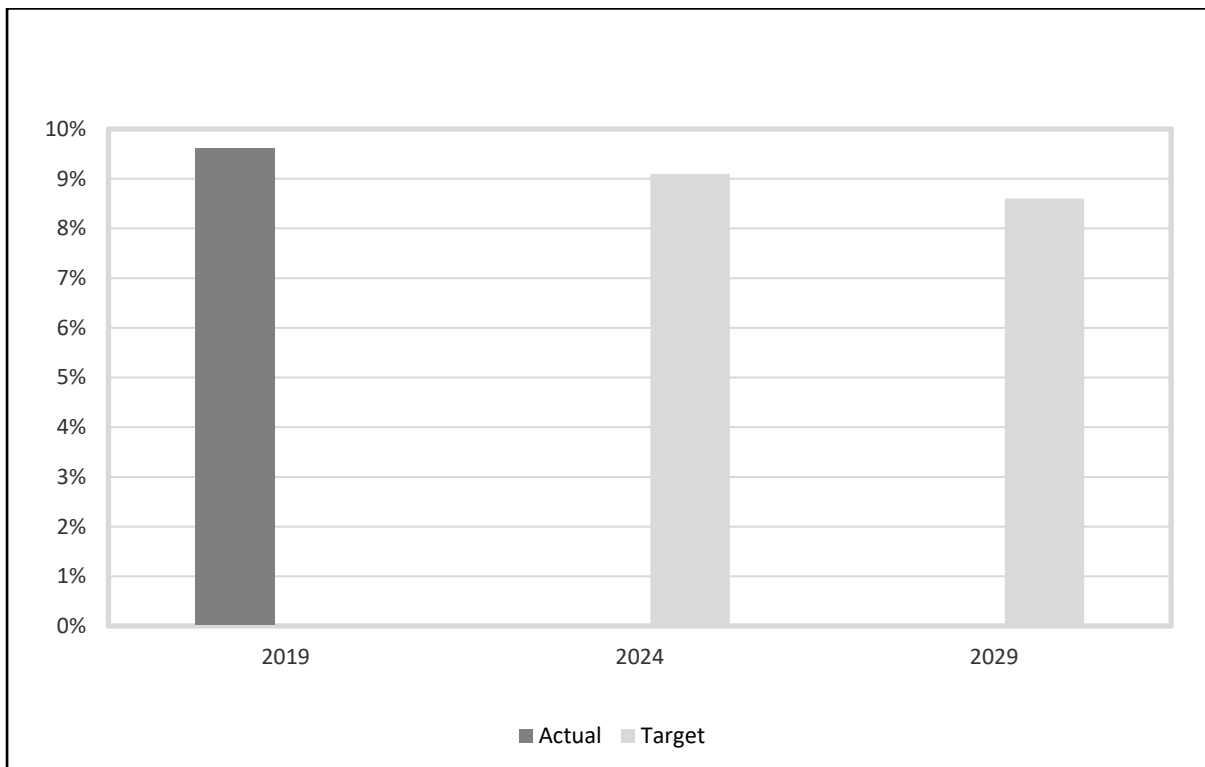
Figure 2: Proportion of the ACT Adult Population Reporting One or More on the Problem Gambling Severity Index (PGSI)



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.

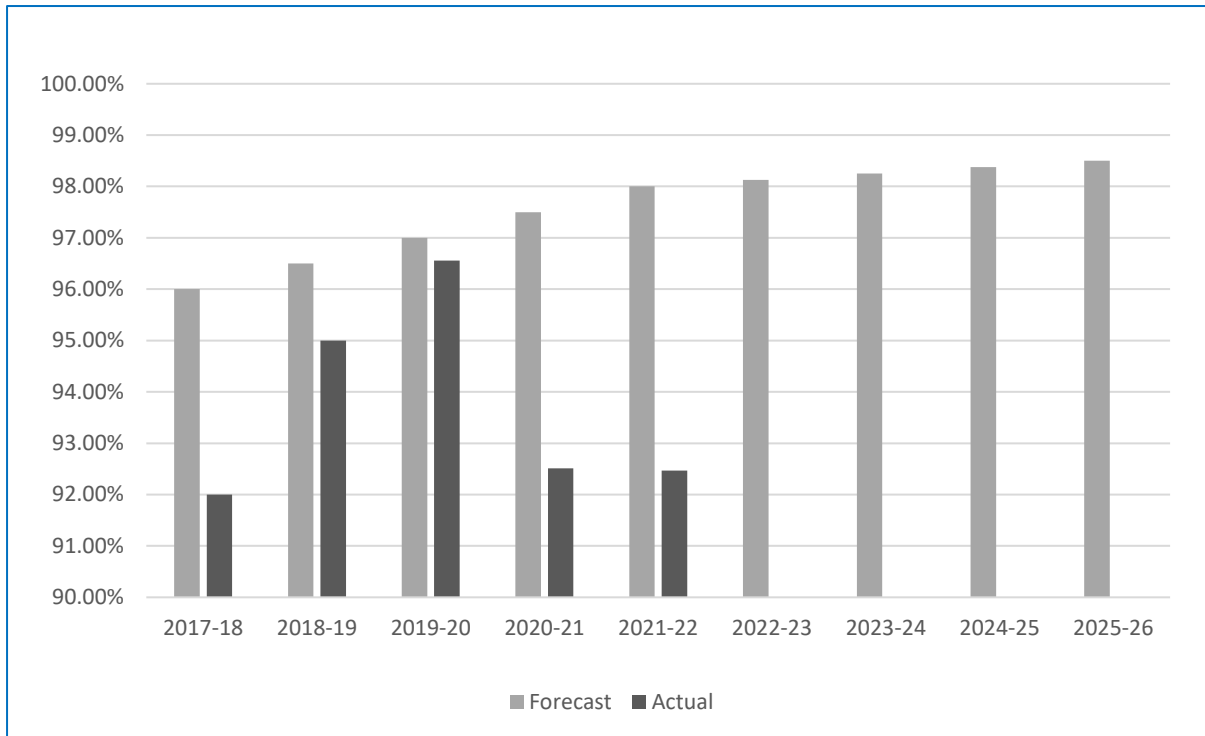
Strategic Indicator 2: Regulatory Education and Engagement Activities Result in a Decreasing use of Formal Enforcement Powers

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

	2022-23 Estimated Outcome \$'000	2023-24 Budget \$'000
Total Cost ¹	8,743	9,429
Controlled Recurrent Payments	5,628	6,390

Note(s):

1. Total cost includes depreciation and amortisation of \$0.028 million in 2022-23 and \$0.005 million in 2023-24.

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 Gambling Harm Prevention and Mitigation 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

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Undertake evidence (e.g. research and evaluation) informed activities to prevent and reduce gambling harm, including through the Gambling Harm Prevention and Mitigation Fund	12	12	n/a
b. Percentage of customers satisfied with the Gambling and Racing Commission	90%	90%	n/a
c. Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission	95%	95%	n/a
d. Compliance rate during targeted campaign inspections	90%	90%	n/a

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
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	n/a
f. The Gambling and Racing Commission proactively communicates its priorities for risk-based regulation:			
i) The Commission has a public statement of expectation	n/a	n/a	100%
ii) Regulatory activity in line with the public statement is reported annually	n/a	n/a	100%
g. Percentage of the Canberra community that find it easy to interact with the Gambling and Racing Commission	n/a	n/a	90%

Note(s):

- a. This accountability indicator measures the outcomes of activity aimed towards the Commission achieving the strategic objective *“To take meaningful action to prevent gambling harm”*. This indicator is discounted in 2023-24 as the new indicator f supersedes it; providing broader coverage of gambling harm prevention and reduction activities.
- b. 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. This indicator is discontinued in 2023-24 due to the high degree of correlation between satisfaction and ease, and the existing measure of ease being more informative of the user's service experience.
- c. 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. This indicator is discontinued in 2023-24 as the new indicator g supersedes it due to confounding terminology about satisfaction being removed and significant changes to the Access Canberra survey methodology resulting in a new target.
- d. 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 indicator is discontinued in 2023-24 due to the new indicator f providing more detailed information about the Commission's regulatory activity.
- e. 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. This indicator is discontinued in 2023-24 as the results reflect similar attitudes to that captured by g (ease of interacting).
- f. New accountability indicator. The Commission proactively communicates its priorities for *risk-based regulation*, by developing and publishing a statement of expectation regarding regulatory priorities and areas of focus, with yearly reporting to occur against activities undertaken in line with the statement. The result will be reported annually.
- g. New accountability indicator. The *ease of interacting* result is determined by the responses to an independent survey of the Canberra community, business clients and community sector partners who had an interaction with the Commission within the last 12 months. The annual 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. Due to a change in the survey methodology from 2023-24, the target has been set to account for the broader survey base.

Changes to Appropriation

Table 3: Changes to Appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	5,628	5,756	5,871	5,990	5,990
2nd Appropriation					
Enterprise Agreement Bargaining and Pay Offer	69	48	106	150	269
2023-24 Budget Policy Decisions					
Continuing Development of Electronic Gaming Machine harm reduction measures	0	600	600	0	0
Continuing the transition of our financial and reporting systems	0	-18	-18	-19	-19
2023-24 Budget Technical Adjustments					
Enterprise Agreement Bargaining and Pay Offer	-69	4	4	3	3
2023-24 Budget	5,628	6,390	6,563	6,124	6,243

Table 4: Changes to Appropriation – Capital Injections (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	0	0	0	0	0
2023-24 Budget Technical Adjustments					
Enterprise Agreement Bargaining and Pay Offer	0	77	0	0	0
2023-24 Budget	0	77	0	0	0

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 2023-24 Budget year, as well as forward estimates for the three financial years commencing 2024-25 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 2022-23 Budget to the 2022-23 estimated outcome and variances from the 2022-23 estimated outcome to the 2023-24 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 2022-23 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 5: ACT Gambling and Racing Commission: Operating Statement ('\$000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	5,628	5,628	6,390	14	6,563	6,124	6,243
Taxes, Licences, Fees and Fines	58,809	65,813	60,668	-8	61,100	61,533	61,945
Grants and Contributions Revenue	31	31	49	58	49	50	50
Interest Revenue	116	116	118	2	120	122	124
Other Income	3,065	3,065	3,069	..	3,109	3,189	3,269
Total Income	67,649	74,653	70,294	-6	70,941	71,018	71,631
Expenses							
Supplies and Services	1,820	1,820	2,446	34	2,483	1,940	1,986
Depreciation and Amortisation	28	28	5	-82	5	5	5
Grants and Purchased Services	5,846	5,923	6,006	1	6,184	6,352	6,482
Other Expenses	972	972	972	-	972	991	1,016
Transfer Expenses	58,809	65,813	60,668	-8	61,100	61,533	61,945
Total Expenses	67,475	74,556	70,097	-6	70,744	70,821	71,434
Operating Result	174	97	197	103	197	197	197
Total Comprehensive Result	174	97	197	103	197	197	197

Table 6: ACT Gambling and Racing Commission: Balance Sheet ('\$000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash	5,994	6,160	6,350	3	6,540	6,730	6,920
Receivables	5,541	5,937	5,942	..	5,947	5,952	5,957
Other Assets	3	16	16	-	16	16	16
Total Current Assets	11,538	12,113	12,308	2	12,503	12,698	12,893
Non-Current Assets							
Property, Plant and Equipment	10	5	10	100	15	20	25
Intangible Assets	0	6	6	-	6	6	6
Capital Works in Progress	59	316	316	-	316	316	316
Total Non-Current Assets	69	327	332	2	337	342	347
TOTAL ASSETS	11,607	12,440	12,640	2	12,840	13,040	13,240
Current Liabilities							
Payables	5,700	6,371	6,297	-1	6,300	6,303	6,306
Other Liabilities	51	57	57	-	57	57	57
Total Current Liabilities	5,751	6,428	6,354	-1	6,357	6,360	6,363
TOTAL LIABILITIES	5,751	6,428	6,354	-1	6,357	6,360	6,363
NET ASSETS REPRESENTED BY FUNDS EMPLOYED	5,856	6,012	6,286	5	6,483	6,680	6,877
Equity							
Accumulated Funds	5,856	6,012	6,286	5	6,483	6,680	6,877
TOTAL EQUITY	5,856	6,012	6,286	5	6,483	6,680	6,877

Table 7: ACT Gambling and Racing Commission: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	5,682	5,915	6,012	2	6,286	6,483	6,680
Balance at the Start of the Reporting Period	5,682	5,915	6,012	2	6,286	6,483	6,680
Comprehensive Income							
Operating Result	174	97	197	103	197	197	197
Total Comprehensive Result	174	97	197	103	197	197	197
Transactions Involving Owners Affecting Accumulated Funds							
Capital Injections	0	0	77	#	0	0	0
Total Transactions Involving Owners Affecting Accumulated Funds	0	0	77	#	0	0	0
Closing Equity							
Closing Accumulated Funds	5,856	6,012	6,286	5	6,483	6,680	6,877
Balance at the end of the Reporting Period	5,856	6,012	6,286	5	6,483	6,680	6,877

Table 8: ACT Gambling and Racing Commission: Cash Flow Statement ('\$000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	5,628	5,628	6,390	14	6,563	6,124	6,243
Taxes, Licences, Fees and Fines	58,809	65,813	60,668	-8	61,100	61,533	61,945
Interest Receipts	116	116	118	2	120	122	124
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	119	119	119	-	119	119	119
Other	3,065	3,065	3,069	..	3,109	3,189	3,269
Total Receipts from Operating Activities	67,737	74,741	70,364	-6	71,011	71,087	71,700
Payments							
Supplies and Services	1,791	1,798	2,413	34	2,453	1,897	2,066
Grants and Purchased Services	5,846	5,846	6,083	4	6,184	6,352	6,482
Transfer of Territory Receipts to the ACT Government	58,809	65,801	60,644	-8	61,071	61,514	61,803
Goods and Services Tax Paid to Suppliers	119	119	119	-	119	119	119
Other	972	977	982	1	984	1,005	1,030
Total Payments from Operating Activities	67,537	74,541	70,241	-6	70,811	70,887	71,500
Net Cash Inflows/(Outflows) from Operating Activities	200	200	123	-39	200	200	200
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of Property, Plant and Equipment	10	10	10	-	10	10	10
Total Payments from Investing Activities	10	10	10	-	10	10	10
Net Cash Inflows/(Outflows) from Investing Activities	-10	-10	-10	-	-10	-10	-10
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	0	0	77	#	0	0	0
Total Receipts from Financing Activities	0	0	77	#	0	0	0
Net Cash Inflows/(Outflows) from Financing Activities	0	0	77	#	0	0	0
Net Increase/(Decrease) in Cash	190	190	190	-	190	190	190
Cash at the Beginning of the Reporting Period	5,804	5,970	6,160	3	6,350	6,540	6,730
Cash at the End of the Reporting Period	5,994	6,160	6,350	3	6,540	6,730	6,920

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$0.762 million in the 2023-24 Budget from 2022-23 estimated outcome is mainly due to the additional funding appropriated for the Continuation of Electronic Gaming Machine Reforms initiative.
- taxes, licences, fees and fines:
 - the increase of \$7.004 million in the 2022-23 estimated outcome from the 2022-23 Budget is due to higher than expected revenue from gaming machine taxation (\$4.000 million) and casino tax (\$0.741 million), interstate lotteries revenue from higher than expected ticket sales (\$1.611 million), and Keno turnover tax (\$0.652 million) following the lifting of COVID-19 restrictions of previous financial years; and
 - the decrease of \$5.145 million in the 2023-24 Budget from 2022-23 estimated outcome is mainly due to the return to longer term gambling activity trends.
- supplies and services: the increase of \$0.626 million in the 2023-24 Budget from 2022-23 estimated outcome is mainly due to the activities forecast to be undertaken under the Continuation of Electronic Gaming Machine Reforms initiative.
- transfer expenses:
 - the increase of \$7.004 million in the 2022-23 estimated outcome from the 2022-23 Budget is due to higher than expected revenue from gaming machine taxation (\$4.000 million) and casino tax (\$0.741 million), interstate lotteries revenue from higher than expected ticket sales (\$1.611 million), and Keno turnover tax (\$0.652 million) following the lifting of COVID-19 restrictions of previous financial years; and
 - the decrease of \$5.145 million in the 2023-24 Budget from 2022-23 estimated outcome is mainly due to the return to longer term gambling activity trends.

Balance Sheet

- receivables: the increase of \$0.396 million in the 2022-23 estimated outcome from the 2022-23 Budget is mainly due to the increased trade receivables as a result of the higher than expected gambling revenue.
- capital works in progress: the increase of \$0.257 million in the 2022-23 estimated outcome from the 2022-23 Budget relates to the development of the new ACT Gamblers Exclusion Database.
- payables: the increase of \$0.671 million in the 2022-23 estimated outcome from the 2022-23 Budget is mainly due to the timing of transfer expenses associated with trade receivables.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the above notes.

This page deliberately left blank

ACT INSURANCE AUTHORITY - STATEMENT OF INTENT

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

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

This Statement of Intent for 2023-24 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 2023-24 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 2023-24 Statement of Intent has been agreed between:



Andrew Barr MLA

Chief Minister



Stuart Hocking PSM

Under Treasurer



Penny Shields

General Manager

ACT Insurance Authority

This page deliberately left blank

ACT INSURANCE AUTHORITY

Purpose

The Organisation

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

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

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

The portfolio represents \$31.6 billion of insured assets, with annual premium revenue of \$84.4 million, an operating result of \$2.7 million and an equity position of \$63.7 million forecasted in the 2023-24 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, 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;

- manage Builders Warranty Insurance scheme on behalf of the Territory through the agreement with QBE 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.

2023-24 Priorities and Next Three Financial Years

Strategic and operational priorities to be pursued in 2023-24 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 Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome ¹	2022-23 Budget ³	2022-23 Estimated Outcome ²	2023-24 Budget ³
Staffing (FTE)	28	32	30 ⁴	33 ⁵

Table 2: 2023-24 Employment Profile

Classification	Total
Senior Executive	1
SOGA	2
SOGB	5
SOGC	6
ASO6	7
ASO5	9
ASO4	1
ASO3	2
Total	33

Note(s):

1. These figures relate to staffing levels paid at the end of the financial year 2021-22.
2. These figures relate to estimated staffing at the end of the financial year 2022-23.
3. These figures relate to estimated average annual staffing figures.
4. The difference between the 2022-23 estimated outcome and 2022-23 Budget is mainly due to staff turnover and timing for recruitment and temporary backfilling arrangements.
5. The difference between the 2023-24 Budget figure and the 2022-23 estimated outcome is mainly due to short term temporary vacancies and one additional FTE budgeted for the new Physical and Sexual Abuse Indemnity Scheme.

Key Performance Indicators

Table 3: Key Performance Indicators

The table should be read in conjunction with the accompanying notes.

Key performance indicator	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Overall customer satisfaction with the Authority from annual customer satisfaction survey	80%	80%	80%
b. Maintain the Authority's funding ratio as outlined in the Authority's Capital Management Plan	140%	117%	120%
c. General and administrative expense as a percentage of total annual premium revenue	10	10	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	45	48
h. Overall participant satisfaction with risk management training sessions delivered to agency staff members	90%	90%	90%
i. Provide quarterly reporting to directorates to assist the identification, assessment and treatment of risks	4	4	4

Notes for the key performance indicators:

- 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 their overall satisfaction with 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, good and average responses are taken as a positive result.
- 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.
- 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.
- 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.
- 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.
- 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 2022-23 Target and 2022-23 Estimated Outcome:

- g. Higher number of general and targeted risk management training courses delivered to Territory agencies is due to an increase in demand for face-to-face training activities from directorates and agencies as a result of improved engagement and collaboration with directorates and agencies.

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 2022-23 estimated outcome was an operating deficit of \$7.906 million. The result is a \$30.588 million decrease from the original budgeted operating result of \$22.682 million forecasted in the 2022-23 Budget.

The variance to budget was primarily due to higher claims expenses mainly due to recent large claims for property damage and a deteriorating claims experience for medical negligence claims based on 2022-23 mid-year actuarial 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 under the ACT Motor Accident Injury Scheme. The Authority provides support services on a cost recovery basis to these schemes and recovers these costs from DIF and ND on a quarterly basis.

Budgeted Financial Statements

Budgeted financial statements for the 2023-24 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 and the 2022-23 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 Insurance Authority: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Sale of Goods and Services from Contracts with Customers	71,077	68,446	84,383	23	90,342	94,248	98,590
Grants and Contributions Revenue	48	48	50	4	50	50	50
Investment Revenue	10,577	8,303	12,505	51	12,717	13,292	13,877
Interest Revenue	244	1,881	1,495	-21	1,323	1,590	1,252
Other Income	5,403	32,059	2,508	-92	2,586	2,670	2,759
Net Gain on Investments	7,578	19,601	5,898	-70	5,998	6,269	6,545
Total Income	94,927	130,338	106,839	-18	113,016	118,119	123,073
Expenses							
Employee Expenses	4,434	4,654	4,857	4	5,081	5,302	5,379
Supplies and Services	1,745	2,370	2,281	-4	2,327	2,370	2,413
Depreciation and Amortisation	46	46	46	-	46	46	46
Other Expenses	2,555	2,474	1,595	-36	1,637	1,681	1,825
Outward Reinsurance Expense	14,606	14,466	18,868	30	19,758	20,667	21,677
Claims Expense	48,859	114,234	76,480	-33	81,913	79,633	78,233
Total Expenses	72,245	138,244	104,127	-25	110,762	109,699	109,573
Operating Result	22,682	-7,906	2,712	134	2,254	8,420	13,500
Total Comprehensive Result	22,682	-7,906	2,712	134	2,254	8,420	13,500

Table 5: ACT Insurance Authority: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	13,098	18,143	39,904	120	47,678	40,203	42,985
Investments	371,965	347,881	353,776	2	379,772	406,038	432,579
Receivables	24,981	23,052	13,611	-41	3,740	3,898	4,058
Other Assets	67	43	45	5	47	49	51
Total Current Assets	410,111	389,119	407,336	5	431,237	450,188	479,673
Non-Current Assets							
Receivables	28,804	40,372	20,186	-50	0	0	0
Intangible Assets	226	384	338	-12	292	246	200
Total Non-Current Assets	29,030	40,756	20,524	-50	292	246	200
TOTAL ASSETS	439,141	429,875	427,860	-	431,529	450,434	479,873
Current Liabilities							
Payables	462	155	157	1	159	161	163
Employee Benefits	795	871	765	-12	795	830	868
Other Provisions	63,030	79,444	78,426	-1	78,729	81,026	84,521
Other Liabilities	4,320	3,527	3,529	-	3,531	3,533	3,535
Total Current Liabilities	68,607	83,997	82,877	-1	83,214	85,550	89,087
Non-Current Liabilities							
Employee Benefits	101	126	129	2	132	135	138
Other Provisions	245,932	281,664	278,055	-1	279,131	287,278	299,678
Other Liabilities	33	3,106	3,105	-	3,104	3,103	3,102
Total Non-Current Liabilities	246,066	284,896	281,289	-1	282,367	290,516	302,918
TOTAL LIABILITIES	314,673	368,893	364,166	-1	365,581	376,066	392,005
NET ASSETS	124,468	60,982	63,694	4	65,948	74,368	87,868
Equity							
Accumulated Funds	124,468	60,982	63,694	4	65,948	74,368	87,868
TOTAL EQUITY	124,468	60,982	63,694	4	65,948	74,368	87,868

Table 6: ACT Insurance Authority: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	101,786	68,888	60,982	-11	63,694	65,948	74,368
Balance at the Start of the Reporting Period	101,786	68,888	60,982	-11	63,694	65,948	74,368
Comprehensive Income							
Operating Result	22,682	-7,906	2,712	134	2,254	8,420	13,500
Total Comprehensive Result	22,682	-7,906	2,712	134	2,254	8,420	13,500
Movement in Asset Revaluation Surplus							
Closing Equity							
Closing Accumulated Funds	124,468	60,982	63,694	4	65,948	74,368	87,868
Balance at the end of the Reporting Period	124,468	60,982	63,694	4	65,948	74,368	87,868

Table 7: ACT Insurance Authority: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM							
OPERATING ACTIVITIES							
Receipts							
Sale of Goods and Services from Contracts with Customers	71,077	80,395	84,383	5	90,342	94,248	98,590
Investment Receipts	8,496	7,766	12,023	55	12,664	13,148	13,732
Interest Receipts	244	1,881	1,495	-21	1,323	1,590	1,252
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	1,777	1,777	1,866	5	1,866	1,866	1,866
Goods and Services Tax Collected from Customers	1,144	1,144	1,175	3	1,188	1,188	1,188
Other	5,392	3,303	32,619	888	32,698	2,658	2,747
Total Receipts from Operating Activities	88,130	96,266	133,561	39	140,081	114,698	119,375
Payments							
Employee Payments	4,393	4,498	4,956	10	5,044	5,260	5,334
Supplies and Services	1,692	2,478	2,228	-10	2,273	2,317	2,360
Goods and Services Tax Paid to the Australian Taxation Office	1,144	1,144	1,175	3	1,188	1,188	1,188
Goods and Services Tax Paid to Suppliers	1,779	1,779	1,868	5	1,868	1,868	1,868
Outward Reinsurance Payments	14,606	14,466	18,868	30	19,758	20,667	21,677
Claims Payments	60,166	76,200	81,108	6	80,536	69,189	62,338
Other	672	591	1,597	170	1,640	1,684	1,828
Total Payments from Operating Activities	84,452	101,156	111,800	11	112,307	102,173	96,593
Net Cash Inflows/(Outflows) from Operating Activities	3,678	-4,890	21,761	545	27,774	12,525	22,782
CASH FLOWS FROM							
INVESTING ACTIVITIES							
Receipts							
Proceeds from Sale/Maturity of Investments	20,000	30,000	30,000	-	30,000	30,000	30,000
Total Receipts from Investing Activities	20,000	30,000	30,000	-	30,000	30,000	30,000
Payments							
Purchase of Investments	40,000	30,000	30,000	-	50,000	50,000	50,000
Total Payments from Investing Activities	40,000	30,000	30,000	-	50,000	50,000	50,000
Net Cash Inflows/(Outflows) from Investing Activities	-20,000	0	0	-	-20,000	-20,000	-20,000

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Net Increase/(Decrease) in Cash and Cash Equivalents	-16,322	-4,890	21,761	545	7,774	-7,475	2,782
Cash and Cash Equivalents at the Beginning of the Reporting Period	29,420	23,033	18,143	-21	39,904	47,678	40,203
Cash and Cash Equivalents at the End of the Reporting Period	13,098	18,143	39,904	120	47,678	40,203	42,985

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- sales of goods and services from contracts with customer: the increase of \$15.937 million in the 2023-24 Budget from the 2022-23 estimated outcome for annual insurance premiums is primarily due to deteriorating claims experience in the medical malpractice, property, and motor insurance classes and deteriorating global market conditions resulting in an expected increase in the Territory's reinsurance costs.
- investment revenue: the increase of \$4.202 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the budget estimate being based on targeted return on investment as per the Authority's long term investment plan and investment strategy of making a targeted annual return on investment at a long-term CPI plus 2.5 per cent and the portfolio mix to achieve the intended ratio for investment distribution and capital gains.
- gain on investments:
 - the increase of \$12.023 million in the 2022-23 estimated outcome from the original budget is due to the fair value of investments having increased, mainly due to the recent changes in macroeconomic conditions leading to a higher than targeted return on investment capital gains; and
 - the decrease of \$13.703 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the budget estimate based on a targeted return on investment as per the Authority's long term investment plan and investment strategy of making a targeted annual return on investment at long-term CPI plus 2.5 per cent which is lower than the recent gains achieved.
- other income: the increase of \$26.656 million in the 2022-23 estimated outcome from the original budget and the decrease of \$29.551 million in the 2023-24 Budget from the 2022-23 estimated outcome reflect an estimate for claims related reinsurance recovery receivables in 2022-23 for the recent large fire event at the Hume Material Recovery Facility.
- outward reinsurance expenses: the increase of \$4.402 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to an anticipated increase of the reinsurance premium mainly as a result of continued deteriorating claims experience in the medical malpractice and property insurance classes and global market conditions.
- claims expenses:
 - the increase of \$ 65.375 million in the 2022-23 estimated outcome from the original budget is due to the movement in actuarial estimates for the Authority's claims liabilities resulting from large claims for recent significant fire events at the Hume Material Recovery Facility and the Calvary Public Hospital, along with deteriorating claims experience in medical malpractice and the changes in actuarial variables such as discounting and inflation; and
 - the decrease of \$37.754 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the expectation of claims expense and liabilities returning to the longer-term claims experience pattern, based on actuarial estimations.

