

## **DETAILS OF CONSOLIDATED FUND RECEIPTS AND EXPENDITURE AND OUTPUT EXPENDITURE FOR THE QUARTER ENDED 31 DECEMBER 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 but 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.

## ADMINISTRATIVE RESTRUCTURE

This report has been prepared on the basis of the administrative structure in the *State Service (Restructuring) Order (No. 2) 2002*. Therefore, the financial data for the Department of Primary Industries, Water and Environment, the Department of Economic Development, the Department of Premier and Cabinet and the Department of Health and Human Services reflect the administrative and budget restructures applicable from 1 October 2002. Thus, the agency allocations in this report vary from those in *Budget Paper No 2 Operations of Government Departments 2002-03 Volume 1*.

**Table 1: Consolidated Fund Outcome**

	Budget Estimate 2002-03	December YTD 2002-03 Actual	December YTD 2002-03 Actual to Budget
	\$'000	\$'000	%
<b>Receipts</b>			
Recurrent Receipts	2 395 284	1 211 710	50.6
Capital Receipts	41 600	17 097	41.1
<b>Total Receipts</b>	<b>2 436 884</b>	<b>1 228 807</b>	<b>50.4</b>
<b>Expenditure</b>			
Recurrent Expenditure	2 289 807	1 236 065	54.0
Capital Expenditure	138 557	50 982	36.8
<b>Total Expenditure</b>	<b>2 428 364</b>	<b>1 287 047</b>	<b>53.0</b>
<b>Consolidated Fund Outcome</b>	<b>(8 520)</b>	<b>58 240</b>	<b>N/A</b>

## 2002-03 CONSOLIDATED FUND OUTCOME

The Budgeted Consolidated Fund Outcome for 2002-03 is a surplus of \$8.5 million. The actual Consolidated Fund Outcome as at 31 December 2002 is a deficit of \$58 million. This has been funded by a reduction in the Government's cash reserves. The outcome, consistent with previous December quarters, is the result of cyclic variations in revenue collections and expenditure through the Consolidated Fund and does not provide an accurate indication of the Consolidated Fund Outcome for the full financial year. There are no known factors which will preclude achievement of the Budgeted Outcome at 30 June 2003.

**Table 2: Statement of the Consolidated Fund for the Quarter Ended 31 December 2002**

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget %  
<b>RECEIPTS</b>			
<b>Recurrent Receipts</b>			
<i>Commonwealth Sources</i>			
General Purpose	1 269 600	637 673	50.2
Specific Purpose	346 768	175 589	50.6
	<b>1 616 368</b>	<b>813 262</b>	<b>50.3</b>
<i>State Sources</i>			
Taxation	494 492	273 139	55.2
Receipts from Government Business Enterprises, State-owned Companies and State Authorities	152 053	69 577	45.8
Departmental Fees and Recoveries	81 112	40 587	50.0
Recoveries of State Debt Charges	6 224	2 485	39.9
Sale and Rent of Government Property	11 603	....	....
Resource Rents and Royalties	12 908	3 615	28.0
Other Recurrent Receipts	20 524	9 044	44.1
	<b>778 916</b>	<b>398 448</b>	<b>51.2</b>
<b>Total Recurrent Receipts</b>	<b>2 395 284</b>	<b>1 211 710</b>	<b>50.6</b>
<b>Capital Receipts</b>			
<i>Commonwealth Sources</i>			
Specific Purpose Payments	40 765	16 510	40.5
<i>State Sources</i>			
Capital Repayments	835	587	70.3
<b>Total Capital Receipts</b>	<b>41 600</b>	<b>17 097</b>	<b>41.1</b>
<b>TOTAL RECEIPTS</b>	<b>2 436 884</b>	<b>1 228 807</b>	<b>50.4</b>
<b>EXPENDITURE</b>			
<b>Recurrent Expenditure</b>	2 289 807	1 236 065	54.0
<b>Capital Expenditure</b>	138 557	50 982	36.8
<b>TOTAL EXPENDITURE</b>	<b>2 428 364</b>	<b>1 287 047</b>	<b>53.0</b>
<b>CONSOLIDATED FUND OUTCOME</b>	<b>(8 520)</b>	<b>58 240</b>	<b>N/A</b>

