

# 18 DEPARTMENT OF TREASURY AND FINANCE

---

## AGENCY OUTLINE

The Department of Treasury and Finance is responsible for implementing strategies to achieve the Government's economic and financial objectives and is the central agency responsible for the management of Government resources.

The Department is responsible to the Treasurer. It provides the Government with objective advice on the economic and financial management of the State; implements Government policy; performs financial analysis, monitoring and reporting functions; and undertakes tax collection and a number of service, regulatory and compliance activities on behalf of the Government.

## STRATEGIC FOCUS

The broad strategic focus of the Department is encapsulated in its mission, which is to help the Government improve the well being of Tasmanians by providing high quality advice and best practice financial, regulatory and revenue collection services and by providing leadership in economic and financial management. In pursuing this mission, the Department also makes a major contribution to the achievement of the following major Government outcomes:

- *Tasmania Together*;
  - enhancing economic growth;
  - improving the business operating environment; and
  - securing a credit rating upgrade;
- Partnership Agreements;
  - enhancing efficiency across State and Local Government through effective financial arrangements;
- Fiscal Strategy;
  - sound management of the State's finances;
  - achievement of Budget surpluses; and
  - reduction in debt and liabilities; and

- Industry Development Plan;
  - major reform of the energy sector;
  - maximising opportunities for employment through increased local content; and
  - providing support and financial incentives for local industry.

## KEY STRATEGIES

The Department of Treasury and Finance will pursue a number of strategies and provide a range of services to assist in the achievement of the above outcomes, including:

- providing the Government with advice and information on economic, financial and commercial issues which impact on the State's economy;
- providing strategic leadership across the public sector in economic and financial reform;
- pursuing the review and reform of government regulation;
- providing input to Partnership agreements in relation to effective financial arrangements and progressing the reform of State-Local Government financial relations;
- developing and implementing the Government's reforms, policies and practices designed to improve the overall financial management of the public sector;
- pursuing a further ratings upgrade for the State;
- ensuring responsible financial management within the public sector and strengthening the State's financial position by managing finances on a long-term sustainable basis consistent with the Government's Fiscal Strategy;
- ensuring effective management of the State's financial position by developing and managing the State Budget, managing whole-of-government accounting and reporting services and managing Commonwealth-State financial relations;
- monitoring and providing advice on the performance and management of government businesses;
- providing policy advice on issues associated with the State's entry into the National Electricity Market (NEM);
- facilitating project development and the strategic opportunities arising from the Natural Gas and Basslink infrastructure developments;
- assisting in the development and implementation of relevant energy policies in relation to market structure, competition and regulation of gas;
- developing and implementing government procurement activities and initiatives which seek to maximise opportunities for local business; and
- providing resources to regulatory bodies to enable legislative requirements to be efficiently and effectively carried out.

# 2003-04 MAJOR INITIATIVES

As part of the above key strategies, the Department of Treasury and Finance is implementing the following major initiatives:

- implement the Government's Divestment Strategy by coordinating the sale of the Civil Construction Services Corporation, the Tasmanian Grain Elevators Board and the Stanley Cool Store Board and conducting in-depth investigations into the feasibility of asset sales from the Tasmanian International Velodrome Management Authority, the Hobart Ports Corporation Pty Ltd and Forestry Tasmania;
- facilitate a major review of the Tasmanian Electricity Code prior to entry to the National Electricity Market;
- assist in the development and implementation of relevant energy policies in relation to market structure, competition and regulation of gas;
- provide advice to the Government to enable it to capitalise on the strategic opportunities created by the construction of the Natural Gas, Basslink and telecommunications infrastructure developments;
- provide advice to the Government on the impact of the energy reforms on the electricity businesses and the Fiscal Strategy;
- finalise the gas regulatory framework, including codes for the retail and distribution of natural gas;
- undertake a due diligence review by the regulator to ensure that the operation of the gas distribution pipeline is consistent with 'open access' principles;
- provide advice on the state of the Tasmanian economy, including forecasting key economic indicators and undertake research into economic issues important to the Government;
- provide advice to the Government on the economic performance of the State's major industry sectors, focusing on those sectors important to the State's future economic development, as identified in the Government's Industry Development Plan;
- implement decisions by the Government arising from the National Competition Policy Review of the *Liquor and Accommodation Act 1990*;
- undertake a comprehensive review of the *Public Account Act 1986* and the *Financial Management and Audit Act 1990* to develop a proposed contemporary financial management legislative framework for the Tasmanian General Government Sector and State Authorities; and
- expand the self-assessment of State taxes through the Tasmanian Revenue Online system.

# SUMMARY AGENCY 2003-04 BUDGET INFORMATION

## Financial Summary

Table 18.1: Summary Financial Information for the Department of Treasury and Finance

	2002-03 Budget	2003-04 Budget	Variation
	\$'000	\$'000	%
<b>OPERATING REVENUE</b>			
Revenue from Government			
Annual Appropriation	31 780	32 111	1.0
Other <sup>1</sup>	....	167	....
Other Revenue <sup>2</sup>	8 955	10 124	13.1
<b>TOTAL</b>	<b>40 735</b>	<b>42 402</b>	<b>4.1</b>
<b>OPERATING EXPENSES</b>			
Financial and Resource Management Services	10 404	10 211	(1.9)
Economic and Fiscal Policy Advice	7 026	6 781	(3.5)
Revenue and Regulatory Management Services	14 154	13 289	(6.1)
Grants and Subsidies <sup>3</sup>	8 599	10 118	17.7
<b>TOTAL</b>	<b>40 183</b>	<b>40 399</b>	<b>0.5</b>
<b>NET OPERATING RESULT</b>	<b>552</b>	<b>2 003</b>	<b>262.9</b>

Notes:

1. The amount carried forward from 2001-02 under section 8A(2) of the *Public Account Act 1986* was \$50 000. The implementation of accrual budgeting has required that the base 2002-03 information be amended to reflect accrual transactions and thus the carry forward is not reflected in the financial summary. Section 8A(2) carry forward data on a comparative basis will be presented in future Budgets.
2. The increase in Other Revenue is related to an increase in revenue received under the Community Support Levy (CSL). The 2002-03 estimate for the CSL was understated. The 2003-04 estimate better reflects expected receipts.
3. Expenditure within Grants and Subsidies is expected to increase, as a series of initiatives will be progressed by Department of Health and Human Services in relation to the CSL in 2003-04.

# DETAILED OUTPUT GROUP 2003-04 BUDGET INFORMATION

The individual Outputs of the Department of Treasury and Finance are provided under the following Output Groups:

- Output Group 1: Financial and Resource Management Services;  
Output Group 2: Economic and Fiscal Policy Advice; and  
Output Group 3: Revenue and Regulatory Management Services.

## Output Group 1: Financial and Resource Management Services

### *Description*

The purpose of this Output Group is to ensure financial responsibility by managing public sector finances to assist the Government achieve its broader objectives. The focus of the Output Group is the provision of services to the Government related to Budget development and management, financial accounting, reporting and control, monitoring of the financial performance of agencies and government businesses and management of government contracts and government property. The Output Group also includes the provision of centralised management of selected key support services for the whole-of-government.