- operating result:
 - the decrease of \$30.588 million in the 2022-23 estimated outcome from the original budget is due to the impact of large claims expenses mainly resulting from recent significant fire events at the Hume Material Recovery Facility and Calvary Public Hospital, along with deteriorating claims experience in medical malpractice and the changes in actuarial variables such as discounting and inflation, partially offset by reinsurance recoveries receivables and better than budgeted investment results; and
 - the increase of \$10.618 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the expectation of claims expense and liabilities returning to the longer-term claims experience pattern based on actuarial estimations.

Balance Sheet

- cash and cash equivalents: the increase of \$21.761 million in the 2023-24 Budget from 2022-23 estimated outcome is mainly due to the expectation of improved operating cash flow and the requirement to hold a larger than average cash balance in the bank to manage anticipated larger payments based on recent claims experience.
- current receivables: the decrease of \$9.441 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to an expectation of settlement for a larger portion of reinsurance receivables related to recently paid larger claims.
- non-current receivables: the increase of \$11.568 million in the 2022-23 estimated outcome from the original budget and the decrease of \$20.186 million between the 2022-23 estimated outcome and the 2023-24 Budget is mainly due to reinsurance recoveries receivables for large claims for recent significant fire events and an expectation of the settlement of a larger portion of reinsurance receivables during 2023-24.
- current other provisions: the increase of \$16.414 million in the 2022-23 estimated outcome from the original budget is mainly due to deteriorating claims experience, resulting in a larger liability provision for the settlement of outstanding claims in the short-term.
- non-current other provisions: the increase of \$35.732 million in the 2022-23 estimated outcome from the original budget is mainly due to deteriorating claims experience, particularly impacted by the recent two significant fire events at the Hume Material Recovery Facility and Calvary Public Hospital.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above

CANBERRA INSTITUTE OF TECHNOLOGY – STATEMENT OF INTENT

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

This Statement of Intent for 2023-24 has been prepared in accordance with Section 61 of the *Financial Management Act 1996* (the FMA).

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

The Statement of Intent, which focuses on the 2023-24 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 2023-24 Statement of Intent has been agreed between:



Andrew Barr MLA

Treasurer

23 June 2023



Chris Steel MLA

Minister for Skills

16 June 2023



Kate Lundy

Chair, CIT Board

19 June 2023

This page deliberately left blank

CANBERRA INSTITUTRE OF TECHNOLOGY

Purpose

The purpose of the Canberra Institute of Technology (CIT), relevant to the Statement of Intent, is to:

- support the ACT Government's *Skilled to Succeed: skills and workforce agenda for the ACT*, by working collaboratively with industry, customers and government, to provide a more inclusive responsive, flexible and future-focused skills sector to respond to future workforce needs;
- perform the role of public provider of vocational education and training (VET) in the ACT, in accordance with its functions under the *Canberra Institute of Technology Act 1987* (the Act), by providing course offerings aligned to ACT Government priorities and the *ACT Skills Needs List*;
- support ACT industry and business in pursuing economic growth and sustainability for the community, by applying appropriate and contemporary learning opportunities for students to acquire the relevant skills for current and future workforce requirements; and
- serve all members of our community, as the public provider of VET in the ACT, with a dedicated focus on empowering traditionally marginalised cohorts, and prioritising Aboriginal and Torres Strait Islander cultures, to tackle systemic discrimination and contribute to the ACT Government's commitment to Closing the Gap and the *ACT Aboriginal and Torres Strait Islander Agreement 2019-2028*.

These objectives will be achieved through the lens of CIT's Strategic Compass 2025 - CIT Futures (Strategic Compass), which recognises the need to embrace the changing world of work and the emerging skills for jobs of the future. Our approach is industry-led, client-centric, and aims to increase CIT's ability to respond to current and emerging workforce needs, occupational skills, training and qualifications.

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, attracting international students, contributing to the ACT innovation ecosystem and driving lifelong learning for the ACT's economic and social benefit.

The four themes of the Strategic Compass are:

- leading change – raising our ambitions to meet new expectations;
- advancing Canberra's workforce – adapting our courses and means of delivery to provide skills for the future;
- growing our region's economy – supporting jobs, economic resilience, and future prosperity; and
- transforming our business – investing in our business for viability and value.

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 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.

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. The CIT Strategic Risk Register is used to identify key areas of risk. Risk controls and treatments, and emerging risks, are monitored through the Executive Management Committee, CIT Audit and Risk Committee and CIT Board. CIT also has an overarching Fraud and Corruption Control Plan, which is regularly reviewed. CIT are in the process of transitioning to a Fraud and Corruption Prevention Framework to better manage risks associated with fraud.

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;
- monthly financial reporting;
- 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 oversighted by the CIT Audit and Risk Committee and reported to each CIT Board meeting as part of CIT's governance arrangements.

Risks for CIT are considered through:

- internal and external reviews and independent audits;
- reviews of CIT's governance 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;
- engagement with the government's service provider Digital, Data and Technology Solutions to effectively manage CIT's cyber security risks; and
- engagement with compliance and regulatory bodies e.g. Skills Canberra, Australian Skills Quality Authority (ASQA) and Tertiary Education Quality and Standards Agency (TEQSA) and Australian Nursing & Midwifery Accreditation Council (ANMAC).

CIT identified that the governance frameworks for the CIT were a risk and in need of review. This has been a priority in 2022-23 and will continue in 2023-24.

2023-24 Priorities and the Next Three Years

CIT will support the following four priorities of the ACT Government's *Skilled to Succeed - skills and workforce agenda for the ACT*:

- 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 implementing the following reform directions:

Courses:

- support delivery of Fee-free TAFE initiative in the ACT for eligible priority groups, in sectors experiencing skills shortage or growth;

- review the relevance of selected courses, through consultation and developing options for potential changes, to respond to industry needs and student demand;
- engage with government and emerging industries to co-design new courses to attract and train future workforces for priority sectors in the ACT economy;
- identify 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;
- improve access for unemployed Canberrans, facing transition in their work or experiencing disadvantage; and
- maintain CIT's reputation as a key leader in the Electric Vehicle training services in Australia.

Campus Renewal:

- continue working with Major Projects Canberra to construct CIT Woden, a state-of-the-art learning facility, incorporating a cloud campus, to position CIT to increase opportunities for students, local business, industry and the broader ACT community;
- working with Major Projects Canberra to deliver a culturally-sensitive facility at the Bruce campus for CIT Yurauna; and
- seeking opportunities for renewal of other campuses including potential for CIT Fyshwick to update and upgrade facilities with the East Lake Urban Renewal.

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 experience throughout the student journey at CIT;
- developing teacher capability in 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.

Digitalisation:

- implement the planning phases of the Cloud Campus program that will deliver an online learning platform that provides a seamless digital and physical learning environment which will complement the development of the new CIT smart campus by providing improved learning experiences, as well as efficiencies across all CIT campuses.

Governance:

- continuing to improve CIT governance arrangements in respect to processes related to financial sustainability, procurement practices and accountability; and
- engage with the Australian Skills Quality Authority (ASQA) to renew CIT Registered Training Organisation registration.

Financial Management:

- implement new financial management system to improve governance of financial data and financial management through enhanced analysis of costs of delivering various training packages; and
- review of financial policies and processes supporting CIT financial management

Procurement:

- review of current procurement delivery model including procurement tools and systems;
- move towards a centralised procurement model with increased transparency, capability and financial accountability;
- increased procurement and contract management capability across CIT, including mandatory training for staff conducting procurement or managing contracts with a significant risk profile (value and/or considerable risk); and
- implementation of internal assurance review of procurements and contracts managed by CIT to improve capability and increase visibility across CIT of procurement and contract management activities.

2023-24 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. The 10th ACT Legislative Assembly Parliamentary and Governing Agreement committed to at least 75 per cent of total VET funding to be provided to CIT as the primary provider of Canberra's vocational education and training.

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), or any other National Centre for Vocational Education Research (NCVER) standard, as required by 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 Data Collection.

Monitoring and Reporting

Statistical Data

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

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

Implementation of Training Packages

CIT is a registered training organisation (RTO), as required to deliver nationally accredited training. As such, CIT must comply with *Clauses 1.26 and 1.27 of the Standards for Registered Training Organisations (RTOs) 2015 - Transition of training products*.

Estimated Employment Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget
Staffing (FTE)	657	665	636 ¹	661 ^{2,3}

Note(s):

1. The decrease of 29 FTE in the 2022-23 Estimated Outcome from 2022-23 Budget is primarily due to fewer than expected additional staff being engaged for teaching and project work.
2. The decrease of four FTE in the 2023-24 Budget from the 2022-23 Budget is mainly due to a scale back of the JobTrainer initiative in 2022-23 which means a reduction in the budgeted staffing numbers.
3. The increase of 25 FTE in the 2023-24 Budget from the 2022-23 Estimated Outcome is primarily due staff engagements expected in the transition to the new operating environment and additional staff employed in the delivery of the CIT Cloud Campus initiative (13).

Strategic Objectives and Indicator

Strategic Objective

Student Outcomes

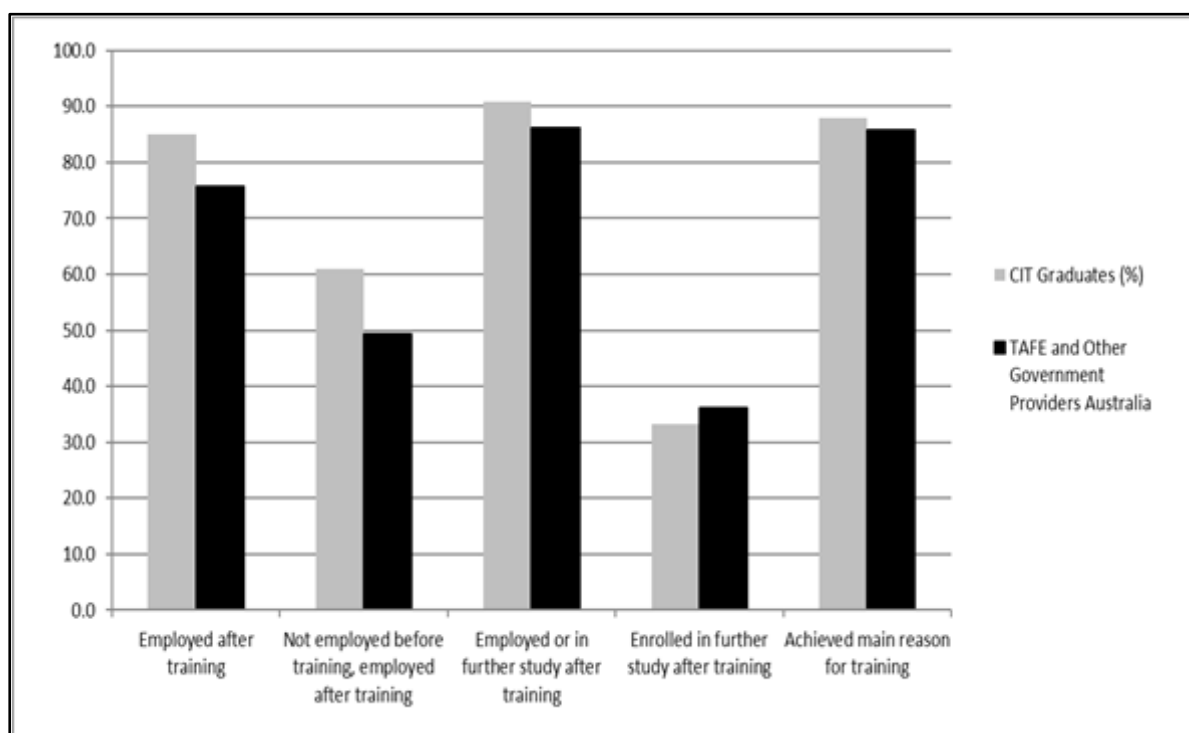
CIT's objective is to provide training that meets student needs ensuring a job ready skill set for our future workers.

Strategic Indicator: Student Outcomes Survey

The key strategic indicator used by CIT to measure its success is students' employment outcomes as measured through the annual National Centre for Vocational Education Research (NCVER) 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 2022 performance of CIT graduates, against national performance for Australian TAFE graduates, is highlighted in Figure 1 below. As illustrated, CIT graduates exceed national performance on all but one measure, indicating strong performance.

Figure 1: NCVER Student Outcomes, 2022



Output Class

Output Class 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.

Table 2: Provision of Vocational Education and Training Services (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	133,326	146,302
Controlled Recurrent Payments	81,409	75,613

Note(s):

1. Total cost includes depreciation and amortisation of \$13.875 million in 2022-23 and \$18.720 million in 2023-24.

Accountability Indicators

Output Class 1: Provision of Vocational Education and Training Services

Table 3: Accountability Indicators July to June Financial Year

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Subject Enrolments ¹	100,000	95,000	100,000
b. Subject Pass Rates ²	85%	85%	85%
c. Achieve key output targets:			
- Learner Satisfaction Rate ³	85%	85%	85%
- Employer Satisfaction Rate ⁴	80%	88%	80%

Notes and Explanation of Material Variances:

1. This is a measure 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. Subject enrolments are below target due to a combination of the flow-on effects of the COVID-19 pandemic and the strong local employment market reducing the immediate demand for training
2. This is a measure of 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.
3. This is a measure of the proportion of current CIT students participating in the VET Student Experience Survey (VETSES) who indicated that they were satisfied with the training at CIT.
4. The employer satisfaction rate measures the proportion of employers with apprentices or trainees at CIT that expressed their satisfaction with the training delivered. The online survey was sent to all current employers of apprentices enrolled at CIT in 2022 and uses questions set by the Australian Skills Quality Authority (ASQA). This outcome is consistent with previous years reflecting the positive views of employers and the experiences as employees of CIT apprentices.

Key Performance Indicators for 2023

Performance Measure Definitions

The Strategic Compass articulates measures of success through four key indicators. The four key indicators are:

- 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’; and
 - 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.

The figures shown in the following table represent calendar year information as consistent with CIT’s annual reporting cycle on a calendar year basis.

Table 4: Accountability Indicators January to December Financial Year

	2022 Targets	2022 Audited Outcome	2023 Targets
a. Subject Enrolments ¹	100,000	93,701	100,000
b. Subject Pass Rates ²	85%	86%	85%
c. Achieve key output targets:			
- Learner Satisfaction Rate ³	85%	81%	85%
- Employer Satisfaction Rate ⁴	80%	89%	80%

Notes and Explanation of Material Variances:

1. This is a measure 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. Subject enrolments are below target due to a combination of the flow-on effects of the COVID-19 pandemic and the strong local employment market reducing the immediate demand for training
2. This is a measure of 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.
3. This is a measure of the proportion of current CIT students participating in the VET Student Experience Survey (VETSES) who indicated that they were satisfied with the training at CIT. The method of calculating this measure was changed in 2022 from the AVETMISS Learner Engagement Survey (LES) to the VETSES; the results from the two are not directly comparable.
4. The employer satisfaction rate measures the proportion of employers with apprentices or trainees at CIT that expressed their satisfaction with the training delivered. The online survey was sent to all current employers of apprentices enrolled at CIT in 2022 and uses questions set by the Australian Skills Quality Authority (ASQA). This outcome is consistent with previous years reflecting the positive views of employers and the experiences as employees of CIT apprentices.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	80,372	81,289	82,461	83,649	83,649
2nd Appropriation					
Public Sector Enterprise Agreement Bargaining and Pay Offer	1,963	2,401	4,350	6,028	7,687
22-23 Budget Policy Decisions					
Workers Compensation Premium Saving	0	-57	00		0
Broadening the ACT Public Service flexibility	0	-89	-92	-100	-102
Digital, Data and Transformation Services Sustainable Operating Model	0	-9,281	-9,528	-9,784	-10,043
Indigenous Allied Health Australia and CIT Course	0	47	33	31	0
Canberra Theatre Training Co-ordinator Position	0	135	140	0	0
2023-24 Budget Technical Adjustments					
Commonwealth Budget Adjustment	1,037	1,507	1,963	2,245	2,778
2022-23 Commonwealth Budget Reconciliation	0	274	0	0	0
Revised Superannuation Parameters	0	-718	-760	-483	-498
Enterprise Agreement Bargaining and Pay Offer	-1963	105	205	161	-1,413
Revised Indexation Parameters	0	0	0	0	757
2023-24 Budget	81,409	75,613	78,772	81,747	82,815

Table 6: Changes to appropriation – Capital Injections, Controlled (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	6,529	5,103	5,180	4,476	4,556
2023-24 Budget Policy Decisions					
Upgrading the Canberra Institute of Technology's ICT Infrastructure	0	6,457	0	0	0
2023-24 Budget Technical Adjustments					
Reprofiling – Better Infrastructure Fund	0	1,730	-700	-1,030	0
Reprofiling - CIT Baseline Property, Plant and Equipment	0	1,950	-1,257	-693	0
Reprofiling – CIT Campus Woden - FTE funding for entry into design and construct contract	229	0	-229	0	0
Enterprise Bargaining Agreement and Pay Offer	0	2,154	0	0	0
2023-24 Budget	6,758	17,394	2,994	2,753	4,556

Summary of 2023-24 CIT Infrastructure Program

Table 7: 2023-24 CIT Infrastructure Program (\$'000)

Project	2023-24	2024-25	2025-26	2026-27	Four Year Investment	Physical Completion Date
CAPITAL WORKS PROGRAM						
New Works						
Upgrading the Canberra Institute of Technology's ICT infrastructure	6,457	0	0	0	6,457	
Total New Works	6,457	0	0	0	6,457	
Work in Progress						
CIT Baseline Property, Plant and Equipment	3,207	0	564	1,257	5,028	
CIT Campus Woden – FTE funding for entry into design and construct contract	783	554	0	0	0	Jun-25
Total Work In Progress	3,990	554	564	1,257	6,365	
Total New Works						
Better Infrastructure Fund (BIF)						
Base BIF of the agency	4,794	2,441	2,270	3,490	12,995	
Total BIF	4,794	2,441	2,270	3,490	12,995	
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM	15,241	2,995	2,834	4,747	25,816	

Monitoring and Reporting

CIT complies with the requirements of the Annual Reports Directions 2022-23. The CIT Annual Report will, among 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 CIT for a stated period including annual, quarterly and monthly reporting.

Quarterly Reporting

To enable consolidated whole of government reporting requirements to be met on a quarterly basis, the CIT will ensure the availability to the Treasurer, through 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:

- Operating Statement
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement
- Operating Statement material variance explanations against seasonal budget provided by the CIT
- 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)
- Financial Management Analysis of results to date, forecast results and related issues that may impact on the financial condition of the CIT (by the tenth working day of each quarter).

Monthly Reporting

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

Annual Reporting

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

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 2023 section of this Statement of Intent).

Budget Variations

Any variations from the 2023-24 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.

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 timing and valuation of the assets.

A copy of the agreement must be distributed immediately to the 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 the 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.

Financial Statements

Budgeted financial statements for the 2023-24 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:

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

Financial Statements

Presentational changes have been made to streamline the financial statements and the 2022-23 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: CIT: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	80,372	81,409	75,613	-7	78,772	81,747	82,815
Sale of Goods and Services from Contracts with Customers	29,213	26,213	32,717	25	35,490	38,059	40,619
Grants and Contributions Revenue	2,008	1,988	11,283	468	11,592	11,908	12,229
Interest Revenue	271	110	95	-14	99	103	287
Dividend Revenue	500	500	500	-	500	500	500
Other Income	2,456	2,617	2,727	4	2,791	2,861	2,775
Total Income	114,820	112,837	122,935	9	129,244	135,178	139,225
Expenses							
Employee Expenses	83,614	82,719	86,883	5	90,341	93,337	95,564
Supplies and Services	35,039	36,322	40,282	11	38,273	40,327	42,613
Depreciation and Amortisation	9,030	13,875	18,720	35	16,158	15,394	16,638
Other Expenses	410	410	417	2	422	427	433
Total Expenses	128,093	133,326	146,302	10	145,194	149,485	155,248
Operating Result	-13,273	-20,489	-23,367	-14	-15,950	-14,307	-16,023
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
Increase/(Decrease) in Asset Revaluation Surplus	-2,002	29,799	0	-100	0	0	0
Total Other Comprehensive Result	-2,002	29,799	0	-100	0	0	0
Total Comprehensive Result	-15,275	9,310	-23,367	-351	-15,950	-14,307	-16,023

Table 9: CIT: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	4,044	5,357	3,588	-33	4,390	5,921	7,082
Investments	3,000	2,000	0	-100	0	0	0
Receivables	3,882	3,894	3,919	1	3,944	3,969	3,994
Capital Works in Progress	786	0	0	-	0	0	0
Other Assets	504	1,452	1,452	-	1,452	1,452	1,452
Total Current Assets	12,216	12,703	8,959	-29	9,786	11,342	12,528
Non-Current Assets							
Investment - Joint Venture	20	20	20	-	20	20	20
Property, Plant and Equipment	173,819	203,947	190,484	-7	435,930	425,010	411,589
Intangible Assets	494	314	314	-	314	314	314
Capital Works in Progress	5,229	2,693	13,205	390	11,700	10,508	12,376
Total Non-Current Assets	179,562	206,974	204,023	-1	447,964	435,852	424,299
TOTAL ASSETS	191,778	219,677	212,982	-3	457,750	447,194	436,827
Current Liabilities							
Payables	2,890	967	1,002	4	1,037	1,072	1,107
Borrowings	105	0	0	-	0	0	0
Lease Liabilities	789	706	706	-	706	706	706
Employee Benefits	24,394	26,537	25,734	-3	27,013	27,918	28,830
Other Liabilities	5,811	8,062	8,116	1	8,170	8,224	8,278
Total Current Liabilities	33,989	36,272	35,558	-2	36,926	37,920	38,921
Non-Current Liabilities							
Borrowings	445	550	380	-31	210	40	0
Lease Liabilities	3,579	2,873	2,873	-	2,873	2,873	2,873
Employee Benefits	1,369	1,192	1,354	14	1,533	1,707	1,846
Other Provisions	500	0	0	-	0	0	0
Total Non-Current Liabilities	5,893	4,615	4,607	..	4,616	4,620	4,719
TOTAL LIABILITIES	39,882	40,887	40,165	-2	41,542	42,540	43,640
NET ASSETS	151,896	178,790	172,817	-3	416,208	404,654	393,187
Equity							
Accumulated Funds	75,268	72,411	66,438	-8	309,829	298,275	286,808
Asset Revaluation Surplus	76,628	106,379	106,379	-	106,379	106,379	106,379
TOTAL EQUITY	151,896	178,790	172,817	-3	416,208	404,654	393,187

Table 10: CIT: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	88,952	86,142	72,411	-16	322,785	309,829	298,275
Opening Asset Revaluation Surplus	78,630	76,580	106,379	39	106,379	106,379	106,379
Balance at the Start of the Reporting Period	167,582	162,722	178,790	10	429,164	416,208	404,654
Comprehensive Income							
Operating Result	-13,273	-20,489	-23,367	-14	-15,950	-14,307	-16,023
Increase/(Decrease) in the Asset Revaluation Reserve Surpluses	-2,002	29,799	0	-100	0	0	0
Total Comprehensive Result Movement in Asset Revaluation Surplus	-15,275	9,310	-23,367	-351	-15,950	-14,307	-16,023
Capital Injections	6,529	6,758	17,394	157	2,994	2,753	4,556
Total Transactions Involving Owners Affecting Accumulated Funds	6,529	6,758	17,394	157	2,994	2,753	4,556
Closing Equity							
Closing Accumulated Funds	75,268	72,411	66,438	-8	309,829	298,275	286,808
Closing Asset Revaluation Surplus	76,628	106,379	106,379	-	106,379	106,379	106,379
Balance at the end of the Reporting Period	151,896	178,790	172,817	-3	416,208	404,654	393,187

Table 11: CIT: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	80,372	81,409	75,613	-7	78,772	81,747	82,815
Sale of Goods and Services from Contracts with Customers	29,058	26,058	32,562	25	35,335	37,904	40,464
Interest Receipts	110	110	95	-14	99	103	287
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,030	3,030	3,030	-	3,030	3,030	3,030
Goods and Services Tax Collected from Customers	1,273	1,273	1,273	-	1,273	1,273	1,273
Dividends	500	500	500	-	500	500	500
Other	2,810	2,810	2,923	4	2,988	3,059	2,975
Total Receipts from Operating Activities	117,153	115,190	115,996	1	121,997	127,616	131,344
Payments							
Employee Payments	82,705	79,439	87,524	10	88,883	92,258	94,513
Supplies and Services	38,882	34,185	28,853	-16	26,536	28,275	30,242
Goods and Services Tax Paid to the Australian Taxation Office	1,273	1,273	1,273	-	1,273	1,273	1,273
Goods and Services Tax Paid to Suppliers	3,030	3,030	3,030	-	3,030	3,030	3,030
Other	562	562	569	1	574	579	585
Total Payments from Operating Activities	120,452	118,489	121,249	2	120,296	125,415	129,643
Net Cash Inflows/(Outflows) from Operating Activities	-3,299	-3,299	-5,253	-59	1,701	2,201	1,701
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from Sale/Maturity of Investments	0	1,000	2,000	100	0	0	0
Total Receipts from Investing Activities	0	1,000	2,000	100	0	0	0
Payments							
Purchase of Property, Plant and Equipment	5,529	5,230	3,730	-29	3,730	3,730	2,473
Purchase of Capital Works	1,500	1,799	12,010	568	-7	-477	2,583
Total Payments from Investing Activities	7,029	7,029	15,740	124	3,723	3,253	5,056

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Net Cash Inflows/(Outflows) from Investing Activities	-7,029	-6,029	-13,740	-128	-3,723	-3,253	-5,056
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	6,529	6,758	17,394	157	2,994	2,753	4,556
Total Receipts from Financing Activities	6,529	6,758	17,394	157	2,994	2,753	4,556
Payments							
Distributions to Government	1	0	0	-	0	0	0
Repayment of Borrowings	170	170	170	-	170	170	40
Total Payments from Financing Activities	170	170	170	-	170	170	40
Net Cash Inflows/(Outflows) from Financing Activities	6,359	6,588	17,224	161	2,824	2,583	4,516
Net Increase/(Decrease) in Cash and Cash Equivalents	-3,969	-2,740	-1,769	35	802	1,531	1,161
Cash and Cash Equivalents at the Beginning of the Reporting Period	8,013	8,097	5,357	-34	3,588	4,390	5,921
Cash and Cash Equivalents at the End of the Reporting Period	4,044	5,357	3,588	-33	4,390	5,921	7,082

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the decrease of \$5.796 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the transition to direct appropriation to CMTEDD for Digital, Data and Technology Solutions services partly offset by increases in appropriation resulting from conditions agreed as part of enterprise bargaining negotiations.
- sale of goods and services from contracts with customers:
 - the decrease of \$3 million in the 2022-23 estimated outcome from the 2022-23 Budget reflects reduced revenue expectations associated with lower enrolment levels.
 - the increase of \$6.504 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects revised expectations for fee revenue following the introduction of the Fee Free TAFE initiative.
- grants and contributions: the increase of \$9.295 million in the 2023-24 Budget from the 2022-23 estimated outcome is the result of the transition to direct appropriation to CMTEDD for Digital, Data and Technology Solutions services, these services will be provided free-of-charge with the cost of service being recognised as grants and contributions from 2023-24.
- supplies and services: the increase of \$3.960 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to increasing supply costs of materials, utilities, licences and increasing need for repairs and maintenance across CIT campuses.
- depreciation:
 - the increase of \$4.845 million from the 2022-23 Budget to the 2022-23 estimated outcome is due to accelerated depreciation recognised on the CIT Reid campus, reflecting the agreed campus transfer between the University of NSW (UNSW) and CIT.
 - the further increase of \$4.845 million from the 2022-23 estimated outcome to the 2023-24 Budget continues the accelerated depreciation recognised on the CIT Reid campus..