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

**Table 3: Commonwealth Specific Purpose Recurrent Receipts**

	Budget Estimate 2002-03	December YTD 2002-03 Actual	December YTD 2002-03 Actual to Budget
	\$'000	\$'000	%
<b>COMMONWEALTH PAYMENT TOWARDS-</b>			
<i><b>Health and Human Services</b></i>			
Commonwealth-State Housing Agreement	17 741	11 049	62.3
Health Care Grant	153 400	77 031	50.2
Blood Transfusion Service	1 855	830	44.7
Home and Community Care Program	15 860	6 789	42.8
Supported Accommodation Assistance Program	6 798	3 962	58.3
Public Health Outcomes Funding Agreement	3 931	1 963	49.9
National Child Care Strategy	217	109	50.2
Disability Services Grant	17 600	8 631	49.0
High Cost Drugs	4 850	3 149	64.9
<i><b>Education</b></i>			
Primary and Secondary Education	44 243	23 485	53.1
Technical and Further Education	22 235	11 522	51.8
<i><b>Tourism, Parks, Heritage and the Arts</b></i>			
World Heritage Area	5 300	....	....
<i><b>Police and Public Safety</b></i>			
Natural Disasters Organisations	207	....	....
<i><b>Finance-General</b></i>			
Assistance for Concessions	5 531	2 826	51.1
Grant to the State for Local Government	47 000	24 244	51.6
<b>TOTAL COMMONWEALTH SPECIFIC PURPOSE RECURRENT RECEIPTS</b>	<b>346 768</b>	<b>175 589</b>	<b>50.6</b>

**Table 4: State Taxation Receipts**

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget  %
Land Tax	24 990	12 458	49.9
Motor Taxation	43 466	22 369	51.5
Payroll Tax	220 290	112 956	51.3
Financial Transaction Taxes:			
Debits Duties	21 512	10 637	49.4
Financial Institutions Duty	....	678	....
Stamp Duties	116 245	79 052	68.0
Franchise Fees and Levies:			
Electricity Entities Levy	....	104	....
Gambling Taxes:			
Casino Tax and Licence Fees	47 031	23 193	49.3
Lottery Tax	20 490	11 008	53.7
Racing and Gaming Taxes	438	684	156.1
Other:			
Sundry Licences	30	....	....
<b>TOTAL STATE TAXATION RECEIPTS</b>	<b>494 492</b>	<b>273 139</b>	<b>55.2</b>

## MAJOR VARIATIONS - RECEIPTS

Total receipts for the six months to 31 December 2002 were \$1 228.8 million, 50.4 per cent of Budget.

### *Commonwealth Sources*

#### **Specific Purpose Recurrent Receipts**

Receipts for the Commonwealth-State Housing Agreement are above pro rata Budget due to timing of payments from the Commonwealth. Receipts for the full year are anticipated to be slightly under the Budget estimate.

### *State Sources*

#### **Taxation**

Total State taxation receipts are \$25.89 million above pro rata Budget for the six months to December 2002. This is primarily as a result of greater than expected activity in the property market, resulting in higher than anticipated stamp duty receipts.

## EXPENDITURE

**Table 5: Consolidated Fund Expenditure**

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget %  %
<b>Economic Development</b>			
Recurrent Expenditure	45 000	20 842	46.3
Capital Expenditure	...	...	...
Total	45 000	20 842	46.3
<b>Education</b>			
Recurrent Expenditure	619 590	336 487	54.3
Capital Expenditure	25 189	12 901	51.2
Total	644 779	349 388	54.2
<b>Finance-General</b>			
Recurrent Expenditure	445 510	225 780	50.7
Capital Expenditure	....	....	....
Total	445 510	225 780	50.7
<b>Health and Human Services</b>			
Recurrent Expenditure	700 410	396 566	56.6
Capital Expenditure	25 664	2 944	11.5
Total	726 074	399 510	55.0
<b>House of Assembly</b>			
Recurrent Expenditure	4 631	2 393	51.7
Capital Expenditure	....	....	....
Total	4 631	2 393	51.7
<b>Infrastructure, Energy and Resources</b>			
Recurrent Expenditure	95 415	53 244	55.8
Capital Expenditure	69 360	30 883	44.5
Total	164 775	84 127	51.1
<b>Justice and Industrial Relations</b>			
Recurrent Expenditure	59 909	33 340	55.7
Capital Expenditure	4 309	928	21.5
Total	64 218	34 268	53.4
<b>Legislative Council</b>			
Recurrent Expenditure	3 394	1 679	49.5
Capital Expenditure	....	....	....
Total	3 394	1 679	49.5
<b>Legislature-General</b>			
Recurrent Expenditure	3 545	1 761	49.7
Capital Expenditure	....	....	....
Total	3 545	1 761	49.7

