



ACT
Government

Australian
Capital Territory
Budget
2020-21



Driving Canberra's Recovery

Budget Statements B

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

A collage of four black and white photographs arranged in a diamond pattern. The top photo shows a man in work clothes kneeling on a roof, working with wooden beams. The right photo shows a woman in a dark uniform smiling, with other people in the background. The bottom photo shows two children in a park, one holding a sign and both reaching up towards a horizontal bar. The left photo is mostly obscured by the text.

Australian Capital Territory **Budget 2020-21**

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Chief Minister, Treasury and Economic Development Directorate | ACT Gambling and Racing Commission | ACT Insurance Authority | Canberra Institute of Technology | CIT Solutions Pty Ltd | Cultural Facilities Corporation | Icon Water Limited | Independent Competition and Regulatory Commission | Lifetime Care and Support Fund | Motor Accident Injuries Commission | Office of the Work Health and Safety Commissioner | Public Sector Workers Compensation Fund | Superannuation Provision Account | Territory Banking Account

Appendix A: Discontinued Agency: ACT Compulsory Third Party Insurance Regulator

Structure and Content of the 2020-21 Budget Papers

The 2020-21 Budget is presented in two papers and a series of agency Budget Statements.

Budget Speech

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

Budget Outlook

The Budget Outlook summarises the 2020-21 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government.

Details of the projected 2020-21 Budget results are provided, as well as background information on the development of the 2020-21 Budget, including economic conditions and federal financial relations. It also provides an overview of the Territory's infrastructure investment program and details of the 2020-21 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.



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

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CHIEF MINISTER, TREASURY AND ECONOMIC DEVELOPMENT DIRECTORATE

Purpose

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

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

As a central agency, we:

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

2020-21 Priorities

Strategic and operational priorities for CMTEDD in 2020-21 include:

- working with all directorates and agencies to ensure a well-coordinated and effective whole of government response to COVID-19. The Coordinator-General for the Whole of Government (Non-Health) COVID-19 Response will continue to work closely with the Chief Health Officer to ensure alignment of health and non-health responses to COVID-19, maintain sound governance, decision-making and other processes, review structures and legal authority as the COVID-19 response evolves, work with Treasury to monitor implementation of economic support packages, and support a strategic approach;
- embedding the ACT Wellbeing Framework into government processes and delivering the first public dashboard of indicator measures;
- leading and coordinating the ACT's emissions reduction initiatives and undertaking climate adaptation policy analysis to improve Canberra's resilience to the effects of a warming climate;
- supporting the ACT Government response to the Royal Commission into National Natural Disaster Arrangements;
- continuing work on developing regulation for Child Safe Standards, which will provide practical guidance to organisations on how to create safe environments for children and young people;
- delivering regulatory reform through the Better Regulation Taskforce to support the economic recovery of Canberra and make it easier to do business in the ACT;
- strengthening regional collaboration with NSW state and local governments through working together on cross-border planning, service delivery and economic development opportunities;
- supporting the ACT Government to progress key policy reforms in areas including social inclusion, LGBTIQ affairs and intergovernmental relations;
- guiding cultural change across government in order to achieve greater collaboration and innovation in the delivery of the ACT Government's priorities;
- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;
- continuing to modernise the ACTPS employment framework through the 2021 enterprise agreement bargaining round and associated reviews of the legislative and policy landscape;
- leading a more coherent approach to whole of government senior executive leadership development, talent management and mobility to ensure the ACTPS has the required mix of leadership capabilities now and into the future;

- expanding the ACTPS Graduate Program by 20 per cent;
- supporting the movement of our workforce to the new office building in Civic in 2021, together with embedding flexible work practice, activity based and remote working for a large segment of the ACTPS workforce;
- continuing to deliver the Secure Local Jobs Code certification scheme and assist Territory entities and tenderers meet their legislative obligations under the Code;
- implementing the next component of the Human Resource Information Management Solution (HRIMS), providing the ACT Government's workforce with greater automation and process efficiencies, improved workforce analytical and reporting capability, employee self service capability and standard HR frameworks;
- driving further improvements to the way government communicates and engages with Canberrans by enhancing the Our Canberra digital platforms, better coordinating public information campaigns and expanding the membership of the YourSay Community Panel;
- further demonstrating the value of the ACT Data Analytics Centre through supporting directorates to implement the Data Governance and Management Framework;
- developing a program of work to progress the Digital Strategy, including utilising the work of the Technology Roadmap;
- delivering against the Moving Delivery of More Community Services Online program of work, including delivering the digital services that reflect reforms to the Working with Vulnerable People scheme and designing and commencing delivery of ways to make it easier for people to provide their eligibility for concessions to access ACT Government services;
- growing the number of government services available online to business, community groups and individuals through the Access Canberra website;
- strengthening regulatory compliance and enforcement activities for the building industry to continuously improve building quality in the Territory;
- improving the delivery of Access Canberra services to customers through increased use of machine learning and robotics technology;
- creating, leading and fostering an innovative and responsive approach across all directorates to support economic recovery, job creation and diversification of the ACT economy;
- supporting key capability industries with high growth and competitive advantages to foster business growth, jobs creation and economic recovery;
- providing assistance to small business for digital capability and financial and legal advice, as well as access to mental health and wellbeing services;

- continuing to better connect business and community to government through public service innovation;
- supporting export development in collaboration with partners and industry to assist businesses to sell into new markets;
- supporting artists and arts organisations through a more flexible and accessible funding and capacity building program, which contributes to the liveability of our city;
- continuing to support CIT to deliver on the directions outlined in the Strategic Compass;
- enhancing the ability of the vocational education and training sector to develop the workforce needed by Canberra businesses now and into the future;
- positioning the ACT tertiary education and research sector as a major driver for economic recovery, including further development of Canberra as a knowledge economy and harnessing our competitive advantage to address workforce and skill needs of key sectors;
- facilitating increased research investments, the return of international students to the ACT when it is safe to do so, and diversification of student markets, promoting Canberra as a study destination;
- promoting Canberra as a vibrant city for people to visit and live in, with world-class tourism, artistic and cultural experiences that reflect our unique environment and position as the nation's capital;
- delivering and supporting an exciting, diverse and engaging year-round calendar of major and community events that showcase the best Canberra has to offer and positively shape and reflect our city identity;
- continuing to support sport and recreation organisations to deliver and grow participation opportunities, particularly for women and girls, to encourage healthy and active lifestyles within our community;
- strengthening partnerships with elite sporting teams in the ACT to maximise the economic and social return on funding agreements;
- through the Office of International Engagement, working with Austrade, the Canberra Business Chamber and regional local governments, to develop trade routes and greater export opportunities for Canberra and the region;
- providing advice and implementing initiatives to support the ACT community and economy to recover from the impact of the COVID-19 health emergency;
- supporting the delivery of commitments in the Parliamentary and Governing Agreement;
- implementing changes to federal financial relations arrangements, including an enhanced role for the Council on Federal Financial Relations in intergovernmental funding agreements;

- preparing the 2020-21 Budget and the Territory’s consolidated financial statements;
- ensuring the ACT public sector workplace safety framework operates effectively to protect staff from COVID-19 and associated health and wellbeing hazards;
- improving work health and safety and return to work outcomes for injured employees;
- continuing to improve the maturity of procurement policies, systems, tools and practices, to enhance procurement capability across the ACTPS in support of the pursuit of value for money, including in relation to ethical and sustainable outcomes;
- focusing on strengthening the capability of the ACTPS in sophisticated methods of infrastructure planning and project delivery;
- supporting directorates in the management of government property through the delivery of property services for ACT Government directorates and agencies;
- focusing on returning events to venues managed by the ACT Government to assist the community and the economy in recovering from the impact of COVID-19; and
- supporting agencies in transitioning the Territory’s first two Public Private Partnerships into operations and conducting life-of-project transactions on their behalf.

Estimated Employment Level

Table 1: Estimated Employment Level

	2018-19 Actual Outcome ¹	2019-20 Budget ²	2019-20 Actual Outcome ¹	2020-21 Budget ²
Staffing (FTE)³	2,382	2,475	2,426 ⁴	2,461 ⁵

Note(s):

1. These figures relate to 30 June staffing levels.
2. These figures relate to estimated average annual staffing figures.
3. All figures exclude ACT Insurance Authority and Independent Competition and Regulatory Commission staff.
4. The difference between the 2019-20 Budget and the 2019-20 Actual Outcome is largely due to the transfer of staff to Major Projects Canberra (MPC) on 1 July 2019, partially offset by an increase in FTE to support higher demand for services to assist with recovery from the 2020 hailstorm and the COVID-19 health emergency.
5. The difference between the 2020-21 Budget figure and the 2019-20 Actual Outcome is mainly due to new initiatives, including Jobs for Canberrans, partially offset by the transfer of staff to Worksafe ACT on 1 July 2020.

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, and delivery of a more agile, responsive and innovative public service to deliver government priorities

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

- leadership of whole of government policy development and priorities, and the implementation of key government decisions;
- proactive engagement with directorates on key policy or service issues, including providing advice from a whole of government perspective;
- leading and coordinating policy and project initiatives targeted at reducing regulatory burden and improving the effectiveness and efficiency of regulation;
- leading and coordinating digital transformation initiatives across the ACT Government;
- leading and coordinating whole of government policy and project initiatives relating to emissions reduction, and resilience and adaptation to climate change;
- supporting the Chief Minister's proactive engagement in intergovernmental fora, including the National Cabinet, the National Federation Reform Council, the Council for the Australian Federation, the Council of Capital City Lord Mayors, 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;
- promoting inter-directorate cooperation and outcomes through directorate committees and ongoing arrangements such as the Strategic Board, and supporting the across government Policy Council/Digital Services Governance Committee and establishment of strategic taskforces;
- supporting whole of government improvement in records and information governance capabilities;
- providing services and initiatives that make ACT Government archives available to the public;
- ensuring the employment framework and industrial relations services support better and more strategic employment practices;

- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;
- delivering a whole of service survey so that workforce trends and patterns inform strategic decision making;
- leading a more coherent approach to whole of government senior executive leadership development, talent management and mobility to ensure the ACTPS has the required mix of leadership capabilities now and into the future;
- driving transformational and cultural change with the recent commissioning of the Dickson Office Block and upcoming Civic Office Block in 2021;
- preparing the ACTPS for the implementation of the Human Resources Information Management Solution which will allow for streamlined and harmonised business processes including talent planning and strategy, recruitment, learning and development, performance management, career planning, payroll and HR analytics and reporting;
- developing and implementing ACTPS capacity building programs, including programs for graduates, Aboriginal and Torres Strait Islanders, and people with disability;
- maintaining and monitoring whole of government integrity, ethics and accountability frameworks;
- supporting the Head of Service, the Public Sector Standards Commissioner and the ACT Remuneration Tribunal with their legislative responsibilities; and
- managing the Secure Local Jobs Code certification scheme, assisting Territory entities and tenderers to meet their legislative obligations under the Code and undertaking education and awareness raising activities on the implementation of the Code.

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. This has been evident in the Government's response to the handling of the bushfire crisis, extreme weather events and the COVID-19 health emergency.

Strategic Objective 3

Economic growth, innovation and opportunity, and social inclusion

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

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

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

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

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

The Directorate will support a culturally rich and vibrant community, celebrate the arts and culture and encourage creativity and social inclusion. The Directorate will achieve this through funding and capacity building activities for artists and arts organisations which contribute to the liveability of our city.

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

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 drives an expansion of this industry.

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

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

In 2020, the combined impact of bushfires and the COVID-19 health emergency have resulted in a dramatic drop in the number of visitors to Canberra. Tourism is a key driver of the ACT economy and will play a critical role in recovery.

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

The Directorate will continue to focus on international engagement activities and new economic relationships as international borders begin to open post COVID-19.

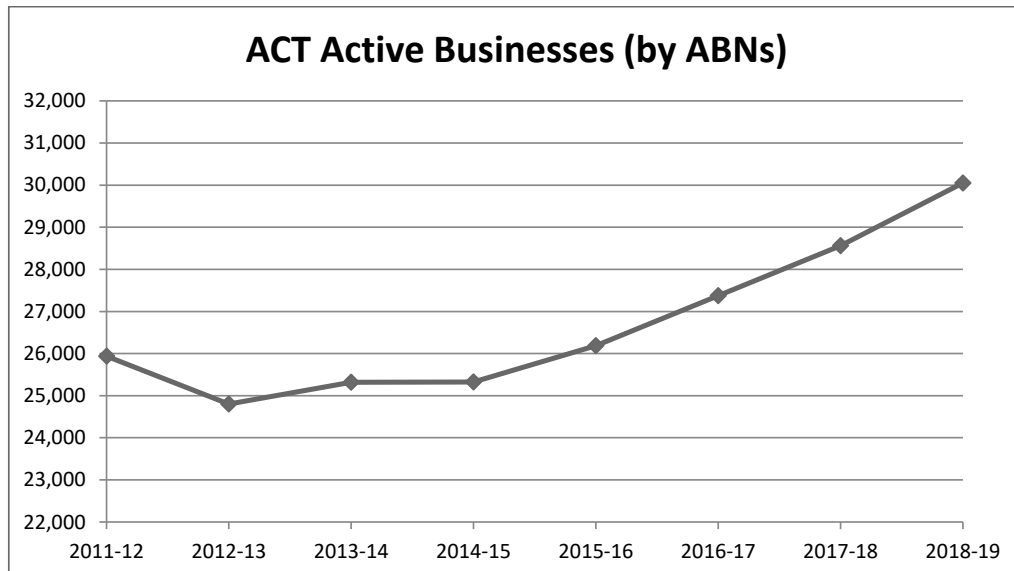
Strategic Indicator 3b: Growth in innovation, trade and investment.

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.

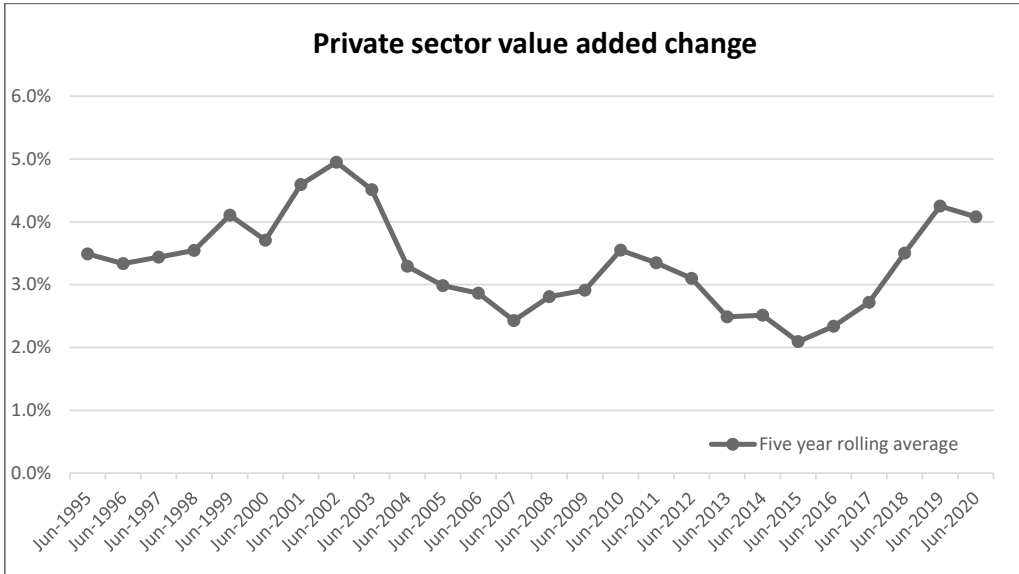
The Directorate will implement strategies that build on the strengths the ACT has in knowledge, creativity and innovation, to support growth in local businesses and measurable diversification in its economy.

Figure 1: ACT active businesses



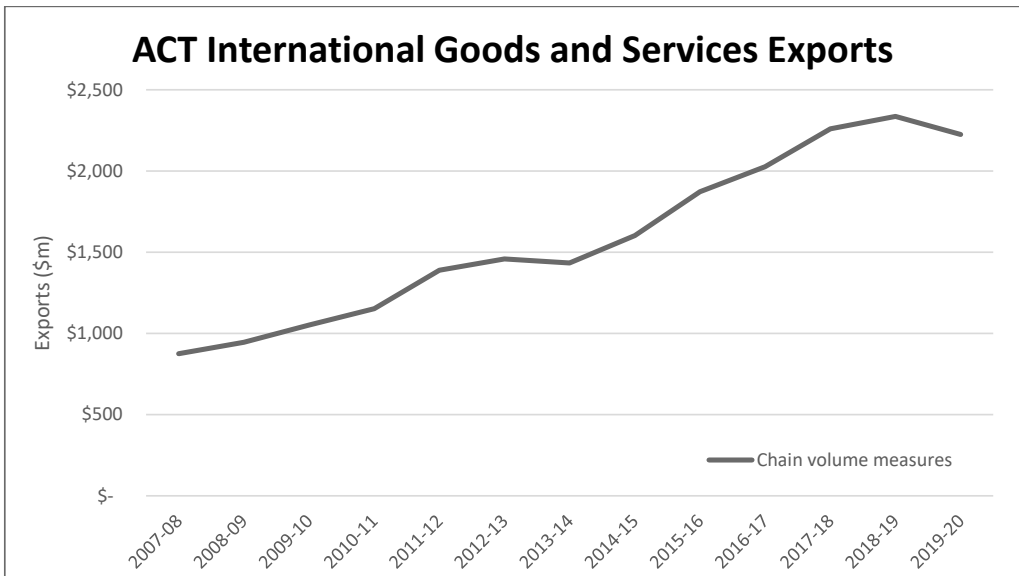
Source: ABS Catalogue No. 8165.0, Table 4. Financial Year data.

Figure 2: Gross value added to ACT economy – private sector



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

Figure 3: ACT goods and services exports

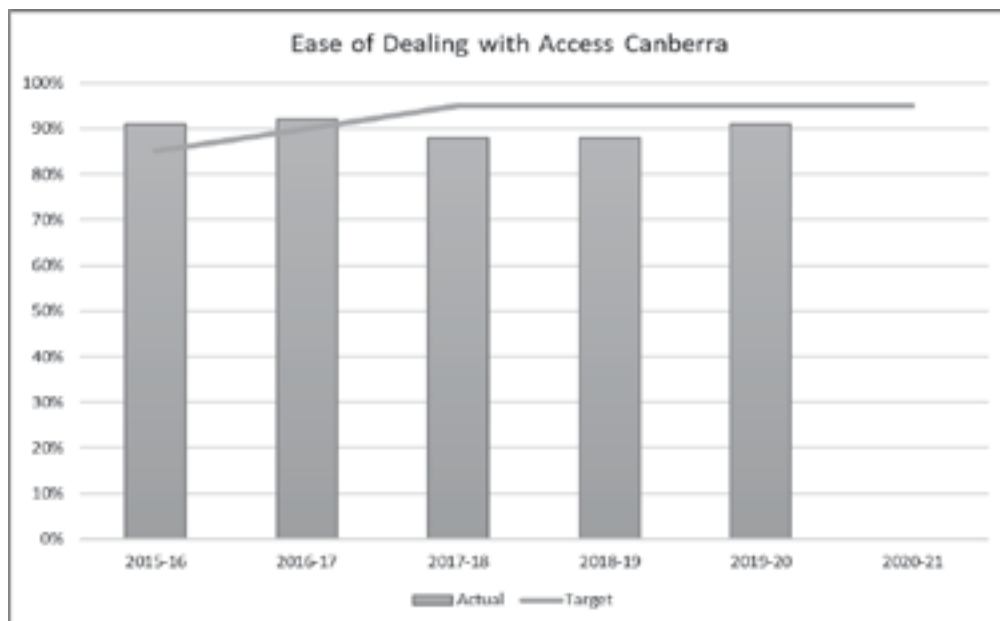


Source: ABS 5368.0.55.003, merchandise exports for the same period based on ABS 5368.0. Financial Year data.

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

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

Figure 4: Ease of dealing with Access Canberra

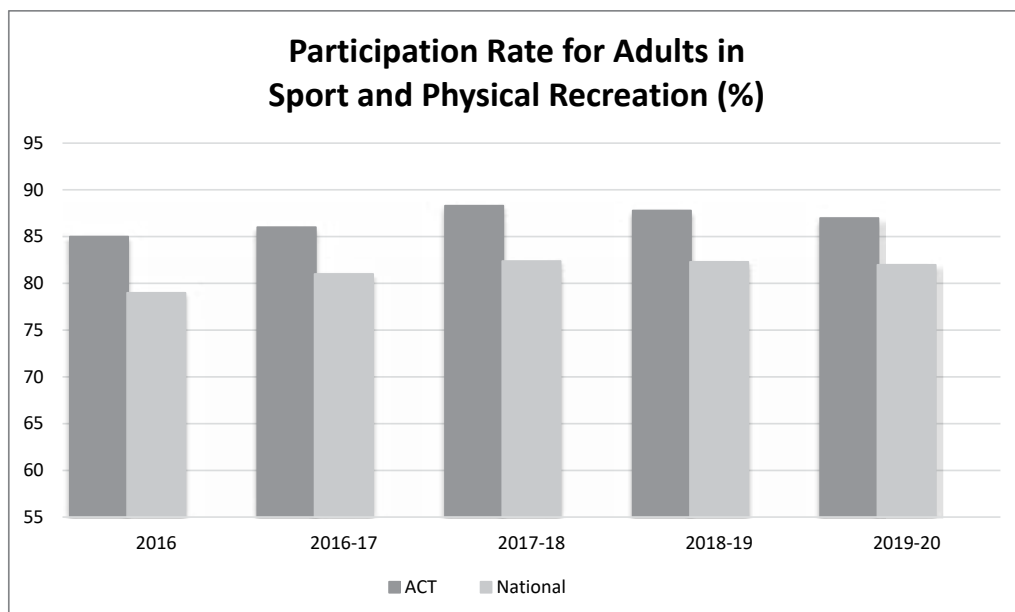


Source: Business Improvement Manager client assessment feedback, which is collected from an on-going internal phone survey of randomly selected industry groups that have had a regulatory interface with Access Canberra. Members of the general public are surveyed on an annual basis and asked to assess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

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

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

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

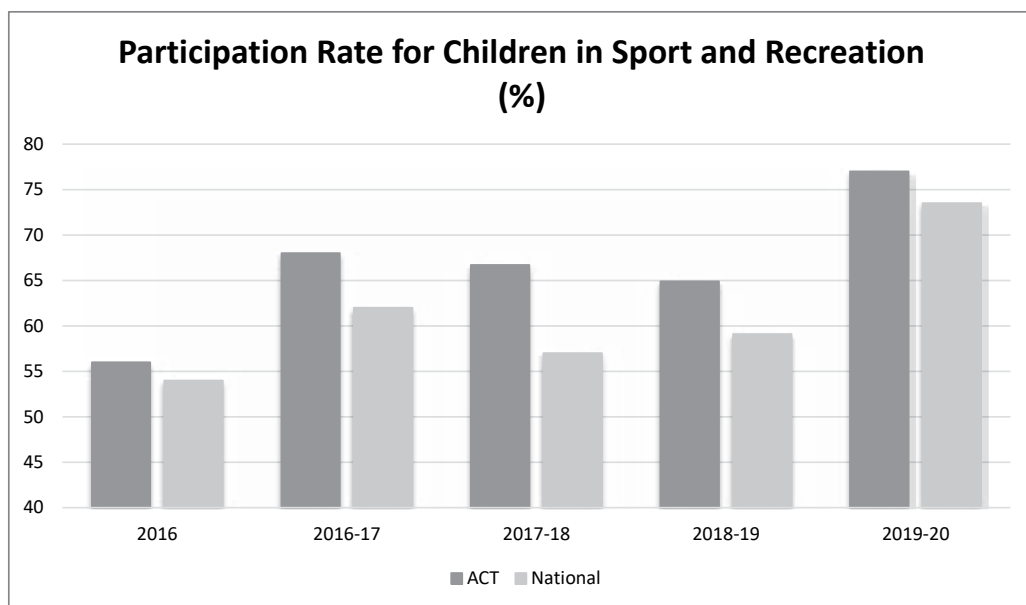


Source: AusPlay Participation data for the sport sector (October 2020).

Note(s):

1. 2016 represents the initial release of data report under new data source for sport and physical recreation participation. 2016-17 represents the first full year of data, and relates to persons aged 15 years or over who participate in sport and physical activity at least once a week. 2017-18, 2018-19 and 2019-20 represent full year data relating to persons aged 15 years or over who participate in sport and physical activity at least once a week.

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



Source: AusPlay Participation data for the sport sector (December 2018).

Note(s):

1. 2016 represents the initial release of data report under new data source for sport and physical recreation participation. 2016-17 represents the first full year of data, and relates to persons aged 0 - 14 years who participated in organised sport and physical activity outside of school hours at least once per week. 2017-18, 2018-19 and 2019-20 represent full year data relating to persons aged 0 - 14 years who participated in organised sport and physical activity outside of school hours at least once per week.

Strategic Objective 4

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

This includes:

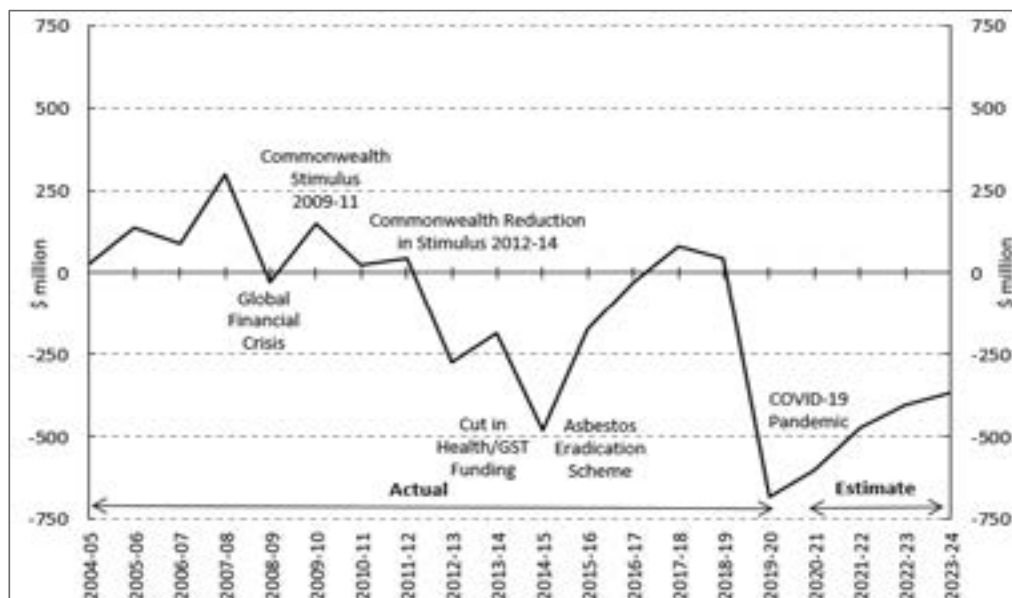
- assisting the Government to meet its fiscal strategy, which focuses on managing the public finances of the Territory in a rigorous and prudent manner, achieving an operating balance over the longer term and assisting the government to maintain a strong balance sheet;
- managing and coordinating the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

- forecasting economic trends and government revenues, and providing advice on major economic policy initiatives;
- providing advice on tax policy and administration issues; and
- managing the Territory’s financial assets and liabilities through the Territory Banking Account and Superannuation Provision Account.

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

The General Government Sector (GGS) Headline Net Operating Balance (HNOB) in 2019-20 was a deficit of \$681.1 million. In 2020-21 the HNOB is forecast to be a deficit of \$603.1 million decreasing to an estimated deficit of \$369.1 million in 2023-24. The higher than previously expected deficits reflect the impact of the COVID-19 health emergency and the actions by the Government to minimise the impact on the community and the economy.

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



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

S&P Global Ratings assesses the Territory’s credit rating each year. The Directorate assists the Government to maintain the highest credit rating possible. Robust financial management and maintaining a strong fiscal position supports a high credit rating.

The Territory’s AAA credit rating was reaffirmed by S&P Global in September 2020. S&P Global also maintained the negative long-term rating outlook for the Territory that was announced in April 2020. The negative outlook reflects a similar revision to the Australian sovereign, as well S&P Global’s view that there were downside risks to ACT’s fiscal recovery if the COVID-19 disruption was more severe or prolonged than S&P Global expected.

Aside from the Commonwealth, the ACT is currently the only AAA rated jurisdiction in Australia.

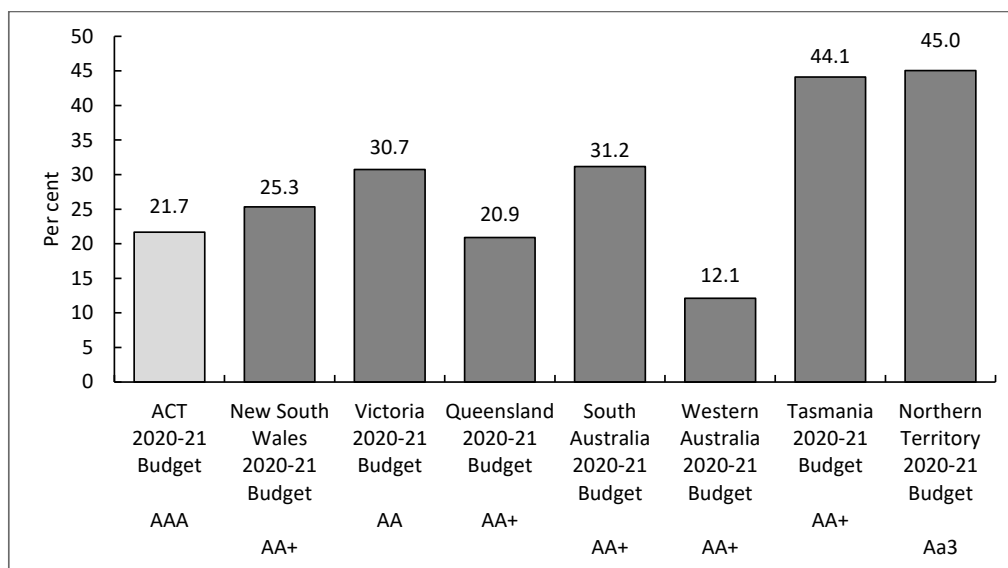
While the affirmation of the AAA credit rating is a positive outcome for the Territory, there remain risks to the rating as the economy continues to recover from COVID-19 and it will take some time to repair the fiscal position and reduce debt levels.

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

The forecast net financial liabilities to GSP ratio for 2020-21 of 21.7 per cent remains consistent with our credit rating and other jurisdictions. While this ratio is higher than the 16.2 per cent forecast in the 2019-20 Budget, the increase reflects the Government’s fiscal response to support the economy and community through the COVID-19 health emergency.

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



Strategic Objective 5

Improved 'One Government' communications and community engagement

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

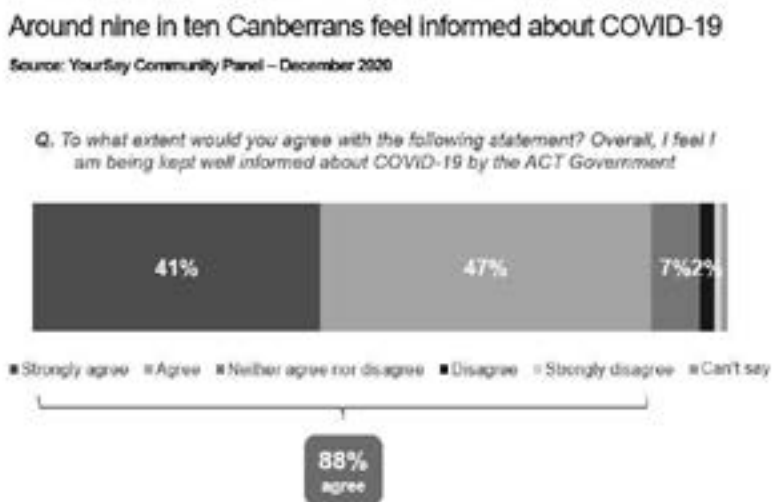
The Directorate leads the coordination of whole of government public information, to ensure the community is informed about Government policies, projects and services. It is also responsible for leading the Government's strengthened engagement commitment to deliver meaningful, responsive, accountable and inclusive opportunities for genuine engagement.

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

Using the ACT Government's online market research platform, the YourSay Community Panel which has 3,500 members, the community was asked how well informed they felt about COVID-19 through tracking surveys which began in April 2020. Then in December 2020, the Panel was specifically asked how well informed they felt about COVID-19 by the ACT Government.

From a sample of 1,159 Canberrans, 88 per cent agreed or strongly agreed they felt well informed about COVID-19 by the ACT Government.

Figure 9: How well informed by the ACT Government the community feels about COVID-19



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

Strategic Objective 6

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

We will take advantage of digital data to achieve:

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

The Office of the Chief Digital Officer (OCDO) will continue to deliver value through data and digital initiatives that will assist in both the COVID-19 response and recovery. In 2020-21 this will include implementing a program of work that will embed the principles of the ACT Digital Strategy. Key to this will be the further development of digital services that place the community at the centre to create real public value for the citizens of Canberra.

In 2020-21 the OCDO will also continue to develop data management and analytics capabilities through supporting directorates to implement the data governance and management framework, along with maintaining the Data Lake infrastructure and delivering data analytics projects.

Output Classes

Total Directorate: Chief Minister, Treasury and Economic Development Directorate

Table 2: Chief Minister, Treasury and Economic Development Directorate

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost^{1,2}	695,808	801,495
Controlled Recurrent Payments	396,794	468,314

Note(s):

1. Total cost includes depreciation and amortisation of \$90.207 million in 2019-20 and \$107.183 million in 2020-21.
2. The cumulative Total Cost and Controlled Recurrent Payments values included in the Output Class tables below will add up to more than the equivalent amounts shown in the Directorate's Total Cost and Controlled Recurrent Payments above due to intra-directorate eliminations.

Output Class 1: Government Strategy

Table 3: Output Class 1: Government Strategy

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	45,775	52,946
Controlled Recurrent Payments	33,324	37,855

Note(s):

1. Total cost includes depreciation and amortisation of \$2.147 million in 2019-20 and \$2.720 million in 2020-21.

Output 1.1: Government Policy and Reform

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

Policy and Cabinet will deliver this output by:

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

- providing advice and support to Cabinet and the Manager of Government Business in the Legislative Assembly;
- leading the ACTPS' transition to whole of government digital recordkeeping capabilities;
- providing services and initiatives that make ACT Government archives available to the public; and
- through the Office for LGBTIQ Affairs, implementing the ACT Government's vision of Canberra being the most LGBTIQ friendly city in Australia.

Table 4: Output 1.1: Government Policy and Reform

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	14,424	16,822
Controlled Recurrent Payments	12,889	14,164

Output 1.2: Workforce Capability and Governance

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

Workforce Capability and Governance will deliver this output by:

- developing and reviewing whole of government employment policies, regulations and standards and providing industrial relations services to support better employment practices;
- leading, supporting and coordinating enterprise bargaining, enterprise agreement implementation and application across the service;
- developing a whole of service vision for the ACTPS including workforce models and supporting culture and practices;
- delivering a whole of service survey so that workforce trends and patterns inform strategic decision making;
- supporting and coordinating workforce planning and capability development across government, including through whole of government leadership and talent strategies, and delivery of whole of government learning and capability development programs;
- driving transformational and cultural change to improve workforce readiness prior to moving to the new office building at 220 London Circuit, Civic in 2021;
- developing and implementing ACTPS capacity building programs, including programs for graduates, Aboriginal and Torres Strait Islander people, and people with disability;
- maintaining and monitoring whole of government ethics and accountability frameworks;

- supporting the Head of Service, the Public Sector Standards Commissioner, the ACT Remuneration Tribunal, the Strategic Board and its sub-committees and the Secure Local Jobs Code Ministerial Advisory Council; and
- managing the Secure Local Jobs Code certification scheme, assisting Territory entities and tenderers to meet their legislative obligations under the Code and undertaking education and awareness raising activities on the implementation of the Code.

Table 5: Output 1.2: Workforce Capability and Governance

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	11,503	12,846
Controlled Recurrent Payments	6,895	8,734

Output 1.3: Coordinated Communications and Community Engagement

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

Communications and Engagement will deliver this output by:

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

Table 6: Output 1.3: Coordinated Communications and Community Engagement

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	11,118	13,018
Controlled Recurrent Payments	9,283	9,799

Output 1.4: Digital Strategy

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

The Office of the Chief Digital Officer will deliver this output and take advantage of digital and data to achieve:

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

Table 7: Output 1.4: Digital Strategy

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	8,728	10,260
Controlled Recurrent Payments	4,255	5,158

Output Class 2 (Output 2.1): Access Canberra**Table 8: Output Class 2 (Output 2.1): Access Canberra**

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	120,634	110,765
Controlled Recurrent Payments	96,273	90,803

Note(s):

1. Total cost includes depreciation and amortisation of \$5.377 million in 2019-20 and \$5.371 million in 2020-21.

Output 2.1: Access Canberra

Through the Access Canberra output the directorate contributes to the economic growth and vibrancy of Canberra and protects the community through compliance, licensing and regulation.

Access Canberra will deliver this output by:

- undertaking its activities through a risk-based framework which does not unnecessarily hinder businesses from flourishing;
- providing services and collecting revenue on behalf of other directorates; and
- providing customer services to businesses, community groups and individuals through a 'no wrong door' approach.

Output Class 3: Economic Development

Table 9: Output Class 3: Economic Development

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	116,671	138,484
Controlled Recurrent Payments	121,203	130,397

Note(s):

1. Total cost includes depreciation and amortisation of \$2.536 million in 2019-20 and \$2.475 million in 2020-21.

Output 3.1: Innovation, Industry and Investment

Through the Innovation, Industry and Investment output the directorate delivers programs, initiatives and business policy advice that promote the economic development of the broader capital region. Our work involves consultation and partnership with universities, research organisations, commercialisation entities, business organisations and other government agencies. We participate in business and innovation policy forums, including Ministerial Councils and other national business, innovation working groups and science infrastructure forums.

Innovation, Industry and Investment will deliver this output and aim to:

- accelerate the commercialisation of locally generated intellectual property;
- encourage internationalisation of ACT businesses through trade and investment; and
- enhance the innovation capability of the private sector and its relationship with key institutions.

Table 10: Output 3.1: Innovation, Industry and Investment

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	13,829	21,074
Controlled Recurrent Payments	13,944	20,783

Output 3.2: VisitCanberra

Through the VisitCanberra output the directorate creates and implements a range of innovative tourism marketing and development programs.

VisitCanberra will deliver this output by partnering with local industry, national bodies and institutions. These partnerships aim to support the Territory's economic development through increased visitation to the ACT and region.

Table 11: Output 3.2: VisitCanberra

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	12,961	14,995
Controlled Recurrent Payments	13,007	14,356

Output 3.3: Sport and Recreation

Through the Sport and Recreation output, the directorate supports Canberra's participation in organised sport and recreation through delivery of programs, facility planning development and pathways.

Sport and Recreation will deliver this output by:

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

Table 12: Output 3.3: Sport and Recreation

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	17,823	17,732
Controlled Recurrent Payments	18,881	16,491

Output 3.4: Events

Through the Events output the directorate manages, supports and delivers key signature events for visitors and the community. Events ACT will deliver this output through key events including:

- Floriade and Floriade NightFest;
- Windows to the World;
- Canberra Nara Candle Festival;

- New Year’s Eve celebrations;
- Australia Day activities;
- The Enlighten Festival (incorporating Illuminations, Lights!Canberra!Action!, Canberra Day celebrations, Symphony in the Park and the Canberra Balloon Spectacular); and
- Reconciliation Day in Canberra.

Table 13: Output 3.4: Events

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	13,189	13,606
Controlled Recurrent Payments	11,296	11,964

Output 3.5: Arts Engagement

For the Arts Engagement output the directorate, through artsACT:

- facilitates participation in and access to the arts by working in partnership with the community and the arts sector to fund, enable and deliver arts activity and programs;
- supports great art and great artists by funding and promoting Canberra art and artists;
- supports and recognises the vitality of the Canberra Region arts ecology and the benefits the arts and creativity bring to Canberra; and
- engages with Aboriginal and Torres Strait Islander arts and cultures.

Table 14: Output 3.5: Arts Engagement

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	17,883	17,231
Controlled Recurrent Payments	19,392	14,744

Output 3.6: Higher Education, Training and Research

Through the Higher Education, Training and Research output the directorate partners with tertiary education institutions to support the growth and development of the sector.

Tertiary Education, Training and Research, and Skills Canberra will deliver this output by:

- promoting Canberra as Australia’s study destination of choice for international, interstate and local students and driving continuous improvement in Canberra’s student experience;
- managing vocational education and training (VET) in the Territory; and

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

Table 15: Output 3.6: Higher Education, Training and Research

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	40,986	53,846
Controlled Recurrent Payments	44,683	52,059

Output Class 4: Financial and Economic Management

Table 16: Output Class 4: Financial and Economic Management

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	21,553	49,032
Controlled Recurrent Payments	22,178	48,306

Note(s):

1. Total cost includes depreciation and amortisation of \$0.429 million in 2019-20 and \$0.415 million in 2020-21.

Output 4.1: Economic Management

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

Economic and Financial Group will deliver this output by:

- monitoring and providing advice on the state of the ACT economy;
- preparing economic and fiscal modelling and providing economic forecasts and revenue forecasts for own source revenue;
- undertaking analysis and modelling to provide short, medium and long-term demographic projections;
- publishing tax expenditure statements;
- facilitating the development and review of taxation reform;
- providing advice on economic policy, competition reform, cost of living and industry sectoral matters, including economic regulation of water and energy markets;
- coordinating the function and responsibilities provided under the Intergovernmental Agreement on Federal Financial Relations;

- coordinating and/or contributing to the:
 - heads of Treasuries, Board of Treasurers and Council on Federal Financial Relations processes; and
 - ACT Government involvement with the Commonwealth Grants Commission;
- providing advice on the performance of selected government entities, including emerging issues and associated corporate governance arrangements;
- providing advice and regulating the Motor Accident Injuries (MAI) Scheme;
- administering the Lifetime Care and Support (LTCS) Scheme; and
- managing the government’s borrowings, investments, cash and liquidity needs and the unfunded employer superannuation liabilities through the Territory Banking Account and the Superannuation Provision Account.

Table 17: Output 4.1: Economic Management

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	8,756	7,892
Controlled Recurrent Payments	9,016	7,775

Output 4.2: Financial Management

Through the Financial Management output the directorate provides 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.

Finance and Budget will deliver this output by:

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

Table 18: Output 4.2: Financial Management

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	12,797	41,140
Controlled Recurrent Payments	13,162	40,531

Output Class 5 (Output 5.1): Workforce Injury Management and Industrial Relations Policy

Table 19: Output Class 5 (Output 5.1): Workforce Injury Management and Industrial Relations Policy

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	11,529	12,823
Controlled Recurrent Payments	7,650	8,795

Note(s):

1. Total cost includes depreciation and amortisation of \$0.266 million in 2019-20 and \$0.133 million in 2020-21.

Output 5.1: Workforce Injury Management and Industrial Relations Policy

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

Workplace Safety and Industrial Relations will deliver this output by:

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

Output Class 6 (Output 6.1): Revenue Management

Table 20: Output Class 6 (Output 6.1): Revenue Management

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	30,281	30,848
Controlled Recurrent Payments	22,702	20,956

Note(s):

1. Total cost includes depreciation and amortisation of \$4.244 million in 2019-20 and \$3.626 million in 2020-21.

Output 6.1: Revenue Management

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

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

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

Output Class 7 (Output 7.1): Shared Services

Table 21: Output Class 7 (Output 7.1): Shared Services

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	225,201	242,226
Controlled Recurrent Payments	60,503	72,002

Note(s):

1. Total cost includes depreciation and amortisation of \$26.481 million in 2019-20 and \$28.005 million in 2020-21.

Output 7.1: Shared Services

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

Shared Services and Shared Services ICT will deliver this output by:

- providing services to government agencies as outlined in Shared Services ICT catalogue of services and affirmed through various service level and support agreements;
- managing the whole of government data and communications network;
- providing general service and help desk functions;
- providing payroll, personnel and recruitment services;
- providing records management and courier activities to government directorates;
- providing monthly and annual financial reporting services;
- providing accounts payable, accounts receivable, banking and debt management functions;

- providing general ledger, cash flow and fixed asset management;
- administering the Taxation Management Framework across the ACT Government;
- administering production and lodgement to the Australian Taxation Office of monthly Business Activity Statements and annual Fringe Benefits Tax Returns; and
- delivering salary packaging services for employees across the ACT Government.

Output Class 8: Infrastructure Finance and Procurement

Table 22: Output Class 8: Infrastructure Finance and Procurement

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	11,922	13,574
Controlled Recurrent Payments	5,139	9,748

Note(s):

1. Total cost includes depreciation and amortisation of \$0.143 million in 2019-20 and \$0.031 million in 2020-21.

Output 8.1: Infrastructure Finance

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

Infrastructure Finance and Reform will deliver this output by:

- advising on the development of infrastructure projects within the Capital Framework;
- providing financial and commercial advice on the structuring and procurement of Public Private Partnership (PPP) and other major, complex infrastructure projects, and managing life-of-project transactions for PPP projects;
- coordinating and managing the assessment of unsolicited proposals;
- maintaining, and providing advice on and training in, the policy frameworks that guide the development of infrastructure projects; and
- providing governance and administrative support to infrastructure-related committees.

Table 23: Output 8.1: Infrastructure Finance

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	2,850	4,370
Controlled Recurrent Payments	2,402	4,364

Output 8.2: Goods and Services Procurement

Through the Goods and Services Procurement output the directorate supports goods and services procurement activities of government directorates and agencies and establishes and manages whole of government arrangements. We advise the government on procurement policy and develop and implement the government's procurement related policies. We also offer training and support to staff across government undertaking procurement activities, and administer online tendering and procurement support systems.

Procurement ACT will deliver this output and supports directorates to achieve value for money procurement outcomes by:

- providing procurement advisory and support services;
- administering the ACT Government contracts register and procurement systems;
- supporting Territory staff to undertake procurement activities efficiently and effectively with contemporary advice and provision of templated and standardised documentation and processes;
- supporting the procurement workload across government by applying contemporary category procurement knowledge and contract management skills to establish and manage cost effective whole of government arrangements; and
- representing the ACT Government in cross-jurisdictional engagement on procurement policy matters, including in relation to international trade agreements.

Table 24: Output 8.2: Goods and Services Procurement

	2019-20	2020-21
	Audited Outcome	Budget
	\$'000	\$'000
Total Cost	9,071	9,204
Controlled Recurrent Payments	2,736	5,384

Output Class 9: Property Services and Venues

Table 25: Output Class 9: Property Services and Venues

	2019-20	2020-21
	Audited Outcome	Budget
	\$'000	\$'000
Total Cost ¹	169,347	195,837
Controlled Recurrent Payments	27,822	49,452

Note(s):

1. Total cost includes depreciation and amortisation of \$48.584 million in 2019-20 and \$64.407 million in 2020-21.

Output 9.1: Property Services

Through the Property Services output the directorate manages 241 Territory-owned buildings including commercial buildings, government office and service provision accommodation, community/multipurpose buildings, and aquatic/leisure facilities. We also lease 33 commercial buildings on behalf of the Territory.

ACT Property Group (ACTPG) will deliver this output. ACTPG provides property upgrade services and planned and reactive maintenance services on Territory-owned properties managed by CMTEDD and other directorates.

Table 26: Output 9.1: Property Services

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	139,346	165,115
Controlled Recurrent Payments	13,804	33,697

Output 9.2: Venues

Through the Venues output the directorate promotes and manages major events at venues including GIO Stadium, Exhibition Park in Canberra, Manuka Oval and Stromlo Forest Park. We also manage the National Arboretum Canberra.

Venues Canberra will deliver this output.

Table 27: Output 9.2: Venues

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	30,001	30,722
Controlled Recurrent Payments	14,019	15,755

Accountability Indicators

The Half Yearly Performance Report (31 December 2020) pursuant to section 30E of the *Financial Management Act 1996* is presented in combination with these budget statements. Contextual information on each output class can be found in the 'Output Classes' section of this budget statement.

Information on the 2019-20 targets and outcomes can be found in CMTEDD's Statement of Performance, contained in Volume 2 of the 2019-20 CMTEDD Annual Report.

Note: For the following tables, YTD = Year to Date (31 Dec 2020). All variances are calculated before rounding. All variances of 0.5 per cent or greater have been rounded to the nearest whole number.

Output Class 1: Government Strategy

Output 1.1: Government Policy and Reform

Table 28: Accountability Indicators Output 1.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Whole of government policy and project initiatives	3	0	0	0
b. Regional partnerships and participation	2	0	0	0
c. Support for National Cabinet, NFRC, CAF and CCCLM	4	0	0	0
d. Government Progress Report	1	0	0	0
e. Cabinet and Assembly Support	2	0	0	0
f. Regulatory and process reform initiatives	2	0	0	0
g. Climate action reform initiatives	3	0	0	0
Total Cost (\$'000)	16,822	6,459	6,436	..
Controlled Recurrent Payments (\$'000)	14,164	6,212	6,637	6 ¹

Note(s):

- a. This accountability indicator incorporates key government policy and project initiatives to be delivered by the Directorate during the year. Initiatives currently scheduled for delivery are:
 - development of the second action plan for Capital of Equality;
 - response to the Royal Commission into National Natural Disaster Arrangements; and
 - completion of a whole of government recordkeeping maturity assessment.
- b. This accountability indicator covers the administration of two key partnerships.
 - Supporting the Chief Minister's involvement with regional councils through the Canberra Region Joint Organisation.
 - Continuing to support regional collaboration through the ACT-NSW MoU for Regional Collaboration, including through the establishment of cross-border working groups to deliver commitments under the MoU relating to Parkwood Urban Release Area, water, and transport.
- c. This accountability indicator covers briefing and support to the Chief Minister for meetings of National Cabinet and the newly established National Federation Reform Council (NFRC), the Council for the Australian Federation and the Council of Capital City Lord Mayors. This indicator has been renamed due to the cessation of COAG which has been replaced with the newly formed National Cabinet and NFRC. In May 2020, National Cabinet agreed to significant reforms to Australia's federal relations architecture including the cessation of COAG, continuation of National Cabinet and inception of the National Cabinet Reform Committees, an enhanced role for the Council on Federal Financial Relations and establishment of the National Federation Reform Council and its Taskforces. This indicator is counted as complete on delivery of the briefing packages to the Chief Minister.
- d. This accountability indicator relates to the ACT Government Progress Report in delivering key government decisions.

- e. This accountability indicator covers the annual cycle of Assembly and Cabinet support, including preparation and circulation of submissions and papers. This measure reflects support provided by CMTEDD to:
 - support the Chief Minister as chair of Cabinet and to Cabinet Ministers; and
 - support to the Manager of Government Business in the Legislative Assembly.
- f. This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation and processes to strengthen the delivery of government priorities. The initiatives currently scheduled for delivery are establishment of the Better Regulation Taskforce and delivery of phase 1 of the Taskforce program.
- g. New accountability indicator. This accountability indicator covers policy and project initiatives targeted at coordinating the delivery of the Government's agenda of emissions reduction and climate adaptation and resilience projects. The initiatives currently scheduled for delivery are:
 - the establishment of the Coordinator-General for Climate Action and office;
 - commence the delivery of the sustainable household scheme; and
 - begin market sounding on delivery of the ACT distributed large scale battery storage system.

Variances between YTD Targets and YTD Result:

1. The variance is due to the requirement to access Controlled Recurrent Payments (CRP) appropriation in December to pay for invoices and salaries and wages early in January.

Output 1.2: Workforce Capability and Governance

Table 29: Accountability Indicators Output 1.2

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Conduct the annual whole of government Graduate Program	85%	85%	100%	18 ¹
b. Publish the State of the Service Report	Dec 2020	Dec 2020	Dec 2020	0
c. Deliver ACTPS Leadership and Development programs	2	2	2	0
d. Conduct vocational employment programs	85%	85%	0%	-100 ²
e. Support the Workforce Transformation program	2	1	1	0
f. Approval of Enterprise Agreements	2	2	2	0
g. Deliver next stage of the Secure Local Jobs Code	N/A	N/A	N/A	N/A
h. Issue SLJC Certificates within 5 working days of receipt of complete and correct audit report	85%	85%	98%	15 ³
i. Conduct SLJC Training sessions for industry and ACT Government	24	12	13	8 ⁴
Total Cost (\$'000)	12,846	5,648	5,580	-1
Controlled Recurrent Payments (\$'000)	8,734	4,367	5,685	30 ⁵

Note(s):

- a. This accountability indicator covers the implementation of the ACTPS whole of government Graduate Program. The indicator will be considered achieved if 85 per cent of the graduate intake complete the program. The 2020 Graduate Cohort ended in November 2020 with 42 or 100 per cent of Graduates successful in completing the program. A larger cohort of over 70 has been recruited and is expected to commence in February 2021.
- b. This accountability indicator covers the publication of the annual State of the Service Report. Due to the impacts of COVID-19 the Chief Minister formally extended the date by which annual reports were to be provided to the Speaker to December 2020. The published State of the Service Report is available at: https://www.cmtedd.act.gov.au/open_government/report/annual_reports.
- c. This accountability indicator covers the implementation of a framework for improving leadership capabilities across the ACTPS. Work in 2020-21 includes specific leadership and development programs provided for six Aboriginal and Torres Strait Islander employees staff and six staff who identify as people with disability though dedicated funding to undertake QUT's Public Sector Management Program. Further, four candidates were sponsored to undertake the Disability Leadership Institute's Future Shapers Program for people with disability who aspire to be, or are already, leaders in their workplace. Work in 2020-21 also includes the development of a whole of government Leadership and Talent Strategy and associated work program. As part of the establishment and implementation of the Strategy, a priority initiative will include increased use of secondments.

- d. This accountability indicator relates to provision of vocational employment programs for people with disability and Aboriginal and Torres Strait Islander people. The indicator will be considered achieved if 85 per cent of the participants complete the program. This work is an indicator as it is important that the ACT Public Service is made up of diverse staff members and is representative of the ACT community that it serves.
- e. This accountability indicator includes the occupation of 480 Northbourne Avenue and 220 London Circuit.
- f. This accountability indicator includes Enterprise Agreements for 2020-21 Fire and Rescue Officers and Medical Practitioners. The accountability indicator covers Enterprise Agreement voting by staff and application to the Fair Work Commission.
- g. Discontinued accountability indicator. This item was completed in January 2020. The deferred legislative amendment to the Secure Local Jobs Code to include services or works that (i) are primarily for labour (other than excluded services or works); and (ii) have an estimated value equal to or greater than an amount prescribed by regulation (\$200,000) commenced on 7 November 2019. Commencement of the delayed amendment was announced and supporting documentation for industry and territory officers was delivered and is publicly available on websites. Territory Contract forms have been updated and published on Territory websites.
- h. This accountability indicator relates to the timely operation of the Secure Local Jobs certification function.
- i. This accountability indicator relates to the education and promotion functions of the Secure Local Jobs package.

Variations between YTD Targets and YTD Result:

1. The variance is due to all of the 2020 ACTPS graduates successfully completing the program.
2. The 2019-2020 Vocational Employment Programs were due to commence in April/May 2020. Due to the COVID-19 health emergency, participants were unable to safely onboard into their respective workplaces and the programs experienced significant delays. As of November 2020, four Aboriginal and Torres Strait Islander people and two People with Disability VEP Participants commenced employment through these programs. A further four Aboriginal and Torres Strait Islander participants were onboarded in January 2021.
3. The variance is due to the target being exceeded which reflects the efficient and timely processing of the Secure Local Jobs certification function.
4. The variance is due to opportunity and interest by industry and within the ACT Public Service on SLJC obligations and promotion functions of the SLJC package exceeding forecast demand.
5. The variance mainly reflects the use of CRP appropriation pending the receipt of recoveries from other agencies for employee relations related expenses associated with the Professional Standards Unit. This is partially offset by the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January.

