

Chief Minister, Treasury
and Economic Development
Directorate



Australian Capital Territory

BUDGET 2016-17

Budget
Statements
B

ACT Compulsory Third-Party
Insurance Regulator

ACT Gambling and
Racing Commission

ACT Insurance Authority

Canberra Institute of Technology

CIT Solutions Pty Ltd

Cultural Facilities Corporation

Icon Water Limited

Independent Competition
Regulatory Commission

Land Development Agency

Lifetime Care and Support Fund

Superannuation Provision Account

Territory Banking Account

STRUCTURE AND CONTENT OF THE 2016-17 BUDGET PAPERS

The 2016-17 Budget is presented in three papers and a series of agency Budget Statements.

Budget Paper 1: Budget Speech

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

Budget Paper 2: Budget in Brief

Budget Paper 2 presents a summary of the overall budgetary position together with information on the Government's expenditure priorities in key service delivery areas.

Budget Paper 3: Budget Outlook

Budget Paper 3 summarises the 2016-17 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2016-17 Budget results are provided, as well as background information on the development of the 2016-17 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of the 2016-17 expense, infrastructure and capital, and revenue 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.

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CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

Purpose

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) leads the public sector and works collaboratively both within government and with the community to achieve positive outcomes.

CMTEDD was formed in 2014-15 in recognition of the continued focus on creating a one-government approach to the delivery of services to the people of the ACT along with the critical importance of ensuring that economic development is at the centre of government policy deliberations.

During the year the Training and Tertiary Education Branch joined the Directorate to provide better linkages between vocational education and training, the requirements of industry and the role of the tertiary sector in driving the ACT economy. Management of the National Arboretum Canberra also transferred to CMTEDD from Territory and Municipal Services Directorate. The Office of the Chief Digital Officer was established, with responsibility for driving the ACT's digital agenda and leading the whole of government strategic direction for ICT.

As a central agency, CMTEDD provides strategic advice and support to the Directorate's Ministers and the Cabinet on policy, economic and financial matters, service delivery and whole of government issues. The Directorate facilitates the implementation of government priorities and drives many new initiatives. The Directorate also leads the strategic direction for the ACT Public Service (ACTPS), to ensure that it is well positioned to perform its role.

The Directorate provides advice to the ACT Government and ACT agencies on the Territory's budget and financial management, economic and revenue policy, infrastructure financing, federal financial relations, and workers' compensation policy. It is also responsible for collecting and managing taxation revenue and managing the Territory's financial assets and liabilities including superannuation liabilities and investments. Shared Services provides financial, information and communication technology (ICT) and human resources support across government. Through Access Canberra the Directorate aims to make it easier, simpler and cheaper for community members to interact with the ACT Government.

The Directorate facilitates business development and new investment, tourism and events, sport and recreation and arts, often in coordination with the private sector, to increase the economic performance of the ACT. The Directorate is responsible for land release and facilitating projects and is also responsible for procurement and capital works.

The Directorate has a strong focus on urban renewal as a mechanism to drive economic activity, improve the liveability of our city, build on the character of our communities and deliver sustainable development. This includes oversight of work across the Service, such as the delivery of the Public Housing Renewal Program.

The Directorate coordinates the ACT Government's response to the lasting impacts of loose-fill asbestos in Canberra homes, leading a Taskforce brought together from various ACTPS agencies.

2016-17 Priorities

Strategic and operational priorities for CMTEDD in 2016-17 include:

- creating, leading and fostering an innovative and responsive approach across all directorates to strengthen and diversify the ACT economy;
- supporting the ACT Government to progress key policy reforms in areas including public transport, regulatory simplification and social inclusion;
- guiding cultural change across government in order to achieve greater collaboration and innovation in the delivery of the ACT Government's priorities;
- leading whole of government initiatives to strengthen public sector capability;
- preparing the 2016-17 Budget Review, the 2017-18 Budget and Territory's consolidated financial statements;
- delivering the pre-election budget update and the policy costing responsibilities outlined in the *Election Commitment Costings Act 2012*;
- improving work health and safety and return to work outcomes for injured employees, including continued consultation on the design and implementation of a new workers' compensation scheme for the public sector within the Territory's regulatory jurisdiction;
- progressing, and continuing to improve, the ACT Government's financial management frameworks;
- reviewing and evaluating programs, functions and projects to support the effective management of the Territory's finances;
- transforming the customer digital experience by offering personalised anytime, anywhere engagement with the ACT Government via any device with an Internet connection, using the iConnect shared platform;
- building on the Digital Canberra initiatives to grow Canberra's digital capability;
- continue to better connect business and community to government through public service innovation;

- working with the private sector to grow its contribution to the Territory's economy through a range of programs and approaches focused on increasing business innovation, trade development, private investment and new job opportunities;
- contributing to policy to guide the redevelopment of the Northbourne Avenue corridor in tandem with the delivery of the first stage of Canberra's light rail network;
- implementing redevelopment of the ACT Government owned land along Northbourne Avenue;
- delivering the National Partnership Agreement on Asset Recycling;
- overseeing the replacement of 1,288 outdated public housing units with properties that meet contemporary building and energy efficiency standards and break down concentrations of disadvantage;
- delivering the Land Release Program;
- investigating and supporting alternative capital funding and procurement processes for major procurement projects in the ACT, with specific responsibility for Public-Private Partnerships (PPP), other complex infrastructure procurements and the assessment of unsolicited proposals;
- continuing to improve the maturity of ACTPS procurement and capital works delivery, including its focus on local industry;
- pursuing a strong economic development relationship with the research, higher education and training sectors;
- implementing the 2020 Tourism Strategy for the ACT, in conjunction with industry, with the aim of growing the Visitor Economy from the current value of \$1.7 billion to \$2.5 billion by 2020;
- continuing to attract new events to the Territory's venues to increase attendance, activities and participation;
- contributing to the health and social wellbeing of the community through targeted programs that continue to support the ACT's high levels of sport and recreation participation;
- finalising and implementing the ACT Events policy, including supporting the events sector, managing the ACT Event Fund and delivering a suite of events including Floriade, Enlighten, New Year's Eve and the Canberra Balloon Spectacular;
- implementing the 2015 Arts Policy, including supporting artists and arts organisations, transitioning organisations to the Kingston Arts Precinct, Aboriginal and Torres Strait Islander arts and culture, continuing strong community engagement and whole of community access to the arts;

- developing and delivering a 10 year Strategic Direction for the National Arboretum Canberra, which reflects its unique role in conservation, tourism events, recreation, culture and research; and
- coordinating the ACT Government’s response to the lasting impacts of loose-fill asbestos in Canberra homes.

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome ¹	2015-16 Budget ²	2015-16 Estimated Outcome ¹	2016-17 Budget ²
Staffing (FTE)	2,323	2,340	2,389 ³	2,431 ⁴

Note(s):

1. These figures relate to 30 June staffing levels.
2. These figures relate to average annual staffing figures.
3. The 2015-16 estimated outcome FTE figure includes staff transferred to Chief Minister, Treasury and Economic Development Directorate (CMTEDD) following the January 2016 announcement of a new ACT Government Ministry through the Administrative Arrangements 2016 (No 1). This includes staff from the National Arboretum (from the Territory and Municipal Services Directorate) and Training and Tertiary Education (from the former Education and Training Directorate).
4. The 2016-17 Budget figure includes staff transferred to CMTEDD from the Gambling and Racing Commission.

Strategic Objectives and Indicators

Strategic Objective 1

Provision of high quality policy advice and support to the ACT Government, including coordinated and integrated policy development and service delivery across government agencies

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

- leadership of new government initiatives and strategies;
- proactive engagement with directorates on key policy or service issues, including providing advice from a whole of government perspective;
- leading and coordinating regulatory reform and red tape reduction;
- supporting the Chief Minister’s proactive engagement in intergovernmental fora, including the Council of Australian Governments; with the NSW Premier on cross border issues; and the Canberra Region Joint Organisation;

- ensuring that advice to the Chief Minister and Cabinet is evidence based, timely, accurate, robust and covers essential issues succinctly, clearly and in sufficient detail; and
- promoting inter-directorate cooperation and outcomes through directorate committees and ongoing arrangements such as the Strategic Board, and supporting the across government Policy Council and establishment of strategic taskforces.

Strategic Objective 2

Government supported in the delivery of responses to urgent and complex emerging priorities

The Directorate is flexible and agile in responding to urgent and emerging government priorities, through consultation with other agencies, leadership of cross agency and joint community taskforces and active participation in taskforces and committees led by other directorates.

Strategic Objective 3

A more agile, responsive and innovative public service with increased capability to deliver on government priorities

The ACTPS needs to have a workforce with the requisite skills, capacity and flexibility to deliver quality services for the community and to take the Territory forward.

To address workforce challenges into the future, the Directorate is taking a lead role in developing high-performing public servants, engendering a respectful and inclusive working environment and encouraging consistency in people management throughout the ACTPS. CMTEDD also actively reviews and updates its Service wide policies to ensure the ACT Government maintains a modern, adaptable employment framework.

Strategic Indicator 3a: Separation Rate.

Table 2: Separation Rate

Strategic Indicator	2016-17 Estimated Outcome	Long Term Target
Separation Rate	7%	Between 6 and 8%

Strategic Indicator 3b: Workers' Compensation Claims resulting in work absence of one week or more, are kept to a minimum.

Table 3: Workers' Compensation Claims

Strategic Indicator	2015-16 estimated Outcome	Long Term Target
Incidence of workers' compensation claims resulting in work absence of one week or more	6 claims per 1,000 FTE	7 claims per 1,000 FTE

Strategic Indicator 3c: New ways of delivering effective and efficient services to directorates are identified and delivered by Shared Services' systems and processes.

Table 4: Shared Services systems and processes

Strategic Indicator	2016-17 Estimated Outcome	Long Term Target
Digitised forms implemented across key services provided by Shared Services.	Key forms and business processes re-engineered and digitised.	Where feasible all forms and business processes are re-engineered and digitised.
Cloud-based systems are implemented to enable greater digital agility, access and sharing across government.	Contracts are in place for the provision of Infrastructure as a Service (IaaS), with systems and processes in place to streamline the procurement of cloud-based Software as a Service (SaaS).	The majority of the ACT Government's ICT applications are hosted on cloud-based IaaS or SaaS platforms.
Inefficient manual processes and systems are phased out and replaced with automated processes.	Processes in the following areas are enhanced; <ul style="list-style-type: none"> • Invoice receipt and payment; • long service leave processing; • use of automated rostering technology is increased; and • HRMIS feasibility study completed. 	Where appropriate all manual transactional processes are phased out.

Strategic Objective 4

Economic growth and opportunity, social inclusion and an attractive and liveable urban environment

The Directorate will support growth and opportunity by supporting diversification and greater innovation in the ACT economy.

The Directorate will enable our skilled community to contribute to the economic prosperity and social engagement of our city, through vocational education and training programs that respond to identified areas of skills needs, and target those experiencing disadvantage.

The Directorate will support leadership and collaboration in key sectors that have the capacity for long term wealth creation and employment. With international research showing that six per cent of businesses are responsible for more than half of employment growth, the Directorate will also support innovation focused businesses with the capacity for scale-based growth and the ability to expand and headquarter in Canberra. A diversified innovative economy will not only grow faster, but place it in a stronger position to weather shocks from the Commonwealth Budget cycle.

The downstream opportunities from direct flights to Singapore and Wellington are also significant, bringing two highly complementary city economies in close alignment with Canberra's. The Government will leverage these new economic relationships through trade and investment facilitation programs and greater knowledge transfer through our people and our institutions.

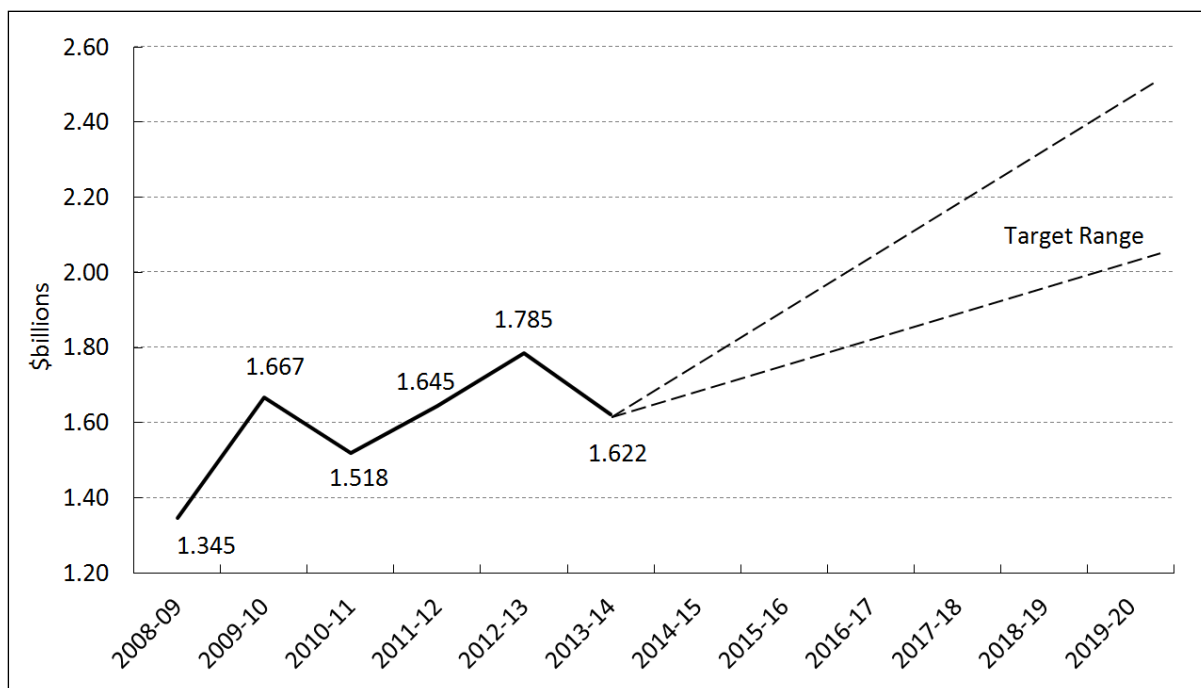
The Directorate will foster the growth of the community sector through reducing red-tape for our health and social care enterprises as the National Disability Insurance Scheme (NDIS) drives an expansion of this industry.

The Directorate will foster urban renewal by activating and reinvigorating our city and town centres, and make Canberra an even better place to live, work and visit. The creation of high-quality public spaces will promote people's health, happiness and well-being and shape the natural and built environment to improve social interaction and improve our community's quality of life.

Strategic Indicator 4a: Growth in the Value of Tourism.

Tourism is a key driver of the ACT economy, contributing around \$1.7 billion in Gross State Product and supporting an estimated 14,700 jobs. The Directorate will continue to implement marketing and development programs that aim to increase the economic return from tourism visitation.

Figure 1: Tourism Contribution to ACT Gross Territory Product



Source: State Tourism Satellite Accounts 2013-14, Tourism Research Australia, Canberra

Note(s):

1. The latest State Tourism Satellite Account (released in April 2015) provides revised figures for tourism's overall contribution to the ACT economy based on 2013-14 data. Data sets have been back cast to 2008-09 to enable comparison of results over time. The next State Tourism Satellite Accounts will be released in July 2016 for 2014-15 data.

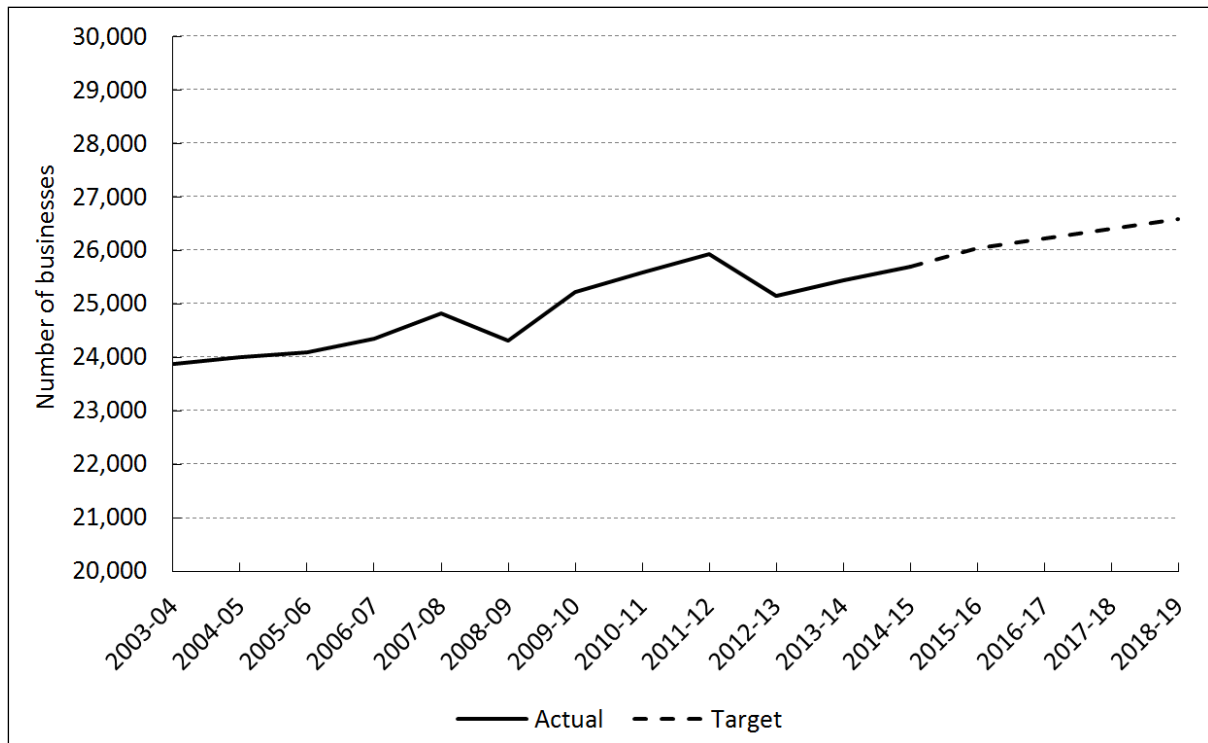
Strategic Indicator 4b: Growth in Innovation, Trade and Investment.

The Government's objective is to support private sector growth, diversification and jobs by:

- fostering the right business environment;
- supporting business investment; and
- accelerating business innovation.

The Government's expectation is that over the medium to long term, the Business Development Strategy, working in concert with other aligned strategies and approaches of the Government, will lead to measurable diversification and growth in the private sector.

Figure 2: Business Formation above the Current Long Term Average Rate – Active ACT Businesses

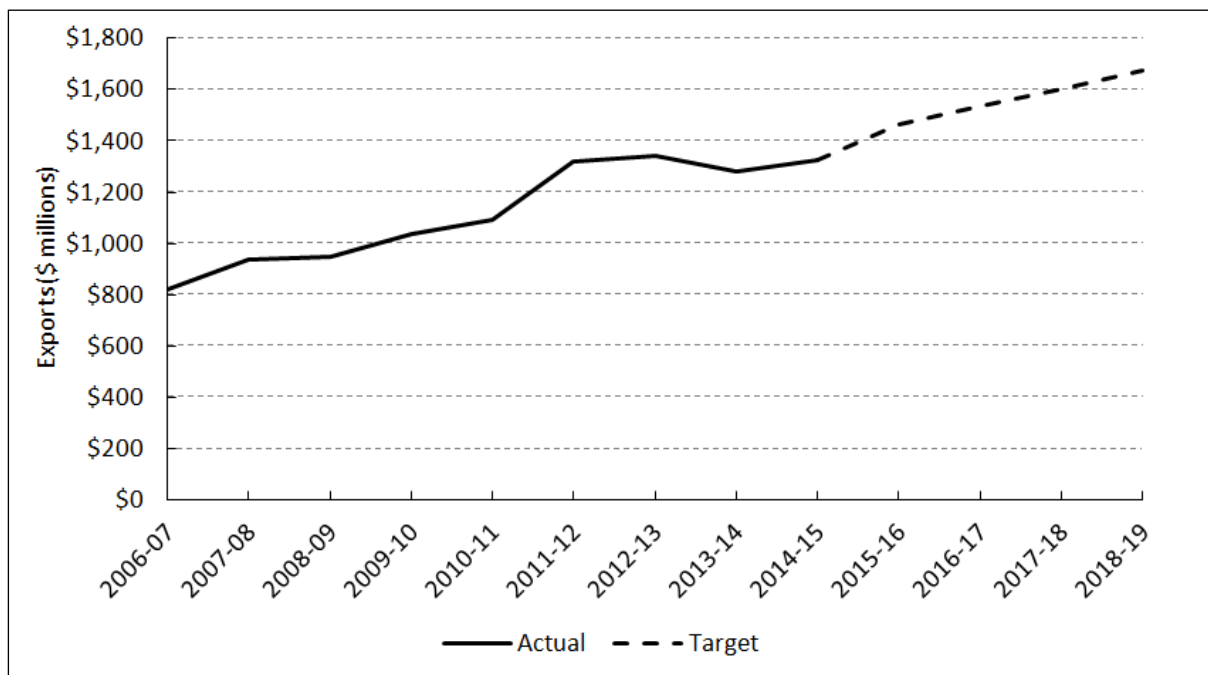


Source: ABS Catalogue No. 8165.0

Note(s):

- Active ACT businesses refers to the number of GST-remitting businesses whose main state of operation is the ACT at the end of the financial year. The *change* from one year to the next represents the number of ‘entries’ (new businesses or previously inactive businesses that become active) minus ‘exits’ (businesses that cease to be active).

Figure 3: Increasing Measures of ACT Goods and Services Exports

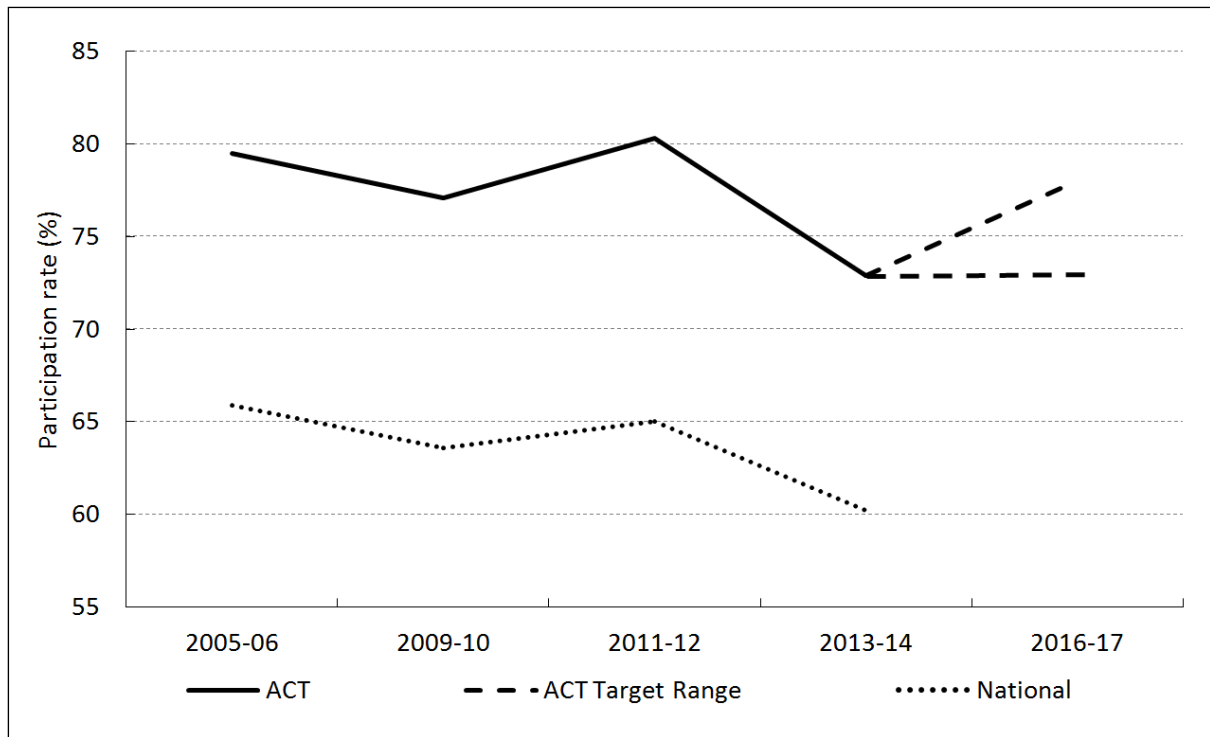


Source: ABS Catalogue No. 5220.0

Strategic Indicator 4c: Higher than National Average Participation in Sport and Physical Recreation.

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

Figure 4: Participation Rate for Adults in Sport and Physical Recreation

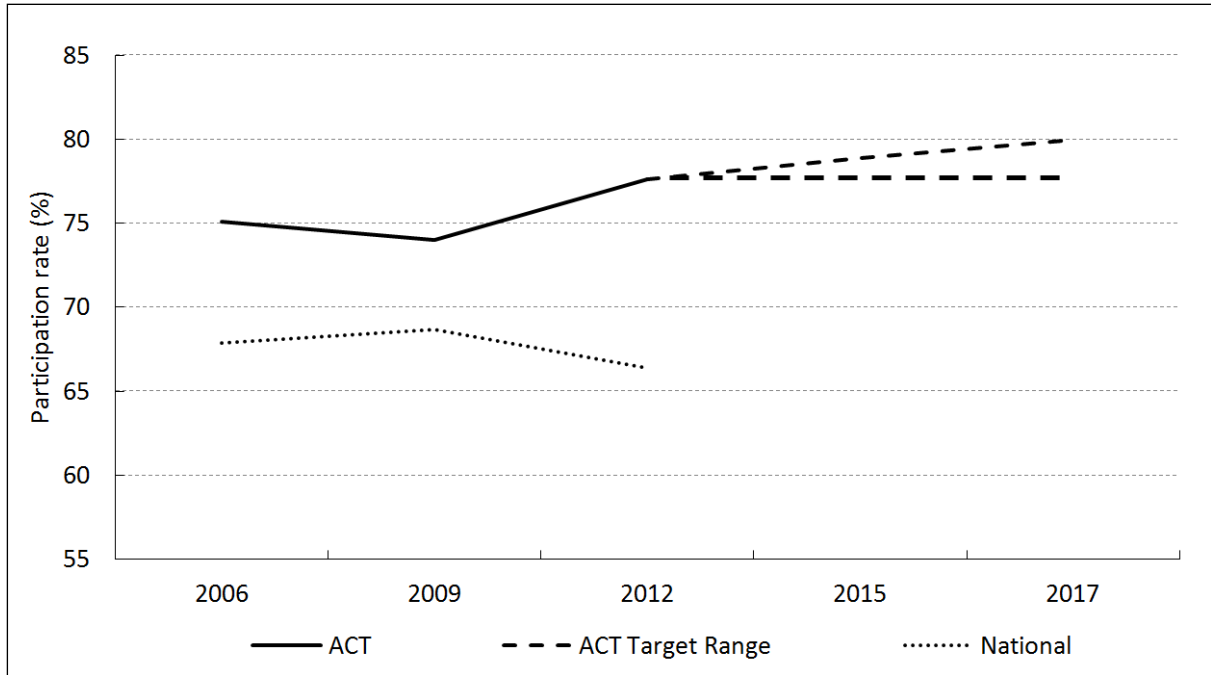


Source: Participation in Sport and Physical Recreation, Australia, 2013-14 (ABS Catalogue No. 4177.0)

Note(s):

1. Relates to persons aged 15 years and over who participated in physical activities for recreation, exercise or sport as players during the 12 months prior to interview.
2. 2013-14 is the most recent data available. The next release of data is anticipated in late 2016.

Figure 5: Participation Rate for Children in Sport and Physical Recreation



Source: ABS Catalogue No. 4901.0

Note(s):

1. Relates to persons aged 5 - 14 years who participated in organised sports outside of school hours during the twelve months prior to interview.
2. 2012 is the most recent data available. The next release of data is anticipated in late 2016.

Strategic Objective 5

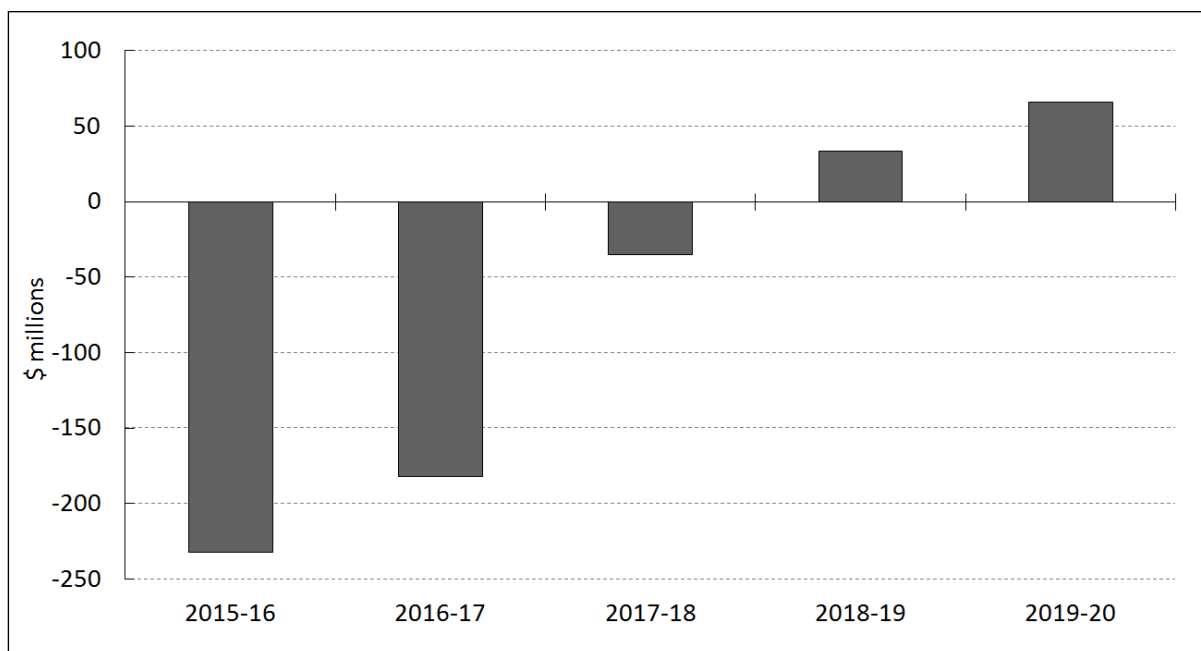
Managing the Public Finances Appropriately

The Government's fiscal strategy focuses on managing the public finances of the Territory in a rigorous and prudent manner over the longer term, and establishes an objective of achieving an operating balance over time by offsetting temporary deficits with surpluses in other periods.

Strategic Indicator 5: General Government Sector Headline Net Operating Balance

The General Government Sector (GGS) Headline Net Operating Balance in 2016-17 is a deficit of \$182.0 million, or a deficit of \$94.3 million excluding the superannuation liability valuation adjustment that was included in the budget estimates for the first time this year. The forecast is for a return to broad balance in 2018-19.

Figure 6: General Government Sector – Headline Net Operating Balance Forecast



Strategic Objective 6

Maintaining a Strong Balance Sheet

Standard & Poor's Ratings Services assesses the Territory's credit rating each year. The Directorate assists the Government to maintain this credit rating, while allowing short term responsiveness to economic conditions, through the provision of sound policy advice and prudent financial management.

Strategic Indicator 6a: Standard & Poor's credit rating

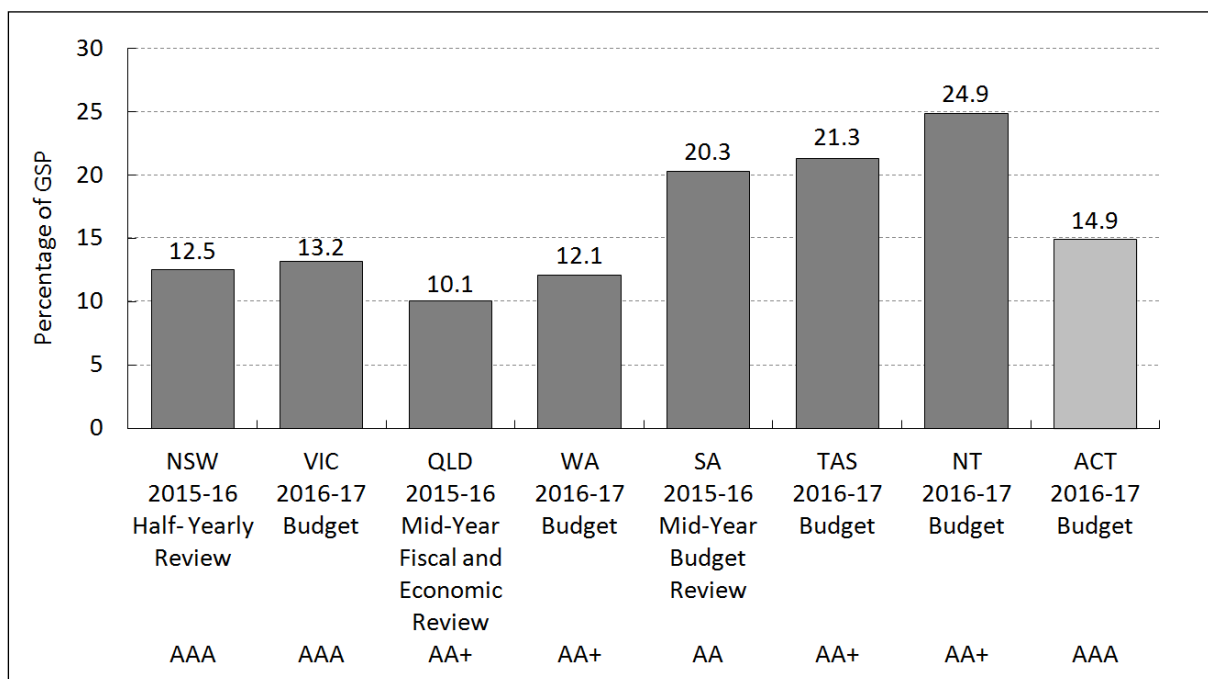
The Territory currently has a AAA credit rating, the highest possible credit rating.

Strategic Indicator 6b: Net financial liabilities to Gross State Product (GSP) ratio

The ratio for the 2016-17 Budget continues to remain broadly in line with other AAA rated jurisdictions.

The ratios in the chart below for all jurisdictions are based on each jurisdiction's most current budget documentation. Nominal GSP has also been calculated based on this information. In some instances assumptions based on growth forecasts have been applied.

Figure 7: Net Financial Liabilities to Gross State Product (GSP) Ratio



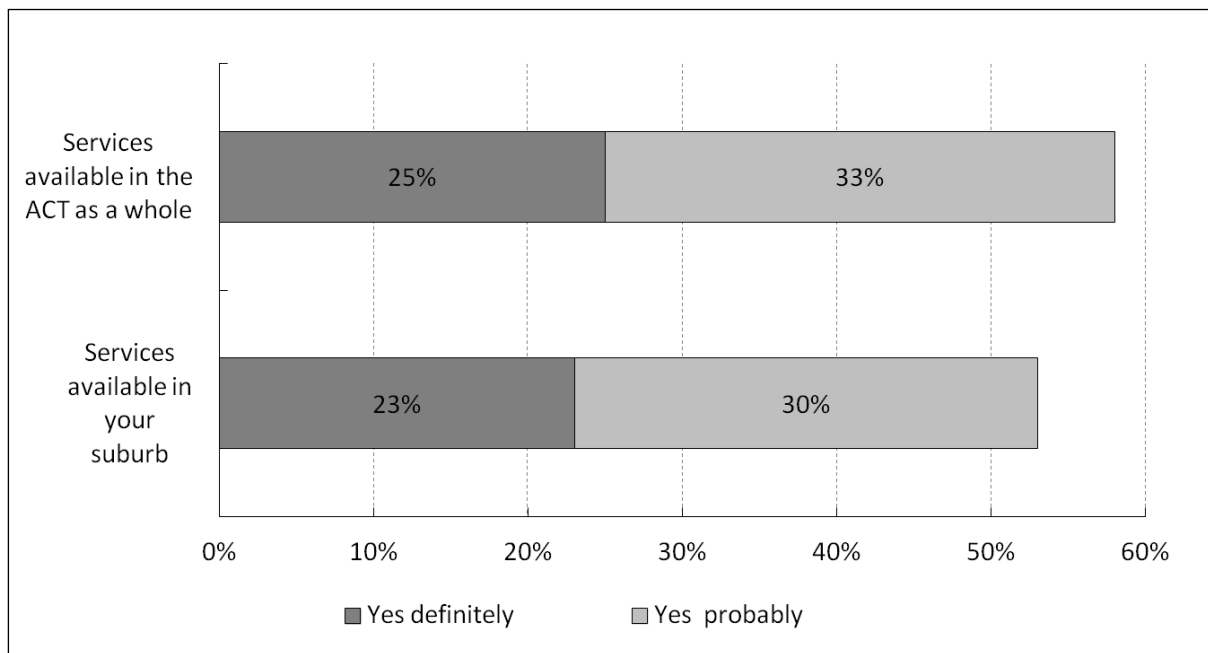
Strategic Objective 7

Improved 'One Government' communications and community engagement

Strategic Indicator 7a: Ensure the community is aware of the delivery of government priorities, services and major projects.

An indicator of the effectiveness of communications mechanisms of government is the community's perception of whether they are informed on important priorities, services and major projects.

Figure 8: Percentage of the Community who feel informed on government priorities, services and major projects



Source: ACT Government Communications research, JWS Research, 2015

Strategic Objective 8

Digital transformation providing enhanced services for the community

Technology is transforming the way people interact with each other and the world around them. The Directorate is leading enhancement of digital services to provide opportunities for enhancing quality, innovation, reduction of red tape and agility in service delivery where citizens interact with government.

Strategic Objective 9

Superior customer and regulatory services for a safe and vibrant community

The Directorate is shaping the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government to enable a 'no wrong door' approach. This includes establishing a consistent approach to regulation and enforcement delivered through the range of licensing, registration, education and compliance activities.

The Directorate aims to set the benchmark for integrated and seamless service experience; with staff working together, and with the community, to support businesses to flourish while still providing the appropriate level of community protection.

Output Classes

Total Directorate: Chief Minister, Treasury and Economic Development Directorate

Table 5: Chief Minister, Treasury and Economic Development Directorate

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost ^{1,2}	754,044	972,942
Controlled Recurrent Payments ²	407,116	394,159

Note(s):

1. Total cost includes depreciation and amortisation of \$73.568 million in 2015-16 and \$75.356 million in 2016-17.
2. The cumulative Total Cost and Government Payment for Outputs values included in the Output Class tables below will add up to more than the equivalent amounts shown in the Directorate's Total Cost and Government Payment for Outputs above due to intra-directorate eliminations.

Output Class 1: Government Strategy

Table 6: Output Class 1: Government Strategy

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost ¹	25,806	29,079
Controlled Recurrent Payments	22,239	22,359

Note(s):

1. Total cost includes depreciation and amortisation of \$0 in 2015-16 and \$1.026 million in 2016-17.

Output 1.1: Government Policy and Reform

Provision of advice and support to the Chief Minister, the Head of Service and the Director-General on strategic policy, including high priority reforms and effective delivery of government policies and priorities.

Government Policy and Reform will:

- provide 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;
- support the Head of Service as the Chair of the Strategic Board and provide secretariat services to the Board;
- lead, coordinate and monitor policy and project initiatives to promote across government outcomes and delivery – including the smart parking trial initiative;
- lead and coordinate the ACT Government’s participation in the COAG reform agenda and the Council of Australian Federation (CAF), and its engagement with regional leaders and local governments, including through the Canberra Region Joint Organisation;
- provide advice and support to Cabinet and the Manager of Government Business in the Legislative Assembly; and
- provide across government advice and coordination on digital services, and implement key initiatives including iConnect.

Table 7: Output 1.1: Government Policy and Reform

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost	13,897	13,345
Controlled Recurrent Payments	13,011	11,611

Output 1.2: Public Sector Management

Provision of an employment and policy framework to support a professional, skilled and accountable public service that is responsive to the ACT Government and the community; and management of whole of government capacity building programs.

Public Sector Management will:

- develop and review whole of government employment policies, regulations and standards and provide industrial relations services to support this framework;
- support and coordinate workforce planning and change management across government, including through whole of government learning, development and capability programs;

- develop and implement ACTPS capacity building programs, including those for graduates, Aboriginal and Torres Strait Islanders, and people with disabilities;
- maintain and monitor whole of government ethics and accountability frameworks;
- support the Commissioner for Public Administration and the Remuneration Tribunal; and
- coordinate the implementation of the whole of government Healthy Weight Initiative.

Table 8: Output 1.2: Public Sector Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	8,596	10,166
Controlled Recurrent Payments	6,116	5,756

Output 1.3: Coordinated Communications and Community Engagement¹

Provision of communications support and protocol services to the ACT Government and community.

Coordinated Communications and Community Engagement will:

- provide information and protocol services to the Chief Minister;
- provide whole of government advice and assistance on strategic communications activities and community engagement policies and practices; and
- provide whole of government communications advice and support, including for emergency response requirements.

Table 9: Output 1.3: Coordinated Communications and Community Engagement

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	3,314	5,566
Controlled Recurrent Payments	3,113	4,992

Note(s):

1. This Output was previously Output 1.4 Coordinated Communications and Community Engagement.

Output Class 2: Loose-fill Asbestos Insulation Eradication¹

Table 10: Output Class 2: Loose-fill Asbestos Insulation Eradication

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	84,765	247,558
Controlled Recurrent Payments	117,913	30,233

Note(s):

1. This Output Class was previously Output Class 9 Loose-fill Asbestos Insulation Eradication.
2. Total cost includes depreciation and amortisation of \$0.005 million in 2015-16 and \$0.029 million in 2016-17.

Output 2.1: Loose-fill Asbestos Insulation Eradication Scheme

The Asbestos Response Taskforce provides a coordinated and compassionate response to the lasting impacts of loose-fill asbestos in Canberra homes. It provides a single point of contact for those in the community affected by, or having concerns about, loose-fill asbestos. The Taskforce manages the delivery of the Loose-fill Asbestos Insulation Eradication Scheme. It also provides technical and regulatory advice to government and the community in relation to asbestos.

Output Class 3: Access Canberra¹

Table 11: Output Class 3: Access Canberra

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	89,687	90,419
Controlled Recurrent Payments	75,783	74,746

Note(s):

1. This Output Class was previously Output Class 10 Access Canberra.
2. Total cost includes depreciation and amortisation of \$2.682 million in 2015-16 and \$2.864 million in 2016-17.

Output 3.1: Access Canberra

Access Canberra was established to shape the delivery of services around businesses, community groups and individuals seeking to engage with the ACT Government to enable a 'no wrong door' approach. Access Canberra aims to set a new benchmark for integrated and seamless service; with staff working together, and with the community, to support businesses to flourish while still providing the appropriate level of community protection.

Output Class 4: Financial and Economic Management¹

Table 12: Output Class 4: Financial and Economic Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	41,172	31,580
Controlled Recurrent Payments	37,330	28,301

Note(s):

1. This Output Class was previously Output Class 2 Financial and Economic Management.
2. Total cost includes depreciation and amortisation of \$0.958 million in 2015-16 and \$0.911 million in 2016-17.

Output 4.1: Economic Management¹

Provision of economic analysis and advice to the ACT Government and agencies; management of Federal financial relations; and provision of accounting, financial framework, and insurance policy advice.

Economic Management will:

- monitor and advise on the state of the ACT economy;
- undertake economic and fiscal modelling and revenue forecasting;
- progress the implementation of Stage 2 tax reform initiatives;
- monitor implementation of the Asset Recycling Initiative;
- provide advice on economic policy, competition reform and industry sectoral matters, including economic regulation of water and energy markets;
- coordinate and contribute to ACT Government involvement with the Commonwealth Grants Commission;
- coordinate the function and responsibilities provided under the Intergovernmental Agreement on Federal Financial Relations;
- coordinate and contribute to Heads of Treasuries and Council on Federal Financial Relations processes and support the Heads of Treasury Accounting and Reporting Advisory Committee;
- continue implementation of the catastrophic injury scheme (Lifetime Care/National Injury Insurance Scheme);
- progress reforms to the compulsory third party insurance arrangements in the ACT; and
- continue a review and reform of the *Financial Management Act 1996*.

Table 13: Output 4.1: Economic Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	9,784	8,620
Controlled Recurrent Payments	7,322	6,585

Note(s):

1. This Output was previously Output 2.1 Economic Management.

Output 4.2: Financial Management¹

Provision of analysis, monitoring and reporting on major projects, the financial performance of agencies and the Territory's budget, to assist the ACT Government to achieve its policy objectives.

Financial Management will:

- manage the preparation and presentation of the ACT Government's annual budget, budget review and annual financial statements;
- provide quarterly whole of government consolidated management reports;
- report to external agencies including the Australian Loan Council, the Australian Bureau of Statistics and the Commonwealth Grants Commission;
- provide advice to the ACT Government on financial and budget policy issues;
- provide advice to government on major infrastructure projects; and
- review government programs and functions.

Table 14: Output 4.2: Financial Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	31,388	22,960
Controlled Recurrent Payments	30,008	21,716

Note(s):

1. This Output was previously Output 2.2 Financial Management.

Output Class 5: Workforce Injury Management and Industrial Relations Policy¹

Table 15: Output Class 5: Workforce Injury Management and Industrial Relations Policy

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	11,662	35,324
Controlled Recurrent Payments	7,360	23,491

Note(s):

1. New Output Class.
2. Total cost includes depreciation and amortisation of \$0.853 million in 2015-16 and \$0.848 million in 2016-17.

Output 5.1: Workforce Injury Management and Industrial Relations Policy¹

Provide services focusing on health and safety risks arising from work and the relationship between employers and workers.

Workforce Injury Management and Industrial Relations Policy will:

- advise the ACT Government on workers' compensation, work health and safety and industrial relations arrangements and make changes to the corresponding regulatory frameworks where agreed by the government;
- provide whole of government return to work case management services to injured employees and their agencies;
- provide advice to ACTPS directorates and agencies in relation to workers' compensation and manage the relationship between Comcare and the ACT Government;
- finalise a review of the ACTPS Workers' Compensation and Work Safety Improvement Plan;
- coordinate actuarial analysis of workers' compensation performance and manage the apportionment of the Territory's Comcare workers' compensation premium;
- develop and review whole of government work health and safety policies and provide work health and safety services to support the policy framework; and
- coordinate the Territory's consultative bodies for workers' compensation and work health and safety.

Note(s):

1. This Output has been renamed and was previously Output 1.3 Industrial Relations Policy.

Output Class 6: Revenue Management¹

Table 16: Output Class 6: Revenue Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	15,237	16,880
Controlled Recurrent Payments	12,883	15,708

Note(s):

1. This Output Class was previously Output Class 3 Revenue Management.
2. Total cost includes depreciation and amortisation of \$0.124 million in 2015-16 and \$0.039 million in 2016-17.

Output 6.1: Revenue Management¹

Revenue Management provides for the administration of the ACT Government's taxation revenue.

The key outputs to be delivered include:

- collecting taxation revenue in line with budget estimates;
- providing high quality and timely advice to assist taxpayers in meeting their obligations;
- processing objections to assessments and decisions, in accordance with timeframes published on the ACT Revenue Office website;
- processing Home Buyer Concession Scheme transactions and Pensioner Duty Concession Scheme transactions;
- processing Deferred Duty applications; and
- processing First Home Owner Grant applications.

Note(s):

1. This Output was previously Output 3.1 Revenue Management.

Output Class 7: Shared Services¹

Table 17: Output Class 7: Shared Services

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	200,314	207,764
Controlled Recurrent Payments	15,232	20,522

Note(s):

1. New Output Class. This Output Class combines the previous Output Classes 4 Shared Services ICT; 6 Shared Services Human Resources; and 7 Shared Services Finance.
2. Total cost includes depreciation and amortisation of \$26.536 million in 2015-16 and \$28.360 million in 2016-17.

Output 7.1: Shared Services¹

Shared Services provides a range of ICT and corporate eservices, including infrastructure, applications support and development and ICT project services; tactical and transactional human resource and finance services to directorates and agencies.

The key outputs to be delivered include:

- services to government agencies as outlined in Shared Services ICT catalogue of services and affirmed through various service level and support agreements;
- management of the whole of government data and communications network;
- general service and help desk functions;
- payroll and personnel services;
- recruitment services;
- a full range of record management, mail room and courier activities to the majority of government directorates;
- monthly and annual financial reporting services;
- accounts payable and accounts receivable functions;
- general ledger, cash flow and fixed asset management;
- administration of the Taxation Management Framework across the ACT Government;
- production and lodgement of monthly Business Activity Statements and annual Fringe Benefits Tax Returns and provision of taxation advice;
- provision of salary packaging services across ACT Government; and
- in-house print and electronic publishing.

Note(s):

1. New Output. This Output combines the previous Outputs 4.1 Shared Services ICT; 6.1 Shared Services Human Resources; and 7.1 Shared Services Finance.

Output Class 8: Procurement and Capital Works¹

Table 18: Output Class 8: Procurement and Capital Works

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost²	25,911	29,394
Controlled Recurrent Payments	4,421	7,866

Note(s):

1. This Output Class was previously Output Class 5 Procurement and Capital Works.
2. Total cost includes depreciation and amortisation of \$0.189 million in 2015-16 and \$0.080 million in 2016-17.

Output 8.1: Procurement and Capital Works¹

Procurement and Capital Works undertakes procurement activities on behalf of government directorates and agencies for infrastructure, capital works, goods and services. It advises the government on procurement and related construction industry policy, is responsible for the development and implementation of the ACT Government's procurement related policies, administers a range of pre-qualification schemes, and establishes and manages whole of government contracts.

The key outputs to be delivered include:

- procurement and associated risk management services to agencies, including delivering capital works projects on behalf of agencies;
- coordination of Work Health and Safety Active Certification Policy for ACT Government construction sites;
- the ACT Government contracts register and electronic tendering system;
- supplier pre-qualification arrangements; and
- driving the Smart Modern Strategic (SMS) Procurement initiative.

Note(s):

1. This Output was previously Output 5.1 Procurement and Capital Works.

Output Class 9: Economic Development¹

Table 19: Output Class 9: Economic Development

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost²	291,753	316,339
Controlled Recurrent Payments	113,955	170,933

Note(s):

1. This Output Class was previously Output Class 8 Economic Development.
2. Total cost includes depreciation and amortisation of \$42.269 million in 2015-16 and \$41.399 million in 2016-17.

Output 9.1: Economic Development Strategy and Program Design¹

Economic Development Strategy and Program Design develops and provides a range of strategic advice and legislation review and development services, to support the business units of the Directorate, specifically in relation to: business development, sport and recreation, tourism and events, arts and land development. It provides gaming and racing advice and legislation development in consultation with the Gambling and Racing Commission and leads and coordinates the delivery of the ACT Government's land supply strategy.

Table 20: Output 9.1: Economic Development Strategy and Program Design

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	9,751	5,853
Controlled Recurrent Payments	6,900	5,881

Note(s):

1. This Output has been renamed and was previously Output 8.1 Economic Development Policy, Projects and Legislation.

Output 9.2: Innovation, Trade and Investment¹

Innovation, Trade and Investment (ITI) delivers programs, initiatives and business policy advice that promote the economic development of the broader capital region, including universities, research organisations, commercialisation entities, business organisations and other government agencies. ITI's activities cover small business advisory and information services, activities aimed at accelerating the commercialisation of locally generated intellectual property, programs to encourage internationalisation of ACT businesses through Trade and Invest Canberra, and a range of activities that enhance the innovation capability of the private sector and its relationship with key institutions. ITI delivers the Skilled and Business Migration Program and participates in business and innovation policy forums, including Ministerial Councils and other national business, innovation and science infrastructure forums.

ITI also works with the higher education and research sector to promote capabilities in areas such as cyber security, the space and spatial economy, sports technology, health innovation, agriculture and environmental sciences, ICT and e-government, and international education. ITI is responsible for the provision and overall management of vocational education and training in the Territory.

This includes administering, monitoring and auditing Territory and national funds for a variety of programs addressing skills development.

Table 21: Output 9.2: Innovation, Trade and Investment²

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	34,406	49,312
Controlled Recurrent Payments	33,693	48,904

Note(s):

1. This Output was previously Output 8.2 Innovation, Trade and Investment.
2. Vocational Education and Training transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016.

Output 9.3: VisitCanberra¹

VisitCanberra creates and implements a range of innovative tourism marketing and development programs, in partnership with local industry, national bodies and institutions, which aim to support the Territory's economic development through increased visitation to the ACT and region.

Table 22: Output 9.3: VisitCanberra

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost	14,250	14,254
Controlled Recurrent Payments	13,081	13,355

Note(s):

1. This Output was previously Output 8.3 VisitCanberra.

Output 9.4: Sport and Recreation¹

Sport and Recreation supports Canberra's participation in organised sport and recreation through delivery of programs, facilities and pathways. As part of this it provides support services to local high performance athletes, administers grants and delivers education and training opportunities to maintain and enhance the capabilities of the community sport and recreation sector in the ACT. Sport and Recreation is responsible for the planning and delivery of new sporting infrastructure and the ongoing management and maintenance of the Territory's community sportsgrounds, aquatic/leisure and associated facilities.

Table 23: Output 9.4: Sport and Recreation

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost	50,302	47,825
Controlled Recurrent Payments	28,968	25,122

Note(s):

1. This Output was previously Output 8.4 Sport and Recreation.

Output 9.5: Venues¹

Venues promotes and manages major events at venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval, Stromlo Forest Park and the Canberra Business Event Centre.

Table 24: Output 9.5: Venues

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost	14,609	18,280
Controlled Recurrent Payments	2,160	3,760

Note(s):

1. This Output was previously Output 8.5 Venues.

Output 9.6: Events¹

Events manages and delivers major events such as Floriade, Floriade NightFest, the Enlighten Festival, New Year's Eve, Australia Day, Canberra Festival and the Canberra Nara Candle Festival. This output also includes management of the National Arboretum Canberra.²

Table 25: Output 9.6: Events

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	13,331	16,707
Controlled Recurrent Payments	10,116	13,107

Note(s):

1. This Output was previously Output 8.6 Events.
2. The National Arboretum Canberra transferred to the Chief Minister, Treasury and Economic Development Directorate in the Administrative Arrangements 2016 (No 1) that took effect from 22 January 2016.

Output 9.7: Property Services¹

Property Services covers the management of Territory-owned commercial buildings, government office accommodation, community/multipurpose buildings and leases commercial buildings on behalf of the Territory.

Table 26: Output 9.7: Property Services

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	134,222	105,245
Controlled Recurrent Payments	0	3,247

Note(s):

1. This Output was previously Output 8.7 Property Services.

Output 9.8: Arts Engagement¹

Supporting the development of the arts, encouraging community participation in and access to the arts through supporting artistic excellence and diversity, strengthening the sustainability of the arts, and promoting the capacity for arts to contribute to social and economic outcomes.

Table 27: Output 9.8: Arts Engagement

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	13,223	13,125
Controlled Recurrent Payments	11,499	11,600

Note(s):

1. This Output was previously Output 8.8 Arts Engagement.

Output 9.9: Urban Renewal¹

Urban renewal is a key priority of the ACT Government. Urban renewal will drive economic activity, improve the liveability of our city, build on the character of our communities and deliver sustainable development.

The urban renewal agenda is ambitious and spans many directorates. The Coordinator-General, Urban Renewal works across directorates in order to deliver significant outcomes, including:

- delivering the Asset Recycling Initiative;
- activating the Capital Metro corridor;
- delivering new (replacement) public housing; and
- progressing City to the Lake.

These projects, along with the rest of the urban renewal agenda will transform our city in its second century.

Table 28: Output 9.9: Urban Renewal

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	7,658	45,739
Controlled Recurrent Payments	7,539	45,957

Note(s):

1. This Output was previously Output 8.9 Urban Renewal.

Accountability Indicators

Output Class 1: Government Strategy

Output 1.1: Government Policy and Reform

Table 29: Accountability Indicators Output 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Whole of government policy and project initiatives ¹	3	3	3
b. Regional partnerships and participation ²	2	2	2
c. Support for COAG and CAF meetings ³	4	4	4
d. Government Progress Report ⁴	Jun 2016	Jun 2016	Jun 2017
e. Cabinet and Strategic Board Support ⁵	2	2	2
f. Regulatory and process reform initiatives ⁶	3	3	3
g. iConnect Initiative ⁷	6	6	12
h. Government Transport Reform Statement ⁸	1	1	n/a
i. Pre-election Preparation ⁹	n/a	n/a	1

Note(s):

1. This accountability indicator incorporates key government policy and project initiatives to be delivered by the Directorate during the year. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability.
2. This accountability indicator reflects the involvement in two key partnerships – implementation of initiatives under a memorandum of understanding with the NSW Government on regional cooperation (1 project) and involvement with regional councils through the South East Regional Organisation of Councils (1 project).
3. This accountability indicator covers briefing and support to the Chief Minister for meetings of COAG and CAF. This indicator is counted as complete on delivery of the briefing packages to the Chief Minister.
4. This accountability indicator relates to the ACT Government Progress Report on longer term strategic policy.
5. This accountability indicator covers the annual cycle of secretariat support to Cabinet and to the Strategic Board.
6. 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.
7. This accountability indicator covers the number of services integrated with the iConnect platform.
8. Discontinued accountability indicator. This indicator covered the development of reforms to enhance the public transport network, and is considered complete with Transport Canberra and City Services to be operational from 1 July 2016.
9. New accountability indicator. This indicator relates to the preparation of an incoming government brief, a major focus in the lead up to and during the caretaker period.