	Budget Estimate 2002-03 \$'000	December YTD 2002-03 Actual \$'000	December YTD 2002-03 Actual to Budget % %
<b>Ministerial and Parliamentary Support</b>			
Recurrent Expenditure	11 059	6 288	56.9
Capital Expenditure	....	....	....
Total	11 059	6 288	56.9
<b>Office of the Governor</b>			
Recurrent Expenditure	1 961	1 027	52.4
Capital Expenditure	8	11	137.5
Total	1 969	1 038	52.7
<b>Police and Public Safety</b>			
Recurrent Expenditure	114 716	65 209	56.8
Capital Expenditure	1 562	463	29.7
Total	116 278	65 672	56.5
<b>Premier and Cabinet</b>			
Recurrent Expenditure	20 899	12 546	60.0
Capital Expenditure	....	....	....
Total	20 899	12 546	60.0
<b>Primary Industries, Water and Environment</b>			
Recurrent Expenditure	70 986	36 590	51.5
Capital Expenditure	244	44	18.0
Total	71 230	36 634	51.4
<b>Tasmanian Audit Office</b>			
Recurrent Expenditure	298	131	44.0
Capital Expenditure	....	....	....
Total	298	131	44.0
<b>Tourism, Parks, Heritage and the Arts</b>			
Recurrent Expenditure	59 154	26 155	44.2
Capital Expenditure	4 199	2 028	48.3
Total	63 353	28 183	44.5
<b>Treasury and Finance</b>			
Recurrent Expenditure	33 330	16 026	48.1
Capital Expenditure	8 022	780	9.7
Total	41 352	16 806	40.6
<b>TOTAL</b>	<b>2 428 364</b>	<b>1 287 047</b>	<b>53.0</b>

## MAJOR VARIATIONS - EXPENDITURE

Total expenditure for the six months to 31 December 2002 was \$1 287 million, 53.0 per cent of Budget.

## **Recurrent Expenditure**

### ***Education***

Expenditure is above pro rata Budget due to timing differences in the payment of grants and allowances. The majority of payments are made in the first half of the financial year.

### ***Health and Human Services***

Expenditure is above pro rata Budget primarily due to the timing of grant payments to Community Sector Organisations, a significant number of which are paid quarterly in advance.

## **Capital Expenditure**

### ***Justice and Industrial Relations***

Capital Investment Program expenditure is below pro rata Budget as the majority of budgeted expenditure is related to the Prison Infrastructure Redevelopment Project and will occur towards the end of the financial year.

### ***Treasury and Finance***

Capital expenditure is below pro rata Budget as the majority of expenditure will occur towards the end of the financial year.



**Table 6: Output Group Expenditure**

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget  %
<b>Economic Development</b>			
Investment Trade and Development	15 374	8 035	52.3
Centre Research, Industry and Strategic Planning	1 331	632	47.5
Recreation Industry Development	3 444	1 616	46.9
Administered Payments	59 361	26 540	44.7
Total	79 510	36 823	46.3
<b>Education</b>			
Delivery of Education Services	494 545	225 472	51.7
Delivery of Vocational Education and Training	72 618	40 178	55.3
Delivery of Information Services	23 020	11 624	50.5
Strategic Development and Evaluation Services	18 857	9 866	52.3
Administered Payments	146 967	87 815	59.8
Capital Investment Program	30 009	15 573	51.9
Total	786 016	420 528	53.5
<b>Finance-General</b>			
Debt Servicing and Management	147 908	52 605	35.6
Employee Related Costs	132 330	51 164	38.7
Government Business Enterprises	48 365	43 313	89.6
Miscellaneous	102 438	37 543	36.6
Administered Payments	126 561	71 859	56.8
2001-02 Infrastructure Fund	15 000	6 723	44.8
Social Infrastructure Fund	17 000	178	1.0
Total	589 602	263 385	44.7
<b>Health and Human Services</b>			
Community, Population and Rural Health	203 448	101 514	49.9
Children and Families	37 285	20 375	54.6
Hospitals and Ambulance Service	409 273	213 058	52.1
Housing Services	75 452	39 662	52.6
Administered Payments	147 175	105 684	71.8
Capital Investment Program	49 794	10 434	21.0
Total	922 427	490 727	53.2
<b>House of Assembly</b>			
House of Assembly Support Services	1 759	964	54.8
Payments Administered by the House of Assembly	2 872	1 429	49.7
Administered Payments	67	28	41.8
Total	4 698	2 421	51.5