This Output Group directly contributes to the Agency Outcome – *The Treasurer and other key stakeholders receive efficient and effective financial and resource management services.*

Activities undertaken within this Output Group include:

- managing the State Budget process, providing policy advice on budgetary issues and monitoring financial performance and the Fiscal Strategy;
- undertaking whole-of-government financial management and providing advice on financial management and reform;
- administering the Tasmanian Risk Management Fund and providing support to agencies in the management of risk;
- providing a range of services relating to management of financial assets and borrowing and associated risk mitigation strategies, managing and providing information on the State Debt and ensuring appropriate submissions and presentations are made to the credit rating agencies;
- administering loans, grants, subsidies, concessions and guarantees to the public and other bodies;
- monitoring and providing advice on the performance and management of government businesses;
- developing and implementing the Government's reforms and policies relating to government businesses;
- administering government-owned office buildings and the disposal of surplus Crown property; and

- providing advice on Government procurement activities and administration of whole-of-government contracts.

**Table 18.2: Summary Financial Information - Output Group 1**

<b>Financial and Resource Management Services</b>	<b>2002-03</b>	<b>2003-04</b>	<b>Variation</b>
	<b>Budget</b>	<b>Budget</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>OPERATING REVENUE</b>			
<b>Revenue from Government</b>			
<b>Annual Appropriation</b>	<b>7 066</b>	<b>6 918</b>	<b>(2.1)</b>
<b>Other</b>	<b>....</b>	<b>17</b>	<b>....</b>
<b>Sales of Goods and Services<sup>1</sup></b>	<b>3 333</b>	<b>1 579</b>	<b>(52.6)</b>
<b>Proceeds from the Disposal of Assets<sup>1</sup></b>	<b>....</b>	<b>2 000</b>	<b>....</b>
<b>TOTAL</b>	<b>10 399</b>	<b>10 514</b>	<b>1.1</b>
<b>OPERATING EXPENSES</b>			
<b>Employee Entitlements</b>			
<b>Salaries and Wages<sup>2</sup></b>	<b>4 928</b>	<b>5 487</b>	<b>11.3</b>
<b>Other Employee Related Expenses</b>	<b>458</b>	<b>462</b>	<b>0.9</b>
<b>Superannuation<sup>2</sup></b>	<b>555</b>	<b>641</b>	<b>15.5</b>
<b>Depreciation and Amortisation</b>	<b>9</b>	<b>23</b>	<b>155.6</b>
<b>Supplies and Consumables</b>			
<b>Travel and Transport</b>	<b>135</b>	<b>142</b>	<b>5.2</b>
<b>Advertising and Promotion</b>	<b>81</b>	<b>49</b>	<b>(39.5)</b>
<b>Communications</b>	<b>104</b>	<b>108</b>	<b>3.8</b>
<b>Consultancies<sup>3</sup></b>	<b>290</b>	<b>414</b>	<b>42.8</b>
<b>Rent</b>	<b>496</b>	<b>502</b>	<b>1.2</b>
<b>Other Accommodation Related Expenses</b>	<b>65</b>	<b>82</b>	<b>26.2</b>
<b>Information Technology<sup>4</sup></b>	<b>766</b>	<b>668</b>	<b>(12.8)</b>
<b>Other Supplies and Consumables<sup>5</sup></b>	<b>2 117</b>	<b>1 633</b>	<b>(22.9)</b>
<b>Other Expenses<sup>6</sup></b>	<b>400</b>	<b>....</b>	<b>(100.0)</b>
<b>TOTAL</b>	<b>10 404</b>	<b>10 211</b>	<b>(1.9)</b>
<b>EXPENSE BY OUTPUT</b>			
<b>1.1 Budget Development and Management</b>	<b>1 934</b>	<b>1 828</b>	<b>(5.5)</b>
<b>1.2 Financial Management and Accounting Services</b>	<b>2 331</b>	<b>2 392</b>	<b>2.6</b>
<b>1.3 Shareholder Advice on Government Businesses</b>	<b>1 344</b>	<b>1 399</b>	<b>4.1</b>
<b>1.4 Government Property and Accommodation Services</b>	<b>2 918</b>	<b>2 680</b>	<b>(8.2)</b>
<b>1.5 Government Procurement Services</b>	<b>1 877</b>	<b>1 912</b>	<b>1.9</b>
<b>TOTAL</b>	<b>10 404</b>	<b>10 211</b>	<b>(1.9)</b>

Notes:

1. The decrease in Sales of Goods and Services is associated with a revenue reclassification in 2003-04. Proceeds from property sales are now recognised separately as Proceeds from the Disposal of Assets.
2. The increase in Salaries and Wages and Superannuation includes an internal reallocation of resources in order to undertake the Divestment of Government Businesses Project, together with an increase in the remuneration paid to members of the Public Works Tender Board.

3. The increase in Consultancies is due to the planned comprehensive review of the *Public Account Act 1986* and the *Financial Management and Audit Act 1990*, together with the implementation of phase three of the Accrual Budgeting and Financial Management Reform Project in 2003-04.
4. The decrease in Information Technology represents the completion of the Department's Infrastructure Technology upgrade in 2002-03, which resulted in the Department improving communication and information interchange with key clients.
5. The decrease in Other Supplies and Consumables has resulted from a reclassification of expenditure items associated with an account within the Special Deposits and Trust Fund.
6. The decrease in Other Expenses has resulted from property sales being reclassified as Other Supplies and Consumables in 2003-04.

### *Major Issues and Initiatives for 2003-04*

The major issues and initiatives for 2003-04 in relation to the Output Group will be to:

- implement the Government's Divestment Strategy by coordinating the sale of the Civil Construction Services Corporation, the Tasmanian Grain Elevators Board and the Stanley Cool Store Board and conducting in-depth investigations into the feasibility of asset sales from the Tasmanian International Velodrome Management Authority, the Hobart Ports Corporation Pty Ltd and Forestry Tasmania;
- further enhance the Corporate Governance Framework for the government business sector, by implementing the non-legislative recommendations of the review of the *Government Business Enterprises Act 1995*, implementing an induction program for government business directors and revising the Corporate Governance Handbook;
- comprehensively review the *Public Account Act 1986* and the *Financial Management and Audit Act 1990* to develop a proposed contemporary financial management legislative framework for the Tasmanian General Government Sector;
- support the Heads of Treasury Accounting and Reporting Advisory Committee (HoTARAC) in its consideration of major accounting and public finance reporting issues, particularly in relation to harmonisation between the Australian Accounting Standards, applicable to the public sector, and Government Finance Statistics, and the adoption of International Accounting Standards from 1 January 2005;
- review whole-of-government and agency reporting against best practice and develop a program for phased improvement;
- provide further information, training and advice to agencies through the Tasmanian Risk Management Fund to assist in the management of risk;
- continue the implementation of a comprehensive education and training program to support the Government's Financial Management Reform Strategy;
- implement a whole-of-government approach to the management of the common agency financial management information system;
- further report on and monitor progress in achieving Tasmania *Together* benchmark measures as part of the Budget process;
- manage the government-owned office portfolio;
- provide strategic policy advice on government property matters, including aspects involving Partnerships agreements;

- progress the identification, rationalisation and disposal of non-strategic surplus Crown properties;
- continue the implementation of the Office Accommodation and Property Services Strategic Plan, with particular regard to the divestment of government-owned office accommodation;
- review major strategic whole-of-government contracts prior to renewal;
- continue to identify and implement strategies, proposed by the Procurement Advisory Group, to enhance the capacity of Tasmania's small-to-medium enterprises to competitively bid for the supply of goods and services to government;
- develop and promote strategies that agencies can adopt to further progress electronic procurement; and
- continue to provide support for government buyers through the provision of training and support and information through the *purchasing.tas* website.