Output 1.2: Public Sector Management

Table 30: Accountability Indicators Output 1.2

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Conduct the annual whole of government Graduate Program ¹	1	1	1
b. Continue to implement the ACTPS Workers' Compensation and Work Safety Improvement Plan ²	Jun 2016	Jun 2016	n/a
c. Publish the State of the Service Report ³	Oct 2015	Oct 2015	Oct 2016
d. ACTPS Leadership and Development Framework ⁴	Dec 2015	Oct 2015	Aug 2016
e. Coordinate the whole of government Healthy Weight Initiative ⁵	Jun 2016	Jun 2016	Jun 2017
f. Regulatory reform of ACTPS Employment Framework and processes ⁶	3	3	3

Note(s):

1. This accountability indicator covers the implementation of the ACTPS whole of government Graduate Program, including the 2015 graduate intake, recruitment, selection and commencement of the 2016 intake, and planning for the 2017 intake. The indicator will be considered complete when the activities under the Program are undertaken.
2. Discontinued accountability indicator. This indicator covered ongoing implementation of the ACTPS Workers' Compensation and Work Safety Improvement Plan, including implementation of the capability strengthening framework, enhanced reporting tools, rehabilitation provider management and early intervention and workforce resilience strategies. Reporting against Improvement Plan implementation is now provided under Output 5.1 Work Injury Management and Industrial Relations Policy.
3. This accountability indicator covers the publication of the annual State of the Service Report, which incorporates the ACT Public Sector Workforce Profile Report and the report on the implementation of the ACTPS Respect, Equity and Diversity Framework.
4. This accountability indicator covers the development of a new framework for improving leadership capabilities across the ACTPS. The ACTPS Shared Capability Framework was endorsed by Strategic Board on 1 October 2015. Work in 2016-17 will include a whole of government People with Disability Traineeship.
5. This accountability indicator covers ongoing coordination of the Healthy Weight Initiative. This indicator is considered complete when the report describing the achievements within the financial year is provided to the Minister.
6. This accountability indicator covers policies and projects targeted at improving the effectiveness and efficiency of regulation in relation to the ACTPS Employment Framework. Expected projects for 2016-17 relate to the implementation of the revised Public Sector Management Act and enterprise agreements including the whole of government Domestic Violence Policy.

Output 1.3: Coordinated Communications and Community Engagement¹

Table 31: Accountability Indicators Output 1.3

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Average number of visits per month to the Time to Talk Canberra website ²	10,000	3,100	n/a
b. Annual numbers of ACT Government Digital Mail Service newsletters ³	52	23	10
c. Annual number of ACT Government Our Canberra newsletters ⁴	n/a	n/a	10

Note(s):

1. This Output was previously Output 1.4 Coordinated Communications and Community Engagement.
2. Discontinued accountability indicator. This accountability indicator covered visits to the Time to Talk Canberra website. During 2015-16 two new directorate websites were trialled for planning and transport engagements, which saw a net decrease of visits to the Time to Talk site. Following the trial, improved digital engagement functionality has been embedded into the act.gov.au portal to be used for all ACT Government engagements. The act.gov.au portal receives on average 66,000 visits per month.
3. This accountability indicator covers the total number of ACT Government messages distributed during the year to subscribers of the ACT Government Digital Mail Service. A monthly digital newsletter was implemented in December 2015 to support the Our Canberra print newsletter. Prior to December subscribers received a shorter weekly newsletter. The Our Canberra service will not be distributed during caretaker period.
4. New accountability indicator. The Our Canberra newsletter commenced in November 2015, and is distributed to all Canberra households monthly. Editions are published for the five main regions of Canberra, Belconnen, Central, Gungahlin, Tuggeranong and Woden/Weston Creek/Molonglo.

Output Class 2: Loose-fill Asbestos Insulation Eradication**Output 2.1: Loose-fill Asbestos Insulation Eradication Scheme¹****Table 32: Accountability Indicators Output 2.1**

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
Community Engagement and Advice:			
a. Undertake a program to provide advice and support to residents of properties affected by loose-fill asbestos insulation ²	1	1	1
b. Undertake a program to inform owners of 1,021 properties affected by loose-fill asbestos insulation of the buyback program under the Loose-fill Asbestos Insulation Eradication Scheme ³	1	1	n/a
c. Conduct and/or attend Community Forums/Meetings on Loose-fill Asbestos Insulation (health, management, demolition) ⁴	8	15	4
d. Undertake an education program to inform the broader community about the demolition and sales activities of the Scheme ⁵ .	n/a	n/a	1
Buy-Back and Demolition Program:			
e. Continue to facilitate settlement of the surrender of properties under the Buyback program ⁶	1	1	1
f. Establish a process and commence the demolition of properties purchased under the Buyback Program ⁷	1	1	n/a
g. Establish a process and commence the sale of properties that have been eradicated of loose-fill asbestos insulation ⁸	1	1	n/a
h. Demolish affected dwellings ⁹	n/a	n/a	310
i. Deregister affected properties post demolition and soil validation ¹⁰	n/a	n/a	300
Sales Program:			
j. Sale of remediated and deregistered blocks ¹¹	n/a	n/a	380

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
Policy, Technical and Regulation:			
k. Support the conduct of a health study of asbestos exposure in affected homes ¹²	1	1	1
l. Support the review of Guidelines for the safe removal of loose-fill asbestos insulation in residential properties and procedures for the safe demolition of affected properties ¹³	1	1	n/a
m. Develop laws and amending legislation to facilitate the efficient implementation of the Loose-fill Asbestos Insulation Eradication Scheme ¹⁴	4	5	n/a

Note(s):

1. This Output was previously Output 9.1 Loose-fill Asbestos Insulation Eradication Scheme.
2. This accountability indicator encompasses the ACT Government's assistance program for owners/residents of properties containing loose-fill asbestos insulation, including establishment of a personal support team to facilitate direct client support and communication; and design and delivery of financial assistance measures. The Program will continue while there is demand in the community for this service.
3. Discontinued accountability indicator. This indicator encompassed an ongoing communication program to inform owners of properties containing loose-fill asbestos insulation about the ACT Government's Buyback and Demolition Program under the Loose-fill Asbestos Insulation Eradication Scheme. Information and frequently asked questions about participation in the Buyback and Demolition Program is included in the Taskforce e-newsletter, social media channels and on the Taskforce webpage.
4. This accountability indicator covers the design, development and delivery of community forums to provide information and advice on a range of topics relating to loose-fill asbestos insulation and the Loose-fill Asbestos Insulation Eradication Scheme (including at the invitation of community groups). In addition to general fora, specifically focussed events will be arranged for groups with particular needs. The variance from the 2015-16 Target is due to the ongoing proactive approach of the Taskforce in responding to community interest in affected suburbs. The additional community engagements were through Community Councils and Parties at the Shops.
5. New accountability indicator. This accountability indicator encompasses an ongoing communication and awareness campaign aimed at local neighbourhoods and the broader Canberra community. The Outcome of this program is to support the community throughout the demolition and sales activities that will be occurring across numerous Canberra suburbs throughout the year.
6. The Taskforce has commenced acquisition of properties through the Buyback Program. This accountability indicator recognises the agreed delay between exchange on the deed of surrender for an affected property, and settlement of the surrender (at which point funds are released).
7. Discontinued accountability indicator. This accountability indicator covered the establishment of a process, including contractual models and arrangements, for taking possession of the surrendered properties, removal of loose-fill asbestos insulation and subsequent demolition of affected structures on blocks acquired under the Buyback Program. This involved working with key stakeholders from across ACT Government (Economic Development, Procurement and Capital Works, ACT Property Group, WorkSafe ACT, ACT NoWaste, Roads ACT and Environment and Planning Directorate).
8. Discontinued accountability indicator. This accountability indicator covered the establishment of processes related to raising crown leases, valuation, sale and settlement of blocks.
9. New accountability indicator. This accountability indicator relates to the number of affected properties that are demolished.
10. New accountability indicator. This accountability indicator relates to the number of affected properties that are demolished and undergone soil validation and subsequently been removed from the Loose Fill Asbestos Premises Register.
11. New accountability indicator. This accountability indicator relates to the number of properties that are purchased by the Taskforce through the Buy-Buyback program, demolished, removed from the Loose Fill Asbestos Premises Register, sold and settled. The number of sales achieved will be dependent on market absorption and take up rates.
12. This accountability indicator covers the provision of financial support to ACT Health to facilitate the conduct of a health study of asbestos exposure in affected homes. ACT Health is responsible for the management of the contract under which the study is being progressed.
13. Discontinued accountability indicator. The Taskforce worked with key stakeholders from across ACT Government to ensure the demolition of affected properties is conducted safely and efficiently.

14. Discontinued accountability indicator. This accountability indicator covered the development of legislation, amendments, instruments and codes to facilitate the implementation of the Scheme. The accountability indicator will be considered complete on introduction of amendments in the Legislative Assembly or notification of regulations and instruments on the ACT Legislation Register. The variance from the 2015-16 Target relates to an additional Disallowable Instrument (DI2016-4) which was notified in 2015-16.

Output Class 3: Access Canberra

Output 3.1: Access Canberra¹

Table 33: Accountability Indicators Output 3.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Effective Service Delivery			
– Number of Interactions with Access Canberra ²	14.2 million	12.2 million	12 million
– Average cost per interaction ³	\$7.75	\$5.83	\$5.92
b. Efficient Service Delivery			
– Percentage of Customers satisfied with Access Canberra ⁴	90%	87%	90%
– Percentage of services delivered online ⁵	50%	48%	55%
c. Doing Business in the ACT is easier			
– Percentage of the Canberra community satisfied with the ease of interacting with Access Canberra ⁶	85%	95%	90%
d. Healthier and Safe Community			
– Number of inspections conducted by Access Canberra ⁷	95,000	95,000	95,000
– Compliance at time of inspection ⁸	90%	93%	90%
– Percentage of licence applications processed within service standard timeframes ⁹	95%	92%	95%

Note(s):

- This Output was previously Output 10.1 Access Canberra.
- The number of interactions with Access Canberra is measured across the financial year. This accountability indicator measures the number of interactions with the Canberra community by Access Canberra. Interactions can be a face to face, telephone, email, electronic feedback or on-line. Website visits were overestimated when initially establishing targets for Access Canberra in 2015-16.
- This accountability indicator is an annual measure of the effectiveness of Access Canberra in providing services to the Canberra Community. Average cost is the annual direct expenditure of Access Canberra divided by the number of interactions calculated in accountability indicator 1.a. Costings per transaction were overestimated when initially establishing targets for Access Canberra in 2015-16.
- The customer satisfaction result is determined by the responses to an independent annual 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.
- This accountability indicator is an annual measure of the success of Access Canberra in supporting the Digital Canberra initiative. Services delivered on-line are defined as interactions that can be conducted (at least in part) via the internet/portals. Measurement will be reported by both percentage of number of services and percentage of volume of services performed.
- The satisfaction with ease of interacting result is determined by the responses to an independent annual 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. One of the initiatives undertaken by Access Canberra is conducting joint inspections which has resulted in the ACT community finding it easier than expected to interact with Access Canberra.

7. This accountability indicator is an indication of the activities undertaken by Access Canberra to build industry and community awareness, capability and compliance. This is achieved annually through inspections under legislation administered by Access Canberra in order to maintain and enhance community confidence in available services. Inspections include inspections, audits and investigations.
8. This is a measure of annual compliance with relevant regulations, legislation etc. The result is based on a random sample of identified industries within Access Canberra.
9. This accountability indicator indicates the time taken to assess and issue licensing for regulated activities. The indicator is calculated annually and is calculated from receipt of complete and correct paperwork from applicant through to approval/issuance.

Output Class 4: Financial and Economic Management

Output 4.1: Economic Management¹

Table 34: Accountability Indicators Output 4.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Briefings on the ACT economy ²	100	120	115
b. Submission to CGC Annual Update ³	1	1	1
c. Submission to credit rating agency ⁴	1	1	1

Note(s):

1. This Output was previously Output 2.1 Economic Management.
2. This accountability indicator covers briefings on the most recent key economic indicators for Canberra and the Australian Capital Territory, including those based on ABS or other data sources. This indicator excludes other general briefings on the economy.
3. This accountability indicator covers the annual submission to the Commonwealth Grant Commission (CGC), which forms part of their annual data update which will determine the ACT's share of the national GST pool.
4. This accountability indicator covers the annual submission to the credit rating agency Standard & Poor's (S&P). This enables S&P to make an assessment of the credit rating of the ACT Government. The submission is a daylong meeting with the agency.

Output 4.2: Financial Management¹

Table 35: Accountability Indicators Output 4.2

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Budget presented in accordance with legislative timeframes ²	1	1	1
b. Budget Review presented in accordance with legislative timeframes ³	1	1	1
c. Annual Financial Statements for the Territory in accordance with legislative timeframes ⁴	1	1	1
d. Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes ⁵	4	4	4
e. Policy/service reviews commenced ⁶	2	2	2
f. Policy/service reviews completed ⁷	2	1	3
g. Regulatory reform in relation to financial processes ⁸	1	1	1

Note(s):

1. This Output was previously Output 2.2 Financial Management.
2. 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).
3. The Budget Review for the Territory is presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA.
4. 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.
5. The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
6. In 2015-16 a review of select budget programs was undertaken, and due to changing priorities a foreshadowed Review of Property Management was replaced with the Human Services Cluster Review. In 2016-17, subject to changing priorities, it is anticipated to commence the Human Resources and Financial Services Update and to progress work flowing from the review of select budget programs.
7. A review of select budget programs was completed in 2015-16. The Human Services Cluster Review and the anticipated Human Resources and Financial Services Update and work flowing from the review of select budget programs will be completed in 2016-17.
8. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes.

Output Class 5: Workforce Injury Management and Industrial Relations Policy

Output 5.1: Workforce Injury Management and Industrial Relations Policy¹

Table 36: Accountability Indicators Output 5.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Provide advice to government on developments in the work health and safety policy agenda ²	6	6	6
b. Represent the ACT at Safe Work Australia, and coordinate input to, and activities arising from, national initiatives to harmonise work health and safety laws and workers' compensation arrangements ³	10	10	10
c. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme ⁴	Apr 2016	Apr 2016	Apr 2017
d. In accordance with government directions, make changes to the <i>Workers Compensation Act 1951</i> ⁵	Jun 2016	Jun 2016	Jun 2017
e. Provide advice to the government regarding workplace relations issues ⁶	4	4	7
f. Represent the ACT on national industrial relations fora and coordinate input to, and activities arising from the National Workplace Relations System ⁷	4	4	4
g. Maintain consultative work injury management fora within the ACT ⁸	4	4	4
h. Provide policy and legislative advice to the government on issues affecting ACT Workers ⁹	3	3	n/a
i. Provide policy and legislative advice to the government on issues relating to dangerous substances, including chemical, explosive and asbestos regulation ¹⁰	6	6	6

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
j. Continue to implement the recommendations of the Getting Home Safely Report ¹¹	6	6	n/a
k. Review implementation of the Getting Home Safely construction industry safety inquiry recommendations ¹²	n/a	n/a	Apr 2017
l. Achieve a conformance rating of 85% or higher in the annual audit of the ACT Government Rehabilitation Management System ¹³	n/a	n/a	85%
m. Reduce the incidence of ACT public sector lost time work injuries ¹⁴	n/a	n/a	5%

Note(s):

1. This Output has been renamed and was previously Output 1.3 Industrial Relations Policy.
2. This accountability indicator covers the preparation of briefing papers to the ACT Government on significant national work health and safety developments. This indicator is counted as complete when submissions are lodged with the ACT Government. The scope, delivery and timing of these submissions will depend on the nature of emerging priorities during the year.
3. This accountability indicator covers preparation for, and attendance at, meetings of Safe Work Australia, meetings of the Strategic Issues Group, and meetings of various technical advisory groups established to harmonise work safety legislation and improve workers' compensation arrangements. This indicator is considered complete with attendance at meetings.
4. This accountability indicator covers review of the performance of the ACT Workers' Compensation Scheme and consideration of the broader implications of these findings. This indicator is considered complete on receipt of the actuarial analysis and reporting to the Minister for Workplace Safety and Industrial Relations.
5. This accountability indicator covers the development of amendments to the *Workers Compensation Act 1951*, which are intended to improve the overall efficiency and effectiveness of the Workers' Compensation Scheme. The indicator is considered complete when the submissions to the ACT Government proposing amendments are finalised following external consultation.
6. This accountability indicator covers the provision of advice to the ACT Government on the progress of any amendments to the *Fair Work Act 2009*, and other issues arising in relation to the national workplace relation laws. The indicator is considered complete on provision of briefs and other advice to the ACT Government. The subject, number and timing of the briefings will depend on the nature of emerging priorities during the year.
7. This accountability indicator covers the ACT's participation and involvement in the various federally sponsored fora on the administration of the *Fair Work Act 2009*. The scope, delivery and timing of these submissions will depend on the nature of emerging priorities during the year.
8. This accountability indicator covers the secretariat role to the ACT Work Safety Council, supporting four meetings of the Council. The indicator is considered complete when Council meetings are held and minutes agreed.
9. Discontinued accountability indicator. This accountability indicator covered advice on local industrial relations matters including portable long service leave, public holidays, daylight saving and workers' compensation.
10. This accountability indicator covers advice on the *Dangerous Substances Act 2004*, including chemical, explosives and asbestos regulation.
11. Discontinued accountability indicator. This accountability indicator covered the preparation of advice to the ACT Government on the implementation of the recommendations stemming from the *Getting Home Safely Report*, including preparation of papers and attendance at steering committee meetings and briefings for government.
12. New accountability indicator. The accountability indicator is considered complete on provision of a final report to the Minister for Workplace Safety and Industrial Relations setting out the findings of the review.
13. New accountability indicator. It is a condition of the ACT Government's delegations under the *Safety Rehabilitation and Compensation Act 1988* that the Territory maintains a rehabilitation management system that complies with the Commonwealth guidelines and that conformance be audited annually.
14. New accountability indicator. The accountability indicator measures the number of workers' compensation claims resulting in absence from the workplace of one day or more. The baseline number is the annual average number of lost time claims for the three years to 31 December 2015, at 12 months of claim development.

Output Class 6: Revenue Management

Output 6.1: Revenue Management¹

Table 37: Accountability Indicators Output 6.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Debt Management – level of overdue debt as a percentage of tax revenue ²	2.5%	3%	2.5%
b. Internal reviews of Objections completed within 6 months ³	85%	99%	85%
c. Internal reviews of Objections completed within 12 months ⁴	100%	100%	100%
d. Compliance revenue per inspector ⁵	\$400,000	\$800,000	\$500,000

Note(s):

1. This Output was previously Output 3.1 Revenue Management.
2. 'Level of overdue debt' measures the level of overdue collectable debt as a percentage of forecast tax revenue. It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.
3. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue decisions.
4. Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue decisions.
5. "Compliance revenue per inspector" measures all revenue assessed from compliance activities divided by the number of full-time-equivalent Inspectors. It includes revenue from assessments, reassessments (being that portion not already assessed), compromise assessments issued by the Compliance Section, outstanding returns, savings resulting from reductions in refund claims and other compliance activity. Strategic compliance projects and more sophisticated data analytics are providing higher returns in payroll and land tax.

Output Class 7: Shared Services

Output 7.1: Shared Services¹

Table 38: Accountability Indicators Output 7.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. ICT costs compared to peer organisations' costs as, benchmarked by an independent organisation ²	within 5%	within 5%	n/a
b. Email availability across government during core business hours ³	100%	100%	100%
c. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes ⁴	90%	90%	90%
d. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	20 seconds	29 seconds	20 seconds
e. Number of successful attacks on internally hosted ACT Government websites	0	0	0
f. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes ⁵	90%	78%	90%
g. Data for Annual Reports and the Workforce Profile are provided within the agreed timeframe ⁶	100%	100%	100%
h. Performance standards in Recruitment Services for permanent and temporary vacancies services specifications achieved ⁷	95%	97%	95%
i. Business Activity Statements completed in accordance with the ATO deadline ⁸	100%	100%	100%
j. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline ⁹	100%	100%	100%
k. Monthly financial information available for use by agencies by 6th working day of the month ¹⁰	100%	100%	100%
l. Annual financial statements completed and provided to agencies by 10th working day of July ¹¹	100%	100%	100%
m. Average time (working days) taken to enter accounts payable invoices into Oracle following receipt at Shared Services Finance from directorates ¹²	2	2	2
n. Finance service requests made via the Service Desk are resolved within Service Standards timeframes ¹³	90%	96%	90%

Note(s):

1. New Output. This Output combines the previous Outputs 4.1 Shared Services ICT; 6.1 Shared Services Human Resources; and 7.1 Shared Services Finance.
2. Discontinued accountability indicator. The independent benchmarking is undertaken every two years.
3. Established by determining up-time of each core component of the network across core business hours (Monday to Friday 8am to 6pm).
4. Service Standards timeframes are published standards for service delivery by Shared Services.
5. Service Standards timeframes are published standards for service delivery by Shared Services.
6. This accountability indicator covers provision of HR statistical data to Directorates to enable Directorates to prepare their annual report consistent with the annual report guidelines developed by the Chief Minister, Treasury and Economic Development Directorate. It also covers the provision of HR statistical data to Workplace Capability and Governance for the provision of the Commissioner for Public Administration's Annual Workforce Profile Report.
7. Represents the overall average of performance standards in recruitment service specifications being achieved.

8. This accountability indicator covers the submission of Business Activity Statements (BAS) to the Australian Taxation Office (ATO).
9. This accountability indicator covers the lodgement of annual Fringe Benefits Tax (FBT) returns to the ATO.
10. This accountability indicator refers to the completion of processing of monthly financial information using Oracle.
11. This accountability indicator covers the submission of draft annual financial reports to the directorates/agencies.
12. This accountability indicator refers to the average number of working days taken to enter accounts payable invoices into Oracle.
13. Service Standards timeframes are published standards for service delivery by Shared Services.

Output Class 8: Procurement and Capital Works

Output 8.1: Procurement and Capital Works¹

Table 39: Accountability Indicators Output 8.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Proportion of government funded annual Capital Works program supported with project procurement services ²	90%	90%	90%
b. Proportion of tenders available to potential tenderers in electronic format ³	>90%	100%	100%
c. Proportion of relevant projects supported by Procurement and Capital Works that have had WHS audits performed in accordance with the Active Certification Audit Program ⁴	>90%	80%	>90%
d. Capital Works Projects ⁵			
– Percentage of Construction Projects Completed on Budget ⁶	85%	90%	85%
– Percentage of Construction Projects Completed on Time ⁷	85%	90%	85%

Note(s):

1. This Output was previously Output 5.1 Procurement and Capital Works.
2. This excludes capital works undertaken by the Land Development Agency and the Commissioner for Housing. It excludes works under Directorates' Capital Upgrade Programs and capital ICT works, due to the nature of these specific capital works and activities. Some Directorates maintain their own works delivery capacity, and so target is designed to reflect that Procurement and Capital Works is the provider of choice for all other capital procurement and project management services. Whilst individual projects may be completed during the year, the total proportion is measured annually.
3. This accountability indicator measures the proportion of tenders published on the Procurement and Capital Works website that are available to the public to download in electronic format.
4. The Active Certification Audit Program applies to construction work for government capital works projects valued at \$250,000 or more. The variance in the 2015-16 estimated Outcome is due to some audits being delayed. Factors included a Development Application approval delay, and one worksite not being ready for commencement.
5. This accountability indicator applies to all construction projects managed by Procurement and Capital Works.
6. This accountability indicator measures the percentage of New Construction Capital Works projects managed by Procurement and Capital Works that are delivered within the approved budget.
7. This accountability indicator measures the percentage of New Construction Capital Works projects managed by Procurement and Capital Works that are delivered within the approved timeframe.

Output Class 9: Economic Development

Output 9.1: Economic Development Strategy and Program Design¹

Table 40: Accountability Indicators Output 9.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Construction Snapshots ²	2	2	n/a
b. Economic development strategy and program initiatives ³	4	4	6
c. Gaming and racing advice ³	2	2	2
d. Regulatory and process reform initiatives ³	2	2	2
e. 4-year Indicative Land Release Program published ⁴	1	1	1

Note(s):

1. This Output has been renamed and was previously Output 8.1 Economic Development Policy, Projects and Legislation.
2. Discontinued accountability indicator. This indicator covered the preparation of two Construction Snapshots for 2016-17.
3. These accountability indicators incorporate key government initiatives to be delivered by the Economic Development Strategy and Program Design Branch during the year. Scope, delivery and timing of initiatives may vary depending on emerging priorities that impact on resource availability.
4. This accountability indicator covers publication of the 2016-17 to 2019-20 Indicative Land Release Program.

Output 9.2: Innovation, Trade and Investment¹

Table 41: Accountability Indicators Output 9.2

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Support for innovation start-ups and entrepreneurs			
– Innovation Connect (ICon) new client connections ²	50	50	50
– Innovation Connect (ICon) successful grant applications ³	15	20	15
– Deliver targeted programs to support innovative start-ups ⁴	3	3	3
– Satisfaction on the effectiveness of ACT Government programs and initiatives to support innovative start-ups through surveys of the CBR Innovation Network Board and the Innovation Community Forum ⁵	>75%	>75%	>75%

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
b. Support development of key industry capability in the ACT innovation ecosystem			
– Deliver targeted programs to support development of key industry capability in the ACT Innovation ecosystem ⁶	4	4	4
– Satisfaction on the effectiveness of ACT Government programs and initiatives to support development of key industry capability in the ACT Innovation ecosystem through surveys of the CBR Innovation Network Board and Community Forum ⁷	>75%	>75%	>75%
c. Invest Canberra			
– Trade Connect grants delivered ⁸	20	50	30
– Number of international trade and investment campaigns and delegations ⁹	3	3	3
– Number of lead responses generated from Invest Canberra program activity ¹⁰	30	30	30
– Number of investment facilitation projects supported ¹¹	5	3	2
d. Skilled Migration Attraction and Facilitation			
– Employer Sponsored Nominated ¹²	250	250	330
– Skilled Independent Nominated ¹³	500	500	500
– Participation in the settlement support program for ACT nominated migrants ¹⁴	>70%	>70%	>70%
– Average number of monthly visits to <i>Canberra. Create Your Future</i> website ¹⁵	12,000	12,000	12,000
e. Funded training initiative allocation rounds administered within published timeframes ^{16, 17}	100%	100%	n/a
f. Funded training initiative administered within published timeframes ¹⁸	n/a	n/a	100%
g. Registered training organisation audit reports provided within 30 days of completion of on-site audit ^{16, 19}	100%	100%	100%
h. Total number of students undertaking vocational qualifications ²⁰			
– All students	n/a	n/a	30,100
– Aboriginal and Torres Strait Islander students	n/a	n/a	755
– Students with a disability	n/a	n/a	1,940
i. Participation in vocational education and training ²¹			
– All students (percentage)	n/a	n/a	8.2%
– Aboriginal and Torres Strait Islander students (percentage)	n/a	n/a	15.5%

Note(s):

1. This Output was previously Output 8.2 Innovation, Trade and Investment.
2. This accountability indicator tracks the number of new client connections engaging with the Innovation Connect grant program.
3. This accountability indicator tracks the number of successful applications to the Innovation Connect grant program, i.e. applications that the Innovation Connect Assessment Panel approve for funding support.

4. Delivery of ACT Government programs to support start-ups (ie. newly created businesses, business intenders, business models that propose innovative products or services that can demonstrate future growth potential). Target refers to CBR Innovation Network, ICon and Small Business Innovation Partnership (SBIP) programs.
5. Surveys of ACT Government programs to support start-ups. Surveys seek comment and views on the impact and effectiveness of ACT Government programs and initiatives to assist innovative start-ups within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board and Innovation Community Forum.
6. Delivery of ACT Government programs to support key industry capability in the innovation ecosystem. Target refers to CBR Innovation Network, NICTA, CollabIT and Screen Industry Support programs.
7. Surveys of ACT Government programs to support key industry capability in the innovation ecosystem. Surveys seek comment on the impact and effectiveness of ACT Government programs and initiatives to build capacity in key capability areas within the ACT economy. Stakeholders surveyed are CBR Innovation Network Board and Innovation Community Forum.
8. Number of Trade Connect grants awarded. Variance above target reflects greater than anticipated interest from the business community in trade and export activity including international trade delegations. In addition an enhanced partnership agreement with the Canberra Business Chamber promoting export development initiatives and promotion of the Trade Connect program has led to increased demand from industry. 2016-17 target of 30 is a conservative projection pending finalisation of the 2016-17 international trade delegation calendar and finalising a new cooperation agreement with Canberra Business Chamber.
9. Number of international trade and investment campaigns and delegations delivered.
10. Number of trade and investment lead responses identified and qualified. A lead is defined as the identification of an entity that has expressed an interest and has the authority and capacity to invest in the ACT. Reduction of 2016-17 Target to 20 is due to restructure of the Investment Proposal Guidelines process that will result in a proportion of investment leads being channelled through Treasury Directorate.
11. Number of investment facilitation projects supported (ie. leads that develop into supported projects). Variance reflects investment proposal due diligence process whereby only three of the proposals submitted during the period met criteria to progress to supported projects. Year end outcome of 3 demonstrates three proposals were supported in providing a detailed business case for Government to consider. Many of the facilitated leads are projects that have taken significant resources and due diligence to progress to Government consideration. A decision by an investor to respond to an opportunity and have that realised as a development can take several years.
12. Tracks ongoing program delivery within Commonwealth Government (Department of Immigration and Border Protection) policy parameters based on a three-year average. The increased target of 330 for 2016-17 is based on the outcomes of the three-year average in a program environment that is determined by employers seeking to nominate skilled overseas workers for a permanent visa.
13. Skilled Independent Nominated target which is based on the mid-range quota set by the Commonwealth Government (Department of Immigration and Border Protection).
14. Percentage of ACT nominated skilled migrants that participate in settlement support program.
15. Average number of monthly visits to *Canberra. Create Your Future* website (www.canberrayourfuture.com.au), promoting the competitive advantages of Canberra to skilled workers.
16. This accountability indicator was previously reported in Output 3.1 Planning and Coordination of Vocational Education and Training Services in the former Education and Training Directorate (now Education Directorate). Vocational Education and Training transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016.
17. Discontinued accountability indicator. This indicator measured the percentage of funded allocation rounds that were communicated to providers within the published timeframes for each allocation round. This has been replaced in 2016-17 with a revised indicator (See Note 18).
18. New accountability indicator. This indicator measures the percentage of key published dates regarding administration of funded training initiatives.
19. This indicator measures the percentage of registered training organisation (RTO) audit reports provided within 30 days of the completion of an on-site audit.
20. New accountability indicator. This indicator measures the number of students (all; Aboriginal and Torres Strait Islander; students with a disability) undertaking government funded Vocational Education and Training in the ACT.
21. New accountability indicator. This indicator measures the participation rate for students (all; Aboriginal and Torres Strait Islander) undertaking government funded Vocational Education and Training in the ACT.

Output 9.3: VisitCanberra¹

Table 42: Accountability Indicators Output 9.3

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. ACT Accommodation – Room Occupancy Rate (%) ²	>national average	68%	>national average
b. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC ³	>85%	93%	>85%
c. Number of visits to the ‘visitcanberra’ website ⁴	1,300,000	1,400,000	1,300,000

Note(s):

1. This Output was previously Output 8.3 VisitCanberra.
2. Room occupancy rates are taken from the annual Survey of Tourist Accommodation (ABS Cat. No. 8635.0). The data applies to hotels, motels, resorts, guesthouses and serviced apartments with 15 or more rooms/units. The latest available data for the year ending June 2015 indicates that the ACT occupancy rate was 68.1 per cent and the National rate was 64.9 per cent.
3. Satisfaction with overall customer service levels at the CRVC is captured as part of a broader Satisfaction Survey open to visitors throughout the year. Survey data is recorded using the *Survey Monkey* online program.
4. This accountability indicator is used to record the performance of the website www.visitcanberra.com.au as a key driver for tourism activities such as travel, research, planning and online bookings in Canberra.

Output 9.4: Sport and Recreation¹

Table 43: Accountability Indicators Output 9.4

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Number of nationally identified priority athletes supported by the ACT Academy of Sport ²	100	100	100
b. Percentage of customers satisfied with the management of sportsgrounds ³	95%	92%	93%
c. Percentage of customers satisfied with management of aquatic centres ⁴	93%	93%	93%
d. Number of organisations funded to support participation opportunities in sport and recreation ⁵	80	78	79

Note(s):

1. This Output was previously Output 8.4 Sport and Recreation.
2. This accountability indicator measures the number of ACT Academy of Sport supported athletes identified and prioritised by their respective national body as an athlete with emerging international level potential through to the world class medal potential.
3. A quarterly survey of visitors to district sportsgrounds, enclosed sportsgrounds and neighbourhood ovals that measures visitors' satisfaction with how well the sportsground is managed and standard of the facilities provided by the sportsgrounds. The indicator has been revised for 2016-17 to account for a change in methodology, namely the removal of a non-committal response option that previously accounted for 6 per cent of respondents.
4. A quarterly survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools - overall experience provided by the public swimming pools and maintenance and cleanliness of public swimming pools.

5. This accountability indicator reports the number of organisations funded through the Sport and Recreation Grant Program to deliver participation opportunities. This funding support is coupled with access to Directorate delivered education and training liaison officer assistance to improve the quality of these opportunities. The 2015-16 target (80) was based on previous years' averages; the estimated outcome reflects two organisations that were expected to submit an application for funding support not doing so. The 2016-17 target of 79 assumes that all organisations are expected to reapply except one which has formally ceased.

Output 9.5: Venues¹

Table 44: Accountability Indicators Output 9.5

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Number of Major Events at			
– GIO Stadium ²	23	21	23
– Manuka Oval ²	5	6	5
– Stromlo Forest Park ²	7	10	10
– Exhibition Park in Canberra ²	84	106	85
b. Own Source Revenue by Venue			
– GIO Stadium ³	\$2.9 million	\$2.8 million	\$3.0 million
– Manuka Oval ³	\$360,000	\$360,000	\$360,000
– Exhibition Park in Canberra ⁴	\$3.5 million	\$3.6 million	\$3.5 million

Note(s):

1. This Output was previously Output 8.5 Venues.
2. These accountability indicators reflect the number of planned major events to be held at each venue in 2016-17.
3. These accountability indicators cover own source revenue (measured as gross profit) generated by GIO Stadium and Manuka Oval and are based on pre-existing hire agreements.
4. This accountability indicator covers own source revenue (measured as gross revenue) generated by Exhibition Park in Canberra.

Output 9.6: Events¹

Table 45: Accountability Indicators Output 9.6

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Deliver key community events			
– New Year's Eve ²	1	1	1
– Australia Day ²	1	1	1
– Canberra Nara Candle Festival ²	1	1	1
– Canberra Day Activities ³	1	1	1
b. Economic activity generated as a result of staging Floriade ⁴	\$40 million	\$40 million	\$40 million
c. Economic activity generated as a result of staging the Enlighten Festival ⁵	\$2 million	\$2 million	\$2 million
d. Satisfaction with the management of Events grants in the ACT ⁶	n/a	n/a	80%

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
e. The level of customer satisfaction at the National Arboretum Canberra ⁷	85%	85%	85%

Note(s):

1. This Output was previously Output 8.6 Events.
2. These accountability indicators cover planning, marketing and delivery of key community events: New Years Eve, Australia Day and the Canberra Nara Candle Festival.
3. This accountability indicator covers planning, marketing and delivery of the Canberra Festival. These activities encompass Enlighten, the Balloon Spectacular, Lights Canberra Action, Symphony in the Park and the Canberra Day event.
4. This accountability indicator covers the economic activity generated for the Territory by staging Floriade. Visitor expenditure data is derived from face-to-face interviews conducted on site with a random sample of event attendees. The event's direct expenditure impact aims to capture the spending of all visitors that come to the ACT (or extend their stay) specifically for Floriade.
5. This accountability indicator covers the economic activity generated for the Territory by staging the Enlighten Festival. Visitor expenditure data is derived from face-to-face interviews conducted on site with a random sample of attendees. The direct expenditure impact aims to capture the spending of all visitors that come to the ACT (or extend their stay) specifically for the Enlighten Festival.
6. New accountability indicator. This indicator measures the standard of service and assistance the event organisers receive through delivery of the grants management process of the ACT Events Fund. A satisfaction survey will be conducted on an annual basis to measure this indicator.
7. This accountability indicator was previously reported in Output 1.4 Land Management in the Territory and Municipal Services Directorate. The National Arboretum Canberra transferred to the Chief Minister, Treasury and Economic Development Directorate in the *Administrative Arrangements 2016 (No 1)* that took effect from 22 January 2016. Customer satisfaction is based on an annual survey undertaken towards the end of the financial year.

Output 9.7: Property Services¹

Table 46: Accountability Indicators Output 9.7

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Use of Renewable Energy ²	5%	5%	5%
b. Occupancy rate for properties designated for use by non-government tenants ³	96%	96%	96%
c. Average square metres of office accommodation per employee ⁴	15.5	15.5	14.5

Note(s):

1. This Output was previously Output 8.7 Property Services.
2. This accountability indicator measures the proportion of the ACT Government's electricity supply sourced from accredited renewable sources, as outlined in the Carbon Neutral ACT Government Framework.
3. This accountability indicator measures the occupancy rate for properties designated for use by non-government tenants (community groups and commercial organisations) by calculating the percentage of occupied space against the total of available non-government space.
4. This accountability indicator covers the quantum of office space utilised per employee. The utilisation rate is the average net lettable area of office space measured on a square meter basis per employee in ACT Government owned and leased office accommodation that is being occupied by ACT Government agencies. The lower target for 2016-17 reflects progress in implementing the Whole of government Office Accommodation Strategy as announced on 25 January 2016.

Output 9.8: Arts Engagement¹

Table 47: Accountability Indicators Output 9.8

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Number of art organisations supporting community participation ²	25	25	25
b. Tenants satisfaction with management of Community Arts Facilities ³	85%	85%	85%
c. Satisfaction with the management of grants administered by artsACT ⁴	n/a	n/a	80%
d. Number of attendees at programs delivered by artsACT funded organisations ⁵	n/a	n/a	350,000
e. Number of engagement activities with the community on arts and cultural matters ⁶	n/a	n/a	4

Note(s):

1. This Output was previously Output 8.8 Arts Engagement.
2. This accountability indicator identifies the number of arts organisations supported by ACT arts funding to implement the objectives of the ACT Arts Policy Framework. The result is measured through the grant acquittal process.
3. This accountability indicator measures the standard of service and assistance the community arts facility managers receive from artsACT through an annual survey.
4. New accountability indicator. This indicator measures the standard of service and assistance that arts organisations and artists receive through delivery of the grants management process of the ACT Arts Fund. A satisfaction survey will be conducted on an annual basis to measure this indicator.
5. New accountability indicator. This indicator measures the annual attendance numbers at programs delivered by artsACT funded organisations. Attendance numbers are collected as part of the grants acquittal process.
6. New accountability indicator. This indicator measures the number of times artsACT has engaged with the community on arts and cultural matters. This measure is consistent with the implementation of the 2015 ACT Arts Policy. This will be measured by the number of engagement activities held each year by artsACT.

Output 9.9: Urban Renewal¹

Table 48: Accountability Indicators Output 8.9

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Asset Recycling Initiative ²	100%	100%	100%
b. Public Housing Renewal Program Contracts ³	352	355	362
c. Public Housing Renewal Program Delivery ⁴	n/a	n/a	424

Note(s):

1. This Output was previously Output 8.9 Urban Renewal.
2. This accountability indicator covers the 19 sites included as part of the Commonwealth Government's Asset Recycling Initiative (ARI). The target measures the percentage of ARI sites for which sales strategies have been established and endorsed.
3. This accountability indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings covered by new contracts in the target year. This includes dwellings covered by purchasing contracts and dwellings covered by construction contracts.

4. New accountability indicator. This indicator covers the delivery of the ACT Government's Public Housing Renewal Program and measures the number of replacement dwellings completed and transferred to Housing ACT in the target year.

Changes to Appropriation

Table 49: Changes to appropriation – Controlled Recurrent Payments

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	411,730	269,090	243,691	243,673	243,673
FMA Section 16B Rollovers from 2014-15					
Commonwealth Grants – National Transport Regulators Transition Assistance NP	21	-	-	-	-
Commonwealth Grants – Developing Demand-Driver Infrastructure for the Tourism Industry NP	750	-	-	-	-
Commonwealth Grants – Water for the Future NP	89	-	-	-	-
Healthy Weight Initiative	35	-	-	-	-
iConnect	40	-	-	-	-
ICT Transformation – Hybrid cloud computing	463	-	-	-	-
Investment Logic Mapping	182	-	-	-	-
Loose-fill Asbestos Insulation Eradication Scheme	55,116	-	-	-	-
Restructure Fund	3,229	-	-	-	-
Strategic Asset Management Program	1,288	-	-	-	-
Visit Canberra – Tourism industry growth partnerships	460	-	-	-	-
2016-17 Budget Policy Adjustments					
Better Infrastructure for Canberra – Enhanced policy approach	-	1,536	-	-	-
Better Public Housing – New public housing properties	-	13,566	14,514	6,100	-
Better Public Transport – Light rail business partnership program	-	500	-	-	-
Better Roads for Gungahlin – Gungahlin town centre road network improvements	-	-	-	50	100
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	-	400	-	-	-
Better Roads for the Inner South – Yarralumla Estate	-	250	-	-	-
Better Services – Dickson Motor Vehicle Inspection Station	-	400	1,000	1,020	1,050
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	-	-	-	-	1,050
Better Workplaces for ACT Public Servants – Civic and Dickson office projects	-	879	483	490	496
Bigger and Better Events for Canberra – Bringing A-League football to Canberra	-	245	-	-	-
Bigger and Better Events for Canberra – Enhancing Canberra's reputation as an events destination	-	1,500	-	-	-
Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia strategic partnership	-	717	3,717	2,500	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Canberra Capitals Basketball Team – Performance agreement extension	-	250	-	-	-
Confident and Business Ready – Building on our strengths – Data61, CBR Innovation Network and the ACT Fulbright Scholarship	-	3,710	2,860	60	-
Digital Canberra – ACT Government data warehouse and analytics framework	-	279	-	-	-
Digital Canberra – Protecting our data	-	-	-	87	89
Digital Canberra – Support for the Chief Digital Officer to improve Government services	-	187	190	-	-
Healthy Weight Initiative – Healthy Canberra	-	492	558	-	-
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	-	100	-	-	-
Improving Our Suburbs – New Molonglo Valley infrastructure	-	500	-	-	-
Improving Road Safety – Traffic camera adjudication system upgrades	-	524	655	670	685
More Efficient Government	-	186	-	-	-
More Operational Support for Canberra's Pools	-	400	400	400	300
National Arboretum Canberra – Water security Stage 2	-	-	-	17	34
Safer Families – Reportable conduct scheme for employees	-	473	282	288	293
Safer Roads – Mobile camera program expansion	-	443	548	558	569
Securing Electricity Supply in the ACT – Second supply network	-	250	250	-	-
Smarter Regulation – Red tape reduction	-	-	250	91	91
Sport and Recreation – Asset Repair and Maintenance Scheme - Year four	-	200	-	-	-
Sport Ground Irrigation and Maintenance Funding Boost	-	450	450	450	450
Supporting Aboriginal and Torres Strait Islander Peoples – Support for arts and culture	-	100	-	-	-
Tax Administration	-	801	1,605	1,634	1,664
Urban Renewal for Civic – Creating a vibrant city centre	-	300	-	-	-
Visit Canberra – One good thing after another – Domestic and international marketing boost	-	2,300	3,000	1,000	1,000
Workers' Compensation – Supplementing agency costs	-	15,149	-	-	-
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	(1,303)	(1,338)	(1,374)	2,582
Revised Superannuation Parameters	-	2,179	2,331	2,853	3,501
Transfer – Alcohol Interlocks from CMTEDD to JACS	-	(209)	(9)	(9)	(9)
Transfer – Australia Forum – Investment ready from Controlled Recurrent Payments to Capital Injection	(100)	-	-	-	-
Transfer – Digital Dividend Investment Strategy and Transformational Service Delivery from Controlled Recurrent Payments to Capital Injection	(1,516)	(1,084)	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Transfer – Healthy Weight Initiative – Healthier lifestyles from Health to CMTEDD	150	400	410	420	-
Transfer – Human Resources Information Management System Upgrade from Capital Injection to Controlled Recurrent Payments	250	-	-	-	-
Transfer – iConnect from Controlled Recurrent Payments to Capital Injection	(1,271)	(973)	(973)	(973)	-
Transfer – Loose-fill Asbestos Insulation Eradication Scheme from Controlled Recurrent Payments to Capital Injection	(7,233)	-	-	-	-
Transfer – Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance from CMTEDD to EPD	-	(200)	-	-	-
Transfer – National Arboretum Canberra from TAMS to CMTEDD	1,629	4,075	4,186	4,297	4,380
Transfer – Office Accommodation from Capital Injection to Controlled Recurrent Payments	400	-	-	-	-
Transfer – Training and Tertiary Education from ETD to CMTEDD	26,064	29,478	21,724	22,253	22,803
Revised Funding Profile – ACT Public Service Workers' Compensation Insurance Scheme	(155)	155	-	-	-
Revised Funding Profile – Alcohol Interlocks	(100)	100	-	-	-
Revised Funding Profile – Asset Recycling	(165)	85	80	-	-
Revised Funding Profile – City to the Lake – New Canberra Theatre (Feasibility)	(100)	100	-	-	-
Revised Funding Profile – Commonwealth Grants – Building Australia's Future Workforce – Skills Reform NP	(3,000)	3,000	-	-	-
Revised Funding Profile – Commonwealth Grants – National Skills and Workforce Development SPP	(3,850)	3,850	-	-	-
Revised Funding Profile – Digital Dividend Investment Strategy and Transformational Service Delivery	(1,735)	1,735	-	-	-
Revised Funding Profile – Grant for Development of a New Basketball Centre and Player Amenities	(1,109)	1,109	-	-	-
Revised Funding Profile – Healthy Weight Initiative	(315)	315	-	-	-
Revised Funding Profile – Healthy Weight Initiative – Healthier lifestyles	(70)	70	-	-	-
Revised Funding Profile – Insurance Reform	(390)	195	195	-	-
Revised Funding Profile – Kingston Visual Arts Hub	(25)	25	-	-	-
Revised Funding Profile – Loose-fill Asbestos Insulation Eradication Scheme	(53,592)	18,544	90	(236)	3,843
Revised Funding Profile – Molonglo – Environmental Impact Statement for Deferred Area	(200)	-	200	-	-
Revised Funding Profile – Molonglo Valley – Implementation of Commitments in the Plan for the Protection of Matters of National Environmental Significance	(200)	200	-	-	-
Revised Funding Profile – New Stadium Feasibility Study	(97)	97	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revised Funding Profile – Office Accommodation	(700)	700	-	-	-
Revised Funding Profile – Partnership Framework Advisory Support	(440)	440			
Revised Funding Profile – Simpler Business Licensing	(180)	180	-	-	-
Revised Funding Profile – Stromlo Forest Park – Enclosed Oval (Feasibility)	(200)	200	-	-	-
Revised Funding Profile – Transport for Canberra – Transport reform initiatives	(145)	145	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing	(500)	500	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Allawah Court	(541)	541	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Karuah	(3,373)	3,373	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Owen Flats	(994)	994	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Red Hill Housing Precinct	(9,075)	9,075	-	-	-
Revised Funding Profile – Value Sharing Advice	(138)	-	138	-	-
Revised Funding Profile – Whole of Government Software Upgrade	(984)	984	-	-	-
Cessation – iConnect	-	-	-	-	(1,073)
General Savings	(901)	(6,608)	(7,432)	(7,432)	(7,432)
Savings – Australia Forum – Investment ready	(10)	-	-	-	-
Savings – Grant for Development of a New Basketball Centre and Player Amenities	(780)	-	-	-	-
Savings – iConnect	(787)	-	-	-	-
Commonwealth Grants – National Skills and Workforce Development SPP	14	(6)	(15)	(24)	71
City Centre Marketing and Improvements Levy	177	243	307	368	428
Consolidation of Strategic Communication Across Government	-	746	766	786	806
Healthy Weight Initiative	-	-	-	7	18
Reclassification of Leases	-	242	157	166	176
Regulatory Reform Team	-	790	810	-	-
Smart Modern Strategic Procurement Reform	-	3,500	2,500	-	-
2016-17 Budget	407,116	394,159	298,580	280,190	281,638

Table 50: Changes to appropriation – Territorial

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	73,605	65,082	64,252	64,253	64,253
2016-17 Budget Policy Adjustments					
Support for low income households	-	7,700	7,900	9,900	9,600
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	(944)	(983)	(1,464)	437
Transfer – Training and Tertiary Education from ETD to CMTEDD	84	92	95	98	101
First Home Owners' Grant	-	1,095	814	813	939
Support for the Concessions Program	-	240	230	220	220
2016-17 Budget	73,689	73,265	72,308	73,820	75,550

Table 51: Changes to appropriation – Capital Injections, Controlled

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	426,766	144,282	51,225	45,398	45,398
FMA Section 16B Rollovers from 2014-15					
ACT Smart Parking – Stage 2	63	-	-	-	-
Ainslie Music Hub	18	-	-	-	-
Asbestos Removal – Mitchell	78	-	-	-	-
Belconnen Arts Centre Stage 2 (Feasibility and Forward Design)	12	-	-	-	-
Canberra CBD Upgrade Program	339	-	-	-	-
Canberra CBD Upgrade Stage 2 – Merry-go-round and Veterans' Park	302	-	-	-	-
Casey – Clarrie Hermes Drive Extension to the Barton Highway	2,491	-	-	-	-
Childcare Centre Upgrades – Stage 2	1,179	-	-	-	-
Childcare Centre Upgrades – Stage 3	333	-	-	-	-
Childcare Facilities	42	-	-	-	-
City Action Plan Stage 1 – Edinburgh Avenue Improvements	134	-	-	-	-
City to the Lake – West Basin Public Waterfront (Design)	334	-	-	-	-
City to the Lake Arterial Roads Concept Design	585	-	-	-	-
Coombs – Water Quality Control Ponds	(130)	-	-	-	-
Cravens Creek Water Quality Control Pond	229	-	-	-	-
Data Storage Infrastructure	653	-	-	-	-
Dickson Group Centre Intersections – Upgrade	253	-	-	-	-
Electronic Tendering	43	-	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Employee Self-service and Automated Help Desk Tools	180	-	-	-	-
Facilities Improvement Program 2013-14	(296)	-	-	-	-
Franklin – Community Recreation Irrigated Park Enhancement	100	-	-	-	-
Fyshwick Depot – Fuel storage tanks removal and site remediation	297	-	-	-	-
GIO Stadium Upgrades	260	-	-	-	-
Gorman House Multi-Arts Hub	375	-	-	-	-
Government Office Accommodation and Relocation Fitout	231	-	-	-	-
Greenway Oval Improvements (Design)	(1)	-	-	-	-
Gungahlin Enclosed Oval – Construction of Grandstand	(314)	-	-	-	-
Gungahlin Enclosed Oval (Sports Complex)	(83)	-	-	-	-
Gungahlin Leisure Centre (Design)	(128)	-	-	-	-
Gungahlin Town Centre Roads (Design)	108	-	-	-	-
Gungahlin Wellbeing Precinct – Infrastructure Works	(124)	-	-	-	-
Holder Early Childhood Centre	506	-	-	-	-
Holt Preschool Refurbishment	68	-	-	-	-
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive	223	-	-	-	-
Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive (Design)	(206)	-	-	-	-
Horse Park Drive Extension to Moncrieff Group Centre	2,676	-	-	-	-
Horse Park Drive Water Quality Control Pond	(826)	-	-	-	-
ICT Sustainability – Desktop computer and printer energy management software	249	-	-	-	-
Infrastructure Planning and Design 2013-14	(260)	-	-	-	-
Infrastructure Planning and Design 2014-15	276	-	-	-	-
Isabella Weir Spillway – Upgrades	(88)	-	-	-	-
John Gorton Drive Extension to Molonglo 2 and Group Centre	(3,292)	-	-	-	-
Kenny – Floodways, Road Access and Basins (Design)	151	-	-	-	-
Kenny Contamination Remediation	(1)	-	-	-	-
Kingston Foreshore Parking (Design)	125	-	-	-	-
Learning Management System	500	-	-	-	-
Loose-fill Asbestos Insulation Eradication Scheme	42,200	-	-	-	-
Lyneham Precinct Redevelopment Stage 3	(101)	-	-	-	-
Lyneham Sports Precinct – Central Amenities (Design)	(70)	-	-	-	-
Majura Parkway Estate Development (Design)	2	-	-	-	-
Majura Parkway to Majura Road – Link road	126	-	-	-	-
Manuka Oval Amenity Upgrades	1	-	-	-	-
Manuka Oval Facility Improvement	62	-	-	-	-
Melrose Synthetic Football Facility (Design)	(51)	-	-	-	-
Mitchell – Capital Linen – Replacement of HVAC System	135	-	-	-	-
Molonglo 2 – East-West Arterial Road and Services Extension to Cravens Creek (Design)	(39)	-	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	(7,041)	-	-	-	-
Molonglo 2 – Trunk Sewer and Stormwater Infrastructure from Holden's Creek	1,309	-	-	-	-
Molonglo 2 – Uriarra Road Upgrade	(2,070)	-	-	-	-
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	722	-	-	-	-
Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	1,808	-	-	-	-
Molonglo Infrastructure Investment	(1,070)	-	-	-	-
Motorsport Funding	277	-	-	-	-
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	295	-	-	-	-
Narrabundah Ball Park – Stage 2 – Design	79	-	-	-	-
Narrabundah Long Stay Park – Symonston	823	-	-	-	-
Narrabundah Velodrome Upgrade	(82)	-	-	-	-
New Stadium Feasibility Study	(103)	-	-	-	-
Pools Improvement Program 2013-14	(32)	-	-	-	-
Pools Improvement Program 2014-15	644	-	-	-	-
Rego.ACT – Ongoing investment	1,254	-	-	-	-
Remediation of Fuel Storage Facilities	167	-	-	-	-
Replacement of Canberra Seniors Centre (Design)	252	-	-	-	-
Restoration of Sportsgrounds – Bonython, Watson and Weetangera	289	-	-	-	-
Revenue Collection Transformation	673	-	-	-	-
Revitalisation of Civic and Braddon (Design)	(202)	-	-	-	-
Roof and Building Safety Upgrades at Government Depots	262	-	-	-	-
Stromlo Forest Park – Implementation of bushfire management plan	100	-	-	-	-
Stromlo Forest Park Planning and Infrastructure	(226)	-	-	-	-
Stromlo Forest Park Soil Conservation Works	(119)	-	-	-	-
Stromlo Forest Park Upgrades	40	-	-	-	-
Supporting Our Local Sporting Clubs – Redevelopment of Kippax District Playing Fields	(45)	-	-	-	-
Temporary Seating for Manuka Oval and Other Venues	87	-	-	-	-
The Valley Avenue Extension to Gundaroo Drive (Design)	3	-	-	-	-
Throsby – Access Road (Design)	(115)	-	-	-	-
Throsby – Access road and western intersection	496	-	-	-	-
Throsby Multisport Complex (Design)	(187)	-	-	-	-
Tuggeranong Lakeside Leisure Centre – Water play park	200	-	-	-	-
Upgrade of Early Childhood Facilities	303	-	-	-	-
Water Demand Management Program	251	-	-	-	-
“Where Will We Play” Outdoor Facilities Water Reduction Strategies	1	-	-	-	-
Whole of Government Digital Network	538	-	-	-	-
Woden Bus Interchange – Early Works	38	-	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Woden Bus Interchange Redevelopment	101	-	-	-	-
Woden Bus Interchange Redevelopment – Stage 1	100	-	-	-	-
Woden Valley Stormwater Retardation Basins (Design)	(5)	-	-	-	-
Woden/Weston Creek Community Hub (Feasibility and Forward Design)	86	-	-	-	-
Workcover Integration	27	-	-	-	-
Working with Vulnerable People Checks	306	-	-	-	-
Wright Outer Asset Protection Zone – Stromlo Forest Park	(65)	-	-	-	-
Yarralumla – Canberra Brickworks Site Remediation	1,138	-	-	-	-
2016-17 Budget Policy Adjustments					
Better Public Housing – New public housing properties	-	155,983	121,200	80,019	-
Better Roads for Gungahlin – Gungahlin town centre road network improvements	-	4,500	-	-	-
Better Services – Dickson Motor Vehicle Inspection Station	-	800	-	-	-
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	-	3,000	8,000	11,000	11,000
Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2	-	-	2,500	6,500	-
City to the Lake – New Civic pool	-	400	-	-	-
Digital Canberra – ACT Government data warehouse and analytics framework	-	310	-	-	-
Digital Canberra – Protecting our data	-	310	310	-	-
Improved Arts Facilities for Canberra – Street Theatre	-	-	180	-	-
Improving Our City – Woden bus interchange improvements	-	300	-	-	-
Improving Our Suburbs – New Molonglo Valley Infrastructure	-	5,600	13,000	14,370	-
Improving Road Safety – Traffic camera adjudication system upgrades	-	1,160	-	-	-
More Efficient Public Service Administration – Long service leave calculations	-	1,883	-	-	-
Narrabundah Ballpark Upgrade – Best little ballpark in Australia	-	1,000	2,500	1,000	-
National Arboretum Canberra – Water security Stage 2	-	1,700	-	-	-
Safer Roads – Mobile camera program expansion	-	207	-	-	-
Smarter Regulation – Red tape reduction	-	1,143	1,367	-	-
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	243
Transfer – Australia Forum – Investment ready from Controlled Recurrent Payments to Capital Injection	100	-	-	-	-
Transfer – Constitution Avenue to Vernon Circle from CMTEDD to TAMS	(2,800)	-	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Transfer – Digital Dividend Investment Strategy and Transformational Service Delivery from Controlled Recurrent Payments to Capital Injection	1,516	1,084	-	-	-
Transfer – Human Resources Information Management System Upgrade from Capital Injection to Controlled Recurrent Payments	(250)	-	-	-	-
Transfer – iConnect from Controlled Recurrent Payments to Capital Injection	1,271	973	973	973	-
Transfer – Loose-fill Asbestos Insulation Eradication Scheme from Controlled Recurrent Payments to Capital Injection	7,233	-	-	-	-
Transfer – National Arboretum Canberra from TAMS to CMTEDD	940	927	130	133	137
Transfer – Office Accommodation from Capital Injection to Controlled Recurrent Payments	(400)	-	-	-	-
Revised Funding Profile – Better Roads for Gungahlin – Enhanced Town Centre road network	1,819	(3,819)	2,000	-	-
Revised Funding Profile – Better Roads for Gungahlin – Horse Park Drive duplication	(3,603)	100	3,503	-	-
Revised Funding Profile – Canberra CBD Upgrade Program	(343)	-	343	-	-
Revised Funding Profile – Canberra CBD Upgrade Stage 2 – Merry-go-round and Veterans’ Park	(302)	-	302	-	-
Revised Funding Profile – Canberra Regional Visitors Centre Relocation	(1,456)	1,456	-	-	-
Revised Funding Profile – City to the Lake Arterial Roads Concept Design	(814)	814	-	-	-
Revised Funding Profile – Cravens Creek Water Quality Control Pond	(3,700)	2,000	1,700	-	-
Revised Funding Profile – Dickson Group Centre Intersections – Upgrade	(50)	50	-	-	-
Revised Funding Profile – Fyshwick Depot – Fuel storage tanks removal and site remediation	(1,187)	1,187	-	-	-
Revised Funding Profile – Government Budget Management System	(3,060)	3,060	-	-	-
Revised Funding Profile – iConnect	(4,400)	-	3,700	700	-
Revised Funding Profile – ICT Transformation – Hybrid cloud computing	(3,480)	3,480	-	-	-
Revised Funding Profile – Invoice Automation	(1,351)	1,351	-	-	-
Revised Funding Profile – Isabella Weir Spillway – Upgrades	(8,235)	1,300	6,935	-	-
Revised Funding Profile – John Gorton Drive Extension to Molonglo 2 and Group Centre	(200)	200	-	-	-
Revised Funding Profile – Land Titles Business System Modernisation	(611)	611	-	-	-
Revised Funding Profile – Learning Management System	(500)	500	-	-	-
Revised Funding Profile – Loose-fill Asbestos Insulation Eradication Scheme	(66,377)	29,477	16,459	(4,322)	(33,273)