Output 1.3: Coordinated Communications and Community Engagement

Table 30: Accountability Indicators Output 1.3

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Annual numbers of ACT Government Digital Mail Service newsletters	11	6	17	183 ¹
b. Annual number of ACT Government Our Canberra newsletters	10	5	5	0
c. Annual whole of government Communications & Engagement Plan	1	0	0	0
Total Cost (\$'000)	13,018	5,261	5,143	-2
Controlled Recurrent Payments (\$'000)	9,799	5,663	5,924	4

Note(s):

- a. This accountability indicator covers the total number of ACT Government messages distributed during the year to subscribers of the ACT Government Digital Mail Service.
- b. The Our Canberra newsletter is distributed to all Canberra households during the year. Editions are published for the five main regions of Canberra, Belconnen, Central, Gungahlin, Tuggeranong and Woden/Weston Creek/Molonglo.
- c. This accountability indicator relates to the annual Whole of Government Communications and Engagement Plan which outlines the Government's communications and engagement priorities, to provide advance notice and to enable genuine and meaningful opportunities to participate in consultation and engagement activities.

Variations between YTD Targets and YTD Result:

1. The variance is due to the frequency of the newsletter being increased to deliver timely COVID-19 information.

Output 1.4: Digital Strategy

Table 31: Accountability Indicators Output 1.4

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. ACT Data Analytics Centre	1	0	0	0
b. The value delivered through technology investment improves	2	0	0	0
c. Delivery of joined up services achieve benefits for the community and for government	2	0	0	0
Total Cost (\$'000)	10,260	4,657	4,169	-10 ¹
Controlled Recurrent Payments (\$'000)	5,158	2,212	2,513	13 ²

Note(s):

- This accountability indicator covers the program of work for the ACT Data Analytics Centre. This indicator is considered completed through the support of directorates to implement the Data Governance and Management Framework.
- The OCDO leads the provision of whole of government advice to inform technology priorities, resource allocation and investment decisions. The OCDO will fulfil this role to prioritise WoG COVID-19 responses, and then COVID-19 recovery. In the long term the OCDO will continue to support government to make informed technology investment decisions and will embed the principles outlined in the ACT Digital Strategy. This indicator is considered complete when:
 - the Technology Leadership Group provides advice that enables the prioritisation of technology resources and support for COVID-19 initiatives; and
 - a program of work is developed to progress the Digital Strategy, including utilising the work of the Technology Roadmap.
- This accountability indicator covers the program of work for the ACT Digital Account and covers the delivery of new digital services for the community (subject to budget funding). This accountability indicator is considered complete when two new services are delivered through the ACT Digital Account.

Variations between YTD Targets and YTD Result:

- The variance is mainly due to several vacancies pending finalisation of recruitment processes.
- The variance is due to the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January; partially offset by the timing of recruitment.

Output Class 2: Access Canberra

Output 2.1: Access Canberra

Table 32: Accountability Indicators Output 2.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Efficient Service Delivery				
- percentage of customers satisfied with Access Canberra	90%	N/A	N/A	N/A
b. Doing Business in the ACT is easy				
- percentage of the Canberra community satisfied with the ease of interacting with Access Canberra	95%	N/A	N/A	N/A
c. Percentage of services available online	75%	74%	75%	2
d. Percentage of services completed online	87%	86%	87%	1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
e. Reduction of regulatory burden on business by undertaking risk-based coordinated inspection activities	80%	N/A	N/A	N/A
f. Average number of days to issue business authorisation or personal registration				
- for business authorisation	10 working days or less	N/A	N/A	N/A
- for personal registration	5 working days or less	N/A	N/A	N/A
g. Compliance rate during targeted campaign inspections	90%	N/A	N/A	N/A
h. Average level of helpfulness after issuing a notice or before issuing a licence/authorisation	4.5 out of 5	4.5	4.4	(2)
Total Cost (\$'000)	110,765	55,383	61,216	10 ¹
Controlled Recurrent Payments (\$'000)	90,803	53,437	58,340	9 ²

Note(s):

- a. The customer satisfaction result is determined by the responses to independent annual surveys of the Canberra community. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. This result will be reported annually.
- b. The satisfaction with ease of interacting result is determined by the responses to independent annual surveys of the Canberra community. The surveys are a measure of the awareness, attitudes, behaviour and customer satisfaction of/with Access Canberra's corporate identity, channels and services. This result will be reported annually.
- c. Services available online are defined as interactions that can be conducted (at least in part) via the internet/portals. The reported result is current as of 30 November 2020 (the latest available data) and provides information on progress towards the full year result.
- d. This accountability indicator measures the percentage of transactions completed online against the total number of transactions completed over the phone, in person and online. The reported result is current as of 30 November 2020 (the latest available data) and provides information on progress towards the full year result.
- e. This accountability indicator is an annual measure of the number of inspection activities focusing on more than one regulatory obligation for the business. Coordinated inspection activities reduce the regulatory burden on businesses by making inspections simpler, faster and less frequent. This result will be reported annually.
- f. This accountability indicator measures the average number of days it takes to issue business authorisations and personal registrations. This result will be reported annually.
- g. Initial rates of compliance are assessed against a predetermined set of criteria set for targeted inspection campaigns. Following the completion of the campaign compliance rates are again assessed to determine the percentage shift in compliance. This result will be reported annually.
- h. Feedback is collected from an on-going internal phone survey of randomly selected industry groups that have had a regulatory interface with Access Canberra. Results are collated using a helpfulness score: (1 to 5) 5 being the greatest level of support and 1 the lowest. The reported result is current as of 30 November 2020 (the latest available data) and provides information on progress towards the full year result. The variance reported is 0.1 out of 5 below the target measure.

Variances between YTD Targets and YTD Result:

1. The variance is mainly due to higher demand for services and improvements in the quality of service provision.
2. The variance is mainly due to higher demand for services, improvements in the quality of service provision and the use of CRP appropriation pending receipt of recovery from the Office of the Work Health and Safety Commissioner for operational expenses.

Output Class 3: Economic Development

Output 3.1: Innovation, Industry and Investment

Table 33: Accountability Indicators Output 3.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Trade and investment				
- Number of international trade and investment campaigns and delegations	5	0	0	0
- Number of lead responses generated from Invest Canberra program activity	30	15	5	-67 ¹
b. Sector capability building				
- Priority Investment Program	1	0	0	0
- Defence Industry advocacy	1	0	0	0
- ACT Vice Chancellors' Forum	1	0	0	0
- Cyber industry development	1	0	0	0
- Space industry development	1	0	0	0
- Screen industry through Screen Canberra	1	0	0	0
c. Support for innovation eco-system building				
- CBR Innovation Network and associated programs	1	0	0	0
d. Private sector investment facilitation				
- Major projects under facilitation management	2	0	0	0
Total Cost (\$'000)	21,074	6,285	6,534	3
Controlled Recurrent Payments (\$'000)	20,783	6,591	6,570	..

Note(s):

- a. This accountability indicator has two measures as follows.
- This accountability indicator tracks the number of ministerially-led international trade and investment campaigns and delegations. A yearly schedule of international trade delegations is approved by the Chief Minister and planned and executed by the Office of International Engagement. The 2020-21 schedule targets delivery of five ministerially led international trade delegations. Trade delegations are planned in accordance with the Chief Minister's schedule, and to leverage appropriate market opportunities and events. The YTD target of 0 reflects that due to the COVID-19 health emergency, all international travel was prohibited under the Commonwealth state of emergency.
 - This accountability indicator tracks the 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. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
- b. This accountability indicator has six measures as follows.
- This accountability indicator tracks delivery of the Priority Investment Program (PIP). The PIP supports the ACT Government's commitment to focused sector development by co investing in industry/stakeholder led projects across identified key sectors with the goal of attracting new investment and skills to Canberra. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
 - This accountability indicator tracks delivery of defence advocacy programs. Defence advocacy is delivered in partnership with the ACT Defence Industry Advisory Board. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
 - This accountability indicator tracks delivery of the Vice-Chancellors' Forum program of activity. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
 - This accountability indicator tracks actions that support the growth of the cyber industry in partnership with the Canberra Node of AustCyber. This is an ongoing program and the indicator is considered complete at the end of the reporting period.

- This accountability indicator tracks actions that support the growth of the space industry in Canberra in partnership with industry, education institutions and the Canberra Space Development Working Group. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
- This accountability indicator tracks actions that support the development of the screen industry in Canberra in partnership with Screen Canberra. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
- c. This accountability indicator tracks support for innovation and entrepreneurs through programs delivered by CBR Innovation Network. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
- d. This accountability indicator tracks projects supported for facilitation management. These are ongoing projects and the indicator is considered complete at the end of the reporting period.

Variations between YTD Targets and YTD Result:

1. Due to the COVID-19 health emergency, foreign direct investment has slowed globally. As a result the ACT has experienced an unprecedented decline in investment leads.

Output 3.2: VisitCanberra

Table 34: Accountability Indicators Output 3.2

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. ACT Accommodation – Room Occupancy Rate (%)	>national average (49%)	>national average (49%)	47%	-3
b. Canberra and Region Visitors Centre (CRVC) – Overall visitor satisfaction with customer service levels at the CRVC	90%	90%	98%	9 ¹
c. Number of visits to the ‘visitcanberra’ website	1,300,000	650,000	564,362	-13 ²
Total Cost (\$’000)	14,995	6,945	5,416	-22 ³
Controlled Recurrent Payments (\$’000)	14,356	4,453	4,303	-3

Note(s):

- a. This accountability indicator provides a comparison of the ACT’s average accommodation room occupancy rate to the national average. The STR Global estimated national average for room occupancy is 49 per cent.
- b. 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.
- c. This accountability indicator is used to record the performance of the website <http://www.visitcanberra.com.au> as a key driver for tourism activities such as travel, research, planning and online bookings in Canberra.

Variations between YTD Targets and YTD Result:

1. The variance is due to a number of improvements to the CRVC this year, including a pop-up gin bar, new stock and new window graphics to reflect VisitCanberra’s new marketing campaign platform.
2. The variance is due to decreased demand for travel, resulting from the COVID-19 health emergency. Local outbreaks during this period resulted in border closures and restricted domestic travel.
3. The variance is mainly due to the deferral of local marketing campaigns and special events as a result of the COVID-19 health emergency.

Output 3.3: Sport and Recreation

Table 35: Accountability Indicators Output 3.3

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Number of nationally identified priority athletes supported by the ACT Academy of Sport	120	0	0	0
b. Number of organisations funded to support participation opportunities in sport and recreation	80	0	0	0
Total Cost (\$'000)	17 732	7 620	7 435	-2
Controlled Recurrent Payments (\$'000)	16 491	7 174	6 506	-9 ¹

Note(s):

- a. This accountability indicator measures the number of ACT Academy of Sport (ACTAS) supported athletes identified and/or prioritised by their respective sporting body as an athlete with emerging international level potential through to podium potential in an Olympic, Paralympic or Commonwealth Games sport. The 2020-21 result will be reported at the end of the financial year.
- b. This accountability indicator reports the number of organisations funded through the Sport and Recreation Grant Program to deliver participation opportunities. This funding support is coupled with access to directorate delivered education and training assistance to improve the quality of these opportunities. The 2020-21 result will be reported at the end of the financial year.

Variances between YTD Targets and YTD Result:

1. The variance is mainly due to a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used; partially offset by the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January.

Output 3.4: Events

Table 36: Accountability Indicators Output 3.4

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Attendee satisfaction rating with key community events				
- New Year's Eve	80%	N/A	N/A	N/A
- Australia Day	80%	N/A	N/A	N/A
- Canberra Nara Candle Festival	80%	N/A	N/A	N/A
- Canberra Day Activities	80%	N/A	N/A	N/A
b. Economic activity generated as a result of staging Floriade	\$40 million	N/A	N/A	N/A
c. Economic activity generated as a result of staging the Enlighten Festival	\$3 million	N/A	N/A	N/A
d. Satisfaction with the management of Events grants in the ACT	80%	N/A	N/A	N/A
Total Cost (\$'000)	13,606	6,803	4,966	-27 ¹
Controlled Recurrent Payments (\$'000)	11,964	3,881	3,546	-8 ²

Note(s):

- a. This accountability indicator measures attendee satisfaction of their experience while attending key community events. This is measured through a survey of sample event attendees for each event.

- The traditional fireworks and concert event for Canberra's 2021 New Year's Eve celebration was cancelled as a result of the COVID-19 health emergency. An alternate model for marking New Year's Eve celebrations in Canberra was implemented that did not support the completion of an event attendee satisfaction survey.
 - Canberra's 2021 Australia Day celebrations have not yet been held, however the traditional fireworks and concert event delivered by Events ACT has been cancelled as a result of the COVID-19 health emergency. Events ACT has instead partnered with the National Capital Authority, which will deliver Australia Day celebrations (under the National Australia Day Council theme of Reflect, Respect, Celebrate) as a two-day activation on 25 and 26 January. It is not yet confirmed if this revised event format will support the completion of an event attendee satisfaction survey.
 - The 2020 Canberra Nara Candle Festival was delivered in a modified format as a result of the COVID-19 health emergency. The modified approach prevented the completion of an event attendee satisfaction survey.
 - Canberra Day celebrations in 2021 have not yet been held, however, the event is currently being planned for delivery in a modified format as a result of the COVID 19 pandemic. It is not yet confirmed if this revised event format will support the completion of an event attendee satisfaction survey.
- b. Traditionally, this accountability indicator covers the estimated economic activity generated for the Territory by staging Floriade. Visitor expenditure data is derived from face-to-face interviews and post event surveys conducted 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. The traditional Floriade event staged in Commonwealth Park was cancelled for 2020 as a result of the COVID-19 health emergency. The Floriade: Reimagined program was instead developed, with planting displays located around Canberra for the benefit of the local community. Interstate and international visitors were not a target audience for the reimagined format and the economic impact derived from these visitors could not be measured.
- c. This accountability indicator covers the estimated economic activity generated for the Territory by staging the Enlighten Festival. Visitor expenditure data is derived from face-to-face interviews and post event surveys conducted 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. The 2021 Enlighten Festival will be held in a modified format as a result of the COVID-19 health emergency and it is not yet clear if the target for direct economic impact will be measurable given potential for ongoing restrictions on interstate and international travel. The result for this indicator will be reported at the end of 2020-21.
- d. This accountability indicator measures the standard of service and assistance event organisers receive through delivery of the grants management process of the ACT Event Fund. A satisfaction survey is conducted on an annual basis to measure this indicator.

Variations between YTD Targets and YTD Result:

1. The variance is mainly due to Floriade and Nightfest being delivered differently compared to prior year as a result of the COVID-19 health emergency, which has also resulted in a decrease in revenue from events.
2. The variance is mainly due to a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used; partially offset by the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January.

Output 3.5: Arts Engagement

Table 37: Accountability Indicators Output 3.5

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Number of arts organisations supporting community participation	24	0	0	0
b. Percentage of the public art collection managed by artsACT in good or above condition	80%	N/A	N/A	N/A
c. Satisfaction with the management of grants administered by artsACT	80%	N/A	N/A	N/A
d. Number of attendees at programs delivered by artsACT funded organisations	350,000	0	0	0
Total Cost (\$'000)	17,231	7,849	7,400	-5 ¹
Controlled Recurrent Payments (\$'000)	14,744	6,610	5,996	-9 ²

Note(s):

- a. This accountability indicator identifies the number of arts organisations supported by ACT arts funding to implement the objectives of the ACT Arts Policy. The result is measured through the grant acquittal process. Data for this indicator is collated annually and will be available at the end of the financial year.
- b. This accountability indicator measures the condition of the public artworks in the ACT Government collection managed by artsACT. This indicator is measured in the annual collection audit using the condition rating system in the 2015 ACT Government Public Art Guidelines and the Public Art Condition Assessment and Maintenance Plan (September 2018). Data for this indicator is collated annually and will be available at the end of the financial year.
- c. This accountability 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 is conducted on an annual basis to measure this indicator. Data for this indicator is collated annually and will be available at the end of the financial year.
- d. This accountability indicator measures the annual attendance numbers at programs delivered by artsACT funded organisations. Attendance numbers are collected as part of the grant acquittal process. Data for this indicator is collated annually and will be available at the end of the financial year.

Variances between YTD Targets and YTD Result:

1. This variance is due to the timing of payments associated with the ACT Arts Fund, which comprises various grant programs.
2. The variance is mainly due to a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used; partially offset by the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January.

Output 3.6: Higher Education, Training and Research**Table 38: Accountability Indicators Output 3.6**

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Deliver the ACT International Education Strategy				
- Canberra: Australia's Education Capital Destination Marketing and Engagement (Study Canberra Program)	1	0	0	0
- Student Experience (Student Ambassadors Program)	1	0	0	0
b. Participation rate of 15-64 year olds in VET				
- All students (percentage)	5.9%	N/A	N/A	N/A
- Aboriginal and Torres Strait Islander students (percentage)	13.4%	N/A	N/A	N/A
c. VET graduate outcomes after training				
- Improved employment circumstances	65%	N/A	N/A	N/A
- Employed after training or in further study	92%	N/A	N/A	N/A
d. Total number of students undertaking VET qualifications				
- All students	16,500	N/A	N/A	N/A
- Aboriginal and Torres Strait Islander students	650	N/A	N/A	N/A
- Students with a disability	1,850	N/A	N/A	N/A
e. Skilled Migration Attraction and Facilitation				
- Employer Sponsored Nominated	100	50	9	-82 ¹
- Skilled Independent Nominated	1,400	700	306	-56 ²

- Average number of monthly visits to <i>Canberra. Create Your Future</i> website	15,000	15,000	1,335	-91 ³
- Average processing time for applications across all skilled migration program streams	45 business days	45 business days	9 business days	-79 ⁴
Total Cost (\$'000)	53,846	19,365	18,479	-4
Controlled Recurrent Payments (\$'000)	52,059	18,321	16,773	-8 ⁵

Note(s):

- a. This accountability indicator has two measures as follows.
 - This accountability indicator relates to the delivery of the Study Canberra program as articulated in the ACT International Education Strategy. This is an ongoing program and is considered complete at the end of the reporting period.
 - This accountability indicator relates to the delivery of the Student Ambassadors program as articulated in the ACT International Education Strategy. This is an ongoing program and is considered complete at the end of the reporting period.
- b. This accountability indicator measures the participation rate for 15-64 year old (working-aged) students (all; Aboriginal and Torres Strait Islander) undertaking government funded VET in the ACT. This target is based on data in a national publication. The result for this accountability indicator will be reported annually.
- c. This accountability indicator has two measures as follows.
 - This accountability indicator measures the percentage of graduates with improved employment circumstances, in the ACT, as defined by the state/territory of funding by year, in the National Centre for Vocational Education Research (NCVER) Student Outcomes Survey. The result for this accountability indicator will be reported annually.
 - This accountability indicator measures the percentage of graduates employed after training or in further study, in the ACT, as defined by the state/territory of funding by year, in the NCVER Student Outcomes Survey. The result for this accountability indicator will be reported annually.
- d. This accountability indicator measures the number of students (all; Aboriginal and Torres Strait Islander; students with disability) undertaking government-funded VET in the ACT. These targets are based on data in a national publication. The result for this accountability indicator will be reported annually.
- e. This accountability indicator has four measures as follows.
 - This accountability indicator tracks ongoing program delivery within Australian Government Department of Home Affairs policy parameters based on a three-year average. This is an employer demand-driven program and targets are based on estimated outcomes for this activity based on achievement levels in past reporting periods. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
 - Measurement of this indicator includes nominations for both overseas and temporary Canberra residents, capturing all nominations supported, and aligns the target with the annual allocation provided by the Australian Government Department of Home Affairs.
 - Average number of monthly visits to 'Canberra. Create Your Future' website (<http://www.canberrayourfuture.com.au>), promoting the competitive advantages of Canberra to skilled workers. The 'Canberra. Create Your Future' website allows access for applicants to lodge online applications for ACT 190 nomination and Regional Certifying Body (RCB) support of employer nomination. The relevant application criteria and guidelines are also published on the 'Canberra. Create Your Future' website. This is an ongoing program and the indicator is considered complete at the end of the reporting period.
 - This accountability indicator tracks the number of business days to process a skilled migration application. Lodgement of an application includes receipt of payment.

Variances between YTD Targets and YTD Result:

1. The variance is due to the significant decrease in applications processed due to reduced employer demand during the COVID-19 health emergency.
2. The variance is due to an interim decrease in the allocation of nomination places by the Department of Home Affairs due to the COVID-19 health emergency. In August 2020 the Directorate's allocation of places was reduced to 295 until the Commonwealth Budget set the migration program settings for 2021. The Directorate was then allocated the full 1,400 nomination places for 2020-21 on 8 December 2020.
3. The variance is due to the significant decrease in 'Canberra. Create Your Future' website visits as a result of the suspension of the ACT Skilled Migration Program on 1 July 2020. The program reopened on 20 August 2020 with reduced allocation of nomination places and restricted eligibility criteria based on a Department of Home Affairs directive.

4. The target is the maximum processing time to process a skilled migration application. The decrease in applications and improvements in processing of applications resulting in the efficient use of resources, has led to this significant variation.
5. The variance is mainly due to a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used; partially offset by the requirement to access CRP appropriation in December to pay for invoices and salaries and wages early in January.

Output Class 4: Financial and Economic Management

Output 4.1: Economic Management

Table 39: Accountability Indicators Output 4.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Briefings on the ACT economy	105	61	85	39 ¹
b. To maintain ACT's share of GST above an equal per capita share of the GST Pool as recommended annually by the Commonwealth Grants Commission	1	N/A	N/A	N/A
c. Co-ordinate government participation in intergovernmental Treasury fora	7	5	32	540 ²
d. Submission to credit rating agency	1	1	1	0
Total Cost (\$'000)	7,892	3,906	3,685	-5³
Controlled Recurrent Payments (\$'000)	7,775	3,686	3,203	-13⁴

Note(s):

- a. This accountability indicator covers briefings prepared on the most recent key economic indicators for Canberra and the ACT.
- b. This accountability indicator covers the annual submission to the Commonwealth Grant Commission (CGC), including collation of all data input and associated briefings including new methodology developments. The relevant annual submission referred here is the response to the Commonwealth Grants Commission's (CGC) 2021 Update. The ACT's per capita GST share as a proportion of equal per capita GST share will be available once the Commonwealth Treasurer accepts the CGC's final report in March/April 2021.
- c. This indicator covers responsibility for Treasury input to the operations of the COAG Council on Federal Financial Relations (2 meetings each year), Board of Treasuries (2 meetings each year) and Heads of Treasuries (3 meetings each year).
- d. This accountability indicator covers the annual submission to the credit rating agency Standard & Poor's (S&P). This enables S&P to make an assessment of the credit rating of the ACT Government. The submission is a daylong meeting with the agency.

Variances between YTD Targets and YTD Result:

1. The variance is due to additional briefings prepared on both new and more frequent data releases from the Australian Bureau of Statistics to report on the state of the Australian and the ACT economy due to the effects of the COVID-19 health emergency.
2. The significant variance is due to more Ministerial and Heads of Treasuries meetings held since July 2020 to decide on Australia's economic response to COVID-19. The number accounts for nine meetings of the Board of Treasurers, nine meetings of the Heads of Treasuries and fourteen meetings of the Council on Federal Financial Relations to date.
3. The variance is mainly due to the timing of the completion of the *More support for families and inclusion - Delivering a new Compulsory Third party Insurance scheme* initiative.
4. The variance is mainly due to the timing of the completion of the *More support for families and inclusion - Delivering a new Compulsory Third party Insurance scheme* initiative and a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used.

Output 4.2: Financial Management

Table 40: Accountability Indicators Output 4.2

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Budget presented in accordance with legislative timeframes	1	0	0	0
b. Budget Review presented in accordance with legislative timeframes	1	0	0	0
c. Annual Financial Statements for the Territory in accordance with legislative timeframes	1	1	1	0
d. Quarterly Consolidated Financial Statements presented in accordance with legislative timeframes	4	2	2	0
e. Policy/service reviews commenced	N/A	N/A	N/A	N/A
f. Policy/service reviews completed	1	1	1	0
g. Regulatory reform in relation to financial processes	1	0	0	0
Total Cost (\$'000)	41,140	13,023	11,693	-10¹
Controlled Recurrent Payments (\$'000)	40,531	11,233	9,680	-13²

Note(s):

- On 18 June 2020, pursuant to section 5 of the FMA, the Assembly resolved to delay the 2020-21 Budget until after the election had been held and the formation of a government. The 2020-21 Budget is scheduled for delivery on 9 February 2021.
- The Budget Review for the Territory is presented to the Legislative Assembly in accordance with the timing prescribed in section 20A of the FMA.
- The Annual Financial Statements for the Territory are provided to the Auditor-General in accordance with the timing prescribed in section 24 of the FMA.
- The Quarterly Consolidated Financial Statements are presented to the Legislative Assembly in accordance with the timing prescribed in section 26 of the FMA.
- Discontinued accountability indicator. Resources have been refocused on project based work rather than major policy/service reviews. This includes work flowing from prior reviews, assisting other areas within government with internal reviews, and delivering other priority projects of government.
- This accountability indicator reflects the completion of the review of funding arrangements for environmental offsets, which commenced in 2019-20.
- This accountability indicator covers policy and project initiatives targeted at improving the effectiveness and efficiency of regulation in relation to financial processes.

Variances between YTD Targets and YTD Result:

- The variance is mainly due to the timing of claims from agencies for reimbursement from the *Restructure Fund*.
- The variance is mainly due to the timing of claims from agencies for reimbursement from the *Restructure Fund* and a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used.

Output Class 5: Workforce Injury Management and Industrial Relations Policy

Output 5.1: Workforce Injury Management and Industrial Relations Policy

Table 41: Accountability Indicators Output 5.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Conduct an actuarial review of the ACT private sector Worker's Compensation Scheme	1	0	0	0
b. Maintain consultative work injury management fora within the ACT	4	1	1	0
c. Provide policy advice on issues relating to industrial relations, injury management, work safety, and dangerous substances regulation	30	15	15	0
d. Represent the ACT and coordinate activities arising from: national industrial relations, work safety and injury management forums	14	8	8	0
Total Cost (\$'000)	12,823	6,137	5,558	-9 ¹
Controlled Recurrent Payments (\$'000)	8,795	2,015	1,780	-11 ²

Note(s):

- This accountability indicator covers review of the performance of the ACT workers' compensation scheme and consideration of the broader implications of these findings. This indicator is considered complete on reporting of actuarial review results to the Minister for Industrial Relations and Workplace Safety. The actuarial review will be completed in April 2021.
- 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.
- This accountability indicator covers the preparation of briefing papers to the ACT Government on workers' compensation, industrial relations and work safety matters. This indicator is counted as complete when submissions are lodged with the Executive.
- This accountability indicator covers representing the Territory at, and managing policy initiatives arising out of, national industrial relations and injury management forums, including SafeWork Australia and its policy sub committees and the national industrial relations senior officials group. This indicator is considered complete with attendance at meetings.

Variances between YTD Targets and YTD Result:

- The variance is mainly due to several vacancies pending finalisation of recruitment processes, and the timing of consultancy activities.
- The variance is mainly due to a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used.

Output Class 6: Revenue Management

Output 6.1: Revenue Management

Table 42: Accountability Indicators Output 6.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Debt Management – level of overdue rates as a percentage of total rates revenue	5%	5%	9%	80 ¹
b. Debt Management – level of overdue debt (not including rates) as a percentage of tax revenue (not including rates)	2%	2%	4%	104 ¹
c. Internal reviews of Objections completed within 6 months	85%	85%	99%	17 ²
d. Internal reviews of Objections completed within 12 months	100%	100%	100%	0
e. Compliance revenue per inspector	\$650,000	\$325,000	\$63,174	-81 ¹
Total Cost (\$'000)	30,848	14,801	13,910	-6 ³
Controlled Recurrent Payments (\$'000)	20,956	11,081	9,541	-13 ⁴

Note(s):

- This accountability indicator measures the level of overdue collectable rates debt as a percentage of forecast rates revenue. It excludes matters subject to objection and appeals.
- This accountability indicator measures the level of overdue collectable debt (less rates) as a percentage of forecast tax revenue (less rates). It excludes matters subject to objection and appeals, under liquidation and agreements made by the ACT Government in respect of pending waivers.
- Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- Accountability indicator on the completion within timeframes of internal reviews of objections lodged against revenue assessments and decisions.
- This accountability indicator measures all revenue assessed from compliance activities divided by the number of full-time-equivalent inspectors. It includes revenue from assessments and reassessments (being that portion not already assessed), outstanding returns, savings resulting from reductions in refund claims and other compliance activity.

Variances between YTD Targets and YTD Result:

- The variance for indicators 6.1a, b and e reflect a decision by the Government to delay the majority of compliance and debt collection activities since March 2020 due to the COVID-19 health emergency. These activities are expected to recommence in the near future.
- This target has been exceeded due to lower numbers of objections.
- The variance is mainly due to several vacancies pending finalisation of recruitment processes.
- The variance is mainly due to several vacancies pending finalisation of recruitment processes, and a higher opening cash balance at the beginning of the year resulting in less current year appropriation being used.

Output Class 7: Shared Services

Output 7.1: Shared Services

Table 43: Accountability Indicators Output 7.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. ICT costs compared to peer organisations' costs, as benchmarked by an independent organisation	Within 5%	Within 5%	Within 5%	0
b. Email availability across government during core business hours	N/A	N/A	N/A	N/A
c. ICT service requests made via the Service Desk are resolved within Service Level Agreements' timeframes	90%	90%	91%	1
d. Average time taken for telephone ICT service requests to be answered by a Service Desk Officer	30 seconds	30 seconds	158 seconds	427 ¹
e. Number of successful attacks on internally hosted ACT Government websites	0	0	0	0
f. Human resources service requests made via the Service Desk are resolved within Service Standard timeframes	90%	90%	89%	-1
g. Business Activity Statements completed in accordance with the ATO deadline	100%	100%	100%	0
h. Fringe Benefits Tax Return submitted to the ATO in accordance with the ATO deadline	100%	N/A	N/A	N/A
i. Monthly financial information available for use by agencies by 6th working day of the month	100%	100%	100%	0
j. Annual financial statements completed and provided to agencies by 10th working day of July	100%	N/A	N/A	N/A
k. Finance service requests made via the Service Desk are resolved within Service Standards timeframes	90%	90%	92%	2
Total Cost (\$'000)	242,226	121,113	120,193	..
Controlled Recurrent Payments (\$'000)	72,002	27,443	24,715	-9²

Note(s):

- The independent benchmarking is undertaken every two years.
- Discontinued accountability indicator. The result for this indicator was established by determining up-time of each core component of the network across core business hours (Monday to Friday 8am to 6pm). This indicator has been discontinued as email has moved from on Premise hosted Exchange to Microsoft hosted 0365. Up time is no longer reliant on Shared Services ICT.
- Service Standards timeframes are published standards for service delivery by Shared Services.
- This measure covers the average time (in seconds) taken for a call to be answered by the Service Desk.
- This measure covers security breaches of internally hosted ACT Government web sites and web applications.
- Service Standards timeframes are published standards for service delivery by Shared Services.
- This accountability indicator covers the submission of Business Activity Statements (BAS) to the Australian Taxation Office (ATO).
- This accountability indicator covers the lodgement of annual Fringe Benefits Tax (FBT) returns to the ATO. The result for this accountability indicator will be reported at the end of 2020-21.
- This accountability indicator refers to the completion of processing of monthly financial information using Oracle.

- j. This accountability indicator covers the submission of draft annual financial statements to directorates and agencies. The result for this accountability indicator will be reported at the end of 2020-21.
- k. Service Standards timeframes are published standards for service delivery by Shared Services.

Variances between YTD Targets and YTD Result:

1. The variance is due to the complexity of supporting a workforce working from home and increased call volumes during this period.
2. The variance is mainly due to the timing of accessing CRP appropriation associated with a minor delay in the completion of milestones by the service providers for the Human Resource Information Management System (HRIMS) project.

Output Class 8: Infrastructure Finance and Procurement

Output 8.1: Infrastructure Finance

Table 44: Accountability Indicators Output 8.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Life of Project PPP transactions successfully executed	100%	100%	100%	0
b. Assessments of Unsolicited Proposals completed within the prescribed timescales	>85%	>85%	50%	-100 ¹
Total Cost (\$'000)	4,370	1,409	1,385	-1
Controlled Recurrent Payments (\$'000)	4,364	1,019	1,018	..

Note(s):

- a. This accountability indicator measures the efficiency of Infrastructure Finance in undertaking its responsibilities for Life of Project transactions for PPP projects. 'Life of Project' transactions are those that have a material impact on the financial and/or operational arrangements of the project as negotiated in the original PPP Contract, and normally result from a request by the Project Company that requires the consent of the Territory (for example, debt refinancing, changes in equity arrangements, changes to the payment mechanism or financial model, etc.). 'Successfully executed' means that the Territory has responded to a request from the Project Company within the timescale specified in the PPP Contract; and has not been unreasonable should it withhold its consent.
- b. This accountability indicator measures the efficiency of Infrastructure Finance in undertaking its responsibilities for managing the assessment of Unsolicited Proposals. The relevant timescales are those specified in the Guidelines for Unsolicited Proposals and/or those agreed with the proponent, for each phase of the assessment process. The Guidelines for Unsolicited Proposals require the Unsolicited Proposals Steering Committee (UPSC) to notify the Proponent of its decision of whether to proceed to Phase Two within two calendar months of the presentation to the UPSC 'unless there are particular circumstances that require a longer review period'.

Variances between YTD Targets and YTD Result:

1. The variance is due to the fact that, out of the four Concept Submissions considered during this period, two did not achieve the three-month time frame for notification of whether the UPSC would receive a presentation. This was due to extensive internal consultation for both unsolicited proposals. The Proponents were informed that consideration would exceed the period stated in the Guidelines and were kept informed of progress throughout the consideration. In particular the Concept Submission "Air Quality Monitoring Network for the Capital" included outdoor and indoor subproposals. Following the internal review of the Concept Submission and meetings between the Proponent and the Government, the Proponent was invited to participate in a twelve-month validation trial run by ACT Health concerning its outdoor subproposal. Subsequently, the indoor subproposal experienced a second round of internal consultations, which resulted in the notification extending beyond the 3-month timeframe. The UPSC did not invite any of the four Proponents to present their Concept Submissions.

Output 8.2: Goods and Services Procurement

Table 45: Accountability Indicators Output 8.2

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Proportion of Goods and Services contracts awarded to Indigenous suppliers or Social suppliers	1%	1%	2.81%	181 ¹
b. Public availability of Contract Register and Tenders ACT	99.5%	N/A	N/A	N/A
c. Public satisfaction with Tender systems	85%	N/A	N/A	N/A
Total Cost (\$'000)	9,204	4,602	4,483	-2
Controlled Recurrent Payments (\$'000)	5,384	2,695	3,264	21 ²

Note(s):

- ACT Government agencies are encouraged to include Indigenous business and social enterprises in their procurement opportunities. Indigenous suppliers must be registered or certified by Supply Nation, a supplier development council that manages a national directory of registered/certified indigenous businesses. Social enterprises deliver targeted social or community benefits using traditional business principles. They may be for profit or not for profit organisations, but they seek both a financial and a social return on investment. The ACT Government has established a social enterprise panel to supply a range of services to government.
- Public availability of the Contract Register and Tenders ACT measures the proportion of time that these systems are fully available for use by external parties interested in business opportunities of the ACT Government. This indicator is measured annually.
- Public satisfaction with Tender systems measures the proportion of external users who are satisfied that tender process and documentation as delivered via Tenders ACT support meeting their business needs and objectives. This is collected annually by a survey of external Tenders ACT register parties.

Variations between YTD Targets and YTD Result:

- The variance is due to ACT Government agencies prioritising the inclusion of opportunities for Aboriginal and Torres Strait Islander Enterprises in their procurement activity since the introduction of the Aboriginal and Torres Strait Islander Procurement Policy. The Policy contains performance measures that each agency reports against in their annual reports. While this indicator also includes social enterprises, there are no social enterprises included in the half year result. The ACT Government has refreshed its social enterprise multi-use list to supply a range of services to government.
- The variance mainly reflects the use of CRP appropriation pending the receipt of recoveries from other agencies for Procurement of Goods and Services fees.

Output Class 9: Property Services and Venues

Output 9.1: Property Services

Table 46: Accountability Indicators Output 9.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Occupancy rate for properties designated for use by non-government tenants	N/A	N/A	N/A	N/A
b. Average square metres of office accommodation per employee	N/A	N/A	N/A	N/A
c. Percentage of customers satisfied with management of aquatic centres	93%	N/A	N/A	N/A
d. Vacancy rate for properties designated for use by non-government tenants	3.5%	3.5%	3.5%	0
e. Average square metres of office accommodation per employee:				

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
- Office accommodation established prior to 1 January 2016	14.3	N/A	N/A	N/A
- Office accommodation established from 1 January 2016	12	N/A	N/A	N/A
Total Cost (\$'000)	165,115	76,162	73,337	-3
Controlled Recurrent Payments (\$'000)	33,697	11,795	11,597	-1

Note(s):

- Discontinued accountability indicator. This accountability indicator measured 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. This indicator has been discontinued and replaced by a new indicator measuring vacancy rate (opposite of occupancy rate) as this reflects industry practice.
- Discontinued accountability indicator. This accountability indicator covered 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 target reflected progress in implementing the whole of government Office Accommodation Strategy. This indicator has been discontinued and replaced by a new indicator which is divided into two sub categories to report separately on the office accommodations commenced prior to and from 1 January 2016.
- An annual survey of visitors to public swimming pools seeking visitors' satisfaction with the management of public swimming pools. The result for this accountability indicator will be reported at the end of 2020-21.
- New accountability indicator. This accountability indicator measures the vacancy rate for properties designated for use by non-government tenants (community groups and commercial organisations) by calculating the percentage of vacant space against the total of available non-government space. The result for this accountability indicator will be reported at the end of 2020-21.
- New accountability indicator. This indicator "Average square metres of office accommodation per employee" is divided into two sub-indicators to separately report on Office Accommodation established prior to and from 1 January 2016 separately. This amendment will distinguish the Government's Strategic Office Accommodation Policy 2015 where new refurbishments over 1,000m² are to achieve a density of 12m² per employee.

Output 9.2: Venues

Table 47: Accountability Indicators Output 9.2

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Number of Major Events at:				
- GIO Stadium	20	11	13	18 ¹
- Manuka Oval	8	4	8	100 ²
- Exhibition Park in Canberra	85	50	29	-42 ³
- Stromlo Forest Park	10	5	2	-60 ⁴
b. Own Source Revenue by Venue at:				
- GIO Stadium	\$3.0 million	\$1.2 million	\$66,000	-95 ⁵
- Manuka Oval	\$360,000	\$100,000	0	-100 ⁶
- Exhibition Park in Canberra	\$3.5 million	\$2 million	\$956,631	-52 ⁷
c. The level of customer satisfaction at the National Arboretum Canberra	85%	N/A	N/A	N/A
Total Cost (\$'000)	30,722	14,274	13,567	-4
Controlled Recurrent Payments (\$'000)	15,755	5,796	5,578	-3

Note(s):

- These accountability indicators reflect the number of contracted major events to be held at each venue in 2020-21. Additional events may be secured during the year.

- b. The first two accountability indicators for this measure cover own source revenue (measured by own source revenue less event related expenses) generated by GIO Stadium and Manuka Oval and are based on pre-existing hire agreements. The third accountability indicator covers own source revenue (measured as gross revenue) generated by Exhibition Park in Canberra.
- c. Customer satisfaction is based on an annual survey undertaken towards the end of the financial year. The result for this accountability indicator will be reported at the end of 2020-21.

Variances between YTD Targets and YTD Result:

1. The variance is due to additional events being held. The Brumbies played in the Super Rugby Australia grand final and the Canberra Raiders played an NRL elimination final at GIO Stadium. As these finals were reliant on the positioning of the teams at the end of the season, this was not known at the beginning of the period.
2. The variance is due the effects of COVID-19 on the number of events held during COVID-19. Typically there are four events at Manuka Oval during the July to December period. In the period, two international cricket matches were secured and Canberra was chosen as a hub for Big Bash cricket and hosted six matches.
3. The variance is due to COVID-19 restrictions and hosting of government initiatives on site (the weekly Capital Regions Farmers Market did go ahead under exemption).
4. The variance is due to COVID-19 and restrictions on gatherings and travel. Planned events were either cancelled or postponed which has resulted in fewer major events being held in the first half of the financial year.
5. The variance is due to restricted crowd numbers under COVID-19 health restrictions. This along with additional costs for hosting COVID-19 safe events, such as signage, cleaning and equipment, has decreased the return on events. All event related income lines including parking fees, hospitality and catering have decreased.
6. The variance is due to events that were held had greatly restricted crowd numbers. This along with additional costs for hosting COVID-19 safe events, such as signage, cleaning and equipment, has decreased the return on events. All event related income lines including hospitality and catering have decreased. Other income from functions and smaller events has not been generated in 2020-21 due to restrictions.
7. The variance is because of COVID-19 restrictions and the hosting of government initiatives on site, only small events have occurred at EPIC and hire of facilities income has decreased. All large scale events usually conducted in the period July – December were cancelled. Other income streams from rental have decreased as a number of commercial and community partners have been eligible for rent relief waivers.

Changes to Appropriation

Table 48: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	378,821	358,987	348,194	340,890	316,550
FMA Section 16B Rollovers from 2018-19					
Belconnen Fire and Ambulance Station	1,061	0	0	0	0
Remediation from the Justice and Community Safety Directorate					
More and better jobs – Improving infrastructure planning and delivery	772	0	0	0	0
ICT Transformation – Hybrid Cloud computing	743	0	0	0	0
Digital Records for Digital Government	502	0	0	0	0
More and better jobs – Ensuring continuity of the Human Resource Information Management System	500	0	0	0	0
Whole of Government Software Upgrade	487	0	0	0	0
Greyhound Racing Grant Provision	403	0	0	0	0
Digital Canberra – Digital Economy Initiative (CBR FREE Wifi)	200	0	0	0	0
More and better Jobs – Key industry sector development	200	0	0	0	0
Better Government – Listening to Canberrans	165	0	0	0	0
Bigger and Better Events for Canberra – Test Match and One Day International Cricket for Canberra – Cricket Australia Strategic Partnership	155	0	0	0	0
More jobs for our growing city – Early planning for an upgraded amphitheatre at the National Arboretum Canberra	109	0	0	0	0
Delivering a new Compulsory Third Party Insurance Scheme	106	0	0	0	0
Better Government – Streamlining Debt Management	75	0	0	0	0
More jobs for our growing city – Secure Local Jobs Code enforcement	55	0	0	0	0
More Men’s Sheds	14	0	0	0	0
Stromlo Forest Park – Enclosed Oval (Feasibility)	-13	0	0	0	0
2019-20 Budget Review Policy Decisions					
An independent Worksafe ACT to better protect workers in the ACT	739	2,570	2,631	2,661	2,689
Cheaper Parking at Canberra Stadium	40	40	40	40	40
Cultural tourism hub at the Yarramundi Cultural Centre	100	0	0	0	0
Further work for a new Rectangular Canberra Stadium	200	0	0	0	0
Meeting future ACT Government accommodation needs	919	0	0	0	0
Modernising procurement practices	99	0	0	0	0
More support for the Out of Home Care system	75	150	0	0	0
Reducing fees for businesses	63	153	156	160	164
Shared Services Finance and Human Resources fixed cost contribution	106	192	167	169	174

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Supporting tourism by strengthening Canberra's major event venues	3,117	3,116	2,987	3,024	634
Mobile Device Detection Cameras	0	70	0	0	0
Tax Reform Advisory Group	466	0	0	0	0
2020-21 Budget Policy Adjustments					
ACT Hardship Fund	0	746	0	0	0
ACT Stimulus Digital Voucher Program	0	621	0	0	0
Additional support for the Vocational Education and Training Sector	1,000	1,000	0	0	0
Assistance to hail damaged vehicles owners in the ACT	0	379	0	0	0
Better Government – Supporting the Freedom of Information Act 2016	0	130	0	0	0
Better Regulation Taskforce	0	124	143	62	0
Better support when it matters – A Gender Agenda	0	150	0	0	0
Big Canberra Battery	0	250	1,539	0	0
Choose CBR program	0	2,000	0	0	0
Climate Action – Office of the Co-ordinator General	0	300	615	0	0
Concessional loans framework	0	162	328	335	0
Continuing Government Services – Compensating for loss of own-source revenue due to COVID-19	0	5,758	0	0	0
COVID-19 Public Health Response	0	1,857	0	0	0
Expanded Cabinet – 10th Legislative Assembly	0	123	252	255	259
Extending taxi industry support to lessees of privately-owned plates	810	0	0	0	0
Fairer revenue – Landholder duty compliance	0	1,247	0	0	0
Fee reduction – one year waiver for food business registration, outdoor dining fees and liquor licensing fees	0	85	0	0	0
Fee reduction – 15 month waiver for food business registration and outdoor dining fees; and reducing liquor licensing fees by 50 per cent for an additional 12 months	0	0	356	0	0
Implementing the UNSW Canberra City Campus proposal	0	193	0	0	0
Improving Building Quality – More specialist staff	0	372	384	392	401
Improving road safety through Mobile Device Detection Cameras	0	210	762	911	929
Jobs for Canberrans Fund	1,138	24,362	0	0	0
Jobs for Canberra Fund – expansion	0	1,000	0	0	0
JobTrainer Program	0	13,969	2,285	559	36
Knowledge Capital – future jobs fund	0	2,164	0	0	0
Knowledge Capital – Vocational Education and Training Programs	0	1,313	674	0	0
Marketing Canberra as a COVID-safe destination for domestic travellers	0	750	1,750	1,000	0
Meeting future ACT government accommodation needs	0	5,526	531	543	0
Modernising birth registrations	0	303	187	0	0
Modernising procurement practices	0	194	0	0	0
More and better jobs:					
- Improving infrastructure planning and delivery	0	773	0	0	0

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
- Sporting capital	0	1,300	0	0	0
- Supporting Canberra businesses to diversify, grow and innovate	0	377	0	0	0
More jobs for our growing city:					
- Boosting local events	0	1,905	0	0	0
- New Canberra Theatre Complex	0	400	0	0	0
Moving delivery of more community services online	0	206	0	0	0
Office of the Co-ordinator General for the Whole of Government (Non-Health Response to COVID-19)	0	614	0	0	0
Other Policy Decisions	0	1,883	1,350	0	0
Recovery of Quarantine Costs	0	136	0	0	0
Rental relief – ACT Government properties	2,339	3,679	0	0	0
Rental relief – ACT Government properties – extension	0	2,647	0	0	0
Reportable Conduct Scheme	0	575	589	604	619
Shared Services Finance and Human Resources fixed cost contribution	0	1,125	749	480	540
Support for international students	150	0	0	0	0
Supporting high intensity club users of non-potable water	0	80	0	0	0
Supporting our tourism and events industries	0	2,780	238	0	0
Supporting the economic recovery of the creative sector	1,500	825	0	0	0
Sustainable Household Scheme	0	645	2,045	1,679	1,718
Training Support – National Infection Control Fund	0	770	0	0	0
Upgrading cyber security responses	0	477	678	688	698
University of New South Wales (UNSW) Proposed City Campus	1,250	0	0	0	0
Youth Support Package	0	1,250	1,000	0	0
2020-21 Budget Technical Adjustments					
Cessation - Restructure Fund	0	0	0	0	-2,296
Commonwealth Grant:					
- Infection Control Training	0	670	0	0	0
- National Skills and Workforce Development SPP	84	-124	-218	-303	-208
- Skilling Australians Fund	0	683	0	0	0
Estimated Outcome:					
- Comcare Premiums	0	52	371	371	374
- Parking fees	-302	0	0	0	0
Better Government – Expanding Microsoft user licensing	0	371	380	388	393
Bushfire Support	661	0	0	0	0
COVID-19 Non-Health Response	4,678	0	0	0	0
Delivering the Home of Football at Throsby	0	0	0	0	365
January 2020 Hailstorm Recovery	225	0	0	0	0
Keeping our growing city moving – Manuka Smart Parking	0	0	0	23	24
More and better jobs – Expanding Belconnen Arts Centre	0	0	150	305	310
More jobs for our growing city – Delivering the Kingston Arts Precinct	0	-10	947	1,453	2,202
Reallocation of Existing Resources to Meet Demand for Services	7,926	0	0	0	0

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Whole of Government Threat Risks Assessment Evaluation Report	0	600	0	0	0
Revised Funding Profile – An independent Worksafe ACT to better protect workers in the ACT	-275	275	0	0	0
Revised Funding Profile – Asset Management and Fiscal Sustainability	-266	100	166	0	0
Revised Funding Profile – Belconnen Fire and Ambulance Station Remediation	-827	827	0	0	0
Revised Funding Profile – Better care when you need it – Healthy and active living	-75	75	0	0	0
Revised Funding Profile – Better care when you need it – Promoting organ and tissue donation	-75	75	0	0	0
Revised Funding Profile – Better Government – Digitising Government records	-537	537	0	0	0
Revised Funding Profile – Better infrastructure at the National Arboretum – Early Planning study	-500	500	0	0	0
Revised Funding Profile – Building a better city – Indoor sports centres – Early planning	-64	64	0	0	0
Revised Funding Profile – Cultural tourism hub at the Yarramundi Cultural Centre	-100	100	0	0	0
Revised Funding Profile – Delivering the ICC Twenty20 Cricket World Cup in 2020	-20	20	0	0	0
Revised Funding Profile – Digital Canberra – Digital Economy Initiative (CBR FREE Wifi)	-683	683	0	0	0
Revised Funding Profile – Further work for a new Rectangular Canberra Stadium	-192	192	0	0	0
Revised Funding Profile – Growing future skills with more apprenticeship and vocational training places	-850	850	0	0	0
Revised Funding Profile – Investment Logic Mapping	-276	150	126	0	0
Revised Funding Profile – Meeting future ACT government accommodation needs	-919	919	0	0	0
Revised Funding Profile – More and better jobs:					
- Improving infrastructure planning and delivery	-2,000	2,000	0	0	0
- Growing our creative capital	-350	150	100	100	0
- Supporting major venues	-61	61	0	0	0
- Backing Brand CBR	-80	80	0	0	0
- Expanding Canberra's events calendar	-385	385	0	0	0
- Key industry sector development	-4,630	4,630	0	0	0
- Policy Innovation Team	-185	185	0	0	0
Revised Funding Profile – More support for families and inclusion:					
- Delivering a new Compulsory Third Party Insurance scheme	-570	570	0	0	0
- Responding to the Royal Commission into Institutional Responses to Child Sexual Abuse	-35	35	0	0	0
Revised Funding Profile – Oracle Whole of Government licensing	-180	180	0	0	0
Revised Funding Profile – Smarter government spending – Centralising property custodianship	-1,826	1,826	0	0	0
Revised Funding Profile – Smarter Regulation – Red tape reduction	-231	231	0	0	0

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revised Funding Profile – Strategic Asset Management Plan	-510	200	310	0	0
Revised Funding Profile – Strengthening security at GIO Stadium	-12	12	0	0	0
Revised Funding Profile – Strengthening transparent government	-100	100	0	0	0
Revised Funding Profile – Stromlo Forest Park – Enclosed oval feasibility	-159	159	0	0	0
Revised Funding Profile – Supporting more permanent ACT Government jobs	-330	330	0	0	0
Revised Funding Profile – Supporting smarter working in the new ACT Government office projects	-2,760	2,760	0	0	0
Revised Funding Profile – Tax Reform Advisory Group	-180	180	0	0	0
Revised Funding Profile – Whole of Government Software Upgrade	-1,111	1,111	0	0	0
Revised Indexation Parameters	64	-893	-2,151	-3,148	26,561
Revised Superannuation Parameters	0	240	126	-266	-547
Finalisation of Major Projects Canberra Transfer	0	2,700	2,700	2,700	2,700
Transfer – Keeping our growing city moving – Keeping Canberrans safe on our roads – to TCCS	0	-46	-47	0	0
Transfer – Transport Certification Australia Participant Costs to TCCS	0	-65	-66	-68	-69
Transfer – Urban Renewal Program – Melrose football precinct to TCCS	0	-103	-107	-109	-112
Transfer – Urban Renewal Program – Melrose football precinct to Education	0	-21	-21	-22	-22
Transfer – Building a Better City – Delivering Light Rail Safely to WorkSafe ACT	0	-58	0	0	0
Transfer – Improving the Efficiency and Effectiveness of the ACT's Work Health and Safety Regulator to WorkSafe ACT	0	-2,842	-2,628	-2,658	-2,686
Transfer – WorkSafe Function to WorkSafe ACT	0	-5,190	-5,288	-5,365	-5,443
Savings – Building a better city – Civic and Dickson office accommodation	-44	-1,215	-1,530	-1,615	-1,656
Savings – Accommodation savings as a result of new Government Office Buildings	0	0	-20	-29	-31
Treasurer's Advance	6,390	0	0	0	0
2020-21 Budget	396,794	468,314	363,930	346,209	345,310

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

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	72,309	73,842	75,882	77,064	77,064
2019-20 Budget Review Policy Decisions					
Lowering the eligibility age for the Seniors Card	0	216	336	348	360
2020-21 Budget Policy Decisions					
\$1,000 additional electricity rebate for cafes, takeaways and restaurants	0	1,500	0	0	0
\$200 Residential utility concession rebate	5,410	1,590	0	0	0
Automatic \$750 Electricity rebates for small businesses	9,790	304	0	0	0
Better Government – Flexible payment options	0	475	0	0	0
Fixed water and sewerage charges rebate for accommodation providers and community clubs	204	2,004	0	0	0
Supporting high intensity club users of non-potable water	0	250	0	0	0
Supporting our tourism and events industries	0	1,800	0	0	0
Utilities concession for asylum seekers	0	72	0	0	0
2020-21 Budget Technical Adjustments					
Act of Grace Funding	5	0	0	0	0
Estimated Outcome – Reduction in CSO payments due to COVID-19	-1,911	-3,914	0	0	0
Revised Funding Profile – Automatic \$750 Electricity rebates for small businesses	-4,967	4,967	0	0	0
Savings – Automatic \$750 Electricity rebates for small businesses	0	-2,967	0	0	0
General Savings	-5,469	0	0	0	0
Undrawn Funds	-3,052	0	0	0	0
2020-21 Budget	72,319	80,139	76,218	77,412	77,424