**Table 18.3: Performance Information – Output Group 1**

<b>Performance Measure</b>	<b>Unit of measure</b>	<b>2000-01 Actual</b>	<b>2001-02 Actual</b>	<b>2002-03 Target</b>	<b>2003-04 Target</b>
<b>Proportion of financial reports receiving an unqualified audit opinion<sup>1</sup></b>	%	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Stakeholder satisfaction rating of the quality of services (expressed as a percentage)<sup>2</sup></b>	%	<b>73</b>	<b>71</b>	<b>80</b>	<b>80</b>
<b>Treasury-managed property vacancy rate<sup>3</sup></b>	%	<b>2.0</b>	<b>2.8</b>	<b>&lt;4.0</b>	<b>&lt;4.0</b>
<b>State Service workers' compensation contributions as a percentage of the average premium charged by private insurers<sup>4</sup></b>	%	<b>71</b>	<b>56</b>	<b>55</b>	<b>55</b>
<b>Proportion of financial reports published by the required date<sup>5</sup></b>	%	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Variance between Budget estimate and actual Fiscal Balance<sup>6</sup></b>	%	<b>n.a.</b>	<b>n.a.</b>	<b>5.0</b>	<b>5.0</b>
<b>Variance between Budget estimate and actual GBE/SOC returns<sup>7</sup></b>	%	<b>20.4</b>	<b>2.6</b>	<b>5.0</b>	<b>5.0</b>

Notes:

1. An unqualified audit opinion from the Auditor-General indicates that the financial reports are a true and accurate reflection of the Government's finances. The financial reports that receive an audit opinion consist of the Treasurer's Financial Statements and the Consolidated Financial Statements for the State of Tasmania.
2. The satisfaction rating is obtained from the results of the Department's Stakeholder Survey in relation to the quality and appropriateness of advice and accessibility and responsiveness of officers in the Budget and Finance Division.
3. The vacancy rate is the proportion of all owned and leased office space managed by the Department that is currently vacant and suitable for occupation. The target rate for 2003-04 has been set at a considerably lower level than the estimated private sector vacancy rate for the Hobart Central Business District (CBD), which is estimated to be in excess of 12 per cent.
4. The Tasmanian Risk Management Fund, which is managed by the Department, includes a self-insurance scheme for the workers' compensation liabilities of participating agencies. An indication of the relative efficiency of the Fund can be obtained by comparing the workers' compensation contributions paid by agencies to the Fund with the workers' compensation premiums charged by private insurers. The measure is calculated by comparing average agency workers' compensation contributions, as a proportion of salaries, with the contribution rate of private insurers.

5. The financial reports published each year include: the Quarterly Statements of the Consolidated Fund; the Treasurer's Financial Statements; the Loan Council Mid Year Report; the Loan Council Outcomes Report; and the Consolidated Financial Statements for the State of Tasmania.
6. In assisting the Government to develop and manage the State's Budget, the Department seeks to accurately estimate and then achieve the overall end-of-year Budget outcome. The target is to maintain the situation where the actual Fiscal Surplus is either achieved or exceeded.
7. The accuracy of total consolidated returns to the State from Government businesses, which consists of dividends, income tax equivalents and guarantee fees, can be determined by comparing the Budget estimate with the actual end of year result. The 2001-02 result of \$159.7 million was marginally above the Budget estimate of \$155.7 million.

## Output Group 2: Economic and Fiscal Policy Advice

### *Description*

The purpose of this Output Group is to provide high quality policy advice on economic and fiscal issues with the focus on improving Tasmania's economy and business environment.

This Output Group directly contributes to the Agency Outcome – *The Government receives sound and timely economic and fiscal policy advice.*

Activities undertaken within this Output Group include:

- maintaining a Competition Index to provide an objective assessment of the competitiveness of Tasmania as a business location relative to the other states of Australia. The Competition Index highlights those areas in which Tasmania has a competitive advantage or disadvantage as a location for business to assist the Government in identifying how it might best focus industry policy;
- providing advice to the Government on:
  - the state of Tasmanian economic conditions by forecasting key economic indicators and by providing advice in relation to movements in key international, national and local economic statistics;
  - the performance of the principal industry sectors in the Tasmanian economy;
  - the progress of economic reform initiatives, including implementation of National Competition Policy (NCP);
  - issues associated with the State's entry into the National Electricity Market (NEM);
  - State revenue policy issues, including the impact of taxation measures;
  - Commonwealth-State and State-Local Government financial relations;
  - public sector superannuation matters, including ensuring compliance with all relevant Commonwealth legislation; and
  - the regulation and taxation of gaming activities, and licensing of liquor sales and tourist accommodation; and
- administering regulatory reform initiatives, including administration of the *Subordinate Legislation Act 1992*, the Legislation Review Program and mutual recognition arrangements.

**Table 18.4: Summary Financial Information - Output Group 2**

	2002-03	2003-04	
<b>Economic and Fiscal Policy Advice</b>	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>OPERATING REVENUE</b>			
<b>Revenue from Government</b>			
<b>Annual Appropriation</b>	<b>6 492</b>	<b>6 691</b>	<b>3.1</b>
<b>Other</b>	<b>....</b>	<b>11</b>	<b>....</b>
<b>Sales of Goods and Services<sup>1</sup></b>	<b>84</b>	<b>241</b>	<b>186.9</b>
<b>TOTAL</b>	<b>6 576</b>	<b>6 943</b>	<b>5.6</b>
<b>OPERATING EXPENSES</b>			
<b>Employee Entitlements</b>			
<b>Salaries and Wages</b>	<b>3 953</b>	<b>4 134</b>	<b>4.6</b>
<b>Other Employee Related Expenses</b>	<b>309</b>	<b>310</b>	<b>0.3</b>
<b>Superannuation<sup>2</sup></b>	<b>385</b>	<b>434</b>	<b>12.7</b>
<b>Depreciation and Amortisation</b>	<b>4</b>	<b>14</b>	<b>250.0</b>
<b>Supplies and Consumables</b>			
<b>Travel and Transport</b>	<b>165</b>	<b>144</b>	<b>(12.7)</b>
<b>Advertising and Promotion</b>	<b>12</b>	<b>2</b>	<b>(83.3)</b>
<b>Communications</b>	<b>67</b>	<b>77</b>	<b>14.9</b>
<b>Consultancies<sup>3</sup></b>	<b>1 165</b>	<b>823</b>	<b>(29.4)</b>
<b>Rent</b>	<b>275</b>	<b>294</b>	<b>6.9</b>
<b>Other Accommodation Related Expenses</b>	<b>40</b>	<b>54</b>	<b>35.0</b>
<b>Information Technology</b>	<b>304</b>	<b>296</b>	<b>(2.6)</b>
<b>Other Supplies and Consumables<sup>3</sup></b>	<b>347</b>	<b>199</b>	<b>(42.7)</b>
<b>TOTAL</b>	<b>7 026</b>	<b>6 781</b>	<b>(3.5)</b>
<b>EXPENSE BY OUTPUT</b>			
<b>2.1 Economic Policy Advice</b>	<b>2 853</b>	<b>2 635</b>	<b>(7.6)</b>
<b>2.2 Fiscal Policy Advice<sup>4</sup></b>	<b>1 903</b>	<b>2 197</b>	<b>15.4</b>
<b>2.3 Liquor Licensing and Gaming Policy Advice</b>	<b>250</b>	<b>288</b>	<b>15.2</b>
<b>2.4 Energy Reform<sup>3</sup></b>	<b>2 020</b>	<b>1 661</b>	<b>(17.8)</b>
<b>TOTAL</b>	<b>7 026</b>	<b>6 781</b>	<b>(3.5)</b>