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revised Funding Profile – Lyneham Precinct Redevelopment Stage 3	(672)	672	-	-	-
Revised Funding Profile – Lyneham Sports Precinct – Central Amenities (Design)	(421)	421	-	-	-
Revised Funding Profile – Majura Parkway to Majura Road – Link road	(8,926)	6,500	2,426	-	-
Revised Funding Profile – Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	(400)	400	-	-	-
Revised Funding Profile – Molonglo 2 – Uriarra Road Upgrade	(500)	500	-	-	-
Revised Funding Profile – Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	(761)	405	356	-	-
Revised Funding Profile – Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	(500)	500	-	-	-
Revised Funding Profile – Molonglo Infrastructure Investment	1,400	(1,400)	-	-	-
Revised Funding Profile – Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	(327)	327	-	-	-
Revised Funding Profile – Narrabundah Ball Park – Stage 2 – Design	(479)	479	-	-	-
Revised Funding Profile – Narrabundah Velodrome Upgrade	(107)	107	-	-	-
Revised Funding Profile – Netball Infrastructure Upgrades (Design)	(175)	175	-	-	-
Revised Funding Profile – North Building – Upgrade of HVAC system	-	(1,000)	1,000	-	-
Revised Funding Profile – Public Arts Scheme	(235)	235	-	-	-
Revised Funding Profile – Rego.ACT – Ongoing investment	(400)	400	-	-	-
Revised Funding Profile – Revenue Collection Transformation	(13,500)	8,000	5,500	-	-
Revised Funding Profile – Stromlo Forest Park – Implementation of bushfire management plan	(1,150)	650	500	-	-
Revised Funding Profile – Stromlo Forest Park Planning and Infrastructure	(1,100)	1,100	-	-	-
Revised Funding Profile – Throsby – Access road and western intersection	(550)	(150)	700	-	-
Revised Funding Profile – Throsby Multisport Complex (Design)	(185)	-	185	-	-
Revised Funding Profile – Urban Renewal – Civic and Braddon public realm improvements	(325)	325	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Allawah Court	(1,132)	1,132	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Karuah	(810)	810	-	-	-
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Owen Flats	(956)	956	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revised Funding Profile – Urban Renewal Program – Better Public Housing – Red Hill Housing Precinct	9,507	(9,507)	-	-	-
Revised Funding Profile – Urban Renewal Program – City to the Lake – West Basin infrastructure	(5,778)	5,778	-	-	-
Revised Funding Profile – Urban Renewal Program – Melrose football precinct	(1,680)	1,680	-	-	-
Revised Funding Profile – Urban Renewal Program – Molonglo 3 infrastructure	(1,430)	(240)	1,670	-	-
Revised Funding Profile – Urban Renewal Program – Phillip Oval upgrade	(740)	240	500	-	-
Revised Funding Profile – Woden Bus Interchange Redevelopment – Stage 1	(1,635)	1,635	-	-	-
Revised Funding Profile – Woden Valley Stormwater Retardation Basins (Design)	(90)	90	-	-	-
Revised Funding Profile – Working with Vulnerable People Checks	(700)	700	-	-	-
Savings – Better Roads for Gungahlin – Enhanced Town Centre road network	(3,953)	-	-	-	-
Savings – Better Roads for Gungahlin – Horse Park Drive duplication	(2,144)	-	-	-	-
Savings – Casey – Clarrie Hermes Drive Extension to the Barton Highway	(2,491)	-	-	-	-
Savings – Coombs – Water Quality Control Ponds	(82)	-	-	-	-
Savings – Cravens Creek Water Quality Control Pond	(9,727)	-	-	-	-
Savings – Dickson Group Centre Intersections – Upgrade	(277)	-	-	-	-
Savings – Gungahlin Town Centre Roads (Design)	(205)	-	-	-	-
Savings – Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive	(2,031)	-	-	-	-
Savings – Horse Park Drive Extension from Burrumarra Avenue to Mirrabai Drive (Design)	(164)	-	-	-	-
Savings – Horse Park Drive Extension to Moncrieff Group Centre	(1,211)	-	-	-	-
Savings – Horse Park Drive Water Quality Control Pond	(2,567)	-	-	-	-
Savings – Human Resources Information Management System Upgrade	(1,450)	-	-	-	-
Savings – iConnect	-	(500)	(500)	-	-
Savings – John Gorton Drive Extension to Molonglo 2 and Group Centre	(600)	-	-	-	-
Savings – Kenny – Floodways, Road Access and Basins (Design)	(491)	-	-	-	-
Savings – Kenny Contamination Remediation	(280)	-	-	-	-
Savings – Molonglo 2 – Trunk Sewer and Stormwater Infrastructure from Holden's Creek	(1,615)	-	-	-	-
Savings – Molonglo 2 – Uriarra Road Upgrade	(3,699)	-	-	-	-
Savings – Molonglo 2 – Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	(2,058)	-	-	-	-
Savings – Molonglo Infrastructure Investment	(1,262)	-	-	-	-
Savings – Throsby – Access Road (Design)	(132)	-	-	-	-

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Savings – Woden Valley Stormwater Retardation Basins (Design)	(458)	-	-	-	-
2016-17 Budget	316,108	388,749	248,664	155,771	23,505

Table 52: Changes to appropriation – Capital Injections, Territorial

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	87,000	46,000	40,000	34,000	34,000
2016-17 Budget Technical Adjustments					
Revised Funding Profile – Land Rent Scheme	(36,000)	3,000	15,000	18,000	48,000
2016-17 Budget	51,000	49,000	55,000	52,000	82,000

Summary of 2016-17 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program

Table 53: 2016-17 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000	Completion Date
CAPITAL WORKS PROGRAM						
New Capital Works						
Better Public Housing – New public housing properties	155,983	121,200	80,019	0	357,202	Jun 19
Better Roads for Gungahlin – Gungahlin town centre road network improvements	4,500	0	0	0	4,500	Jun 17
Better Roads for Gungahlin – Horse Park Drive pedestrian overpass	400	0	0	0	400	Jun 17
Better Roads for the Inner South – Yarralumla Estate	250	0	0	0	250	Jun 17
Better Services – Dickson Motor Vehicle Inspection Station	800	0	0	0	800	Jun 17
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	3,000	8,000	11,000	11,000	33,000	Jun 20
Caring for our Environment - Lake Tuggeranong Water Quality Improvement-Stage 2	0	2,500	6,500	0	9,000	Jun 19
City to the Lake – New civic pool – feasibility study	400	0	0	0	400	Jun 17
Improving Community Facilities – Building refurbishments and upgrades in Tuggeranong	100	0	0	0	100	Jun 17
Improving Our City – Woden bus interchange improvements	300	0	0	0	300	Jun 17
Improving Our Suburbs – New Molonglo Valley Infrastructure	5,600	13,000	14,370	0	32,970	Jun 19
Narrabundah Ballpark Upgrade – Best little ballpark in Australia	1,000	2,500	1,000	0	4,500	Jun 19
National Arboretum Canberra – Water security Stage 2	1,700	0	0	0	1,700	Jun 17
Securing Electricity Supply in the ACT – Second supply network	250	250	0	0	500	Jun 18
Total New Capital Works	174,283	147,450	112,889	11,000	445,622	
Capital Upgrades Program						
<u>ACT Property Upgrades</u>						
Blaxland Centre upgrades	510	0	0	0	510	
Building and Safety Upgrades at various Government Buildings	510	0	0	0	510	
Building refurbishment including roofing, energy efficiency upgrades and internal remediation at various buildings	500	0	0	0	500	

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000	Completion Date
Building renovations and extensions including modifications to amenities at various buildings	500	0	0	0	500	
Childcare Centre Upgrades	470	0	0	0	470	
Fire services upgrades at various Government Buildings	155	0	0	0	155	
Grounds upgrades including fencing and landscaping at various buildings	150	0	0	0	150	
Hazardous material removal at various Government Buildings	400	0	0	0	400	
Renovation of the Tidbinbilla Visitors Centre	250	0	0	0	250	
Upgrades to address ageing infrastructure at various Government Buildings	395	0	0	0	395	
Upgrades to Heritage Buildings	155	0	0	0	155	
<u>Arboretum</u>						
Arboretum and Buildings	250	0	0	0	250	
<u>Arts Facilities</u>						
Arts Buildings and Facilities	325	0	0	0	325	
<u>Infrastructure and Equipment (EPC)</u>						
Land release infrastructure	288	0	0	0	288	
<u>Events</u>						
Floriade	272	0	0	0	272	
<u>Major Venues – Facilities Upgrades</u>						
Exhibition Park	540	0	0	0	540	
GIO Stadium	485	0	0	0	485	
Manuka Oval	380	0	0	0	380	
Stromlo Forest Park	160	0	0	0	160	
<u>Sports Facilities</u>						
Facilities Improvement Program	1,315	0	0	0	1,315	
Pools Improvement Program	785	0	0	0	785	
Water System upgrade Program	540	0	0	0	540	
<u>Unallocated Capital Upgrades Program</u>						
Unallocated Capital Upgrades	0	9,568	9,808	10,053	29,429	
Total Capital Upgrades Program	9,335	9,568	9,808	10,053	38,764	
Capital Work in Progress						
Better Roads for Gungahlin – Enhanced Town Centre road network	4,200	2,000	0	0	6,200	Dec 16
Better Roads for Gungahlin – Horse Park Drive duplication	10,000	3,800	0	0	13,800	Jun 17
Canberra CBD Upgrade Program ¹	0	343	0	0	343	Complete
Canberra CBD Upgrade Stage 2 – Merry-go- round and Veterans' Park ¹	0	302	0	0	302	Complete

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000	Completion Date
Canberra Regional Visitors Centre Relocation	1,456	0	0	0	1,456	Jul 16
City to the Lake – New Canberra Theatre (Feasibility)	100	0	0	0	100	Jun 17
City to the Lake Arterial Roads Concept Design	1,314	0	0	0	1,314	Dec 16
Cravens Creek Water Quality Control Pond	2,000	1,700	0	0	3,700	Dec 17
Dickson Group Centre Intersections – Upgrade	550	0	0	0	550	Dec 16
Fyshwick Depot – Fuel storage tanks removal and site remediation	1,187	0	0	0	1,187	Jun 17
Grant for Development of a New Basketball Centre and Player Amenities	1,109	0	0	0	1,109	Jun 17
Isabella Weir Spillway Upgrades	1,300	6,935	0	0	8,235	Jun 18
John Gorton Drive Extension to Molonglo 2 and Group Centre	200	0	0	0	200	Complete
Kingston Visual Arts Hub (Feasibility)	25	0	0	0	25	Dec 16
Lyneham Sports Precinct – Central Amenities (Design)	421	0	0	0	421	Jun 17
Lyneham Sports Precinct Redevelopment – Stage 3	672	0	0	0	672	Jun 17
Majura Parkway to Majura Road – Link road	6,500	2,426	0	0	8,926	Jun 17
Molonglo 2 – Sewer and Pedestrian Bridge over Molonglo River	400	0	0	0	400	Jun 16
Molonglo 2 – Uriarra Road Upgrade	500	0	0	0	500	Complete
Molonglo 2 – Water Quality Control Ponds, Sewers and Cyclepath (Design)	405	356	0	0	761	Jun-17
Molonglo 2– Water Supply, Trunk Sewer and Stormwater Infrastructure – Stage 1	500	0	0	0	500	Complete
Molonglo Infrastructure Investment	1,600	0	0	0	1,600	Jul 16
Molonglo Valley – Environmental Impact Statement for Deferred Area (Feasibility)	0	200	0	0	200	Jun 18
Motorsports Fund – Capital Improvements to Fairbairn Park (Design)	327	0	0	0	327	Jun 17
Narrabundah Ball Park – Stage 2 – Design	479	0	0	0	479	Jun 17
Narrabundah Velodrome Upgrade	107	0	0	0	107	Complete
National Arboretum Canberra – Event Terrace and Precinct Facilities	800	0	0	0	800	Jun 17
National Arboretum Canberra – Water Security	130	0	0	0	130	Jun 17
Netball Infrastructure Upgrades (Design)	175	0	0	0	175	Dec 16
New Stadium Feasibility Study	97	0	0	0	97	Jun 17
Office Accommodation	700	0	0	0	700	Jun 17
Public Arts Scheme	235	0	0	0	235	Jun 17
Stromlo Forest Park – Enclosed Oval (Feasibility)	200	0	0	0	200	Jun 17
Stromlo Forest Park – Implementation of Bushfire Management Plan	1,150	500	0	0	1,650	Dec 17
Stromlo Forest Park Planning and Infrastructure	1,100	0	0	0	1,100	Jun 17

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000	Completion Date
Throsby – Access road and western intersection	850	700	0	0	1,550	Jun 17
Throsby – Multisport Complex (Design)	0	185	0	0	185	Jun 18
Urban Renewal Program – Better Public Housing	626	0	0	0	626	Jun 17
Urban Renewal Program – Better Public Housing – Allawah Court	16,921	0	0	0	16,921	Mar 17
Urban Renewal Program – Better Public Housing – Karuah	6,992	0	0	0	6,992	Mar 17
Urban Renewal Program – Better Public Housing – Owen Flats	956	0	0	0	956	Jun 17
Urban Renewal Program – Better Public Housing – Red Hill housing precinct	10,145	0	0	0	10,145	Mar 17
Urban Renewal Program – City to the Lake – West Basin infrastructure	9,243	0	0	0	9,243	Jun 17
Urban Renewal Program – Civic and Braddon public realm improvements	1,325	0	0	0	1,325	Jun 17
Urban Renewal Program – Melrose football precinct	5,858	495	0	0	6,353	Dec 17
Urban Renewal Program – Molonglo 3 infrastructure	750	1,670	0	0	2,420	Jun 18
Urban Renewal Program – Phillip Oval upgrade	3,863	500	0	0	4,363	Dec 17
Woden Bus Interchange – Redevelopment Stage 1	1,635	0	0	0	1,635	Jun 17
Woden Valley Stormwater Retardation Basins (Design)	90	0	0	0	90	Complete
Total Capital Work in Progress	99,193	22,112	0	0	121,305	
TOTAL CAPITAL WORKS PROGRAM	282,811	179,130	122,697	21,053	605,691	
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)						
ICT New Capital Works						
Digital Canberra – ACT Government data warehouse and analytics framework	310	0	0	0	310	Jun 17
Digital Canberra – Protecting our data	310	310	0	0	620	Jun 18
Improving Road Safety – Traffic camera adjudication system upgrades	1,160	0	0	0	1,160	Jun 17
More Efficient Public Service Administration - Long service leave calculations	1,883	0	0	0	1,883	Mar 17
Smarter Regulation – Red tape reduction	1,143	1,367	0	0	2,510	Jun 18
Total ICT New Capital Works	4,806	1,677	0	0	6,483	
ICT Work In Progress						
Equipment Purchase Funding	1,000	1,000	1,000	0	3,000	Jun 19
Government Budget Management System	3,060	0	0	0	3,060	Dec 16
iConnect	6,169	7,640	1,673	0	15,482	Jun 18
ICT Transformation – Hybrid cloud computing	4,800	1,280	0	0	6,080	Jun 18

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	Total \$'000	Completion Date
Invoice Automation	1,351	0	0	0	1,351	Dec 16
Land Title Business System Modernisation	1,531	0	0	0	1,531	Jun 17
Rego ACT – Ongoing Investment	820	431	0	0	1,251	Jun 18
Revenue Collection Transformation	12,181	5,500	0	0	17,681	Jun 18
Working with Vulnerable People Checks	1,115	0	0	0	1,115	Jun 17
Working with Vulnerable People Checks Base budget	313	313	313	0	939	Jun 19
Total ICT Work In Progress	32,340	16,164	2,986	0	51,490	
TOTAL INFORMATION AND COMMUNICATION TECHNOLOGY	37,146	17,841	2,986	0	57,973	
PROPERTY, PLANT AND EQUIPMENT (PPE)						
New PPE Capital Works						
Improved Arts Facilities for Canberra – Street Theatre	0	180	0	0	180	
Safer Roads – Mobile camera program expansion	207	0	0	0	207	Jun 17
Total New PPE Capital Works	207	180	0	0	387	
PPE Work In Progress						
Improving Art Facilities – Safety upgrades	248	0	0	0	248	Jun 17
North Building – Upgrade of HVAC system	3,446	1,000	0	0	4,446	Jun 18
Refurbishment of the National Convention Centre	2,690	0	0	0	2,690	Jun 17
Total PPE Work In Progress	6,384	1,000	0	0	7,384	
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,591	1,180	0	0	7,771	
TOTAL INFRASTRUCTURE INVESTMENT PROGRAM	326,548	198,151	125,683	21,053	671,435	

Note(s):

1. Funding has been retained to undertake minor improvements after the defects the liability period is complete.

Financial Statements

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

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
411,730	Controlled Recurrent Payments	407,116	394,159	-3	298,580	280,190	281,638
0	Taxes, Fees and Fines	119	296	149	309	321	321
24,593	User Charges - Non ACT Government	25,026	23,786	-5	24,127	25,206	25,080
296,322	User Charges - ACT Government	257,124	264,889	3	279,487	289,944	294,306
2,321	Interest	2,209	1,799	-19	1,794	1,733	1,679
9,572	Land Revenue	9,018	229,081	#	206,531	89,590	27,664
4,562	Other Revenue	4,642	12,912	178	5,478	4,876	4,899
2,996	Resources Received Free of Charge	2,999	3,012	..	3,087	3,123	3,185
752,096	Total Revenue	708,253	929,934	31	819,393	694,983	638,772
Gains							
0	Other Gains	32	42	31	47	49	49
0	Total Gains	32	42	31	47	49	49
752,096	Total Income	708,285	929,976	31	819,440	695,032	638,821
Expenses							
215,346	Employee Expenses	217,548	231,957	7	227,958	230,939	232,021
34,229	Superannuation Expenses	35,290	38,686	10	40,198	41,711	43,349
279,113	Supplies and Services	235,095	295,020	25	274,197	266,261	259,907
73,228	Depreciation and Amortisation	73,568	75,356	2	83,184	83,630	85,881
2,311	Borrowing Costs	2,156	1,773	-18	1,717	1,653	1,595
3,201	Cost of Goods Sold	7,392	187,991	#	169,453	73,544	22,785
71,870	Grants and Purchased Services	146,116	76,583	-48	48,428	42,471	42,664
42,435	Other Expenses	32,127	28,838	-10	688	710	741
3,341	Transfer Expenses	4,752	36,738	673	33,289	15,059	5,385
725,074	Total Expenses	754,044	972,942	29	879,112	755,978	694,328
27,022	Operating Result	-45,759	-42,966	6	-59,672	-60,946	-55,507

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Other Comprehensive Income						
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>						
0	Net Effect of Correction of an Error	1,560	0 -100	0	0	0
3,251	Inc/Dec in Asset Revaluation Reserve Surpluses	5,566	66 -99	66	66	66
3,251	Total Other Comprehensive Income	7,126	66 -99	66	66	66
30,273	Total Comprehensive Income	-38,633	-42,900 -11	-59,606	-60,880	-55,441

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

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
27,757	Cash and Cash Equivalents	82,962	75,349	-9	70,888	66,420	61,826
68,129	Receivables	75,817	78,180	3	78,419	78,691	78,963
153	Inventories	291	292	..	293	294	295
21	Assets Held for Sale	0	0	-	0	0	0
8,199	Other Current Assets	8,025	8,097	1	8,169	8,241	8,313
104,259	Total Current Assets	167,095	161,918	-3	157,769	153,646	149,397
Non Current Assets							
71,897	Receivables	68,928	66,929	-3	64,389	61,852	59,310
993	Investments	0	0	-	0	0	0
1,545,279	Property, Plant and Equipment	1,737,031	1,629,436	-6	1,471,240	1,345,629	1,409,666
2,600	Investment Property	2,600	2,600	-	2,600	2,600	2,600
22,309	Intangibles	14,360	16,479	15	43,296	62,477	80,365
533,267	Capital Works in Progress	449,619	467,177	4	396,815	282,204	109,959
177	Other Non Current Assets	196	196	-	196	196	196
2,176,522	Total Non Current Assets	2,272,734	2,182,817	-4	1,978,536	1,754,958	1,662,096
2,280,781	TOTAL ASSETS	2,439,829	2,344,735	-4	2,136,305	1,908,604	1,811,493
Current Liabilities							
23,808	Payables	22,010	21,919	..	23,860	25,801	27,742
52	Interest-Bearing Liabilities	13,454	15,995	19	15,978	15,982	15,986
2,049	Finance Leases	0	0	-	0	0	0
75,440	Employee Benefits	74,239	78,006	5	81,111	84,260	87,460
0	Other Provisions	18,143	32,980	82	29,851	10,166	3,963
17,773	Other Liabilities	15,157	15,166	..	15,175	15,184	15,193
119,122	Total Current Liabilities	143,003	164,066	15	165,975	151,393	150,344
Non Current Liabilities							
71,591	Interest-Bearing Liabilities	69,561	66,989	-4	64,414	61,835	59,251
2,605	Finance Leases	0	0	-	0	0	0
5,443	Employee Benefits	5,173	5,490	6	5,614	5,737	5,861
198	Other Non Current Provisions	277,952	261,116	-6	172,957	122,549	99,932
1,800	Other	1,242	262	-79	252	252	252
81,637	Total Non Current Liabilities	353,928	333,857	-6	243,237	190,373	165,296
200,759	TOTAL LIABILITIES	496,931	497,923	..	409,212	341,766	315,640

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
2,080,022	NET ASSETS	1,942,898	1,846,812	-5	1,727,093	1,566,838	1,495,853
	REPRESENTED BY FUNDS EMPLOYED						
1,616,929	Accumulated Funds	1,467,125	1,370,973	-7	1,251,188	1,090,867	1,019,816
463,093	Reserves	475,773	475,839	..	475,905	475,971	476,037
2,080,022	TOTAL FUNDS EMPLOYED	1,942,898	1,846,812	-5	1,727,093	1,566,838	1,495,853

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

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
1,236,880	Opening Accumulated Funds	1,193,617	1,467,125	23	1,370,973	1,251,188	1,090,867
459,842	Opening Asset Revaluation Reserve	474,800	475,773	..	475,839	475,905	475,971
1,696,722	Balance at the Start of the Reporting Period	1,668,417	1,942,898	16	1,846,812	1,727,093	1,566,838
	Comprehensive Income						
0	Net Effect of Correction of an Error	1,560	0	-100	0	0	0
27,022	Operating Result for the Period	-45,759	-42,966	6	-59,672	-60,946	-55,507
3,251	Inc/Dec in Asset Revaluation Reserve Surpluses	5,566	66	-99	66	66	66
30,273	Total Comprehensive Income	-38,633	-42,900	-11	-59,606	-60,880	-55,441
0	Transfer to/from Accumulated Funds	4,593	0	-100	0	0	0
0	Movement in Asset Revaluation Reserve	-4,593	0	100	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
426,766	Capital Injections	316,108	388,749	23	248,664	155,771	23,505
-61,632	Capital Distributions to Government	-16,726	-193,406	#	-175,566	-79,429	-28,176
0	Inc/Dec in Net Assets due to Admin Restructure	16,125	-237,198	#	-122,000	-164,680	-2
-12,107	Dividend Approved	-2,393	-11,331	-374	-11,211	-11,037	-10,871
353,027	Total Transactions Involving Owners Affecting Accumulated Funds	313,114	-53,186	-117	-60,113	-99,375	-15,544
	Closing Equity						
1,616,929	Closing Accumulated Funds	1,467,125	1,370,973	-7	1,251,188	1,090,867	1,019,816
463,093	Closing Asset Revaluation Reserve	475,773	475,839	..	475,905	475,971	476,037
2,080,022	Balance at the End of the Reporting Period	1,942,898	1,846,812	-5	1,727,093	1,566,838	1,495,853

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

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
411,276	Controlled Recurrent Payments	406,662	393,691	-3	298,107	279,701	281,149
454	Cash from Government - CSO Payments	454	468	3	473	489	489
324,106	User Charges	281,951	288,720	2	304,189	315,769	320,026
2,315	Interest Received	2,198	1,804	-18	1,799	1,738	1,684
720,852	Other Receipts	719,433	743,932	3	752,703	751,820	751,974
1,459,003	Operating Receipts	1,410,698	1,428,615	1	1,357,271	1,349,517	1,355,322
Payments							
214,024	Related to Employees	218,424	229,339	5	225,286	228,227	229,258
34,342	Related to Superannuation	35,403	38,528	9	40,045	41,561	43,199
283,442	Related to Supplies and Services	283,982	295,726	4	270,701	262,805	256,514
2,245	Borrowing Costs	2,239	1,867	-17	1,832	1,770	1,712
136,599	Grants and Purchased Services	214,637	86,308	-60	49,961	43,618	52,338
759,702	Other	714,817	758,290	6	747,387	747,035	747,174
3,341	Territory Receipts to Government	4,752	36,738	673	33,289	15,059	5,313
1,433,695	Operating Payments	1,474,254	1,446,796	-2	1,368,501	1,340,075	1,335,508
25,308	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	-63,556	-18,181	71	-11,230	9,442	19,814
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
53,441	Proceeds from Sale of Property, Plant and Equipment	63,080	229,091	263	206,545	89,605	27,687
498	Repayment of Home Loan Principal	448	308	-31	2,768	2,721	2,725
53,939	Investing Receipts	63,528	229,399	261	209,313	92,326	30,412

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Payments						
286,301	Purchase of Property, Plant and Equipment and Capital Works	193,317	327,713	70	209,647	139,212	27,805
153,044	Purchase of Land and Intangibles	146,519	75,963	-48	52,150	29,692	8,833
62	Issue of Loan	62	62	-	62	62	62
439,407	Investing Payments	339,898	403,738	19	261,859	168,966	36,700
-385,468	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-276,370	-174,339	37	-52,546	-76,640	-6,288
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
426,766	Capital Injections from Government	316,108	388,749	23	248,664	155,771	23,505
0	Receipt of Transferred Cash Balances	0	946	#	0	0	0
426,766	Financing Receipts	316,108	389,695	23	248,664	155,771	23,505
	Payments						
61,631	Distributions to Government	16,726	193,406	#	175,566	79,429	28,175
12,107	Dividends to Government	2,393	11,331	374	11,211	11,037	10,871
50	Repayment of Borrowings	0	51	#	2,572	2,575	2,579
259	Repayment of Finance Leases	0	0	-	0	0	0
74,047	Financing Payments	19,119	204,788	971	189,349	93,041	41,625
352,719	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	296,989	184,907	-38	59,315	62,730	-18,120
-7,441	NET INCREASE / (DECREASE) IN CASH HELD	-42,937	-7,613	82	-4,461	-4,468	-4,594
35,198	CASH AT THE BEGINNING OF REPORTING PERIOD	112,496	69,559	-38	61,946	57,485	53,017
27,757	CASH AT THE END OF REPORTING PERIOD	69,559	61,946	-11	57,485	53,017	48,423

Notes to the Controlled Budget Statements

During 2015-16, CMTEDD has been impacted by several function transfers from other directorates as a result of Administrative Arrangements (AAs).

Administrative Arrangements 2016 (No 1) (Notifiable Instrument NI2016-41) came into effect on 22 January 2016, which transferred responsibility for the Arboretum from the Territory and Municipal Services Directorate (TAMSD) and Vocation Education and Training from the Education Directorate (ED) to CMTEDD.

Budgeted increases in the 2015-16 estimated outcome from the original budget and in the 2016-17 Budget from the 2015-16 estimated outcome resulting from these transfers are summarised in Table 58 and Table 59 below, respectively.

Table 58: Increases in the 2015-16 estimated outcome from the Original Budget Resulting from Administrative Arrangements and Other Transfers from Other Agencies to the Chief Minister, Treasury and Economic Development Directorate During 2015-16

	National Arboretum \$'000	Vocational Education and Training \$'000	Total \$'000
Operating Statement			
Revenue			
Government Payment for Outputs	1,629	26,064	27,693
User Charges - Non ACT Government	123	0	123
Other Revenue	87	0	87
Taxes, Fees and Fines	119	0	119
Resources Received Free of Charge	0	3	3
Total Revenue	1,839	26,067	27,906
Expenses			
Employee Expenses	714	1,948	2,662
Superannuation Expenses	90	228	318
Supplies and Services	1,171	1,057	2,228
Depreciation and Amortisation	558	107	665
Grants and Purchased Services	0	22,834	22,834
Total Expenses	2,533	26,174	28,707
Operating Result	-694	-107	-801
Balance Sheet			
Assets			
Cash and Cash Equivalents	1	0	1
Current and Non Current Receivables	205	0	205
Property, Plant and Equipment	52,134	3	52,137
Intangibles	0	1,522	1,522
Total Assets	52,340	1,525	53,865
Liabilities			
Payables	298	0	298
Employee Benefits	392	892	1,284
Total Liabilities	690	892	1,582
Net Assets	51,650	633	52,283

Table 59: Increases in the 2016-17 Budget from the 2015-16 estimated outcome Resulting from Administrative Arrangements and Other Transfers from Other Agencies to the Chief Minister, Treasury and Economic Development Directorate During 2015-16

	National Arboretum \$'000	Vocational Education and Training \$'000	Total \$'000
Operating Statement			
Revenue			
Government Payment for Outputs	2,446	3,414	5,860
User Charges - Non ACT Government	182	0	182
Other Revenue	127	29	156
Taxes, Fees and Fines	177	0	177
Total Revenue	2,932	3,443	6,375
Expenses			
Employee Expenses	1,067	3,006	4,073
Superannuation Expenses	130	365	495
Supplies and Services	1,760	1,297	3,057
Depreciation and Amortisation	768	148	916
Grants and Purchased Services	0	-1,202	-1,202
Total Expenses	3,725	3,614	7,339
Operating Result	-793	-171	-964
Balance Sheet			
Assets			
Property, Plant and Equipment	-1,327	-2	-1,329
Intangibles	0	-253	-253
Capital Works in Progress	127	0	127
Total Assets	-1,200	-255	-1,455
Liabilities			
Employee Benefits	39	23	62
Total Liabilities	39	23	62
Net Assets	-1,239	-278	-1,517

Significant variations are as follows:

Operating Statement (Table 54)

- taxes, fees and fines: the increase of \$0.119 million in the 2015-16 estimated outcome from the original budget is due to the impact of the AAs as outlined in Table 58 above.
- user charges – ACT Government: the decrease of \$39.198 million in the 2015-16 estimated outcome from the original budget is mostly due to reduced rent following the transfer of the Magistrate Court from the ACT Property Group to the Justice and Community Safety Directorate (JACSD) (\$2.637 million), the removal of internal trading transactions within the Directorate (\$18.424 million), a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies, and a reduction in the use of ACT Property Group project related services for minor new works by other agencies.
- land revenue: the increase of \$220.063 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to revenue from the sale of remediated land under the loose-fill asbestos insulation eradication scheme.
- other revenue: the increase of \$8.270 million in the 2016-17 Budget from the 2015-16 estimated outcome is primarily due to a one-off receipt from the ACT Insurance Authority to help fund whole of government workers' compensation premium costs.
- supplies and services:
 - the decrease of \$44.018 million in the 2015-16 estimated outcome from the original budget is largely due to the rollover of funding from 2015-16 to future years (\$19.128 million), a reduction in direct purchases of ICT business systems by Shared Services on behalf of other agencies (\$9.793 million), an update to the expenditure profile of the loose-fill asbestos insulation eradication scheme (\$4.178 million), and the removal of internal trading transactions within the Directorate (\$12.325 million); and
 - the increase of \$59.925 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to the rollover of funding from 2015-16 to future years, new initiatives (\$26.116 million), the expenditure profile of the loose-fill asbestos insulation eradication scheme, and the impact of the AAs as outlined in Table 59 above (\$3.057 million), partially offset by savings.
- cost of goods sold:
 - the increase of \$4.191 million in the 2015-16 estimated outcome from the original budget is largely due to the costs associated with the commencement of the sale of remediated land under the loose-fill asbestos insulation eradication scheme; and
 - the increase of \$180.599 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to the costs associated with the planned sale of remediated land under the loose-fill asbestos insulation eradication scheme.

- grants and purchased services:
 - the increase of \$74.246 million in the 2015-16 estimated outcome from the original budget is mainly due to the rollover of funding from 2014-15 to 2015-16 (\$3.992 million), an update to the expenditure profile of the loose-fill asbestos insulation eradication scheme and a reallocation of expenses from other expenses (\$55.856 million), the impact of the AAs as outlined in above (\$22.834 million), partially offset by the rollover of funding from 2015-16 to 2016-17 (\$7.653 million); and
 - the decrease of \$69.533 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the removal of the impact of rollovers from 2014-15 to 2015-16 (\$3.992 million), an update to the expenditure profile of the loose-fill asbestos insulation eradication scheme and a reallocation of 2015-16 expenses from other expenses (\$55.856 million), partially offset by new initiatives (\$5.020 million) and the effect of the reprofiling of the expenditure from 2015-16 to 2016-17.
- other expenses: the decrease of \$10.308 million in the 2015-16 estimated outcome from the original budget is mainly due to an update to the expenditure profile of the loose-fill asbestos insulation eradication scheme from 2014-15 and 2015-16 to future years and a reallocation of expenses to grants and purchased services, partially offset by the transfer of the ACT Magistrate’s Court from the ACT Property Group to JACSD (\$27.729 million).
- transfer expenses to Territory Bank Account:
 - the increase of \$1.411 million in the 2015-16 estimated outcome from the original budget is largely due to the commencement of the sale of remediated land under the loose-fill asbestos insulation eradication scheme; and
 - the increase of \$31.986 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to the planned sale of remediated land under the loose-fill asbestos insulation eradication scheme.

Balance Sheet (Table 55)

- cash and cash equivalents: the increase of \$55.205 million in the 2015-16 estimated outcome from the original budget is largely due to an increase in operating cash held to provide flexibility for the management of the loose-fill asbestos insulation eradication scheme.
- property, plant and equipment: the increase of \$191.752 million in the 2015-16 estimated outcome from the original budget is due largely to a deferral of the expected timing of settlements for properties purchased under the loose-fill asbestos insulation eradication scheme (\$132.824 million), and transfers from other agencies following the AAs as outlined in Table 58 above (\$52.216 million).

- intangibles:
 - the decrease of \$7.949 million in the 2015-16 estimated outcome from the original budget mostly reflects the rollover of capital works funding from 2014-15 and 2015-16 to future years, partially offset by the impact of the AAs as outlined in Table 58 above (\$1.522 million); and
 - the increase of \$2.119 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the new initiatives (\$3.291 million), the rollover of capital works funding from 2015-16 to future years, partially offset by increasing accumulated depreciation.
- capital works in progress:
 - the decrease of \$83.648 million in the 2015-16 estimated outcome from the original budget is largely due to the rollover of capital works funding from 2015-16 to future years (\$78.333 million), savings in the capital works program, the transfer of properties to Housing ACT under the Public Housing Renewal Program (\$30.4 million), partially offset by the rollover of capital works initiatives from 2014-15 to 2015-16 (\$62.061 million); and
 - the increase of \$17.558 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to new capital works initiatives (\$174.736 million) and the rollover of capital works initiatives from 2015-16 to future years, partially offset by, an increase in property transfers to Housing ACT under the Public Housing Renewal Program (\$201.280 million) and a reversal of the impact of the capital works funding rollovers from 2014-15 to future years.
- interest-bearing liabilities: the increase of \$11.372 million in the 2015-16 estimated outcome from the original budget is mainly due to separately recording the bank overdraft used to assist in managing timing differences between paying suppliers associated with the delivery of capital works projects through ACT Procurement and the associated recoveries from agencies.
- finance leases: the decrease of \$4.654 million in the 2015-16 estimated outcome from the original budget is due to a change in the Whole of Government motor vehicle leasing arrangements with SG Fleet on 23 April 2015, which resulted in all the Directorate's active finance leases being transferred to operating leases on that date and the derecognition of the Directorate's finance lease liabilities.
- other provisions: the increase of \$295.897 million in the 2015-16 estimated outcome from the original budget is due to an increase in the value of the provisions associated with the loose-fill asbestos insulation eradication program, largely resulting from a revision to the estimated timing of settlements associated with property purchases and their remediation.
- other liabilities: the decrease of \$3.174 million in the 2015-16 estimated outcome from the original budget is largely due to a reallocation of budgeted liabilities to more correctly reflect the nature of the liabilities.

Statement of Changes in Equity and Cash Flow Statement

Variations in these statements are explained in the notes above.

Table 60: Chief Minister, Treasury and Economic Development Directorate: Statement of Income and Expenses on behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
73,605	Payment for Expenses on Behalf of the Territory	73,689	73,265	-1	72,308	73,820	75,550
1,672,705	Taxes, Fees and Fines	1,751,309	1,838,375	5	1,912,926	2,057,069	2,150,121
17,176	User Charges - Non ACT Government	15,676	19,076	22	22,484	23,121	23,193
1,538,949	Grants from the Commonwealth	1,550,036	1,746,421	13	1,804,218	1,823,193	1,896,516
238,451	Dividend Revenue	244,480	294,487	20	196,715	243,952	235,473
12,921	Land Revenue	63,715	77,506	22	90,521	103,582	116,555
1,642	Other Revenue	1,942	1,693	-13	1,675	3,583	1,670
3,555,449	Total Revenue	3,700,847	4,050,823	9	4,100,847	4,328,320	4,499,078
Expenses							
11,741	Supplies and Services	11,649	11,803	1	11,048	10,751	10,420
0	Cost of Goods Sold	52,657	66,989	27	80,580	94,171	107,761
45,112	Grants and Purchased Services	40,720	39,206	-4	37,338	37,736	38,810
36,972	Other Expenses	36,084	37,204	3	38,135	39,277	39,902
3,461,624	Transfer Expenses	3,559,737	3,895,621	9	3,933,746	4,146,385	4,302,185
3,555,449	Total Expenses	3,700,847	4,050,823	9	4,100,847	4,328,320	4,499,078
0	Operating Result	0	0	-	0	0	0
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
17,804	Inc/Dec in Asset Revaluation Reserve Surpluses	17,804	19,697	11	19,697	19,697	19,697
17,804	Total Other Comprehensive Income	17,804	19,697	11	19,697	19,697	19,697
17,804	Total Comprehensive Income	17,804	19,697	11	19,697	19,697	19,697

Table 61: Chief Minister, Treasury and Economic Development Directorate: Statement of Assets and Liabilities on behalf of the Territory

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
40,801	Cash and Cash Equivalents	9,734	9,734	-	9,734	9,734	9,734
195,743	Receivables	408,193	450,145	10	388,995	435,189	317,012
4,335	Inventories	657	657	-	657	657	657
0	Other Current Assets	357	357	-	357	357	357
240,879	Total Current Assets	418,941	460,893	10	399,743	445,937	327,760
Non Current Assets							
1,641	Investments	1,683	1,683	-	1,683	1,683	1,683
604,676	Property, Plant and Equipment	394,852	394,330	..	386,217	361,513	353,219
606,317	Total Non Current Assets	396,535	396,013	..	387,900	363,196	354,902
847,196	TOTAL ASSETS	815,476	856,906	5	787,643	809,133	682,662
Current Liabilities							
207,130	Payables	418,175	457,897	9	394,517	438,481	318,074
280	Other Provisions	866	866	-	866	866	866
8,562	Other Liabilities	1,440	1,440	-	1,440	1,440	1,440
215,972	Total Current Liabilities	420,481	460,203	9	396,823	440,787	320,380
215,972	TOTAL LIABILITIES	420,481	460,203	9	396,823	440,787	320,380
631,224	NET ASSETS	394,995	396,703	..	390,820	368,346	362,282
REPRESENTED BY FUNDS EMPLOYED							
575,377	Accumulated Funds	363,988	345,999	-5	320,419	278,248	252,487
55,847	Reserves	31,007	50,704	64	70,401	90,098	109,795
631,224	TOTAL FUNDS EMPLOYED	394,995	396,703	..	390,820	368,346	362,282

Table 62: Chief Minister, Treasury and Economic Development Directorate: Statement of Changes in Equity on behalf of the Territory

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
488,377	Opening Accumulated Funds	365,645	363,988	..	345,999	320,419	278,248
38,043	Opening Asset Revaluation Reserve	13,203	31,007	135	50,704	70,401	90,098
526,420	Balance at the Start of the Reporting Period	378,848	394,995	4	396,703	390,820	368,346
	Comprehensive Income						
17,804	Inc/Dec in Asset Revaluation Reserve Surpluses	17,804	19,697	11	19,697	19,697	19,697
17,804	Total Comprehensive Income	17,804	19,697	11	19,697	19,697	19,697
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
87,000	Capital Injections	51,000	49,000	-4	55,000	52,000	82,000
0	Capital Distributions to Government	-52,657	-66,989	-27	-80,580	-94,171	-107,761
87,000	Total Transactions Involving Owners Affecting Accumulated Funds	-1,657	-17,989	-986	-25,580	-42,171	-25,761
	Closing Equity						
575,377	Closing Accumulated Funds	363,988	345,999	-5	320,419	278,248	252,487
55,847	Closing Asset Revaluation Reserve	31,007	50,704	64	70,401	90,098	109,795
631,224	Balance at the End of the Reporting Period	394,995	396,703	..	390,820	368,346	362,282

Table 63: Chief Minister, Treasury and Economic Development Directorate: Cash Flow Statement on behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
47,701	Cash from Government for EBT	47,785	27,277	-43	25,163	25,558	26,141
25,904	Cash from Government - CSO Payments	25,904	45,988	78	47,145	48,262	49,409
1,563,623	Taxes, Fees and Fines	1,599,073	1,700,897	6	1,826,904	1,951,938	2,047,626
17,176	User Charges	15,676	19,076	22	22,484	23,071	23,143
1,539,247	Grants Received from the Commonwealth	1,550,200	1,750,214	13	1,835,977	1,822,431	1,896,079
120,148	Other Receipts	98,920	145,455	47	138,626	108,344	121,572
193,966	Dividends	135,614	257,540	90	236,771	196,860	378,314
3,507,765	Operating Receipts	3,473,172	3,946,447	14	4,133,070	4,176,464	4,542,284
Payments							
12,039	Related to Supplies and Services	12,039	9,831	-18	9,936	9,952	9,983
45,113	Grants and Purchased Services	40,720	39,206	-4	37,338	37,736	38,810
30,913	Other	35,390	36,470	3	37,363	38,461	39,086
3,421,930	Territory Receipts to Government	3,388,497	3,864,753	14	4,052,567	4,094,770	4,459,182
3,509,995	Operating Payments	3,476,646	3,950,260	14	4,137,204	4,180,919	4,547,061
-2,230	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	-3,474	-3,813	-10	-4,134	-4,455	-4,777
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
2,230	Proceeds from Sale of Property, Plant and Equipment	56,131	70,802	26	84,714	98,626	112,538
2,230	Investing Receipts	56,131	70,802	26	84,714	98,626	112,538
Payments							
87,000	Purchase of Property, Plant and Equipment and Capital Works	51,000	49,000	-4	55,000	52,000	82,000
87,000	Investing Payments	51,000	49,000	-4	55,000	52,000	82,000

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
-84,770	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	5,131	21,802	325	29,714	46,626	30,538
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
87,000	Capital Injections from Government	51,000	49,000	-4	55,000	52,000	82,000
87,000	Financing Receipts	51,000	49,000	-4	55,000	52,000	82,000
	Payments						
0	Distributions to Government	52,657	66,989	27	80,580	94,171	107,761
0	Financing Payments	52,657	66,989	27	80,580	94,171	107,761
87,000	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	-1,657	-17,989	-986	-25,580	-42,171	-25,761
0	NET INCREASE / (DECREASE) IN CASH HELD	0	0	0	0	0	0
40,801	CASH AT THE BEGINNING OF REPORTING PERIOD	9,734	9,734	-	9,734	9,734	9,734
40,801	CASH AT THE END OF REPORTING PERIOD	9,734	9,734	-	9,734	9,734	9,734

Notes to the Territorial Budget Statements

The CMTEDD Territorial financial statements include grants received from the Commonwealth under the framework for Federal Financial Relations implemented by COAG on 1 January 2009. The principal impact of the framework is the amalgamation of many grant payments previously made to ACT Government Agencies into two monthly payments to CMTEDD from Commonwealth Treasury.

The CMTEDD Territorial financial statements also include:

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

A detailed explanation of grants, dividends and taxes, fees and fines is provided in Budget Paper 3.

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory (Table 60)

- user charges – non ACT Government: the increase of \$3.4 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to increased parking fee revenue following the installation of new parking machines and signage in the Phillip trade service area and a return to more usual levels of parking fee revenue following a decrease in expected collections in 2015-16, which is largely due to construction activity that effected various parking sites.
- grants from the Commonwealth: the increase of \$196.385 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to an increase in the GST Revenue Grant (\$105.4 million) due to a change to the ACT GST relativity, Asset Recycling Incentive payments (\$25.610 million), the Water for the Future Grant (\$25.410 million) and the Financial Assistance Grant for Local Governments (FAGs) (\$24.328 million) due to a return to more usual level of FAGs following the roll forward of payments from 2015-16 to 2014-15.
- dividend revenue: the increase of \$50.007 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to an increase in dividends from dividend paying Public Trading Enterprises (\$41.141 million) and General Government Sector agencies (\$8.866 million).
- land revenue:
 - the increase of \$50.794 million in the 2015-16 estimated outcome from the original budget is mainly due to land rent scheme block sales to eligible lessees being included in the budget, partially offset by a decrease in land rent due to the anticipated block sales; and
 - the increase of \$13.791 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to an anticipated increase in land rent scheme block sales to eligible lessees.
- cost of goods sold:
 - the increase of \$52.657 million in the 2015-16 estimated outcome from the original budget is mainly due to land rent block sales to eligible lessees being included in the budget; and
 - the increase of \$14.332 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to an anticipated increase in land rent block sales to eligible lessees.
- grants and purchased services: the decrease of \$4.392 million in the 2015-16 estimated outcome from the original budget is mainly due to the impact of reclassifying some community service obligation expenses to concession expenses (which are included in other expenses) to more correctly reflect the nature of the budgeted expenses.

- transfer expenses:
 - the increase of \$98.113 million in the 2015-16 estimated outcome from the original budget represents updated estimates for the transfer of revenue received from taxes, fees, and fines, land revenue, user charges, Commonwealth grants and dividends to the Territory Banking Account (TBA); and
 - the increase of \$335.884 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects updated estimates for the transfer of revenue received from taxes, fees and fines, land revenue, user charges, Commonwealth grants and dividends to the TBA.

Statement of Assets and Liabilities on Behalf of the Territory (Table 61)

- cash and cash equivalent: the decrease of \$31.067 million in the 2015-16 estimated outcome from the original budget is mainly due to updating cash balances to more usual levels.
- receivables:
 - the increase of \$212.450 million in the 2015-16 estimated outcome from the original budget is due to updates to end of financial year accrual estimates for taxes, fees, fines and dividends; and
 - the increase of \$41.952 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the net change in the end of financial year accrual estimates for taxes, fees, fines and dividends.
- inventories: the decrease of \$3.678 million in the 2015-16 estimated outcome from the original budget is due to a decrease in the value of land rent blocks estimated to be the subject of either a sale application or lease surrender as at 30 June each year.
- property, plant and equipment: the decrease of \$209.824 million in the 2015-16 estimated outcome from the original budget is due to the unbudgeted sale of land rent scheme blocks during 2014-15 and an estimated reduction in land rent block purchases from Land Development Agency during 2015-16.
- payables:
 - the increase of \$211.045 million in the 2015-16 estimated outcome from the original budget is due to updates to end of financial year accrual estimates for taxes, fees, fines and dividends, and a reallocation of budgeted liabilities from other liabilities to more correctly reflect the nature of the liabilities; and
 - the increase of \$39.722 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the net change in the end of financial year accrual estimates for taxes, fees, fines and dividends.

- other liabilities: the decrease of \$7.122 million in the 2015-16 estimated outcome from the original budget is largely due to a reallocation of budgeted liabilities to payables to more correctly reflect the nature of the liabilities.

Statement of Changes in Equity and Cash Flow Statement on Behalf of the Territory (Table 62 and Table 63)

Variations in these statements are explained in the notes above.

Table 64: Output Class 1: Government Strategy Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
34,501	Controlled Recurrent Payments	22,239	22,359	1	21,054	19,543	19,881
4,657	User Charges - ACT Government	2,437	4,732	94	4,377	4,560	4,558
425	Resources Received Free of Charge	425	436	3	447	447	447
39,583	Total Revenue	25,101	27,527	10	25,878	24,550	24,886
Gains							
0	Other Gains	1	1	-	1	1	1
0	Total Gains	1	1	-	1	1	1
39,583	Total Income	25,102	27,528	10	25,879	24,551	24,887
Expenses							
19,089	Employee Expenses	12,390	14,263	15	14,191	13,480	13,541
3,498	Superannuation Expenses	3,117	3,564	14	3,742	3,763	3,842
13,957	Supplies and Services	8,113	9,253	14	7,578	7,169	7,960
722	Depreciation and Amortisation	0	1,026	#	1,406	320	574
2	Borrowing Costs	0	0	-	0	0	0
2,577	Grants and Purchased Services	2,186	972	-56	878	168	51
39,845	Total Ordinary Expenses	25,806	29,078	13	27,795	24,900	25,968
-262	Operating Result	-704	-1,550	-120	-1,916	-349	-1,081

Table 65: Output Class 2: Loose-Fill Asbestos Insulation Eradication Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
123,561	Controlled Recurrent Payments	117,913	30,233	-74	9,950	8,485	12,680
9,572	Land Revenue	9,018	229,081	#	206,531	89,590	27,664
133,133	Total Revenue	126,931	259,314	104	216,481	98,075	40,344
Gains							
0	Other Gains	2	2	-	2	2	2
0	Total Gains	2	2	-	2	2	2
133,133	Total Income	126,933	259,316	104	216,483	98,077	40,346
Expenses							
6,663	Employee Expenses	5,507	6,754	23	4,052	4,125	1,438
1,181	Superannuation Expenses	598	910	52	704	737	760
9,706	Supplies and Services	9,297	10,730	15	8,657	4,689	1,526
52	Depreciation and Amortisation	5	29	480	36	36	10
0	Cost of Goods Sold	7,392	187,991	#	169,453	73,544	22,785
1,351	Grants and Purchased Services	56,866	0	-100	0	0	0
41,257	Other Expenses	3,689	5,511	49	0	0	0
0	Transfer Expenses	1,411	35,633	#	32,159	13,912	4,220
60,210	Total Ordinary Expenses	84,765	247,558	192	215,061	97,043	30,739
72,923	Operating Result	42,168	11,758	-72	1,422	1,034	9,607

Table 66: Output Class 3: Access Canberra Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
74,753	Controlled Recurrent Payments	75,783	74,746	-1	75,743	76,860	77,999
4,446	User Charges - Non ACT Government	4,446	2,248	-49	1,602	1,598	1,463
2,820	User Charges - ACT Government	2,820	7,477	165	7,548	7,640	7,722
2,130	Other Revenue	2,130	2,182	2	2,227	2,273	2,240
815	Resources Received Free of Charge	815	809	-1	829	820	882
84,964	Total Revenue	85,994	87,462	2	87,949	89,191	90,306
Gains							
0	Other Gains	12	12	-	12	12	12
0	Total Gains	12	12	-	12	12	12
84,964	Total Income	86,006	87,474	2	87,961	89,203	90,318
Expenses							
46,087	Employee Expenses	46,295	49,914	8	49,866	50,445	50,997
6,905	Superannuation Expenses	7,465	8,619	15	9,046	9,395	9,717
28,025	Supplies and Services	29,012	26,640	-8	26,906	27,197	27,824
2,953	Depreciation and Amortisation	2,682	2,864	7	3,995	3,788	3,788
136	Borrowing Costs	0	0	-	0	0	0
710	Grants and Purchased Services	790	1,165	47	1,021	1,031	624
102	Other Expenses	102	112	10	101	101	103
3,341	Transfer Expenses	3,341	1,105	-67	1,130	1,147	1,165
88,259	Total Ordinary Expenses	89,687	90,419	1	92,065	93,104	94,218
-3,295	Operating Result	-3,681	-2,945	20	-4,104	-3,901	-3,900

Table 67: Output Class 4: Financial and Economic Management Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
33,794	Controlled Recurrent Payments	37,330	28,301	-24	19,942	18,221	18,511
1,925	Interest	1,932	1,572	-19	1,541	1,478	1,420
26	Other Revenue	26	26	-	27	28	28
719	Resources Received Free of Charge	719	719	-	737	755	755
36,464	Total Revenue	40,007	30,618	-23	22,247	20,482	20,714
Gains							
0	Other Gains	1	1	-	1	1	1
0	Total Gains	1	1	-	1	1	1
36,464	Total Income	40,008	30,619	-23	22,248	20,483	20,715
Expenses							
7,480	Employee Expenses	7,523	8,910	18	7,881	7,868	7,950
1,469	Superannuation Expenses	1,545	1,771	15	1,774	1,818	1,866
8,083	Supplies and Services	8,471	8,312	-2	7,468	7,489	7,610
1,882	Depreciation and Amortisation	958	911	-5	1,399	1,400	2,321
1,925	Borrowing Costs	1,932	1,572	-19	1,541	1,478	1,420
17,601	Grants and Purchased Services	20,743	10,104	-51	3,628	1,874	1,914
38,440	Total Ordinary Expenses	41,172	31,580	-23	23,691	21,927	23,081
-1,976	Operating Result	-1,164	-961	17	-1,443	-1,444	-2,366

Table 68: Output Class 5: Workforce Injury Management and Industrial Relations Policy Operating Statement

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue						
0	7,360	23,491	219	8,371	8,559	8,752
0	3,449	3,498	1	3,585	3,675	3,767
0	0	7,487	#	0	0	0
0	10,809	34,476	219	11,956	12,234	12,519
Expenses						
0	8,154	8,807	8	9,045	9,289	9,540
0	819	931	14	955	980	1,005
0	1,569	1,832	17	1,679	1,681	1,683
0	853	848	-1	825	825	96
0	267	270	1	277	284	291
0	0	22,636	#	0	0	0
0	11,662	35,324	203	12,781	13,059	12,615
0	-853	-848	1	-825	-825	-96

Table 69: Output Class 6: Revenue Management Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Revenue						
12,549	Controlled Recurrent Payments	12,883	15,708	22	15,262	15,569	15,869
10	User Charges - ACT Government	10	10	-	10	10	10
66	Interest	66	52	-21	40	32	32
298	Other Revenue	298	233	-22	182	142	142
721	Resources Received Free of Charge	721	721	-	739	758	758
13,644	Total Revenue	13,978	16,724	20	16,233	16,511	16,811
	Expenses						
7,830	Employee Expenses	8,461	8,710	3	9,491	9,611	9,728
1,316	Superannuation Expenses	1,500	1,732	15	1,966	2,103	2,230
3,043	Supplies and Services	5,152	6,399	24	4,950	5,084	5,193
124	Depreciation and Amortisation	124	39	-69	39	3,936	3,936
12,313	Total Ordinary Expenses	15,237	16,880	11	16,446	20,734	21,087
1,331	Operating Result	-1,259	-156	88	-213	-4,223	-4,276

Table 70: Output Class 7: Shared Services Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
18,409	Controlled Recurrent Payments	15,232	20,522	35	17,039	17,758	17,943
42	User Charges - Non ACT Government	0	0	-	0	0	0
167,590	User Charges - ACT Government	174,393	170,562	-2	175,298	180,267	185,370
244	Interest	145	149	3	153	157	161
1,821	Other Revenue	1,874	1,925	3	1,978	2,033	2,089
188,106	Total Revenue	191,644	193,158	1	194,468	200,215	205,563
Expenses							
78,115	Employee Expenses	79,715	81,112	2	82,870	85,215	87,671
12,235	Superannuation Expenses	12,259	13,197	8	14,018	14,726	15,530
83,207	Supplies and Services	81,673	84,961	4	83,072	86,001	88,578
23,869	Depreciation and Amortisation	26,536	28,360	7	29,886	30,010	29,089
523	Other Expenses	131	134	2	137	140	144
11	Borrowing Costs	0	0	-	0	0	0
197,960	Total Ordinary Expenses	200,314	207,764	4	209,983	216,092	221,012
-9,854	Operating Result	-8,670	-14,606	-68	-15,515	-15,877	-15,449

Table 71: Output Class 8: Procurement and Capital Works Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Revenue						
4,687	Controlled Recurrent Payments	4,421	7,866	78	6,671	3,040	3,031
340	User Charges - Non ACT Government	340	345	1	352	359	359
43,609	User Charges - ACT Government	19,904	20,498	3	20,938	21,354	21,305
60	Other Revenue	60	61	2	62	63	63
316	Resources Received Free of Charge	316	324	3	332	340	340
49,012	Total Revenue	25,041	29,094	16	28,355	25,156	25,098
	Expenses						
17,911	Employee Expenses	15,102	15,712	4	16,001	16,198	16,169
2,461	Superannuation Expenses	2,211	2,473	12	2,630	2,722	2,793
26,864	Supplies and Services	8,409	11,129	32	9,960	6,563	6,604
200	Depreciation and Amortisation	189	80	-58	193	193	193
14	Borrowing Costs	0	0	-	0	0	0
47,450	Total Ordinary Expenses	25,911	29,394	13	28,784	25,676	25,759
1,562	Operating Result	-870	-300	66	-429	-520	-661

Table 72: Output Class 9: Economic Development Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
109,476	Controlled Recurrent Payments	113,955	170,933	50	124,548	112,155	106,972
0	Taxes, Fees and Fines	119	296	149	309	321	321
19,765	User Charges - Non ACT Government	20,240	21,193	5	22,173	23,249	23,258
77,636	User Charges - ACT Government	83,777	86,518	3	96,837	102,265	102,152
86	Interest	66	26	-61	60	66	66
227	Other Revenue	254	997	293	1,002	337	337
0	Resources Received Free of Charge	3	3	-	3	3	3
207,190	Total Revenue	218,414	279,966	28	244,932	238,396	233,109
Gains							
0	Other Gains	16	27	69	31	33	33
0	Total Gains	16	27	69	31	33	33
207,190	Total Income	218,430	279,993	28	244,963	238,429	233,142
Expenses							
32,171	Employee Expenses	36,102	40,265	12	37,037	37,169	37,434
5,164	Superannuation Expenses	5,937	6,679	12	6,604	6,763	6,956
106,228	Supplies and Services	113,675	163,117	43	152,048	148,827	142,665
43,426	Depreciation and Amortisation	42,269	41,399	-2	45,605	43,797	46,074
223	Borrowing Costs	224	201	-10	176	173	173
3,201	Cost of Goods Sold	0	0	-	0	0	0
49,631	Grants and Purchased Services	65,264	64,072	-2	42,624	39,114	39,784
553	Other Expenses	28,282	606	-98	616	638	647
240,597	Total Ordinary Expenses	291,753	316,339	8	284,710	276,481	273,733
-33,407	Operating Result	-73,323	-36,346	50	-39,747	-38,052	-40,591

Notes to the Output Class Statements

Significant variations in total ordinary expenses are as follows:

Output Class 1: Government Strategy (Table 64) Total Ordinary Expenses

- the decrease of \$14.039 million in the 2015-16 estimated outcome from the original budget is mainly due to the impact of transferring the former Output 1.3: 'Industrial Relations Policy' and partial transfer of Output 1.2: 'Public Sector Management' to the newly created Output Class 5: 'Workforce Injury Management and Industrial Relations Policy' (\$11.497 million) and a rollover of funding from 2015-16 to future years (\$5.385 million), partially offset by transfers in of the Territory Records Office and Employee Relations and Training from Output Class 7: 'Shared Services' (\$2.165 million).
- the increase of \$3.272 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to a rollover of funding from 2015-16 to future years, and new initiatives (\$3.505 million), partially offset by the impact of the revised funding profile of previously funded programs and the reallocation of corporate overhead.