Table 50: Changes to appropriation – Capital Injections, Controlled

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	130,964	76,440	29,434	11,687	11,387
FMA Section 16B Rollovers from 2018-19					
Better Infrastructure Fund	1,147	0	0	0	0
Better Services – Weston Creek and Stromlo swimming pool and leisure centre	4,349	0	0	0	0
Building a better city – Building a better city – Dickson office accommodation	3,223	0	0	0	0
More and better jobs – Ensuring continuity of the Human Resources Information Management System	1,491	0	0	0	0
More jobs for our growing city – Better facilities for Manuka Oval	916	0	0	0	0
More and better jobs – More jobs for our growing city – Better facilities for GIO Stadium	359	0	0	0	0
Smarter Regulation – Red tape reduction	320	0	0	0	0
Office Accommodation	244	0	0	0	0
More Efficient Public Service Administration – Long service leave calculations	240	0	0	0	0
Building a better city – Improving major venues	235	0	0	0	0
Better Government – Streamlining debt management	232	0	0	0	0
More support for families and inclusion – Smart Mobility Permits – Options study	197	0	0	0	0
More support for families and inclusion – Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines	187	0	0	0	0
More and better jobs – Improving Manuka Oval facilities – Stage 2	184	0	0	0	0
Commonwealth Grants – National Register of Foreign Ownership of Land Titles	89	0	0	0	0
More jobs for our growing city – Better infrastructure at the National Arboretum	80	0	0	0	0
iConnect	64	0	0	0	0
More jobs for our growing city – Early planning for an upgraded amphitheatre at the National Arboretum Canberra	60	0	0	0	0
Canberra Regional Visitors Centre Relocation	58	0	0	0	0
More and better jobs – Data analytics for smarter policy	44	0	0	0	0
More jobs for our growing city – New tracks and trails at the National Arboretum	30	0	0	0	0
Public Arts Scheme	27	0	0	0	0
Keeping our growing city moving – Keeping Canberrans safe on our roads	19	0	0	0	0
Stromlo Forest Park – Implementation of bushfire management plan	13	0	0	0	0
Rego ACT – Ongoing Investment	3	0	0	0	0
More and better jobs – Expanding Belconnen Arts Centre	-1,486	0	0	0	0
Building a better city – Civic and Dickson office accommodation	-357	0	0	0	0
Land Title Business System Modernisation	-110	0	0	0	0
More support for families and inclusion – Delivering a new Compulsory Third Party Insurance scheme	-79	0	0	0	0
CBR Free Wifi	-29	0	0	0	0
More jobs for our growing city – Better arts facilities	-25	0	0	0	0

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
More jobs for our growing city – Government facilities upgrade	-21	0	0	0	0
Better facilities for the Tuggeranong Rowing Club	-8	0	0	0	0
Throsby – Multisport Complex (Design)	-7	0	0	0	0
2019-20 Budget Review Policy Decisions					
Meeting future ACT government accommodation needs	9,138	0	0	0	0
2020-21 Budget Policy Decisions					
Gungahlin District Tennis Centre - Design	0	300	200	0	0
Meeting future ACT government accommodation needs	0	33,472	0	0	0
Modernisation of the Belconnen Access Canberra Service Centre	0	1,330	0	0	0
More and better jobs – Modernising government ICT infrastructure	0	4,000	0	0	0
Moving delivery of more community services online	0	7,360	0	0	0
Phase 3 – Expansion of minor capital works projects	0	7,900	0	0	0
Planning for a permanent home for Dragon Boating	0	250	150	0	0
Rapid rollout of 'screwdriver ready' minor capital works projects	2,246	815	0	0	0
Special Disaster Loans – 2019-20 bushfires	639	0	0	0	0
Sustainable Household Scheme	0	8,125	31,300	31,300	31,300
Upgrading cyber security responses	0	0	273	0	0
2020-21 Budget Technical Adjustments					
Cessation – Government Budget Management System	0	0	0	0	-750
Commonwealth Grant – Local roads and community infrastructure	0	2,055	4,020	0	0
Revised Funding Profile – ACT Land Titles system modernisation	-154	154	0	0	0
Revised Funding Profile – Better Government – Boosting government digital security	-222	222	0	0	0
Revised Funding Profile – Better Infrastructure Fund	-897	897	0	0	0
Revised Funding Profile – Better online services through Access Canberra	81	-81	0	0	0
Revised Funding Profile – Better Services – Weston Creek and Stromlo swimming pool and leisure Centre	1,296	-1,296	0	0	0
Revised Funding Profile – Better support when it matters:					
- Delivering graduated licensing to cut road deaths and accidents	-62	62	0	0	0
- Protecting vulnerable Canberrans	32	-32	0	0	0
Revised Funding Profile – Building a better city Building a better city:					
- Dickson office accommodation	231	-231	0	0	0
- Civic and Dickson office accommodation	-12,264	12,264	0	0	0
- Improving major venues	-114	114	0	0	0
Revised Funding Profile – CBR Free Wifi	-207	207	0	0	0
Revised Funding Profile – Delivering the Home of Football at Throsby	-720	-9,750	2,470	8,000	0
Revised Funding Profile – Fairer revenue – Strengthening the mobile safety camera network	-238	238	0	0	0
Revised Funding Profile – Government Budget Management System	-695	95	300	300	0

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revised Funding Profile – Improving Road Safety – Traffic camera adjudication system upgrades	-213	213	0	0	0
Revised Funding Profile – Keeping our growing city moving – Keeping Canberrans safe on our roads	-709	709	0	0	0
Revised Funding Profile – Learning Management System	-385	385	0	0	0
Revised Funding Profile – Meeting future ACT government accommodation needs	-8,980	-4,350	13,330	0	0
Revised Funding Profile – More and better jobs:					
- Data analytics for smarter policy	-347	347	0	0	0
- Expanding Belconnen Arts Centre	4,588	-2,588	-2,000	0	0
- Improving Manuka Oval facilities – Stage 2	-184	184	0	0	0
- Modernising government ICT infrastructure	-1,188	188	1,000	0	0
Revised Funding Profile – More facilities for Stromlo Forest Park	-169	169	0	0	0
Revised Funding Profile – More jobs for our growing city:					
- Better arts facilities	-86	86	0	0	0
- Better facilities for GIO Stadium	-69	69	0	0	0
- Better facilities for Manuka Oval	-595	595	0	0	0
- Better infrastructure at the National Arboretum	36	-36	0	0	0
- Early planning for an upgraded amphitheatre at the National Arboretum Canberra	-72	72	0	0	0
- Government facilities upgrade	274	2,526	-2,800	0	0
- New tracks and trails at the National Arboretum	-23	23	0	0	0
Revised Funding Profile – More services for our suburbs – Upgrading the Old Kingston Bus Depot	-2,738	3,738	-1,000	0	0
Revised Funding Profile – More support for families and inclusion:					
- Delivering a new Compulsory Third Party Insurance scheme	-477	477	0	0	0
- Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines	-170	170	0	0	0
Revised Funding Profile – Moving delivery of more community services online	-843	-157	1,000	0	0
Revised Funding Profile – Office Accommodation	-880	880	0	0	0
Revised Funding Profile – Oracle Whole of Government licensing	-67	67	0	0	0
Revised Funding Profile – Public Arts Scheme	-102	102	0	0	0
Revised Funding Profile – Rego ACT – Ongoing Investment	-7	7	0	0	0
Revised Funding Profile – Replacing the Human Resource Information Management System	-4,472	4,472	0	0	0
Revised Funding Profile – Smarter Regulation – Red tape reduction	-198	198	0	0	0
Revised Funding Profile – Strengthening Security at GIO Stadium	-118	118	0	0	0
Revised Funding Profile – Stromlo Forest Park – Implementation of bushfire management plan	-13	13	0	0	0
Revised Funding Profile – Supporting smarter working in the new ACT Government office projects	-5,533	5,533	0	0	0
Revised Funding Profile – Throsby – Multisport Complex (Design)	-116	116	0	0	0
Revised Funding Profile – Upgrading local arts facilities	-275	-50	325	0	0
Revised Funding Profile – Upgrading local community centres	-150	150	0	0	0
Revised Indexation Parameters – Better Infrastructure Fund	0	0	0	0	210

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
General savings	-3,022	0	0	0	0
2020-21 Budget	113,440	159,336	78,002	51,287	42,147

Table 51: Changes to appropriation – Capital Injections, Territorial

	2019-20 Actual \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	25,000	25,000	25,000	25,000	25,000
2020-21 Budget Technical Adjustments					
Revised Funding Profile – Land Rent Scheme	-12,000	12,000	0	0	0
General savings	-9,586	0	0	0	0
2020-21 Budget	3,414	37,000	25,000	25,000	25,000

Summary of 2020-21 Infrastructure Program

Table 52: 2020-21 Chief Minister, Treasury and Economic Development Directorate Infrastructure Program

Project	2020-21	2021-22	2022-23	2023-24	Four Year Investment	Physical Completion Date
	\$'000	\$'000	\$'000	\$'000	\$'000	
New Capital Works Projects						
<u>2019-20 Budget Review</u>						
Further works for a new Rectangular Canberra Stadium ¹	192	0	0	0	192	Complete
Meeting future ACT government accommodation needs	29,122	13,330	0	0	42,452	Jun-22
<u>Economic and Fiscal Update (EFU) - August 2020</u>						
Belconnen Service Centre Modernisation	1,330	0	0	0	1,330	Jun-21
Commonwealth Grant – Local roads and community infrastructure	2,055	4,020	0	0	6,075	Jun-22
<u>2020-21 Budget</u>						
Gungahlin District Tennis Centre – Design	300	200	0	0	500	Jun-22
Planning for a permanent home for Dragon Boating	250	150	0	0	400	Jun-22
Upgrading cyber security responses	0	273	0	0	273	Jun-22
Total New Capital Works Projects	33,249	17,973	0	0	51,222	
Capital Works In Progress						
ACT Land Titles system modernisation	154	0	0	0	154	Jun-21
Better Government:						
- Boosting government digital security	222	252	0	0	474	Jul-21
- Streamlining debt management	166	0	0	0	166	Jun-21
Better online services through Access Canberra	419	0	0	0	419	Jun-21
Better Services – Weston Creek and Stromlo Swimming pool and leisure centre	1,704	0	0	0	1,704	Complete
Building a better city:						
- Civic and Dickson office accommodation	26,535	0	0	0	26,535	Mar-21
- Dickson office accommodation	769	0	0	0	769	Complete
- Improving major venues	114	0	0	0	114	Jun-21
- Indoor sports centres - Early planning ¹	64	0	0	0	64	Jun-21
CBR FREE Wifi	207	0	0	0	207	Mar-21

Project	2020-21	2021-22	2022-23	2023-24	Four Year Investment	Physical Completion Date
	\$'000	\$'000	\$'000	\$'000	\$'000	
Delivering graduated licensing to reduce road deaths and accidents	62	0	0	0	62	Jun-21
Delivering the Home of Football at Throsby	250	11,720	8,000	0	19,970	Jun-23
Equipment Purchase Funding	1,000	1,000	1,000	1,000	4,000	Ongoing
Fairer revenue – Strengthening the mobile safety camera network	238	0	0	0	238	Jun-21
Government Budget Management System	845	1,050	1,050	0	2,945	Jun-23
Improving Road Safety – Traffic camera adjudication system upgrades	213	0	0	0	213	Jun-21
Keeping our growing city moving – Keeping Canberrans safe on our roads	1,334	0	0	0	1,334	Jun-21
Learning Management System	385	0	0	0	385	Jun-21
More and better jobs:						
- Data analytics for smarter policy	347	0	0	0	347	Jun-21
- Expanding Belconnen Arts Centre	829	0	0	0	829	Complete
- Improving Manuka Oval facilities - Stage 2	184	0	0	0	184	Complete
- Modernising government ICT infrastructure	6,835	3,000	0	0	9,835	Jun-22
- More facilities for Stromlo Forest Park	169	0	0	0	169	Jun-21
More jobs for our growing city:						
- Better arts facilities	86	0	0	0	86	Jun-21
- Better facilities for GIO Stadium	69	0	0	0	69	Complete
- Better facilities for Manuka Oval	595	0	0	0	595	Jun-21
- Better infrastructure at the National Arboretum	714	0	0	0	714	Feb-21
- Better infrastructure at the National Arboretum - Early Planning study ¹	500	0	0	0	500	Feb-21
- Early planning for an upgraded amphitheatre at the National Arboretum Canberra	72	0	0	0	72	Complete
- Government facilities upgrade	4,726	0	0	0	4,726	Jun-21
- New Canberra Theatre Complex ¹	400	0	0	0	400	Apr-21
- New tracks and trails at the National Arboretum	23	0	0	0	23	Complete
More services for our suburbs – Upgrading the Old Kingston Bus Depot	5,638	0	0	0	5,638	Mar-21
More support for families and inclusion:						
- Delivering a new Compulsory Third Party Insurance scheme	477	0	0	0	477	Complete

Project	2020-21	2021-22	2022-23	2023-24	Four Year Investment	Physical Completion Date
	\$'000	\$'000	\$'000	\$'000	\$'000	
- Reducing the number of gaming machines to 4,000 and supporting clubs to reduce their reliance on gaming machines	170	0	0	0	170	Jun-21
Moving delivery of more community services online	7,203	1,000	0	0	8,203	Jun-22
Office Accommodation	1,380	500	500	500	2,880	Ongoing
Public Arts Scheme	102	0	0	0	102	Jun-21
Replacing the Human Resource Information Management System	25,180	0	0	0	25,180	Jun-21
Smarter Regulation – Red tape reduction	198	0	0	0	198	Jun-21
Strengthening security at GIO Stadium	118	0	0	0	118	Jun-21
Stromlo Forest Park – Enclosed oval feasibility ¹	159	0	0	0	159	Jun-21
Stromlo Forest Park – Implementation of bushfire management plan	13	0	0	0	13	Complete
Supporting smarter working in the new ACT Government office projects	8,907	0	0	0	8,907	Jun-21
Throsby – Multisport Complex (Design)	116	0	0	0	116	Jun-21
Upgrading local arts facilities	600	975	0	0	1,575	Jun-22
Upgrading local community centres	400	300	300	0	1,000	Jun-23
Total Capital Works in Progress	100,891	19,797	10,850	1,500	133,038	
Better Infrastructure Fund (BIF) including Fast Track Program						
<u>Better Government – ACT property upgrades</u>						
Building and safety upgrades at various government buildings	1,130	0	0	0	1,130	Sep-21
Building refurbishment including roofing, energy efficiency upgrades and internal remediation – various buildings	539	0	0	0	539	Sep-21
Building renovations and extensions including modifications to amenities – various buildings	539	0	0	0	539	Sep-21
Fire services upgrades at various government buildings	167	0	0	0	167	Sep-21
Grounds upgrades including fencing and landscaping – various buildings	162	0	0	0	162	Sep-21
Prior year BIF rolled forward	103	0	0	0	103	Complete
Hazardous material removal – various Government Buildings	420	0	0	0	420	Sep-21
Prior year BIF rolled forward	130	0	0	0	130	Complete
Pools Improvement Program	820	0	0	0	820	Sep-21
Revitalising heritage buildings	436	0	0	0	436	Sep-21

Project	2020-21	2021-22	2022-23	2023-24	Four Year Investment	Physical Completion Date
	\$'000	\$'000	\$'000	\$'000	\$'000	
Upgrades to address ageing infrastructure – various government buildings	425	0	0	0	425	Sep-21
Upgrading community childcare centres	586	0	0	0	586	Jun-21
<u>More jobs for our growing city – Improving major venues</u>						
Improving Major Venues	1,518	0	0	0	1,518	Sep-21
National Arboretum Canberra	300	0	0	0	300	Sep-21
Stromlo Forest Park	139	0	0	0	139	Sep-21
<u>More jobs for our growing city – Arts facilities and buildings</u>						
More and better jobs – Improving arts facilities	694	0	0	0	694	Jun-21
Upgrades to arts buildings	315	0	0	0	315	Sep-21
Prior year BIF rolled forward	40	0	0	0	40	Complete
<u>Events</u>						
Floriade and other major and community events	327	0	0	0	327	Sep-21
Prior year BIF rolled forward	95	0	0	0	95	Complete
Unallocated BIF	0	8,188	8,393	8,603	25,184	Ongoing
Fast Track Program	8,715	0	0	0	8,715	Jun-21
Total BIF including Fast Track Program	17,600	8,188	8,393	8,603	42,784	
TOTAL INFRASTRUCTURE PROGRAM	151,740	45,958	19,243	10,103	227,044	

Note(s):

1. These items are funded through Controlled Recurrent Payments.

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

Project	2020-21	2021-22	2022-23	2023-24	Four Year Investment
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Infrastructure Program	151,740	45,958	19,243	10,103	227,044
Infrastructure Projects funded by Controlled Recurrent Payments appropriation¹					
Building a better city – Indoor sports centres - Early planning	-64	0	0	0	-64
Further works for a new Rectangular Canberra Stadium	-192	0	0	0	-192
More jobs for our growing city:					
- Better infrastructure at the National Arboretum - Early Planning study	-500	0	0	0	-500
- More jobs for our growing city – New Canberra Theatre Complex	-400	0	0	0	-400
Stromlo Forest Park – Enclosed oval feasibility	-159	0	0	0	-159
Sub-total	-1,315	0	0	0	-1,315
Capital Injection funded projects not included in Infrastructure Program					
Better support when it matters – Protecting vulnerable Canberrans	281	313	313	313	1,220
Oracle Whole of Government licensing	67	0	0	0	67
Rego ACT – Ongoing Investment	438	431	431	431	1,731
Sustainable household scheme	8,125	31,300	31,300	31,300	102,025
Sub-total	8,911	32,044	32,044	32,044	105,043
Total Controlled Capital Injection	159,336	78,002	51,287	42,147	330,772

Note(s):

1. These items are funded through Controlled Recurrent Payments.

Financial Statements

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
378,821	Controlled Recurrent Payments	396,794	468,314	18	363,930	346,209	345,310
239	Fees ¹	361	220	-39	220	220	220
258,989	Sale of Goods and Services from Contracts with Customers ²	249,452	262,605	5	282,490	288,566	295,406
0	Grants and Contributions ²	7,163	3,963	-45	3,967	81,930	3,991
4,251	Resources Received Free of Charge ²	0	0	-	0	0	0
1,518	Investment Revenue ²	702	386	-45	1,847	2,933	3,911
4,378	Other Revenue	10,495	4,160	-60	6,430	6,607	5,656
648,196	Total Revenue	664,966	739,648	11	658,884	726,465	654,494
Gains							
0	Gains from Disposal of Assets ²	413	0	-100	0	0	0
46	Other Gains ²	0	0	-	0	0	0
46	Total Gains	413	0	-100	0	0	0
648,242	Total Income	665,379	739,648	11	658,884	726,465	654,494
Expenses							
246,225	Employee Expenses	264,905	256,211	-3	245,069	244,183	251,406
41,265	Superannuation Expenses	38,559	41,831	8	42,291	42,575	47,747
238,454	Supplies and Services	223,406	269,291	21	227,737	222,991	216,879
92,712	Depreciation and Amortisation	90,209	107,183	19	128,959	128,057	123,831
69,936	Grants and Purchased Services	67,436	101,145	50	57,863	49,080	46,902
8,643	Borrowing Costs	7,303	14,335	96	22,022	21,472	20,915
8,859	Other Expenses	3,990	10,391	160	2,136	2,106	2,354
1,110	Transfer Expenses	0	1,108	#	1,108	1,108	1,108
707,204	Total Expenses	695,808	801,495	15	727,185	711,572	711,142
-58,962	Operating Surplus/(Deficit)¹	-30,429	-61,847	-103	-68,301	14,893	-56,648

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
53,318	Cash and Cash Equivalents	80,965	61,078	-25	59,058	73,027	85,801
38,972	Receivables ¹	22,250	22,892	3	26,737	32,883	41,034
0	Contract Assets ¹	5,040	5,052	..	5,055	5,058	5,061
3,440	Inventories	4,665	4,666	..	4,667	4,668	4,669
15,824	Other Assets	19,415	20,309	5	20,965	21,621	22,277
111,554	Total Current Assets	132,335	113,997	-14	116,482	137,257	158,842
Non Current Assets							
58,112	Receivables	59,080	61,099	3	75,989	86,455	92,769
1,194,866	Property, Plant and Equipment	1,440,263	1,759,991	22	1,830,706	1,841,005	1,775,536
5,410	Investment Properties	7,920	7,920	-	7,920	7,920	7,920
116,975	Intangible Assets	63,822	132,601	108	123,717	105,954	90,180
153,516	Capital Works in Progress	107,634	158,525	47	80,628	77,608	65,598
1,214	Other Assets	13,425	13,210	-2	12,172	11,134	10,096
1,530,093	Total Non Current Assets	1,692,144	2,133,346	26	2,131,132	2,130,076	2,042,099
1,641,647	TOTAL ASSETS	1,824,479	2,247,343	23	2,247,614	2,267,333	2,200,941
Current Liabilities							
65,260	Payables	61,681	68,043	10	70,659	73,784	76,593
0	Contract Liabilities ¹	10,884	11,429	5	11,974	12,519	13,064
11,189	Interest-Bearing Liabilities and Borrowings ²	5,219	6,210	19	15,382	25,933	37,674
22,286	Lease Liabilities ²	23,162	22,370	-3	24,030	24,375	24,118
88,306	Employee Benefits	92,918	96,562	4	102,531	108,565	114,846
2,273	Other Provisions	1,469	267	-82	512	253	0
12,569	Other Liabilities ¹	2,742	2,832	3	2,922	3,012	3,102
201,883	Total Current Liabilities	198,075	207,713	5	228,010	248,441	269,397
Non Current Liabilities							
59,979	Interest-Bearing Liabilities and Borrowings ²	59,947	61,774	3	76,465	86,793	92,943
350,569	Lease Liabilities ²	525,731	801,137	52	803,195	769,636	735,255
5,254	Employee Benefits	5,330	5,528	4	5,825	6,122	6,419
1,426	Other Provisions	1,840	1,632	-11	1,145	1,366	1,377
0	Other Liabilities	214	0	-100	0	0	0
417,228	Total Non-Current Liabilities	593,062	870,071	47	886,630	863,917	835,994
619,111	TOTAL LIABILITIES	791,137	1,077,784	36	1,114,640	1,112,358	1,105,391
1,022,536	NET ASSETS	1,033,342	1,169,559	13	1,132,974	1,154,975	1,095,550

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Equity						
783,860	Accumulated Funds	701,618	837,978	19	801,393	823,394	763,969
238,676	Asset Revaluation Surplus	331,724	331,581	..	331,581	331,581	331,581
1,022,536	TOTAL EQUITY²	1,033,342	1,169,559	13	1,132,974	1,154,975	1,095,550

Note(s):

- Since publication of the 2019-20 Budget Statements, from 1 July 2019 CMTEDD adopted Australian Accounting Standards AASB 15, 'Revenue from Contracts with Customers', and AASB 1058, 'Income of Not-for-Profit Entities'. For the Balance Sheet, this has resulted in:
 - the reclassification of accrued revenue from 'Receivables' to 'Contract Assets'; and
 - the reclassification of revenue received in advance from 'Other Liabilities' to 'Contract Liabilities'.
- For the 2020-21 Budget Statements, several line items in the Balance Sheet have been renamed to be consistent with the presentation used in the Directorate's 2019-20 annual report. The items renamed are:
 - 'Interest-Bearing Liabilities' to 'Interest-Bearing Liabilities and Borrowings';
 - 'Finance Leases' to 'Lease Liabilities'; and
 - 'Total Funds Employed' to 'Total Equity'.

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
753,811	Opening Accumulated Funds	635,045	757,069	19	837,978	801,393	823,394
238,676	Opening Asset Revaluation Reserve	295,824	331,724	12	331,581	331,581	331,581
992,487	Balance at the Start of the Reporting Period	930,869	1,088,793	17	1,169,559	1,132,974	1,154,975
-29,839	Net Effect of Change in Accounting Policy ¹	-24,614	0	100	0	0	0
962,648	Restated Balance at the Start of the Reporting Period	906,255	1,088,793	20	1,169,559	1,132,974	1,154,975
	Comprehensive Income						
-58,962	Operating Surplus/(Deficit) ²	-30,429	-61,847	-103	-68,301	14,893	-56,648
0	Increase/(Decrease) in Asset Revaluation Reserve Surpluses	38,973	0	-100	0	0	0
0	Other Movements	0	55,451	#	0	0	0
-58,962	Total Comprehensive Income	8,544	-61,847	-824	-68,301	14,893	-56,648
	Movement in Asset Revaluation Surplus						
0	Transfer (to)/from Accumulated Funds	3,073	143	-95	0	0	0
0	Movement in Asset Revaluation Reserve	-3,073	-143	95	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Transactions Involving Owners Affecting Accumulated Funds							
130,964	Capital Injections	113,440	151,211	33	46,702	19,987	10,847
-5,567	Capital Distributions to Government	-4,905	-5,384	-10	-7,040	-7,757	-7,777
-2,939	Increase/(Decrease) in Net Assets due to Administrative Restructure	9,683	1,869	-81	-2,939	0	0
-3,608	Dividend Approved	0	-5,083	#	-5,007	-5,122	-5,847
0	Other Movements	323	0	-100	0	0	0
118,850	Total Transactions Involving Owners Affecting Accumulated Funds	118,541	142,613	20	31,716	7,108	-2,777
Closing Equity							
783,860	Closing Accumulated Funds	701,618	837,978	19	801,393	823,394	763,969
238,676	Closing Asset Revaluation Reserve	331,724	331,581	..	331,581	331,581	331,581
1,022,536	Balance at the end of the Reporting Period	1,033,342	1,169,559	13	1,132,974	1,154,975	1,095,550

Note(s):

1. The 'Net Effect of Change in Accounting Policy' line has been relocated from the 'Comprehensive Income' section of the Statement of Changes in Equity to 'Restate the Balance at the Start of the Reporting Period'. This has been done to match the accounting treatment used in the Directorate's 2019-20 annual report.
2. For the 2020-21 Budget Statements, the 'Operating Result – Including Economic Flows' line has been renamed to 'Operating Surplus/(Deficit)' to be consistent with the presentation used in the Directorate's 2019-20 annual report.

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
378,821	Controlled Recurrent Payments ¹	396,794	468,314	18	363,930	346,209	345,310
239	Fees ²	361	220	-39	220	220	220
270,401	Sale of Goods and Services from Contracts with Customers ³	247,610	271,870	10	294,336	300,412	307,252
1,477	Interest Received	703	359	-49	347	345	336
748,614	Other	85,881	98,542	15	100,591	100,765	99,815
1,399,552	Operating Receipts	731,349	839,305	15	759,424	747,951	752,933
Payments							
244,201	Employee	251,268	254,676	1	242,536	241,585	248,561
41,101	Superannuation	38,207	41,628	9	42,089	42,373	47,545
240,956	Supplies and Services	228,079	273,374	20	230,576	225,324	219,517
79,718	Grants and Purchased Services	67,988	110,766	63	67,484	58,701	56,523
8,644	Borrowing Costs ²	7,295	12,864	76	15,106	14,580	14,020
1,038	Transfer of Territory Receipts to the ACT Government	0	1,036	#	1,036	1,036	1,036
745,448	Other	83,049	96,105	16	95,546	95,565	95,658
1,361,106	Operating Payments	675,886	790,449	17	694,373	679,164	682,860
38,446	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	55,463	48,856	-12	65,051	68,787	70,073
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
162	Proceeds from Sale of Property, Plant and Equipment	256	166	-35	170	170	170
2,677	Proceeds from Repayments of Loan Receivable ²	69	5,381	#	7,503	10,557	13,535
2,839	Investing Receipts	325	5,547	#	7,673	10,727	13,705
Payments							
41,596	Relating to Property, Plant and Equipment ⁴	6,675	19,408	191	15,651	12,001	13,255
48,933	Relating to Capital Works ⁴	119,618	138,875	16	53,736	16,400	7,260
43,880	Relating to Intangibles ²	302	23,471	#	956	431	431
0	Relating to Loans	638	8,125	#	31,300	31,300	31,300
134,409	Investing Payments	127,233	189,879	49	101,643	60,132	52,246
-131,570	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-126,908	-184,332	-45	-93,970	-49,405	-38,541

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
130,964	Capital Injections	113,440	159,336	40	78,002	51,287	42,147
130,964	Financing Receipts	113,440	159,336	40	78,002	51,287	42,147
Payments							
5,567	Distributions to Government	4,905	5,383	10	7,039	7,756	7,776
2,679	Repayment of Borrowings	112	5,307	#	7,437	10,421	13,409
30,457	Repayment of Lease Liabilities ²	28,338	27,974	-1	31,620	33,401	33,873
3,608	Payment of Dividend	0	5,083	#	5,007	5,122	5,847
0	Transfer of Cash Balances	-37,211	0	100	0	0	0
42,311	Financing Payments	-3,856	43,747	#	51,103	56,700	60,905
88,653	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	117,296	115,589	-1	26,899	-5,413	-18,758
-4,471	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	45,851	-19,887	-143	-2,020	13,969	12,774
49,278	CASH AT THE BEGINNING OF REPORTING PERIOD	35,114	80,965	131	61,078	59,058	73,027
44,807	CASH AT THE END OF REPORTING PERIOD	80,965	61,078	-25	59,058	73,027	85,801

Note(s):

- For the 2020-21 Budget Statements, the 'Payment of Community Service Obligations' line has been combined with 'Controlled Recurrent Payments' in the Cash Flow Statement to be consistent with the presentation used in the Operating Statement.
- For the 2020-21 Budget Statements, several line items in the Cash Flow Statement have been renamed to be consistent with the presentation used in the Directorate's 2019-20 annual report. The items renamed are:
 - 'Taxes, Fees and Fines' to 'Fees';
 - 'Interest Expenses' to 'Borrowing Costs';
 - 'Repayment of Loan Principal' to 'Proceeds from Repayments of Loans Receivable';
 - 'Purchase of Land and Intangibles' to 'Relating to Intangibles'; and
 - 'Repayment of Finance Lease Liabilities' to 'Repayment of Lease Liabilities'.
- Since publication of the 2019-20 Budget Statements, from 1 July 2019 CMTEDD adopted Australian Accounting Standards AASB 15, 'Revenue from Contracts with Customers', and AASB 1058, 'Income of Not-for-Profit Entities'. For the Cash Flow Statement, this has resulted in the renaming of 'User Charges' to 'Sale of Goods and Services from Contracts with Customers'.
- For the 2020-21 Budget Statements, the 'Purchase of Property, Plant and Equipment' line in the Cash Flow Statement was replaced with two lines to be consistent with the presentation used in the Directorate's 2019-20 annual report. The replacement lines are:
 - 'Relating to Property, Plant and Equipment'; and
 - 'Relating to Capital Works in Progress'.

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$71.520 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the impact of new initiatives, including those announced in the 2019-20 Budget Review (\$65.946 million), new Commonwealth Grants and the ACT contribution to Commonwealth funded projects (\$14.021 million) and reprofiling of initiatives funding from 2019-20 to future years; partially offset by the transfer of WorkSafe ACT to the Office of the Work Health and Safety Commissioner on 1 July 2020 (\$8.090 million).
- grants and contributions and resources received free of charge (combined):
 - the increase of \$2.912 million in the 2019-20 audited outcome from the original budget is mainly due to a higher level of legal services received from the Government Solicitor’s Office (GSO) of the Justice and Community Safety (JACS) Directorate during 2019-20;
 - the decrease of \$3.2 million in the 2020-21 Budget from the 2019-20 audited outcome largely reflects a forecast return to more usual levels of legal services received from the GSO and the transfer of WorkSafe ACT to the Office of the Work Health and Safety Commissioner on 1 July 2020; and
 - the increase of \$77.963 million in the 2022-23 estimate from the 2021-22 estimate is mainly due to the forecast completion and transfer of the Kingston Arts Precinct from the Suburban Land Agency (SLA).
- other revenue:
 - the increase of \$6.117 million in the 2019-20 audited outcome from the original budget largely reflects revenue from hosting cricket and football matches and other events at Territory venues prior to COVID-19, which were budgeted for as sales of goods and services from contracts with customers, the receipt of sponsorships, and insurance recoveries associated with the January 2020 hailstorm; and
 - the decrease of \$6.335 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects the budget for Territory venues related revenue being included in sales of goods and services from contracts with customers and revenue received by Territory venues being lower as a result of reduced activity and fewer spectators at events during the COVID-19 health emergency.
- supplies and services: the increase of \$45.885 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to new initiatives and the reprofiling of initiatives from 2019-20 to 2020-21, partially offset by the transfer of WorkSafe ACT to the Office of the Work Health and Safety Commissioner on 1 July 2020.

- depreciation and amortisation: the increase of \$16.974 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects the completion of fit-out capital works, the full year impact of the lease for the Dickson government office block and the commencement of leases for the Civic and Allara House government office blocks for use by CMTEDD and other government directorates.
- grants and purchased services: the increase \$33.709 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to a new Commonwealth Grant and ACT Government contribution towards a Job Trainer Fund, new initiatives, including the COVID-19 Stimulus Package – Jobs for Canberrans and the reprofiling of initiatives from 2019-20 to 2020-21.
- borrowing costs:
 - the decrease of \$1.340 million in the 2019-20 audited outcome from the original budget is due to the reduction in interest rate on the loans on-passed to Community Housing Canberra (CHC) from the Territory Banking Account (TBA); and
 - the increase of \$7.032 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the full year impact of the lease for the Dickson government office block and the commencement of leases for the Civic and Allara House government office blocks for use by CMTEDD and other government directorates.
- other expenses: the decrease of \$4.869 million in the 2019-20 audited outcome from the original budget and the increase of \$6.401 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to the delay in the Centralisation of Property Custodianship and Management Program and asset transfers to other agencies.
- transfer expenses: the decrease of \$1.110 million in the 2019-20 audited outcome from the original budget and the increase of \$1.108 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the retention of funds originally forecast to be returned to the budget during the year to assist in meeting the Directorate’s cost pressures, including those associated with providing assistance to the community during the COVID-19 health emergency.
- operating surplus/(deficit): the negative operating results in all years largely reflect the impact of depreciation, the forecast movement in employee entitlements and assets transfers to or from other directorates.
 - The increase of \$28.533 million in the 2019-20 audited outcome from the original budget and the decrease of \$31.418 million in the 2020-21 Budget from the 2019-20 audited outcome is mostly due to the timing of accessing Controlled Recurrent Payments (CRP) appropriation towards the end of the 2019-20 financial year for planned expenditure, some of which occurred early in 2020-21.
 - The increase of \$83.194 million in the 2022-23 estimate from the 2021-22 estimate is mainly due to the forecast completion and transfer of the Kingston Arts Precinct from SLA.

Other Comprehensive Income

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

Balance Sheet

- cash and cash equivalents:
 - the increase of \$27.647 million in the 2019-20 audited outcome from original budget is mainly due to the timing of cashflows around the end of the financial year; and
 - the decrease of \$19.887 million in the 2020-21 Budget from the 2019-20 audited outcome is due to a return of budgeted cash balances to more usual levels, reflecting recent actual results.
- current and non current receivables and contract assets (combined): the decrease of \$10.714 million in the 2019-20 audited outcome from the original budget is largely due to the transfer of the whole of capital works function to Major Projects Canberra (MPC) on 1 July 2019, following the Administration Arrangements (AAs) of that date.
- inventories: the increase of \$1.225 million in the 2019-20 audited outcome from the original budget mainly results from a larger value of ICT related goods being purchased on behalf of other ACT Government Agencies during 2019-20.
- current and non current other assets: the increase of \$15.802 million in the 2019-20 audited outcome from the original budget is mainly due to the recognition of a rent-free period lease incentive.
- property, plant and equipment:
 - the increase of \$245.397 million in the 2019-20 audited outcome from the original budget largely reflects the incorporation of the value of lease extension options into right-of-use assets where it has been determined that the lease extensions are likely to be taken up; and
 - the increase of \$319.728 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the recognition of right-of-use assets associated with the commencement of leases for the Civic and Allara House government office blocks for use by CMTEDD and other directorates.
- investment properties: the increase of \$2.510 million in the 2019-20 audited outcome from the original budget is due to the valuation of investment properties undertaken in 2020.
- intangible assets:
 - the decrease of \$53.153 million in the 2019-20 audited outcome from the original budget reflects the impact of the later than forecast completion of ICT related projects and the transfer of the whole of capital works function to MPC on 1 July 2019, following the AAs of that date; and

- the increase of \$68.779 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the revised completion dates of a number of ICT related projects.
- capital works in progress:
 - the decrease of \$45.882 million in the 2019-20 audited outcome from the original budget is mainly due to the earlier than expected physical completion of several capital works projects, including the Weston Creek and Stromlo Aquatic Leisure Centre and fit-out works for the Dickson Government Office Building, partially offset by the reprofiling of some capital works from 2019-20 to future years; and
 - the increase of \$50.891 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the expected progression of the Directorate’s capital works program in 2020-21, which includes several significant projects, such as the fit-out of the Civic Government Office Building and the upgrade of the Old Kingston Bus Depot.
- current payables: the decrease of \$3.579 million in the 2019-20 audited outcome from the original budget and the increase of \$6.362 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the timing of cashflows around the end of the 2019-20 financial year.
- current and non current interest-bearing liabilities and borrowings: the decrease of \$6.002 million in the 2019-20 audited outcome from the original budget is primarily due to the transfer of the banking facility used to support the whole of government capital works function to MPC on 1 July 2019, following the AAs of that date; partially offset by the deferral of a principal repayment on the CHC loan.
- current and non current lease liabilities:
 - the increase of \$176.038 million in the 2019-20 audited outcome from the original budget is mainly due to the incorporation of lease extension options for accommodation leases where it has been determined that the lease extensions are likely to be taken up; and
 - the increase of \$274.614 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects the commencement of leases for the Civic and Allara House government office blocks for use by CMTEDD and other directorates.

Statement of Changes in Equity

Restatement of Opening Equity

- net effect of a change in accounting policy:
 - the increase of \$5.225 million in the 2019-20 audited outcome from the original budget is due to the inclusion of the impact of lease incentives into accommodation leases; partially offset by the incorporation of lease extension options for accommodation leases where it has been determined that the lease extensions are likely to be taken up; and

- the increase of \$24.614 million in the 2020-21 Budget from the 2019-20 audited outcome results from the 2019-20 impact of implementing a new accounting standard in that year that changed the way building, vehicle and ICT leases are accounted for.

Comprehensive Income

- increase/(decrease) in asset revaluation surplus: the increase of \$38.973 million in the 2019-20 audited outcome from the original budget and the decrease of \$38.973 million in the 2020-21 Budget from the 2019-20 audited outcome are due to the net impact of the 2020 valuation of ACT Property Group, National Arboretum Canberra, Venues Canberra, and Access Canberra assets.
- other movements: the increase of \$55.451 million in the 2020-21 Budget from the 2019-20 audited outcome is due to updates to the budgeted property, plant and equipment and intangible assets balances to reflect recent actual results.

Other variations in this Statement are explained in the notes prior to this section.

Cash Flow Statement

Variations in this Statement are explained in the notes above.

Financial Statements – Territorial

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
72,309	Payment for Expenses on Behalf of the Territory	72,319	80,139	11	76,218	77,412	77,424
2,249,509	Taxes, Licences, Fees and Fines ¹	2,092,258	2,246,882	7	2,331,132	2,425,681	2,573,433
119,013	Land Revenue	46,566	44,530	-4	47,149	47,723	48,257
22,641	Sale of Goods and Services from Contracts with Customers ¹	19,222	20,563	7	23,189	26,169	27,241
2,004,102	Grants from the Commonwealth ²	1,883,484	1,890,767	..	2,019,345	2,097,214	2,158,148
231,299	Dividend Revenue	128,515	353,758	175	164,453	113,334	161,178
369	Other Revenue	465	5,425	#	5,574	5,689	5,804
4,699,242	Total Revenue	4,242,829	4,642,064	9	4,667,060	4,793,222	5,051,485
Gains							
0	Gains from the Remeasurement of Assets	104	0	-100	0	0	0
0	Total Gains	104	0	-100	0	0	0
4,699,242	Total Income	4,242,933	4,642,064	9	4,667,060	4,793,222	5,051,485
Expenses							
12,178	Supplies and Services	12,316	11,780	-4	12,321	12,220	8,983
52,225	Grants and Purchased Services	72,243	61,481	-15	57,415	58,598	59,219
113,042	Cost of Goods Sold	33,804	28,736	-15	29,810	29,185	28,641
10,073	Other Expenses	9,750	8,473	-13	7,904	7,885	7,959
4,511,724	Transfer Expenses	4,133,079	4,531,594	10	4,559,610	4,685,334	4,946,683
4,699,242	Total Expenses	4,261,192	4,642,064	9	4,667,060	4,793,222	5,051,485
0	Operating Surplus/(Deficit)²	-18,259	0	100	0	0	0
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
19,697	Increase/(Decrease) in Asset Revaluation Surplus	760	8,626	#	8,518	7,633	6,847
19,697	Total Other Comprehensive Income	760	8,626	#	8,518	7,633	6,847
19,697	Total Comprehensive Income/(Deficit)²	-17,499	8,626	149	8,518	7,633	6,847

Note(s):

1. Since publication of the 2019-20 Budget Statements, from 1 July 2019 CMTEDD adopted Australian Accounting Standard AASB 1058, 'Income of Not-for-Profit Entities'. For the Statement of Income and Expenses on behalf of the Territory, this has resulted in:
 - the renaming of 'Taxes, Fees and Fines' to 'Taxes, Licences, Fees and Fines'; and
 - the renaming of 'User Charges' to 'Sale of Goods and Services from Contracts with Customers'.
2. For the 2020-21 Budget Statements, several line items in the Statement of Income and Expenses on behalf of the Territory have been renamed to be consistent with the presentation used in the Directorate's 2019-20 annual report. The items renamed are:
 - 'Grants' to 'Grants from the Commonwealth';
 - 'Operating Result' to 'Operating Surplus/(Deficit)'; and
 - 'Total Comprehensive Income' to 'Total Comprehensive Income/(Deficit)'.

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
6,384	Cash ¹	8,869	8,869	-	8,869	8,869	8,869
650,038	Receivables	376,854	264,252	-30	283,482	399,020	485,379
1,804	Inventories and Other Assets	0	0	-	0	0	0
658,226	Total Current Assets	385,723	273,121	-29	292,351	407,889	494,248
Non Current Assets							
58,072	Receivables	188,394	210,324	12	233,385	220,603	207,821
3,083	Investments	3,925	3,925	-	3,925	3,925	3,925
299,998	Property ¹	287,293	304,182	6	307,889	311,337	314,543
361,153	Total Non Current Assets	479,612	518,431	8	545,199	535,865	526,289
1,019,379	TOTAL ASSETS	865,335	791,552	-9	837,550	943,754	1,020,537
Current Liabilities							
656,884	Payables	296,458	300,355	1	319,584	435,122	518,088
1,535	Other Provisions	118,964	2,464	-98	2,464	2,464	2,464
1,045	Other Liabilities	212	212	-	212	212	212
659,464	Total Current Liabilities	415,634	303,031	-27	322,260	437,798	520,764
Non Current Liabilities							
58,072	Payables	188,394	210,324	12	233,385	220,603	211,214
58,072	Total Non-Current Liabilities	188,394	210,324	12	233,385	220,603	211,214
717,536	TOTAL LIABILITIES	604,028	513,355	-15	555,645	658,401	731,978
301,843	NET ASSETS	261,307	278,197	6	281,905	285,353	288,559
Equity							
200,201	Accumulated Funds	195,060	203,325	4	198,515	194,330	191,924
101,642	Asset Revaluation Surplus	66,246	74,872	13	83,390	91,023	97,870
301,843	TOTAL EQUITY¹	261,307	278,197	6	281,905	285,353	289,794

Note(s):

- For the 2020-21 Budget Statements, several line items in the Statement of Assets and Liabilities on behalf of the Territory have been renamed to be consistent with the presentation used in the Directorate's 2019-20 annual report. The items renamed are:
 - 'Cash and Cash Equivalents' to 'Cash';
 - 'Property, Plant and Equipment' to 'Property'; and
 - 'Total Funds Employed' to 'Total Equity'.

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
288,243	Opening Accumulated Funds	243,683	195,061	-20	203,325	198,515	194,330
81,945	Opening Asset Revaluation Reserve	65,486	66,246	1	74,872	83,390	91,023
370,188	Balance at the Start of the Reporting Period	309,170	261,307	-15	278,197	281,905	285,353
	Comprehensive Income						
0	Operating Surplus/(Deficit)	-18,259	0	100	0	0	1,235
19,697	Increase/(Decrease) in Asset Revaluation Reserve Surplus	760	8,626	#	8,518	7,633	6,847
19,697	Total Comprehensive Income	-17,499	8,626	149	8,518	7,633	8,082
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
25,000	Capital Injections	3,414	37,000	984	25,000	25,000	25,000
-113,042	Capital Distributions to Government	-33,804	-28,736	15	-29,810	-29,185	-28,641
0	Other Movements	25	0	-100	0	0	0
-88,042	Total Transactions Involving Owners Affecting Accumulated Funds	-30,365	8,264	127	-4,810	-4,185	-3,641
	Closing Equity						
200,201	Closing Accumulated Funds	195,060	203,325	4	198,515	194,330	191,924
101,642	Closing Asset Revaluation Reserve	66,246	74,872	13	83,390	91,023	97,870
301,843	Balance at the end of the Reporting Period	261,307	278,197	6	281,905	285,353	289,794

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
72,309	Payment for Expenses on Behalf of the Territory ¹	72,319	80,139	11	76,218	77,412	77,424
2,232,231	Taxes, Licences, Fees and Fines ²	2,119,731	2,016,722	-5	2,412,847	2,717,488	2,809,590
22,591	Sale of Goods and Services from Contracts with Customers ²	19,500	20,513	5	23,139	26,119	27,191
2,002,467	Grants Received from the Commonwealth ³	1,999,984	1,889,722	-6	2,018,220	2,096,010	2,156,944
65,784	Dividends	61,189	528,266	763	83,330	90,186	199,225
6,915	Land Rental Receipts ⁴	5,792	7,182	24	7,605	7,697	7,783
9,927	Other ⁴	3,643	9,078	149	9,840	10,219	10,234
4,412,224	Operating Receipts	4,282,158	4,551,622	6	4,631,199	5,025,131	5,288,391
Payments							
10,543	Supplies and Services	12,321	10,735	-13	11,196	11,016	7,779
52,225	Grants and Purchased Services	74,248	59,076	-20	54,791	55,146	55,157
4,342,044	Transfer of Territory Receipts to the ACT Government	4,203,471	4,483,937	7	4,568,244	4,962,253	5,229,094
6,227	Other	3,310	6,486	96	6,702	7,557	8,194
4,411,039	Operating Payments	4,293,350	4,560,234	6	4,640,933	5,035,972	5,300,224
1,185	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-11,191	-8,612	23	-9,734	-10,841	-11,833
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
111,857	Proceeds from the Sale of Land ³	40,253	37,348	-7	39,544	40,026	40,474
111,857	Investing Receipts	40,253	37,348	-7	39,544	40,026	40,474
Payments							
25,000	Purchase of Land ³	6,964	37,000	431	25,000	25,000	25,000
25,000	Investing Payments	6,964	37,000	431	25,000	25,000	25,000
86,857	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	33,289	348	-99	14,544	15,026	15,474

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
25,000	Capital Injections	3,414	37,000	984	25,000	25,000	25,000
25,000	Financing Receipts	3,414	37,000	984	25,000	25,000	25,000
Payments							
113,042	Distributions to Government	33,804	28,736	-15	29,810	29,185	28,641
113,042	Financing Payments	33,804	28,736	-15	29,810	29,185	28,641
-88,042	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-30,391	8,264	127	-4,810	-4,185	-3,641
0	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-8,293	0	100	0	0	0
6,384	CASH AT THE BEGINNING OF REPORTING PERIOD	17,163	8,869	-48	8,869	8,869	8,869
6,384	CASH AT THE END OF REPORTING PERIOD	8,869	8,869	-	8,869	8,869	8,869

Note(s):

- For the 2020-21 Budget Statements, the 'Payment of Community Service Obligations' line has been combined with 'Payment for Expenses on Behalf of the Territory' in the Cash Flow Statement on behalf of the Territory to be consistent with the presentation used in the Statement on Income and Expenses on behalf of the Territory.
- Since publication of the 2019-20 Budget Statements, from 1 July 2019 CMTEDD adopted Australian Accounting Standard AASB 1058, 'Income of Not-for-Profit Entities'. For the Cash Flow Statement on behalf of the Territory this has resulted in:
 - the renaming of 'Taxes, Fees and Fines' to 'Taxes, Licences Fees and Fines'; and
 - the renaming of 'User Charges' to 'Sale of Goods and Services from Contracts with Customers'.
- For the 2020-21 Budget Statements, several line items in the Cash Flow Statement on behalf of the Territory have been renamed to be consistent with the presentation used in the Directorate's 2019-20 annual report. The items renamed are:
 - 'Grants' to 'Grants Received from the Commonwealth';
 - 'Proceeds from Sale of Property, Plant and Equipment' to 'Proceeds from the Sale of Land'; and
 - 'Purchase of Land and Intangibles' to 'Purchase of Land'.
- For the 2020-21 Budget Statements, the 'Land Rental Receipts' has been shown as a separate line in the Operating Activities section of the Cash Flow Statement on behalf of the Territory to be consistent with the presentation used in the Directorate's 2019-20 annual report, with a balancing adjustment made against 'Other [Operating Receipts]'

Notes to the Territorial Budget Statements

The Chief Minister, Treasury and Economic Development Directorate (CMTEDD) collects the majority of General Government Sector (GGS) revenue through its Territorial accounts on behalf of the ACT Government. *2020-21 Budget Paper 3: Budget Outlook* provides detailed information on budgeted General Government Sector (GGS) revenue, including taxes, fees and fines, Commonwealth Government grants and dividend revenue.

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

- grants received from the Commonwealth Government;
- taxes, fees and fines collected through the Revenue Office and Access Canberra, including:
 - general rates;
 - payroll tax;
 - residential conveyancing duty;
 - land tax;
 - motor vehicle registrations;
 - driver and taxi licence fees;
 - traffic infringement and parking fees and fines;
 - water abstraction charges;
 - building levies; and
 - other regulatory service fees;
- dividends collected from other ACT Government Agencies;
- a regulatory levy on workers' compensation insurers;
- transactions relating to the Land Rent Scheme;
- payments for First Home Owners' Grants;
- payments for HomeBuilder grants; and
- payments for a variety of concession schemes covering household utility expenses, transportation, spectacles and funeral expenses.

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- payment of expenses on behalf of the Territory: the increase of \$7.820 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to the impact of new initiatives, reprofiling of initiative funding from 2019-20 to 2020-21, undrawn 2019-20 funds and 2019-20 general savings, partially offset by the tapering off of COVID-19 economic stimulus measures during 2020-21 and 2020-21 savings.
- land revenue: the decrease of \$72.447 million in the 2019-20 audited outcome from the original budget is largely due to a lower number of land rent block sales during 2019-20.
- sale of goods and services from contracts with customers: the decrease of \$3.419 million in the 2019-20 audited outcome from the original budget is mainly due to a reduction in parking fines and parking fees during the COVID-19 health emergency.

- dividend revenue:
 - the decrease of \$102.784 million in the 2019-20 audited outcome from the original budget largely reflects the operating performance of the Suburban Land Agency (SLA) during 2019-20, due to subdued market conditions during the first half of the year and the subsequent impact of the COVID-19 health emergency; and
 - the increase of \$225.243 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects a higher dividend from SLA; partially offset by decreased dividends from Icon Water and the City Renewal Authority (CRA), reflecting the forecast operating performance of those entities.
- grants and purchased services:
 - the increase of \$20.018 million in the 2019-20 audited outcome from the original budget is mainly due to general rate rebates and Community Service Obligation (CSO)¹ payments associated with the COVID-19 Economic Stimulus Package, including payments to service providers to provide utilities (electricity) concessions rebates to eligible residential and small business customers; partially offset by the lower than budgeted First Home Owners Grant (FHOG) payments; and
 - the decrease of \$10.762 million in the 2020-21 Budget from the 2019-20 audited outcome largely reflects a change to the funding profile of COVID-19 economic stimulus measures during 2020-21.
- cost of goods sold:
 - the decrease of \$79.238 million in the 2019-20 audited outcome from the original budget is largely due to a lower number of land rent block sales during 2019-20; and
 - the decrease of \$5.068 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects a forecast decrease in the number of land rent block sales.
- other expenses: the decrease of \$1.277 million in the 2020-21 Budget from the 2019-20 audited outcome largely reflects a change to the funding profile of COVID-19 economic stimulus measures during 2020-21.
- operating result/(deficit): the decrease of \$18.259 million in the 2019-20 audited outcome from the original budget and the increase of \$18.259 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the use of cash balances available at the beginning of the year for the payment of concessions and community service obligations and the timing of accessing the appropriated funds associated with these types of payments towards the end of the year.
- increase/(decrease) in asset revaluation surplus:
 - the decrease of \$18.937 million in the 2019-20 audited outcome from the original budget reflects a lower December 2019 valuation of land rent property assets; and

1. *2020-21 Budget Paper 3: Budget Outlook* provides an explanation of Community Service Obligations in the 'Expenses and forward estimates' chapter.

- the increase of \$7.866 million in the 2020-21 Budget from the 2019-20 audited outcome reflects a forecast of the 2020-21 valuation outcome based on an average of the valuations from the past few years.

Statement of Assets and Liabilities on behalf of the Territory

- cash: the increase of \$2.485 million in the 2019-20 audited outcome from the original budget is due to the timing of cashflows towards the end of the 2019-20 financial year (end of year CMTEDD Territorial cash balances usually reflect appropriation drawn down prior to the end of the financial year for payments that are required within the first few weeks of the new financial year).
- current and non current receivables:
 - the decrease of \$142.862 million in the 2019-20 audited outcome from the original budget is mainly due to Icon Water and SLA moving into deferred tax asset positions by 30 June 2020 due to the payment of more tax throughout the year than required; partially offset by increased lease variation charge receivables due to developers continuing to take up the option to defer payment under the Lease Variation Charge Deferred Payment Scheme introduced in 2018-19; and
 - the decrease of \$90.672 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to a forecast decrease in dividends receivables, and external to government payroll tax receivables due to a COVID-19 initiative allowing businesses to defer the payment of their payroll tax until future years; partially offset by an increase in income tax equivalent receivables from SLA and Icon Water.
- inventories and other assets: the decrease of \$1.804 million in the 2019-20 audited outcome from the original budget is due to no land rent blocks being the subject of either a sale application or lease surrender as at 30 June 2020.
- current and non current payables: the decrease of \$230.104 million in the 2019-20 audited outcome from the original budget is largely due to lower dividend, income tax, fees and fines receivables, which will be on-passed to the Territory Banking Account (TBA) once collected.
- current provisions:
 - the increase of \$117.429 million in the 2019-20 audited outcome from the original budget largely reflects the estimated overpayment that will be recouped by the Commonwealth during 2020-21 as a result of the ACT receiving GST revenue from the Commonwealth in 2019-20 in excess of the ACT's entitlement; and
 - the decrease of \$116.500 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects the impact of the Commonwealth recouping the GST Revenue overpayment mentioned above during 2020-21.

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

Variations in these Statements are explained in the notes above.

