

DETAILS OF CONSOLIDATED FUND RECEIPTS AND EXPENDITURE AND OUTPUT EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2002.

The Quarterly Statement is prepared in accordance with section 25 of the *Financial Management and Audit Act 1990* which requires the publication, on a quarterly basis, of a Statement of the Consolidated Fund. This Statement is to be published within one month of the end of the quarter.

Included as a supplement are additional details in respect of receipts and payments of the Consolidated Fund at a more disaggregated level. A summary, by Division, of expenditure on an Output Group basis is also provided.

The Output methodology encourages consideration of the full cost of the Government's Outputs, and focuses on the total Government resourcing of Outputs within the Public Account. The methodology shows the total resources available to an agency to produce its Outputs, of which the Consolidated Fund is one of the sources of funding.

CONSOLIDATED FUND

The Consolidated Fund contributes to the operations of all on-Budget agencies, is the source of funding for Reserved by Law payments, and may make some contribution to the operations of off-Budget entities. The Fund receives all State taxation revenue, the majority of Commonwealth payments to Tasmania, territorial revenue and certain other classes of revenue.

There are two types of expenditure from the Consolidated Fund:

- Recurrent Services expenditure that meets the cost of the ordinary annual services provided by the Government; and
- Works and Services expenditure which provides for the construction, purchase and maintenance of major capital assets such as roads, public housing, schools and hospitals.

VARIANCE REPORTING

Reporting on variances between estimates and actual results is subject to guidance contained in Australian Accounting Standard AAS 5 "Materiality".

While AAS 5 provides guidance on quantitative thresholds, situations will arise whereby it is appropriate to report on variances for qualitative, public interest, or other reasons to ensure potential users of the report are fully informed on activities for the reporting period. As a general rule no explanations have been made where the variance is less than 10 per cent or, in those instances where the variance is greater than 10 per cent, the variance in dollar terms is less than \$1 million. Explanations are made where the variance is greater than \$15 million regardless of the percentage variance.

Table 1: Consolidated Fund Outcome

	Budget Estimate 2001-02 \$'000	Actual 2001-02 \$'000	Actual to Budget %
Receipts			
Recurrent Receipts	2 273 696	2 377 370	104.6
Capital Receipts	51 700	42 831	82.8
Total Receipts	2 325 396	2 420 202	104.1
Expenditure			
Recurrent Expenditure	2 155 187	2 213 142	102.7
Capital Expenditure	166 059	202 158	121.7
Total Expenditure	2 321 246	2 415 299	104.1
<i>Consolidated Fund Outcome</i>	<i>(4 150)</i>	<i>(4 902)</i>	<i>118.1</i>

2001-02 CONSOLIDATED FUND OUTCOME

The Budgeted Consolidated Fund Outcome for 2001-02 is a surplus of \$4.2 million. The actual Consolidated Fund Outcome for the year ended 31 June 2002 is a surplus of \$4.9 million.

Table 2: Statement of the Consolidated Fund for the Quarter Ended 30 June 2002

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
RECEIPTS			
Recurrent Receipts			
<i>Commonwealth Sources</i>			
General Purpose	1 177 900	1 218 925	103.5
Specific Purpose	327 510	338 120	103.2
	1 505 410	1 557 045	103.4
<i>State Sources</i>			
Taxation	484 888	529 269	109.2
Receipts from Government Business Enterprises, State-owned Companies and State Authorities	155 708	159 744	102.6
Departmental Fees and Recoveries	77 408	76 521	98.9
Recoveries of State Debt Charges	7 018	6 577	93.7
Sale and Rent of Government Property	11 650	13 600	116.7
Resource Rents and Royalties	15 945	10 671	66.9
Other Recurrent Receipts	15 669	23 943	152.8
	768 286	820 325	106.8
Total Recurrent Receipts	2 273 696	2 377 370	104.6
Capital Receipts			
<i>Commonwealth Sources</i>			
Specific Purpose Payments	50 869	41 478	81.5
<i>State Sources</i>			
Capital Repayments	831	1 353	162.9
Total Capital Receipts	51 700	42 831	82.8
TOTAL RECEIPTS	2 325 396	2 420 202	104.1
EXPENDITURE			
Recurrent Expenditure	2 155 187	2 213 142	102.7
Capital Expenditure	166 059	202 158	121.7
TOTAL EXPENDITURE	2 321 246	2 415 299	104.1
CONSOLIDATED FUND OUTCOME	(4 150)	(4 902)	118.1

Note: For details of major categories of revenue and expenditure refer to supplementary tables.

