The Honourable Delia Lawrie MLA  
Treasurer  
GPO Box 3146  
DARWIN NT 0801  

Dear Treasurer  

In accordance with the provisions of section 28 of the *Public Sector Employment and Management Act*, I am pleased to provide to you the Annual Report of Northern Territory Treasury for 2007-08 and to confirm that, in terms of that Act, all Employment Instructions have been satisfied.

This report describes developments and operational outcomes during the year in a form intended to be informative to a wide range of readers including Parliamentarians, other government agencies, the public and Treasury employees.

Pursuant to the *Financial Management Act*, I advise that to the best of my knowledge and belief:

(a) proper records of all transactions affecting Treasury are kept and that employees under my control observe the provisions of that Act, the Financial Management Regulations and the Treasurer’s Directions;

(b) procedures within Treasury afford proper internal control, and that these procedures are recorded in the Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*;

(c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exist;

(d) in accordance with the requirements of section 15 of the Act, the internal audit capacity available to Treasury is adequate and the results of internal audits have been reported to me; and

(e) the financial statements included in the Annual Report have been prepared from proper accounts and records, and are in accordance with Treasurer’s Directions.

Pursuant to section 131 of the *Information Act*, I advise that to the best of my knowledge and belief, the agency has implemented processes to achieve compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act*.

Yours sincerely

Jennifer Prince  
Under Treasurer  
30 September 2008
This report is designed to meet Northern Territory Treasury’s annual reporting requirements, as specified for public sector agencies in the Public Sector Employment and Management Act, Financial Management Act and the Information Act. It reports our performance to the Treasurer, the Legislative Assembly, government agencies and other stakeholders, including Treasury’s own staff. It reflects on Treasury’s many and varied endeavours during 2007-08, and provides information about Treasury’s culture, responsibilities and internal governance arrangements.

The 2007-08 Annual Report is divided into four sections. A summary of the various sections of the Report are as follows:

- **Overview** – introduces Northern Territory Treasury, with a profile of the organisation including our objectives, values and the Under Treasurer’s review of the year to June 2008. A summary of the past year’s achievements and the focus for 2008-09 are also provided.

- **Performance Reporting** – provides a detailed account of Treasury’s performance in 2007-08 measured against achievement of the five strategic objectives. Output performance tables report on Treasury’s performance in terms of the measures published in Budget Paper No. 3.

- **Managing the Organisation** – describes how Treasury functions as an organisation, its corporate governance arrangements, its people, risk management and meeting its corporate social responsibilities. It also reports on financial performance by providing financial statements for Treasury and the Central Holding Authority.

- **Appendixes** – provide further details of Treasury’s responsibilities including legislation administered, functions and structure. There is also a glossary of common Treasury terms and a list of tables and figures.

The report is published in an electronic format (rather than in print), with limited use of graphics and illustrations to minimise download times. It is provided in PDF format with options for downloading the entire report or individual sections.

Please consider the environment and avoid unnecessary paper usage before printing this document.

A summary of Treasury’s highlights, ‘Year in Review 2007-08’ is also available on the Treasury website.

Contents

Overview 3
  Treasury Profile 4
Under Treasurer’s Review 6
Key Achievements 2007-08 9
Future Priorities 11
Celebrating 30 Years 13
Performance Reporting 17
  Reporting Preface 18
  1. Financial Management 19
  2. Economic Management 23
  3. Intergovernmental Relations 26
  4. Revenue Management 30
  5. Superannuation 32
  Output Performance Tables 35
Corporate Governance 41
Treasury People 53
Risk Management 71
Corporate Social Responsibility 77
Financial Performance 81
  Financial Statements – Treasury’s Dual Role 82
  Northern Territory Treasury 84
  Financial Statements 2007-08 117
  Central Holding Authority
  Financial Statements 2007-08
Appendixes 141
  1. Treasury’s Organisational Chart 142
  2. Functions of Treasury 143
  3. Directory 144
  4. Membership of Boards and Committees 146
  5. Legislation Administered 148
  6. Legislative Changes 2007-08 149
  7. Publications 151
Glossary 154
List of Tables and Figures 157
Overview
Northern Territory Treasury was established at Self Government in 1978, and 2008 marks our 30th anniversary.

Treasury is a young organisation with an average employee age of 36 years. Treasury provides high quality, expert advice to Government on fiscal, economic and commercial issues. It is a reputation Treasury is proud of and works hard to maintain.

Through the Under Treasurer, the organisation is responsible to the Treasurer. As at 30 June 2008, the Treasurer was the Honourable Delia Lawrie MLA.

What We Do

Our Purpose
Our purpose is to promote sustainable fiscal strength and economic development of the Northern Territory, and contribute to improved social and fiscal wellbeing for Territorians.

Our Role
Treasury’s primary role is to provide specialist fiscal, economic and commercial policy advice and services to the Northern Territory Government to assist it to deliver services and infrastructure for the benefit of Territorians.

Our Strategic Objectives
Treasury strives to provide:
- best practice financial management;
- quality analysis and public policy advice on economic, commercial and social issues;
- effective intergovernmental financial relations;
- a fair and efficient Territory tax system; and
- appropriate superannuation arrangements for the Territory public sector.

Through a well managed and flexible organisation, we:
- recruit and retain high quality staff and provide professional training, development and encouragement;
- maintain our commitment to high quality outputs; and
- ensure a safe, supportive workplace that recognises diversity and respects every staff member.

Our Services
The services Treasury provides include advice, analysis and administration of matters relating to:
- financial management and fiscal initiatives;
- economic frameworks and the Territory economy;
- commercial projects;
- own-source revenue, including taxation;
- public sector superannuation;
- borrowing and investing on behalf of the Territory; and
- grants, subsidies and community service obligations related to our responsibilities.

Our Stakeholders
Treasury stakeholders include:
- the Treasurer, Cabinet and government agencies;
- the Territory community, business groups and commentators;
- the Legislative Assembly and the Auditor-General; and
- Treasury staff.
How We Do It

Our Organisation
As at 30 June 2008, Treasury, incorporating Northern Territory Treasury Corporation, employed 197 full-time equivalent staff. Treasury is committed to being an employer of choice, through a well managed and flexible organisation that promotes the improvement of staff capability, and values the dedication and expertise of its staff.

Our business units are grouped into five output groups for budgeting and reporting purposes.

Further details of the functions of our business units and Northern Territory Treasury Corporation can be found in Appendix 2. The contribution of business units to Treasury’s strategic objectives and output groups is illustrated on page 8.

Treasury is also responsible for the Utilities Commission. Although the Utilities Commission and Northern Territory Treasury Corporation produce their own annual reports, each forms part of Treasury for administrative purposes, therefore summary information about their performance is included in Treasury’s Annual Report.

Our Values
Treasury’s values are underpinned by trust, integrity and professionalism.

• We are committed to providing frank, accurate and timely strategic advice.
• Treasury staff take responsibility for their work and behaviour and act in a collaborative way with integrity, respect and fairness.
• We recognise the dedication and expertise of our staff and support them in balancing professional and personal priorities.

Governance Principles
We endeavour to consider the following five principles when taking action on a day-to-day basis:

• accountability;
• transparency;
• leadership;
• integrity; and
• equity.

Further information and key achievements in these areas are reported in the Corporate Governance section in this report (page 41).
Under Treasurer’s Review

Northern Territory Treasury (Treasury) was established at Self Government in 1978 and 2008 marks the organisation’s 30th Anniversary. After 30 years, Treasury remains committed to promoting sustainable fiscal strength, economic development and improved social wellbeing for Territorians by providing the best possible analysis, advice and services. This continued to be demonstrated in 2007-08 with staff producing high quality outputs in all areas with continued emphasis on achieving our strategic objectives while maintaining a well managed and flexible organisation.

The Annual Report not only satisfies our statutory reporting obligations under the Public Sector Employment and Management Act, Financial Management Act and Information Act, it also provides a detailed report on our performance and achievements in 2007-08, as well as highlighting the nature of our organisation and our strategic priorities for 2008-09.

Particular highlights and achievements in 2007-08 include:

Financial Management
The 2008-09 Budget was handed down in May 2008, incorporating a significant infrastructure program, a range of enhanced home ownership initiatives, ongoing service delivery priorities and tax reform.

Intergovernmental Relations
Effective management of intergovernmental financial arrangements and, in particular, the application of horizontal fiscal equalisation by the Commonwealth Grants Commission (CGC), remain a high priority for Treasury.

Commonwealth-State Financial Relations
Every five years, the CGC undertakes a major review of the methodology it uses to determine the relativities, with the next major review due for completion in 2010. During 2007-08 Treasury was, and continues to be, heavily involved in the review process, making several submissions on behalf of the Territory. Treasury continues to actively participate on matters such as the simplification of existing arrangements and the quality of data used in assessments that underpin the distribution of GST revenue.

Council of Australian Governments’ Financial Framework Reform
In December 2007, the Council of Australian Governments (COAG) agreed to an accelerated work agenda for 2008 including implementing significant reforms to the Commonwealth-State financial framework. These reforms are likely to influence the level of Commonwealth grants to states and territories and hence the Territory’s share of national revenue.

The 2008-09 Budget was in line with the Government’s fiscal strategy and the requirements of the Fiscal Integrity and Transparency Act and the Financial Management Act.

The 2006-07 Treasurer’s Annual Financial Report and 2007-08 Mid-Year Report were published during the year, meeting the Territory’s reporting obligations under its own legislation as well as intergovernmental agreements. All these financial reports showed ongoing improvements in the Territory’s fiscal position, and continued clarity and transparency in presentation.

Economic Management
Treasury staff continue to be actively involved in a range of strategic whole of government issues aimed at improving the delivery of government services through national as well as Territory initiatives and implementation of new initiatives. During 2007-08, Treasury continued with reviews of key Territory policies and frameworks including regulatory arrangements for electricity provision in the Territory, regulatory framework for the Port of Darwin and arrangements for prudential supervision of the Territory Insurance Office. Treasury also provided advice and assistance on government commercial projects including the development of Bellamack and the commercialisation of aspects of the Territory’s integrated land information system.

In addition, Treasury continued in 2007-08 to provide advice to Government and other agencies on the Territory’s economy and future economic and social projections.
During 2007-08, Treasury, in conjunction with the Department of the Chief Minister and relevant line agencies, contributed significantly to working groups established to progress COAG reform initiatives including the seven new areas of: health and ageing, productivity and participation, climate change and water, infrastructure, business regulation and competition, Indigenous reform and housing.

Indigenous Expenditure Review
The Territory has a large and geographically dispersed Indigenous population living in urban, rural and remote areas. During 2007-08, data from agencies relating to the 2006-07 financial year was collected and analysed for the second Indigenous Expenditure Review (IER). The 2006-07 IER was reviewed by the Territory’s Auditor-General. The Territory Government has committed to examining Indigenous-related expenditure and revenue on a regular basis.

Revenue Management
Reflecting the Territory’s economic growth in 2007-08, Treasury administered and receipted $576 million in own-source revenue.

The new Taxation Administration Act 2008 was introduced in 2007-08 following extensive consultation with taxpayers and industry professionals. Treasury also implemented a number of legislative changes to harmonise payroll tax arrangements to achieve national consistency, and enhanced an internet-based payroll tax return system, which has received positive feedback from business and industry.

Superannuation
During 2007-08, legislative amendments to the Superannuation Act provided for allocated pensions allowing members who have retired from the public sector to receive their superannuation in the form of a pension. Prior to this, the Northern Territory Government and Public Authorities’ Superannuation Scheme only provided a lump sum benefit and members who retired from the workforce had limited options when deciding how to make use of their superannuation savings.

The Superannuation Office also continued to work towards meeting obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act, which is aimed at combating the risk of money laundering and the financing of terrorism through financial institutions.

Managing Our Organisation
During 2007-08, Treasury continued to focus on its corporate planning and reporting processes. Treasury also placed additional effort in a number of strategic human resource areas to maintain its reputation as an employer of choice and to provide a work environment in which staff are challenged to grow and develop both professionally and personally.

These areas included developing managerial capabilities and leadership, implementing policies to help staff balance their professional and personal priorities, and increased promotion of Treasury’s employment programs.

Reflecting on the past year, Treasury has again achieved much as an organisation and I acknowledge the continued effort and expertise of our staff.

Celebrating 30 Years Of Treasury
In 2008, Treasury celebrates 30 years of achievements. I would like to acknowledge previous Treasurers, Under Treasurers and Treasury staff who have contributed to these achievements.

Over the next few years key projects and initiatives such as the announcement of Darwin being chosen as the preferred site for the $12 billion Inpex onshore gas plant, continuing work to close the gap on Indigenous disadvantage, and reforms to Commonwealth-state financial relations will bring similarly exciting and challenging work for Treasury.

Treasury looks forward to the challenges ahead and playing a key role in shaping the Territory economy and improving the social and fiscal wellbeing of all Territorians.

Jennifer Prince
30 September 2008
Our Purpose
To promote sustainable fiscal strength and economic development of the Northern Territory, and contribute to improved social and fiscal wellbeing for Territorians.

**Strategic Objectives**

- **Financial Management**
  - Best practice financial management

- **Economic Management**
  - Quality analysis and public policy advice on economic, social and commercial issues

- **Intergovernmental Relations**
  - Effective intergovernmental financial relations

- **Revenue Management**
  - A fair and efficient Territory tax system

- **Superannuation**
  - Appropriate public sector superannuation arrangements

**Business Units**

- Financial Management
- Treasury Corporation
- Economic Policy and Frameworks
- Economic and Social Analysis
- Commercial
- Public Finance
- Territory Revenue Office
- Superannuation Office
- Treasury Services

**Output Groups**

- Financial Management
- Treasury Corporation
- Economic
- Commercial
- Economic
- Commercial
- Territory Revenue
- Superannuation
- All output groups

Figure 1: Our Purpose, Objectives and Outputs
Key Achievements 2007-08

Strategic Objectives

Financial Management
- Successful preparation and publication of the 2008-09 Budget ($3.8 billion), including an additional $286 million over five years to continue to align new and existing programs to Closing the Gap of Indigenous Disadvantage and the 2008-09 Infrastructure Program ($870 million) including $249 million for repairs and maintenance.
- Successful preparation and publication of the 2006-07 Treasurer’s Annual Financial Report, the 2007-08 Mid-Year Report and the Treasurer’s Quarterly Financial Reports.
- Completion of a $487 million refinancing and new borrowing program.

Economic Management
- Reviewed key government policies and frameworks, including regulatory arrangements for electricity provision in the Territory, the regulatory framework for the Port of Darwin, and prudential supervision for the Territory Insurance Office.
- Advice and assistance on government projects, including development of Bellamack and commercialisation of aspects of the Territory’s integrated land information system.
- Significant involvement in developing the Power and Water Corporation 2008-09 Statement of Corporate Intent and revised funding arrangements for Indigenous Essential Services.
- Developed a projection model, in conjunction with Charles Darwin University, for the Territory’s Indigenous and non-Indigenous populations.
- Published the Northern Territory Economy Budget Paper and 11 monthly Economic Reviews.

Intergovernmental Relations
- Key membership of Council of Australian Governments (COAG) reform agenda working groups on health and ageing; productivity; infrastructure; business regulation and competition; housing; climate change and water; and Indigenous reform.
- Submissions to the Commonwealth on all of the main assessment categories under consideration for the 2010 Review of state revenue sharing relativities.
- Collection and data analysis for the 2006-07 Indigenous Expenditure Review.
- Continued to monitor changes in the underlying parameters that determine the Territory’s GST revenue.

Revenue Management
- Implemented a range of reforms to the Territory tax system, including reduction in conveyance stamp duty rates, changes to the stamp duty first home owner concession and reducing the payroll tax rate from 6.2 per cent to 5.9 per cent.
- Implemented the new Taxation Administration Act 2008.
- Implemented legislative changes to harmonise payroll tax arrangements.
- Enhanced the functionality of the internet based payroll tax return system, TRMeR.

Superannuation
- Legislative amendments to the Superannuation Act to provide for allocated pensions, so that members can choose a pension or a lump sum.
- Continued to work towards meeting obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act as it applies to Territory’s public sector superannuation schemes.
Key Achievements 2007-08

Managing the Organisation

Corporate Governance

- The Senior Management Group and five corporate governance committees led the organisation.
- Continued focus on corporate planning and reporting processes with emphasis on the five corporate governance principles.
- Reviewed Treasury’s conflict of interest policy.

Treasury People

- Promoted a range of Treasury employment programs including scholarships, cadetships, apprenticeships and the Finance Officer in Training graduate program.
- Continued to develop managerial capabilities and leadership through professional development.
- Launched Treasury’s Managers’ Toolkit and associated information forums for managers.

Risk Management

- Reviewed Treasury’s 2008-09 Risk Register and Business Continuity Plan.
- Implemented the 2007-08 internal audit program and developed the 2008-09 internal audit program.
- Facilitated 10 external audits in compliance with statutory requirements.

Corporate Social Responsibility

- Staff supported community groups and various community organisations.

Financial Performance

- The Central Holding Authority reported an operating surplus of $275 million and received in excess of $2.9 billion in operating revenue in 2007-08 including $2.2 billion in GST revenue from the Commonwealth.

Grants and Subsidies

- $8.4 million in First Home Owner Grants to assist 1197 Territory households to own their home.
- $52.7 million in community service obligation payments to subsidise uniform tariffs for electricity, water and sewerage for households, small businesses and Tranche 4 electricity customers.
- $66.6 million in capital assistance to Power and Water Corporation, contributing to undergrounding of powerlines and its five-year infrastructure program.
Future Priorities

**Strategic Objectives**

**Financial Management**
- Incorporate 2008 election commitments into the Budget and forward estimates.
- Continue with ongoing fiscal reforms and improve accountability in line with the Territory’s financial management framework.
- Continue to manage the Territory Government’s investments, debt and financing requirements efficiently at a time of volatility in global markets.
- Improvement in key fiscal measures including ongoing cash surpluses forecast for the next five years.

**Economic Management**
- Ensure the Territory maintains an effective and efficient business and regulatory environment that promotes economic development, including meeting national reform commitments.
- Participate in developing the Territory’s climate change policies and initiatives.
- Continued development of demographic analysis and forecasting capacity to contribute to whole of government planning for future growth and service enhancement.

**Intergovernmental Relations**
- Actively contribute to the Territory’s participation in the COAG reform processes including reform of the Commonwealth-State financial arrangements.
- Ensure adequate funds from the Commonwealth that recognise the high level of special needs in the Territory including additional revenue from the Commonwealth for specific Indigenous programs like the Northern Territory Emergency Response designed to overcome the backlog in infrastructure and services.

**Revenue Management**
- Where possible, achieve further harmonisation of the Territory’s payroll tax legislation with those states that have already moved to consistent payroll tax legislation.
- Implement the Territory Government’s announced abolition of stamp duty on business property (excluding land), completing the Territory’s obligations under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.
- Contribute to the Commonwealth’s review of Taxation Arrangements and Benefit Payments.

**Superannuation**
- Commence a program of superannuation scheme simplification to strengthen scheme management into the future.
- Compliance with national anti-money laundering and counter-terrorism financing legislation.
Future Priorities

Managing the Organisation

Corporate Governance
• Continued operation of the various corporate governance committees to ensure Treasury meets its strategic objectives and operates in accordance with the five corporate governance principles and its corporate values.

Treasury People
• Continued emphasis on professional and technical development and leadership.
• Design and implement a succession planning program for the executive levels, to operate over the next two years.
• Further development of Treasury’s Indigenous Employment and Career Development Strategy.

Risk Management
• Improve internal audit capability to monitor legislative compliance and accountability processes.
• Ensure Treasury meets its external audit requirements.
• Continued upgrading of systems and processes to ensure a high level of information management security.
• More detailed preparation to ensure business continuity by system and work area.

Corporate Social Responsibility
• Continued staff awareness programs to promote efficient and wise use of resources such as electricity, water and paper.
• Develop and implement initiatives to further reduce Treasury’s carbon footprint.
Celebrating 30 Years

Peter Caldwell  Gloria Lui  John Kidd
Over the next few years, key Territory projects and initiatives will bring similarly exciting and challenging work for Treasury and we look forward to the challenges ahead and continuing to play a key role in shaping the Territory economy and improving the social and fiscal wellbeing of all Territorians.

Throughout this year’s Annual Report are interesting statistics and snapshots of Treasury, its staff and achievements over the last 30 years.

On 1 July 1978, Self Government was granted to the Northern Territory by the Commonwealth’s Northern Territory (Self-Government) Act. Treasury officers were instrumental in the negotiations that established the financial arrangements underpinning the move to Self Government and since 1978 have played a key role in securing funding for Territory Government services and providing advice on funding priorities.

Northern Territory Treasury (then Department of Treasury) was established with the transfer of responsibility from the former Department of the Northern Territory.

In 2008, Treasury celebrates 30 years of achievements. The timeline below highlights significant initiatives in which Treasury has been involved as well as major projects that have contributed to the development of the Territory’s economy.

### 1978 – Memorandum of Understanding in respect of the financial arrangements for Self Government

### 1979 – Territorial Insurance Office established

### 1980 – First Territory Bond issued

### 1982 – Introduction of the Mineral Royalty Act

### 1985 – Menzies School of Health Research established

### 1982 – Ayers Rock Resort established

### 1986 – NTGPASS established

### 1987 – University College of the NT established

### 1985 – Work Health Act introduced

### 1986 – Amadeus pipeline completed

### 1986 – Channel Island Power Station completed

### 1985 – Work Health Act introduced

### 1986 – Northern Territory Treasury established

### 1986 – TiOGAS established

### 1985 – Work Health Act introduced

### 1986 – Northern Territory Parliament House opened

### 1978

| 1978 | Menzies School of Health Research
| 1978 | Territory flag
| 1978 | Alice Springs Conv
| 1978 | Parliament House
| 1978 | Katherine floods

### UNDER TREASURERS

| Alan Ashley | Neil Conn | Richard Madden | Neil Conn |

### TREAUSERS

| Marshall Perron | Ian Tuxworth | Barry Coulter | Marshall Perron | Barry Coulter |
1978–1984
1984–1986
1986–1988
1998–2008

Population

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>109,980</td>
<td>159,026</td>
<td>189,880</td>
<td>218,380</td>
</tr>
</tbody>
</table>

Median age (years)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.0</td>
<td>26.2</td>
<td>28.4</td>
<td>31.1</td>
</tr>
</tbody>
</table>

Employment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43,147</td>
<td>68,143</td>
<td>89,520</td>
<td>113,016</td>
</tr>
</tbody>
</table>

Average weekly earnings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$241</td>
<td>$445</td>
<td>$613</td>
<td>$905</td>
</tr>
</tbody>
</table>

Number of residential building approvals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,338</td>
<td>1,134</td>
<td>2,204</td>
<td>1,133</td>
</tr>
</tbody>
</table>

Value of residential building approvals

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$59M</td>
<td>$96M</td>
<td>$301M</td>
<td>$428M</td>
</tr>
</tbody>
</table>

Export of goods

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$193M</td>
<td>$905M</td>
<td>$1,980M</td>
<td>$4,546M</td>
</tr>
</tbody>
</table>

---

Mike Reed
1995–2001

Clare Martin
2001–2002

Syd Stirling
2002–2007

Delia Lawrie
2007–

Ken Clarke
1996–2002

Jennifer Prince
2002–

---

Celebrating 30 Years
Treasury acknowledges the contribution of all Treasurers, Under Treasurers and staff over the last 30 years who have played a key role in developing the Territory’s economy and the government services provided to Territorians.

In particular, we note those current staff members with more than 20 years of service with Treasury:

- Peter Caldwell;
- Gloria Lui;
- John Kidd; and
- Peter ‘Sammy’ Jones.

In a small jurisdiction like the Northern Territory, public servants have a broader span of responsibilities than those in larger jurisdictions. This very broad range of opportunities and experience has contributed to the development of Northern Territory Treasury as the highly competent and well respected organisation that it is in 2008. We remain committed to recruiting, training and rewarding the excellent staff in Treasury so that we can continue to provide advice of the highest quality to the Territory Government.
Performance Reporting
Treasury’s overall purpose is to promote sustainable fiscal strength and economic development of the Northern Territory, and contribute to improved social and fiscal wellbeing for Territorians.

Achievement of this purpose will be measured through its five strategic objectives:

- Best practice financial management  ➔ Financial Management
- Quality analysis and public policy advice on economic, social and commercial issues  ➔ Economic Management
- Effective intergovernmental financial relations  ➔ Intergovernmental Relations
- Management of a fair and efficient Territory tax system  ➔ Revenue Management
- Appropriate public sector superannuation arrangements  ➔ Superannuation

This section reports on Treasury’s performance in delivering outputs to meet these strategic objectives. Details are provided on key projects and achievements during the year, with performance recorded for the priorities identified in last year’s annual report.

Performance against the measures published in *Budget Paper No. 3* is reported in the output performance tables. In almost all cases, measures were met or exceeded. Where performance did not meet the estimate, an explanation is provided.

Performance reporting for the Utilities Commission is included in Treasury’s output performance tables, as performance measures are published in *Budget Paper No. 3* as part of Treasury. Performance against Northern Territory Treasury Corporation’s business line measures is also included in this section. These two statutory offices form part of Treasury for administrative purposes, however full details of achievements in 2007-08 are reported in their own annual reports.
Objective 1: Financial Management

Strategic Objective
Best practice financial management.

Outputs Delivered
Analysis of whole of government resource allocation and reporting of the Territory’s financial resources through:

- whole of government budgeting and financial reporting;
- monitoring agency financial and output performance, including analysis of agency budget proposals;
- reporting and analysis of infrastructure budget requirements and coordination of the Infrastructure Program;
- management of financial accountabilities as prescribed in the Financial Management Act; and
- prudent management of the Government’s loans, borrowings and investment programs.1

1. Further details on achievements relating to loans, borrowing and investment programs can be found in the Northern Territory Treasury Corporation 2007-08 Annual Report.

Key Projects

2008-09 Budget
Developing the Northern Territory’s Budget is one of Treasury’s primary roles and a major annual activity. The 2008-09 Budget was tabled in Parliament in May 2008, following intensive work and effort by a range of Treasury staff, in collaboration with agencies. Various processes were enhanced, resulting in improved timeliness and quality of financial and policy advice to Government, and fostering better working relationships with agencies.

2006-07 Treasurer’s Annual Financial Report
The 2006-07 Treasurer’s Annual Financial Report (TAFR) was tabled in the Legislative Assembly in October 2007, providing a complete set of financial statements on a sectoral and whole of government basis.

The TAFR was issued with an unqualified audit opinion against the Government Finance Statistics (GFS) standard, the Territory’s adopted reporting format which aligns with the Uniform Presentation Framework as adopted by all Australian jurisdictions.

2007-08 Mid-Year Report
The Fiscal Integrity and Transparency Act requires the release of a mid-year fiscal outlook report each year. The 2007-08 Mid-Year Report was tabled in the Legislative Assembly in November 2007, providing updated Budget projections from the May 2007 Budget by incorporating new and expanded policy decisions and revised Commonwealth revenue estimates. The Report also provided revised financial statements on a sectoral and whole of government basis, discussion on updated economic estimates and the fiscal strategy outlook for 2007-08 and three forward years.

Harmonisation of Whole of Government Reporting
Accounting standard AASB1049 Whole of Government and General Government Financial Reporting was issued in October 2007, harmonising the GFS framework with the Australian Accounting Standards. In April 2008, the Uniform Presentation Framework was revised to align with the new accounting standard. All jurisdictions have agreed to adopt the new standard, to take effect for the 2008-09 Budget and the final outcome reports. A project was undertaken for the early adoption of the new standard for the 2007-08 TAFR.

<table>
<thead>
<tr>
<th>1979-80 Budget</th>
<th>2008-09 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts</td>
<td>Payments</td>
</tr>
<tr>
<td>$516M</td>
<td>$516M</td>
</tr>
<tr>
<td>$516M</td>
<td>$3.9B</td>
</tr>
<tr>
<td>Budget Focus:</td>
<td>Budget Focus:</td>
</tr>
<tr>
<td>• encourage small business</td>
<td>• growing the economy and reducing taxes</td>
</tr>
<tr>
<td>• enable expansion of private enterprise</td>
<td>• closing the Gap on Indigenous disadvantage</td>
</tr>
<tr>
<td>• employ more people in the private sector</td>
<td>• quality education and health services,</td>
</tr>
<tr>
<td></td>
<td>investing in infrastructure, delivering for</td>
</tr>
<tr>
<td></td>
<td>families and tackling crime</td>
</tr>
</tbody>
</table>

## Breakdown

### 1979-80 Budget
- Receipts: $516M
- Payments: $516M

### 2008-09 Budget
- Receipts: $3.9B
- Payments: $3.8B

### Key Projects
- **2008-09 Budget**: Developing the Northern Territory’s Budget is one of Treasury’s primary roles and a major annual activity. The 2008-09 Budget was tabled in Parliament in May 2008, following intensive work and effort by a range of Treasury staff, in collaboration with agencies. Various processes were enhanced, resulting in improved timeliness and quality of financial and policy advice to Government, and fostering better working relationships with agencies.

- **2006-07 Treasurer’s Annual Financial Report**: The 2006-07 Treasurer’s Annual Financial Report (TAFR) was tabled in the Legislative Assembly in October 2007, providing a complete set of financial statements on a sectoral and whole of government basis.

- **The TAFR was issued with an unqualified audit opinion against the Government Finance Statistics (GFS) standard, the Territory’s adopted reporting format which aligns with the Uniform Presentation Framework as adopted by all Australian jurisdictions.**

- **2007-08 Mid-Year Report**: The Fiscal Integrity and Transparency Act requires the release of a mid-year fiscal outlook report each year. The 2007-08 Mid-Year Report was tabled in the Legislative Assembly in November 2007, providing updated Budget projections from the May 2007 Budget by incorporating new and expanded policy decisions and revised Commonwealth revenue estimates. The Report also provided revised financial statements on a sectoral and whole of government basis, discussion on updated economic estimates and the fiscal strategy outlook for 2007-08 and three forward years.