Notes:

1. The increase in the Sales of Goods and Services resulted from the reclassification of the reimbursement of board fees for members of the Tasmanian Community Fund Board which were previously accounted for as an overhead, together with an increase in the remuneration paid to the Tasmanian Community Fund Board members.
2. The increase in Superannuation resulted from the 2002-03 Budget estimate being understated.
3. The decrease is due to the conclusion of the activities of the Basslink Development Board in 2002-03 funded in the Energy Reform Output.
4. The increase in the Fiscal Policy Advice Output reflects the reclassification of expenditure associated with board fees for the members of the Tasmanian Community Fund Board, which were previously accounted for as an overhead, together with an increase in the remuneration paid to the Tasmanian Community Fund Board members.

## *Major Issues and Initiatives for 2003-04*

During 2003-04, major initiatives undertaken will be to:

- coordinate and implement the legislative and regulatory arrangements necessary to underpin Tasmania's participation in the National Electricity Market (NEM);
- provide advice to the Government on the impact of the energy reforms on the electricity businesses and the Fiscal Strategy;
- assist in the development and implementation of relevant energy policies in relation to market structure, competition and regulation of gas;
- provide advice to the Government to enable it to capitalise on the strategic opportunities created by the construction of the Natural Gas and Basslink infrastructure developments;
- provide strategic, legal and financial advice to assist the Government's objectives to maximise the telecommunications opportunities afforded by the Basslink and Natural Gas Distribution Projects;
- provide advice on the state of the Tasmanian economy, including forecasting key economic indicators and undertake research into economic issues important to the Government;
- provide advice to the Government on the economic performance of the State's major industry sectors, focusing on those sectors important to the State's future economic development, as identified in the Government's Industry Development Plan;
- provide input into the negotiation of major Commonwealth Specific Purpose Payments (SPPs) including the Australian Health Care Agreement and the Commonwealth-State Housing Agreement;
- provide input into Partnership agreements in relation to effective financial arrangements and implementing the preferred model for the reform of State-Local Government financial relations;
- facilitate a major review of the Tasmanian Electricity Code prior to entry to the NEM;
- provide advice on economic reform initiatives, including the preparation of submissions to enquiries and forums, and the preparation of economic policy advice to the Government;
- ensure the State's continued compliance with its National Competition Policy obligations, including the Government's Legislation Review Program;
- manage the State's input into the Commonwealth Grants Commission 2004 Review of Relativities; and
- with other states and territories, continue to engage the Commonwealth in debate in relation to the reform of SPPs and indirect taxes.

**Table 18.5: Performance Information – Output Group 2**

<b>Performance Measure</b>	<b>Unit of measure</b>	<b>2000-01 Actual</b>	<b>2001-02 Actual</b>	<b>2002-03 Target</b>	<b>2003-04 Target</b>
<b>Proportion of National Competition Policy payments received for which Tasmania is eligible<sup>1</sup></b>	%	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Stakeholder satisfaction rating of the quality of services<sup>2</sup></b>	%	<b>81</b>	<b>78</b>	<b>&gt;85</b>	<b>&gt;85</b>
<b>Variance between Budget estimate and actual taxation receipts<sup>3</sup></b>	%	<b>2.1</b>	<b>9.2</b>	<b>5.0</b>	<b>5.0</b>
<b>Variance between Budget estimate and actual Commonwealth payments<sup>4</sup></b>	%	<b>1.1</b>	<b>3.2</b>	<b>5.0</b>	<b>5.0</b>
<b>Ranking of the accuracy of Tasmanian tax forecasts compared with other states and territories<sup>5</sup></b>	Ranking	<b>1</b>	<b>4</b>	<b>&gt;4 out of 8</b>	<b>&gt;4 out of 8</b>
<b>Number of annual Budget economic forecasts more accurate than industry benchmark forecasts<sup>6</sup></b>	Number	<b>2</b>	<b>5</b>	<b>&gt;3 out of 7</b>	<b>&gt;3 out of 7</b>

Notes:

1. The receipt of National Competition Policy (NCP) payments is dependent upon a favourable assessment by the National Competition Council of Tasmania's continuing progress in the implementation of NCP. Tasmania is eligible for the full share of the 2002-03 payments (\$17.4 million) and the target is for a full share to also be received in 2003-04.
2. The satisfaction rating is obtained from the results of the Department's Stakeholder Survey in relation to the quality and appropriateness of advice and accessibility and responsiveness of officers in the Economic and Financial Policy Division.
3. The accuracy of the Department's taxation receipt forecasts can be determined by comparing the Budget estimate with the actual end of year outcome. It should be noted in relation to the taxation receipt forecasts that abnormal receipts that could not be reasonably anticipated at the time of the Budget estimate, such as large one-off transactions that result in large amounts of stamp duty, are excluded when calculating the outcome.
4. The accuracy of the Department's Commonwealth payments forecasts can be determined by comparing the Budget estimate with the actual end of year outcome.
5. This measure provides an indication of the quality of taxation forecasts by comparing the accuracy of the Department's estimates with the accuracy of estimates developed by other State and Territory Treasuries. The target is for Tasmania to be ranked in the top half of all jurisdictions.
6. The quality of the economic forecasts can be determined by comparing the accuracy of the Department's estimates with the accuracy of industry benchmark forecasts developed by a number of independent economic forecasters that prepare relevant forecasts of the Tasmanian Economy. The target is for over half of the Department's estimates to be more accurate than industry benchmark forecasts.

## Output Group 3: Revenue and Regulatory Management Services

### *Description*

The purpose of this Output Group is to manage taxation revenue collection and certain regulatory services to assist the Government achieve its broader objectives. The focus is on the provision of taxation revenue services to ensure the efficient collection of revenue to fund Government services, to regulate and control gaming and to regulate and administer liquor and accommodation licensing.