Balance Sheet

- cash and investments:
 - the decrease of \$3.769 million in the 2023-24 Budget from the 2022-23 estimated outcome is a flow on effect of the budgeted operating deficit in 2023-24.
- property, plant and equipment:
 - the increase of \$30.128 million in the 2022-23 estimated outcome from the 2022-23 Budget is mainly due to increased asset values following revaluations.
 - the decrease of \$13.463 million is mainly due to further depreciation incurred on existing assets in 2023-24.
- capital works in progress:

- the decrease of \$2.536 million in the 2022-23 estimated outcome from the 2022-23 Budget is due to works in progress being completed and recognised as property plant and equipment.
- the increase of \$10.512 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to continuation of capital funding for works expected to remain in progress in 2023-24.
- other liabilities: the increase of \$2.251 million in the 2022-23 estimated outcome from the 2022-23 Budget is mainly due to revenue received in advance for Fee Free TAFE and Job Trainer initiatives.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statements are explained in the notes above.

Calendar Year Financial Statements

Table 12: CIT: Operating Statement for the Year Ended 31 December

	Actual 2022 \$'000	Budget 2022 \$'000	Budget 2023 \$'000
Income			
Controlled Recurrent Payments	78,758	78,758	81,195
Sales of Goods and Services from Contracts with Customers	27,546	32,268	28,945
Grants and Contributions Revenue	2,266	2,897	2,562
Interest Revenue	249	101	150
Dividend Revenue	173	755	500
Other Revenue	1,744	600	600
Total Income	110,736	115,379	113,952
Expenses			
Employee Expenses	77,992	86,237	85,550
Supplies and Services	36,428	35,720	39,479
Depreciation and Amortisation	9,651	9,789	9,670
Other Expenses	1,354	1,654	1,980
Total Expenses	125,425	133,400	136,679
Operating Deficit	-14,689	-18,021	-22,727

Table 13: CIT: Balance Sheet as at 31 December

	Actual 2022 \$'000	Budget 2022 \$'000	Budget 2023 \$'000
Current Assets			
Cash and Cash Equivalents	8,841	6,695	-7,567
Receivables	2,554	2,900	2,800
Assets Held for Distribution to Owners	5,573	2,914	0
Other Assets	1,357	1,900	1,600
Total Current Assets	18,325	14,409	-3,167
Non-Current Assets			
Investments	20	20	20
Property, Plant and Equipment	201,735	178,700	198,780
Intangible Assets	224	500	500
Capital Works in Progress	2,542	2,598	2,800
Total Non-Current Assets	204,521	181,818	202,100
TOTAL ASSETS	222,846	196,227	198,933
Current Liabilities			
Payables	3,557	3,200	3,500
Lease Liabilities	862	680	680
Employee Benefits	23,253	23,500	23,300
Other Liabilities	6,277	4,400	4,400
Total Current Liabilities	33,949	31,780	31,880
Non-Current Liabilities			
Employee Benefits	1,157	1,200	1,200
Lease Liabilities	2,169	3,000	2,000
Other Liabilities	859	1,150	1,150
Total Non-Current Liabilities	4,185	5,350	4,350
TOTAL LIABILITIES	38,134	37,130	36,230
NET ASSETS	184,712	159,097	162,703
Equity			
Accumulated Funds	78,333	78,492	66,685
Asset Revaluation Surplus	106,379	80,605	106,379
TOTAL EQUITY	184,712	159,097	173,064

Table 14: CIT: Statement of Changes in Equity for the Year Ended 31 December

	Actual 2022 \$'000	Budget 2022 \$'000	Budget 2023 \$'000
Opening Balance	172,064	172,064	184,712
Operating (Deficit)	-14,689	-18,021	-22,727
Increase in Asset Revaluation Reserve	25,774	0	0
Capital (Distributions)	-1,368	0	0
Capital Injection	2,931	5,054	11,079
Closing Balance	184,712	159,097	173,064

Table 15: CIT: Cash Flow Statement for the Year Ended 31 December

	Actual 2022 \$'000	Budget 2022 \$'000	Budget 2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Controlled Recurrent Payments	78,758	78,758	81,195
Sale of Goods and Services from Contracts with Customers	27,941	28,886	28,700
Interest Receipts	249	101	150
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,172	3,430	3,430
Goods and Services Tax Collected from Customers	1,247	1,500	1,500
Other	1,208	5,597	1,477
Dividends	600	100	100
Total Receipts from Operating Activities	113,175	118,372	116,551
Payments			
Employee and Superannuation	79,746	86,237	85,550
Supplies and Services	34,481	33,875	38,548
Goods and Services Tax paid to Suppliers	4,291	4,300	4,300
Goods and Services Tax Paid to the Australian Taxation Office	1,247	1,500	1,500
Other	212	300	300
Total Payments from Operating Activities	119,977	126,212	132,159
Net Cash Outflows from Operating Activities	-6,802	-7,840	-15,608
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from Sale of Property, Plant & Equipment	173	0	0
Total Receipts from Investing Activities	173	0	0
Payments			
Purchase of Property, Plant & Equipment	1,862	5,054	11,079
Total Payments from Investing Activities	1,862	5,054	11,079
Net Cash (Outflows) from Investing Activities	-1,689	-5,054	-11,079
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Capital Injections	2,931	5,054	11,079
Total Receipts from Financing Activities	2,931	5,054	11,079
Payments			
Repayment of Borrowings	932	800	800
Total Payments from Financing Activities	932	800	800
Net Cash Inflows from Financing Activities	1,999	4,254	10,279
Net Decrease in Cash Held	-6,492	-8,640	-16,408
Cash and Cash Equivalents at the Beginning of the Reporting Period	15,333	15,333	8,841
Cash and Cash Equivalents at the End of the Reporting Period	8,841	6,693	-7,567

Notes to the Calendar Year Financial Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$2.437 million from 2022 actual outcome and Budget to the 2023 Budget is due to increased appropriation provided in recognition of the Governments agreement to conditions negotiated as part of the new Enterprise Bargaining Agreement.
- sales of goods and services from contracts with customers:
 - the increase of \$1.399 million from the 2022 actual outcome to the 2023 Budget is mainly due to the expectation that the demand for training activity will increase in 2023 as the impact of COVID19 on enrolments is expected to lessen.
 - the decrease of \$3.323 million in the 2023 Budget from the 2022 Budget outcome is mainly due to a revision of student enrolment and associated revenue expectations consistent with the 2022 actual results and growth expectations.
- employee expenses: the increase of \$7.558 million in the 2022 actual outcome from the 2023 Budget is mainly due to the expectation of staff engagement to meet increased demand for training.

Balance Sheet

- cash and investments:
 - the decrease of \$14.262 million in the 2023 Budget from the 2022 Budget is reflective of the decreasing cash balances resulting from recent years of operating deficit; and
 - the decrease of \$16.408 million in the 2022 actual outcome to the 2023 Budget is reflective of the budgeted operating deficit impact on cash.
- assets held for distribution to owners:
 - the decrease in the 2023 Budget of \$5.573 million from the 2022 actual outcome is due to the expected transfer of the Watson Campus back to the ACT Government
 - the decrease in the 2023 Budget of \$2.914 million from the 2022 Budget is also due to the expected transfer of the Watson Campus asset back to the ACT Government.
- property, plant and equipment: the increase of \$20.080 million in the 2023 Budget from the 2022 Budget is mainly due the increase in asset values following asset revaluations undertaken in 2022.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statements are explained in the notes above.

This page deliberately left blank

CIT SOLUTIONS

Purpose

CIT Solutions Pty Ltd (CIT Solutions) is a wholly owned subsidiary of the Canberra Institute of Technology (CIT), established under the Corporations Act in 1988. CIT Solutions empowers organisations with customised workforce development solutions by providing contemporary knowledge and skills to adapt, prosper and achieve their business objectives as well as best serve their communities, the nation and the world in the 21st century.

CIT Solutions coordinates and takes the lead in commercial fee-for-service and entrepreneurial activities, bringing innovation and promoting national and global collaboration amongst CIT and stakeholder organisations.

CIT Solutions offers a range of nationally recognised qualifications from the Australian Qualifications Framework under CIT's status as a Registered Training Organisation (RTO 0101). Being a trusted and responsive training provider in ACT, CIT Solutions delivers programs and consultancy services in the ACT, interstate and internationally.

CIT Solutions has proven capabilities in delivering 27 foreign languages training and examination services as well as providing expert marketing, admission and support services to CIT for the management of its international student business.

The Company enriches communities in Canberra by offering 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 learn with their communities.

CIT Solutions creates jobs in Canberra. In 2022-23, we employed over 80 full-time-equivalent employees including a flexible workforce of over 200 specialists to meet the fluctuating training demands. In addition to financial returns to CIT, it also delivers a direct and indirect economic contribution to the territory. The estimated annual contribution to ACT is over \$15 million.

2023-24 Priorities

Strategic and operational initiatives to be pursued in 2023-24 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 Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget
Staffing (FTE)	97	106 ¹	82 ¹	88

Note(s):

1. The lower FTE in the 2022-23 estimated outcome compared to the 2022-23 Budget is due to the adjustment of staffing level to align with actual training activity and requirement.

Strategic Objectives and Indicators

Strategic Objective 1

Increase student enrolments through customer experience, new programs and strategic partnerships

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 and hybrid delivery mode;
- nurturing existing partnerships and developing new strategic alliances; 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:

- the use of technology to enhance our learners' experience in collaboration and communication in a remote and distributed learning environment; and
- enhancing our Learning Management System, as a superior integrated online learning platform for teachers and students to collaborate, learn and assess.

Financial Arrangements

CIT Solutions Pty Ltd is an entity established under the Corporations Act 2001 receiving no funding from the ACT Government.

Budgeted Financial Statements

Budgeted financial statements for the 2023-24 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 – Controlled (PTE)

Table 2: CIT Solutions: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Sale of Goods and Services from Contracts with Customers	21,054	15,689	16,157	3	16,970	17,827	18,840
Interest Revenue	10	10	10	-	10	10	10
Other Income	158	158	162	3	166	171	177
Total Income	21,222	15,857	16,329	3	17,146	18,008	19,027
Expenses							
Employee Expenses	12,282	10,948	11,151	2	11,381	11,608	11,833
Supplies and Services	6,650	3,028	3,926	30	4,214	4,509	4,812
Depreciation and Amortisation	649	649	649	-	649	649	649
Borrowing Costs	12	12	12	-	12	12	12
Other Expenses	757	538	571	6	597	625	653
Total Expenses	20,350	15,175	16,309	7	16,853	17,403	17,959
Operating Result from Ordinary Activities	872	682	20	-97	293	605	1,068
Income Tax Equivalent	0	0	0	-	0	0	0
Operating Result	872	682	20	-97	293	605	1,068
Other Comprehensive Income Items that will not be Reclassified Subsequently to Total Other Comprehensive Result							
Total Other Comprehensive Result	0	0	0	-	0	0	0
Total Comprehensive Result	872	682	20	-97	293	605	1,068

Table 3: CIT Solutions: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	7,217	6,038	5,561	-8	5,367	5,496	6,099
Receivables	1,628	1,731	1,782	3	1,833	1,884	1,935
Other Assets	311	113	121	7	129	137	145
Total Current Assets	9,156	7,882	7,464	-5	7,329	7,517	8,179
Non Current Assets							
Property, Plant and Equipment	437	355	379	7	403	427	451
Total Non-Current Assets	437	355	379	7	403	427	451
TOTAL ASSETS	9,593	8,237	7,843	-5	7,732	7,944	8,630
Current Liabilities							
Payables	1,009	730	781	7	832	883	934
Contract Liabilities	1,703	1,019	1,019	-	1,019	1,019	1,019
Employee Benefits	1,196	1,262	1,298	3	1,344	1,401	1,469
Other Liabilities	340	340	340	-	340	340	340
Total Current Liabilities	4,248	3,351	3,438	3	3,535	3,643	3,762
Non Current Liabilities							
Lease Liabilities	337	0	0	-	0	0	0
Employee Benefits	258	167	218	31	269	320	371
Other Liabilities	-104	-52	-104	-100	-156	-208	-260
Total Non-Current Liabilities	491	115	114	-1	113	112	111
TOTAL LIABILITIES	4,739	3,466	3,552	2	3,648	3,755	3,873
NET ASSETS	4,854	4,771	4,291	-10	4,084	4,189	4,757
REPRESENTED BY FUNDS EMPLOYED							
Accumulated Funds	4,854	4,771	4,291	-10	4,084	4,189	4,757
TOTAL FUNDS EMPLOYED	4,854	4,771	4,291	-10	4,084	4,189	4,757

Table 4: CIT Solutions: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	4,482	4,589	4,771	4	4,291	4,084	4,189
Balance at the Start of the Reporting Period	4,482	4,589	4,771	4	4,291	4,084	4,189
Comprehensive Income							
Operating Result	872	682	20	-97	293	605	1,068
Total Comprehensive Result	872	682	20	-97	293	605	1,068
Movement in Asset Revaluation Surplus							
Total Movement in Reserves	0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
Dividend Approved	-500	-500	-500	-	-500	-500	-500
Total Transactions Involving Owners Affecting Accumulated Funds	-500	-500	-500	-	-500	-500	-500
Closing Equity							
Closing Accumulated Funds	4,854	4,771	4,291	-10	4,084	4,189	4,757
Balance at the end of the Reporting Period	4,854	4,771	4,291	-10	4,084	4,189	4,757

Table 5: CIT Solutions: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Sale of Goods and Services from Contracts with Customers	20,955	15,610	16,078	3	16,891	17,748	18,761
Interest Receipts	10	10	10	-	10	10	10
Other	158	138	142	3	146	151	157
Total Receipts from Operating Activities	21,123	15,758	16,230	3	17,047	17,909	18,928
Payments							
Employee Payments	11,850	10,516	10,719	2	10,939	11,155	11,369
Supplies and Services	7,142	3,520	4,418	26	4,706	5,001	5,304
Other	909	690	723	5	749	777	805
Total Payments from Operating Activities	19,901	14,726	15,860	8	16,394	16,933	17,478
Net Cash Inflows/(Outflows) from Operating Activities	1,222	1,032	370	-64	653	976	1,450
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Total Receipts from Investing Activities	0	0	0	0	0	0	0
Payments							
Purchase of Property, Plant and Equipment	347	347	347	-	347	347	347
Total Payments from Investing Activities	347	347	347	-	347	347	347
Net Cash Inflows/(Outflows) from Investing Activities	-347	-347	-347	-	-347	-347	-347
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Payments							
Payment of Dividend	500	500	500	-	500	500	500
Total Payments from Financing Activities	500	500	500	-	500	500	500
Net Cash Inflows/(Outflows) from Financing Activities	-500	-500	-500	-	-500	-500	-500
Net Increase/(Decrease) in Cash and Cash Equivalents	375	185	-477	-358	-194	129	603

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Cash and Cash Equivalents at the Beginning of the Reporting Period	6,842	5,853	6,038	3	5,561	5,367	5,496
Cash and Cash Equivalents at the End of the Reporting Period	7,217	6,038	5,561	-8	5,367	5,496	6,099

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- sales of Goods and Services from Contracts with Customers:
 - the decrease of \$-5.365 million in the 2022-23 estimated outcome from the original budget is mainly due to less international student enrolments and expiry of a major language training contract.
 - the increase of \$0.468 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the expansion of a current contract delivering indigenous traineeships to the Commonwealth government.
- employee expenses:
 - the decrease of \$-1.334 million in the 2022-23 estimated outcome from the original budget is mainly to realignment of staffing levels to match the reduction in training services currently being delivered and includes natural attrition since COVID-19.
 - the increase of \$0.203 million in the 2023-24 Budget from the 2022-23 estimated outcome is to recruit pivotal positions to meet planned strategic growth initiatives.
- supplies and services:
 - the decrease of \$-3.622 million in the 2022-23 estimated outcome from the original budget is mainly due to less contractors currently required to deliver training services and a reduction in administrative costs with an increase in online training being provided to clients.
 - the increase of \$0.898 million in the 2023-24 Budget from the 2022-23 estimated outcome to develop new products and technology to meet the changing needs of clients.
- Operating results:
 - the decrease of \$-0.190 million in the 2022-23 estimated outcome from the original budget is mainly due to a reduction in sales of services delivered over the year.
 - the decrease of \$-0.662 million in the 2023-24 Budget from the 2022-23 estimated outcome is to allow the Company to invest in developing new products to take to the market under the company's strategic growth plan for future years.

Balance Sheet

- cash and equivalents:
 - the decrease of \$1.179 million in the 2022-23 estimated outcome from the original budget is mainly due to less cash collected from reduced turnover from training services.
- current and non-current payables:
 - the decrease of \$0.279 million in the 2022-23 estimated outcome from the original budget is mainly due to less supplies and services currently being procured for training services.

- Contract liabilities:
 - the decrease of \$-0.684 million in the 2022-23 estimated outcome from the original budget is due to a reduction in prepaid contracted services.

Cash Flow Statement

Variations in the Statement are explained in the notes above.

CULTURAL FACILITIES CORPORATION – STATEMENT OF INTENT

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

This Statement of Intent for 2023-24 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 2023-24 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 2023-24 Statement of Intent has been agreed between:



Gordon Ramsay

Chief Executive Officer

Cultural Facilities Corporation



Andrew Barr MLA

Treasurer

This page deliberately left blank

CULTURAL FACILITIES CORPORATION

Purpose

The Cultural Facilities Corporation (CFC) supports the ACT Government's Statement of Ambition for the Arts, as a major contributor to creating, developing, and promoting arts, culture, creativity, and heritage under Canberra's Arts, Culture and Creative Policy 2022-26.

The mission of the CFC is to create and drive diverse and remarkable experiences that enliven and elevate arts, culture, and heritage in the Capital, in line with our vision to build Australia's arts and culture capital. This is lived out in its five strategic goals:

1. Custodianship, Creativity, and Storytelling – We will deliver creative excellence and custodianship for the CFC's activities, deepen our contribution to the ACT's arts, culture and heritage ecology, and grow our national role.
2. Growth and Sustainability – We will position the CFC for the future by expanding its income streams and relevance to the arts, culture, and heritage sectors, audiences, and economy.
3. Redevelopment of the Canberra Theatre Centre and Canberra Civic and Culture District – We will provide a vision and key leadership for the redevelopment of the CTC and CCCD, developing our organisation to leverage the opportunities these present.
4. Sector Leadership and Development – We will lead our sector in the ACT, growing audiences, engaging artists, and developing people.
5. Best Practice Governance, Organisational Capacity, and Culture – Our operational model will be best practice.

Nature and Scope of Activities

General Activities

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

- the Canberra Theatre Centre;
- the Canberra Museum and Gallery (CMAG), including the Nolan Collection;
- Lanyon Homestead
- 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 is managing the transition from a pandemic-dominated experience in arts and culture over the past three years to a more usual setting. Theatre revenues form the majority of the CFC's non-government revenue, which in normal circumstances comprises over 50% of the CFC's total income, and represent the main variable in its financial performance.

The CFC's theatre revenues are highly dependent on the performing arts business which continues to demonstrate variability and unpredictability. This means that the production of theatre performances remains a risky financial proposition at present.

The CFC has developed a new strategic plan which emphasizes the importance of organisational growth and financial sustainability. The major additional funding provided to the CFC by the Government in 2020-21 and 2021-22 has been used to start rebuilding theatre business. The CFC's Theatre Reserve is a further means that is supporting the organisation's efforts to rebuild theatre business and to attract and support quality productions in times of ongoing uncertainty.

The Reserve supports efforts to program larger-scale shows and assists in managing the risks inherent in theatre programming.

The key secondary risk affecting the organisation is the effective management of organisational growth in the preparation for major disruption in the proposed Canberra Theatre Centre Redevelopment project. The new strategic plan and associated business plans for the organisation prioritise organisational effectiveness and the best utilisation of staffing resources so as to mitigate the risks associated with this pressure and position the CFC for its future state.

The CFC will address the major risks 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 2022-23 to reflect the experience gained in managing major challenges such as the impacts of the COVID-19 pandemic, and will be further updated in 2023-24.

2023-24 Priorities and Next Three Financial Years

Goal 1. Custodianship, Creativity, and Storytelling

We will deliver creative excellence and custodianship for the CFC's activities, deepen our contribution to the ACT's arts, culture, and heritage ecology, and grow our national role.

Operational Priorities

- a. Reinforcing the CFC's role to preserve, keep, and present the collections and assets under our management including sharing the stories of this place.
- b. Enhancing our programming strategy, events, and productions to contribute to the ACT calendar of events, linked to the ACT's tourism strategy, and including expansion into festivals, to help build new markets and attract visitors.
- c. Fostering participation in the arts and heritage – including through virtual access – for everyone – audiences, students, artists, our community, and other organisations.
- d. Supporting artists in the creation of new works, development, education, and residencies.
- e. Commissioning or producing new Australian works and capturing the voices of the nation.
- f. Establishing priority company relationships with the CTC and enticing world class artists to Canberra.

Goal 2. Growth and Financial Sustainability

We will position the CFC for the future by expanding its income streams and relevance to the arts, culture and heritage sectors, audiences, and economy.

Operational Priorities

- a. Expanding and diversifying revenue streams to support the vision of the CFC, including building philanthropic engagement and funding partnerships; commercial activation of sites; and expanding our ticketing, retail, food and beverage offering.
- b. Ensuring relevance for our existing audiences and building new audiences by making programming decisions focussed on the patron experience, informed by data.
- c. Contributing to growing the ACT visitor economy and advocating to a greater understanding of the ACT'S arts, culture, and heritage in the visitor economy.
- d. Creating new and increased reserves for future acquisitions and innovative and adaptive re-use investments.

Goal 3. Redevelopment of the Canberra Theatre Centre and Canberra Civic and Culture District

We will provide a vision and key leadership for the redevelopment of the CTC and CCCD, developing our organisation to leverage the opportunities these present.

Operational Priorities

- a. Ensuring the development and management of the project around design, disruption, construction, and operating model; with design to include safety, public approval and engagement, and excellence.
- b. Supporting the processes for procurement, design, and construction of world class plans, and funding to develop the new Theatre and CCCD.
- c. To strengthen CFC's capacity to provide governance, oversight, and management for CCCD and CTC.
- d. Rethinking the position of CMAG in the CCCD to lift CMAG's visibility, profile, and audiences.
- e. Developing the capabilities to oversee, operate, and activate in the new venue and district and in so doing create a national hub of creative excellence.

Goal 4. Sector Leadership and Development

We will lead our sector in the ACT, growing audiences, engaging artists, and developing people.

Operational Priorities

- a. Being a leader in the ACT cultural sector to promote Canberra as a creative capital; coordinating programming and collaborations within the sector; and promoting professional development opportunities.
- b. Being committed to providing a means of respectful connection to First Nations arts, cultures, and history, and to do so with authentic engagement.
- c. Continuing to grow our role in research.
- d. Celebrating and elevating Canberra through our collections, interpretation, and programs through the growth of collecting, curatorial, exhibiting, conservation, and education expertise.
- e. Growing unique, diverse, and high-quality products and experiences, including specific links to education, children, and youth.
- f. Collaborating within the CFC and across the arts, events and festival sector to develop programming and audience experiences that are aligned with and contribute to Canberra's signature events.

Goal 5. Best Practice Governance, Organisational Capacity and Culture

Our operational model will be best practice.