Table 3: Commonwealth Specific Purpose Recurrent Receipts

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
COMMONWEALTH PAYMENT TOWARDS-			
<i>Health and Human Services</i>			
Commonwealth-State Housing Agreement	17 741	17 742	100.0
Health Care Grant	145 600	145 644	100.0
Blood Transfusion Service	1 600	1 817	113.6
Home and Community Care Program	14 630	15 860	108.4
Supported Accommodation Assistance Program	6 574	6 798	103.4
Public Health Outcomes Funding Agreement	3 931	3 931	100.0
National Child Care Strategy	203	208	102.5
Disability Services Grant	15 478	17 600	113.7
High Cost Drugs	4 850	5 173	106.7
<i>Education</i>			
Primary and Secondary Education	41 091	44 030	107.2
Technical and Further Education	19 650	22 458	114.3
<i>Primary Industries, Water and Environment</i>			
World Heritage Area	5 300	5 300	100.0
<i>Police and Public Safety</i>			
Natural Disasters Organisations	202	191	94.6
<i>Finance General</i>			
Assistance for Concessions	5 360	5 427	101.3
Grant to the State for Local Government	45 300	45 941	101.4
TOTAL COMMONWEALTH SPECIFIC PURPOSE RECURRENT RECEIPTS	327 510	338 120	103.2

Table 4: State Taxation Receipts

	Budget Estimate 2001-02	June YTD 2001-02 Actual	June YTD 2001-02 Actual to Budget
	\$'000	\$'000	%
Land Tax	29 396	26 367	89.7
Motor Taxation	40 239	41 983	104.3
Payroll Tax	213 622	223 777	104.8
Financial Transaction Taxes:			
Financial Institutions Duty	2 126	2 716	127.8
Stamp Duties	133 019	166 278	125.0
Franchise Fees and Levies:			
Electricity Entities Levy	1 942	1 670	86.0
Gambling Taxes:			
Casino Tax and Licence Fees	44 159	45 656	103.4
Lottery Tax	19 992	20 529	102.7
Racing and Gaming Taxes	363	292	80.4
Other:			
Sundry Licences	30		
TOTAL STATE TAXATION RECEIPTS	484 888	529 269	109.2

MAJOR VARIATIONS - RECEIPTS

Total receipts for the twelve months to 30 June 2002 were \$2 420.2 million, 104.1 per cent of Budget.

Commonwealth Sources***Recurrent Receipts*****General Purpose Receipts**

Commonwealth general purpose payments to Tasmania were approximately \$41 million above Budget estimates. The main factor (\$25 million) was a higher than estimated demand for the First Home Owners Scheme (FHOS). Under the *Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations* (IGA), the Commonwealth reimburses the cost incurred by the States as a result of the FHOS during the guarantee period. That is, the higher revenue on account of the FHOS, is exactly offset by the higher than budgeted outlays.

Tasmania also received a further \$10 million as a result of a higher than estimated indexation adjustment in relation to financial assistance grants foregone and the impact of a greater than estimated national population share for Tasmania. The balance was due to a small ex-post adjustment in the estimates for 2000-01.

State Sources

Taxation

Receipts from Taxation were \$44 million above Budget primarily due to higher than expected stamp duty, as a result of increased stamp duty on conveyances due mainly to higher than anticipated activity in the property market and increased payroll tax receipts.

Commonwealth Sources

Recurrent Receipts

Specific Purpose Receipts - Technical and Further Education

Higher than budgeted Commonwealth Funding was received for Technical and Further Education (TAFE) due to the timing of the Commonwealth funding approval process. Commonwealth Funding for TAFE is approved annually on a calendar year basis, and the exact funding available for the financial year is not known at the time of preparing the Budget estimate.