- **Harmonisation of Whole of Government Reporting**: Accounting standard AASB1049 Whole of Government and General Government Financial Reporting was issued in October 2007, harmonising the GFS framework with the Australian Accounting Standards. In April 2008, the Uniform Presentation Framework was revised to align with the new accounting standard. All jurisdictions have agreed to adopt the new standard, to take effect for the 2008-09 Budget and the final outcome reports. A project was undertaken for the early adoption of the new standard for the 2007-08 TAFR.
Financial Management Policy Development
Treasury is responsible for administering the Territory's financial management framework, including the Financial Management Act, the Fiscal Integrity and Transparency Act and the Treasurer's Directions. In 2007-08, work continued on expanding the range of Treasurer's Directions to improve guidance for agencies on resource and infrastructure management, performance and governance practices. During the year, Treasurer’s Direction G2.5 Guarantees and Indemnities was issued and implemented and Treasurer’s Direction R2.1 Insurance Arrangements was drafted and issued for comment.

Corporate Services Review
Treasury provided advice and analysis as a member of the Corporate Services Review Steering Committee. The Review reported on shared services arrangements operating for the Territory Government and recommended process and system changes to generate efficiencies and improve services to agencies.

Whole of Government Staffing
The Office of the Commissioner for Public Employment and Treasury continued to provide Government with advice on whole of government staffing statistics, with particular emphasis on the budgetary implications of staffing movements.

Conditions of Service Reserve
The Conditions of Service Reserve (COSR) is managed by Treasury Corporation on behalf of the Central Holding Authority. The funds are managed by three investment managers: AMP Capital Investors Limited, Colonial First State Investments Ltd and MLC Implemented Consulting. The COSR fund has a long-term investment strategy oriented towards growth assets, such as shares, and is benchmarked against the InTech Investor Choice Performance Growth Survey.

The global credit crisis and heightened inflation concerns created difficult investment conditions during the year. As a fund with a long-term investment strategy, COSR has a high allocation to equities and was adversely affected by the volatile trading conditions and weakness in growth type assets. Over the year, the COSR fund returned -8.8 per cent, however this was 1 percentage point better than its benchmark (-9.8 per cent). Over a three-year period, the fund has generated an average annual return of 8.7 per cent, which is 2.7 percentage points above its benchmark (6 per cent).

Borrowing Program
As the Territory Government’s central financing authority, Treasury Corporation implemented the Government’s 2007-08 borrowing program. This program was initially set at $533 million but was reduced during the year to $487 million. This reduction was made possible by the early repayment of $50 million in loans by a counterparty. This program compares to a borrowing program of $338 million in 2006-07 and $593 million raised in 2005-06.

The entire borrowing requirement was met from the issue of wholesale and retail financial securities in the domestic market. The weighted average cost of borrowing was 6.67 per cent. The bulk of funds were raised through long dated fixed interest securities, issued to institutional investors via private placements and public issues. Retail funding through Territory Bonds remained a notable source of funding with $60 million raised from this product during the year.

The 6.67 per cent cost of borrowing was slightly higher than the rate forecast at Budget of 6.50 per cent. The variance reflected rising interest rates during the year, which was in response to inflationary concerns and the global credit crisis.
## Output Performance

<table>
<thead>
<tr>
<th>Priorities for 2007-08</th>
<th>Achieved</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess and implement new harmonised whole of government financial reporting arrangements.</td>
<td>The new accounting standard and the revised Uniform Presentation Framework were adopted for the 2008-09 Budget, as agreed by all jurisdictions.</td>
<td></td>
</tr>
<tr>
<td>Ongoing review of <a href="#">Financial Management Act</a> accountability processes and enhancements to support information management systems and processes.</td>
<td>New vehicle gift and loan processes were finalised and implemented.</td>
<td>Improved processes for approving indemnities and guarantees implemented.</td>
</tr>
<tr>
<td></td>
<td>New vehicle gift and loan processes were finalised and implemented.</td>
<td>Treasurer’s Direction on insurance arrangements was issued for comment in June 2008. It has since been finalised and issued.</td>
</tr>
<tr>
<td></td>
<td>New vehicle gift and loan processes were finalised and implemented.</td>
<td>Work on Treasurer’s Directions relating to agency budget management and infrastructure programming continues.</td>
</tr>
<tr>
<td>Evaluate opportunities for enhancements to the whole of government Apex budget and reporting system.</td>
<td>Parameter adjustment module implemented to streamline budget development process.</td>
<td></td>
</tr>
<tr>
<td>Implement the 2007-08 borrowing program.</td>
<td>Implemented refinancing and new borrowing program, with $487 million borrowed in 2007-08.</td>
<td></td>
</tr>
<tr>
<td>Continue to develop Treasury Corporation’s business continuity planning and corporate governance framework.</td>
<td>Treasury Corporation’s business continuity plan was further developed and tested in 2007-08. To be integrated with the Treasury plan.</td>
<td></td>
</tr>
</tbody>
</table>
Future Priorities

- Continued focus on monitoring, development and publication of critical whole of government financial information in the Budget, TAFR and the Mid-Year Report.
- Implementation of the Commonwealth’s new financial framework regarding specific purpose payments and national partnership payments, and their payment to the Territory.
- Management of the budget effect of Government’s election commitments and the agency restructure announced on 16 August 2008.
- Ongoing development and amendment to Treasurer’s Directions, with improvement of the agency budget management and infrastructure programming sections as priorities for 2008-09.
- Evaluate ongoing opportunities for enhancement to the whole of government Apex budget and reporting system.
- Continue to review Financial Management Act accountability processes and supporting information management systems.
- Implement the Government’s 2008-09 borrowing program.
- Continue to enhance Treasury Corporation’s business continuity planning and corporate governance framework.
Objective 2:  
Economic Management

Strategic Objective
Quality analysis and public policy advice on economic, social and commercial issues.

Outputs Delivered
Analysis and policy advice on:
- national and Territory economic, social, demographic policy and statistical issues including development and oversight of economic reforms and frameworks; and
- management of the Territory’s commercial activities and project risk management from a financial and corporate governance perspective.

Key Projects
Review of the Regulatory Framework for the Port of Darwin
Under the National Reform Agenda, each jurisdiction is required to review the regulatory framework for significant ports to ensure that effective competition in the provision of port infrastructure and related services is not impeded, unless the benefits to the community outweigh the costs. During 2007-08, Treasury undertook a review of the regulatory framework for the Port of Darwin, in consultation with an intergovernmental working group of officials. A draft discussion report was released for public consultation in April 2008 and the working group is expected to complete its final report for Government consideration by November 2008.

Review of the Electricity Supply Industry Regulatory Framework
The current regulatory framework for the Territory’s electricity supply industry has been in place since April 2000. As part of national energy market reforms agreed in April 2007, COAG asked the Territory Government to examine the merits of adopting the national regulatory framework for electricity. Treasury is currently coordinating this work, in consultation with national and Territory regulatory bodies, the Power and Water Corporation and other stakeholders.

A draft report on the merits of effective transition to the national regime was released to stakeholders in May 2008. The final report is to be submitted for Government consideration by late 2008 and will make recommendations for reform options, taking into consideration stakeholder views.

Commercial Projects
Treasury provided advice and assisted in the commercial and financial analysis of a number of Government projects in 2007-08. These included assessment of proposals for the development of the new suburb of Bellamack, aspects of the commercialisation of the integrated land information system, negotiation of additional financial support for the Alice Springs Convention Centre and assistance with financial probity assessments of gaming licensees and entities seeking Government financial assistance.

Treasury also worked closely with the Power and Water Corporation in developing its 2008-09 Statement of Corporate Intent and revised funding arrangements for Indigenous Essential Services.

<table>
<thead>
<tr>
<th>1978</th>
<th>2008</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>People employed in the Territory</td>
<td>45,200</td>
<td>110,160</td>
</tr>
<tr>
<td>Average median weekly wage for Territorians</td>
<td>$372</td>
<td>$1,095</td>
</tr>
</tbody>
</table>

1. 1983 data (earliest data available).
Territory Insurance Office
The Territory Insurance Office (TIO) is not currently subject to the regulatory regime administered by the Australian Prudential Regulation Authority (APRA). Instead, the Treasurer is responsible for the prudential regulation of the TIO, with Treasury administering and enforcing prudential standards. Enhancements to the prudential supervision framework for TIO were introduced on 1 January 2008, requiring TIO to comply with relevant prudential standards applied by APRA. A review of the Territory Insurance Office Act has commenced, including consultation with TIO.

Northern Territory Public Service (NTPS) Workers Compensation Arrangements
In 2007-08, Treasury, in cooperation with the (former) Department of Corporate and Information Services, undertook a review of the current workers compensation arrangements for NTPS employees. The review highlighted that current arrangements are not consistent with contemporary best practice and recommended a process for improving claims management and the outcomes for workers and their employing agencies. Reform of the existing arrangements will be ongoing in 2008-09.

Treasury administers the Territory Government’s self-insurance policy framework. Treasury has prepared a draft Treasurer’s Direction that aims to establish an updated self-insurance framework, that provides greater clarity and direction to agencies in relation to insurance arrangements and improves administrative efficiencies. A draft Treasurer’s Direction was circulated to all agencies for comment in June 2008. The new Treasurer’s Direction is expected to be in place before November 2008.

Population Projections for the Northern Territory
In conjunction with Charles Darwin University, a projection model has been developed for the Territory’s Indigenous and non-Indigenous populations. Using objectively derived values for population characteristics such as fertility and mortality rates, and for migration to and from the Territory, the model projects forward from the Australian Bureau of Statistics 2006 estimated resident populations for the Territory. Preliminary 30-year projections for the whole of the Territory and 15-year projections for six key regions (greater Darwin, outer Darwin, East Arnhem region, Katherine region, Barkly region and Alice Springs region) are being prepared.

Competitive Neutrality
Treasury is responsible for managing competitive neutrality policy development and monitoring for Northern Territory Government trading enterprises. Competitive neutrality aims to ensure that significant government businesses do not enjoy net competitive advantages over competitors by virtue of their public ownership. Implementation of competitive neutrality principles since 1995 has improved accountability of government business and ensured that public resources are used efficiently. A key objective of competitive neutrality is to encourage fair and effective competition in the supply of goods and services across the economy.

Competitive neutrality principles are implemented through the provisions of the Financial Management Act and the Government Owned Corporations Act. Government businesses are required to operate with a commercial focus, to meet the same costs as privately owned firms (for example, taxes and charges), and to set prices that enable them to earn sufficient revenue to cover costs, including the cost of capital. Treasury manages the competitive neutrality complaints process and is responsible for monitoring government business divisions’ pricing policy and community service obligations.
### Output Performance

**Priorities for 2007-08**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Achieved</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalise the review of the <em>Territory Insurance Office Act</em> for relevance of current functions of the office and its operational environment.</td>
<td><img src="s" alt="Completed" /></td>
<td>Draft report prepared and is being used as the basis for consultation with TIO.</td>
</tr>
<tr>
<td>Effective prudential regulation of the TIO.</td>
<td><img src="s" alt="Completed" /></td>
<td>New Treasurer’s determination issued for prudential regulation of the TIO.</td>
</tr>
<tr>
<td>Continued oversight of the Territory’s electricity supply industry regulatory framework.</td>
<td><img src="s" alt="Completed" /></td>
<td>Following comprehensive assessment of the existing regulatory framework, a discussion paper on the merits of adopting national law and rules for the Territory electricity market was released for stakeholder consultation.</td>
</tr>
<tr>
<td>Continue to enhance forecasting and economic and demographic modelling capacities.</td>
<td><img src="s" alt="Upcoming" /></td>
<td>Progress towards developing and training staff and increasing their skills was made in 2007-08.</td>
</tr>
<tr>
<td>Through the Statistical Liaison Committee (SLC), finalise an inventory of economic and social data sources.</td>
<td><img src="s" alt="Completed" /></td>
<td>Most of the technical work was completed during 2007-08 and a test version of the Data Sources Inventory circulated to SLC members.</td>
</tr>
<tr>
<td>Continue to improve understanding of factors influencing population mobility and regional population growth.</td>
<td><img src="s" alt="Completed" /></td>
<td>Work continued on the joint Population Mobility project with Charles Darwin University. As part of this project, reporting on the Australia Post Relocation Survey and assistance with data and analysis of the mobility of professional groups was completed.</td>
</tr>
<tr>
<td>Enhance financial analysis and financial modelling capacities.</td>
<td><img src="s" alt="Completed" /></td>
<td>Improved processes for financial analysis and modelling were implemented. This is an ongoing task subject to review in line with contemporary practices.</td>
</tr>
</tbody>
</table>
Objective 3: Intergovernmental Relations

Strategic Objective
Effective intergovernmental financial relations.

Outputs Delivered
Analysis and policy advice on public finance issues including management of the Territory’s participation in major intergovernmental financial arrangements and other public finance matters.

Key Projects

Indigenous Expenditure Review
Treasurer first published the Indigenous Expenditure Review in September 2006, covering the 2004-05 financial year. In 2007-08, with the assistance of all other agencies, Treasury collected data for the 2006-07 financial year.

The 2006-07 Indigenous Expenditure Review seeks to inform the debate about Indigenous issues by providing a robust and transparent measure of Indigenous related expenditure and revenue. It is the only report of its kind among Australian jurisdictions and has been audited by the Northern Territory Auditor-General.

The key focus of the 2006-07 Indigenous Expenditure Review has been to collect more rigorous data on the use and cost of services. The data is to be published in the first half of 2008-09.

Reform of Commonwealth-State Financial Relations
Treasury represented the Territory on the Heads of Treasuries Specific Purpose Payments Working Group that has undertaken work to reform the nature of Commonwealth-state financial relations, in particular reducing the number of specific purpose payments by more than 75 per cent, removing input controls on specific purpose payments and introducing national partnerships to drive reform in each of the seven working groups established by COAG.

Treasurer has provided advice to agencies on each of the new proposed specific purpose payments and assisted in the preparation of national partnership proposals.

Goods and Services Tax
Treasury continued to monitor changes in the underlying parameters that determine the Territory’s GST revenue, including population, national GST cash collections and CGC relativities.

Treasurer also provided advice to Government on a range of GST-related legislative proposals by the Commonwealth throughout the year in order to protect the GST base, the Territory’s main source of revenue.
Council of Australian Governments Reforms

The Council of Australian Governments (COAG) is the peak intergovernmental forum in Australia and comprises the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association. The role of COAG is to initiate, develop and monitor the implementation of policy reforms of national significance which require cooperative action by the various jurisdictions.

In December 2007, COAG agreed to the development of a broad ranging national reform program to improve economic welfare and living standards. The reforms expand on and accelerate initiatives agreed to by COAG in April 2007 as part of the National Reform Agenda. Seven new COAG working groups were established covering health and ageing, productivity and participation, infrastructure, business regulation and competition, housing, climate change and water, and Indigenous reform (Table 1 details the objectives and key areas of focus for each working group). Treasury, along with other Territory government agencies, is participating in working groups developing national business regulation, competition, climate change and water reform measures and implementation plans for consideration by COAG in October 2008.

Review of Commonwealth-State Financial Arrangements

On 26 March 2008, COAG agreed to reform the architecture of Commonwealth-state funding arrangements. This included significantly reducing the number of specific purpose payments (SPPs) without reducing funding and for objectives to be output/outcome focused rather than input controlled. COAG also agreed to new payments (National Partnership Payments) that will provide incentives or specific funding for inputs, in areas of joint Commonwealth/state responsibility such as transport, regulation, environment and water. The new payments will also be used to drive reform in human capital areas such as health, education and housing. A working group of Treasury officials from all jurisdictions has been established to guide the reform process and to report back to Treasurers and COAG throughout 2008.

COAG Indigenous Issues

COAG has agreed to a partnership at all levels of government to reduce Indigenous disadvantage and in March 2008 COAG announced the targets, including halving the gap in Indigenous employment outcomes within a decade, for all four year olds in remote communities to have access to early childhood education within five years, and to at least halve the gap for Indigenous students in Year 12 (or equivalent) attainment by 2020.

COAG has also agreed that all governments will report on the use of funds for Indigenous people. In January 2008, the Treasurers established a working group of Treasury officials to develop a methodology for reporting expenditure on direct services to Indigenous people.

The Territory has been at the forefront of reporting Indigenous expenditure. In 2007-08, Treasury collected data from agencies relating to 2006-07 for audit by the Northern Territory Auditor-General. The 2006-07 Indigenous Expenditure Review will be published in early 2008-09.
Table 1: Seven COAG Working Groups

<table>
<thead>
<tr>
<th>COAG Working Group</th>
<th>Objective/Areas of Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Ageing</td>
<td>Aims to improve health outcomes for all Australians and the sustainability of the Australian health system.</td>
</tr>
<tr>
<td>Productivity and Participation</td>
<td>Aims to pursue substantial reform in the areas of education, skills and early childhood development, to deliver significant improvements in human capital outcomes for all Australians.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Aims to ensure better coordination of infrastructure planning and investment across Australian governments and the private sector, and to remove bottlenecks and blockages.</td>
</tr>
<tr>
<td>Business Regulation and Competition</td>
<td>Aims to accelerate and broaden the business regulation reduction agenda, improve processes for regulation review and deliver significant improvements in Australia’s competition, productivity and international competitiveness.</td>
</tr>
<tr>
<td>Housing</td>
<td>Aims to improve housing affordability and ease rental stress, halve the number of homeless people unable to access shelters and improve housing supply through release of surplus government land.</td>
</tr>
<tr>
<td>Climate Change and Water</td>
<td>Aims to ensure an effective national response to climate change, including a single national Emissions Trading Scheme, a national cooperative approach to long-term adaptation to climate change and sustainable water use across Australia.</td>
</tr>
<tr>
<td>Indigenous Reform</td>
<td>Aims to close the gap on Indigenous disadvantage, in particular to close the life expectancy gap within a generation and to halve gaps in child mortality rates, reading, writing and numeracy, and employment rates.</td>
</tr>
</tbody>
</table>

Output Performance

<table>
<thead>
<tr>
<th>Priorities for 2007-08</th>
<th>Achieved</th>
<th>Results in 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight of the implementation of major economic reform measures including COAG National Reform Agenda and electricity market related initiatives.</td>
<td>Treasury has continued its involvement in relevant COAG working groups with particular emphasis on the reform of Commonwealth-state financial relations, climate change and water, and business regulation.</td>
<td></td>
</tr>
<tr>
<td>Preparation of submissions to, and undertaking workplace discussions with, the CGC as part of the 2010 Review.</td>
<td>The main focus of activity in 2007-08 was the workplace discussions held in April 2008. Accompanying the discussions were additional submissions related to each of the major assessment categories.</td>
<td></td>
</tr>
<tr>
<td>Updating the Indigenous Expenditure Review to include 2006-07 data and implementing procedures to allow for annual updating of the results.</td>
<td>Agencies’ 2006-07 data was audited by the Northern Territory Auditor-General. The updated Indigenous Expenditure Review will be published in the first half of 2008-09.</td>
<td></td>
</tr>
</tbody>
</table>
Future Priorities

- Preparation of submissions to the Commonwealth Grants Commission as part of the 2010 Review.
- Providing policy advice and analysis in respect of the reform of Commonwealth-state financial arrangements as well as the output of the COAG working groups.
- Publishing the 2006-07 Indigenous Expenditure Review and preparing for future reviews.
Objective 4: Revenue Management

Strategic Objective
A fair and efficient Territory tax system.

Outputs Delivered
Management of the Territory’s revenue and tax-related subsidies framework, encompassing:

- analysis and policy advice;
- administration systems;
- compliance activities; and
- community awareness and advisory services.

Key Projects
Changes to the Territory Tax System
A range of reforms was successfully developed and changes made to systems, publications and processes to implement these reforms within the required timeframes established by the Territory Government. These include:

- revenue measures announced in the 2008-09 Budget including a reduction in conveyance stamp duty rates and consequential changes to the Territory’s stamp duty first home owner concession, reducing the payroll tax rate from 6.2 per cent to 5.9 per cent and other minor amendments to Territory tax legislation;
- nationally harmonised provisions and definitions for eight key payroll tax areas pursuant to the March 2007 Treasurers’ joint announcement; and
- following extensive consultation with taxpayers and industry professionals during 2006-07, the commencement of a new Taxation Administration Act and legislation for consequential amendments.

Further details on new Taxation Administration Act can be found in Appendix 6: Legislative Changes 2007-08.

Internet-based Payroll Tax Return System
The Territory’s electronic payroll tax lodgement and payment system (TRMeR) was developed in-house and officially introduced in October 2006. TRMeR enables users to lodge their payroll tax returns electronically, update their details and pay online.

The TRMeR system was successfully enhanced to provide additional functionality during 2007-08 in time for the 2007-08 payroll tax annual return.

A project was commenced to increase TRMeR awareness and usage by taxpayers. This resulted in about 98 per cent of all 2007-08 payroll tax annual returns being lodged through TRMeR.

A survey of taxpayers who use the TRMeR system conducted in July 2008 found that 92 per cent of the users responding to the survey found the system easy or somewhat easy to use. Around 20 per cent of system users responded to the survey.

Standard Business Reporting
Treasury actively participated in a national project to develop a standardised business reporting information technology platform called Standard Business Reporting (SBR). SBR is a COAG initiative, funded by the Commonwealth, designed to streamline the financial reporting obligations of businesses to reduce error and duplicated regulation.

The program covers the reporting arrangements for a range of government information requirements, including state and territory government payroll tax returns. Further work on SBR will continue during 2008-09 and is set out by the Commonwealth to be implemented across Australia by 2010.
## Output Performance

### Priorities for 2007-08

<table>
<thead>
<tr>
<th>Priority</th>
<th>Achieved</th>
<th>Results in 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing the <em>new Taxation Administration Act.</em></td>
<td>![Checkmark]</td>
<td>Legislation passed in the Legislative Assembly and commenced on 1 January 2008.</td>
</tr>
<tr>
<td>Implement legislation to achieve national payroll tax consistency as part of an agreement between all jurisdictions to lower compliance costs for businesses.</td>
<td>![Checkmark]</td>
<td>Legislation commenced on 1 July 2008.</td>
</tr>
<tr>
<td>Continue to develop and enhance revenue management systems and related information technology, including a new stamp duty administration system and an internet-based stamp duty lodgement and payment system.</td>
<td>![Checkmark]</td>
<td>Enhancements to the electronic payroll tax lodgement system (TRMeR) were developed and implemented during 2007-08. Specifications for a stamp duty module and other back office related functionality were substantially developed in 2007-08.</td>
</tr>
<tr>
<td>Continue to enhance and implement communication strategies to increase taxpayer and subsidy recipient knowledge of the Territory’s tax system and tax-related grants and subsidies.</td>
<td>![Checkmark]</td>
<td>38 new and revised Commissioner’s Guidelines and Circulars were issued during the year. This information assists taxation practitioners, taxpayers and grant and subsidy recipients in their dealings with the Territory Revenue Office. Also public information sessions on the new <em>Taxation Administration Act</em> and the 2008-09 Budget measures were conducted. A program of improving taxpayer usage of the TRMeR system resulted in 98 per cent of taxpayers lodging their annual payroll tax return through the system.</td>
</tr>
</tbody>
</table>

### Future Priorities

- Implementing further harmonisation where possible of the Territory’s payroll tax legislation with those states that have already moved to consistent payroll tax legislation.
- Implementing the Territory Government’s announced abolition of stamp duty on business property, excluding land completing the Territory’s obligations under the Intergovernmental Agreement on the Reform of Commonwealth - State Financial Relations.
- Continuing development of including payroll tax returns within the Commonwealth SBR initiative.
- Continuing refinement and development of revenue related information systems.
- Contribute to the Commonwealth’s Review of Taxation Arrangements and Benefit Payments.
Objective 5: Superannuation

Strategic Objective
Appropriate public sector superannuation arrangements.

Outputs Delivered
Superannuation policy for Government and administration of the Government’s superannuation schemes, including the relationship between national and Territory legislation, and advice and assistance to investment and review boards.

Key Projects
Allocated Pensions
Allocated pensions were introduced, to allow Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS) members who have retired from the public sector to receive their superannuation benefit as a pension, with the flexibility to withdraw lump sums if required. Previously, members could only receive their benefit as a lump sum. In preparation for this product, broad ranging changes were implemented to systems and internal processes, forms and publications. Member education was a priority, delivered through 31 information seminars held in Darwin, Katherine, Nhulunbuy, Alice Springs and Tennant Creek. Legislative amendments to the Superannuation Act to provide for allocated pensions were passed in November 2007. The first pensions were paid in April 2008 and 26 members are currently receiving allocated pensions. Further details on the changes to the Superannuation Act are provided in Appendix 6: Legislative Changes 2007-08.

Actuarial Reviews
The rolling program of three-yearly reviews of the Government’s superannuation schemes continued, with reviews of NTGPASS, Northern Territory Supplementary Superannuation Scheme (NTSSS), Legislative Assembly Members’ Superannuation Trust (LAMS), Administrators Pensions Scheme and Supreme Court (Judges’ Pensions) Scheme completed in 2007-08.

The resulting total superannuation liability of $2.087 billion was reported in the 2006-07 Treasurer’s Annual Financial Report with subsequent flow on to the 2007-08 revised estimate and 2008-09 Budget, adjusted for an annual bond rate of 5.7 per cent.

No triennial valuations for the superannuation schemes were due for the year ending 30 June 2008.

Anti-Money Laundering and Counter-Terrorism Financing
The Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF) imposes a range of governance and operational obligations designed to combat money laundering and terrorism financing activities. All the Territory’s public sector superannuation schemes are required to comply with the legislation but due to their nature, a number of the schemes represent a very low risk of money laundering or terrorism financing activities. In 2008-09, exemptions for compliance with AML/CTF will be sought where appropriate (NTGPASS will not seek an exemption).

The main governance and operational obligations require the development and compliance with an AML/CTF program, which includes a detailed risk assessment of each scheme, member identification requirements, staff and due diligence programs, as well as the maintenance of a range of records and regular reporting to the Australian Transaction Reports and Analysis Centre (Austrac).
Test case on the closure of NTGPASS

The test case was finalised in May 2008. The case resulted from a claim by the Community and Public Sector Union (CPSU) that NTGPASS had not been effectively closed. In the alternative, if the court found that NTGPASS was effectively closed, the CPSU sought compensation on the basis that the closure effected an acquisition of property other than on just terms.

In a constructive effort to resolve the matter, Government agreed to fund the court case. When the matter came before the Supreme Court in May 2008, the court dismissed the CPSU’s claims and found that government employees who commenced employment after NTGPASS was closed had not been deprived of any property. Consequently, just terms compensation was not payable.

Meeting the obligations of the legislation is being phased in over two years, the first of which commenced in December 2007, with the first progress report submitted to Austrac in March 2008. In conjunction with the trustees of the superannuation schemes, the Superannuation Office is continuing to work towards meeting the obligations as they apply to the administration and management of the Territory’s superannuation arrangements.
## Output Performance

<table>
<thead>
<tr>
<th>Priorities for 2007-08</th>
<th>Achieved</th>
<th>Results in 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information seminars to educate NTGPASS members about allocated pensions.</td>
<td>✓</td>
<td>31 seminars were presented in major regional centres, attended by a total of 725 members. An allocated pension information booklet was also published.</td>
</tr>
<tr>
<td>Implement legislation for the Northern Territory Death and Invalidity Scheme and new superannuation products.</td>
<td>✓</td>
<td>Legislation to formally establish the scheme and provide for new superannuation products was passed in November 2007, and gazetted and commenced operation on 23 January 2008.</td>
</tr>
<tr>
<td>Continue working with the Territory’s counsel to finalise legal action by CPSU on the closure of NTGPASS.</td>
<td>✓</td>
<td>The matter was heard in the Supreme Court on 21 and 22 May 2008, and the CPSU’s case was dismissed.</td>
</tr>
<tr>
<td>Complete actuarial reviews of NTGPASS, NTSSS, LAMS, Administrators Pensions Scheme and Supreme Court (Judges’ Pensions) Scheme.</td>
<td>✓</td>
<td>Actuarial reviews were completed for each of these schemes. The resulting liability has been incorporated into the budget and forward estimates, adjusted for a bond rate of 5.7 per cent.</td>
</tr>
<tr>
<td>Continued system and administrative process changes to implement an allocated pension for NTGPASS members, including member information seminars.</td>
<td>✓</td>
<td>A new pension administration system (Calibre) was configured and implemented for the NTGPASS allocated pension product. Administrative processes and procedures for allocated pensions were developed and staff trained in the new product.</td>
</tr>
<tr>
<td>Work with the trustees of the Government’s superannuation schemes to comply with the requirements of the Commonwealth’s anti-money laundering and counter-terrorist legislation (AML/CTF).</td>
<td>✓</td>
<td>Trustees of NTGPASS, LAMS and Police schemes were briefed, and appointed an AML/CTF compliance officer. NTGPASS trustees approved the Part A program for implementation, and LAMS and Police trustees resolved to seek an exemption from compliance with AML/CTF.</td>
</tr>
<tr>
<td>Implement Member Investment Choice for NTGPASS members.</td>
<td>✓</td>
<td>Member Investment Choice commenced on 1 July 2007 and allows members to choose how their superannuation is invested from a range of five pre-mixed investment options.</td>
</tr>
</tbody>
</table>

## Future Priorities

- Consideration and development of options for improving and streamlining the administration of Territory public sector superannuation arrangements.
- Introduce a cash investment option and further enhancements to member investment choice to give NTGPASS members more investment flexibility.
- Improve information available to NTGPASS members through various media including an information booklet and online information statements.
- Continue to develop AML/CTF compliance.
Output Performance Tables

The following tables report the performance measures achieved by output group in 2007-08, against those published in Budget Paper No. 3.

Financial Management

The Financial Management output group provides analysis and public policy advice on whole of government resource issues including financial management frameworks, fiscal policy and fiscal strategy.

Further information on key achievements by the group is reported against the Financial Management objective (Objective 1) on page 19.