Operational Priorities

- a. Ensuring the CFC governance is rigorous and transparent.
- b. Reviewing the identity, brand, and naming of the CFC and of sub-entities of the CFC.
- c. Continue reviewing the CFC's organisational structure to ensure resources can be deployed most effectively for the CFC to achieve its goals. As such, aligning the growth of the CFC with the capacity and volume of its resources, existing and new.
- d. Building a secure and resilient workforce, offering development and other opportunities for our staff so we are an employer of choice and a training ground for people seeking careers with us and the sector.

- e. Demonstrating a workplace culture that lives the values of CFC and the ACT Public Service.
- f. Ensuring best practice management and development of our assets and collections.
- g. Increasing productivity through continuous upgrading of systems, frameworks, and practices.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome	2022-23 Budget ²	2022-23 Estimated Outcome	2023-24 Budget
Staffing (FTE)	104	95	95 ¹	96 ¹

Note(s):

1. The high number of casuals employed and the variations in patterns of casual employment make a definitive Full Time Equivalent (FTE) difficult to estimate. The 2023-24 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: 2023-24 Employment Profile

Classification	Total
ASO2	6
ASO3	4
ASO4	11
ASO5	11
ASO6	12
GSO2	1
GSO4	1
GSO5	1
GSO6	2
GSO8	1
GSO9	1
PO1	5
PO2	3
SOG C	7
SOG B	2
SOG A	4
Box Office	4
Executive Contract	2
Apprentice	1
Patron Services	7
Tech. Level 1	5
Tech. Level 2	2
Tech. Level 4	3
Total	96

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:** Organisational growth and 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 - Galleries and Museums

To be a leading regional cultural venue in Australia and beyond

Strategic Indicator 3: The extent to which the CFC galleries, museums and historic places connect 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 and explore Canberra's history
- Stewardship:** Venues and collections that allow to tell the many stories of Canberra with 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: Cultural Facilities Management (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost ¹	23,273	23,813
Controlled Recurrent Payments	10,200	10,400

Note(s):

1. Total cost includes depreciation and amortisation of \$2.772 million in 2022-23 and \$2.862 million in 2023-24.

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;
- Lanyon Homestead;
- 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

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Estimated number of visitors/patrons to CFC facilities/programs ¹	261,500	353,200	358,000
b. Number of exhibitions at facilities managed by CFC ²	27	28	40
c. Number of education and community programs provided by CFC ³	205	326	275
d. Number of days venue usage at the Canberra Theatre Centre's venues ⁴	475	670	730
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 ⁵	\$39.02	\$28.88	\$29.05
g. Own sourced revenue as a proportion of total revenue for CFC	49.8%	50.3%	50.9%

Accountability Indicator Descriptions and Variance Commentary:

1. The increase in the 2022-23 Estimated Outcome from the 2022-23 Target is due to a higher than anticipated patron numbers at the Canberra Theatre Centre with the organisation's focus on recovery from the impact of the pandemic.
2. The increase in the 2022-23 Estimated Outcome from the 2022-23 Target is due to a focus on recovery from the impact of the pandemic.
3. The increase in the 2022-23 Estimated Outcome from the 2022-23 Target is due to higher than expected level of theatre activity in the second half of the year. The decrease in the 2023-24 Target from the 2022-23 Estimated Outcome is due to a lower number of programs being delivered.
4. The increase in the 2022-23 Estimated Outcome from the 2022-23 Target is due to higher than expected level of theatre activity in the second half of the year.
5. The decrease in the 2022-23 Estimated Outcome from the 2022-23 Target is due to increased visitor/patron numbers.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	10,204	10,076	10,255	10,461	10,461
2nd Appropriation					
Enterprise Agreement Bargaining and Pay Offer	141	183	329	451	572
2023-24 Budget Policy Decisions					
Continuing the transition of our financial and reporting systems	0	-171	-176	-180	-186
Investing in public services – Broadening the ACT Public Service flexibility	0	-1	-1	-1	-1
Transforming the Canberra Museum and Gallery and developing Canberra Theatre Centre technicians	0	293	201	0	0
Workers Compensation Savings	0	-11	0	0	0
2023-24 Budget Technical Adjustments					
Revised Superannuation Parameters	-4	-2	-23	-25	-34
Enterprise Agreement Bargaining Pay Offer	-141	33	87	100	-6
Revised Indexation Parameters	0	0	0	0	177
2023-24 Budget	10,200	10,400	10,672	10,806	10,983

Table 6: Changes to appropriation – Capital Injections, Controlled (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	4,713	3,123	630	538	550
2nd Appropriation					
Lanyon Urgent Driveway Upgrades and Stabilisation of the Shearers' Precinct	927	2,726	100	0	0
2023-24 Budget Policy Decisions					
Transforming the Canberra Museum and Gallery and developing Canberra Theatre Centre technicians	0	423	0	0	0
2023-24 Budget Technical Adjustments					
Enterprise Agreement Bargaining and Pay Offer	0	164	0	0	0
Reprofile Arts and culture - Canberra Theatre Centre expansion and redevelopment	-1,420	520	900	0	0
Reprofile Arts and culture - Lanyon Homestead Upgrades	-348	198	150	0	0
Reprofile Arts and Culture - Lanyon Homestead Upgrades - extension	-920	-1,080	2,000	0	0
Reprofile - Improvements to the Canberra Museum and Gallery	-250	250	0	0	0
Reprofile - Improvements to the Canberra Theatre Centre	-540	340	200	0	0
Reprofile Upgrading Lanyon Homestead	-150	-531	681	0	0
Revised Better Infrastructure Funding	0	0	0	-12	-12
2023-24 Budget	2,012	6,133	4,661	526	538

Summary of 2023-24 Infrastructure Program

Table 7: 2023-24 Cultural Facilities Corporation Infrastructure Program (\$'000)

Project	Total Project Value	2023-24	2024-25	2025-26	2026-27	Four Year Investment	Physical Completion Date
CAPITAL WORKS PROGRAM							
New Works							
Transforming the Canberra Museum and Gallery and developing Canberra Theatre Centre technicians	423	423	0	0	0	423	Jun-25
Total New Works	423	423	0	0	0	423	
Works In Progress							
Upgrading Lanyon Homestead	3,097	750	681	0	0	1,431	Jun-25
Improvements to the Canberra Theatre Centre	1,442	674	200	0	0	874	Jun-25
Improvements to the Canberra Museum and Gallery and the North Building	600	250	0	0	0	250	Jun-24
Arts and culture – Lanyon Homestead Upgrades	951	540	307	41	0	888	Jun-26
Arts and culture – Canberra Theatre Centre expansion and redevelopment	2,393	1,225	900	0	0	2,125	Jun-25
Lanyon Urgent Driveway Upgrades and Stabilisation of the Shearers' Precinct	3,903	1,646	2,100	0	0	3,746	Jun-25
Total Works In Progress	12,386	5,085	4,188	41	0	9,314	
Better Infrastructure Fund (BIF)							
Base BIF of the agency	1,957	461	473	485	538	1,957	Jun-24
Total Better Infrastructure Fund	1,957	461	473	485	538	1,957	
TOTAL CAPITAL WORKS PROGRAM	14,766	5,969	4,661	526	538	11,694	

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 2023-24, the CFC's main focus in terms of financial management is to continue to rebuild the organisation's financial strength following several years of impact from the COVID-19 pandemic, especially in terms of impacts on the CFC's theatre-related business. Under the CFC's new strategic plan this focus will include income diversification and positioning itself for its ongoing leadership role of driving growth in the contribution of the arts to the ACT economy.

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 2023-24 Budget for the following initiative.

- *Transforming the Canberra Museum and Gallery and developing Canberra Theatre Centre technicians* - The Government will support the continued transformation of the Canberra Museum and Gallery (CMAG), including the activation of spaces within CMAG and Civic Square. The Government will also support the continued delivery of vocational training for stage and theatre technicians, with the training to be delivered by the Canberra Institute of Technology.

Budgeted Financial Statements

Budgeted financial statements for the 2023-24 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 2022-23 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 (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	10,204	10,200	10,400	2	10,672	10,806	10,983
Sale of Goods and Services from Contracts with Customers	9,931	10,090	10,302	2	10,640	10,974	11,183
Grants and Contributions Revenue	65	102	360	253	236	232	238
Interest Revenue	135	135	137	1	139	141	143
Total Income	20,335	20,527	21,199	3	21,687	22,153	22,547
Expenses							
Employee Expenses	10,746	11,085	11,303	2	11,844	12,189	12,374
Supplies and Services	9,345	9,346	9,578	2	9,662	9,751	9,965
Depreciation and Amortisation	2,904	2,772	2,862	3	3,230	3,278	3,083
Other Expenses	70	70	70	-	70	70	70
Total Expenses	23,065	23,273	23,813	2	24,806	25,288	25,492
Operating Result	-2,730	-2,746	-2,614	5	-3,119	-3,135	-2,945
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
Total Comprehensive Result	-2,730	-2,746	-2,614	5	-3,119	-3,135	-2,945

Table 9: Cultural Facilities Corporation: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	1,831	2,596	2,502	-4	2,569	2,636	2,703
Receivables	669	932	933	..	934	935	936
Contract Assets	0	95	95	-	95	95	95
Inventories	32	38	38	-	38	38	38
Other Assets	140	28	28	-	28	28	28
Total Current Assets	2,672	3,689	3,596	-3	3,664	3,732	3,800
Non-Current Assets							
Property, Plant and Equipment	67,028	65,020	65,676	1	64,846	62,164	59,689
Intangible Assets	36	19	19	-	19	19	19
Capital Works in Progress	1,048	899	3,647	306	6,076	6,166	6,256
Total Non-Current Assets	68,112	65,938	69,342	5	70,941	68,349	65,964
TOTAL ASSETS	70,784	69,627	72,938	5	74,605	72,081	69,764
Current Liabilities							
Payables	477	687	722	5	757	792	827
Contract Liabilities	267	95	95	-	95	95	95
Lease Liabilities	19	19	11	-42	3	-5	-13
Employee Benefits	2,351	2,394	2,154	-10	2,244	2,291	2,343
Other Liabilities	-94	260	260	-	260	260	260
Total Current Liabilities	3,020	3,455	3,242	-6	3,359	3,433	3,512
Non-Current Liabilities							
Lease Liabilities	42	31	31	-	31	31	31
Employee Benefits	165	119	124	4	132	143	154
Total Non-Current Liabilities	207	150	155	3	163	174	185
TOTAL LIABILITIES	3,227	3,605	3,397	-6	3,522	3,607	3,697
NET ASSETS	67,557	66,022	69,541	5	71,083	68,474	66,067
Equity							
Accumulated Funds	27,592	26,057	29,576	14	31,118	28,509	26,102
Asset Revaluation Surplus	38,735	38,735	38,735	-	38,735	38,735	38,735
Other Reserves	1,230	1,230	1,230	-	1,230	1,230	1,230
TOTAL EQUITY	67,557	66,022	69,541	5	71,083	68,474	66,067

Table 10: Cultural Facilities Corporation: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	25,609	26,791	26,057	-3	29,576	31,118	28,509
Opening Asset Revaluation Surplus	38,735	38,735	38,735	-	38,735	38,735	38,735
Opening Other Reserve	1,230	1,230	1,230	-	1,230	1,230	1,230
Balance at the Start of the Reporting Period	65,574	66,756	66,022	-1	69,541	71,083	68,474
Comprehensive Income							
Operating Result	-2,730	-2,746	-2,614	5	-3,119	-3,135	-2,945
Total Comprehensive Result Movement in Asset Revaluation Surplus	-2,730	-2,746	-2,614	5	-3,119	-3,135	-2,945
Total Movement in Reserves	0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated							
Capital Injections	4,713	2,012	6,133	205	4,661	526	538
Total Transactions Involving Owners Affecting Accumulated Funds	4,713	2,012	6,133	205	4,661	526	538
Closing Equity							
Closing Accumulated Funds	27,592	26,057	29,576	14	31,118	28,509	26,102
Closing Asset Revaluation Surplus	38,735	38,735	38,735	-	38,735	38,735	38,735
Closing Other Reserve	1,230	1,230	1,230	-	1,230	1,230	1,230
Balance at the end of the Reporting Period	67,557	66,022	69,541	5	71,083	68,474	66,067

Table 11: Cultural Facilities Corporation: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	10,204	10,200	10,400	2	10,672	10,806	10,983
Sale of Goods and Services from Contracts with Customers	9,903	10,062	10,274	2	10,612	10,946	11,155
Interest Receipts	135	135	137	1	139	141	143
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	244	244	244	-	244	244	244
Goods and Services Tax Collected from Customers	267	267	267	-	267	267	267
Total Receipts from Operating Activities	20,753	20,908	21,322	2	21,934	22,404	22,792
Payments							
Employee Payments	10,676	10,679	11,526	8	11,752	12,155	12,337
Supplies and Services	9,243	9,234	9,283	1	9,344	9,411	9,617
Goods and Services Tax Paid to Suppliers	515	515	515	-	515	515	515
Other	90	90	90	-	90	90	90
Total Payments from Operating Activities	20,524	20,518	21,414	4	21,701	22,171	22,559
Net Cash Inflows/(Outflows) from Operating Activities	229	390	-92	-124	233	233	233
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of Property, Plant and Equipment	4,479	2,119	3,501	65	2,383	579	591
Purchase of Capital Works	384	43	2,618	#	2,428	97	97
Total Payments from Investing Activities	4,863	2,162	6,119	183	4,811	676	688
Net Cash Inflows/(Outflows) from Investing Activities	-4,863	-2,162	-6,119	-183	-4,811	-676	-688
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	4,713	2,012	6,133	205	4,661	526	538
Total Receipts from Financing Activities	4,713	2,012	6,133	205	4,661	526	538

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Payments							
Repayment of Lease Liabilities - Principal	12	12	16	33	16	16	16
Total Payments from Financing Activities	12	12	16	33	16	16	16
Net Cash Inflows/(Outflows) from Financing Activities	4,701	2,000	6,117	206	4,645	510	522
Net Increase/(Decrease) in Cash and Cash Equivalents	67	228	-94	-141	67	67	67
Cash and Cash Equivalents at the Beginning of the Reporting Period	1,764	2,368	2,596	10	2,502	2,569	2,636
Cash and Cash Equivalents at the End of the Reporting Period	1,831	2,596	2,502	-4	2,569	2,636	2,703

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- grants and contributions revenue: the increase of \$0.258 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the additional Free of Charge services being recognised from Shared Services ICT charges.

Balance Sheet

- cash and cash equivalents: the increase of \$0.765 million in the 2022-23 estimated outcome from the original budget is mainly due to the fact that the original budget was set before the 2021-22 outcome was known. The 2022-23 estimated outcome is calculated from the 2021-22 audited outcome rather than the original budget.
- receivables: the increase of \$0.263 million in the 2022-23 estimated outcome from the original budget is mainly due to the fact that the original budget was set before the 2021-22 outcome was known. The 2022-23 estimated outcome is calculated from the 2021-22 audited outcome rather than the original budget.
- other assets: the decrease of \$0.112 million in the 2022-23 estimated outcome from the original budget is mainly due to the fact that the original budget was set before the 2021-22 outcome was known. The 2022-23 estimated outcome is calculated from the 2021-22 audited outcome rather than the original budget.
- capital works in progress:
 - the decrease of \$0.149 million in the 2022-23 estimated outcome from the original budget is mainly due to a delay in works underway. Some of these works were reprofiled from 2022-23 to 2023-24 due to these delays; and
 - the increase of \$2.748 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the impact of capital works reprofiling from 2022-23 to 2023-24.
- payables: the increase of \$0.210 million in the 2022-23 estimated outcome from the original budget is mainly due to timing of payments.
- contract liability: the decrease of \$0.172 million in the 2022-23 estimated outcome from the original budget is mainly due to timing of payments.
- employee benefits: the decrease of \$0.240 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to an anticipated reduction in leave balances.
- other liabilities: the increase of \$0.354 million in the 2022-23 estimated outcome from the original budget is mainly due to a much higher value of revenue in advance being held by the CFC from Canberra Theatre Centre hirer's deposits.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

This page deliberately left blank

ICON WATER LIMITED

Purpose

Icon Water provides water and sewerage services to the ACT community and bulk water to Queanbeyan. Icon Water also holds a 50 per cent investment in the ActewAGL joint venture (the energy investment) which provides electricity and gas to the ACT and surrounding region.

The *Territory-owned Corporations Act 1990* (TOC Act) identifies four equally important objectives for Icon Water.

- To operate at least as efficiently as any comparable business.
- To maximise the sustainable return to the Territory on its investments, in accordance with the performance targets in Icon Water's Statement of Corporate Intent.
- To show a sense of social responsibility by having regard to the interests of the community in which we operate, and by trying to accommodate and encourage those interests.
- Where our activities affect the environment, to effectively integrate environmental and economic considerations in decision-making processes.

These main objectives provide the foundation upon which we conducted strategic planning and identified our vision and objectives.

2023-24 Priorities

Over the period 2023-24 to 2026-27 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 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 to build our culture with a focus on reviewing our core values and leadership development framework, modernising flexible working arrangements, refreshing our workplace consultation framework and developing and implementing an integrated workforce planning and capability model while maintaining focus on enhancing our hazard management capability to support and inform leadership on maintaining a positive safety culture with a cohesive program of activities to support health and wellbeing.

- *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 wastewater 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, embed the outcome of the 2023-28 price review and begin to deliver on the commitments made in our price proposal, develop and implement an Integrated Water Management Program to improve the resilience of our water and wastewater services and implement the 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 2023-24 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 2023-24 Budget and forward estimates are based on the Independent Competition and Regulatory Commission (ICRC) 2023-28 draft pricing decision.
- Climatic conditions – average projection weather patterns with a high dam level baseline and drying 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 will need to source new debt and/or refinance existing debt in relation to both water and sewerage and energy investment businesses, which will be subject to market interest rates. Icon Water uses interest rate and CPI assumptions provided by the ACT Government in the Budget and forward estimates.
- Service contracts – the current corporate and customer services contracts between Icon Water and ActewAGL expire on 30 June 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 transition 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 Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome	2022-23 Budget	2022-23 Estimated Outcome ¹	2023-24 Budget ²
Staffing (FTE)	405	436	420	478

Note(s):

1. The lower FTE interim outcome relates to the timing of recruitment activities.
2. The 2023-24 Budget increase in FTE primarily relates to the implementation of the corporate services sourcing strategy and the timing of recruitment activities.

Table 2: Changes to Appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	13,493	13,864	14,245	14,637	15,040
2023-24 Budget Technical Adjustments					
Revised Indexation Parameters - Assistance for Water and Sewerage Services	0	-34	-69	-107	-146
2023-24 Budget	13,493	13,830	14,176	14,530	14,894

Financial Statements – Controlled (PTE)

Table 3: ICON Water Limited: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	13,493	13,493	13,830	2	14,176	14,530	14,894
Sale of Goods and Services from Contracts with Customers	323,025	303,088	345,736	14	367,600	391,328	414,472
Grants and Contributions Revenue	16,846	16,847	17,880	6	18,646	22,488	26,251
Interest Revenue	689	1,867	2,220	19	2,051	2,195	2,321
Other Income	3,606	4,351	4,172	-4	4,319	4,471	4,629
Total Income	357,659	339,646	383,838	13	406,792	435,012	462,567
Expenses							
Employee and Superannuation Expenses	67,928	69,508	78,042	12	79,771	82,044	84,537
Supplies and Services	119,071	122,646	104,897	-14	76,166	79,264	84,005
Depreciation and Amortisation	76,617	84,074	85,453	2	88,811	92,202	96,128
Cost of Goods Sold	34,733	32,919	36,976	12	39,242	41,794	44,023
Borrowing Costs	72,304	105,042	77,401	-26	78,061	80,057	86,784
Other Expenses	11,605	11,940	12,142	2	12,534	13,183	13,861
Total Expenses	382,258	426,129	394,911	-7	374,585	388,544	409,338
Share of Operating Profit from energy investments accounted for using the equity method	70,892	159,664	64,630	-60	44,784	46,930	69,861
Operating Result from Ordinary Activities	46,293	73,181	53,557	-27	76,991	93,398	123,090
Income Tax Equivalent	13,888	21,797	16,067	-26	23,097	28,019	36,928
Operating Result	32,405	51,384	37,490	-27	53,894	65,379	86,162
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
Total Other Comprehensive Result	0	0	0	-	0	0	0
Total Comprehensive Result	32,405	51,384	37,490	-27	53,894	65,379	86,162

Table4: ICON Water Limited: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	49,180	40,549	58,838	45	59,630	43,535	55,330
Receivables	52,265	52,227	57,928	11	58,855	59,810	60,793
Inventories	4,643	5,356	5,356	-	5,356	5,356	5,356
Other Assets	9,285	9,261	9,261	-	9,261	9,261	9,261
Total Current Assets	115,373	107,393	131,383	22	133,102	117,962	130,740
Non Current Assets							
Receivables	2,970	3,425	3,425	-	3,425	3,425	3,425
Investment - Joint Venture	1,008,956	1,125,845	1,157,475	3	1,162,259	1,164,189	1,181,550
Property, Plant and Equipment	2,668,549	3,045,880	3,071,087	1	3,123,658	3,194,195	3,284,993
Investment Properties	18,750	18,750	18,750	-	18,750	18,750	18,750
Intangible Assets	42,277	33,041	31,425	-5	28,436	26,265	24,561
Capital Works in Progress	129,935	142,415	161,137	13	197,858	237,116	277,641
Tax Assets	18,105	23,643	23,643	-	23,643	23,643	23,643
Total Non-Current Assets	3,889,542	4,392,999	4,466,942	2	4,558,029	4,667,583	4,814,563
TOTAL ASSETS	4,004,915	4,500,392	4,598,325	2	4,691,131	4,785,545	4,945,303
Current Liabilities							
Payables	47,676	46,273	49,007	6	52,826	56,396	60,235
Contract Liabilities	16,063	19,261	19,261	-	19,261	19,261	19,261
Borrowings	100,856	100,000	2,238	-98	127,853	3,807	483,914
Lease Liabilities	2,743	1,853	1,853	-	1,853	1,853	1,853
Employee Benefits	23,472	22,638	22,638	-	22,638	22,638	22,638
Other Provisions	4,144	1,412	5,334	278	8,461	9,990	13,394
Income Tax Payable	-3,831	1,181	-358	-130	-348	-351	-393
Other Liabilities	853	1,010	1,010	-	1,010	1,010	1,010
Total Current Liabilities	191,976	193,628	100,983	-48	233,554	114,604	601,912
Non Current Liabilities							
Borrowings	1,780,793	1,838,407	2,011,105	9	1,952,693	2,143,569	1,789,769
Lease Liabilities	3,171	566	566	-	566	566	566
Employee Benefits	1,556	1,679	1,679	-	1,679	1,679	1,679
Deferred Tax Liability	465,597	595,519	595,519	-	595,519	595,519	595,519
Other Liabilities	5,697	10,586	10,586	-	10,586	10,586	10,586
Total Non-Current Liabilities	2,256,814	2,446,757	2,619,455	7	2,561,043	2,751,919	2,398,119
TOTAL LIABILITIES	2,448,790	2,640,385	2,720,438	3	2,794,597	2,866,523	3,000,031
NET ASSETS	1,556,125	1,860,007	1,877,887	1	1,896,534	1,919,022	1,945,272
REPRESENTED BY FUNDS EMPLOYED							
Accumulated Funds	1,036,999	1,071,066	1,088,946	2	1,107,593	1,130,081	1,156,331
Asset Revaluation Surplus	519,126	788,941	788,941	-	788,941	788,941	788,941
TOTAL FUNDS EMPLOYED	1,556,125	1,860,007	1,877,887	1	1,896,534	1,919,022	1,945,272

Table 5: ICON Water Limited: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	1,020,153	1,019,682	1,071,066	5	1,088,946	1,107,593	1,130,081
Opening Asset Revaluation Surplus	519,126	788,941	788,941	-	788,941	788,941	788,941
Balance at the Start of the Reporting Period	1,539,279	1,808,623	1,860,007	3	1,877,887	1,896,534	1,919,022
Comprehensive Income							
Operating Result	32,405	51,384	37,490	-27	53,894	65,379	86,162
Total Comprehensive Result	32,405	51,384	37,490	-27	53,894	65,379	86,162
Movement in Asset Revaluation Surplus							
Total Movement in Reserves	0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated							
Dividend Approved	-15,559	0	-19,610	-100	-35,247	-42,891	-59,912
Total Transactions Involving Owners Affecting Accumulated Funds	-15,559	0	-19,610	-100	-35,247	-42,891	-59,912
Closing Equity							
Closing Accumulated Funds	1,036,999	1,071,066	1,088,946	2	1,107,593	1,130,081	1,156,331
Closing Asset Revaluation Surplus	519,126	788,941	788,941	-	788,941	788,941	788,941
Balance at the end of the Reporting Period	1,556,125	1,860,007	1,877,887	1	1,896,534	1,919,022	1,945,272

Table 6: ICON Water Limited: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	13,493	13,493	13,830	2	14,176	14,530	14,894
Sale of Goods and Services from Contracts with Customers	329,960	306,321	344,207	12	370,992	394,844	418,118
Interest Receipts	689	1,439	2,220	54	2,051	2,195	2,321
Other	49,500	26,000	33,000	27	40,000	45,000	52,500
Total Receipts from Operating Activities	393,642	347,253	393,257	13	427,219	456,569	487,833
Payments							
Employee Payments	67,919	65,892	71,528	9	73,071	75,154	77,408
Supplies and Services	118,673	120,165	109,878	-9	81,085	84,313	89,234
Borrowing Costs	74,188	106,963	81,661	-24	80,911	84,168	91,675
Income Tax Equivalent Payments	15,278	24,408	17,606	-28	23,087	28,022	36,969
Related to Cost of Goods Sold	34,733	32,920	36,976	12	39,244	41,795	44,022
Other	12,012	11,940	12,142	2	12,534	13,184	13,861
Total Payments from Operating Activities	322,803	362,288	329,791	-9	309,932	326,636	353,169
Net Cash Inflows/(Outflows) from Operating Activities	70,839	-15,035	63,466	522	117,287	129,933	134,664
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds from Sale of Property, Plant and Equipment	0	3	0	-100	0	0	0
Total Receipts from Investing Activities	0	3	0	-100	0	0	0
Payments							
Purchase of Property, Plant and Equipment	84,986	92,150	106,929	16	144,087	168,826	189,917
Total Payments from Investing Activities	84,986	92,150	106,929	16	144,087	168,826	189,917
Net Cash Inflows/(Outflows) from Investing Activities	-84,986	-92,147	-106,929	-16	-144,087	-168,826	-189,917
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from Borrowings	0	39,787	170,000	327	55,000	185,000	120,000

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Total Receipts from Financing Activities	0	39,787	170,000	327	55,000	185,000	120,000
Payments							
Repayment of Borrowings	-10,301	-41,333	90,166	318	-7,305	118,170	-6,307
Repayment of Lease Liabilities - Principal	3,132	2,943	2,394	-19	2,594	2,670	2,751
Payment of Dividend	20,011	20,390	15,688	-23	32,119	41,362	56,508
Total Payments from Financing Activities	12,842	-18,000	108,248	701	27,408	162,202	52,952
Net Cash Inflows/(Outflows) from Financing Activities	-12,842	57,787	61,752	7	27,592	22,798	67,048
Net Increase/(Decrease) in Cash and Cash Equivalents	-26,989	-49,395	18,289	137	792	-16,095	11,795
Cash and Cash Equivalents at the Beginning of the Reporting Period	76,169	89,944	40,549	-55	58,838	59,630	43,535
Cash and Cash Equivalents at the End of the Reporting Period	49,180	40,549	58,838	45	59,630	43,535	55,330

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- sales of goods and services from contracts with customers:
 - the decrease of \$19.937 million in the 2022-23 estimated outcome from the original budget is mainly due to lower consumption volumes related to above average rainfall and lower temperatures; and
 - the increase of \$42.648 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to an increase in water consumption in line with projected water sales and incorporating the prices from the ICRC draft price decision.
- grants and contributions revenue:
 - the increase of \$1.033 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to gifted assets received.
- interest revenue:
 - the increase of \$1.178 million in the 2022-23 estimated outcome is mainly due to higher interest rates.
- energy investments share of operating profits:
 - the increase of \$88.772 million in the 2022-23 estimated outcome; and
 - the decrease of \$95.034 million in the 2023 24 Budget from the 2022 23 estimated outcome are mainly due to feed in tariff fluctuations.
- employee and superannuation expenses:
 - the increase of \$1.580 million in the 2022-23 estimated outcome from the original budget is mainly due to lower capitalisation of labour; and
 - the increase of \$8.534 million in the 2023 24 Budget from the 2022 23 estimated outcome is mainly due to increased headcount in relation to the corporate services sourcing strategy and implementation.
- supplies and services:
 - the increase of \$3.575 million in the 2022-23 estimated outcome from the original budget mainly relates to the digital strategy and associated implementation.
 - the decrease of \$17.749 million in the 2023-24 Budget from the 2022-23 estimated outcome mainly relates to the reallocation of service expenditure to employee expenditure for the corporate services sourcing strategy and a change to the digital strategy and associated implementation.