Output Class 2: Loose-fill Asbestos Insulation Eradication (Table 65) Total Ordinary Expenses

- the increase of \$24.555 million in the 2015-16 estimated outcome from the original budget is mainly due to the net impact of rollovers of funding from 2014-15 to 2015-16 and future years.
- the increase of \$162.793 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the planned sale of remediated land under the loose-fill asbestos insulation eradication scheme.

Output Class 3: Access Canberra (Table 66) Total Ordinary Expenses

- the increase of \$0.732 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the transfer of staff and associated costs from the Gambling and Racing Commission (the Commission) (\$4.447 million). This transfer follows an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations. There is also a reallocation of corporate overhead (\$0.868 million).

Output Class 4: Financial and Economic Management (Table 67) Total Ordinary Expenses

- the decrease of \$9.592 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the impact of the funding profile of previously funded programs, new initiatives (\$1.707 million), partially offset by rollovers (\$1.667 million).

***Output Class 5: Workforce Injury Management and Industrial Relations Policy (Table 68)
Total Ordinary Expenses***

- the increase of \$11.662 million in the 2015-16 estimated outcome from the original budget is mainly due to the transfer in of the former Output 1.3: 'Industrial Relations Policy' and partial transfer of Output 1.2: 'Public Sector Management' to create this Output Class.
- the increase of \$23.662 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects an increase in Comcare workers' compensation premium costs.

Output Class 6: Revenue Management (Table 69) Total Ordinary Expenses

- the increase of \$2.924 million in the 2015-16 estimated outcome from the original budget is mainly due to a reallocation of corporate overhead and grossing up expenses resulting from a change in the way internal trading transactions within the Directorate are accounted for.
- the increase of \$1.643 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the impact of the funding profile of previously funded programs.

Output Class 7: Shared Services (Table 70) Total Ordinary Expenses

- the increase of \$2.354 million in the 2015-16 estimated outcome from the original budget is mainly due to a grossing up expenses resulting from a change in the way internal trading transactions within the Directorate are accounted for (\$8.434 million) and the transfer in of the Oracle financial management system from Output Class 4: 'Financial and Economic Management' (\$1.110 million), partially offset by general savings (\$5.624 million) and the transfer out of functions, including the Territory Records Office and Employee Relation and Training to Output Class 1: 'Government Strategy' (\$2.165 million).
- the increase of \$7.450 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects general growth in the cost of providing services to customers in line with the indexation.

Output Class 8: Procurement and Capital Works (Table 71) Total Ordinary Expenses

- the decrease of \$21.539 million in the 2015-16 estimated outcome from the original budget is largely due to the transfer out of the minor works project team to Output Class 9.7: 'Property Services'.
- the increase of \$3.483 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the provision of funding for the ongoing implementation of the SMS Procurement project.

Output Class 9: Economic Development (Table 72) Total Ordinary Expenses

- the increase of \$51.156 million in the 2015-16 estimated outcome from the original budget is due to the transfer out of the Magistrates Court to the Justice and Community Safety Directorate (JACSD) (\$27.413 million), the transfer in of the minor works project team from Output Class 8: 'Procurement and Capital Works' (\$21.951 million) and the impact of the AAs as outlined in Table 58 above (\$28.707 million), partially offset by the impact of capital works rollovers from 2014-15 to 2015-16 (\$23.651 million).
- the increase of \$24.586 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to the rollover initiatives from 2015-16 to future years, new initiatives (\$27.277 million) and the impact of the AAs as outlined in above (\$7.339 million), partially offset by the impact of the transfer of the Magistrate's Court to JACSD during 2015-16 (\$27.413 million), general savings (\$5.342 million).

ACT COMPULSORY THIRD-PARTY INSURANCE REGULATOR – STATEMENT OF INTENT

The Australian Capital Territory Compulsory Third-Party Insurance Regulator (CTP regulator) is a Territory Authority established under the *Road Transport (Third-Party Insurance) Act 2008* (CTP Act).

This Statement of Intent for 2016-17 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Andrew Barr MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2016-17 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the CTP regulator's strategic and business planning processes.

The CTP regulator's 2016-17 Statement of Intent has been agreed between:



Lisa Holmes

**Acting ACT Compulsory Third-Party
Insurance Regulator**



Andrew Barr MLA

Treasurer

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ACT COMPULSORY THIRD-PARTY INSURANCE REGULATOR

As a result of the 2015 amendments to the *Financial Management Act 1996*, the budget statement for the ACT Compulsory Third-Party Insurance Regulator (CTP regulator) is its Statement of Intent.

Purpose

The CTP regulator's functions are to be carried out in accordance with the objects of the *Road Transport (Third-Party Insurance) Act 2008* (CTP Act) under Section 5A, which are to:

- continue and improve the system of compulsory third-party insurance and the scheme of statutory insurance for uninsured and unidentified vehicles operating in the ACT;
- promote competition in setting premiums for compulsory third-party insurance policies;
- keep the costs of insurance at an affordable level;
- provide for the licensing and supervision of insurers providing insurance under policies of compulsory third-party insurance;
- encourage the timely resolution of personal injury claims resulting from motor accidents;
- promote and encourage, as far as practicable, the rehabilitation of people who sustain personal injury because of motor accidents;
- establish and keep a register of motor accident claims to help the administration of the statutory insurance scheme and the detection of fraud; and
- promote measures directed at eliminating or reducing causes of motor accidents and mitigating their results.

Nature and Scope of Activities

General Activities

It is the responsibility of the CTP regulator to oversee and monitor the regulation, procedures, structure and transparency of the CTP scheme and ensure compliance with the obligations and procedures set out in the CTP Act.

The detail of the CTP regulator's functions are set out in section 14A of the CTP Act.

CTP Insurer Regulation and Viability of Scheme

Key responsibilities of the CTP regulator include:

- licensing CTP insurers under Chapter 5 of the CTP Act;
- ensuring CTP insurers comply with their obligations under the CTP Act; and
- approving or rejecting CTP premium filings of CTP insurers under part 2.6 of the CTP Act.

The CTP regulator may issue guidelines in support of its regulatory activities.

CTP premium filings are required to be submitted at least annually unless a longer period is permitted by the CTP regulator. A premium filing is a document provided by a CTP insurer to the CTP regulator containing a range of information in support of its annual CTP premium. The CTP insurance scheme actuary assesses the filing to ensure that the premium fully funds the insurer's present and likely future liability under the CTP Act and is not excessive.

CTP premium filings lodged with the CTP regulator are reviewed by the scheme's actuary in accordance with the CTP Act and Premium Guidelines. Mainly as a result of competition, during 2015-16 the number of premium filings increased above the standard four filings (one for each insurance brand), with a total of seven filings received and approved. Competition during 2016-17 may continue to lead to above standard filings.

The CTP regulator publishes a list of the applicable CTP premiums for all vehicle classes on the CTP website – see <http://apps.treasury.act.gov.au/compulsorytpi/premiums>.

An efficient, effective and affordable CTP scheme

An efficient, effective and affordable CTP scheme, that focuses on serving motorists generally, and those individuals involved in a motor accident more specifically, is considered to:

- facilitate the early resolution of claims;
- effectively rehabilitate claimants;
- ensure claims costs are reasonable and fair;
- compensate claimants appropriately; and
- provide affordable CTP premiums.

Prior to July 2013, NRMA was the sole CTP insurer for the ACT CTP insurance scheme. The introduction of the Suncorp brands (GIO, AAMI and APIA) to the ACT CTP insurance market on 1 July 2013 successfully established competition with a choice of providers and insurance products for motorists.

All CTP insurers continued to reduce their premiums during 2015-16 given the competitive environment. A review of the operation of the CTP Act by the scheme actuary (CTP Review), presented to the Legislative Assembly on 5 April 2016, found that: "The ACT CTP market has exhibited considerable price sensitivity with relatively small reductions leading to increased market share for respective brands."

As a result of this price sensitivity in the market, insurers may seek to update their premiums multiple times in a year in response to competition (and other circumstances), leading to more than the four standard premium filings occurring in 2016-17. However, given that the premium needs to fully fund the current and future liabilities of the CTP scheme, and insurers are required to make a profit from the insurance provided, the CTP Review found that the effects of competition will only be able to deliver further premium reductions to a limited extent.

The CTP regulator will continue to support other CTP insurers wishing to enter the ACT market to build on the competition achieved to date. The objectives include a wider choice of providers and product offerings; enhanced product features such as at-fault driver cover; and further incentive for reduced premiums and/or the offering of after-market discounts such as rebates.

The CTP regulator monitors the efficiency and effectiveness of the CTP scheme's performance against the objectives of the CTP Act and provides advice to the Government on potential improvements.

During 2016-17 the CTP regulator intends to again meet regularly with the Insurance Council of Australia and the CTP insurers to identify areas with the potential to refine and improve the operation of the ACT CTP scheme. A number of projects will be progressed collaboratively, including those aimed at enhancing the efficiency and effectiveness of the scheme.

In addition, the CTP regulator receives feedback from the community regarding the CTP scheme through Canberra Connect, direct enquiries (both oral and written correspondence) and through the feedback link on the CTP website at <http://apps.treasury.act.gov.au/compulsorytpi/feedback>.

The CTP regulator also participates in the inter-directorate ACT Road Safety Executive Group that allows it to monitor and comment on aspects of road safety policy. Of particular importance is the Road Safety Awareness Program which is comprised of the key road safety issues identified in the Road Safety Strategy 2011-20, which are conveyed to motorists and vulnerable road users (motorcyclists, cyclists and pedestrians) through various forms of media. This provides the CTP regulator with the opportunity to contribute towards the funding of 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 CTP premiums.

The CTP regulator regularly reviews the information made available to motorists on CTP issues. In this context, the CTP website has recently been revised to improve transparency and the understanding of CTP insurance, including: clarifying a range of terms associated with CTP insurance; introducing simpler and clearer steps to making a claim; and introducing new frequently asked questions (FAQs) to address common misnomers and recurring issues raised by the public.

In the first half of 2016, a CTP insurance quiz was developed to gauge drivers' level of knowledge of the CTP scheme and to improve, amongst other things, the understanding of the current arrangements, and importantly, the circumstances required to be eligible for CTP payments.

The quiz will assist the CTP regulator's understanding of how well motorists comprehend the CTP Scheme, as data are being collected based on a range of participant details. The CTP regulator will analyse the findings and consider further steps in 2016-17 to assist motorists in understanding the key features and benefits provided by the scheme.

Maintaining claims statistics for the CTP scheme

The ACT's Personal Injury Register (PIR) system is an electronic register of all claims and payments relating to motor accidents involving personal injury in the ACT. The data are collected from CTP insurers and the Nominal Defendant at regular intervals.

During February 2016, the Queensland Motor Accident Insurance Commission (MAIC) ceased the arrangement to maintain and host the PIR database for the CTP regulator. Funding has been provided to complete the transition of the PIR to the ACT Government's ICT platform.

Two stages of work are envisaged. The first stage currently underway will ensure that the PIR is fully functional (without amendment), and the second stage will introduce changes to enhance the capability of the system. The CTP regulator will work with CTP insurers and the Nominal Defendant during 2016-17 to test the functionality of the system at each milestone and consult with stakeholders on their suggested changes to the PIR.

Risks

Financial risks include adequacy of funding for the CTP regulator's activities. A nominal levy of \$1.00 is collected from every registration to fund and support the continued effective functioning of the CTP regulator. The CTP regulator's revenues are thus dependent upon the number and frequency of registrations and renewals.

The CTP regulator has developed and implemented a risk management plan to identify and address risks and continues to review and update this plan as part of its ongoing business processes. The plan covers operational and reputational risks in addition to the financial risks.

2016-17 Priorities and Next Three Financial Years

Priorities in 2016-17 and over the next three financial years relate to the objectives of the CTP Act and include:

- progressing the modification of the PIR, to ensure full functionality and enhanced capability of the system, thereby allowing an improved analysis of scheme statistics and trends to be undertaken;
- developing legislative requirements to set up a new light rail vehicle (LRV) CTP premium class and incorporating LRVs into the CTP Act to ensure that personal injuries arising from a traffic accident involving a LRV are treated in a consistent manner with accidents involving other vehicles;
- reviewing the CTP premium filing process with the aim of increasing the efficiency of the process for all impacted parties;
- entering into a Memorandum of Understanding with the Australian Prudential Regulation Authority (APRA) that provides access to data and other information on the financial health of ACT CTP insurers;
- reviewing the regulatory requirements and appropriate legislative arrangements for the on-demand transport industry;
- encouraging further competition, including the entry of new CTP insurers, within the ACT CTP scheme; and
- contributing to targeted road safety initiatives that assist in reducing motor accidents and personal injuries, and mitigating their impact.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	0	0	0	0

In accordance with Section 14 of the CTP Act, the Minister, Andrew Bar MLA, has appointed the CTP regulator as the Executive Director of the Economic and Financial Group, Chief Minister, Treasury and Economic Development Directorate (CMTEDD) for a period of 5 years effective 10 June 2015. Roles and responsibilities have been delegated by the CTP regulator to officers from CMTEDD. The CTP regulator does not employ staff.

The Financial Framework Management and Insurance (FFMI) Branch of the Economic and Financial Group provides a supporting role to the CTP regulator by providing a number of staff to carry out the CTP regulator's functions. The CTP regulator reimburses the FFMI Branch for the salary and superannuation expenses associated with the FTE staff allocated to carrying out the CTP regulator's functions.

Key Performance Indicators for 2016-17 to 2019-20

Table 2: Key Performance Indicators for 2016-17 to 2019-20

Objective	Performance Indicator	Target Measures			
		2016-17	2017-18	2018-19	2019-20
Insurer regulation and viability of scheme	CTP premiums are approved in accordance with the Road Transport (Third-Party Insurance) Act 2008.	Review annual CTP premium filings	Review annual CTP premium filings	Review annual CTP premium filings	Review annual CTP premium filings
	The scheme is fully funded.	Actuarial review of premium filing applications by 30/06/2017	Actuarial review of premium filing applications by 30/06/2018	Actuarial review of premium filing applications by 30/06/2019	Actuarial review of premium filing applications by 30/06/2020
	Make guidelines under the Act.	Monitor and revise premium guidelines and early payment guidelines by 30/06/2017 as necessary	Monitor and revise premium guidelines and early payment guidelines by 30/06/2018 as necessary	Monitor and revise premium guidelines and early payment guidelines by 30/06/2019 as necessary	Monitor and revise premium guidelines and early payment guidelines by 30/06/2020 as necessary
An efficient, effective and affordable CTP scheme	To continue to refine the system of CTP insurance for vehicles in the ACT in conjunction with insurers.	Participation at Industry Council of Australia meetings	Participation at Industry Council of Australia meetings	Participation at Industry Council of Australia meetings	Participation at Industry Council of Australia meetings
	Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents	Contributing to road safety strategies consistent with the CTP regulator's function to promote public awareness of the causes of motor accidents	Contributing to road safety strategies consistent with the CTP regulator's function to promote public awareness of the causes of motor accidents	Contributing to road safety strategies consistent with the CTP regulator's function to promote public awareness of the causes of motor accidents	Contributing to road safety strategies consistent with the CTP regulator's function to promote public awareness of the causes of motor accidents
Customer service	Complaints handling within 10 working days of receipt of the complaint ¹	85% compliance	85% compliance	85% compliance	85% compliance

Note(s):

- Responses to complaints directly to the CTP regulator within 10 working days of receipt of the complaint apply in cases where the CTP regulator does not need to liaise with another area of government or external entity. Complaints do not include responses received as part of consultation processes. Also refers to written correspondence only, not phone calls.

Assessment of Performance Against 2015-16 Objectives

Table 3: Assessment of Performance Against 2015-16 Objectives

Objective	Performance Indicator	Target Measures 2015-16	Estimated Performance
Insurer regulation and viability of scheme	CTP premiums are approved in accordance with the Road Transport (Third-Party Insurance) Act 2008.	Review annual CTP premium filings.	Premium filings were received from GIO and AAMI in July 2015. Additional premium filings were also received by GIO, AAMI and APIA in November 2015. NRMA premium filings were received in November 2015, and again in April 2016. All of these premium filings were assessed and approved in accordance with the Act.
	The scheme is fully funded.	Actuarial review of premium filing applications by 30/06/2016.	An actuarial assessment was conducted in respect of each premium filing to ensure each met the fully funded test, that is, the premium met the present and likely future liabilities of the insurer under the CTP insurance scheme.
	Make guidelines under the Act.	Implement new guidelines as required. Monitor the effectiveness of existing guidelines.	The guidelines under the Act were discussed as a standing item at the 2015-16 Industry Council of Australia meeting, as well as out-of-session with insurers. The premium guidelines were revised, after discussion with CTP insurers, to incorporate a new CTP premium class for rideshare vehicles (25A). No revisions to the early payment guidelines have been required to date.
An efficient, effective and affordable CTP scheme	To continue to refine the system of CTP insurance for vehicles in the ACT in conjunction with insurers.	Participation at Industry Council of Australia meetings	The CTP regulator and insurers met once during 2015-16 at a meeting facilitated by the ICA (out-of-session teleconferences were also conducted with insurers on important issues). The meeting and teleconferences included discussion on matters relating to improving the operation of the CTP scheme. This included: developing Sharing Guidelines for the Industry Deed; reviewing the data, circumstances and approach to ridesharing; revising claims forms to reduce duplication and address issues with doctors not filling out two medical forms; reviewing the premium filing process to improve efficiency; and progressing implementation of the Personal injury Register.
	Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents	Contributing to road safety strategies consistent with the CTP regulator's function to promote public awareness of the causes of motor accidents	The CTP regulator is contributing \$75,000 to various road safety strategies aimed at mitigating third-party motor vehicle injuries in 2015-16. This comprises: \$16,000 for a speeding campaign; \$6,000 for a texting while driving initiative; \$27,000 for a safer cycling initiative; and \$27,000 for a driver distraction campaign.
Customer service	Complaints handling within 10 working days of receipt of the complaint (if no other Directorate involved).	85% compliance.	For the period July 2016 – April 2016, there has been 75% compliance with this performance indicator, in cases where no further information was required from another directorate. The only matter not finalised within the 10 working day timeframe was a complex matter that involved discussions with two CTP insurers.

Monitoring and Reporting

The CTP regulator shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The CTP regulator 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 CTP regulator 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 CTP regulator 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:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by the CTP regulator;
- 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 CTP regulator (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 CTP regulator will ensure the availability to the Treasurer through CMTEDD (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

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

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

Financial Arrangements

- The CTP regulator charges a levy of \$1.00 per registration and registration renewal. The levy covers the costs of the operations of the CTP regulator, including costs associated with necessary systems and actuarial advice.

Financial Statements

Table 4: ACT Compulsory Third-Party Insurance Regulator: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
481	Taxes, Fees and Fines	481	488	1	496	503	511
17	Interest	22	18	-18	18	19	19
498	Total Revenue	503	506	1	514	522	530
Expenses							
443	Supplies and Services	342	420	23	433	443	452
38	Depreciation and Amortisation	3	47	#	57	57	57
17	Other Expenses	75	39	-48	24	22	21
498	Total Expenses	420	506	20	514	522	530
0	Operating Result	83	0	-100	0	0	0
0	Total Comprehensive Income	83	0	-100	0	0	0

Table 5: Compulsory Third-Party Insurance Regulator: Balance Sheet

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
253	Cash and Cash Equivalents	391	331	-15	388	445	502
46	Receivables	41	41	-	41	41	41
299	Total Current Assets	432	372	-14	429	486	543
Non Current Assets							
249	Intangibles	177	237	34	180	123	66
249	Total Non Current Assets	177	237	34	180	123	66
548	TOTAL ASSETS	609	609	-	609	609	609
Current Liabilities							
57	Payables	20	20	-	20	20	20
57	Total Current Liabilities	20	20	-	20	20	20
57	TOTAL LIABILITIES	20	20	-	20	20	20
491	NET ASSETS	589	589	-	589	589	589
REPRESENTED BY FUNDS EMPLOYED							
491	Accumulated Funds	589	589	-	589	589	589
491	TOTAL FUNDS EMPLOYED	589	589	-	589	589	589

Table 6: ACT Compulsory Third-Party Insurance Regulator: Statement of Changes in Equity

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Opening Equity						
491	506	589	16	589	589	589
491	506	589	16	589	589	589
Comprehensive Income						
0	83	0	-100	0	0	0
0	83	0	-100	0	0	0
0	0	0	-	0	0	0
Closing Equity						
491	589	589	-	589	589	589
491	589	589	-	589	589	589

Table 7: ACT Compulsory Third-Party Insurance Regulator: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
481	Taxes, Fees and Fines	481	488	1	496	503	511
17	Interest Received	22	18	-18	18	19	19
498	Operating Receipts	503	506	1	514	522	530
Payments							
443	Related to Supplies and Services	342	420	23	433	443	452
17	Other	75	39	-48	24	22	21
460	Operating Payments	417	459	10	457	465	473
38	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	86	47	-45	57	57	57
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
287	Purchase of Land and Intangibles	180	107	-41	0	0	0
287	Investing Payments	180	107	-41	0	0	0
-287	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-180	-107	41	0	0	0
-249	NET INCREASE / (DECREASE) IN CASH HELD	-94	-60	36	57	57	57
502	CASH AT THE BEGINNING OF REPORTING PERIOD	485	391	-19	331	388	445
253	CASH AT THE END OF REPORTING PERIOD	391	331	-15	388	445	502

Notes to the Controlled Budget Statements

There are no significant variations to any of the Financial Statements.

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ACT GAMBLING AND RACING COMMISSION – STATEMENT OF INTENT

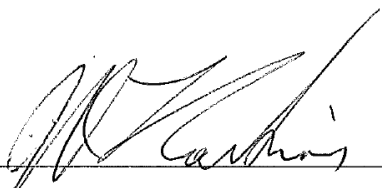
The ACT Gambling and Racing Commission is a Territory Authority established under the *Gambling and Racing Control Act 1999*.

This Statement of Intent for 2016-17 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Chief Minister Andrew Barr MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2016-17 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 2016-17 Statement of Intent has been agreed between:



John Haskins AM

**Chairperson on behalf of
ACT Gambling and Racing Commission**



Andrew Barr MLA

Treasurer



Andrew Barr MLA

Chief Minister

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ACT GAMBLING AND RACING COMMISSION

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

The Gambling and Racing Commission Board

The Commission is 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 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. 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 Chief Executive Officer is also a member of the Board. Non-executive members' appointments are approved by the Minister for Racing and Gaming. 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 John Haskins, AM
- Deputy Chairperson: Ms Alice Tay
- Members: Mr Paul Baxter
Ms Rebecca Vassarotti
- Chief Executive: Mr David Snowden

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 2015 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 provides that the GRC will commission work from Access Canberra to fulfil its obligations under the Control Act, and satisfy its objectives as outlined in the 2014-2018 Strategic Plan and the 2015-2016 Statement of Intent.

Access Canberra acknowledges the responsibilities of the Commission as a statutory authority including those specified in the Control Act, other gaming laws, and the Commission's statement of intent. Access Canberra provides staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.

Purpose

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

The objectives central to the gambling and racing compliance framework are **Harm Minimisation, Integrity and Protection**.

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

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

Protection – we will provide the community with factual information about gambling 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

General Activities

The core business objectives of the Commission are summarised under Section 6(2) of the Act. The main focus of the Commission is the regulation and monitoring of all gambling activities in the ACT, namely:

- gaming machines;
- casino;
- totalisator;
- racing and wagering;
- lotteries; and
- interactive gambling.

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

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

The Commission also has additional deliverables 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, a number of strategic risks have been identified. In broad terms, the Commission has a risk management register which is regularly reviewed and updated. High level strategic 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.

A brief overview of identified risks includes:

- failure to provide adequate services to stakeholder agencies within the ACT Government;
- failure to achieve the Commission's intended objectives;
- failure to satisfy and meet external (non government) customer expectations;
- failure to manage operations within allocated budget;
- person(s) are injured during the course of work;
- inability to ensure compliance with legislation and regulations (staff contractors – internal compliance); and
- inability to effectively enforce compliance with legislation and regulations (external risk event).

The Commission has agreed for Access Canberra to apply a risk-based compliance approach to ensure that resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening capacity to take action where the community, workers and the environment are most at risk. Actions will be prioritised based on a range of considerations, including the following:

- 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.

2016-17 Priorities and Next Three Financial Years

Strategic and operational issues to be pursued in 2016-17 include:

Research and Harm Minimisation

A function of the Commission is to monitor and research the social effects of gambling and gambling harm. Where data from research shows an increase in rates of those experiencing gambling harm in respect of a particular gambling product, the Commission, through Access Canberra, will focus on raising awareness and foster an environment that promotes and encourages responsible gambling.

This research includes investigating the prevalence of gambling and gambling harm, the effectiveness of existing and new harm minimisation measures, as well as exploring ways in which gambling harm can develop and what assistance is effective.

The Commission Board has recently endorsed a shift from a focus on individuals and the harm they experience, to a broader public health approach.

A public health approach aims to address health inequalities, such as socio-economic circumstances, by addressing the range of factors that impact health beyond individual levels of lifestyle choice and opportunity. In the context of gambling harm, this means not just addressing individual choice but recognising that the social and gambling environment encourages risky behaviour.

Research findings will drive regulatory activities including restrictions on certain gambling products and features, promoting and funding help-seeking services and providing information to the community. Part of the role of the Commission is to ensure gambling operators comply with the mandated measures to reduce the harm that gambling can cause.

Educate

Like any regulatory regime, the optimal Outcome is voluntary compliance. Education plays a key role in maximising compliance. 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 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.

Compliance Monitoring and Investigations

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.

These activities include, but are not limited to the following:

- inspections;
- information sharing; or
- investigations.

Enforcement

Once it has been identified that an offence has been committed the next step is to determine the appropriate enforcement response.

Inspectors are able to exercise a level of discretion particularly when the conduct in question is low risk and has caused limited or no harm. However, enforcement of legislative requirements is likely to occur and is not limited to the following:

- no further action;
- increased inspection activity;
- disciplinary action;
- prosecution; or
- injunction.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	31.4	33	22.6 ¹	0 ²

Note(s):

1. The reduction of 10.4 FTE in the 2015-16 estimated outcome from the 2015-16 Budget is due to several staff members utilising part-time employment and unfilled vacancies at year end.
2. The reduction of 22.6 FTE in the 2016-17 Budget from the 2015-16 estimated outcome is due to the expected transfer of Commission staff to Access Canberra as at 1 July 2016 under the fee for service arrangement. From this date, the GRC will commission work from Access Canberra to fulfil its obligations.

Table 2: 2016-17 Employment Profile

Classification	Male	Female	Total
ASO1-SOG A	0 ¹	0 ¹	0 ¹
Total	0	0	0

Note(s):

1. The 2016-17 employment profile reflects the expected transfer of Commission staff to Access Canberra as at 1 July 2016. The Commission has entered into an agreement with Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.

Strategic Objectives and Indicators

Strategic Objective 1

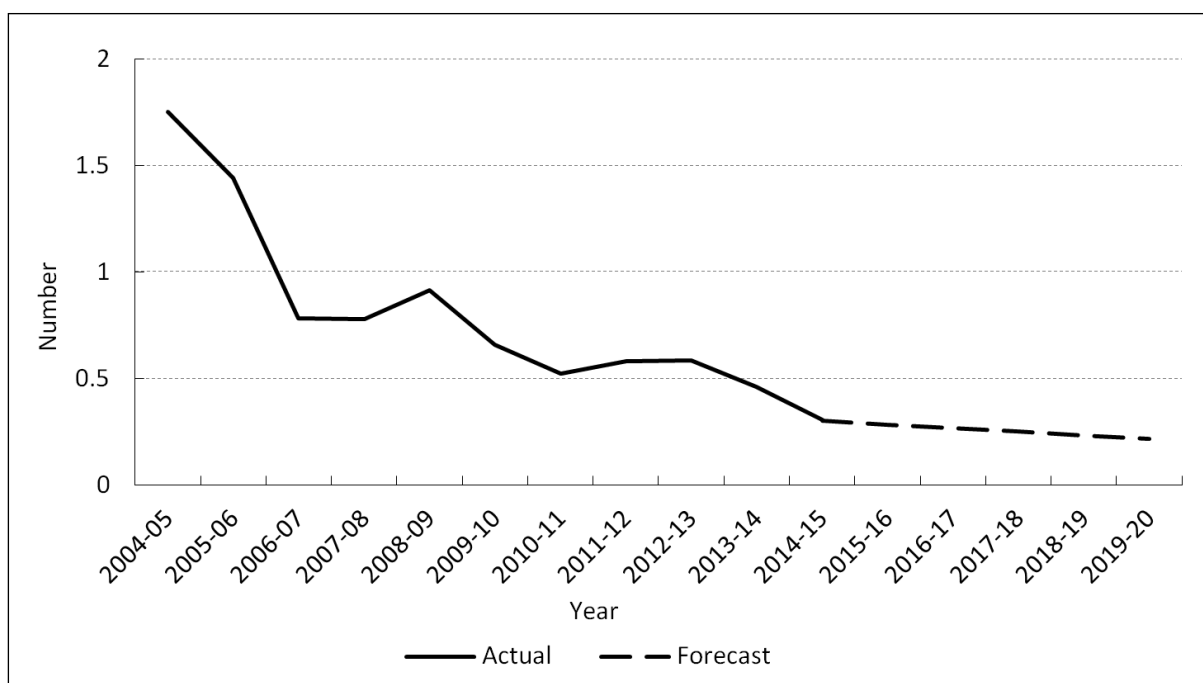
Increase Gambling Operators' Compliance with Legislation

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

Strategic Indicator 1: Average number of breaches detected per inspection.

The level of reduction in the number of breaches detected per inspection will indicate the success, or otherwise, of compliance activities.

Figure 2: Average number of breaches detected per inspection.



Strategic Objective 2

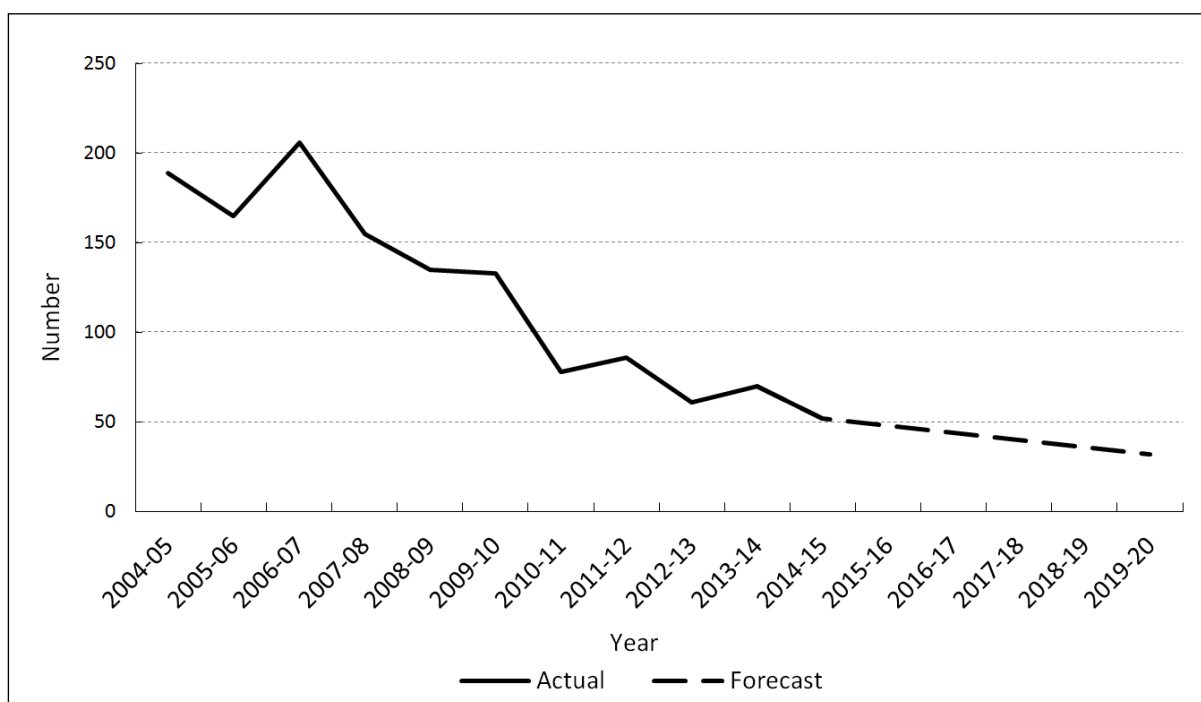
Increase the Accuracy of Returns by Operators for Gambling Related Taxes, Levies, Fees and Fines on Behalf of the ACT Government

The Commission receives returns from operators along with payments for gambling related taxes, levies, fees and fines. The returns will be reconciled against operators' activities and issues variation advice if discrepancies are identified. The aim of this is to reduce the number of variations through education and liaison with operators in the ACT. The reduction in the number of variations as a proportion of returns is an indication of the Commission's performance in this area and ensures the correct amount of revenue is collected for the Government and community.

Strategic Indicator 2: Reconciled gambling taxation returns – variations

The reduction in the number of variations as a proportion of returns is an indication of performance in educating gambling operators in the ACT.

Figure 3: Reconciled Gambling Taxation Returns - Variation.



Strategic Objective 3

Undertake Measures Designed to Reduce the Negative Impact of Gambling Harm

The Commission must perform its functions in a way that reduces the risks and costs of those individuals and the community experiencing gambling harm. The Commission monitors the social effects of gambling and gambling harm in the ACT and is tasked with providing relevant education and counselling services. The Commission aims to reduce the negative impact of gambling harm through targeted research and implementing strategies based on those research outcomes.

Previous interventions and gambling harm minimisation measures have targeted the individual, with a particular focus on treatment of “problem” gamblers. This individual pathology model posited that a very small number of people (0.5% of the ACT adult population) had problems with reasonably benign gambling products that were harmlessly enjoyed by most of the population. Gambling harm minimisation strategies introduced by the Commission in the reporting year were focussed on informing people about how gambling products work, that gamblers should be responsible and that if they had problems they should seek counselling from a gambling help service.

The public health approach acknowledges that focusing attention on only the small group of people who are classified as “problem” gamblers will not in itself help to reduce the incidence of problem gambling in the population. Treating those already experiencing severe harms does not prevent or reduce the risk of others being harmed. In addition, research has shown that gambling harm can be a result not only of individual risk factors, but environmental, technological and social factors as well.

Strategic Indicator 3: Develop and implement research based strategies to reduce the negative impacts of gambling harm.

Output Classes

Output Class 1: Gambling Regulation and Harm Minimisation

Table 3: Output Class 1: Gambling Regulation and Harm Minimisation

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	5,932	5,955
Controlled Recurrent Payments	4,726	4,853

Note(s):

1. Total cost includes depreciation and amortisation of \$0.102 million in 2015-16 and \$0.041 million in 2016-17.

Output 1.1: Gambling Regulation and Harm Minimisation

The Commission purchases the following services from Access Canberra:

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

Table 4: Output 1.1: Gambling Regulation and Harm Minimisation

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	5,932	5,955
Controlled Recurrent Payments	4,726	4,853

Note(s):

1. Total cost includes depreciation and amortisation of \$0.102 million in 2015-16 and \$0.041 million in 2016-17.

Accountability Indicators

Output Class 1: Gambling Regulation and Harm Minimisation

Output 1.1: Gambling Regulation and Harm Minimisation

Table 5: Accountability Indicators Output 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
Conduct compliance inspections of operator activity to detect compliance with legal framework¹			
a. Casino	130	130	n/a
b. Gaming Machines	250	250	n/a
c. Bookmakers & Totalisator	60	60	n/a
d. Minor Lotteries	20	20	n/a
<i>Effectively regulating gambling and racing activity for statutory compliance</i>			
Conduct revenue audits to ensure correct payments of taxes, levies and fees¹			
e. Casino	12	12	n/a
f. Gaming Machines	12	12	n/a
g. Bookmakers & Totalisator	12	12	n/a
<i>Ensure Compliance with statutory payments of taxes, levies and fees</i>			
Initiate or complete research projects; analyse significant research projects conducted elsewhere	5	5	5
<i>Keep informed about gambling issues and harm minimisation strategies</i>			
Initiate or complete projects through the Problem Gambling Assistance Fund	3	3	4
<i>Undertake measures designed to reduce the negative impact of gambling harm</i>			

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
Efficient Service Delivery			
h. Percentage of customers satisfied with the Gambling and Racing Commission ²	n/a	n/a	90%
Doing Business in the ACT is Easier			
i. Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission ³	n/a	n/a	90%
Healthier and Safe Community			
j. Number of inspections conducted ⁴	n/a	n/a	450
k. Compliance at time of inspection ⁵	n/a	n/a	90%
l. Percentage of license application processed within service standard timeframes ⁶	n/a	n/a	95%

Note(s):

1. Discontinued measures. The Commission purchases services from Access Canberra who have moved from an output focused compliance approach to an outcome and risk based compliance approach.
2. New measure. The customer satisfaction result is determined by the responses to an independent annual survey of licensees. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Commission's the corporate identity, channels and services.
3. New measure: The satisfaction with ease of interacting result is determined by the responses to an independent annual survey of licensees. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with the Commission's corporate identity, channels and services.
4. This measure is an indication of the activities undertaken to build industry and community awareness, capability and compliance. This is achieved annually through inspections under legislation administered by the Commission in order to maintain and enhance community confidence in available services. Inspections are undertaken in line with the risk and harm approach and high levels of compliance at time of inspection will result in a fewer number of overall inspections.
5. New measure. This is a measure of annual compliance with relevant regulations and legislation. The result is based on a random sample of licensees.
6. New measure. This measure is based on the time taken to assess and issue licensing for regulatory activities. The measure is calculated annually and is calculated from the receipt of complete and correct paperwork from applicant through to approval/issuance.

Changes to Appropriation

Table 6: Changes to appropriation – Controlled Recurrent Payments

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	4,726	4,878	4,960	5,042	5,042
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	(18)	(19)	(19)	61
Revised Superannuation Parameters	-	30	35	35	39
General Savings	-	(37)	(63)	(63)	(63)
2016-17 Budget	4,726	4,853	4,913	4,995	5,079

Monitoring and Reporting

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

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

Quarterly Reporting

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

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- 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).

Monthly Reporting

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

Annual Reporting

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

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

Financial Arrangements

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

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

Financial Statements

Budgeted financial statements for the 2016-17 Budget year, as well as forward estimates for the three financial years commencing 2016-17 appear below. These general purpose financial statements include:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the Financial Statements as appropriate including variations from the 2015-16 Budget to the 2015-16 estimated outcome and variances from the 2015-16 estimated outcome to the 2016-17 Budget that are in excess of \$0.250 million and 5 per cent.

Table 7: ACT Gambling and Racing Commission: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
4,726	Controlled Recurrent Payments	4,726	4,853	3	4,913	4,995	5,079
54,508	Taxes, Fees and Fines	53,977	54,382	1	55,763	57,178	58,630
94	Interest	94	101	7	104	107	110
1,112	Other Revenue	1,112	1,120	1	1,148	1,177	1,206
25	Resources Received Free of Charge	25	25	-	25	25	25
60,465	Total Revenue	59,934	60,481	1	61,953	63,482	65,050
Expenses							
3,045	Employee Expenses	3,052	125	-96	127	129	131
442	Superannuation Expenses	474	13	-97	13	13	13
2,295	Supplies and Services	2,304	1,120	-51	1,148	1,177	1,206
109	Depreciation and Amortisation	102	41	-60	29	17	17
2	Borrowing Costs	0	0	-	0	0	0
0	Grants and Purchased Services	0	4,656	#	4,708	4,788	4,870
54,508	Transfer Expenses	53,977	54,382	1	55,763	57,178	58,630
60,401	Total Expenses	59,909	60,337	1	61,788	63,302	64,867
64	Operating Result	25	144	476	165	180	183
64	Total Comprehensive Income	25	144	476	165	180	183

Table 8: ACT Gambling and Racing Commission: Balance Sheet

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets							
4,367	Cash and Cash Equivalents	4,963	4,259	-14	4,441	4,626	4,814
4,390	Receivables	4,064	4,069	..	4,074	4,079	4,084
1	Other Current Assets	12	12	-	12	12	12
8,758	Total Current Assets	9,039	8,340	-8	8,527	8,717	8,910
Non Current Assets							
44	Property, Plant and Equipment	5	10	100	15	20	25
95	Intangibles	108	72	-33	48	36	24
139	Total Non Current Assets	113	82	-27	63	56	49
8,897	TOTAL ASSETS	9,152	8,422	-8	8,590	8,773	8,959
Current Liabilities							
4,109	Payables	4,102	4,105	..	4,108	4,111	4,114
7	Finance Leases	0	0	-	0	0	0
827	Employee Benefits	844	90	-89	90	90	90
127	Other Liabilities	35	35	-	35	35	35
5,070	Total Current Liabilities	4,981	4,230	-15	4,233	4,236	4,239
Non Current Liabilities							
28	Finance Leases	0	0	-	0	0	0
226	Employee Benefits	123	0	-100	0	0	0
254	Total Non Current Liabilities	123	0	-100	0	0	0
5,324	TOTAL LIABILITIES	5,104	4,230	-17	4,233	4,236	4,239
3,573	NET ASSETS	4,048	4,192	4	4,357	4,537	4,720
REPRESENTED BY FUNDS EMPLOYED							
3,570	Accumulated Funds	4,045	4,189	4	4,354	4,534	4,717
3	Reserves	3	3	-	3	3	3
3,573	TOTAL FUNDS EMPLOYED	4,048	4,192	4	4,357	4,537	4,720

Table 9: ACT Gambling and Racing Commission: Statement of Changes in Equity

Budget as at 30/6/16 \$'000	Est. Outcome as at 2015-16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Opening Equity						
3,506	4,020	4,045	1	4,189	4,354	4,534
3	3	3	-	3	3	3
3,509	4,023	4,048	1	4,192	4,357	4,537
Comprehensive Income						
64	25	144	476	165	180	183
64	25	144	476	165	180	183
0	0	0	-	0	0	0
Closing Equity						
3,570	4,045	4,189	4	4,354	4,534	4,717
3	3	3	-	3	3	3
3,573	4,048	4,192	4	4,357	4,537	4,720

Table 10: ACT Gambling and Racing Commission: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
4,726	Controlled Recurrent Payments	4,726	4,853	3	4,913	4,995	5,079
54,508	Taxes, Fees and Fines	53,977	54,382	1	55,763	57,178	58,630
94	Interest Received	94	101	7	104	107	110
1,231	Other Receipts	1,231	1,239	1	1,267	1,296	1,325
60,559	Operating Receipts	60,028	60,575	1	62,047	63,576	65,144
Payments							
3,074	Related to Employees	3,074	125	-96	127	129	131
459	Related to Superannuation	491	13	-97	13	13	13
2,272	Related to Supplies and Services	2,281	1,120	-51	1,148	1,177	1,206
2	Borrowing Costs	0	0	-	0	0	0
0	Grants and Purchased Services	0	4,564	#	4,685	4,765	4,847
119	Other	119	119	-	119	119	119
54,508	Territory Receipts to Government	53,977	54,382	1	55,763	57,178	58,630
60,434	Operating Payments	59,942	60,323	1	61,855	63,381	64,946
125	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	86	252	193	192	195	198
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
10	Purchase of Property, Plant and Equipment and Capital Works	10	10	-	10	10	10
10	Investing Payments	10	10	-	10	10	10
-10	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-10	-10	-	-10	-10	-10
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
7	Repayment of Finance Leases	0	0	-	0	0	0

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
0	Payment of Transferred Cash Balances	0	946	#	0	0	0
7	Financing Payments	0	946	#	0	0	0
-7	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	0	-946	#	0	0	0
108	NET INCREASE / (DECREASE) IN CASH HELD	76	-704	#	182	185	188
4,259	CASH AT THE BEGINNING OF REPORTING PERIOD	4,887	4,963	2	4,259	4,441	4,626
4,367	CASH AT THE END OF REPORTING PERIOD	4,963	4,259	-14	4,441	4,626	4,814

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- taxes fees and fines: The original budget (\$54.508 million) includes taxation (\$51.014 million) and regulatory fees (\$3.494 million).
- employee expenses: the decrease of \$2.927 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the transfer of Commission staff to Access Canberra and is included as part of the increase in grants and purchased services expenditure. This transfer of staff follows an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.
- superannuation expenses: the decrease of \$0.461 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the transfer of Commission staff to Access Canberra and is included as part of the increase in grants and purchased services expenditure. This transfer of staff follows an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.
- supplies and services: the decrease of \$1.184 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the transfer of Commission expenditure to Access Canberra and is included as part of the increase in grants and purchased services expenditure. This transfer follows an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.
- grants and purchased services: the increase of \$4.656 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the transfer of Commission expenditure to Access Canberra following agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. As part of the agreement, Access Canberra will provide staff and support to the Commission on a cost recovery basis to enable the Commission to meet its responsibilities and obligations.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$0.596 million in the 2015-16 estimated outcome from the original budget is mainly due to flow-on effects from the 2014-15 audited outcome.
 - the decrease of \$0.704 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the transfer of cash to Access Canberra associated with employee benefits as a result of the transfer of Commission staff to Access Canberra. This transfer follows an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT.
- receivables: the decrease of \$0.326 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to lower gambling activity which results in decreased gaming taxation.
- payables: The original budget (\$4.109 million) includes taxation revenue payable to Government (\$4.059 million) and payables (\$0.050 million).
- employee benefits: decrease of \$0.704 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the transfer of Commission staff to Access Canberra following an agreement entered into between the Commission and Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT.

Statement of Changes in Equity and Cash Flow Statement

Variations in the statement are explained in the above note

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ACT INSURANCE AUTHORITY – STATEMENT OF INTENT

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

This Statement of Intent for 2016-17 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 2016-17 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Authority's strategic and business planning processes.

The Authority's 2016-17 Statement of Intent has been agreed between:



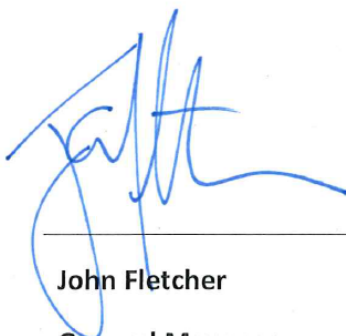
David Nicol

Under Treasurer



Andrew Barr MLA

Treasurer



John Fletcher

General Manager

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ACT INSURANCE AUTHORITY

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

Purpose

The Organisation

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

The Act establishes the Authority as the ACT Government's captive insurer providing advice to the Minister about insurance and the management of Territory risks.

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 ACT Government agencies.

The portfolio represents just over \$24 billion of insured assets, with forecast annual premium revenue in 2016-17 of \$51.2 million and \$341.5 million in investments and other assets.

The Authority reports to the Treasurer through the Under Treasurer, Chief Minister, Treasury and Economic Development Directorate and is financed through risk-based premiums that reflect the asset holdings and liability risks faced by each agency.

Principle Objectives

The objectives of the Authority are to:

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

In addition, the Authority also performs the function of:

- the Office of Nominal Defendant of the ACT, for claims against uninsured/unidentified vehicles for the ACT Compulsory Third Party Insurance Scheme; and
- the Default Insurance Fund, for default claims under the ACT Private Workers Compensation Scheme.

The Authority's operational model is focused on satisfying these objectives by taking a leadership role to reduce the total cost of risk to the Territory and individual agencies. This focus leverages on the integration of core functions as the:

- Insurer and reinsurer of Territory risks;
- Manager of claims;
- Risk management advisor to the ACT Government; and
- Insurance advisor to the ACT Government.

Clients

The Authority provides advice to the Minister about insurance and management of Territory risks. The Authority insures all ACT Government Directorates and Statutory Authorities. The core services provided to Directorates are insurance, claims and risk management services.

The insurance coverage provided via indemnity agreement is broad form cover that includes:

- liability;
- medical malpractice;
- professional indemnity;
- property damage; and
- others including standing timber, specialised motor, overseas travel, directors and officers and financial crime.

Nature and Scope of Activities

General Activities

The key strategies and general activities the Authority intends to employ in achieving its objectives are to:

- provide professional advice to the Government and Territory agencies on insurance and risk management issues;
- deliver a value for money reinsurance program to protect the Territory budget;
- continue to maximise reinsurance recoveries;
- review the Territory 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 clients;
- 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 the 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 Framework;
- work with agencies to reduce the number and severity of incidents and ultimate claims cost;
- deliver to agencies a program of general and targeted risk management training;
- administer the Office of the Nominal Defendant of the ACT; and
- administer the Default Insurance Fund on behalf of the Chief Minister, Treasury and Economic Development Directorate.

Risks

The Authority has developed and implemented a risk management plan in accordance with the Australian/New Zealand Standard on risk management AS/NZS ISO 31000:2009 and the ACT Government's Risk Management Framework. The Authority's plan identifies and details risks and control measures and treatment action plans for risks in the financial, business and information technology dependencies.

The Authority's two key risks are external insurance arrangements being unsatisfactory and annual premiums not geared to fully fund claims over the claim development period. In order to manage these risks the Authority uses skilled international brokers to access the international reinsurance market and actuaries who provide premium advice that align premiums with forecast claim costs.

2016-17 Priorities and Next Three Financial Years

Strategic and operational priorities to be pursued in 2016-17 and for the next three financial years include:

- implementing a program of reinsurance to protect the Territory budget based on an appropriate balance between risk transferred and risk retained;
- proactively managing claims against the Territory in consultation with agency stakeholders and in accordance with the ACT model litigant requirements;
- conducting regular reviews of existing claims to ensure that appropriate management is being applied and that realistic claim estimates are included in financial statements;
- facilitating agency access to the claims reporting and data analysis to support the risk managed approach to operational and asset management;
- delivering a program of general and targeted risk management training programmes for Territory agencies;
- implementing an insurance management system consistent with the requirements identified in the Authority's Information Communication Technology Review; and
- developing a long term investment strategy with investment options that target investment returns and strategic asset allocation.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	13	15 ¹	16	16 ²

Note(s):

1. The variance between the 2015-16 Budget and the 2014-15 Actual Outcome is due to the Authority having one vacant position and one employee on secondment.
2. The increase of one FTE in the 2016-17 Budget from the 2015-16 Budget is due to an increase in resources required in staffing levels for the claims management process.

Table 2: 2016-17 Employment Profile

Classification	Male	Female	Total
ASO5	1	5	6
ASO6	0	3	3
SOG C	1	0	1
SOG B	1	3	4
SOG A	1	0	1
Senior Executive	1	0	1
Total	5	11	16

Key Performance Indicators for 2016-17 to 2019-20

The below Key Performance Indicators for the ACT Insurance Authority (ACTIA) should be read in conjunction with the accompanying notes below.