	Budget Estimate 2002-03	December YTD 2002-03 Actual	December YTD 2002-03 Actual to Budget
	\$'000	\$'000	%
<b>Infrastructure, Energy and Resources</b>			
Development of Transport Policy Advice and Planning	1 691	841	49.7
Land Transport Safety Programs	18 687	9 285	49.7
Provision of Transport Services and Infrastructure	6 549	3 198	48.8
Provision of Energy Advisory and Regulatory Services	709	214	30.2
Workplace Standards	13 218	6 370	48.2
Mineral Resources Management and Administration	5 359	3 150	58.8
Support for the Minister in Infrastructure Development and Business Management	542	272	50.2
Support for Racing Industry	1 446	1 039	71.9
Administered Payments	218 741	128 146	58.6
Capital Investment Program	69 710	31 191	44.7
Social Infrastructure Fund	...	206	...
Total	336 652	183 912	54.6
<b>Justice and Industrial Relations</b>			
Administration of Justice	22 502	11 840	52.6
Legal Services	6 080	3 652	60.1
Registration Services	710	547	77.0
Review Services	2 367	1 361	57.5
Electoral Services	4 358	3 014	69.2
Corrective Services	24 781	14 906	60.2
Other Services	586	282	48.1
Consumer Services	2 702	1 795	66.4
Industrial Relations Services	3 508	1 587	45.2
Administered Payments	7 970	4 587	57.6
Capital Investment Program	4 309	769	17.9
Total	79 873	44 340	55.5
<b>Legislative Council</b>			
Legislative Council Support Services	1 612	827	51.3
Payments Administered by the Legislative Council	1 782	858	48.2
Administered Payments	27	23	85.2
Total	3 421	1 708	49.9
<b>Legislature-General</b>			
Parliamentary Reporting Service	781	292	37.4
Parliamentary Library Service	572	231	40.4
Parliamentary Printing and Systems	550	212	38.5
Joint Services	1 770	1 093	61.7
Administered Payments	243	150	61.7
Total	3 916	1 978	50.5
<b>Ministerial and Parliamentary Support</b>			
Support for Members of Parliament	11 084	6 348	57.3
Administered Payments	330	191	57.9
Total	11 414	6 539	57.3

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget  %
<b>Office of the Governor</b>			
The Office of the Governor	1 961	1 201	61.2
Administered Payments	60	40	66.7
Capital Investment Program	8	11	137.5
Total	2 029	1 252	61.7
<b>Police and Public Safety</b>			
Policing Support to the Community	63 888	36 516	57.2
Crime Detection and Investigation	28 032	16 793	59.9
Traffic Law Enforcement and Road Safety	13 019	5 921	45.5
Protection of Primary Industry and Fisheries Resources	5 025	2 627	52.3
Emergency Management	1 603	916	57.2
Support to Judicial Services	6 652	2 904	43.7
Ministerial Support and Information Services	2 274	858	37.7
Administered Payments	3 080	1 498	48.6
Capital Investment Program	1 562	464	29.7
Total	125 135	68 497	54.7
<b>Premier and Cabinet</b>			
Support for Executive Decision Making	3 106	1 553	50.0
Government Processes and Services	4 768	2 924	61.3
Electronic Services for Government Agencies and the Community	29 365	17 070	58.1
Public Employment and Management	1 985	1 124	56.6
Aboriginal Affairs	485	239	49.2
Multicultural Tasmania	320	162	50.6
Development of Local Government	1 637	876	53.5
Women Tasmania	1 098	553	50.3
Tasmania Together Progress Board	614	377	61.4
Administered Payments	13 973	4 659	33.3
Total	57 351	29 537	51.5
<b>Primary Industries, Water and Environment</b>			
Information and Land Services	35 337	16 036	45.4
Food, Agriculture and Fisheries	28 074	14 592	52.0
Resource Management and Conservation	9 865	6 272	63.6
Environment Protection, Planning and Analytical Services	13 930	6 710	48.2
Water Resources	5 409	2 034	37.6
Administered Payments	224 820	130 815	58.2
Capital Investment Program	244	44	18.1
Social Infrastructure Fund	...	3	...
Total	317 679	176 506	55.6