- depreciation and amortisation:
 - the increase of \$7.457 million in the 2022-23 estimated outcome from the original budget is mainly due to an upward revaluation of fixed assets in a prior period.
 - the increase of \$1.379 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to higher projected capitalisations.
- cost of goods sold:
 - the decrease of \$1.814 million in the 2022-23 estimated outcome from the original budget; and
 - the increase of \$4.057 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to fluctuations in water abstraction charges in line with water consumption patterns.
- borrowing costs:
 - the increase of \$32.738 million in the 2022-23 estimated outcome from the original budget; and
 - the decrease of \$27.641 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the impact of CPI on the interest expense for indexed bonds.
- income tax equivalent:
 - the increase of \$7.909 million in the 2022-23 estimated outcome from the original budget; and
 - the decrease of \$5.730 million in the 2023-24 Budget from the 2022-23 estimated outcome is the effect of the above impacts to the operating result from ordinary activities.

Balance Sheet

- cash and equivalents:
 - the decrease of \$8.631 million in the 2022-23 estimated outcome from the original budget is mainly due to lower income received from customers and lower cash distributions from the joint venture offset by additional borrowings.
 - the increase of \$18.289 million in the 2023-24 Budget is mainly due to higher income received from customers, higher capital expenditure and additional borrowings.
- current and non-current joint venture investments:
 - the increase of \$116.889 million in the 2022-23 estimated outcome from the original budget; and
 - the increase of \$31.630 million in the 2023-24 Budget is mainly due to variations in cash distribution in comparison the profit share.

- property, plant and equipment:
 - the increase of \$377.331 million in the 2022-23 estimated outcome from the original budget is mainly due to an upward revaluation of infrastructure assets in a prior period.
 - the increase of \$25.207 million in the 2023-24 Budget is mainly due to growth in capital assets.
- current and non-current capital works in progress:
 - the increase of \$12.480 million in the 2022-23 estimated outcome from the original budget; and
 - the increase of \$18.722 million in the 2023-24 Budget are mainly due to a change in timing of the capital spend.
- intangible assets:
 - the decrease of \$9.236 million in the 2022-23 estimated outcome from the original budget; and
 - the decrease of \$1.616 million in the 2023-24 Budget mainly relate to the change in the digital strategy and associated implementation.
- tax assets:
 - the increase of \$5.538 million in the 2022-23 estimated outcome from the original budget is mainly due to an adjustment from the prior period.
- current and non current interest bearing liabilities:
 - the increase of \$56.758 million in the 2022-23 estimated outcome from the original budget; and
 - the increase of \$74.936 million in the 2023-24 Budget mainly relate to additional borrowings and an increase in the balance of indexed linked bonds from the increased CPI.
- current and non current finance leases:
 - the decrease of \$3.495 million in the 2022-23 estimated outcome from the original budget is mainly due to a change in strategy for fleet lease renewals.
- other provisions:
 - the decrease of \$2.732 million in the 2022-23 estimated outcome from the original budget; and
 - the increase of \$3.922 million in the 2023-24 Budget is mainly due to movements in the provision for the final dividend payable to the ACT Government.

- income tax payable and deferred tax liability:
 - the increase of \$134.934 million in the 2022-23 estimated outcome from the original budget is mainly due to an adjustment from the prior period.
 - the decrease of \$1.539 million in the 2023-24 Budget is mainly due to the difference in timing of income tax expense recognition under tax legislation compared to accounting standard requirements.
- other liabilities:
 - the increase of \$5.046 million in the 2022-23 estimated outcome from the original budget mainly relates to additional provisions from the prior period.

Statement of Changes in Equity

- asset revaluation reserve movement:
 - the increase of \$269.815 million in the 2022-23 estimated outcome from the original budget is mainly due to the revaluation of infrastructure assets.

Cash Flow Statement

Variations in the Statement are explained in the notes above.

INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT

The Independent Competition and Regulatory Commission (the Commission) is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act). The Commission is constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments. The current Commissioner is Senior Commissioner Joe Dimasi who has direct responsibility for delivery of the outcomes that are foreshadowed in this Statement of Intent.

This Statement of Intent for 2023-24 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 2023-24 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 2023-24 Statement of Intent has been agreed between:



Joe Dimasi

Senior Commissioner



Andrew Barr MLA

Treasurer

This page deliberately left blank

INDEPENDENT COMPETITION AND REGULATORY COMMISSION

Purpose

The Commission has responsibilities for a broad range of competition, regulation and consumer protection matters. The Commission is responsible under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act) for:

- regulating and advising government about pricing and other matters for monopoly, near-monopoly and ministerially declared regulated industries;
- providing advice on competitive neutrality complaints and government-regulated activities, and on other industry-related matters referred to the Commission; and
- arbitrating infrastructure access disputes under the ICRC Act.

The Commission's objectives are set out in sections 7 and 19L of the ICRC Act and section 3 of the *Utilities Act 2000* (Utilities Act). Those objectives are:

- promoting effective competition in the interests of consumers;
- facilitating an appropriate balance between efficiency, environmental and social considerations;
- ensuring non-discriminatory access to monopoly and near-monopoly infrastructure; and
- when making a price direction in a regulated industry, promoting the efficient investment in, and efficient operation and use of regulated services for the long term interests of consumers in relation to price, quality, safety, reliability and security of the service.

The Utilities Act provides for the licensing of electricity, natural gas, water and sewerage utility services. In meeting its responsibilities under this legislation, the Commission's objectives are to:

- encourage the provision of safe, reliable, efficient and high quality utility services at reasonable prices;
- minimise the potential for misuse of monopoly power and promote competition in the provision of utility services;
- encourage long term investment, growth and employment in utility services; and
- protect the interests of consumers.

Nature and Scope of Activities

Activities to Meet Legislated Objectives

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 price resets with an increase of the allowed retail electricity prices on 7 June 2021 and a decrease on 6 June 2022. On 7 June 2023, the commission announced the maximum allowed increase (tbc) in retail electricity prices for 2023-24. This will be the final reset under the current price direction.

On 6 June 2023 the commission received terms of reference from the Treasurer to conduct a price investigation into retail electricity supplied to small customers on standard retail contracts for the regulatory period from 1 July 2024.

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.

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.

Since its decision in 2018, 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. After receiving a pricing submission from Icon Water, the commission released its draft decision on 21 October 2022. This was open for further public consultation, and we held a public forum to discuss the report on 21 November 2022. Further inputs were received including a revised pricing submission from Icon Water. The commission released its final report and price direction 2023-28 for water and sewerage services on 1 May 2023. All public submissions received throughout the process are published on our website and were addressed in the final report.

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. Collectively these give power to the objectives under the ICRC and Utilities Acts for the provision of safe, reliable, efficient and high quality utility services while protecting the long-term interests of consumers. 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 12 April 2023 and included reporting on payments made against the Guaranteed Service Levels in the Consumer Protection Code. This report also included a 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, with amendments on 17 February 2023. The code makes it easier for small customers to compare electricity offers and find an offer that could save them money off their bills.

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.

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 2022-23, 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 2023-24, the Commission will incorporate COVID risks into its existing work health and safety management systems.

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.

2023-24 Priorities and Next Three Financial Years

The Commission's strategic and operational priorities for 2023-24 include:

- undertaking a price investigation into retail electricity supplied to small customers on standard retail contracts for the regulatory period from 1 July 2024 and, in consultation with electricity retailers, 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 regulated water and sewerage services 2023-28;
- 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, 2025-26 and 2026-27 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;
- enhanced focus on compliance monitoring, and reporting on utility compliance and performance;
- 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;
- responding to any terms of reference received from the ACT Government for advice on industry-related matters; 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 Levels

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome ¹	2022-23 Budget ²	2022-23 Estimated Outcome ¹	2023-24 Budget ²
Staffing (FTE)	10	10.5	8.5	10.5

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.

Key Performance Indicators for 2023-24 to 2026-2027

Table 2: Key Performance Indicators for 2023-2024, 2024-2025, and 2025-2026 to 2026-2027

Item	Measure 2023-24	Measure 2024-25	Measure 2025-26 to 2026-27
Water and sewerage services pricing	Annual price adjustments.	Annual price adjustments.	Annual price adjustments.
Retail electricity pricing	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.	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)	4 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 2022-23 Objectives

Table 3: Comparison of Estimated Performance at 2022-23 and the Statement of Intent for 2022-23

Item	Measure	Estimated Performance
Water and sewerage services pricing	Annual price adjustment.	Annual price adjustment.
	Completion of review of water demand forecasting model and methods.	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. Guidelines 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.

Changes to Appropriation

Table 4: Changes to appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	598	514	629	648	648
2nd Appropriation					
Energy Industry Levy Appropriation	35	44	83	118	152
2023-24 Budget Policy Decisions					
Investing in public services – Broadening the ACT Public Service flexibility	0	-3	-3	-3	-3
2023-24 Budget Technical Adjustments					
Energy Industry Levy Appropriation	-35	-88	-8	-14	-46
Revised Indexation Parameters	0	-1	-1	-1	12
Revised Superannuation Parameters	0	10	-9	18	41
Revised Wages Parameters	0	-8	-2	-49	-193
2023-24 Budget	598	468	689	717	611

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 2022-23 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 5: Independent Competition and Regulatory Commission: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	598	598	468	-22	689	717	611
Fees	405	275	660	140	514	535	557
Sale of Goods and Services from Contracts with Customers	871	1,154	880	-24	107	108	901
Grants and Contributions Revenue	448	450	471	5	481	496	511
Interest Revenue	15	15	48	220	24	12	12
Total Income	2,337	2,492	2,527	1	1,815	1,868	2,592
Expenses							
Employee Expenses	1,651	1,827	1,914	5	1,757	1,829	2,104
Supplies and Services	552	530	380	-28	381	385	390
Total Expenses	2,204	2,358	2,295	-3	2,139	2,215	2,495
Operating Result	134	135	233	73	-323	-346	98
Total Comprehensive Result	134	135	233	73	-323	-346	98

Table 6: Independent Competition and Regulatory Commission: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	1,952	2,249	2,485	10	2,164	1,815	1,909
Receivables	244	76	95	25	114	133	152
Other Assets	0	2	2	-	2	2	2
Total Current Assets	2,196	2,327	2,582	11	2,280	1,950	2,063
Non-Current Assets							
Total Non-Current Assets	0	0	0	-	0	0	0
TOTAL ASSETS	2,196	2,327	2,582	11	2,280	1,950	2,063
Current Liabilities							
Payables	99	98	99	1	100	101	102
Employee Benefits	416	504	519	3	534	543	552
Total Current Liabilities	515	602	618	3	634	644	654
Non-Current Liabilities							
Employee Benefits	21	13	19	46	24	30	35
Total Non-Current Liabilities	21	13	19	46	24	30	35
TOTAL LIABILITIES	536	615	637	4	658	674	689
NET ASSETS	1,660	1,712	1,945	14	1,622	1,276	1,374
Equity							
Accumulated Funds	1,660	1,712	1,945	14	1,622	1,276	1,374
TOTAL EQUITY	1,660	1,712	1,945	14	1,622	1,276	1,374

Table 7: Independent Competition and Regulatory Commission: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	1,526	1,577	1,712	9	1,945	1,622	1,276
Balance at the Start of the Reporting Period	1,526	1,577	1,712	9	1,945	1,622	1,276
Comprehensive Income							
Operating Result	133	134	232	73	-324	-347	97
Other Movements	1	1	1	-	1	1	1
Total Comprehensive Result	134	135	233	73	-323	-346	98
Closing Equity							
Closing Accumulated Funds	1,660	1,712	1,945	14	1,622	1,276	1,374
Balance at the end of the Reporting Period	1,660	1,712	1,945	14	1,622	1,276	1,374

Table 82: Independent Competition and Regulatory Commission: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	598	598	468	-22	689	717	611
Fees	405	275	682	148	521	543	562
Sale of Goods and Services from Contracts with Customers	871	1,154	858	-26	100	100	896
Interest Receipts	15	15	48	220	24	12	12
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	45	45	45	-	45	45	45
Other	436	438	460	5	470	485	500
Total Receipts from Operating Activities	2,370	2,525	2,561	1	1,849	1,902	2,626
Payments							
Employee Payments	1,659	1,835	1,915	4	1,759	1,836	2,112
Supplies and Services	581	559	410	-27	411	415	420
Total Payments from Operating Activities	2,240	2,394	2,325	-3	2,170	2,251	2,532
Net Cash Inflows/(Outflows) from Operating Activities	130	131	236	80	-321	-349	94
Net Increase/(Decrease) in Cash and Cash Equivalents	130	131	236	80	-321	-349	94
Cash and Cash Equivalents at the Beginning of the Reporting Period	1,822	2,118	2,249	6	2,485	2,164	1,815
Cash and Cash Equivalents at the End of the Reporting Period	1,952	2,249	2,485	10	2,164	1,815	1,909

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the decrease of \$0.130 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects a reduced energy levy for the year as the commission will not complete an electricity reset for 2023-24, among other changes. The commission will instead commence a price investigation into retail electricity supplied to small customers on standard retail contracts for the regulatory period from 1 July 2024, which is recognised in the sales of goods and services from contracts with customers below.
- taxes, licences, fees and fines: the increase of \$0.385 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects increased fees as the Commission has completed the pricing investigation to determine the regulated prices of water and sewerage services in the prior regulatory period.
- sales of goods and services from contracts with customers: the decrease of \$0.381 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the water and sewerage pricing investigation completion in 2022-23 and the commencement of the retail electricity pricing investigation in 2023-24.
- interest revenue: the increase of \$0.033 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to higher interest rates expected on cash in 2023-24.
- supplies and services: the decrease of \$0.150 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects reduced future costs after the completion of the water and sewerage pricing investigation in 2022-23.
- operating result: the increase of \$0.098 million in the 2023-24 Budget operating result from the 2022-23 estimated outcome is due to the higher interest revenue expected in 2023-24 coupled with savings on supplies and services.

Balance Sheet, Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

LIFETIME CARE AND SUPPORT FUND

Purpose

The Lifetime Care and Support Fund (LTCS fund) was established under the *Lifetime Care and Support (Catastrophic Injuries) Act 2014* (LTCS Act) and commenced operations on 1 July 2014. The LTCS Fund reflects the financial operations of the Lifetime Care and Support Scheme (LTCS Scheme).

The LTCS Scheme provides on-going treatment and care on a no-fault basis to people who have been catastrophically injured as a result of a motor accident in the Australian Capital Territory (ACT) or a workplace accident in the course of their private sector employment in the ACT.

The LTCS Scheme is funded by two levies: a levy on all Motor Accident Injuries (MAI) insurance policies and a levy on private sector workers' compensation insurers and self-insurers.

2023-24 Priorities

The LTCS fund will be pursuing several strategic and operational matters in 2023-24, including:

- issuing/amending guidelines and determinations when required under the LTCS Act;
- assessing 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 Levels

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.¹

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

	2022-23 Estimated Outcome \$'000	2023-24 Budget \$'000
Total Cost ¹	56,080	38,701
Payment for Expenses on Behalf of the Territory	0	0

Note(s):

1. Total cost includes depreciation and amortisation of \$0.002 million in 2022-23 and \$0.008 million in 2023-24.

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 2023-24 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;
- assessing 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

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
Provision of LTCS Scheme in the ACT			
a. LTCS levies determined during the fourth quarter	2	2	2
b. Undertake an annual client feedback process	1	1	1

Note(s):

- a. The levy determinations must be made in accordance with section 84 of the LTCS Act. The determinations need to occur during the fourth quarter of the financial year so that they are available for commencement of 1 July. The Levy determination for the 2023-24 contribution period for motor vehicles was notified on the Legislation Register in May 2023 and for private workers' compensation insurers and self-insurers in June 2023.
- 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 2022-23 commenced in the second half of 2022-23 with the final report expected to be received in June 2023.

Financial Statements – Territorial

Presentational changes have been made to streamline the financial statements and the 2022-23 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 (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Investment Revenue	3,418	2,652	4,905	85	6,087	7,382	8,799
Interest Revenue	106	334	284	-15	328	373	413
Other Income	25,077	25,077	36,790	47	39,454	42,218	45,087
Net Gain/(Loss) on Investments	2,449	6,045	2,314	-62	2,871	3,482	4,150
Total Income	31,050	34,108	44,293	30	48,740	53,455	58,449
Expenses							
Supplies and Services	793	688	870	26	940	1,019	1,099
Depreciation and Amortisation	0	2	8	300	8	8	8
Other Expenses	30,474	55,390	37,823	-32	40,962	44,326	47,913
Total Expenses	31,267	56,080	38,701	-31	41,910	45,353	49,020
Operating Result	-217	-21,972	5,592	125	6,830	8,102	9,429
Total Comprehensive Result	-217	-21,972	5,592	125	6,830	8,102	9,429

Table 4: Lifetime Care and Support Fund: Statement of Assets and Liabilities on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash	7,638	8,010	8,940	12	10,379	11,649	12,982
Receivables	2,534	2,301	3,754	63	4,221	4,720	5,253
Other Assets	1,180	0	0	-	0	0	0
Total Current Assets	11,352	10,311	12,694	23	14,600	16,369	18,235
Non-Current Assets							
Investments	124,665	123,554	154,781	25	189,590	227,866	269,593
Intangible Assets	0	78	70	-10	62	54	46
Total Non-Current Assets	124,665	123,632	154,851	25	189,652	227,920	269,639
TOTAL ASSETS	136,017	133,943	167,545	25	204,252	244,289	287,874
Current Liabilities							
Payables	2,066	954	1,203	26	1,547	1,870	2,221
Other Provisions	8,222	9,299	10,536	13	11,682	12,926	14,264
Total Current Liabilities	10,288	10,253	11,739	14	13,229	14,796	16,485
Non-Current Liabilities							
Other Provisions	171,780	204,380	230,904	13	259,291	289,659	322,126
Total Non-Current Liabilities	171,780	204,380	230,904	13	259,291	289,659	322,126
TOTAL LIABILITIES	182,068	214,633	242,643	13	272,520	304,455	338,611
NET ASSETS	-46,051	-80,690	-75,098	7	-68,268	-60,166	-50,737
Equity							
Accumulated Funds	-46,051	-80,690	-75,098	7	-68,268	-60,166	-50,737
TOTAL EQUITY	-46,051	-80,690	-75,098	7	-68,268	-60,166	-50,737

Table 5: Lifetime Care and Support Fund: Statement of Changes in Equity on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	-45,834	-58,718	-80,690	-37	-75,098	-68,268	-60,166
Balance at the Start of the Reporting Period	-45,834	-58,718	-80,690	-37	-75,098	-68,268	-60,166
Comprehensive Income							
Operating Result	-217	-21,972	5,592	125	6,830	8,102	9,429
Total Comprehensive Result	-217	-21,972	5,592	125	6,830	8,102	9,429
Closing Equity							
Closing Accumulated Funds	-46,051	-80,690	-75,098	7	-68,268	-60,166	-50,737
Balance at the end of the Reporting Period	-46,051	-80,690	-75,098	7	-68,268	-60,166	-50,737

Table 6: Lifetime Care and Support Fund: Statement of Cash Flows on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Investment Receipts	3,009	2,853	4,328	52	5,843	7,114	8,505
Interest Receipts	106	334	284	-15	328	373	413
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	802	814	993	22	1,126	1,262	1,403
Other	24,634	24,902	35,948	44	39,264	42,021	44,884
Total Receipts from Operating Activities	28,551	28,903	41,553	44	46,561	50,770	55,205
Payments							
Supplies and Services	791	669	869	30	938	1,017	1,097
Goods and Services Tax Paid to Suppliers	809	896	1,026	15	1,159	1,296	1,439
Other	7,733	8,571	9,815	15	11,087	12,393	13,759
Total Payments from Operating Activities	9,333	10,136	11,710	16	13,184	14,706	16,295
Net Cash Inflows/(Outflows) from Operating Activities	19,218	18,767	29,843	59	33,377	36,064	38,910
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of Intangibles	0	80	0	-100	0	0	0
Purchase of Investments	18,492	20,528	28,913	41	31,938	34,794	37,577
Total Payments from Investing Activities	18,492	20,608	28,913	40	31,938	34,794	37,577
Net Cash Inflows/(Outflows) from Investing Activities	-18,492	-20,608	-28,913	-40	-31,938	-34,794	-37,577
Net Increase/(Decrease) in Cash	726	-1,841	930	151	1,439	1,270	1,333
Cash at the Beginning of the Reporting Period	6,912	9,851	8,010	-19	8,940	10,379	11,649
Cash at the End of the Reporting Period	7,638	8,010	8,940	12	10,379	11,649	12,982

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 \$0.766 million in the 2022-23 estimated outcome from the original budget reflects the level of available distribution income from TBA; and
 - the increase of \$2.253 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the distribution revenue being based on estimated distributable income and the long-term investment return objective.

- 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 \$11.713 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the increase in the levies as determined by the LTCS Commissioner.

LTCS levies for 2023-24 were determined in the last quarter of 2022-23 by the LTCS Commissioner in accordance with the recommendations made in an independent actuary's report. The LTCS levy relating to motor accident injuries for the 2023-24 contribution period is \$90.4 (2022-23: \$60.4) for a 12-month ACT MAI policy charged proportionately. The LTCS levy for vehicles registered under the ACT's Veteran, Vintage and Historic (VVH) Registration Scheme including the modified historic vehicles, remains at 20 per cent of the full year LTCS levy. The LTCS levy relating to private sector work injuries for the 2023-24 contribution period is \$7.0 million (2022-23: \$5.4 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 increase of \$3.596 million in the 2022-23 estimated outcome from the original budget is due to the expected investment return for the 2022-23 financial year being higher than assumed; and
 - the decrease of \$3.731 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the use of the long-term investment return objective, which is lower than the expected investment return for the 2022-23 financial year.
- 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 2023-24 Budget includes unwinding of discount expenses (\$11.005 million) attributable to the change in liabilities as they become one year closer to payment:

- the increase of \$24.916 million in the 2022-23 estimated outcome from the original budget is mainly due to the increase in provision associated with updated injury severity information on existing participants, changes in mortality modelling and higher than expected inflation; and

- the decrease of \$17.567 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the increase in provision associated with updated injury information on existing participants that occurred in 2022-23.

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 \$0.930 million in the 2023-24 Budget from the 2022-23 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 \$1.453 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly associated with the higher receivable for distribution on investments held with the TBA for the quarter ended 30 June 2024 compared to 30 June 2023 and the higher levy relating to motor accident injuries receivable for the month of June 2023.
- other assets: are associated with the reserve held by the New South Wales Lifetime Treatment and Care Authority (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 that commenced during 2015-16 for NSW LTCSA to administer the ACT LTCS Scheme. During 2022-23 the reserve was increased to \$1.395 million 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 decrease of \$1.180 million in the 2022-23 estimated outcome from the original budget is due to a change in presentation to the net amount owing to NSW LTCSA by offsetting of the reserve against the accrued participants' treatment and care costs for the quarter ending 30 June 2023.
- investments:
 - the decrease of \$1.111 million in the 2022-23 estimated outcome from the original budget is mainly due to the lower opening balance partially offset by the higher than anticipated gains on investments held with the TBA during 2022-23; and
 - the increase of \$31.227 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the \$28.913 million estimated additional investment of collected funds to provide for estimated new participants. Funds are collected to provide for the estimated whole of life costs of participants in the year they are accepted into the Scheme.
- payables:
 - the decrease of \$1.112 million in the 2022-23 estimated outcome from the original budget is mainly due to a change in presentation to the net amount owing to NSW LTCSA by offsetting of the reserve (\$1.395 million) against the accrued participants' treatment and care costs for the quarter ending 30 June 2023.
- other provisions:
 - the increase of \$33.677 million in the 2022-23 estimated outcome from the original budget is mainly due to the higher opening liabilities and the increase in provision associated with updated injury severity information on existing participants, changes in mortality modelling and higher than expected inflation; and

- the increase of \$27.761 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the estimated lifetime costs of the estimated new participants entering the LTCS Scheme in 2023-24 and the estimated unwinding of discount expenses in 2023-24.

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

Variations in these Statements are explained in the notes above.

MOTOR ACCIDENT INJURIES COMMISSION – STATEMENT OF INTENT

The Motor Accident Injuries Commission (MAI Commission) is a Territory Authority established under the *Motor Accident Injuries Act 2019* (MAI Act).