Table 3: Key Performance Indicators for 2016-17 to 2019-20

Objective	Key Performance Indicator	Planned			
		2016-17	2017-18	2018-19	2019-20
Carry on the business of insurer of Territory risks	(a) Results from an annual customer satisfaction survey:				
	- Overall customer satisfaction with insurance management services	> 90%	> 90%	> 90%	> 90%
	- Overall customer satisfaction of Claims Management	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of Annual Insurance Renewal	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of Financial Management Services	> 90%	> 90%	> 90%	> 90%
	(b) Determine annual insurance premiums for Territory agencies that allow full funding of claim costs and associated expenses	Annual premium determination completed	Annual premium determination completed	Annual premium determination completed	Annual premium determination completed
	(c) Maintain the ACTIA Funding Ratio within the targeted range of 100%-110% as outlined in the ACTIA Capital Management Plan	122%	120%	118%	116%
(d) General and administrative expense as a percentage of total Annual Premium revenue	5%	5%	5%	5%	
(e) The average number of days to process payments for the settlement of claims from the day all required documents are received from the agency	10 days	10 days	10 days	10 days	
(f) Review the Territory's insurance and reinsurance programs to ensure they are appropriate for its needs	Annual review completed	Annual review completed	Annual review completed	Annual review completed	
Take out insurance of Territory risks with other entities	(g) Review the Territory property asset register to ensure that values provided by agencies reflect insurance replacement costs	Annual review completed	Annual review completed	Annual review completed	Annual review completed
	(h) Facilitate Property Loss Control Surveys undertaken at a number of selected Territory locations	7	8	8	8

Objective	Key Performance Indicator	Planned			
		2016-17	2017-18	2018-19	2019-20
Take out insurance of Territory risks with other entities-cont	(i) Hold quarterly reviews of all liability and medical malpractice claims to assess the claim management strategy for matters where the Territory's reserve exceeds \$250,000	Quarterly claims review meetings held	Quarterly claims review meetings held	Quarterly claims review meetings held	Quarterly claims review meetings held
Satisfy or settle claims in relation to Territory risks	(j) Insurance claims data: <u>Property & Motor</u>				
	- Discounted Mean Term (for Outstanding Claims)	1.01 Years	1.00 Years	1.00 Years	1.00 Years
	- Ultimate Claim Numbers	52	48	48	48
	- Average Small Claim (<\$1 million) Settlement Size	\$61,580	\$64,043	\$66,605	\$69,269
	<u>Liability</u>				
	- Discounted Mean Term (for Outstanding Claims)	4.54 Years	4.49 Years	4.44 Years	4.39 Years
	- Ultimate Claim Numbers	128	130	133	136
	- Average Small Claim (<\$1 million) Settlement Size	\$99,570	\$103,553	\$107,695	\$112,003
	- Average Large Claim (≥\$1 million) Settlement Size	\$3,425,441	\$3,562,459	\$3,704,957	\$3,853,155
	<u>Medical Malpractice</u>				
	- Discounted Mean Term (for Outstanding Claims)	6.40 Years	6.32 Years	6.23 Years	6.17 Years
	- Ultimate Claim Numbers	95	99	104	110
	- Average Small Claim (<\$1 million) Settlement Size	\$247,661	\$257,567	\$267,870	\$278,585
	- Average Large Claim (≥\$1 million) Settlement Size	\$4,900,000	\$5,096,000	\$5,299,840	\$5,511,834
Develop and promote good practices for the management of Territory risks	(k) Provide Risk Profile Reports to assist agencies by profiling and measuring their risk management progress	Bi-annual reports provided to agencies	Bi-annual reports provided to agencies	Bi-annual reports provided to agencies	Bi-annual reports provided to agencies
	(l) Deliver a program of general and targeted risk management training courses to Territory agencies	12	12	12	12
	(m) Overall participant satisfaction with risk management training sessions delivered to Agency staff members	> 90%	> 90%	> 90%	> 90%
Give advice to the Minister about insurance and the management of Territory Risk	(n) Provide briefing material on the agency Annual Insurance Premiums	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister
	(o) Provide briefing material on the Reinsurance Program	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister
	(p) Provide briefing material on the Authority's Annual Report	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister	Brief provided to Minister

Notes for the Key Performance Indicators:

- (a) Surveys are sent to the Directors-General and Chief Executive Officers of all ACT Government Directorates and Statutory Authorities insured by ACTIA. Respondents are asked to rate performance against the ACTIA Client Service Charter that details what agencies can expect when doing business with ACTIA.
- (b) ACTIA completes an annual review of agency insurance premiums, with assistance from the fund actuary, PricewaterhouseCoopers Actuarial Pty Ltd. Premiums are determined based on agency claims history, asset ownership and risk profile.
- (c) The Authority has a funding target ratio of between 100-110% as set out in the ACTIA capital management plan. The funding ratio is calculated by dividing total assets by total liabilities. These parameters 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 surrendering excess capital (in a surplus situation).
- (d) ACTIA general and administrative expenses as a percentage of Annual Premium revenue are measured against the Authority's average over 3 years.
- (e) ACTIA processes payments for the settlement of claims as a priority. The number of days to process a payment is measured from the date all required documentation is received by the Authority to the date payment is made.
- (f) ACTIA completes an annual review of the Territory's insurance arrangements. This includes a review of the Territory's reinsurance program structure, an analysis of market conditions and the suitability of policy terms and conditions.
- (g) ACTIA completes a review of the replacement values detailed in the Territory's asset schedule as part of the property reinsurance renewal.
- (h) An annual Property Loss Control Survey Program is undertaken by the Authority's reinsurers. Agreed recommendations are communicated to surveyed Territory agencies for consideration.
- (i) Quarterly claims review meetings are held to review all liability and medical malpractice claims where the Territory's reserve exceeds \$250,000. Meetings are attended by representatives of the ACT Government Solicitor's Office, ACTIA's insurance brokers, Marsh Pty Ltd, as well as external insurers and their solicitors.
- (j) Insurance claims data is provided by the Authority's actuary, PricewaterhouseCoopers Actuarial Pty Ltd, at the end of each financial year. The data displays an actuarial assessment of the discounted mean term to finalise claims, ultimate claims numbers, and the average cost of large and small claims. The forward estimates include general actuarial assumptions of growth, for example, population and price indexation.
- (k) Risk Profile Reports are provided to Directorates, the reports contain a detailed claims history, claims costs and provide a commentary on issues or trends, where identified, across classes of insurance. The reports also included suggested risk management actions for information and action. The reports are provided biannually.
- (l) ACTIA delivers a program of risk management training courses that covers general introductory and intermediate level risk management, and topic specific training sessions in the modification and use of risk management software tailored to meet agency requirements.
- (m) ACTIA delivers risk management training courses and attendees complete feedback forms. Attendees are asked to assess the course based on areas such as, course suitability, facilitators' knowledge and whether they would recommend the training.
- (n) ACTIA prepares a brief for decision by the Minister each year seeking agreement to premiums for inclusion in the ACTIA budget.
- (o) ACTIA prepares a brief for decision by the Minister each year seeking agreement to proceed with renewal of the Territory's reinsurance program on the best available terms in the London and Australian insurance markets for the following insurance year.
- (p) ACTIA prepares a brief for information to the Minister each year on the ACTIA Annual Report.

Table 4: Performance Indicators for 2016-17: Removed Performance Indicators

2015-16 Indicator	2016-17 Indicator
Conduct Risk Management Performance and Improvement Reviews	N/A

Table 5: Performance Indicators for 2016-17: Amended Performance Indicators¹

2015-16 Indicator	2016-17 Indicator
The average number of days to reimburse agencies settlements from the day all required documents are received from the agency	The average number of days to process payments for the settlement of claims from the day all required documents are received from the agency
Facilitate the implementation by Territory agencies of agreed recommendations from reinsurer's Property Asset Management Surveys	Facilitate Property Loss Control Surveys undertaken at a number of selected Territory locations
Hold quarterly reviews of all liability and medical malpractice claims to assess the claim management strategy and reserve for matters where the Territory's liability may exceed \$100,000 for Public Liability and exceeds \$250,000 for Medical Malpractice	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
Deliver a program of general and targeted risk management training courses to Territory agencies <ul style="list-style-type: none"> – Introduction to whole of Government Risk Management – Managing Risks in Events – Managing Risk in Projects 	Deliver a program of general and targeted risk management training courses to Territory agencies

Note(s):

1. This table is a comparison between the 2015-16 description and the 2016-17 amendments

Assessment of Performance Against 2015-16 Objectives

Table 6: Assessment of Performance Against 2015-16 Objectives

Objective	Indicator	Planned 2015-16	Est. Outcome 2015-16	Explanation of Variance
Carry on the business of insurer of Territory risks	(a) Results from an annual customer satisfaction survey:			
	- Overall customer satisfaction with insurance management services	>90%	95%	Nil
	- Overall customer satisfaction of Claims Management	>80%	95%	Nil
	- Overall customer satisfaction of Annual Insurance Renewal	>80%	85%	Nil
	- Overall customer satisfaction of Financial Management Services	>90%	92%	Nil
	(b) Determine annual insurance premiums for Territory agencies that allow full funding of claim costs and associated expenses	Annual premium determination completed	Annual premium determination completed	Completed
	(c) Maintain the ACTIA Funding Ratio within the targeted range of 100%-110% as outlined in the ACTIA Capital Management Plan	111%	142%	Authority's strong capital position is due to a decrease in liabilities which is the result of continued favourable claims experience
(d) General and administrative expense as a percentage of total Annual Premium revenue	5%	5%	Nil	
(e) The average number of days to reimburse agencies settlements from the day all required documents are received from the agency	30 days	10 days	Agency payments are processed as a priority	
(f) Review the Territory's insurance and reinsurance programs to ensure they are appropriate for its needs	Annual review completed	Annual review completed	Completed	

Objective	Indicator	Planned 2015-16	Est. Outcome 2015-16	Explanation of Variance
Take out insurance of Territory risks with other entities	(g) Review the Territory property assets register to ensure that values provided by agencies reflect insurance replacement costs	Annual review completed	Annual review completed	Completed
	(h) Facilitate the implementation by Territory agencies of agreed recommendations from reinsurer's Property Asset Management Surveys	>90% Completed	98%	Nil
	(i) Hold quarterly reviews of all liability and medical malpractice claims to assess the claim management strategy and reserve for matters where the Territory's liability may exceed \$100,000 for Public Liability and exceeds \$250,000 for Medical Malpractice	Quarterly claims review meetings held	Quarterly claims review meetings held	Completed
Satisfy or settle claims in relation to Territory risks	(j) Insurance claims data: <u>Property & Motor:</u>			Since the previous valuation a number of claims have recently settled approximately one year after they were reported. This has resulted in an increase in the discounted mean term
	- Discounted Mean Term (for Outstanding Claims)	0.66 Years	1.04 Years	
	- Ultimate Claim Numbers	58	56	
	- Average Small Claim (<\$1 million) Settlement Size	\$58,935	\$61,580	The average settlement size of small claims have increased due to deterioration in claims experience
	<u>Public Liability:</u>			
	- Discounted Mean Term (for Outstanding Claims)	5.01 Years	4.59 Years	
	- Ultimate Claim Numbers	123	133	
- Average Small Claim (<\$1 million) Settlement Size	\$87,348	\$99,570		
- Average Large Claim (≥\$1 million) Settlement Size	\$3,318,601	\$3,425,441		

Objective	Indicator	Planned 2015-16	Est. Outcome 2015-16	Explanation of Variance
Satisfy or settle claims in relation to Territory risks-continued	<u>Medical Malpractice:</u>			
	- Discounted Mean Term (for Outstanding Claims)	6.59 Years	6.48 Years	
	- Ultimate Claim Numbers	95	90	The average settlement size of small claims have decreased due to improved claims experience
	- Average Small Claim (<\$1 million) Settlement Size	\$300,000	\$247,661	
- Average Large Claim (≥\$1 million) Settlement Size	\$5,000,000	\$4,900,000		
Develop and promote good practices for the management of Territory risks	(k) Provide Risk Profile Reports to assist agencies by profiling and measuring their risk management progress	Bi-annual reports provided to agencies	Bi-annual reports provided to agencies	Completed
	(l) Deliver a program of general and targeted risk management training courses to Territory agencies			
	- Introduction to whole of Government Risk Management	7	13	There was demand for 6 more courses than planned
	- Managing Risks in Events	2	0	There was no demand for this course
	- Managing Risk in Projects	3	0	There was no demand for this course
	(m) Overall participant satisfaction with introduction to risk management training sessions delivered to Agency staff members	>90%	95%	Nil
	(n) Conduct Risk Management Performance and Improvement Reviews	4 Agencies	4 Agencies	Completed
Give advice to the Minister about insurance and the management of Territory Risk	(o) Provide briefing material on the agency Annual Insurance Premiums	Brief provided to Minister	Brief provided to Minister	Completed
	(p) Provide briefing material on the Reinsurance Program	Brief provided to Minister	Brief provided to Minister	Completed
	(q) Provide briefing material on the Authority's Annual Report	Brief provided to Minister	Brief provided to Minister	Completed

Monitoring and Reporting

The Authority shall 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 *Financial Management Act 1996* authorises the Treasurer to obtain financial and other statements from the Authority 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 Authority will ensure the availability of the previous quarter's Management Discussion and Analysis to the Treasurer, through the Chief Minister, Treasury and Economic Development Directorate (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.

Monthly Reporting

In addition to the quarterly information required as identified above, on a monthly basis the Authority 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 Audit 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 Authority estimates an operating profit of \$40.7 million in 2015-16. The result is a \$54.3 million increase on the original budget forecast in the 2015-16 Budget.

This result is predominately due to an expected decrease in the Authority's claims expenses of \$46.4 million that results from a reduction in the Authority's outstanding claims liability. Additionally the Authority is forecasting an increase of \$2.5 million in unrealised gains from investments as well as a reduction of \$3.3 million in the cost of reinsurance.

The reduction in the liability is due to an improvement in the actuarial assumptions applied when calculating the value of the Authority's outstanding claims liability. This improvement is the result of a less conservative claims reserving practice implemented by the Authority in 2014-15 and the Authority's claims management team settling several large medical malpractice and liability claims below reserve over the past five years.

Further revisions of the outstanding claims liability are expected as the Authority's portfolio continues to mature. The Authority's ability to value outstanding claims liability will be further informed by the accumulation of claims data including claims experience information. The Authority will continue to monitor its capital position in future years to remain consistent with the Authority's target funding ratio.

The Authority manages the Default Insurance Fund (DIF) for private Workers' Compensation and Office of Nominal Defendant of the ACT (ND). The Authority provides services on a cost recovery basis and recovers these costs from DIF and ND on a 6-monthly basis.

Financial Statements

Table 7: ACT Insurance Authority: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
2	User Charges - Non ACT Government	1,916	1,666	-13	1,718	1,778	1,840
56,910	User Charges - ACT Government	55,001	49,490	-10	51,500	53,573	55,720
340	Interest	700	711	2	723	736	745
7,896	Distribution from Investments with the Territory Banking Account	8,593	8,251	-4	7,604	8,035	8,467
2,013	Other Revenue	2,666	2,086	-22	2,141	2,198	2,256
67,161	Total Revenue	68,876	62,204	-10	63,686	66,320	69,028
Gains							
0	Other Gains	2,500	0	-100	0	0	0
0	Total Gains	2,500	0	-100	0	0	0
67,161	Total Income	71,376	62,204	-13	63,686	66,320	69,028
Expenses							
1,720	Employee Expenses	1,650	1,796	9	1,858	1,922	1,989
273	Superannuation Expenses	301	298	-1	325	329	331
926	Supplies and Services	850	841	-1	851	876	902
29	Depreciation and Amortisation	6	29	383	29	29	29
1,889	Other Expenses	1,751	1,800	3	1,845	1,891	1,939
11,549	Outward Reinsurance Expense	8,210	7,710	-6	7,903	8,100	8,303
64,327	Claims Expense	17,906	48,874	173	51,273	54,376	58,036
80,713	Total Expenses	30,674	61,348	100	64,084	67,523	71,529
-13,552	Operating Result	40,702	856	-98	-398	-1,203	-2,501
-13,552	Total Comprehensive Income	40,702	856	-98	-398	-1,203	-2,501

Table 8: ACT Insurance Authority: Balance Sheet

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets							
3,363	Cash and Cash Equivalents	1,240	5,566	349	8,443	11,057	12,669
5,024	Receivables	2,562	2,562	-	2,562	2,562	2,562
283,233	Investments	194,181	159,179	-18	179,179	199,179	219,178
250	Other Current Assets	293	293	-	293	293	293
291,870	Total Current Assets	198,276	167,600	-15	190,477	213,091	234,702
Non Current Assets							
62,114	Investments	173,121	173,121	-	173,121	173,121	173,121
96	Property, Plant and Equipment	216	192	-11	168	144	120
45	Intangibles	0	45	#	40	35	30
276	Other Non Current Assets	523	523	-	523	523	523
62,531	Total Non Current Assets	173,860	173,881	..	173,852	173,823	173,794
354,401	TOTAL ASSETS	372,136	341,481	-8	364,329	386,914	408,496
Current Liabilities							
30,692	Payables	33,724	30,799	-9	33,207	35,672	38,168
490	Employee Benefits	502	497	-1	497	492	487
250	Other Liabilities	293	293	-	293	293	293
31,432	Total Current Liabilities	34,519	31,589	-8	33,997	36,457	38,948
Non Current Liabilities							
288,113	Payables	226,100	247,519	9	268,357	289,685	311,277
65	Employee Benefits	31	31	-	31	31	31
0	Other	523	523	-	523	523	523
288,178	Total Non Current Liabilities	226,654	248,073	9	268,911	290,239	311,831
319,610	TOTAL LIABILITIES	261,173	279,662	7	302,908	326,696	350,779
34,791	NET ASSETS	110,963	61,819	-44	61,421	60,218	57,717
REPRESENTED BY FUNDS EMPLOYED							
34,791	Accumulated Funds	110,963	61,819	-44	61,421	60,218	57,717
34,791	TOTAL FUNDS EMPLOYED	110,963	61,819	-44	61,421	60,218	57,717

Table 9: ACT Insurance Authority: Statement of Changes in Equity

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
108,343	Opening Accumulated Funds	130,261	110,963	-15	61,819	61,421	60,218
108,343	Balance at the Start of the Reporting Period	130,261	110,963	-15	61,819	61,421	60,218
	Comprehensive Income						
-13,552	Operating Result for the Period	40,702	856	-98	-398	-1,203	-2,501
-13,552	Total Comprehensive Income	40,702	856	-98	-398	-1,203	-2,501
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
-60,000	Dividends - Return of Capital	-60,000	-50,000	17	0	0	0
-60,000	Total Transactions Involving Owners Affecting Accumulated Funds	-60,000	-50,000	17	0	0	0
	Closing Equity						
34,791	Closing Accumulated Funds	110,963	61,819	-44	61,421	60,218	57,717
34,791	Balance at the End of the Reporting Period	110,963	61,819	-44	61,421	60,218	57,717

Table 10: ACT Insurance Authority: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
56,912	User Charges	56,917	51,156	-10	53,218	55,351	57,560
340	Interest Received	700	711	2	723	736	745
7,896	Distribution from Investments with the Territory Banking Account	8,593	8,251	-4	7,604	8,035	8,467
28,219	Other Receipts	28,872	29,004	..	29,796	30,626	30,685
90,141	Workers Compensation Receipts	90,141	92,394	2	94,704	97,071	97,071
183,508	Operating Receipts	185,223	181,516	-2	186,045	191,819	194,528
Payments							
1,720	Related to Employees	1,614	1,764	9	1,853	1,922	1,989
273	Related to Superannuation	301	298	-1	325	329	331
926	Related to Supplies and Services	850	841	-1	850	875	900
28,094	Other	27,955	28,718	3	29,499	30,384	30,432
90,143	Workers Compensation Payments	84,431	97,830	16	94,711	97,012	97,012
11,549	Outward Reinsurance Payments	8,210	7,710	-6	7,903	8,100	8,303
23,537	Claims Payments	21,282	24,979	17	28,027	30,583	33,949
156,242	Operating Payments	144,643	162,140	12	163,168	169,205	172,916
27,266	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	40,580	19,376	-52	22,877	22,614	21,612
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
85,000	Proceeds from Sale/Maturity of Investments	130,000	75,000	-42	20,000	20,000	20,000
85,000	Investing Receipts	130,000	75,000	-42	20,000	20,000	20,000
Payments							
50,000	Purchase of Investments	110,000	40,000	-64	40,000	40,000	40,000
100	Purchase of Property, Plant and Equipment and Capital Works	215	0	-100	0	0	0
50	Purchase of Land and Intangibles	0	50	#	0	0	0
50,150	Investing Payments	110,215	40,050	-64	40,000	40,000	40,000

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
34,850	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	19,785	34,950	77	-20,000	-20,000	-20,000
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Payments						
60,000	Dividends – Return of Capital	60,000	50,000	-17	0	0	0
60,000	Financing Payments	60,000	50,000	-17	0	0	0
-60,000	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	-60,000	-50,000	17	0	0	0
2,116	NET INCREASE / (DECREASE) IN CASH HELD	365	4,326	#	2,877	2,614	1,612
1,247	CASH AT THE BEGINNING OF REPORTING PERIOD	875	1,240	42	5,566	8,443	11,057
3,363	CASH AT THE END OF REPORTING PERIOD	1,240	5,566	349	8,443	11,057	12,669

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges:
 - the increase to user charges - Non ACT Government of \$1.914 million and the decrease to user charges – ACT Government of \$1.909 million from the original budget to the 2015-16 estimated outcome is due to a change in the revenue source between ACT Government and Non ACT Government entities; and
 - the decrease of \$5.511 million in user charges - ACT Government in the 2016-17 Budget from the 2015-16 estimated outcome is due to a reduction in the annual insurance premiums charged to agencies. The premiums recognise a significant decrease in the cost of reinsurance as well as a continuing favourable claims experience in both liability and medical malpractice classes of insurance.
- other gains:
 - the increase of \$2.5 million in the 2015-16 estimated outcome from the original budget is the result of an unrealised gain on investments due to an increase in the market value of investment funds; and
 - the decrease of \$2.5 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to unrealised gains from investments not being budgeted for in the out years due to the volatility in the value of investments.
- outward reinsurance expense: the decrease of \$3.339 million in the 2015-16 estimated outcome from the original budget is due to the Authority negotiating a reduction in the cost of reinsurance.
- claims expense:
 - the decrease of \$46.421 million in the 2015-16 estimated outcome from the original budget is due to the movement in actuarial forecasts for the claim expenses. The movement is due to a reduction of the outstanding claims liabilities which impacts the expense. This reduction in liabilities is the result of favourable claims experience in medical malpractice, liability insurance classes which results in a change in actuarial assumptions, and a decrease in the applied discount rate; and
 - the increase of \$30.968 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$2.123 million in the 2015-16 estimated outcome from the original budget is primarily due to surplus funds being moved to the Authority’s investments; and
 - the increase of \$4.326 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to less funds being advanced to the Authority’s investment fund.
- current receivables: the decrease of \$2.462 million in the 2015-16 estimated outcome from the original budget is due to a reduction in the accrual for distribution receivable.
- current investments:
 - the decrease of \$89.052 million in the 2015-16 estimated outcome from the original budget is predominately due to the transfer of funds to non current investments; and
 - the decrease of \$35.002 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the return of \$50 million capital. This is partially offset by a \$15 million investment of funds from premium income.
- non current investments: the increase of \$111.007 million in the 2015-16 estimated outcome from the original budget is predominately due to the corresponding transfer of funds from current investments.
- current payables:
 - the increase of \$3.032 million in the 2015-16 estimated outcome from the original budget is due to an increase of workers’ compensation funds held on behalf of the ACT Government; and
 - the decrease of \$2.925 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to return of workers’ compensation funds held on behalf of the ACT Government.
- non current payables:
 - the decrease of \$62.013 million in the 2015-16 estimated outcome from the original budget is due to a release of the provision for outstanding claims liabilities based on changes in actuarial assumption of the expected claim expenses in future years; and
 - the increase of \$21.419 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the outstanding claims liabilities returning to normal actuarial calculated levels and the anticipated growth in the cost of future claims.

Statement of Changes in Equity

- operating result for the period:
 - the increase of \$54.254 million in the 2015-16 estimated outcome from the original budget is predominately due to the decrease in the claims expense as the result of a decrease in the Authority’s outstanding claims liabilities; and
 - the decrease of \$39.846 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.
- return of capital: the Authority has estimated a return of \$60 million in the 2015-16 estimated outcome and \$50 million in the 2016-17 Budget, which is a change of \$10 million. This is consistent with the Authority’s Capital Management Plan to maintain its funding ratio to within the targeted range.

Cash Flow Statement

- workers’ compensation receipts: the increase of \$2.253 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an expected increase in workers’ compensation premiums set by Comcare.
- workers’ compensation payments:
 - the decrease of \$5.712 million in the 2015-16 estimated outcome from the original budget is mainly due to the deferral of workers’ compensation payments from funds collected from selected agencies; and
 - the increase of \$13.399 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an expected increase in workers’ compensation premiums set by Comcare and the payment of additional funds held over from 2015-16.
- outward reinsurance payments: the decrease of \$3.339 million in the 2015-16 estimated outcome from the original budget is due to the Authority negotiating a reduction in the cost of reinsurance.
- claims payments:
 - the decrease of \$2.255 million in the 2015-16 estimated outcome from the original budget is predominately due to actual claim payments being less than expected; and
 - the increase of \$3.697 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the anticipated increase in claims expense as valued by the Authority’s actuaries.

- proceeds from sale/maturity of investments:
 - the increase of \$45 million in the 2015-16 estimated outcome from the original budget is due to an increase in funds drawn from investments as the result of holding surplus workers' compensation premiums on behalf of the ACT Government which were paid later in the year. This was partially offset by a reduction in required funds needed for the settlement of claims; and
 - the decrease of \$55 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to not requiring the movement of funds for the ACT Government workers' compensation premiums.
- purchase of investments:
 - the increase of \$60 million in the 2015-16 estimated outcome from the original budget is due to an increase in funds invested as the result of holding surplus workers' compensation premiums on behalf of the ACT Government; and
 - the decrease of \$70 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to not requiring the movement of funds for the ACT Government workers' compensation premiums.
- dividends-return of capital: the decrease of \$10 million in the 2016-17 Budget from the 2015-16 estimated outcome is consistent with the Authority's Capital Management Plan as noted above.

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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 2016-17 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Ms Meegan Fitzharris MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2016-17 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 2016-17 Statement of Intent has been agreed between:



Craig Sloan
Chair, CIT Board

19th May 2016



Andrew Barr MLA
Treasurer

25 May 2016



Meegan Fitzharris MLA
Minister for Higher Education, Training
and Research

20 May 2016

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CANBERRA INSTITUTE OF TECHNOLOGY

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

Purpose

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

- to operate as a customer service oriented institute that meets the twin objectives of operating as a public provider of vocational education and training and operating with a greater commercial and entrepreneurial focus in an increasingly contestable training market place;
- to provide high quality teaching and operating practices for the benefit of students and clients;
- to be the provider of choice for Canberra's current and emerging businesses and current and prospective students;
- to be a major contributor to ensuring the ACT has the skilled workforce required to support the ACT's growing economy; and
- to use financial practices which satisfy the requirements of the *Financial Management Act 1996*, including the associated Accounting Policy Papers, modelled on the requirements of Australian Accounting Standards, and which fairly present CIT's financial position, operational and cash flow results for planning and reporting purposes.

Nature and Scope of Activities

General Activities

CIT has an important role in contributing to economic activity within the ACT by supplying employers with qualified skilled labour, increasing skill levels for those self employed, contributing to participation levels and through attracting international students. Despite a high level of volatility within the national VET sector, the ACT Government continues to invest in CIT.

The CIT Board has embarked upon a business development and transformative change process so that CIT continues to be the major contributor to ensuring the ACT has the skilled workforce necessary to support current and emerging businesses. The Board is committed to CIT partnering with industry, business, education institutions and governments to create economic growth for the ACT and region, including partnerships with Canberra based companies and organisations competing successfully at the national level.

Specifically, the CIT Board will collaborate with the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) in the development of the course offerings and will consider ACT Government training priorities (including the CMTEDD Skills Needs List) when proposing course offerings.

CIT's mission is changing lives through quality education and skills development for individuals, industry and the community. CIT seeks to strengthen its position as a leader of vocational education and training and to be successful in a more demand driven market going forward.

CIT is committed to enriching learners with skills and knowledge for now and the future, cultivating our workforce to embody a culture of passion, innovation and high performance, and collaborating with industry, community and government to diversify and grow CIT partnerships and revenue sources.

Risks

Managing CIT risk is a key governance responsibility and comprises the Strategic Business Risk Profile, as well as prevention of fraud and corruption risk. Six categories have been identified for each, one of which includes financial sustainability.

In 2015-16, progress reports showed that many of our business risk rankings had been significantly reduced as a result of successful mitigating strategies and a focus on continual reporting to the Executive Management Committee and the Audit Committee. The risks identified for both business and fraud and corruption link directly to our Strategic Risk Environment assessment, which is continually reviewed to ensure CIT is addressing both strategic and any emerging operational risks. Monitoring of risk is also embedded in all CIT Business Plans.

CIT undertakes monthly reporting and analysis of its financial performance which assists in identifying and addressing any financial risks. CIT also undertakes monthly reporting and analysis of its annual performance measures as identified in the Statement of Intent and the ACT Government Budget. This process assists in identifying any performance risks. Financial, risk and performance reporting is provided to the CIT Board on a regular basis as part of the CIT's governance arrangements.

2016-17 Priorities

Strategic and operational initiatives to be pursued in 2016-17 include:

- working to support the skill needs of the growing entrepreneurial culture in Canberra;
- building on our reputation as a trusted quality provider of VET for those employers in the ACT seeking skilled workers and those who need an opportunity to gain qualifications;
- creating value by providing consistent, measurable service delivery that is relevant to current and emerging needs of the ACT economy;

- designing and implementing contemporary learning packages that meet market needs and improve online, blended and face-to-face service options for students and businesses, increase flexibility of how and where learning occurs and increase opportunities for lifelong learning and educational and employment pathways;
- modernising campuses, technology and systems through implementing the Campus Modernisation Strategy (including at the new CIT Tuggeranong campus), investing in a Digital Strategy and ensuring CIT systems are ‘fit for purpose’;
- establishing new local, national and international markets to increase commercial and contestable revenue and to attract more international students to study in Canberra;
- working collaboratively with Skills Canberra to ensure the ACT Government’s commitments to structural reforms through the National Partnership Agreement on Skills Reform (the NP) are met; and
- fostering innovation and building the CIT workforce to become more digitally and commercially capable, better able to understand the changing VET market, more client focussed and cost effective.

CIT Training Profile and Associated Items

Contextual Framework

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

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

Specification of Output

CIT will provide 3.367 million nominal hours in accordance with the CIT Training Profile, as outlined in the CIT Training Profile section.

Reporting Requirements

Reporting for all items relevant to CIT’s Training profile will be to the relevant standard set by the Commonwealth Department of Education and Training. This is 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’s, Treasury and Economic Development Directorate (CMTEDD). Variation from these standards can only occur by agreement with CMTEDD. CMTEDD will coordinate the reporting of financial data for the annual National VET Statistics Collection.

Monitoring and Reporting

Statistical Data

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

The AVETMISS compliant statistical information will be provided to NCVET (through CMTEDD) in accordance with the Commonwealth Department of Education and Training reporting requirements.

CIT agrees to provide validated data relating to the 2016 calendar year to CMTEDD a minimum of one week prior to the submission dates set by NCVET, which acts as the managing agent for the Department of Education and Training. CIT agrees to validate the data to ensure it is error-free prior to submission using the National AVETMISS audit compliance software AVETPAK. Up-to-date copies of AVETPAK are available on the NCVET website www.ncvet.edu.au.

CIT provided the actual figures for 2015 in March 2016.

Implementation of Training Packages

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

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

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	733	751	730 ¹	730

Note(s):

1. The decrease of 21 FTE in the 2015-16 estimated outcome from 2015-16 Budget is due to fewer additional staff being engaged as training demand has eased throughout the year.

Table 2: 2016-17 Employment Profile

Classification	Male	Female	Total
TL1	136.8	119.0	255.8
TL2	5.0	21.6	26.6
ML1	9.5	21.6	31.1
ML2	4.0	7.0	11.0
SEL	0.0	1.0	1.0
Casual Teacher	39.0	66.1	105.1
ASO1	0.0	2.0	2.0
ASO2	2.2	0.5	2.7
ASO23	10	36.8	46.8
ASO3	8.8	27.8	36.6
ASO4	9.0	29.4	38.4
ASO5	6.0	19.7	25.7
ASO6	7.0	30.1	37.1
CE	1.0	2.0	3.0
GSO2	1.6	1.7	3.3
GSO3	2.0	1.6	3.6
GSO4	2.0	0.0	2.0
GSO5	2.0	1.0	3.0
GSO6	2.0	0.0	2.0
GSO8	2.0	0.0	2.0
GSO9	3.0	0.0	3.0
IT	1.0	0.0	1.0
PAO2	1.0	2.8	3.8
PAO3	0.0	1.0	1.0
PO1	0.0	4.6	4.6
PO2	3.0	6.7	9.7
SOG A	1.0	5.0	6.0
SOG B	5.0	2.3	7.3

Classification	Male	Female	Total
SOG C	7.7	17.2	24.9
SPA1	0.0	0.0	0.0
SPO B	0.0	1.0	1.0
SPO.C	0.0	2.0	2.0
TO1	1.5	0.0	1.5
TO2	2.0	3.8	5.8
TO3	10.8	1.8	12.6
TO4	2.0	0.0	2.0
TOS	2.0	3.0	5.0
Total	289.7	440.3	730.0

Strategic Objectives and Indicators

Strategic Objective 1

Student Outcomes

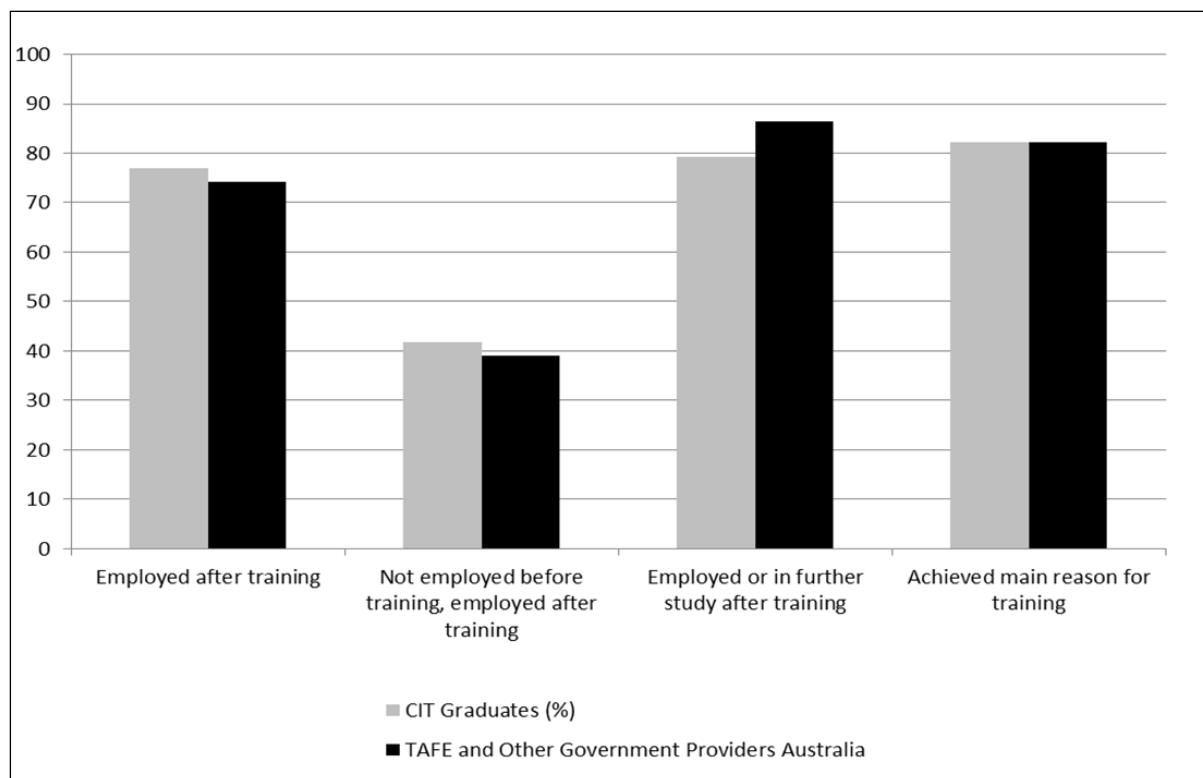
CIT's objective is to provide training that meets student needs.

Strategic Indicator 1: Student Outcomes Survey

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

Quality and effectiveness can be measured through student outcomes against national performance. When compared against national TAFE performance, CIT students consistently achieve high levels of employment or are undertaking further study after training. The 2015 performance of CIT graduates against national performance for Australian TAFE Graduates is highlighted in the table below. CIT graduates are shown in grey and have exceeded the national performance on virtually all measures indicating a strong performance across all strategic indicators.

Figure 1: VET Graduate Outcomes, 2015



Output Classes

Output Class 1: Canberra Institute of Technology

Table 3: Output Class 1: Canberra Institute of Technology

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	110,654	111,338
Controlled Recurrent Payments	69,212	69,559

Note(s):

- Total cost includes depreciation and amortisation of \$8.707 million in 2015-16 and \$8.792 million in 2016-17.

Output 1.1: Provision of Vocational Education and Training Services

Provision of places in publicly funded programs at CIT, consistent with training needs identified in the CIT Training Profile section.

Table 4: Output 1.1: Provision of Vocational Education and Training Services

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost¹	110,654	111,338
Controlled Recurrent Payments	69,212	69,559

Note(s):

1. Total cost includes depreciation and amortisation of \$8.707 million in 2015-16 and \$8.792 million in 2016-17.

Accountability Indicators

Output Class 1: Canberra Institute of Technology

Output 1.1: Provision of Vocational Education and Training Services

Table 5: Accountability Indicators Output 1.1

	2015-16	2015-16	2016-17
	Targets	Estimated Outcome	Targets
a. Nominal Hours	3,434,000	3,357,000	3,301,000
b. Achieve key output targets:			
– Program Enrolments	14,800	12,900	13,600
– Module Pass Rates	75%	81%	75%
– Program Completions	6,200	5,700	5,600
– Learner Satisfaction Rate	85%	93%	85%
– Employer Satisfaction Rate	80%	87%	80%
c. Average Government Payment per Nominal Hour	\$20.14	\$20.62	\$21.07

Key Performance Indicators for 2016

CIT's strategic and accountability indicators can be found in the above.

The figures shown in the following table represent calendar year information consistent with CIT's annual reporting cycle.

Table 6: Accountability Indicators Output 1.1

	2015 Targets	2015 Outcome	2016 Target
a. Nominal Hours	3,446,000	3,279,040	3,367,000
b. Achieve key output targets:			
– Program Enrolments	14,800	12,087	13,800
– Module Pass Rates ¹	75%	81%	75%
– Program Completions ¹	6,200	5,730	5,700
– Learner Satisfaction Rate ²	85%	93%	85%
– Employer Satisfaction Rate ²	80%	87%	80%
c. Average Government Payment per Nominal Hour	\$19.26	\$20.24	\$20.76

Note(s):

- Notes 1-2 are provided under the heading Assessment of performance against 2015-16 objectives on the following page of this document.

Performance Measure Definitions

- Nominal Hours is the nationally accepted quantitative output measure for the VET sector. It measures the anticipated hours of supervised learning or training provided by CIT to adequately present the educational material associated with the delivery and assessment of a program of study. It also includes student contact hours delivered through a recognition of prior learning process. Nominal Hours includes Paid and Non-Paid Nominal Hours and excludes any Nominal Hours relating to students with Withdrawal – Without attendance grade.
- Output targets are as specified below noting that 'Profile' relates to training activities that are funded directly by the ACT Government appropriation for the provision of public access VET. These are:
 - the number of records of students completing program enrolment requirements in accordance with AVETMISS;
 - the proportion of successful module (subject) outcomes compared to module enrolments weighted by Nominal Hours in accordance with the national AVETMIS Standard;
 - the number of student records where program completion requirements have been met in accordance with the AVETMIS Standard for students completing study in the previous academic year(s). This measure does not include completions for non-accredited training such as Adult Community Education (ACE) programs;

- learner satisfaction rates measure the proportion of current students who indicated that 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 training provided at CIT. The Employer Survey has been designed by the ACER to collect data relating to the AQTF QIs and Employer Satisfaction.
- The Average Government Payment per Nominal Hour is an output target calculated as the Total Government Payment for Outputs divided by the Nominal Hours Outcome for training programs delivered under the CIT’s training profile.

Assessment of Performance Against 2015-16 Objectives

Note 1: Program completions and module pass rates are above target due to CIT’s continued focus on high-quality and relevant training and support for CIT’s students, as reflected in CIT’s 2015 Learner Engagement Survey results.

Note 2: The 2015 surveys of learner engagement and employer satisfaction showed overall levels of satisfaction with the training of 93 and 87 per cent respectively, reflecting employers’ and students’ positive view of their experience of CIT training. Learner Satisfaction Rate results were based on the survey of students enrolled in nationally accredited programs. CIT has continued to actively improve its effectiveness and responsiveness in skilling students with contemporary training methods, which have been very positively received by industry and students alike.

Changes to Appropriation

Table 7: Changes to appropriation – Controlled Recurrent Payments

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	69,148	71,633	72,912	74,141	74,141
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	(298)	(305)	(313)	916
Revised Superannuation Parameters	-	(488)	(156)	71	119
Commonwealth Grants – National Skills and Workforce Development SPP	45	(9)	(42)	(78)	165
Commonwealth Grants – TAFE Fee Waivers for Childcare Qualifications NP	19	-	-	-	-
General Savings	-	(1,279)	(1,971)	(1,970)	(1,970)
2016-17 Budget	69,212	69,559	70,438	71,851	73,371

Table 8: Changes to appropriation – Capital Injections, Controlled

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	8,722	6,310	3,899	3,965	3,965
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	68
Revised Funding Profile – CIT Modernisation – Tuggeranong, Bruce and Reid campuses	675	(675)	-	-	-
2016-17 Budget	9,397	5,635	3,899	3,965	4,033

Monitoring and Reporting

CIT shall satisfy the requirements of the Chief Minister’s Annual Reports Directions. CIT’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 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, CIT 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:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by 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); and
- Management Discussion and 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 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 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 2016-17 to 2019-20 section of this Statement of Intent.

Budget Variations

Any variations from the 2016-17 Budget, including calls on the Treasurer's Advance, will be considered in the context of end of year cash requirements, unless the relevant legal appropriation is first exhausted. CIT will manage within existing funding sources until this time.

Sustaining Public Funds and Operating Surplus/Loss

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

Capital Structure

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

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

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

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

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

A copy of the agreement must be distributed immediately to the Chief Minister and Treasury Directorate 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.

CIT Solutions will also provide quarterly financial statements to the Chief Minister and Treasury Directorate as part of the company's quarterly and annual ownership reporting requirements.

Financial Statements

Table 9: Canberra Institute of Technology: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
69,148	Controlled Recurrent Payments	69,212	69,559	1	70,438	71,851	73,371
21,952	User Charges - Non ACT Government	21,952	22,533	3	23,096	23,962	24,561
7,732	User Charges - ACT Government	7,732	7,925	2	8,123	8,326	8,534
263	Interest	263	263	-	263	263	263
500	Dividend Revenue	500	500	-	500	500	500
2,175	Other Revenue	2,175	2,265	4	2,357	2,434	2,487
35	Resources Received Free of Charge	35	35	-	35	35	35
101,805	Total Revenue	101,869	103,080	1	104,812	107,371	109,751
Gains							
64	Other Gains	64	64	-	64	64	64
64	Total Gains	64	64	-	64	64	64
101,869	Total Income	101,933	103,144	1	104,876	107,435	109,815
Expenses							
62,074	Employee Expenses	62,222	62,936	1	63,278	64,111	64,953
9,228	Superannuation Expenses	9,228	8,706	-6	8,861	8,983	9,148
30,078	Supplies and Services	30,142	30,547	1	31,463	32,881	34,347
8,707	Depreciation and Amortisation	8,707	8,792	1	8,485	8,462	8,462
355	Other Expenses	355	357	1	362	369	377
110,442	Total Expenses	110,654	111,338	1	112,449	114,806	117,287
-8,573	Operating Result	-8,721	-8,194	6	-7,573	-7,371	-7,472
Other Comprehensive income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
-2,101	Inc/Dec in Asset Revaluation Reserve Surpluses	-2,101	-2,101	-	-2,101	-2,101	-2,101
-2,101	Total Other Comprehensive Income	-2,101	-2,101	-	-2,101	-2,101	-2,101
-10,674	Total Comprehensive Income	-10,822	-10,295	5	-9,674	-9,472	-9,573

Table 10: Canberra Institute of Technology: Balance Sheet

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets							
6,522	Cash and Cash Equivalents	8,382	9,104	9	10,086	11,247	12,307
8,108	Receivables	5,773	5,798	..	5,823	5,848	5,873
2,000	Investments	3,000	3,000	-	3,000	3,000	3,000
0	Capital Works in Progress	115	118	3	121	125	128
379	Other Current Assets	549	549	-	549	549	549
17,009	Total Current Assets	17,819	18,569	4	19,579	20,769	21,857
Non Current Assets							
20	Investments	20	20	-	20	20	20
176,113	Property, Plant and Equipment	184,138	177,861	-3	171,599	165,337	159,075
338	Intangibles	904	589	-35	566	566	566
8,078	Capital Works in Progress	2,264	4,124	82	4,248	4,437	4,695
184,549	Total Non Current Assets	187,326	182,594	-3	176,433	170,360	164,356
201,558	TOTAL ASSETS	205,145	201,163	-2	196,012	191,129	186,213
Current Liabilities							
2,417	Payables	1,479	1,514	2	1,549	1,584	1,619
18,338	Employee Benefits	17,906	18,334	2	18,761	19,188	19,615
8,274	Other Liabilities	8,306	8,360	1	8,414	8,468	8,522
29,029	Total Current Liabilities	27,691	28,208	2	28,724	29,240	29,756
Non Current Liabilities							
2,134	Employee Benefits	1,115	1,276	14	1,384	1,492	1,600
2,134	Total Non Current Liabilities	1,115	1,276	14	1,384	1,492	1,600
31,163	TOTAL LIABILITIES	28,806	29,484	2	30,108	30,732	31,356
170,395	NET ASSETS	176,339	171,679	-3	165,904	160,397	154,857
REPRESENTED BY FUNDS EMPLOYED							
100,919	Accumulated Funds	105,125	102,566	-2	98,892	95,486	92,047
69,476	Reserves	71,214	69,113	-3	67,012	64,911	62,810
170,395	TOTAL FUNDS EMPLOYED	176,339	171,679	-3	165,904	160,397	154,857

Table 11: Canberra Institute of Technology: Statement of Changes in Equity

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Opening Equity							
100,770	Opening Accumulated Funds	104,449	105,125	1	102,566	98,892	95,486
71,577	Opening Asset Revaluation Reserve	73,315	71,214	-3	69,113	67,012	64,911
172,347	Balance at the Start of the Reporting Period	177,764	176,339	-1	171,679	165,904	160,397
Comprehensive Income							
-8,573	Operating Result for the Period	-8,721	-8,194	6	-7,573	-7,371	-7,472
-2,101	Inc/Dec in Asset Revaluation Reserve Surpluses	-2,101	-2,101	-	-2,101	-2,101	-2,101
-10,674	Total Comprehensive Income	-10,822	-10,295	5	-9,674	-9,472	-9,573
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
8,722	Capital Injections	9,397	5,635	-40	3,899	3,965	4,033
8,722	Total Transactions Involving Owners Affecting Accumulated Funds	9,397	5,635	-40	3,899	3,965	4,033
Closing Equity							
100,919	Closing Accumulated Funds	105,125	102,566	-2	98,892	95,486	92,047
69,476	Closing Asset Revaluation Reserve	71,214	69,113	-3	67,012	64,911	62,810
170,395	Balance at the End of the Reporting Period	176,339	171,679	-3	165,904	160,397	154,857

Table 12: Canberra Institute of Technology: Cash Flow Statement

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
69,148	69,212	69,559	1	70,438	71,851	73,371
29,743	27,608	30,582	11	31,460	32,606	33,466
263	263	263	-	263	263	263
6,453	6,453	6,453	-	6,453	6,453	6,453
250	250	500	100	500	500	500
105,857	103,786	107,357	3	109,114	111,673	114,053
Payments						
63,238	63,238	62,347	-1	62,743	63,576	64,418
9,567	9,567	8,706	-9	8,861	8,983	9,148
29,827	29,891	30,295	1	31,211	32,629	34,095
4,810	4,810	4,812	..	4,817	4,824	4,832
107,442	107,506	106,160	-1	107,632	110,012	112,493
-1,585	-3,720	1,197	132	1,482	1,661	1,560
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
9,222	9,922	6,110	-38	4,399	4,465	4,533
9,222	9,922	6,110	-38	4,399	4,465	4,533
-9,222	-9,922	-6,110	38	-4,399	-4,465	-4,533
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
8,722	9,397	5,635	-40	3,899	3,965	4,033
8,722	9,397	5,635	-40	3,899	3,965	4,033

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
8,722	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	9,397	5,635	-40	3,899	3,965	4,033
-2,085	NET INCREASE / (DECREASE) IN CASH HELD	-4,245	722	117	982	1,161	1,060
8,607	CASH AT THE BEGINNING OF REPORTING PERIOD	12,627	8,382	-34	9,104	10,086	11,247
6,522	CASH AT THE END OF REPORTING PERIOD	8,382	9,104	9	10,086	11,247	12,307

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government: the increase of \$0.581 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the annual indexation increase of fees and charges.
- employee expenses: the increase of \$0.714 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the pay rise component of the current Enterprise Agreement, partially offset by the budget savings in wages and salaries (\$0.239 million).
- superannuation expenses: the decrease of \$0.522 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to revised superannuation parameters.

Balance Sheet

- cash and cash equivalents: the increase of \$1.860 million in the 2015-16 estimated outcome from the original budget is mainly due to a lump sum payment received from Education and Training Directorate to fund the Australian Apprenticeship Project.
- receivables: the decrease of \$2.335 million in the 2015-16 estimated outcome from the original budget is mainly due to the flow-on effects of the 2014-15 audited financial results and the timing of debt collections for fees and charges.
- investments: the increase of \$1 million in the 2015-16 estimated Outcome from the original budget is due to investment in term deposits.

- property, plant and equipment:
 - the increase of \$8.025 million in the 2015-16 estimated outcome from the original budget is due to the completion of the CIT Modernisation – Tuggeranong, Bruce and Reid Campuses project; and
 - the decrease of \$6.277 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the asset depreciation outpacing the addition of new assets.
- capital works in progress:
 - the decrease of \$5.814 million in the 2015-16 estimated outcome from the original budget is due to the physical and financial completion of the CIT Modernisation – Tuggeranong, Bruce and Reid Campuses project; and
 - the increase of \$1.860 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the completion and capitalisation of a major project, therefore the capital works budget is adjusted back to previous levels.
- payables: the decrease of \$0.938 million in the 2015-16 estimated outcome from the original budget is mainly due to the flow-on effects of the 2014-15 audited financial results.
- non current liabilities – employee benefits: the decrease of \$1.019 million in the 2015-16 estimated outcome from the original budget is due to the decrease in long service leave liability, resulting from staff with high long service leave balances ceasing work at CIT.

Statement of Changes in Equity and Cash Flow Statement

Variations in these statements are explained in the notes above.