Table 62: Output Class 1: Government Strategy Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
32,541	Controlled Recurrent Payments	33,324	37,855	14	37,419	34,076	34,840
5,582	Sale of Goods and Services from Contracts with Customers	7,954	9,850	24	6,801	6,950	7,132
0	Grants and Contributions	1,960	897	-54	907	915	922
908	Resources Received Free of Charge	0	0	-	0	0	0
0	Investment Revenue	0	53	#	1,523	2,607	3,589
39,031	Total Revenue	43,238	48,655	13	46,650	44,548	46,483
Gains							
0	Gains from Disposal of Assets	9	0	-100	0	0	0
1	Other Gains	0	0	-	0	0	0
1	Total Gains	9	0	-100	0	0	0
39,032	Total Income	43,247	48,655	13	46,650	44,548	46,483
Expenses							
21,038	Employee Expenses	24,675	25,210	2	24,808	22,489	24,508
4,873	Superannuation Expenses	3,717	5,585	50	5,574	5,368	9,472
11,258	Supplies and Services	12,786	15,311	20	12,430	11,881	6,664
1,631	Depreciation and Amortisation	2,147	2,720	27	3,813	3,808	3,808
2,432	Grants and Purchased Services	2,438	2,335	-4	2,215	2,106	2,161
0	Borrowing Costs	0	1,732	#	7,133	7,133	7,133
46	Other Expenses	11	53	382	244	402	557
41,278	Total Ordinary Expenses	45,775	52,946	16	56,217	53,187	54,303
-2,246	Operating Result	-2,528	-4,291	-70	-9,567	-8,639	-7,820

Table 63: Output Class 2: Access Canberra Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Income							
Revenue							
90,971	Controlled Recurrent Payments	96,273	90,803	-6	90,434	89,115	90,648
239	Fees	0	0	-	0	0	0
12,606	Sale of Goods and Services from Contracts with Customers	11,984	12,798	7	12,768	13,290	13,464
0	Grants and Contributions	2,617	1,690	-35	1,716	1,743	1,771
2,217	Resources Received Free of Charge	0	0	-	0	0	0
158	Investment Revenue	68	158	132	158	158	158
323	Other Revenue	986	734	-26	772	810	828
106,514	Total Revenue	111,928	106,183	-5	105,848	105,116	106,869
Gains							
0	Gains from Disposal of Assets	127	0	-100	0	0	0
12	Other Gains	0	0	-	0	0	0
12	Total Gains	127	0	-100	0	0	0
106,526	Total Income	112,055	106,183	-5	105,848	105,116	106,869
Expenses							
55,862	Employee Expenses	66,996	52,917	-21	54,711	54,522	55,250
9,473	Superannuation Expenses	9,486	9,738	3	9,915	9,964	10,153
37,988	Supplies and Services	35,582	39,700	12	37,573	36,957	37,762
3,998	Depreciation and Amortisation	5,377	5,371	..	6,647	6,475	3,954
1,807	Grants and Purchased Services	2,945	1,824	-38	1,841	1,854	1,874
37	Borrowing Costs	37	19	-49	18	18	23
327	Other Expenses	212	88	-58	311	89	91
1,110	Transfer Expenses	0	1,108	#	1,108	1,108	1,108
110,602	Total Ordinary Expenses	120,634	110,765	-8	112,124	110,987	110,215
-4,076	Operating Result	-8,579	-4,582	47	-6,276	-5,871	-3,346

Table 64: Output Class 3: Economic Development Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Income							
Revenue							
107 322	Controlled Recurrent Payments	121 203	130 397	8	91 437	81 646	80 479
1 241	Sale of Goods and Services from Contracts with Customers	2 922	852	-71	1 486	1 533	1 579
0	Grants and Contributions	2 809	1 045	-63	1 056	1 069	1 077
1 316	Resources Received Free of Charge	0	0	-	0	0	0
184	Other Revenue	1 000	181	-82	185	191	196
110 063	Total Revenue	127 934	132 475	4	94 164	84 439	83 331
Gains							
0	Gains from Disposal of Assets	66	0	-100	0	0	0
4	Other Gains	0	0	-	0	0	0
4	Total Gains	66	0	-100	0	0	0
110 067	Total Income	128 000	132 475	3	94 164	84 439	83 331
Expenses							
15 112	Employee Expenses	24 093	15 987	-34	14 792	14 227	14 168
3 000	Superannuation Expenses	3 399	3 196	-6	3 107	3 073	3 214
35 354	Supplies and Services	26 945	41 025	52	30 374	29 533	28 194
2 155	Depreciation and Amortisation	2 536	2 475	-2	3 302	3 072	5 618
59 779	Grants and Purchased Services	59 403	74 294	25	48 373	40 138	40 280
3	Borrowing Costs	2	0	-100	0	0	0
667	Other Expenses	294	1 507	413	732	759	848
116 070	Total Ordinary Expenses	116 671	138 484	19	100 680	90 802	92 322
-6 003	Operating Result	11 330	-6 009	-153	-6 516	-6 363	-8 991

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
23,563	Controlled Recurrent Payments	22,178	48,306	118	21,649	21,169	19,152
0	Sale of Goods and Services from Contracts with Customers	89	0	-100	0	0	0
0	Grants and Contributions	763	188	-75	191	192	193
354	Resources Received Free of Charge	0	0	-	0	0	0
1,334	Investment Revenue	629	79	-87	69	70	64
29	Other Revenue	0	0	-	0	0	0
25,280	Total Revenue	23,659	48,573	105	21,909	21,431	19,409
Gains							
0	Gains from Disposal of Assets	4	0	-100	0	0	0
0	Total Gains	4	0	-100	0	0	0
25,280	Total Income	23,663	48,573	105	21,909	21,431	19,409
Expenses							
9,193	Employee Expenses	13,950	19,627	41	8,879	9,001	9,104
1,873	Superannuation Expenses	2,066	1,985	-4	2,012	2,000	2,029
7,791	Supplies and Services	4,095	7,349	79	6,406	6,284	6,410
413	Depreciation and Amortisation	429	415	-3	415	2	2
5,171	Grants and Purchased Services	382	19,577	#	4,671	4,203	1,934
1,334	Borrowing Costs	629	79	-87	69	65	59
0	Other Expenses	1	0	-100	0	0	0
25,775	Total Ordinary Expenses	21,553	49,032	127	22,452	21,555	19,538
-495	Operating Result	2,110	-459	-122	-543	-124	-129

Table 66: Output Class 5: Workforce Injury Management and Industrial Relations Policy Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Income							
Revenue							
8,668	Controlled Recurrent Payments	7,650	8,795	15	8,824	8,281	8,620
3,752	Sale of Goods and Services from Contracts with Customers	3,800	3,801	..	3,913	3,999	4,084
0	Grants and Contributions	202	44	-78	44	45	47
100	Resources Received Free of Charge	0	0	-	0	0	0
12,520	Total Revenue	11,652	12,640	8	12,781	12,325	12,751
Gains							
0	Gains from Disposal of Assets	3	0	-100	0	0	0
0	Total Gains	3	0	-100	0	0	0
12,520	Total Income	11,655	12,640	8	12,781	12,325	12,751
Expenses							
9,455	Employee Expenses	7,705	9,407	22	9,646	9,149	9,467
953	Superannuation Expenses	1,119	1,031	-8	1,054	1,064	1,084
1,819	Supplies and Services	2,322	1,930	-17	1,833	1,858	1,943
96	Depreciation and Amortisation	266	133	-50	108	37	4
288	Grants and Purchased Services	117	286	144	293	299	305
37	Other Expenses	0	36	#	37	37	37
12,648	Total Ordinary Expenses	11,529	12,823	11	12,971	12,444	12,840
-128	Operating Result	126	-183	-245	-190	-119	-89

Table 67: Output Class 6: Revenue Management Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
20,979	Controlled Recurrent Payments	22,702	20,956	-8	20,224	21,134	22,144
572	Sale of Goods and Services from Contracts with Customers	322	589	83	610	622	636
0	Grants and Contributions	2,402	3,829	59	3,892	3,959	4,032
1,333	Resources Received Free of Charge	0	0	-	0	0	0
32	Investment Revenue	27	32	19	32	32	32
1,416	Other Revenue	1,373	1,457	6	1,498	1,531	1,565
24,332	Total Revenue	26,825	26,863	..	26,256	27,278	28,409
Gains							
0	Gains from Disposal of Assets	-56	0	100	0	0	0
0	Total Gains	-56	0	100	0	0	0
24,332	Total Income	26,768	26,863	..	26,256	27,278	28,409
Expenses							
11,487	Employee Expenses	10,786	11,282	5	10,938	11,712	12,548
2,252	Superannuation Expenses	1,788	2,415	35	2,404	2,413	2,447
10,950	Supplies and Services	12,605	13,491	7	13,287	13,524	13,793
3,346	Depreciation and Amortisation	4,244	3,626	-15	3,623	3,595	3,550
10	Grants and Purchased Services	0	0	-	0	0	0
24	Other Expenses	858	34	-96	34	34	34
28,069	Total Ordinary Expenses	30,281	30,848	2	30,286	31,278	32,372
-3,737	Operating Result	-3,512	-3,985	-13	-4,030	-4,000	-3,963

Table 68: Output Class 7: Shared Services Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
60,614	Controlled Recurrent Payments	60,503	72,002	19	65,347	63,479	64,623
148,668	Sale of Goods and Services from Contracts with Customers	154,589	161,862	5	165,891	170,034	174,431
0	Grants and Contributions	351	521	48	535	548	561
526	Resources Received Free of Charge	0	0	-	0	0	0
24	Investment Revenue	29	24	-17	25	26	27
1,885	Other Revenue	1,697	2,337	38	2,395	2,455	2,509
211,717	Total Revenue	217,169	236,746	9	234,193	236,542	242,151
Gains							
0	Gains from Disposal of Assets	194	0	-100	0	0	0
0	Total Gains	194	0	-100	0	0	0
211,717	Total Income	217,363	236,746	9	234,193	236,542	242,151
Expenses							
90,818	Employee Expenses	89,548	94,261	5	95,444	96,963	99,879
12,877	Superannuation Expenses	13,133	14,861	13	15,227	15,615	16,052
92,818	Supplies and Services	95,509	104,911	10	97,145	96,432	99,320
22,517	Depreciation and Amortisation	26,481	28,005	6	38,790	38,207	38,703
7	Borrowing Costs	191	166	-13	142	118	85
21	Other Expenses	338	22	-93	23	24	24
219,058	Total Ordinary Expenses	225,201	242,226	8	246,771	247,359	254,063
-7,341	Operating Result	-7,837	-5,480	30	-12,578	-10,817	-11,912

Table 69: Output Class 8: Infrastructure Finance and Procurement Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Income							
Revenue							
7,980	Controlled Recurrent Payments	5,139	9,748	90	6,825	6,896	7,014
23,342	Sale of Goods and Services from Contracts with Customers	4,075	3,801	-7	3,883	3,968	4,052
0	Grants and Contributions	214	19	-91	11	11	11
401	Resources Received Free of Charge	0	0	-	0	0	0
63	Other Revenue	0	0	-	0	0	1
31,786	Total Revenue	9,427	13,568	44	10,719	10,875	11,078
Gains							
0	Gains from Disposal of Assets	2	0	-100	0	0	0
0	Total Gains	2	0	-100	0	0	0
31,786	Total Income	9,429	13,568	44	10,719	10,875	11,078
Expenses							
18,321	Employee Expenses	6,586	5,496	-17	4,472	4,450	4,482
2,702	Superannuation Expenses	1,139	1,392	22	1,337	1,378	1,461
9,656	Supplies and Services	3,823	6,393	67	4,460	4,519	4,634
1,359	Depreciation and Amortisation	143	31	-78	20	22	1
0	Grants and Purchased Services	1	0	-100	0	0	0
2	Borrowing Costs	0	0	-	0	0	0
261	Other Expenses	230	262	14	263	264	261
32,301	Total Ordinary Expenses	11,922	13,574	14	10,552	10,633	10,839
-515	Operating Result	-2,492	-6	100	167	242	239

Table 70: Output Class 9: Property Services and Venues Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
Income							
Revenue							
26,183	Controlled Recurrent Payments	27,822	49,452	78	21,771	20,413	17,790
0	Fees	361	220	-39	220	220	220
106,766	Sale of Goods and Services from Contracts with Customers	118,284	107,393	-9	128,456	130,354	133,103
0	Grants and Contributions	1,691	353	-79	353	78,304	355
1,096	Resources Received Free of Charge	0	0	-	0	0	0
40	Investment Revenue	38	40	5	40	40	41
478	Other Revenue	4,475	1,497	-67	1,549	1,588	524
134,563	Total Revenue	152,671	158,955	4	152,389	230,919	152,033
Gains							
0	Gains from Disposal of Assets	-17	0	100	0	6	6
29	Other Gains	0	0	-	0	0	0
29	Total Gains	-17	0	100	0	6	6
134,592	Total Income	152,655	158,955	4	152,389	230,925	152,039
Expenses							
18,450	Employee Expenses	20,660	20,024	-3	19,379	19,670	20,000
3,262	Superannuation Expenses	2,689	3,628	35	3,661	3,700	3,835
75,033	Supplies and Services	86,367	84,016	-3	70,285	69,043	66,212
57,197	Depreciation and Amortisation	48,584	64,407	33	72,241	72,839	68,191
449	Grants and Purchased Services	2,114	2,819	33	460	470	338
7,330	Borrowing Costs	6,534	12,338	89	14,658	14,135	13,615
7,476	Other Expenses	2,398	8,605	259	504	510	512
169,197	Total Ordinary Expenses	169,347	195,837	16	181,188	180,367	172,703
-34,605	Operating Result	-16,693	-36,882	-121	-28,799	50,558	-20,664

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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 2020-21 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

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

The Statement of Intent, which focuses on the 2020-21 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 2020-21 Statement of Intent has been agreed between:



Paul Baxter

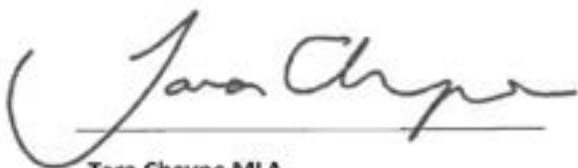
Chairperson on behalf of

ACT Gambling and Racing Commission



Andrew Barr MLA

Treasurer



Tara Cheyne MLA

**Minister for Business and Better
Regulation**

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ACT GAMBLING AND RACING COMMISSION

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

The Gambling and Racing Commission Board

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

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

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

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

- Chairperson: Mr Paul Baxter
- Deputy Chairperson: Ms Alice Tay
- Members: Ms Carmel Franklin
Mr Carl Buik
- Chief Executive: Mr David Snowden

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 objectives



Nature and Scope of Activities

The Commission's relationship with Access Canberra

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

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

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

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

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

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

Risks

In relation to the delivery of the Commission's objectives, the following strategic risks have been identified. In broad terms, the Commission has a risk management register which is regularly reviewed and updated. Operational risks are also addressed in Access Canberra's risk management register. The registers have been developed in accordance with the Whole of Government risk matrix template, the AS/NZS ISO 31000:2009 risk management standard, and the CMTEDD risk management framework and risk management plan.

Identified risks include:

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

2020-21 priorities and next three financial years

Strategic and operational issues to be pursued in 2020-21 include:

Public Health Approach to Gambling harm prevention

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

During 2019 the Commission launched its *Strategy for Gambling Harm Prevention in the ACT - A Public Health Approach* (the Strategy). The Strategy provides a guide for the Commission in developing and delivering effective, co-ordinated evidence-based activities over a five-year period, from 2019-20 to 2023-24. It provides the rationale, principles and objectives for adopting a public health approach and the framework for the development of annual work plans for each of the five years of operation.

Annual work plans ensure objectives of the Strategy are met, while being responsive to emerging issues. The Annual Work Plan 2019 outlined three priority areas: (i) Education and engagement, (ii) Research, and (iii) Support services, which will be utilised for the duration of the Strategy. The Strategy is intended to provide a framework for the development of annual plans for each of the five years of its operation. These annual plans will allow for the Strategy to respond to new and emerging issues, while maintaining its overarching approach to gambling harm. It is intended that these annual plans will also be responsive to new research and evidence that emerges over time.

The Strategy is underpinned by a public health approach which recognises that gambling can have a wide and pervasive effect upon the community, extending beyond the individual gambler. Furthermore, a public health approach recognises that in addition to financial stress there are social, psychological and physical health impacts and wider economic harms from gambling. These can and do extend through the community.

In line with the adoption of the public health approach to preventing gambling harm the Commission engaged the ANU Centre for Gambling Research to undertake a prevalence comprehensive study of gambling in the ACT during 2019.

The 2019 ACT Gambling Survey was released in October 2019 and the Commission produced and released a summary of the survey findings, prioritising and highlighting findings that best address and inform the objectives and principles of the Strategy. The Commission also designed and released infographics illustrating the key findings of the 2019 Survey.

The intent of the Summary and the infographics is to provide quick and easy access to the research findings most relevant to gambling harm prevention in the ACT.

The survey data will inform many of the activities undertaken by the Commission in their harm prevention efforts and the Commission is currently working with stakeholders on developing research priorities going forward which will continue to include research on gambling behaviours and trends.

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

Engage, educate and enforce

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

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

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

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

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

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

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

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

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

Valuing our partnerships

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

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

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

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

Estimated employment level

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

Strategic objectives and indicators

Strategic Objective 1

To take meaningful action to prevent gambling harm

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

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

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

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

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

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

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

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

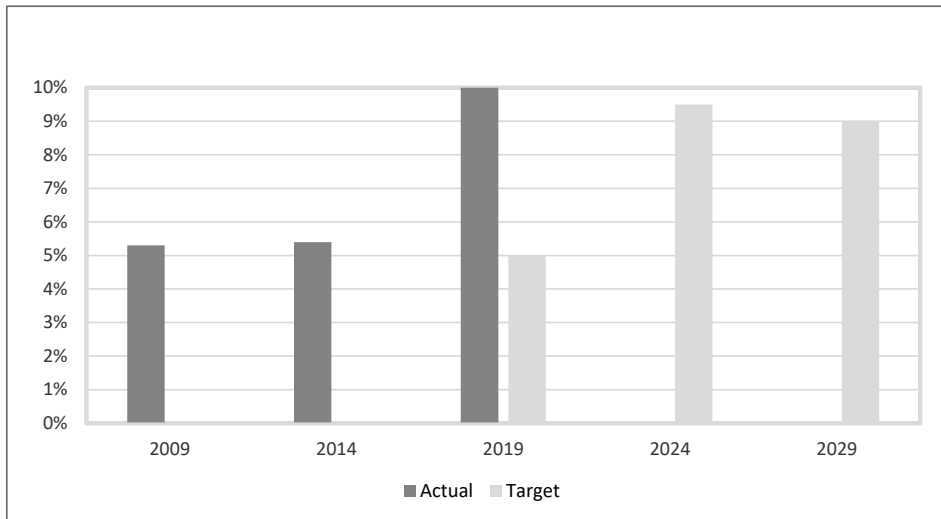
In the 2019 ACT Gambling Survey, 70 per cent of the survey participants were contacted via their mobile phone, whereas the previous surveys only contacted people using landline phones. The inclusion of mobile phone numbers was necessary given shifting preferences in the community from landline to mobile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

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

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

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

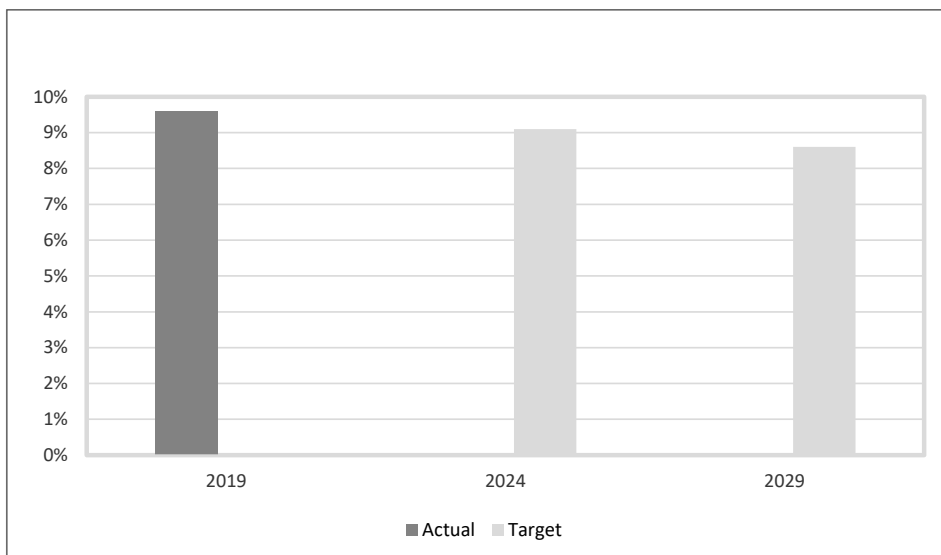
Figure 2: Proportion of the ACT adult population reporting one or more on the Problem Gambling Severity Index (PGSI)



Note(s):

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

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



Strategic Objective 2

Ensure gambling operators' compliance with legislation

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

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

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

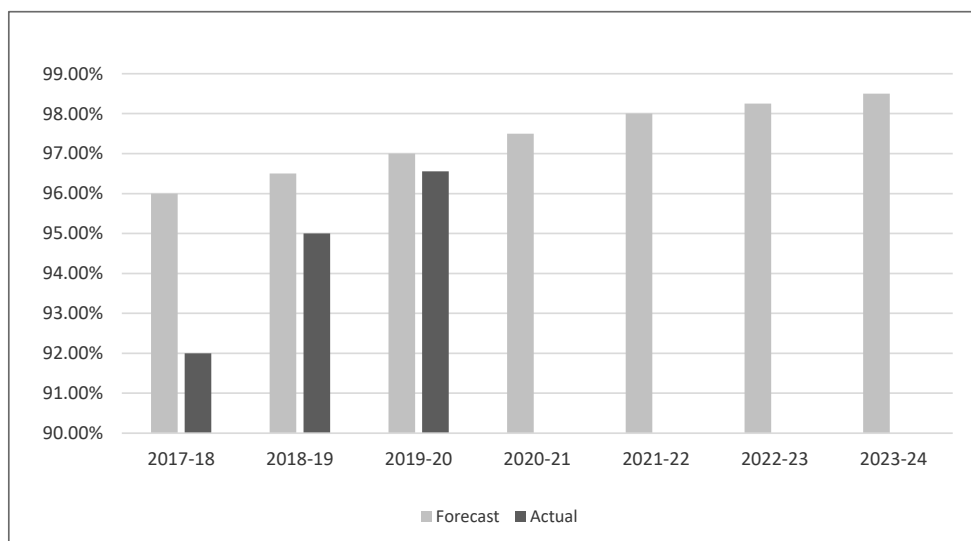
Strategic Indicator 2: Regulatory education and engagement activities result in a decreasing use of formal enforcement powers.

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

Strategic Indicator 3: Increase the accuracy of gambling taxation returns.

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

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



Output Classes (Controlled GGS)

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

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

	Audited Outcome \$'000	Budget \$'000
Total Cost ¹	7 211	7 190
Controlled Recurrent Payments	6 200	5 350

Note(s):

1. Total cost includes depreciation and amortisation of \$0.136 million in 2019-20 and \$0.062 million in 2020-21.

Output 1.1: Gambling regulation and harm minimisation

The Commission purchases the following services from Access Canberra:

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

Accountability Indicators

Further information on the 2019-20 Targets and outcome can be found in the Annual Report at <http://www.gamblingandracing.act.gov.au>.

Output Class 1: Gambling regulation and harm minimisation

Output 1.1: Gambling regulation and harm minimisation

Table 2: Accountability Indicators Output 1.1

	2019-20 Targets	2019-20 Audited Outcome	2020-21 Targets
a) Undertake evidence (e.g. research and evaluation) informed activities to prevent and reduce gambling harm, including through the Gambling Harm Prevention and Mitigation Fund ¹	12	13	12
b) Percentage of customers satisfied with the Gambling and Racing Commission ²	90%	100%	90%
c) Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission ³	95%	100%	95%
d) Compliance rate during targeted campaign inspections ⁴	90%	80%	90%
e) Average level of helpfulness after issuing a notice or before issuing a license/authorisation ⁵	4.2 out of 5	5 out of 5	4.2 out of 5

Note(s):

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

Changes to appropriation

Table 3: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	6,200	5,350	5,484	5,570	5,570
2020-21 Budget Technical Adjustments					
Revised Indexation Parameters	0	0	-17	-18	70
2020-21 Budget	6,200	5,350	5,467	5,552	5,640

Monitoring and reporting

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

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

Quarterly reporting

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

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

Monthly reporting

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

Annual reporting

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

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

Financial arrangements

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

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

Financial statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the three financial years commencing 2020-21 appear below. These general purpose financial statements include:

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Statement of Cash Flow; and
- notes to the Financial Statements as appropriate including variations from the 2019-20 Budget to the 2019-20 audited outcome and variances from the 2019-20 audited outcome to the 2020-21 Budget that are in excess of \$0.250 million and 5 per cent.

Financial Statements – Controlled (GGS)

Table 4: ACT Gambling and Racing Commission: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
5,167	Controlled Recurrent Payments	6,200	5,350	-14	5,467	5,552	5,640
57,924	Taxes, Fees and Fines	47,929	55,890	17	62,982	65,361	66,101
110	Investment Revenue	83	112	35	114	116	118
25	Grants and Contributions	87	25	-71	25	25	25
1,996	Other Revenue	2,273	1,841	-19	2,091	2,090	2,090,
65,222	Total Revenue	,56,572	63,218	12	70,679	73,144	73,974
Expenses							
133	Employee Expenses	0	0	-	0	0	0
13	Superannuation Expenses	0	0	-	0	0	0
1,596	Supplies and Services	964	1,619	68	1,809	1,815	1,812
17	Depreciation and Amortisation	136	62	-54	62	62	62
5,356	Grants and Purchased Services	6,111	5,509	-10	5,688	5,772	5,859
57,924	Transfer Expenses	45,856	55,890	22	62,982	65,361	66,101
0	Other Expenses	3,855	0	-100	0	0	0
65,039	Total Expenses	56,921	63,080	11	70,541	73,004	73,834
183	Operating Result	-349	138	140	138	140	140
183	Total Comprehensive Income¹	-349	138	140	138	140	140

Note(s):

- Since publication of the 2019-20 Budget Statements, the ACT Gambling and Racing Commission has adopted Australian Accounting Standards AASB 15, 'Revenue from Contracts with Customers', and AASB 1058, 'Income of Not-for-Profit Entities', from 1 July 2019. This has resulted in:
 - the renaming of 'Interest' to 'Investment Revenue; and
 - the reclassification of some revenue items from 'Resources Received Free of Charge' and 'Other Gains' to 'Grants and Contributions'.

Table 5: ACT Gambling and Racing Commission: Balance Sheet

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000	
Current Assets							
5,224	Cash and Cash Equivalents	4,703	4,891	4	5,079	5,269	5,459
4,341	Receivables	4,344	4,349	..	4,354	4,359	4,364
9	Other Assets	3	3	-	3	3	3
9,574	Total Current Assets	9,050	9,243	2	9,436	9,631	9,826
Non Current Assets							
10	Property, Plant and Equipment	0	5	#	10	15	20
329	Intangible Assets	161	104	-35	47	-10	-67
339	Total Non Current Assets	161	109	-32	57	5	-47
9,913	TOTAL ASSETS	9,211	9,352	2	9,493	9,636	9,779
Current Liabilities							
4,321	Payables	4,341	4,344	..	4,347	4,350	4,353
50	Other Liabilities	51	51	-	51	51	51
4,371	Total Current Liabilities	4,392	4,395	..	4,398	4,401	4,404
4,371	TOTAL LIABILITIES	4,392	4,395	..	4,398	4,401	4,404
5,542	NET ASSETS	4,819	4,957	3	5,095	5,235	5,375
REPRESENTED BY FUNDS EMPLOYED							
5,542	Accumulated Funds	4,819	4,957	3	5,095	5,235	5,375
5,542	TOTAL FUNDS EMPLOYED	4,819	4,957	3	5,095	5,235	5,375

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
5,359	Opening Accumulated Funds	5,168	4,819	-7	4,957	5,095	5,235
5,359	Balance at the Start of the Reporting Period	5,168	4,819	-7	4,957	5,095	5,235
	Comprehensive Income						
183	Operating Result - Including Economic Flows	-349	138	140	138	140	140
183	Total Comprehensive Income	-349	138	140	138	140	140
0	Total Movement in Reserves	0	0	-	0	0	0
	Closing Equity						
5,542	Closing Accumulated Funds	4,819	4,957	3	5,095	5,235	5,375
5,542	Balance at the end of the Reporting Period	4,819	4,957	3	5,095	5,235	5,375

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
5,167	Controlled Recurrent Payments	6,200	5,350	-14	5,467	5,552	5,640
57,924	Taxes, Fees and Fines	47,323	55,890	18	62,982	65,361	66,101
110	Investment Receipts	83	112	35	114	116	118
0	Goods and Services Tax Input Tax Credits from the Australian Taxation Office	113	119	5	119	119	119
2,115	Other	2,392	1,841	-23	2,091	2,090	2,090
65,316	Operating Receipts	56,111	63,312	13	70,773	73,238	74,068
Payments							
133	Employee	0	0	-	0	0	0
13	Superannuation	0	0	-	0	0	0
1,573	Supplies and Services	1,862	1,596	-14	1,786	1,786	1,789
5,356	Grants and Purchased Services	6,112	5,509	-10	5,688	5,772	5,859
57,924	Transfer of Territory Receipts to the ACT Government	47,322	55,890	18	62,982	65,361	66,101
0	Goods and Services Tax Paid to Suppliers	116	119	3	119	119	119
119	Other	1,037	0	-100	0	0	0
65,118	Operating Payments	56,449	63,114	12	70,575	73,038	73,868
198	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-338	198	159	198	200	200
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
10	Purchase of Property, Plant and Equipment	0	10	#	10	10	10
10	Investing Payments	0	10	#	10	10	10
-10	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	0	-10	#	-10	-10	-10

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
188	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-338	188	156	188	190	190
5,036	CASH AT THE BEGINNING OF REPORTING PERIOD	5,041	4,703	-7	4,891	5,079	5,269
5,224	CASH AT THE END OF REPORTING PERIOD	4,703	4,891	4	5,079	5,269	5,459

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating statement

controlled recurrent payments: the increase of \$1.033 million in the 2019-20 audited outcome from the 2019-20 Budget and the decrease of \$0.850 million in the 2020-21 Budget from the 2019-20 audited outcome primarily relate to six Act of Grace Payments approved by the Treasurer in relation to the COVID-19 health emergency.

- taxes, fees and fines:
 - the decrease of \$9.995 million in the 2019-20 audited outcome from the 2019-20 Budget is mainly due to the decrease in Gaming Machine Taxation and Casino Taxation due to the closure of gaming venues in the ACT as a result of the COVID-19 health emergency; and the decrease in Interstate Lotteries Taxation due to reduced ticket sales; and
 - the increase of \$7.961 million in the 2020-21 Budget from the 2019-20 audited outcome is due to an expected return to licensees operating activities following continued changes to business requirements as part of the continued COVID-19 health emergency.
- other revenue:
 - the increase of \$0.277 million in the 2019-20 audited outcome from the 2019-20 Budget is mainly due to the increase in payments for the Chief Minister's Charitable Fund as a result of an additional levy on gaming machine licensees effective from 1 July 2019 and the increase in payments for the Diversification and Sustainability Support Fund as a result of an additional levy on gaming machine licensees effective from 1 July 2019; and
 - the decrease of \$0.432 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the expected reduction in revenue to the Gambling Harm

Prevention and Mitigation Fund in line with the reduced Gaming Machine Taxation expected in 2020-21 as explained above.

- supplies and services: the decrease of \$0.632 million in the 2019-20 audited outcome from the 2019-20 Budget and the increase of \$0.655 million in the 2020-21 Budget from the 2019-20 audited outcome are mainly due to the reclassification of expenditure relating to Problem Gambling Support Services.
- grants and purchased services:
 - the increase of \$0.755 million in the 2019-20 audited outcome from the 2019-20 Budget is mainly due to a remittance of an additional levy on gaming machine licensees to the Chief Minister's Charitable Fund and the reclassification of expenditure relating to Problem Gambling Support Services; and
 - the decrease of \$0.602 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the reclassification of expenditure relating to Problem Gambling Support Services.
- transfer expenses:
 - the decrease of \$12.068 million in the 2019-20 audited outcome from the 2019-20 Budget is mainly due to the decreased collection of taxes, fees and fines as explained above; and
 - the increase of \$10.034 million in the 2020-21 Budget from the 2019-20 audited outcome is due to due to an expected return to licensees operating activities following continued changes to business requirements as part of the continued COVID-19 health emergency.
- other expenses: the increase of \$3.107 million in the 2019-20 audited outcome from the 2019-20 Budget and the decrease of \$3.107 million in the 2020-21 Budget from the 2019-20 audited outcome relate to thirty two Stimulus Waivers granted waiving club gaming machine licensees and Casino Canberra tax liabilities for March 2020 and six Act of Grace Payments approved by the Treasurer as part of the economic survival package resulting from the COVID-19 health emergency and the increase in the Diversification and Sustainability Support Fund expense due to a change in legislation effective from 1 July 2019.

Balance sheet

- cash and cash equivalents: the decrease of \$0.521 million in the 2019-20 audited outcome from the 2019-20 Budget is mainly due to the decreased collection of taxes, fees and fines as explained above.

Statement of Changes in Equity and Cash Flow Statement

Variations in these statements are explained in the above notes.

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ACT INSURANCE AUTHORITY – STATEMENT OF INTENT

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

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

This Statement of Intent for 2020-21 has been prepared in accordance with Section 61 of the FMA.

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

The Statement of Intent, which focuses on the 2020-21 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the ACT Insurance Authority strategic and business planning processes.

The ACT Insurance Authority 2020-21 Statement of Intent has been agreed between:



Andrew Barr MLA

Treasurer

and Acting Special Minister of State



David Nicol

Under Treasurer



Penny Shields

General Manager

ACT Insurance Authority

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ACT INSURANCE AUTHORITY

Purpose

The organisation

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

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

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

The portfolio represents just over \$25.8 billion of insured assets, with annual premium revenue of \$49 million, an operating result of \$26.637 million and an equity position of \$46.192 million forecasted in the 2020-21 Budget.

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

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

Services and functions

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

The Authority's functions are to:

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

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

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

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

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

Nature and scope of activities

General activities

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

- provide professional advice to the ACT Government and territory agencies on insurance and risk management issues;
- deliver a value for money reinsurance program to protect the Territory's budget;
- continue to maximise reinsurance recoveries;
- review the Territory's asset register as part of the insurance renewal process;
- develop business practices which will enable the Authority to achieve best practice results, and if feasible, reduced premiums for agencies;
- proactively manage claims against the Territory in consultation with agency stakeholders and in accordance with the ACT model litigant requirements;
- conduct regular reviews of existing claims to ensure that appropriate management is being applied and that realistic claim estimates are included in financial statements;
- facilitate agency access to 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 Policy;

- work with agencies to reduce the number and severity of incidents and ultimate claims cost;
- deliver to agencies a program of general and targeted risk management training;
- administer the financial transactions on behalf of the Territory through the agreement between QBE and Territory for QBE to continue to provide Builders Warranty Insurance with the Territory indemnifying QBE in respect of any claim losses;
- administer the Office of the Nominal Defendant of the ACT (ND); and
- administer the Default Insurance Fund (DIF).

Risk Management

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

The Authority has identified the following key risks:

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

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

2020-21 priorities and next three financial years

Strategic and operational priorities to be pursued in 2020-21 and for the next three financial years include:

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

- implementing an insurance management system consistent with the requirements identified in the Authority’s Information Communication Technology Plan; and
- developing a change management plan to facilitate the Authority’s move to an activity-based work environment.

Estimated employment level and employment profile

Table 1: Estimated employment level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Actual Outcome	2020-21 Budget
Staffing (FTE)	18	19	19	21

Table 2: 2020-21 employment profile

Classification	Total
Senior Executive	1
SOG A	1
SOG B	3
SOG C	3
ASO6	4
ASO5	9
Total	21

Key performance indicators for 2020-21 to 2023-24

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

Objective	Key performance indicator	Planned			
		2020-21	2021-22	2022-23	2023-24
Carry on the business of insurer of territory risks	(a) Results from an annual customer satisfaction survey:				
	- Overall customer satisfaction with the Authority	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of claims management	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of technical insurance matters and annual insurance renewal	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of risk management services	> 80%	> 80%	> 80%	> 80%
	- Overall customer satisfaction of financial management services	> 80%	> 80%	> 80%	> 80%
	(b) Determine annual insurance premiums for territory agencies that allow for 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 Authority's funding ratio as outlined in the Authority's Capital Management Plan	132%	134%	136%	138%
	(d) General and administrative expense as a percentage of total annual premium revenue	9%	8%	8%	8%
	(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	14 days	14 days	14 days	14 days
	(f) Review the Territory's insurance and reinsurance programs to ensure they are appropriate for its needs	Annual review completed	Annual review completed	Annual review completed	Annual review completed

Objective	Key performance indicator	Planned			
		2020-21	2021-22	2022-23	2023-24
Take out insurance of territory risks with other entities	(g) Review the territory's 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) Complete Property Loss Control Surveys at a number of selected territory locations	Survey 8 locations	Survey 8 locations	Survey 8 locations	Survey 8 locations
	(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	1.5 Years	1.49 Years	1.49 Years	1.50 Years
	- Ultimate Claim Numbers ²	72	72	72	72
	- Average Small Claim (<\$1 m) Settlement Size ³	\$69,603	\$70,995	\$72,415	\$73,863
	<u>Liability</u>				
	- Discounted Mean Term (for Outstanding Claims) ¹	4.82 Years	4.68 Years	4.55 Years	4.42 Years
	- Ultimate Claim Numbers ²	118	120	122	125
	- Average Small Claim (<\$1 m) Settlement Size ³	\$108,348	\$110,519	\$112,734	\$114,993
	- Average Large Claim (>\$1 m) Settlement Size ³	\$3,521,147	\$3,591,570	\$3,663,401	\$3,736,669
	<u>Medical Malpractice</u>				
	- Discounted Mean Term (for Outstanding Claims) ¹	6.51 Years	6.3 Years	6.12 Years	5.97 Years
	- Ultimate Claim Numbers ²	84	86	88	89
	- Average Small Claim (<\$1 m) Settlement Size ³	\$297,521	\$303,592	\$309,785	\$316,101
	- Average Large Claim (>\$1 m) Settlement Size ³	\$4,061,614	\$4,142,846	\$4,225,703	\$4,310,217

^{1,2,3} The discounted mean term, ultimate claims numbers, and the average claim settlement size are defined and explained further in the accompanying notes.

Objective	Key performance indicator	Planned			
		2020-21	2021-22	2022-23	2023-24
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	45	45	45	45
	(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 risks	(n) Provide briefing material on the agency annual insurance premiums	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister
	(o) Provide briefing material on the Authority's reinsurance program	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister
	(p) Provide briefing material on the Authority's Capital Management Plan	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister	Brief provided to the Minister

Notes for the key performance indicators:

- a) Surveys are sent to a range of agency contacts including Director-Generals, Chief Executive Officers and other key stakeholders of ACT Government directorates and statutory authorities insured by the Authority. Respondents are asked to rate the quality of different aspects areas of the Authority's services based on their experiences over the past 12 months. For questions relating to specific areas of service the satisfaction levels are determined by the respondents selecting either very good, good, average, poor or very poor. Very good and good responses are taken as a positive result. For the questions relating to the overall satisfaction of insurance management services the respondent is asked to select either very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied. Very satisfied or satisfied responses are taken as a positive result.
- b) The Authority completes an annual review of agency insurance premiums, with assistance from the Authority's actuary, PricewaterhouseCoopers Consulting (Australia) Pty Ltd. The actuarial approach relies on assumptions about the estimated future number of claims, the estimated average settlement size, expected inflation rates and investment returns. Annual premiums are allocated to agencies based on their claims history, asset ownership, risk profile and the actuarial advice.
- c) The funding ratio is calculated by dividing total assets by total liabilities. The Authority aims to maintain its capital position between 100-120 per cent as outlined in the Authority's capital management plan. A capital position outside this range requires the Authority to consider corrective action. The parameters outlined in the Authority's capital management plan guide decision making to address a capital position outside the targeted ratio range. This would include action to seek capital injections (in a deficit situation) or returning excess capital (in a surplus situation) to the ACT Government.
- d) The Authority's general and administrative expenses which includes employee and superannuation expenses, along with supplies and services is calculated as a percentage of gross earned premiums expressed as Sale of Goods & Services in the operating statement and is measured against the budgeted results for the Authority.
- e) The Authority generally processes payments for the settlement of claims on a fortnightly basis. The number of days to process a payment is measured from the date all required documentation relating to settlements is received by the Authority to the date payment is made.

- f) The Authority completes an annual review of the Territory's insurance arrangements. This includes a review of the Territory's reinsurance program structure, an analysis of market conditions and the suitability of policy terms and conditions.
- g) The Authority completes a review of the replacement value of assets detailed in the Territory's asset schedule as part of the property reinsurance renewal.
- h) The Authority's property reinsurers conduct an annual property loss control survey program on selected Territory locations. Property loss control reports identify the potential for property loss and assist agencies to reduce the risks of loss through loss prevention efforts. Recommendations are communicated to surveyed Territory agencies for consideration.
- i) The Authority conducts quarterly claims review meetings to review all public liability and medical malpractice claims where the Territory's reserve exceeds \$250,000. Meetings are also attended by representatives of the ACT Government Solicitor's Office, the Authority's insurance brokers (Marsh Pty Ltd) as well as external insurers and their solicitors.
- j) The measure for insurance claims data is provided by the Authority's actuary, PricewaterhouseCoopers Consulting (Australia) Pty Ltd. The planned figures are based on claims experience and include actuarial assumptions of growth, such as, population and price indexation.

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

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

Discounted Mean Term, Ultimate Claim Numbers and Average Settlement Size

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

Applying a lower discount rate means the value of payments in the future increases resulting in an increase to the discounted mean term, all else being equal. A higher discount rate will lower the payment value in the future resulting in a decrease to the discounted mean term, all else being equal. In some cases, other changes may have a greater impact on the discount mean term than the change in discount rates. If discount rates change, the value of the expected future payments also change. Applying discount rate changes to payments due in the near future has little or no impact whereas payments due further into the future will have a higher impact.
 - 2 The ultimate number of claims for each insurance class is the estimated total number of claims expected to emerge from each insurance year. The ultimate number of claims is estimated by analysing historical claim reported values and applying them to the observed claims reported to date in order to predict the timing and number of future claims reported.
 - 3 For medical malpractice, property and motor and public liability insurance classes, the Authority has adopted the average settlement size for small and large claims based on historical claims experience. Further to this, the assessment of the outstanding claims liability allows for future inflation and average weighted inflation rates.
- k) Risk Profile Reports are provided to directorates, the reports contain a detailed analysis of claim numbers and costs by insurance class and provide a comparison of their directorate against the whole of ACT Government. The reports are provided biannually.
 - l) The Authority delivers a program of face-to face risk management training that covers general introductory and intermediate to advanced level risk management, along with entity specific training tailored to meet agency requirements.
 - m) Attendees of risk management training sessions are requested to complete feedback forms at the completion of the courses delivered by the Authority. Attendees are asked to assess the course based on areas such as, course suitability, facilitators' knowledge and whether they would recommend the training. The satisfaction levels are determined by the respondents selecting either strongly agree, agree, disagree or strongly disagree. Strongly agree and agree are taken as a satisfied result.
 - n) The Authority prepares a brief for the Minister each year seeking agreement to the annual premiums charged to agencies for inclusion in the ACT Government budget.

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

Assessment of performance against 2019-20 objectives

Table 4: Assessment of performance against 2019-20 objectives

Objective	Indicator	Planned 2019-20	Actual Outcome 2019-20	Explanation of Variance
Carry on the business of insurer of territory risks	(a) Results from an annual customer satisfaction survey:			
	- Overall customer satisfaction with the Authority	>80%	85%	
	- Overall customer satisfaction of claims management	>80%	75%	
	- Overall customer satisfaction of technical insurance matters and annual insurance renewal	>80%	73%	
	- Overall customer satisfaction of risk management services	>80%	94%	The increase in satisfaction for risk management services is largely attributed to improvements the Authority has made in tailored training sessions for agencies. In particular, increasing the level of engagement with smaller agencies and providing greater access to risk management support.
	- Overall customer satisfaction of financial management services	>80%	85%	
	(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	
	(c) Maintain the Authority's funding ratio as outlined in the Authority's Capital Management Plan	131%	124%	
	(d) General and administrative expense as a percentage of total annual premium revenue	8%	8%	

Objective	Indicator	Planned 2019-20	Actual Outcome 2019-20	Explanation of Variance
	(e) The average number of days to process settlement of claim payments from the day all required documents are received from the agency	14 days	14 days	
	(f) Review the territory's insurance and reinsurance programs to ensure they are appropriate for its needs	Annual review completed	Annual review completed	
Take out insurance of territory risks with other entities	(g) Review the territory's property assets register to ensure that values provided by agencies reflect insurance replacement costs	Annual review completed	Annual review completed	
	(h) Facilitate Property Loss Control Surveys undertaken at a number of selected territory locations	Survey 8 locations	Surveyed 8 locations	
	(i) Hold quarterly reviews of all liability and medical malpractice claims to assess the claim management strategy for matters where the territory's reserve exceeds \$250,000	Quarterly claims review meetings held	4 quarterly claims review meetings held	
Satisfy or settle claims in relation to territory risks	(j) Insurance claims data: <u>Property & Motor</u>			
	- Discounted Mean Term (for Outstanding Claims) ¹	1.27 Years	1.6 Years	There were fewer property claims finalised than expected in this reporting period. Additionally, payments on a number of large insurance events are yet to be settled. This has resulted in a longer delay to finalisation and an increase in discounted mean term.
	- Ultimate Claim Numbers ²	62	103	There were significantly more claims reported than expected in the 2020 insurance year, with many of these relating to severe storm and bushfire events. This has resulted in an increase in the assumed ultimate number of claims for this insurance year compared to the original target.
	- Average Small Claim (<\$1 m) Settlement Size ³	\$69,880	\$69,305	

Objective	Indicator	Planned 2019-20	Actual Outcome 2019-20	Explanation of Variance	
Satisfy or settle claims in relation to territory risks – continued	<u>Public Liability</u>				
	- Discounted Mean Term (for Outstanding Claims) ¹	5.31 Years	4.32 Years	The decrease in discounted mean term is predominantly due to a reduction in the number of assumed large finalisations which are expected to take longer to finalise, and an increase in small finalisations which are expected to finalise more quickly. These changes in assumptions outweigh the increase resulting from the decrease in the discount rate.	
	- Ultimate Claim Numbers ²	118	120		
	- Average Small Claim (<\$1 m) Settlement Size ³	\$99,960	\$122,381		
	- Average Large Claim (≥\$1 m) Settlement Size ³	\$3,511,717	\$3,467,700		
	<u>Medical Malpractice</u>				
	- Discounted Mean Term (for Outstanding Claims) ¹	6.91 Years	5.88 Years		
	- Ultimate Claim Numbers ²	84	94		
	- Average Small Claim (<\$1 m) Settlement Size ³	\$305,830	\$312,152		
	- Average Large Claim (≥\$1 m) Settlement Size	\$4,869,018	\$4,000,000		
^{1 2 3} The discounted mean term, ultimate claims numbers, and the average claim settlement size are defined and explained further in the accompanying notes.					
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		
	(l) Deliver a program of general and targeted risk management training courses to territory agencies	35	59	The significantly higher numbers of training courses provided to agencies is due to an increase in targeted workshops and risk register reviews for ACT Health, Canberra Health Services and the Education Directorate.	

Objective	Indicator	Planned 2019-20	Actual Outcome 2019-20	Explanation of Variance
	(m) Overall participant satisfaction with introduction to risk management training sessions delivered to agency staff members	>90%	97%	
Give advice to the Minister about insurance and the management of territory risks	(n) Provide briefing material on the agency annual insurance premiums	Brief provided to the Minister	Nil	Due to both the delay in finalising the Authority's reinsurance program and the delay in the issuing of a budget caused a delay in finalising and seeking agreement to agency annual insurance premiums.
	(o) Provide briefing material on the Authority's reinsurance program	Brief provided to the Minister	Nil	Due to difficult reinsurance market conditions experienced during this year, securing the reinsurance program was delayed with a brief provided to the Minister on 21 July 2020.
	(p) Provide briefing material on the Authority's Capital Management Plan	Brief provided to the Minister	Nil	The brief is yet to be finalised due to uncertainty in the investment and reinsurance markets, impacting the Authority's ability to project future funding ratios.

Monitoring and reporting

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

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

Monthly reporting

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

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

Quarterly reporting

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

Annual reporting

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

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

Financial arrangements

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

The Authority's 2019-20 actual outcome was an operating deficit of \$3.197 million. The result is \$6.990 million increase from the original budget of an operating profit of \$3.793 million in the 2019-20 Budget.

The variance to budget was primarily due to lower gains on investments offset by higher net incurred claims. The lower returns on investments were due to negative performance of Australian equities, where the higher net incurred claims are principally due to several large claims being reported in the 2019-20 insurance year offset by an expected claims related recovery resulting from the 2020 bushfires caused by a third-party.

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

Financial statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements – Controlled (GGS)

Table 5: ACT Insurance Authority: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
46,342	Sale of Goods and Services from Contracts with Customers	46,340	49,009	6	50,315	52,329	54,424
0	Grants and Contributions ¹	47	23	-51	23	24	24
8,634	Investment Revenue	7,701	14,016	82	8,057	8,446	8,865
2,312	Other Revenue	14,593	6,187	-58	6,587	6,513	6,281
7,885	Gains on Investments	3,733	20,039	437	9,268	9,712	10,158
65,173	Total Revenue	72,414	89,274	23	74,250	77,024	79,752
Expenses							
2,187	Employee Expenses	2,162	2,485	15	2,471	2,503	2,536
383	Superannuation Expenses	358	395	11	407	413	417
1,140	Supplies and Services	1,250	1,282	3	1,308	1,339	1,371
74	Depreciation and Amortisation	52	70	35	76	76	76
1,573	Other Expenses	2,290	3,079	34	5,823	5,729	5,478
7,935	Outward Reinsurance Expense	7,366	9,063	23	8,794	9,014	9,239
48,088	Claims Expense	62,133	46,234	-26	46,946	47,981	49,228
61,380	Total Expenses	75,611	62,608	-17	65,825	67,055	68,345
3,793	Operating Result	-3,197	26,666	935	8,425	9,969	11,407
3,793	Total Comprehensive Income	-3,197	26,666	935	8,425	9,969	11,407

Note(s):

- Since publication of the 2019-20 Budget Statements, the Authority has renamed the following budget lines:
 - 'User Charges' to 'Sales of Goods and Services from Contracts with Customers';
 - 'Interest' to 'Investment Revenue; and
 - the reclassification of some revenue items from 'Resources Received Free of Charge' and 'Other Gains' to 'Grants and Contributions'.

Table 6: ACT Insurance Authority: Balance Sheet

Budget at 30/6/20 \$'000		Actual Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
7,493	Cash and Cash Equivalents	13,743	10,071	-27	10,955	12,735	16,440
336,949	Investments	327,801	367,835	12	385,869	403,979	422,165
2,748	Receivables	9,190	8,888	-3	8,588	10,293	12,367
0	Other Assets	153	630	312	423	40	41
347,190	Total Current Assets	350,887	387,424	10	405,835	427,047	451,013
Non Current Assets							
0	Receivables	6,167	6,167	-	6,167	6,167	6,167
164	Property, Plant and Equipment	163	133	-18	103	73	43
408	Intangible Assets	195	391	101	345	299	253
0	Other Assets	24	385	#	0	0	0
572	Total Non Current Assets	6,549	7,076	8	6,615	6,539	6,463
347,762	TOTAL ASSETS	357,436	394,500	10	412,450	433,586	457,476
Current Liabilities							
233	Payables	366	362	-1	357	361	366
492	Employee Benefits	633	725	15	734	743	743
29,395	Other Provisions	42,823	41,019	-4	42,170	43,509	44,969
0	Other Liabilities	503	981	95	2,590	4,091	6,041
30,120	Total Current Liabilities	44,325	43,087	-3	45,851	48,704	52,119
Non Current Liabilities							
35	Employee Benefits	81	80	-1	80	80	80
235,427	Other Provisions	243,443	254,717	5	261,862	270,176	279,244
0	Other Liabilities	35	395	#	11	11	11
235,462	Total Non-Current Liabilities	243,559	255,192	5	261,953	270,267	279,335
265,582	TOTAL LIABILITIES	287,884	298,279	4	307,804	318,971	331,454
82,180	NET ASSETS	69,552	96,221	38	104,646	114,615	126,022
REPRESENTED BY FUNDS EMPLOYED							
82,180	Accumulated Funds	69,552	96,221	38	104,646	114,615	126,022
82,180	TOTAL FUNDS EMPLOYED	69,552	96,221	38	104,646	114,615	126,022

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
78,387	Opening Accumulated Funds	72,749	69,555	-4	96,221	104,646	114,615
78,387	Balance at the Start of the Reporting Period	72,749	69,555	-4	96,221	104,646	114,615
	Comprehensive Income						
3,793	Operating Result - Including Economic Flows	-3,197	26,666	935	8,425	9,969	11,407
3,793	Total Comprehensive Income	-3,197	26,666	935	8,425	9,969	11,407
	Closing Equity						
82,180	Closing Accumulated Funds	69,552	96,221	38	104,646	114,615	126,022
82,180	Balance at the end of the Reporting Period	69,552	96,221	38	104,646	114,615	126,022

Table 8: ACT Insurance Authority: Cash Flow Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
46,342	Sale of Goods and Services from Contracts with Customers ¹	46,340	49,009	6	50,315	52,329	54,424
8,779	Investment Receipts	5,891	14,327	143	9,599	8,353	8,773
8,247	Other	10,134	14,188	40	13,190	13,680	14,145
63,368	Operating Receipts	62,365	77,524	24	73,104	74,362	77,342
Payments							
2,165	Employee	2,025	2,389	18	2,457	2,489	2,531
383	Superannuation	354	395	12	407	413	417
1,135	Supplies and Services	1,073	1,251	17	1,280	1,310	1,341
7,935	Outward Reinsurance Payments	7,366	9,063	23	8,794	9,014	9,239
23,994	Claims Payments	28,470	36,765	29	38,651	38,329	38,701
7,543	Other	8,327	11,097	33	10,631	11,027	11,408
43,155	Operating Payments	47,615	60,960	28	62,220	62,582	63,637
20,213	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14,750	16,564	12	10,884	11,780	13,705
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
10,000	Proceeds from Sale/Maturity of Investments	20,000	10,000	-50	20,000	20,000	20,000
10,000	Investing Receipts	20,000	10,000	-50	20,000	20,000	20,000
Payments							
102	Purchase of Land and Intangibles	28	236	743	0	0	0
30,000	Purchase of Investments	30,000	30,000	-	30,000	30,000	30,000
30,102	Investing Payments	30,028	30,236	1	30,000	30,000	30,000
-20,102	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-10,028	-20,236	-102	-10,000	-10,000	-10,000
111	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,723	-3,672	-178	884	1,780	3,705
7,382	CASH AT THE BEGINNING OF REPORTING PERIOD	9,020	13,743	52	10,071	10,955	12,735
7,493	CASH AT THE END OF REPORTING PERIOD	13,743	10,071	-27	10,955	12,735	16,440

Note(s):

- Since publication of the 2019-20 Budget Statements, the Authority has renamed the following budget lines:
 - 'User Charges' to 'Sales of Goods and Services from Contracts with Customers'; and
 - 'Interest Received' to 'Investment Receipts'.