This Output Group directly contributes to the Agency Outcome – *Statutory bodies receive high quality regulatory and revenue management services.*

Activities undertaken within this Output Group include:

- administering taxation legislation and the associated collection of state revenue. This includes monitoring the compliance of taxpayers with state revenue legislation;
- regulating and controlling casino gaming, gaming machines, Internet gaming, Keno and minor gaming and sports betting operations and the administration of gaming legislation, including providing support for the Tasmanian Gaming Commission in the exercise of its statutory functions under the *Gaming Control Act 1993*;
- regulating and administering liquor and accommodation licensing and providing support to the Commissioner for Licensing and the Licensing Board of Tasmania to enable their statutory functions to be performed in accordance with the *Liquor and Accommodation Act 1990*; and
- providing support to the Energy Regulator and Government Prices Oversight Commission in the exercise of their statutory functions, which include the regulation of the electricity and gas industries and the conduct of independent pricing reviews and consultancies on behalf of Government.

**Table 18.6: Summary Financial Information - Output Group 3**

	2002-03	2003-04	
<b>Revenue and Regulatory Management Services</b>	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	\$'000	\$'000	%
<b>OPERATING REVENUE</b>			
<b>Revenue from Government</b>			
<b>Annual Appropriation</b>	<b>11 368</b>	<b>11 648</b>	<b>2.5</b>
<b>Other</b>	....	<b>139</b>	....
<b>Sales of Goods and Services<sup>1</sup></b>	<b>2 652</b>	<b>1 867</b>	<b>(29.6)</b>
<b>TOTAL</b>	<b>14 020</b>	<b>13 654</b>	<b>(2.6)</b>
<b>OPERATING EXPENSES</b>			
<b>Employee Entitlements</b>			
<b>Salaries and Wages</b>	<b>7 905</b>	<b>8 074</b>	<b>2.1</b>
<b>Other Employee Related Expenses<sup>2</sup></b>	<b>655</b>	<b>518</b>	<b>(20.9)</b>
<b>Superannuation<sup>3</sup></b>	<b>788</b>	<b>910</b>	<b>15.5</b>
<b>Depreciation and Amortisation</b>	<b>15</b>	<b>37</b>	<b>146.7</b>
<b>Supplies and Consumables</b>			
<b>Travel and Transport<sup>4</sup></b>	<b>351</b>	<b>394</b>	<b>12.3</b>
<b>Advertising and Promotion</b>	<b>55</b>	<b>21</b>	<b>(61.8)</b>
<b>Communications</b>	<b>310</b>	<b>308</b>	<b>(0.6)</b>
<b>Consultancies<sup>5</sup></b>	<b>1 035</b>	<b>350</b>	<b>(66.2)</b>
<b>Rent</b>	<b>702</b>	<b>734</b>	<b>4.6</b>
<b>Other Accommodation Related Expenses</b>	<b>98</b>	<b>122</b>	<b>24.5</b>
<b>Information Technology<sup>6</sup></b>	<b>883</b>	<b>761</b>	<b>(13.8)</b>
<b>Other Supplies and Consumables<sup>7</sup></b>	<b>1 357</b>	<b>1 060</b>	<b>(21.9)</b>
<b>TOTAL</b>	<b>14 154</b>	<b>13 289</b>	<b>(6.1)</b>
<b>EXPENSE BY OUTPUT</b>			
<b>3.1 Tax Administration and Revenue Collection</b>	<b>5 681</b>	<b>6 137</b>	<b>8.0</b>
<b>3.2 Regulation and Administration of Gaming</b>	<b>3 278</b>	<b>3 360</b>	<b>2.5</b>
<b>3.3 Regulation and Administration of Liquor and Accommodation</b>	<b>1 755</b>	<b>1 766</b>	<b>0.6</b>
<b>3.4 Government Prices Oversight and Energy Regulation<sup>5</sup></b>	<b>3 440</b>	<b>2 026</b>	<b>(41.1)</b>
<b>TOTAL</b>	<b>14 154</b>	<b>13 289</b>	<b>(6.1)</b>

Notes:

1. The decrease in Sales of Goods and Services is related to recoveries from Government Prices Oversight Commission investigations that occur every 3-5 years all coinciding in 2002-03, together with the 2002-03 estimate including a provision for gas licence fees that were expected to be received from the successful distribution and retail tenderer.
2. The decrease in Other Employee Related Expenses is due to the 2002-03 estimate being overstated, together with the attrition of a number of senior staff with high levels of Long Service Leave in 2002-03.
3. The increase in Superannuation is related to the reclassification of salary oncosts, within an account in the Special Deposits and Trust Fund, from Salaries and Wages in 2002-03 to Superannuation in 2003-04.
4. The increase in Travel and Transport is largely attributed to an increase in the number of gaming machines in clubs and hotels. As a result, the amount of travel to undertake inspections, surveillance and investigations has increased as a smaller proportion of inspectors' time is spent at their two casino bases.
5. The 2002-03 estimate included additional resources for the gas distribution and retail tender.

6. The decrease in Information Technology represents the completion of the Departments Infrastructure Technology upgrade in 2002-03, which resulted in the Department improving communication and information interchange with key clients.
7. The decrease in Other Supplies and Consumables has resulted from a reclassification of expenditure items.

### *Major Issues and Initiatives for 2003-04*

The major issues and initiatives for 2003-04 in relation to this Output Group include the:

- finalisation of the gas regulatory framework, including codes for the retail and distribution of natural gas;
- due diligence review by the regulator to ensure that the operation of the gas distribution pipeline is consistent with 'open access' principles;
- implementation of the outcomes of the review of closer working relationships between the Gaming and Liquor Licensing areas of the Gaming and Licensing Branch;
- implementation of decisions by the Government arising from the National Competition Policy Review of the *Liquor and Accommodation Act 1990*;
- continued development of socially responsible frameworks for gaming, including national regulatory responses to responsible gambling issues;
- continued monitoring of: the prices of petroleum products in Tasmania; the undertakings of the Commonwealth Bank of Australia to the Australian Competition and Consumer Commission in relation to product pricing, product innovation and service standards for Tasmanian customers; and Local Council compliance with urban water pricing guidelines;
- continued marketing activities aimed at increasing the level of stamp duty self assessment;
- continued development of an Internet based e-commerce system aimed at maximising the opportunities for electronic transactions with clients and, in particular, facilitate payments, lodgement of returns and the provision of client education information products through electronic means;
- implementation of systems and process changes arising from legislative amendments to taxation legislation;
- expansion of client education activities for all State taxation revenue lines, including the continued development of the Revenue Rulings service;
- oversight of the operation of the Community Support Levy to ensure the most effective use of funds in accordance with the *Gaming Control Act 1993*;
- expansion of the self-assessment of State taxes through the Tasmanian Revenue Online system;
- commencement of a review of issues associated with minor gaming; and
- enhancement of the Responsible Serving of Alcohol program.