Capital Receipts

Specific Purpose Capital Receipts

Commonwealth Specific Purpose Capital Receipts were below Budget due to a decrease in funding provided by the Commonwealth for the National Roads program. The decrease in funding is offset by an equivalent decrease in expenditure in the Roads Program and reflects the completion of a number of major road projects.

State Taxation Receipts

Land Tax

Land tax receipts were \$3 million below estimate due to the Budget estimate being prepared before a detailed assessment of the land tax base could be conducted. This assessment could not be done until after 1 July 2001, the date at which all properties were assessed for land tax for 2001-02. As such, the Budget estimate relied on a range of other factors including the land tax assessment from the previous year. However, the land tax assessment from the previous year differed substantially from the land tax assessment for 2001-02.

Stamp Duties

Stamp Duties receipts were \$33 million above Budget primarily as a result of the higher than expected activity in the property market. There was also an additional \$4 million in duty receipts as a result of the sale of a large business.

Payroll Tax

Payroll Tax receipts were \$10 million above Budget as a result of settlement of large outstanding liabilities and an increase in aggregate wages paid in the payroll tax paying sector.

EXPENDITURE

Table 5: Consolidated Fund Expenditure

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
Education			
Recurrent Expenditure	590 691	597 254	101.0
Capital Expenditure	24 546	24 683	102.1
Total	615 237	621 937	101.1
Finance-General			
Recurrent Expenditure	394 502	402 615	102.1
Capital Expenditure	20 000	66 200	331.0
Total	414 502	468 815	113.1
Health and Human Services			
Recurrent Expenditure	658 677	693 962	105.0
Capital Expenditure	22 230	21 156	95.2
Total	680 907	715 118	104.6
House of Assembly			
Recurrent Expenditure	4 537	4 514	99.5
Capital Expenditure	....	....	....
Total	4 537	4 514	99.5
Infrastructure, Energy and Resources			
Recurrent Expenditure	91 226	92 394	101.3
Capital Expenditure	80 350	71 216	88.6
Total	171 576	163 610	95.4
Justice and Industrial Relations			
Recurrent Expenditure	54 383	58 730	108.0
Capital Expenditure	1 322	1 315	99.5
Total	55 705	60 045	107.8
Legislative Council			
Recurrent Expenditure	3 324	3 318	99.8
Capital Expenditure	....	....	....
Total	3 324	3 318	99.8
Legislature-General			
Recurrent Expenditure	3 514	3 508	99.7
Capital Expenditure	....	....	....
Total	3 514	3 508	99.7

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
Ministerial and Parliamentary Support			
Recurrent Expenditure	10 795	10 792	100.0
Capital Expenditure	....	....	....
Total	10 795	10 792	100.0
Office of the Governor			
Recurrent Expenditure	1 918	1 911	99.6
Capital Expenditure	8	8	100.0
Total	1 926	1 919	99.6
Police and Public Safety			
Recurrent Expenditure	111 497	113 348	101.7
Capital Expenditure	1 026	1 026	100.0
Total	112 523	114 374	101.6
Premier and Cabinet			
Recurrent Expenditure	20 125	21 396	106.3
Capital Expenditure	200	200	100.0
Total	20 325	21 596	106.3
Primary Industries, Water and Environment			
Recurrent Expenditure	91 014	92 192	101.3
Capital Expenditure	2 890	2 890	100.0
Total	93 904	95 082	101.3
State Development			
Recurrent Expenditure	86 097	85 711	99.6
Capital Expenditure	6 011	6 011	100.0
Total	92 108	91 782	99.6
Tasmanian Audit Office			
Recurrent Expenditure	292	252	86.3
Capital Expenditure	....	....	....
Total	292	252	86.3
Treasury and Finance			
Recurrent Expenditure	32 595	31 185	95.7
Capital Expenditure	7 476	7 452	99.7
Total	40 071	38 637	96.4
TOTAL	2 321 246	2 415 299	104.1

MAJOR VARIATIONS - EXPENDITURE

Total expenditure for the year to 30 June 2002 was \$2 415.3 million, which was \$94 million (4.1 per cent) above original Budget estimates.