Calendar Year Financial Statements

Table 13: Canberra Institute of Technology: Operating statement for the year ended 31 December 2015

	Actual 2015 \$'000	Budget 2015 \$'000	Budget 2016 \$'000
Income			
Revenue			
Government Payment for Outputs	66,372	66,372	69,909
User Charges - ACT Government	8,942	8,700	9,780
User Charges - Non-ACT Government	24,239	21,829	23,440
Government Grants	66	1,350	100
Interest	320	200	230
Resources Received Free of Charge	100	35	35
Other Revenue	1,490	600	1,600
Total Revenue	101,529	99,086	105,094
Gains			
Other Gains	8	0	0
Contributions from CIT Solutions Pty Limited	250	150	500
Total Gains	258	150	500
Total Income	101,787	99,236	105,594
Expenses			
Employee Expenses	59,983	58,781	60,847
Superannuation Expenses	8,323	8,046	7,813
Supplies and Services	33,618	32,876	33,693
Depreciation and Amortisation	8,746	8,578	8,807
Other Expenses	2,299	1,546	2,200
Total Expenses	112,969	109,827	113,360
Operating (Deficit)	-11,182	-10,591	-7,766

Table 14: Canberra Institute of Technology: Balance Sheet for the year ended 31 December 2015

	Actual 2015 \$'000	Budget 2015 \$'000	Budget 2016 \$'000
Current Assets			
Cash and Cash Equivalents	7,318	4,710	5,675
Receivables	2,906	2,500	2,500
Other Assets	1,940	1,850	1,850
Total Current Assets	12,164	9,060	10,025
Non Current Assets			
Investments	20	20	20
Property, Plant and Equipment	182,159	180,453	183,758
Intangible Assets	1,616	1,500	1,500
Capital Works in Progress	2,403	4,098	2,695
Total Non Current Assets	186,198	186,071	187,973
Total Assets	198,362	195,131	197,998
Current Liabilities			
Payables	1,760	1,500	1,500
Employee Benefits	18,130	16,700	17,200
Other	5,626	2,300	3,300
Total Current Liabilities	25,516	20,500	22,000
Non Current Liabilities			
Employee Benefits	950	1,700	1,196
Other	0	0	0
Total Non Current Liabilities	950	1,700	1,196
Total Liabilities	26,466	22,200	23,196
Net Assets	171,896	172,931	174,802
Equity			
Accumulated Funds	98,659	99,694	101,565
Asset Revaluation Reserve	73,237	73,237	73,237
Total Equity	171,896	172,931	174,802

Table 15: Canberra Institute of Technology: Statement of Changes In Equity for the year ended 31 December 2015

	Actual 2015 \$'000	Budget 2015 \$'000	Budget 2016 \$'000
Opening Balance	175,453	175,453	171,896
Decrease in Liabilities from Administrative Restructuring			
Operating (Deficit)	-11,182	-10,591	-7,766
Decrease in Asset Revaluation Reserve			
Transfer to Reserve			
Capital Injection	7,625	8,069	10,673
Closing Balance	171,896	172,931	174,802

Table 16: Canberra Institute of Technology: Cash Flow Statement for the year ended 31 December 2015

	Actual 2015 \$'000	Budget 2015 \$'000	Budget 2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Payment for Outputs	66,372	66,372	69,909
User Charges - ACT Government	10,098	8,700	9,780
User Charges - Non-ACT Government	24,079	22,382	24,346
Interest Received	320	200	230
Dividends Received	250	150	500
Government Grants	2,188	1,350	100
Other	5,099	3,800	4,900
Total Receipts from Operating Activities	108,406	102,954	109,765
Payments			
Related to Employee	59,718	58,739	62,793
Related to Superannuation	8,323	8,046	7,813
Related to Supplies and Services	33,259	34,422	35,993
Other	5,945	4,808	4,811
Total Payments from Operating Activities	107,245	106,015	111,410
Net Cash Inflow (Outflows) from Operating Activities	1,161	(3,061)	(1,645)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from Sale of Property, Plant & Equip	8	0	0
Total Receipts from Investing Activities	8	0	0
Payments			
Purchase of Property, Plant & Equipment	5,822	4,646	10,673
Total Payments from Investing Activities	5,822	4,646	10,673
Net Cash (Outflows) from Investing Activities	(5,814)	(4,646)	(10,673)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Capital Contributions from Government (not operations)	7,625	8,069	10,673
Decrease in Cash from Administrative Restructure	0	0	0
Total Receipts from Financing Activities	7,625	8,069	10,673
Net Cash Inflows from Financing Activities	7,625	8,069	10,673
NET INCREASE / (DECREASE) IN CASH HELD	2,972	362	(1,645)
Cash and Cash Equivalents at the Beginning of the Reporting Period	4,348	4,348	7,320
Cash and Cash Equivalents at the End of the Reporting Period	7,320	4,710	5,675

Table 17: CIT Training Profile

Program	Budget Targets (Nominal Hours - NH)		
	2015	2016	
AD-BC01	ADVANCED DIPLOMA OF BUSINESS	19,516	11,040
AD-BC08	ADVANCED DIPLOMA OF MANAGEMENT	9,276	5,430
AD-BC13	ADVANCED DIPLOMA OF MANAGEMENT (HUMAN RESOURCES)	6,940	9,950
AD-BC16	ADVANCED DIPLOMA OF PROJECT MANAGEMENT	0	1,500
AD-BC22	ADVANCED DIPLOMA OF ACCOUNTING	16,935	13,610
AD-BD03	ADVANCED DIPLOMA OF INTERIOR DESIGN	40,000	36,000
AD-BD05	ADVANCED DIPLOMA OF SCREEN AND MEDIA	4,000	10,000
AD-BD06	ADVANCED DIPLOMA OF MUSIC	2,500	2,500
AD-BD07	ADVANCED DIPLOMA OF SOUND PRODUCTION	5,000	5,000
AD-BE49	ADVANCED DIPLOMA OF SPATIAL INFORMATION SERVICES	800	1,100
AD-CI07	ADVANCED DIPLOMA OF JOURNALISM	900	500
AD-CI08	ADVANCED DIPLOMA OF PUBLIC RELATIONS	900	500
AD-EE06	ADVANCED DIPLOMA OF ADULT LEARNING AND DEVELOPMENT	6,500	6,000
AD-FE02	ADVANCED DIPLOMA OF FORENSIC SCIENCE (CRIME SCENE EXAMINATION)	6,000	880
AD-FE03	ADVANCED DIPLOMA OF ENGINEERING DESIGN	0	3,000
AD-FE16	ADVANCED DIPLOMA OF PUBLIC SAFETY (FIRE INVESTIGATION)	480	200
AD-FE29	ADVANCED DIPLOMA OF PUBLIC SAFETY (FIRE INVESTIGATION)	8,000	10,000
AD-HC29	ADVANCED DIPLOMA OF HEALTH SCIENCE (SOFT-TISSUE THERAPY)	4,120	8,000
AD-HC44	ADVANCED DIPLOMA OF COMMUNITY SECTOR MANAGEMENT	12,000	10,000
AD-TH10	ADVANCED DIPLOMA OF INTERNATIONAL HOTEL AND RESORT MANAGEMENT	1,250	0
AD-TH38	ADVANCED DIPLOMA OF HOSPITALITY	2,120	1,220
AD-TH39	ADVANCED DIPLOMA OF TRAVEL & TOURISM	1,350	1,390
AD-TH43	ADVANCED DIPLOMA OF EVENTS	3,310	7,980
C1-CM01	CERTIFICATE I IN SPOKEN AND WRITTEN ENGLISH	3,160	4,000
C1-IT05	CERTIFICATE I IN INFORMATION, DIGITAL MEDIA AND TECHNOLOGY	600	1,000
C1-VO44	CERTIFICATE I IN ACCESS TO VOCATIONAL PATHWAYS	11,000	11,000
C1-VO45	CERTIFICATE I IN SKILLS FOR VOCATIONAL PATHWAYS	20,500	20,000
C1-YC03	CERTIFICATE I IN ABORIGINAL OR TORRES STRAIT ISLANDER CULTURAL ARTS	6,490	7,000
C1-YC05	CERTIFICATE I IN SKILLS FOR VOCATIONAL PATHWAYS	426	600
C1-YC06	CERTIFICATE I IN ACCESS TO VOCATIONAL PATHWAYS	8,972	8,445
C2-2J106	CERTIFICATE II IN AIR-CONDITIONING SPLIT SYSTEMS	542	0
C2-BC33	CERTIFICATE II IN BUSINESS	30,335	25,590
C2-BE29	CERTIFICATE II IN PARKS AND GARDENS	1,200	1,200
C2-BE35	CERTIFICATE II IN FLORISTRY (ASSISTANT)	9,000	10,000
C2-BE36	CERTIFICATE II IN CONSTRUCTION PATHWAYS	20	0
C2-CM01	CERTIFICATE II IN SPOKEN AND WRITTEN ENGLISH	3,030	8,000
C2-FE27	CERTIFICATE II IN ELECTRONICS	680	700
C2-IT05	CERTIFICATE II IN INFORMATION, DIGITAL MEDIA AND TECHNOLOGY	6,000	10,000
C2-TC31	CERTIFICATE II IN ELECTROTECHNOLOGY (CAREER START)	2,200	2,000
C2-TC32	CERTIFICATE II IN SPLIT AIR-CONDITIONING AND HEAT PUMP SYSTEMS	3,000	3,000
C2-TC33	CERTIFICATE II IN AUTOMOTIVE AIR CONDITIONING TECHNOLOGY	1,800	2,000
C2-TC34	CERTIFICATE II IN AUTOMOTIVE SERVICING TECHNOLOGY	840	500

Program		Budget Targets (Nominal Hours - NH)	
		2015	2016
C2-TH12	CERTIFICATE II IN RETAIL MAKE-UP AND SKIN CARE	2,000	2,000
C2-TH18	CERTIFICATE II IN HAIRDRESSING	2,500	2,500
C2-TH40	CERTIFICATE II IN KITCHEN OPERATIONS	3,600	3,600
C2-TS08	CERTIFICATE II IN GENERAL EDUCATION FOR ADULTS	28,470	32,500
C2-VO04	CERTIFICATE II IN ACCESS10	3,350	0
C2-VO45	CERTIFICATE II IN SKILLS FOR WORK AND VOCATIONAL PATHWAYS	30,000	30,000
C2-YC02	CERTIFICATE II IN ACCESS10	5,502	2,500
C2-YC03	CERTIFICATE II IN ABORIGINAL OR TORRES STRAIT ISLANDER CULTURAL ARTS	300	300
C2-YC05	CERTIFICATE II IN SKILLS FOR WORK AND VOCATIONAL PATHWAYS	0	100
C2-YC07	CERTIFICATE II IN GENERAL EDUCATION FOR ADULTS	0	3,000
C3-2J103	CERTIFICATE III IN ENGINEERING - FABRICATION TRADE	30,700	28,000
C3-2J64	CERTIFICATE III IN HORTICULTURE (TURF)	0	200
C3-BC06	CERTIFICATE III IN RECORDKEEPING	1,530	2,000
C3-BC29	CERTIFICATE III IN ACCOUNTS ADMINISTRATION	63,035	54,400
C3-BC33	CERTIFICATE III IN BUSINESS	17,956	14,040
C3-BC34	CERTIFICATE III IN BUSINESS ADMINISTRATION	71,815	81,470
C3-BC36	CERTIFICATE III IN BUSINESS ADMINISTRATION (LEGAL)	4,320	2,500
C3-BC37	CERTIFICATE III IN BUSINESS ADMINISTRATION (MEDICAL)	4,300	4,540
C3-BD05	CERTIFICATE III IN MEDIA	12,000	12,000
C3-BD06	CERTIFICATE III IN MUSIC	20,000	13,000
C3-BD09	CERTIFICATE III IN TECHNICAL PRODUCTION	12,000	12,000
C3-BDXX	CERTIFICATE III IN MAKEUP (NEW)	0	24,500
C3-BE16	CERTIFICATE III IN CABINET MAKING	1,217	0
C3-BE27	CERTIFICATE III IN HORTICULTURE	15,000	20,000
C3-BE28	CERTIFICATE III IN ARBORICULTURE	5,000	6,000
C3-BE29	CERTIFICATE III IN PARKS AND GARDENS	7,000	7,000
C3-BE30	CERTIFICATE III IN PRODUCTION NURSERY	7,000	7,000
C3-BE31	CERTIFICATE III IN SPORTS TURF MANAGEMENT	2,000	3,000
C3-BE32	CERTIFICATE III IN CONSERVATION AND LAND MANAGEMENT	10,000	8,000
C3-BE34	CERTIFICATE III IN LANDSCAPE CONSTRUCTION	20,000	20,000
C3-BE35	CERTIFICATE III IN FLORISTRY	6,000	8,000
C3-BE37	CERTIFICATE III IN CARPENTRY	27,600	27,100
C3-BE38	CERTIFICATE III IN PAINTING AND DECORATING	3,500	3,500
C3-BE39	CERTIFICATE III IN SOLID PLASTERING	1,500	1,500
C3-BE40	CERTIFICATE III IN WALL AND CEILING LINING	4,200	4,200
C3-BE41	CERTIFICATE III IN WALL AND FLOOR TILING	7,500	6,500
C3-BE48	CERTIFICATE III IN GLASS AND GLAZING	270	0
C3-BE50	CERTIFICATE III IN SURVEYING AND SPATIAL INFORMATION SERVICES	9,000	9,000
C3-CI01	CERTIFICATE III IN CLOTHING PRODUCTION	22,000	22,000
C3-CI25	CERTIFICATE III IN DESIGN FUNDAMENTALS	10,000	10,000
C3-CM01	CERTIFICATE III IN SPOKEN AND WRITTEN ENGLISH III	18,440	13,000
C3-FE12	CERTIFICATE III IN LABORATORY SKILLS	13,610	16,000
C3-FE18	CERTIFICATE III IN COMPANION ANIMAL SERVICES	23,540	30,000
C3-FE19	CERTIFICATE III IN ANIMAL TECHNOLOGY	15,000	2,000

Program		Budget Targets (Nominal Hours - NH)	
		2015	2016
C3-FE27	CERTIFICATE III IN ELECTRONICS AND COMMUNICATIONS	4,500	5,000
C3-HC16	CERTIFICATE III IN INDIVIDUAL SUPPORT - DISABILITY	24,090	11,500
C3-HC25	CERTIFICATE III IN FITNESS	74,794	77,750
C3-HC31	CERTIFICATE III IN INDIVIDUAL SUPPORT - AGEING	24,630	20,000
C3-HC33	CERTIFICATE III IN INDIVIDUAL SUPPORT - HOME AND COMMUNITY	5,835	5,530
C3-HC42	CERTIFICATE III IN COMMUNITY SERVICES WORK	49,075	69,360
C3-HC45	CERTIFICATE III IN AUSLAN	9,530	0
C3-HC47	CERTIFICATE III IN DENTAL ASSISTING	5,850	6,000
C3-HC51	CERTIFICATE III IN PATHOLOGY	9,440	10,000
C3-HC53	CERTIFICATE III IN POPULATION HEALTH	21,700	20,000
C3-HC56	CERTIFICATE III IN EARLY CHILDHOOD EDUCATION AND CARE	112,093	94,000
C3-HC57	CERTIFICATE III IN EDUCATION SUPPORT	33,760	33,000
C3-IT05	CERTIFICATE III IN INFORMATION, DIGITAL MEDIA AND TECHNOLOGY	100,000	100,000
C3-IT21	CERTIFICATE III IN INFORMATION AND CULTURAL SERVICES	12,500	12,500
C3-TC19	CERTIFICATE III IN CIVIL CONSTRUCTION PLANT OPERATIONS	35,000	30,000
C3-TC30	CERTIFICATE III IN AIR-CONDITIONING AND REFRIGERATION	9,000	9,000
C3-TC31	CERTIFICATE III IN ELECTROTECHNOLOGY ELECTRICIAN	26,000	25,000
C3-TC35	CERTIFICATE III IN AUTOMOTIVE BODY REPAIR TECHNOLOGY	3,115	4,000
C3-TC36	CERTIFICATE III IN AUTOMOTIVE ELECTRICAL TECHNOLOGY	1,940	2,500
C3-TC37	CERTIFICATE III IN LIGHT VEHICLE MECHANICAL TECHNOLOGY	7,585	8,000
C3-TC38	CERTIFICATE III IN MOTORCYCLE MECHANICAL TECHNOLOGY	330	1,000
C3-TC39	CERTIFICATE III IN HEAVY COMMERCIAL VEHICLE TECHNOLOGY	16,064	0
C3-TC40	CERTIFICATE III IN MOBILE PLANT TECHNOLOGY	3,457	4,000
C3-TC42	CERTIFICATE III IN AUTOMOTIVE REFINISHING TECHNOLOGY	3,816	5,000
C3-TC44	CERTIFICATE III IN ENGINEERING - MECHANICAL TRADE	6,000	6,000
C3-TH12	CERTIFICATE III IN BEAUTY SERVICES	22,000	0
C3-TH14	CERTIFICATE III IN RETAIL BAKING (CAKE AND PASTRY)	150	750
C3-TH15	CERTIFICATE III IN RETAIL BAKING (BREAD)	1,800	2,000
C3-TH16	CERTIFICATE III IN RETAIL BAKING (COMBINED)	3,000	3,300
C3-TH17	CERTIFICATE III IN HOSPITALITY (PATISSERIE)	618	0
C3-TH18	CERTIFICATE III IN HAIRDRESSING	7,000	7,000
C3-TH38	CERTIFICATE III IN HOSPITALITY	14,917	25,630
C3-TH43	CERTIFICATE III IN EVENTS	20,047	15,150
C3-TH44	CERTIFICATE III IN TRAVEL	26,298	24,700
C3-TH45	CERTIFICATE III IN MEAT PROCESSING (RETAIL BUTCHER)	3,000	3,300
C3-TS01	CERTIFICATE III IN PLUMBING	35,000	35,000
C3-TS03	CERTIFICATE III IN ROOF PLUMBING	4,500	4,500
C3-TS04	CERTIFICATE III IN COMMERCIAL COOKERY	30,000	33,000
C3-TS05	CERTIFICATE III IN PATISSERIE	14,000	15,500
C3-TS06	CERTIFICATE III IN CABINET MAKING	20,783	20,000
C3-TS07	CERTIFICATE III IN GLASS AND GLAZING	5,930	6,200
C3-TS08	CERTIFICATE III IN GENERAL EDUCATION FOR ADULTS	0	0
C3-TS09	CERTIFICATE III IN HEAVY COMMERCIAL VEHICLE MECHANICAL TECHNOLOGY	0	11,000
C3-YC03	CERTIFICATE III IN ABORIGINAL OR TORRES STRAIT ISLANDER CULTURAL ARTS	1,850	1,900

Program	Budget Targets (Nominal Hours - NH)		
	2015	2016	
C4-BC02	CERTIFICATE IV IN BUSINESS ADMINISTRATION	25,355	16,850
C4-BC06	CERTIFICATE IV IN RECORDKEEPING	3,270	2,000
C4-BC09	CERTIFICATE IV IN SMALL BUSINESS MANAGEMENT	11,326	5,570
C4-BC15	CERTIFICATE IV IN MARKETING	4,530	3,880
C4-BC25	CERTIFICATE IV IN LEGAL SERVICES	9,705	11,290
C4-BC29	CERTIFICATE IV IN ACCOUNTING	26,415	35,280
C4-BC30	CERTIFICATE IV IN BOOKKEEPING	9,375	16,840
C4-BC38	CERTIFICATE IV IN FRONTLINE MANAGEMENT	8,870	9,020
C4-BC41	CERTIFICATE IV IN BUSINESS	14,586	12,260
C4-BC42	CERTIFICATE IV IN HUMAN RESOURCES	11,046	12,990
C4-BC43	CERTIFICATE IV IN PROJECT MANAGEMENT PRACTICE	430	0
C4-BD03	CERTIFICATE IV IN INTERIOR DECORATION	0	16,500
C4-BD05	CERTIFICATE IV IN SCREEN AND MEDIA	8,000	8,000
C4-BD06	CERTIFICATE IV IN MUSIC	12,500	15,000
C4-BD07	CERTIFICATE IV IN SOUND PRODUCTION	12,000	12,000
C4-BD08	CERTIFICATE IV IN MUSIC BUSINESS	3,500	3,500
C4-BD10	CERTIFICATE IV IN INTERACTIVE DIGITAL MEDIA	2,000	2,000
C4-BE22	CERTIFICATE IV IN BUILDING AND CONSTRUCTION (BUILDING)	40,000	41,000
C4-BE43	CERTIFICATE IV IN BUILDING AND CONSTRUCTION (CONTRACT ADMINISTRATION)	1,000	1,500
C4-BE44	CERTIFICATE IV IN BUILDING AND CONSTRUCTION (SITE MANAGEMENT)	1,000	1,500
C4-BE45	CERTIFICATE IV IN BUILDING AND CONSTRUCTION (ESTIMATING)	1,000	2,000
C4-BE49	CERTIFICATE IV SPATIAL INFORMATION SERVICES	0	5,000
C4-BE50	CERTIFICATE IV IN SURVEYING	10,000	9,000
C4-BE51	CERTIFICATE IV IN ENVIRONMENTAL MONITORING AND TECHNOLOGY	9,310	10,000
C4-CI02	CERTIFICATE IV IN APPLIED FASHION DESIGN AND TECHNOLOGY	0	5,000
C4-CI07	CERTIFICATE IV IN PROFESSIONAL COMMUNICATION	4,000	2,000
C4-CI23	CERTIFICATE IV IN VISUAL ARTS	30,000	38,000
C4-CI24	CERTIFICATE IV IN PHOTO IMAGING	30,000	23,000
C4-CM01	CERTIFICATE IV IN SPOKEN AND WRITTEN ENGLISH - EMPLOYMENT	20,590	18,500
C4-CM02	CERTIFICATE IV IN SPOKEN AND WRITTEN ENGLISH - FURTHER STUDIES	19,780	21,500
C4-EE03	CERTIFICATE IV IN TRAINING AND ASSESSMENT	26,000	25,000
C4-FE09	CERTIFICATE IV IN CRIME SCENE INVESTIGATIONS	500	0
C4-FE10	CERTIFICATE IV IN BIOMETRIC TECHNOLOGIES	10,990	0
C4-FE12	CERTIFICATE IV IN LABORATORY TECHNIQUES	7,930	3,000
C4-FE13	CERTIFICATE IV IN FORENSIC SCIENCE (CRIME SCENE EXAMINATION)	19,000	0
C4-FE28	CERTIFICATE IV IN VETERINARY NURSING	22,140	35,000
C4-FE30	CERTIFICATE IV IN ENGINEERING DRAFTING	3,000	0
C4-HC10	CERTIFICATE IV IN COMMUNITY SERVICES WORK	14,295	15,000
C4-HC12	CERTIFICATE IV IN COMMUNITY DEVELOPMENT	6,720	3,000
C4-HC14	CERTIFICATE IV IN AGEING SUPPORT	8,475	5,000
C4-HC25	CERTIFICATE IV IN FITNESS	58,760	48,770
C4-HC32	CERTIFICATE IV IN DISABILITY	17,840	5,000
C4-HC33	CERTIFICATE IV IN HOME AND COMMUNITY CARE	1,915	0

Program	Budget Targets (Nominal Hours - NH)		
	2015	2016	
C4-HC40	CERTIFICATE IV IN ALCOHOL AND OTHER DRUGS	21,513	15,000
C4-HC41	CERTIFICATE IV IN MENTAL HEALTH	13,365	19,230
C4-HC46	CERTIFICATE IV IN ALLIED HEALTH ASSISTANCE	20,500	35,000
C4-HC47	CERTIFICATE IV IN DENTAL ASSISTING	11,676	7,000
C4-HC49	CERTIFICATE IV IN MASSAGE THERAPY PRACTICE	41,778	35,000
C4-HC53	CERTIFICATE IV IN POPULATION HEALTH	5,560	5,000
C4-HC54	CERTIFICATE IV IN WORK HEALTH AND SAFETY	10,133	10,500
C4-HC57	CERTIFICATE IV IN EDUCATION SUPPORT	5,870	8,000
C4-HC58	CERTIFICATE IV IN YOUTH WORK	34,460	42,635
C4-HC60	CERTIFICATE IV IN SPORT DEVELOPMENT	9,436	10,829
C4-HS06	CERTIFICATE IV IN BIOMETRIC TECHNOLOGIES	0	13,000
C4-IT06	CERTIFICATE IV IN INFORMATION TECHNOLOGY	15,000	15,000
C4-IT09	CERTIFICATE IV IN INFORMATION TECHNOLOGY NETWORKING	28,000	30,000
C4-IT10	CERTIFICATE IV IN PROGRAMMING	21,000	32,000
C4-TC29	CERTIFICATE IV IN ENGINEERING	2,960	3,000
C4-TH12	CERTIFICATE IV IN BEAUTY THERAPY	0	23,000
C4-TH18	CERTIFICATE IV IN HAIRDRESSING	9,000	4,000
C4-TH38	CERTIFICATE IV IN HOSPITALITY	5,860	10,620
C4-TH39	CERTIFICATE IV IN TRAVEL AND TOURISM	3,830	5,250
C4-TS04	CERTIFICATE IV IN COMMERCIAL COOKERY	5,000	5,000
C4-TS05	CERTIFICATE IV IN PATISSERIE	251	0
C4-YC03	CERTIFICATE IV IN ABORIGINAL OR TORRES STRAIT ISLANDER CULTURAL ARTS	1,800	1,300
C4-YC04	CERTIFICATE IV IN ALCOHOL AND OTHER DRUGS	9,260	10,400
C4-YCXX	CERTIFICATE IV IN ABORIGINAL AND/OR TORRES STRAIT ISLANDER PRIMARY HEALTH CARE	500	0
DP-2J107	DIPLOMA OF REMEDIAL MASSAGE	20,000	34,000
DP-BC01	DIPLOMA OF BUSINESS	12,526	12,810
DP-BC02	DIPLOMA OF BUSINESS ADMINISTRATION	14,805	8,640
DP-BC08	DIPLOMA OF MANAGEMENT	11,006	19,260
DP-BC15	DIPLOMA OF MARKETING	2,690	1,630
DP-BC16	DIPLOMA OF PROJECT MANAGEMENT	6,200	0
DP-BC22	DIPLOMA OF ACCOUNTING	21,315	22,080
DP-BC25	DIPLOMA OF LEGAL SERVICES	2,650	2,500
DP-BC42	DIPLOMA OF HUMAN RESOURCES MANAGEMENT	14,126	15,740
DP-BC43	DIPLOMA OF PROJECT MANAGEMENT	19,736	27,880
DP-BD03	DIPLOMA OF INTERIOR DESIGN AND DECORATION	60,000	33,500
DP-BD05	DIPLOMA OF SCREEN AND MEDIA	7,000	7,000
DP-BD06	DIPLOMA OF MUSIC	16,000	16,000
DP-BD07	DIPLOMA OF SOUND PRODUCTION	10,000	10,000
DP-BE05	DIPLOMA OF ECOLOGY AND ENVIRONMENTAL MANAGEMENT (TEACH OUT)	3,000	0
DP-BE22	DIPLOMA OF BUILDING AND CONSTRUCTION (BUILDING)	30,000	20,000
DP-BE27	DIPLOMA OF HORTICULTURE	17,000	18,500
DP-BE45	DIPLOMA OF BUILDING AND CONSTRUCTION (MANAGEMENT)	11,000	9,000
DP-BE49	DIPLOMA OF SPATIAL INFORMATION SERVICES	6,900	7,000

Program	Budget Targets (Nominal Hours - NH)		
	2015	2016	
DP-BE50	DIPLOMA OF SURVEYING	10,000	10,000
DP-BE51	DIPLOMAN OF ENVIRONMENTAL MONITORING AND TECHNOLOGY - NEW	0	3,000
DP-CI01	DIPLOMA OF APPLIED FASHION DESIGN AND TECHNOLOGY	35,000	24,000
DP-CI23	DIPLOMA OF VISUAL ARTS	15,000	15,000
DP-CI27	DIPLOMA OF BUILDING DESIGN	47,000	47,000
DP-EE04	DIPLOMA OF VOCATIONAL EDUCATION AND TRAINING	12,500	12,000
DP-FE12	DIPLOMA OF LABORATORY TECHNOLOGY	500	5,000
DP-FE16	DIPLOMA OF FORENSIC SCIENCE (DOCUMENT EXAMINATION)	2,000	500
DP-FE26	DIPLOMA OF PUBLIC SAFETY (FORENSIC INVESTIGATION)	16,739	15,000
DP-FE27	DIPLOMA OF ELECTRONICS AND COMMUNICATIONS ENGINEERING	12,500	12,000
DP-FE30	DIPLOMA IN ENGINEERING TECHNICAL	20,000	20,000
DP-HC25	DIPLOMA OF FITNESS	21,695	20,360
DP-HC30	DIPLOMA OF NURSING (ENROLLED/DIVISION 2 NURSING)	114,275	120,000
DP-HC41	DIPLOMA OF COMMUNITY SERVICES (ALCOHOL, OTHER DRUGS AND MENTAL HEALTH)	9,755	10,000
DP-HC42	DIPLOMA OF COMMUNITY SERVICES WORK	21,345	20,000
DP-HC55	DIPLOMA OF COMMUNITY SERVICES (CASE MANAGEMENT)	11,595	10,000
DP-HC56	DIPLOMA OF EARLY CHILDHOOD EDUCATION AND CARE	86,076	98,000
DP-HC58	DIPLOMA OF YOUTH WORK	18,150	10,000
DP-HC60	DIPLOMA OF SPORT DEVELOPMENT	14,084	7,561
DP-HCX1	DIPLOMA OF COMMUNITY SERVICES MANAGEMENT - CASE MANAGEMENT	9,535	2,700
DP-HCX2	DIPLOMA OF LEADERSHIP AND MANAGEMENT	3,465	2,000
DP-IT06	DIPLOMA OF INFORMATION TECHNOLOGY	4,000	5,000
DP-IT09	DIPLOMA OF INFORMATION TECHNOLOGY NETWORKING	16,400	19,500
DP-IT10	DIPLOMA OF SOFTWARE DEVELOPMENT	10,000	6,000
DP-IT21	DIPLOMA OF LIBRARY AND INFORMATION SERVICES	14,000	14,000
DP-TH12	DIPLOMA OF BEAUTY THERAPY	34,200	8,000
DP-TH13	DIPLOMA OF SALON MANAGEMENT	1,500	0
DP-TH38	DIPLOMA OF HOSPITALITY	5,580	2,410
DP-TH39	DIPLOMA OF TRAVEL & TOURISM	2,730	4,950
DP-TH43	DIPLOMA OF EVENTS	25,658	20,700
SA-BC03	TRAINING PROGRAM IN BOOKKEEPING USING MYOB [from BSB30412]	7,330	2,000
SA-BT01	TRAINING PROGRAM IN ADVANCED BUSINESS SKILLS [from BSB50407]	0	900
SA-BT02	TRAINING IN INTERMEDIATE BUSINESS SKILLS [from BSB40507]	0	1,010
SA-BT03	TRAINING PROGRAM IN TAX AND LEGAL SKILLS [from FNS10]	0	1,500
SA-EEXX	TRAINING PROGRAM IN ENTERPRISE TRAINER - PRESENTER SKILL SET	0	2,000
SA-TH05	TRAINING PROGRAM IN BASIC FOOD HYGIENE [from SIT40413]	15	0
SA-TH16	TRAINING PROGRAM IN SUPERVISING FOOD SAFETY [from SIT40413]	90	0
SA-TH77	TRAINING PROGRAM IN BAR SERVICE	3,800	0
SA-TS12	TRAINING IN PLUMBING PREVOCAATIONAL SKILLS	3,000	3,000
SA-VO12	TRAINING PROGRAM IN ACCESS10 (MATHEMATICS)	100	0
SA-VO13	TRAINING PROGRAM IN ACCESS10 (ENGLISH)	80	0
XA-CM02	ACT YEAR 12 CERTIFICATE	131,000	127,000
INSTITUTE TOTAL		3,446,000	3,367,000

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CIT SOLUTIONS PTY LTD

Purpose

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

2016-17 Priorities

Strategic and operational issues to be pursued in 2016-17 include:

- retaining and recruiting the best people with skills and experience to deliver excellent outcomes to clients;
- investing in the development of high quality learning solutions that meet a client's total needs;
- working closely with clients to ensure our services represent value and quality; and
- securing new opportunities locally, nationally and internationally to strengthen and diversify our revenue streams.

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	92	93	100 ¹	100

Note(s):

1. Increase of 7 FTE in the 2015-16 estimated outcome relates to additional staff employed to manage and deliver training for new major project work.

Strategic Objectives and Indicators

Strategic Objective 1

To provide high quality complete learning solutions to clients

This will be achieved by:

- successfully winning contracts that comprise, analysis, design, development and delivery of complete learning solutions;
- continually meeting contracted deliverables and performance measures;
- receiving high satisfaction feedback from clients;
- gaining repeat business; and
- maintaining our reputation in the market place as a leading provider of integrated learning solutions.

Strategic Objective 2

To strengthen our business model with increased and diverse revenue sources

This will be achieved by:

- executing the approved Strategic Growth Plan;
- implementing an Off Shore Business Plan to expand services into the Asia Pacific region through partnerships in Australian government funded projects;
- expanding the range of services offered to clients locally and nationally;
- increasing annual turnover and improving profitability; and
- maintaining a low risk business profile.

Financial Statements

Table 2: CIT Solution Pty Ltd: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
13,896	User Charges - Non ACT Government	16,296	16,524	1	16,765	17,014	17,262
4,233	User Charges - ACT Government	3,633	4,313	19	4,389	4,466	4,531
80	Interest	110	80	-27	84	86	88
139	Other Revenue	139	142	2	144	146	149
18,348	Total Revenue	20,178	21,059	4	21,382	21,712	22,030
Expenses							
9,503	Employee Expenses	10,220	10,440	2	10,570	10,706	10,845
891	Superannuation Expenses	965	980	2	990	1,003	1,014
6,156	Supplies and Services	7,176	7,291	2	7,460	7,627	7,778
149	Depreciation and Amortisation	69	69	-	69	69	69
672	Other Expenses	672	687	2	702	719	736
17,371	Total Expenses	19,102	19,467	2	19,791	20,124	20,442
977	Operating Result	1,076	1,592	48	1,591	1,588	1,588
977	Total Comprehensive Income	1,076	1,592	48	1,591	1,588	1,588

Table 3: CIT Solutions Pty Ltd: Balance Sheet

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets							
3,528	Cash and Cash Equivalents	3,880	4,943	27	6,005	7,064	8,123
2,458	Receivables	3,129	3,180	2	3,231	3,282	3,333
222	Other Current Assets	103	111	8	119	127	135
6,208	Total Current Assets	7,112	8,234	16	9,355	10,473	11,591
Non Current Assets							
118	Property, Plant and Equipment	185	261	41	337	413	489
118	Total Non Current Assets	185	261	41	337	413	489
6,326	TOTAL ASSETS	7,297	8,495	16	9,692	10,886	12,080
Current Liabilities							
1,064	Payables	1,186	1,237	4	1,288	1,339	1,390
1,069	Employee Benefits	1,220	1,226	..	1,232	1,238	1,244
992	Other Liabilities	1,349	1,349	-	1,349	1,349	1,349
3,125	Total Current Liabilities	3,755	3,812	2	3,869	3,926	3,983
Non Current Liabilities							
340	Employee Benefits	188	237	26	286	335	384
51	Other	49	49	-	49	49	49
391	Total Non Current Liabilities	237	286	21	335	384	433
3,516	TOTAL LIABILITIES	3,992	4,098	3	4,204	4,310	4,416
2,810	NET ASSETS	3,305	4,397	33	5,488	6,576	7,664
REPRESENTED BY FUNDS EMPLOYED							
2,790	Accumulated Funds	3,285	4,377	33	5,468	6,556	7,644
2,810	TOTAL FUNDS EMPLOYED	3,305	4,397	33	5,488	6,576	7,664

Table 4: CIT Solutions Pty Ltd: Statement of Changes in Equity

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Opening Equity							
2,313	Opening Accumulated Funds	2,709	3,285	21	4,377	5,468	6,556
20	Opening Other Reserve	20	20	-	20	20	20
2,333	Balance at the Start of the Reporting Period	2,729	3,305	21	4,397	5,488	2,333
Comprehensive Income							
977	Operating Result for the Period	1,076	1,592	48	1,591	1,588	1,588
977	Total Comprehensive Income	1,076	1,592	48	1,591	1,588	1,588
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
-500	Dividend Approved	-500	-500	-	-500	-500	-500
-500	Total Transactions Involving Owners Affecting Accumulated Funds	-500	-500	-	-500	-500	-500
Closing Equity							
2,790	Closing Accumulated Funds	3,285	4,377	33	5,468	6,556	7,644
20	Closing Other Reserve	20	20	-	20	20	20
2,810	Balance at the End of the Reporting Period	3,305	4,397	33	5,488	6,576	7,664

Table 5: CIT Solutions Pty Ltd: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
18,030	User Charges	19,830	20,738	5	21,055	21,381	21,694
80	Interest Received	110	80	-27	84	86	88
139	Other Receipts	139	142	2	144	146	149
18,249	Operating Receipts	20,079	20,960	4	21,283	21,613	21,931
Payments							
9,123	Related to Employees	9,827	10,061	2	10,191	10,327	10,465
872	Related to Superannuation	946	961	2	971	983	994
6,054	Related to Supplies and Services	7,074	7,189	2	7,358	7,526	7,678
825	Other	825	839	2	854	871	888
16,874	Operating Payments	18,672	19,050	2	19,374	19,707	20,025
1,375	NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES	1,407	1,910	36	1,909	1,906	1,906
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
347	Purchase of Property, Plant and Equipment and Capital Works	347	347	-	347	347	347
347	Investing Payments	347	347	-	347	347	347
-347	NET CASH INFLOW/OUTFLOW FROM INVESTING ACTIVITIES	-347	-347	-	-347	-347	-347
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
250	Dividends to Government	250	500	100	500	500	500
250	Financing Payments	250	500	100	500	500	500
-250	NET CASH INFLOW/OUTFLOW FROM FINANCING ACTIVITIES	-250	-500	-100	-500	-500	-500

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
778	NET INCREASE / (DECREASE) IN CASH HELD	810	1,063	31	1,062	1,059	1,059
2,750	CASH AT THE BEGINNING OF REPORTING PERIOD	3,070	3,880	26	4,943	6,005	7,064
3,528	CASH AT THE END OF REPORTING PERIOD	3,880	4,943	27	6,005	7,064	8,123

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government: the increase of \$2.4 million in the 2015-16 estimated outcome from the original budget is due to winning additional major contracts to provide complete learning solutions to clients with a flow-on to 2016-17 of a further \$0.228 million in revenue due to these contracts continuing into next year.
- user charges – ACT Government: the decrease of \$0.600 million in the 2015-16 estimated outcome from the original budget is due to reduced demand for training programs from ACT Government agencies. The 2016-17 Budget is expecting the level of training to ACT Government agencies to be restored to prior year levels through membership of the ACTPS panel of training providers.
- employee expenses: the increase of \$0.717 million in the estimated outcome from the original budget is due to increased staff required to manage and deliver new major training projects and additional instructional design staff to design and develop complete training packages for clients.
- supplies and services: the increase in supplies and services of \$1.020 million in the estimated outcome from the original budget is due to increased consultants and contractors expenses to assist in the development of major training packages and increased travel expenses with training being delivered to clients interstate and in Papua New Guinea over the 2015-16 year. A further increase in supplies and services of \$0.115 million in the 2016-17 Budget is due to continued delivery of training services outside of the ACT.

Balance Sheet

- cash and cash equivalents: the increase in cash and equivalents of \$0.352 million above the 2015-16 original budget is due to a higher profit than forecast in the actual 2014-15 year. A further increase of \$1.063 million is estimated in the 2016-17 Budget due to a higher budgeted operating profit in 2016-17 resulting from increased training services provided to clients.
- receivables: the increase of \$0.671 million in the estimated outcome from the original budget is due to a higher level of current debts through regular invoicing of clients for major contract deliverables.
- other liabilities: the increase of \$0.357 million in 2015-16 compared to the original budget is due an increased amount of revenue held in advance of the services being provided arising from payment milestones on large value contracts.

Statement of Changes in Equity and Cash Flow Statement

- operating result for the period: the increase in the operating result of \$0.516 million in the 2016-17 Budget from the 2015-16 estimated outcome is the result of increased profits from the training delivery stage of some major projects.
- accumulated funds: the increase of \$0.495 million in the 2015-16 estimated outcome compared to the original budget is due to a higher operating result for the 2014-15 actual outcome of \$0.396 million and the \$0.099 million estimated increase in the operating result in 2015-16. The increase in the 2016-17 Budget of \$1.092 million results from the 2016-17 operating profit of \$1.592 million less a \$0.5 million transfer to owner.

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 2016-17 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Dr Chris Bourke, MLA, Minister for Small Business and the Arts, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2016-17 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 strategic and business planning processes.

The Cultural Facilities Corporation 2016-17 Statement of Intent has been agreed between:



Harriet Elvin

CEO



Andrew Barr MLA

Treasurer

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CULTURAL FACILITIES CORPORATION

As a result of the 2015 amendments to the *Financial Management Act 1996*, the budget statement for Cultural Facilities Corporation is its Statement of Intent.

Purpose

The vision of the Cultural Facilities Corporation (CFC) is for Canberra to be a creative capital, which values arts and heritage for their intrinsic qualities, their contribution to building a more inclusive and resilient society, their support for making the city an exciting place to live and an attractive destination for business and tourism, and their important role in the economy of the ACT.

The CFC sees itself as a leader in this creative city, providing high quality cultural experiences based on the arts and heritage resources that it holds in trust for the people of Canberra.

Nature and Scope of Activities

General Activities

The CFC manages a number of the ACT's major cultural assets, comprising:

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

In managing these facilities, the CFC provides a range of cultural services to the community through the provision of activities (performing arts presentations, exhibitions, education programs, community programs and other events) at each site, and through the conservation and interpretation of the ACT Historic Places.

Risks

The key strategic risk that may influence the CFC's future financial position is the variability and unpredictability of the performing arts business. Theatre revenues represent the major part of the CFC's non-government revenue and are the main variable in its financial performance. These revenues are highly dependent on: the availability of performing arts productions for touring; national developments with regard to major performing arts companies; and discretionary consumer expenditure, which is vulnerable to general economic downturns.

The CFC will continue to seek to manage this, and other risks, to the best of its ability, including through its Strategic Risk Management Plan. The Strategic Risk Management Plan informs the prioritisation of projects for internal audit programs and is supported by other plans, such as those covering Fraud Control, Business Continuity and Disaster Preparedness. The CFC regularly reviews risk management and fraud control procedures and a risk management plan is prepared for all major events.

A further strategy that the CFC has adopted in recent years in order to respond to the variability and unpredictability of the performing arts business, is to develop a Theatre Reserve from the proceeds of theatre commercial activity. This fund is identified as a separate reserve in the CFC's financial statements. It assists the CFC by providing the financial backing to program major ventures that would be beyond the scope of the Canberra Theatre Centre's annual theatre programming budget, as well as providing a financial contingency if a major theatre venture does not achieve its budgeted financial outcome.

2016-17 Priorities and Next Three Financial Years

Strategic and operational issues to be pursued in 2016-17 and the next three years financial years include:

- maximising visitation, access to, and patronage of, the CFC's facilities, programs and collections through a wide range of performing arts, visual arts, social history and heritage programs;
- presenting exhibitions, education and community programs at the museums and galleries managed by the CFC, including through partnership programming and touring activity;
- presenting a varied program of performing arts productions at the Canberra Theatre Centre, including by attracting major theatre presentations to Canberra;
- playing an active role in initiatives that contribute to the revitalisation of the city centre and that plan the future provision of cultural facilities in Civic, including through: undertaking studies into new theatre facilities for Canberra; progressing CMAG enhanced usage plans; maintaining car parking for theatre patrons; and maximising the benefits of Capital Metro for the CFC's city centre facilities; and
- undertaking ongoing programs of capital upgrades and capital projects, in order to ensure the CFC's cultural facilities remain fit for purpose and support the delivery of high quality cultural experiences.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	90	81	82 ¹	82 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 2016-17 Budget and 2015-16 estimated outcome FTE have been calculated on the basis of expectations of staffing, especially casual employment, at these times.

Table 2: 2016-17 Employment Profile

Classification	Male	Female	Total
Apprentice	0	1	1
ASO2	1	7	8
ASO3	1	4	5
ASO4	3	5	8
ASO5	2	6	8
ASO6	4	5	9
GSO2	1	0	1
GSO6	1	0	1
GSO7	1	0	1
GSO9	1	0	1
PO1	1	3	4
PO2	0	4	4
SOG C	2	4	6
SOG B	3	1	4
SOG A	1	0	1
Apprentice	0	1	1
Box Office	1	2	3
Executive Contract	0	1	1
Patron Services	2	4	6
Tech. Level 1	3	1	4
Tech. Level 2	2	0	2
Tech. Level 4	3	0	3
Total	33	49	82

Strategic Objectives and Indicators

Strategic Objective 1

The Canberra Theatre Centre is Canberra's leading performing arts centre

To ensure that the Canberra Theatre Centre is the premier performing arts centre for the Canberra region.

Strategic Indicator 1: Quality and extent of the Canberra Theatre Centre's programs, activities and facilities.

The quality and extent of the Canberra Theatre Centre's programs, activities and facilities are demonstrated by factors such as:

- programming - a diverse program that creates a leadership position for the Centre and an identity for Canberra, including through regular visits by leading performing arts companies and by nurturing local performing arts companies;
- marketing and audience development - a loyal and growing audience, including through providing a high quality experience for patrons and using market data and research to better target audiences;
- community initiatives - a connection between the whole community and the performing arts, including through initiatives that address special needs in the community and provide connections with the education system; and
- growing and leveraging off our assets - a performing arts centre for the future, including through a continuing program of asset upgrades and by pursuing commercial activity to maximise earning capacity and secure future growth.

Strategic Objective 2

ACT Museums and Galleries engage our community by presenting Canberra's stories, diverse visual culture and heritage

To ensure that the Canberra Museum and Gallery and the ACT Historic Places engage the community by providing a diverse range of high quality arts and heritage experiences.

Strategic Indicator 2: Quality and extent of ACT Museums and Galleries programs and activities.

The quality and extent of ACT Museums and Galleries programs and activities are demonstrated by factors such as:

- programming, story-telling and interpretation - programming that reflects Canberra’s unique identity, including through a diverse range of high quality exhibitions, education and community programs and other activities;
- marketing and audience development - a loyal and growing audience, including through enhancing the visitor experience and through extending the demographic of visitors to those with special needs and interests;
- stewardship of assets - places and collections that allow us to tell the many stories of Canberra, including through caring for and further developing our collections; and
- growing and leveraging off our assets - growth in targeted areas where we can add value, including through a continuing program of asset upgrades and by enhancing our facilities to provide improved cultural experiences.

Output Classes

Output Class 1: Cultural Facilities Management

Table 3: Output Class 1: Cultural Facilities Management

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	18,364	18,658
Government Payment for Outputs	8,378	8,606

Note(s):

1. Total cost includes depreciation and amortisation of \$2.638 million in 2015-16 and \$2.738 million in 2016-17.

Output 1.1: Cultural Facilities Corporation

CFC manages a number of the ACT’s major cultural assets, comprising:

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

In managing these facilities, CFC provides a range of cultural services to the community through the provision of activities (performing arts presentations, exhibitions, education programs, community programs and other events) at each site and through the conservation and interpretation of the ACT Historic Places.

Table 4: Output 1.1: Cultural Facilities Corporation

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	18,364	18,658
Controlled Recurrent Payments	8,378	8,606

Note(s):

1. Total cost includes depreciation and amortisation of \$2.638 million in 2015-16 and \$2.738 million in 2016-17.

Accountability Indicators

Output Class 1: Cultural Facilities Management

Output 1.1: Cultural Facilities Corporation

Table 5: Accountability Indicators Output 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Estimated number of visitors/patrons to CFC facilities/programs ¹	355,000	375,000	357,500
b. Number of exhibitions at facilities managed by CFC ²	23	23	21
c. Number of education and community programs provided by CFC ³	592	686	494
d. Number of days venue usage at the Canberra Theatre Centre's venues ⁴	576	528	576
e. Customer satisfaction with quality of services provided by CFC, as measured by annual survey ⁵	80%	>80%	90%
f. Cost to Government per estimated visitor/patron to CFC facilities/programs ⁶	\$23.60	\$22.34	\$24.25
g. Own sourced revenue as a proportion of total revenue for CFC ⁷	43.4%	46.9%	46.3%

Note(s):

1. The increase in the 2015-16 estimated outcome from the 2015-16 Target is due primarily to the impact of attendance at theatre shows booked after the targets were set. The decrease in the 2016-17 Target from the 2015-16 estimated outcome is due primarily to anticipated attendances at theatre shows in 2016-17, based on current bookings.
2. The decrease in the 2016-17 Target from the 2015-16 estimated outcome and the 2015-16 Target is due to an intention to schedule slightly fewer exhibitions in 2016-17 in order to focus on collection management activity.
3. The increase in the 2015-16 estimated outcome from the 2015-16 Target is due to additional programs delivered to respond to demand for outreach programs and for onsite programs relating to the Nolan Collection Gallery and the Historic Places. The decrease in the 2016-17 Target from the 2015-16 estimated outcome and the 2015-16 Target is due primarily to a focus in 2016-17 on consolidating programs and providing these at a sustainable level, with some staff resources to be used to review and rework the programs during the year.
4. The decrease in the 2015-16 estimated outcome from the 2015-16 Target is due to the pattern of venue usage during the year, with more usage of large venues such as the Canberra Theatre, less usage of smaller venues such as the Courtyard Studio. The increase in the 2016-17 Target from the 2015-16 estimated outcome is based on an intention to seek more usage of smaller venues in 2016-17.
5. The increase in the 2016-17 Target from the 2015-16 Target reflects the fact that the CFC has been achieving customer satisfaction outcomes consistently above the 80% level and it therefore seems appropriate to raise the target.

6. The decrease in the 2015-16 estimated outcome from the 2015-16 Target is due to the higher estimated number of visitors/patrons in 2015-16. The increase in the 2016-17 Target from the 2015-16 estimated outcome is due to an increase in the Controlled Recurrent Payment in 2016-17 and to the lower estimated number of visitors/patrons in 2016-17.
7. The increase in the 2015-16 estimated outcome from the 2015-16 Target is due to higher levels of theatre business in 2015-16 than anticipated. The increase in the 2016-17 Target from the 2015-16 Target is due to anticipated higher levels of theatre business in 2016-17 than the levels anticipated for 2015-16 when that target was set.

Changes to Appropriation

Table 6: Changes to appropriation – Controlled Recurrent Payments

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	8,378	8,615	8,782	8,955	8,955
2016-17 Budget Policy Adjustments					
Bigger and Better Events for Canberra – Canberra Theatre Centre – Major show support fund	-	50	-	-	-
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	(49)	(51)	(52)	112
Revised Superannuation Parameters	-	4	18	25	37
General Savings	-	(14)	(15)	(15)	(15)
2016-17 Budget	8,378	8,606	8,734	8,913	9,089

Table 7: Changes to appropriation – Capital Injections, Controlled

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	3,208	1,774	1,190	408	408
FMA Section 16B Rollovers from 2014-15					
Supplementation for Additional Pay Period in 2015-16	169	-	-	-	-
2016-17 Budget Policy Adjustments					
Improved Arts Facilities for Canberra – Canberra Theatre Centre	-	410	-	-	-
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	10
2016-17 Budget	3,377	2,184	1,190	408	418

Summary of 2016-17 Cultural Facilities Corporation Infrastructure Program

Table 8: 2016-17 Cultural Facilities Corporation Infrastructure Program

	2016-17	2017-18	2018-19	2019-20	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL WORKS PROGRAM					
Capital Upgrades Program					
Canberra Museum and Galleries and Historic Places	278	268	278	268	1,092
Canberra Theatre Centre	60	80	80	100	320
Cultural Facilities Corporation - Corporate	50	50	50	50	200
Total Capital Upgrades Program	388	398	408	418	1,612
Capital Works in Progress					
Canberra Theatre Centre Upgrade – Stage 3	1,386	792	-	-	2,178
Total Capital Works in Progress	1,386	792	-	-	2,178
TOTAL CAPITAL WORKS PROGRAM	1,774	1,190	408	418	3,790
PROPERTY, PLANT AND EQUIPMENT					
Improved Arts Facilities for Canberra - Canberra Theatre Centre	410	-	-	-	410
TOTAL PROPERTY, PLANT AND EQUIPMENT	410	-	-	-	410
TOTAL INFRASTRUCTURE PROGRAM	2,184	1,190	408	418	4,200

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 major review and update of the Plan will be commissioned in 2016.

Monitoring and Reporting

The CFC shall 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 2016-17, the CFC will continue to implement a comprehensive budget strategy that seeks to place its finances on a sound and sustainable basis into the future. One aspect of this budget strategy is the use of a Theatre Reserve to assist in responding to the variability and unpredictability of the performing arts business, including as a result of economic factors.

The deficits that are projected for the CFC's operating results for 2016-17 and the forward years are due to it incurring large, unfunded depreciation expenses on its substantial asset holdings. The CFC's approach to managing its finances is to seek to achieve operating outcomes equal to, or better than, the projected deficits, and, where these operating outcomes result from good theatre trading, to add to the Theatre Reserve.

The CFC will receive funding in the 2016-17 Budget to implement a further package of works to improve work health safety and security at the Canberra Theatre Centre, building on capital works projects funded under previous Budgets. The CFC will also receive funding in the 2016-17 Budget to support the touring of a large scale theatre show to Canberra. The funding will assist the producer of the show in conducting a regional marketing campaign.

Financial Statements

Table 9: Cultural Facilities Corporation: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Revenue						
8,378	Controlled Recurrent Payments	8,378	8,606	3	8,734	8,913	9,089
5,927	User Charges - Non ACT Government	6,907	6,909	..	6,922	6,932	6,937
444	User Charges - ACT Government	444	444	-	444	444	444
71	Interest	91	91	-	91	91	91
39	Resources Received Free of Charge	39	39	-	39	39	39
14,859	Total Revenue	15,859	16,089	1	16,230	16,419	16,600
	Expenses						
6,983	Employee Expenses	7,193	7,326	2	7,384	7,443	7,499
894	Superannuation Expenses	894	927	4	961	982	1,006
6,747	Supplies and Services	7,573	7,601	..	7,647	7,757	7,858
2,638	Depreciation and Amortisation	2,638	2,738	4	2,847	2,916	2,917
6	Borrowing Costs	0	0	-	0	0	0
86	Other Expenses	66	66	-	66	66	66
17,354	Total Expenses	18,364	18,658	2	18,905	19,164	19,346
-2,495	Operating Result	-2,505	-2,569	-3	-2,675	-2,745	-2,746
-2,495	Total Comprehensive Income	-2,505	-2,569	-3	-2,675	-2,745	-2,746

Table 10: Cultural Facilities Corporation: Balance Sheet

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
878	Cash and Cash Equivalents	1,212	1,280	6	1,348	1,415	1,482
758	Receivables	471	472	..	473	474	475
16	Inventories	25	25	-	25	25	25
100	Other Current Assets	107	107	-	107	107	107
1,752	Total Current Assets	1,815	1,884	4	1,953	2,021	2,089
Non Current Assets							
59,357	Property, Plant and Equipment	58,780	58,946	..	57,439	55,081	52,732
45	Intangibles	0	0	-	0	0	0
34	Capital Works in Progress	592	22	-96	22	22	22
59,436	Total Non Current Assets	59,372	58,968	-1	57,461	55,103	52,754
61,188	TOTAL ASSETS	61,187	60,852	-1	59,414	57,124	54,843
Current Liabilities							
678	Payables	654	741	13	793	828	863
29	Finance Leases	0	0	-	0	0	0
1,449	Employee Benefits	1,397	1,408	1	1,419	1,430	1,441
187	Other Liabilities	229	194	-15	177	177	177
2,343	Total Current Liabilities	2,280	2,343	3	2,389	2,435	2,481
Non Current Liabilities							
61	Finance Leases	0	0	-	0	0	0
125	Employee Benefits	115	119	3	120	121	122
17	Other	17	0	-100	0	0	0
203	Total Non Current Liabilities	132	119	-10	120	121	122
2,546	TOTAL LIABILITIES	2,412	2,462	2	2,509	2,556	2,603
58,642	NET ASSETS	58,775	58,390	-1	56,905	54,568	52,240
REPRESENTED BY FUNDS EMPLOYED							
30,254	Accumulated Funds	30,237	29,852	-1	28,367	26,030	23,702
28,388	Reserves	28,538	28,538	-	28,538	28,538	28,538
58,642	TOTAL FUNDS EMPLOYED	58,775	58,390	-1	56,905	54,568	52,240

Table 11: Cultural Facilities Corporation: Statement of Changes in Equity

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
29,541	Opening Accumulated Funds	29,365	30,237	3	29,852	28,367	26,030
28,038	Opening Asset Revaluation Reserve	28,038	28,038	-	28,038	28,038	28,038
350	Opening Other Reserve	500	500	-	500	500	500
57,929	Balance at the Start of the Reporting Period	57,903	58,775	2	58,390	56,905	54,568
	Comprehensive Income						
-2,495	Operating Result for the Period	-2,505	-2,569	-3	-2,675	-2,745	-2,746
-2,495	Total Comprehensive Income	-2,505	-2,569	-3	-2,675	-2,745	-2,746
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
3,208	Capital Injections	3,377	2,184	-35	1,190	408	418
3,208	Total Transactions Involving Owners Affecting Accumulated Funds	3,377	2,184	-35	1,190	408	418
	Closing Equity						
30,254	Closing Accumulated Funds	30,237	29,852	-1	28,367	26,030	23,702
28,038	Closing Asset Revaluation Reserve	28,038	28,038	-	28,038	28,038	28,038
350	Closing Other Reserve	500	500	-	500	500	500
58,642	Balance at the End of the Reporting Period	58,775	58,390	-1	56,905	54,568	52,240

Table 12: Cultural Facilities Corporation: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
8,378	Controlled Recurrent Payments	8,378	8,606	3	8,734	8,913	9,089
6,383	User Charges	7,363	7,365	..	7,378	7,388	7,393
71	Interest Received	91	91	-	91	91	91
511	Other Receipts	511	511	-	511	511	511
15,343	Operating Receipts	16,343	16,573	1	16,714	16,903	17,084
Payments							
7,059	Related to Employees	7,259	7,277	..	7,338	7,397	7,453
911	Related to Superannuation	911	927	2	961	982	1,006
6,716	Related to Supplies and Services	7,522	7,550	..	7,596	7,706	7,807
601	Other	601	601	-	601	601	601
15,287	Operating Payments	16,293	16,355	..	16,496	16,686	16,867
56	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	50	218	336	218	217	217
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
3,358	Purchase of Property, Plant and Equipment and Capital Works	3,358	2,334	-30	1,340	558	568
3,358	Investing Payments	3,358	2,334	-30	1,340	558	568
-3,358	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-3,358	-2,334	30	-1,340	-558	-568
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
3,208	Capital Injections from Government	3,377	2,184	-35	1,190	408	418
3,208	Financing Receipts	3,377	2,184	-35	1,190	408	418

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Payments						
6	Repayment of Finance Leases	0	0	-	0	0	0
6	Financing Payments	0	0	-	0	0	0
3,202	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	3,377	2,184	-35	1,190	408	418
-100	NET INCREASE / (DECREASE) IN CASH HELD	69	68	-1	68	67	67
978	CASH AT THE BEGINNING OF REPORTING PERIOD	1,142	1,211	6	1,279	1,347	1,414
878	CASH AT THE END OF REPORTING PERIOD	1,211	1,279	6	1,347	1,414	1,481

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – non ACT Government: the increase of \$0.980 million in the 2015-16 estimated outcome from the original budget is mainly due to higher than budgeted income at the Canberra Theatre Centre from a higher volume of large commercial shows.
- supplies and services: the increase of \$0.826 million in the 2015-16 estimated outcome from the original budget is mainly due to higher than budgeted production costs at the Canberra Theatre Centre from a higher volume of large commercial shows.

Balance Sheet

- cash and cash equivalents: the increase of \$0.334 million in the 2015-16 estimated outcome from the original budget is mainly due to the fact that the original budget was set before the 2014-15 outcome was known. The 2015-16 estimated outcome is calculated from the 2014-15 audited outcome rather than the original budget.

- receivables: the decrease of \$0.287 million in the 2015-16 estimated outcome from the original budget is mainly due to the fact that the original budget was set before the 2014-15 outcome was known. The 2015-16 estimated outcome is calculated from the 2014-15 audited outcome rather than the original budget.
- capital works in progress:
 - the increase of \$0.558 million in the 2015-16 estimated outcome from the original budget is due to the deposit payment required in 2015-16 for the replacement seating in the Canberra Theatre that will not be physically completed until 2016-17; and
 - the decrease of \$0.570 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the completion of the replacement seating in the Canberra Theatre in 2016-17.

Statement of Changes in Equity

- capital injections: the decrease of \$1.193 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the fact that a smaller number of capital projects, at a lower cost, will be funded in 2016-17 compared with 2015-16.

Cash Flow Statement

- Variations in the statement are explained in the note above.

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ICON WATER LIMITED

Purpose

Icon Water Limited (Icon Water) is a Territory-owned corporation which undertakes two primary activities: delivery of water, sewerage and associated services; and managing the investment in the energy business, ActewAGL.

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

- to operate at least as efficiently as any comparable business;
- to maximise the sustainable return to the Territory on the investment in Icon Water and ActewAGL;
- 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; and
- 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 Icon Water conducts its strategic planning.

2016-17 Priorities

Over the period 2016-17 to 2019-20 Icon Water will pursue four strategic objectives through strategies relating to people, asset management, customer and financial management.

Key priorities for each strategic objective in 2016-17 are:

- **People:** to achieve a culture that protects, engages and develops our people Icon Water will continue to implement the Work, Health and Safety Strategy 2016-17 to 2018-19 and the People Strategy 2016-2017;
- **Asset management:** to achieve excellence in asset management Icon Water will continue to implement the Enterprise Asset Management Strategy 2015-16 to 2018-19. The strategy will support high levels of service to customers and realise the maximum value from its assets;
- **Customer:** to meet customer needs and exceed customer expectations Icon Water will implement the Customer Management Strategy 2016-17 to 2018-19. The strategy seeks to ensure we consistently deliver quality and value and achieve optimised customer management; and

- Financial: to achieve sustainable financial returns and gearing levels Icon Water will continue to generate profits to support strong dividends to shareholders and continue to actively manage its energy investments. Icon Water will support ActewAGL Distribution in introducing a debt program to assist with funding their regulated capital expenditure program.

Icon Water's 2016-17 Budget forecasts are subject to potentially significant variation arising from factors outside Icon Water's control. These factors include:

- climatic conditions – normal weather patterns which have been assumed in determining customer consumption and the budget estimates. Variability in climatic conditions may result in material variations to Icon Water's profitability; and
- ActewAGL's operations – the profitability of the investment in ActewAGL may be affected by climatic conditions and regulatory outcomes (including in relation to pricing for energy distribution and retail, and access arrangements for the ACT gas network).