The Statement of Intent for 2023-24 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 2023-24 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 2023-24 Statement of Intent has been agreed between:



Andrew Barr MLA

Treasurer



Chris Steel MLA

Special Minister of State



Nicola Clark

Motor Accident Injuries Commissioner

This page deliberately left blank

MOTOR ACCIDENT INJURIES COMMISSION

Introduction

The MAI Commission is a Territory authority established under the *Motor Accident Injuries Act 2019* (MAI Act). The MAI Commission started operations on the commencement of the MAI Act on 1 February 2020.

The 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 replaced ACT Compulsory Third-party (CTP) Insurance Regulator (whose responsibilities transferred to the Commission). 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 or liaises with the Insurance Council of Australia, MAI insurers and the ACT Nominal Defendant to discuss:

- operational aspects of the MAI Scheme;
- emerging issues, such as the potential for MAI schemes to cover personal injuries resulting from accidents involving autonomous vehicles; and
- review post implementation matters of the new MAI Scheme.

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), 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.

The MAI Commission also monitors the regulations and guidelines developed to support the scheme, including reviewing the documents in light of any feedback or issues raised with a view to providing clarification where necessary.

Defined Benefits Information Service and other activities

The Defined Benefits Information Service (DBIS) was established on 1 February 2020 and assists the public with information in relation to available benefits for injured people, the application process and how to navigate the scheme. The DBIS is provided by Care Inc, a Canberra based community organisation.

The MAI Commission has developed a website (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, and in February 2023 a consultation page was added to assist with current consultations. The Commission has 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 2023 on 15 November 2022, as well as several 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.

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

The MAI Commission maintains the ICT system that was implemented to assist with data collection and reporting requirements. The ICT system incorporates 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 also being 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.

Risks

Financial risks include adequacy of funding for the MAI Commission's activities. From 1 July 2023, a levy of \$14 (2022-23: \$16) per annum will be 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.

2023-24 Priorities and next three financial years

Priorities in 2023-24 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
- completing the three-yearly review of the operation of the MAI Act with the terms of reference issued in 2022-23 and the report to be issued in 2023-24.

Estimated Employment Levels

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 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 2023-24 to 2026-27

Table 1: Key performance indicators

	2022-23 Estimated Outcome	2023-24	Planned		2026-27
			2024-25	2025-26	
a. MAI Premium filings are reviewed by the scheme actuary and are approved in accordance with the MAI Act, including fully funding the scheme ^{1,2}	All MAI premium filings received by the MAI Commission were reviewed by the scheme actuary and approved in accordance with the MAI Act	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	Actuarial review of annual MAI premium filings by 30/6/2027
b. Insurer MAI premiums for all vehicle classes are published on the MAI Commission's website ³	All insurer MAI premiums for all vehicle classes were 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	Insurer MAI premiums for all vehicle classes published on the MAI Commission's website six weeks before the effective date
c. Promote public awareness of the new MAI Scheme ⁴	The MAI Commission continues to promote the new scheme through social media campaigns	N/A	N/A	N/A	N/A
d. Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents ⁵	The MAI Commission contributed \$70,000 towards road safety strategies	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of	Contribute minimum \$50,000 to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of

			Planned			
	2022-23 Estimated Outcome	2023-24	2024-25	2025-26	2026-27	
		motor accidents	motor accidents	motor accidents	motor accidents	
e. Reporting on the scheme's statistics ⁶	All reports were published 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	Within six weeks after the end of each quarter on MAI Commission website	
f. Queries handling within 10 working days of receipt of the query ⁷	100% compliance	85% compliance	85% compliance	85% compliance	85% compliance	
g. Complaints handling within 25 working days of receipt of the complaint ⁸	0% compliance	N/A	N/A	N/A	N/A	
h. Complaints handling within 20 working days of receipt of all the required information ⁹	N/A	85% compliance	85% compliance	85% compliance	85% compliance	
i. Three-yearly review of the operation of the MAI Act in accordance with legislative timeframes (s493)	Terms of Reference were issued	Report issued	N/A	N/A	Terms of Reference issued	

The above should be read in conjunction with the accompanying notes.

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 six weeks before the effective date.
4. The MAI Commission continues to undertake radio and social media campaigns to promote and raise the profile of the new Scheme. This indicator has been discontinued from 2023-24 as it is one of the functions of the MAI Commission outlined in the MAI Act.
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. 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.
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. This indicator has been replaced by indicator h (note 9) from 2023-24, with a clearer and more efficient target.
9. Responses to complaints directed to the MAI Commission within twenty working days of receipt of all the details of the complaint, including any clarifications and data from the complainant and/or insurers or another external entity required by the MAI Commission to be able to review issues with an insurer's handling of the claim. 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. 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.

Assessment of performance against 2022-23 objectives

The MAI Commission's performance against its objectives and targets from 1 July 2022 to 30 June 2023 included in its 2022-23 Statement of Intent shows that the MAI Commission met most of 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 for the year to date to 31 May 2023, were received from:

- GIO partial filing (received May 2022) and approved in June 2022 for MAI premiums commencing 10 August 2022;
- NRMA partial filing (received July 2022) and approved in August 2022, for MAI premiums commencing 7 October 2022;
- AAMI and APIA partial filings (received July 2022) and approved in August 2022 for MAI premiums commencing 18 October 2022;
- GIO partial filing (received September 2022) and approved in September 2022 for MAI premiums commencing 6 December 2022;
- AAMI, APIA, GIO and NRMA full de novo filings (received October 2022) and approved in November 2022 for MAI premiums commencing 1 February 2023;
- NRMA partial filing (received December 2022) and approved in December 2022 for MAI premiums commencing 21 March 2023; and
- GIO and APIA partial filings (received March 2023) and approved in March 2023 for MAI premiums commencing 23 May 2023.

- ***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 can 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 \$70,000 in 2022-23 towards road safety strategies associated with a 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). In 2022-23, in response to a high death toll on the ACT's roads in 2022, the MAI Commission funded the broadcasting and local content creation of the Casual Speeding Campaign: 'Every K Counts', directed at changing motorists' attitudes towards low level speeding.

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

Report for each quarter during 2022-23 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 2023 were responded to within ten working days of receipt.

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

The MAI Commission received four complaints in the year to date to 31 May 2023. The compliance indicator that 85% of complaints be responded to within 25 working days is not

expected to be met due to the complexity of the issues raised in each complaint, requiring additional time to seek further information from parties where needed; and review and respond to the issues outlined in the replies. Where delay is experienced, the complainant is duly advised of the delay and the reasons for the delay.

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 Statement of Cash Flows.

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 \$14 (2022-23: \$16; i.e. a reduction of \$2 or 12.5 per cent) per annum is payable in relation to MAI policies issued with effect from 1 July 2023, except for veteran, vintage and historic (VVH) registration scheme vehicles and modified VVH vehicles that have a \$3.5 (2022-23: \$4) levy per annum per MAI policy. The levy applies for a full year policy and is pro-rated for shorter registration periods.

This levy has been estimated to fully fund the MAI Commission.

Financial statements

The budgeted financial statements for the 2023-24 Budget year, as well as forward estimates for the three financial years commencing 2024-25 appear below. These general purpose financial statements include:

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

Financial Statements

Presentational changes have been made to streamline the financial statements and the 2022-23 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 (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Taxes, Licences, Fees and Fines	5,213	5,213	4,616	-11	4,708	4,801	4,897
Interest Revenue	101	330	333	1	343	351	358
Total Income	5,314	5,543	4,949	-11	5,051	5,152	5,255
Expenses							
Supplies and Services	3,410	1,819	3,413	88	3,478	3,542	3,606
Depreciation and Amortisation	588	487	184	-62	184	184	184
Transfer Expenses	1,316	1,316	1,352	3	1,389	1,426	1,465
Total Expenses	5,314	3,622	4,949	37	5,051	5,152	5,255
Operating Result	0	1,921	0	-100	0	0	0
Total Comprehensive Result	0	1,921	0	-100	0	0	0

Table 3: Motor Accident Injuries Commission: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash	5,939	8,050	8,305	3	8,486	8,665	8,844
Receivables	504	446	410	-8	417	427	437
Total Current Assets	6,443	8,496	8,715	3	8,903	9,092	9,281
Non-Current Assets							
Intangible Assets	1,144	1,245	1,061	-15	877	692	508
Total Non-Current Assets	1,144	1,245	1,061	-15	877	692	508
TOTAL ASSETS	7,587	9,741	9,776	..	9,780	9,784	9,789
Current Liabilities							
Payables	152	109	144	32	148	152	157
Total Current Liabilities	152	109	144	32	148	152	157
TOTAL LIABILITIES	152	109	144	32	148	152	157
NET ASSETS	7,435	9,632	9,632	-	9,632	9,632	9,632
Equity							
Accumulated Funds	7,435	9,632	9,632	-	9,632	9,632	9,632
TOTAL EQUITY	7,435	9,632	9,632	-	9,632	9,632	9,632

Table 4: Motor Accident Injuries Commission: Statement of Changes in Equity (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	7,435	7,711	9,632	25	9,632	9,632	9,632
Balance at the Start of the Reporting Period	7,435	7,711	9,632	25	9,632	9,632	9,632
Comprehensive Income							
Operating Result	0	1,921	0	-100	0	0	0
Total Comprehensive Result	0	1,921	0	-100	0	0	0
Closing Equity							
Closing Accumulated Funds	7,435	9,632	9,632	-	9,632	9,632	9,632
Balance at the end of the Reporting Period	7,435	9,632	9,632	-	9,632	9,632	9,632

Table 5: Motor Accident Injuries Commission: Statement of Cash Flows (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Taxes, Licences, Fees and Fines	5,213	5,255	4,667	-11	4,701	4,792	4,889
Interest Receipts	101	330	333	1	343	351	358
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	99	64	92	44	107	110	117
Total Receipts from Operating Activities	5,413	5,649	5,092	-10	5,151	5,253	5,364
Payments							
Supplies and Services	3,409	1,732	3,379	95	3,474	3,537	3,601
Transfer Expenses	1,316	1,316	1,352	3	1,389	1,426	1,465
Goods and Services Tax Paid to Suppliers	113	48	106	121	107	111	119
Total Payments from Operating Activities	4,838	3,096	4,837	56	4,970	5,074	5,185
Net Cash Inflows/(Outflows) from Operating Activities	575	2,553	255	-90	181	179	179
Net Increase/(Decrease) in Cash	575	2,553	255	-90	181	179	179
Cash at the Beginning of the Reporting Period	5,364	5,497	8,050	46	8,305	8,486	8,665
Cash at the End of the Reporting Period	5,939	8,050	8,305	3	8,486	8,665	8,844

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- other fees:
 - the decrease of \$0.6 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the reduction in the MA Levy from \$16 to \$14 per annum (i.e. a reduction of \$2 or 12.5 per cent) effective from 1 July 2023.
- supplies and services:
 - the decrease of \$1.591 million in the 2022-23 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 and acting arrangements; timing of communication material publishing rescheduled to 2023-24; lower consultant and contractors costs with these services continuing to be refined as the scheme matures; lower ICT support costs associated with the maintenance of the MAI Register; and the timing of road safety initiatives; and
 - the increase of \$1.594 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the lower expenses in 2022-23 explained above.
- depreciation and amortisation:
 - the decrease of \$0.101 million in the 2022-23 estimated outcome from the original budget and of \$0.303 million in the 2023-24 budget from the 2022-23 estimated outcome is mainly due to the reassessment of the remaining useful life of the Motor Accident Injuries Register (MAI Register) ICT system during 2022-23 which resulted in an extension of its useful life by another five years until 2030 (previously 2025).

Balance Sheet

- cash:
 - the increase of \$2.111 million in the 2022-23 estimated outcome from the original budget is mainly due to lower than anticipated expense payments.

Statement of Changes in Equity and Statement of Cash Flows

Variations in these Statements are explained in the notes above.

This page deliberately left blank

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


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

The Statement of Intent for 2023-24 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 2023-24 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 2023-24 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

This page deliberately left blank

OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER

Purpose

The Office of the Work Health and Safety Commissioner (WorkSafe ACT) was established on 1 July 2020. It is an independent prescribed Territory authority headed by the Work Health and Safety (WHS) Commissioner.

In addition to being the ACT's WHS regulator, WorkSafe ACT also has regulatory responsibility for workers' compensation, labour hire and long service leave. It achieves its regulatory objectives through a combination of compliance and enforcement, awareness raising, education, inspection and investigation.

This Statement outlines the strategic priorities, objectives and indicators for the 2023-24 financial year and next three financial years and reports against the accountability indicators for the 2022-23 financial year.

Nature and Scope of Activities

The nature and scope of WorkSafe ACT's activities is guided by four high-level strategies outlined in WorkSafe ACT's Strategic Plan 2020-2024:

- ensuring fair and firm enforcement against non-compliance
- minimising physical and psychological harm and improving WHS practices and culture
- engaging with stakeholders to better understand and respond to current and emerging WHS issues, and
- creating an exemplary regulator.

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.

2023-24 Priorities and Next Three Financial Years

2023-24 Priorities

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 for Industrial Relations and Workplace Safety's Statement of Expectations. WorkSafe ACT's 2023-24 priorities are guided by both the Minister's expectations and the WHS Commissioner's operational intent. Accordingly, the activities and initiatives WorkSafe ACT will prioritise in 2023-24 will include:

- addressing psychosocial hazards in the workplace by:
 - increasing awareness of existing and new psychosocial resources
 - developing resources for employers and workers to assist with improving psychosocial hazard identification and management (including workplace sexual assault and workplace sexual harassment)
 - improved capability for WorkSafe ACT Inspectors to target psychosocial hazards at workplace inspections, and
 - developing and fostering relationships with general and industry-specific subject matter experts.
- a strong and ongoing focus on construction industry safety standards and compliance in the residential, commercial and civil sectors. Importantly a key focus for WorkSafe ACT will be its continued dedicated response to the changing regulatory environment for managing workplace exposure to silica dust. WorkSafe ACT will continue to support workers and industry with

appropriate education, communication, and guidance, and by undertaking compliance and enforcement activities.

- WorkSafe ACT will also continue its strong focus on improving health and safety outcomes for young workers through the ongoing implementation of its Young Workers Strategy through the permanent engagement of a Young Workers' Strategy Coordinator to work in collaboration with relevant stakeholders and two dedicated Inspectors focussed on the safety of vulnerable workers, including young workers.

In addition to the above, in 2023-24, WorkSafe ACT will continue to build the labour hire licensing inspectorate and significantly increase its regulatory capacity. In doing so, WorkSafe ACT will be proactively engaging with stakeholders and the community to promote the importance of labour hire licensing while also investigating non-compliance.

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. From a WHS perspective, the priorities for the next three financial years are informed and guided by the recently released Australian Work Health and Safety (WHS) Strategy 2023-2033. In line with the Australian Strategy's targets WorkSafe ACT will be working to reduce:

- worker fatalities caused by traumatic injuries by 30 per cent
- the frequency rate of serious claims resulting in one or more weeks off work by 20 per cent
- the frequency rate of claims resulting in permanent impairment by 15 per cent
- the overall incidence of work-related injury or illness among workers to below 3.5 per cent
- the frequency rate of work-related respiratory disease by 20 per cent, and
- have no new cases of accelerated silicosis by 2033.

WorkSafe ACT will also be working to:

- increase the awareness of PCBUs about their duty to protect workers from exposure to harmful substances, and
- build the capability of PCBUs, regulators and workers to ensure compliance with the duty to manage psychosocial hazards at work.

On this last point, it is broadly acknowledged that psychological injuries have significant personal and economic impacts on injured workers and the broader ACT community. Psychosocial hazards and the management of psychosocial risks have been prioritised by WorkSafe ACT since its inception in 2020. However, as the understanding of psychosocial hazards and the prevalence and costs of workplace psychological injury increases, WorkSafe ACT has identified that additional specialist resources are needed. Over the next three years WorkSafe ACT will increase the size of its dedicated psychosocial team and broaden scope of proactive and responsive workplace visits and meet the actions and outcomes of the Australian Strategy and WorkSafe ACT's supporting plans.

Importantly, WorkSafe ACT will also, over the next three years, increase compliance, enforcement and education activities in civil construction and hazardous chemicals (focussing on silica compliance). This will be largely achieved by increasing the size of its dedicated civil construction and occupational hygiene teams.

Also, of importance to WorkSafe ACT over the next three years is the protection of the ACT’s young and vulnerable workers. Labour hire licensing and workers’ compensation compliance activities will continue to increase as WorkSafe ACT builds capacity within the inspectorate.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Levels

	2021-22 Actual Outcome	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget
Staffing (FTE)	59.9	73	73	83

Table 2 : 2023-24 Employment Profile

Classification	Male ¹	Female ¹	Total ¹
Executive	0	2	2
SOGA	2	3	5
SOGB	3	4	7
SOGC	7	7	14
WCO6	19	15	34
WCO5	0	3	3
ASO6	5	8	13
ASO5	1	2	3
ASO4	1	1	2
Total	38	45	83

Notes(s):

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

Strategic Objectives and Indicators

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

With the release of the new Australian Strategy, WorkSafe ACT has examined the strategy’s targets and actions and will apply these, where applicable, to its priorities.

The performance of the ACT is also reported in the *Comparative Performance Monitoring Report* produced by Safe Work Australia (SWA) and published annually on its website.

Output Classes

Output Class 1: WorkSafe ACT

Table 3: Regulatory compliance and enforcement (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	15 623	18 796
Controlled Recurrent Payments	11 760	14 306

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.

A priority for WorkSafe ACT for 2023-2024 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

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Improvement notices finalised within 7 days of the end of the compliance period	N/A	N/A	95% ¹
b. Prohibition notices reviewed within 14 days of being issued.	N/A	N/A	90% ²
c. Notifiable incident notifications reviewed and actioned within 24 hours of receipt.	N/A	N/A	100% ³
d. Community engagement activities undertaken to improve safety, licensing and workers' compensation awareness.	N/A	N/A	50 ⁴
e. Number of workers' compensation compliance inspections	N/A	N/A	250 ⁵
f. Labour hire licence applications processed within 5 working days of receipt of all required documentation.	N/A	N/A	100% ⁶
g. Investigations commenced within 14 days of notification of incident	100%	100%	100% ⁷
h. Major investigations completed within 12 months of commencing investigation, with the exception of fatalities	60%	60%	60% ⁸
Discontinued Indicators:			
a. Number of 2018 independent review recommendations implemented	N/A	N/A	N/A ⁹
b. WHS compliance activities in line with Compliance and Enforcement Policy: education and improvement, prevention, enforcement	Ratio: 65:25:10	Ratio: 75:20:5	N/A ¹⁰
c. Compliance rate during workers' compensation inspections	90%	90%	N/A ¹¹
d. Compliance rate during inspections of labour hire providers and hosts are appropriately licensed and compliant with the licence conditions	90%	95%	N/A ¹²
g. All EU sanctioned entities meet EU obligations for the financial year or are referred to the DPP for prosecution	100%	100%	N/A ¹³
h. Media engagement to improve awareness	100%	100%	N/A ¹⁴

Note(s):

1. New indicator: Will measure that a safety improvement activity requested by a WorkSafe ACT inspector and actioned by a person conducting a business or undertaking, is finalised within 7 days of the end of the compliance period.
2. New indicator: Will measure that WorkSafe ACT has re-engaged with a person conducting a business or undertaking who was issued with a prohibition notice within 14 days of the notice being issued.
3. New indicator: Will measure that WorkSafe ACT has reviewed and undertaken an action within 24 hours of receiving notification of a notifiable incident.
4. New indicator: Will measure WorkSafe ACT's active engagement with the ACT community in promoting WHS including psychosocial health and safety, workers' compensation and labour hire licencing compliance.
5. New indicator: Will measure the number of workers' compensation compliance visits undertaken by WorkSafe ACT.

6. New indicator: Will measure that labour hire licence applications are processed within 5 working days of WorkSafe ACT receiving all required information.
7. Continued indicator that measures the percentage of investigations opened within 14 days of WorkSafe ACT being notified of a serious WHS incident within WorkSafe ACT's jurisdiction which the Regulator considers requires investigation.
8. Continued indicator that 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.
9. Discontinued indicator: This indicator is discontinued as the project is completed.
10. Discontinued indicator: This indicator was difficult to interpret and has been replaced by the indicators detailed in Notes 1, 2 and 3 (above).
11. Discontinued indicator: Measured performance was outside of WorkSafe ACT's control. This indicator has been replaced with the indicator detailed in Note 5 (above).
12. Discontinued indicator: Measured performance was outside of WorkSafe ACT's control. This indicator has been replaced with the indicator detailed in Note 6 (above).
13. Discontinued indicator: Measured performance was outside of WorkSafe ACT's control.
14. Discontinued indicator: Indicator is no longer a suitable measurement of WorkSafe ACT's community engagement activities. This indicator has been replaced with the indicator detailed in Note 4 (above).

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	11 294	12 497	12 619	12 730	12 881
2nd Appropriation					
Continued Support for the Labour Hire Licensing Scheme	423	1 574	1 528	1 546	1 565
Enterprise Agreement Bargaining and Pay Offer	227	301	548	762	973
Remuneration Tribunal Decision	43	49	55	57	59
2023-24 Budget Policy Decisions					
Investing in Public Safety – Increased Resources for the Office of Work Health and Safety Commissioner	0	0	1 774	1 527	1 096
2023-24 Budget Technical Adjustments					
Enterprise Agreement Bargaining and Pay Offer	-227	36	115	139	-58
Investing in our digital future – ICT costs and services	0	-277	-284	-292	-300
Rationalising Rent Payment	0	0	22	24	26
Revised Superannuation Parameters	0	-68	-69	-23	-18
Savings – Workers' compensation	0	194	182	209	249
2023-24 Budget	11 760	14 306	16 490	16 679	16 473

Table 6: Changes to appropriation – Capital Injections, Controlled (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	158	0	0	0	0
2nd Appropriation					
Continued support for the Labour Hire Licensing Scheme	410	0	0	0	0
2023-24 Budget Policy Decisions					
Implementation of the Magistrates Court (Infringement Notices) Amendment Act 2020 and Court Fee Parity	0	142	0	0	0
2023-24 Budget Technical Adjustments					
Enterprise Agreement Bargaining and Pay Offer	0	248	0	0	0
Revised Funding Profile - Continued Support for the Labour Hire Licensing Scheme	-398	398	0	0	0
2023-24 Budget	170	788	0	0	0

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 2023-24 Budget year, as well as forward estimates for the three financial years commencing 2024-25 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 2022-23 Budget to the 2022-23 estimated outcome and variances from the 2022-23 estimated outcome to the 2023-24 Budget that are in excess of \$0.5 million and 10 per cent.

Financial Statements

Table 7: Office of the Work Health and Safety Commissioner: Operating Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Controlled Recurrent Payments	11,294	11,760	14,306	22	16,490	16,679	16,473
Licences, Fees and Fines	2,700	3,276	3,806	16	4,443	5,202	5,281
Sale of Goods and Services from Contracts with Customers	25	25	25	-	26	26	27
Grants and Contributions Revenue	261	295	584	98	599	615	631
Total Income	14,280	15,356	18,721	22	21,558	22,522	22,412
Expenses							
Employee Expenses	9,259	9,861	11,671	18	13,285	13,739	13,592
Supplies and Services	2,320	2,485	3,354	35	3,965	3,736	3,706
Depreciation and Amortisation	144	209	170	-19	295	289	180
Borrowing Costs	2	2	2	-	2	2	2
Other Expenses	0	74	21	-72	17	12	8
Transfer Expenses	2,484	2,992	3,578	20	4,196	4,919	4,994
Total Expenses	14,209	15,623	18,796	20	21,760	22,697	22,482
Operating Result	71	-267	-75	72	-202	-175	-70
Total Comprehensive Result	71	-267	-75	72	-202	-175	-70

Table 8: Office of the Work Health and Safety Commissioner: Balance Sheet (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash	510	777	999	29	1,130	1,261	1,392
Receivables	674	265	343	29	418	490	558
Total Current Assets	1,184	1,042	1,342	29	1,548	1,751	1,950
Non-Current Assets							
Plant and Equipment	279	366	337	-8	308	279	250
Intangible Assets	605	315	894	184	628	368	217
Capital Works in Progress	0	270	0	-100	0	0	0
Total Non-Current Assets	884	951	1,231	29	936	647	467
TOTAL ASSETS	2,068	1,993	2,573	29	2,484	2,398	2,417
Current Liabilities							
Payables	293	354	364	3	374	384	394
Lease Liabilities	172	131	147	12	99	118	129
Employee Benefits	1,899	2,110	1,980	-6	2,095	2,186	2,280
Total Current Liabilities	2,364	2,595	2,491	-4	2,568	2,688	2,803
Non-Current Liabilities							
Lease Liabilities	135	144	108	-25	136	97	66
Employee Benefits	139	163	170	4	178	186	191
Total Non-Current Liabilities	274	307	278	-9	314	283	257
TOTAL LIABILITIES	2,638	2,902	2,769	-5	2,882	2,971	3,060
NET ASSETS	-570	-909	-196	78	-398	-573	-643
Equity							
Accumulated Funds	-570	-909	-196	78	-398	-573	-643
TOTAL EQUITY	-570	-909	-196	78	-398	-573	-643

Table 9: Office of the Work Health and Safety Commissioner: Statement of Changes in Equity (\$'000)

	Budge at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	-799	-812	-909	-12	-196	-398	-573
Balance at the Start of the Reporting Period	-799	-812	-909	-12	-196	-398	-573
Comprehensive Income							
Operating Result	71	-267	-75	72	-202	-175	-70
Total Comprehensive Result	71	-267	-75	72	-202	-175	-70
Transactions Involving Owners Affecting Accumulated							
Capital Injections	158	170	788	364	0	0	0
Total Transactions Involving Owners Affecting Accumulated Funds	158	170	788	364	0	0	0
Closing Equity							
Closing Accumulated Funds	-570	-909	-196	78	-398	-573	-643
Balance at the end of the Reporting Period	-570	-909	-196	78	-398	-573	-643

Table 10: Office of the Work Health and Safety Commissioner: Cash Flow Statement (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Controlled Recurrent Payments	11,294	11,760	14,306	22	16,490	16,679	16,473
Licences, Fees and Fines	2,751	3,259	3,741	15	4,386	5,152	5,239
Sale of Goods and Services from Contracts with Customers	25	25	25	-	26	26	27
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	158	158	161	2	164	164	164
Total Receipts from Operating Activities	14,228	15,202	18,233	20	21,066	22,021	21,903
Payments							
Employee Payments	9,171	9,506	11,788	24	13,156	13,633	13,486
Supplies and Services	2,229	2,360	2,678	13	3,364	3,120	3,074
Transfer of Territory Receipts to the ACT Government	2,484	2,992	3,578	20	4,196	4,918	4,993
Goods and Services Tax Paid to Suppliers	211	211	215	2	219	219	219
Total Payments from Operating Activities	14,095	15,069	18,259	21	20,935	21,890	21,772
Net Cash Inflows/(Outflows) from Operating Activities	133	133	-26	-120	131	131	131
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of Plant and Equipment	158	270	540	100	0	0	0
Total Payments from Investing Activities	158	270	540	100	0	0	0
Net Cash (Outflows) from Investing Activities	-158	-270	-540	-100	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	158	170	788	364	0	0	0
Total Receipts from Financing Activities	158	170	788	364	0	0	0

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Net Cash Inflows from Financing Activities	158	170	788	364	0	0	0
Net Increase in Cash	133	33	222	573	131	131	131
Cash at the Beginning of the Reporting Period	377	744	777	4	999	1,130	1,261
Cash at the End of the Reporting Period	510	777	999	29	1,130	1,261	1,392

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments (CRP): the increase of \$2.546 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the increased funding associated with the 2021-22 budget initiative to support improving the operational efficiency and effectiveness of WorkSafe ACT and the 2022-23 budget review initiative to enhance compliance and enforcement activities for the Labour Hire Licensing scheme.
- licences, fees and fines:
 - the increase of \$0.576 million in the 2022-23 estimated outcome from the original budget mainly reflects higher than the expected number of Labour Hire Licence applications received in 2022-23, and
 - the increase of \$0.530 million in the 2023-24 Budget from the 2022-23 estimated outcome is largely due to an increase in estimated revenue from Labour Hire Licence applications including annual licence renewal and new entries to the labour hire industry.
- employee expenses: the increase of \$1.810 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to increased salary expenses associated with the 2021-22 budget initiative and 2022-23 budget review initiative mentioned above.
- supply and services: the increase of \$0.869 million in the 2023-24 Budget from the 2022-23 estimated outcome mostly reflects increases in expenses relating to regulatory and capability development, and awareness raising campaigns for silica dust, workplace safety and wellbeing of the Territory workers and the community. transfer expenses: the increase of \$0.508 million in the 2022-23 estimated outcome from the original budget and the increase of \$0.586 million in the 2023-24 Budget from the 2022-23 estimated outcome are largely resulted from the increases in revenue received for labour hire license fees which transfer back to Territory Banking Account.