Notes to the controlled budget statements

Significant variations are as follows:

Operating Statement

- investment revenue: the increase of \$6.315 million in the 2020-21 Budget from the 2019-20 audited outcome is due to an expected increase in investment returns as a result of the positive returns achieved on international and Australian shares and Australian inflation-linked bonds.
- other revenue:
 - the increase of \$12.281 million in the 2019-20 audited outcome from the original budget is predominantly due to claims related recoveries expected as a result of significant losses incurred from the 2020 bushfires which was caused by a third-party and who have accepted responsibility for all reasonable costs; and
 - the decrease of \$8.406 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the value of claims related recoveries received in 2019-20 which is not expected in future years.
- gains on investments:
 - the decrease of \$4.152 million in the 2019-20 audited outcome from the original budget is due to the fair value of investments decreasing. Investment returns achieved in 2019-20 were 3.5 per cent compared to the expected 5 per cent, the lower rate was due to the negative performance of Australian equities; and
 - the increase of \$16.306 million in the 2020-21 Budget from the 2019-20 audited outcome is due to an expected increase in investment returns as a result of the positive returns achieved on international and Australian shares and Australian inflation-linked bonds.
- outward reinsurance expense: the increase of \$1.697 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the increase to the property reinsurance premium as the result of continued deteriorating claims experience in the property insurance class and global market conditions.
- claims expense:
 - the increase of \$14.045 million in the 2019-20 audited outcome from the original budget is due to the movement in actuarial forecasts for the Authority's claims expense. The movement is due to an increase in liabilities predominantly due to several large claims being reported in the 2019-20 insurance year; and
 - the decrease of \$15.899 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the claims expense returning to normal actuarial calculated levels for the cost of future claims.

Balance Sheet

- cash and equivalents:
 - the increase of \$6.250 million in the 2019-20 audited outcome from the original budget is principally due to an increase of \$1.638 million in cash at the beginning of the reporting period and an increase in the proceeds from investments of \$10 million offset by a decrease in the expected net inflows of \$5.463 million from the operating activities of the Authority. The decrease in net inflows from operating activities was mainly due to increase in payments made for insurance claims made during 2019-20; and
 - the decrease of \$3.672 million in the 2020-21 Budget from the 2019-20 audited outcome is due to a decrease in cash held as the result of the net inflows and outflows from operating, financing and investing activities.
- investment: the increase of \$40.034 million in the 2020-21 Budget from the 2019-20 audited outcome is primarily due to an expected increase in the market value of investment due to positive returns achieved on international and Australian shares and Australian inflation-linked bonds along with less funds being transferred to the Authority's general account due to high distributions being received.
- receivables: the increase of \$6.442 million in the 2019-20 audited outcome from the original budget is primarily due to an increase in the expected distribution receivable from investments along with an expected third-party recovery for the 2020 bushfires.
- non current receivables: the increase of \$6.167 million in the 2019-20 audited outcome from the original budget is due to an expected third-party recovery for the 2020 bushfires.
- current other provision: the increase of \$13.428 million in 2019-20 audited outcome from the original budget is predominantly due to a number of large claims being reported in the 2019-20 insurance year along with a number of claims with large case estimates in both medical malpractice and public liability which are anticipated to finalise more rapidly, therefore leading to a higher proportion of payments expected in the next 12 months.

Statement of Changes in Equity

- operating result:
 - the decrease of \$6.990 million in 2019-20 audited outcome from the original budget is primarily due to lower gains on investments due to negative performance of Australian equities, together with higher claims expense due to several large claims being reported in the 2019-20 insurance year offset by an expected claims related recovery resulting from the 2020 bushfires caused by a third-party; and

- the increase of \$29.863 million in the 2020-21 Budget from the 2019-20 audited outcome is predominantly due to an increase in returns from investments along with a decrease in claims expense.

Cash Flow Statement

- investments receipts:
 - the decrease of \$2.888 million in the 2019-20 audited outcome from the original budget is due to a decrease in distributions received from investments. The investment returns achieved in 2019-20 were 3.5 per cent compared to the expected 5 per cent, the lower rate was due to the negative performance of Australian equities; and
 - the increase of \$8.436 million in the 2020-21 Budget from the 2019-20 audited outcome is due to an expected increase in distributions received from investments as a result of the positive returns achieved on international and Australian shares and Australian inflation-linked bonds.
- other receipts:
 - the increase of \$1.887 million in the 2019-20 audited outcome from the original budget is predominantly due to the collection of receipts for builders warranty insurance premiums which commenced in March 2020 following the Territory entering into an agreement with QBE; and
 - the increase of \$4.054 million in the 2020-21 Budget from the 2019-20 audited outcome is predominantly due to an expected increase in the collection of receipts for builders warranty insurance premiums for the full 12 months compared with the previous year along with an increase in contract works receipts collected from agencies.
- outward reinsurance payments: the increase of \$1.697 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the increase to the property reinsurance premium as the result of continued deteriorating claims experience in the property insurance class and global market conditions.
- claims payments:
 - the increase of \$4.476 million in the 2019-20 audited outcome from the original budget is due to the settlement of claims occurring earlier than expected in comparison to the budget; and
 - the increase of \$8.295 million in the 2020-21 Budget from the 2019-20 audited outcome is the result of the anticipated claims payments returning to normal actuarial calculated levels for the cost of future claims as valued by the Authority's actuary.

- other payments: the increase of \$2.770 million in the 2020-21 Budget from the 2019-20 audited outcome predominantly due to an expected increase in the payments for builders warranty insurance commission for the full 12 months compared with the previous year along with an increase in contract works payments.
- proceeds from sale/maturity of investments:
 - the increase of \$10 million in the 2019-20 audited outcome from the original budget is predominantly due to additional funds from the Authority's investment fund being transferred to the Authority's operating account to fund the higher payments experienced during 2019-20; and
 - the decrease of \$10 million in the 2020-21 Budget from the 2019-20 audited outcome is predominantly due to less funds being required to be transferred from the Authority's investment to the Authority's operating account due to the increase in distributions received as a result of the positive returns achieved on international and Australian shares and Australian inflation-linked bonds.

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 2020-21 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

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

The Statement of Intent, which focuses on the 2020-21 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 2020-21 Statement of Intent has been agreed between:



Craig Sloan
Chair, CIT Board
January 2021



Andrew Barr MLA
Treasurer and Acting Minister for Skills
January 2021

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CANBERRA INSTITUTE OF TECHNOLOGY

Purpose

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

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

Nature and scope of activities

General activities

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

The CIT Board will continue to monitor the progress of transformation at CIT as outlined in the CIT Strategic Compass strategy. The four themes in CIT's Strategic Compass are:

- shaping change – raising our ambitions to meet new expectations;
- growing our region's economy – adapting our offerings to provide skills for the future;

- advancing Canberra’s workforce – contributing to the new economy and positioning for prosperity; and
- transforming our business – investing in our business for viability and value.

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

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

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

Risks

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

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

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

- clearly established ownership of internal budgets;
- monthly variance reporting by senior management;
- quarterly strategic reviews of financial performance and as applicable, reviews of corrective actions;

- regularly updated financial policy, procedures and practice documents;
- access to training for all staff who have financial responsibilities; and
- continuous implementation, monitoring and review of process improvement strategies.

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

Risks for CIT are considered through:

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

2020-21 priorities

Board Priorities for 2020-21 include:

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

- enhancing teacher capability (including by advancing digital fluency) and reshaping education and training offerings so that students have access to contemporary learning experiences;
- maintaining the focus on transforming our business through people, processes and system changes including fully understanding the costs of service delivery;
- working collaboratively with Major Projects Canberra on the campus renewal strategy (the new CIT Woden campus) and potentially, a city presence for CIT; and
- investing in digital infrastructure to be included as a part of the CIT campus renewal strategy that accords with the Chief Minister's ambitions for Canberra.

CIT will continue to contribute to the Government's agenda of making Canberra more inclusive, progressive and connected over 2020-21 through the following:

Inclusive:

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

Progressive:

- continuing CIT's transformation through the CIT Strategic Compass 2020-Evolving Together strategy and through the development and implementation of the next iteration of the strategy beyond 2020;
- actively contributing to the innovation and entrepreneurial culture in the ACT;
- maintaining a high performing workforce;
- targeting funding toward apprenticeships that address priority industry growth areas; and
- supporting the ACT Government's efforts to develop our economy's competitive strengths.

Connected:

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

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

CIT training profile and associated items

Contextual framework

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

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

Reporting requirements

Reporting for all items relevant to CIT's training profile will be to the relevant standard set by the Australian Government Department of Education and 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. Variation or departure 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 process.

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 Australian Government Department of Education and Training, as well as in supporting planning of VET within the ACT.

The AVETMISS compliant statistical information will be provided to NCVER (through CMTEDD) in accordance with the Australian Government's Department of Education and Training reporting requirements.

Implementation of training packages

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

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

Estimated employment level

Table 1: Estimated employment level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Audited Outcome	2020-21 Budget
Staffing (FTE)	706	707	658 ¹	705 ²

Note(s):

1. The decrease of 49 FTE in the 2019-20 audited outcome from the 2019-20 Budget is primarily due to less staff being engaged as teaching activity decreased throughout the year where largely due to the effects of COVID-19.
2. The increase of 47 FTE in the 2020-21 Budget from the 2019-20 audited outcome is primarily due to the anticipated need to engage additional staff as teaching activity is expected to increase as COVID-19 restrictions are eased and the demand in the training market increases.

Strategic Objectives and Indicators

Strategic Objective 1

Student Outcomes

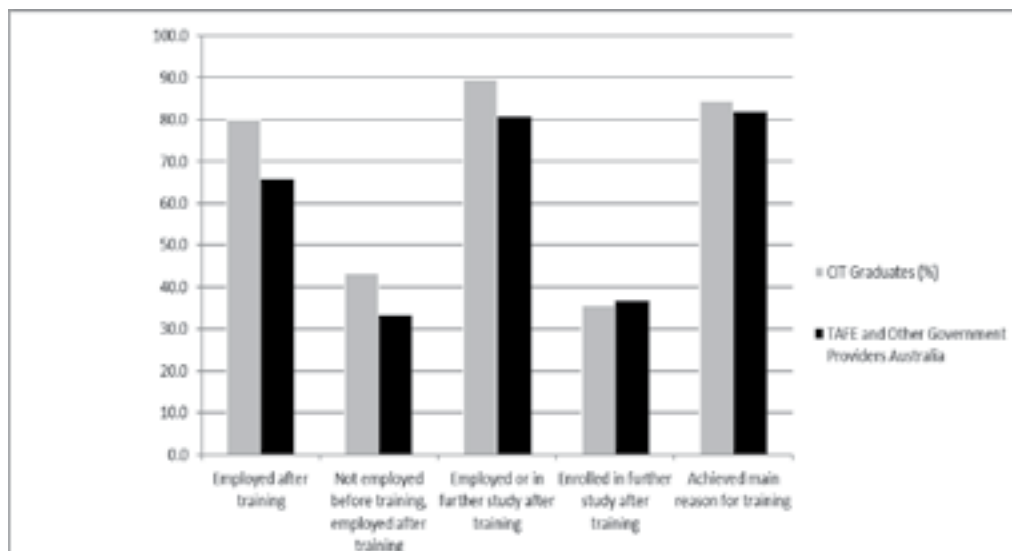
CIT's objective is to provide training that meets student needs ensuring for our future workers, a job ready skill set.

Strategic Indicator 1: Student Outcomes Survey

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

Quality and effectiveness can be measured through student outcomes against national performance. When compared against national TAFE performance, CIT students consistently achieve high levels of employment or undertake further study after training. The 2019 performance of CIT graduates as measured against national performance for Australian TAFE Graduates is highlighted in Figure 1 below. As illustrated, CIT graduates have exceeded national performance on virtually all measures indicating strong outcomes across all measures.

Figure 1: VET Graduate Outcomes, 2019



Output Classes (Controlled GGS)

Output Class 1: Canberra Institute of Technology

Table 2: Output Class 1: Canberra Institute of Technology

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	123,417	134,985
Controlled Recurrent Payments	75,359	77,500

Note(s):

- Total cost includes depreciation and amortisation of \$9.670 million in 2019-20 and \$8.710 million in 2020-21.

Output 1.1: Provision of Vocational Education and Training Services

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

Accountability indicators

Output Class 1: Canberra Institute of Technology

Output 1.1: Provision of Vocational Education and Training Services

Table 3 below reflects a revised set of Accountability Indicators (on a July to June financial year basis). In accordance with the ACT Government Performance and Accountability Framework, the existing Accountability Indicators (also reflected in Table 4 below) are to remain in place concurrently for 12 months.

Table 3: Accountability indicators June to July - Output 1.1

	2019-20 Targets	2019-20 Audited Outcome	2020-21 Targets
a. Subject Enrolments ²	N/A	113,399	108,000
b. Subject Pass Rates ²	N/A	90%	85%
c. Nominal Hours ¹	3,227,000	2,643,052	2,600,000
d. Achieve key output targets:			
– Program Enrolments ¹	11,700	12,686	10,200
– Module Pass Rates ²	75%	80%	75%
– Program Completions ¹	4,800	4,094	3,400
– Learner Satisfaction Rate	85%	88%	85%
– Employer Satisfaction Rate	80%	90%	80%
e. Average Controlled Recurrent Payment per Nominal Hour ¹	\$23.36	\$28.51	\$29.81

Note(s):

- Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour will be discontinued as Accountability Indicators from 1 July 2022.

2. Further notes are provided under Explanation of Material Variances below.

Key Performance Indicators for 2020

The figures shown in the following table represent calendar year information as consistent with CIT's annual reporting cycle (on a January to December financial year basis). These Accountability Indicators will remain in place for 12 months. After this period the existing Accountability Indicators will be superseded by the revised Accountability Indicators.

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

	2019 Targets	2019 Outcome	2020 Targets	2020 Outcome
a. Subject Enrolments ²	N/A	123,421	N/A	96,634
b. Subject Pass Rates ²	N/A	86%	N/A	86%
c. Nominal Hours ¹	3,226,000	2,995,634	3,226,000	2,456,123
d. Achieve key output targets:				
– Program Enrolments ¹	11,700	11,888	11,700	9,558
– Module Pass Rates ²	75%	81%	75%	80%
– Program Completions ¹	4,500	4,101	4,500	3,102
– Learner Satisfaction Rate	85%	90%	85%	88%
– Employer Satisfaction Rate	80%	90%	80%	90%
e. Average Controlled Recurrent Payment per Nominal Hour ¹	\$23.06	\$24.83	\$23.96	\$31.48

Note(s):

1. Nominal Hours, Program Enrolments, Module Pass Rates, Program Completions and Average Controlled Recurrent Payment per Nominal Hour will be discontinued as Accountability Indicators from 1 July 2022.
2. Further notes are provided under Explanation of Material Variances below.

Performance Measure Definitions

- Subject Enrolments and Subject Pass Rates will be a significant performance measure for CIT from 2021 and these measures will better align with being able to report against the way students are choosing to study at CIT. These measures will supersede the previous measures of Nominal Hours.
- 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 represent the educational effort associated with the delivery and assessment of a given endeavour of study. It also includes student contact hours delivered through a recognition of prior learning process. Nominal Hours includes Paid and Non-Paid Nominal Hours and excludes any Nominal Hours relating to students who withdraw without attendance (Withdrawal – Without Attendance) (WW) grade.

- Output targets are as specified below noting that ‘Profile’ relates to training activities that are notionally funded directly by ACT Government appropriation (Controlled Recurrent Payments) for the provision of 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 AVETMISS requirements;
 - the number of student records where program completion requirements have been met in accordance with the AVETMISS requirements 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 they were satisfied with the training they received at CIT. The learner survey has been designed by the Australian Council for Educational Research (ACER) to collect data relating to the Australian Quality Training Framework (AQTF) quality indicator (QI) ‘Learner Satisfaction’; and
 - employer satisfaction rates measure the proportion of employers indicating that they were satisfied with the training provided by CIT. The Employer Survey has been designed by ACER to collect data relating to the AQTF QI’s and Employer Satisfaction.
- The Average Controlled Recurrent 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 CIT’s training profile.

Explanation of Material Variances

Note 1: Nominal Hours and Program Completions at 2019 were lower than target due to the emerging trend of students who are studying and completing given subjects in preference to enrolling to completing programs. This trend strengthens the reasoning to move away from Nominal Hours and Program Completions as performance measures.

The studying preferences of current and prospective students has been significantly impacted by the COVID-19 health emergency thereby impacting on teaching and learning outputs. As the COVID-19 situation evolves and remains unpredictable, it is not possible to estimate a reliable prediction of 2021 activity and as an interim measure, CIT has set 2021 performance targets to be the average of 2019 and 2020 figures.

Note 2: Module pass rates were above target due to CIT’s continued focus on high-quality and relevant training and in providing support for students as reflected in the 2019 and 2020 Learner Engagement Survey results.

Note 3: The 2019 and 2020 surveys of learner engagement and employer satisfaction showed overall, high levels of satisfaction with the training, reflecting positive views by both employers and students of their experience within CIT. Learner Satisfaction Rate results were based on the survey of students who were enrolled in nationally accredited programs.

Demonstrated by the survey results, CIT has continued to improve its responsiveness to customers and has also continued to demonstrate its effectiveness in skilling students with contemporary training methods.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	75,067	77,675	79,688	80,848	80,848
FMA Section 16B Rollovers from 2018-19					
Commonwealth grant - National Skills and Workforce Development SPP	292	0	0	0	0
2020-21 Budget Policy Decisions					
Rental Relief for ACT Government Properties	0	42	0	0	0
2020-21 Budget Technical Adjustments					
Superannuation Round Robin Adjustment	0	75	172	121	62
Revised Indexation Parameters	0	0	0	0	829
Commonwealth Grants - National Skills and Workforce Development SPP	0	-292	-508	-709	-487
2020-21 Budget	75,359	77,500	79,352	80,260	81,252

Table 6: Changes to appropriation – Capital Injections, Controlled

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	7,407	8,646	5,273	4,246	4,246
FMA Section 16B Rollovers from 2018-19					
Rollover of funds - More jobs for our growing city - CIT Campus Modernisation - early planning	113	0	0	0	0
2020-21 Budget Policy Decisions					
COVID19 Stimulus - Screwdriver Ready Projects	768	0	0	0	0
COVID19 Stimulus - Accelerated Funding for IT Project	800	195	0	0	0
2020-21 Budget Technical Adjustments					
More jobs for our growing city - CIT Campus Modernisation - Early planning - reprofiling	-390	390	0	0	0
ACT Contribution - Expansion of CIT Fyshwick Campus	0	840	608	0	0
ACT Contribution - Better ICT Services for CIT Students and Staff	0	1,160	0	0	0
Undrawn Funds	-1,568	0	0	0	0
Better Infrastructure Fund 2023-24	0	0	0	0	74
2020-21 Budget	7,130	11,231	5,881	4,246	4,320

Monitoring and Reporting

CIT complies with the requirements of the ACT Governments Annual Reports Directions 2019-20. The CIT Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

The Financial Management and Accountability Act (FMA) authorises the Treasurer to obtain financial and other information from CIT for stated periods including on an annual, quarterly and monthly basis.

Quarterly Reporting

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

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

Monthly Reporting

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

Annual Reporting

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

- certified financial statements;

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

Financial Arrangements

Financial Performance Targets

CIT undertakes to assess financial performance against achievement of the financial performance measures (at the Key Performance Indicators for 2020 section of this Statement of Intent).

Budget Variations

Any variations from the 2019-20 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 reserves until this time if and where necessitated.

Sustaining Public Funds and Operating Surplus/Loss

CIT will endeavour to manage its resources to ensure achievement of the planned financial operating 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 the terms and conditions determined by the Treasurer. The business case will cover the budget year in detail and the three forward years in summary.

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

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

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.

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

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

Subsidiaries

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

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

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

Financial Statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the three financial years are shown below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements

Table 7: Canberra Institute of Technology: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
75,067	Controlled Recurrent Payments	75,359	77,500	3	79,352	80,260	81,252
33,715	Sale of Goods and Services from Contracts with Customers	34,176	44,583	30	35,170	36,034	36,926
1,716	Grants and Contributions	1,512	1,605	6	1,644	1,685	1,726
263	Investment Revenue	210	263	25	267	271	275
500	Dividend Revenue	0	500	#	500	500	500
2,237	Other Revenue	2,278	2,761	21	2,360	2,437	2,516
113,498	Total Revenue	113,535	127,212	12	119,293	121,187	123,195
Gains							
0	Other Gains	10	0	-100	0	0	0
0	Total Gains	10	0	-100	0	0	0
113,498	Total Income	113,545	127,212	12	119,293	121,187	123,195
Expenses							
66,981	Employee Expenses	65,079	76,020	17	70,590	71,469	72,398
10,951	Superannuation Expenses	9,829	12,508	27	11,595	11,683	11,774
34,501	Supplies and Services	36,912	37,344	1	35,968	36,856	37,869
8,431	Depreciation and Amortisation	9,670	8,710	-10	9,016	9,030	9,030
0	Borrowing Costs	213	0	-100	0	0	0
384	Other Expenses	1,714	403	-76	403	409	415
121,248	Total Expenses	123,417	134,985	9	127,572	129,447	131,486
-7,750	Operating Result	-9,872	-7,773	21	-8,279	-8,260	-8,291
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
-2,002	Increase/(Decrease) in Asset Revaluation Surplus	-7,277	-2,002	72	-2,002	-2,002	-2,002
-2,002	Total Other Comprehensive Income	-7,277	-2,002	72	-2,002	-2,002	-2,002
-9,752	Total Comprehensive Income	-17,149	-9,775	43	-10,281	-10,262	-10,293

Table 8: Canberra Institute of Technology: Balance Sheet

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
7,637	Cash and Cash Equivalents	8,051	8,619	7	9,587	10,618	11,649
3,000	Investments	3,000	3,000	-	3,000	3,000	3,000
7,113	Receivables	2,086	2,111	1	2,136	2,161	2,186
0	Assets Held for Sale	8,549	8,549	-	8,549	8,549	8,549
0	Capital Works in Progress	0	0	-	0	3	6
633	Other Assets	767	767	-	767	767	767
18,383	Total Current Assets	22,453	23,046	3	24,039	25,098	26,157
Non Current Assets							
20	Investment - Joint Venture	20	20	-	20	20	20
184,665	Property, Plant and Equipment	180,694	181,453	..	174,906	168,345	161,784
878	Intangible Assets	230	230	-	230	230	230
7,027	Capital Works in Progress	3,443	3,732	8	5,671	5,972	6,347
192,590	Total Non Current Assets	184,387	185,435	1	180,827	174,567	168,381
210,973	TOTAL ASSETS	206,840	208,481	1	204,866	199,665	194,538
Current Liabilities							
1,913	Payables	1,796	1,831	2	1,866	1,901	1,936
170	Interest-Bearing Liabilities	0	0	-	0	0	0
0	Lease Liabilities	707	707	-	707	707	707
19,111	Employee Benefits	22,195	22,737	2	23,468	24,229	25,021
1,394	Other Liabilities	2,981	2,635	-12	2,689	2,743	2,797
22,588	Total Current Liabilities	27,679	27,910	1	28,730	29,580	30,461
Non Current Liabilities							
890	Interest-Bearing Liabilities	1,060	890	-16	720	550	380
0	Lease Liabilities	4,169	4,169	-	4,169	4,169	4,169
1,098	Employee Benefits	1,169	1,293	11	1,428	1,563	1,698
0	Other Provisions	653	653	-	653	653	653
1,988	Non-Current Liabilities	7,051	7,005	-1	6,970	6,935	6,900
24,576	TOTAL LIABILITIES	34,730	34,915	1	35,700	36,515	37,361
186,397	NET ASSETS	172,110	173,566	1	169,166	163,150	157,177
REPRESENTED BY FUNDS EMPLOYED							
95,091	Accumulated Funds	73,860	77,318	5	74,920	70,906	66,935
91,306	Asset Revaluation Surplus	98,250	96,248	-2	94,246	92,244	90,242
186,397	TOTAL FUNDS EMPLOYED	172,110	173,566	1	169,166	163,150	157,177

Table 9: Canberra Institute of Technology: Statement of Changes in Equity

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
95,434	Opening Accumulated	76,602	73,860	-4	77,318	74,920	70,906
93,308	Opening Asset Revaluation Reserve	105,527	98,250	-7	96,248	94,246	92,244
188,742	Balance at the Start of the Reporting Period	182,129	172,110	-6	173,566	169,166	163,150
	Comprehensive Income						
-7,750	Operating Result - Including Economic Flows	-9,872	-7,773	21	-8,279	-8,260	-8,291
-2,002	Inc/Dec in Asset Revaluation Reserve Surpluses	-7,277	-2,002	72	-2,002	-2,002	-2,002
-9,752	Total Comprehensive Income	-17,149	-9,775	43	-10,281	-10,262	-10,293
	Transactions Involving Owners Affecting Accumulated Funds						
7,407	Capital Injections	7,130	11,231	58	5,881	4,246	4,320
7,407	Total Transactions Involving Owners Affecting Accumulated Funds	7,130	11,231	58	5,881	4,246	4,320
	Closing Equity						
95,091	Closing Accumulated Funds	73,860	77,318	5	74,920	70,906	66,935
91,306	Closing Asset Revaluation Reserve	98,250	96,248	-2	94,246	92,244	90,242
186,397	Balance at the end of the Reporting Period	172,110	173,566	1	169,166	163,150	157,177

Table 10: Canberra Institute of Technology: Cash Flow Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000			\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
75,067	Controlled Recurrent Payments	75,359	77,500	3	79,352	80,260	81,252
31,960	Sale of Goods and Services from Contracts with Customers	32,635	44,028	35	35,015	35,879	36,771
263	Investment Receipts	210	263	25	267	271	275
500	Dividends	0	500	#	500	500	500
6,729	Other	6,837	7,253	6	6,854	6,933	7,014
114,519	Operating Receipts	115,041	129,544	13	121,988	123,843	125,812
Payments							
66,417	Employee	66,736	75,354	13	69,724	70,573	71,471
10,951	Superannuation	9,829	12,508	27	11,595	11,683	11,774
32,632	Supplies and Services	36,358	35,586	-2	34,173	35,022	35,996
4,839	Other	5,639	4,858	-14	4,858	4,864	4,870
114,839	Operating Payments	118,562	128,306	8	120,350	122,142	124,111
-320	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-3,521	1,238	135	1,638	1,701	1,701
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
7,627	Purchase of Property, Plant and Equipment	5,793	11,731	103	6,381	4,746	4,820
7,627	Investing Payments	5,793	11,731	103	6,381	4,746	4,820
-7,627	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-5,793	-11,731	-103	-6,381	-4,746	-4,820
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
7,407	Capital Injections	7,130	11,231	58	5,881	4,246	4,320
7,407	Financing Receipts	7,130	11,231	58	5,881	4,246	4,320
Payments							
170	Repayment of Borrowings	0	170	#	170	170	170
170	Financing Payments	0	170	#	170	170	170
7,237	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	7,130	11,061	55	5,711	4,076	4,150

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
-710	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-2,184	568	126	968	1,031	1,031
8,347	CASH AT THE BEGINNING OF REPORTING PERIOD	10,235	8,051	-21	8,619	9,587	10,618
7,637	CASH AT THE END OF REPORTING PERIOD	8,051	8,619	7	9,587	10,618	11,649

Notes to the Controlled Budget Statements

Operating Statement

- controlled recurrent payments (CRP): the increase of \$2.141 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to additional CRP to fund increased salary expenses resulting from the Enterprise Bargaining Agreements and includes an annual indexation factor.
- sales of goods and services from contracts with customers: the increase of \$10.407 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the revenue CIT will receive for delivering the JobTrainer initiative.
- dividend revenue: the increase of \$0.5 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the expectation that CIT Solutions will benefit from an increase in demand in the training market and will be in a healthy financial position in order to provide to CIT a dividend in 2021.
- employee expenses:
 - the decrease of \$1.902 million in the 2019-20 audited outcome from the original budget is mainly due to less staff being engaged as teaching activity decreased throughout the year as a result of COVID-19 restrictions affecting demand for training; and
 - the increase of \$10.941 million in the 2020-21 Budget from the 2019-20 audited outcome is due to additional staff being engaged as teaching activity is expected to increase as COVID-19 restrictions are eased, to deliver the Job Trainer initiative and also reflects increased salary expenses relating to pay rises stipulated in Enterprise Bargaining Agreements.
- superannuation expenses:
 - the decrease of \$1.122 million in the 2019-20 audited outcome from the original budget is in accordance with the decrease in employee expenses; and
 - the increase of \$2.679 million in the 2020-21 Budget from the 2019-20 audited outcome is in accordance with the increase in employee expenses.
- supplies and services: the increase of \$2.411 million in the 2019-20 audited outcome from the original budget is mainly due to expenditure relating to COVID-19 Screwdriver ready projects and other costs associated with operating and maintaining buildings including for repairs and maintenance, cleaning and utilities.

Balance Sheet

- current and non-current receivables: the decrease of \$5.027 million in the 2019-20 audited outcome from the original budget is mainly due to lower student enrolments including from international students as a result of COVID-19 restrictions. A change in internal policy and processes around student fees has resulted in a lower receivables figure as compared to previous years.
- assets held for sale: the increase of \$8.549 million in the 2019-20 audited outcome from the original budget is due to the disposal of the Watson campus and Woden campus assets.
- property, plant and equipment: the decrease of \$3.971 million in the 2019-20 audited outcome from the original budget is mainly due to asset depreciation outpacing the addition of new assets.
- current and non-current finance leases: the increase of \$4.876 million in the 2019-20 audited outcome from the original budget relates to the change in the accounting standard for rentals and leases. The change requires lessees to now recognise leases on the balance sheet that will reflect the right to use an asset for a given period of time.
- current and non-current employee benefits: the increase of \$3.155 million in the 2019-20 audited outcome is mainly due to lower than expected use of annual leave and long service leave.

Statement of Changes in Equity and Cash Flow Statement

Variations in the Statement are explained in the notes above.

Calendar Year Financial Statements

CANBERRA INSTITUTE OF TECHNOLOGY OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Actual	Budget	Budget
	2019	2019	2020
	\$'000	\$'000	\$'000
Income			
Revenue			
Government Payment for Outputs	74,379	74,379	77,308
Sales of Goods and Services from Contracts with Customers	36,173	33,457	31,853
Grants and Contributions	2,027	875	3,262
Investment Revenue	279	300	300
Other Revenue	582	600	600
Total Revenue	113,440	109,611	113,323
Gains			
Other Gains	16	0	0
Contributions from CIT Solutions Pty Limited	0	500	500
Total Gains	16	500	500
Total Income	113,456	110,111	113,823
Expenses			
Employee Expenses	66,653	67,063	68,857
Superannuation Expenses	9,458	9,054	10,228
Supplies and Services	35,203	35,359	35,259
Depreciation and Amortisation	9,349	8,240	9,349
Borrowing Costs	147	0	125
Other Expenses	2,158	1,535	1,708
Total Expenses	122,968	121,251	125,526
Operating (Deficit)	-9,512	-11,140	-11,703

CANBERRA INSTITUTE OF TECHNOLOGY
BALANCE SHEET
AS AT 31 DECEMBER 2019

	Actual	Budget	Budget
	2019	2019	2020
	\$'000	\$'000	\$'000
Current Assets			
Cash and Cash Equivalents	10,938	4,899	5,020
Receivables	2,840	2,900	2,900
Assets Held for Distribution to Owners	16,199	0	0
Other Assets	2,083	1,900	1,900
Total Current Assets	32,060	9,699	9,820
Non-Current Assets			
Investments	20	20	20
Property, Plant and Equipment	181,936	193,561	190,642
Intangible Assets	297	878	230
Capital Works in Progress	2,019	4,170	1,200
Total Non-Current Assets	184,272	198,629	192,092
Total Assets	216,332	208,328	201,912
Current Liabilities			
Payables	2,642	1,896	1,700
Lease Liabilities	841	0	680
Employee Benefits	21,266	18,893	20,150
Other	2,224	2,000	1,800
Total Current Liabilities	26,973	22,789	24,330
Non-Current Liabilities			
Employee Benefits	1,126	1,033	1,034
Lease Liabilities	4,462	0	3,500
Other Provisions	0	0	300
Other	1,777	1,294	994
Total Non-Current Liabilities	7,365	2,327	5,828
Total Liabilities	34,338	25,116	30,158
Net Assets	181,994	183,212	171,754
Equity			
Accumulated Funds	64,025	88,301	45,785
Asset Revaluation Reserve	117,969	94,911	125,969
Total Equity	181,994	183,212	171,754

**CANBERRA INSTITUTE OF TECHNOLOGY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Actual	Budget	Budget
	2019	2019	2020
	\$'000	\$'000	\$'000
Opening Balance	187,093	187,093	181,994
Operating (Deficit)	-9,512	-11,140	-11,702
Adoption of New Accounting Standard AASB16(a)	-600	0	0
Increase in Asset Revaluation Reserve	0	0	8,000
Transfer of Assets	0	0	-16,199
Capital Injection	5,013	7,259	9,661
Closing Balance	181,994	183,212	171,754

**CANBERRA INSTITUTE OF TECHNOLOGY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Actual 2019 \$'000	Budget 2019 \$'000	Budget 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Payment for Outputs	74,379	74,379	77,308
User Charges	37,271	34,595	31,793
Interest Received from Bank	279	300	300
Goods and Services Tax Input Tax Credits from the Australian Taxation Office	3,370	3,030	3,030
Goods and Services Tax Collected from Customers	1,578	1,500	1,500
Government Grants	1,568	840	1,727
Other	582	700	700
Contributions	0	500	500
Total Receipts from Operating Activities	119,027	115,844	116,859
Payments			
Related to Employee	66,849	69,062	70,857
Related to Superannuation	9,408	9,054	10,228
Related to Supplies and Services	34,884	36,894	35,592
Goods and Services Tax paid to Suppliers	4,991	4,150	4,300
Other	1,920	1,700	1,800
Total Payments from Operating Activities	118,052	120,860	122,777
Net Cash Inflow (Outflows) from Operating Activities	975	-5,016	-5,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from Sale of Property, Plant & Equip	16	0	0
Total Receipts from Investing Activities	16	0	0
Payments			
Purchase of Property, Plant & Equipment	4,981	7,259	9,661
Total Payments from Investing Activities	4,981	7,259	9,661
Net Cash (Outflows) from Investing Activities	-4,965	-7,259	-9,661
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Capital Contributions from Government (not operations)	5,013	7,259	9,661
Total Receipts from Financing Activities	5,013	7,259	9,661
Net Cash Inflows from Financing Activities	5,013	7,259	9,661
Net Increase / (Decrease) in Cash Held	1,023	-5,016	-5,918
Cash and Cash Equivalents at the Beginning of the Reporting Period	9,915	9,915	10,938
Cash and Cash Equivalents at the End of the Reporting Period	10,938	4,899	5,020

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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.

2020-21 Priorities

Strategic and operational initiatives to be pursued in 2020-21 include:

- maintaining an engaged workforce with the right mix of skills and experience to provide efficient client service;
- enhancing CIT Solutions' reputation as a high quality provider of new learning solutions;
- securing increased work with existing clients by developing training solutions to fit their strategic business objectives; and
- developing a culture of sustainability whilst achieving profitability and achieving revenue growth.

Estimated Employment Level

Table 1: Estimated Employment Level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Audited Outcome	2020-21 Budget
Staffing (FTE)	112	105	106	106

Strategic Objectives and Indicators

Strategic Objective 1

To provide more bespoke training solutions and consultancies for public sector employers

This will be achieved by:

- creating stronger value propositions through customisation and personalisation of the client's learning experience;
- targeting emerging business segments like aged care, cybersecurity and e-learning where public sector training demands continue to grow; and
- applying new approaches in developing training programs that assess each learner's skills and customise the learning to their needs.

Strategic Objective 2

To build 'long term' relationships with learners

This will be achieved by:

- delivering a personalised customer service focus for all individual learners;
- exploring new technology to enhance a client's personalised learning experience and support their lifelong skills needs; and
- offering flexibility in the timing and location of training to meet each client's needs.

Strategic Objective 3

To support ACT and Commonwealth Governments' Covid-19 social and economic recovery agendas and initiatives

This will be achieved by: focusing on various government initiatives to upskill and reskill Canberrans and Australians in other States with essential employability skillsets and career assistance support programs to get them job ready.

Strategic Objective 4

To rightsize the organisation for growth and build agile trusting teams

This will be achieved by:

- reviewing the organisation's skills profile to re-align it with the right people in the right jobs;
- employing project teams to support new business demands only when needed; and
- supporting staff in team building and delivering high level customer service.

Financial Arrangements

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

Financial Statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements – Controlled (PTE)

Table 2: CIT Solutions: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
20,083	Sale of Goods and Services from Contracts with Customers	18,123	20,156	11	20,446	20,817	21,171
0	Grants and Contributions	142	290	104	0	0	0
38	Investment Revenue	9	10	11	10	10	10
149	Other Revenue	60	154	157	154	157	160
20,270	Total Revenue	18,334	20,610	12	20,610	20,984	21,341
Expenses							
10,865	Employee Expenses	11,895	10,997	-8	10,997	11,154	11,299
1,015	Superannuation Expenses	1,006	1,028	2	1,028	1,042	1,055
6,838	Supplies and Services	3,768	6,452	71	6,452	6,619	6,800
69	Depreciation and Amortisation	572	597	4	636	649	649
0	Borrowing Costs	11	11	-	11	12	12
736	Other Expenses	742	736	-1	736	754	772
19,523	Total Expenses	17,994	19,821	10	19,860	20,230	20,587
747	Operating Result	340	789	132	750	754	754
747	Total Comprehensive Income	225	789	251	750	754	754

Table 3: CIT Solutions: Balance Sheet

Budget at 30/6/20 \$'000		Audited Outcome at 30/06/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
930	Cash and Cash Equivalents	4,317	4,548	5	4,779	5,025	5,271
2,820	Receivables	2,611	2,662	2	2,713	2,764	2,815
436	Other Assets	162	170	5	178	186	194
4,186	Total Current Assets	7,090	7,380	4	7,670	7,975	8,280
Non Current Assets							
416	Property, Plant and Equipment	423	1,044	147	1,120	1,196	1,272
416	Total Non Current Assets	423	1,044	147	1,120	1,196	1,272
4,602	TOTAL ASSETS	7,513	8,424	12	8,790	9,171	9,552
Current Liabilities							
384	Payables	786	837	6	888	939	990
1,438	Employee Benefits	1,472	1,488	1	1,504	1,531	1,558
1,129	Other Liabilities	3,479	3,479	-	3,479	3,479	3,479
2,951	Total Current Liabilities	5,737	5,804	1	5,871	5,949	6,027
Non Current Liabilities							
0	Lease Liabilities	377	883	134	883	883	883
296	Employee Benefits	173	222	28	271	320	369
47	Other Liabilities	52	52	-	52	52	52
343	Non-Current Liabilities	602	1,157	92	1,206	1,255	1,304
3,294	TOTAL LIABILITIES	6,339	6,961	10	7,077	7,204	7,331
1,308	NET ASSETS	1,174	1,463	25	1,713	1,967	2,221
REPRESENTED BY FUNDS EMPLOYED							
1,308	Accumulated Funds	1,289	1,578	22	1,828	2,082	2,336
0	Asset Revaluation Surplus	-115	-115	-	-115	-115	-115
1,308	TOTAL FUNDS EMPLOYED	1,174	1,463	25	1,713	1,967	2,221

Table 4: CIT Solutions: Statement of Changes in Equity

Budget at 30/6/20 \$'000	Audited Outcome at 30/06/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Opening Equity						
0	949	1,289	36	1,578	1,828	2,082
0	0	-115	#	-115	-115	-115
0	949	1,174	24	1,463	1,713	1,967
Comprehensive Income						
0	340	789	132	750	754	754
0	-115	0	100	0	0	0
0	225	789	251	750	754	754
Transactions Involving Owners Affecting Accumulated Funds						
0	0	-500	#	-500	-500	-500
0	0	-500	#	-500	-500	-500
Closing Equity						
0	1,289	1,578	22	1,828	2,082	2,336
0	-115	-115	-	-115	-115	-115
0	1,174	1,463	25	1,713	1,967	2,221

Table 5: CIT Solutions: Cash Flow Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
19,984	Sale of Goods and Services from Contracts with Customers	20,232	20,347	1	20,347	20,718	21,072
38	Investment Receipts	9	10	11	10	10	10
149	Other	201	154	-23	154	157	160
20,171	Operating Receipts	20,442	20,511	#	20,511	20,885	21,242
Payments							
10,485	Employee	12,618	10,607	-16	10,607	10,753	10,898
995	Superannuation	0	1,008	#	1,008	1,022	1,035
6,738	Supplies and Services	4,023	6,930	72	6,930	7,111	7,292
888	Other	124	888	616	888	906	924
19,106	Operating Payments	16,765	19,433	16	19,433	19,792	20,149
1,065	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,677	1,078	-71	1,078	1,093	1,093
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
347	Purchase of Property, Plant and Equipment	503	347	-31	347	347	347
347	Investing Payments	503	347	-31	347	347	347
-347	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-503	-347	31	-347	-347	-347
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
500	Payment of Dividend	0	500	#	500	500	500
500	Financing Payments	0	500	#	500	500	500
-500	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	0	-500	#	-500	-500	-500
218	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,174	231	-93	231	246	246
712	CASH AT THE BEGINNING OF REPORTING PERIOD	1,143	4,317	278	4,548	4,779	5,025
930	CASH AT THE END OF REPORTING PERIOD	4,317	4,548	5	4,779	5,025	5,271

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- user charges:
 - the decrease of \$1.960 million in the 2019-20 audited outcome is due to training programs not being able to be delivered during the COVID-19 restrictions affecting group activity; and
 - the increase of \$2.033 million in the 2020-21 Budget are mainly due to expectations that the Company will be able to recover revenue to the prior year level with adoption of increased online learning and a more flexible learning environment.
- employee expenses: the increase of \$1.030 million in the 2019-20 audited outcome from the original budget is mainly due to an increase in casual workforce to support an increased demand for foreign language training during 2019-20 along with staff wage indexation.
- supplies and services:
 - the decrease of \$3.070 million in the 2019-20 audited outcome from the original budget is due to many training programs being suspended with COVID-19 restrictions significantly reducing the need for contracted trainers and savings in operating costs through reduced travel and office expenses;
 - the increase of \$2.684 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the expected recovery of clients' training needs resulting in a return to the prior year's level of operational costs.

Balance Sheet

- cash and equivalents: the increase of \$3.387 million in the 2019-20 actual outcome from the original budget is due to a large proportion of revenue paid in advance for training and consultancy services that was suspended due to COVID-19 restrictions;
- property, plant and equipment: the increase of \$0.621 million in the 2020-21 Budget is due to recognition of a renewed operating lease for the building CIT Solutions' occupies to mid 2023; and
- other current liabilities: the increase of \$2.350 million in the 2019-20 actual outcome from the original budget is due to the large proportion of revenue held in advance at 30 June 2020 for training that was suspended due to COVID-19 restrictions; and
- other non-current liabilities: the increase of \$0.555 million in the 2020-21 Budget from the 2019-20 actual outcome is due to the recognition of the renewed building lease commitment up to mid 2023.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

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CULTURAL FACILITIES CORPORATION – STATEMENT OF INTENT

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

This Statement of Intent for 2020-21 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

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

The Statement of Intent, which focuses on the 2020-21 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the Cultural Facilities Corporation's strategic and business planning processes.

The Cultural Facilities Corporation's 2020-21 Statement of Intent has been agreed between:



Harriet Elvin

Chief Executive Officer

Cultural Facilities Corporation



Andrew Barr MLA

Treasurer

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CULTURAL FACILITIES CORPORATION

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, and playing a significant role in the region's cultural and economic life.

Nature and Scope of Activities

General activities

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

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

Through its activities at these venues, the CFC provides cultural services across the performing arts, the visual arts, social history and cultural heritage management, by:

- providing performing arts presentations, exhibitions, education programs, community programs and other events; and
- conserving and interpreting the historic sites that it manages.

Risks

The key strategic risk currently affecting the CFC's financial position is the impact of the COVID-19 situation on the CFC's performing arts business. Theatre revenues form the majority of the CFC's non-government revenue, which in normal circumstances comprises over 50 per cent of the CFC's total income, and represent the main variable in its financial performance. The CFC's theatre revenues are always highly dependent on the variability and unpredictability of the performing arts business, which is impacted by such factors as: the availability of performing arts productions for touring; commerciality of available productions; national developments with regard to major performing arts companies; popularity of productions; and discretionary consumer expenditure, which is vulnerable to general economic downturns.

Added to these factors at present is the impact of restrictions arising from the COVID-19 health emergency on the Australian live performance industry. For example, border closures and quarantine requirements create major difficulties in touring productions, while social distancing requirements, and consequent reduced audience capacities, create challenges for the financial viability of productions. These challenges are exacerbated by the fast-moving nature of restrictions, the different restrictions in different jurisdictions, and frequent changes in what is allowed, which can result in a need to cancel, postpone or reschedule productions at short notice. Overall, these factors mean that the production of theatre performances is an especially risky financial proposition at present, resulting in a very limited supply of high quality, larger scale productions, and a greater preponderance of lower-risk, smaller scale events.

The major additional funding provided to the CFC by the Government in 2020-21 has enabled the CFC to continue its operations, and to start rebuilding theatre business, despite the significant adverse impact of the COVID-19 health emergency on the performing arts industry.

The CFC's Theatre Reserve is a further means that is supporting the organisation's efforts to rebuild theatre business and recover from COVID-19 impacts. This fund has been developed from the proceeds of previous theatre commercial activity, and now stands at \$1.2 million. It supports efforts to program larger-scale shows and assists in managing the risks inherent in theatre programming. This is particularly important as the CFC seeks to contribute to national efforts to support performing arts touring, and to bring major shows to Canberra, as part of the ACT's creative recovery from COVID-19.

The CFC will address the major risk discussed above, and other risks, to the best of its ability, including through its Strategic Risk Management Plan. This Plan informs the prioritisation of projects for internal audit programs and is supported by other plans, such as those covering Fraud Control, Business Continuity, Disaster Preparedness and Security. The Plan was revised and updated in early 2020-21 to reflect the experience gained in managing the major challenges experienced in 2019-20.

2020-21 Priorities and Next Three Financial Years

The CFC's current Strategic Plan, which covers 2016-21, identifies six key priorities for this five-year period. In view of COVID-19 impacts on the CFC's operations, the CFC Board reviewed these six key priorities and decided, in place of these, that the following four priorities should be the main focus for the organisation in 2020-21.

- manage through, and recover from, the COVID-19 health emergency, ensuring that, to the extent possible:
 - negative impacts of COVID-19 on the CFC's venues and operations are minimised;
 - positive impacts are retained and built upon;
 - the CFC's financial sustainability is maintained; and
 - the CFC provides cultural leadership in the recovery from COVID-19;
- play an active role in planning towards a major new theatre for Canberra, and position the Canberra Theatre Centre for the development of this new theatre by programming large-scale performing arts productions, with consequential benefits for tourism and the visitor economy;
- play an active role in planning towards a revitalised cultural precinct around Civic Square; and
- develop a new Strategic Plan during 2020-21, covering the period from 2022 to 2025, as the basis for future annual corporate plans.

In addition to the four key areas identified above, other specific issues to be pursued by the CFC in 2020-21 include the following, to the extent that these can be progressed within restrictions arising from the COVID-19 situation:

- encouraging visitation to, access to, and patronage of, the CFC's facilities, programs and collections;
- presenting exhibitions, learning and community programs, including outreach activities and partnership programming;
- presenting a varied program of performing arts productions;
- completing Stages 5 and 6 of a continuing program of upgrades for the Canberra Theatre Centre, in order to enhance the safety of patrons, ensure a high level of WHS standards for staff, implement accessibility improvements, enhance security infrastructure, and upgrade the Centre's building management system;
- continuing to implement a program of infrastructure upgrades at Lanyon, to facilitate effective business operations and achieve high standards of WHS, especially by completing a new workshop, progressing a new water infrastructure project, undertaking building stabilisation measures, and upgrading security infrastructure; and

- undertaking ongoing programs of other infrastructure upgrades and capital projects, in order to ensure the CFC's cultural facilities remain fit for purpose and support the delivery of high-quality cultural experiences.

Apart from the areas identified above, the main ongoing priority of the CFC is to achieve its vision and mission, by providing cultural leadership through a high standard of service to the community. In keeping with this priority, the CFC will continue to promote the value of a vibrant cultural life, not only in terms of serving the existing community of the ACT, but also as a contribution to Canberra's economic development and its attractiveness as both a business and tourist destination into the future. In the years ahead, the CFC's activities will be an important aspect of the ACT's creative recovery from COVID-19.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Actual Outcome	2020-21 Budget
Staffing (FTE)	91	92	105 ¹	92 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 2020-21 Budget FTE has been calculated on the basis of expectations of staffing, especially casual employment. As a result of the large numbers of casual and part-time staff employed by the CFC, the actual headcount of employees is typically a much higher figure than the FTE figure.

Table 2: 2020-21 Employment Profile

Classification	Male	Female	Total
ASO2	2	5	7
ASO3	0	4	4
ASO4	3	6	9
ASO5	5	6	11
ASO6	5	4	9
GSO2	1	0	1
GSO5	2	0	2
GSO7	1	0	1
GSO9	1	0	1
PO1	1	5	6
PO2	0	3	3
SOG C	2	6	8
SOG B	0	2	2
SOG A	1	0	1
Box Office	2	3	5
Executive Contract	1	1	2
Patron Services	3	5	8
Tech. Level 1	4	2	6
Tech. Level 2	3	0	3
Tech. Level 4	3	0	3
Total	40	52	92

Strategic Objectives and Indicators

Strategic Objective 1 - CFC

To provide cultural leadership in the Canberra region and beyond

Strategic Indicator 1: The extent to which the CFC connects people with rich and diverse cultural experiences through activities at its venues, in the following areas.

- Leadership:** A cultural leader in the ACT region and beyond
- Strategy:** A clear direction for the future
- Governance:** An accountable and dynamic organisation
- People:** An employer of choice
- Finances:** Long-term financial sustainability
- Assets:** Support for delivering high quality cultural experiences

Strategic Objective 2 – Canberra Theatre Centre

To be a leading theatre centre in Australasia and Asia

Strategic Indicator 2: The extent to which the Canberra Theatre Centre connects people with theatre experiences of national and international quality, in the following areas.

- Customers:** Audiences that are growing, diverse, engaged and entertained
- Programming:** A diverse, high quality, entertaining and distinctive program
- Business:** Venues, systems and people that support high quality live performances
- Leadership:** An integral part of the cultural life of the Canberra region and beyond

Strategic Objective 3 - CMAG

To be a leading regional cultural venue in Australia and beyond

Strategic Indicator 3: The extent to which CMAG connects people with the Canberra region's rich and diverse stories, sense of place, and contemporary identity, in the following areas.

- Customers:** Audiences that are growing, diverse and engaged
- Programming:** Exhibitions and programs that reflect Canberra's unique identity
- Stewardship:** Venues and collections that allow CMAG to tell the many stories of Canberra
- Leadership:** An integral part of the cultural life of the Canberra region and beyond

Strategic Objective 4 – ACT Historic Places

To be leading historic places in Australia and beyond

Strategic Indicator 4: The extent to which ACT Historic Places connects people with Canberra's rich and diverse stories and heritage, in the following areas.

- Customers:** Audiences that are growing, diverse and engaged
- Programming:** Programs that explore Canberra's history by interpreting each place
- Stewardship:** Buildings, grounds and collections that are conserved and researched
- Leadership:** An integral part of the cultural life of the Canberra region and beyond

Output Classes

Output Class 1: Cultural Facilities Management

Table 3: Output Class 1: Cultural Facilities Management

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	21,826	22,461
Controlled Recurrent Payments	9,162	12,926

Note(s):

1. Total cost includes depreciation and amortisation of \$2.617 million in 2019-20 and \$2.674 million in 2020-21.

Output 1.1: Cultural Facilities Management

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

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

Through its activities at these venues, the CFC provides cultural services across the performing arts, the visual arts, social history and cultural heritage management, by:

- providing performing arts presentations, exhibitions, education programs, community programs and other events; and
- conserving and interpreting the historic sites that it manages.

Accountability Indicators

Further information on the 2019-20 Targets and outcome can be found in the Cultural Facilities Corporation's Annual Report at <http://www.culturalfacilities.act.gov.au/>.

Output Class 1: Cultural Facilities Management

Output 1.1: Cultural Facilities Management

Table 4: Accountability Indicators Output 1.1

	2019-20 Target	2019-20 Audited Outcome	2020-21 Target
a. Estimated number of visitors/patrons to CFC facilities/programs ¹	397,800	291,789	184,300
b. Number of exhibitions at facilities managed by CFC ²	22	26	27
c. Number of education and community programs provided by CFC ³	435	267	194
d. Number of days venue usage at the Canberra Theatre Centre's venues ⁴	625	476	378
e. Customer satisfaction with quality of services provided by CFC, as measured by annual survey	90%	97%	90%
f. Cost to Government per estimated visitor/patron to CFC ⁵ facilities/programs	\$23.03	\$31.40	\$70.15
g. Own sourced revenue as a proportion of total revenue for CFC ⁶	50.7%	49.0%	35.4%

Note(s):

1. The decrease in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is primarily due to restrictions arising from the COVID-19 situation impacting on visitor/patron numbers, especially at the Canberra Theatre Centre.
2. The increase in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is primarily due to a higher number of exhibitions scheduled at CMAG.
3. The decrease in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is due to restrictions on program provision due to the COVID-19 situation.
4. The decrease in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is due to reduced programming at the Canberra Theatre Centre, due to the COVID-19 situation.
5. The increase in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is due to additional funding received from Government and reduced visitor/patron numbers, especially at the Canberra Theatre Centre, due to the COVID-19 situation.
6. The decrease in the 2020-21 Target from both the 2019-20 Target and the 2019-20 audited outcome is due to reduced theatre activity as a result of the COVID-19 situation leading to lower own-sourced revenue.

Changes to Appropriation

Table 5: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	9,162	9,339	9,581	9,769	9,769
2020-21 Budget Policy Decisions					
Financial support for the Cultural Facilities Corporation	0	2,500	0	0	0
Cultural Facilities Corporation - extension of financial support	0	1,000	0	0	0
Final Continuing Operating Item	0	73	0	0	0
2020-21 Budget Technical Adjustments					
Revised Indexation Parameters	0	13	-30	-74	73
Shared Services - Cost Model Review	0	-2	0	0	0
Revised Superannuation Parameters	0	-6	-15	-32	-42
Workers Compensation Adjustment	0	9	22	22	22
2020-21 Budget	9,162	12,926	9,558	9,685	9,822

Table 6: Changes to appropriation – Capital Injections, Controlled

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	2,552	2,284	1,460	750	450
2020-21 Budget Policy Decisions					
2019-20 Screwdriver projects	617	0	0	0	0
2020-21 Budget Technical Adjustments					
Revised Indexation Parameters	0	0	0	0	11
Capital re-profiling - Upgrading Lanyon Homestead	0	-250	250	0	0
Rollover of Part of - More jobs for our growing city - Conserving and Improving Canberra's historic places	-440	440	0	0	0
Rollover of Part of - Improving facilities at the Canberra Theatre	-62	62	0	0	0
Rollover of Part of - Upgrading Lanyon Homestead	-380	380	0	0	0
Rollover of screwdriver projects delivered in 2019-20 but still waiting to financially complete	-123	123	0	0	0
2020-21 Budget	2,164	3,039	1,710	750	461

Summary of 2020-21 Cultural Facilities Corporation Infrastructure Program

Table 7: 2020-21 Cultural Facilities Corporation Infrastructure Program

Project	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	Four Year Investment \$'000	Physical Completion Date
CAPITAL WORKS PROGRAM						
Capital Upgrade Programs						
Better Infrastructure Fund	428	439	450	461	1,778	Jun-21
Total Capital Upgrade Programs	428	439	450	461	1,778	
Work In Progress						
Improving facilities at the Canberra Theatre	297	-	-	-	297	Jun-21
More jobs for our growing city - Conserving and improving Canberra's historic places	440	-	-	-	440	Jun-21
More jobs for our growing city - Upgrading the Canberra Theatre Centre	375	-	-	-	375	Jun-21
Screwdriver projects delivered in 2019-20 but still waiting to financially complete ¹	123	-	-	-	123	Jun-20
Upgrading Lanyon Homestead	1,376	1,271	300	-	2,947	Jun-23
Total Work In Progress	2,611	1,271	300	-	4,182	
TOTAL CAPITAL WORKS PROGRAM	3,039	1,710	750	461	5,960	

Note(s):

1. CFC's 2021-22 capital works program does not include Screwdriver projects physically delivered in 2020-21.

Strategic Asset Management Plan

The CFC is the custodian and manager of a number of public building assets in the ACT. The assets are culturally significant to the ACT community, and include venues of historical importance, public theatres and galleries. The building portfolio is diverse, including income generating, non commercial and heritage assets. The managed premises range from domestic housing to major civic buildings.