Table 2: Financial Management Output Performance

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Develop and present the 2008-09 Budget</td>
<td>number</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Financial performance reporting – Treasurer’s Annual Financial Report (TAFR), Mid-Year Report, Treasurer’s Quarterly Financial Reports</td>
<td>number</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Capacity to provide policy advice and analysis on financial management issues</td>
<td>$ million</td>
<td>7.15</td>
<td>6.42</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptable audit opinion from Auditor-General for TAFR</td>
<td>yes/no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Stakeholder satisfaction¹</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– fiscal policy advice</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td>– key financial reports and publications</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeframes met as agreed</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td>Budget published by date set by Treasurer</td>
<td>yes/no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>TAFR published in accordance with legislation</td>
<td>yes/no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Mid-Year Report published in accordance with legislation</td>
<td>yes/no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Treasurer’s Quarterly Reports published in accordance with legislation</td>
<td>yes/no</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

¹ Stakeholder is the Treasurer. Measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied.
Economic

The Economic output group provides analysis, public policy advice and related support activities relevant to commercial, economic, demographic and public finance issues affecting the Territory (including payments on behalf of the Territory as a result of either formal agreements or specified in legislation).

Further information on key achievements by the group is reported against the Economic Management (Objective 2) and Intergovernmental Relations (Objective 3) objectives on pages 23 and 26.

Table 3: Economic Services Output Performance

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity to provide policy advice and analysis on economic and related issues</td>
<td>$ million</td>
<td>7.99</td>
<td>6.65</td>
</tr>
<tr>
<td>Publish <em>Northern Territory Economy</em></td>
<td>number</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Publish <em>Territory Economic Review</em></td>
<td>number</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Publish <em>Social Indicators</em></td>
<td>number</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder satisfaction¹:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– advice on economic and related services</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td>– economic publications</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeframes met as agreed</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td>Briefings on ABS economic data provided on day of release</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Economic publications published by agreed date</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

1. Stakeholder is the Treasurer. Measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied.

Table 4: Payments on Behalf of the Territory

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community service obligation payment for uniform tariff subsidy</td>
<td>$ million</td>
<td>52.71</td>
<td>52.66</td>
</tr>
<tr>
<td>Capital assistance to Power and Water¹</td>
<td>$ million</td>
<td>66.6¹</td>
<td>66.6¹</td>
</tr>
<tr>
<td>Contribution to Australian Taxation Office for GST collection costs</td>
<td>$ million</td>
<td>6.16</td>
<td>6.20</td>
</tr>
</tbody>
</table>

¹. Includes additional funding in 2007-08 for the undergrounding of powerlines. Funding was transferred from the Department of Planning and Infrastructure budget.
**Territory Revenue**

The Territory Revenue output provides analysis, public policy advice and management of the Territory’s revenue framework.

Further information on key achievements by the group is reported against the Revenue Management objective (Objective 4) on page 30.

**Table 5: Territory Revenue Output Performance**

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territory revenue collected(^1)</td>
<td>$ million</td>
<td>561.12</td>
<td>575.60</td>
</tr>
<tr>
<td>Capacity to provide revenue management policy advice(^2, 6)</td>
<td>$ million</td>
<td>1.44</td>
<td>1.19</td>
</tr>
<tr>
<td>Capacity to collect Territory revenue(^2, 6)</td>
<td>$ million</td>
<td>5.61</td>
<td>4.77</td>
</tr>
<tr>
<td>Subsidy payments(^3)</td>
<td>$ million</td>
<td>12.72</td>
<td>12.03</td>
</tr>
<tr>
<td>Subsidy administration(^2, 6)</td>
<td>$ million</td>
<td>0.37</td>
<td>0.31</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territory revenue forecast accuracy</td>
<td>per cent</td>
<td>±5</td>
<td>2.58</td>
</tr>
<tr>
<td><strong>Stakeholder satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayers(^4)</td>
<td>survey rating</td>
<td>≥5</td>
<td>5.01</td>
</tr>
<tr>
<td>Treasurer(^5)</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Assessment accuracy</strong></td>
<td>per cent</td>
<td>≥99</td>
<td>99.90</td>
</tr>
<tr>
<td>Accuracy of first home owner grant (FHOG) payments processed</td>
<td>per cent</td>
<td>&gt;98</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue received within agreed timeframes</td>
<td>per cent</td>
<td>&gt;95</td>
<td>95.06</td>
</tr>
<tr>
<td>Services completed within agreed service standards(^6)</td>
<td>per cent</td>
<td>&gt;95</td>
<td>94.19</td>
</tr>
</tbody>
</table>

1. Includes taxes, gambling revenue and mining royalties.
2. The 2007-08 estimate has been revised to reflect the adoption of a new methodology for calculating these measures.
3. The decrease in subsidy payments is due to lower first home buyer activity in the residential market during 2007-08.
4. Taxpayer satisfaction is determined via an email survey to taxpayers and professionals who had dealings with the Territory Revenue Office in 2007-08. The target group for 2007-08 was payroll taxpayers and clients who were audited or investigated during 2007-08. A total of 134 responses were received to the survey. The survey questions related directly to assessing satisfaction with the services provided by the Territory Revenue Office with measures that range from a rating of: 1: extremely dissatisfied through to 6: extremely satisfied.
6. Lower than budgeted staffing during 2007-08 meant that the actual expenditure was less than estimated at Budget.
Table 6: Territory Revenue Office Standards Published in the Service Charter

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2007-08 Estimate %</th>
<th>2007-08 Actual %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stamp duty assessing document turnaround (proportion assessed within five working days)(^1)</td>
<td>90</td>
<td>87</td>
</tr>
<tr>
<td>Response to written inquiries within 14 days of receipt(^2)</td>
<td>100</td>
<td>87</td>
</tr>
<tr>
<td>Audits completed within 120 days(^1)</td>
<td>80</td>
<td>68</td>
</tr>
<tr>
<td>Objections determined within 120 days</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

1. Staffing shortages in 2007-08 meant that the standard was not met for this financial year.
2. During 2007-08 higher staff turnover has led to a small number of response requests not being tracked and thus omitted in the reported number. This is estimated to be 1.7% of all requests for response. This omission was corrected during the year.

Superannuation

The Superannuation output provides administration of, and public policy advice on, Territory public sector superannuation arrangements, including investments, boards and schemes, and managing the relationship between national and Territory legislation.

Further information on key achievements by the group is reported against the Superannuation objective (Objective 5) on page 32.

Table 7: Superannuation Output Performance

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity to provide policy advice and services on superannuation</td>
<td>$ million</td>
<td>4.16</td>
<td>3.98</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder satisfaction(^1) with policy advice and services on superannuation</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td>Superannuation benefits paid accurately</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeframes met as agreed</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
</tbody>
</table>

1. Stakeholders are the Treasurer and superannuation scheme members. Measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied.
Economic Regulation

The Economic Regulation output (through the Utilities Commission) provides services such as development and implementation of licensing management processes, price regulation, oversight and standards approval for defined essential services, related consumer information, complaints handling and advisory services.

Table 8: Economic Regulation Output Performance

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity to administer regulatory regime $ million</td>
<td>$ million</td>
<td>0.51</td>
<td>0.49</td>
</tr>
<tr>
<td>Capacity to advise Regulatory Minister $ million</td>
<td>$ million</td>
<td>0.13</td>
<td>0.12</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder satisfaction survey rating ≥5</td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determinations approved within statutory timeframes³</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

1. In 2008-09 Budget Paper No. 3, the quantity estimates were inadvertently transposed but are presented correctly here.
2. Stakeholder is the Treasurer. Measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied.
3. Covers determinations and approvals on monopoly pricing, minimum service standards and other activities as provided for under the Utilities Commission Act and other relevant industry regulation legislation.
Northern Territory Treasury Corporation

The outcome of the Northern Territory Treasury Corporation’s Business Line: Government Loans and Investments, is optimised investment revenue generation and loan funding for the Territory. The Corporation provides loan funding to Government using appropriate borrowing strategies and risk management principles. Further information on the Corporation’s performance can be found in its annual report.

Table 9: Treasury Corporation Business Line Performance

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Unit of Measure</th>
<th>2007-08 Estimate</th>
<th>2007-08 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average cost of borrowing during the year(^1)</td>
<td>per cent</td>
<td>6.75</td>
<td>6.67</td>
</tr>
<tr>
<td>Capacity to provide services</td>
<td>$ million</td>
<td>2.21</td>
<td>2.18</td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowing rate margin compared to industry peers</td>
<td>per cent</td>
<td>+0.10</td>
<td>+0.11</td>
</tr>
<tr>
<td><strong>Investment portfolio</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– investment portfolio return above benchmark(^2)</td>
<td>per cent</td>
<td>&gt;indices</td>
<td>-0.02</td>
</tr>
<tr>
<td>– volatility of investment portfolio return against benchmark(^3)</td>
<td>per cent</td>
<td>±0.25</td>
<td>-0.02</td>
</tr>
<tr>
<td><strong>Stakeholder satisfaction</strong></td>
<td>survey rating</td>
<td>≥5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quotes issued within three working days(^4)</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Funding available within five working days</td>
<td>per cent</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

1. Borrowing cost forecasts are based on prevailing financial market expectations for interest rates.
2. The benchmark is measured against weighted relevant UBS Warburg indices.
3. Stakeholder is the Treasurer. Measures range from a rating of 1: extremely dissatisfied through to 6: extremely satisfied.
4. A quote is the response to a request for financial information relating to a loan by a government business division or a government owned corporation.
Corporate Governance

This chapter describes and reports on Treasury’s corporate governance arrangements, referring to the principles that ensure compliance with statutory and other external requirements, guide decision making and govern our organisation to ensure efficient and effective use of Treasury resources.

The key principles that Treasury endeavours to consider when making decisions and taking action on day-to-day operations are:

- **Accountability**: Treasury and its employees take responsibility for their decisions and actions;
- **Transparency**: decisions, actions and advice are open to, and can withstand, the scrutiny necessary to ensure that stakeholders can have confidence in Treasury decision-making processes;
- **Leadership**: modelling and fostering behaviour that supports Treasury’s values, inspires and influences others and shapes organisational culture;
- **Integrity**: actively promoting honesty and ethical conduct, by upholding appropriate standards of behaviour; and
- **Equity**: fairness and equity in decision making that is free from bias.

### Accountability

**Senior Management Group**

Treasury’s Senior Management Group (SMG) is responsible for strategic decision making and policy setting in relation to Treasury’s operations and internal processes. SMG also provides leadership and strategic direction to the organisation and ensures Treasury meets its corporate requirements (including risk management). Another key priority of SMG is to develop Treasury’s corporate capabilities, such as people, systems and the work environment.

In 2007-08, SMG comprised the following senior executives:

**Jennifer Prince** has been Under Treasurer since 2002, following five years as Deputy Under Treasurer. As well as being the chief executive of Treasury, Jennifer is chair of the Treasury Corporation Board and is a member of the Charles Darwin University Council and Legislative Assembly Members’ Superannuation Trust. She also has responsibilities in a range of high level interagency committees including the Executive Remuneration Review Panel and the Capital Works Review Subcommittee. Jennifer joined the Territory public service in 1979, originally in the Department of Health, before transferring to Treasury in 1985. Her experience relates to health policy issues and hospital management, and intergovernmental financial and budget policy matters. The Under Treasurer reports to the Treasurer.
Peter Caldwell is the Deputy Under Treasurer (Commercial and Economic) responsible for commercial and economic policy issues, and is directly involved in energy policy issues for the Territory. Peter has been Deputy Under Treasurer since 2003, after rejoining Treasury in 1992. He has more than 40 years experience in a range of Territory and Commonwealth government departments in economic, resources, trade and capital policy areas at senior management levels. He holds a Bachelor of Arts (Economics Honours) and was honoured with a Public Service Medal in 2006 for outstanding public service and contribution to the strategic development of the Northern Territory economy. He is also a Fellow of the Australian Institute of Company Directors.

Jodie Kirkman is Assistant Under Treasurer (Budgets and Finance), responsible for the Territory’s budget management and financial reporting at the whole of government level. Jodie was appointed in May 2007, after holding Director positions from 1999 and joining Treasury as a graduate in 1992. Her previous experience has primarily been in budgeting and financial management roles within the Northern Territory Government. She has a Bachelor of Business (Accounting) from Northern Territory University and is a Certified Practising Accountant.

Tony Stubbin is Assistant Under Treasurer (Economic) responsible for economic, commercial, social and intergovernmental financial issues. He also represents Treasury on a range of intergovernmental and whole of government committees. Tony has been Assistant Under Treasurer since 2003, after joining Treasury in 1992. He has more than 25 years experience in a range of Territory, Australian Capital Territory and Commonwealth government departments in economic policy and statistics. Tony has a Bachelor of Arts (Economics) from the University of Wollongong.

Craig Vukman is Executive Director Revenue, Commissioner of Taxes and Mineral Royalty Secretary and is responsible for administration of the Territory’s tax and royalty regimes and developing associated policy. Craig was appointed Senior Director Revenue in March 2002 and Commissioner of Taxes from 1 October 2004 after joining Treasury in July 1998 as Director Revenue Development and Assistant Commissioner. He previously worked in the Western Australian Department of Treasury and Finance in various positions within the Office of State Revenue and other areas. Craig has a Bachelor of Business (Accounting) from Edith Cowan University and is a Certified Practising Accountant.

Catherine Wauchope is Assistant Under Treasurer (Corporate and Superannuation) and is responsible for corporate and executive services, ministerial liaison, corporate communications and publications, as well as high level management of the Northern Territory Superannuation Office. Catherine held positions at the director level, from 1998, in the financial management and public finance areas before appointment as Director Executive Support and Coordination in June 1999, a role which has since expanded significantly to include superannuation. Catherine joined Treasury in 1993 with a Bachelor of Economics from Flinders University, following earlier public sector roles. She also has a Master of Public Policy.
SMG usually meets weekly, although this can vary at Budget time. For administrative efficiency, SMG also sits, in effect, as the risk and audit, human resource management and information management subcommittees, which were previously separate to SMG.

Treasury’s directors are responsible for managing the day-to-day operations of business units and are accountable to their respective SMG members (see Organisation Chart at Appendix 1).

Corporate Governance Committees
The following six standing committees support SMG in carrying out its responsibilities in providing leadership on key issues affecting the organisation:

- risk and audit;
- human resource management policy;
- professional development;
- fiscal strategy;
- information management; and
- occupational health and safety.

SMG considers reports and briefings from each committee and provides direction and approval of corporate policy or organisational projects. Each committee’s role, performance in 2007-08 and priorities in 2008-09 are outlined on the following pages.

Treasury’s Senior Management Group (left to right): Peter Caldwell, Jennifer Prince, Tony Stubbin, Jodie Kirkman, Craig Vukman and Catherine Wauchope.
Risk and Audit Committee

Role

Responsible for:
- monitoring business risk assessments and adequacy of internal controls established to manage identified risks and review the adequacy of policies, practices and procedures that impact on those controls;
- overseeing the audit and risk management function within Treasury, including the development of internal audit and risk management programs, terms of reference, monitoring audit and risk management outcomes and the implementation of recommendations;
- reviewing the effectiveness of structures and practices that support the key elements of Treasury’s corporate governance framework; and
- reviewing the outcomes and monitoring responses to recommendations of external auditors.

Membership

Under Treasurer, Jennifer Prince (Chair)
Deputy Under Treasurer (Commercial and Economic), Peter Caldwell
Assistant Under Treasurer (Economic), Tony Stubbin
Executive Director Revenue, Craig Vukman
Assistant Under Treasurer (Corporate and Superannuation), Catherine Wauchope
Assistant Under Treasurer (Budgets and Finance), Jodie Kirkman
Director Corporate Support, Samantha Byrne

2007-08 Performance

- Updated Treasury’s Risk Register.
- Determined and implemented the internal audit plan for 2007-08 and developed the internal plan for 2008-09.
- Finalised and tested Treasury’s Business Continuity Plan.
- Risk management framework reviewed.

2008-09 Priorities

- Implement the 2008-09 internal audit plan.
- Develop detailed plans for business interruption events particularly relating to information technology systems.
Occupational Health and Safety Committee

Role

Responsible for overseeing and setting direction for occupational health and safety activities.

Membership

Project Officer Organisational Development, Johanna Stieber (Chair)
Director Corporate Support, Samantha Byrne (Alternative Chair)
Corporate Services Group Coordinator, Nadine Parkinson
Executive Assistant, Tamara Hutcheon
Business Development Manager, Territory Revenue Office, Christine Millowick
Policy Analyst, Financial Management Group, Doug Burns
Administration Assistant, Financial Management Group, Estelita Herbert
Finance Officer, NT Superannuation Office, Justine Wickham
Senior Policy Analyst, Economic Policy and Frameworks, Barbara Neil
Policy Analyst, Economic Policy and Frameworks, Erin Stone

2007-08 Performance

- Committee met four times in 2007-08 and reviewed key occupational health and safety activities and issues.
- Continued risk assessment and first aid training for Treasury staff. Further information is provided in the Treasury People section (page 53).

2008-09 Priorities

- Continue regular meetings and training as required.
### Human Resource Management Committee

**Role**

Responsible for guiding the development and implementation of human resource management policy and planning in Treasury.

**Membership**

- Under Treasurer, Jennifer Prince (Chair)
- Deputy Under Treasurer (Commercial and Economic), Peter Caldwell
- Assistant Under Treasurer (Economic), Tony Stubbin
- Executive Director Revenue, Craig Vukman
- Assistant Under Treasurer (Corporate and Superannuation), Catherine Wauchope
- Assistant Under Treasurer (Budgets and Finance), Jodie Kirkman
- Director Corporate Support, Samantha Byrne

**2007-08 Performance**

- Reviewed key policy areas including flexible leave arrangements, performance development and graduate and other employment programs.
- Series of management forums held to complement the Manager’s Tool Kit.

**2008-09 Priorities**

- Develop and implement a succession planning program for the executive levels, to operate over the next two years.
- Development of an entry-level program aimed at attracting gap-year students.

### Professional Development Committee

**Role**

Responsible for setting policy and considering applications for assistance relating to professional development of staff.

**Membership**

- Assistant Under Treasurer (Corporate and Superannuation), Catherine Wauchope (Chair)
- Assistant Under Treasurer (Economic), Tony Stubbin
- Assistant Under Treasurer (Budgets and Finance), Jodie Kirkman
- Human Resource Officer, Kristina Skipper

**2007-08 Performance**

- Considered 27 applications for study assistance.
- $320,000 (2.17 per cent of personnel expenditure) spent on training and development for Treasury staff, compared to $284,000 (1.87 per cent of personnel expenditure) in 2006-07.

**2008-09 Priorities**

- Continued emphasis on professional and technical development, including sponsored study, tailored training and participation in professional body activities.
Information Management Committee

<table>
<thead>
<tr>
<th>Role</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for guiding development, management and use of Treasury’s information resources and technology.</td>
<td>Under Treasurer, Jennifer Prince (Chair)</td>
</tr>
<tr>
<td></td>
<td>Deputy Under Treasurer (Commercial and Economic), Peter Caldwell</td>
</tr>
<tr>
<td></td>
<td>Assistant Under Treasurer (Economic), Tony Stubbin</td>
</tr>
<tr>
<td></td>
<td>Executive Director Revenue, Craig Vukman</td>
</tr>
<tr>
<td></td>
<td>Assistant Under Treasurer (Corporate and Superannuation), Catherine Wauchope</td>
</tr>
<tr>
<td></td>
<td>Assistant Under Treasurer (Budgets and Finance), Jodie Kirkman</td>
</tr>
<tr>
<td></td>
<td>Director Corporate Support, Samantha Byrne</td>
</tr>
<tr>
<td></td>
<td>Manager Strategic Information Technology, Richard Smith</td>
</tr>
<tr>
<td></td>
<td>Department of Business and Employment – Information Technology Strategic Director, Karen Weston</td>
</tr>
</tbody>
</table>

2007-08 Performance

- Strengthened Treasury’s relationship with the (former) Department of Corporate and Information Services’ Information Technology Manager and reviewed whole of government strategic issues and the implications for Treasury.
- Completed review of information technology and business application services and implemented appropriate information management models.
- Continued enhancement of information management and business continuity security.

2008-09 Priorities

- Continue to improve information management security and business continuity plans.
- Continued to advance collaboration and access arrangements to improve efficiency and productivity.

LegislationAdministered

A list of legislation administered by Treasury is provided at Appendix 5. Further information on this legislation is available from the following website: www.nt.gov.au/dcm/legislation/register.html

Changes that occurred to Treasury-administered legislation in 2007-08 is provided at Appendix 6.
Transparency

Corporate Planning and Reporting Process

Each year the Under Treasurer and SMG identify Treasury’s strategic objectives. These objectives guide the direction of Treasury’s core business areas in the delivery of government outcomes. Treasury’s objectives, output groups and outputs are reported against in each year’s Annual Report.

As part of the corporate planning and reporting process, business unit plans are developed annually according to strategic priorities identified for the coming year, and are aligned with the strategic objectives. The business unit plans may need to be adapted throughout the year in response to emerging issues and risks.

Business unit plans are used to determine internal budget allocations and to direct individual work plans, developed between employees and their managers as part of the Performance Development Framework. Linking business plans to individual employee work plans ensures all Treasury employees know how their work contributes to Treasury’s strategic objectives and priorities.

Figure 2 outlines Treasury’s key corporate planning documents and shows the connection between corporate planning and individual workplace plans.

Figure 2: Treasury Key Corporate Planning Documents

- **Strategic Priorities** – next 12 months
  - Identified by SMG at the start of the financial year.

- **Business Plans** – next 12 months
  - Business units identify key goals and outcomes to achieve organisational priorities.
  - Completed by business units at the start of the financial year.

- **Individual Workplace Plans** – next 6 months
  - Identifies for individuals their work and how it will contribute to the business unit and the organisation as a whole. Each staff member identifies the key work tasks and projects they will complete to assist the business unit in achieving desired outcomes.
  - Completed by managers and staff on a six-monthly basis as part of the Performance Development Framework.
Information Act Compliance

Treasury is subject to the *Information Act*. During 2007-08, Treasury processed four requests for information under the *Information Act*, one to access personal information and three to access government information.

The status of requests is detailed in Table 10.

<table>
<thead>
<tr>
<th>Table 10: <em>Information Act</em> Requests in 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications carried over from 2006-07</td>
</tr>
<tr>
<td>Applications to access personal information</td>
</tr>
<tr>
<td>Applications to access government information</td>
</tr>
<tr>
<td>Requests withdrawn</td>
</tr>
<tr>
<td>Responses completed within 30-day period</td>
</tr>
<tr>
<td>Responses completed, exceeding 30-day period</td>
</tr>
<tr>
<td>Applications on hand as at 30 June 2008</td>
</tr>
</tbody>
</table>

Pursuant to section 131(2) of the *Information Act*, the Under Treasurer must report on Treasury’s compliance with Part 9 (Records and Archives Management) of the Act.

Treasury continues to monitor and make improvements to its records management policies and practices to ensure proper preservation of records and to ensure compliance with Records Management Standards of the Northern Territory Government.

The Treasury website [http://www.nt.gov.au/ntt/info_act/index.shtml](http://www.nt.gov.au/ntt/info_act/index.shtml) assists members of the public who are considering applying to access information held by Treasury. This site presents Treasury’s policies and procedures, and the forms required to lodge a request to access government or personal information. Also on the website are links to:

- the *Information Act* and Regulations;
- a public register of government information held by Treasury, which describes the kinds of Government information usually held. The register will help an applicant decide if Treasury is likely to have the information they seek and specifies if it is available outside the formal process of lodging a request under the *Information Act*;
- Northern Territory Treasury’s Annual Reports and other published information;
- Northern Territory Treasury’s Organisational Chart; and
- the Information Commissioner’s website.
Leadership
SMG provides leadership and strategic direction to the organisation and ensures Treasury meets its corporate requirements.

Corporate Values
Treasury’s values place expectations on how staff should behave, perform their duties and interact in the workplace. These values are incorporated into Treasury’s core competencies matrix and Performance Development Framework, both of which are used to conduct regular staff performance reviews. Our values also articulate what stakeholders can expect from the organisation and its staff.

Integrity
Corporate Ethics
Treasury’s values are underpinned by the Northern Territory Public Sector (NTPS) Principles and Code of Conduct, which guide staff on a range of moral and ethical issues they may face during their employment in the NTPS. Agreement to abide by the Code of Conduct is a condition of employment and applies to all employees.

The binding nature of the Code of Conduct is explained to all new staff at induction programs and through Treasury’s Induction Manual. Treasury’s Performance Development Framework also clearly articulates Treasury’s expectation that all staff demonstrate behaviours which support Treasury values. Specific Treasury policies have been developed to guide employees in ethical issues such as engaging in outside employment, harassment in the workplace, addressing grievances and recognising and managing conflicts of interest.

A key strategy in maintaining ethical standards is training staff in anti-discrimination, harassment, and Indigenous and cross-cultural awareness. Treasury provides these courses on an ongoing basis throughout the year, including refresher training. During 2007-08, anti-discrimination and cross-cultural awareness courses were held for staff.

Treasury’s conflict of interest policy was reviewed during 2007-08 with a focus on streamlining internal processes for managing conflicts of interest, and raising staff awareness of their personal responsibilities in relation to conflicts of interest. In 2008-09, planned activity in this area includes information sessions for staff and managers and trialling revised conflict of interest declaration processes.
Equity
Treasury is committed to being an 'employer of choice'. A key component to achieving and maintaining this status is ensuring equal employment opportunities for potential and existing staff and promoting workforce diversity.

Equity and Diversity
Treasury’s Equity and Diversity Framework incorporates the agency’s requirements under the Public Sector Employment and Management Act and the Anti-Discrimination Act, as well as whole of government strategies such as Willing and Able to promote and encourage its diverse workforce.

Work-life Balance/Flexible Work Practices
Flexible working practices allow Treasury staff to achieve a balance between their work and personal lives. Treasury work-life balance and flexible work initiatives include flexible work arrangements (eg, working from home and/or part-time employment), recreation leave at half-pay, cash-out of recreation leave (up to two weeks), purchased additional leave (up to six weeks) and extended leave scheme. Details on the number of staff utilising work-life balance and flexible work initiatives are provided on page 60.

Further details on Treasury’s Equal Employment Opportunities and Workforce Diversity performance and programs are provided in the Treasury People section of this Annual Report (page 58).
Treasury People
Staff Snapshot as at 30 June 2008

Treasury’s workforce is dynamic, young and professional. Its people are professional and dedicated with skills and knowledge in economics, finance, accounting, commerce, law, resource management, information communication and technology (ICT), policy and corporate services. Treasury is very proud of its reputation for providing quality expert advice to government and recognises that this could not be achieved without bright, motivated and dedicated employees. Treasury prides itself on providing a working environment in which staff are challenged to grow and develop both professionally and personally.

Treasury people are our most valuable asset. This chapter about Treasury people is more detailed than most other agencies’ and jurisdictions’ annual reports. While this chapter fulfils government reporting obligations, it also provides a snapshot of the achievement of Treasury people during 2007-08.

Main Results

- As at 30 June 2008, Treasury (including Northern Territory Treasury Corporation) employed 197 staff on a full-time equivalent (FTE) basis. This is higher than the average of 183 per pay throughout 2007-08, due to the large number of tertiary students employed over the mid-year vacation period.
- Staff numbers increased by 12 between 30 June 2007 and 30 June 2008, mainly due to vacation employees commencing their mid-year work placements earlier than the previous year.
- A third group of staff was sponsored to undertake a Graduate Certificate in Public Governance through Charles Darwin University and one employee completed the Public Sector Management Program.
- 14 staff were trained as fire wardens, six staff were trained in Occupational Health and Safety (OH&S) risk assessment and two employees commenced study towards a Certificate IV in OH&S.
- The strategic human resource focus continued on developing managerial capabilities and leadership, facilitating professional development for middle and senior managers, and formal training and employment programs.

Rewards and Recognition

Celebrating our Success

Individual staff achievements during 2007-08 include:

- Amy Robinson represented the Northern Territory at National Youth Week in Canberra.
- Heather Molomolo represented the Territory at World Youth Day in Sydney.
- Charles Darwin University academic awards:
  - Andy Lai won the NT Treasury Prize for Economic Development;
  - Amy Robinson won the Pearson Education Prize for Marketing Research; and
  - Tara Collins won the Matthew Rennie Prize for Intermediate Microeconomics and the Beatic Consultancy Services Prize for Consumer Behaviour.
Staffing

Table 11: Treasury Staff Snapshot

<table>
<thead>
<tr>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time equivalent staff</td>
<td>197</td>
</tr>
<tr>
<td>Full-time equivalent average per pay day in 2007-08</td>
<td>183</td>
</tr>
<tr>
<td>Part-time staff</td>
<td>6</td>
</tr>
<tr>
<td>Graduates, cadets, trainees and vacation employees</td>
<td>31</td>
</tr>
<tr>
<td>Total staff employed (including casuals)</td>
<td>203</td>
</tr>
</tbody>
</table>

Demographics

<table>
<thead>
<tr>
<th>Male: female ratio</th>
<th>78:119</th>
<th>40:60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male: female executive ratio</td>
<td>11:13</td>
<td>46:54</td>
</tr>
<tr>
<td>People with a disability</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Indigenous staff</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Average age</td>
<td>36 years</td>
<td></td>
</tr>
</tbody>
</table>

Turnover

| Commencements (excluding casual and temporary vacation employees) | 45      |
| Separations (excluding casual and temporary vacation employees) | 32      |
| Treasury staff turnover rate | 18      |
| NT Government staff turnover rate | 27      |

Other

| Training and development | $0.33M |
| Training and development costs per employee and as a percentage of personnel expenditure | $1 676 | 2.1 |
| Workers compensation claims | 2      |
| Average number of sick leave days taken throughout 2007-08 per employee | 7.2    |
| Staff who took free influenza vaccine | 61     | 31    |
Table 12 provides a comparison by gender for each classification level. Females occupy the majority of Treasury’s AO2 to AO5 positions. The gender balance is fairly even in the middle and senior management levels from AO6 and above. The highest number of staff are in the AO4, AO5 and AO6 levels. This information is also presented in Figure 5 on the following page.

