

## APPENDIX D: 2006-07 BUDGET - SUMMARY OF VARIATIONS

<i>Category/Agency</i>	<i>Budget</i>	<i>Revised</i>	<i>Variation</i>	<i>Comment on Major Variations</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	
<b>STATE REVENUES</b>				
<b>Taxation</b>				
Stamp Duty:				
Transfer Duty	3,250	4,001	751	Stronger than expected sales of high value commercial properties as well as a large one-off revenue accrual.
Marketable Securities	57	94	37	Higher than expected number of large transactions.
Land Tax	1,793	2,042	249	Higher revenue from better data and systems improvements, leading to faster assessment processing.
Payroll Tax	5,438	5,569	131	Stronger than expected employment growth.
Waste and Environment Levy	175	154	(21)	Volume of waste to landfill has reduced faster than anticipated.
State Lotteries Receipts	296	283	(13)	Lower incidence of major jackpots for Powerball.
Workers Compensation (Dust Diseases) Board	56	23	(33)	Mainly reduction in outstanding contributions due to increase in investment revenues.
Workers Compensation Contributions from Insurers	182	157	(25)	Lower contribution due to reduced premiums as announced by the Government.
Other Duties and Taxes	5,472	5,452	(20)	Aggregated net minor variations.
<b>Total Taxation</b>	<b>16,719</b>	<b>17,775</b>	<b>1,056</b>	
<b>Commonwealth Grants</b>				
General Purpose:				
GST Revenue Grants	10,946	11,034	88	Revisions reflecting higher pool estimates offset by lower population share.
Specific Purpose:				
Rural Assistance Authority	28	235	207	Mainly for funding of drought assistance under the Exceptional Circumstances Scheme and an Assistance Package for Southern Irrigators.
Education and Training	1,354	1,421	67	Mainly a catch up of Commonwealth grants in the vocational education and training area for capital works (\$30 million), some additional schools funding (\$16 million) particularly for indigenous education programs and a slight bring forward in the Commonwealth's 'Investing in our Schools' program (\$20 million).

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Department of Water and Energy and Department of Environment and Climate Change	163	84	(79)	Mainly due to deferral of Groundwater assistance payments because of legal and Commonwealth taxation issues and under expenditure on Catchment Management Authorities' investment programs due to drought and other factors.
Roads & Traffic Authority	721	690	(31)	Accelerated funding for the Hume and Pacific projects provided by the Commonwealth in 2005-06 is being recognised in the years in which the roadworks occur, which resulted in lower income recognition.
Other	4,413	4,416	3	Aggregated net minor variations.
<b>Total Commonwealth Grants</b>	<b>17,625</b>	<b>17,880</b>	<b>255</b>	
<b>Financial Distributions</b>	<b>1,664</b>	<b>1,768</b>	<b>104</b>	Improvement due to price improvements in the Energy Sector.
<b>Total Fines, Regulatory Fees &amp; Other</b>	<b>1,167</b>	<b>1,206</b>	<b>39</b>	Aggregated net minor variances.
<b>TOTAL STATE REVENUES</b>	<b>37,175</b>	<b>38,629</b>	<b>1,454</b>	
<b>OPERATING REVENUES</b>				
<b>Sales of Goods and Services</b>				
Personnel Services Revenue	...	132	132	Revenue from services provided to NSW Government agencies outside the General Government sector. This is offset by an expense variance of the same amount.
Department of Health	1,090	1,181	91	Higher revenue primarily reflects increasing numbers of fee paying patients and grants received.
Other	1,909	2,019	110	Net increase in a range of other agencies.
<b>Total Sales of Goods and Services</b>	<b>2,999</b>	<b>3,332</b>	<b>333</b>	

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<b>Investment Income</b>				
NSW Self Insurance Corporation	407	607	200	Higher than projected financial market returns.
Liability Management Ministerial Corporation	171	271	100	Higher than projected financial market returns.
Building and Construction Industry Long Service Leave Payments Corporation	33	69	36	Higher than projected financial market returns.
Workers Compensation (Dust Diseases) Board	47	83	36	Higher than projected financial market returns.
WorkCover Authority	15	35	20	Higher than projected financial market returns.
Other	241	315	74	Higher than projected financial market returns in various other agencies.
<b>Total Investment Income</b>	<b>914</b>	<b>1,380</b>	<b>466</b>	
<b>Grants and Contributions</b>				
Department of Education & Training	279	309	30	Mainly due to additional school generated revenues, which is offset by associated expenses.
Department of Health	180	142	(38)	Mainly budgeted payments to the Cancer Institute which is now a General Government Sector agency, offset by increased donations to Area Health Services.
Other	330	324	(6)	Aggregated net minor variations.
<b>Total Grants and Contributions</b>	<b>789</b>	<b>775</b>	<b>(14)</b>	
<b>Other Revenue</b>				
Crown Finance Entity	15	107	92	Mainly higher than expected HIH insurance recoveries.
Roads & Traffic Authority	102	76	(26)	Primarily from lowered emerging interest on road assets built by the Private Sector as a result of changes to Accounting Standards.
Other	202	186	(16)	Aggregated net minor variations.
<b>Total Other Revenue</b>	<b>319</b>	<b>369</b>	<b>50</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>5,021</b>	<b>5,856</b>	<b>835</b>	