The CFC's Strategic Asset Management Plan forms the basis of its strategic asset planning, including the development of proposals for capital works funding. A comprehensive review and update of the Plan was undertaken in 2010-11 to cover the 20 year timeframe from 2011-2030. A further update of the Plan for the Canberra Theatre Centre was completed in 2016-17, while further updates for CMAG and the ACT Historic Places were completed in 2017-18.

Monitoring and Reporting

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

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

Annual Reporting

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

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

Financial Arrangements

During 2020-21, the CFC's main focus in terms of financial management will be to manage through, and recover from, the impacts of the COVID-19 health emergency, especially in term of impacts on the CFC's theatre-related business.

In this regard, the \$2.5 million in additional funding already provided to the CFC as part of the 2020 August Economic and Fiscal Update, together with the further \$1 million provided through this Budget, has enabled the CFC to continue its operations and start rebuilding theatre business. This additional funding has, in particular, provided major support to the CFC in offsetting lost theatre revenues, which comprise the main component of its own-sourced income.

The deficits that are projected for the CFC's operating results for 2020-21 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.

A further objective in previous years has been to add to the Theatre Reserve, where above-target operating outcomes resulted from good theatre trading. Given the restrictions on theatre business in 2020-21, it is not expected that there will be opportunities to add to the Reserve this year. The Reserve will, however, provide important financial backing for the CFC in recovering from COVID-19, especially by supporting its efforts to rebuild theatre business, program large-scale shows, and work with other major venues to recommence performing arts touring at a national level.

Financial Statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the following three financial years, appear below. These general purpose financial statements, have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements

Table 8: Cultural Facilities Corporation: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
9,162	Controlled Recurrent Payments	9,162	12,926	41	9,558	9,685	9,822
9,345	Sale of Goods and Services from Contracts with Customers	8,756	6,909	-21	9,676	9,773	9,918
43	Grants and Contributions	64	52	-19	50	50	50
131	Investment Revenue	96	63	-34	134	135	137
18,681	Total Revenue	18,078	19,950	10	19,418	19,643	19,927
Expenses							
8,735	Employee Expenses	10,018	9,664	-4	9,129	9,234	9,353
1,105	Superannuation Expenses	1,196	1,152	-4	1,169	1,172	1,174
8,618	Supplies and Services	7,789	8,901	14	8,886	9,007	9,166
2,609	Depreciation and Amortisation	2,617	2,674	2	2,710	2,710	2,714
70	Other Expenses	206	70	-66	70	70	70
21,137	Total Expenses	21,826	22,461	3	21,964	22,193	22,477
-2,456	Operating Result	-3,748	-2,511	33	-2,546	-2,550	-2,550
Other Comprehensive Income							
0	Increase/(Decrease) in Asset Revaluation Surplus	4,545	0	-100	0	0	0
0	Total Other Comprehensive Income	4,545	0	-100	0	0	0
-2,456	Total Comprehensive Income	797	-2,511	-415	-2,546	-2,550	-2,550

Table 9: Cultural Facilities Corporation: Balance Sheet

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
2,220	Cash and Cash Equivalents	1,284	1,335	4	1,402	1,469	1,536
563	Receivables	321	322	..	323	324	325
27	Inventories	12	12	-	12	12	12
130	Other Assets	101	101	-	101	101	101
2,940	Total Current Assets	1,718	1,770	3	1,838	1,906	1,974
Non Current Assets							
63,452	Property, Plant and Equipment	66,900	67,445	1	66,595	64,785	62,690
0	Intangible Assets	54	54	-	54	54	54
0	Capital Works in Progress	956	956	-	956	956	956
63,452	Total Non Current Assets	67,910	68,455	1	67,605	65,795	63,700
66,392	TOTAL ASSETS	69,628	70,225	1	69,443	67,701	65,674
Current Liabilities							
506	Payables	440	475	8	510	545	580
0	Lease Liabilities	8	16	100	12	8	0
1,921	Employee Benefits	2,195	2,213	1	2,247	2,281	2,315
240	Other Liabilities	172	172	-	172	172	172
2,667	Total Current Liabilities	2,815	2,876	2	2,941	3,006	3,067
Non Current Liabilities							
20	Lease Liabilities	12	20	67	8	0	0
142	Employee Benefits	121	121	-	122	123	124
162	Total Non-Current	133	141	6	130	123	124
2,829	TOTAL LIABILITIES	2,948	3,017	2	3,071	3,129	3,191
63,563	NET ASSETS	66,680	67,208	1	66,372	64,572	62,483
REPRESENTED BY FUNDS EMPLOYED							
28,302	Accumulated Funds	26,744	27,272	2	26,436	24,636	22,547
34,161	Asset Revaluation Surplus	38,706	38,706	-	38,706	38,706	38,706
1,100	Other Reserves	1,230	1,230	-	1,230	1,230	1,230
63,563	TOTAL FUNDS EMPLOYED	66,680	67,208	1	66,372	64,572	62,483

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Opening Equity							
28,206	Opening Accumulated Funds	28,328	26,744	-6	27,272	26,436	24,636
34,161	Opening Asset Revaluation Reserve	34,161	38,706	13	38,706	38,706	38,706
1,100	Opening Other Reserve	1,230	1,230	-	1,230	1,230	1,230
63,467	Balance at the Start of the Reporting Period	63,719	66,680	5	67,208	66,372	64,572
Comprehensive Income							
-2,456	Operating Result - Including Economic Flows	-3,748	-2,511	33	-2,546	-2,550	-2,550
0	Inc/Dec in Asset Revaluation Reserve Surpluses	4,545	0	-100	0	0	0
-2,456	Total Comprehensive Income	797	-2,511	-415	-2,546	-2,550	-2,550
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
2,552	Capital Injections	2,164	3,039	40	1,710	750	461
2,552	Total Transactions Involving Owners Affecting Accumulated Funds	2,164	3,039	40	1,710	750	461
Closing Equity							
28,302	Closing Accumulated Funds	26,744	27,272	2	26,436	24,636	22,547
34,161	Closing Asset Revaluation Reserve	38,706	38,706	-	38,706	38,706	38,706
1,100	Closing Other Reserve	1,230	1,230	-	1,230	1,230	1,230
63,563	Balance at the end of the Reporting Period	66,680	67,208	1	66,372	64,572	62,483

Table 11: Cultural Facilities Corporation: Cash Flow Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
9,162	Controlled Recurrent Payments	9,162	12,926	41	9,558	9,685	9,822
9,318	Sale of Goods and Services from Contracts with Customers	8,936	6,882	-23	9,648	9,745	9,890
131	Investment Receipts	96	63	-34	134	135	137
511	Other	1,029	511	-50	511	511	511
19,122	Operating Receipts	19,223	20,382	6	19,851	20,076	20,360
Payments							
8,663	Employee	9,846	9,612	-2	9,060	9,165	9,284
1,105	Superannuation	1,196	1,152	-4	1,169	1,172	1,174
8,524	Supplies and Services	7,676	8,798	15	8,784	8,905	9,064
605	Other	1,016	605	-40	605	605	605
18,897	Operating Payments	19,734	20,167	2	19,618	19,847	20,127
225	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-511	215	142	233	229	233
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
2,683	Purchase of Property, Plant and Equipment	2,140	3,189	49	1,860	900	611
2,683	Investing Payments	2,140	3,189	49	1,860	900	611
-2,683	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-2,140	-3,189	-49	-1,860	-900	-611
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
2,552	Capital Injections	2,164	3,039	40	1,710	750	461
2,552	Financing Receipts	2,164	3,039	40	1,710	750	461
Payments							
8	Repayment of Lease Liabilities	8	14	75	16	12	16
8	Financing Payments	8	14	75	16	12	16
2,544	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	2,156	3,025	40	1,694	738	445
86	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-495	51	110	67	67	67
2,134	CASH AT THE BEGINNING OF REPORTING PERIOD	1,779	1,284	-28	1,335	1,402	1,469
2,220	CASH AT THE END OF REPORTING PERIOD	1,284	1,335	4	1,402	1,469	1,536

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$3.764 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to the major additional funding provided to enable the CFC to continue its operations, and to start rebuilding theatre business, despite the significant impact of the COVID-19 health emergency on the performing arts industry.
- sale of goods and services from contracts with customers: the decrease of \$1.847 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to lower theatre revenues resulting from reduced business activity at the Canberra Theatre Centre due to the COVID-19 health emergency.
- employee expenses: the increase of \$1.283 million in the 2019-20 audited outcome from the 2019-20 Budget is largely due to higher casual salary costs directly relating to higher volumes of revenue-generating activity at the Canberra Theatre Centre before closures due to the COVID-19 health emergency. Following these closures, casual staff continued to be paid, and provided with work, in accordance with ACT Government policy.
- supplies and services: the decrease of \$0.829 million in the 2019-20 audited outcome from the 2019-20 Budget is due largely to lower production costs and royalties resulting from the closures at the Canberra Theatre Centre due to the COVID -19 pandemic.

Balance Sheet

- cash and cash equivalents: the decrease of \$0.936 million in the 2019-20 audited outcome from the 2019-20 Budget is largely due to the financial impact of the COVID-19 health emergency as explained in the notes above.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

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ICON WATER LIMITED

Purpose

Icon Water provides water and sewerage services to the ACT community and bulk water to Queanbeyan. Icon Water also manages an investment in Evoenergy and ActewAGL Retail (the energy investments).

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

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

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

2020-21 Priorities

Over the period 2020-21 to 2023-24 Icon Water's work will be guided by three strategic objectives, to:

- build a safe, innovative and inclusive workplace;
- deliver sustainable value for our community and shareholders; and
- enhance the customer experience.

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

- **Workplace strategies:** our objective to build a safe, innovative and inclusive workplace represents the foundation of our business strategies. We recognise that our people enable us to provide essential services to the Canberra community and region.

To achieve our workplace objective, we will implement strategies to enhance the safety capability of our leaders, improve the safety capability of key partners and build a high performing organisation.

- Sustainable value strategies: our objective to deliver sustainable value for our community and shareholders recognises the important role we play in Canberra and the region. In undertaking our core purpose to sustain and enhance the quality of life, we support the community to grow and prosper through the provision of high quality drinking water and environmentally sustainable water and sewerage services.

To achieve our sustainable value goal we will implement strategies to build resilience to climate change, enhance resource recovery, build a smarter network, review the corporate services delivery model, leverage new technology and enhance alignment with our regulators and their objectives.

- Customer strategies: our objective to enhance the customer experience reflects our commitment to delivering quality products and services that our customers and community value. Community expectations of service and value are evolving and we need to make it easier for our customers to interact with us.

In order to achieve our customer objective, we will implement strategies to improve the billing experience, enhance the developer journey, improve complaints management, develop a customer insights roadmap, and develop and implement a customer capability and systems plan.

Icon Water’s 2020-21 Budget forecasts are subject to potentially significant variation arising from factors outside Icon Water’s control. These factors include:

- climatic conditions – middle projection weather patterns with a low dam level baseline have been assumed in determining the budget estimates. Variability in climatic conditions may result in material variations to Icon Water’s profitability; and
- the energy investments – the profitability of the energy investments may be affected by external factors including climatic conditions and regulatory outcomes.

Estimated Employment Level

Table 1: Estimated employment level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Actual Outcome	2020-21 Budget
Staffing (FTE)	408	432	401 ¹	418

Note(s):

1. The lower FTE actual outcome relates to the timing of recruitment activities.

Table 2: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Actual Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	12,586	12,900	13,223	13,553	13,553
2020-21 Budget Technical Adjustments					
Revised Indexation Parameters - Assistance for Water and Sewerage Services	0	2 004	0	0	339
2020-21 Budget	12,586	14,904	13,223	13,553	13,892

Financial Statements – Controlled (PTE)

Table 3: Icon Water Limited: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Income							
Revenue							
12,586	Controlled Recurrent Payments	12,586	14,904	18	13,223	13,553	13,892
317,797	Sale of Goods and Services from Contracts with Customers	336,273	313,223	-7	327,238	336,187	346,842
1,139	Investment Revenue	2,955	381	-87	625	676	737
4,840	Other Revenue	4,269	4,512	6	4,625	4,729	4,850
336,362	Total Revenue	356,083	333,020	-6	345,711	355,145	366,321
Gains							
12,998	Other Gains	28,642	11,360	-60	8,000	8,550	10,250
12,998	Total Gains	28,642	11,360	-60	8,000	8,550	10,250
349,360	Total Income	384,725	344,380	-10	353,711	363,695	376,571
Expenses							
46,751	Employee Expenses	51,913	51,006	-2	53,845	55,067	55,644
8,443	Superannuation Expenses	8,680	8,614	-1	9,057	9,264	9,337
85,917	Supplies and Services	81,995	83,488	2	89,724	86,396	84,934
60,910	Depreciation and Amortisation	68,488	68,969	1	69,465	72,040	73,791
31,617	Cost of Goods Sold	33,916	30,614	-10	32,465	33,771	34,995
71,494	Borrowing Costs	69,062	50,984	-26	70,192	72,569	72,029
10,424	Other Expenses	11,139	10,867	-2	6,412	6,158	10,044
315,556	Total Expenses	325,193	304,542	-6	331,160	335,265	340,774
71,033	Share of Operating Profit from energy investments accounted for using the Equity Method	57,805	36,930	-36	60,245	75,453	79,777
104,837	Operating Result from Ordinary Activities	117,337	76,768	-35	82,796	103,883	115,574
31,451	Income Tax Equivalent	37,047	23,019	-38	24,839	31,164	34,672
73,386	Operating Result	80,290	53,749	-33	57,957	72,719	80,902
73,386	Total Comprehensive Income	80,290	53,749	-33	57,957	72,719	80,902

Table 4: Icon Water Limited: Balance Sheet

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
40,858	Cash and Cash Equivalents	49,036	45,366	-7	42,918	50,479	49,374
61,494	Receivables	28,622	34,044	19	43,742	45,635	47,584
0	Contract Assets	21,824	21,824	-	21,824	21,824	21,824
4,467	Inventories	4,346	4,395	1	4,273	4,273	4,273
9,177	Other Assets	10,600	10,694	1	7,676	7,676	7,676
115,996	Total Current Assets	114,428	116,323	2	120,433	129,887	130,731
Non Current Assets							
7,750	Receivables	8,244	7,011	-15	7,428	6,194	5,475
1,054,959	Investment - energy investments	1,043,771	1,047,451	..	1,095,425	1,119,790	1,139,066
2,428,605	Property, Plant and Equipment	2,457,731	2,507,764	2	2,511,941	2,510,454	2,532,317
46,886	Intangible Assets	42,338	38,913	-8	44,430	49,691	49,569
146,807	Capital Works in Progress	154,624	170,015	10	148,459	143,459	143,459
22,225	Tax Assets	21,513	21,513	-	21,244	21,244	21,244
3,707,232	Total Non Current Assets	3,728,221	3,792,667	2	3,828,927	3,850,832	3,891,130
3,823,228	TOTAL ASSETS	3,842,649	3,908,990	2	3,949,360	3,980,719	4,021,861
Current Liabilities							
48,518	Payables	50,345	54,920	9	54,628	56,431	53,331
0	Interest-Bearing Liabilities	0	0	-	437	100,276	2,526
0	Lease Liabilities	2,860	2,860	-	2,860	2,860	2,860
22,702	Employee Benefits	22,426	23,062	3	20,793	20,793	20,793
1,778	Income Tax Payable	-1,906	4,360	329	623	4,814	2,287
18,972	Other Provisions	8,808	9,303	6	12,165	14,006	15,303
8,579	Other Liabilities	1,863	2,832	52	1,756	2,755	2,755
0	Contract Liabilities	7,118	7,118	-	7,118	7,118	7,118
100,549	Total Current Liabilities	91,514	104,455	14	100,380	209,053	106,973
Non Current Liabilities							
1,790,623	Interest-Bearing Liabilities	1,781,909	1,824,169	2	1,859,724	1,773,783	1,906,696
0	Lease Liabilities	6,645	6,645	-	8,636	8,714	8,771
1,128	Employee Benefits	1,305	1,331	2	1,265	1,265	1,265
448,040	Deferred Tax Liability	454,529	454,529	-	452,916	452,916	452,916
8,988	Other Provisions	4,462	4,217	-5	4,796	4,796	4,796
0	Contract Liabilities	1,081	1,081	-	1,081	1,081	1,081
2,248,779	Total Non-Current Liabilities	2,249,931	2,291,972	2	2,328,418	2,242,555	2,375,525
2,349,328	TOTAL LIABILITIES	2,341,445	2,396,427	2	2,428,798	2,451,608	2,482,498
1,473,900	NET ASSETS	1,501,204	1,512,563	1	1,520,562	1,529,111	1,539,363

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
REPRESENTED BY FUNDS EMPLOYED							
962,637	Accumulated Funds	980,438	991,797	1	999,796	1,008,345	1,018,597
511,263	Asset Revaluation Surplus	520,766	520,766	-	520,766	520,766	520,766
1,473,900	TOTAL FUNDS EMPLOYED	1,501,204	1,512,563	1	1,520,562	1,529,111	1,539,363

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
949,639	Opening Accumulated	951,426	980,438	3	991,797	999,797	1,008,346
511,263	Opening Asset Revaluation Reserve	520,766	520,766	-	520,766	520,766	520,766
1,460,902	Balance at the Start of the Reporting Period	1,472,192	1,501,204	2	1,512,563	1,520,563	1,529,112
	Comprehensive Income						
73,386	Operating Result - Including Economic Flows	80,290	53,749	-33	57,957	72,719	80,902
73,386	Total Comprehensive Income	80,290	53,749	-33	57,957	72,719	80,902
	Transactions Involving Owners Affecting Accumulated Funds						
-60,388	Dividend Approved	-51,278	-42,390	17	-49,957	-64,170	-70,650
-60,388	Total Transactions Involving Owners Affecting Accumulated Funds	-51,278	-42,390	17	-49,957	-64,170	-70,650
	Closing Equity						
962,637	Closing Accumulated Funds	980,438	991,797	1	999,797	1,008,346	1,018,598
511,263	Closing Asset Revaluation Reserve	520,766	520,766	-	520,766	520,766	520,766
1,473,900	Balance at the end of the Reporting Period	1,501,204	1,512,563	1	1,520,563	1,529,112	1,539,364

Table 6: Icon Water Limited: Cash Flow Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
12,586	Controlled Recurrent Payments	12,586	14,904	18	13,223	13,553	13,892
322,769	Sale of Goods and Services from Contracts with Customers	342,201	316,452	-8	327,320	339,023	349,743
1,139	Investment Receipts	3,059	374	-88	625	676	737
64,000	Other	45,750	33,250	-27	37,440	51,087	60,500
400,494	Operating Receipts	403,596	364,980	-10	378,608	404,339	424,872
Payments							
53,442	Employee	51,548	52,051	1	54,503	54,314	56,320
8,443	Superannuation	8,619	8,790	2	9,168	9,137	9,451
117,505	Supplies and Services	126,158	127,527	1	130,174	124,599	131,552
75,865	Interest Expenses	72,466	54,690	-25	70,175	72,552	72,448
35,282	Income Tax Equivalent Payments	45,352	16,752	-63	23,616	26,974	37,199
290,537	Operating Payments	304,143	259,810	-15	287,636	287,576	306,970
109,957	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	99,453	105,170	6	90,972	116,763	117,902
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale of Property, Plant and Equipment	5	0	-100	0	0	0
0	Proceeds from Sale/Maturity of Investments	10,000	0	-100	0	0	0
0	Investing Receipts	10,005	0	-100	0	0	0
Payments							
101,744	Purchase of Property, Plant and Equipment	95,807	111,322	16	88,462	61,852	84,873
101,744	Investing Payments	95,807	111,322	16	88,462	61,852	84,873
-101,744	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-85,802	-111,322	-30	-88,462	-61,852	-84,873
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
292,000	Proceeds from Borrowings	376,135	50,000	-87	47,349	17,652	137,968
292,000	Financing Receipts	376,135	50,000	-87	47,349	17,652	137,968

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
	Payments						
237,355	Repayment of Borrowings	324,011	6,322	-98	363	940	99,943
0	Repayment of Lease Liabilities - Principal	2,764	3,157	14	2,670	2,737	2,805
62,215	Payment of Dividend	58,491	38,039	-35	49,274	61,325	69,354
299,570	Financing Payments	385,266	47,518	-88	52,307	65,002	172,102
-7,570	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	-9,131	2,482	127	-4,958	-47,350	-34,134
643	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,520	-3,670	-181	-2,448	7,561	-1,105
40,215	CASH AT THE BEGINNING OF REPORTING PERIOD	54,699	49,036	-10	45,366	42,918	50,479
40,858	CASH AT THE END OF REPORTING PERIOD	49,036	45,366	-7	42,918	50,479	49,374

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$2.318 million in the 2020-21 Budget from the 2019-20 audited outcome is due to alignment with the appropriation bill.
- investment revenue:
 - the increase of \$1.816 million in the 2019-20 audited outcome from the original budget is mainly due to interest earned on early borrowings; and
 - the decrease of \$2.574 million in the 2020-21 Budget from the 2019-20 audited outcome is primarily due to lower interest rates.
- other gains: the increase of \$15.644 million in the 2019-20 audited outcome from the original budget and the decrease of \$17.282 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to additional gifted assets received in 2019-20.
- employee expenses: the increase of \$5.162 million in the 2019-20 audited outcome from the original budget is mainly due to lower than expected allocation of internal labour to capital works projects.

- depreciation: the increase of \$7.578 million in the 2019-20 audited outcome from the original budget is primarily due to increased asset capitalisation.
- borrowing costs: the decrease of \$18.078 million in the 2020-21 Budget from the 2019-20 audited outcome is largely due to lower interest expense on indexed bonds driven by lower Consumer Price Index.
- energy investments share of operating profits:
 - the decrease of \$13.228 million in the 2019-20 audited outcome from the original budget is mainly due to the effect of feed in tariff fluctuations; and
 - the decrease of \$20.875 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the effect of feed in tariff fluctuations.

Balance Sheet

- cash and cash equivalents: the increase of \$8.178 million in the 2019-20 audited outcome from the original budget is mainly due to higher receipts from customers. This is offset by a corresponding decline in current receivables.
- current receivables
 - the decrease of \$32.872 million in the 2019-20 audited outcome from the original budget is due to a change in presentation for contract assets (\$21.824 million) and the timing of customer receipts; and
 - the increase of \$5.422 million in the 2020-21 Budget is due to the timing of customer receipts.
- current contract assets: the increase of \$21.824 million in the 2019-20 audited outcome from the original budget is due to a change in presentation for contract assets in the 2019-20 audited financial statements.
- other current assets: the increase of \$1.423 million in the 2019-20 audited outcome from the original budget is mainly due to an increase in prepaid expenses.
- non-current receivables: the decrease of \$1.233 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the amortisation of IT system upgrade expenses.
- income tax payable: the decrease of \$3.684 million in the 2019-20 audited outcome from the original budget and the increase of \$6.266 million in the 2020-21 Budget is due to changes in operating profit.
- other current provisions: the decrease of \$10.164 million in the 2019-20 audited outcome from the original budget is mainly due to movements in the provision for the final dividend payable to the ACT Government.

- lease liabilities: the increase of \$2.860 million (current) and \$6.645 million (non-current) in the 2019-20 audited outcome from the original budget predominately relates to a change in accounting policy where the remaining lease payment value for operating leases is now recognised as a liability on the balance sheet.
- other current liabilities: the decrease of \$6.716 million in the 2019-20 audited outcome from the original budget is mainly due to a change in presentation for contract liabilities in the 2019-20 audited financial statements.
- contract liabilities: the increase of \$7.118 million (current) and \$1.081 million (non-current) in the 2019-20 audited outcome from the original budget is due to a change in presentation for contract liabilities in the 2019-20 audited financial statements.
- other non-current provisions: the decrease of \$4.526 million in the 2019-20 audited outcome from the original budget is due to the revaluation of provisions.

Statement of Changes in Equity

- operating result for the period:
 - the increase of \$6.904 million in the 2019-20 audited outcome from the original budget is mainly due to an increase in water business revenues from higher customer consumption; and
 - the decrease of \$26.541 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to a reduction in water and sewerage business revenues from price freezes arising from the COVID-19 health emergency.

Cash Flow Statement

Variations in this Statement are explained in the notes above.

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION – STATEMENT OF INTENT

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

This Statement of Intent for 2020-21 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 2020-21 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 2020-21 Statement of Intent has been agreed between:



Joe Dimasi
Senior Commissioner



Andrew Barr MLA
Treasurer

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INDEPENDENT COMPETITION AND REGULATORY COMMISSION

Purpose

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

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

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

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

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

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

Nature and scope of activities

General 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 the Commission or, if reviewed and determined by an Industry Panel, implemented by the Commission.

On 1 May 2018, the Commission released its final decision, and price direction, on the amount of revenue Icon Water can earn, and the prices it can charge, for regulated water and sewerage services over the period 1 July 2018 to 30 June 2023, subject to annual adjustments for pass-through events specified in the price direction.

The Commission made decisions in late May 2019 on adjusting the 2019-20 regulated water and sewerage services prices and in late May 2020 on adjusting the 2020-21 prices in accordance with the price direction.

Before the next water and sewerage services price investigation, the Commission is reviewing aspects of its pricing methodology to ensure it remains current and appropriate and provides incentives for Icon Water to operate efficiently. In December 2019, the Commission commenced its review of incentive mechanisms and released its final decision in August 2020. The Commission is currently reviewing its methodology for determining the regulated rate of return to ensure Icon Water receives an appropriate return on its prudent and efficient investments in infrastructure used for delivering water and sewerage services.

Retail electricity pricing arrangements

From 1 July 2012, some responsibilities for regulating retail electricity were transferred to the Australian Energy Regulator (AER) but responsibility for technical regulation, complaints handling, and retail electricity pricing remained with state and territory governments. The Commission will, pursuant to ACT government policy, continue to determine retail prices for the supply of electricity to small customers on standard retail contracts who consume less than 100MWh of electricity over any period of 12 consecutive months.

The Commission's 2017 price direction on the average annual increase in retail prices of electricity supplied to small customers on standard retail contracts expired on 30 June 2020. In June 2018 and June 2019, the Commission adjusted the annual increases in the price direction for specified pass-through events.

In May 2019, the Commission completed its review of the retail electricity pricing model and methodology to ensure the method used in arriving at a price direction remains current, accurate and consistent with the Commission's obligations under the ICRC Act. The Commission indicated that improvements to the model would be implemented in the regulatory period from 1 July 2020.

On 28 May 2019, the Commission received terms of reference from the Treasurer to determine a price direction for standing offer prices for the supply of electricity to small customers for the period 1 July 2020 to 30 June 2024. The terms of reference also required the Commission to consider whether changes could be made in the Territory to promote improved transparency and comparability of electricity price offers.

On 5 June 2020, the Commission released its final decision and price direction on the regulated retail electricity prices to apply from 1 July 2020. In making its decision, the Commission implemented improvements to its pricing model and methodology identified in the review completed in May 2019. The annual price increases over the regulatory period are subject to an adjustment for any pass-through events, in accordance with the price direction. In response to the Treasurer's request in the terms of reference, the Commission made two recommendations on improving the transparency and comparability of electricity price offers to help consumers choose an offer that better suits their individual circumstances and find savings on their bills.

On 16 October 2020, the Commission started a review of its method for setting regulated retail electricity prices (its review of the form of price control). The review is examining the impacts of recent and ongoing changes in electricity markets to ensure the Commission's approach to setting regulated prices remains appropriate in the context of these changes.

In January 2021, the ACT Government asked the Commission to implement measures for improving the transparency and comparability of electricity price offers. These measures include determining an appropriate reference bill and varying the Consumer Protection Code to improve the information available to energy consumers for comparing offers.

Advice to government on industry-related matters

The Commission provides advice to the ACT Government on matters related to an industry or to industries in general under terms of reference provided to the Commission.

In April 2018, the Minister for Transport Canberra and City Services asked the Commission to monitor and report on the impact on ACT beverage prices and competition in the beverage industry of the introduction on 30 June 2018 of the ACT Container Deposit Scheme. The Commission released a progress report in February 2019 and gave a final report to the Minister on 23 July 2019.

In January 2021, the Treasurer asked the Commission to provide advice on Icon Water's pricing of recycled water.

Competition policy

The Commission provides advice on competition policy matters to the ACT Government as required. The Commission also investigates and reports on competitive neutrality complaints as they are received, consistent with the National Competition Policy Agreements and the ACT Competitive Neutrality Statement.

On 20 December 2019, the Commission received a request from the Treasurer for advice to help ensure that the new crematorium facility to be built and operated by the ACT Public Cemeteries Authority (Canberra Cemeteries) operates in a manner consistent with competitive neutrality. The scope of work for the advice specifies a two-stage process.

In stage one, the Commission developed detailed pricing principles to guide Canberra Cemeteries in developing a costing methodology and prices for the public crematorium services and products that will be consistent with the ACT Competitive Neutrality Policy. The Commission released an issues paper on 31 January and a draft report on 31 March and gave the final report to the Treasurer, Minister for City Services and Canberra Cemeteries on 29 May 2020.

In December 2020, the Commission received Canberra Cemeteries' pricing proposal, including its proposed costing methodology and prices, and is assessing the proposal for compliance with the detailed pricing principles and more broadly with the Competitive Neutrality Policy. This is stage two of the Treasurer's request for advice.

In 2020-21, the Commission will provide any further advice requested by the ACT Government and will handle any competitive neutrality complaints received.

Utilities regulatory regime

The Commission has a statutory responsibility to ensure that licensed utilities authorised to provide services in the Territory comply with their obligations in and arising from licence conditions and industry and technical codes made under the Utilities Act. During 2020-21, the ACT licensing regime will continue to apply to electricity and gas distribution activities and water and sewerage services. The Commission will continue to assess licence applications, maintain the licensing regime, and monitor and report on licensed utilities' compliance with licence conditions.

On 8 December 2017, the Commission made an industry code covering capital contributions for water and sewerage infrastructure upgrades. The code took effect from 1 January 2018, with an 18-month transition period for properties purchased before that date. The charge and associated projects are subject to annual review by the Commission and approval of any updates to the precinct map. In June 2018 and June 2019, the Commission approved updates to the precinct map and maintained the level of the charge. In June 2020, the Commission approved an update to the precinct map and decided to reduce the precinct charge. In 2020-21, the Commission will continue to monitor the operation of the Code.

The Commission regularly reviews and updates utility licences, codes and guidelines to ensure they remain appropriate, considering current and emerging consumer issues and utility industry developments. In December 2019, the Commission completed a review and update of the consumer protection code; the new code came into effect from 1 July 2020. In May 2020, the Commission made consequential amendments to the consumer protection provisions of the Feed-in Tariff Code, which also came into effect from 1 July 2020. In updating both codes, the Commission consulted with stakeholders.

In 2020-21, the Commission is undertaking further work to ensure the regulatory regime remains current and continues to meet the objectives in its enabling legislation. This includes varying utility licences to improve the clarity of licence conditions, streamline reporting requirements and update the licences for recent changes in the regulatory framework.

Risks

Effective risk management is essential to achieving the Commission's purpose. The Commission has developed an organisational risk management plan and a risk register to identify and manage risks across the organisation. The risk register is reviewed and updated regularly. In addition, project-specific plans are developed, monitored and updated during each project. There are three main areas of risk—operational, organisational and financial.

The Commission continues to implement strategies to manage the operational risks arising from the cyclical nature of the Commission's work. These include smoothing out, where possible, workload peaks and troughs to create a more stable workload and reduce pressure on staff, given the deadlines associated with the Commission's decision-making responsibilities. Operational risk is also managed by appropriate training and supervision of staff and adequate internal processes and systems. External risks, such as non-performance under contracts, are managed through careful evaluation of risk factors and implementation of policies and procedures to manage those risks.

During the 2019-20 summer bushfires and again during the COVID-19 health emergency, the Commission activated its business continuity plan. This ensured the Commission continued to operate effectively and meet all statutory deadlines while protecting the health and safety of its staff and stakeholders. Over 2020-21, the Commission will continue to monitor health and safety risks and ensure it has suitable policies and processes for such risks.

Organisational risk arises from the complexity of the Commission's work and its small and specialised staff. The Commission faces the ongoing risk of loss of organisational capacity and corporate knowledge arising from challenges in attracting and retaining staff with the required specialised skills and experience. The Commission has strategies to manage organisational risk, including training and development of staff, provision of an attractive and rewarding working environment, effective records and knowledge management, and business continuity and project planning.

As a largely user-funded organisation, the Commission's financial risk mainly arises from inadequate cash reserves to meet the Commission's financial commitments. The Commission has appropriate risk management procedures to identify and manage financial risk, including actively monitoring credit risk in areas such as cash and other receivables appropriate to its nature, scale and size.

2020-21 priorities and next three financial years

The Commission's strategic and operational priorities for 2020-21 include:

- approving the annual adjustment to the regulated prices for water and sewerage services for 2021-22 in accordance with the price direction;
- continuing the research and analysis needed for the regulatory reset principles on incentive mechanisms (completed in August 2020), water demand forecasting, and the method for calculating the allowed rate of return on investments and ensuring this work is completed well in advance of the next price investigation into regulated water and sewerage service prices;
- approving the annual adjustment to the maximum average change in the price of electricity for small customers on standard retail contracts for 2021-22 in accordance with the price direction;
- monitoring and analysing market developments, and regulatory developments in other jurisdictions, that have implications for effective retail electricity price regulation and competition in the ACT and considering the need for any changes to the form of regulatory price control;
- determining a reference bill for retail electricity services and varying the Consumer Protection Code to implement measures to improve the transparency and comparability of electricity price offers for households and small business consumers;
- assessing Canberra Cemeteries' pricing proposal for the public crematorium facility, including its proposed costing methodology and prices, for compliance with the detailed pricing principles and with the ACT Competitive Neutrality Policy in stage two of the Treasurer's request for advice;
- overseeing the regulatory regime established under the Utilities Act, including licensing, monitoring the implementation of the new consumer protection code, industry code development and updates, compliance monitoring, and reporting on utility compliance and performance;
- varying utility licences to improve the clarity of licence conditions, streamline reporting requirements and update the licences for changes in the regulatory framework;
- recovering annual utility licence fees and administering the annual energy industry levy;
- developing advice for the Treasurer on Icon Water's pricing of recycled water;
- responding to any new terms of reference received from the ACT Government for advice on industry-related matters; and
- responding to the Government's requirements for advice on competition policy matters and discharging the Commission's statutory role in competitive neutrality complaints handling.

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

- undertaking the annual adjustment to regulated water and sewerage service prices for 2022-23;
- responding to any terms of reference issued by the ACT Government to undertake a pricing investigation for the determination of regulated water and sewerage service prices for the regulatory period from 1 July 2023;
- completing the research and analysis needed for the regulatory reset principle on water demand forecasting in advance of the next price investigation into regulated water and sewerage service prices;
- approving the annual adjustments to the maximum average change in the price of electricity for small customers on standard retail contracts for 2022-23 and 2023-24 in accordance with the price direction;
- responding to any terms of reference issued by the ACT Government to undertake a pricing investigation for the determination of the price of electricity for small customers on standard retail contracts in the regulatory period from 1 July 2024;
- monitoring and analysing market developments, and regulatory developments in other jurisdictions, that have implications for effective retail electricity price regulation and competition in the ACT;
- responding to any terms of reference received from the ACT Government for advice on industry-related matters;
- overseeing the regulatory regime established under the Utilities Act, including licensing, amending existing licences to take account of any legislative changes, industry code development and updates, recovering annual utility licence fees, administering the energy levy, compliance monitoring, and reporting on utility compliance and performance; and
- responding to the Government’s requests for advice on competition policy matters and discharging the Commission’s statutory role in competitive neutrality complaints handling.

Estimated employment level

Table 1: Estimated employment level¹

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Audited Outcome	2020-21 Estimate
Staffing (FTE)	11	11	11	11

Notes:

1. The Commission has worked to smooth out its cyclical work program to promote stability in its employment level.

Key performance indicators for 2020-21 to 2023-2024

Table 2: Key performance indicators for 2020-21 and for 2021-22 to 2023-24

Item	Measure	
	2020-21	2021-22 to 2023-24
Water and sewerage services pricing	Annual price adjustment. Review of incentive mechanisms.	Price determination for regulatory period from 1 July 2023 (subject to terms of reference from ACT Government). Review of matters identified as reset principles. Annual price adjustments.
Retail electricity pricing	Annual price adjustment. Review of the form of price control. Determination of reference bill.	Price determination for regulatory period from 1 July 2024 (subject to terms of reference from ACT Government). Annual price adjustments. Annual adjustments of reference bill (subject to any request by ACT Government)
Public crematorium services— competitive neutrality assessment	1 draft findings report and 1 final report. 1 advice to Government.	
Advice on any additional referred matters	1 advice on recycled water pricing.	Subject to receipt of references.
Utilities compliance and performance monitoring	1 report.	Annual reports.
Utility licence fees (water, sewerage services, and energy sector utilities not subject to energy industry levy)	Licence fees determination and collection.	Annual licence fee determinations and annual collection of licence fees.
Utility levies (energy sector)	4 determinations.	Annual levy determinations as required.
Industry Code determinations	1 determination.	Any determinations as required.
Capital Contributions Code (water and sewerage infrastructure upgrades)	1 annual review and 1 approval of precinct map update if required.	Annual reviews and approvals of precinct map update if required.

Assessment of performance against 2019-20 objectives

Table 3: Comparison of performance at 30 June 2020 and the Statement of Intent for 2019-20

Item	Measure	Actual performance
Water and sewerage services pricing	Reviews of matters identified as reset principles. Annual price adjustment.	Review of matter identified as reset principle. Annual price adjustment.
Retail electricity pricing	Price determination for regulatory period from 1 July 2020 (subject to terms of reference from Government).	Price determination and provision of advice in accordance with terms of reference.
Container Deposit Scheme—price and competition monitoring	1 final report and any advice required on market outcomes or behaviour. Further monitoring if required.	1 final report. No further monitoring required.
Advice on any additional referred matters	Subject to receipt of references.	1 reference received and advice provided to Government.
Utilities compliance and performance monitoring	1 report.	1 report.
Utility licence fees (water, sewerage services, and energy sector utilities not subject to energy industry levy)	Licence fees determination and collection.	Licence fees determination and collection.
Utility levies (energy sector)	4 determinations.	4 determinations.
Industry Code determinations	2 determinations.	2 determinations.
Capital Contributions Code (water and sewerage infrastructure upgrades)	1 annual review and 1 approval of precinct map update if required.	1 annual review and 1 approval of precinct map update.

Changes to Appropriation

Table 4: Changes to appropriation – Controlled Recurrent Payments

	2019-20 Audited Outcome	2020-21 Budget	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
2019-20 Budget	545	375	383	392	392
2020-21 Budget Technical Adjustments					
Estimated Outcome	0	250	0	0	0
Reverse Comcare Adjustment	0	2	2	2	0
Revised indexation parameters	0	7	4	22	23
Superannuation round robin	0	22	23	-2	-2
Undrawn Funds	-7	0	0	0	0
2020-21 Budget¹	538	656	412	414	413

Note(s):

1. The increase of \$0.118 million (22 percent) in the 2020-21 Budget from the 2019-20 audited outcome largely reflects the request for advice from the ACT Government on implementing measures for improving the transparency and comparability of electricity price offers.

Monitoring and reporting

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

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

Annual reporting

As part of preparations for end of year reporting, the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) will advise the dates when the following documents are required 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 – Controlled (GGS)

Table 5: Independent Competition and Regulatory Commission: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
545	Controlled Recurrent Payments	538	656	22	412	414	413
611	Taxes, Licences, Fees and Fines	448	906	102	454	396	410
1,144	Sale of Goods and Services from Contracts with Customers	1,207	743	-38	713	1,436	1,456
11	Grants and Contributions	18	18	-	19	19	20
25	Investment Revenue	24	12	-50	12	12	12
0	Other Revenue	50	-	-100	-	-	-
2,336	Total Revenue	2,285	2,335	2	1,610	2,277	2,311
Expenses							
1,409	Employee Expenses	1,418	1,402	-1	1,173	1,381	1,415
175	Superannuation Expenses	188	189	1	190	193	196
641	Supplies and Services	588	636	8	507	534	569
50	Depreciation and Amortisation	48	-	-100	-	-	-
2,275	Total Expenses	2,242	2,227	-1	1,870	2,108	2,180
61	Operating Result	43	108	151	-260	169	131

Table 6: Independent Competition and Regulatory Commission: Balance Sheet

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
1,540	Cash and Cash Equivalents	1,638	1,988	21	1,725	1,891	2,019
284	Receivables	354	124	-65	143	162	181
1,824	Total Current Assets	1,992	2,112	6	1,868	2,053	2,200
1,824	TOTAL ASSETS	1,992	2,112	6	1,868	2,053	2,200
Current Liabilities							
69	Payables	77	78	1	79	80	81
200	Employee Benefits	318	323	2	332	341	350
0	Other Liabilities	184	184	-	184	184	184
269	Total Current Liabilities	579	585	1	595	605	615
Non Current Liabilities							
64	Employee Benefits	32	37	16	42	47	52
69	Other Liabilities	68	69	1	70	71	72
133	Total Non Current Liabilities	100	106	6	112	118	124
402	TOTAL LIABILITIES	679	691	2	707	723	739
1,422	NET ASSETS	1,313	1,421	8	1,161	1,330	1,461
REPRESENTED BY FUNDS EMPLOYED							
1,422	Accumulated Funds	1,313	1,421	8	1,161	1,330	1,461
1,422	TOTAL EQUITY	1,313	1,421	8	1,161	1,330	1,461

Table 7: Independent Competition and Regulatory Commission: Statement of Changes in Equity

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
1,361	Opening Accumulated Funds	1,270	1,313	3	1,421	1,161	1,330
1,361	Balance at the Start of the Reporting Period	1,270	1,313	3	1,421	1,161	1,320
	Comprehensive Income						
61	Operating Result - Including Economic Flows	43	108	151	-260	169	131
61	Total Comprehensive Income	43	108	151	-260	169	131
	Closing Equity						
1,422	Closing Accumulated Funds	1,313	1,421	8	1,161	1,330	1,461
1,422	Balance at the end of the Reporting Period	1,313	1,421	8	1,161	1,330	1,461

Table 8: Independent Competition and Regulatory Commission: Statement of Cash Flows

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
545	Controlled Recurrent Payments	538	656	59	412	414	413
611	Taxes, Licences, Fees and Fines	637	1,153	81	454	396	410
1,144	Sale of Goods and Services from Contracts with Customers	1,109	743	-51	713	1,436	1,456
25	Investment Receipts	24	12	-50	12	12	12
44	Other	181	45	-75	45	45	45
2,369	Operating Receipts	2,489	2,609	5	1,636	2,303	2,336
Payments							
1,641	Employee	1,386	1,408	2	1,177	1,385	1,419
180	Superannuation	191	193	1	194	197	200
663	Supplies and Services	585	658	12	528	555	589
-	Other	108	-	-100	-	-	-
2,484	Operating Payments	2,270	2,259	-	1,899	2,137	2,208
-115	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	219	350	60	-263	166	128
-115	NET INCREASE/(DECREASE) IN CASH HELD	219	350	60	-263	166	128
1,655	CASH AT THE BEGINNING OF REPORTING PERIOD	1,419	1,638	15	1,988	1,725	1,891
1,540	CASH AT THE END OF REPORTING PERIOD	1,638	1,988	21	1,725	1,891	2,019

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- controlled recurrent payments: the increase of \$0.118 million (22 per cent) in the 2020-21 Budget from the 2019-20 audited outcome reflects the ACT Government's request for advice on implementing measures to improve the transparency and comparability of retail electricity price offers, the Commission's review of the retail electricity form of control, and updates to energy utility licences.

- taxes, fees and fines: the increase of \$0.458 million (102 per cent) in the 2020-21 Budget from the 2019-20 audited outcome (and lower Outcome than the Budget Audited outcome for 2019-20) reflects a deferral of work that is funded by Utilities Licence fees from 2019-20 to 2020-21 to allow resources to be diverted to higher priority work in 2019-20.
- sale of goods and services from contracts with customers: the decrease of \$0.464 million (38 per cent) in the 2020-21 Budget from the 2019-20 audited outcome reflects the completion of the retail electricity price investigation in 2019-20.

Balance Sheet

- cash and equivalents: the increase of \$0.350 million (21 per cent) in the 2020-21 Budget from the 2019-20 audited outcome relates to the cash impact of lower receivables and a more favourable operating result.
- receivables: the decrease of \$0.230 million (65 per cent) in the 2020-21 Budget largely reflects the recovery in 2020-21 of the remaining costs of the retail electricity pricing investigation that was completed in June 2020.

Statement of Changes in Equity and Cash Flow Statement

Variations in these Statements are explained in the notes above.

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LIFETIME CARE AND SUPPORT FUND

Purpose

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

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

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

2020-21 Priorities

The LTCS Fund will be pursuing a number of strategic and operational matters in 2020-21, including:

- issuing/amending guidelines and determinations when required under the LTCS Act;
- collecting feedback from participants on their expectations and experience with the LTCS Scheme; and
- undertaking investments in accordance with the Fund's Investment Strategy.

Estimated Employment Level

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

Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

Strategic Indicator 1: To achieve a long-term annualised return of CPI + 2.5 per cent to 3.5 per cent.¹

Note(s):

1. The portfolio return is calculated as the annualised performance of each individual financial year return (net of CPI and fees).

Output Classes (Territorial)

EBT Class 1: Lifetime Care and Support Fund

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

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost ¹	51,583	26,473
Payment for Expenses on Behalf of the Territory	0	0

Note(s):

1. Total cost includes nil depreciation and amortisation in 2019-20 and 2020-21.

EBT 1.1: Lifetime Care and Support Fund

The LTCS Fund reflects the operation of the LTCS Scheme to provide on-going treatment and care to people who have been catastrophically injured as a result of a motor accident in the ACT or workplace accident in the course of private sector employment in the ACT.

The key outputs to be delivered in 2020-21 include:

- deciding the eligibility of applicants to the LTCS Scheme in accordance with Part 4 of the LTCS Act and the LTCS Guidelines;
- assessing the treatment and care needs of participants in the LTCS Scheme in accordance with Part 5 of the LTCS Act;
- paying all reasonable expenses incurred by or on behalf of an injured person in relation to the injured person's assessed treatment and care needs in accordance with Part 6 and Part 9 of the LTCS Act;
- monitoring service delivery and participant outcomes, including collecting feedback from participants on their expectations and experience with the LTCS Scheme;
- undertaking investments in accordance with the Fund's Investment Strategy; and

- determining LTCS levies in accordance with Part 10 of the LTCS Act.

Accountability Indicators

The half yearly performance report (31 December 2020) pursuant to section 30E of the *Financial Management Act 1996* is presented in combination with these budget statements. Contextual information on each output class can be found in the 'Output Classes' section of this budget statement.

Information on the 2019-20 Targets and outcome can be found in the Statement of Performance for the LTCS Fund in Volume 2.2 of the 2019-20 Annual Report for the Chief Minister, Treasury and Economic Development Directorate.

EBT Class 1: Lifetime Care and Support Fund

EBT 1.1: Lifetime Care and Support Fund

Table 2: Accountability Indicators EBT 1.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Results	Variance (%)
Provision of LTCS Scheme in the ACT				
a. LTCS levies determined during the fourth quarter ¹	2	0	0	0
b. Undertake an annual client feedback process ²	1	0	0	0
c. Five-yearly review of the LTCS Scheme in accordance with legislative timeframe	N/A	N/A	N/A	N/A
Total Costs (\$'000) ³	26,473	11,849	11,174	5.7

Note(s):

- The levy determinations must be made in accordance with section 84 of the LTCS Act. The determinations need to occur during the fourth quarter of the financial year so that they are available for commencement of 1 July.
- This indicator requires the LTCS Commissioner to seek formal feedback from scheme participants during the financial year. The focus and process for each year's feedback will be decided by the LTCS Commissioner.
- Discontinued accountability indicator from 2019-20 was associated with the five-yearly review of the LTCS Scheme in accordance with section 100 of the LTCS Act. The review report was tabled in the Legislative Assembly on 26 November 2019. This indicator is complete and is not applicable to 2020-21.

Variances between YTD Targets and YTD Results:

- The two LTCS levy determinations for the 2021-22 contribution period will be made in the June 2021 quarter.
- The survey for 2020-21 will be undertaken in the second half of the 2020-21 financial year.
- The lower actual YTD result is mainly due to the lower than estimated YTD participants' treatment and care costs resulting from the lower than budgeted number of new participants entering the LTSC Scheme during the half year ended 31 December 2020. Volatility is expected each year regarding the number of new participants entering the LTCS Scheme and their estimated lifetime treatment and care expenses.

Financial Statements – Territorial (GGS)

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
15,080	Taxes, Licences, Fees and Fines	15,145	0	-100	0	0	0
49	Interest	0	0	-	0	0	0
1,677	Distribution from Investments with the Territory Bank Account	0	0	-	0	0	0
0	Investment Revenue	1,657	1,870	13	1,994	2,311	2,663
0	Other Revenue	0	15,308	#	17,967	19,839	21,782
1,600	Gains on Investments	523	5,763	#	2,357	2,734	3,151
18,406	Total Revenue	17,325	22,941	32	22,318	24,884	27,596
Expenses							
639	Supplies and Services	432	501	16	557	600	644
17,585	Other Expenses	51,151	25,972	-49	21,312	22,913	24,633
18,224	Total Expenses	51,583	26,473	-49	21,869	23,513	25,277
182	Operating Result	-34,258	-3,532	90	449	1,371	2,319
182	Total Comprehensive Income	-34,258	-3,532	90	449	1,371	2,319

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
2,600	Cash and Cash Equivalents	5,499	5,440	-1	6,085	6,792	7,610
1,589	Receivables	2,022	1,873	-7	2,071	2,210	2,354
200	Other Assets	200	600	200	600	600	600
4,389	Total Current Assets	7,721	7,913	2	8,756	9,602	10,564
Non Current Assets							
72,302	Investments	72,514	89,726	24	104,318	120,673	138,753
72,302	Total Non Current Assets	72,514	89,726	24	104,318	120,673	138,753
76,691	TOTAL ASSETS	80,235	97,639	22	113,074	130,275	149,317
Current Liabilities							
373	Payables	731	1,534	110	1,698	1,898	2,109
3,793	Other Provisions	4,365	5,971	37	6,680	7,430	8,113
4,166	Total Current Liabilities	5,096	7,505	47	8,378	9,328	10,222
Non Current Liabilities							
65,401	Other Provisions	91,274	109,801	20	123,914	138,794	154,623
65,401	Non-Current Liabilities	91,274	109,801	20	123,914	138,794	154,623
69,567	TOTAL LIABILITIES	96,370	117,306	22	132,292	148,122	164,845
7,124	NET ASSETS	-16,135	-19,667	-22	-19,218	-17,847	-15,528
REPRESENTED BY FUNDS EMPLOYED							
7,124	Accumulated Funds	-16,135	-19,667	-22,	-19,218	-17,847	-15,528
7,124	TOTAL FUNDS EMPLOYED	-16,135	-19,667	-22	-19,218	-17,847	-15,528

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
6,942	Opening Accumulated Funds	18,123	-16,135	-189	-19,667	-19,218	-17,847
6,942	Balance at the Start of the Reporting Period	18,123	-16,135	-189	-19,667	-19,218	-17,847
	Comprehensive Income						
182	Operating Result – Including Economic Flows	-34,258	-3,532	90	449	1,371	2,319
182	Total Comprehensive Income	-34,258	-3,532	90	449	1,371	2,319
	Closing Equity						
7,124	Closing Accumulated Funds	-16,135	-19,667	-22	-19,218	-17,847	-15,528
7,124	Balance at the end of the Reporting Period	-16,135	-19,667	-22	-19,218	-17,847	-15,528

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
15,080	Taxes, Licences, Fees and Fines	14,978	0	-100	0	0	0
49	Interest Received	61	0	-100	0	0	0
1,677	Distribution from Investments with the Territory Banking Account	1,152	0	-100	0	0	0
0	Investment Receipts	0	1,869	100	1,993	2,310	2,662
0	Other	223	15,460	#	17,769	19,700	21,638
16,806	Operating Receipts	16,414	17,329	6	19,762	22,010	24,300
Payments							
639	Supplies and Services	765	491	-36	553	599	640
3,007	Other	2,313	5,446	135	6,327	7,085	7,912
3,646	Operating Payments	3,078	5,937	93	6,880	7,684	8,552
13,160	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	13,336	11,392	-15	12,882	14,326	15,748
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
12,660	Purchase of Investments	10,000	11,451	15	12,237	13,619	14,930
12,660	Investing Payments	10,000	11,451	15	12,237	13,619	14,930
-12,660	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-10,000	-11,451	-15	-12,237	-13,619	-14,930
500	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,336	-59	-102	645	707	818
2,100	CASH AT THE BEGINNING OF REPORTING PERIOD	2,163	5,499	154	5,440	6,085	6,792
2,600	CASH AT THE END OF REPORTING PERIOD	5,499	5,440	-1	6,085	6,792	7,610

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory

- taxes, licences, fees and fines: are associated with the two LTCS levies - a levy relating to motor accident injuries and a levy relating to work injuries: the decrease of \$15.145 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the reclassification of LTCS levies from taxes to other revenue in 2020-21 to better reflect the nature of these levies.
- interest: was reclassified to investment revenue from the 2019-20 audited outcome onwards.
- distributions from investments with the Territory Banking Account: was reclassified to investment revenue from the 2019-20 audited outcome onwards.
- investment revenue: the increase of \$1.657 million in the 2019-20 audited outcome from the original budget is mainly due to the reclassification of interest and distributions from investments with the Territory Banking Account to investment revenue from the 2019-20 audited outcome onwards.
- other revenue: is associated with the two LTCS levies - a levy relating to motor accident injuries and a levy relating to work injuries: the increase of \$15.308 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the reclassification of LTCS levies from taxes to other revenue in 2020-21 to better reflect the nature of these levies.

The LTCS levies for 2020-21 were determined in May 2020 by the LTCS Commissioner in accordance with the recommendations made in an independent actuary's report. The LTCS levy relating to motor accident injuries for the 2020-21 contribution period is \$37.00 (2019-20: \$37.00) for a 12-month ACT MAI policy charged proportionately. The LTCS levy for vehicles registered under the ACT's Veteran, Vintage and Historic Registration Scheme, remains at 20% of the unrestricted LTCS levy. The LTCS levy relating to private sector work injuries for the 2020-21 contribution period is \$3.8 million (2019-20: \$3.8 million).

Sufficiency of the LTCS Levies to fund the Scheme's estimated liabilities is reassessed before the start of a financial year by the LTCS Commissioner based on advice of an independent actuary.