Table 12: FTE Staff by Gender and Classification as at 30 June 2008

<table>
<thead>
<tr>
<th>Designation</th>
<th>Females</th>
<th>Males</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trainee</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Graduate</td>
<td>6</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>AO1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>AO2</td>
<td>8</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>AO3</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>AO4</td>
<td>22</td>
<td>6</td>
<td>28</td>
</tr>
<tr>
<td>AO5</td>
<td>24</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>AO6</td>
<td>15</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>AO7</td>
<td>11</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td>AO8</td>
<td>9</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>EO1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>ECO1</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>ECO2</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>ECO3</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>ECO4</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>ECO6</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>119</td>
<td>78</td>
<td>197</td>
</tr>
</tbody>
</table>

Note: Figures may not add due to rounding to the nearest full-time equivalent. These figures do not include staff on leave without pay or staff who were employed, but unpaid (such as casuals), as at 30 June 2008.

Source: Personnel Integrated Payroll System (PIPS)
Demographics

The age and gender of Treasury’s staff are shown in Table 13 and Figure 3. The average age of Treasury staff is 36 years, compared to the Northern Territory Public Sector average age of 43 years. This comparatively young age is mostly attributed to staff employed under Treasury’s graduate, cadetship and apprenticeship programs, who represented 16 per cent of total staff at 30 June 2008. Many of these employees are under 25 years of age.

Table 13: Treasury Staff Demographics

<table>
<thead>
<tr>
<th>Age</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 19</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>20 - 24</td>
<td>14</td>
<td>16</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>25 - 29</td>
<td>20</td>
<td>11</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>30 - 34</td>
<td>27</td>
<td>12</td>
<td>39</td>
<td>20</td>
</tr>
<tr>
<td>35 - 39</td>
<td>10</td>
<td>5</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>40 - 44</td>
<td>15</td>
<td>12</td>
<td>27</td>
<td>14</td>
</tr>
<tr>
<td>45 - 49</td>
<td>14</td>
<td>7</td>
<td>21</td>
<td>11</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>14</td>
<td>10</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>78</td>
<td>197</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 3 illustrates that the ratio of males to females in Treasury has remained fairly consistent over the past 10 years.

The decline shown in the number of staff from 2006 to 2007 reflects the transfer of the racing, gaming and licensing function to the Department of Justice in November 2006.

Of Treasury’s 197 staff employed as at 30 June 2008, 60 per cent (119 staff) were women. The high proportion of females in Treasury is slightly less than the ratio in the Territory public sector, where women make up 62.3 per cent of the workforce.

As at 30 June 2008, the proportion of Treasury women at the executive level was 54 per cent, well above the Territory public sector 2008 figure of 38 per cent.

As at 30 June 2008, of Treasury’s 197 FTE staff, 32 employees or 16 per cent, have completed more than 10 years service with the agency, 12 of these achieving between 20 and 45 years of service (Figure 6). Staff with more than 30 years of service were previously employed with the Commonwealth and transferred to Treasury at Self Government in 1978. Treasury recognises the significant roles these staff have played in the agency, and their contribution to the Northern Territory Government.
Equal Employment Opportunity (EEO) and Workforce Diversity

As at 30 June 2008, data from the Personnel Integrated Payroll System (PIPS) indicated that 82 per cent of Treasury’s employees had recorded their EEO details, the same percentage as at the end of the last financial year. Treasury conducts a census every year, with all staff encouraged to update their contact, next of kin and EEO details in PIPS. The data is used to assist in workforce planning and for reporting purposes.

Table 14: EEO Profile as at 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>% of agency employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Non-English speaking background, neither parents’ first language is English and came to Australia after the age of five</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Non-English speaking background, at least one parent’s first language is English or came to Australia before the age of five</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>2.0</td>
</tr>
<tr>
<td>People with a disability</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Personnel Integrated Payroll System (PIPS)

As at 30 June 2008, five staff members had self-identified as Aboriginal or Torres Strait Islander. There were seven as at 30 June 2007.

In 2008-09, Treasury will further develop its Indigenous Employment and Career Development Strategy in accordance with the whole of government strategy.
Strategic Human Resource Issues

During 2007-08, Treasury continued its efforts to be an employer of choice, through a well managed and flexible organisation that identifies and builds on the capabilities of its employees, and values the dedication and expertise of its staff by supporting them in balancing professional and personal priorities.

In 2007-08, Treasury focused on the following strategic human resource issues:

- developing managerial capabilities and leadership;
- implementing policies to help staff balance their professional and personal priorities; and
- promoting Treasury’s employment programs.

Developing Managerial Capabilities and Leadership

Enhancing staff management skills has been a key strategic priority for the past several years, and will continue to remain a focus area for Treasury.

Executive Coaching Program

During 2007-08, three staff at the AO8 – EO1 levels participated in tailored one-on-one executive coaching.

Managers also accessed management and situational coaching from Employee Assistance Program (EAP) providers and through training courses. Human resource staff provided advice and support to managers throughout the year, specifically in recruitment and selection processes, and in case management matters such as performance improvement and recovery.

Manager’s Toolkit

To complement the existing training and resources available to managers, in November 2007 Treasury’s Manager’s Toolkit was launched. The toolkit provides managers with practical advice and guidance to understand and carry out their managerial responsibilities.

The Toolkit is a reference manual that consolidates many sources of information into one document and provides links to more detailed information where required. It explains a manager’s responsibilities as they relate to Treasury policies and procedures, with sections covering key accountabilities such as managing risk, managing and measuring performance, finances, exercising delegations, and a comprehensive section on staff management.

Following the release of the Manager’s Toolkit, a series of lunch time forums were offered relating to Treasury’s recruitment process, giving and receiving feedback and performance management system. The sessions were well received with positive feedback.

Future forums will continue in 2008-09 and cover other sections of the Toolkit.
Treasury’s Performance Development Framework

Treasury’s Performance Development Framework (PDF) remains fundamental to developing Treasury staff, incorporating performance assessment based on competencies, six-monthly feedback reviews and goal-setting for the coming six months, upward feedback from employees to managers, identifying development opportunities and, when the need arises, performance recovery.

An integral part of the framework is identifying appropriate training and development opportunities for staff, where managers use the PDF process to discuss the employee’s individual professional development needs and identify appropriate training and development opportunities.

In 2007-08, the framework was further augmented with the development of performance improvement and recovery processes, to provide managers with the necessary skills and practical step-by-step guidance to address underperformance.

Public Sector Management Program

To enhance management and leadership skills in Treasury’s middle management staff and to foster emerging leaders, three staff from the AO7 – AO8 levels commenced the Public Sector Management Program. The program is nationally accredited and is awarded at graduate certificate level on successful completion. In 2007 one staff member graduated from an earlier intake.

Work-life Balance Initiatives

As part of the Northern Territory Public Sector 2008-2010 Union Collective Agreement (UCA) a set of initiatives was agreed, at the whole of government level in March 2008, which foster greater career satisfaction by providing a basis for employees to balance their work and family commitments. The initiatives include recreation leave at half pay, the option to purchase up to six weeks additional leave and a reduction in the minimum amount of long service leave employees may take.

These provisions only commenced in March 2008, so take up in 2007-08 was low but is expected to increase in future years. Comprehensive policies and procedures to implement work-life balance initiatives for Treasury staff were developed to allow staff to utilise the initiatives immediately.

Table 15 shows the number of staff utilising a work-life balance provision/option.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>% of agency employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation leave at half pay</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Flexible work arrangements (part-time work)</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Cash-out of recreation leave for up two weeks per year</td>
<td>1</td>
<td>1</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Purchased leave (up to six weeks additional leave)¹</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Extended leave scheme (an 80% salary for four years and the fifth year on full pay)¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working from home</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

1. Although these provisions are available now, they are longer term options and it is too early to have any take up showing in 2007-08. Figures will increase in future years reporting on employees as they commence using either of these provisions.
Employment Programs

Treasury has a range of employment programs, from apprenticeships through to the Finance Officer in Training (FOIT) graduate program. These programs are enormously valuable, particularly the cadetships and vacation employment programs, in establishing relationships with tertiary students and in building their understanding of the workplace and the public sector environment and its endeavours. The programs are key elements in Treasury’s long-term strategy to recruit locals, who are more inclined to stay and develop their careers in the Territory.

Finance Officer in Training (FOIT) Program

The FOIT program employs local and interstate graduates from a variety of disciplines, including accounting, economics, business and law. The FOIT program is an important ongoing component of Treasury’s recruitment strategy and succession planning and aims to fast track high quality graduates to middle and senior management capability.

At 30 June 2008, 15 tertiary graduates were employed full-time for 12 months (nine males and six females). The program offered the graduates intensive training and development with hands on work experience. Eight FOITs from the 2007 intake continue to be employed in Treasury and another two continue to be employed within the Northern Territory Public Service.

New Apprentice Program (NAP)

Agencies are host employers of apprentices under the Northern Territory Government’s New Apprenticeship Program (NAP). Apprentices are engaged for 12 months and combine full-time work with study towards a Certificate III. The NAP program is designed for school leavers.

As part of their on-the-job training during their 12 month contract, apprentices complete up to four work placements in different areas of Treasury, to develop a broad range of skills and knowledge that enhance their future employability.

Gemma Logie, Treasury’s 2008 apprentice is completing a Certificate III in Business Administration. In 2007, three apprentices completed a Certificate III qualification with two apprentices continuing their employment in Treasury, one in administration and one in information technology.
National Indigenous Cadetship Project (NICP)
The National Indigenous Cadetship Project (NICP) provides financial assistance and work experience to Indigenous students, for the duration of their tertiary study.

Treasury’s 2008 NICP cadet is from Alice Springs and he is studying Economics at James Cook University in Queensland. The 2007 cadet completed his degree and became a FOIT in 2008.

Work Integrated Learning Scholarship (WILS) in Accounting and Economics
The Work Integrated Learning Scholarship (WILS) is a whole of government program which enables students enrolled in full-time studies at Charles Darwin University to apply for a scholarship, to assist with university fees, and undertake work placements in Northern Territory Public Sector (NTPS) agencies during university breaks, for the duration of their studies. This followed Treasury’s own cadetship program which had been running since 2005. Treasury offers scholarships for economics and accounting students.

At 30 June 2008, Treasury was sponsoring 10 WILS students (six males, four females). Three were studying accounting and seven were studying economics. Two 2007 cadets completed their degrees and became FOITs in 2008.

Vacation Employment
Students in relevant degree fields are employed for periods of up to two months across various Treasury business units. This program is a great way for students to develop an understanding of the functions and workings of the Northern Territory Public Sector and to develop a range of skills and knowledge relevant to their studies. Vacation employment students are employed at the AO1 or AO2 level during university breaks. During 2007-08, four vacation employment students were employed (one male, three females).

Mock Budget
Treasury’s Mock Budget day is designed to stimulate understanding and interest for senior secondary students in pursuing careers in Treasury and the NTPS and to take up studies related to Treasury’s core business (business, accounting, economics, management, law).

Now into its third year, the Mock Budget has become a standard part of promoting Treasury’s role in government and the important work it does. It provides students of high school economics, accounting, politics and legal studies with the opportunity to make decisions with limited and changeable resources, where the impact on the community is a key consideration.

Groups of students work together as a Cabinet to decide what priorities and projects they would fund with their limited budget, with each group’s Treasurer then handing down their budget in a speech to the group.

Four high schools, with 102 students, participated in 2007-08.

Promoting Careers in Treasury
In 2007-08, Treasury participated in a number of public events to promote such programs including:

• the Territory show circuit;
• Darwin and Alice Springs Careers Expos;
• the Graduate Recruitment Fair; and
• a Taste of Uni at Charles Darwin University.

Another means of promoting careers in Treasury is by sponsoring academic awards. In 2007-08, Treasury sponsored four prizes, totalling $700, for high achievers in economics at Charles Darwin University and three prizes, totalling $600, for excellence in mathematics, accounting studies and economics at Casuarina Senior College.
The FOIT program constitutes the equivalent of two units of the Graduate Certificate, which means ex-FOITs need only undertake two further units: Policy Systems, Design and Analysis; and Financial and Economic Management to complete the Graduate Certificate. Other students need to take further subjects to earn their certificate.

In 2007-08, 10 students were sponsored to undertake the Graduate Certificate. Seven were continuing students from the previous year while three new students began the program.

In May 2008, one of the continuing participants successfully completed the program, graduating with a Graduate Certificate in Public Governance.

---

**Table 16: Training and Development Expenditure**

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total employees</td>
<td>197</td>
<td>185</td>
</tr>
<tr>
<td>Total training and development expenditure</td>
<td>$330,153</td>
<td>$284,021</td>
</tr>
<tr>
<td>Total personnel expenditure</td>
<td>$15.70M</td>
<td>$15.19M</td>
</tr>
<tr>
<td>Training and development costs as a percentage of personnel expenditure</td>
<td>2.10%</td>
<td>1.87%</td>
</tr>
<tr>
<td>Training expenditure per employee</td>
<td>$1,676</td>
<td>$1,535</td>
</tr>
</tbody>
</table>
Study Assistance
Formal study is strongly supported for staff undertaking further study in areas relevant to Treasury’s core business, with assistance of:

- up to 2.5 hours paid study leave per week for staff to either attend lectures, tutorials and exams within working hours or to study online or by distance learning; and
- reimbursement of course costs upon successful completion of units (capped at $1500 per unit).

During 2007-08, six staff (including NICP cadets) were reimbursed for study fees, compared with 13 in 2006-07. Table 17 shows a decrease in the number of staff seeking reimbursement and a decrease in average spending per employee in 2007-08 compared to the previous year. This difference is the result of two employees of the previous 13 completing their studies, seven employees leaving the agency and two taking extended leave. Four employees commenced new study in 2007-08. A large proportion of those undertaking post graduate study are completing the Certified Practising Accountant (CPA) program, an important higher degree for accounting graduates.

Table 17: Study Fees Reimbursed

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees who received assistance</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>$10,575</td>
<td>$26,863</td>
</tr>
<tr>
<td>Average reimbursement per employee</td>
<td>$1,763</td>
<td>$2,066</td>
</tr>
</tbody>
</table>

In 2007-08 fees were reimbursed for studies towards completion of the CPA Australia qualification, Business degrees and a Masters of Taxation.

Professional Membership Assistance
Treasury assists staff by reimbursing 50 per cent of the fees for their annual membership of relevant professional bodies.

In 2007-08, $5964 was provided in professional membership reimbursements to 27 staff (23 staff in 2006-07) who are required to keep current professional memberships with registered industry bodies as part of their work. Although this is a slight decrease from $6295 in 2006-07, the number of Treasury staff assisted actually increased.

Reimbursements were for memberships of:
- CPA Australia;
- Institute of Chartered Accountants;
- Australian Institute of Company Directors;
- Australian Institute of Management; and
- Taxation Institute of Australia.
Employee Wellness

The health and wellbeing of Treasury people is important. There are a number of initiatives in place in Treasury designed to provide education, training and support to its employees to assist them in maintaining healthy lifestyles and encourage them to deal with difficult or stressful situations at work or at home.

Occupational Health and Safety

Treasury’s Occupational Health and Safety (OH&S) Committee, established to examine OH&S issues that may affect Treasury employees, meets regularly. It comprises staff ranging from AO3 to senior management levels, and reports to the Senior Management Group.

The committee focuses on safe workplaces; developing, implementing and monitoring OH&S measures; advocating acceptable and responsible practices by employees and others; and promoting the health and safety ethos.

Achievements during the year include:

- selection and training of 14 fire wardens;
- training of six staff members in workplace risk assessment to conduct formal workstation assessments and advise on appropriate workspace set up for new staff and staff moving between work areas;
- 61 workstation assessments for staff; and
- two OH&S committee members studying towards a Certificate IV in Occupational Health and Safety.

Workers Compensation

During 2007-08, one new workers compensation claim was lodged, bringing the total number of claims to two. The new claim was resolved during the reporting period, while the claim carried over from the previous year is being finalised.

The value of claims in 2007-08 was 68 per cent lower than in 2006-07, and totalled $5828.

Table 18 compares workers compensation data between 2006-07 and 2007-08.

<table>
<thead>
<tr>
<th>Table 18: Workers Compensation Claims</th>
<th>2007-08</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditure</td>
<td>$5,828</td>
<td>$18,380</td>
</tr>
<tr>
<td>Claims as at 1 July</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>New claims</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Claims resolved</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Claims transferred with Racing, Gaming and Licensing</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Claims as at 30 June</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Staff receiving ongoing workers compensation payments</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Employee Assistance Program

Treasury’s Employee Assistance Program (EAP) provides an important support service for staff. From time to time, staff may be affected by personal, family or work-related issues and the EAP is designed to assist these employees. The EAP offers up to five free confidential counselling sessions for employees and their family members, with either of Treasury’s selected EAP providers.

EAP also provides coaching for supervisors and managers in dealing with difficult and sensitive staff issues in the workplace, by providing guidance and strategies, as well as mediation and dispute resolution services.

In 2007-08, a total of 49 EAP sessions were taken up by 15 Treasury staff and family members, at a cost of $22,177. Two staff utilised the full five sessions available, with most employees using between one and three sessions to help them with their work-related or personal issues. Total expenditure on EAP was higher in 2007-08 due to a greater number of workplace assessments undertaken during the year, compared to 2006-07. Details are summarised in Table 19.

Flu Vaccinations

In March 2008, Treasury conducted its annual voluntary Employee Flu Vaccination program. Vaccinations were provided on-site in Cavenagh House at no cost to the individual. Thirty-one per cent of Treasury staff were immunised, slightly less than the take-up rate in the previous year (34 per cent).

Corporate Challenges

Treasury participates in Life. Be In It corporate challenge competitions, sponsoring teams in sports including lawn bowls, netball and soccer, with 34 staff participating in 2007-08. The challenges are a fun and social way for staff to get to know each other while keeping active.

Healthy Catering

A Healthy Catering Policy was developed in June 2008 which promotes healthy eating choices and good nutrition when catering for work related functions and meetings where food is provided. The policy details food handling, preparation and storage procedures, and outlines foods and beverages that should be served compared with those that should be limited or avoided from a healthy eating perspective.

<table>
<thead>
<tr>
<th>Table 19: Employee Assistance Program as at 30 June 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Total expenditure for financial year</td>
</tr>
<tr>
<td>Total number of people assisted by EAP providers</td>
</tr>
<tr>
<td>– Treasury employees</td>
</tr>
<tr>
<td>– immediate family members</td>
</tr>
<tr>
<td>– manager assistance, advice, coaching</td>
</tr>
<tr>
<td>Total number of sessions</td>
</tr>
</tbody>
</table>
### Reporting Against Employment Instructions

Under the *Public Sector Employment and Management Act*, 13 Employment Instructions provide direction to agencies on human resource management matters. Each instruction specifies required reporting in agency annual reports. Treasury’s performance against each instruction is reported below.

#### Table 20: Employment Instructions, Annual Reporting Requirements and Agency Action

<table>
<thead>
<tr>
<th>Employment Instruction and Annual Reporting Requirements</th>
<th>Agency Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number 1 – Recruitment</strong></td>
<td>Treasury’s recruitment policy includes standard templates for each stage of the selection process for use by managers and selection panels.</td>
</tr>
<tr>
<td><strong>Agency to develop procedures on recruitment and selection for internal use.</strong></td>
<td>Recruitment action undertaken during 2007-08 included advertising 85 vacancies (permanent and temporary), 45 staff commencing and 32 separations (excluding casual and temporary vacation employees).</td>
</tr>
<tr>
<td><strong>CEO required to report annually on the number of employees in each designation and variations since last report.</strong></td>
<td>No promotion appeals were lodged in 2007-08.</td>
</tr>
<tr>
<td><strong>Treasury’s recruitment policy includes standard templates for each stage of the selection process for use by managers and selection panels.</strong></td>
<td>Staffing data is provided at the beginning of this section of the annual report.</td>
</tr>
</tbody>
</table>

#### Number 2 – Probation

<table>
<thead>
<tr>
<th>CEO shall develop a probationary process for their agency which all staff are to be made aware of when commencing with the agency.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury’s probation policy and procedures accommodate the necessary review processes for the relatively high number of staff on employment programs, who are (necessarily) engaged on temporary contracts.</td>
</tr>
<tr>
<td>The policy outlines a process that ensures that both supervisors and employees understand the elements of probation, and their respective responsibilities when an employee is on probation.</td>
</tr>
<tr>
<td>New employees are advised of the probation process by the (former) DCIS Recruitment when undergoing E-Induction and are then provided with further explanation by Treasury human resource staff at their internal induction training.</td>
</tr>
</tbody>
</table>

#### Number 3 – Natural Justice

<table>
<thead>
<tr>
<th>The rules of natural justice to be observed in all dealings with employees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The principles of natural justice are followed in all dealings with employees.</td>
</tr>
<tr>
<td>All internal policies and procedures reflect these principles where applicable.</td>
</tr>
<tr>
<td>Employment Instruction and Annual Reporting Requirements</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
</tr>
</tbody>
</table>
| **Number 4 – Performance Management**                    | Treasury’s Performance Development Framework (PDF) remains a fundamental element in developing its staff. It comprises a performance management system based on assessment against well established competencies, six-monthly feedback reviews and goal-setting, upward feedback from employees to managers and identification of development opportunities.  
The PDF framework also guides staff and managers in the event that performance recovery is required. Human resource staff also support managers in dealing with under-performance issues and assisting managers and staff in performance recovery efforts.  
To support this framework, Treasury’s Human Resources Unit continues to monitor individual staff training needs and training that has been undertaken through its training database.  
Management training and staff development activities in 2007-08 are reported earlier in this section of the annual report. |
<p>| <strong>CEO is to report annually on management training and staff development programs.</strong> |             |
| <strong>CEO shall develop and implement performance management systems for their agency.</strong> |             |
| <strong>Number 5 – Medical Incapacity</strong>                         | Treasury rarely has a need relating to medical incapacity, however where advice is required, managers liaise directly with senior executives, Treasury’s Human Resources Unit or the Office of the Commissioner for Public Employment (OCPE) seeking specific advice as required. |
| <strong>No agency action or reporting requirements.</strong>           |             |
| <strong>Number 6 – Medical Inability</strong>                          | Treasury rarely has a need relating to medical inability, however where advice is required, managers liaise directly with senior executives, Treasury’s Human Resources Unit or OCPE seeking specific advice as required. |
| <strong>CEO to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</strong> |             |
| <strong>CEO may establish procedures regarding inability within their agency.</strong> |             |
| <strong>Number 7 – Discipline</strong>                                 | No disciplinary actions were taken against any Treasury employee during 2007-08. |
| <strong>CEO to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</strong> |             |
| <strong>CEO may establish procedures regarding discipline within their agency.</strong> |             |</p>
<table>
<thead>
<tr>
<th>Employment Instruction and Annual Reporting Requirements</th>
<th>Agency Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number 8 – Grievances</strong></td>
<td>Treasury’s Grievance Policy is available to all staff on the internal intranet site. Treasury’s Human Resources Unit provides advice and support to managers and staff in dealing with grievances. There were no grievances lodged in 2007-08.</td>
</tr>
<tr>
<td><strong>CEO shall establish written grievance setting procedures for the agency that should be available to employees and outline steps for dealing with grievances.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Number 9</strong></td>
<td>Now incorporated in Employment Instruction 1.</td>
</tr>
<tr>
<td><strong>Number 10 – Employee Records</strong></td>
<td>The (former) Department of Corporate and Information Services (DCIS) stores all agency personnel files. Treasury follows DCIS policy in regard to accessing these files. Any requests to access employee records are made through the Manager Human Resources.</td>
</tr>
<tr>
<td>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</td>
<td></td>
</tr>
<tr>
<td><strong>Number 11 – Equal Employment Opportunity</strong></td>
<td>Treasury’s Equity and Diversity Framework, in addition to supporting Treasury’s own Indigenous Employment and Career Development Strategy, incorporates agency requirements under the Public Sector Employment and Management Act and the Anti-Discrimination Act, as well as whole of government strategies such as Willing and Able, to promote and encourage its diverse workforce. These documents are provided to staff through the internal intranet site. Details of Treasury’s programs and initiatives are provided earlier in this section of the annual report.</td>
</tr>
<tr>
<td><strong>CEO to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CEO to report annually on programs and initiatives the agency has developed. Report should also include reports detailing specific action in relation to Aboriginal Employment and Career Development, and also measures to enable employees to balance work and family responsibilities.</strong></td>
<td></td>
</tr>
</tbody>
</table>
Employment Instruction and Annual Reporting Requirements

Number 12 – Occupational Health and Safety

CEO to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.

CEO to report annually on occupational health and safety programs. Records must be kept on risk assessment, maintenance control and information, instruction and training provided to employees.

Treasury’s OH&S Committee deals with OH&S issues, including safe workplaces and systems and developing, implementing and monitoring OH&S measures. It reports to the Senior Management Group.

The Committee has developed a site on the internal intranet, which identifies the OH&S Committee, policies, training opportunities and related information and links, for example, to the DCIS OH&S newsletter, and also has reserved space on all staff notice boards.

Details of Treasury’s programs and initiatives are provided earlier in this section of the annual report.

Number 13 – Code of Conduct

CEO may issue guidelines regarding acceptance of gifts and benefits to employees. CEO may issue agency specific Code of Conduct.

New staff are provided with the Code of Conduct as part of their commencement package, and are also advised of their obligations at their Treasury induction training.

Other staff are reminded of their obligations at regular intervals and with each major exercise or project.

Number 14 – Part-Time Employment

CEO to advise unions on a 6 monthly basis of number of part-time employees by salary stream.

Treasury’s Flexible Work Arrangements Policy is available on the internal intranet site.

As at 30 June 2008, six employees were working part-time, and two were working in home-based arrangements.

Future Priorities

• Continued leadership development and succession planning within Treasury to enhance professional development opportunities, management capabilities and generally broaden skills and expertise.
• Further development of Treasury’s Indigenous Employment and Career Development Strategy in accordance with whole of government strategy.
• Development of an entry-level program aimed at attracting gap-year students looking to work for 12 months before commencing tertiary studies. A concerted focus will also be placed on attracting Indigenous students to this program.
• Continued emphasis on professional and technical development, including sponsored study, tailored training and participation in professional body activities.
Risk Management
Risk Management

Risk Management Framework

The Australian and New Zealand Standard on Risk Management AS/NZS4360:2004 has been used as the framework for Treasury’s risk management process and can be applied at all levels and for all activities in the organisation. The emphasis is on proactively thinking about and managing risks in all work areas, rather than reacting to risks as they emerge.

Risk Environment

Treasury operates in an environment where the main risks at an organisational level are:

- external – failure to comply with processes, rules, regulations or laws, the effect of which could impact negatively on Treasury’s reputation or on that of the Treasurer and the Government; and
- internal – the risk of not being able to recruit and retain appropriately qualified staff, or continue to maintain capability, the effect of which could impede Treasury’s ability to pursue its strategic objectives.

There are also shorter term risks at the more operational or project-specific level. Specific strategies are being developed to address these and other risks.

Managing and Mitigating Risk

Treasury manages its risk through understanding its functions and potential areas of exposure, implementing appropriate strategies to address these areas, and monitoring the progress and effectiveness of those strategies.

The Risk and Audit Committee is responsible for overseeing internal review and quality assurance relating to financial management, risk management and fraud control, and considering how these can potentially impact on Treasury. The committee oversees the examination of priority risk areas and recommends review and remedial actions to the Under Treasurer.

Business unit directors and their SMG members review the functions of their areas every year, identify the elements of risk and discuss strategies and methods for limiting those risks.

Treasury’s Risk Register and internal audit program is developed as a result of these discussions.

The Auditor-General also has a formal audit program that covers, in detail, all Treasury’s significant financial systems and accountabilities in the areas of the Territory Budget, Territory revenue, Treasury Corporation’s borrowings and investments and the Territory’s superannuation funds. Treasury’s Risk Register, internal audit plan and the Auditor-General’s formal audit program are considered by the Risk and Audit Committee, to formulate Treasury’s annual audit program for the coming year.