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	388	398	389	392

Changes to Appropriation

Table 2: Changes to appropriation – Controlled Recurrent Payments

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	11,401	11,687	11,979	12,278	12,278
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters – Assistance for Water and Sewerage Services	-	-	-	-	307
2016-17 Budget	11,401	11,687	11,979	12,278	12,585

Financial Statements

Table 3: Icon Water Limited: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Income							
Revenue							
11,401	Controlled Recurrent Payments	11,401	11,687	3	11,979	12,278	12,585
272,495	User Charges - Non ACT Government	280,317	282,899	1	293,241	317,395	327,033
39,999	User Charges - ACT Government	34,910	35,783	3	36,677	37,594	38,534
1,050	Interest	1,426	1,076	-25	1,069	1,096	1,123
5,778	Other Revenue	5,027	3,521	-30	3,609	3,700	3,792
330,723	Total Revenue	333,081	334,966	1	346,575	372,063	383,067
Gains							
0	Other Gains	25,722	9,890	-62	5,679	5,453	5,000
0	Total Gains	25,722	9,890	-62	5,679	5,453	5,000
330,723	Total Income	358,803	344,856	-4	352,254	377,516	388,067
Expenses							
57,815	Employee Expenses	57,042	55,625	-2	56,281	56,295	57,972
7,299	Superannuation Expenses	7,225	7,405	2	7,590	7,780	7,974
75,985	Supplies and Services	69,185	80,386	16	80,523	79,951	81,238
45,111	Depreciation and Amortisation	47,886	48,278	1	51,832	53,798	55,303
77,624	Borrowing Costs	69,925	72,512	4	75,045	73,300	75,617
27,373	Cost of Goods Sold	27,999	27,967	..	28,467	29,136	29,639
7,731	Other Expenses	7,756	9,181	18	9,746	10,345	10,981
298,938	Total Expenses	287,018	301,354	5	309,484	310,605	318,724
67,032	Share of Operating Result from Joint Venture accounted for using the Equity Method	97,404	73,163	-25	72,239	70,702	87,636
98,817	Operating Result from Ordinary Activities	169,189	116,665	-31	115,009	137,613	156,979
29,645	Income Tax Equivalent	50,758	34,999	-31	34,503	41,284	47,094
69,172	Operating Result	118,431	81,666	-31	80,506	96,329	109,885
69,172	Total Comprehensive Income	118,431	81,666	-31	80,506	96,329	109,885

Table 4: Icon Water Limited: Balance Sheet

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
49,548	Cash and Cash Equivalents	40,237	40,506	1	40,393	40,294	40,901
52,584	Receivables	48,644	49,696	2	50,782	51,902	53,057
3,752	Inventories	4,182	4,286	2	4,393	4,503	4,616
12,408	Other Current Assets	10,469	10,731	3	10,999	11,275	11,556
118,292	Total Current Assets	103,532	105,219	2	106,567	107,974	110,130
Non Current Assets							
0	Receivables	2,316	2,374	3	2,433	2,494	2,556
708,248	Investments	949,749	924,951	-3	925,031	942,611	975,625
2,022,733	Property, Plant and Equipment	2,042,802	2,117,550	4	2,172,734	2,195,348	2,204,116
17,000	Intangibles	23,020	23,020	-	23,020	23,020	23,020
106,460	Capital Works in Progress	155,067	158,943	2	162,917	166,990	171,165
28,167	Tax Assets	28,167	28,167	-	28,167	28,167	28,167
19,394	Other Non Current Assets	15,789	13,964	-12	12,137	10,308	8,478
2,902,002	Total Non Current Assets	3,216,910	3,268,969	2	3,326,439	3,368,938	3,413,127
3,020,294	TOTAL ASSETS	3,320,442	3,374,188	2	3,433,006	3,476,912	3,523,257
Current Liabilities							
43,164	Payables	44,622	47,148	6	44,946	42,513	40,379
22,788	Interest-Bearing Liabilities	22,664	312,173	#	18,237	235,176	8,435
24,352	Employee Benefits	20,830	21,247	2	21,778	22,323	22,881
19,800	Other Provisions	23,344	22,665	-3	23,485	26,696	29,711
2,797	Income Tax Payable	16,542	7,791	-53	6,582	11,766	15,714
4,810	Other Liabilities	5,170	5,297	2	5,428	5,562	5,699
117,711	Total Current Liabilities	133,172	416,321	213	120,456	344,036	122,819
Non Current Liabilities							
1,562,434	Interest-Bearing Liabilities	1,517,903	1,281,328	-16	1,633,126	1,450,950	1,716,651
1,630	Employee Benefits	1,096	1,123	2	1,151	1,180	1,210
16,483	Other Non Current Provisions	400,732	397,985	-1	395,164	392,184	389,016
318,507	Income Tax Payable Non Current	0	0	-	0	0	0
1,899,054	Total Non Current Liabilities	1,919,731	1,680,436	-12	2,029,441	1,844,314	2,106,877
2,016,765	TOTAL LIABILITIES	2,052,903	2,096,757	2	2,149,897	2,188,350	2,229,696

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
1,003,529	NET ASSETS	1,267,539	1,277,431	1	1,283,109	1,288,562	1,293,561
	REPRESENTED BY FUNDS EMPLOYED						
775,406	Accumulated Funds	867,349	877,241	1	882,919	888,372	893,371
228,123	Reserves	400,190	400,190	-	400,190	400,190	400,190
1,003,529	TOTAL FUNDS EMPLOYED	1,267,539	1,277,431	1	1,283,109	1,288,562	1,293,561

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

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
775,406	Opening Accumulated Funds	825,089	867,349	5	877,241	882,919	888,372
218,303	Opening Asset Revaluation Reserve	390,370	390,370	-	390,370	390,370	390,370
9,820	Opening Other Reserve	9,820	9,820	-	9,820	9,820	9,820
1,003,529	Balance at the Start of the Reporting Period	1,225,279	1,267,539	3	1,277,431	1,283,109	1,288,562
	Comprehensive Income						
69,172	Operating Result for the Period	118,431	81,666	-31	80,506	96,329	109,885
69,172	Total Comprehensive Income	118,431	81,666	-31	80,506	96,329	109,885
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
-69,172	Dividend Approved	-76,171	-71,774	6	-74,828	-90,876	-104,886
-69,172	Total Transactions Involving Owners Affecting Accumulated Funds	-76,171	-71,774	6	-74,828	-90,876	-104,886
	Closing Equity						
775,406	Closing Accumulated Funds	867,349	877,241	1	882,919	888,372	893,371
218,303	Closing Asset Revaluation Reserve	390,370	390,370	-	390,370	390,370	390,370
9,820	Closing Other Reserve	9,820	9,820	-	9,820	9,820	9,820
1,003,529	Balance at the End of the Reporting Period	1,267,539	1,277,431	1	1,283,109	1,288,562	1,293,561

Table 6: Icon Water Limited: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
11,401	Controlled Recurrent Payments	11,401	11,687	3	11,979	12,278	12,585
316,794	User Charges	321,579	320,783	..	332,065	357,184	367,809
1,050	Interest Received	1,426	1,076	-25	1,069	1,096	1,123
37,734	Other Receipts	66,500	97,962	47	72,158	53,122	54,624
366,979	Operating Receipts	400,906	431,508	8	417,271	423,680	436,141
Payments							
57,815	Related to Employees	57,043	55,624	-2	56,281	56,295	57,972
7,299	Related to Superannuation	7,225	7,405	2	7,590	7,780	7,975
87,474	Related to Supplies and Services	111,609	105,644	-5	106,251	106,319	108,079
82,254	Borrowing Costs	75,592	78,722	4	82,151	78,166	80,701
68,856	Other	63,353	55,652	-12	48,249	49,396	57,265
303,698	Operating Payments	314,822	303,047	-4	300,522	297,956	311,992
63,281	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	86,084	128,461	49	116,749	125,724	124,149
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
85,655	Purchase of Property, Plant and Equipment and Capital Works	79,005	108,472	37	100,507	72,920	60,417
85,655	Investing Payments	79,005	108,472	37	100,507	72,920	60,417
-85,655	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-79,005	-108,472	-37	-100,507	-72,920	-60,417
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
104,000	Borrowings Received	249,000	123,000	-51	392,000	53,000	275,000
104,000	Financing Receipts	249,000	123,000	-51	392,000	53,000	275,000

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
	Payments						
71,200	Dividends to Government	84,744	72,654	-14	74,217	87,666	102,084
11,692	Repayment of Borrowings	199,656	70,066	-65	334,138	18,237	236,041
82,892	Financing Payments	284,400	142,720	-50	408,355	105,903	338,125
21,108	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	-35,400	-19,720	44	-16,355	-52,903	-63,125
-1,266	NET INCREASE / (DECREASE) IN CASH HELD	-28,321	269	101	-113	-99	607
50,814	CASH AT THE BEGINNING OF REPORTING PERIOD	68,558	40,237	-41	40,506	40,393	40,294
49,548	CASH AT THE END OF REPORTING PERIOD	40,237	40,506	1	40,393	40,294	40,901

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges – ACT Government: the decrease of \$5.089 million in the 2015-16 estimated outcome from the original budget is due to lower than forecast ACT Government water and sewerage consumption.
- other revenue: the decrease of \$1.506 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to there being no budget revenue for the sale of general security water licences in 2016-17.
- gains: the increase of \$25.722 million in the 2015-16 estimated outcome from the original budget and the decrease of \$15.832 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the receipt of contributed and gifted assets from the Land Development Agency and other private land developers.

- supplies and services: the increase of \$11.201 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an increase in major maintenance program and operational costs relating to Information Technology upgrades;
- borrowing costs: the decrease of \$7.699 million in the 2015-16 estimated outcome from the original budget is due to higher than budgeted capitalised interest costs and lower than expected CPI on indexed bonds in 2015-16; and
- other expenses: the increase of \$1.425 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an increase in the Utilities Network Facilities Tax rate.
- joint venture share of operating results:
 - the increase of \$30.372 million in the 2015-16 estimated outcome from the original budget is primarily due to a favourable outcome in the Australian Energy Regulator final pricing decision, timing on collection of jurisdictional charges and treatment of the customer billing system upgrade costs; and
 - the decrease of \$24.241 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the Australian Energy Regulator’s draft decision to reduce gas prices from 1 July 2016 and short term operating costs of ActewAGL Retail related to the upgrade of the customer billing system.
- income tax equivalent: the increase of \$21.113 million in the 2015-16 estimated outcome from the original budget and the decrease of \$15.759 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to movement in operating profits.

Balance Sheet

- cash and cash equivalents: the decrease of \$9.311 million in the 2015-16 estimated outcome from the original budget is due to a decision to maintain a lower level of cash reserves.
- other current assets: the decrease of \$1.939 million in the 2015-16 estimated outcome from the original budget is due to the sale of general security water licences held for sale.
- investments: the increase of \$241.501 million in the 2015-16 estimated outcome from the original budget is due to a revaluation by Icon Water of the ActewAGL Distribution investment property, plant and equipment.
- intangibles: the increase of \$6.020 million in the 2015-16 estimated outcome from the original budget is due to an increase in the fair value of high security water licences.
- capital works in progress: the increase of \$48.607 million in the 2015-16 estimated outcome from the original budget is due to an increase in the capital works program and the timings of projects.

- other non current assets: the decrease of \$3.605 million in the 2015-16 estimated outcome from the original budget and the decrease of \$1.825 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the amortisation of capital contributions to ActewAGL for the billing and financial systems that they manage for Icon Water.
- current interest bearing liabilities: the increase of \$289.509 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the maturity of debt instruments.
- employee benefits: the decrease of \$3.522 million in the 2015-16 estimated outcome from the original budget is due to a reduction in staff length of service profile reducing the long service leave provision.
- other provisions: the increase of \$3.544 million in the 2015-16 estimated outcome from the original budget is due to an increase in the dividend payable provision and a make good provision.
- current income tax payable: the increase of \$13.745 million in the 2015-16 estimated outcome from the original budget is due to tax payable on gifted assets from prior years and the decrease of \$8.751 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to movement in the operating profit in the respective years.
- non current interest bearing liabilities: the decrease of \$236.575 million in the 2016-17 Budget from the 2015-16 estimated outcome is primarily due to the maturity of debt instruments reclassified to current liabilities as they mature.
- other non current provisions: the increase of \$384.249 million in the 2015-16 estimated outcome from the original budget is due to reclassification on the deferred tax liability and the tax effect of Icon Water revaluing the Energy Investment property, plant and equipment belonging to ActewAGL.
- income tax payable non current: the decrease of \$318.507 million in the 2015-16 estimated outcome from the original budget is due to reclassification on the deferred tax liability.

Statement of Changes in Equity

- operating result for the period: the increase of \$49.259 million in the 2015-16 estimated outcome from the original budget and the decrease of \$36.765 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to additional revenues from the Energy Investment, and gains from gifted and contributed assets in 2015-16.
- dividend approved: the increase of \$6.999 million in the 2015-16 estimated outcome from the original budget is due to additional water revenues and lower than expected interest rates. The 2015-16 estimated outcome also reflects a shareholder decision to reduce the dividend payment by \$42 million to assist Icon Water in maintaining sustainable gearing levels.

Cash Flow Statement

- payments related to supplies and services: the increase of \$24.135 million in the 2015-16 estimated outcome from the original budget is due largely to reclassification of the water abstraction charge into payments relating to supplies and services from other payments.
- purchase of property, plant and equipment and capital works: the increase of \$29.467 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to a planned increase in the capital expenditure program for 2016-17.
- borrowings received: the increase of \$145 million in the 2015-16 estimated outcome from the original budget and the decrease of \$126 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to refinancing of short term debt during 2015-16 and lower borrowings required due to the change in the dividend policy which has been amended to exclude the value of gifted and contributed assets from developers and the introduction of the ActewAGL Debt Facility.
- repayment of borrowings: the increase of \$187.964 million in the 2015-16 estimated outcome from the original budget and the decrease of \$129.590 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to refinancing of short term debt in 2015-16 and lower borrowings required due to the change in the dividend policy and introduction of the ActewAGL Debt facility.

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT

The Independent Competition and Regulatory Commission (the Commission) is a Territory Authority established under the *Independent Competition and Regulatory Commission Act 1997* (ICRC Act). The Commission is constituted under the ICRC Act by one or more standing commissioners and any associated commissioners appointed for particular purposes. Commissioners are statutory appointments and the current Commissioners are Senior Commissioner Roger Broughton, Commissioner Joe Dimasi and Commissioner Karen Doran. In the absence of Senior Commissioner Roger Broughton, Karen Doran is the Senior Commissioner. We, the Commissioners constitute the Commission until 31 May 2016 under current arrangements. As of 01 June 2016, the Commission will be constituted by Senior Commissioner Joe Dimasi who will have direct responsibility for delivery of the outcomes that are foreshadowed in this Statement of Intent.

This Statement of Intent for 2016-17 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 2016-17 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's 2016-17 Statement of Intent, has been agreed between:



Joe Dimasi
Commissioner

Andrew Barr MLA
Treasurer

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION

As a result of the 2015 amendments to the *Financial Management Act 1996*, the budget statement for the Independent Competition and Regulatory Commission is its Statement of Intent.

Purpose

We have responsibilities for a broad range of regulatory and utility administrative matters. We have responsibility 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 arbitrating infrastructure access disputes under the ICRC Act.

Our objectives are set out in section 7 of the ICRC Act and section 3 of the *Utilities Act 2000* (Utilities Act).

Section 7 of the ICRC Act sets out our objectives as:

- promoting effective competition in the interests of consumers;
- facilitating an appropriate balance between efficiency, environmental and social considerations; and
- ensuring non-discriminatory access to monopoly and near-monopoly infrastructure.

The Utilities Act provides for the licensing of electricity, natural gas, water and sewerage utility services. In discharging our responsibilities under this legislation, our 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

General Activities

In discharging our responsibilities under our enabling legislation we conduct the following activities:

- 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 us, or are determined by an Industry Panel and implemented by us.
 - The Treasurer tabled in the Legislative Assembly on 05 May 2015 the final report and price direction of the Industry Panel. We are required to comply with the Industry Panel's Price Direction. We will be implementing a price change to be effective by 01 July 2016 and thereafter annual price resets to be effective on 01 July of each year as set out in the Industry Panel's Price Direction. The Industry Panel has also mandated that we are to undertake a review of water tariff structures before 30 June 2018 and seek terms of reference for the next regulatory period by January 2017.
- Retail electricity pricing arrangements
 - From 01 July 2012 responsibility for regulating retail electricity substantially transferred to the Australian Energy Regulator (AER), except for technical regulation, complaints handling and retail electricity pricing. We will in 2016-17, pursuant to government policy, continue to determine retail prices for franchise electricity customers.
 - In June 2016, we will adjust prices as set out in our price direction for the period commencing 1 July 2016 to 30 June 2017.
- Competition policy
 - In 2016-17 we will continue to respond to the ACT Government's requirements for advice on competition policy matters.
 - In 2016-17 we will also continue our role in handling competitive neutrality complaints, as described in the National Competition Policy Agreements and the ACT Competitive Neutrality Statement.

- Utilities regulatory regime
 - We have a statutory responsibility to ensure that utilities authorised to provide services in the Territory comply with their obligations in and arising from licence conditions and industry and technical codes made under the Utilities Act. During 2016-17, the ACT licensing regime will continue to apply to electricity and gas distribution activities and water and sewerage services. We will continue to assess licence applications, maintain the licensing regime, and monitor and report on retail utilities' compliance with licence conditions.

Risks

Effective risk management is one of the keys to achieving our purpose. We regard managing risk to be a fundamental activity, performed at all levels.

Our approach to risk management is that 'risk is everyone's business'.

We have developed an enterprise wide risk management approach to identifying, managing or mitigating risks. Specific areas of risk include:

- Operational risk
 - Operational risk can arise from inadequate internal processes, people and systems, or from external events such as non-performance under contracts. We have instituted policies and procedures that proactively manage third-party risk through continuous evaluation of risk factors across the decision continuum, such as performance evaluation of contractors. The cyclical nature of our work has placed and continues to place pressure on our people.
 - We face the organisational risk of sustainability and our reliance on a few staff increases the risk of loss of organisational capacity and knowledge when those staff utilise leave under relevant work place agreements or seek opportunities elsewhere.
- Financial risk
 - Financial risk arises from inadequate cash reserves to meet our financial commitments. We have 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 our nature, scale and size.

2016-17 Priorities and Next Three Financial Years

The strategic and operational issues to be pursued in 2016-17 include:

- Overseeing and implementing the Industry Panel's pricing determination for water and sewerage services;
- Overseeing pricing determination for retail electricity for small customers on standard retail contracts;
- Overseeing the regulatory regime established under the Utilities Act, including licensing and compliance monitoring and reporting on utility compliance and performance; 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 next three financial years include:

- Responding to any terms of references issued by the Government in relation to water and sewerage services;
- Responding to any terms of references issued by the Government in relation to pricing of electricity for small customers;
- Overseeing the regulatory regime established under the Utilities Act, including licensing and compliance monitoring and reporting on utility compliance and performance; 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.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	4	4	6 ¹	6

Note(s):

1. There was an increase in staff to address the increase in workload planned for 2015-16 and 2016-17.

Table 2: 2016-17 Employment Profile¹

Classification	Male	Female	Total
ASO1	0	0	0
ASO2	0	0	0
ASO3	0	0	0
ASO4	0	0	0
ASO5	0	2	2
ASO6	0	0	0
SOG C	0	0	0
SOG B	1	1	2
SOG A	1	0	1
Total	2	3	5

Note(s):

1. The table does not include senior executive positions.

Key Performance Indicators for 2016-17 to 2019-20

Table 3: Key performance indicators for 2016-17 to 2019-20

Item	Measure	
	2016-17	2017-18 to 2019-20
Water and sewerage services pricing	Price adjustment	Price adjustments, undertaking and completion of tariff review, new terms of reference and consideration of matters raised by the Industry Panel in the Industry Panel's final report.
Retail electricity pricing	Price adjustment	Price determinations and price adjustments
Utilities compliance and performance	1 report ¹	Annual reports
Utility licence fees (water, sewerage services, and energy sector utilities not subject to energy industry levy)	1 determination Collection of licence fees	Annual licence fee determinations as required and annual collection of licence fee
Utility levies (energy sector)	3 determinations	Annual levy determinations as required
Advice on referred matters	Subject to receipt of references	Subject to receipt of references

Note(s):

1. We will include the compliance and performance report for licensed electricity, gas, water and sewerage services utilities as part of our Annual Report.

Assessment of Performance Against 2015-16 Objectives

Table 4: Comparison of estimated performance at 30 June 2016 and the Statement of Intent for 2015-16

Item	Measure	Estimated performance
Water and sewerage services	Price adjustments, tariff review & seeking new terms of reference	Price adjustment, release of water tariff review issues paper and technical paper. The Commission sought a new terms of reference
Retail electricity pricing	Price determination	Completed 1 price determination
Feed-in tariff advice	Annual report ¹	Nil
Utilities compliance and performance	1 report	Completed 1 report ²
Greenhouse gas emissions and targets	1 report	Nil ³
Utility licence fees (water, sewerage services, and energy sector utilities not subject to energy industry levy)	1 determination	Completed 1 determination
Utility levies (energy sector)	3 determinations	Completed 3 determinations
Advice on referred matters	Subject to receipt of references	No references were received in 2015-16

Note(s):

1. The Minister for the environment notified the Commission in 2015 that its quarterly report on the feed-in tariff was no longer required. Consequently, the Commission's reporting on the operation of the ACT's feed-in tariff scheme concluded with the release of the June Quarter 2015 report.
2. We will include the compliance and performance report for 2014-15 for licensed electricity, gas, water and sewerage utilities as part of our Annual Report for 2015-16.
3. The Commission provided its last greenhouse gas inventory to the Minister on 16 September 2014 under a service level agreement.

Changes to Appropriation

Table 5: Changes to appropriation—Government Payment for Outputs, Controlled

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	541	563	574	586	586
2016-17 Budget Policy Adjustments					
General Savings	-	(7)	(8)	(8)	(8)
2016-17 Budget Technical Adjustments					
Revised Indexation Parameters	-	-	-	-	11
Revised Superannuation Parameters	-	2	3	4	6
Revised Wage Parameters	-	(1)	(1)	(1)	(1)
Estimated outcome and flow on effects	(381)	(245)	(222)	(230)	(238)
2016-17 Budget	160	312	346	351	356

Monitoring and Reporting

The Independent Competition and Regulatory Commission shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The Independent Competition and Regulatory 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 Independent Competition and Regulatory Commission 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 Statements

Table 6: Independent Competition and Regulatory Commission: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
541	Controlled Recurrent Payments	160	312	95	346	351	356
778	Taxes, Fees and Fines	698	639	-8	647	661	675
0	User Charges - Non ACT Government	100	380	280	388	397	406
537	User Charges - ACT Government	387	416	7	426	433	444
48	Interest	30	30	-	31	32	33
1,904	Total Revenue	1,375	1,777	29	1,838	1,874	1,914
Expenses							
796	Employee Expenses	739	943	28	964	985	1,006
81	Superannuation Expenses	80	102	28	104	106	108
942	Supplies and Services	494	632	28	669	681	697
50	Depreciation and Amortisation	51	51	-	51	51	51
1,869	Total Expenses	1,364	1,728	27	1,788	1,823	1,862
35	Operating Result	11	49	345	50	51	52

Table 7: Independent Competition and Regulatory Commission: Balance Sheet

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets						
2,111	1,547	1,656	7	1,764	1,873	1,983
10	89	89	-	89	89	89
2,121	1,636	1,745	7	1,853	1,962	2,072
Non Current Assets						
300	296	246	-17	196	146	96
300	296	246	-17	196	146	96
2,421	1,932	1,991	3	2,049	2,108	2,168
Current Liabilities						
60	73	74	1	75	76	77
196	202	203	..	202	201	200
576	0	0	-	0	0	0
832	275	277	1	277	277	277
Non Current Liabilities						
21	25	32	28	39	46	53
65	67	68	1	69	70	71
86	92	100	9	108	116	124
918	367	377	3	385	393	401
1,503	1,565	1,614	3	1,664	1,715	1,767
REPRESENTED BY FUNDS EMPLOYED						
1,503	1,565	1,614	3	1,664	1,715	1,767
1,503	1,565	1,614	3	1,664	1,715	1,767

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

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Opening Equity						
1,468	1,554	1,565	1	1,614	1,664	1,715
1,468	1,554	1,565	1	1,614	1,664	1,715
Comprehensive Income						
35	11	49	345	50	51	52
35	11	49	345	50	51	52
0	0	0	-	0	0	0
Closing Equity						
1,503	1,565	1,614	3	1,664	1,715	1,767
1,503	1,565	1,614	3	1,664	1,715	1,767

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

2015-16 Budget \$'000	2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
541	160	312	95	346	351	356
778	698	639	-8	647	661	675
537	487	796	63	814	830	850
48	30	30	-	31	32	33
86	45	45	-	45	45	45
1,990	1,420	1,822	28	1,883	1,919	1,959
Payments						
801	739	943	28	964	985	1,006
44	80	104	30	106	108	112
931	1,202	666	-45	705	717	731
101	0	0	-	0	0	0
1,877	2,021	1,713	-15	1,775	1,810	1,849
113	-601	109	118	108	109	110
113	-601	109	118	108	109	110
1,998	2,148	1,547	-28	1,656	1,764	1,873
2,111	1,547	1,656	7	1,764	1,873	1,983

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- **Controlled Recurrent Payments:** The decrease of \$0.381 million in the 2015-16 Estimated Outcome from the 2015-16 Budget corresponds with a reduction in energy regulation activities funded by appropriation.
- **User Charges – Non ACT Government:** The increase of \$0.280 million in the 2016-17 Budget from the 2015-16 Estimated Outcome corresponds with the Price Direction for regulated retail energy activities.
- **Supplies and Services:** The decrease of \$0.448 million in the 2015-16 Estimated Outcome corresponds with the Commission's change in accounting policy that removes the cost of ACT Civil and Administrative Tribunal and Technical Regulator regulatory activities performed under the Utilities Act from the Commission's financial statements.

Balance Sheet

- **Cash and Cash Equivalents:** The decrease of \$0.564 million in the 2015-16 Estimated Outcome corresponds with the Commission's change in accounting policy that removes funds collected on behalf of third parties for regulatory activities performed under the Utilities Act from the Commission's financial statements. These funds will be held in a separate bank account as Third Party Funds.
- **Other Provisions:** The decrease of \$0.576 million in the 2015-16 Estimated Outcome corresponds with the Commission's change in accounting policy that removes funds collected on behalf of third parties for regulatory activities performed under the Utilities Act from the Commission's financial statements. These funds will be held in a separate bank account as Third Party Funds.

Cash Flow Statement

Variances in the statement are explained in the notes above.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.

LAND DEVELOPMENT AGENCY – STATEMENT OF INTENT

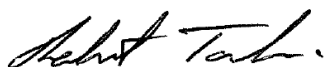
The Land Development Agency is a Territory Authority established under the *Planning and Development Act 2007*.

This Statement of Intent for 2016-17 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Andrew Barr MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2016-17 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Land Development Agency's strategic and business planning processes.

The Land Development Agency 2016-17 Statement of Intent has been agreed between:



Robert Tonkin
Acting Chair, LDA Board



Andrew Barr MLA
Chief Minister
Treasurer
Minister for Urban Renewal

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LAND DEVELOPMENT AGENCY

As a result of the 2015 amendments to the *Financial Management Act 1996*, the budget statement for Land Development Agency (LDA) is its Statement of Intent.

Purpose

The key outcomes for the LDA are:

- The LDA contributes positively to the economic and social development of the ACT by building vibrant and sustainable communities through greenfield and urban renewal projects for the development of residential, commercial, industrial, community and non-urban land.
- The LDA acts in a commercially responsible, ethical and efficient manner when developing and selling land on behalf of the ACT Government.
- The LDA balances potentially competing public sector and commercial priorities and provides opportunities for private sector development to optimise the community benefit from the ACT's land assets.

Nature and Scope of Activities

General Activities

The LDA is responsible for the release and development of government owned land for residential, commercial, industrial and community purposes.

The LDA's key outputs for 2016-17 are:

- In contributing positively to the economic and social development of the ACT, the LDA will:
 - deliver the Government's Indicative Land Release Program for residential, commercial, industrial and community land uses;
 - provide advice to Government on property market conditions to inform development of targets in the Land Release Program and support direct sales of land;
 - deliver high quality, sustainable developments, including public realm and community development;
 - deliver an adequate and diverse supply of land for construction and developments in the Territory that meets market demand and anticipates demographic changes; and

- contribute to the strategic delivery of Government policies and priorities including those related to land development, urban and public housing renewal, suburban sustainability, strategic land acquisitions, the asbestos response, housing affordability and urban intensification, particularly along the Capital Metro corridor.
- In acting in a commercially responsible, ethical and efficient manner, the LDA will:
 - operate efficiently and provide agreed returns to the Territory;
 - consider the long-term sustainability of the Territory in all key commercial decisions on land in the ACT;
 - ensure an adequate supply of Government-owned land is in the planning and development pipeline for future release; and
 - deliver meaningful and transparent community engagement about the land development process and projects.
- In balancing potentially competing public sector and commercial priorities, the LDA will: cultivate and maintain productive relationships with the private sector and across the ACT Government.

Statement of Planning Intent

The 2016-17 LDA Statement of Intent has been prepared with due consideration of the objectives of the Statement of Planning Intent for the Minister for Planning, Minister Gentleman MLA, which sets out the main principles that are to govern planning and land development in the ACT over the short term. The Statement of Planning Intent seeks to achieve a more compact and sustainable city that is inclusive, vibrant, connected, prosperous and environmentally responsible, while aiming to encourage quality design of the public realm, innovation and flexibility in the planning system and maintaining an appropriate level of certainty in planning and design outcomes on the ground.

The LDA will provide support in addressing the community's desires for compact and sustainable neighbourhoods, a collaborative approach between the public and private sectors, housing choice and affordability, improved quality of urban design of the public realm, showcasing of sustainability and quality design in new developments and precincts, and improved transport options for the ACT.

Land Supply

The 2016-17 to 2019-20 Indicative Land Release Program includes residential, commercial, industrial and community releases, which are an important part of the ACT Government's economic, social and environmental strategic planning framework.

The Indicative Land Release Program and targets are developed by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) in consultation with the LDA and other directorates. The Indicative Land Release Program is then considered and approved by the Government.

The program aims to meet overall market demand and provide a range of land choices while allowing for a variety of housing types, and different scales of commercial and industrial development.

The publication of the program provides guidance on the Government's land release intentions to property developers, builders, homeowners, investors, community organisations and the business and industry sectors.

The LDA is responsible for the delivery of the Indicative Land Release Program and manages the release of land for residential, commercial, industrial and community purposes by:

- releasing serviced sites from its own greenfield estates, urban renewal and infill locations;
- partnering with others in joint venture developments;
- releasing large parcels of raw land directly to the private sector (englobo releases); and
- facilitating the preparedness of land for consideration by Cabinet as Direct Sales.

Risks

There are a number of risks that may impact the LDA's ability to achieve its objectives and key deliverables.

Regulatory Risks

- The availability of an adequate supply of appropriately zoned residential, commercial, industrial and community land, together with concept plans and timely approvals to enable development activity to take place within planned timeframes.
- Unforeseen delays in approvals and clearances from relevant directorates and Commonwealth agencies that would result in slippage in the achievement of the Indicative Land Release Program and associated revenue, including Asset Recycling Initiative (ARI) releases, which are also subject to a range of dependencies such as advance delivery of replacement housing stock.
- Changes in Commonwealth or other regulatory requirements may add uncertainty or increase costs for LDA activities impacting on delivery timeframes.
- Current legislation relating to stratum subdivision/community title may limit some complex mixed use high quality urban renewal precincts.
- Delays in statutory planning approvals by the Commonwealth relating to projects within designated land.

Industry Capacity and Performance Risks

- Inability of the LDA to attract, recruit and retain a sufficient number of skilled staff.
- Delays in the planning and timely delivery by other directorates and utilities providers of the necessary budget funded capital works infrastructure in order to support the land release program.
- Increases in costs due to contract performance or extension of time (e.g. from sustained wet weather) impacting on development schedules and the financial performance of projects, resulting in lower or delayed forecast returns to the Government.
- Failure to meet the requirements of the *Work Health and Safety Act 2011*.
- The adequacy or otherwise of industry capacity and skills availability to provide necessary services to deliver land servicing and broader capital works activities.

Market Risks

- Volatility in market demand for land as a result of the economic environment.
- Whether the Government's Indicative Land Release Program can be absorbed by the market at the forecasted revenue.
- Possible increases in land servicing and construction costs.

Stakeholder Risks

- Whether the sales revenue and land release targets can be achieved.
- Addressing diverse and/or conflicting community views on development.

2016-17 Strategies

The key strategies for 2016-17 that the LDA will employ to achieve its outcomes and effectively manage risks include:

- collaborating with government agencies to establish an inventory of environmentally cleared, planned, release ready and serviced land;
- undertaking strategic acquisition of land to assist in establishing an inventory of land for future development purposes;
- providing detailed technical advice to CMTEDD to assist in resolving land development issues with the Commonwealth;
- working with government agencies and the community to implement strategies for key government development priorities in the city centre, town centres, major transport corridors and urban infill areas;

- effectively engaging with local communities, industry associations, special interest groups and the broader ACT community to ensure relevant interests are identified and considered in land release activities;
- pursuing initiatives to deliver affordable housing, consistent with the Affordable Housing Action Plan;
- pursuing initiatives that make active travel (walking and cycling) part of Canberrans' daily lives, consistent with the Active Travel Framework;
- encouraging viable and liveable communities by providing a variety of block types and public spaces to suit the needs of residents and surrounding communities;
- delivering community development programs to encourage involvement and support for community building; and
- contributing to the redevelopment of the Capital Metro Corridor and the implementation of the City to the Lake project.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	87.7	95	97.4 ¹	127.0 ¹

Note(s):

1. The increase of staffing numbers from the 2015-16 Budget to the 2016-17 Budget reflects a combination of factors including the realignment of the agency's organisational structure largely due to a number of Administrative Arrangement changes since 1 July 2014, resulting in an increase in functional responsibilities including urban renewal projects.

Table 2: 2016-17 Employment Profile

Classification	Male	Female	Vacant	Total ¹
Executive	7	3	0	10
IM/S 3 ²	1	0	0	1
IO5/4 ²	13	8	9	30
IO3 ²	9	2	0	11
IO2 ²	0	3	1	4
IO1 ²	1	0	0	1
ASO2/3/4	3	5	2	10
ASO5 ²	1	5	5	11
ASO6 ²	3	7	3	13
SOG C ²	3	6	5	14
SOG A/B ²	5	9	8	22
Total	46	48	33³	127

Note(s):

1. The total includes staff that have been seconded to the Asbestos Response Taskforce, Public Housing Renewal Taskforce and other ACT Government Directorates, and Executives with dual reporting roles, that is, the Deputy Chief Executive Officer, the Executive Director, Urban Renewal, and the Executive Director, Sales, Marketing and Property Management.
2. The Classifications listed represent changed classification structure titles. Staffing numbers are for both Administrative classifications and their equivalent Infrastructure Officer classifications.
3. The realignment of the agency's organisational structure is expected to be finalised by 30 June 2016. The vacancies reflect the establishment of an in-house corporate HR and governance function, and new positions resulting from the realignment of the LDA undertaken due to increased responsibilities.

Key Performance Indicators for 2016-17 to 2019-20

The following table outlines LDA's performance measures for profitability, liquidity and financial stability.

Table 3 – Key Performance Indicators – Financial measures

	2015-16 Estimated Outcome	2016-17 Budget	2017-18 Estimate	2018-19 Estimate	2019-20 Estimate
Profitability					
Profit before tax (million)	\$237	\$302	\$158	\$203	\$171
Profit after tax/Dividend (million)	\$166	\$211	\$111	\$142	\$120
Return on Assets (%) ¹	47.5	49.4	26.2	32.9	29.5
Return on Equity (%) ²	188.3	240.0	125.6	161.2	135.9
Gross Profit Margin on Land Sales (%) ³	46.8	70.1	56.3	57.6	36.2
Liquidity					
Current Ratio ⁴	1.2	1.0	0.9	0.9	1.0
Acid Test Ratio ⁵	0.9	0.6	0.3	0.2	0.3
Cash Flow Indicator ⁶	0.6	0.4	0.3	0.3	0.9
Financial Stability					
Equity Ratio ⁷	0.2	0.2	0.2	0.2	0.2
Interest Coverage ⁸	49.6	105.2	75.9	145.0	73.2

Note(s):

1. Return on Assets = (operating result before tax + interest expense) / average total assets for the period
2. Return on Equity = operating result before tax / equity
3. Gross Profit Margin = (land sales – cost of goods sold including duty) / land sales
4. Current Ratio = current assets / current liabilities
5. Acid Test Ratio = (current assets – current inventory) / current liabilities
6. Cash Flow Indicator = cash flow from operating activities / current liabilities
7. Equity Ratio = total funds employed / total assets
8. Interest Coverage = (operating result before tax + interest expense) / interest expense

The LDA's non-financial performance will be measured by assessing:

- the level of achievement against the targets for the release of residential, commercial, industrial and community land specified in the Government's Indicative Land Release Program for 2016-17 as set out in Table 4 below; and
- against the targets in Table 5.

Table 4: Key Performance Indicators – Non-financial (Land Release)

Indicative Land Release Programs	Target 2016-17 (Dwellings)	(m ²)
a. Residential:		
– Detached	1,060	
– Attached	455	
– Apartments		
o LRP	1,095	
o ARI	1,940	
Total Residential:	4,550	
b. Mixed Use		86,219
c. Commercial		12,811
d. Industrial		30,000
e. Community		131,404

Excluding Asset Recycling Initiative (ARI) releases, the four-year Residential Program will deliver approximately 13,000 dwellings, with targets of approximately 2,600 dwellings in each of the first two years, rising to 3,700 dwellings in 2018-19 and 4,100 in 2019-20. Including ARI releases, the Residential Release Program will deliver in excess of 4,000 dwellings per year for each of the first three years of the program. This level of supply is above the estimated demand for new housing, will accommodate the Government's affordable housing initiatives and will establish an inventory of serviced land.

Table 5: Key Performance Indicators – Non-financial (Other)

Indicator Descriptor	Indicator	Target 2016-17
Urban Water Cycle Management	Percentage of LDA estates with specific Water Sensitive Urban Design Strategies, ensuring the strategies are appropriate to the size and location of the project.	100%
Sustainable Community Programs	Percentage of LDA estates that are larger than 500 dwellings that have a community development program.	100%
Housing Affordability	Percentage of englobo (greenfield) estates to have 20 per cent of dwelling sites released for the purpose of providing affordable housing.	100%
	Percentage of LDA greenfield estates to have 20 per cent of dwelling sites released for the purpose of providing affordable housing.	100%
Biodiversity and Landscape	Area protected for conservation in compliance with Commonwealth and ACT legislative requirements.	100%
Design Excellence	Percentage of key projects that will be reviewed by the Design Review Panel prior to the Board's consideration of Project Business Plans.	100%
Work Health and Safety	Compliance with Work Health and Safety Policy.	100%
Active Travel	Percentage of LDA estates which include initiatives that support the Active Travel Framework.	100%

Assessment of Performance Against 2015-16 Objectives

2015-16 Objective 1: Ensure that an adequate supply of land is maintained to meet market demand and to stimulate economic activity in the residential, commercial, industrial and community land development sectors.

The 2015-2019 four-year Residential Release Program is planned to deliver land for approximately 17,190 dwellings with a target of 3,513 in 2015-16, increasing steadily to 3,713, 4,566, and 5,398 in the following three years. This level of supply is above the estimated level of demand for new housing.

The LDA is on track to release circa 4,000 dwelling sites in 2015-16, which exceeds the published target of 3,513. Public housing renewal is driving urban renewal in key parts of the city, including along the Capital Metro Corridor and in the City with the disposal of ageing public housing properties.

The achieved residential dwelling releases include some changes from those forecast in the 2015-16 Statement of Intent:

- 210 additional dwelling sites have been released in Moncrieff and 90 additional dwelling sites in Throsby to offset a delay in the release of 300 sites in Taylor due to infrastructure issues;
- sites for an additional 514 dwellings have been released in Coombs to offset other delays including sites for 250 dwellings in West Belconnen, and 168 dwelling sites in Forrest held up due to delays in obtaining planning approvals, and a site for 259 dwellings in Parkes that has been deferred to be integrated into a future larger development that will form part of the City to the Lake initiative;
- the release of 2,001 dwellings in stages 1a and 1b of Denman Prospect has increased the available land by 300 dwellings, as sites for 1,700 dwellings had already been released to the market in previous years; and
- the release of the Kingston Foreshore Arts Precinct, together with Block 1 Section 67 at Kingston is anticipated to deliver a total of 510 additional dwellings.

The Commercial Land Release Program includes a supply of mixed use commercial sites predominantly to support demand for residential uses in urban renewal areas and infill development in Inner Canberra and the Tuggeranong town centre. The release of mixed use sites is an important part of delivering the ACT Planning Strategy target of achieving 50 per cent of new housing to be delivered as urban intensification. The release of the Coombs local centre will see the development of the first shopping centre in the Molonglo district.

The LDA is forecast to release over 88,000 m² of commercial land to the market in 2015-16, against a target of 57,194 m². Approximately 31,000 m² of additional commercial land was delivered comprising additional sites brought forward to offset the anticipated delay in the release of some 45,000 m² of programmed sites. Significant changes to the forecast program include:

- the inclusion of a 40,295 m² mixed use site in the Kingston Foreshore Arts Precinct release;
- 8,367 m² as part of the Government Office Accommodation project in the City; and
- 14,700 m² as part of the ARI redevelopments of the Allawah public housing site at Braddon.

The demand for general industrial land (IZ1) zoned land is being met from inventory of land established in previous years. Demand continues to exist for mixed use industrial land (IZ2) with work continuing to obtain the necessary environmental and planning clearances for future IZ2 land releases in Majura/Pialligo and Fyshwick and Symonston.

The Community and Non-Urban land release program continues to supply a large volume of land required to support community needs arising from Canberra's urban growth. The LDA is on track to release 147,229 m² in 2015-16 against a target of 57,154 m². The additional supply reflects the inclusion of 91,428 m² site to the Education Directorate for the development of a second school in the Molonglo suburb of Denman Prospect. Notable releases in 2015-16 include the release of the former Higgins school site for redevelopment for 100 independent living units and a 4,575 m² site for a child care centre.

Asset Recycling Initiative (ARI):

The ACT Government signed the National Partnership Agreement on Asset Recycling with the Commonwealth Government in February 2015. Under this program, 17 land based assets are to be sold before the end of 2018-19. The Office of the Coordinator-General, Urban Renewal in CMTEDD is responsible for the implementation of this agreement, with the LDA supporting the sale of these assets through assistance with due diligence, demolition of buildings, sales and marketing and other works. The sale proceeds from these assets are delivered through the LDA as a special dividend payment to Government.

The sites contained under the ARI are Public Housing and ACT Government commercial buildings which are delivering urban renewal opportunities across Canberra including in the City and particularly in Dickson and along the Capital Metro Corridor.

2015-16 Objective 2: Contribute to the provision of advice to Government on the ACT property market to support the development of its land release targets.

The LDA has continued to provide advice to Government on the state of the ACT property market.

This has been undertaken through regular briefings on the state of the housing market, turnover and prices through the Government's Residential and Commercial Advisory Group meetings held quarterly over 2015-16.

In addition, reports on economic trends and residential land and building activity are regularly produced. An updated version of these reports relating to 2015-16 is in development.

In 2014-15, an Aged Care Dwelling demand model was developed to forecast the demand for residential aged care facilities and retirement village dwellings in order to inform the number and location of sites that are required to meet the needs of an ageing population.

Updates to the Aged Care Dwelling demand model were undertaken to forecast the demand for residential aged care facilities and retirement village dwellings to inform the number and location of sites required to meet the needs of an ageing population.

Updates to the Child Care Demand model were undertaken to track supply and forecast demand for child care facilities to inform the number of location of sites required to meet the needs in Greenfield areas and areas of urban intensification.

2015-16 Objective 3: Contribute to the delivery of the Government's policies and priorities as they relate to land development, urban renewal and urban sustainability.

The LDA supports key strategic priorities such as Public Housing Renewal and other Urban Infill projects such as City to the Lake, the Kingston Arts Precinct, Asset Recycling Initiative and the Capital Metro Corridor.

The ACT Planning Strategy has set a target to deliver 50 per cent or more of new housing through urban intensification. Of the 17,190 dwelling sites in the 2015-19 Indicative Land Release Program, 61 per cent are within the existing urban boundary. In 2015-16, the LDA has delivered 1,956 out of an estimated total of 4,000 dwelling sites in the urban area across Braddon, Dickson, Downer, Greenway, Higgins, Holt, Kingston, and the City.

The LDA has contributed to improving sustainability by increasing urban density and green infrastructure. Increasing urban density reduces car dependence and increases opportunities for active travel, promoting greater lifestyle choices. In all estates, the LDA provides for pedestrian and cycle connections within the estate as well as connecting to existing networks outside the estate, enhancing opportunities for pedestrian activity. All housing is located within 400 metres safe walking distance to a bus route.

The LDA has initiated a number of measures which deliver a more sustainable Canberra. These include seeking Green Star Community accreditation for Lawson and West Belconnen, compulsory solar hot water in Lawson and Coombs, LED street light trials in Lawson and community gardens in a number of estates.

2015-16 Objective 4: Cultivate and maintain productive relationships across the ACT Government.

The LDA works closely with Economic Development and other relevant parts of Government to provide technical input to various forums that assist in coordinating land delivery. This includes the Capital Works Coordinators Working Group to improve the integration of design management and delivery of capital works with estate works; the Residential and Commercial Advisory Committees; and other informal management level discussion groups.

The LDA also provided detailed technical advice to assist in resolving land development issues with the Commonwealth, especially in relation to obtaining environmental clearances under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*.

2015-16 Objective 5: Cultivate and maintain productive working relationships and linkages with the private sector.

The LDA works closely with and undertakes regular engagement activities with the private sector through pre-tender briefings, post-sale developer meetings, sponsorships, engagement of specialist consultants, and representation at roundtables with industry advocates.

2015-16 Objective 6: Operate efficiently in the markets in which it operates and provide agreed returns to the Territory.

As at 31 March 2016, the LDA received land sales revenue totalling \$235.6 million in the period since 1 July 2015. The LDA has forecast that it will achieve its SOI target of \$557.8 million.

2015-16 Objective 7: Ensure that key commercial decisions on land in the ACT are consistent with the long-term sustainability of the Territory.

The LDA ensures its key commercial decisions on land are made with due consideration to the sustainability of the Territory by identifying and integrating economic, social and environmental factors into decision making. These elements are transferred into the business cases that are considered by the LDA Board for all major developments.

2015-16 Objective 8: Engage the community in a timely manner in the land development process and continue to improve community engagement processes for high profile redevelopments.

The LDA Community Engagement team continuously reviews and improves its strategies and practices to ensure open, proactive and meaningful community engagement. Comprehensive communications strategies are prepared for all urban renewal projects and these are tailored to specific target audiences and project goals.

Community engagement was undertaken for all LDA estates during 2015-16.

The Canberra Brickworks development, in particular, involved a range of community engagement processes aimed at ensuring close involvement by the community in the proposed development.

Following extensive community engagement, in August 2015 the Chief Minister announced the development proposal for the Brickworks precinct. The proposal took account of feedback from the community which resulted in broad support for the proposal.

To prepare for the sale process for the Canberra Brickworks Precinct, the LDA convened a 'community panel' to contribute to the Request for Proposal. This new engagement approach generated strong collaboration between the LDA and the community in defining the precinct objectives. As a result of the effectiveness of this approach, planning is underway to apply a similar approach to future urban renewal projects.

Monitoring and Reporting

The LDA shall satisfy the requirements of the Chief Minister's Annual Reports Directions. The LDA 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 LDA 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 LDA 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:

- Operating Statement;
- Balance Sheet;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by the LDA;
- 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 LDA (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 LDA will ensure the availability to the Treasurer through CMTEDD (by the eighth working day of each month) the financial statements, in the prescribed form and required detail, in respect of the previous calendar month.

Annual Reporting

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

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

Financial Arrangements

Budgeted financial statements for the 2016-17 Budget year, as well as forward estimates for the three financial years commencing 2016-17 appear below.

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

Financial Statements

Table 6: Land Development Agency: Operating Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
92	User Charges - Non ACT Government	74	76	3	78	80	82
1,129	User Charges - ACT Government	539	552	2	556	580	595
3,800	Interest	3,690	6,101	65	7,067	6,771	6,575
557,802	Land Revenue	597,164	629,801	5	535,403	516,523	574,793
185	Other Revenue	515	145	-72	147	149	151
0	Resources Received Free of Charge	864	0	-100	0	0	0
563,008	Total Revenue	602,846	636,675	6	543,251	524,103	582,196
Expenses							
12,267	Employee Expenses	12,490	17,142	37	17,366	17,594	17,824
1,522	Superannuation Expenses	1,685	2,067	23	2,094	2,121	2,149
16,016	Supplies and Services	17,720	23,265	31	22,795	24,756	23,951
75	Depreciation and Amortisation	137	72	-47	0	0	0
4,232	Borrowing Costs	4,873	2,897	-41	2,108	1,408	2,366
297,125	Cost of Goods Sold	317,540	188,593	-41	233,884	218,857	366,945
3,357	Grants and Purchased Services	4,694	4,081	-13	4,184	4,290	4,399
4,387	Other Expenses	13,222	96,719	632	109,626	58,707	1,882
338,981	Total Expenses	372,361	334,836	-10	392,057	327,733	419,516
0	Share of Operating Result from Joint Venture accounted for using the Equity Method	6,300	0	-100	6,729	6,392	8,218
224,027	Operating Result from Ordinary Activities	236,785	301,839	27	157,923	202,762	170,898
67,209	Income Tax Equivalent	71,036	90,552	27	47,377	60,829	51,270
156,818	Operating Result	165,749	211,287	27	110,546	141,933	119,628
156,818	Total Comprehensive Income	165,749	211,287	27	110,546	141,933	119,628

Table 7: Land Development Agency: Balance Sheet

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
100,678	Cash and Cash Equivalents	308,501	199,278	-35	75,097	55,564	54,820
39,655	Receivables	30,372	11,590	-62	22,725	17,482	27,472
0	Investments	0	32,011	100	0	33,025	0
153,625	Inventories	118,511	204,422	72	232,518	300,953	198,300
293,958	Total Current Assets	457,384	447,301	-2	330,340	407,024	280,592
Non Current Assets							
7,919	Receivables	10,592	10,590	-	10,588	10,586	10,584
16,266	Investments	0	12,245	100	32,331	14,411	32,247
137,516	Inventories	116,338	172,073	48	199,574	228,161	183,380
0	Property, Plant and Equipment	3,185	3,181	-	3,181	3,181	3,181
47	Intangibles	68	0	-100	0	0	0
161,748	Total Non Current Assets	130,183	198,089	52	245,674	256,339	229,392
455,706	TOTAL ASSETS	587,567	645,390	10	576,014	663,363	509,984
Current Liabilities							
43,796	Payables	42,480	28,288	-33	28,288	48,288	28,288
53	Finance Leases	0	0	-	0	0	0
5,242	Employee Benefits	3,889	3,890	-	3,891	3,891	3,891
73,256	Other Provisions	65,363	65,979	-1	66,878	68,138	89,541
22,209	Income Tax Payable	56,248	72,441	29	37,903	48,662	41,016
122,283	Other Liabilities	202,894	262,695	29	226,367	280,870	119,702
266,839	Total Current Liabilities	370,874	433,293	17	363,327	449,849	282,438
Non Current Liabilities							
77	Finance Leases	0	0	-	0	0	0
217	Employee Benefits	222	222	-	222	222	222
34,104	Other Non Current Provisions	47,842	48,246	1	48,836	49,663	63,695
28,688	Income Tax Payable	42,848	37,848	-12	37,848	37,848	37,848
63,086	Total Non Current Liabilities	90,912	86,316	-5	86,906	87,733	101,765
329,925	TOTAL LIABILITIES	461,786	519,609	13	450,233	537,582	384,203
125,781	NET ASSETS	125,781	125,781	-	125,781	125,781	125,781
REPRESENTED BY FUNDS EMPLOYED							
125,781	Accumulated Funds	125,781	125,781	-	125,781	125,781	125,781
125,781	TOTAL FUNDS EMPLOYED	125,781	125,781	-	125,781	125,781	125,781

Table 8: Land Development Agency: Statement of Changes in Equity

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Opening Equity						
125,781	125,781	125,781	-	125,781	125,781	125,781
125,781	125,781	125,781	-	125,781	125,781	125,781
Comprehensive Income						
156,818	165,749	211,287	27	110,546	141,933	119,628
156,818	165,749	211,287	27	110,546	141,933	119,628
0	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds						
0	-5,335	-78,367	1,369	-98,366	-57,587	0
0	5,335	78,367	1,369	98,366	57,587	0
-156,818	-165,749	-211,287	27	-110,546	-141,933	-119,628
-156,818	-165,749	-211,287	27	-110,546	-141,933	-119,628
Closing Equity						
125,781	125,781	125,781	-	125,781	125,781	125,781
125,781	125,781	125,781	-	125,781	125,781	125,781

Table 9: Land Development Agency: Cash Flow Statement

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
981	User Charges	632	628	-1	634	660	677
3,500	Interest Received	4,200	5,461	30	5,210	5,210	5,210
572,157	Other Receipts	595,615	661,867	11	547,298	541,833	582,012
576,638	Operating Receipts	600,447	667,956	11	553,142	547,703	587,899
Payments							
12,267	Related to Employees	12,312	17,142	39	17,366	17,594	17,824
1,522	Related to Superannuation	1,685	2,067	23	2,094	2,121	2,149
16,012	Related to Supplies and Services	17,865	23,265	30	22,795	24,755	23,950
4,225	Borrowing Costs	4,873	2,897	-41	2,108	1,408	2,366
3,357	Grants and Purchased Services	4,694	4,081	-13	4,184	4,290	4,399
399,799	Other	332,143	427,033	29	399,832	374,502	277,728
437,182	Operating Payments	373,572	476,485	28	448,379	424,670	328,416
139,456	NET CASH INFLOW FROM OPERATING ACTIVITIES	226,875	191,471	-16	104,763	123,033	259,483
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale/Maturity of Investments	8,541	0	-100	32,011	0	33,023
0	Investing Receipts	8,541	0	-100	32,011	0	33,023
Payments							
3,500	Purchase of Investments	0	43,616	100	11,500	7,152	8,250
0	Purchase of Land and Intangibles	2,781	0	-100	0	0	0
3,500	Investing Payments	2,781	43,616	1,468	11,500	7,152	8,250
-3,500	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	5,760	-43,616	-857	20,511	-7,152	24,773

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
0	Distributions to Government	0	83,702	100	98,366	37,587	20,000
110,374	Dividends to Government	48,116	173,376	260	151,089	97,827	265,000
110,374	Financing Payments	48,116	257,078	434	249,455	135,414	285,000
-110,374	NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES	-48,116	-257,078	434	-249,455	-135,414	-285,000
25,582	NET INCREASE / (DECREASE) IN CASH HELD	184,519	-109,223	-159	-124,181	-19,533	-744
75,096	CASH AT THE BEGINNING OF REPORTING PERIOD	123,982	308,501	149	199,278	75,097	55,564
100,678	CASH AT THE END OF REPORTING PERIOD	308,501	199,278	-35	75,097	55,564	54,820

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- interest: the increase of \$2.411 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to higher than budgeted cash reserves available to invest in the Treasury Bank Account.
- land revenue:
 - the increase of \$39.362 million in the 2015-16 estimated outcome from the original budget is mainly due to the settlement of the first part of Denman Prospect stage 1, partially offset by the deferral of Asset Recycling Initiative (ARI) sites to future years; and
 - the increase of \$32.637 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the re-phasing of ARI sites from 2015-16.
- employee expenses: the increase of \$4.652 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an increase in staffing numbers largely resulting from an increase in functional responsibilities including urban renewal projects.

- supplies and services: the increase of \$1.704 million in the 2015-16 estimated outcome from the original budget and the increase of \$5.545 million in the 2016-17 Budget from the 2015-16 estimated outcome are mainly due to an increase in consultant and contractor expenses resulting from an increase in development activity.
- borrowing costs: the decrease of \$1.976 million in 2016-17 Budget from the 2015-16 estimated outcome is due to a decrease in expected land payments to the Territory and Municipal Services Directorate as a result of the change in product mix from greenfield development to urban renewal developments.
- cost of goods sold: the decrease of \$128.947 million in the 2016-17 Budget from the 2015-16 estimated outcome is primarily due to the finalisation of two major projects being; Lawson and Moncrieff. In addition the sale of Denman Prospect stage 1 was brought forward from future years.
- grants and purchased services: the increase of \$1.337 million in the 2015-16 estimated outcome from the original budget is mainly due to the reclassification of payments to Shared Services from supplies and services.
- other expenses:
 - the increase of \$8.835 million in the 2015-16 estimated outcome from the original budget is mainly due to the transfer of ARI assets from other government agencies free of charge and subsequent inventory write downs in accordance with accounting standard *AASB 102 Inventories*; and
 - the increase of \$83.497 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the transfer of ARI assets from other government agencies free of charge and subsequent write down of the inventory.
- share of operating result from Joint Venture: the increase of \$6.3 million in the 2015-16 estimated outcome from the original budget and the decrease of \$6.3 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the receipt of refunds from the Australian Taxation Office for Crace Joint Venture.
- income tax equivalent: the increase of \$19.516 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to increased profits.

Balance Sheet

- cash and cash equivalents:
 - the increase of \$207.823 million in the 2015-16 estimated outcome from the original budget is largely due to the increase in land sales in Coombs, Moncrieff, Hume and the City, the decrease in development cost payments and deferral of income tax and dividend payments; and
 - the decrease of \$109.223 million in the 2016-17 Budget from the 2015-16 estimated outcome is largely due to the payment of interim dividends associated with ARI sales expected in 2016-17.

- current and non current receivables:
 - the decrease of \$6.610 million in the 2015-16 estimated outcome from the original budget is largely due to lower infrastructure receivables related to the transfer of infrastructure assets to the Territory and Municipal Services Directorate and Icon Water Limited; partially offset by increased receivables for land rent sales; and
 - the decrease of \$18.784 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to decreased receivables for land rent sales.
- current and non current investments:
 - the decrease of \$16.266 million in the 2015-16 estimated outcome from the original budget is largely due to the re-phasing of the West Belconnen project; and
 - the increase of \$44.256 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the investment in the West Belconnen project.
- current and non current inventories:
 - the decrease of \$56.292 million in the 2015-16 estimated outcome from the original budget is mainly due to lower development costs in Throsby, Wright and the Flemington road corridor as well as the re-phasing of Kingston and Greenway to later years; and
 - the increase of \$141.646 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the anticipated increase in development activity relating to the new suburb of Taylor, the re-phasing of Kingston, Greenway and Lawson; and lower cost of goods sold due to the change of development mix between greenfield and urban renewal.
- land, property, plant and equipment: the increase of \$3.185 million in the 2015-16 estimated outcome from the original budget is due to the purchase of land as part of the City to the Lake project.
- current payables: the decrease of \$14.192 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to a decrease in payables relating to the payment of ARI transfers for Owen and Currong flats to Government.
- current and non current other provisions: the increase of \$5.845 million in the 2015-16 estimated outcome from the original budget is due to higher than budgeted balance of provisions for project completion; partially offset by a decrease of infrastructure payable as the result of the transfer of completed infrastructure assets to the Territory and Municipal Services Directorate and Icon Water Limited.
- current and non current income tax payable: the increase of \$48.199 million in the 2015-16 estimated outcome from the original budget and the increase of \$11.193 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to an increase in operating surplus and timing differences in income tax payments under tax effect accounting principles.

- current other liabilities: the increase of \$80.611 million in the 2015-16 estimated outcome from the original budget is due to the timing of payment of dividends. The increase of \$59.801 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the timing of payment of dividends associated with ARI settlements.

Statement of Changes in Equity and Cash Flow Statement

Variations in these statements are explained in the notes above.