**Table 18.7: Performance Information – Output Group 3**

<b>Performance Measure</b>	<b>Unit of measure</b>	<b>2000-01 Actual</b>	<b>2001-02 Actual</b>	<b>2002-03 Target</b>	<b>2003-04 Target</b>
<b>Total overdue taxation debt as a percentage of total taxation revenue<sup>1</sup></b>	%	<b>1.1</b>	<b>0.7</b>	<b>&lt;0.8</b>	<b>&lt;0.8</b>
<b>Percentage of formal recommendations accepted by the Tasmanian Gaming Commission<sup>2</sup></b>	%	<b>n.a.</b>	<b>83</b>	<b>&gt;80</b>	<b>&gt;80</b>
<b>Percentage of objections in which the Commissioner of State Revenue's assessment or decision was confirmed<sup>3</sup></b>	%	<b>68</b>	<b>70</b>	<b>80</b>	<b>80</b>
<b>Revenue Branch operating expenses as a percentage of taxation revenue<sup>4</sup></b>	%	<b>1.4</b>	<b>1.4</b>	<b>&lt;1.5</b>	<b>&lt;1.5</b>
<b>Percentage of liquor applications submitted to a hearing before the Licensing Board within 40 days of receipt<sup>5</sup></b>	%	<b>71</b>	<b>80</b>	<b>75</b>	<b>75</b>

Notes:

1. In providing revenue management services to the Commissioner of State Revenue, the Department seeks to ensure that revenue is collected in a timely manner and that overdue taxation debts are minimised. Accordingly, the target is for overdue taxation debt to be a very small percentage of total taxation revenue.
2. Staff of the Department provide advice and support to the Tasmanian Gaming Commission (TGC). While recognising that the TGC is an independent statutory body, a measure of the quality of the services provided is the proportion of all formal recommendations contained in decision papers that are accepted by the TGC. As the performance indicators were developed in February 2002, the figures for 2000-01 are unavailable. The figures for 2001-02 are based on the average figures from the Commission meetings held from March to June 2002.
3. The Commissioner of State Revenue is assisted by staff at the Department to make assessments and decisions in relation to land tax, duties and payroll tax and decide First Home Owner Grant applications. Objections may be lodged against assessments issued to clients or decisions of the Commissioner, Deputy Commissioner or a delegate of the Commissioner. In providing this assistance, the Department seeks to ensure that the original assessments and decisions are accurate and that the number of successful objections to these are minimised. Accordingly, the target is for over 80 per cent of objections to result in the original assessment as being confirmed as accurate.
4. An indication of the efficiency of the revenue management services provided by the Department can be gained by comparing total taxation revenue collected with the operating costs required to administer and collect that revenue. The target is for these costs to be kept to a very small proportion of revenue collected.
5. The Department assists the Licensing Board of Tasmania by receiving applications for licenses, undertaking investigations on behalf of the Commissioner for Licensing and providing recommendations to the Board on whether the applicant is fit and proper in accordance with the requirements of the *Liquor and Accommodation Act 1990*. The measure relates to the time taken by the Department to undertake its investigations and prepare submissions for the monthly Board meetings.

# Administered Items

## *Grants and Subsidies*

Table 18.8 summarises the Grants and Subsidies paid by the Department of Treasury and Finance. A brief description of the Grants and Subsidies follows the table.

**Table 18.8: Grants and Subsidies Financial Summary**

	<b>2002-03</b>	<b>2003-04</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>REVENUE</b>			
<b>Revenue from Government</b>			
Annual Appropriation	6 854	6 854	....
Other Revenue <sup>1</sup>	2 886	4 437	53.7
<b>TOTAL</b>	<b>9 740</b>	<b>11 291</b>	<b>15.9</b>
<b>EXPENSES</b>			
Bass Strait Islands Community Service Obligation	6 170	6 170	....
Community Support Levy <sup>2</sup>	1 745	3 264	87.0
Payment to Anzac Day Trust	15	15	....
Public Trustee Community Service Obligation	666	666	....
Royal Society Papers: Printing	3	3	....
<b>TOTAL</b>	<b>8 599</b>	<b>10 118</b>	<b>17.7</b>

Notes:

1. The increase in Other Revenue is related to an increase in Revenue received under the Community Support Levy (CSL). The 2002-03 estimate for the CSL was understated. The 2003-04 estimate better reflects expected receipts.
2. The estimate of expenditure for the Community Support Levy is expected to increase in 2003-04 as a series of initiatives will be progressed by Department of Health and Human Services.

### *Bass Strait Islands Community Service Obligation*

This Administered Payment is provided to Hydro Tasmania for the delivery of the Bass Strait Islands Community Service Obligation (CSO). The Bass Strait Islands CSO provides for the subsidised supply by Hydro Tasmania of electricity to Bass Strait Islands customers and the provision of concessions to pensioner customers on the Bass Strait Islands.

This CSO has been funded since 1998-99. A contract with Hydro Tasmania was renegotiated and finalised during 2002-03 for a period of three years, expiring 30 June 2005. The level of the funding to be provided by the Department for the Bass Strait Islands CSO for 2003-04 is \$6.17 million.

### *Community Support Levy*

The *Gaming Control Act 1993* provides for a Community Support Levy based on profits from gaming machines in clubs and hotels.

The levy is distributed as follows:

- 50 per cent for research; services for the prevention of compulsive gambling; treatment or rehabilitation of compulsive gamblers; and community education and other health services;
- 25 per cent for the benefit of charitable organisations; and
- 25 per cent for sport and recreation organisations.

The Department, through its Revenue, Gaming and Licensing Division, collects the funds for the Community Support Levy. The Department of Health and Human Services provides administrative support for grant programs for the provision of services to compulsive gamblers and for the benefit of charitable organisations, delivers community education on gambling matters and funds activities in the category of other health services. The Department of Economic Development provides administrative support for the grant programs for sport and recreation organisations.

#### *Payment to Anzac Day Trust*

An annual contribution is made to the Anzac Day Trust in accordance with the provisions of the *Anzac Day Observance Act 1929*. The funds are disbursed by the Trust to returned services organisations to assist in providing welfare for their members and families.

#### *Public Trustee Community Service Obligation*

The Public Trustee provides four categories of Community Service Obligations (CSO) to the community, on behalf of the Government:

- administration of Absolute Estates with a gross asset value of less than \$60 000;
- administration of Continuing Trust and Life Tenancy Estates with a gross asset value of less than \$100 000;
- administration and management of Minor Trusts with a gross asset value of less than \$20 000; and
- administration of assets for Represented Persons with a gross asset value of less than \$100 000.

The current CSO contract is due to expire on 30 June 2003. A further three year CSO contract is currently being renegotiated with The Public Trustee and will commence on 1 July 2003. An amount of \$666 000 has been provided in 2003-04 for the delivery of the above CSO categories of services by The Public Trustee.

#### *Royal Society Papers: Printing*

An amount of \$3 000 is provided each year to assist with the printing of papers of the Royal Society of Tasmania.

## *Revenue Collected on Behalf of the Consolidated Fund*

Table 18.9 summarises the Revenue collected on behalf of the Consolidated Fund by the Department of Treasury and Finance.