Monitoring Risk

During the year, several audits and reviews were undertaken as part of Treasury’s internal audit program. They are categorised as internal and external, where internal refers to audits or reviews instigated by Treasury, and external refers to audits programmed by the Auditor-General. Table 21 summarises all external audits and reviews undertaken in 2007-08. Table 22 summarises all internal audits and reviews undertaken in 2007-08.
<table>
<thead>
<tr>
<th>Area</th>
<th>Audit/Review</th>
<th>Audit Outcome/Review Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern</td>
<td>Audit – final 2006-07 financial statements</td>
<td>Unqualified audit opinion issued. No significant matters were identified.</td>
</tr>
<tr>
<td>Territory Treasury Corporation</td>
<td>Audit – interim 2007-08 financial statements</td>
<td>Interim audit conducted to assist with end of year audit and to address control and compliance requirements. There were no significant weaknesses identified in the Corporation’s risk management systems and controls to adequately monitor and manage its financial activities. However the internal audits conducted during the year identified five minor matters which were reported to management and the Advisory Board.</td>
</tr>
<tr>
<td>Financial Management</td>
<td>Audit – whole of government budget and reporting system (Apex)</td>
<td>The audit confirmed that the system and internal controls in place could be relied upon to provide reasonable assurance that the system would produce reliable reports with respect to the 2007-08 Treasurer’s Annual Financial Statements.</td>
</tr>
<tr>
<td></td>
<td>Audit – Treasurer’s Annual Financial Statement – final 2006-07</td>
<td>The audit found that the financial statements were presented fairly in accordance with the Financial Management Act and Fiscal Integrity and Transparency Act and the information presented in the statement complies with the requirements of Government Finance Statistics, Australia – Concepts, Sources and Methods. However, the Auditor-General issued a qualified audit opinion in relation to non-compliance with Australian Accounting Standards (AAS). This qualification has no reflection on the accuracy of the numbers, rather, it informs the reader that the external reporting standards used by the Northern Territory do not conform to AAS, but do conform to the Territory’s adopted standard, the Government Finance Statistics. Assessment of the new AAS on harmonisation of whole of government reporting is identified as a future priority for Treasury. This will encompass a staged implementation of the new reporting format for budget and outcome reporting.</td>
</tr>
<tr>
<td></td>
<td>Audit – Treasurer’s Annual Financial Statements – interim 2007-08</td>
<td>No major issues arose from the interim audit.</td>
</tr>
</tbody>
</table>
Table 21: Audits and Reviews – External (continued)

<table>
<thead>
<tr>
<th>Area</th>
<th>Audit/Review</th>
<th>Audit Outcome/Review Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territory Revenue Office</td>
<td>Audit – taxes, royalties and tax-related subsidy schemes</td>
<td>The audit found that reasonable assurance can be given that all revenue due to the Northern Territory from taxes and royalties is being received into the Public Account, or appropriate recovery action is pursued; tax-related subsidy schemes are being paid correctly; and revenues from the Commonwealth are appropriately based on information provided by the Commonwealth Treasury and are received on a timely basis.</td>
</tr>
<tr>
<td>Superannuation Office</td>
<td>Audit – IT controls for the SuperB application used by the Superannuation Office for maintaining financial records of the Northern Territory Government and Public Authorities Superannuation Scheme and Northern Territory Police Supplementary Benefits scheme records</td>
<td>The audit found that there were opportunities for improvement for the management and utilisation of SuperB application level controls and the development of change management policy and procedures to apply system configuration changes. The audit also recommended some changes to SuperB application password parameter configurations which will be introduced on a trial basis following the implementation of release 4.2 in order to assess their impact and feasibility.</td>
</tr>
<tr>
<td></td>
<td>Audit – 2006-07 Financial Statements – Northern Territory Government and Public Authorities’ Superannuation Scheme (NTGPASS), Legislative Assembly Members’ Superannuation (LAMS) Trust and the Police Supplementary Benefit Scheme (PSBS)</td>
<td>Unqualified audit opinions were issued for the financial statements of each scheme.</td>
</tr>
<tr>
<td></td>
<td>Review – Superannuation Office operating standards of NTGPASS, LAMS Trust and PSBS schemes</td>
<td>No issues arose from audits which assessed whether the NTGPASS, LAMS Trust and PSBS schemes were administered in compliance with the Superannuation Industry Supervision Act.</td>
</tr>
<tr>
<td>Treasury Services</td>
<td>Audit – Territory’s 2006-07 Natural Disaster Relief and Recovery Arrangements (NDRRA) claim for assistance from the Commonwealth</td>
<td>The audit found that the NDRRA claim for assistance from the Commonwealth was presented fairly and that the reported expenditures by the Northern Territory are only in respect of notified eligible measures of natural disaster relief and restoration and conform to the NDRRA Determination 2007.</td>
</tr>
</tbody>
</table>

All findings and recommendations from the external audits were reviewed by Senior Management Group (SMG) and the appropriate actions/responses undertaken.
### Table 22: Audits and Reviews – Internal

<table>
<thead>
<tr>
<th>Area</th>
<th>Audit/Review</th>
<th>Audit Outcome/Review Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole of Treasury</td>
<td>Review – Treasury risk register</td>
<td>Treasury’s risk register is reviewed at least six monthly by SMG. Action for 2007-08 included researching and considering methods of reporting risks at project or operational level, in addition to the strategic focus on risk reporting that presently occurs.</td>
</tr>
<tr>
<td></td>
<td>Review of physical asset accounting and stock take procedures</td>
<td>The review found that the published procedures and policies in place accord with the requirements established by legislation and are in general followed by Treasury officers. However while policies and procedures were being followed, documentation was not always properly maintained.</td>
</tr>
<tr>
<td></td>
<td>Review and testing of Treasury’s Business Continuity Plan (BCP)</td>
<td>The review considered Treasury’s business continuity response following a whole of government information communications technology system outage in May 2008. No significant matters were identified, however a number of improvements to the BCP were proposed.</td>
</tr>
<tr>
<td>Superannuation Office</td>
<td>Review – Implementation of Member Investment Choice and Commonwealth Better Super Reforms</td>
<td>The review found that reasonable assurance can be given that the implementation of member investment choice and the Better Super reforms conform with approved policy and relevant Commonwealth legislation.</td>
</tr>
<tr>
<td></td>
<td>Review – Implementation of allocated pension product for members of NTPASS</td>
<td>The review found that reasonable assurance can be given that the implementation of the allocated pension fund conformed with approved policy and relevant Commonwealth legislation.</td>
</tr>
<tr>
<td></td>
<td>Australian Taxation Office (ATO) – Compliance Audit – surcharge debt accounts</td>
<td>During the year, the ATO conducted an audit of the superannuation surcharge debt accounts administered by the Superannuation Office. Surcharge debt accounts for NTPASS total around $3.255 million. The audit found that individual surcharge debt accounts were correctly administered and payments were correctly applied and remitted to the ATO.</td>
</tr>
<tr>
<td>Area</td>
<td>Audit/Review</td>
<td>Audit Outcome/Review Recommendations</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Northern Territory Treasury Corporation</td>
<td>Audit – half year review; annual audit of the Corporation’s controls; half-yearly compliance report; six-monthly audit of Central Holding Authority investments</td>
<td>Treasury Corporation, as the Territory’s central financing authority, manages the Territory’s borrowing program. As part of its corporate governance and risk management framework, it engages private audit firms to conduct regular audits. No issues were identified from the audit of the Corporation for the year ended 30 June 2008.</td>
</tr>
<tr>
<td>Review of Information Technology (IT)</td>
<td>controls assessment of Quantum</td>
<td>The review identified a number of control weaknesses in areas under the responsibility of both the Corporation and the (former) Department of Corporate and Information Services. All weaknesses relating to application passwords have been resolved and an upgrade of Quantum in November 2008 will resolve most of the other outstanding recommendations.</td>
</tr>
</tbody>
</table>
Corporate Social Responsibility
Corporate Social Responsibility

Environmental Reporting

This section reports on Treasury’s energy usage in relation to the Northern Territory Government Energy Smart Buildings Policy and provides details on water and paper usage during 2007-08.

The Energy Smart Buildings policy was introduced in 2005-06 and sets energy efficiency targets for agencies. Its key objective is to achieve and maintain best practice energy management in Northern Territory government owned and leased buildings to reduce both the operating expenditure and greenhouse gas emissions.

Table 23 illustrates target reduction in annual energy used per square metre of floor area for all Territory government owned and leased buildings.

Table 23: Energy Use Targets for Government Buildings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency Target (%)</td>
<td>1.0</td>
<td>1.5</td>
<td>3.0</td>
<td>5.5</td>
<td>8.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

1. Percentage of MJ/m² reduction compared to 2004-05

Energy use per square metre (energy intensity) targets have been chosen instead of total energy use targets to minimise variance due to changes in department size or building ownership. Through these efficiency targets, each agency reports annually its processes to achieve a targeted 10 per cent reduction in energy intensity by 2011.

Table 24 shows that Treasury’s electricity use per square metre decreased by 34 per cent, from 369 megajoules in 2006-07 to 243 megajoules in 2007-08. This decrease will be reported in the annual Building Energy and Greenhouse Report prepared by the Department of Planning and Infrastructure.

Since monitoring began in 2004-05, Treasury has reported a 59 per cent reduction in energy use. This is largely due to the transfer of Enterprise House from Treasury’s leased building portfolio to the Department of Justice in 2006 and the cumulative effects of energy saving activities undertaken each year. Activities undertaken in 2007-08 include a fluorescent light replacement program, commencement of fluorescent light globe recycling, ongoing promotion of energy management practices such as turning off lights and computers at the end of the day, the installation of timers on all large electrical appliances such as printers and photocopiers and the purchase of energy efficient desk lamps for staff working after hours.
Table 24: Electricity Use

<table>
<thead>
<tr>
<th>Unit</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time equivalent staff (FTE)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>183</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td>Light and power</td>
<td>GJ</td>
<td>1 035</td>
<td>1 670</td>
</tr>
<tr>
<td>Use per FTE</td>
<td>GJ</td>
<td>5.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Use per square metre of office space</td>
<td>MJ</td>
<td>243</td>
<td>369</td>
</tr>
<tr>
<td>Total associated greenhouse gas emissions&lt;sup&gt;3&lt;/sup&gt;</td>
<td>GHG</td>
<td>216</td>
<td>366</td>
</tr>
</tbody>
</table>

1. Figures for 2006-07 include 12 months of electricity usage for Cavenagh House and 4 months of usage for Enterprise House, reflecting the transfer of the main tenant, Racing, Gaming and Licensing, to the Department of Justice.
2. This is the average Treasury FTEs per pay throughout 2006-07 and 2007-08.
3. The total associated greenhouse gas emissions for 2006-07 in the previous year was recorded incorrectly but is presented correctly here.

Table 24 also shows that light and power usage and total associated greenhouse gas emissions decreased in 2007-08. These large decreases are due to the inclusion of four months of electricity usage data for Enterprise House between July and October 2006 when Racing, Gaming and Licensing were part of Treasury. From November 2006, Enterprise House became the responsibility of the Department of Justice and is no longer included in Treasury’s environmental reporting. If the scope difference between years is removed, there is still a significant reduction in the energy use categories presented in Table 24.

Paper

Table 25 provides data on Treasury paper usage and disposal. In 2007-08 Treasury used 968, or 23 per cent, fewer reams of paper compared to 2006-07. Treasury continues to encourage staff to make more use of online rather than printed documents and more staff are becoming active in conserving paper through measures such as setting up paper re-use trays and double-sided printing and copying. Applying these measures in preparing major publications like the Budget Papers has had a significant effect on reducing Treasury’s paper usage overall.

With less paper being used, the volume of Treasury’s paper waste has also declined and in 2007-08 the number of confidential and recycling bins filled decreased by 14 per cent.
Paper usage and paper waste for recycling should continue to decrease with continued staff awareness programs to promote efficient and wise use of paper resources.

### Table 25: Paper Usage

<table>
<thead>
<tr>
<th>Unit</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4 paper (white and colour)</td>
<td>Reams²</td>
<td>3,266</td>
<td>4,234</td>
</tr>
<tr>
<td>Full-time equivalent staff (FTE)³</td>
<td>183</td>
<td>194</td>
<td>-11</td>
</tr>
<tr>
<td>Use of A4 paper per FTE</td>
<td>Reams</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>Waste for recycling</td>
<td>Bins</td>
<td>171</td>
<td>198</td>
</tr>
</tbody>
</table>

1. 2006-07 has been adjusted to reflect the transfer of Racing, Gaming and Licensing to the Department of Justice in November 2006.
2. Ream = 500 sheets.
3. This is the average Treasury FTEs per pay throughout 2006-07 and 2007-08.

### Supporting the Community

The Treasury Social Club supports and coordinates a number of charitable and social events each year. The events are an important opportunity for staff to gather socially and to contribute toward national appeals and local community events. FOITs take an active role in the club as work unit representatives and event organisers. Some of the fundraising events held throughout the year include:

- SIDS and Kids Red Nose Day;
- Jeans for Genes day;
- Movember;
- Lunch for Leukaemia;
- Australia’s Biggest Morning Tea; and
- Great Strides Walkathon.
Financial Performance
Financial Statements – Treasury’s Dual Role

Reporting Preface

Treasury is a central agency, with its primary function to provide advice to the Territory Government. Its policy role differs from many other agencies that predominantly deliver services directly to the public. Like all government agencies, Treasury’s activities are mainly funded by output and capital appropriations, as determined in the annual Budget.

However, Treasury has an important dual role in that it is responsible for not only its own budget and accounts, but it also manages the Central Holding Authority (CHA) for the Territory Government. The CHA is the Territory’s own entity that holds the revenue, expenses, assets and liabilities of the Territory and it has a similar function to that of a parent company. Revenue is collected by agencies on behalf of the CHA. Funds are transferred from the CHA to agencies, according to appropriation amounts, for spending.

Because of its central agency role, Treasury undertakes certain responsibilities on behalf of Government, incurring Territory Government expenses through Treasury’s Operating Statement. These expenses include the Territory’s GST administration costs and payment of some community service obligations on behalf of the Government. Treasury also collects significant levels of Government revenue on behalf of the CHA for use across Government. It is important, in reviewing Treasury’s financial statements, to understand the impacts these whole of government expenses and revenues have on Treasury’s accounts, and how this effect differs from most other agencies.

Treasury’s agency accounts and the CHA are closely interrelated and reflect whole of government responsibilities beyond Treasury’s internal arrangements and operations. Figure 7 endeavours to illustrate the relationship and compare it to the CHA’s relationship with other agencies.

It is worth noting that the Northern Territory Treasury Corporation, as the Government’s central financing authority, also has a unique financial relationship with the CHA. Although it is part of Treasury for organisational purposes, Treasury Corporation is a government business division and reports separately under its own legislation.

As a result of Treasury’s dual financial role, this section presents the 2007-08 financial statements for both Treasury and the CHA. A brief overview is provided with each set of accounts and their accompanying notes to assist the reader in understanding the performance of each entity and their unique relationship.
Figure 7: Relationship Between the Central Holding Authority, Treasury and Other Agencies

**Central Holding Authority**
On behalf of the Territory, records:
- assets not assigned to agencies eg. investments
- liabilities not assigned to agencies eg. borrowings, unfunded superannuation and long service leave

Receives revenue collected for the Territory through agencies:
- agency own-source revenue eg. fees for service, charges
- tied grants from the Commonwealth

**Treasury**
Receives:
- untied GST revenue from the Commonwealth
- revenue (eg. taxes)
- agency own-source revenue eg. interest on loans to TIO

Spends on:
- operations on behalf of government (85%) eg. CSOs, GST administration payment, fuel subsidy, home owner grants and subsidies
- own operations (15%) eg. salaries and operational costs

**Other Agencies**
Receives:
- other Territory revenue (eg. motor vehicle registration fees)
- agency own-source revenue eg. fees for service, charges
- tied grants from the Commonwealth

Spends on:
- delivery of key government services eg. health, education, law and order
Treasury’s financial performance in 2007-08 and comparatives for 2006-07 are reported in three financial statements: the Operating Statement, the Balance Sheet, and the Statement of Cash Flows. These statements have been prepared in accordance with the whole of government financial management framework and the requirements of accounting standards. Treasury also collects significant levels of Government revenue on behalf of the CHA for use across government, and this is outlined in Table 32.

Main Results

- Treasury reported an operating surplus of $5.5 million in 2007-08, an increase on the Budget estimate of $4.1 million. This was a result of lower than expected employee and operational expenses and lower requirements for first home owner grants.

- Treasury’s income and expenses increased significantly during 2007-08 as a result of the Territory’s capital assistance to the Power and Water Corporation (Power and Water) associated with undergrounding of powerlines and the five-year electricity, water and sewerage infrastructure program.

- Total assets increased by $6.2 million in 2007-08 from 2006-07, with higher cash at bank and an increase in the investment loan with the Territory Insurance Office (TIO).

- Total liabilities increased by $0.5 million in 2007-08 from 2006-07, mainly resulting from increases in payables and employee entitlement provisions.

Operating Statement – Summary

<table>
<thead>
<tr>
<th>Operating Statement</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$166 915</td>
<td>$101 278</td>
<td>$65 637</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$161 435</td>
<td>$97 880</td>
<td>$63 555</td>
</tr>
<tr>
<td>Net operating surplus</td>
<td>$5 480</td>
<td>$3 398</td>
<td>$2 082</td>
</tr>
</tbody>
</table>

The significant increase in operating income and expenditure was primarily due to capital assistance payments to Power and Water totalling $66.6 million associated with undergrounding of powerlines ($16.6 million) and the five-year electricity, water and sewerage infrastructure program ($50 million). A net operating surplus of $5.5 million for 2007-08 compares with $3.4 million the previous financial year. The higher operating surplus resulted from lower than expected employee costs due to difficulty recruiting to vacant positions, lower requirements for consultants and legal fees, and lower demand for grants and subsidies.
### Operating Income

**Table 27: Operating Income**

<table>
<thead>
<tr>
<th>Operating Income</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output revenue</td>
<td>$163,017</td>
<td>$97,278</td>
<td>$65,739</td>
</tr>
<tr>
<td>Goods and services received free of charge</td>
<td>$1,876</td>
<td>$2,172</td>
<td>($296)</td>
</tr>
<tr>
<td>Other income</td>
<td>$2,022</td>
<td>$1,828</td>
<td>$194</td>
</tr>
<tr>
<td>Total</td>
<td>$166,915</td>
<td>$101,278</td>
<td>$65,637</td>
</tr>
</tbody>
</table>

Treasury’s principal source of revenue (98 per cent or $163 million) is appropriation transferred from the CHA (output revenue) rather than revenue raised by service fees or charges. The remaining $3.9 million is sourced from (notional) revenue to meet the (notional) cost of services received free of charge from the (former) Department of Corporate and Information Services (DCIS) and interest earned on a loan to TIO.

The increase in operating income in 2007-08 relates to increased output revenue for capital assistance from the Territory Government to Power and Water.

### Operating Expenses

**Table 28: Operating Expenses**

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee expenses</td>
<td>$15,706</td>
<td>$15,212</td>
<td>($494)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of goods and services</td>
<td>$6,190</td>
<td>$7,876</td>
<td>($1,686)</td>
</tr>
<tr>
<td>DCIS services free of charge</td>
<td>$1,876</td>
<td>$2,172</td>
<td>($296)</td>
</tr>
<tr>
<td>GST administration</td>
<td>$6,168</td>
<td>$6,308</td>
<td>($140)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$195</td>
<td>$244</td>
<td>($49)</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>$12,038</td>
<td>$13,263</td>
<td>($1,225)</td>
</tr>
<tr>
<td>Capital</td>
<td>$66,600</td>
<td>$66,600</td>
<td>0%</td>
</tr>
<tr>
<td>Community service obligations</td>
<td>$52,662</td>
<td>$52,805</td>
<td>($143)</td>
</tr>
<tr>
<td>Total</td>
<td>$161,435</td>
<td>$97,880</td>
<td>$63,555</td>
</tr>
</tbody>
</table>
Expenses incurred during the year were largely whole of government items paid from Treasury’s budget. Figure 8 shows that only 15 per cent or $24 million of the 2007-08 operating expenses related to Treasury’s own agency operations, while 85 per cent or $137.4 million were Territory Government expenses met by Treasury in its central agency role. As explained earlier in this section, while expenses on behalf of the Government are recorded in the agency’s financial reports, Treasury has no discretion on how these resources will be spent and cannot divert these resources to other parts of its operations.

Treasury’s own expenses relate to employee and administrative costs (mostly for information technology, communications, legal and consultants). The expenses on behalf of the Government include grants and subsidies such as community service obligation payments to maintain uniform tariffs for households and small businesses ($52.7 million), tax-related subsidies (first home owner grant and fuel subsidies) and payments to the Commonwealth for the Territory’s share of GST administration costs ($6.2 million). Further commentary follows for each category of expense and reasons for variations during 2007-08.

Employee Expenses
The $0.49 million increase in employee expenses in 2007-08 reflects the impact of the annual Enterprise Bargaining Agreement (EBA) wages increase, though this was offset by vacant positions not filled as a result of difficulties recruiting professional staff.

Administrative Expenses
In 2007-08, the purchase of goods and services decreased by 21 per cent or $1.7 million from 2006-07, primarily a result of one-off legal expenses for a court case in 2006-07. Consultant expenses in 2007-08 were lower following major consulting work the previous year.

Grants and Subsidies
In 2007-08 Treasury paid $131.3 million in grants and subsidies, an increase of $65.2 million from 2006-07, mainly attributable to the $66.6 million for capital assistance paid to Power and Water for undergrounding of powerlines ($16.6 million) and $50 million of the Territory’s $100 million contribution towards the major $1 billion five-year electricity, water and sewerage infrastructure program.

Almost $53 million of the 2007-08 grants and subsidies expenses related to community service obligation payments to Power and Water to subsidise electricity tariffs for household and small to medium size business customers and for water and sewerage tariffs for all customers in main urban population centres of the Territory.

Fewer payments were made for first home owner grants during 2007-08 and reflect decreased first home buyer activity in the residential property market. This was offset by an increase in payments for fuel subsidies which reflect greater fuel usage during 2007-08 due to the growth in economic activity during the year.
Because of the magnitude of the grants and subsidies element of Treasury’s expenses, it is useful to understand its components in more detail. This information is presented in Table 29.

Table 29: Grants and Subsidies

<table>
<thead>
<tr>
<th>Grants and Subsidies</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community service obligations</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Capital grant to Power and Water</td>
<td>52 662</td>
<td>52 805</td>
<td>-143</td>
</tr>
<tr>
<td>First home owner grant</td>
<td>8 379</td>
<td>8 820</td>
<td>-441</td>
</tr>
<tr>
<td>Fuel subsidy</td>
<td>3 648</td>
<td>3 060</td>
<td>588</td>
</tr>
<tr>
<td>Alice Springs Convention Centre subsidy</td>
<td>1 115</td>
<td>-1 115</td>
<td>-100.0</td>
</tr>
<tr>
<td>Charles Darwin University demographic research grants</td>
<td>268</td>
<td>-268</td>
<td>-100.0</td>
</tr>
<tr>
<td>Other grants</td>
<td>11</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>131 300</td>
<td>66 068</td>
<td>65 232</td>
</tr>
</tbody>
</table>

1. Responsibility for the Alice Springs Convention Centre subsidy transferred to Tourism NT from 2007-08.
2. The Charles Darwin University demographic research grant program continued in 2007-08 but no new grants were paid pending acquittal of previous year grant funding.

Balance Sheet – Summary

Table 30: Balance Sheet

<table>
<thead>
<tr>
<th>Balance Sheet</th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Liabilities</td>
<td>29 576</td>
<td>23 373</td>
<td>6 203</td>
</tr>
<tr>
<td>Equity</td>
<td>3 543</td>
<td>3 028</td>
<td>515</td>
</tr>
<tr>
<td>Total</td>
<td>26 033</td>
<td>20 345</td>
<td>5 688</td>
</tr>
</tbody>
</table>

The balance sheet provides information on Treasury’s financial position at the end of the year and records balances of assets, liabilities and equity.

Table 30 shows that during 2007-08, Treasury’s assets and liabilities increased. As the increase of assets was larger than the increase in liabilities, this resulted in a higher level of equity.

Treasury’s assets comprise mostly cash, deposits, advances and investments, with a small amount of property, plant and equipment which reflect Treasury’s policy advisory rather than service delivery role.
The increase in assets is mainly a higher cash balance at 30 June 2008 resulting from a higher than anticipated surplus for the year.

Treasury’s liabilities comprise payables, borrowings and provisions for employee entitlements. The $0.5 million increase is mainly due to a larger amount of creditors at the end of 2007-08, which was a result of two invoices received late in June. Additionally, provisions for employee entitlements increased as a result of recreational leave balances having EBA applied and oncost for superannuation. The recreational leave and fares balances are adjusted by the following year’s EBA increment to reflect the net present value of future employee entitlements. The oncost for superannuation is applied to recreational leave balances for employees who have own choice superannuation schemes.

**Statement of Cash Flows – Summary**

<table>
<thead>
<tr>
<th>Table 31: Statement of Cash Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>$000</td>
</tr>
<tr>
<td>Cash at beginning of reporting period</td>
</tr>
<tr>
<td>Receipts</td>
</tr>
<tr>
<td>Payments</td>
</tr>
<tr>
<td>Investing activities</td>
</tr>
<tr>
<td>Equity withdrawals</td>
</tr>
<tr>
<td>Financing activities</td>
</tr>
<tr>
<td>Cash at end of reporting period</td>
</tr>
</tbody>
</table>

The statement of cash flows provides information on the movement of cash in and out of Treasury during the year and shows an increase in cash at the end of the year of $4.3 million. The increase from 2006-07 relates to the higher 2007-08 operating surplus, that is, more income was received than was spent. Figures in the Statement of Cash Flows vary to those in the Operating Statement, Table 26, as the Statement of Cash Flows refer to those transactions where there was a movement in either cash received or cash paid out whereas the Operating Statement includes non cash items such as annual adjustment to employee entitlements and depreciation.
Collection of Territory Income

Table 32: Total Income Collected by Treasury

<table>
<thead>
<tr>
<th>Total Income Collected by Treasury</th>
<th>2007-08 $000</th>
<th>2006-07 $000</th>
<th>% of Total 2007-08</th>
<th>% of Total 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury – Agency Income –</td>
<td>166 915</td>
<td>101 278</td>
<td>5.6</td>
<td>3.8</td>
</tr>
<tr>
<td>reported in Operating Statement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Territory Income – reported in</td>
<td>2 795 915</td>
<td>2 534 575</td>
<td>94.4</td>
<td>96.2</td>
</tr>
<tr>
<td>Note 19 to financial statements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income Collected</td>
<td>2 962 830</td>
<td>2 635 853</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 32 shows the total income collected by Treasury, categorised by agency income and Territory income, collected and administered on behalf of the Central Holding Authority (CHA). Territory income is not controlled by Treasury and is therefore not reported in Treasury's financial reports. Rather, it is reported in Note 19 to the financial statements.

During 2007-08, Treasury collected a total of $2.96 billion in income, however only 5.6 per cent of that income ($166.9 million) flowed back to Treasury for its own purposes. This 5.6 per cent or $166.9 million is the income figure reported in Treasury's financial statements, with the remaining 94.4 per cent (or $2.79 billion) being Territory income, collected on behalf of, and recorded in, the CHA.
Certification of the Financial Statements

We certify that the attached financial statements for Northern Territory Treasury have been prepared from proper accounts and records in accordance with the prescribed format, the Financial Management Act and Treasurer's Directions.

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2008 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Jennifer Prince  
Under Treasurer  
30 September 2008

Samantha Byrne  
Director Corporate Support  
30 September 2008
## Operating Statement

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

### INCOME

Grants and subsidies revenue
- Current
- Output revenue
- Sales of goods and services
- Interest revenue
- Goods and services received free of charge
- Other income

TOTAL INCOME

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$166,915</td>
<td>$101,278</td>
</tr>
</tbody>
</table>

### EXPENSES

Employee expenses

Administrative expenses
- Purchases of goods and services
- Repairs and maintenance
- Depreciation and amortisation
- Other administrative expenses

Grants and subsidies expenses
- Current
- Capital
- Community service obligations

Interest expenses

TOTAL EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$161,435</td>
<td>$97,880</td>
</tr>
</tbody>
</table>

NET SURPLUS

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,480</td>
<td>$3,398</td>
</tr>
</tbody>
</table>

1. Includes DCIS service charges.

The Operating Statement is to be read in conjunction with the notes to the financial statements.
## Balance Sheet

**As at 30 June 2008**

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

### ASSETS

**Current assets**
- Cash and deposits 6 5 588 1 298
- Receivables 7 609 440
- Advances and investments 6 285 4 816
- Prepayments 1 020 727
- Other assets -7 -7
- **Total current assets** 13 495 7 274

**Non-current assets**
- Advances and investments 15 423 15 423
- Property, plant and equipment 8 658 676
- **Total non-current assets** 16 081 16 099

**TOTAL ASSETS** 29 576 23 373

### LIABILITIES

**Current liabilities**
- Payables 9 943 790
- Borrowings and advances 10 102 83
- Provisions 11 1 786 1 557
- **Total current liabilities** 2 831 2 430

**Non-current liabilities**
- Provisions 11 712 598
- **Total non-current liabilities** 712 598

**TOTAL LIABILITIES** 3 543 3 028

**NET ASSETS** 26 033 20 345

### EQUITY

12
- Capital 6 227 6 019
- Accumulated funds 19 806 14 326
- **TOTAL EQUITY** 26 033 20 345

The Balance Sheet is to be read in conjunction with the notes to the financial statements.
## Statement of Changes in Equity

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE OF EQUITY AT 1 JULY</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td>6 019</td>
<td>17 094</td>
</tr>
<tr>
<td>Equity injections</td>
<td>208</td>
<td>1 103</td>
</tr>
<tr>
<td>Equity withdrawals</td>
<td>-12 178</td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>6 227</td>
<td>6 019</td>
</tr>
<tr>
<td>Accumulated funds</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td>14 326</td>
<td>10 928</td>
</tr>
<tr>
<td>Surplus for the period</td>
<td>5 480</td>
<td>3 398</td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>19 806</td>
<td>14 326</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE OF EQUITY AT 30 JUNE</td>
<td>26 033</td>
<td>20 345</td>
</tr>
</tbody>
</table>

This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.
# Cash Flow Statement

For the year ended 30 June 2008

### Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>Output revenue received</td>
<td>163 017</td>
<td>97 278</td>
</tr>
<tr>
<td>Receipts from sales of goods and services</td>
<td>2 843</td>
<td>2 287</td>
</tr>
<tr>
<td>Interest received</td>
<td>1 468</td>
<td>1 368</td>
</tr>
<tr>
<td><strong>Total operating receipts</strong></td>
<td>167 328</td>
<td>100 963</td>
</tr>
</tbody>
</table>

| **Operating payments** | | |
| Payments to employees | 15 309 | 15 964 |
| Payments for goods and services | 15 016 | 17 088 |
| Grants and subsidies paid | | |
| Current | 12 038 | 13 263 |
| Capital | 66 600 | |
| Community service obligations | 52 662 | 52 805 |
| Interest paid | 17 | 81 |
| **Total operating payments** | 161 642 | 99 201 |

**Net Cash From Operating Activities**: 13 686 1 762

### Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investing payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances and investing payments</td>
<td>1 468</td>
<td>1 368</td>
</tr>
<tr>
<td><strong>Total investing payments</strong></td>
<td>1 468</td>
<td>1 368</td>
</tr>
</tbody>
</table>

**Net Cash Used In Investing Activities**: -1 468 -1 368

### Cash Flows From Financing Activities

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing receipts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds of borrowings</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Deposits received</td>
<td></td>
<td>-150</td>
</tr>
<tr>
<td>Equity injections</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Capital appropriation</td>
<td>53</td>
<td>329</td>
</tr>
<tr>
<td>Other equity injections</td>
<td></td>
<td>664</td>
</tr>
<tr>
<td><strong>Total financing receipts</strong></td>
<td>125</td>
<td>843</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financing payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>53</td>
<td>329</td>
</tr>
<tr>
<td>Equity withdrawals</td>
<td>12</td>
<td>12 174</td>
</tr>
<tr>
<td><strong>Total financing payments</strong></td>
<td>53</td>
<td>12 503</td>
</tr>
</tbody>
</table>

**Net Cash From/(Used In) Financing Activities**: 72 -11 660

### Net Increase/(Decrease) In Cash Held

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase/(decrease) in cash held</td>
<td>4 290</td>
<td>-11 266</td>
</tr>
<tr>
<td>Cash at beginning of financial year</td>
<td>1 298</td>
<td>12 564</td>
</tr>
</tbody>
</table>

**Cash At End Of Financial Year**: 5 588 1 298

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.
1. Objectives and Funding

Treasury’s purpose is to promote sustainable fiscal strength and economic development of the Northern Territory, and contribute to improved social and fiscal wellbeing for Territorians.