Indicative 2016-17 to 2019-20 Land Release Program

Table 10: Indicative Residential Land Release

Location	Number of Dwelling Sites			
	2016-2017	2017-2018	2018-2019	2019-2020
Gungahlin	908	650	1,043	635
Belconnen	300	1,300	500	850
Central Canberra	648	350	460	1,135
Molonglo	230	180	1,540	1,230
Woden and Weston	0	60	150	250
Tuggeranong	524	0	25	0
ARI	1,940	1,890	982	0
Other	0	0	0	0
Total	4,550	4,430	4,700	4,100

Table 11: Indicative Mixed Use Land Release Program (site area)

Location	2016-2017 (m ²)	2017-2018 (m ²)	2018-2019 (m ²)	2019-2020 (m ²)
Gungahlin	0	10,000	0	5,000
Belconnen	0	8,304	13,612	9,465
Central Canberra	16,000	12,968	0	35,282
Molonglo	8,714	0	0	0
Woden and Weston	0	0	0	0
Tuggeranong	0	0	0	0
ARI	61,505	54,715	13,633	0
Other	0	0	0	0
Total	86,219	85,987	27,245	49,747

Table 12: Indicative Commercial Land Release Program (site area)

Location	2016-2017 (m ²)	2017-2018 (m ²)	2018-2019 (m ²)	2019-2020 (m ²)
Gungahlin	0	15,476	10,170	16,985
Belconnen	1,070	0	0	0
Central Canberra	3,024	0	20,599	8,622
Molonglo	0	0	0	0
Woden and Weston	5,202	0	0	0
Tuggeranong	0	7,668	0	0
ARI	3,515	3,446	0	0
Other	0	0	0	0
Total	12,811	26,590	30,769	25,607

Table 13: Indicative Industrial Land Release Program (site area)

Location	2016-2017 (m ²)	2017-2018 (m ²)	2018-2019 (m ²)	2019-2020 (m ²)
Gungahlin	0	0	0	0
Belconnen	0	0	0	0
Central Canberra	0	0	0	0
Molonglo	0	0	0	0
Woden and Weston	0	0	0	0
Tuggeranong	0	0	0	0
ARI	0	0	0	0
Other	30,000	55,000	42,000	39,000
Total	30,000	55,000	42,000	39,000

Table 14: Indicative Community and Non-Urban Land Release Program (site area)

Location	2016-2017 (m ²)	2017-2018 (m ²)	2018-2019 (m ²)	2019-2020 (m ²)
Gungahlin	80,000	47,751	40,156	440
Belconnen	3,638	3,503	0	100,000
Central Canberra	1,996	0	0	0
Molonglo	0	0	0	34,500
Woden and Weston	3,873	18,143	0	0
Tuggeranong	41,897	0	8,000	0
ARI	0	0	0	0
Other	0	0	0	0
Total	131,404	69,397	48,156	134,940

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 currently provides on-going treatment and care to people who have been catastrophically injured as a result of a motor accident in the Australian Capital Territory, on or after 1 July 2014, on a no-fault basis.

As part of the ACT Government's commitment to implement a National Injury Insurance Scheme (NIIS), recent amendments to the LTCS Act extend the LTCS Scheme to also cover catastrophically injured workers where an injury occurring on or after 1 July 2016 is suffered arising out of, or in the course of, the worker's employment and the ACT is the state of connection.

The LTCS Scheme is funded by two levies: a levy on compulsory third-party insurance policies that commenced on or after 1 July 2014 and effective 1 July 2016, a levy on workers' compensation insurers and self-insurers.

2016-17 Priorities

Strategic and operational issues to be pursued in 2016-17 include:

- developing / amending forms, guidelines and other documents required to implement the extension of the LTCS Scheme to include catastrophically injured workers;
- issuing / amending guidelines and determinations when required under the *Lifetime Care and Support (Catastrophic Injuries) Act 2014*;
- collecting feedback from participants on their expectations and experience with the LTCS Scheme;
- continuing to improve procedures for the efficient and effective delivery of the LTCS Scheme; and
- undertaking investments in accordance with the fund's Investment Strategy.

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)¹	0	0	0	0

Note(s):

- The functions of the LTCS Scheme are performed by officers from 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

To achieve a long-term annualised return of CPI + 3.5 per cent¹.

Note(s):

- This indicator is the LTCS Fund investment portfolio return since the base performance year of 2016-17. The objective is to achieve an annualised portfolio return at or above CPI + 3.5 per cent over the long term, calculated since the base year. The portfolio return is calculated as the annualised performance of each individual financial year return.

Output Classes

EBT Class 1: Lifetime Care and Support Fund

Table 2: EBT Class 1: Lifetime Care and Support Fund

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost¹	3,152	14,758
Payment for Expenses on Behalf of the Territory	0	0

Note(s):

- Total cost includes Nil depreciation and amortisation in 2015-16 and 2016-17.

EBT 1.1: Lifetime Care and Support Fund

The LTCS fund reflects the operation of the LTCS Scheme to provide on-going care to people who have been catastrophically injured as a result of a motor accident in the Australian Capital Territory. Recent amendments to the LTCS Act extend the LTCS Scheme to include catastrophically injured workers where an injury occurring on or after 1 July 2016 is suffered arising out of, or in the course of, the worker's employment and the ACT is the state of connection.

The key outputs to be delivered in 2016-17 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;
- collecting feedback from participants on their expectations and experience with the LTCS Scheme;
- 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;
- undertaking investments in accordance with the fund's Investment Strategy; and
- determining LTCS Levies in accordance with Part 10 of the LTCS Act.

Table 3: EBT 1.1: Lifetime Care and Support Fund

	2015-16	2016-17
	Estimated Outcome	Budget
	\$'000	\$'000
Total Cost¹	3,152	14,758
Payment for Expenses on Behalf of the Territory	0	0

Note(s):

1. Total cost includes Nil depreciation and amortisation in 2015-16 and 2016-17.

Accountability Indicators

EBT Class 1: Lifetime Care and Support Fund

EBT 1.1: Lifetime Care and Support Fund

Table 4: Accountability Indicators EBT 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
Provision of LTCS Scheme in the ACT			
a. Independent actuarial review to advise on the required fund contributions ¹	1	1	1
b. Determine LTCS Levies ²	1	1	2
c. Develop long-term investment strategy ³	1	1	N/A
d. Develop client experience and engagement feedback mechanism ⁴	1	1	N/A
e. Undertake an annual client feedback process ⁵	N/A	N/A	1
f. LTCS Guidelines available – include workers ⁶	N/A	N/A	1
g. Application Form available – for workers ⁷	N/A	N/A	1
h. Difference between the investment earning rate and the benchmark is to be ≥ 0 ⁸	N/A	N/A	≥ 0

Note(s):

1. In accordance with section 83(4) of the LTCS Act.
2. In accordance with section 84 of the LTCS Act.
3. This indicator was included for 2015-16 as a one-off to establish strategic asset allocation, the target investment return and investment options. Given the investment strategy has been developed and approved this indicator has been discontinued for 2016-17.
4. This indicator was included for 2015-16 as a one-off to establish a mechanism to seek feedback on the LTCS Scheme from participants. Given the mechanism has now been established this indicator has been discontinued for 2016-17.
5. This new indicator requires the LTCS Commissioner to seek formal feedback from Scheme participants during the financial year. The focus and process for each year's feedback will be decided by the LTCS Commissioner.
6. With the extension of the LTCS Scheme in 2016-17 to include work injuries, the Guidelines will be amended to include workers.
7. With the extension of the LTCS Scheme in 2016-17 to include work injuries, an Application Form specific for work injuries will be issued.
8. This new indicator has been included for 2016-17 following the development of the long term investment strategy. The difference between the actual annual portfolio investment earnings rate (gross of fees) and the established performance benchmark is a measure of the relative performance of the investment fund(s) to the benchmark.

Financial Statements

Table 5: Lifetime Care and Support Fund: Statement of Income and Expenses on behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
9,850	Taxes, Fees and Fines	9,500	13,744	45	14,277	14,822	15,382
41	Interest	359	31	-91	51	44	54
704	Other Revenue	0	1,073	#	1,674	2,297	2,945
10,595	Total Revenue	9,859	14,848	51	16,002	17,163	18,381
Expenses							
419	Supplies and Services	411	538	31	567	597	626
10,130	Other Expenses	2,741	14,220	419	15,327	16,374	17,538
10,549	Total Expenses	3,152	14,758	368	15,894	16,971	18,164
46	Operating Result	6,707	90	-99	108	192	217
46	Total Comprehensive Income	6,707	90	-99	108	192	217

Table 6: Lifetime Care and Support Fund: Statement of Assets and Liabilities on behalf of the Territory

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Current Assets							
2,000	Cash and Cash Equivalents	1,100	1,800	64	2,200	2,700	3,100
0	Receivables	825	825	-	825	825	825
2,000	Total Current Assets	1,925	2,625	36	3,025	3,525	3,925
Non Current Assets							
16,556	Investments	16,011	27,999	75	40,629	53,601	67,150
16,556	Total Non Current Assets	16,011	27,999	75	40,629	53,601	67,150
18,556	TOTAL ASSETS	17,936	30,624	71	43,654	57,126	71,075
Current Liabilities							
0	Payables	155	155	-	155	155	155
737	Other Provisions	1,390	2,403	73	3,094	3,804	4,572
737	Total Current Liabilities	1,545	2,558	66	3,249	3,959	4,727
Non Current Liabilities							
17,766	Other Non current Provisions	17,954	29,539	65	41,770	54,340	67,304
17,766	Total Non Current Liabilities	17,954	29,539	65	41,770	54,340	67,304
18,503	TOTAL LIABILITIES	19,499	32,097	65	45,019	58,299	72,031
53	NET ASSETS	-1,563	-1,473	6	-1,365	-1,173	-956
REPRESENTED BY FUNDS EMPLOYED							
53	Accumulated Funds	-1,563	-1,473	6	-1,365	-1,173	-956
53	TOTAL FUNDS EMPLOYED	-1,563	-1,473	6	-1,365	-1,173	-956

Table 7: Lifetime Care and Support Fund: Statement of Changes in Equity on behalf of the Territory

Budget as at 30/6/16 \$'000	Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000	
Opening Equity							
7	Opening Accumulated Funds	-8,270	-1,563	81	-1,473	-1,365	-1,173
7	Balance at the Start of the Reporting Period	-8,270	-1,563	81	-1,473	-1,365	-1,173
Comprehensive Income							
46	Operating Result for the Period	6,707	90	-99	108	192	217
46	Total Comprehensive Income	6,707	90	-99	108	192	217
0	Total Movement in Reserves	0	0	-	0	0	0
Closing Equity							
53	Closing Accumulated Funds	-1,563	-1,473	6	-1,365	-1,173	-956
53	Balance at the End of the Reporting Period	-1,563	-1,473	6	-1,365	-1,173	-956

Table 8: Lifetime Care and Support Fund: Cash Flow Statement on behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
9,850	Taxes, Fees and Fines	9,500	13,744	45	14,277	14,822	15,382
41	Interest Received	359	31	-91	51	44	54
211	Distribution from Investments with the Territory Banking Account	0	536	#	836	1,149	1,472
10,102	Operating Receipts	9,859	14,311	45	15,164	16,015	16,908
Payments							
419	Related to Supplies and Services	411	537	31	568	597	626
329	Other	780	1,622	108	2,403	3,093	3,805
748	Operating Payments	1,191	2,159	81	2,971	3,690	4,431
9,354	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	8,668	12,152	40	12,193	12,325	12,477
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
8,654	Purchase of Investments	16,011	11,452	-28	11,793	11,825	12,077
8,654	Investing Payments	16,011	11,452	-28	11,793	11,825	12,077
-8,654	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-16,011	-11,452	28	-11,793	-11,825	-12,077
700	NET INCREASE / (DECREASE) IN CASH HELD	-7,343	700	110	400	500	400
1,300	CASH AT THE BEGINNING OF REPORTING PERIOD	8,443	1,100	-87	1,800	2,200	2,700
2,000	CASH AT THE END OF REPORTING PERIOD	1,100	1,800	64	2,200	2,700	3,100

Notes to the Territorial Budget Statements

Statement of Income and Expenses on Behalf of the Territory

- taxes, fees and fines: the increase of \$4.244 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly associated with the new LTCS Levy on workers' compensation insurers and self insurers to fund the extension of the Scheme to workers catastrophically injured from 1 July 2016. The increase is also partly due to the LTCS Levy on most compulsory third-party insurance policies increasing from \$34 in 2015-16 to \$35 in 2016-17.
- interest: the increase of \$0.318 million in the 2015-16 estimated outcome from the 2015-16 Budget is due to the later than budgeted timing of the investment of funds not required in the short-term. The decrease of \$0.328 million in the 2016-17 Budget from the 2015-16 estimated outcome is associated with the investment of funds in line with the Investment Strategy, resulting in a lower cash at bank.
- other revenue: the decrease of \$0.704 million in the 2015-16 estimated outcome from the 2015-16 Budget is associated with the investment of funds occurring late in the financial year (resulting in Nil returns during 2015-16). The increase of \$1.073 million in the 2016-17 Budget from the 2015-16 estimated outcome is associated with commencement of returns on the funds invested in line with the Investment Strategy.
- supplies and services: the 2016-17 Budget includes claims handling expenses (\$0.249 million).
- other expenses: are associated with the provision for estimated future treatment and care costs of LTCS Scheme participants based on recent actuarial projections and the unwinding of the discount rate associated with the estimation of the present value of those future costs.
 - The 2016-17 Budget includes unwinding of discount expenses (\$1.170 million) attributable to the change in liabilities as they become one year closer to payment.
 - The decrease of \$7.389 million in the 2015-16 estimated outcome from the 2015-16 Budget is mainly due to a decrease in the estimated number of new participants entering the Scheme in the 2015-16, based on year-to-date experience. The increase of \$11.479 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to 2016-17 reflecting the actuarial estimate for the number of new motor vehicle participants plus estimates for expenses for the extension of the Scheme to catastrophically injured workers.

Statement of Assets and Liabilities on Behalf of the Territory

- cash and cash equivalents: the decrease of \$0.9 million in the 2015-16 estimated outcome from the 2015-16 Budget and the increase of \$0.7 million in the 2016-17 Budget from the 2015-16 estimated outcome is based on an assessment of the amount of cash needed to meet the projected operational requirements of the LTCS Scheme including participant payments.
- receivables: the increase of \$0.825 million in the 2015-16 estimated outcome from the 2015-16 Budget is associated with more accurately reflecting the timing of the receipt of the LTCS levy for motor vehicles.
- non current investments: the increase of \$11.988 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the collection of 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.
- current other provisions: the increase of \$0.653 million in the 2015-16 estimated outcome from the 2015-16 Budget is due to recent actuarial projections that revised the estimated yearly payment profile for participants to a higher amount in the early years of their acceptance into the Scheme, compared to what had been previously anticipated. The increase of \$1.013 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to forecast new participants in the Scheme.
- other non current provisions: the increase of \$11.585 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to forecast new participants in the Scheme.

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

Variations in these statements are explained in the notes above.

SUPERANNUATION PROVISION ACCOUNT

Purpose

The Superannuation Provision Account (SPA) is established to recognise the investment assets and defined benefit employer superannuation liabilities of the Territory which includes past and current ACT employees who are members of the Australian Government's Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) and Members of the Legislative Assembly Defined Benefit Superannuation Scheme.

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD), through the financial operations of the SPA, assists the Government to effectively manage the defined benefit employer superannuation liabilities of the Territory. This includes the responsibility for the management of the financial investment assets set aside to fund those liabilities.

2016-17 Priorities

Strategic and operational issues to be pursued in 2016-17:

- managing the Investment Plan and the financial investment assets of the SPA;
- managing and reporting on the Government's Responsible Investment Policy;
- completing an annual actuarial review of the defined benefit employer superannuation liabilities using salary and membership data as at 30 June 2016; and
- procuring external investment management service providers as required.

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)	4	4	4	4

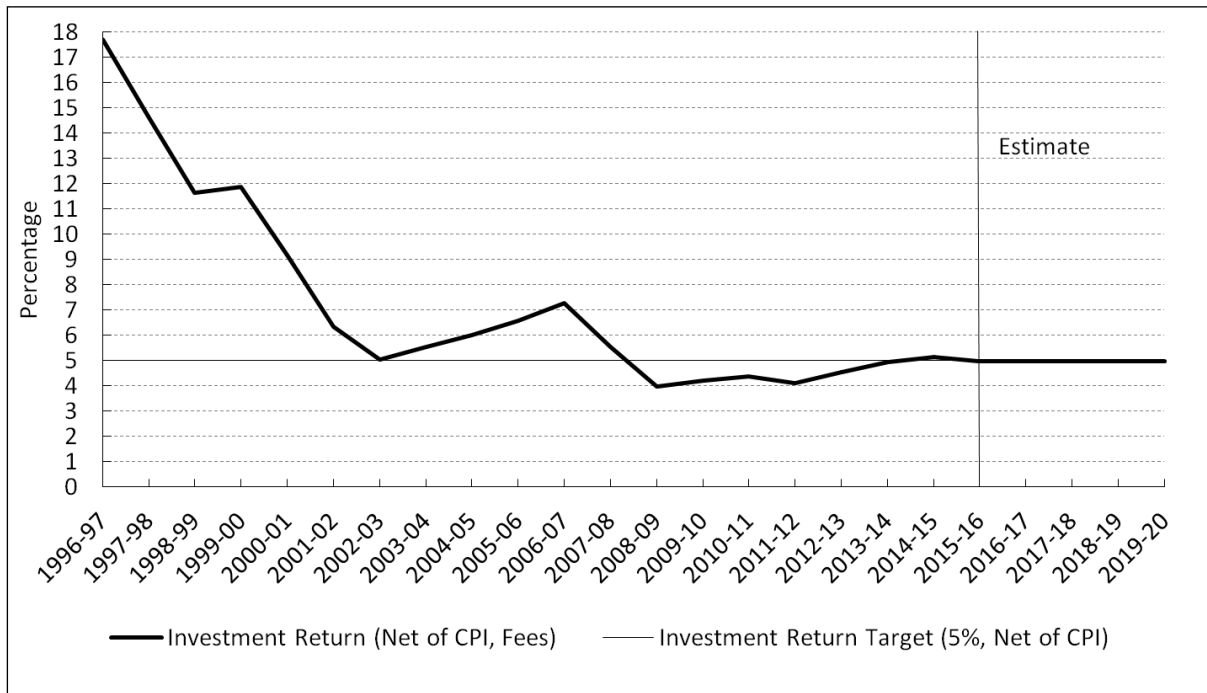
Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

To achieve a long-term annualised return of CPI + 5 per cent.¹

Figure 1: Strategic Objective 1: Achievement of Investment Return Objective



Note(s):

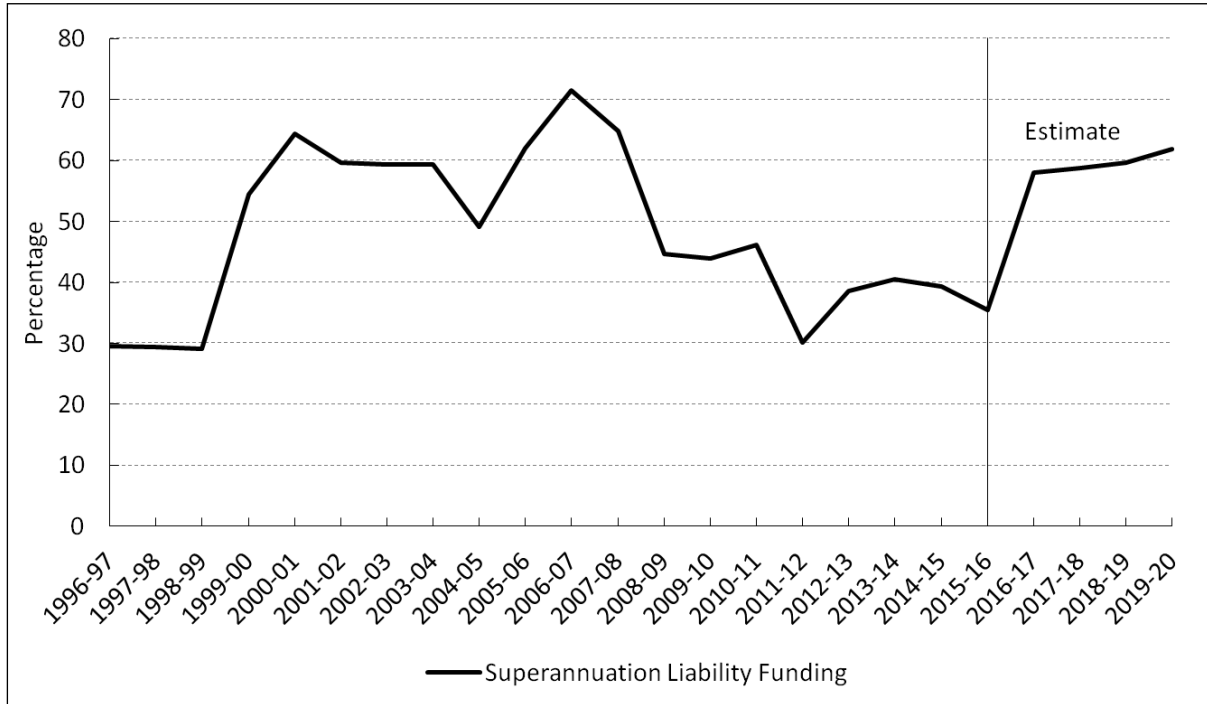
1. This indicator is the SPA investment portfolio return since the base performance year of 1996-97. The objective is to achieve an annualised portfolio return of CPI + 5 per cent over the long term, calculated since the base year. The portfolio return is calculated as the annualised performance of each individual financial year return.

Strategic Objective 2

Funding Defined Benefit Superannuation Liabilities

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

Figure 2: Strategic Objective 2: Funding Defined Benefit Superannuation Liabilities



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 total financial year end investment assets with the value of defined benefit superannuation liabilities. The superannuation liability valuation at 30 June 2016 incorporates a discount rate assumption of 3.20 per cent. From 30 June 2017 the superannuation liability valuation estimates incorporate a long term discount rate assumption of 6 per cent.

Output Classes

Output Class 1: Superannuation Provision Account

Table 2: Output Class 1: Superannuation Provision Account

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	613,258	595,118
Payment for Expenses on Behalf of the Territory	0	0

Output 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 2016-17 include:

- managing the Investment Plan and reporting on the financial investment assets set aside to fund the Territory's defined benefit employer superannuation liabilities;
- managing and reporting on the Government's Responsible Investment Policy;
- completing the Principles for Responsible Investment (PRI) annual reporting assessment which is mandatory for the Territory as a signatory to the PRI;
- completing the annual actuarial review of the Territory's CSS/PSS defined benefit employer superannuation liability;
- managing the defined benefit superannuation liability funding plan and emerging cost payments to the Commonwealth in respect of the Territory's share of employee retirement benefits;
- completing the annual Member Information Statements for the Members of the Legislative Assembly Defined Benefit Superannuation Scheme, with calculation and settlement of benefit determinations as required; and
- budgeting, managing and reporting on the financial operations of the SPA.

Accountability Indicators

Output Class 1: Superannuation Provision Account

Output 1.1: Superannuation Provision Account

Table 3: Accountability Indicators Output 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Difference between the investment earnings rate and the benchmark is to be ≥ 0 ¹	≥ 0	≥ 0	≥ 0
b. Exposure to directly-owned share investments related to the manufacture of Tobacco, Cluster Munitions and Land Mines ²	0%	0%	0%
c. The exercising of ownership voting rights for directly-owned shares ³	>95%	>95%	>95%
d. Completion of the Principles for Responsible Investment Annual Reporting and Assessment Framework ⁴	1	1	1
e. Completion of Annual Actuarial Review ⁵	1	1	1
f. Completion and delivery of Monthly Financial Reporting ⁶	12	12	12
g. Completion and delivery of unqualified Annual Financial Statements ⁷	1	1	1
h. Completion of Annual Budget Estimates ⁸	1	1	1
i. Preparation of MLA Member Superannuation Statements ⁹	5	5	4

Note(s):

1. The difference between the actual portfolio investment return (gross of fees) and the established portfolio performance benchmark is a measure of the relative performance of the Territory's fund managers to the benchmark.
2. The investment portfolio is monitored 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.
3. As required by the Government's Responsible Investment Policy, voting rights in relation to directly-owned shares will be exercised in accordance with the Government's share voting 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 total actual votes cast compared to total eligible voting items.
4. The Territory is a signatory to the Principles for Responsible Investment (PRI). Completing the annual Reporting Framework via the online reporting tool is a mandatory requirement for all signatories. The reporting framework is designed to provide accountability and transparency around signatories and their responsible investment activities.
5. An annual actuarial review of the Territory's defined benefit (CSS/PSS) employer superannuation liabilities will be completed and included in the budget estimates.
6. Monthly financial reporting involves 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.
7. Involves the preparation of the previous year's annual financial statements for auditing and inclusion in the CMTEDD annual report. The objective is to receive an unqualified audit opinion during the year.
8. Involves the preparation of annual budget estimates for inclusion in the annual Territory Budget.
9. Preparation of annual Member Information Statements for those Members of the Legislative Assembly who have a defined benefit superannuation entitlement as at 30 June in accordance with the *Legislative Assembly (Members' Superannuation) Act 1991*. Any individual Member Information Statement for the previous financial year not delivered by end September of the Budget year will not be counted in the result.

Changes to Appropriation

Table 4: Changes to appropriation— Capital Injection, Territorial

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
2015-16 Budget	211,146	230,915	250,365	269,757	269,757
2016-17 Budget Technical Adjustments					
Additional funding to match Benefit Payment Projections	-	-	-	-	21,287
Revised Funding Profile - Superannuation Funding Plan ¹	-	(75,390)	(76,352)	(76,927)	(2,793)
2016-17 Budget	211,146	155,525	174,013	192,830	288,251

Note(s):

1. Due to the achievement of strong investment returns on the SPA investment portfolio over recent years, the amount of annual appropriation to the SPA is being reduced by \$75 million per annum over three years commencing in 2016-17. The funding objective remains on target with the funding plan monitored on an ongoing basis.

Financial Statements

Table 5: Superannuation Provision Account: Statement of Income and Expenses on Behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
7,173	Interest	3,420	3,855	13	3,813	3,963	4,154
50,858	Dividend Revenue	49,900	50,990	2	51,206	53,954	57,452
7,774	Distribution from Investments with the Territory Banking Account	11,900	8,677	-27	3,724	3,924	4,178
63,167	Distribution from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
132,128	Other Revenue	63,050	164,275	161	173,981	183,509	196,540
261,100	Total Revenue	156,570	264,188	69	278,017	292,965	312,897
Expenses							
399	Employee Expenses	484	496	2	507	517	528
493,171	Superannuation Expenses	549,387	584,971	6	507,616	517,882	527,352
4,955	Supplies and Services	4,537	4,655	3	4,817	4,704	4,795
5,000	Other Expenses	58,850	4,996	-92	5,187	5,459	5,800
503,525	Total Expenses	613,258	595,118	-3	518,127	528,562	538,475
-242,425	Operating Result	-456,688	-330,930	28	-240,110	-235,597	-225,578
Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
0	Superannuation Prior Year Actuarial Movement	-867,139	3,815,947	540	0	0	0
0	Total Other Comprehensive Income	-867,139	3,815,947	540	0	0	0
-242,425	Total Comprehensive Income	-1,323,827	3,485,017	363	-240,110	-235,597	-225,578

Table 6: Superannuation Provision Account: Statement of Assets and Liabilities on Behalf of the Territory

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Current Assets						
25,000	Cash and Cash Equivalents	25,000	25,000	-	25,000	25,000	25,000
3,704	Receivables	5,726	5,726	-	5,726	5,726	5,726
28,704	Total Current Assets	30,726	30,726	-	30,726	30,726	30,726
	Non Current Assets						
3,580,656	Investments	3,418,186	3,597,151	5	3,789,578	3,996,783	4,298,474
3,580,656	Total Non Current Assets	3,418,186	3,597,151	5	3,789,578	3,996,783	4,298,474
3,609,360	TOTAL ASSETS	3,448,912	3,627,877	5	3,820,304	4,027,509	4,329,200
	Current Liabilities						
965	Payables	1,212	1,212	-	1,212	1,212	1,212
231,077	Employee Benefits	230,702	249,202	8	268,031	288,464	308,988
232,042	Total Current Liabilities	231,914	250,414	8	269,243	289,676	310,200
	Non Current Liabilities						
5,863,744	Employee Benefits	9,478,667	5,998,590	-37	6,238,285	6,467,824	6,686,318
5,863,744	Total Non Current Liabilities	9,478,667	5,998,590	-37	6,238,285	6,467,824	6,686,318
6,095,786	TOTAL LIABILITIES	9,710,581	6,249,004	-36	6,507,528	6,757,500	6,996,518
-2,486,426	NET ASSETS	-6,261,669	-2,621,127	58	-2,687,224	-2,729,991	-2,667,318
	REPRESENTED BY FUNDS EMPLOYED						
-2,486,426	Accumulated Funds	-6,261,669	-2,621,127	58	-2,687,224	-2,729,991	-2,667,318
-2,486,426	TOTAL FUNDS EMPLOYED	-6,261,669	-2,621,127	58	-2,687,224	-2,729,991	-2,667,318

Table 7: Superannuation Provision Account: Statement of Changes in Equity on Behalf of the Territory

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
-2,455,147	Opening Accumulated Funds	-5,148,988	-6,261,669	-22	-2,621,127	-2,687,224	-2,729,991
-2,455,147	Balance at the Start of the Reporting Period	-5,148,988	-6,261,669	-22	-2,621,127	-2,687,224	-2,729,991
	Comprehensive Income						
0	Superannuation Prior Year Actuarial Movement	-867,139	3,815,947	540	0	0	0
-242,425	Operating Result for the Period	-456,688	-330,930	28	-240,110	-235,597	-225,578
-242,425	Total Comprehensive Income	-1,323,827	3,485,017	363	-240,110	-235,597	-225,578
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
211,146	Capital Injections	211,146	155,525	-26	174,013	192,830	288,251
211,146	Total Transactions Involving Owners Affecting Accumulated Funds	211,146	155,525	-26	174,013	192,830	288,251
	Closing Equity						
-2,486,426	Closing Accumulated Funds	-6,261,669	-2,621,127	58	-2,687,224	-2,729,991	-2,667,318
-2,486,426	Balance at the End of the Reporting Period	-6,261,669	-2,621,127	58	-2,687,224	-2,729,991	-2,667,318

Table 8: Superannuation Provision Account: Cash Flow Statement on Behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
7,173	Interest Received	3,420	3,855	13	3,813	3,963	4,154
7,774	Distribution from Investments with the Territory Banking Account	11,900	8,677	-27	3,724	3,924	4,178
63,166	Distribution from Financial Investments	28,300	36,391	29	45,293	47,615	50,573
968	Other Receipts	1,015	989	-3	956	992	1,038
50,858	Dividends	49,900	50,990	2	51,206	53,954	57,452
129,939	Operating Receipts	94,535	100,902	7	104,992	110,448	117,395
Payments							
389	Related to Employees	474	485	2	496	506	517
211,220	Related to Superannuation	196,999	230,612	17	249,103	267,921	288,345
4,955	Related to Supplies and Services	4,537	4,655	3	4,817	4,704	4,795
5,000	Other	5,350	4,996	-7	5,187	5,459	5,800
221,564	Operating Payments	207,360	240,748	16	259,603	278,590	299,457
-91,625	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	-112,825	-139,846	-24	-154,611	-168,142	-182,062
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
119,521	Purchase of Investments	122,886	15,679	-87	19,402	24,688	106,189
119,521	Investing Payments	122,886	15,679	-87	19,402	24,688	106,189
-119,521	NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-122,886	-15,679	87	-19,402	-24,688	-106,189
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
211,146	Capital Injections from Government	211,146	155,525	-26	174,013	192,830	288,251
211,146	Financing Receipts	211,146	155,525	-26	174,013	192,830	288,251

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
211,146	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	211,146	155,525	-26	174,013	192,830	288,251
0	NET INCREASE / (DECREASE) IN CASH HELD	-24,565	0	100	0	0	0
25,000	CASH AT THE BEGINNING OF REPORTING PERIOD	49,565	25,000	-50	25,000	25,000	25,000
25,000	CASH AT THE END OF REPORTING PERIOD	25,000	25,000	-	25,000	25,000	25,000

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory

- interest:
 - the decrease of \$3.753 million in the 2015-16 estimated outcome from the original budget is mainly due to lower than anticipated interest earnings on the Australian inflation-linked debt investments resulting from low underlying inflation; and
 - the increase of \$0.435 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the anticipated growth in assets and changes to the portfolio's asset allocation.
- dividend revenue:
 - the decrease of \$0.958 million in the 2015-16 estimated outcome from the original budget reflects the estimated change in the amount of dividends declared on individual share holdings over the year and expected to be received; and
 - the increase of \$1.090 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the anticipated growth in portfolio assets and changes to the portfolio's asset allocation.
- distribution from investments with the Territory Banking Account:
 - the increase of \$4.126 million in the 2015-16 estimated outcome from the original budget is mainly due to the portfolio's asset allocation and maintaining a higher allocation to cash investments during the year; and

- the decrease of \$3.223 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects anticipated changes to the portfolio’s asset allocation.
- distribution from financial investments:
 - the decrease of \$34.867 million in the 2015-16 estimated outcome from the original budget is mainly due to the timing of distribution receipts, the availability of income for distribution from investment trusts, the divestment of unit trust investments and the asset allocation of the portfolio through maintaining a higher allocation to cash investments over the year; and
 - the increase of \$8.091 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the timing of distribution receipts and the anticipated growth in portfolio assets and changes to the portfolio’s asset allocation.
- other revenue:
 - the decrease of \$69.078 million in the 2015-16 estimated outcome from the original budget is due to lower than anticipated capital gains mainly associated with the increased share market volatility over the year and the resultant lower estimated portfolio investment return for the year; and
 - the increase of \$101.225 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects estimated capital gains associated with the long term portfolio target return objective of CPI plus 5 per cent being achieved.
- superannuation expenses:
 - the increase of \$56.216 million in the 2015-16 estimated outcome from the original budget is due to the impact of the discount rate (referenced to the yield on the Commonwealth’s April 2037 maturity bond) used in the annual superannuation liability valuation as at 30 June 2015 being lower than the original budget estimate. A discount rate lower than the long term budget estimate of 6 per cent increases the liability valuation and expense; and
 - the increase of \$35.584 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects the Budget assumption for the discount rate as at 30 June 2016 being 3.2 per cent, based on prevailing Commonwealth domestic interest rates, compared to the actual discount rate at 30 June 2015 of 3.7 per cent.
- other expenses:
 - the increase of \$53.850 million in the 2015-16 estimated outcome from the original budget is mainly due to the recognition of capital losses mainly associated with share price falls and reduction in unit prices following investment distributions from unit trusts. These capital losses are offset against the capital gains recognised in other revenue resulting in an estimated net capital gain on investments for the financial year; and

- the decrease of \$53.854 million in the 2016-17 Budget from the 2015-16 estimated outcome mainly reflects the long term budget portfolio investment return objective of CPI plus 5 per cent being achieved which incorporates an estimate for portfolio income and a net capital gain on investments.

Statement of Assets and Liabilities on Behalf of the Territory

- current assets: the increase of \$2.022 million in the 2015-16 estimated outcome from the original budget reflects accrued interest from investments.
- non current assets:
 - the decrease of \$162.470 million in the 2015-16 estimated outcome from the original budget reflects a lower value of portfolio assets as at 30 June 2016 due to an estimated lower than expected investment return for 2015-16; and
 - the increase of \$178.965 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects the target long term portfolio return objective of CPI plus 5 per cent being achieved and the reinvestment of investment earnings, offset by payment requirements.
- current employee benefits: the increase of \$18.5 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects the estimated growth in the annual payment of the Territory's employer share of employee superannuation retirement benefits.
- non current employee benefits:
 - the increase of \$3.615 billion in the 2015-16 estimated outcome from the original budget reflects the outcomes from the most recent actuarial review of the defined benefit superannuation liability. The actuarial review incorporated the latest employee salary and membership data as at 30 June 2015 and the use of a discount rate assumption of 3.2 per cent as at 30 June 2016 compared with long term assumption of 6 per cent reflecting the prevailing Commonwealth interest rates; and
 - the decrease of \$3.480 billion in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the defined benefit employer superannuation liability valuation being based on the long term discount rate assumption of 6 per cent.

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

Variations in these statements are explained in the notes above.

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TERRITORY BANKING ACCOUNT

Purpose

The Territory Banking Account (TBA) is established to recognise and manage the general government's investment assets and debt liabilities. Revenues on behalf of the Territory are transferred to the TBA and fortnightly appropriation disbursements are made to agencies from the TBA.

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD), through the financial operations of the TBA, provides services to the Government including financial asset and liability management through the establishment of investment and borrowing policies and objectives, and the coordination and implementation of cash management, investment and borrowing activities.

2016-17 Priorities

Strategic and operational issues to be pursued in 2016-17 include:

- managing the Territory's borrowing program;
- managing the Investment Plan and the financial investment assets of the TBA; and
- procuring external investment management services as required.

Estimated Employment Level

Table 1: Estimated Employment Level

	2014-15 Actual Outcome	2015-16 Budget	2015-16 Estimated Outcome	2016-17 Budget
Staffing (FTE)¹	0	0	0	0

Note(s):

1. Functions of the TBA are performed by officers from CMTEDD and those employees are included in CMTEDD's FTE levels.

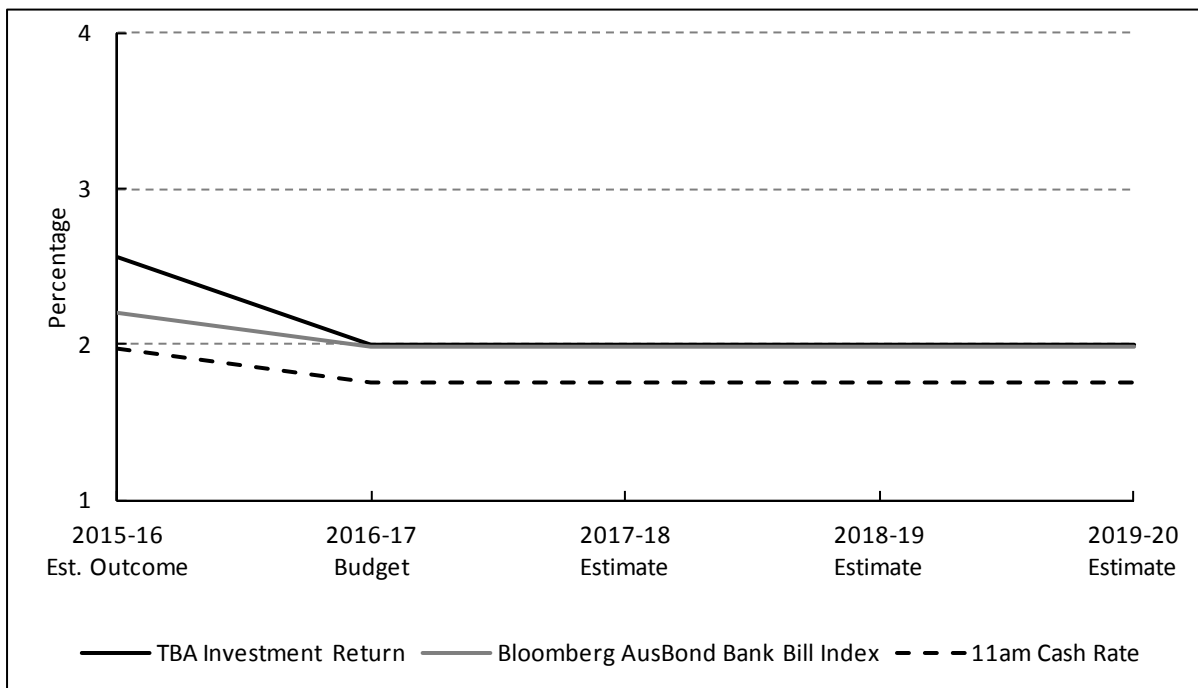
Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

To achieve an annual investment return equal to or greater than the Bloomberg AusBond Bank Bill Index¹.

Figure 1: Strategic Objective 1: Achievement of Investment Return Objective



Note(s):

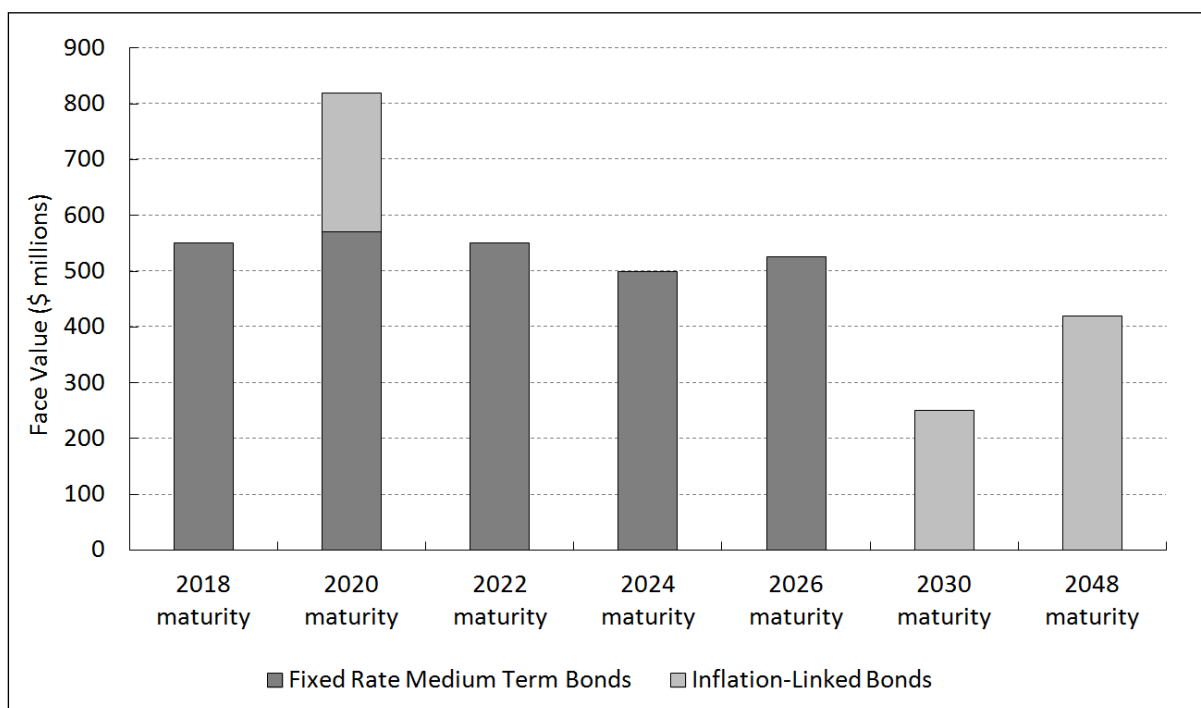
1. The investment return objective for the TBA investment portfolio is to achieve a return on a gross of fees basis equivalent to, or greater than the established benchmark. This objective is targeted by maintaining a conservative and risk adjusted portfolio with a focus on liquidity considerations.

Strategic Objective 2

Implement a Borrowing Program that Facilitates Access to Debt Funding in Domestic Capital Markets

To establish bond lines of select debt maturity and volume¹.

Figure 2: Strategic Objective 2: Territory Bonds on Issue



Note(s):

1. Select 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 chart. The establishment of select bond lines is an important feature of the borrowing strategy. Bond lines with volume around \$500 million, with varying maturities, increases the liquidity and appeal of Territory bonds to investors as well as mitigating refinancing risk to the Territory. Varying maturities also provide relative pricing guidance (comparative cost of funds to peers) to investors. This chart shows the actual current outstanding select bond lines.

Output Classes

Output Class 1: Territory Banking Account

Table 2: Output Class 1: Territory Banking Account

	2015-16 Estimated Outcome \$'000	2016-17 Budget \$'000
Total Cost	4,785,021	4,901,475
Payment for Expenses on Behalf of the Territory	0	0

Output 1.1: Territory Banking Account

This output involves the management of the ACT's investment and borrowing activities and the central account of the Government being the Territory Banking Account. The key outputs to be delivered in 2016-17 include:

- managing the Investment Plan and reporting on the financial investment assets of the TBA;
- managing and reporting on the financial borrowing liabilities of the TBA;
- raising new Territory borrowings as required;
- managing cash flow and liquidity requirements, and completing the settlement of all financial obligations; and
- budgeting, managing and reporting on the financial operations of the TBA.

Accountability Indicators

Output Class 1: Territory Banking Account

Output 1.1: Territory Banking Account

Table 3: Accountability Indicators Output 1.1

	2015-16 Targets	2015-16 Estimated Outcome	2016-17 Targets
a. Difference between the investment earnings rate and the benchmark is to be ≥ 0 ¹	≥ 0	≥ 0	≥ 0
b. Cash and liquidity management of the Territory Banking Account ²	100%	100%	100%
c. Completion of new Territory Borrowings ³	100%	100%	100%
d. Completion of Debt Servicing Obligations ⁴	100%	100%	100%
e. Completion of Budget Appropriation Disbursements ⁵	100%	100%	100%
f. Completion and delivery of Monthly Financial Reporting ⁶	12	12	12
g. Completion and delivery of unqualified Annual Financial Statements ⁷	1	1	1
h. Completion of Annual Budget Estimates ⁸	1	1	1

Note(s):

1. The difference between the actual portfolio investment return (gross of fees) and the established portfolio performance benchmark is a measure of the relative performance of the Territory's fund managers to the benchmark.
2. Maintaining a positive aggregate cash and investment balance of the TBA to meet ongoing cash payment obligations. For performance measurement purposes, the actual daily aggregate cash and investment balance of the TBA will be counted as the result. If the aggregate cash and investment balance is not positive at the end of a day, this will not be counted in the result.
3. Raising all 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.

4. The payment of Territory debt servicing interest and principal repayment obligations to be completed accurately and within required timeframes. The measure will be the actual number of conforming debt servicing settlement transactions compared with the total number of debt servicing settlement transactions completed.
5. The payment of budget appropriation disbursement payments 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.
6. Monthly financial reporting involves 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.
7. Involves the preparation of the annual financial statements for auditing and inclusion in the CMTEDD annual report. The objective is to receive an unqualified audit opinion during the year.
8. Involves the preparation of annual budget estimates for inclusion in the Annual Territory Budget.

Financial Statements

Table 4: Territory Banking Account: Statement of Income and Expenses on Behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Revenue							
120,079	Interest	128,558	105,186	-18	106,641	95,820	100,731
138,635	Other Revenue	149,496	134,263	-10	135,873	138,807	142,605
3,654,745	Transfer Revenue	3,744,263	4,095,174	9	4,123,596	4,312,062	4,475,258
3,913,459	Total Revenue	4,022,317	4,334,623	8	4,366,110	4,546,689	4,718,594
Expenses							
218,562	Borrowing Costs	197,483	204,477	4	207,295	194,447	205,739
1,561	Other Expenses	14,085	758	-95	1,030	1,526	897
4,768,652	Transfer Expenses	4,573,453	4,696,240	3	4,553,282	4,939,056	4,503,242
4,988,775	Total Expenses	4,785,021	4,901,475	2	4,761,607	5,135,029	4,709,878
-1,075,316	Operating Result	-762,704	-566,852	26	-395,497	-588,340	8,716
-1,075,316	Total Comprehensive Income	-762,704	-566,852	26	-395,497	-588,340	8,716

Table 5: Territory Banking Account: Statement of Assets and Liabilities on Behalf of the Territory

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
Current Assets							
297,437	Receivables	498,260	832,692	67	422,224	711,900	293,086
671,777	Investments	1,216,929	496,345	-59	523,785	545,106	607,201
969,214	Total Current Assets	1,715,189	1,329,037	-23	946,009	1,257,006	900,287
Non Current Assets							
1,669,676	Receivables	1,580,080	1,382,897	-12	1,754,916	1,570,186	1,849,740
138,826	Investments	251,208	263,218	5	275,870	288,864	302,435
1,808,502	Total Non Current Assets	1,831,288	1,646,115	-10	2,030,786	1,859,050	2,152,175
2,777,716	TOTAL ASSETS	3,546,477	2,975,152	-16	2,976,795	3,116,056	3,052,462
Current Liabilities							
23,603	Payables	29,918	31,507	5	32,261	33,598	35,058
802,230	Interest-Bearing Liabilities	887,728	983,246	11	462,894	1,065,709	551,697
825,833	Total Current Liabilities	917,646	1,014,753	11	495,155	1,099,307	586,755
Non Current Liabilities							
4,767,610	Interest-Bearing Liabilities	4,716,455	4,229,459	-10	4,814,483	4,737,685	5,081,060
4,767,610	Total Non Current Liabilities	4,716,455	4,229,459	-10	4,814,483	4,737,685	5,081,060
5,593,443	TOTAL LIABILITIES	5,634,101	5,244,212	-7	5,309,638	5,836,992	5,667,815
-2,815,727	NET ASSETS	-2,087,624	-2,269,060	-9	-2,332,843	-2,720,936	-2,615,353
REPRESENTED BY FUNDS EMPLOYED							
-2,815,727	Accumulated Funds	-2,087,624	-2,269,060	-9	-2,332,843	-2,720,936	-2,615,353
-2,815,727	TOTAL FUNDS EMPLOYED	-2,087,624	-2,269,060	-9	-2,332,843	-2,720,936	-2,615,353

Table 6: Territory Banking Account: Statement of Changes in Equity on Behalf of the Territory

Budget as at 30/6/16 \$'000		Est. Outcome as at 30/6/16 \$'000	Budget as at 30/6/17 \$'000	Var %	Estimate as at 30/6/18 \$'000	Estimate as at 30/6/19 \$'000	Estimate as at 30/6/20 \$'000
	Opening Equity						
-1,862,393	Opening Accumulated Funds	-1,459,638	-2,087,624	-43	-2,269,060	-2,332,843	-2,720,936
-1,862,393	Balance at the Start of the Reporting Period	-1,459,638	-2,087,624	-43	-2,269,060	-2,332,843	-2,720,936
	Comprehensive Income						
-1,075,316	Operating Result for the Period	-762,704	-566,852	26	-395,497	-588,340	8,716
-1,075,316	Total Comprehensive Income	-762,704	-566,852	26	-395,497	-588,340	8,716
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
121,982	Capital Distributions to Government	134,718	385,416	186	331,714	200,247	96,867
121,982	Total Transactions Involving Owners Affecting Accumulated Funds	134,718	385,416	186	331,714	200,247	96,867
	Closing Equity						
-2,815,727	Closing Accumulated Funds	-2,087,624	-2,269,060	-9	-2,332,843	-2,720,936	-2,615,353
-2,815,727	Balance at the End of the Reporting Period	-2,087,624	-2,269,060	-9	-2,332,843	-2,720,936	-2,615,353

Table 7: Territory Banking Account: Cash Flow Statement on Behalf of the Territory

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
118,910	Interest Received	127,909	103,763	-19	106,112	95,894	100,832
139,091	Other Receipts	144,163	132,435	-8	133,960	136,895	140,667
3,615,034	Territory Receipts Transferred from Agencies	3,573,921	4,064,514	14	4,238,637	4,260,761	4,631,156
3,873,035	Operating Receipts	3,845,993	4,300,712	12	4,478,709	4,493,550	4,872,655
Payments							
216,359	Borrowing Costs	197,468	202,904	3	206,526	193,097	204,328
54,854	Payments to PTE Agencies for Outputs	0	0	-	0	0	0
2,923,514	Payments to GGS Agencies for Outputs	2,968,610	3,023,604	2	2,928,611	3,016,513	3,043,501
568,887	Payments to Agencies for EBT	543,901	607,561	12	647,023	718,345	824,066
986	Other	541	152	-72	606	1,081	421
3,764,600	Operating Payments	3,710,520	3,834,221	3	3,782,766	3,929,036	4,072,316
108,435	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	135,473	466,491	244	695,943	564,514	800,339
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
486,320	Proceeds from Sale/Maturity of Investments	0	708,574	#	0	0	0
22,745	Repayment of Advance	55,022	23,639	-57	326,953	29,900	247,330
4,837	Investments from Agencies	133,223	1,001	-99	42,273	43,354	48,657
121,981	Capital Distributions from Government Agencies	129,383	390,751	202	331,714	180,247	116,866
635,883	Investing Receipts	317,628	1,123,965	254	700,940	253,501	412,853
Payments							
0	Purchase of Investments	32,210	0	-100	40,091	34,316	75,666
112,002	Advances Issued to Government Agencies	69,521	132,919	91	401,529	62,151	282,605
1,240,003	Capital Payments to Government Agencies	1,060,942	1,065,057	..	977,663	1,204,211	635,626

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	Var %	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
330,536	Repayment of Investments to Agencies	117,591	498,635	324	1,499	2	0
1,682,541	Investing Payments	1,280,264	1,696,611	33	1,420,782	1,300,680	993,897
-1,046,658	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-962,636	-572,646	41	-719,842	-1,047,179	-581,044
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
938,223	Borrowings Received	592,832	110,008	-81	77,901	536,822	0
938,223	Financing Receipts	592,832	110,008	-81	77,901	536,822	0
Payments							
0	Repayment of Borrowings	0	3,853	#	54,002	54,157	219,295
0	Financing Payments	0	3,853	#	54,002	54,157	219,295
938,223	NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	592,832	106,155	-82	23,899	482,665	-219,295
0	NET INCREASE / (DECREASE) IN CASH HELD	-234,331	0	100	0	0	0
0	CASH AT THE BEGINNING OF REPORTING PERIOD	234,331	0	-100	0	0	0
0	CASH AT THE END OF REPORTING PERIOD	0	0	-	0	0	0

Notes to the Territorial Budget Statements

Many of the variations within the TBA 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

- interest: represents investment interest returns and interest paid by agencies for loans provided from the TBA:
 - the net increase of \$8.479 million in the 2015-16 estimated outcome from the original budget is due to higher investment balances and returns (\$16.077 million) and lower interest receipts from Icon Water as a result of a lower CPI impact on inflation linked loans and the timing of the provision of new loan funding (\$7.968 million); and
 - the net decrease of \$23.372 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects estimated lower investment balances and rate of return (\$27.488 million) and the repayment of all outstanding loans by the University of Canberra (\$1.725 million), partially offset by higher loan interest receipts from Icon Water due to increased loans outstanding (\$6.196 million).
- other revenue: represents notional employer CSS/PSS superannuation contributions from agencies and capital gains from investments:
 - the increase of \$10.861 million in the 2015-16 estimated outcome from the original budget is mainly due to capital gains associated with market valuation changes of investment securities (\$5.767 million) and higher employer superannuation contributions from agencies (\$5.094 million); and
 - the decrease of \$15.233 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to the investment return estimates being exclusive of capital gains (\$5.767 million) and lower employer superannuation contributions from agencies (\$9.466 million).
- transfer revenue: represents the transfer from agencies of revenue received on behalf of the Territory and includes taxes, fees, fines and grants. Variances are driven by agency activity.
- borrowing costs: represent external interest payments made on borrowings for the general government sector and Icon Water, and investment interest payments to agencies:
 - the net decrease of \$21.079 million in the 2015-16 estimated outcome from the original budget is mainly due to lower interest payments on inflation linked bond financed borrowings as a result of lower than anticipated CPI and the combined impact from lower levels of new market borrowings and the timing of raising new borrowings (\$23.714 million), partially offset by higher investment interest payments to agencies as a result of higher investment balances (\$2.574 million); and

- the net increase of \$6.994 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to higher interest costs resulting from the increased balance of borrowings (\$12.427 million), partially offset by lower interest payments to agencies as a result of estimated lower investment balances (\$5.512 million).
- other expenses: represents investment and borrowing management costs and capital losses on investments:
 - the increase of \$12.524 million in the 2015-16 estimated outcome from the original budget mainly reflects capital losses associated with market valuation changes of investment securities. These capital losses are offset against capital gains and investment interest revenue resulting in an estimated net positive return on investments for the financial year; and
 - the decrease of \$13.327 million in the 2016-17 Budget from the 2015-16 estimated outcome is mainly due to the investment return estimates being exclusive of capital losses.
- transfer expenses: represents the transfer of appropriated funds to agencies. Variances are driven by agency activity.

Statement of Assets and Liabilities on Behalf of the Territory

- current and non current receivables: represent accrued revenue receivable from agencies in relation to transfer revenues and loans to agencies including Icon Water, ACTION and CMTEDD in relation to Community Housing Canberra and Exhibition Park:
 - the net increase of \$111.227 million in the 2015-16 estimated outcome from the original budget is due to an increase in accrued interest and revenue receivables from agencies (\$189.798 million), partially offset by lower loans receivable due to the full repayment of loans by the University of Canberra (\$30.164 million) and Icon Water loan principal repayments and a lower borrowing requirement (\$44.843 million); and
 - the increase of \$137.249 million in the 2016-17 Budget from the 2015 16 estimated outcome is mainly due a net increase in loans receivable from Icon Water (\$109.332 million) and an increase in accrued receivables from agencies (\$28.636 million).
- current and non current investments: represents financial investment holdings:
 - the increase of \$657.534 million in the 2015-16 estimated outcome from the original budget is due to higher than estimated funds under investment at the end of the financial year mainly in relation to TBA and Superannuation Provision Account (SPA) investment holdings; and
 - the decrease of \$708.574 million in the 2016-17 Budget from the 2015-16 estimated outcome reflects a reduction in agency investments due to agency activity and lower TBA holdings reflecting cash flow and liquidity requirements.

- current and non current interest-bearing liabilities: comprises agencies' investment deposits with the TBA, Commonwealth and market borrowings:
 - the net increase of \$34.343 million in the 2015-16 estimated outcome from the original budget is due to higher agency investment deposits (\$379.734 million), partially offset by a net decrease in borrowings (\$345.391 million). The net decrease in borrowings reflects a reduction in 2015-16 market borrowing requirements (\$300 million for general government and \$40 million for Icon Water) as a result of revised cash flow and liquidity requirements; and
 - the net decrease of \$391.478 million in the 2016-17 Budget from the 2015-16 estimated outcome is due to lower agency investment deposits (\$497.634 million), partially offset by higher net new borrowings (\$110.008 million).

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

Variations in these statements are explained in the notes above.