	Budget Estimate 2002-03  \$'000	December YTD 2002-03 Actual  \$'000	December YTD 2002-03 Actual to Budget  %
<b>Tasmanian Audit Office</b>			
Public Sector Management and Accountability	3 245	1 712	52.8
Administered Payments	264	208	78.8
Total	3 509	1 920	54.7
<b>Tourism, Parks, Heritage and the Arts</b>			
Tourism	28 961	14 802	51.1
Parks and Wildlife Management	25 660	12 839	50.0
Heritage and the Arts	6 998	3 551	50.7
Administered Payments	59 592	21 702	36.4
Capital Investment Program	5 849	2 787	47.6
Total	127 060	55 681	43.8
<b>Treasury and Finance</b>			
Financial and Resource Management Services	48 391	27 196	56.2
Economic and Fiscal Policy Advice	6 587	3 008	45.7
Revenue and Regulatory Management Services	14 139	6 600	46.7
Administered Payments	30 219	13 609	45.0
Capital Investment Program	8 022	780	9.7
Total	107 358	51 193	47.7

## **MAJOR VARIATIONS - OUTPUT GROUP EXPENDITURE**

A number of agencies have recorded significant variations in actual expenditure under the Capital Investment Program. These variations largely reflect the timing of payments for major projects. Also, several agencies have recorded variances in Infrastructure Fund expenditure, as the Budget for this expenditure did not form part of the original Budget allocation to agencies, but was included in the Finance-General Division. 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 pro rata Budget primarily due to reductions in net debt levels and savings achieved by refinancing maturing debt at lower interest rates. Further savings in Interest on Sundry Deposits have resulted from lower than anticipated growth in the balance of interest bearing accounts in the Special Deposits and Trust Fund.

The Employee Related Costs Output Group is below pro rata Budget primarily due to savings in the Provision for Wage Increases Output. Expenditure against this Output is incurred directly by other agencies and offset by savings in this Output. There are also timing differences between the actual expenditure and pro rata Budget for this Output.

The Government Business Enterprises Output Group is above pro rata Budget primarily due to the payment in the first quarter of the financial year of the annual contribution to the TT-Line for the purchase of one of the two vessels acquired in 2001-02 to replace the *Spirit of Tasmania*.

The Miscellaneous Output Group is under pro rata Budget due to the timing of the application of funds from the Treasurer's Reserve, and the fact that such outflows are included in the expenditure of other agencies and not the Finance-General Division.

### ***Health and Human Services***

The Administered Payments Output Group is above pro rata Budget primarily due to the timing of grant payments to Community Sector Organisations, a significant number of which are paid quarterly in advance.

The Capital Investment Program Output Group is below pro rata Budget as the majority of expenditure is budgeted to occur towards the end of the financial year.

### ***Infrastructure, Energy and Resources***

The Administered Payments Output Group is above pro rata Budget due to timing differences in the payment of various grants and allowances and the timing of receipts from MAIB premiums, Motor Tax and Stamp Duties, which the Department collects on behalf of external bodies and forwards to the relevant organisations.

### ***Justice and Industrial Relations***

The Legal Services Output Group is above pro rata Budget due to the payment of two large annual payments in the December 2002 quarter.

The Electoral Services Output Group is above pro rata Budget due to the timing of Local Government elections.

Expenditure for the Corrective Services Output Group is above pro rata Budget due to an increase in prisoner numbers.

The Capital Investment Program Output Group is below pro rata Budget as the majority of budgeted expenditure is related to the Prison Infrastructure Redevelopment Project and will occur towards the end of the financial year.

### ***Premier and Cabinet***

The Government Processes and Services Output Group is above pro rata Budget due to a number of one off payments, timing differences in payments and unbudgeted expenditure for show displays and the transfer of leave entitlements.

The Administered Payments Output Group is below pro rata Budget mainly due to the timing of payments under various grants programs and the distribution of compensation payments under the Regional Forest Agreement.

### ***Primary Industries, Water and Environment***

The Administered Payments Output Group is above pro rata Budget as a result of the timing of Natural Heritage Trust projects not finalised in 2001-02 and the subsequent deferral of expenditure to 2002-03.

### ***Tourism, Parks, Heritage and the Arts***

The Administered Payments Output Group is below pro rata Budget as a result of the timing of payments. In particular, the Tourism Retail and Wholesale Direct Cost administered payment is below pro rata as increased payments typically made during the peak summer tourism season are not yet included.

### ***Treasury and Finance***

The Capital Investment Program Output Group is below pro rata Budget as the majority of expenditure will occur towards the end of the financial year.