Treasury is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the agency are summarised into several output groups. Note 3 provides summary financial information in the form of an Operating Statement by output group.

2. Statement of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the Financial Management Act and related Treasurer’s Directions. The Financial Management Act requires Treasury to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

(i) a Certification of the Financial Statements;
(ii) an Operating Statement;
(iii) a Balance Sheet;
(iv) a Statement of Changes in Equity;
(v) a Cash Flow Statement; and
(vi) applicable explanatory notes to the financial statements.

The form of agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101 and AASB 107. The format also requires additional disclosures specific to Territory Government entities.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.

As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.
2. Statement of Significant Accounting Policies (continued)

(b) Agency and Territory Items
The financial statements of Treasury include income, expenses, assets, liabilities and equity over which Treasury has control (agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority
The Central Holding Authority is the ‘parent body’ that represents the Government’s ownership interest in Government controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies, such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and, as such, these items are not included in the agency’s financial statements. However, as the agency is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in Note 19 – Schedule of Territory Items.

(c) Comparatives
Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(d) Presentation and Rounding of Amounts
Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of $500 or less being rounded down to zero.

(e) Changes in Accounting Policies
There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.
2. Statement of Significant Accounting Policies (continued)

(f) Goods and Services Tax
Income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

(g) Income Recognition
Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Output Revenue
Output revenue represents Government funding for agency operations and is calculated as the net cost of agency outputs after taking into account funding from agency income. The net cost of agency outputs for Output Appropriation purposes does not include any allowance for major non-cash costs such as depreciation.

Revenue in respect of this funding is recognised in the period in which the agency gains control of the funds.

Grants and Other Contributions
Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.
2. Statement of Significant Accounting Policies (continued)

Sale of Goods
Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

Rendering of Services
Revenue from rendering services is recognised on a stage of completion basis.

Interest Revenue
Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Goods and Services Received Free of Charge
Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been given at no cost. Use of the resource is recognised as an expense.

Disposal of Assets
A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contributions of Assets
Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

(h) Repairs and Maintenance Expenses
Funding is received for repairs and maintenance works associated with agency assets as part of Output Revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

(i) Interest Expenses
Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.
2. Statement of Significant Accounting Policies (continued)

(j) Cash and Deposits
For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner.

(k) Receivables
Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses. The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule in Note 7. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days.

(l) Property, Plant and Equipment

Acquisitions
All items of property, plant and equipment with a cost, or other value, equal to or greater than $5000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the $5000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex Assets
Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs
Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.
2. Statement of Significant Accounting Policies (continued)

Construction (Work in Progress)
As part of the Financial Management Framework, the Department of Planning and Infrastructure is responsible for managing general government capital works projects on a whole of government basis. Therefore appropriation for most capital works is provided directly to the Department of Planning and Infrastructure and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to the agency.

Depreciation and Amortisation
Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer’s Directions and are determined as follows:

<table>
<thead>
<tr>
<th>Plant and equipment</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 – 10 years</td>
<td>3 – 10 years</td>
</tr>
</tbody>
</table>

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

Impairment of Assets
An asset is said to be impaired when the asset’s carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset’s recoverable amount. The asset’s recoverable amount is determined as the higher of the asset’s depreciated replacement cost and fair value less costs to sell. Any amount by which the asset’s carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.
2. Statement of Significant Accounting Policies (continued)

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve.

(m) Leased Assets
Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance Leases
Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating Leases
Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

(n) Payables
Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.
2. Statement of Significant Accounting Policies (continued)

(o) Employee Benefits
Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

The Central Holding Authority assumes the long service leave liabilities of government agencies, including Treasury and, as such, no long service leave liability is recognised in agency financial statements.

(p) Superannuation
Employees’ superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999 (‘choice of fund’ arrangements).

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or ‘choice of fund’ schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.
2. Statement of Significant Accounting Policies  
   (continued)

(q) Contributions by and Distributions to Government
The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the Financial Management Act and Treasurer’s Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity and Note 12 provide additional information in relation to contributions by, and distributions to, Government.

(r) Commitments
Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 15 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.
### 3. Operating Statement by Output Group

<table>
<thead>
<tr>
<th>Note</th>
<th>Financial Management</th>
<th>Economic</th>
<th>Territory Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output revenue</td>
<td>6 460</td>
<td>5 849</td>
<td>132 575</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest revenue</td>
<td>1 468</td>
<td>1 368</td>
<td></td>
</tr>
<tr>
<td>Goods and services received free of charge</td>
<td>543</td>
<td>630</td>
<td>582</td>
</tr>
<tr>
<td>Other income</td>
<td>36</td>
<td>33</td>
<td>451</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>7 039</td>
<td>6 521</td>
<td>135 076</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>4 554</td>
<td>4 112</td>
<td>4 322</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of goods and services</td>
<td>5 1 269</td>
<td>1 340</td>
<td>1 716</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>8</td>
<td>53</td>
<td>57</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>544</td>
<td>633</td>
<td>6 750</td>
</tr>
<tr>
<td>Grants and subsidies expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>66 600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community service obligations</td>
<td>52 662</td>
<td>52 805</td>
<td></td>
</tr>
<tr>
<td>Interest expenses</td>
<td>14</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>6 427</td>
<td>6 148</td>
<td>132 112</td>
</tr>
<tr>
<td><strong>NET SURPLUS</strong></td>
<td>12</td>
<td>612</td>
<td>373</td>
</tr>
</tbody>
</table>

1. Includes DCIS service charges.

This Operating Statement by Output Group is to be read in conjunction with the notes to the financial statements.
3. Operating Statement by Output Group (continued)

<table>
<thead>
<tr>
<th>Note</th>
<th>Superannuation</th>
<th>Economic Regulation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

**INCOME**

Grants and subsidies revenue

- Current
  - 4
  - 1
  - 30

- Capital
  - 3 848
  - 3 401
  - 592
  - 530
  - 163 017
  - 97 278

Sales of goods and services

- Interest revenue
  - 1 468
  - 1 368

- Goods and services received free of charge
  - 23
  - 18
  - 3
  - 3
  - 554
  - 430

- Other income
  - 2 244
  - 282
  - 38
  - 44
  - 1 876
  - 2 172

**TOTAL INCOME**

- 4 115
- 3 705
- 633
- 578
- 166 915
- 101 278

**EXPENSES**

Employee expenses

- 2 266
- 2 064
- 363
- 344
- 15 706
- 15 212

Administrative expenses

- Purchases of goods and services
  - 5
  - 1 430
  - 1 155
  - 214
  - 159
  - 6 175
  - 7 865

- Repairs and maintenance
  - 2
  - 3
  - 15
  - 11

- Depreciation and amortisation
  - 8
  - 36
  - 23
  - 3
  - 3 172
  - 157

- Other administrative expenses
  - 1
  - 244
  - 284
  - 37
  - 43
  - 8 050
  - 8 486

Grants and subsidies expenses

- Current
  - 12 038
  - 13 263

- Capital
  - 66 600

- Community service obligations
  - 52 662
  - 52 805

Interest expenses

- 14
- 1
- 2
- 17
- 81

**TOTAL EXPENSES**

- 3 979
- 3 531
- 617
- 549
- 161 435
- 97 880

**NET SURPLUS**

- 12
- 136
- 174
- 16
- 29
- 5 480
- 3 398

1. Includes DCIS service charges.

This Operating Statement by Output Group is to be read in conjunction with the notes to the financial statements.
## 4. Goods and Services Received Free of Charge

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and information services</td>
<td>1 876</td>
<td>2 172</td>
</tr>
<tr>
<td></td>
<td><strong>1 876</strong></td>
<td><strong>2 172</strong></td>
</tr>
</tbody>
</table>

## 5. Purchases of Goods and Services

The net surplus has been arrived at after charging the following goods and services expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants(^1)</td>
<td>1 032</td>
<td>2 273</td>
</tr>
<tr>
<td>Advertising(^2)</td>
<td>51</td>
<td>47</td>
</tr>
<tr>
<td>Marketing and promotion(^3)</td>
<td>24</td>
<td>86</td>
</tr>
<tr>
<td>Document production</td>
<td>324</td>
<td>360</td>
</tr>
<tr>
<td>Legal expenses(^4)</td>
<td>583</td>
<td>953</td>
</tr>
<tr>
<td>Recruitment(^5)</td>
<td>180</td>
<td>81</td>
</tr>
<tr>
<td>Training and study</td>
<td>371</td>
<td>284</td>
</tr>
<tr>
<td>Official duty fares</td>
<td>287</td>
<td>269</td>
</tr>
<tr>
<td>Travelling allowance</td>
<td>42</td>
<td>39</td>
</tr>
</tbody>
</table>

---

1. Includes marketing, promotion and IT consultants.
2. Does not include recruitment advertising or marketing and promotion advertising.
3. Includes advertising for marketing and promotion but excludes marketing and promotion consultants’ expenses, which are incorporated in the consultants category.
4. Includes legal fees, claim and settlement costs.
5. Includes recruitment-related advertising costs.

## 6. Cash and Deposits

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>5 586</td>
<td>1 296</td>
</tr>
<tr>
<td><strong>Total cash and deposits</strong></td>
<td><strong>5 588</strong></td>
<td><strong>1 298</strong></td>
</tr>
</tbody>
</table>
7. Receivables

Current

Accounts receivable 35 130
GST receivables 574 285
Other receivables 25
Total receivables 609 440

Aging of receivables

Not overdue 574 439
Overdue for 30 to 60 days 32
Overdue for more than 60 days 3 1
Total receivables 609 440

8. Property, Plant and Equipment

Plant and equipment

At cost 1 332 1 177
Less: accumulated depreciation -688 -535
644 642

Computer hardware

At cost 248 248
Less: accumulated depreciation -234 -214
14 34

Total property, plant and equipment 658 676

Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2007-08 is set out below:

Plant and equipment

Carrying amount as at 1 July 642 671
Additions 155
Depreciation -153 -132
Additions from asset transfers 103
Carrying amount as at 30 June 644 642
8. Property, Plant and Equipment (continued)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount as at 1 July</td>
<td>33</td>
<td>59</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-19</td>
<td>-25</td>
</tr>
<tr>
<td>Carrying amount as at 30 June</td>
<td>14</td>
<td>34</td>
</tr>
</tbody>
</table>

9. Payables

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>624</td>
<td>295</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>319</td>
<td>495</td>
</tr>
<tr>
<td>Total payables</td>
<td>943</td>
<td>790</td>
</tr>
</tbody>
</table>

10. Borrowings and Advances

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances</td>
<td>102</td>
<td>83</td>
</tr>
<tr>
<td>Total borrowings and advances</td>
<td>102</td>
<td>83</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation leave</td>
<td>1295</td>
<td>1140</td>
</tr>
<tr>
<td>Leave loading</td>
<td>164</td>
<td>158</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>36</td>
<td>21</td>
</tr>
<tr>
<td>Other current provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other provisions</td>
<td>291</td>
<td>238</td>
</tr>
<tr>
<td>Total provisions</td>
<td>1786</td>
<td>1557</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation leave</td>
<td>712</td>
<td>598</td>
</tr>
<tr>
<td>Total provisions</td>
<td>2498</td>
<td>2155</td>
</tr>
</tbody>
</table>
12. Equity

Equity represents the residual interest in the net assets of Treasury. The Government’s ownership interest in Treasury is held in the Central Holding Authority as described in Note 2(b).

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 July</td>
<td>6 019</td>
<td>17 094</td>
</tr>
<tr>
<td>Equity injections</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital appropriation</td>
<td>378</td>
<td>994</td>
</tr>
<tr>
<td>Equity transfers in</td>
<td>-170</td>
<td>109</td>
</tr>
<tr>
<td>Equity withdrawals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital withdrawal</td>
<td>-1</td>
<td>-12 174</td>
</tr>
<tr>
<td>Equity transfers out</td>
<td>1</td>
<td>-4</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>6 227</td>
<td>6 019</td>
</tr>
<tr>
<td>Accumulated funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 July</td>
<td>14 326</td>
<td>10 928</td>
</tr>
<tr>
<td>Surplus for the period</td>
<td>5 480</td>
<td>3 398</td>
</tr>
<tr>
<td>Balance as at 30 June</td>
<td>19 806</td>
<td>14 326</td>
</tr>
</tbody>
</table>
13. Notes to the Cash Flow Statement

Reconciliation of cash

The total of agency cash and deposits of $5.59 million recorded in the Balance Sheet is consistent with that recorded as ‘cash’ in the Cash Flow Statement.

Reconciliation of net surplus to net cash from operating activities

<table>
<thead>
<tr>
<th>Item</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net surplus</td>
<td>5 480</td>
<td>3 398</td>
</tr>
<tr>
<td>Non-cash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>172</td>
<td>157</td>
</tr>
<tr>
<td>Repairs and maintenance – minor new works – non cash</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease/(increase) in receivables</td>
<td>-169</td>
<td>196</td>
</tr>
<tr>
<td>Increase in prepayments</td>
<td>-294</td>
<td>-371</td>
</tr>
<tr>
<td>Increase in other assets</td>
<td></td>
<td>-287</td>
</tr>
<tr>
<td>(Decrease)/increase in payables</td>
<td>153</td>
<td>-600</td>
</tr>
<tr>
<td>(Decrease)/increase in provision for employee benefits</td>
<td>290</td>
<td>-676</td>
</tr>
<tr>
<td>(Decrease)/increase in other provisions</td>
<td>54</td>
<td>-58</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>5 686</td>
<td>1 762</td>
</tr>
</tbody>
</table>

Non-cash financing and investing activities

During the financial year Treasury capitalised $0.15 million leasehold improvements which was transferred from the 2007-08 minor new works program managed by the Department of Planning and Infrastructure.

14. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by Treasury include cash and deposits, advances, receivables, and payables. Treasury has limited exposure to financial risks as discussed below.

(a) Credit Risk

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, Treasury has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.
14. Financial Instruments (continued)

The credit risk exposure in respect to the advance to the Territory Insurance Office is covered by a loan agreement and is ultimately the responsibility of the Northern Territory Government.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents Treasury’s maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(b) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the undiscounted cash flows payable by the agency by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

### 2008 Maturity analysis for financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>2 years</th>
<th>3 years</th>
<th>4 years</th>
<th>5 years</th>
<th>More than 5 years</th>
<th>Undiscounted total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>$943</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$943</td>
<td>$943</td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>24</td>
<td>24</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>27</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>$967</td>
<td>24</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>27</td>
<td>1,045</td>
<td>1,045</td>
</tr>
</tbody>
</table>

### 2007 Maturity analysis for financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>2 years</th>
<th>3 years</th>
<th>4 years</th>
<th>5 years</th>
<th>More than 5 years</th>
<th>Undiscounted total</th>
<th>Carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>$790</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$790</td>
<td>$790</td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>24</td>
<td>24</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>17</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>$814</td>
<td>24</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>17</td>
<td>873</td>
<td>873</td>
</tr>
</tbody>
</table>
14. Financial Instruments (continued)

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that Treasury may be exposed to is interest rate risk.

Treasury has limited exposure to interest rate risk as its financial assets and financial liabilities, with the exception of investments and borrowings are non-interest bearing. Treasury’s exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables.

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable rate instruments</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>21 708</td>
<td>20 240</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>102</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>21 810</td>
<td>20 323</td>
</tr>
</tbody>
</table>

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points on the advance to the Territory Insurance Office at reporting date would have the following effect on Treasury’s profit or loss and equity.

<table>
<thead>
<tr>
<th></th>
<th>Profit or Loss</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100 basis points increase</td>
<td>100 basis points decrease</td>
</tr>
<tr>
<td>30 June 2008</td>
<td>220</td>
<td>-220</td>
</tr>
<tr>
<td>Advance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sensitivity</td>
<td>220</td>
<td>-220</td>
</tr>
<tr>
<td>30 June 2007</td>
<td>191</td>
<td>-191</td>
</tr>
<tr>
<td>Advance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sensitivity</td>
<td>191</td>
<td>-191</td>
</tr>
</tbody>
</table>
14. Financial Instruments (continued)

(d) Net Fair Value
The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

<table>
<thead>
<tr>
<th></th>
<th>2008 Total carrying amount</th>
<th>2007 Total carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>$5,588</td>
<td>$1,298</td>
</tr>
<tr>
<td>Receivables</td>
<td>$609</td>
<td>$440</td>
</tr>
<tr>
<td>Advances and investments</td>
<td>$21,708</td>
<td>$20,240</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>$27,905</td>
<td>$21,978</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>$943</td>
<td>$790</td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>$102</td>
<td>$83</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>$1,045</td>
<td>$873</td>
</tr>
</tbody>
</table>

15. Commitments

Operating Lease Commitments
Treasury leases property under non-cancellable operating leases expiring from 1 to 3 years. Leases generally provide Treasury with a right of renewal at which time all lease terms are renegotiated and relate to items of plant and equipment. Future operating lease commitments not recognised as liabilities are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Within one year</td>
<td>27</td>
<td>30</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>19</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>46</td>
<td>66</td>
</tr>
</tbody>
</table>
16. Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities
Unquantifiable contingent liabilities of the Territory, and possibly Treasury are:

Workers Compensation Insurance
The Government has indemnified private sector insurers, which provided workers compensation insurance in the Territory. The indemnity covers insurers for losses which arise as a result of acts of terrorism. The resultant contingent liability is unquantifiable but reportable as is deemed to be above the materiality threshold.

Finance
The Territory financial management framework is underpinned by centralised banking arrangements. The sole provider of banking related services has been granted indemnities under the whole of government banking contract. The contingent liability resulting from the indemnities is unquantifiable and not reportable.

Several other minor indemnities have been provided by Treasury, however none of these are considered significantly material.

(b) Contingent Assets
Treasury had no contingent assets as at 30 June 2008 or 30 June 2007.

17. Events Subsequent to Balance Date
No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in, these financial statements.
### 18. Write-Offs, Postponements and Waivers

<table>
<thead>
<tr>
<th></th>
<th>Agency $000</th>
<th>Agency No. of Trans.</th>
<th>Territory Items $000</th>
<th>Territory Items No. of Trans.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write-offs, postponements and waivers under the Financial Management Act</td>
<td>$000</td>
<td>000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts written off, waived and postponed by delegates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrecoverable amounts payable to the Territory or an agency written off</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total written off, waived and postponed by delegates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts written off, postponed and waived by the Treasurer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrecoverable amounts payable to the Territory or an agency written off</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Losses or deficiencies of money written off</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public property written off</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waiver or postponement of right to receive or recover money or property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total written off, postponed and waived by the Treasurer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total write-offs, postponements and waivers authorised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above summarizes the write-offs, postponements, and waivers under the Financial Management Act for the year ended 30 June 2008. The data includes the number of transactions and the amounts written off, waived, or postponed by either delegates or the treasurer.
### 19. Schedule of Territory Items

The following Territory items are managed by Treasury on behalf of the Government and are recorded in the Central Holding Authority (refer Note 2(b)).

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TERRITORY INCOME AND EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation revenue</td>
<td>481 239</td>
<td>432 140</td>
</tr>
<tr>
<td>Grants and subsidies revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST revenue</td>
<td>2 207 175</td>
<td>2 015 336</td>
</tr>
<tr>
<td>Current</td>
<td>11 326</td>
<td>6 790</td>
</tr>
<tr>
<td>Fees from regulatory services</td>
<td>1 735</td>
<td>2 659</td>
</tr>
<tr>
<td>Interest revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royalties and rents</td>
<td>94 360</td>
<td>76 203</td>
</tr>
<tr>
<td>Other income</td>
<td>80</td>
<td>-7</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>2 795 915</td>
<td>2 533 121</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Holding Authority income transferred</td>
<td>2 796 207</td>
<td>2 532 130</td>
</tr>
<tr>
<td>Doubtful debts</td>
<td>-292</td>
<td>991</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>2 795 915</td>
<td>2 533 121</td>
</tr>
<tr>
<td><strong>Territory income less expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TERRITORY ASSETS AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>52 674</td>
<td>49 001</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>665</td>
<td>1 458</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1 367</td>
<td>1 369</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>54 706</td>
<td>51 828</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Holding Authority income payable</td>
<td>53 339</td>
<td>50 459</td>
</tr>
<tr>
<td>Unearned Central Holding Authority income</td>
<td>1 367</td>
<td>1 369</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>54 706</td>
<td>51 828</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Central Holding Authority Financial Statements
2007-08 – Overview

This section of the report provides an analysis of the financial performance of the Central Holding Authority (CHA).

The CHA is a key element of the Territory’s financial management framework and is similar in role to the parent entity in a group of companies. It records on behalf of the Territory:

- assets which are not assigned to agencies, such as the Territory’s investment portfolio. The CHA does not hold physical assets such as land and buildings;
- liabilities where it is not practical or effective to assign them to individual agencies. The CHA has two major liabilities – Territory borrowings and unfunded employee liabilities. Territory borrowings comprise the stock of general government debt that has accumulated since Self Government and has been used to fund the construction of major infrastructure in the Territory over this period. Unfunded employee liabilities are those which have accrued but are not yet due to be paid, such as superannuation and long service leave;
- revenue collected by the CHA is regarded as Territory revenue, the main types being taxation, untied grants (predominantly GST revenue) and fines; and
- expenses where the main expense is the payment of appropriation to agencies. Other significant expenses are interest on Territory borrowings, interest on cash balances of government business divisions and the government owned corporation, and the centrally-managed employee costs of superannuation and long service leave.

The significant movements in these items are analysed below and incorporated in the Operating Statement, Balance Sheet, Cash Flow Statement and Statement of Changes in Equity of the accompanying financial statements.

Main Results

- The CHA reported an operating surplus of $275 million in 2007-08, compared with $29 million in 2006-07. The movement was largely the result of a decrease in superannuation expenses compared to that in the prior year.
- Equity increased by $275 million to $1330 million in 2007-08, compared with $1055 million in 2006-07.
- The CHA made additional contributions of $20 million towards the Territory’s superannuation liability, invested within the Conditions Of Service Reserve.

Operating Statement

The CHA reported a net operating surplus of $275 million in 2007-08. The improved outcome is largely a result of reduced superannuation expenses following actuarial review, as increased revenue was predominantly offset by additional appropriation provided to agencies reflecting increased service provision across government.
Operating Revenue

The CHA has revenue in excess of $2.9 billion of which the vast majority is Commonwealth grants and subsidies, predominantly GST and, to a lesser extent, Territory own-source revenue.

Total operating revenue increased by $249 million or 9 per cent compared with the previous year. However, Figure 9 indicates that the proportion of revenue by category has remained largely constant.

Table 33: Significant Components of the $249 million increase

<table>
<thead>
<tr>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
<th>Reason for variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td>$M</td>
<td>$M</td>
<td></td>
</tr>
<tr>
<td>GST revenue</td>
<td>2 207</td>
<td>2 015</td>
<td>192</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>204</td>
<td>187</td>
<td>17</td>
</tr>
<tr>
<td>Current and capital grants</td>
<td>64</td>
<td>15</td>
<td>49</td>
</tr>
<tr>
<td>Income tax equivalents</td>
<td>47</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Mining royalties</td>
<td>94</td>
<td>76</td>
<td>18</td>
</tr>
<tr>
<td>Interest revenue and unrealised gain/loss on securities</td>
<td>2</td>
<td>70</td>
<td>-68</td>
</tr>
</tbody>
</table>

Operating Expenses

The CHA had operating expenses of $2.7 billion in 2007-08, however the bulk of these are not for its own operations. Approximately 87 per cent is provided as appropriation to agencies to enable them to deliver government services across the Territory. The remainder is predominantly split between superannuation expenses and interest on borrowings.

Total operating expenses remained almost unchanged compared to the previous year as a decrease in superannuation expense ($282.2 million) was offset by an increase in appropriation to agencies ($219.6 million) and other expenses ($58.7 million). Figure 10 indicates that the relative proportion of expenses by category, other than superannuation expense, has not changed significantly.
Table 34: Movements within Operating Expenses.

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2006-07</th>
<th>Variation</th>
<th>Reason for variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output appropriation</td>
<td>2 347</td>
<td>2 128</td>
<td>219</td>
<td>Increase to enable agencies to provide services across the Territory</td>
</tr>
<tr>
<td>Superannuation expense</td>
<td>143</td>
<td>425</td>
<td>-282</td>
<td>Significant adjustment in 2006-07 following an actuarial review</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>54</td>
<td>1</td>
<td>53</td>
<td>Result of the repayment of tax following a court ruling</td>
</tr>
</tbody>
</table>

**Balance Sheet**

As at 30 June 2008 net assets, being total assets less total liabilities, increased by $275 million to $1330 million, compared with $1055 million in 2006-07.

Figures 11 and 12 compare the relative components of both assets and liabilities with the previous year.

The most significant movement in assets relates to the increase in investments in agencies of $223 million mainly consisting of capital appropriation paid to agencies for the construction of assets. There was also an increase in advances and investments of $159 million resulting from increased monies available for investment.

In relation to liabilities, the most significant upward movement is an increase of $167 million in deposits held which represents the level of monies invested by the CHA on behalf of government entities predominantly resulting from Commonwealth grant funding received late in the financial year.

![Figure 11: Components of CHA Operating Assets](image1)

![Figure 12: Components of CHA Operating Liabilities](image2)
Certification of the Financial Statements

We certify that the attached financial statements for the Central Holding Authority have been prepared from proper accounts and records in accordance with the prescribed format, the Financial Management Act and Treasurer’s Directions.

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2008 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Jennifer Prince
Under Treasurer
30 September 2008

David Braines-Mead
Senior Director Financial Management
30 September 2008
### Operating Statement

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation revenue</td>
<td>503 861</td>
<td>452 694</td>
</tr>
<tr>
<td>Grants and subsidies revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST revenue</td>
<td>2 207 175</td>
<td>2 015 336</td>
</tr>
<tr>
<td>Current</td>
<td>11 326</td>
<td>6 790</td>
</tr>
<tr>
<td>Capital</td>
<td>52 970</td>
<td>8 436</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees from regulatory services</td>
<td>12 838</td>
<td>13 638</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>84 925</td>
<td>64 376</td>
</tr>
<tr>
<td>Goods and services received free of charge</td>
<td>3 15</td>
<td>15</td>
</tr>
<tr>
<td>Unrealised gain/loss on securities marked to market</td>
<td>-82 651</td>
<td>6 103</td>
</tr>
<tr>
<td>Royalties rents and dividends</td>
<td>126 017</td>
<td>103 439</td>
</tr>
<tr>
<td>Employer superannuation contribution</td>
<td>43 272</td>
<td>45 807</td>
</tr>
<tr>
<td>Other income</td>
<td>13 037</td>
<td>7 272</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>2 972 785</td>
<td>2 723 907</td>
</tr>
</tbody>
</table>

| **EXPENSES** | | |
| Long service leave expense | 29 214 | 25 267 |
| Superannuation expense | 9 142 762 | 424 970 |
| Workers compensation expense | 3 382 | -2 950 |
| Administrative expenses | 53 858 | 1 419 |
| Borrowing expenses | | |
| Interest expense | 121 659 | 118 674 |
| Output expense | 2 347 214 | 2 127 603 |
| **TOTAL EXPENSES** | 2 698 089 | 2 694 983 |
| **NET SURPLUS** | 274 696 | 28 924 |

The Operating Statement is to be read in conjunction with the notes to the financial statements.
## Balance Sheet

**As at 30 June 2008**

### Assets

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>4  116 008</td>
<td>61 387</td>
</tr>
<tr>
<td>Receivables</td>
<td>5  95 531</td>
<td>65 349</td>
</tr>
<tr>
<td>Advances and investments</td>
<td>780 391</td>
<td>775 916</td>
</tr>
<tr>
<td>Prepayments</td>
<td>387</td>
<td>259</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>992 318</td>
<td>902 912</td>
</tr>
<tr>
<td>Advances and investments</td>
<td></td>
<td>195 000</td>
</tr>
<tr>
<td>Investments in agencies</td>
<td>4 565 688</td>
<td>4 342 803</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>4 760 688</td>
<td>4 382 803</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>5 753 006</td>
<td>5 285 715</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits held</td>
<td>495 042</td>
<td>327 656</td>
</tr>
<tr>
<td>Payables</td>
<td>6  14 512</td>
<td>7 384</td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>7  101 160</td>
<td>861</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8  139 766</td>
<td>135 516</td>
</tr>
<tr>
<td>Superannuation liability</td>
<td>9  134 388</td>
<td>126 614</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>884 868</td>
<td>598 031</td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>7  1 496 953</td>
<td>1 598 294</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>8  77 040</td>
<td>73 610</td>
</tr>
<tr>
<td>Superannuation liability</td>
<td>9  1 964 443</td>
<td>1 960 773</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>3 538 437</td>
<td>3 632 677</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>4 423 305</td>
<td>4 230 709</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>1 329 701</td>
<td>1 055 005</td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated funds</td>
<td>1 329 701</td>
<td>1 055 005</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>1 329 701</td>
<td>1 055 005</td>
</tr>
</tbody>
</table>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.
Statement of Changes in Equity
For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
</tbody>
</table>

**BALANCE OF EQUITY AT 1 JULY**

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>1 055 005</td>
<td>1 026 081</td>
</tr>
<tr>
<td>Movement in year¹</td>
<td>- 590 252</td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Capital**

- Balance at 1 July: 590 252
- Movement in year¹: - 590 252
- Balance at 30 June

**Accumulated Funds**

- Balance at 1 July: 1 055 005
- Movement in year¹: 590 252
- Surplus for the period: 274 696
- Balance at 30 June: 1 329 701

**BALANCE OF EQUITY AT 30 JUNE**

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 30 June</td>
<td>1 329 701</td>
<td>1 055 005</td>
</tr>
</tbody>
</table>


This Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.
Cash Flow Statement

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th>Note</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts
Taxes received | 501 556 | 447 956 |
Grants and subsidies received
   GST received | 2 207 175 | 2 015 336 |
   Current | 11 326 | 6 790 |
   Capital | 26 693 | 8 436 |
Royalties rent and dividends | 124 847 | 117 008 |
Agency superannuation contributions | 43 272 | 45 807 |
Other agency receipts | 26 845 | 20 794 |
Interest received | 82 835 | 64 801 |
Total operating receipts | 3 024 549 | 2 726 928 |
Operating payments
Long service leave | 23 618 | 18 776 |
Superannuation benefits | 126 213 | 110 779 |
Payments for goods and services | 57 357 | 2 520 |
Interest paid | 117 362 | 118 387 |
Output payments | 2 347 214 | 2 127 603 |
Total operating payments | 2 671 765 | 2 378 064 |
Net cash from/(used in) operating activities | 10 352 784 | 348 864 |

CASH FLOWS FROM INVESTING ACTIVITIES

Investing receipts
Equity sales or withdrawals | 23 568 | 25 032 |
Total investing receipts | 23 568 | 25 032 |
Investing payments
Advances and investing payments | 241 628 | 206 306 |
Capital appropriation | 216 898 | 176 525 |
Equity acquisitions | 29 555 | 4 971 |
Total investing payments | 488 081 | 387 802 |
Net cash from/(used in) investing activities | - 464 513 | - 362 770 |

CASH FLOWS FROM FINANCING ACTIVITIES

Financing receipts
Proceeds of borrowings | 228 |
Deposits received | 167 386 | 38 211 |
Total Financing receipts | 167 386 | 38 439 |
Financing payments
Repayment of borrowings | 1 036 | 901 |
Total financing payments | 1 036 | 901 |
Net cash from/(used in) financing activities | 166 350 | 37 538 |
Net increase/(decrease) in cash held | 54 621 | 23 632 |
Cash at beginning of financial year | 61 387 | 37 755 |
CASH AT END OF FINANCIAL YEAR | 116 008 | 61 387 |

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.
Notes to the Financial Statements
For the year ended 30 June 2008

1. Objectives and Funding

The Central Holding Authority (CHA) is the ‘parent body’ that represents the Government’s ownership interest in Government controlled entities.