Balance Sheet

- intangible assets: the increase of \$0.579 million in 2023-24 Budget from the 2022-23 estimated outcome is due to the completion of case management system enhancements expected in 2023-24.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

This page deliberately left blank

PUBLIC SECTOR WORKERS COMPENSATION FUND

Purpose

The Public Sector Workers Compensation Fund (PSWCF or PSWC Fund) is established by the *Public Sector Workers Compensation Fund Act 2018* (PSWCFA) and commenced operations on 1 March 2019.

The PSWCFA 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 PSWCF 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 PSWCF is integral to the Territory's compliance with its self-insurance licence.

The PSWCF is administered by the Public Sector Workers Compensation Commissioner (PSWC Commissioner) who is responsible for:

- managing the PSWCF;
- 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 PSWCF is funded by the Territory, including from annual contributions apportioned by the PSWC Commissioner amongst Territory agencies (directorates and entities). Assets are invested, with earnings retained to help meet workers' compensation costs.

2023-2024 Priorities

Strategic and operational priorities for the PSWCF in 2023-24 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 PSWCF assets in accordance with the PSWCF investment guidelines; and
- continuously improving injured worker and directorate satisfaction with workers' compensation insurance and rehabilitation services.

Estimated Employment Levels

The functions of the PSWCF 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 PSWCF may reimburse CMTEDD for expenses associated with the staff allocated to carry out PSWCF functions.

Strategic Objectives and Indicators

Strategic Objective 1

The PSWCF will support the achievement of the 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

The PSWCF will fund the workers' compensation liabilities of the ACT public sector

Strategic Indicator 2: To achieve and maintain a fully funded scheme.

Strategic Objective 3

The PSWCF will support the achievement of the investment return objective

Strategic Indicator 3: To achieve a long-term annualised return of CPI + 1.5 per cent to 2.5 per cent.

Output Classes (Territorial)

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

The output involves the management of ACT public sector workers' compensation self-insurance, in accordance with the SRC Act. This includes managing the PSWC Fund and providing associated claim management and vocational rehabilitation services.

The key outputs to be delivered in 2023-24 include:

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

Table 13: EBT 1.1: Public Sector Workers Compensation Fund

	2022-23 Estimated Outcome \$'000	2023-24 Budget \$'000
Total Cost	65,108	74,318
Controlled Recurrent Payments	0	0

Accountability Indicators

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

Table 2: Accountability Indicators EBT 1.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Reduce the ACT public sector incidence of serious workplace injury	8.72	N/A	8.34
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):

- a. 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 result for the ACT public sector incidence of serious workplace injury is evaluated on annual basis. It would be misleading to report a part year result because of seasonality impacts and because some critical data inputs related to the size of the ACT public sector workforce only become available at the end of the financial year. Hence estimated outcomes are not available for reporting.
- b. 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 is expected to be exceeded in 2022-23, with the preliminary outcomes of an independent audit conducted in year 4 of the self-insurance licence recording 100 per cent compliance with the relevant rehabilitation standards and associated audit criteria.
- c. This accountability indicator aligns with requirements under the *Public Sector Workers Compensation Fund (Investment and Funding Ratio) Management Guidelines 2019 (No 1)*. An asset to liability ratio greater than 100 per cent indicates that the PSWCF has sufficient assets to be able to cover the expected lifetime costs of public sector workers' compensation claims and other liabilities it owes. The 2022-23 estimated outcome (as at 8 May 2023) ratio of PSWCF total assets to total liabilities was 153 per cent.
- d. 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 is expected to be exceeded in 2022-23, with the preliminary outcomes of an independent audit conducted in year 4 of the self-insurance licence recording 100 per cent compliance with the relevant claims management standards and associated audit criteria.

Financial Statements – Territorial

Presentational changes have been made to streamline the 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*.

These changes have been reflected in the 2022-23 estimated outcome and the 2023-24 Budget only and will be consistent with future annual financial statements.

The changes included:

- Statement of Income and Expenses on behalf of the Territory: the claims management expenses (third party administrator (TPA) remuneration for managing claims) have been separated from supplies and services and with claims expenses reclassified to underwriting expenses.
- Statement of Assets and Liabilities on behalf of the Territory:
 - investments with the Territory Banking account have been reclassified as non-current upon consideration of applicable accounting standards at initial recognition as they are not expected to be realised, sold or consumed in the normal operating cycle;
 - claims related recoveries (current and non-current) have been separated from receivables (current and non-current); and
 - other assets (current) have been included in receivables (current).
- Cash Flow Statement on behalf of the Territory:
 - claims management fees have been separated from other payments;
 - goods and services tax collected from customers have been separated from goods and services tax input tax credits from the Australian Taxation Office; and
 - goods and services tax paid to the Australian Taxation Office have been separated from goods and services tax paid to suppliers.

Table 3: Public Sector Workers Compensation Fund: Statement of Income and Expenses on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Sale of Goods and Services from Contracts with Customers	65,108	65,108	74,318	14	79,000	84,800	91,300
Grants and Contributions Revenue	350	350	350	-	350	350	350
Investment Revenue	8,296	7,056	10,793	53	11,319	11,802	12,242
Interest Revenue	924	924	791	-14	1,066	2,007	2,037
Net Gain/(Loss) on Investments	3,516	13,267	1,787	-87	1,874	1,954	2,026
Total Income	78,194	86,705	88,039	2	93,609	100,913	107,955
Expenses							
Supplies and Services	8,425	1,829	2,420	32	2,495	1,708	1,777
Claims Expenses	56,683	0	0	-	0	0	0
Underwriting Expenses	0	63,520	73,906	16	78,423	84,200	90,676
Total Expenses	65,108	65,349	76,326	17	80,918	85,908	92,453
Operating Result	13,086	21,356	11,713	-45	12,691	15,005	15,502
Total Comprehensive Result	13,086	21,356	11,713	-45	12,691	15,005	15,502

Table 4: Public Sector Workers Compensation Fund: Statement of Assets and Liabilities on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	116,312	142,619	139,695	-2	138,913	141,614	144,740
Investments	317,742	0	0	-	0	0	0
Receivables	800	2,448	2,908	19	3,038	3,159	3,269
Claims Related Recoveries	0	373	373	-	373	373	373
Other Assets	1	0	0	-	0	0	0
Total Current Assets	434,855	145,440	142,976	-2	142,324	145,146	148,382
Non-Current Assets							
Receivables	593	0	0	-	0	0	0
Investments	0	290,999	304,826	5	317,819	329,652	341,568
Claims Related Recoveries	0	1,032	1,032	-	1,032	1,032	1,032
Total Non-Current Assets	593	292,031	305,858	5	318,851	330,684	342,600
TOTAL ASSETS	435,448	437,471	448,834	3	461,175	475,830	490,982
Current Liabilities							
Payables	3,012	8,051	7,701	-4	7,351	7,001	6,651
Other Provisions	41,615	44,918	44,918	-	44,918	44,918	44,918
Other Liabilities	0	1,500	1,500	-	1,500	1,500	1,500
Total Current Liabilities	44,627	54,469	54,119	-1	53,769	53,419	53,069
Non-Current Liabilities							
Other Provisions	277,708	231,303	231,303	-	231,303	231,303	231,303
Total Non-Current Liabilities	277,708	231,303	231,303	-	231,303	231,303	231,303
TOTAL LIABILITIES	322,335	285,772	285,422	..	285,072	284,722	284,372
NET ASSETS	113,113	151,699	163,412	8	176,103	191,108	206,610
Equity							
Accumulated Funds	113,113	151,699	163,412	8	176,103	191,108	206,610
TOTAL EQUITY	113,113	151,699	163,412	8	176,103	191,108	206,610

Table 5: Public Sector Workers Compensation Fund: Statement of Changes in Equity on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	100,027	130,343	151,699	16	163,412	176,103	191,108
Balance at the Start of the Reporting Period	100,027	130,343	151,699	16	163,412	176,103	191,108
Comprehensive Income							
Operating Result	13,086	21,356	11,713	-45	12,691	15,005	15,502
Total Comprehensive Result	13,086	21,356	11,713	-45	12,691	15,005	15,502
Transactions Involving Owners Affecting Accumulated							
Total Transactions Involving Owners Affecting Accumulated Funds	0	0	0	-	0	0	0
Closing Equity							
Closing Accumulated Funds	113,114	151,699	163,412	8	176,103	191,108	206,610
Balance at the end of the Reporting Period	113,114	151,699	163,412	8	176,103	191,108	206,610

Table 6: Public Sector Workers Compensation Fund: Cash Flow Statement on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM							
Receipts							
Sale of Goods and Services from Contracts with Customers	65,108	65,108	74,318	14	79,001	84,800	91,300
Investment Receipts	8,296	7,056	10,793	53	11,319	11,802	12,242
Interest Receipts	924	924	791	-14	1,066	2,007	2,037
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	801	1,152	1,170	2	1,170	1,170	1,170
Goods and Services Tax Collected from Customers	0	598	756	26	804	863	929
Total Receipts from Operating Activities	75,129	74,838	87,828	17	93,360	100,642	107,678
Payments							
Supplies and Services	1,205	1,479	2,070	40	2,145	1,358	1,427
Goods and Services Tax Paid to the Australian Taxation Office	0	247	406	64	454	513	579
Goods and Services Tax Paid to Suppliers	1,152	1,854	1,870	1	1,870	1,870	1,870
Claims Payments	56,683	56,188	63,709	13	67,967	73,326	79,367
Claims Management Fees	0	7,332	10,197	39	10,456	10,874	11,309
Other	6,870	0	0	-	0	0	0
Total Payments from Operating Activities	65,910	67,100	78,252	17	82,892	87,941	94,552
Net Cash Inflows/(Outflows) from Operating Activities	9,219	7,738	9,576	24	10,468	12,701	13,126
CASH FLOWS FROM							
Receipts							
Payments							
Purchase of Investments	35,000	12,720	12,500	-2	11,250	10,000	10,000
Total Payments from Investing Activities	35,000	12,720	12,500	-2	11,250	10,000	10,000
Net Cash Inflows/(Outflows) from Investing Activities	-35,000	-12,720	-12,500	2	-11,250	-10,000	-10,000
Net Increase/(Decrease) in Cash and Cash Equivalents	-25,781	-4,982	-2,924	41	-782	2,701	3,126
Cash and Cash Equivalents at the Beginning of the Reporting Period	142,093	147,601	142,619	-3	139,695	138,913	141,614
Cash and Cash Equivalents at the End of the Reporting Period	116,312	142,619	139,695	-2	138,913	141,614	144,740

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 \$9.210 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to workers' compensation contributions collections increasing to account for growth in the size of the insured workforce.
- investment revenue:
 - the decrease of \$1.240 million in the 2022-23 estimated outcome from the original budget reflects the decrease in distributions on investments with the Territory Banking Account and is largely due to lower than planned investments in 2022-23; and
 - the increase of \$3.737 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects planned investments for 2023-24 and the latest advice from the Territory Banking Account in relation to the target total return of CPI plus 1.5 per cent indicating an expected total return of 4.29 per cent for 2022-23 and the forward years.
- interest revenue: the decrease of \$0.133 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the expected decrease in cash at bank in 2023-24 and the decrease in related interest revenue.
- net gain/(loss) on investments:
 - the increase of \$9.751 million in the 2022-23 estimated outcome from the original budget is largely due to favourable market movements in 2022-23 with an estimated total return of 7.48 per cent for 2022-23, which above the target total return of CPI plus 1.5 per cent target and the expected total return of 4.23 per cent for the original budget; and
 - the decrease of \$11.480 million the 2023-24 Budget from the 2022-23 estimated outcome reflects planned investments for 2023-24 and the latest advice from the Territory Banking Account in relation to target total return of CPI plus 1.5 per cent indicating expected total return of 4.29 per cent for 2022-23 and the forward years.
- supplies and services:
 - the decrease of \$6.596 million in the 2022-23 estimated outcome from the original budget arises from expenses being \$0.736 million higher than budgeted and a reclassification of \$7.332 million of claims management expenses to underwriting expenses in the 2022-23 estimated outcome; and
 - the increase of \$0.591 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to additional costs associated with anticipated insourcing of some workplace rehabilitation services.
- claims expense: the decrease of \$56.683 million in the 2022-23 estimated outcome from the original budget arises from expenses being \$0.495 million lower than expected and a reclassification of \$56.188 million from claims expense to underwriting expenses in the 2022 23 estimated outcome.

- underwriting expenses: the increase of \$10.386 million the 2023-24 Budget from the 2022-23 estimated outcome reflects an expected increase in claims expenses corresponding to growth in the size of the insured workforce and an increase in claims management expenses associated with the fees agreed for the TPA agreement first extension period including costs relating to the TPA on-shoring some of their accounts and administrative support services.

Statement of Assets and Liabilities on behalf of the Territory

- investments (current and non-current):
 - the decrease of \$26.743 million in the 2022-23 estimated outcome from the original budget is largely from decision to withhold making new investments from December 2022 based on observed market conditions; and
 - the increase of \$13.827 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects planned investments resuming in 2023-24 and forecast market movements.
- receivables (current and non-current):
 - the increase of \$1.055 million in the 2022-23 estimated outcome from the original budget arises from receivables being \$2.459 million higher than expected largely due to distributions receivable on investments with the Territory Banking Account being higher than budgeted, a reclassification of \$1.405 million from receivables to claims related recoveries and a reclassification of \$0.001 million from other assets to receivables in the 2022-23 estimated outcome; and
 - the increase of \$0.460 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the expected distributions receivable on investments with the Territory Banking Account for 2023-24 and the latest advice from the Territory Banking Account in relation to target total return of CPI plus 1.5 per cent indicating an expected total return of 4.29 per cent for 2023-24 and the forward years.
- claims related recoveries (current and non-current):
 - the increase of \$1.405 million in the 2022-23 estimated outcome from the original budget arises from the reclassification of claims related recoveries (\$0.373 million current and \$1.032 million non-current) from receivables in 2022-23 estimated outcome; and
 - the 2023-24 Budget assumes claims related recoveries will follow gross outstanding claims liabilities and will remain the same as in the 2022-23 estimated outcome with provisions for new claims being offset by provisions used plus any changes in actuarial assumptions in each of the forecast years.
- other provisions (current and non-current):
 - the decrease of \$43.102 million in the 2022-23 estimated outcome from the original budget reflects anticipated outcomes from the annual actuarial assessment of gross outstanding claims liabilities; and
 - the 2023-24 Budget assumes gross outstanding claims liabilities will remain the same as the in the 2022-23 estimated outcome with provisions for new claims being offset by provisions used plus any changes in actuarial assumptions in each of the forecast years.

- payables (current):
 - the increase of \$5.039 million in the 2022-23 estimated outcome from the original budget is mainly due to anticipated accrued expenses including TPA service and performance fees and a one-off transition cost associated with the TPA onshoring of services mentioned above; and
 - the decrease of \$0.350 million in the 2023-24 Budget from the 2022-23 estimated outcome largely reflects forecast accrued expenses.
- other liabilities (current):
 - the increase of \$1.500 million in the 2022-23 estimated outcome from the original budget relates to anticipated claims costs not yet reimbursed to Territory agencies not allowed for in the original budget; and
 - the 2023-24 Budget forecasts a rolling amount of claims costs not yet reimbursed to Territory agencies in line with current operational arrangements for reimbursements to be paid one month in arrears.

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

Variations in these Statements are explained in the notes above.

This page deliberately left blank

SUPERANNUATION PROVISION ACCOUNT

Purpose

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD), 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.

2023-24 Priorities

Strategic and operational priorities for CMTEDD in 2023-24 include:

- completing the triennial actuarial valuation review of the Territory's defined benefit employer superannuation liability using salary and membership data on 30 June 2023;
- managing the Investment Plan of the Superannuation Provision Account; and
- managing the funding plan to extinguish the unfunded defined benefit superannuation liability.

Estimated Employment Levels

The functions of the Superannuation Provision Account are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The Superannuation Provision Account reimburses CMTEDD for the salary and superannuation expenses associated with the staff allocated to carrying out the functions of the Superannuation Provision Account.

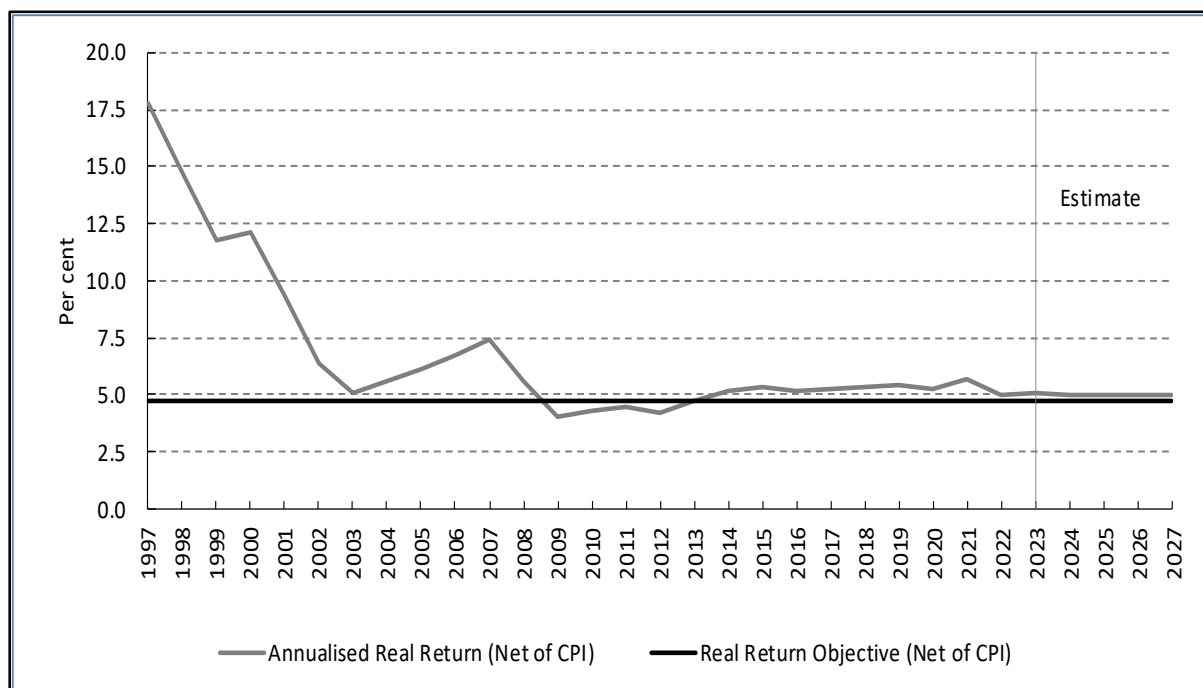
Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

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

Figure 1: Strategic Indicator 1 – Investment Return



Note(s):

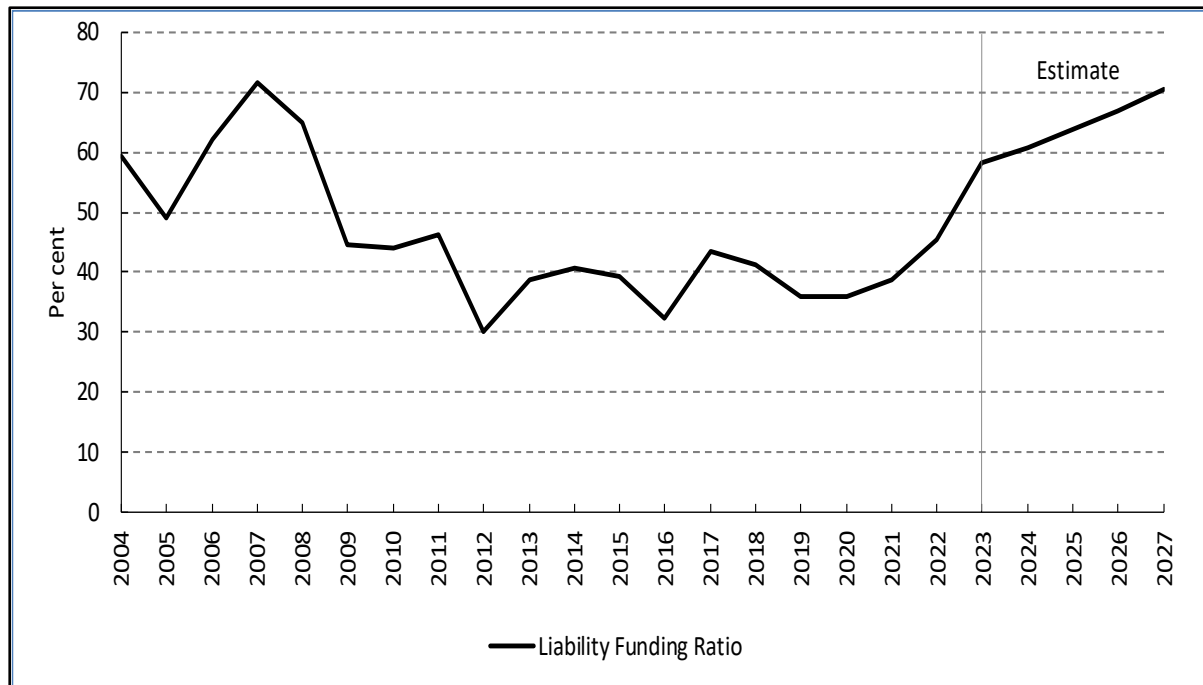
1. This indicator measures the annual Superannuation Provision Account portfolio investment return since the base performance financial year of 1996-97. The objective is to achieve an investment return of CPI + 4.75 per cent per annum over the long-term, calculated since the base financial year. Over the past 26 financial years to 30 June 2022 the portfolio has achieved an investment return of CPI + 5.00 per cent per annum, which exceeds the investment return objective.

Strategic Objective 2

Funding the Defined Benefit Superannuation Liability

To fully fund the defined benefit superannuation liability by 30 June 2030.¹

Figure 2: Strategic Indicator 2 – Liability Funding



Note(s):

1. This indicator measures the percentage of the defined benefit superannuation liabilities funded by financial investment assets. The funding objective is to increase the liability funding percentage over time with 100 per cent coverage by 30 June 2030. The liability funding percentage is calculated by comparing the actual value of financial investment assets to the actual value of the defined benefit superannuation liability at the end of each financial year. The projected defined benefit superannuation liability valuation is based on a long-term average discount rate assumption of 5 per cent.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Superannuation Provision Account

Table 1: EBT Class 1 (EBT 1.1): Superannuation Provision Account (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget
Total Cost	652 784	641 643
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 2023-24 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 triennial superannuation liability valuation review of the Territory's Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme defined benefit employer superannuation liability;
- managing the defined benefit superannuation liability funding plan and emerging cost payments to the Commonwealth Government in respect of the Territory's employer 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 and financial reporting on the 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

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 Targets
a. Completion of annual liability valuation review	1	1	1
b. Completion of monthly financial reporting	12	12	12
c. Completion of unmodified annual financial statements	1	1	1
d. Completion of annual budget estimates	1	1	1
e. Completion of MLA Member superannuation statements	1	1	1

Accountability Indicator Descriptions and Variance Commentary:

- 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 Chief Minister, Treasury and Economic Development Directorate 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.

