

APPENDIX D: 2005-06 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> | |
| STATE REVENUES | | | | |
| Taxation | | | | |
| Stamp Duty: | | | | |
| Vendor Duty | 358 | 93 | (265) | Vendor Duty abolished for transactions entered into on or after 2 August 2005. |
| Transfer duty | 3,250 | 3,100 | (150) | Weaker than expected property market. |
| Mortgage Duty | 379 | 320 | (59) | Impact of weaker than expected property market on secured lending. |
| Motor Vehicle Registrations | 608 | 550 | (58) | Lower than expected new vehicle registrations. |
| Government guarantee of debt levy | 129 | 98 | (31) | Revised methodology for calculating the payments from commercial entities. |
| Gaming and Racing Taxes | 1,168 | 1,147 | (21) | Lower than expected hotel gaming revenues. |
| Land Tax | 1,633 | 1,737 | 104 | Land value increases partly offset by increase in threshold. |
| Other Duties and Taxes | 8,744 | 8,767 | 23 | Aggregated net minor variations. |
| Total Taxation | 16,269 | 15,812 | (457) | |
| Commonwealth Grants | | | | |
| General Purpose: | | | | |
| GST Revenue Grants | 10,410 | 10,281 | (129) | Downward revision to Commonwealth's estimate of GST revenues. |
| Budget Balancing Assistance Payments | ... | 44 | 44 | GST Revenue fell below the Guaranteed Minimum Amount. Payment was required to ensure that NSW was not worse off as a result of GST-related tax reforms. |
| National Competition Payments | 265 | 292 | 27 | Restoration of previously suspended payments. |
| Specific Purpose: | | | | |
| Rural Assistance Authority | 28 | 180 | 152 | Additional funding for drought relief and associated exceptional circumstances. |
| Education and Training | 1,285 | 1,378 | 93 | Mainly additional funding for vocational education programs and the Commonwealth's decision in May 2006 to bring forward \$55 million in funding for its "investing in schools" program. |

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| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | |
| Roads & Traffic Authority | 497 | 519 | 22 | Increased funding for national highways development and related projects. |
| Other | 4,311 | 4,333 | 22 | Aggregated net minor variations. |
| Total Commonwealth Grants | 16,796 | 17,027 | 231 | |
| Dividends and Tax Equivalent Payments | 1,906 | 1,782 | (124) | Mainly lower revenue in the Water Sector due to drought and decrease in developer contributions with weakening property market. |
| Fines, Regulatory Fees & Other | | | | |
| Mining Royalties and Exploration Licence Fees | 416 | 496 | 80 | Increased royalties as a result of higher than expected coal prices. |
| Other | 666 | 707 | 41 | Aggregated net minor variations. |
| Total Fines, Regulatory Fees & Other | 1,082 | 1,203 | 121 | |
| TOTAL STATE REVENUES | 36,053 | 35,824 | (229) | |
| OPERATING REVENUES | | | | |
| Sales of Goods and Services | | | | |
| Agencies did not have significant variations | | | | |
| Total Sales of Goods and Services | 2,851 | 2,841 | (10) | |
| Investment Income | | | | |
| NSW Self Insurance Corporation | 395 | 775 | 380 | Higher than projected financial market returns. |
| Building and Construction Industry Long Service Leave Payments Corporation | 29 | 76 | 47 | Higher than projected financial market returns. |
| Department of Health | 42 | 60 | 18 | Higher than projected financial market returns. |
| Other | 505 | 539 | 34 | Aggregated net minor variations. |
| Total Investment Income | 971 | 1,450 | 479 | |

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| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | |
| Grants and Contributions | | | | |
| Department of Energy, Utilities and Sustainability | 29 | 133 | 104 | Increased Local Water Utilities' contributions to the Country Towns Water & Sewerage Supply Program and establishment of the Energy & Water Savings Funds (and associated expenditure against each program). |
| Other | 609 | 646 | 37 | Aggregated net minor variations. |
| Total Grants and Contributions | 638 | 779 | 141 | |
| Other Revenue | | | | |
| Crown Leaseholds | 42 | 1 | (41) | The agency receives transfers of lands from Reserve Trusts for lease to other Government agencies or for private or commercial purposes. High levels of transfers in 2004-05 were not continued in 2005-06. |
| Other | 305 | 325 | 20 | Aggregated net minor variations. |
| Total Other Revenue | 347 | 326 | (21) | |
| TOTAL OPERATING REVENUES | 4,807 | 5,396 | 589 | |
| EXPENSES | | | | |
| Ministry of Transport | 2,968 | 3,277 | 309 | Includes additional funding for concessions for community groups, extension of the Bus Reform program to outer metropolitan areas and upgrade of restricted rail lines. Also additional grants to Rail Infrastructure Corporation (debt repayment and restructure costs), Railcorp (debt repayment) and Transport Infrastructure Corporation (debt repayment). |
| Department of Health | 10,301 | 10,496 | 195 | Includes higher salary costs for Staff Specialists and Medical Radiation Scientists flowing from new award increases and conditions, capital project costs reclassified as expenses, and drug and alcohol policy and other functions transferred from other agencies. Also additional funding for elective surgery for long wait patients, mental health research and capital grants, patients treated in other states, and for Commonwealth programs, (for example immunisation). |