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<b>EXPENSES</b>				
Crown Finance Entity	3,002	3,926	924	Principally due to a rail debt reduction payment to the Transport Infrastructure Development Corporation of \$960 million.
Rural Assistance Authority	36	285	249	Mainly drought assistance via the Exceptional Circumstances Scheme and compensation to Southern Irrigators for reduced water allocations.
Personnel Services Expenses	...	132	132	Cost of providing personnel services to NSW Government agencies outside the General Government sector. These were not included in the 2006-07 budget and are fully offset by revenue from these agencies.
Department of the Arts, Sport and Recreation	196	313	117	Mainly due to approved grants for Newcastle Stadium, Parramatta Stadium, Penrith Stadium, Drummoyne Oval, Leichhardt Oval, Western Sydney Dragway, Sydney Opera House, Art Gallery of New South Wales, Powerhouse Museum and Australian Museum.
Department of Education and Training	8,866	8,979	113	Mainly higher government school student numbers than forecast and additional Commonwealth funded programs in the schools sector.
Department of Primary Industries	331	405	74	Mainly drought assistance, increased expenditure on industry funded research and bringing forward buyout of commercial fisheries in Marine Parks.
Roads & Traffic Authority	2,247	2,314	67	Additional maintenance works funded by higher than budgeted revenue, proposed capital works now being expensed and payments to the Lane Cove Tunnel operator partially offset by lower superannuation costs related to new accounting standards.
Department of Health	11,143	11,277	134	Costs associated with additional patient fees and Commonwealth funding for cervical cancer immunisation.
Department of Corrective Services	695	738	43	Includes increased inmate numbers, enhanced Community Offender Services Program and continuation of funding for the Drug Court.
Treasury	433	469	36	Higher number of applicants for First Home Owners Grant than anticipated.
NSW Police Force	1,833	1,865	32	Increased operating expenses, including recruit training costs and funding for additional highway patrol officers.
Rental Bond Board	5	35	30	Payment to the Department of Housing for the Affordable Housing Initiative.

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<b>EXPENSES (cont)</b>				
NSW Self Insurance Corporation	1,084	561	(523)	Downward revision in outstanding claims as actuaries recognise recent favourable claims experience due to the effectiveness of the Government's Workers Compensation and Tort Reform legislation.
Motor Accidents Authority	38	(2)	(40)	Reduction in valuation of outstanding HIH liabilities.
Treasurer's Advance	245	...	(245)	Increased expenses included in agency data.
Other	12,738	12,744	6	Aggregated net minor variations.
<b>TOTAL EXPENSES</b>	<b>42,892</b>	<b>44,041</b>	<b>1,149</b>	
<b>BUDGET RESULT - SURPLUS/(DEFICIT)</b>	<b>(696)</b>	<b>444</b>	<b>1,140</b>	
<b>Capital Expenditure (Including finance lease acquisitions)</b>				
Ministry of Transport	11	116	105	Mainly for acquisitions of new buses under finance lease arrangements.
NSW Police	111	134	23	Additional Police ICT projects.
Crown Property Portfolio	82	95	13	Construction of Penrith Government Block.
Environmental Planning and Assessment Act	173	77	(96)	Mainly due to unanticipated reduction in land purchases for the North West and South West rail corridors resulting from lower than expected acceptance of offers by landowners.
Roads and Traffic Authority	1,595	1,542	(53)	Additional expenditure funded by Commonwealth Black Spot Funding offset by slow down in Hume-Pacific Projects.
Department of Corrective Services	128	118	(10)	Reduction to building purchases resulting from delays in Site Acquisition and Planning Approval on Inmate Beds Project.
Treasurer's Advance	110	...	(110)	Expenditures funded by the Treasurer's Advance.
Other	2,177	2,193	16	Aggregated net minor variations.
<b>Total Capital Expenditure</b>	<b>4,387</b>	<b>4,275</b>	<b>(112)</b>	
<b>Depreciation</b>				
Department of Commerce	133	158	25	Revised financing arrangements for the Government's vehicle fleet.
Other	2,112	2,118	6	Aggregated net minor variations.
<b>Total Depreciation</b>	<b>2,245</b>	<b>2,276</b>	<b>31</b>	

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<b>Asset Sales</b>				
Department of Education & Training	48	127	79	The sale of various vacant school sites, particularly the former Peter Board High and Vaucluse sites was achieved with solid return values.
Crown Finance Entity	117	65	(52)	Delays to commencement of activities by the State Property Authority.
Department of Health	48	16	(32)	Lower sales by Department of Health.
Department of Primary Industries	20	3	(17)	Delay in asset sales under the 2020 Program.
Other Asset Sales & Movements	229	231	2	Aggregated net minor variations.
<b>Total Asset Sales</b>	<b>462</b>	<b>442</b>	<b>(20)</b>	
<b>Other Movements in Non-Financial Assets</b>	<b>90</b>	<b>54</b>	<b>(36)</b>	
<b>NET LENDING</b>	<b>(2,466)</b>	<b>(1,167)</b>	<b>1,299</b>	