Table 3: Changes to appropriation – Capital Injections, Territorial (\$'000)

	2022-23 Estimated Outcome	2023-24 Budget	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
2022-23 Budget	347,908	369,433	392,507	415,606	415,606
2023-24 Budget Technical Adjustments					
Estimated Outcome - Capital Injection Appropriation	0	12,664	12,674	12,768	37,401
2023-24 Budget	347,908	382,097	405,181	428,374	453,007

Financial Statements – Territorial

Table 4: Superannuation Provision Account: Statement of Income and Expenses on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Investment Revenue	164,564	168,875	181,987	8	195,791	210,633	226,589
Interest Revenue	842	6,726	7,136	6	7,136	7,136	7,136
Net Gain/(Loss) on Investments	218,099	370,904	219,069	-41	235,686	253,551	272,759
Total Income	383,505	546,505	408,192	-25	438,613	471,320	506,484
Expenses							
Superannuation Expenses	643,397	648,569	637,323	-2	641,273	644,489	646,722
Supplies and Services	4,215	4,215	4,320	2	4,427	4,536	4,651
Total Expenses	647,612	652,784	641,643	-2	645,700	649,025	651,373
Operating Result	-264,107	-106,279	-233,451	-120	-207,087	-177,705	-144,889
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
Superannuation Prior Year Actuarial Movement	2,058,371	1,742,974	0	-100	0	0	0
Total Other Comprehensive Income	2,058,371	1,742,974	0	-100	0	0	0
Total Comprehensive Result	1,794,264	1,636,695	-233,451	-114	-207,087	-177,705	-144,889

Table 5: Superannuation Provision Account: Statement of Assets and Liabilities on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	99,085	164,047	164,047	-	164,047	164,047	163,932
Investments	5,453,961	5,276,836	5,677,430	8	6,108,165	6,571,239	7,069,198
Receivables	41,142	42,221	45,499	8	48,950	52,660	56,649
Total Current Assets	5,594,188	5,483,104	5,886,976	7	6,321,162	6,787,946	7,289,779
TOTAL ASSETS	5,594,188	5,483,104	5,886,976	7	6,321,162	6,787,946	7,289,779
Current Liabilities							
Payables	45	43	43	-	43	43	43
Employee Benefits	369,433	382,097	405,182	6	428,375	453,007	476,162
Total Current Liabilities	369,478	382,140	405,225	6	428,418	453,050	476,205
Non-Current Liabilities							
Employee Benefits	8,805,723	9,048,048	9,280,189	3	9,493,088	9,684,571	9,855,131
Total Non-Current Liabilities	8,805,723	9,048,048	9,280,189	3	9,493,088	9,684,571	9,855,131
TOTAL LIABILITIES	9,175,201	9,430,188	9,685,414	3	9,921,506	10,137,621	10,331,336
NET ASSETS	-3,581,013	-3,947,084	-3,798,438	4	-3,600,344	-3,349,675	-3,041,557
Equity							
Accumulated Funds	-3,581,013	-3,947,084	-3,798,438	4	-3,600,344	-3,349,675	-3,041,557
TOTAL EQUITY	-3,581,013	-3,947,084	-3,798,438	4	-3,600,344	-3,349,675	-3,041,557

Table 6: Superannuation Provision Account: Statement of Changes in Equity on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	-5,723,185	-5,931,687	-3,947,084	33	-3,798,438	-3,600,344	-3,349,675
Balance at the Start of the Reporting Period	-5,723,185	-5,931,687	-3,947,084	33	-3,798,438	-3,600,344	-3,349,675
Comprehensive Income							
Superannuation Prior Year Actuarial Movement	2,058,371	1,742,974	0	-100	0	0	0
Operating Result	-264,107	-106,279	-233,451	-120	-207,087	-177,705	-144,889
Total Comprehensive Result	1,794,264	1,636,695	-233,451	-114	-207,087	-177,705	-144,889
Transactions Involving Owners Affecting							
Capital Injections	347,908	347,908	382,097	10	405,181	428,374	453,007
Total Transactions Involving Owners Affecting Accumulated Funds	347,908	347,908	382,097	10	405,181	428,374	453,007
Closing Equity							
Closing Accumulated Funds	-3,581,013	-3,947,084	-3,798,438	4	-3,600,344	-3,349,675	-3,041,557
Balance at the end of the Reporting Period	-3,581,013	-3,947,084	-3,798,438	4	-3,600,344	-3,349,675	-3,041,557

Table 7: Superannuation Provision Account: Cash Flow Statement on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Investment Receipts	164,564	168,875	181,987	8	195,791	210,633	226,589
Interest Receipts	842	6,726	7,136	6	7,136	7,136	7,136
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	28	28	28	-	28	28	28
Total Receipts from Operating Activities	165,434	175,629	189,151	8	202,955	217,797	233,753
Payments							
Superannuation	347,908	347,908	382,097	10	405,181	428,374	453,007
Supplies and Services	4,215	4,215	4,320	2	4,427	4,536	4,651
Total Payments from Operating Activities	352,123	352,123	386,417	10	409,608	432,910	457,658
Net Cash Inflows/(Outflows) from Operating Activities	-186,689	-176,494	-197,266	-12	-206,653	-215,113	-223,905
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of Investments	161,219	171,414	184,831	8	198,528	213,261	229,217
Total Payments from Investing Activities	161,219	171,414	184,831	8	198,528	213,261	229,217
Net Cash Inflows/(Outflows) from Investing Activities	-161,219	-171,414	-184,831	-8	-198,528	-213,261	-229,217
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Capital Injections	347,908	347,908	382,097	10	405,181	428,374	453,007
Total Receipts from Financing Activities	347,908	347,908	382,097	10	405,181	428,374	453,007
Net Cash Inflows/(Outflows) from Financing Activities	347,908	347,908	382,097	10	405,181	428,374	453,007
Net Increase/(Decrease) in Cash and Cash Equivalents	0	0	0	-	0	0	-115
Cash and Cash Equivalents at the Beginning of the Reporting Period	99,085	164,047	164,047	-	164,047	164,047	164,047
Cash and Cash Equivalents at the End of the Reporting Period	99,085	164,047	164,047	-	164,047	164,047	163,932

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- investment revenue:
 - the increase of \$4.311 million in the 2022-23 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. Investment revenue was positively impacted by higher interest rates and a forecast return for 2022-23 that is higher-than-assumed; and
 - the increase of \$13.112 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to distribution revenue being based on expected distributable income and the long-term investment return objective.
- interest revenue:
 - the increase of \$5.884 million in the 2022-23 estimated outcome from the original budget is due to higher interest rates and a higher-than-assumed cash balance; and
 - the increase of \$0.410 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to higher interest rates.
- net gain/(loss) on investments:
 - the increase of \$152.805 million in the 2022-23 estimated outcome from the original budget is due to the expected investment return for the 2022-23 financial year being higher-than-assumed; and
 - the decrease of \$151.835 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the use of the long-term investment return objective, which is lower than the expected investment return for the 2022-23 financial year.
- superannuation expenses:
 - the increase of \$5.172 million in the 2022-23 estimated outcome from the original budget is due to the 30 June 2022 AASB 119 superannuation liability valuation and change in the financial assumptions; and
 - the decrease of \$11.252 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the latest annual superannuation liability valuation review using salary and membership data on 30 June 2022.

Statement of Assets and Liabilities on behalf of the Territory

- total assets:
 - the decrease of \$111.084 million in the 2022-23 estimated outcome from the original budget is due mainly to a lower-than-assumed opening investment balance at the start of the 2022-23 financial year because of the lower-than-assumed investment return achieved for the 2021-22 financial year; and

- the increase of \$403.872 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the long-term investment return objective.
- employee benefits (current):
 - the increase of \$12.664 million in the 2022-23 estimated outcome from the original budget is due to the latest annual superannuation liability valuation review; and
 - the increase of \$23.085 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the projected growth in the annual payment of the Territory's employer share of superannuation retirement benefits.
- employee benefits (non-current):
 - the increase of \$242.335 million in the 2022-23 estimated outcome from the original budget is due to the latest annual superannuation liability valuation review; and
 - the increase of \$231.988 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the expected growth in the superannuation liability.

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

Variations in these Statements are explained in the notes above.

This page deliberately left blank

TERRITORY BANKING ACCOUNT

Purpose

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Territory Banking Account, provides services to the Government including financial asset and liability management.

The Territory Banking Account is established to recognise and manage the Government's financial investment assets and borrowing liabilities. Revenues on behalf of the Territory are transferred to the Territory Banking Account and fortnightly budget appropriation disbursements are made to agencies from the Territory Banking Account.

2023-24 Priorities

Strategic and operational priorities to be pursued in 2023-24 include:

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

Estimated Employment Levels

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

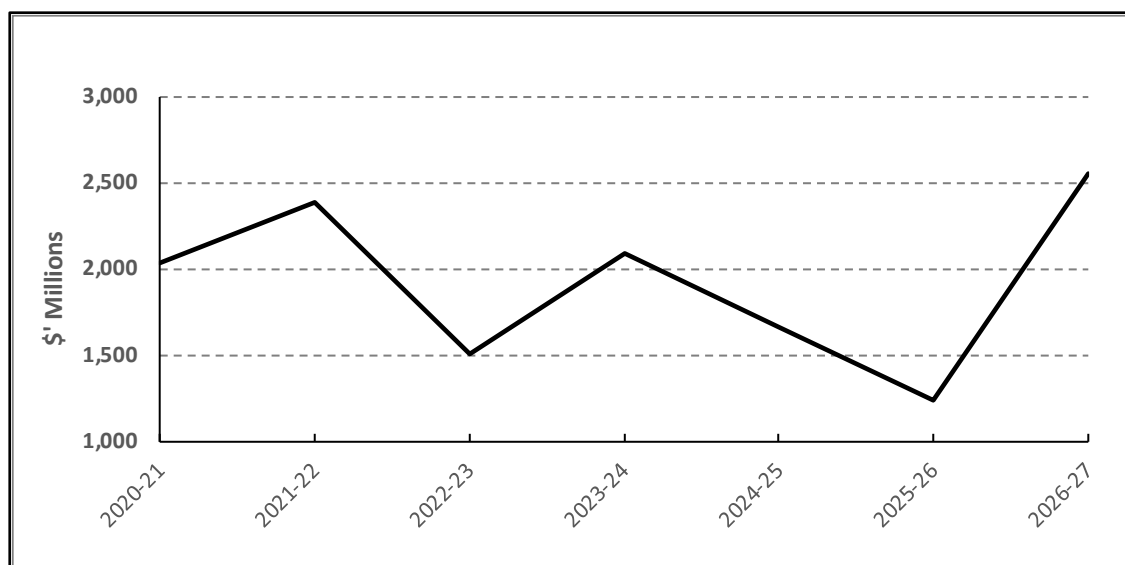
The activities of the Territory Banking Account include the issuance of debt instruments to meet the Government's financing requirements and managing the aggregate daily cash balances of the Territory Banking Account to ensure the settlement and payment of debt obligations of the Government can be met.

The achievement of this objective involves:

- managing the Territory's debt issuance program which provides access to funding from the Australian capital markets;
- establishing benchmark bond lines with varying maturities; and
- maintaining appropriate levels of liquidity 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

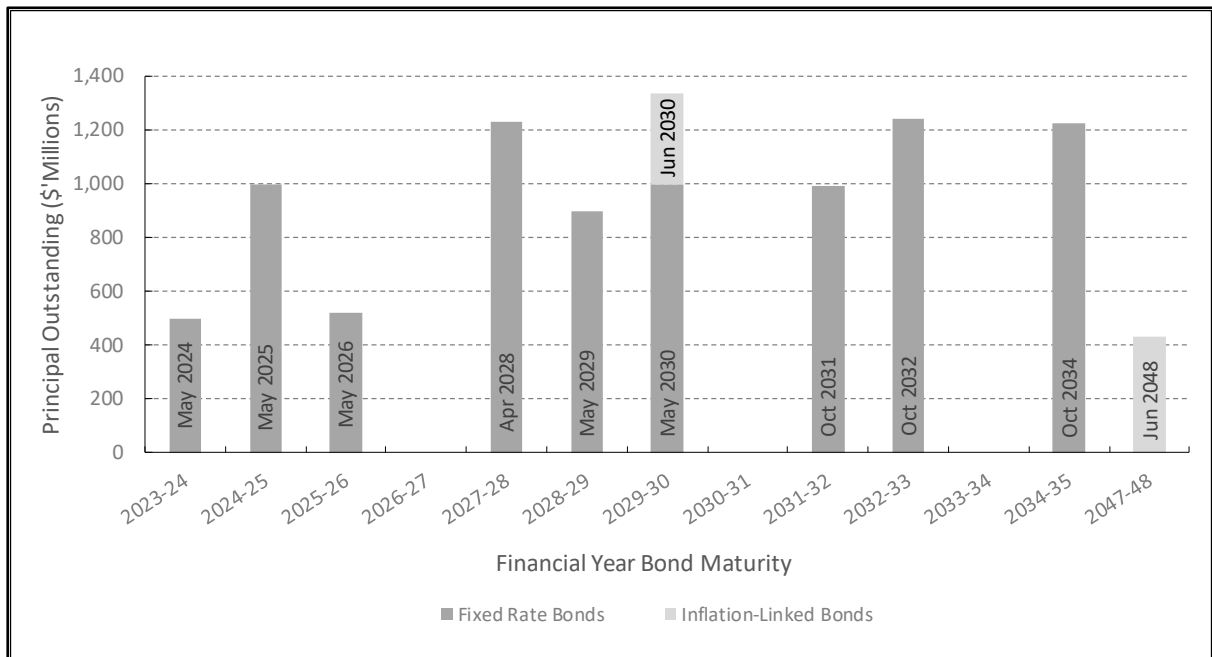


Note(s):

1. This Figure 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 required daily liquidity and to enable financial obligations to be met as they fall due.

Strategic Indicator 1b: Territory benchmark 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 2023.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Territory Banking Account

Table 1: EBT Class 1: Territory Banking Account

	2022-23 Estimated Outcome \$000's	2023-24 Budget \$000's
Total Cost	7 757 019	8 265 279
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 2023-24 include:

- managing the Territory Banking Account centralised investment platform for Territory financial investment assets;
- managing the Government's Responsible Investment policy framework;
- managing the borrowing liabilities of the Territory Banking Account;
- raising new Territory borrowings as required;
- managing the cash flow and liquidity requirements of the Territory Banking Account; and
- budgeting and financial reporting on the operations of the Territory Banking Account.

Accountability Indicators

EBT Class 1:

EBT 1.1: Territory Banking Account

Table 2: Accountability Indicators EBT 1.1

	2022-23 Targets	2022-23 Estimated Outcome	2023-24 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. 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 of monthly financial reporting	12	12	12
i. Completion of unmodified annual financial statements	1	1	1
j. Completion of annual budget estimates	1	1	1

Accountability Indicator Descriptions and Variance Commentary:

- 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.
- 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.
- 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.
- 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 2022-23 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 the 2022-23 financial year.
- 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 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.
- i. This accountability indicator incorporates the preparation of the previous year's annual financial statements for auditing and inclusion in the Chief Minister, Treasury and Economic Development Directorate annual report. The objective is to receive 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

Table 3: Territory Banking Account: Statement of Income and Expenses on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Income							
Investment Revenue	169,690	158,717	181,564	14	195,076	210,129	226,235
Interest Revenue	129,593	248,199	201,402	-19	192,316	173,493	189,988
Transfer Revenue	5,436,312	5,511,614	5,927,300	8	6,313,116	6,790,507	7,017,109
Other Income	181,366	190,555	203,188	7	206,823	208,468	209,072
Net Gain/(Loss) on Investments	231,739	398,652	229,279	-42	246,552	265,466	285,773
Total Income	6,148,700	6,507,737	6,742,733	4	7,153,883	7,648,063	7,928,177
Expenses							
Payments to ACT Government Agencies	6,958,632	6,790,455	7,464,922	10	7,549,807	7,849,926	7,910,437
Borrowing Costs	268,773	288,197	346,497	20	430,887	483,314	569,399
Other Expenses	75,463	75,138	14,294	-81	12,894	11,625	14,689
Agency Investment Expenses	418,539	603,229	439,566	-27	472,446	508,814	547,782
Total Expenses	7,721,407	7,757,019	8,265,279	7	8,466,034	8,853,679	9,042,307
Operating Result	-1,572,707	-1,249,282	-1,522,546	-22	-1,312,151	-1,205,616	-1,114,130
Total Comprehensive Result	-1,572,707	-1,249,282	-1,522,546	-22	-1,312,151	-1,205,616	-1,114,130

Table 4: Territory Banking Account: : Statement of Assets and Liabilities on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Current Assets							
Cash and Cash Equivalents	1,445,992	1,506,436	2,090,241	39	1,671,607	1,240,553	2,563,801
Investments	6,271,943	6,068,269	6,500,210	7	7,002,431	7,539,311	8,114,681
Receivables	722,480	661,584	711,233	8	953,454	897,080	1,417,289
Total Current Assets	8,440,415	8,236,289	9,301,684	13	9,627,492	9,676,944	12,095,771
Non-Current Assets							
Receivables	1,850,079	1,927,702	2,111,352	10	2,049,915	2,243,412	1,892,276
Total Non-Current Assets	1,850,079	1,927,702	2,111,352	10	2,049,915	2,243,412	1,892,276
TOTAL ASSETS	10,290,494	10,163,991	11,413,036	12	11,677,407	11,920,356	13,988,047
Current Liabilities							
Payables	65,814	58,148	81,940	41	88,514	95,644	103,170
Borrowings	503,524	693,524	1,005,360	45	529,157	5,123	1,250,891
Agency Investment Deposits	6,271,944	6,068,270	6,500,210	7	7,002,431	7,539,309	8,114,681
Total Current Liabilities	6,841,282	6,819,942	7,587,510	11	7,620,102	7,640,076	9,468,742
Non-Current Liabilities							
Borrowings	9,675,799	8,926,713	10,875,302	22	12,355,936	13,720,375	15,008,537
Total Non-Current Liabilities	9,675,799	8,926,713	10,875,302	22	12,355,936	13,720,375	15,008,537
TOTAL LIABILITIES	16,517,081	15,746,655	18,462,812	17	19,976,038	21,360,451	24,477,279
NET ASSETS	-6,226,587	-5,582,664	-7,049,776	-26	-8,298,631	-9,440,095	-10,489,232
Equity							
Accumulated Funds	-6,226,587	-5,582,664	-7,049,776	-26	-8,298,631	-9,440,095	-10,489,232
TOTAL EQUITY	-6,226,587	-5,582,664	-7,049,776	-26	-8,298,631	-9,440,095	-10,489,232

Table 5: Territory Banking Account: Statement of Changes in Equity on behalf of the Territory (\$'000)

	Budget at 30/6/23	Estimated Outcome at 30/6/23	Budget at 30/6/24	Var %	Estimate at 30/6/25	Estimate at 30/6/26	Estimate at 30/6/27
Opening Equity							
Opening Accumulated Funds	-4,681,659	-4,392,462	-5,582,664	-27	-7,049,776	-8,298,631	-9,440,095
Balance at the Start of the Reporting Period	-4,681,659	-4,392,462	-5,582,664	-27	-7,049,776	-8,298,631	-9,440,095
Comprehensive Income							
Operating Result	-1,572,707	-1,249,282	-1,522,546	-22	-1,312,151	-1,205,616	-1,114,130
Total Comprehensive Result	-1,572,707	-1,249,282	-1,522,546	-22	-1,312,151	-1,205,616	-1,114,130
Transactions Involving Owners Affecting							
Capital Distributions to Government	27,779	59,080	55,434	-6	63,296	64,152	64,993
Total Transactions Involving Owners Affecting Accumulated Funds	27,779	59,080	55,434	-6	63,296	64,152	64,993
Closing Equity							
Closing Accumulated Funds	-6,226,587	-5,582,664	-7,049,776	-26	-8,298,631	-9,440,095	-10,489,232
Balance at the end of the Reporting Period	-6,226,587	-5,582,664	-7,049,776	-26	-8,298,631	-9,440,095	-10,489,232

Table 6: Territory Banking Account: Cash Flow Statement on behalf of the Territory (\$'000)

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
Investment Receipts	169,695	158,717	181,564	14,	195,076	210,129	226,235
Interest Receipts	113,744	223,194	186,396	-16	181,529	161,702	178,231
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	504	630	520	-17	545	571	599
Other	179,649	186,069	194,031	4	194,653	196,057	196,415
Transfers from ACT Government Agencies	5,296,995	5,464,037	5,813,654	6	6,216,853	6,743,472	7,049,427
Total Receipts from Operating Activities	5,760,587	6,032,647	6,376,165	6	6,788,656	7,311,931	7,650,907
Payments							
Borrowing Costs	250,392	267,806	325,390	22	414,336	464,860	551,387
Goods and Services Tax Paid to the Australian Taxation Office	504	630	520	-17	545	571	598
Payments to General Government Agencies for Outputs	4,314,821	4,369,904	4,677,219	7	4,585,704	4,616,445	4,661,701
Payments to Agencies for Expenses on Behalf of the Territory	948,858	835,496	1,015,998	22	1,186,249	1,244,327	1,346,865
Agency Investment Distributions Paid	186,801	174,394	210,287	21	225,892	243,348	262,009
Other	12,351	3,988	14,294	258	12,895	11,625	14,689
Total Payments from Operating Activities	5,713,727	5,652,218	6,243,708	10	6,425,621	6,581,176	6,837,249
Net Cash Inflows/(Outflows) from Operating Activities	46,860	380,429	132,457	-65	363,035	730,755	813,658
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Net Investment Deposits from Agencies	234,680	206,034	223,870	9	259,570	275,776	294,263
Capital Distributions from ACT Government Agencies	29,915	59,080	54,257	-8	63,296	64,152	64,993
Total Receipts from Investing Activities	264,595	265,114	278,127	5	322,866	339,928	359,256
Payments							
Net Purchase of Investments	242,079	217,667	231,667	6	267,739	284,329	354,037
Net Loans Provided to Agencies	15,328	81,463	83,845	3	63,387	68,673	127,923
Capital Payments to ACT Government Agencies	1,695,565	1,585,067	1,771,691	12	1,777,840	1,989,140	1,901,856

	2022-23 Budget	2022-23 Estimated Outcome	2023-24 Budget	Var %	2024-25 Estimate	2025-26 Estimate	2026-27 Estimate
Total Payments from Investing Activities	1,952,972	1,884,197	2,087,203	11	2,108,966	2,342,142	2,383,816
Net Cash Inflows/(Outflows) from Investing Activities	-1,688,377	-1,619,083	-1,809,076	-12	-1,786,100	-2,002,214	-2,024,560
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Proceeds from Borrowings	917,876	361,382	2,264,914	527	1,009,123	845,308	2,539,053
Total Receipts from Financing Activities	917,876	361,382	2,264,914	527	1,009,123	845,308	2,539,053
Payments							
Repayment of Borrowings	4,296	4,296	4,490	5	4,692	4,903	4,903
Total Payments from Financing Activities	4,296	4,296	4,490	5	4,692	4,903	4,903
Net Cash Inflows/(Outflows) from Financing Activities	913,580	357,086	2,260,424	325	1,004,431	840,405	2,534,150
Net Increase/(Decrease) in Cash and Cash Equivalents	-727,937	-881,568	583,805	183	-418,634	-431,054	1,323,248
Cash and Cash Equivalents at the Beginning of the Reporting Period	2,173,929	2,388,004	1,506,436	-37	2,090,241	1,671,607	1,240,553
Cash and Cash Equivalents at the End of the Reporting Period	1,445,992	1,506,436	2,090,241	39	1,671,607	1,240,553	2,563,801

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 decrease of \$10.973 million in the 2022-23 estimated outcome from the original budget is related to dividends and distributions from investments which are determined by the level of distributable income; and
 - the increase of \$22.847 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to dividend and distribution revenue being based on expected distributable income and the long-term investment return objectives for the portfolio investment strategies.
- interest revenue:
 - the increase of \$118.606 million in the 2022-23 estimated outcome from the original budget is mainly due to higher interest on cash at bank, higher loan interest from Icon Water in relation to inflation-linked loans and higher interest on investments; and
 - the decrease of \$46.797 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to lower loans and investment interest offset by higher cash at bank interest.
- transfer revenue: represents the transfer from agencies of revenue received on behalf of the Territory and includes taxes, fees, fines and grants. Revenue variances are driven by agency activity.
- other income:
 - the increase of \$9.189 million in the 2022-23 estimated outcome from the original budget is due higher employer superannuation contributions from agencies for those employees with membership of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme; and
 - the increase of \$12.633 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to higher other investment revenue.
- net gain/(loss) on investments:
 - the increase of \$166.913 million in the 2022-23 estimated outcome from the original budget is due to higher than expected investment returns for the 2022-23 financial year, being higher than originally assumed; and
 - the decrease of \$169.373 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the use of the long-term investment return assumptions for each of the portfolio investment strategies, which are lower than the expected returns for the 2022-23 financial year.

- payments to ACT Government agencies: represents the transfer of budget appropriation funds to agencies. Variances are driven by agency activity.
- borrowing costs:
 - the increase of \$19.424 million in the 2022-23 estimated outcome from the original budget is mainly due to the impact of higher interest costs on inflation-linked bonds; and
 - the increase of \$58.300 million in the 2023-24 Budget from the 2022-23 estimated outcome is mainly due to the impact of higher interest rates on a higher level of borrowings.
- other expenses:
 - the decrease of \$60.844 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the completion of the CMTEDD Community Housing Canberra loan restructure.
- agency investment expenses:
 - the increase of \$184.690 million in the 2022-23 estimated outcome from the original budget is due to higher than-expected investment returns for the 2022-23 financial year, being higher than originally assumed; and
 - the decrease of \$163.663 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the use of the long-term investment return assumptions for each of the portfolio investment strategies, which are lower than the expected returns for the 2022-23 financial year.

Statement of Assets and Liabilities on behalf of the Territory

- cash and cash equivalents:
 - the increase of \$60.444 million in the 2022-23 estimated outcome from the original budget reflects a higher cash at bank balance from underlying aggregate cash flow transactions; and
 - the increase of \$583.805 million in the 2023-24 Budget from the 2022-23 estimated outcome is due to the estimated operational and liquidity needs of the Territory Banking Account.
- investments:
 - the decrease of \$203.674 million in the 2022-23 estimated outcome from the original budget is due mainly to lower than assumed opening investment balances at the start of the 2022-23 financial year because of lower than assumed investment returns achieved for the 2021-22 financial year; and
 - the increase of \$431.941 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the higher than expected investment returns for the 2022-23 financial year and the long-term investment return assumptions for each of the portfolio investment strategies.
- receivables (current and non-current) are accrued transfer revenue receivables from agencies and loans provided to Icon Water:
 - the net increase of \$16.727 million in the 2022-23 estimated outcome from the original budget is due to higher accrued receivables from agencies; and

- the net increase of \$233.299 million in the 2023-24 Budget from the 2022-23 estimated outcome comprises higher accrued receivables from agencies and higher loan receivables from Icon Water.
- borrowings (current and non-current):
 - the net decrease of \$559.086 million in the 2022-23 estimated outcome from the original budget is mainly due to a lower new borrowing requirement than originally assumed; and
 - the net increase of \$2,260.425 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects an increase in net borrowings to meet budget funding requirements.
- agency investment deposits:
 - the decrease of \$203.674 million in the 2022-23 estimated outcome from the original budget is due to lower opening investment balances at the start of the 2022-23 financial year because of the lower than assumed investment returns achieved for the 2021-22 financial year; and
 - the increase of \$431.940 million in the 2023-24 Budget from the 2022-23 estimated outcome reflects the higher than expected investment returns for the 2022-23 financial year and the long-term investment return assumptions for each of the portfolio investment strategies.

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

Variations in these Statements are explained in the notes above.