**Table 18.9: Revenue Collected on Behalf of the Consolidated Fund**

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
<b>REVENUE</b>			
<b>Sales of Goods and Services</b>	<b>329</b>	<b>339</b>	<b>3.0</b>
<b>Total Revenue</b>	<b>329</b>	<b>339</b>	<b>3.0</b>
<b>Transfers to the Consolidated Fund</b>			
<b>Fees and Other Recoveries</b>	<b>329</b>	<b>339</b>	<b>3.0</b>
<b>Total Transfers to the Consolidated Fund</b>	<b>329</b>	<b>339</b>	<b>3.0</b>

Major fees collected by the Department, which are transferred to the Consolidated Fund, relate to:

- the activities of the Commissioner for Licensing for applications and transfers of liquor licences for hotels, clubs, restaurants etc and the applications, transfers and renewal of licences for tourist accommodation establishments. Fees are also charged for liquor permits for events, functions, sporting clubs and to authorise trading between 12 midnight and 5.00 am;
- annual licence fees for Tasmanian gaming licences for simulated gaming, sports betting, fixed odds wagering or major lottery endorsements, administered through the Gaming Operations Branch. Fees are also charged for licensed premises gaming licences, and special employee and technician licences; and
- application and renewal fees for Certificates of Exemption from Stamp Duty for motor vehicle dealers.

# DETAILED BUDGET STATEMENTS

Table 18.10: Output Group Expense Summary for the Department of Treasury and Finance

	2002-03 Budget	2003-04 Budget	Variation
	\$'000	\$'000	%
<b>Output Group 1 - Financial and Resource Management Services</b>			
1.1 Budget Development and Management	1 934	1 828	(5.5)
1.2 Financial Management and Accounting Services	2 331	2 392	2.6
1.3 Shareholder Advice on Government Businesses	1 344	1 399	4.1
1.4 Government Property and Accommodation Services	2 918	2 680	(8.2)
1.5 Government Procurement Services	1 877	1 912	1.9
	<b>10 404</b>	<b>10 211</b>	<b>(1.9)</b>
<b>Output Group 2 - Economic and Fiscal Policy Advice</b>			
2.1 Economic Policy Advice	2 853	2 635	(7.6)
2.2 Fiscal Policy Advice <sup>1</sup>	1 903	2 197	15.4
2.3 Liquor Licensing and Gaming Policy Advice	250	288	15.2
2.4 Energy Reform <sup>2</sup>	2 020	1 661	(17.8)
	<b>7 026</b>	<b>6 781</b>	<b>(3.5)</b>
<b>Output Group 3 - Revenue and Regulatory Management Services</b>			
3.1 Tax Administration and Revenue Collection	5 681	6 137	8.0
3.2 Regulation and Administration of Gaming	3 278	3 360	2.5
3.3 Regulation and Administration of Liquor and Accommodation	1 755	1 766	0.6
3.4 Government Prices Oversight and Energy Regulation <sup>3</sup>	3 440	2 026	(41.1)
	<b>14 154</b>	<b>13 289</b>	<b>(6.1)</b>
<b>Grants and Subsidies<sup>4</sup></b>	<b>8 599</b>	<b>10 118</b>	<b>17.7</b>
<b>TOTAL AGENCY</b>	<b>40 183</b>	<b>40 399</b>	<b>0.5</b>

Notes:

1. The increase reflects the reclassification of expenditure associated with board fees for members of the Tasmanian Community Fund Board, which was previously accounted for as an overhead, together with an increase in the remuneration paid to the Tasmanian Community Fund Board members.
2. The decrease is due to the conclusion of the activities of the Basslink Development Board in 2002-03.
3. The 2002-03 estimate included additional resources for the gas distribution and retail tender.
4. Expenditure within Grants and Subsidies is expected to increase as a series of initiatives will be progressed by Department of Health and Human Services in relation to the Community Support Levy in 2003-04.

**Table 18.11: Statement of Financial Performance for the Department of Treasury and Finance**

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
<b>OPERATING REVENUE</b>			
<b>Revenue from Government</b>			
Annual Appropriation	24 926	25 257	1.3
Other	....	167	....
<b>Sales of Goods and Services<sup>1</sup></b>	5 999	3 687	(38.6)
<b>Proceeds from the Disposal of Assets<sup>1</sup></b>	....	2 000	....
<b>TOTAL</b>	<b>30 925</b>	<b>31 111</b>	<b>0.6</b>
<b>OPERATING EXPENSES</b>			
<b>Employee Entitlements</b>	18 208	18 985	4.2
<b>Superannuation<sup>2</sup></b>	1 728	1 985	14.8
<b>Depreciation and Amortisation</b>	28	74	164.2
<b>Supplies and Consumables<sup>3</sup></b>	11 220	9 237	(17.7)
<b>Other Expenses<sup>4</sup></b>	400	....	(100.0)
<b>TOTAL</b>	<b>31 584</b>	<b>30 281</b>	<b>(4.2)</b>
<b>NET OPERATING RESULT</b>	<b>( 659)</b>	<b>830</b>	<b>(226.0)</b>
<b>ADMINISTERED ITEMS</b>			
<b>REVENUE</b>			
<b>Revenue from Government</b>			
Annual Appropriation	6 854	6 854	....
<b>Sales of Goods and Services<sup>5</sup></b>	2 999	4 776	59.2
<b>Other Revenue<sup>6</sup></b>	286	....	(100.0)
<b>TOTAL</b>	<b>10 139</b>	<b>11 630</b>	<b>14.7</b>
<b>EXPENSES</b>			
<b>Grants and Subsidies</b>			
Grants and Transfer Payments <sup>7</sup>	8 599	10 118	17.6
<b>Total Grants and Subsidies</b>	<b>8 599</b>	<b>10 118</b>	<b>17.6</b>
<b>Transfer to the Consolidated Fund</b>	329	339	3.0
<b>TOTAL</b>	<b>8 928</b>	<b>10 457</b>	<b>17.1</b>

Notes:

1. The variance is associated with a revenue reclassification in 2003-04: the proceeds from property sales are now recognised separately as Proceeds from the Disposal of Assets.
2. The increase in Superannuation reflects an internal reallocation of resources in order to undertake the Divestment of Government Businesses Project, an increase in the remuneration paid to Public Works Tender Board members, an understatement of the 2002-03 estimate for Output Group 2 and a reclassification of salary oncosts within an account in the Special Deposits and Trust Fund where Superannuation for 2002-03 was included in Salaries and Wages.

3. The decrease in Supplies and Consumables is due to the 2002-03 estimate including resources for the gas distribution and retail tender together with a reclassification of expenditure items associated with an account within the Special Deposits and Trust Fund.
4. The decrease in Other Expenses is associated with expenses associated with property sales being reclassified as Other Supplies and Consumables in 2003-04.
5. The increase in Sales of Goods and Services is associated with an increase in revenue received from the Community Support Levy (CSL). The 2002-03 estimate for the CSL was understated. The 2003-04 estimate more accurately reflects expected receipts.
6. The variance in Other Revenue represents the reclassification of the Commonwealth's goods and services tax (GST) that was incorporated in Other Revenue in 2002-03.
7. The increase in Grants and Transfer Payments is associated with the CSL and is a result of a series of initiatives being progressed by the Department of Health and Human Services in 2003-04.