Recurrent Expenditure

Health and Human Services

Recurrent expenditure was \$34.2 million above Budget due to additional service delivery costs (\$21 million), an increased Tasmanian Risk Management Fund premium (\$2.6 million), the cost of salary indexation and certificate allowances for nurses and doctors (\$2.2 million), expenditure of increased Commonwealth funding (\$4.4 million), proceeds from asset sales (\$1.3 million) and costs associated with the transfer of responsibility for the Risdon Prison Hospital to the Department of Health and Human Services (\$2.7 million).

Capital Expenditure

Finance-General

Capital expenditure is above Budget as a result of the passage of a second Appropriation Act to appropriate \$30 million to the Social Infrastructure Fund (\$16.2 million capital) and \$30 million to the Major Projects Fund.

Infrastructure, Energy and Resources

Capital expenditure is below the Budget primarily due to the timing of completion of projects and the consequent impact on Commonwealth funding provided for the National Highway in 2001-02.

Table 6: Output Group Expenditure

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
Education			
Delivery of Education Services	470 811	483 725	102.6
Delivery of Vocational Education and Training	68 104	67 963	99.8
Delivery of Information Services	22 629	22 359	98.8
Strategic Development and Evaluation Services	15 374	19 816	128.9
Administered Payments	129 205	134 807	104.3
Capital Investment Program	27 988	24 729	88.4
Total	734 111	753 398	102.6
Finance-General			
Debt Servicing and Management	200 682	158 093	78.8
Employee Related Costs	147 153	130 868	88.9
Government Business Enterprises	5 905	4 703	79.6
Miscellaneous	77 835	49 687	63.8
Administered Payments	109 950	137 883	125.4
2001-02 Infrastructure Fund	60 000	42 875	71.5
Total	601 525	524 109	87.1
Health and Human Services			
Health Advancement	39 535	41 137	104.1
Community and Rural Health	152 098	159 094	104.6
Child, Youth and Family Support	26 819	27 504	102.6
Hospitals and Ambulance Service	377 554	404 571	107.2
Housing Services	75 734	86 117	113.7
Administered Payments	146 683	150 271	102.4
Capital Investment Program	49 491	28 255	57.1
Total	867 914	896 949	103.3
House of Assembly			
House of Assembly Support Services	1 732	1 731	99.9
Payments Administered by the House of Assembly	2 805	2 784	99.3
Administered Payments	67	69	103.0
Total	4 604	4 584	99.6

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
Infrastructure, Energy and Resources			
Development of Transport Policy Advice and Planning	1 661	2 249	135.2
Land Transport Safety Programs	20 698	18 485	89.3
Provision of Transport Services and Infrastructure	4 814	5 822	120.9
Provision of Energy Advisory and Regulatory Services	409	512	125.2
Workplace Standards	13 032	13 289	102.0
Mineral Resources Management and Administration	6 795	7 253	106.7
Support for the Minister in Infrastructure Development and Business Management	299	545	182.3
Support for Racing Industry	1 423	1 799	126.4
Administered Payments	216 395	236 584	109.3
Capital Investment Program	84 076	78 888	93.8
Total	349 602	365 425	104.5
Justice and Industrial Relations			
Administration of Justice	20 107	20 933	104.1
Legal Services	5 986	5 982	99.9
Registration Services	677	861	127.2
Review Services	2 064	2 165	104.9
Electoral Services	1 379	1 720	124.7
Corrective Services	24 126	26 141	108.4
Other Services	569	573	100.8
Consumer Services	2 674	2 829	105.8
Industrial Relations Services	3 424	3 469	101.3
Administered Payments	7 982	8 455	105.9
Capital Investment Program	1 322	1 315	99.5
Total	70 310	74 443	105.9
Legislative Council			
Legislative Council Support Services	1 582	1 640	103.7
Payments Administered by the Legislative Council	1 742	1 716	98.5
Administered Payments	27	40	148.1
Total	3 351	3 396	101.3
Legislature-General			
Parliamentary Reporting Service	762	729	95.7
Parliamentary Library Service	559	552	98.8
Parliamentary Printing and Systems	550	553	100.5
Joint Services	1 756	1 828	104.1
Administered Payments	258	262	101.6
Capital Investment Program	39	29	74.4
Total	3 924	3 954	100.8
Ministerial and Parliamentary Support			
Support for Members of Parliament	10 820	10 757	99.4
Administered Payments	330	13	3.9
Total	11 150	10 770	96.6