- gains/losses on investments with the Territory Banking Account (TBA):
 - the decrease of \$1.077 million in the 2019-20 audited outcome from the original budget is mainly due to the under performance of Australian equities over the year reflecting increased market volatility (gains/losses on investments reflect the changes in the fair value of investments held with the TBA which fluctuates year on year depending on the performance of the investments in the market); and

- the increase of \$5.240 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the improvement in the performance of investments in the first half of 2020-21.
- other expenses: are associated with the provision for estimated future treatment and care costs of LTCS Scheme participants based on actuarial projections and the unwinding of the discount rate associated with the estimation of the present value of those future costs.

The 2020-21 Budget includes unwinding of discount expenses (\$5.138 million) attributable to the change in liabilities as they become one year closer to payment:

- the increase of \$33.566 million in the 2019-20 audited outcome from the original budget is mainly due to the increase in provision for the new participants associated with the higher than estimated number of new participants and the higher than average cost for a number of the new participants entering the LTCS Scheme during 2019-20 (associated with their injury severity and younger age); and
- the decrease of \$25.179 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to an estimated lower number of new participants entering the LTSC Scheme in 2020-21 compared to the record number of new participants that entered the Scheme in 2019-20. The 2020-21 Budget reflects the number of new participants that may potentially enter the LTCS Scheme in 2020-21 and includes participants accepted and potential application notifications received to 31 December 2020 in addition to the estimated average number of new participants for the remaining period. As a result, the other expenses estimate reflects more recent information than the actuarial estimates, received well before the commencement of the financial year, that were used to set the 2020-21 levies. Volatility is expected each year regarding the number of new participants entering the LTCS Scheme and their estimated lifetime treatment and care expenses.

Statement of Assets and Liabilities on Behalf of the Territory

- cash and equivalents: the increase of \$2.899 million in the 2019-20 audited outcome from the original budget is mainly due to retaining higher cash at bank due to increased financial market volatility.
- non-current investments with the TBA: the increase of \$17.212 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the additional investment of collected funds to provide for estimated new participants. Funds are collected to provide for the estimated whole of life costs of participants in the year they are accepted into the Scheme.
- payables: the increase of \$0.803 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the increase in participants' treatment and care costs associated with the estimated number of new participants entering the LTSC Scheme during 2020-21.

- other provisions:
 - the increase of \$26.445 million in the in the 2019-20 audited outcome from the original budget is mainly due to the increase in provision for the new participants associated with the higher than estimated number of new participants and the higher than average cost for a number of the new participants entering the LTCS Scheme during 2019-20 (associated with their injury severity and younger age); partially offset by a lower opening actual balance at 1 July 2020 than estimated in the Budget; and
 - the increase of \$20.133 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the estimated lifetime costs of the estimated new participants entering the LTCS Scheme in 2020-21.

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

Variations in these Statements are explained in the notes above.

MOTOR ACCIDENT INJURIES COMMISSION – STATEMENT OF INTENT

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

The Statement of Intent for 2020-21 has been prepared in accordance with section 61 of the *Financial Management Act 1996* (FMA).

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

The Statement of Intent, which focuses on the 2020-21 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the MAI Commission's strategic and planning processes.

The MAI Commission's 2020-21 Statement of Intent has been agreed between:

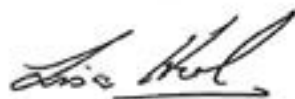


Andrew Barr MLA

Treasurer

Chris Steel MLA

Special Minister of State



Lisa Holmes

**Motor Accident
Injuries Commissioner**

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MOTOR ACCIDENT INJURIES COMMISSION

Introduction

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

The MAI Commission replaced the ACT Compulsory Third-party Insurance (CTP) Regulator and the CTP Regulator's obligations for motor accidents that occurred before the new MAI Scheme commenced, are now the responsibility of the MAI Commission. These obligations include overseeing and monitoring the CTP regulation and procedures, as well as compliance with the *Road Transport (Third-Party Insurance) Act 2008* (CTP Act) until all remaining claims are finalised.

The Statement of Intent for the MAI Commission, including strategies, key performance indicators and priorities, has been developed by the MAI Commission in accordance with the FMA and the MAI Act.

The budget statements included in this Statement of Intent for the MAI Commission reflect the audited outcome of the MAI Commission from its commencement date of 1 February 2020 to 30 June 2020, budget for 2020-21 and estimates for the three out years.

Purpose

The MAI Commission is established by section 22 of the MAI Act and is headed by the MAI Commissioner.

The functions of the MAI Commission are more extensive than those of the previous CTP Regulator. They include functions such as providing information and assistance on the MAI Scheme, and a strengthened monitoring and regulatory role particularly in relation to the provision of defined benefits by insurers. The MAI Commission's functions are detailed in section 25 of the MAI Act. Its responsibilities include:

- regulating the licensing of insurers under the MAI Scheme;
- reviewing premiums to ensure they fully fund the present and likely future costs of the Scheme but are not excessive;
- monitoring insurers' compliance with their obligations under the Act;
- providing information to the public about the MAI Scheme;
- managing complaints about the market practices of licensed insurers and the handling practices of insurers under the MAI Scheme;
- issuing, monitoring and reviewing the MAI guidelines and other statutory instruments under the Act; and

- monitoring and advising the Minister about the administration, efficiency and effectiveness of the MAI Scheme.

The Commission does not have powers to change a decision of an insurer regarding a defined benefit application or a common law claim.

The functions of the MAI Commission are funded by a levy applied on every motor vehicle registration on a per annum basis.

Nature and scope of activities

General activities

MAI Scheme monitoring and insurer compliance

In order to monitor the operation of the MAI Scheme, the MAI Commission meets regularly with the Insurance Council of Australia, MAI insurers and the ACT Nominal Defendant to discuss:

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

The MAI Commission also intends to periodically meet with other scheme service providers such as the Defined Benefit Information Service provider, the ACT Civil and Administrative Tribunal and the legal profession.

In addition, the MAI Commission receives feedback from the community regarding the MAI Scheme through Access Canberra via the feedback link on the MAI website at www.act.gov.au/maic, and through direct enquiries (both oral and written correspondence).

The MAI Commission monitors insurers' compliance with the legislation using multiple sources of information. Analysis of the applications and claims data provided by insurers is a key part of the MAI Commission's compliance activity, supplemented by systemic issues identified from meetings, feedback mechanisms and from complaints received. Given the scheme has commenced only last year, the MAI Commission will continue to engage and educate insurers on any questions or issues of compliance that arise.

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

Defined Benefit Information Service and other activities

The Defined Benefit Information Service (DBIS) was established on 1 February 2020 and assists the public with information in relation to available benefits for injured people, the application process and how to navigate the scheme.

The DBIS is being run as an 18-month pilot and is currently being provided by Care Inc, a Canberra based community organisation. The MAI Commission will determine the appropriate timing to undertake the review of the pilot.

The MAI Commission has developed a website (www.act.gov.au/maic) to provide information about the MAI Scheme, and intends to expand the content over time. The Commission has also been undertaking and will continue to undertake other outreach activities to inform the community and service providers about the new scheme.

Premiums and viability of the MAI Scheme

MAI premium filings are required to be submitted at least annually unless a longer period is permitted by the MAI Commission. A premium filing is a document provided by a licensed insurer to the MAI Commission containing a range of information in support of its annual MAI premiums. MAI premium filings lodged with the MAI Commission are reviewed by the scheme's actuary in accordance with the MAI Act and Premium Guidelines to ensure that the premium fully funds the insurer's present and likely future liability and is not excessive.

The MAI Commissioner approved the insurer MAI premiums to apply from 1 February 2021 on 30 November 2020. The MAI Commission publishes a list of the applicable MAI premiums for all vehicle classes on the MAI Commission's website see www.act.gov.au/maic.

The MAI Commission will continue to regulate premiums charged by insurers for MAI policies, based on compliance with premium guidelines and independent actuarial advice on whether a premium meets the fully funded test and is not excessive.

The MAI Commission also participates in the inter-directorate ACT Road Safety Executive Group that allows it to monitor and comment on aspects of road safety policy. This forum informs the MAI Commission about how to target funding for various road safety initiatives to promote public awareness of the causes of motor accidents, and ways of reducing and mitigating the impact of motor accidents. A reduction in accidents assists in lowering MAI premiums.

Maintaining claims statistics for the MAI Scheme

Due to the increased data collection and reporting requirements for the MAI Scheme compared to the Personal Injury Register used by the former CTP regulator, a new ICT system was implemented that incorporates both the CTP Scheme and the new MAI Scheme data on a shared platform to provide enhanced and systematic data capture and reporting capabilities. It assists the Commission in monitoring compliance as well as analysing how the new scheme is performing relative to its aims.

The data are collected from licensed insurers and the Nominal Defendant at regular intervals. It is intended that data will also be collected from lawyers who provide certain types of legal services in relation to the MAI Scheme.

The MAI Commission has commenced the quarterly publishing of key MAI Scheme statistics (beginning from the quarter ended 30 June 2020) on its website – see the Scheme Knowledge Centre at www.act.gov.au/maic.

Risks

Financial risks include adequacy of funding for the MAI Commission's activities. A levy of \$16 per annum is collected from every motor vehicle registration to fund the MAI Commission. The MAI Commission's revenues are thus predominantly dependent upon the number of new registrations and registration renewals.

The MAI Commission has developed a risk management plan to identify and address risks and will review and update this plan as part of its ongoing business processes.

2020-21 priorities

Priorities in 2020-21 and over the next three financial years relate to the functions of the MAI Commission and include:

- issuing additional guidelines and regulations under the MAI Act, as required;
- updating forms for the MAI Scheme, as required;
- promoting and distributing information about the MAI Scheme, including via the MAI Commission website;
- assessing MAI premium filings and monitoring premium processes;
- maintaining an ICT system for the scheme's data requirements;
- monitoring the scheme's performance;
- reporting on the scheme's statistics; and
- contributing to targeted road safety initiatives that assist in reducing motor accidents and personal injuries, and mitigating their impact.

Estimated Employment Level

In accordance with section 24 of the MAI Act, the then responsible Minister, Andrew Barr MLA, appointed the MAI Commissioner as the Executive Branch Manager, Insurance Branch, Economic and Financial Group, Chief Minister, Treasury and Economic Development Directorate (CMTEDD) for a period of five years effective from 17 September 2019. Roles and responsibilities of the MAI Commission are delegated by the MAI Commissioner to officers of CMTEDD. The MAI Commission does not employ any staff.

The Insurance Branch of the Economic and Financial Group provides a supporting role to the MAI Commission by providing a number of staff to carry out the Commission's functions. The MAI Commission reimburses the Insurance Branch for the salary and superannuation expenses associated with the staff allocated to carrying out the MAI Commission's functions.

Key performance indicators for 2020-21 to 2023-24

Table 1: Key performance indicators

	Actual	Planned			
	1 February 2020-30 June 2020	2020-21	2021-22	2022-23	2023-24
a. MAI Premiums are approved in accordance with the MAI Act.	All MAI premium filings submitted to the MAI Commissioner were reviewed and approved in accordance with the MAI Act. ¹	Review annual MAI premium filings	Review annual MAI premium filings	Review annual MAI premium filings	Review annual MAI premium filings
b. The scheme is fully funded.	All premium filing applications received by the MAI Commission were reviewed by the scheme actuary by 30 June 2020. ²	Actuarial review of premium filing applications by 30 June 2021	Actuarial review of premium filing applications by 30 June 2022	Actuarial review of premium filing applications by 30 June 2023	Actuarial review of premium filing applications by 30 June 2024
c. Promote public awareness of the new MAI Scheme.	A communication campaign was implemented, with a radio and social media campaign completed in March 2020. Flyers continue to be inserted into registration renewals as part of the campaign. ³	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme	Continue to promote the new scheme
d. Promote public awareness of the causes of motor accidents through funding measures directed at reducing causes of motor vehicle accidents.	The MAI Commission contributed \$100,000 towards road safety strategies in 2019-20. ⁴	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents	Contribute to road safety strategies consistent with the MAI Commission's function to promote public awareness of the causes of motor accidents

	Actual	Planned			
	1 February 2020-30 June 2020	2020-21	2021-22	2022-23	2023-24
e. Reporting on the scheme's statistics.	N/A ⁵	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website	Within six weeks after the end of each quarter on MAI Commission website
f. Queries handling within 10 working days of receipt of the query ⁶	100% compliance	85% compliance	85% compliance	85% compliance	85% compliance
g. Complaints handling within 25 working days of receipt of the complaint ⁷	N/A	85% compliance	85% compliance	85% compliance	85% compliance
h. Three-yearly review of the operation of the MAI Act in accordance with legislative timeframes (s493)	N/A	N/A	N/A	1	N/A

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

Note(s):

- The de novo Premium filings under the new MAI Scheme were formally received from AAMI, GIO, APIA and NRMA in November 2019 and took effect on 1 February 2020; and a partial premium filing was received from GIO in January 2020 and took effect on 23 March 2020. A full de novo premium filing is one in which all evidence in support of a filed premium including assumptions and statistical data, are considered anew. All of the premium filings were assessed and approved in accordance with the MAI Act:
 - A premium filing is a report provided by a MAI insurer to the MAI Commissioner containing a range of information in support of its MAI premium submissions. Consistent with the MAI Act, each filing is assessed by the scheme actuary to ensure the MAI insurance scheme remains fully funded and that the premium is not excessive. The MAI Commissioner must then approve or reject the premium, and no later than six weeks after the day of receiving the premium application from the licensed insurer, advise the insurer about the decision and the reasons for the decision. Premiums can be rejected if they will not fully fund the present and likely future liabilities of the insurer; or the premiums are excessive; or the premium does not comply with the MAI premium guidelines.
- An actuarial assessment was conducted in respect of each premium filing to ensure each met the fully funded test, that is, the premium met the present and likely future liabilities of the insurer under the MAI scheme. Consistent with the streamlining arrangements, the MAI Commissioner approved partial premium filings if the change in premiums were within the permitted actuarially set bands, and were equal to or above the agreed minimum amount.
- The communication campaign was implemented, with a radio and social media campaign completed in March 2020. As at 30 June 2020, flyers continued to be inserted into registration renewals.

4. The MAI Commission contributed \$100,000 towards road safety strategies comprised of \$30,000 for a speeding campaign; \$40,000 for a drink driving campaign; and \$30,000 for a seat belt campaign. The campaigns are targeted at supporting and promoting the prevention of motor accidents and the safe use of motor vehicles, with the aim of reducing the number and/or severity of injuries arising from these accidents (consistent with the pertinent MAI Commission's objective under the MAI Act).
5. It was considered that there was insufficient scheme data before 30 June 2020 to commence reporting scheme statistics.
6. Responses to queries directed to the MAI Commission within ten working days of receipt of the queries apply in cases where the MAI Commission does not need to liaise with another area of government or external entity. Queries do not include responses received as part of a consultation process. Also refers to written correspondence only, not phone calls.
7. Responses to complaints directed to the MAI Commission within twenty five working days of receipt of the complete complaint (e.g. when the person making the complaint has provided all the details of their complaint) as the MAI Commission will likely need to liaise with an external entity (e.g. an insurer). The MAI Commission can review the decision making process of an insurer but cannot change the insurer's actual decision. An injured person has review avenues under the MAI Scheme in relation to insurer decisions, such as requesting an internal review or lodging an external review application with the ACT Civil and Administrative Tribunal.

Complaints do not include responses received as part of a consultation process. Also refers to written correspondence only, not phone calls. This indicator does not apply to a complaint relating to multiple injured people as such complaints are likely to require more liaison with insurers or other service providers and take longer to finalise.

Assessment of performance against 2019-20 objectives

The MAI Commission's performance against its objectives and targets for the five months from 1 February 2020 to 30 June 2020 included in its 2019-20 Statement of Intent shows that the MAI Commission met its targets. Further non-financial and performance outcomes are detailed below.

- ***MAI Premiums are approved in accordance with the MAI Act***

The MAI Commissioner is required to approve or reject a premium application under section 319 of the MAI Act. Under section 318, there are two key grounds on which the MAI Commissioner is permitted to reject a premium filing: the premiums applied for by MAI insurers are too low (the fully funded test); or are too high (the excessive premium test). Consistent with premium streamlining arrangements, the MAI Commissioner approved premium partial filings if the change in premiums was within the permitted set bands and above the agreed minimum amount.

Premium filings for the MAI Scheme were assessed and approved in accordance with the Act, and were received from:

- AAMI, APIA and GIO full de novo filings (received November 2019) and approved in November 2019 for MAI premiums commencing 1 February 2020;
- NRMA full de novo filing (received November 2019) and approved in November 2019 for MAI premiums commencing 1 February 2020; and
- GIO partial filing (received January 2020) and approved in January 2020 for MAI premiums commencing 23 March 2020.

The approval of the filings by the MAI Commissioner prior to 1 February 2020 was undertaken in accordance with section 81(6) of the Legislation Act 2001. This section allows for the exercise of powers following notification of an Act but before commencement. Section 81 was used to ensure all things required to be active at the start of the Scheme, such as appointments and premiums, were in place.

- ***The scheme is fully funded***

All premium filings by licensed MAI insurers were reviewed by the Scheme Actuary to ensure they meet the fully funded test. This ensures that the Scheme is able to pay out all present and future liabilities. The Scheme Actuary considered that all insurers' premiums met the fully funded test to 30 June 2020.

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

A flyer on the new scheme was inserted into all registration renewals from mid December 2019 for renewals effective 1 February 2020 onwards and was still being inserted as at 30 June 2020. A radio and social media campaign was also undertaken to coincide with the start of the Scheme. There will be further promotion of the Scheme by the MAI Commission once the current COVID-19 public health emergency has eased.

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

The MAI Commission contributed \$100,000 in 2019-20 towards road safety strategies associated with campaigns to support and promote the prevention of motor accidents and the safe use of motor vehicles, with the aim of reducing the number and/or severity of injuries arising from motor accidents (consistent with the relevant MAI Commission's objective under the MAI Act).

The budget of \$100,000 has been allocated to the following campaigns.

- Speeding - \$30,000
- Drink Driving - \$40,000
- Seatbelts - \$30,000

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

All queries received by the MAI Commission were responded to within ten working days of receipt.

- ***Complaints handling within 25 working days of receipts of the complaint.***

No complaints were received by the MAI Commission during the reporting period.

Monitoring and Reporting

The MAI Commission will satisfy the requirements of the Chief Minister's Annual Reports Directions.

The MAI Commission's Annual Report will, amongst other things, report against the requirements of this Statement of Intent.

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

Monthly reporting

The MAI Commission prepares monthly financial reports for internal scrutiny and management.

These reports include tables and variance analysis for:

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

Annual reporting

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

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

Financial arrangements

The MAI Commission is a self-funded statutory authority, in normal circumstances requiring no supplementary funding from the ACT Government.

The Motor Accident Levy (MA Levy) of \$16 per annum is payable in relation to a MAI policy issued with effect from 1 February 2020, except for veteran, vintage and historic registration scheme vehicles that have a \$4 levy per annum per MAI policy. The levy applies for a full year policy and is pro-rated for shorter registration periods.

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

Financial statements

The budgeted financial statements 2020-21 Budget year, as well as forward estimates for the three financial years appear below. The 2019-20 Budget figures contained in these financial statements are from the Commission's 2019-20 Statement of Intent (1 February 2020 to 30 June 2020) that was tabled in the Legislative Assembly in April 2020.

These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements – Controlled (GGS)

Table 2: Motor Accident Injuries Commission: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
2,033	Taxes, Licences, Fees and Fines	2,269	4,933	117	4,946	4,982	5,028
14	Interest	4	23	475	29	35	39
2,047	Total Revenue	2,273	4,956	118	4,975	5,017	5,067
Expenses							
1,328	Supplies and Services	400	2,480	520	3,147	3,156	3,173
250	Depreciation and Amortisation	106	504	375	547	547	547
469	Transfer Expenses	469	1,156	146	1,281	1,314	1,347
2,047	Total Expenses	975	4,140	325	4,975	5,017	5,067
0	Operating Result	1,298	816	-37	0	0	0
0	Total Comprehensive Income	1,298	816	-37	0	0	0

Table 3: Motor Accident Injuries Commission: Balance Sheet

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000	
Current Assets							
309	Cash and Cash Equivalents	928	2,387	157	2,934	3,482	4,031
382	Receivables	494	494	-	495	495	495
691	Total Current Assets	1,422	2,881	103	3,429	3,977	4,526
Non Current Assets							
2,689	Intangible Assets	2,203	2,124	-4	1,576	1,029	482
2,689	Total Non Current Assets	2,203	2,124	-4	1,576	1,029	482
3,380	TOTAL ASSETS	3,625	5,005	38	5,005	5,006	5,008
Current Liabilities							
441	Payables	18	157	772	157	158	160
441	Total Current Liabilities	18	157	772	157	158	160
441	TOTAL LIABILITIES	18	157	772	157	158	160
2,939	NET ASSETS	3,607	4,848	34	4,848	4,848	4,848
REPRESENTED BY FUNDS EMPLOYED							
2,939	Accumulated Funds	3,607	4,848	34	4,848	4,848	4,848
2,939	TOTAL FUNDS EMPLOYED	3,607	4,848	34	4,848	4,848	4,848

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

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Opening Equity						
0	0	3 607	#	4,848	4,848	4,848
Opening Accumulated Funds						
0	0	3 607	#	4,848	4,848	4,848
Balance at the Start of the Reporting Period						
Comprehensive Income						
0	1,298	816	-37	0	0	0
Operating Result - Including Economic Flows						
0	1,298	816	-37	0	0	0
Total Comprehensive Income						
0	0	0	-	0	0	0
Total Movement in Reserves						
2,939	2,309	425	-82	0	0	0
Designated Equity Transfer of Assets/Liabilities						
Closing Equity						
2,939	3,607	4,848	34	4,848	4,848	4,848
Closing Accumulated Funds						
2,939	3,607	4,848	34	4,848	4,848	4,848
Balance at the end of the Reporting Period						

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
1,651	Taxes, Licences, Fees and Fines	1,781	4,933	177	4,946	4,982	5,028
14	Interest Received	4	23	475	29	35	39
1,665	Operating Receipts	1,785	4,956	178	4,975	5,017	5,067
Payments							
887	Supplies and Services	382	2,341	513	3,147	3,155	3,171
469	Transfer Expenses	469	1,156	146	1,281	1,314	1,347
0	Other	6	0	-100	0	0	0
1,356	Operating Payments	857	3,497	308	4,428	4,469	4,518
309	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	928	1,459	57	547	548	549
309	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	928	1,459	57	547	548	549
0	CASH AT THE BEGINNING OF REPORTING PERIOD	0	928	#	2,387	2,934	3,482
309	CASH AT THE ENDING OF REPORTING PERIOD	928	2,387	157	2,934	3,482	4,031

Notes to the Controlled Budget Statements

Significant variations are as follows:

Operating Statement

- taxes, licences, fees and fines: the increase of \$2.664 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly because the 2020-21 Budget reflects the operations of the MAI Commission for the full 12 months period compared to the five months in the 2019-20 audited outcome. The MA Levy is \$16 per annum per motor vehicle registration.
- supplies and services:
 - the decrease of \$0.928 million in the 2019-20 audited outcome from the original budget is mainly due to lower salary and associated expenses for the CMTEDD staff allocated to undertake the MAI Commission's functions due to vacant positions filled towards the end of the reporting period, lower ICT system support

and maintenance costs due to the initial warranty period for the new MAI Register ICT system, lower actuarial costs due to the actuarial work undertaken as part of the implementation of the new MAI Scheme reflected in CMTEDD's 2019-20 financial statements and lower contract costs associated with the pilot Defined Benefits Information Service with the pilot contract being lower than the estimated long term cost of the service; and

- the increase of \$2.080 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly because the 2020-21 Budget reflects the operations of the MAI Commission for the full 12 months period compared to the five months in 2019-20 audited outcome, increased salary and associated expenses for the CMTEDD staff allocated to undertake the MAI Commission's functions due to vacant positions being filled and an increase in ICT system support and maintenance costs following the expiry of the warranty period for the new MAI Register ICT system.
- transfer expenses: the increase of \$0.687 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly because the 2020-21 Budget reflects the operations of the MAI Commission for the full 12 months period compared to the 5 months in 2019-20 audited outcome.

Balance Sheet Statement

- cash and cash equivalents:
 - the increase of \$0.619 million in the 2019-20 audited outcome from the original budget is mainly due to lower than anticipated expense payments; and
 - the increase of \$1.459 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to the lower supplies and services expenses (as explained in the notes for the Operating Statement) and the MA Levy collected including a component to fund future ICT system replacement costs.

Statement of Changes in Equity

- designated equity transfer of assets:
 - the decrease of \$0.630 million in the 2019-20 audited outcome from the original budget is mainly associated with a change in the timing of one component of the new ICT system to development in 2020-21; and
 - the 2020-21 Budget of \$0.425 million reflects the completion and transfer from CMTEDD of the final remaining component of the new ICT system in 2020-21.

Statement of Cash Flow

Variations in this Statement are explained in the notes above.

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

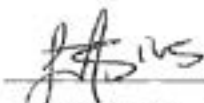
The Office of the Work Health and Safety Commissioner (WorkSafe ACT) is a Territory Authority established under the *Work Health and Safety Act 2011*.

The Statement of Intent for 2020-21 has been prepared in accordance with Section 61 of the *Financial Management Act 1996*.

The responsible Minister, Mick Gentleman MLA, was consulted during the preparation of the Statement of Intent.

The Statement of Intent, which focuses on the 2020-21 Budget year, has been developed in the context of a four year forward planning horizon to be incorporated, as far as practicable, into the WorkSafe ACT's strategic and business planning processes.

The WorkSafe ACT's 2020-21 Statement of Intent has been agreed between:



Jacqueline Agius

Work Health and Safety Commissioner



Andrew Barr MLA

Treasurer



Mick Gentleman MLA

Minister for Industrial Relations and
Workplace Safety

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OFFICE OF THE WORK HEALTH AND SAFETY COMMISSIONER

Purpose

In 2018 an independent review was conducted into the ACT's work safety, compliance infrastructure, policies and procedures. The review evaluated the appropriateness and effectiveness of the ACT Government's current work health and safety (WHS) compliance and enforcement strategies against the intended objectives of the *Work Health and Safety Act 2011* (WHS Act). The findings of the review included 27 recommendations which were supported in principle by the ACT Government.

A WHS Compliance and Enforcement Reform Program (WHSCERP) transition team was established to oversee implementation of the recommendations. With the guidance of a WHSCERP Steering Committee, the WHSCERP transition team adopted a work program to establish appropriate compliance and governance arrangements to support WorkSafe ACT's future operations in line with the review's recommendations.

A key recommendation was for WorkSafe ACT to be established as a separate and independent entity to continue enforcing health and safety and workers' compensation laws through a mixture of compliance and education activities. In October 2019, the *Work Health and Safety Amendment Act 2019* (WHS Amendment Act) was passed in the ACT Legislative Assembly.

Key aspects of the amended legislation included:

- a new WHS Commissioner be appointed as an independent Regulator and to lead WorkSafe ACT, as prescribed in the amended legislation;
- the WHS Commissioner will enforce compliance with the obligations and duties applied to both the private sector and the ACT Government as employers; and
- to support its independence in carrying out these functions, WorkSafe ACT and the WHS Commissioner will be independent entities when carrying out the regulatory functions under the WHS Act.

On 28 April 2020, Ms Jacqueline Agius was appointed as the new WHS Commissioner by the Minister for Employment and Workplace Safety for a period of five years. The Office of the WHS Commissioner (also known as WorkSafe ACT) became a separate entity from 1 July 2020.

The establishment of WorkSafe ACT as an independent entity is a significant reform and opportunity to improve workplace safety across the ACT. Everyone has the right to a safe workplace with fair conditions. Safety is everyone's responsibility and WorkSafe ACT has an integral role in driving an outstanding work safety culture in the ACT through its regulatory compliance and enforcement activities and advice to government, workers and employers on meeting their obligations.

WorkSafe ACT is also responsible for ensuring compliance with a range of other legislation which includes the:

- *Workers Compensation Act 1951;*
- *Dangerous Substances Act 2004; and*
- *Dangerous Goods (Road Transport Act) 2009.*

In 2021, WorkSafe ACT will also be responsible for ensuring compliance with the *Labour Hire Licensing Act 2020*.

Nature and Scope of Activities

Identifying areas of focus in order to minimise harm, particularly in regards to compliance activities, is a key function of WorkSafe ACT's independence. In addition to the priority areas set out at a national level, WorkSafe ACT draws from workers' compensation and inspection data to develop operational objectives appropriate to the local WHS context. Compliance focus areas are selected following consideration of risk factors, previous data, and may include large or small sample target areas regardless of level of risk. This approach provides two streams of inspection activity, which are:

- a targeted inspection program which is planned through a data-led review; and
- a reactionary force in response to emerging issues.

Risk factors contributing to the extent and frequency of workplace harm are also considered, such as:

- harm – physical or psychological;
- volume of incidents;
- new areas of legislation;
- emerging trends or risks;
- national priority;
- history of regulatory compliance in key sectors;
- expectations of key stakeholders;
- resource availability; and
- lack of training.

The relative size of the industry in ACT is also considered. According to the Department of Education, Skills and Employment report, *Australian Jobs 2019*, the top three employment industries in ACT in 2019 were:

- Public Administration and Safety;
- Health Care and Social Assistance; and
- Professional, Scientific and Technical Services.

The planned compliance inspection programs are derived from a combination of these reports, risk factors, and industry size. In 2020-21 WorkSafe ACT will target six industries.



Transparency, professionalism and response are key to the role of a WorkSafe Inspector. Through the course of proactive targeted inspections and reactive incidents or complaints, inspectors may provide advice and education to workplaces or workers to understand obligations and responsibilities in accordance with the relevant laws. However, workplaces and workers may expect enforcement-based regulation with sanctions and penalties applied as a general practice. WorkSafe ACT inspections will have limited flexibility in responding to breaches.

Proactive Targeted Inspections

WorkSafe ACT plans and executes scheduled inspections and programs using intelligence and data to determine industry, workplaces and the type of preventative action which may be involved in the inspection. Targeted inspections can be done as a standalone, with other agencies, or with external parties – as per the legislation – to achieve the objective of the program. Random inspections may be conducted as part of these programs to ensure workplaces are compliant. A random inspection may not be programmed initially out of an identified needs analysis, but may be used to identify areas with industry that require a further targeted inspection to be undertaken.

Reactionary

WorkSafe ACT is responsible for responding to and investigating complaints from workers, workplaces or members of the public on alleged unsafe practices. An inspection is undertaken as a result of the information received and triaged accordingly. An inspection will be undertaken as required in a timely manner and the progress or outcome conveyed to the complainant (if known). The inspection is to determine a prima facie breach of law and to take appropriate action (or determine no action) in the circumstances.

Quality Assurance

WorkSafe ACT inspectors ensure the compliance approach used to regulate industry is conducted appropriately and in accordance with legislative requirements, policies and procedures. Quality assurance is a continual improvement process which uses the principles of MERI (monitoring, evaluation, reporting and improvement) to ensure work is conducted within a quality management system. This process is applied to key elements of governance mechanisms, systems and capability and training elements.

Risks

In relation to the delivery of WorkSafe ACT's objectives, the following risks have been identified:

- change management to an independent agency – this is being mitigated by constant engagement with, and feedback to, WorkSafe ACT staff;
- stakeholder management to lead and influence the transformation of WorkSafe ACT into an exemplary regulator – this is being mitigated with regular stakeholder engagement and the creation of a Communications and Media Strategy;
- governance – this is being mitigated by implementing business improvements and the creation of a Governance Framework;
- people and WorkSafe ACT's investment in its staff to ensure the agency achieves its strategic purpose and priorities – this is being mitigated by investing in our staff and driving cultural change through defined leadership behaviours, including collaboration, stakeholder engagement and promoting a positive culture;
- information management and the failure to effectively better use data to inform best practice – this is being mitigated through the investment in business systems and processes to embed contemporary technologies and practices that support the better use of data to improve the quality of our analysis to inform work health and safety programs; and
- service delivery and WorkSafe ACT not meeting the expectations of government with regard to the provision of relevant, timely and accurate advice – this is being mitigated with the instigation of regular meetings with the Minister and the monitoring of response timeframes and the allocation of dedicated resources to effectively manage business requirements.

2020-21 Priorities and Next Three Financial Years

2020-21 Priorities

The establishment of WorkSafe ACT in 2020 as the independent Office of the WHS Commissioner is a significant reform. WorkSafe ACT has described its priority activities and initiatives in its Statement of Operational Intent 2020. These are as follows.

Present and Emerging Work Health and Safety Risks

Engagement with key stakeholders is a critical aspect of WorkSafe ACT's operations. As the environmental context continues to evolve, WorkSafe ACT considers consultation and engagement with government, employers, workers, unions, non-government organisations and other impacted parties imperative to ensure proactive strategies are successful in improving WHS across the Territory.

Psychosocial Risks

WorkSafe ACT will increase its capability to address psychosocial hazards. Capability will be improved through increased resourcing and specialised training across the WorkSafe Inspectorate. WorkSafe ACT will continue to deliver the Mentally Healthier Workplaces Pledge and associated resources. WorkSafe ACT's engagement activities will continue to focus on assisting duty holders meet their obligations in regard to psychological health and safety.

Occupational Violence

A strong regulatory response is required to reinforce the existing messaging that violence, in any form or place, is not acceptable.

Occupational violence working groups will be established with relevant industry stakeholders to assist in the development of effective strategies to address this risk.

Climate Change

The impact of environmental and climate change on individual work environments has been evident in the past 12 months and continues to present challenges to workplace safety. WorkSafe ACT is conscious that a regulatory response is necessary to ensure employers continue to meet their obligations in providing appropriate WHS systems, irrespective of environmental impediments.

Economic Exploitation

Safe workplaces are not just for the majority. The overarching philosophy of Australia's WHS is to protect all workers regardless of employment arrangements. The Territory's regulatory framework does not discriminate nor consider an individual's background or social position in determining whether the WHS Act applies.

The *Compliance and Enforcement Policy 2020-2024* sets-out WorkSafe ACT's approach to compliance monitoring and enforcement and includes practicing proportionate, transparent and consistent enforcement that is responsive to the circumstances of the duty holder or workplace.

Within the Territory, WorkSafe ACT will identify appropriate strategies to safeguard individuals that have the potential to be exposed to vulnerable workplaces.

Silica Dust

WorkSafe ACT will prioritise its regulatory response to enforcing compliance with silica dust exposure standards. As an emerging WHS risk, silicosis is a preventable disease and delaying a response to this risk has the potential to affect many workers and their families.

Working with industry representatives and informed by Safe Work Australia and other jurisdictions, WorkSafe ACT will provide education and enforcement action to ensure individuals working in the manufacturing and construction industries required to handle crystalline silica are protected.

The ACT Government's commitment to strengthening the Territory's regulatory framework in relation to enforcement options is acknowledged and WorkSafe ACT will prioritise the development of regulatory options during 2020-21.

Construction Sector

Developing a culture that embraces WHS is key to changing the current safety profile of the construction industry. The construction industry continues to fail itself in being able to provide safe working environments for its workers. Persons conducting a business or undertaking (PCBUs) and other duty holders are aware of the legislative framework and the requirements for compliance. As a strong regulator these requirements will be actively enforced, consistent with WorkSafe ACT's *Compliance and Enforcement Policy 2020-2024*.

To support the industry, and provide opportunities for education, WorkSafe ACT is developing targeted strategies aimed at improving the safety culture for workplaces across this industry, particularly the residential construction segment. Strategies will be informed through stakeholder engagement and participation.

In addition, WorkSafe ACT will continue to engage with industry specific representatives as well as Australian and New Zealand counterparts to ensure a consistent and collaborative regulatory response and to gain insights into effective and innovative interventions.

Operation of the Office

WorkSafe ACT is a newly established independent entity. Over 2020-21, a planned program of work will be implemented to improve its operational efficiency and effectiveness. WorkSafe ACT is committed to cultural and organisational change to become a professional, modern, intelligence-led regulator through:

- reformed corporate and regulatory governance systems;
- implementation of revised standard operating procedures;
- an organisational restructure and allocation of increased resources;
- implementation of a suite of strategic human resource policies designed to increase inclusion and diversity and ensure ACT Public Service values are adhered to;
- targeted training and capability development;
- enhanced data and information gathering, analytics and reporting; and
- implementation of a tailored case management system.

Implement outstanding recommendations of the 2018 Independent Review

The ACT Government engaged the Nous Group to undertake a review of the ACT's WHS compliance and enforcement arrangements in 2018. The Independent review made 27 recommendations to 'enable WorkSafe ACT to be an effective and efficient work health and safety regulator in the future'. The recommendations cover governance, capability, systems, and compliance and enforcement.

The commencement of the *Work Health and Safety Amendment Act 2019* addressed many of the Review's recommendations. The finalisation of WorkSafe ACT's *Strategic Plan 2020-2024* and *Compliance and Enforcement Policy 2020-2024* will also be significant in marking progress with implementation.

WorkSafe ACT will prioritise implementation of the remaining recommendations and will report progress to the Minister and the WHS Council. WorkSafe ACT will also initiate a post implementation review to ensure all principles are embedded in our operations.

Engagement with the ACT Work Health and Safety Council

WorkSafe ACT is enthusiastic about the opportunity to work with the WHS Council to improve workplace safety for all individuals working within the Territory. The WHS Act sets out specific governance arrangements associated with WorkSafe ACT's engagement with the WHS Council.

The priorities of the WHS Council are strongly aligned with those of WorkSafe ACT and include development of regulatory compliance programs that focus on improving WHS for all workplaces. These priorities include:

- focussed strategies to improve psychological health for workers, regardless of industry or an individual's identity or status;
- prioritising programs to identify instances of occupational violence, across all industries including education, health care and human services; and
- providing appropriate supports for vulnerable workers, such as youth and older workers.

WorkSafe ACT's *Compliance and Enforcement Policy 2020-2024* provides the approach the regulator will adopt in enforcing legislative obligations designed to protect workers.

In addition to working with the WHS Council, WorkSafe ACT will continue to work with the ACT Government to prioritise and implement legislative amendments arising from Territory policy and national and/or jurisdictional amendments such as the 2018 Model Work Health and Safety Laws Review and Codes of Practice.

Next Three Financial Years

WorkSafe ACT's vision is aligned with the Australian Work Health and Safety Strategy 2012-2022, with strategic priorities focussed on ensuring all workers in the Territory have healthy, safe and productive working lives, regardless of their status or employment arrangements.

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

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

The activities WorkSafe ACT will undertake each year to support these strategies will be outlined in its Statement of Operational Intent, prepared annually in response to the Minister's Statement of Expectations. These documents are Notifiable Instruments and are available on the WorkSafe ACT website and the ACT Legislation Register.

Estimated Employment Level and Employment Profile

Table 1: Estimated Employment Level

	2018-19 Actual Outcome	2019-20 Budget	2019-20 Audited Outcome	2020-21 Budget
Staffing (FTE)	0	0	0	53

Table 2: 2020-21 Employment Profile

Classification	Male ¹	Female ¹	Total ¹
Executive	0	2	2
SOGA	1	2	3
SOGB	3.5	0	3.5
SOGC	3	5	8
WCO6	23.5	2	25.5
WCO5	1	1	2
ASO6	0	6	6
ASO5	0	1	1
ASO4	0	1	1
ASO3	0	1	1
Total	32	21	53

Note(s):

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

Strategic Objectives and Indicators

The Australian Strategy sets out three national targets to be achieved during the life of the Australian Strategy 2012 to 2022.

WorkSafe ACT's targets showing the jurisdiction's performance against WHS outcomes align with the Australian Strategy targets and will be reviewed if these targets are changed:

- a reduction in the number of worker fatalities due to injury of at least 20 per cent;
- a reduction in the incidence rate of claims resulting in one or more weeks off work of at least 30 per cent; and
- a reduction in the incidence rate of claims for musculoskeletal disorders resulting in one or more weeks off work of at least 30 per cent.

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

Output Classes

Output Class 1: Worksafe ACT

Table 3: Output Class 1.1): Regulatory compliance and enforcement

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	0	8,916
Controlled Recurrent Payments	0	8,028

Output 1.1: Regulatory compliance and enforcement

The aim of WorkSafe ACT's compliance and enforcement activity is to prevent work-related deaths, injuries and diseases and to protect property and the environment from damage presented by hazards associated with dangerous substances by securing the highest possible level of compliance with the legislation.

WorkSafe ACT's approach to compliance monitoring and enforcement is detailed in its *Compliance and Enforcement Policy 2020-2024*. WorkSafe ACT determines the most appropriate tool to be used in accordance with the policy's decision-making process. The use of these tools promotes and secures compliance with the legislation by ensuring:

- duty holders eliminate or minimise exposure to the risk of illness and injury;
- duty holders who contravene WHS or dangerous substances requirements are held to account;
- officers¹ of a Person Conducting a Business or Undertaking (PCBU) exercise due diligence to ensure the PCBU is complying with any relevant duties.

Integral to WorkSafe ACT's approach is the recognition that:

- duty holders in control of the work or premises that create the risk are in the best position to eliminate or minimise exposure to risks; and
- real and sustainable improvement in WHS or dangerous substances management and control is primarily achieved by the active involvement of all duty holders in hazard identification, management and elimination or minimisation of risk.

1. Officers are persons who make, or participate in making decisions that affect the whole, or substantial part, of the business or undertaking of the Territory, Commonwealth or other State for the purpose of the legislation.

Accountability Indicators

Output Class 1: Worksafe ACT

Output 1.1: Regulatory compliance and enforcement

Table 4: Accountability Indicators Output 1.1

	2020-21 Targets
a. Number of 2018 independent review recommendations implemented ¹	20 out of 27
b. WHS compliance activities in line with Compliance and Enforcement Policy: education and improvement, prevention, enforcement ²	Ratio: 65:25:10
c. Compliance rate during workers' compensation inspections ³	90%
d. Investigations commenced within 14 days of notification of incident ⁴	100%
e. Major investigations completed within 12 months of commencing investigation ⁵	60%
f. All EU sanctioned entities meet EU obligations for the financial year ⁶	100%
g. Increase media engagement to improve awareness of WorkSafe activities ⁷	20 interviews

Note(s):

1. The 2018 Independent review of the ACT's work safety compliance infrastructure, policies and procedures by the Nous Group offered recommendations for improving ACT's work health and safety compliance and enforcement arrangements. The phased implementation of recommendations is being overseen by the Work Health and Safety Council and will continue into the next financial year. This indicator is considered complete when all 27 recommendations have been implemented.
2. This indicator sets a ratio for the activities which WorkSafe ACT employs to achieve its goal of preventing work-related deaths, injuries and diseases and protecting property and the environment. Education activities principally involve the issuing of improvement notices. Prevention activities involve the issuing of prohibition notices, along with proactive audits and targeted campaigns. Enforcement activities include the issuing of infringement notices and other sanctions.
3. Rates of compliance are assessed against a predetermined set of criteria relating to employers' responsibility to hold a workers' compensation insurance policy.
4. This accountability indicator measures the percentage of investigations opened within 14 days of WorkSafe ACT being notified of a serious WHS incident within WorkSafe's jurisdiction which the Regulator considers requires investigation.
5. This accountability indicator measures the percentage of major investigations completed (referred for enforcement/regulatory action) within 12 months of the investigation's commencement. The major investigations relevant to this indicator are those completed (not commenced) in the 2020-21 financial year.
6. This accountability indicator concerns ongoing enforceable undertakings (EUs) in the 2020-21 financial year. WorkSafe ACT monitors compliance of EU-sanctioned entities with their EU obligations.
7. This indicator measures scheduled interviews between WorkSafe ACT leadership and registered media entities.

Changes to Appropriation

Table 5: Changes to Appropriation – Controlled Recurrent Payments

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	0	0	0	0	0
2020-21 Budget Policy Decisions					
Implementing the Labour Hire Licensing Scheme	0	230	621	632	644
2020-21 Budget Technical Adjustments					
Government Office Building 2 Rental Savings	0	0	-14	-20	-22
Revised Appropriation Profile - System Development	0	-200	0	0	0
Shared Services - Cost Model Review	0	-2	-6	-7	-7
Transfer - Building a Better City - Delivering Light Rail Safely from CMTEDD	0	58	0	0	0
Transfer - Improving the Efficiency and Effectiveness of the ACT's Work Health and Safety Regulator from CMTEDD	0	2,842	2,628	2,658	2,686
Transfer - WorkSafe Function from CMTEDD	0	5,190	5,288	5,365	5,443
Workers' Compensation Premium Adjustment	0	-90	0	0	0
2020-21 Budget	0	8,028	8,517	8,628	8,744

Table 6: Changes to Appropriation – Capital Injections, Controlled

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	0	0	0	0	0
2020-21 Budget Policy Decisions					
Implementing the Labour Hire Licensing Scheme	0	200	0	0	0
2020-21 Budget Technical Adjustments					
Revised Appropriation Profile - System Development	0	200	0	0	0
2020-21 Budget	0	400	0	0	0

Monitoring and Reporting

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

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

Quarterly Reporting

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

- an Operating Statement;
- a Balance Sheet;
- a Statement of Changes in Equity;
- a Cash Flow Statement;
- Operating Statement material variance explanations against seasonal budget provided by WorkSafe ACT;

Status Report to supplement performance reporting to the Assembly and provide stakeholders with a summary on progress against budget highlights, significant initiatives and major projects (by the tenth working day of each quarter); and

Management Discussion and Analysis of results to date, forecast results and related issues that may impact on the financial condition of WorkSafe ACT (by the tenth working day of each quarter).

Annual Reporting

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

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

Financial Arrangements

A majority of WorkSafe ACT's budgeted operating revenue is received as an appropriation based on the estimated expenditure for the period.

Financial Statements

Budgeted financial statements for the 2020-21 Budget year, as well as forward estimates for the three financial years appear below. These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements – Controlled (GGS)

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

2019-20 Budget	2019-20 Audited outcome	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Revenue						
0	0	8,028	#	8,517	8,628	8,744
0	0	400	#	1,054	1,070	1,087
0	0	299	#	36	36	37
0	0	110	#	116	119	121
0	0	8,837	#	9,723	9,853	9,989
Expenses						
0	0	5,993	#	6,126	6,204	6,292
0	0	639	#	651	663	673
0	0	1,884	#	1,988	2,014	2,037
0	0	0	-	80	80	80
0	0	400	#	1,054	1,070	1,087
0	0	8,916	#	9,899	10,031	10,169
0	0	-79	#	-176	-178	-180
0	0	-79	#	-176	-178	-180

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

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Non Current Assets						
0	0	305	#	265	225	185
0	0	400	#	360	320	280
0	0	705	#	625	545	465
0	0	705	#	625	545	465
Current Liabilities						
0	0	17	#	17	17	17
0	0	86	#	86	86	86
0	0	1,930	#	2,026	2,124	2,224
0	0	2,033	#	2,129	2,227	2,327
Non Current Liabilities						
0	0	164	#	164	164	164
0	0	56	#	56	56	56
0	0	220	#	220	220	220
0	0	2,253	#	2,349	2,447	2,547
0	0	-1,548	#	-1,724	-1,902	-2,082
0	0	-1,548	#	-1,724	-1,902	-2,082
0	0	-1,548	#	-1,724	-1,902	-2,082

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
0	Opening Accumulated Funds	0	0	-	-1 548	-1 724	-1 902
0	Balance at the Start of the Reporting Period	0	0	-	-1 548	-1 724	-1 902
	Comprehensive Income						
0	Operating Result Including Economic Flows	0	-79	#	-176	-178	-180
0	Total Comprehensive Income	0	-79	#	-176	-178	-180
	Transactions Involving Owners Affecting Accumulated Funds						
0	Capital Injections	0	400	#	0	0	0
0	Inc/Dec in Net Assets due to Admin Restructure	0	-1,869	#	0	0	0
0	Total Transactions Involving Owners Affecting Accumulated Funds	0	-1,469	#	0	0	0
	Closing Equity						
0	Closing Accumulated Funds	0	-1,548	#	-1,724	-1,902	-2,082
0	Balance at the end of the Reporting Period	0	-1,548	#	-1,724	-1,902	-2,082

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

2019-20 Budget	2019-20 Audited Outcome	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
0	0	8,028	#	8,517	8,628	8,744
0	0	400	#	1,054	1,070	1,087
0	0	299	#	36	36	37
						Contracts with Customers
0	0	8,727	#	9,607	9,734	9,868
Payments						
0	0	5,914	#	6,031	6,108	6,195
0	0	639	#	651	664	674
0	0	1,774	#	1,871	1,892	1,912
0	0	400	#	1,054	1,070	1,087
						Transfer of Territory Receipts to the ACT Government
0	0	8,727	#	9,607	9,734	9,868
0	0	0	-	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES						
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
0	0	400	#	0	0	0
						Purchase of Property, Plant and Equipment
0	0	400	#	0	0	0
0	0	-400	#	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES						
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
0	0	400	#	0	0	0
0	0	400	#	0	0	0
0	0	400	#	0	0	0
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES						
0	0	0	-	0	0	0
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
0	0	0	-	0	0	0
CASH AT THE BEGINNING OF REPORTING PERIOD						
0	0	0	-	0	0	0
CASH AT THE END OF REPORTING PERIOD						
0	0	0	-	0	0	0

Notes to the Controlled Budget Statements

However, as WorkSafe ACT was established 1 July 2020 under the *Work Health and Safety Act 2011*, notes are not provided due to the absence of 2019-20 budget and audited outcome.

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PUBLIC SECTOR WORKERS COMPENSATION FUND

Purpose

The Public Sector Workers Compensation Fund (PSWC fund) was established under the Public Sector Workers Compensation Fund Act 2018 (the Act) and commenced operations on 1 March 2019.

The Act provides a financial and prudential governance framework to support the Territory's self-insurance arrangements under the Safety Rehabilitation and Compensation Act 1988 (SRC Act).

The PSWC fund was designed to ensure the effective management of the Territory's workers' compensation assets and features governance and management arrangements in relation to those assets. The PSWC fund is an integral part of the Territory's compliance with its self-insurance licence.

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

- managing the PSWC fund;
- advising the Minister about the administration, efficiency, and effectiveness of the PSWC fund;
- in relation to a licence granted to the Territory under section 103 of the SRC Act:
 - managing the Territory's liability under the SRC Act; and
 - managing claims under the SRC Act.

The PSWC fund is funded by the Territory and premium amounts apportioned by the PSWC commissioner amongst Territory directorates and agencies. Funds are invested, with earnings retained in the PSWC fund to help meet workers' compensation costs.

2020-21 Priorities

Strategic and operational priorities to be pursued in 2020-21 include:

- develop and deploy best practice health, wellbeing and return to work strategies, policies and interventions for the ACT public sector;
- ensure the effective and efficient management of new and existing Territory workers' compensation claims;
- finalise transitional arrangements with the Commonwealth, including the final assessment of transferred claim liability and associated asset transfers; and
- refine the public sector workers' compensation premium pricing model.

Estimated Employment Level

The functions of the PSWC Fund are performed by officers of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and those employees are included in CMTEDD's FTE levels. The PSWC Fund may reimburse CMTEDD for expenses associated with the staff allocated to carry out the PSWC Fund functions

Strategic Objectives and Indicators

Strategic Objective 1

Achievement of harm prevention and return to work objective

Strategic Indicator 1: To achieve superior health and return to work outcomes for ACT public sector workers who are injured in the course of their work.

Strategic Objective 2

Funding the workers' compensation liabilities of the ACT public sector

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

Strategic Objective 3

Achievement of Investment Return Objective

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

Output Classes (Territorial)

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

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

The key outputs to be delivered in 2020-21 include:

- delivering best practice health, wellbeing and return to work strategies, policies and interventions;
- improved workers' compensation claim management service standards; and
- completed assessment of transferred claim liability and associated asset transfer.

Table 1: EBT 1.1: Public Sector Workers Compensation Fund

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	56,377	56,135
Controlled Recurrent Payments	0	0

Accountability Indicators

The half yearly performance report (31 December 2020) pursuant to section 30E of the *Financial Management Act 1996* is presented in combination with these budget statements. Contextual information on each output class can be found in the 'Output Classes' section of this budget statement.

Information on the 2019-20 Targets and outcome can be found in the Annual Report at [*Chief Minister, Treasury and Economic Development Directorate 2019-20 Annual Report – Volume 2.2.*](#)

EBT 1.1: Public Sector Workers Compensation Fund

Table 2: Accountability Indicators EBT 1.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Reduce the ACT public sector incidence of serious workplace injury	9.09	N/A	N/A	N/A
b. Achieve a conformance rating of 85 per cent or higher in the annual audit of the ACT workers compensation self-insurance rehabilitation management system	85%	85%	92%	8 ¹
c. Maintain a PSWC fund asset to liability ratio greater than or equal to 100 per cent	≥100%	≥100%	28%	-72 ²
d. Achieve a conformance rating of 85 per cent or higher in the annual audit of the ACT workers compensation self-insurance claims management system	85%	85%	80%	-6 ³
e. Investment earnings rate meets the benchmark rate	N/A	N/A	N/A	N/A
Total Cost (\$'000)	56,135	28,068	28,071	0
Controlled Recurrent Payments (\$'000)	-	-	-	-

Note(s):

- a. This accountability indicator covers public sector injury prevention activities and aligns with targets from the Safe Work Australia National WHS Strategy 2012-22. This accountability indicator measures the number of ACT public servant workers' compensation claims resulting in absence from the workplace of one week or more, per 1,000 employees. The target and result for the ACT public sector incidence of serious workplace injury are evaluated on annual basis. It would be misleading to report a part year result because of seasonality impacts and because some critical data inputs related to the size of the ACT public sector workforce only become available at the end of the financial year. Hence YTD outcomes are not available for reporting.
- b. It is a condition of the ACT Government's self-insurance licence under the SRC Act that the Territory maintains a rehabilitation management system that complies with the Commonwealth guidelines and that conformance be audited annually.

- c. This accountability indicator aligns with the PSWC Fund requirements under *the Public Sector Workers Compensation Fund (Investment and Funding Ratio) Management Guidelines 2019 (No 2)*.
- d. It is a condition of the ACT Government's self-insurance licence under the SRC Act that the Territory maintains a claims management system that complies with the Commonwealth guidelines and that conformance be audited annually.
- e. This indicator has been removed as investment return performance is already reflected in the fund's strategic indicators.

Variances between YTD Targets and YTD Result:

1. The 2020-21 audit of the rehabilitation management system will be conducted during January 2021. The 2020-21 YTD result reflects the 2019-20 audited outcome. It is reasonable to assume the level of compliance observed in 2019-20 has carried through to the first part of 2020-21.
2. The transfer of assets from Comcare to the PSWC Fund was not completed as at 31 December 2020. This was expected and is accounted for by transitional provisions in the Territory's self-insurance license. Assets (cash) to be transferred from Comcare are recorded as a current receivable and will, once received, raise the funding ratio.
3. The 2020-21 audit of the claims management system was conducted at the end of 2020. The outcome of the audit is expected to be reported and finalised by March 2021. The 2020-21 YTD result reflects the 2019-20 audited outcome. It is reasonable to assume the conformance levels observed in 2019-20 carried through to the first part of 2020-21.