The CHA also records all Territory items. Territory items are revenues, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory revenue, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines and statutory fees and charges.

The CHA also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies.

Territory items
The CHA recognises all Territory items, therefore the Territory items managed by the agency on behalf of the Government are not recorded in their own financial statements. However, as agencies are accountable for the Territory items they manage on behalf of Government, these items have been separately disclosed in the notes of agency financial statements.

2. Statement of Significant Accounting Policies

(b) Basis of Accounting
The financial statements have been prepared in accordance with the requirements of the Financial Management Act and related Treasurer’s Directions. The Financial Management Act requires the CHA to prepare financial statements for the year ended 30 June 2008 based on the form determined by the Treasurer. The form of agency financial statements is to include:

i) a Certification of the Financial Statements;
ii) an Operating Statement;
iii) a Balance Sheet;
iv) a Statement of Changes in Equity;
v) a Cash Flow Statement; and
vi) applicable explanatory notes to the financial statements.

The form of agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101 and AASB 107. The format also requires additional disclosures specific to Territory Government entities.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.
2. Statement of Significant Accounting Policies

(continued)

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

(b) Comparatives

Where necessary, comparative information for the 2006-07 financial year has been reclassified to provide consistency with current year disclosures.

(c) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of $500 or less being rounded down to zero.

(d) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2007-08 as a result of management decisions.

(e) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

(f) Income Recognition

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.
Notes to the Financial Statements
For the year ended 30 June 2008

2. Statement of Significant Accounting Policies (continued)

Grants and Other Contributions
Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Taxation
Territory taxation is recognised when the underlying transaction or event, which gives rise to the right to collect revenue, occurs and can be measured reliably.

Government-assessed revenues, including payroll tax and stamp duty, are recognised when a taxpayer’s self-assessment is received. Additional revenues are recognised for assessments subsequently issued following review of returns lodged by taxpayers.

In respect of taxation balances from government trading entities under the National Tax Equivalent Regime, only the current taxation receivable is recognised in these statements.

Revenue from regulatory fees and fines is recognised at the time the fine or regulatory fee is issued.

Sale of Goods
Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

Rendering of Services
Revenue from rendering services is recognised on a stage of completion basis with respect to the contract.

Interest Revenue
Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Dividends
Dividends revenue is recognised when control of the right to receive the dividend receivable from government trading entities is obtained by CHA.

(g) Interest Expenses
Interest expenses include interest charges on borrowings and interest paid to government business divisions on cash holdings and are expensed in the period in which they are incurred.
Notes to the Financial Statements
For the year ended 30 June 2008

2. Statement of Significant Accounting Policies
(continued)

(h) Cash and Deposits
For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents controlled by the agency. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

Bank overdrafts are carried at the principal amount.

(i) Receivables
Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

(j) Advances and Investments
Advances include investment in financial assets for policy purposes and are recorded at cost.

Investments include investments in financial assets for liquidity management purposes. Securities and investments are recorded at net market value, after deducting estimated costs of realisation at reporting date.

(k) Investments in Agencies
This represents the contributed capital balances of the Territory’s investment in all its controlled entities.

(l) Deposits Held
These represent amounts held on behalf of agencies, which are subsequently invested on their behalf.

(m) Payables
Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency.

Accounts payable are normally settled within 30 days.
2. Statement of Significant Accounting Policies

(n) Employee Benefits

Long Service Leave
As part of the introduction of Working for Outcomes, the CHA assumed the long service leave liabilities of government agencies with the actual liability being transferred from agency ledgers during 2002-03.

Liabilities arising in respect of long service leave due within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Workers Compensation
Workers compensation is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(o) Superannuation Liability
Employees’ superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

Liability for government superannuation is met directly by the CHA. Agencies make superannuation contributions on behalf of their employees to the CHA or the non-government employee nominated schemes.

(p) Borrowings and Advances

Borrowings represent funds raised for liquidity management purposes through the Northern Territory Treasury Corporation.

Advances reflect loans received for policy purposes.
## Notes to the Financial Statements

For the year ended 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3. Goods and Services Received Free of Charge</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and information services</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. Cash and Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term deposits</td>
<td>116 008</td>
<td>61 387</td>
</tr>
<tr>
<td><strong>Total cash and deposits</strong></td>
<td>116 008</td>
<td>61 387</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Receivables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes receivable</td>
<td>43 804</td>
<td>40 046</td>
</tr>
<tr>
<td>Royalties, rents and dividends receivable</td>
<td>26 036</td>
<td>21 867</td>
</tr>
<tr>
<td>Interest receivables</td>
<td>2 910</td>
<td>1 325</td>
</tr>
<tr>
<td>Other receivables</td>
<td>22 781</td>
<td>2 111</td>
</tr>
<tr>
<td><strong>Total receivables</strong></td>
<td>95 531</td>
<td>65 349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6. Payables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>14 512</td>
<td>7 216</td>
</tr>
<tr>
<td><strong>Total payables</strong></td>
<td>14 512</td>
<td>7 384</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7. Borrowings and Advances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances</td>
<td>101 160</td>
<td>861</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1 496 953</td>
<td>1 598 294</td>
</tr>
<tr>
<td><strong>Total borrowing’s and advances</strong></td>
<td>1 598 113</td>
<td>1 599 156</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

For the year ended 30 June 2008

8. Employee Benefits

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>125 566</td>
<td>120 923</td>
</tr>
<tr>
<td>Workers compensation</td>
<td>14 200</td>
<td>14 593</td>
</tr>
<tr>
<td></td>
<td>139 766</td>
<td>135 516</td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>33 534</td>
<td>32 453</td>
</tr>
<tr>
<td>Workers compensation</td>
<td>43 506</td>
<td>41 157</td>
</tr>
<tr>
<td></td>
<td>77 040</td>
<td>73 610</td>
</tr>
<tr>
<td>Total employee benefits</td>
<td>216 806</td>
<td>209 126</td>
</tr>
</tbody>
</table>

9. Superannuation Liability

Liability for government superannuation is met directly by the CHA. Agencies make superannuation contributions on behalf of their employees to the CHA or the non-government employee nominated schemes.

These benefits are largely unfunded and the liabilities for future payments are provided for at reporting date. The liabilities under these schemes have been calculated annually by various actuaries using the projected unit cost method.

The expected future payments are discounted to present value using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.
9. Superannuation Liability (continued)

The amounts recognised in the income statement are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer service cost</td>
<td>75 797</td>
<td>83 250</td>
</tr>
<tr>
<td>Interest cost</td>
<td>127 131</td>
<td>104 800</td>
</tr>
<tr>
<td>Recognised actuarial (gains)/losses</td>
<td>- 65 270</td>
<td>236 920</td>
</tr>
<tr>
<td>Superannuation on-cost on long service leave liability</td>
<td>5 104</td>
<td>0</td>
</tr>
<tr>
<td>Total included in superannuation expense</td>
<td>142 762</td>
<td>424 970</td>
</tr>
</tbody>
</table>

Balance Sheet Amounts

<table>
<thead>
<tr>
<th></th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>134 388</td>
<td>126 614</td>
</tr>
<tr>
<td>Non-current</td>
<td>1 964 443</td>
<td>1 960 773</td>
</tr>
<tr>
<td>Total superannuation liabilities (a)</td>
<td>2 098 831</td>
<td>2 087 387</td>
</tr>
</tbody>
</table>

(a) The Northern Territory Government Superannuation schemes comprise:

<table>
<thead>
<tr>
<th>Superannuation Scheme</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Assembly Members' Superannuation Scheme</td>
<td>11 731</td>
<td>6 971</td>
</tr>
<tr>
<td>Commonwealth Superannuation Scheme</td>
<td>1 203 300</td>
<td>1 208 500</td>
</tr>
<tr>
<td>Northern Territory Government and Public Authorities</td>
<td>601 700</td>
<td>593 400</td>
</tr>
<tr>
<td>Superannuation Scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Territory Supplementary Superannuation Scheme</td>
<td>164 200</td>
<td>167 200</td>
</tr>
<tr>
<td>Northern Territory Police Supplementary Benefit Scheme</td>
<td>32 000</td>
<td>30 818</td>
</tr>
<tr>
<td>Northern Territory Death and Invalidity Scheme</td>
<td>41 200</td>
<td>37 400</td>
</tr>
<tr>
<td>Statutory Schemes1</td>
<td>44 700</td>
<td>43 098</td>
</tr>
</tbody>
</table>

Total: 2 098 831 2 087 387

1. The Statutory Schemes comprise the superannuation liability for the Administrator and judges.
9. Superannuation Liability (continued)

Key Assumptions

Key assumptions as at balance date and for following year expense

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate (gross of tax)</td>
<td>6.50</td>
<td>6.25</td>
</tr>
<tr>
<td>Salary rate</td>
<td>4.50</td>
<td>4.50</td>
</tr>
<tr>
<td>Expected return on scheme assets (net of tax)</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Inflation (pensions)</td>
<td>2.50</td>
<td>2.50</td>
</tr>
<tr>
<td>Imputed cost of interest</td>
<td>6.25</td>
<td>5.90</td>
</tr>
<tr>
<td>Tax rate for employer contributions²</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Decrement rates</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As per the last triennial review for each individual scheme

2. All employer contributions are untaxed. As such, no allowance has been made for contributions tax.

Balance Sheet Results as at 30 June 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit obligation</td>
<td>2 150 622</td>
<td>2 144 450</td>
</tr>
<tr>
<td>Contributions tax liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total defined benefit obligations</td>
<td>2 150 622</td>
<td>2 144 450</td>
</tr>
<tr>
<td>Scheme assets</td>
<td>51 791</td>
<td>57 063</td>
</tr>
<tr>
<td><strong>Deficit/(surplus)</strong></td>
<td>2 098 831</td>
<td>2 087 387</td>
</tr>
<tr>
<td>Unrecognised past service cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrecognised net (gain)/loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net liability/(asset)</strong></td>
<td>2 098 831</td>
<td>2 087 387</td>
</tr>
</tbody>
</table>

**Funded Status**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded</td>
<td>51 791</td>
<td>57 063</td>
</tr>
<tr>
<td>Unfunded</td>
<td>2 098 831</td>
<td>2 087 387</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2 150 622</td>
<td>2 144 450</td>
</tr>
</tbody>
</table>
9. Superannuation Liability (continued)

<table>
<thead>
<tr>
<th>Scheme Assets</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian equities</td>
<td>16,939</td>
<td>19,763</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>18,842</td>
<td>21,577</td>
</tr>
<tr>
<td>Fixed interest securities</td>
<td>14,284</td>
<td>13,904</td>
</tr>
<tr>
<td>Property</td>
<td>1,726</td>
<td>1,819</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51,791</strong></td>
<td><strong>57,063</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Movements in Net Liabilities</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net liability/(asset) in balance sheet at end of prior year</td>
<td>2,087,387</td>
<td>1,773,196</td>
</tr>
<tr>
<td>Expense recognised in operating statement</td>
<td>137,658</td>
<td>424,970</td>
</tr>
<tr>
<td>Actual employer contributions – benefits paid</td>
<td>-126,213</td>
<td>-110,779</td>
</tr>
<tr>
<td><strong>Net liability/(asset) in balance sheet at end of year</strong></td>
<td><strong>2,098,832</strong></td>
<td><strong>2,087,387</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliations</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of scheme assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value scheme assets at end of prior year</td>
<td>57,063</td>
<td>48,596</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>3,424</td>
<td>2,916</td>
</tr>
<tr>
<td>Expected assets at year end</td>
<td>60,487</td>
<td>51,512</td>
</tr>
<tr>
<td>Actuarial gain/(loss) on assets</td>
<td>-8,696</td>
<td>5,551</td>
</tr>
<tr>
<td><strong>Fair value scheme assets at year end</strong></td>
<td><strong>51,791</strong></td>
<td><strong>57,063</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of Actuarial (Gain)/Loss</th>
<th>2008 $000</th>
<th>2007 $000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrecognised actuarial (gain)/loss at end of prior year</td>
<td>-5,551</td>
<td></td>
</tr>
<tr>
<td>Actuarial (gain)/loss on assets</td>
<td>8,696</td>
<td>-5,551</td>
</tr>
<tr>
<td>Actuarial (gain)/loss on liabilities</td>
<td>-65,270</td>
<td>236,920</td>
</tr>
<tr>
<td>Amount recognised during year in Operating Statement</td>
<td>-65,270</td>
<td>236,920</td>
</tr>
<tr>
<td>Unrecognised actuarial (gain)/loss at end of year</td>
<td>3,145</td>
<td>-5,551</td>
</tr>
</tbody>
</table>
9. Superannuation Liability (continued)

Expected Return on Assets

Fair value scheme assets at end of prior year  57 063  48 596
Average expected assets  57 063  48 596
Assumed rate of return  6.00%  6.00%
Calculated expected return on assets  3 424  2 916

The expected return on assets is 6 percent which is the long term return expected for the class of investments held.

Actuarial Gain/(Loss) for Year

Defined benefit obligations (net of tax, prior year assumptions)  2 162 531  1 990 337
Defined benefit obligations (net of tax, current assumptions)  2 098 831  2 087 387
Actuarial (gain)/loss for year due to assumptions  63 700  - 97 050
Actuarial (gain)/loss for year due to experience  1 570  - 139 870
Actuarial (gain)/loss for year  65 270  - 236 920

History

The history of experience adjustments is as follows:

Total defined benefit obligation at year end  2 150 622  2 144 450
Actual assets at year end  51 791  57 063
Deficit/(surplus)  2 098 831  2 087 387
Experience adjustment on liabilities  1 570  - 139 870

3. As this is the first annual reporting period the Territory has adopted AASB 119 the above information shall be disclosed prospectively.
Notes to the Financial Statements

For the year ended 30 June 2008

10. Notes to the Cash Flow Statement

Reconciliation of Cash
The total of agency cash and deposits of $116 008 (2007: $61 387) recorded in the Balance Sheet is consistent with that recorded as ‘cash’ in the Cash Flow Statement.

Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

<table>
<thead>
<tr>
<th>Net Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Assets and Liabilities:</td>
</tr>
<tr>
<td>Unrealised (gain)/loss on securities marked to market</td>
</tr>
<tr>
<td>Amortisation on investments</td>
</tr>
<tr>
<td>Gain on extinguishment</td>
</tr>
<tr>
<td>Decrease/(Increase) in Receivables</td>
</tr>
<tr>
<td>Decrease/(Increase) in Prepayments</td>
</tr>
<tr>
<td>(Decrease)/Increase in Payables</td>
</tr>
<tr>
<td>(Decrease)/Increase in Provision for Employee Benefits</td>
</tr>
<tr>
<td>Net Cash From Operating Activities</td>
</tr>
</tbody>
</table>

11. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the CHA include cash and deposits, receivables and payables. The CHA has limited exposure to financial risks as discussed below.

(a) Credit Risk
The CHA has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the CHA has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the CHA's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.
11. Financial Instruments (continued)

(b) Liquidity Risk
Liquidity risk is the risk that the CHA will not be able to meet its financial obligations as they fall due. The CHA’s approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

(c) Interest Rate Risk
The CHA’s exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables.

The average interest rate is based on the outstanding balance at the start of the year.

<table>
<thead>
<tr>
<th>Weighted Average Interest Rate</th>
<th>Fixed Interest Maturity</th>
<th>Non-Interest Bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2008 Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>7.25</td>
<td>116 008</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>95 531</td>
<td>95 531</td>
<td></td>
</tr>
<tr>
<td>Advances and investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit trust investments¹</td>
<td>454 024</td>
<td>454 024</td>
<td></td>
</tr>
<tr>
<td>Discount securities</td>
<td>7.82</td>
<td>309 624</td>
<td></td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>8.31</td>
<td>10 000</td>
<td>30 000</td>
</tr>
<tr>
<td>Fixed interest securities</td>
<td>7.13</td>
<td>10 071</td>
<td>181 743</td>
</tr>
<tr>
<td>Total financial assets:</td>
<td>570 032</td>
<td>329 695</td>
<td>1 186 930</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits held</td>
<td></td>
<td>495 042</td>
<td>495 042</td>
</tr>
<tr>
<td>Payables</td>
<td>14 512</td>
<td>14 512</td>
<td></td>
</tr>
<tr>
<td>Borrowings and advances</td>
<td>6.65</td>
<td>200 000</td>
<td>1 598 113</td>
</tr>
<tr>
<td>Total financial liabilities</td>
<td>200 000</td>
<td>295 000</td>
<td>2 107 667</td>
</tr>
</tbody>
</table>

1. Unit trust investments include a mix of interest bearing investments and non-interest bearing investments (equity and securities). Refer to Price Risk for further analysis.
11. Financial Instruments (continued)

<table>
<thead>
<tr>
<th>Weighted Average interest rate</th>
<th>2007 Financial assets</th>
<th>Fixed Interest Maturity</th>
<th>Non-Interest Bearing Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2007 Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>6.25</td>
<td>61387</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances and investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit trust investments¹</td>
<td>6.39</td>
<td>324099</td>
<td></td>
</tr>
<tr>
<td>Discount securities</td>
<td>6.56</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>Floating rate notes</td>
<td>4.03</td>
<td>24958</td>
<td>9983</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>483295</td>
<td>354058</td>
<td>14983</td>
</tr>
</tbody>
</table>

Financial liabilities

| Deposits held                 |      |      |      |      |      |      |      |      |      |      |      | 327656 |
| Payables                      |      |      |      |      |      |      |      |      |      |      |      | 7384  |
| Borrowings and advances       | 6.61 | 390000 | 100000 | 295000 | 305000 | 82900 | 426256 |      |      |      |      | 1599156 |
| Total financial liabilities   | 390000 | 100000 | 295000 | 305000 | 82900 | 426256 | 335040 |      |      |      |      | 1934196 |

Net financial assets/ (liabilities):

| 483295 | -35942 | -85017 | -275033 | -305000 | -77900 | -426256 | -269691 | -991544 |

1. Unit trust investments include a mix of interest bearing investments and non-interest bearing investments (equity and securities). Refer to Price Risk for further analysis.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

(e) Price Risk

The CHA is exposed to price risk as it holds units in unit trusts. Price risk arises due to the changes in the market value of the units as advised by respective fund managers.
11. Financial Instruments (continued)

Price risk is managed through the use of strictly monitored allocation limits for units held in each class of managed funds. The CHA invests in a diverse range of managed funds thereby limiting the impact of any one underlying variable affecting unit prices.

Returns achieved by appointed fund managers are continuously monitored and compared to returns earned by a suitable peer group of other professional fund managers.

Sensitivity Analysis

The analysis below demonstrates the impact of a movement in prices of units held in unlisted unit trusts. It is assumed that any relevant price change occurs as at reporting date.

<table>
<thead>
<tr>
<th>Change in unit price</th>
<th>2008 Impact on profit</th>
<th>2007 Impact on profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% $000</td>
<td>$000</td>
</tr>
<tr>
<td><strong>Upside</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities +10</td>
<td>16 652</td>
<td>17 604</td>
</tr>
<tr>
<td>Securities +10</td>
<td>3 253</td>
<td>4 240</td>
</tr>
<tr>
<td>Interest bearing +1</td>
<td>2 047</td>
<td>792</td>
</tr>
<tr>
<td></td>
<td><strong>21 952</strong></td>
<td><strong>22 635</strong></td>
</tr>
<tr>
<td><strong>Downside</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities -10</td>
<td>-16 652</td>
<td>-17 604</td>
</tr>
<tr>
<td>Securities -10</td>
<td>-3 253</td>
<td>-4 240</td>
</tr>
<tr>
<td>Interest bearing -1</td>
<td>-2 047</td>
<td>-792</td>
</tr>
<tr>
<td></td>
<td><strong>-21 952</strong></td>
<td><strong>-22 635</strong></td>
</tr>
</tbody>
</table>

12. Contingent Liabilities and Contingent Assets

The CHA had no contingent liabilities or contingent assets as at 30 June 2008 or 30 June 2007.

13. Events Subsequent to Balance Date

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

14. Write-offs, Postponements and Waivers

Write-offs and waivers are reported in the annual reports of agencies that administer Territory revenue on behalf of the CHA.
2008-09 Budget  Delivering for Territory Families

This Budget is one for all Territorians. It is full of new initiatives right across the Territory.

- More services, more infrastructure, less tax and a growing economy.
- Staying true to financial responsibility and prudence.

Home
Appendixes, Glossary and Lists
Appendix 1:
Treasury’s Organisational Chart
at September 2008

Under Treasurer
Jennifer Prince

Deputy Under Treasurer
(Commercial and Economic)
Peter Caldwell

Assistant Under Treasurer
(Economic)
Tony Stubbin

Economic Policy and Frameworks
Craig Graham
Economic and Social Analysis
Jenny Coccetti
Tony Barnes
Sarah Rummery
Public Finance
Bruce Michael
Commercial
Samantha Fox

Treasury Corporation
John Montague

Financial Management
David Braines-Mead
Bronwyn Riedel*
Anne Tan
Lisa Strohfeldt
Sibylle Brautigam
Rodney McComiskie
Amanda Balchin*

Executive Director
Revenue
Craig Vukman

Territory Revenue Office
Murray Hancock
Ivan Basei

Assistant Under Treasurer
(Budgets and Finance)
Jodie Kirkman

Superannuation Office
Kathleen Clayden

Assistant Under Treasurer
(Corporate and Superannuation)
Catherine Wauchope

Senior Management Group
*directors on extended leave

Corporate Support
Samantha Byrne
Executive Support and Secretariat
Jill Hancock
Appendix 2:
Functions of Treasury

Financial Management

- responsible for the Territory’s financial management framework and policies
- analysis and public policy advice on whole of government resource issues
- whole of government budgeting and financial reporting
- monitoring of agency financial and output performance
- coordination of the Territory’s Infrastructure Program

- management of financial accountabilities as prescribed in the Financial Management Act and the Fiscal Integrity and Transparency Act, including the Fiscal Strategy
- manages the Central Holding Authority
- manages commercial accountabilities and risks under the Financial Management Act

Economic

- advice on economic policy and reform issues
- monitoring and analysis of macro-economic trends
- publication of information and analysis on the Territory economy
- advice on social statistics of significance in the Territory
- responsible for demographic analysis and research, and statistical coordination across government

- representing the Territory on GST issues and advice on intergovernmental financial relations
- management of submissions and data returns to the Commonwealth Grants Commission
- commercial advice to Government, including major government projects and initiatives, and on the government owned corporations framework

Territory Revenue Office – Revenue Collection

- collection of Territory revenue in accordance with the relevant tax and royalty legislation
- advice on and administration of tax and royalty legislation
- minimisation of losses to revenue from avoidance practices
- administration of fuel subsidy and first home owner grant
- taxpayer awareness

Territory Revenue Office – Revenue Development

- advice to Government on revenue policy and budgetary issues
- revenue modelling and forecasting
- monitoring of revenue collections
- review of decisions made under tax and royalty legislation

Northern Territory Superannuation Office

- Territory public sector superannuation policy and legislation
- benefit payments
- investment of members’ funds, support services to members, and the Trustee and Review Boards of various schemes

Treasury Services

- finance, accounting and office services
- human resource management, recruitment, staff development and other entry-level employment programs
- information technology, communications and records management
- central coordination and liaison between the Treasurer’s office, Ministers, Cabinet Office, Legislative Assembly and other Government agencies on Cabinet and Ministerial business

Northern Territory Treasury Corporation

- central financing authority
- borrowing, lending and investing on behalf of the Territory
- investing surplus cash balances in Government accounts
- loans to Government, agencies, government owned corporations and (in certain circumstances) local governing authorities
Appendix 3:
Directory

Northern Territory Treasury
38 Cavenagh Street
GPO Box 1974
Darwin NT 0801
(unless otherwise stated, please use this postal address)

General Enquiries
Tel (08) 8999 7406
Business hours: 8:00 am to 4:30 pm

Executive
Under Treasurer
Jennifer Prince
7th Floor, Cavenagh House
Tel (08) 8999 6033
Fax (08) 8999 7150

Deputy Under Treasurer
Peter Caldwell
7th Floor, Cavenagh House
Tel (08) 8999 7087
Fax (08) 8999 7150

Financial Management
Assistant Under Treasurer (Budgets and Finance)
Jodie Kirkman
7th Floor, Cavenagh House
Tel (08) 8999 7433
Fax (08) 8999 7150

Senior Director Financial Management
David Braines-Mead, Bronwyn Riedel, Anne Tan
6th Floor, Cavenagh House
Tel (08) 8999 6110, (08) 8999 6611
Fax (08) 8999 5095

Director Financial Reporting
Lisa Strohfeldt
6th Floor, Cavenagh House
Tel (08) 8999 6754
Fax (08) 8999 5095

Director Budget Development
Sibylle Brautigam,
Rodney McComiskie
6th Floor, Cavenagh House
Tel (08) 8999 5586
Fax (08) 8999 5095

Economic
Assistant Under Treasurer (Economic)
Tony Stubbin
7th Floor, Cavenagh House
Tel (08) 8999 6447
Fax (08) 8999 7150

Senior Director Public Finance
Bruce Michael
5th Floor, Cavenagh House
Tel (08) 8999 6398
Fax (08) 8999 6446

Director Public Finance
Rosy Warden
5th Floor, Cavenagh House
Tel (08) 8999 5268
Fax (08) 8999 6446

Senior Director Economic and Social Analysis
Tony Barnes
5th Floor, Cavenagh House
Tel (08) 8999 7921
Fax (08) 8999 6446

A/Senior Director Economic Policy
Craig Graham
5th Floor, Cavenagh House
Tel (08) 8999 7238
Fax (08) 8999 6446

Director Economic Analysis
Sarah Rummery
5th Floor, Cavenagh House
Tel (08) 8999 6546
Fax (08) 8999 6446

Director Social Analysis
Jenny Coccetti
5th Floor, Cavenagh House
Tel (08) 8999 6255
Fax (08) 8999 6446

Director Commercial
Samantha Fox
5th Floor, Cavenagh House
Tel (08) 8999 6428
Fax (08) 8999 6446

Territory Revenue Office
GPO Box 154
Darwin NT 0801

General Enquiries
Tel (08) 8999 7949 or 1300 305 353
Fax (08) 8999 6395

Executive Director Revenue
Commissioner of Taxes
Craig Vukman
9th Floor, Cavenagh House
Tel (08) 8999 7935
Fax (08) 8999 6395

Director Revenue Collection
Deputy Commissioner of Taxes
Murray Hancock
9th Floor, Cavenagh House
Tel (08) 8999 6326
Fax (08) 8999 6395

Director Revenue Development
Assistant Commissioner of Taxes
Ivan Basei
9th Floor, Cavenagh House
Tel (08) 8999 6388
Fax (08) 8999 6395
NT Superannuation Office
GPO Box 4675
Darwin NT 0801
General Enquiries
Tel (08) 8901 4200 or 1800 631 630
Fax (08) 8901 4222
Commissioner of Superannuation
Kathleen Clayden
1st Floor, Cavenagh House
Tel (08) 8901 4272
Fax (08) 8901 4277

Treasury Services
Assistant Under Treasurer
(Corporate and Superannuation)
Catherine Wauchope
7th Floor, Cavenagh House
Tel (08) 8999 6691
Fax (08) 8999 7150

Director Corporate Support
Samantha Byrne
4th Floor, Cavenagh House
Tel (08) 8999 5059
Fax (08) 8999 6150