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
Office of the Governor			
The Office of the Governor	1 918	2 033	106.0
Administered Payments	60	52	86.7
Capital Investment Program	8	8	100.0
Total	1 986	2 092	105.4
Police and Public Safety			
Policing Support to the Community	62 426	64 867	103.9
Crime Detection and Investigation	27 102	27 103	100.0
Traffic Law Enforcement and Road Safety	13 154	12 821	97.5
Protection of Primary Industry and Fisheries Resources	4 931	4 988	101.2
Emergency Management	1 580	1 567	99.2
Support to Judicial Services	6 543	5 829	89.1
Ministerial Support and Information Services	2 241	2 016	90.0
Administered Payments	2 786	3 166	113.6
Capital Investment Program	1 176	878	74.7
Total	121 939	123 225	101.1
Premier and Cabinet			
Support for Executive Decision Making	3 438	3 550	103.3
Government Processes and Services	5 560	7 301	131.3
Electronic Services for Government Agencies and the Community	33 016	28 451	86.2
Public Employment and Management	2 362	2 268	96.0
Aboriginal Affairs - Policy Advice and Community Services	648	538	83.0
Multicultural Tasmania - Policy Advice and Community Services	290	304	104.8
Development of Local Government	1 631	1 582	97.0
Women Tasmania - Policy Advice and Community Services	1 136	1 025	90.2
Administered Payments	12 708	8 428	66.3
Capital Investment Program	200	200	100.0
Total	60 989	53 648	88.0
Primary Industries, Water and Environment			
Information and Land Services	27 647	28 312	102.4
Food, Agriculture and Fisheries	27 755	29 270	105.5
Resource Management and Conservation	13 780	15 145	109.9
Environment Protection, Planning and Analytical Services	16 636	15 435	92.8
Parks and Wildlife Services	28 720	46 475	161.8
Water Resources	3 613	5 116	141.6
Administered Payments	268 886	246 599	91.7
Capital Investment Program	2 890	4 976	172.2
Total	389 927	391 328	100.4

	Budget Estimate 2001-02 \$'000	June YTD 2001-02 Actual \$'000	June YTD 2001-02 Actual to Budget %
State Development			
Investment Trade and Development	9 583	9 672	100.9
State Industries	5 846	6 250	106.9
Centre for Research Industry and Strategic Planning	1 914	1 888	98.6
Tourism Marketing and Development	27 985	29 863	106.7
Cultural, Heritage and Recreation Industry Development	7 924	8 015	101.2
Administered Payments	145 008	140 830	97.1
Capital Investment Program	6 011	6 011	100.0
Total	204 271	202 530	99.1
Tasmanian Audit Office			
Public Sector Management and Accountability	3 446	3 418	99.2
Administered Payments	277	227	81.9
Total	3 723	3 645	97.9
Treasury and Finance			
Financial and Resource Management Services	46 233	50 700	109.7
Economic and Fiscal Policy Advice	6 650	7 004	105.3
Revenue and Regulatory Management Services	12 798	12 469	97.4
Administered Payments	32 407	34 386	106.1
Capital Investment Program	7 476	7 746	103.6
Total	105 564	112 305	106.4

MAJOR VARIATIONS - OUTPUT GROUP EXPENDITURE

A number of agencies have recorded significant variations in estimated and actual expenditure under the Capital Investment Program. These variations largely reflect the timing of payments for major projects. Explanations for major variations in Output Group expenditure by agency are provided below.