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| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | |
| EXPENSES (cont) | | | | |
| Rural Assistance Authority | 33 | 202 | 169 | Reflects increased payments made to farmers for drought relief and related farming initiatives. |
| Department of Energy, Utilities and Sustainability | 278 | 335 | 57 | Increased expenditure by Local Water Utilities from higher contributions to the Country Towns Water & Sewerage Supply Program and from the newly established Energy & Water Savings Funds. |
| Department of Natural Resources | 248 | 305 | 57 | Mainly funding to support the restructure of forestry industry at Brigalow and Nandewar, and also to meet an operating shortfall. |
| NSW Police | 1,666 | 1,712 | 46 | Mainly costs associated with training of additional police recruits, saturation policing of beaches and security provisions for the 2007 APEC conference. |
| Department of the Arts, Sports and Recreation | 211 | 255 | 44 | Mainly additional funding for the Sydney Opera House Trust to facilitate essential maintenance work plus a grant to assist in the redevelopment of Kogarah Oval. |
| Department of Primary Industries | 298 | 339 | 41 | Includes additional funding for the continuation of drought assistance and increased operating expenses. |
| Department of Education and Training | 8,471 | 8,501 | 30 | Mainly reflecting additional costs associated with award increases. |
| Businesslink | 106 | 129 | 23 | Mainly accelerated depreciation expense and employee costs associated with providing additional client services. |
| NSW Self Insurance Corporation | 1,097 | 747 | (350) | Mainly downward revision in outstanding claims as actuaries recognise recent favourable claims experience primarily due to the effectiveness of Workers Compensation and Tort Reform legislation. |
| Crown Finance Entity | 3,671 | 3,351 | (320) | Includes reduction in superannuation expenses due to lower than expected interest rates and lower interest expense due to reduced borrowings. |
| Roads & Traffic Authority | 2,236 | 2,155 | (81) | Mainly a realignment of maintenance work to fund additional capital works undertaken due to favourable weather conditions and reclassification of expenses to capital expenditure, offset by an increase in depreciation arising from the increased capital program. |

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| EXPENSES (cont) | | | | |
| Catchment Management Authorities | 188 | 149 | (39) | Slower than expected progress in contracting and commencing a number of more complex conservation and sustainability programs. |
| Treasurer's Advance | 175 | ... | (175) | Increased expenses included in agency data. |
| Other | 8,610 | 8,623 | 13 | Aggregated net minor variations. |
| TOTAL EXPENSES | 40,557 | 40,576 | 19 | |
| BUDGET RESULT - SURPLUS/(DEFICIT) | 303 | 644 | 341 | |
| Capital Expenditure (Including finance lease acquisitions) | | | | |
| Roads and Traffic Authority | 1,191 | 1,339 | 148 | Includes additional works funded from increased Commonwealth grants and motor vehicle revenues, and also reclassification of expenses to capital expenditure. |
| Aboriginal Housing Office | 7 | 30 | 23 | Grant funding for Aboriginal housing reallocated to direct purchase by AHO. |
| Ministry of Transport | 11 | 28 | 17 | Development of equipment for the Integrated Ticketing Project. |
| Crown Property Portfolio | 35 | 50 | 15 | Cost increases for the Parramatta Justice Precinct due to initial underestimation by quantity surveyors. |
| Department of Health | 646 | 591 | (55) | Mainly capital project costs reclassified as expense. |
| Crown Finance Entity | 95 | 47 | (48) | Discontinuation of motor vehicle acquisition by finance lease. |
| Department of Corrective Services | 165 | 120 | (45) | Delays in procurement on the Long Bay Hospital Redevelopment project and other smaller projects. |
| Department of Education and Training | 482 | 445 | (37) | Mainly delays in major construction works at schools. |
| Treasurer's Advance | 95 | ... | (95) | Increased expenditure included in agency data. |
| Other | 1,098 | 1,138 | 40 | Aggregated net minor variations. |
| Total Capital Expenditure | 3,825 | 3,788 | (37) | |

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| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | |
| Depreciation | | | | |
| Crown Property Portfolio | ... | 15 | 15 | Creation of restoration assets (remediated BHP sites). |
| Roads and Traffic Authority | 718 | 731 | 13 | Additional assets created through increased capital program. |
| Education and Training | 306 | 315 | 9 | The broadband assets originally intended to be depreciated over ten years are now being written off over five years. |
| Other | 1,063 | 1,089 | 26 | Aggregated net minor variations. |
| Total Depreciation | 2,087 | 2,150 | 63 | |
| Asset Sales | | | | |
| Department of Education and Training | 87 | 25 | (62) | Deferral of the sale of Vaucluse High School and various other assets. |
| Other Asset Sales & Movements | 460 | 458 | (2) | Aggregated net minor variations. |
| Total Asset Sales | 547 | 483 | (64) | |
| Other Movements in Non-Financial Assets | 91 | 80 | (11) | |
| NET LENDING | (979) | (591) | 388 | |