Acting Manager Secretariat
Jill Hancock
7th Floor, Cavenagh House
Tel (08) 8999 6700
Fax (08) 8999 7150

Statutory Offices
Northern Territory Treasury Corporation
Senior Director Funds Management
John Montague
3rd Floor, Cavenagh House
GPO Box 2035
Darwin NT 0801
Tel (08) 8999 7975
Fax (08) 8999 7449

Utilities Commission
Utilities Commissioner
Alan Tregilgas
9th Floor, Cavenagh House
GPO Box 915
Darwin NT 0801
Tel (08) 8999 5480
Fax (08) 8999 6262
Appendix 4: Membership of Boards and Committees

Northern Territory
Agents Licensing Fidelity Guarantee
Fund Investment Board
Asset Management Systems Scoping
Project Steering Committee
AustralAsia Railway Corporation
Charles Darwin University Council
Charles Darwin University Audit and Risk Committee
Chief Executives Taskforce on Indigenous Affairs
Chief Finance Officers Forum
Closing the Gap Working Group
Communications and Marketing Directors Forum
Community Safety Working Group
Coordination Committee
Coordination Committee – Capital Works Review Subcommittee
Corporate Services Review Steering Committee
Corporate Services Review – Interagency Implementation and Coordination Group
 Corrective Services Working Group
Darnor Pty Ltd
Darwin Port Access and Support Working Group
Darwin Waterfront Corporation
Enterprise Architecture Reference Group
Executive Remuneration Review Panel
Gasgo Pty Ltd
Government Office Accommodation Committee
Government Office Accommodation Committee Reference Group
Indigenous Economic Development Inter-Departmental Committee
Inter-Departmental Committee on Corporate Taxation and Superannuation Advice
Legal Practitioners Funds Management Committee
Legislative Assembly Members Superannuation Trust
Major Projects Group
Major Projects Taskforces:
  • Darwin Waterfront Redevelopment
  • Onshore Gas Developments
  • Defence Support Industries
Measuring Indigenous Economic Development Steering Committee
Northern Territory Government Census Steering Committee
Northern Territory Government Information Management Committee
Northern Territory Government Information Management Committee – Records Management Subcommittee
Northern Territory Police Legacy Board
Northern Territory Police Supplementary Benefit Trust
Northern Territory Population Intelligence Working Group
Northern Territory Statistical Liaison Committee
Northern Territory Treasury Corporation Advisory Board
NT Build Board
NT Gas Distribution Pty Ltd
NT Gas Pty Ltd
Procurement Review Board (Darwin)
Public Housing Management in Remote Areas and Town Camps Working Group
Public Sector Consultative Council
Public Trustee Investment Board
Regulation Impact Committee
Secretariat Network Group
Statistical Priorities Advisory Committee
Superannuation Investment Board
Territory Taxation Administration Liaison Committee
National
Australian Bureau of Statistics Census Coordination Committee
Australian Bureau of Statistics Advisory Group on Aboriginal and Torres Strait Islander Statistics
Australian Statistics Advisory Council
Council of Australian Governments Health and Ageing Working Group
Council of Australian Governments Productivity Working Group
Council of Australian Governments Indigenous Reform Working Group
Council of Australian Governments Housing Working Group
Council of Australian Governments Business Regulation and Competition Working Group
Council of Australian Governments Working Group on Climate Change and Water
Council of Australian Governments Infrastructure Working Group
Council for the Australian Federation – Occupational Superannuation Project

Goods and Services Tax Administration Subcommittee
Goods and Services Tax Policy Advisory Group
Heads of Treasuries
Heads of Treasuries Accounting and Reporting Advisory Committee
Heads of Treasuries Budget and Financial Framework Advisory Committee
Heads of Treasuries Specific Purpose Payments Working Group
Heads of Treasuries Tax Equivalents Regime Working Party
Natural Disaster Relief and Recovery Arrangements Stakeholder Group
Public Private Partnerships Working Party
Royalty Consultation Group
State Reference Group to Australia’s Future Tax System Review
State Tax Commissioners Business Practices Subcommittee

State Tax Commissioners Compliance Committee
State Tax Commissioners Group
State Tax Commissioners Information and Communication Technology Committee
State Tax Commissioners National First Home Owner Grant Committee
State Tax Commissioners Tax Law Committee
State Tax Commissioners Training and Customer Education Committee
Steering Committee for Review of Government Service Provision
Treasury Corporate Services Directors’ Forum
Uniform Presentation Framework Committee
Utility Regulators Forum
Appendix 5:
Legislation Administered

Advance Bank Integration Act
Appropriation Act
Bank of South Australia (Merger with Advance Bank) Act
Companies (Unclaimed Assets and Moneys) Act
Competition Policy Reform (Northern Territory) Act
Debits Tax Act
Electricity Networks (Third Party Access) Act
Electricity Reform Act (economic regulation)
Energy Resource Consumption Levy Act
Energy Resource Consumption Levy (Waiver of Levy) Act
Financial Agreement Between the Commonwealth, States and Territories (Approval) Act
Financial Institutions Duty Act
Financial Management Act
Financial Relations Agreement (Consequential Provisions) Act
First Home Owner Grant Act
Fiscal Integrity and Transparency Act
Fuel Subsidies Act
Gaming Control Act (tax and levy provisions)
Gaming Machine Act (Part 8)
Government Owned Corporations Act
McArthur River Project Agreement Ratification Act (royalty provisions)
Merlin Project Agreement Ratification Act (royalty provisions)
Mineral Royalty Act
Mining (Gove Peninsula Nabalco Agreement) Act (royalty provisions)
Motor Accidents (Compensation) Act
Motor Vehicles Act (Part V)
New Tax System Price Exploitation Code (Northern Territory) Act
Northern Territory Treasury Corporation Act
Pay-roll Tax Act
Petroleum Act (royalty provisions)
Racing and Betting Act (turnover tax provisions)
Revenue Units Act
Soccer Football Pools Act (duty provisions)
Stamp Duty Act
Superannuation Act
Superannuation Guarantee (Safety Net) Act
Taxation Administration Act
Territory Insurance Office Act
Totalisator Licensing and Regulation Act (wagering tax provisions)
Unclaimed Superannuation Benefits Act
Utilities Commission Act
Water Supply and Sewerage Services Act (economic regulation)
Appendix 6: Legislative Changes 2007-08

Own-Source Revenue

New Taxation Administration Act

On 1 January 2008, a new Taxation Administration Act came into effect based on a model adopted by several other Australian states. This Act provides greater detail and clarity on the way taxes are administered in the Territory. It replaced the former administrative provisions of the Taxation (Administration) Act, which were outdated and more difficult to interpret. The new Act also standardises the administrative provisions of both the Pay-roll Tax Act and the new Stamp Duty Act under one Act.

Stamp Duty Act

On 1 January 2008, the old Taxation (Administration) Act was converted into the new Stamp Duty Act and the previous Stamp Duty Act repealed. The former Taxation (Administration) Act contained provisions that imposed stamp duty and provided for the administration of stamp duty. As the previous Stamp Duty Act also imposed stamp duty, it was necessary to consider both acts to determine the application of stamp duty.

The new Stamp Duty Act better aligns with the new Taxation Administration Act. However, the amendments do not impose duty on instruments and transactions that were not taxable before the amendments commenced.

As part of the Northern Territory’s 2008-09 Budget, amendments commencing from 6 May 2008:

- reduced conveyance stamp duty rates on all types of conveyances. The new minimum rate is 1.5 per cent (previously 2.1 per cent). The new maximum rate is 4.95 per cent (previously 5.4 per cent) applying to all conveyances with a dutiable value of more than $525 000 (previously $500 000); and
- increased the first home owner stamp duty concession from the stamp duty payable on the first $350 000 of a home’s value to the first $385 000 (a concession of up to $15 515.50).

Also, as part of the Territory’s 2008-09 Budget, amendments commencing from 1 July 2008:

- abolished the nominal $20 stamp duty on deeds other than those relating to trusts;
- extended the definition of ‘land’ to cover rights to explore for resources, including exploration licences under the Mining Act, for the purposes of conveyance stamp duty; and
- rectified a technical shortcoming that resulted in a conveyance of a mining tenement not being subject to stamp duty until it has been registered in the mining register under the Mining Act.

First Home Owner Grant Act

On 1 January 2008, the provisions relating to investigations, confidentiality, objections and appeals were removed from this Act as they are now regulated under the Taxation Administration Act. Consequential amendments were also made to the First Home Owner Grant Regulations.

To better align the first home owner grant with the administration of the stamp duty first home owner concession and principal place of residence rebate, amendments commencing from 1 July 2008:

- provided for five years to commence prosecution action for alleged first home owner grant offences;
- adopted a statutory interest rate regime under the Taxation Administration Act for first home owner grant debts; and
- ensured that it is an offence in all circumstances where materially misleading information is provided, with a defence where the misleading aspect of the information is identified and corrected, to the extent the person can reasonably do so.
**Pay-roll Tax Act**

On 1 January 2008, the Pay-roll Tax Act was amended by removing administrative provisions now regulated by the Taxation Administration Act. Consequential amendments were also made to the Pay-roll Tax Regulations to ensure alignment with the new Taxation Administration Act.

Amendments commencing from 1 July 2008:

- reduced the payroll tax rate from 6.2 per cent to 5.9 per cent for wages paid or payable after 1 July 2008; and
- harmonised the operation of the Act with other states and the ACT in the areas of lodgement and payment dates, motor vehicle and accommodation allowances, fringe benefits, work performed in another country, superannuation, employee share schemes, grouping of employers and termination payments.

**Consequential Amendments Resulting from the Introduction of the Taxation Administration Act**

Amendments made as a consequence of the introduction of the Taxation Administration Act:

- clarified that any member of a group under a taxation law is jointly and severally liable for the tax of any other group member;
- reinstated the requirement that a stamp duty exemption is only available on the conveyance of property from a trustee of a non-discretionary trust to a beneficiary of the trust if no valuable consideration is given by the beneficiary for that conveyance;
- clarified that revenue related information can be provided to the Northern Territory Police, the Director of Public Prosecutions and other Territory law enforcement agencies;
- exempted a conveyee from the residence requirements of the first home owner concession or principal place of residence rebate, provided there are special reasons and where there are two or more conveyees and at least one will comply with the residence requirements; and
- updated references in various Territory laws with terms introduced in the new Taxation Administration Act.

**Superannuation**

**Superannuation Act**

Amendments to the Superannuation Act were passed in November 2007 and commenced on 23 January 2008. The amendments provide for the establishment of the Northern Territory Government Death and Invalidity Scheme (NTGDIS) for those in the ‘choice of fund’ superannuation arrangement and for NTGPASS members the implementation of Member Investment Choice and Allocated Pensions. The legislation also clarified that the application of investment returns to member accounts can be positive or negative.


**Legislative Assembly Members’ Superannuation Fund Act**

Amendments to the Legislative Assembly Members’ Superannuation Fund Act were passed in November 2007 and commenced on 23 January 2008. The amendments clarify that the rate of return applied to members’ accumulation accounts can be positive or negative.
Appendix 7: Publications

Northern Territory Budget Papers

The 2008-09 Budget was handed down on 6 May 2008.

2008-09 Budget

Budget Paper No. 1 Budget Speech
The Treasurer’s speech to the Legislative Assembly describes the Government’s Budget strategy and key features of the 2008-09 Budget, together with the Bill presented to Parliament outlining appropriations for 2008-09.

Budget Paper No. 2 Fiscal and Economic Outlook
Meets the requirements of the Fiscal Integrity and Transparency Act. Includes a discussion of the Government’s fiscal strategy, the fiscal and economic outlook for 2008-09 and the forward estimates period, an overview of expenditure and revenue initiatives in the Budget, and current issues in public finance from the Territory’s perspective. The financial data provided meets the Territory’s obligations under the Uniform Presentation Framework (UPF) as agreed between governments.

Budget Paper No. 3 The Budget
Detailed information on the budgets of agencies and government business divisions in the Northern Territory budget sector, and focuses on the services and outputs delivered across Government. A summary of revenue information is also provided.

Budget Paper No. 4 The Infrastructure Program
Presents a summary of the Government’s Infrastructure Program for all budget sector agencies, as well as detailed descriptions of 2008-09 capital projects for each agency. Expected committal dates for major projects in 2008-09 are also provided.

Related Papers

Budget Overview
Key features of the 2008-09 Budget are outlined.

Northern Territory Economy
A detailed assessment of the Territory economy, including recent performance and growth prospects, employment, population, trade, and Australian and international conditions. Includes chapters on the performance and outlook for major Territory industries.

Northern Territory Economy Overview
Presents a concise summary of the Northern Territory Economy book.

Regional Highlights
A regional overview of the Government’s initiatives, programs and expenditures in the 2008-09 Budget.

Treasurer’s Financial Statements

Treasurer’s Annual Financial Report 2006-07
The Treasurer’s Annual Financial Report (TAFR) provides information about the financial performance and position of the Northern Territory Government. The TAFR reports under the accrual framework and provides information on a sectoral basis (General Government, Public Non Financial Corporations, Non Financial Public Sector, Public Financial Corporations and Total Public Sector) in accordance with the Fiscal Integrity and Transparency Act and the UPF Agreement. It also includes notes to the accounts for the Total Public Sector and provides an explanation of key variations on an agency by agency basis in an unaudited section.

2007-08 Mid-Year Report
The Fiscal Integrity and Transparency Act requires the Territory to publish a report before the end of February which revises the current year’s Budget projections and forward estimates. This interim report on the Territory’s Budget position also satisfies the Territory’s UPF reporting obligations. The report provides updated information to enable an assessment of the Government’s fiscal performance against the current fiscal strategy.
Treasurer’s Quarterly Financial Reports

These reports provide statements which summarise the quarterly and year to date financial transactions, from a whole of government perspective on a UPF basis.

Reports were published for the quarters to 30 September 2007, 31 December 2008 and 31 March 2008. The June quarter results are incorporated into the Treasurer’s Annual Financial Report.

2006-07 Annual Reports

Legislative Assembly Members’ Superannuation Trust
Northern Territory Government and Public Authorities’ Superannuation Scheme
Northern Territory Police Supplementary Benefit Scheme
Northern Territory Treasury
Northern Territory Treasury Corporation
Utilities Commission

Other Publications

Territory Economic Review
This publication monitors the latest economic data and provides analysis of major Territory industries, consumption and investment, trade, external economic conditions, business sentiment, price and wage inflation and other topical issues as they develop. The review also presents a range of relevant time series data and state by state comparisons of major economic indicators. There are about ten editions each year.

Northern Territory Economic Briefs
Northern Territory Economic Briefs provide up to date analysis of the Territory economy and its performance in relation to the Australian economy. These briefs cover a broad range of economic and social indicators, drawing on various sources of data, including the Australian Bureau of Statistics and Access Economics.

Social Indicator Briefs
Northern Territory Social Indicator Briefs provide the most recent key statistics about the Territory. They cover a broad range of social indicators such as population, family and community, health and welfare, education and training, employment, economic resources and other areas of social concern. The briefs draw on various sources of data including the Australian Institute of Health and Welfare, the Australian Bureau of Statistics and the National Centre for Vocational Education Research.

Grocery Price Survey
The survey monitors grocery prices by measuring the cost of purchasing an average basket of goods at each major supermarket across the Territory and in comparable centres in north Queensland. The survey is conducted on a six-monthly basis and results are published on the Treasury website.

Employers’ Guide to Payroll Tax in the Northern Territory
An aid to employers who may have a liability for payroll tax, the guide comprehensively explains the basic provisions of the Pay-roll Tax Act and gives examples of how to calculate payroll tax.

Stamp Duty Lodgement Guide
The guide sets out taxpayer lodgement and information requirements for assessing certain duties imposed under the Stamp Duty Act. It is updated as necessary.

TRMeR Manual
The TRMeR Instruction Manual was designed to provide information on how to access and use the Territory Revenue Management electronic Returns (TRMeR) system for payroll tax returns. Although primarily designed to assist employers in the lodgement of their monthly and annual adjustment returns, TRMeR can also be used for a range of other functions, such as payment of liability by direct debit utilising the Northern Territory Government online banking facility, updating contact details, calculating the general exemption deduction, viewing lodgement and payment history and communicating with the Territory Revenue Office.
**First Home Owner Concession Guide and Application Form**

The first home owner concession provides Territorians buying their first home or land to build their first home with a concession off the stamp duty payable. The guide provides information on the concession and also informs applicants of the eligibility criteria they must meet. An application form is available with the guide.

**Principal Place of Residence Rebate Guide and Application Form**

The principal place of residence rebate provides a stamp duty concession to Territorians buying a home or purchasing land to build a new home, where it is not their first home in Australia. The guide provides information on the rebate and also informs applicants of the eligibility criteria they must meet. An application form is available with the guide.

**Northern Territory Government and Public Authorities’ Superannuation Scheme 2006-07 Report to Members**

The report provides summary information to members of the Northern Territory Government and Public Authorities’ Superannuation Scheme (NTGPASS) on the management, investment performance and financial position of the scheme in 2006-07, and on current superannuation issues. It is issued to members with their annual member account statements. Similar reports are prepared for members of the Legislative Assembly Members’ Superannuation Trust and the Northern Territory Police Supplementary Benefit Scheme.

**Member Investment Choice Booklet**

The booklet provides NTGPASS members with information about the different options available to them for investing their superannuation contribution balances. As well as providing details on the benefits of each option, the booklet also outlines what benefits are available through being an NTGPASS member.

**Allocated Pensions Booklet**

NTGPASS allocated pensions allow members who have retired from the public sector to receive their superannuation benefit as a pension, with the flexibility to withdraw lump sums if required. The booklet provides information on allocated pensions and explains how the pension product works.

**Territory Bonds Prospectus**

Aimed at prospective holders of Territory Bonds, this publication provides background on Territory Bonds, and outlines the terms and conditions. An application form is attached.

**Websites**

- Northern Territory Treasury
- Northern Territory Budget
  - [www.budget.nt.gov.au](http://www.budget.nt.gov.au)
- Northern Territory Superannuation Office
- Northern Territory Treasury Corporation
  - [www.territorybonds.nt.gov.au](http://www.territorybonds.nt.gov.au)
- Territory Revenue Office
  - [www.revenue.nt.gov.au](http://www.revenue.nt.gov.au)
- Utilities Commission
  - [www.utilicom.nt.gov.au](http://www.utilicom.nt.gov.au)

The papers and publications listed above are available online at [www.nt.gov.au/ntt](http://www.nt.gov.au/ntt).

The Budget Papers can also be obtained from [www.budget.nt.gov.au](http://www.budget.nt.gov.au) or purchased from:

- Northern Territory Government Printing Office
  - Retail Sales
  - Railway Street
  - Parap NT 0820
  - Telephone: (08) 8999 4031
  - Facsimile: (08) 8999 4001

Northern Territory Government

Northern Territory Budget

Northern Territory Superannuation Office

Northern Territory Treasury Corporation

Territory Revenue Office

Utilities Commission
Accountable Officer’s Trust Account
Established under section 7(1) of the Financial Management Act to enable agencies to hold money in trust for another person or entity. Transactions in these accounts are excluded from the Public Account.

Accounts payable
Refers to the value of short and long-term trade debt and accounts payable, interest payable and prepayments received.

Accounts receivable
Refers to the value of short and long-term trade credit and accounts receivable, interest receivable and prepayments made.

Accrual
In accounting, a recording method in which revenues, expenses, lending and borrowing are recognised as they are earned or incurred, regardless of when a cash payment is made or received.

Administrative stream
One of the Northern Territory Public Sector employee classification streams is administrative. Occupations in this stream include assistant directors, managers, analysts and officers.

Advances
Amounts paid or received for policy purposes rather than for liquidity management purposes.

Agency
A unit of government administration, office or statutory corporation, nominated in an Administrative Arrangements Order for the purposes of the Financial Management Act and includes a part or division of an agency.

Appropriation
An authority given by the Legislative Assembly to make payments, now or at some future time, for the purposes stated, up to the limit of the amount in the particular Act.

Appropriation Act
Includes a Supply Act and an annual Appropriation Act or an additional Appropriation Act which authorises an amount to be allocated to a purpose.

Australian Accounting Standards
Statements of accounting standards which can be applied in the preparation and presentation of financial statements.

Australian Bureau of Statistics
Australia’s official national statistical agency. It provides statistics on economic and social matters, covering government, business and population.

Capital appropriation
Represents an increase in the Government’s investment in an agency for asset purchases and capital works projects and is provided to agencies by the Central Holding Authority for capital items.

Central Holding Authority
Created by section 5 of the Financial Management Act, the Central Holding Authority is a representation of the revenue, expenses, assets and liabilities of the Territory. Credited to this account is all money received by or on behalf of the Territory or an agency, except that required or permitted by or under that or any other Act to be credited to an Operating Account or to an Accountable Officer’s Trust Account.

Commonwealth Grants Commission
Body that advises on per capita relativities for distributing, among the states and territories, a pool of revenue from the Australian Government.

Community service obligations
A community service obligation (CSO) arises when the Government requires a government business division or government owned corporation to carry out activities which it would not choose to do on a commercial basis or would only do so at higher commercial prices. CSO payments allow the Government to achieve identifiable community or social objectives that would not be achieved if left to commercial considerations.
Competencies
Competencies are the skills, attributes and behaviours, specified for each employment level, that an employee needs in order to complete work to a high standard.

Contingent liability
A potential financial obligation arising out of a condition, situation, guarantee or indemnity, the ultimate effect of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate governance
Corporate governance provides a structured framework through which Treasury is directed and controlled and guides how decisions are made, risks are managed and the organisation's future is planned. These decisions in turn guide the necessary planning, budgeting and management of performance, and support Treasury’s Senior Management Group in its leadership of Treasury.

Council of Australian Governments
The peak intergovernmental forum comprising the Prime Minister, Premiers, Chief Ministers and President of the Australian Local Government Association.

Employee assistance program
Employer-provided counselling service aimed at assisting employees and their immediate family members experiencing work-related or personal problems. Government agencies are required to provide EAP services as identified in clause 21 of the Northern Territory Public Sector 2004-07 Certified Agreement.

Executive stream
In comparison to the administrative stream, the executive stream comprises Northern Territory Public Sector employees at the level of Director and above.

Expense
A cost or outflow of resources from an organisation.

Full-time equivalent
Used in reference to staffing numbers where one FTE reflects one employee working full-time hours of 36.75 hours per week. Employees working part-time or casual hours are represented as a fraction of this. For example, part-time hours of 29.70 hours a week equates to 0.8 FTE.

Goods and services tax revenue
Revenue payments from the Australian Government return the goods and services tax (GST) revenue, collected by the Australian Taxation Office, to the states and territories.

Indemnity
A written undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

International Financial Reporting Standards
The term used to describe the move to standardise global international accounting standards. Australian equivalents of these new standards have been adopted for reporting periods on or after since 1 January 2005.

OCPE
Office of the Commissioner for Public Employment, the statutory employer of all Northern Territory public sector staff, who is responsible for promoting the development and observance of the highest possible standards of human resource management practices in agencies.

Outcomes
Outcomes are expressions of the intended results, impacts or consequences on the Territory community of outputs provided by agencies.

Outcomes should clearly represent the objectives the Government is seeking to achieve and reflect Government’s policy direction. Outputs need to align with outcomes, as outputs are the means through which outcomes are achieved.
Outputs
Outputs are the services provided or the goods produced by an agency for users external to the agency.

Output appropriation
The amount the government agrees to fund agencies to purchase their outputs net of any revenue earned by the agency. This is based on the purchaser/provider model where government (purchaser) purchases outputs from agencies (providers) on behalf of the community.

Output groups
Output groups are combinations of like outputs, and are funded through the Budget.

Performance Development Framework
Treasury’s performance management system, where staff performance is reviewed and discussed between manager and staff member on a six-monthly basis against established competencies, and targets are set for the coming six months.

Provisions
Amounts set aside by entities from current revenue or income for future payments.

Uniform Presentation Framework (UPF)
A uniform reporting framework agreed by the Australian Loan Council in 2000, which is a revision of the agreement reached at the 1991 Premiers’ Conference. It specifies that the Australian, state and territory governments will present a minimum set of budget and financial outcome information on the Government Finance Statistics basis according to an agreed format and specified Loan Council reporting arrangements.

Revenue
An inflow of resources into an organisation related to its operations.

Risk assessment
Determining the nature and level of business risk to the organisation and business units.

Risk management
The steps taken to manage risks, including identifying (both actual and potential), assessing, eliminating or controlling risks.
Table 1: Seven COAG Working Groups 28
Table 2: Financial Management Output Performance 35
Table 3: Economic Services Output Performance 36
Table 4: Payments on Behalf of the Territory 36
Table 5: Territory Revenue Output Performance 37
Table 6: Territory Revenue Office Standards Published in the Service Charter 38
Table 7: Superannuation Output Performance 38
Table 8: Economic Regulation Output Performance 39
Table 9: Treasury Corporation Business Line Performance 40
Table 10: Information Act Requests in 2007-08 50
Table 11: Treasury Staff Snapshot 55
Table 12: FTE Staff by Gender and Classification as at 30 June 2008 56
Table 13: Treasury Staff Demographics 57
Table 14: EEO Profile as at 30 June 2008 58
Table 15: Staff using a Work-life Balance Initiative to 30 June 2008 60
Table 16: Training and Development Expenditure 63
Table 17: Study Fees Reimbursed 64
Table 18: Workers Compensation Claims 65
Table 19: Employee Assistance Program as at 30 June 2008 66
Table 20: Employment Instructions, Annual Reporting Requirements and Agency Action 67
Table 21: Audits and Reviews – External 73
Table 21: Audits and Reviews – External (continued) 74
Table 22: Audits and Reviews – Internal 75
Table 22: Audits and Reviews – Internal (continued) 76
Table 23: Energy Use Targets for Government Buildings 78
Table 24: Electricity Use 79
Table 25: Paper Usage 80
Table 26: Operating Statement 84
Table 27: Operating Income 85
Table 28: Operating Expenses 85
Table 29: Grants and Subsidies 87
Table 30: Balance Sheet 87
Table 31: Statement of Cash Flows 88
Table 32: Total Income Collected by Treasury 89
Table 33: Significant Components of the $249 million Increase 118
Table 34: Movements within Operating Expenses 119
Figure 1: Our Purpose, Objectives and Outputs 8
Figure 2: Treasury Key Corporate Planning Documents 49
Figure 3: Treasury Staff Age Profile as at 30 June 2008 57
Figure 4: Ten Year Gender Comparison 57
Figure 5: Staff by Classification and Gender as at 30 June 2008 57
Figure 6: Staff with Over 10 Years of Service in Treasury as at 30 June 2008 57
Figure 7: Relationship Between the Central Holding Authority, Treasury and Other Agencies 83
Figure 8: Treasury’s Operating Expenses 86
Figure 9: Components of Central Holding Authority Operating Revenue 118
Figure 10: Components of Central Holding Authority Operating Expenses 118
Figure 11: Components of Central Holding Authority Operating Assets 119
Figure 12: Components of Central Holding Authority Operating Liabilities 119
Contacts

Northern Territory Treasury
Cavenagh House
38 Cavenagh Street
GPO Box 1974
Darwin NT 0801
Tel (08) 8999 7406
Fax (08) 8999 7150
Email: ntttreasury.ntt@nt.gov.au
Business hours: 8:00 am to 4:30 pm

Financial Management
The Budget, Treasurer’s Annual Financial Reports, Financial Management Framework and other general enquiries.
Tel (08) 8999 6087
Fax (08) 8999 5095

Economic Management
The Territory Economic Review, economic and social briefs, Grocery Price Survey, intergovernmental relations and other general enquiries.
Tel (08) 8999 6801
Fax (08) 8999 6446

Competitive Neutrality Complaints
– Regulation Impact Unit
Tel (08) 8999 7238
Fax (08) 8999 6446
Email: ris.ntt@nt.gov.au

Treasury Recruitment
Employment programs, Finance Officer in Training Scheme and other general enquiries.
Tel (08) 8999 6455
Fax (08) 8999 6150

Territory Revenue Office
General Enquiries
4th Floor, Cavenagh House
38 Cavenagh Street
GPO Box 154
Darwin NT 0801
Tel (08) 8999 7949 or 1300 305 353
Fax (08) 8999 5577
Email: ntrevenue.ntt@nt.gov.au

Tip-Off Hotline
Tel (08) 8999 7229
Fax (08) 8999 6395

Grants and Subsidies
Including First Home Owner Grant, First Home Owner Concession, Principal Place of Residence Rebate, home owner incentive publications and other general enquiries.
Tel (08) 8999 7949 or 1300 305 353
Fax (08) 8999 5577

Mineral and Petroleum Royalties
Tel (08) 8999 7949 or 1300 305 353
Fax (08) 8999 5577
Tel (08) 8999 7229
Fax (08) 8999 6395

Taxes and Duties
Tel (08) 8999 7949 or 1300 305 353
Fax (08) 8999 6395

Taxpayer Charter
Tel (08) 8999 6789
Fax (08) 8999 6395

Northern Territory Superannuation Office
Northern Territory Government superannuation schemes, member investment choice, unclaimed benefits, new employees, allocated pensions and other general enquiries.

General Enquiries
1st Floor, Cavenagh House
38 Cavenagh Street
GPO Box 4675
Darwin NT 0801
Tel (08) 8901 4200 or 1800 631 630
Fax (08) 89014222

Northern Territory Treasury Corporation
3rd Floor, Cavenagh House
38 Cavenagh Street
GPO Box 2035
Darwin NT 0801
Tel (08) 8999 7975
Fax (08) 8999 7449

Teritory Bonds
Tel (08) 8999 7745
Fax (08) 8999 7449

Utilities Commission
GPO Box 915
Darwin NT 0801
Tel (08) 8999 5480
Fax (08) 8999 6262

Application to Access Government Information
Including access to personal information in accordance with the Information Act

Information Policy Officer
Northern Territory Treasury
GPO Box 1974
Darwin NT 0801
Telephone: (08) 8999 6800
Facsimile: (08) 8999 6150
Email: nttreasury.ntt@nt.gov.au