Finance-General

Expenditure for the Debt Servicing and Management Output Group is below Budget primarily due to reductions in net debt levels and savings achieved by refinancing maturing debt at lower interest rates. Further savings of \$4.8 million in Interest on Sundry Deposits have resulted from lower than anticipated growth in the balance of interest bearing accounts in the Special Deposits and Trusts Fund.

Expenditure for the Employee Related Costs Output Group is below Budget due to savings of \$12 million from the Provision for Wage Increases Output, as expenditure is incurred directly by other agencies and offset by savings within this Output. Further savings of \$3.2 million have been realised for Fringe Benefits Tax instalments, as a result of changes in the administration of Fringe Benefits Tax. In previous years, Fringe Benefits Tax for all on-Budget agencies was paid to the Australian Tax Office by Finance-General and subsequently recouped from agencies. From 2001-02, under Commonwealth legislation, agencies account for quarterly Fringe Benefits Tax instalments as part of the Business Activity Statement to the Australian Tax Office.

Expenditure for the Miscellaneous Output Group is below Budget due to expenditure of \$20 million from the Treasurer's Reserve being included in agencies' expenditure and not the Finance-General Division.

Expenditure for the Administered Payments Output Group is \$27.9 million above the Budget estimate primarily due to higher than anticipated demand for the First Home Owners Scheme.

Expenditure for the 2001-02 Infrastructure Fund Output Group is below Budget as a result of funding amounting to \$15 million for Irrigation Schemes and other economic infrastructure projects being carried over to 2002-03.

Health and Human Services

Expenditure for the Hospitals and Ambulance Service Output Group was above Budget primarily as a result of increased service delivery costs, funding for the increased Tasmanian Risk Management Fund premium (\$2.6 million), the cost of salary indexation and certificate allowances for nurses and doctors (\$1.6 million) and the costs of medico-legal claims (\$1.1 million).

Expenditure for the Housing Services Output Group was above Budget due to a change in costing processes for maintenance expenditure which has resulted in an increase in expenditure for this Output Group and a reduction in expenditure in the Capital Investment Program.

Infrastructure, Energy and Resources

Expenditure for the Land Transport Safety Programs Output Group is below Budget primarily due to a transfer of \$1.4 million for traffic management functions to Output Group 3: Provision of Transport Services and Infrastructure, and a change in the funding process for the MAIB Road Safety Task Force.

Expenditure for the Administered Payments Output Group is above Budget primarily due to \$18.1 million higher than budgeted revenue for MAIB premiums, Motor Tax and Stamp Duties. These revenues are collected by DIER and forwarded to relevant departments and other organisations under a revenue collection agency arrangement.

Police and Public Safety

Below budgeted expenditure for the Support to Judicial Services Output Group is offset by the over expenditure in the Support to the Community Output Group due to a change in the allocation of costs of uniformed police services under the output costing methodology.

Premier and Cabinet

Expenditure for the Government Processes and Services Output Group is greater than Budget as a result of higher than anticipated expenditure associated with the Centenary of Federation celebrations.

Expenditure for the Electronic Services for Government Agencies and the Community Output Group is below Budget due to lower than anticipated expenditure associated with TASINET communication costs.

Expenditure for the Administered Payments Output Group is below Budget due to uncertainties in the timing of distribution of the Regional Forest Agreement compensation across several years.

Primary Industries, Water and Environment

Expenditure for the Resource, Management and Conservation Output Group is greater than Budget as a result of receiving additional funding for the Taroom Wildlife Centre and for the acquisition of land with identified karst lands, and additional expenditure in Natural Heritage Trust programs.

Expenditure for the Parks and Wildlife Services Output Group is greater than Budget as a result of a higher than anticipated transfer from the Crown Lands Administration Fund to the Consolidated Fund and higher than expected expenditure for externally funded Natural Heritage Trust projects.

Expenditure for the Water Resources Output Group is greater than Budget as a result of higher than expected expenditure in Commonwealth funded projects such as the Clean Water program.

Expenditure for Administered Payments is lower than Budget as a result of delays in obtaining approvals for Natural Heritage Trust projects and delays in commencing other Natural Heritage Trust projects due to drought conditions. The slow participation rate amongst land owners has also impacted on the uptake of RFA project funding.