Financial Statements – Territorial

Table 3: Public Sector Workers Compensation Fund: Operating Statement on behalf of the Territory

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
56,025	Sale of Goods and Services from Contracts with Customers	56,377	56,143	..	57,699	58,999	60,326
0	Grants and Contributions	350	350	#	350	350	350
3,716	Investment Revenue	4,932	939	-81	1,014	11,803	12,141
2,344	Gains on Investments	0	0	-	0	0	0
62,085	Total Revenue	61,659	57,432	-6	59,063	71,152	72,817
Expenses							
0	Supplies and Services	7,733	7,954	8	8,175	8,360	8,547
340	Other Expenses	0	0	-	0	0	0
55,685	Claims Expense	36,712	48,189	31	49,526	50,640	51,780
56,025	Total Expenses	44,445	56,143	27	57,701	59,000	60,327
6,060	Operating Result	17,216	1,289	-93	1,362	12,152	12,490
6,060	Total Comprehensive Income	19,249	1,289	-93	1,362	12,152	12,490

Table 4: Public Sector Workers Compensation Fund: Balance Sheet on behalf of the Territory

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
53,783	Cash and Cash Equivalents	81,319	82,315	1	83,671	94,924	107,386
303,000	Investments	0	309,792	#	309,792	309,792	309,792
6,060	Receivables	310,539	463	-100	469	1,367	1,395
362,843	Total Current Assets	391,858	392,569	..	393,931	406,083	418,573
Non Current Assets							
0	Receivables	881	881	-	881	881	881
0	Total Non Current Assets	881	881	-	881	881	881
362,843	TOTAL ASSETS	392,739	393,450	..	394,812	406,964	419,454
Current Liabilities							
0	Payables	625	625	-48	625	625	625
55,000	Other Provisions	48,163	48,163	-	48,163	48,163	48,163
0	Other Liabilities	578	0	-100	0	0	0
55,000	Total Current Liabilities	49,367	48,789	-1	48,789	48,789	48,789
Non Current Liabilities							
289,000	Other Provisions	324,588	324,588	-	324,588	324,588	324,588
289,000	Non-Current Liabilities	324,588	324,588	-	324,588	324,588	324,588
344,000	TOTAL LIABILITIES	373,955	373,377	..	373,377	373,377	373,377
18,843	NET ASSETS	18,784	20,073	7	21,435	33,587	46,077
REPRESENTED BY FUNDS EMPLOYED							
18,843	Accumulated Funds	18,784	20,073	7	21,435	33,587	46,077
18,843	TOTAL FUNDS EMPLOYED	18,784	20,073	7	21,435	33,587	46,077

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
12,783	Opening Accumulated Funds	1570	18,784	1,096	20,073	21,435	33,587
12,783	Balance at the Start of the Reporting Period	-1570	18,784	1,096	20,073	21,435	33,587
	Comprehensive Income						
6,060	Operating Result - Including Economic Flows	17,214	1,289	-93	1,362	12,152	12,490
6,060	Total Comprehensive Income	17,214	1,289	-93	1,362	12,152	12,490
	Closing Equity						
18,843	Closing Accumulated Funds	18,784	20,073	7	21,435	33,587	46,077
18,843	Balance at the end of the Reporting Period	18,784	20,073	7	21,435	33,587	46,077

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

2019-20 Budget	2019-20 Audited Outcome	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
56,025	Sale of Goods and Services from Contracts with Customers	56,391	56,143	..	57,699	58,999	60,326
0	Investment Receipts	1,256	861	-31	1,008	10,904	12,113
289,000	Other	2,922	310,914	#	782	801	820
345,025	Operating Receipts	60,569	367,918	507	59,489	70,704	73,259
Payments							
0	Supplies and Services	0	641	#	659	674	689
0	Claims Payments	0	48,766	#	49,526	50,640	51,780
56,025	Other	57,100	7,723	-86	7,948	8,137	8,328
56,025	Operating Payments	57,100	57,130	..	58,133	59,451	60,797
289,000	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,469	310,788	#	1,356	11,253	12,462
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
303,000	Purchase of Investments	0	309,792	#	0	0	0
303,000	Investing Payments	0	309,792	#	0	0	0
-303,000	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	0	-309,792	#	0	0	0
-14,000	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,469	996	-71	1,356	11,253	12,462
67,783	CASH AT THE BEGINNING OF REPORTING PERIOD	77,850	81,319	4	82,315	83,671	94,924
53,783	CASH AT THE END OF REPORTING PERIOD	81,319	82,315	1	83,671	94,924	107,386

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on Behalf of the Territory

- investment revenue and gains on investment:
 - the decrease of \$1.128 million in the total investment revenue and gains on investment 2019-20 audited outcome from the original budget is mainly Amounts receivable from Comcare for transferred claims liabilities was not received which reduced potential to invest funds; and
 - the decrease of \$3.993 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the significant deterioration in the economic outlook over the last 18 months and current short-term return expectations. The 2022-23 and 2023-24 estimates reflect expectations for economic recovery in the medium term.
- grants and contributions: support services from CMTEDD are now received free of charge due to a change in support arrangements.
- supplies and services and other expenses: are expenses associated with the third-party claims administrator (TPA), actuarial costs, licensing fees, audit fees and other support costs.
 - Information to allocate operating expenses between categories was not available when the 2019-20 Budget was finalised as the Fund had only been active since March 2019. Support services from CMTEDD were recorded as other expenses and the remainder as claims expense; and
 - 2020-21 Budget reflects the expected costs for the same expense items and based on the 2019-20 costs.
- claims expense: Information to allocate operating expenses between categories was not available when the 2019-20 Budget was finalised as the Fund had only been active since March 2019. Support services from CMTEDD were recorded as other expenses and the remainder as claims expense.
 - The 2019-20 audited outcome reflects net improvement in claims liabilities because of changes in actuarially assessed inflation and discount factors;.
 - The 2020-21 Budget reflects the expected cost based on the actuarially assessed premium pool including an allowance for COVID-19 impacts. The premium pool is estimated as the total amount that is required to cover the cost of new claims that occur in the year, as well as expenses, discounted to the start of the year to allow for future investment income.

Statement of Assets and Liabilities on Behalf of the Territory

- cash and cash equivalents: variations are explained in the notes below with respect to the Statement of Cash Flows on Behalf of the Territory.

- Investments and Receivables:
 - amounts receivable from Comcare for transferred claims liabilities was not received in 2019-20 which reduced potential to invest funds; and
 - the 2020-21 Budget assumes the payment will be received as currently expected in 2021.
- other liabilities:
 - comcare are yet to fully reimburse directorates for claim expenses that directorates paid prior to 1 March 2019. These monies will be paid to the Fund who will then reimburse the directorates. The Fund has recognised an offsetting receivable.
 - The Fund is yet to reimburse directorates for income replacement payments made by directorates direct to injured workers during the transition period.

Statement of Changes in Equity on Behalf of the Territory

Variations in this statement are explained in the notes above.

Cash Flow Statement on Behalf of the Territory

- investment and other receipts:
 - amounts receivable from Comcare for transferred claims liabilities was not received in 2019-20 which reduced potential to invest funds;
 - the 2020-21 Budget assumes the payment will be received as currently expected in 2021; and
 - the decrease of \$0.395 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the significant deterioration in the economic outlook over the last eighteen months and current short-term return expectations. The 2022-23 and 2023-24 Budgets reflect expectations for economic recovery in the medium term.
- operating payments: information to allocate payments between categories was not available when the 2019-20 Budget was finalised as the Fund had only been active since March 2019.

SUPERANNUATION PROVISION ACCOUNT

Purpose

The Chief Minister, Treasury and Economic Development Directorate, through the financial operations of the Superannuation Provision Account, assists the Government to effectively manage the defined benefit employer superannuation liabilities of the Territory.

These liabilities are related to past and current ACT employees who are members of the Australian Government's Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme and Members of the Legislative Assembly Defined Benefit Superannuation Scheme.

2020-21 Priorities

Strategic and operational initiatives to be pursued in 2020-21 include:

- completing the triennial actuarial valuation review of the Territory's defined benefit employer superannuation liability using salary and membership data as at 30 June 2020;
- managing the Investment Plan of the Superannuation Provision Account;
- monitoring the funding plan to extinguish the unfunded defined benefit superannuation liability; and
- procuring external service providers as required.

Estimated Employment Level

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

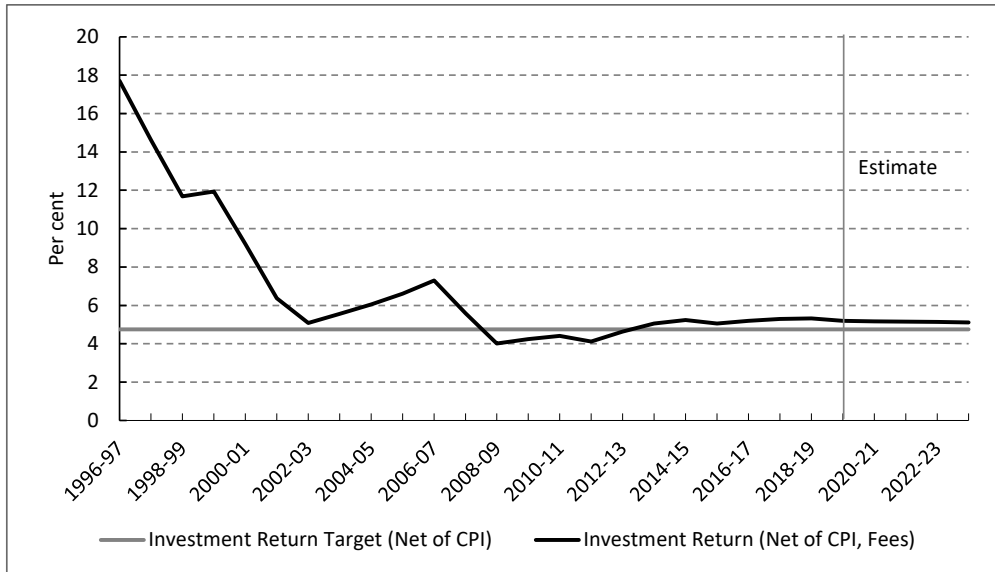
Strategic Objectives and Indicators

Strategic Objective 1

Achievement of Investment Return Objective

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

Figure 1: Strategic Indicator 1: Investment Return



Notes:

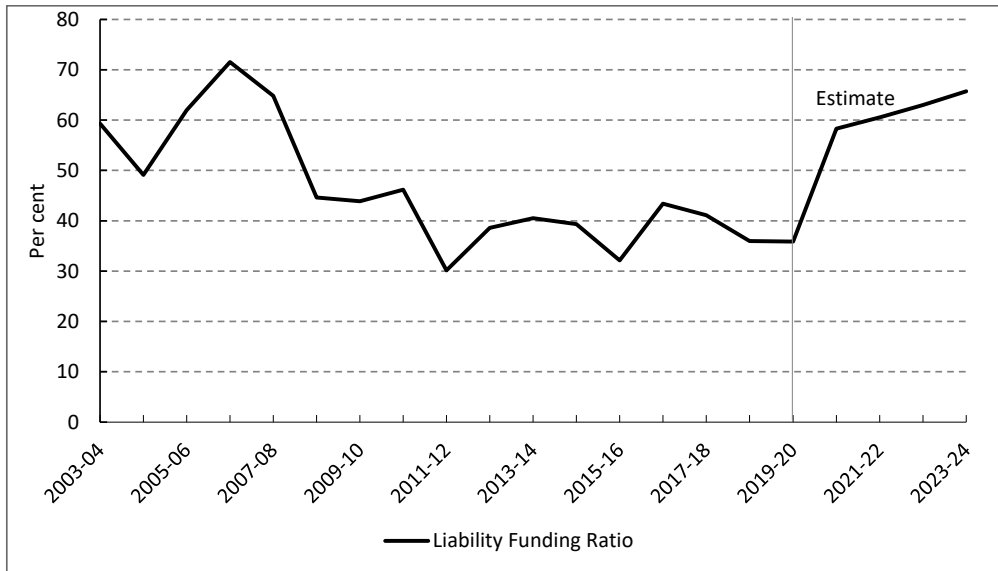
1. This indicator measures the annual Superannuation Provision Account portfolio investment return since the base performance financial year of 1996-1997. The objective is to achieve an investment return of CPI + 4.75 per cent per annum over the long term, calculated since the base financial year.

Strategic Objective 2

Funding the Defined Benefit Superannuation Liability

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

Figure 2: Strategic Indicator 2: Liability Funding



Notes:

1. This indicator measures the percentage of the defined benefit superannuation liabilities funded by financial investment assets. The funding objective is to increase the liability funding percentage over time with 100 per cent coverage by 30 June 2030. The liability funding percentage is calculated by comparing the actual value of financial investment assets to the actual value of the defined benefit superannuation liability at the end of each financial year. From 2017-18 the defined benefit superannuation liability annual valuation is based on a long-term discount rate assumption of 5 per cent.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Superannuation Provision Account

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

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	511,484	483,661
Payment for Expenses on Behalf of the Territory	0	0

EBT 1.1: Superannuation Provision Account

This output involves the management of the Territory's defined benefit employer superannuation liabilities and financial investment assets.

The key outputs to be delivered in 2020-21 include:

- managing the Investment Plan and reporting on the financial investment assets set aside to fund the Territory's defined benefit employer superannuation liabilities;
- completing the triennial actuarial valuation review of the Territory's Commonwealth Superannuation Scheme / Public Sector Superannuation Scheme defined benefit employer superannuation liability;
- managing the defined benefit superannuation liability funding plan and emerging cost payments to the Commonwealth in respect of the Territory's share of employee retirement benefits;
- completing the annual Member Information Statements for the Members of the Legislative Assembly Defined Benefit Superannuation Scheme, with calculation and settlement of benefit determinations as required; and
- budgeting, managing and reporting on the financial operations of the Superannuation Provision Account.

Accountability Indicators

The half yearly performance report (31 December 2020) pursuant to section 30E of the *Financial Management Act 1996* is presented in combination with these budget statements. Contextual information on each output class can be found in the 'Output Classes' section of this budget statement.

Information on the 2019-20 Targets and outcome can be found in Volume 2.1 of the 2019-20 CMTEDD Annual Report in the Superannuation Provision Account Statement of Performance.

EBT Class 1: Superannuation Provision Account

EBT 1.1: Superannuation Provision Account

Table 2: Accountability Indicators EBT 1.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Completion of Triennial Actuarial Review	1	0	0	0
b. Completion and delivery of Monthly Financial Reporting	12	6	6	0
c. Completion and delivery of unmodified Annual Financial Statements	1	1	1	0
d. Completion of Annual Budget Estimates	1	0	0	0
e. Preparation of MLA Member Superannuation Statements	2	2	2	0
Total Cost (\$'000)	483,661	243,539	243,519	0
Payment for Expenses on Behalf of the Territory (\$'000)	0	0	0	0

Note(s):

- This accountability indicator involves an annual actuarial review of the Territory's defined benefit employer superannuation liabilities that will be completed and included in the budget estimates.
- This accountability indicator incorporates monthly financial reporting and the preparation of accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.
- This accountability indicator incorporates the preparation of the previous year's annual financial statements for auditing and inclusion in the annual report. The objective is to receive an unmodified auditor's report.
- This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the annual Territory Budget.
- This accountability indicator incorporates the preparation of annual Member Information Statements for those Members of the Legislative Assembly who have a defined benefit superannuation entitlement 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.

Table 3: Changes to appropriation – Capital Injections, Territorial

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
2019-20 Budget	289,811	308,740	330,624	350,770	350,770
2020-21 Budget Policy Decisions					
Revised Funding Profile - Superannuation Funding Plan	0	0	0	0	20,653
2020-21 Budget Technical Adjustments					
Estimated Outcome - Capital Injection Appropriation	0	253	-267	-301	-422
2020-21 Budget	289,811	308,993	330,357	350,469	371,001

Financial Statements – Territorial (GGS)

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
31	Grants and Contributions	0	0	-	0	0	0
106,856	Investment Revenue	79,297	124,217	57	132,127	140,925	150,314
0	Other Revenue	1,412	0	-100	0	0	0
197,703	Gains on Investments	1,247	399,683	#	192,432	205,267	218,964
304,590	Total Revenue	81,956	523,900	539	324,559	346,192	369,278
Expenses							
500	Employee Expenses	257	0	-100	0	0	0
542,723	Superannuation Expenses	507,142	479,660	-5	555,937	560,141	563,949
4,679	Supplies and Services	4,085	4,001	-2	4,081	4,162	4,245
547,902	Total Expenses	511,484	483,661	-5	560,018	564,303	568,194
-243,312	Operating Result	-429,528	40,239	109	-235,459	-218,111	-198,916
Other Comprehensive Income							
<i>Items that will not be Reclassified Subsequently to Profit or Loss</i>							
0	Superannuation Prior Year Actuarial Movement	-57,384	3,942,926	#	0	0	0
0	Total Other Comprehensive Income	-57,384	3,942,926	#	0	0	0
-243,312	Total Comprehensive Income	-486,912	3,983,165	918	-235,459	-218,111	-198,916

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets							
11,112	Cash and Cash Equivalents	36,084	36,084	-	36,084	36,084	36,084
4,394,576	Investments	4,257,506	4,774,081	12	5,092,568	5,432,399	5,795,085
26,704	Receivables	28,793	30,990	8	32,981	35,180	37,527
4,432,392	Total Current Assets	4,322,383	4,841,155	12	5,161,633	5,503,663	5,868,696
4,432,392	TOTAL ASSETS	4,322,383	4,841,155	12	5,161,633	5,503,663	5,868,696
Current Liabilities							
1,364	Payables	53	53	-	53	53	53
308,980	Employee Benefits	308,993	330,357	7	350,469	371,001	392,871
310,344	Total Current Liabilities	309,046	330,410	7	350,522	371,054	392,924
Non Current Liabilities							
7,755,291	Employee Benefits	11,746,938	7,952,188	-32	8,157,656	8,346,796	8,517,874
7,755,291	Non-Current Liabilities	11,746,938	7,952,188	-32	8,157,656	8,346,796	8,517,874
8,065,635	TOTAL LIABILITIES	12,055,984	8,282,598	-31	8,508,178	8,717,850	8,910,798
-3,633,243	NET ASSETS	-7,733,601	-3,441,443	56	-3,346,545	-3,214,187	-3,042,102
REPRESENTED BY FUNDS EMPLOYED							
-3,633,243	Accumulated Funds	-7,733,601	-3,441,443	56	-3,346,545	-3,214,187	-3,042,102
-3,633,243	TOTAL FUNDS EMPLOYED	-7,733,601	-3,441,443	56	-3,346,545	-3,214,187	-3,042,102

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
-3,679,742	Opening Accumulated	-7,536,773	-7,733,601	-3	-3,441,443	-3,346,545	-3,214,187
-3,679,742	Balance at the Start of the Reporting Period	-7,536,773	-7,733,601	-3	-3,441,443	-3,346,545	-3,214,187
	Comprehensive Income						
0	Superannuation Prior Year Actuarial Movement	-57,384	3,942,926	#	0	0	0
-243,312	Operating Result - Including Economic Flows	-429,528	40,239	109	-235,459	-218,111	-198,916
-243,312	Total Comprehensive Income	-486,912	3,983,165	918	-235,459	-218,111	-198,916
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
289,811	Capital Injections	289,811	308,993	7	330,357	350,469	371,001
0	Inc/Dec in Net Assets due to Admin Restructure	273	0	-100	0	0	0
289,811	Total Transactions Involving Owners Affecting Accumulated Funds	290,084	308,993	7	330,357	350,469	371,001
	Closing Equity						
-3,633,243	Closing Accumulated Funds	-7,733,601	-3,441,443	56	-3,346,545	-3,214,187	-3,042,102
-3,633,243	Balance at the end of the Reporting Period	-7,733,601	-3,441,443	56	-3,346,545	-3,214,187	-3,042,102

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
109,744	Investment Receipts	78,647	124,217	58	132,127	140,925	150,314
280	Other	1,468	280	-81	280	280	280
110,024	Operating Receipts	80,115	124,497	55	132,407	141,205	150,594
Payments							
489	Employee	248	0	-100	0	0	0
289,921	Superannuation	282,116	310,120	10	330,357	350,469	371,001
4,648	Supplies and Services	4,125	4,001	-3	4,081	4,162	4,245
0	Other	53	0	-100	0	0	0
295,058	Operating Payments	286,542	314,121	10	334,438	354,631	375,246
-185,034	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-206,427	-189,624	8	-202,031	-213,426	-224,652
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale/Maturity of Investments	54,885	155,423	183	0	0	0
0	Investing Receipts	54,885	155,423	183	0	0	0
Payments							
103,998	Purchase of Investments	117,690	274,792	133	128,326	137,043	146,349
103,998	Investing Payments	117,690	274,792	133	128,326	137,043	146,349
-103,998	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-62,805	-119,369	-90	-128,326	-137,043	-146,349
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
289,811	Capital Injections	289,811	308,993	7	330,357	350,469	371,001
289,811	Financing Receipts	289,811	308,993	7	330,357	350,469	371,001
289,811	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	289,811	308,993	7	330,357	350,469	371,001
779	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,579	0	-100	0	0	0
10,333	CASH AT THE BEGINNING OF REPORTING PERIOD	15,505	36,084	133	36,084	36,084	36,084
11,112	CASH AT THE END OF REPORTING PERIOD	36,084	36,084	-	36,084	36,084	36,084

Notes to the Territorial Budget Statements

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- investment revenue:
 - the decrease of \$27.559 million in the 2019-20 audited outcome from the original budget is related to distributions from investments held with the Territory Banking Account which are determined by the level of distributable income and will vary from period to period; and
 - the increase of \$44.920 million in the 2020-21 Budget from the 2019-20 audited outcome is due to the expected increase in distribution revenue due to the anticipated growth in investment assets.
- gains on investment:
 - the decrease of \$196.456 million in the 2019-20 audited outcome from the original budget is due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$398.436 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects the higher than expected investment return for the 2020-21 financial year.
- superannuation expenses:
 - the decrease of \$35.581 million in the 2019-20 audited outcome from the original budget is due to changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimates; and
 - the decrease of \$27.482 million in the 2020-21 Budget from the 2019-20 audited outcome is due to changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimates.

Statement of Assets and Liabilities on behalf of the Territory

- total assets:
 - the decrease of \$110.009 million in the 2019-20 audited outcome from the original budget is due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$518.772 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the higher than expected investment return for the 2020-21 financial year.

- current employee benefits: the increase of \$21.364 million in the 2020-21 Budget from the 2019-20 audited 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 \$3,991.647 million in the 2019-20 audited outcome from the original budget is due to changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimate at 30 June 2020; and
 - the decrease of \$3,794.750 million in the 2020-21 Budget from the 2019-20 audited outcome is due to changes in the financial assumptions adopted for the defined benefit superannuation liability valuation estimates.

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

Variations in these Statements are explained in the notes above.

TERRITORY BANKING ACCOUNT

Purpose

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

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

2020-21 Priorities

Strategic and operational initiatives to be pursued in 2020-21 include:

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

Estimated Employment Level

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

Strategic Objectives and Indicators

Strategic Objective 1

Management of the Government's Financing Requirements

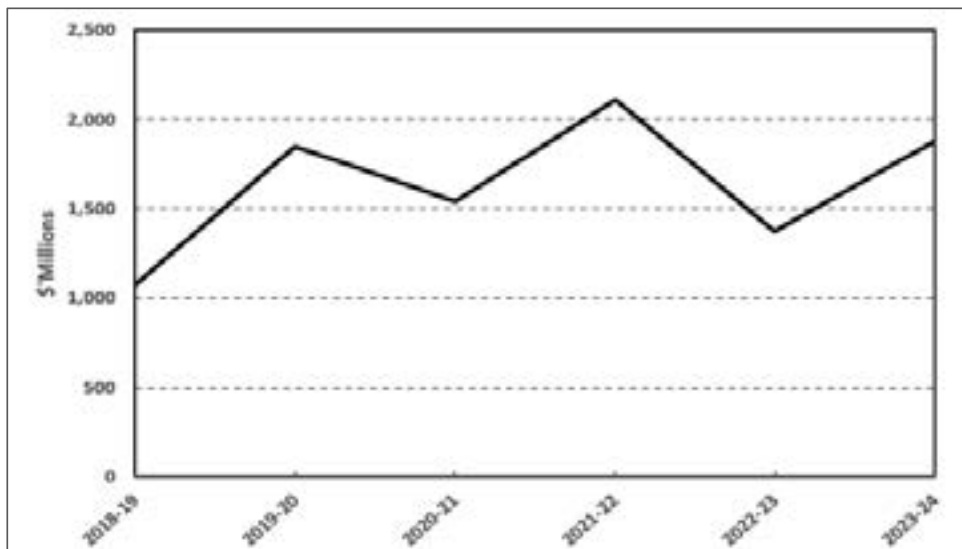
The Territory Banking Account's activities include the issuance of debt instruments to meet the Government's financing requirements and managing the aggregate daily cash balances of the Territory Banking Account to ensure the settlement and payment of debt obligations of the Government can be met.

The achievement of this objective involves:

- the maintenance of a debt issuance program providing access to funding from the capital markets;
- the establishment of benchmark bond lines with varying maturities; and
- the maintenance of appropriate levels of cash and investment balances to meet the Government's financial obligations.

Strategic Indicator 1a: Cash and Investment Balance

Figure 1: Cash and Investment Balance of the Territory Banking Account

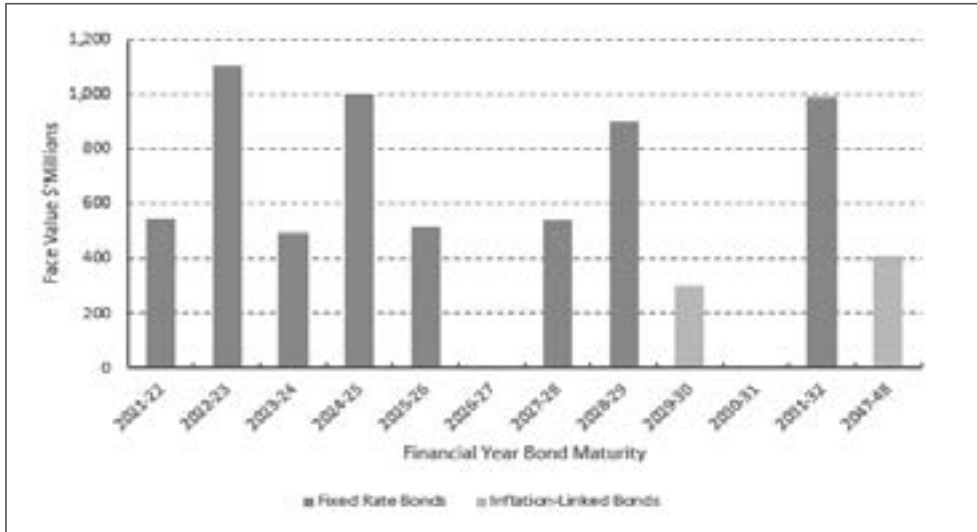


Note(s):

1. The chart reflects the aggregate cash and investment balance of the Territory Banking Account at 30 June each year.
2. The daily cash balance of the Territory Banking Account is managed to maintain appropriate daily liquidity and to enable financial obligations to be met as they fall due.

Strategic Indicator 1b: Territory Bonds on Issue

Figure 2: Territory Benchmark Bonds on Issue



Note(s):

1. Benchmark bond lines represent medium to long-term bonds in the form of fixed rate medium term notes and inflation-linked bonds. Short-term variable rate notes and off-market loans provided by the Commonwealth Government are not included in this Figure.
2. The establishment of benchmark bond lines is an important feature of the borrowing strategy. Benchmark-size bond lines with varying maturities increase the liquidity and appeal of Territory bonds to investors and supports the management of refinancing risk. Varying maturities also provide relative pricing guidance (comparative cost of funds to peers) to investors. This Figure shows the actual current outstanding benchmark bond lines.

Output Classes (Territorial)

EBT Class 1 (EBT 1.1): Territory Banking Account

Table 1: EBT Class 1: Territory Banking Account

	2019-20 Audited Outcome \$'000	2020-21 Budget \$'000
Total Cost	5,582,201	6,900,542
Payment for Expenses on Behalf of the Territory	0	0

EBT 1.1: Territory Banking Account

This output involves the management of the Government's investment and borrowing activities and the Territory Banking Account as the central account of the Government. The key outputs to be delivered in 2020-21 include:

- managing the investment plan and reporting on the financial investment assets of the Territory Banking Account;
- managing the centralised investment administration structure for Territory financial investment assets;
- managing and reporting on the Government's Responsible Investment Policy;
- completing the Principles for Responsible Investment annual reporting assessment which is mandatory for the Territory as a signatory to the Principles for Responsible Investment;
- managing and reporting on the financial borrowing liabilities of the Territory Banking Account;
- raising new Territory borrowings as required;
- managing cash flow and liquidity requirements, and completing the settlement of all financial investment and debt servicing obligations; and
- budgeting, managing and reporting on the financial operations of the Territory Banking Account.

Accountability Indicators

The half yearly performance report (31 December 2020) pursuant to section 30E of the *Financial Management Act 1996* is presented in combination with these budget statements. Contextual information on each output class can be found in the 'Output Classes' section of this budget statement.

Information on the 2019-20 Targets and outcome can be found in Volume 2.1 of the 2019-20 CMTEDD Annual Report in the Territory Banking Account Statement of Performance.

EBT Class 1: Territory Banking Account

EBT 1.1: Territory Banking Account

Table 2: Accountability Indicators EBT 1.1

	2020-21 Targets	2020-21 YTD Targets	2020-21 YTD Result	Variance (%)
a. Cash and liquidity management of the Territory Banking Account	100%	100%	100%	0
b. Exposure to directly-owned share investments related to the manufacture of Tobacco, Cluster Munitions and Land Mines	0%	0%	0%	0
c. The exercising of ownership voting rights for directly-owned shares	>95%	>95%	99%	0
d. Completion of the Principles for Responsible Investment Annual Reporting and Assessment Framework	1	0	0	0
e. Completion of new Territory Borrowings	100%	100%	100%	0
f. Completion of Debt Servicing Obligations	100%	100%	100%	0
g. Completion of Budget Appropriation Disbursements	100%	100%	100%	0
h. Completion and delivery of Monthly Financial Reporting	12	6	6	0
i. Completion and delivery of unmodified Annual Financial Statements	1	1	1	0
j. Completion of Annual Budget Estimates	1	0	0	0
Total Cost (\$'000)	6,900,542	3,450,271	3,691,136	7
Payment of Expenses on Behalf of the Territory (\$'000)	0	0	0	0

Note(s):

- a. This accountability indicator involves maintaining a positive aggregate cash and investment balance of the Territory Banking Account to meet ongoing cash payment obligations. For performance measurement purposes, the actual daily aggregate cash and investment balance will be counted as the result. If the aggregate cash and investment balance is not positive at the end of the day, this will not be counted in the result.

- b. This accountability indicator incorporates the monitoring of the investment portfolio to ensure it is not exposed to any prohibited investments, in accordance with the Government's Responsible Investment Policy. For performance measurement, the actual portfolio direct share holdings will be compared with the prevailing prohibited shares list at the end of each month. The exposure measure will be the weighted value of any prohibited share investments on the total value of the share portfolio.
- c. This accountability indicator incorporates the exercising of proxy voting rights in accordance with the Government's Responsible Investment Policy. The target is that more than 95 per cent of all eligible voting items in the year will be cast in relation to the total voting items. The measure will be the total actual votes cast compared to total eligible voting items.
- d. This accountability indicator incorporates the completion of the Principles of Responsible Investment annual reporting framework via an online reporting portal. As the Territory is a signatory to the Principles for Responsible Investment the annual reporting requirement is mandatory. The annual reporting is designed to provide accountability and transparency around signatories and their responsible investment practices.
- e. This accountability indicator incorporates raising new Territory borrowing requirements in accordance with approved borrowing limits and guidelines. The measure will be the actual number of conforming borrowing transactions compared to the total borrowing transactions completed.
- f. This accountability indicator incorporates the accurate and timely payment of Territory debt interest and principal repayment obligations being paid accurately and on-time. The measure will be the actual number of conforming debt servicing settlement transactions compared with the total number of settlement transactions completed.
- g. This accountability indicator incorporates the payment of budget appropriation disbursements to agencies to be completed accurately and within required timeframes. The measure will be the actual number of conforming disbursement payments compared with the total number of disbursement transactions completed.
- h. This accountability indicator incorporates the preparation of monthly accrual financial statements. The monthly financial reporting will not be counted for the year if the financial statements are not prepared after the end of each month.
- i. This accountability indicator incorporates the preparation of the annual financial statements for auditing and inclusion in the Chief Minister, Treasury and Economic Development Directorate annual report. The measure is to achieve an unmodified auditor's report.
- j. This accountability indicator incorporates the preparation of annual budget estimates for inclusion in the Annual Territory Budget.

Variances between YTD Targets and YTD Result:

1. The variance is mainly due to higher budget appropriation payments to agencies (\$119,937 million) and higher investment earnings (capital gains) for agencies investments due to higher than expected returns for the period (\$124,229 million).

Financial Statements – Territorial (GGS)

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
232,916	Investment Revenue	226,813	218,781	-4	238,816	235,728	241,930
4,673,514	Transfer Revenue	4,246,715	4,679,316	10	4,762,972	4,849,659	5,126,758
175,333	Other Revenue	157,114	167,586	7	165,540	165,955	167,858
198,076	Gains on Investments	-35,727	425,193	#	209,087	222,745	237,320
5,279,839	Total Revenue	4,594,915	5,490,876	19	5,376,415	5,474,087	5,773,866
Expenses							
5,493,145	Payments to ACT Government Agencies	5,294,933	6,146,723	16	6,200,589	6,232,471	6,271,020
195,591	Borrowing Costs	187,775	173,748	-7	218,355	223,926	241,976
8,066	Other Expenses	11,752	9,607	-18	13,107	11,195	12,185
329,784	Agency Investment Expenses	87,741	570,464	550	356,207	379,346	404,037
6,026,586	Total Expenses	5,582,201	6,900,542	24	6,788,258	6,846,938	6,929,218
-746,747	Operating Result	-987,286	-1,409,666	-43	-1,411,843	-1,372,851	-1,155,352
-746,747	Total Comprehensive Income	-987,286	-1,409,666	-43	-1,411,843	-1,372,851	-1,155,352

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Current Assets						
300,000	Cash and Cash Equivalents	1,622,889	1,543,573	-30	2,108,333	1,378,557	1,878,316
731,012	Receivables	295,411	409,853	39	404,786	226,918	-155,866
5,349,751	Investments	4,884,517	5,546,776	29	5,898,674	6,274,079	6,674,512
6,380,763	Total Current Assets	6,802,817	7,500,202	10	8,411,793	7,879,554	8,396,962
	Non Current Assets						
1,846,242	Receivables	2,117,116	2,116,212	..	2,177,855	2,106,597	2,251,474
1,846,242	Total Non Current Assets	2,117,116	2,116,212	..	2,177,855	2,106,597	2,251,474
8,227,005	TOTAL ASSETS	8,919,933	9,616,414	8	10,589,648	9,986,151	10,648,436
	Current Liabilities						
58,037	Payables	57,526	60,539	5	62,527	64,611	69,596
104,488	Interest-Bearing Liabilities	204,425	752,786	268	1,305,831	703,526	1,205,362
5,107,154	Agency Investment Deposits	4,657,821	5,548,369	19	5,898,675	6,274,081	6,674,513
5,269,679	Total Current Liabilities	4,919,772	6,361,694	29	7,267,033	7,042,218	7,949,471
	Non Current Liabilities						
5,569,818	Interest-Bearing Liabilities	6,871,554	7,469,940	9	8,903,998	9,861,460	10,735,661
5,569,818	Total Non-Current Liabilities	6,871,554	7,469,940	9	8,903,998	9,861,460	10,735,661
10,839,497	TOTAL LIABILITIES	11,791,326	13,831,634	17	16,171,031	16,903,678	18,685,132
-2,612,492	NET ASSETS	-2,871,393	-4,215,220	-47	-5,581,383	-6,917,527	-8,036,696
	REPRESENTED BY FUNDS EMPLOYED						
-2,612,492	Accumulated Funds	-2,871,393	-4,215,220	-47	-5,581,383	-6,917,527	-8,036,696
-2,612,492	TOTAL FUNDS EMPLOYED	-2,871,393	-4,215,220	-47	-5,581,383	-6,917,527	-8,036,696

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

Budget at 30/6/20 \$'000		Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
	Opening Equity						
-1,992,276	Opening Accumulated	-1,948,952	-2,871,393	-47	-4,215,220	-5,581,383	-6,917,527
-1,992,276	Balance at the Start of the Reporting Period	-1,948,952	-2,871,393	-47	-4,215,220	-5,581,383	-6,917,527
	Comprehensive Income						
-746,747	Operating Result - Including Economic Flows	-987,286	-1,409,666	-43	-1,411,843	-1,372,851	-1,155,352
-746,747	Total Comprehensive Income	-987,286	-1,409,666	-43	-1,411,843	-1,372,851	-1,155,352
	Transactions Involving Owners Affecting Accumulated Funds						
126,531	Capital Distributions to Government	64,845	65,839	2	45,680	36,707	36,183
126,531	Total Transactions Involving Owners Affecting Accumulated Funds	64,845	65,839	2	45,680	36,707	36,183
	Closing Equity						
-2,612,492	Closing Accumulated Funds	-2,871,393	-4,215,220	-47	-5,581,383	-6,917,527	-8,036,696
-2,612,492	Balance at the end of the Reporting Period	-2,871,393	-4,215,220	-47	-5,581,383	-6,917,527	-8,036,696

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

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
225,957	Investment Receipts	203,732	214,623	5	230,510	227,334	233,454
165,108	Other	118,672	165,933	40	163,813	164,169	166,096
4,508,076	Transfers from ACT Government Agencies	4,318,315	4,631,761	7	4,771,703	5,126,672	5,410,529
4,899,141	Operating Receipts	4,640,719	5,012,317	8	5,166,026	5,518,175	5,810,079
Payments							
185,902	Interest Expenses	177,697	169,366	-5	209,793	216,579	232,974
3,428,845	Payments to General Government Agencies for Outputs	3,574,138	3,893,325	9	3,636,683	3,591,500	3,632,132
770,428	Payments to Agencies for Expenses on Behalf of the Territory	799,549	810,969	1	1,018,407	1,119,028	1,209,767
123,287	Agency Investment Distributions Paid	84,833	138,612	63	147,119	156,599	166,715
2,601	Other	12,459	3,357	-73	6,400	4,179	4,844
4,511,063	Operating Payments	4,648,676	5,015,629	8	5,018,402	5,087,885	5,246,432
388,078	NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	-7,957	-3,312	58	147,624	430,290	563,647
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
449,138	Net Investment Deposits from Agencies	82,805	461,993	458	146,954	157,802	168,252
246,873	Agency Loan Repayment	329,380	12,778	-96	9,982	13,507	116,532
177,838	Capital Distributions from ACT Government Agencies	70,785	65,838	-7	46,110	36,941	36,417
873,849	Investing Receipts	482,970	540,609	12	203,046	208,250	321,201
Payments							
240,527	Net Purchase of Investments	30,859	254,658	725	155,166	160,185	170,795
299,599	Loans Provided to Agencies	376,135	61,939	-84	74,603	44,691	164,582
1,293,012	Capital Payments to ACT Government Agencies	921,246	1,441,152	56	1,543,242	1,518,597	1,425,749
1,833,138	Investing Payments	1,328,240	1,757,749	32	1,773,011	1,723,473	1,761,126
-959,289	NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-845,270	-1,217,140	-44	-1,569,965	-1,515,223	-1,439,925

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
325,530	Proceeds from Borrowings	2,571,276	1,146,732	-55	1,991,213	359,453	1,380,527
325,530	Financing Receipts	2,571,276	1,146,732	-55	1,991,213	359,453	1,380,527
Payments							
54,319	Repayment of Borrowings	904,319	5,596	-99	4,112	4,296	4,490
54,319	Financing Payments	904,319	5,596	-99	4,112	4,296	4,490
271,211	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	1,666,957	1,141,136	-32	1,987,101	355,157	1,376,037
-300,000	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	813,730	-79,316	-110	564,760	-729,776	499,759
600,000	CASH AT THE BEGINNING OF REPORTING PERIOD	809,159	1,622,889	101	1,543,573	2,108,333	1,378,557
300,000	CASH AT THE END OF REPORTING PERIOD	1,622,889	1,543,573	-5	2,108,333	1,378,557	1,878,316

Notes to the Territorial Budget Statements

Many of the variations in the Territory Banking Account budget statements are driven by agency activity during and between financial years.

Significant variations are as follows:

Statement of Income and Expenses on behalf of the Territory

- investment revenue:
 - the decrease of \$6.103 million in the 2019-20 audited outcome from the original budget is mainly due to lower than expected investment income for the 2019-20 financial year; and
 - the decrease of \$8.032 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to lower interest income on outstanding loans from Icon Water as a result of lower interest costs.

- transfer revenue represents the transfer from agencies of revenue received on behalf of the Territory and includes taxes, fees, fines and grants. Variances are driven by agency activity.
- other revenue:
 - the decrease of \$18.219 million in the 2019-20 audited outcome from the original budget is mainly due to lower employer superannuation contributions from agencies for those employees with membership of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme; and
 - the increase of \$10.472 million in the 2020-21 Budget from the 2019-20 audited outcome is mainly due to higher employer superannuation contributions from agencies for those employees with membership of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme.
- gains on investment:
 - the decrease of \$233.803 million in the 2019-20 audited outcome from the original budget is due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$460.920 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the estimated investment returns for the 2020-21 financial year.
- payments to ACT Government agencies represents the transfer of budget appropriation funds to agencies. Variances are driven by agency activity.
- borrowing costs:
 - the decrease of \$7.816 million in the 2019-20 audited outcome from the original budget is due to lower interest costs on outstanding borrowings; and
 - the decrease of \$14.027 million in the 2020-21 Budget from the 2019-20 audited outcome is due to lower interest costs on outstanding borrowings.
- other expenses represents management and administrative expenses for investment and borrowing activities:
 - the increase of \$3.686 million in the 2019-20 audited outcome from the original budget is due to higher Investment management fees from higher investment balances and higher debt management expenses reflecting an increase in fixed rate nominal bond issuance in 2019-20; and
 - the decrease of \$2.145 million in the 2020-21 Budget from the 2019-20 audited outcome is due to lower debt management expenses.

- agency investment expenses are the investment earnings on agency investments held with the Territory Banking Account and comprise investment distributions and net capital gains or losses:
 - the decrease of \$242.043 million in the 2019-20 audited outcome from the original budget is due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$482.723 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the higher than expected investment return for the 2020-21 financial year.

Statement of Assets and Liabilities on behalf of the Territory

- cash and cash equivalents:
 - the increase of \$1.323 billion in the 2019-20 audited outcome from the original budget reflects increased cash liquidity held during the year; and
 - the decrease of \$79.316 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the estimated liquidity requirements for the year.
- current and non-current receivables are accrued transfer revenue receivables from agencies and loans provided to agencies (Icon Water, ACTION and CMTEDD):
 - the decrease of \$164.727 million in the 2019-20 audited outcome from the original budget is mainly due to a decrease in accrued transfer revenue receivables from agencies; and
 - the increase of \$113.538 million in the 2020-21 Budget from the 2019-20 audited outcome is due primarily to an increase in accrued transfer revenues from agencies.
- investments:
 - the decrease of \$465.234 million in the 2019-20 audited outcome from the original budget is due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$662.259 million in the 2020-21 Budget from the 2019-20 audited outcome reflects the growth in assets from investment returns and new investment deposits from the Public Sector Workers Compensation Fund, offset by the transfer of some highly liquid investments to cash.
- current and non-current interest bearing liabilities:
 - the net increase of \$1.402 billion in the 2019-20 audited outcome from the original budget is for new borrowings to meet budget funding requirements and for cash liquidity purposes; and
 - the net increase of \$1.147 billion in the 2020-21 Budget from the 2019-20 audited outcome is the estimated new borrowings for budget funding requirements.

- agency investment deposits:
 - the decrease of \$449.333 million 2019-20 audited outcome from the original budget is mainly due to a lower than expected investment return for the 2019-20 financial year; and
 - the increase of \$890.548 million in the 2020-21 Budget from the 2019-20 audited outcome mainly reflects higher estimated investment returns for the 2020-21 financial year and new investment deposits from the Public Sector Workers Compensation Fund.

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

Variations in these Statements are reflected in the notes above.

APPENDIX A: DISCONTINUED AGENCY - ACT COMPULSORY THIRD-PARTY INSURANCE REGULATOR

Purpose

The ACT Compulsory Third-Party Insurance Regulator (CTP Regulator) was a Territory Authority established under the *Road Transport (Third-Party Insurance) Act 2008* (CTP Act).

The CTP Regulator ceased operations on 31 January 2020 and its obligations for motor accidents that occurred before it ceased became the responsibility of the Motor Accident Injuries (MAI) Commission. These obligations include overseeing and monitoring the CTP regulation and procedures, as well as compliance with the CTP Act until all remaining claims are finalised.

Assessment of performance against 2019-20 objectives

The CTP Regulator's 2019-20 performance indicators were included in its Statement of Intent and are reported as part of the Regulator's Statement of Performance. For the relevant part of the 2019-20 financial year, being the period 1 July 2019 to 31 January 2020, the CTP Regulator developed and achieved the following indicators.

- ***CTP premiums are approved in accordance with the Road Transport (Third-Party Insurance) Act 2008***

The CTP Regulator was required to approve or reject a premium application under section 41 of the CTP Act. Under section 42, there were two key grounds on which the CTP Regulator was permitted to reject a premium filing: the premiums applied for by CTP insurers were too low (the fully funded test); or were too high (the excessive premium test). Consistent with streamlining arrangements, the CTP Regulator approved premium partial filings if the change in premiums was within the permitted set bands and above the agreed minimum amount.

Premium filings, all of which were assessed and approved in the second half of 2019 in accordance with the Act, were received from:

- AAMI and GIO partial filings received and approved in August 2019;
- NRMA partial filing received and approved in September 2019; and
- AAMI, APIA and GIO partial filings received and approved in October 2019.

- ***The Scheme is fully funded***

All premium filings by licensed CTP Insurers were reviewed by the Scheme Actuary to ensure they were fully funded. This ensures that the scheme is able to pay all present and future liabilities. The Scheme Actuary considered that all insurers' premiums met the fully funded test in the period 1 July 2019 to 31 January 2020.

- ***To continue to refine the system of CTP insurance for vehicles in the ACT in conjunction with insurers***

Usually, the CTP Regulator and insurers held meetings each year facilitated by the Insurance Council of Australia. Given the commencement of the MAI Scheme on 1 February 2020 and the associated focus on the new scheme's implementation, a meeting on the CTP Scheme was not held during the period 1 July 2019 to 31 January 2020. However, there were a number of discussions out of session on CTP issues.

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

The CTP Regulator typically contributed (by providing funding for activities) towards road safety strategies during the March to June quarter each year. From 1 February 2020, the MAI Commission took responsibility for road safety functions.

- ***Complaints handling within 10 working days of receipt of the complaint***

Over the period 1 July 2019 to 31 January 2020 no complaints were received by the CTP Regulator.

Financial statements

Consistent with accounting standards, the 2019-20 Budget figures shown in the below financial statements are those that were reported in the 2019-20 Budget Papers and include the operation of the CTP Regulator from 1 July 2019 to 31 January 2020, and the operation of the MAI Commission from 1 February 2020 to 30 June 2020. In comparison, the 2019-20 audited outcome in the below financial statements only reflects the operations of the CTP Regulator for the 7 month period from 1 July 2019 to 31 January 2020. The 2019-20 audited outcome for the MAI Commission is reflected in the financial statements for the MAI Commission.

Tables 5 and 6 in the Notes to the Controlled Budget Statements provide further information on the allocation of the 2019-20 Budget between the CTP Regulator and the MAI Commission. The CTP Regulator's 2019-20 Management Discussion and Analysis in the Chief Minister, Treasury and Economic Development 2019-20 Annual Report Volume 2.2 includes a variance analysis of the CTP Regulator's 2019-20 audited outcome to the CTP Regulator's share of the Budget.

These general purpose financial statements have been prepared in accordance with the ACT's Model Financial Statements and include:

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

Financial Statements – Controlled (GGS)

Table 1: ACT Compulsory Third-Party Insurance Regulator: Operating Statement

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget \$'000	Var %	2021-22 Estimate \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000
Revenue							
2,358	Taxes, Licences, Fees and Fines	317	0	-100	0	0	0
29	Interest	10	0	-100	0	0	0
2,387	Total Revenue	327	0	-100	0	0	0
Expenses							
1,589	Supplies and Services	180	0	-100	0	0	0
406	Depreciation and Amortisation	156	0	-100	0	0	0
469	Transfer Expenses	0	0	-	0	0	0
2,464	Total Expenses	336	0	-100	0	0	0
-77	Operating Result	-9	0	100	0	0	0
-77	Total Comprehensive Income	-9	0	100	0	0	0

Table 2: ACT Compulsory Third-Party Insurance Regulator: Balance Sheet

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000
Current Assets						
1,019	Cash and Cash Equivalents	776	0	-100	0	0
382	Receivables	42	0	-100	0	0
1,401	Total Current Assets	818	0	-100	0	0
Non Current Assets						
2,689	Intangible Assets	0	0	-	0	0
2,689	Total Non Current Assets	0	0	-	0	0
4,090	TOTAL ASSETS	818	0	-100	0	0
Current Liabilities						
441	Payables	0	0	-	0	0
441	Total Current Liabilities	0	0	-	0	0
441	TOTAL LIABILITIES	0	0	-	0	0
3,649	NET ASSETS	818	0	-100	0	0
REPRESENTED BY FUNDS EMPLOYED						
3,649	Accumulated Funds	818	0	-100	0	0
3,649	TOTAL FUNDS EMPLOYED	818	0	-100	0	0

Table 3: ACT Compulsory Third-Party Insurance Regulator: Statement of Changes in Equity

Budget at 30/6/20 \$'000	Audited Outcome at 30/6/20 \$'000	Budget at 30/6/21 \$'000	Var %	Estimate at 30/6/22 \$'000	Estimate at 30/6/23 \$'000	Estimate at 30/6/24 \$'000	
Opening Equity							
787	Opening Accumulated Funds	827	0	-100	0	0	0
787	Balance at the Start of the Reporting Period	827	0	-100	0	0	0
Comprehensive Income							
-77	Operating Result - Including Economic Flows	-9	0	100	0	0	0
-77	Total Comprehensive Income	-9	0	100	0	0	0
0	Total Movement in Reserves	0	0	-	0	0	0
2,939	Designated Equity Transfer of Assets/Liabilities	0	0	-	0	0	0
Closing Equity							
3,649	Closing Accumulated Funds	818	0	-100	0	0	0
3,649	Balance at the end of the Reporting Period	818	0	-100	0	0	0

Table 4: ACT Compulsory Third-Party Insurance Regulator: Statement of Cash Flow

2019-20 Budget		2019-20 Audited Outcome \$'000	2020-21 Budget	Var %	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
\$'000		\$'000	\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
2,024	Taxes, Licences, Fees and Fines	327	0	-100	0	0	0
29	Interest Received	10	0	-100	0	0	0
0	Other	6	0	-100	0	0	0
2,053	Operating Receipts	343	0	-100	0	0	0
Payments							
1,255	Supplies and Services	232	0	-100	0	0	0
469	Transfer Expenses	0	0	-	0	0	0
0	Other	9	0	-100	0	0	0
1,724	Operating Payments	241	0	-100	0	0	0
329	NET CASH	102	0	-100	0	0	0
INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES							
329	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	102	0	-100	0	0	0
690	CASH AT THE BEGINNING OF REPORTING PERIOD	674	0	-100	0	0	0
1,019	CASH AT THE ENDING OF REPORTING PERIOD	776	0	-100	0	0	0

Notes to the Controlled Budget Statements

The 2019-20 original budget reflected the combined operations of the CTP Regulator from 1 July 2019 to 31 January 2020 and the MAI Commission from the commencement date 1 February 2020 to 30 June 2020. As the CTP Regulator ceased operating on 31 January 2020, the actual outcome for 2019-20 only relates to the 7 month period ended 31 January 2020 compared to the full 12 month budget. This is a key factor in all the variance explanations for the CTP Regulator.

The CTP Regulator's assets and liabilities at 31 January 2020 vested in the Territory in accordance with the *Financial Management Regulation 2005* that declared the ceased CTP Regulator to be a Division 9.7 entity under the *Financial Management Act 1996*. Accordingly, balances were transferred to the Territory Banking Account.

Significant variations are as follows:

Operating Statement

- taxes, licences, fees and fines: the decrease of \$2.041 million in the 2019-20 audited outcome from the original budget was mainly because the actual CTP insurance levy was for 7 months compared to the full 12 months budget. Also, the original budget includes the budgeted MAI Levy of \$16 per annum per motor vehicle registration, compared to the CTP insurance levy of \$1.00 per registration or registration renewal. The increased levy reflects the MAI Commission's expanded functions.
- supplies and services: the decrease of \$1.409 million in the 2019-20 audited outcome from the original budget was mainly associated with the expanded functions of the MAI Commission.

Balance Sheet Statement

- intangible assets: the 2019-20 original budget reflects the MAI Commission's new ICT system.

Statement of Changes in Equity

- designated equity transfer of assets: the original budget reflects the MAI Commission's new ICT system to be completed and transferred from the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). CMTEDD had responsibility for building the system as part of the new scheme's implementation.

Statement of Cash Flow

Variances in this Statement are explained in the notes above.

To enable a comparison of CTP Regulator's budgeted and actual outcomes for 2019-20, the budgeted financial statements below reflect the allocation of the combined budget between the CTP Regulator and the MAI Commission for 2019-20. The CTP Regulator's 2019-20 Management Discussion and Analysis contained in the Chief Minister, Treasury and Economic Development 2019-20 Annual Report Volume 2.2 includes a variance analysis of the CTP Regulator's 2019-20 audited outcome to the CTP Regulator's share of the Budget.

Table 5: The budget allocation between the CTP Regulator and the MAI Commission for 2019-20 Operating Statement

	Actual 1/7/19 to 31/1/20 CTP Regulator \$'000	Budget 1/7/19 to 30/6/20 Combined \$'000	Budget 1/7/19 to 31/1/20 CTP Regulator \$'000	Budget 1/2/20 to 30/6/20 MAI Commission \$'000
Revenue				
Taxes, Licences, Fees and Fines	317	2,358	325	2,033
Interest	10	29	15	14
Total Revenue	327	2,387	340	2,047
Expenses				
Supplies and Services	180	1,589	261	1,328
Depreciation and Amortisation	156	406	156	250
Transfer Expenses	0	469	0	469
Total Expenses	336	2,464	417	2,047
Operating Result	-9	-77	-77	0
Total Comprehensive Income	-9	-77	-77	0

Table 6: The budget allocation between the CTP Regulator and the MAI Commission for 2019-20 Balance Sheet

	Actual 1/7/19 to 31/1/20 CTP Regulator	Budget at 30/6/20 Combined	Budget at 31/1/20 CTP Regulator	Budget at 30/6/20 MAI Commission
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash and Cash Equivalents	776	1,019	769	309
Receivables	42	382	48	382
Total Current Assets	818	1,401	817	691
Non Current Assets				
Intangible Assets	0	2,689	0	2,689
Total Non Current Assets	0	2,689	0	2,689
TOTAL ASSETS	818	4,090	817	3,380
Current Liabilities				
Payables	0	441	107	441
Total Current Liabilities	0	441	107	441
TOTAL LIABILITIES	0	441	107	441
NET ASSETS	818	3,649	710	2,939
REPRESENTED BY FUNDS EMPLOYED				
Accumulated Funds	818	3,649	710	2,939
TOTAL FUNDS EMPLOYED	818	3,649	710	2,939

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