**Table 18.12: Statement of Financial Position as at 30 June for the Department of Treasury and Finance**

	<b>2003</b>	<b>2004</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>CURRENT ASSETS</b>			
Cash	2 401	2 145	(10.7)
Receivables	70	70	....
Prepayments <sup>1</sup>	....	165	....
Accrued Revenue	950	950	....
Other <sup>1</sup>	90	....	(100.0)
<b>TOTAL</b>	<b>3 511</b>	<b>3 330</b>	<b>(5.2)</b>
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment <sup>2</sup>	213	139	(34.8)
<b>TOTAL</b>	<b>213</b>	<b>139</b>	<b>(34.8)</b>
<b>TOTAL ASSETS</b>	<b>3 724</b>	<b>3 469</b>	<b>(6.9)</b>
<b>CURRENT LIABILITIES</b>			
Payables	300	300	....
Employee Entitlements <sup>3</sup>	2 376	1 560	(34.4)
<b>TOTAL</b>	<b>2 676</b>	<b>1 860</b>	<b>(30.5)</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Entitlements	2 651	2 595	(2.2)
<b>TOTAL</b>	<b>2 651</b>	<b>2 595</b>	<b>(2.2)</b>
<b>TOTAL LIABILITIES</b>	<b>5 327</b>	<b>4 455</b>	<b>(16.4)</b>
<b>NET ASSETS</b>	<b>( 1 603)</b>	<b>( 986)</b>	<b>(38.5)</b>

**Table 18.12: Statement of Financial Position as at 30 June for the Department of Treasury and Finance (continued)**

	<b>2003</b>	<b>2004</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>ADMINISTERED ITEMS</b>			
<b>CURRENT ASSETS</b>			
<b>Cash</b>	<b>4 301</b>	<b>4 851</b>	<b>12.7</b>
<b>Tax Assets</b>	<b>40</b>	<b>40</b>	<b>....</b>
<b>TOTAL</b>	<b>4 341</b>	<b>4 891</b>	<b>12.6</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>TOTAL ASSETS</b>	<b>4 341</b>	<b>4 891</b>	<b>12.6</b>
<b>CURRENT LIABILITIES</b>			
<b>TOTAL</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>TOTAL LIABILITIES</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>NET ASSETS</b>	<b>4 341</b>	<b>4 891</b>	<b>12.6</b>

Notes:

1. The variation is due to a reclassification of Other in 2002-03 to Prepayments in 2003-04.
2. The decrease in the value of Plant and Equipment is as a result of depreciation in 2003-04.
3. The decrease in Current Employee Entitlements is due to the final pay for 2003-04 being on 30 June 2004.

**Table 18.13: Statement of Cash Flows for the Department of Treasury and Finance**

	<b>2002-03</b>	<b>2003-04</b>	
	<b>Budget</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
<b>Revenue from Government</b>			
<b>Appropriation</b>	24 926	25 257	1.3
<b>Sales of Goods and Services<sup>1</sup></b>	5 999	3 687	(38.6)
<b>Payments</b>			
<b>Employee Entitlements<sup>2</sup></b>	( 17 771)	( 19 857)	11.7
<b>Superannuation<sup>2</sup></b>	( 1 726)	( 1 985)	15.0
<b>Supplies and Consumables<sup>3</sup></b>	( 11 220)	( 9 312)	(17.1)
<b>Other Payments<sup>4</sup></b>	( 400)	....	(100.0)
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>( 192)</b>	<b>( 2 210)</b>	<b>....</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Sale of Fixed Assets<sup>1</sup></b>	....	2 000	....
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>....</b>	<b>2 000</b>	<b>....</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>Net Increase/(Decrease) In Cash Held</b>	<b>( 192)</b>	<b>( 210)</b>	<b>9.3</b>
<b>Cash at the Beginning of Reporting Period</b>	<b>2 593</b>	<b>2 355</b>	<b>(9.2)</b>
<b>Cash at the End of Reporting Period</b>	<b>2 401</b>	<b>2 145</b>	<b>(10.7)</b>

Notes:

1. The decrease in the Sales of Goods and Services is associated with a revenue reclassification in 2003-04 with proceeds from property sales now recognised as Sale of Fixed Assets.
2. The increase is associated with the payment of a 27<sup>th</sup> pay in 2003-04.
3. The decrease is due to the 2002-03 estimate including resources for the gas distribution and retail tender together with a reclassification of expenditure items associated with an account within the Special Deposits and Trust Fund.
4. The decrease is associated with property sales being reclassified as Other Supplies and Consumables in 2003-04.

**Table 18.13: Statement of Cash Flows for the Department of Treasury and Finance (continued)**

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
<b>ADMINISTERED ITEMS</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
<b>Revenue from Government</b>			
Appropriation	6 854	6 854	....
Sales of Goods and Services <sup>1</sup>	2 929	4 776	63.0
GST Receipts	1 400	1 600	14.2
<b>Payments</b>			
Grants and Transfer Payments <sup>2</sup>	( 8 599)	( 10 118)	17.6
Transfers to the Consolidated Fund	( 329)	( 339)	3.0
GST Payments	( 1 440)	( 1 600)	11.1
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>815</b>	<b>1 173</b>	<b>43.9</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>....</b>	<b>....</b>	<b>....</b>
<b>Net Increase/(Decrease) In Cash Held</b>	<b>815</b>	<b>1 173</b>	<b>43.9</b>
<b>Cash at the Beginning of Reporting Period</b>	<b>3 486</b>	<b>3 678</b>	<b>5.5</b>
<b>Cash at the End of Reporting Period</b>	<b>4 301</b>	<b>4 851</b>	<b>12.7</b>

Notes:

1. The increase in Sales of Goods and Services is associated with an increase in revenue received from the Community Support Levy (CSL). The 2002-03 estimate for the CSL was understated. The 2003-04 estimate more accurately reflects expected receipts.
2. The increase in Grants and Transfer Payments is associated with the CSL and is a result of a series of initiatives being progressed by the Department of Health and Human Services in 2003-04.

**Table 18.14: Reconciliation of Operating Expenses to Consolidated Fund Appropriation**

	<b>2002-03</b>	<b>2003-04</b>
	<b>Budget</b>	<b>Budget</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total Operating Expenses</b>	<b>40 183</b>	<b>40 399</b>
<b>Adjustments for non-cash items</b>		
<b>Depreciation</b>	<b>( 28)</b>	<b>( 74)</b>
<b>Employee Entitlements</b>	<b>( 437)</b>	<b>872</b>
<b>Supplies and Consumables</b>	<b>....</b>	<b>75</b>
<b>Total Cash Cost of Outputs</b>	<b>39 718</b>	<b>41 272</b>
<b>Other funding sources</b>	<b>( 7 938)</b>	<b>( 7 161)</b>
<b>Proceeds from the Disposal of Fixed Assets</b>	<b>....</b>	<b>( 2 000)</b>
<b>Total Consolidated Fund Appropriation</b>	<b>31 780</b>	<b>32 111</b>