

APPENDIX D: 2007-08 BUDGET - SUMMARY OF VARIATIONS

<i>Category/Agency</i>	<i>Budget \$m</i>	<i>Revised \$m</i>	<i>Variation \$m</i>	<i>Comment on major variations</i>
Taxation				
Stamp Duty:				
Transfer Duty	3,670	4,064	394	Stronger than expected sales of residential and small and large commercial properties.
Mortgage Duty	243	277	34	Higher than expected investor and commercial transactions.
Land Tax	1,752	1,970	218	Faster than expected land value growth, particularly for high value properties and higher than expected number of assessments from the 2007 land tax year processed.
Payroll Tax	5,992	6,182	190	Stronger than expected wage and employment growth.
CTP Levy	37	70	33	Higher CTP premium revenue following increase in CTP levy.
Workers Compensation (Dust Diseases) Board	26	61	35	Increase in premium revenue to offset lower investment returns.
Club and Gaming Device Duties	1,061	1,005	(56)	Lower than expected club and hotel gaming duty following the introduction of the smoking ban.
Other Duties and Taxes	4,772	4,837	65	Aggregated net minor variations.
Total Taxation	17,553	18,466	913	
Commonwealth Grants				
General Purpose:				
GST Revenue Grants	11,926	12,060	134	Revisions reflecting higher pool estimates.
Specific Purpose:				
Department of Health	3,576	3,796	220	Mainly additional funding under the Australian Health Care Agreement.
Rural Assistance Authority	175	380	205	Funding of drought assistance under the Exceptional Circumstances Scheme.
Department of Environment and Climate Change	4	67	63	Additional funding for the purchase of water licenses.

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Department of Water and Energy	3	66	63	Mainly contribution to the Achieving Sustainable Groundwater Entitlements program.
Department of Education and Training	1,404	1,453	49	Incorporation of the COAG Programs: Digital Education Revolution, Trade Training Centres and Additional Training Places for Existing Workers.
Department of Primary Industries	4	53	49	Funding for the response to equine influenza under a national cost-sharing scheme.
Ministry of Transport	...	20	20	Western Metro feasibility study - unbudgeted grant from the Commonwealth.
Other	1,688	1,705	17	Aggregated net minor variations.
Total Commonwealth Grants	18,780	19,600	820	
Other Grants and Contributions				
Roads and Traffic Authority of New South Wales	...	144	144	Recognition of a non-cash capital grant from Queensland following the completion of the Tugun Bypass and its transfer from Queensland to New South Wales.
Crown Leaseholds Entity	1	60	59	Land held by Crown Reserve Trusts returned to Crown Lands at notional value.
Other	811	849	38	Aggregated net minor variations.
Total Other Grants and Contributions	812	1,053	241	
Sales of Goods and Services				
Roads and Traffic Authority of New South Wales	282	319	37	Various revenue increases including plate fees and external services.
Department of Education and Training	346	379	33	Course fee and VET revenue offset by expenditures below.
Other	2,795	2,776	(19)	Aggregated net minor variances.
Total Sales of Goods and Services	3,423	3,474	51	

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Interest Income				
NSW Self Insurance Corporation	370	(132)	(502)	Lower than projected financial market returns.
Building and Construction Industry Long Service Leave Payments Corporation	38	(29)	(67)	Lower than projected financial market returns.
Workers Compensation (Dust Diseases) Board	70	35	(35)	Lower than projected financial market returns.
Other	242	288	46	Aggregated net minor variances.
Total Interest Income	720	162	(558)	
Dividend and Income Tax Equivalent Income from other Sectors	1,766	1,820	54	Mainly revised estimates in the electricity sector.
Fines, Regulatory Fees and Other Revenue				
Roads and Traffic Authority of New South Wales	87	143	56	Revision to the value of Right to Receive Physical Assets.
Treasury	251	300	49	Increased fines collected by the State Debt Recovery Office arising from the implementation of the Criminal Infringement Notices Scheme.
Crown Finance Entity	53	100	47	Mainly higher than expected HIH recoveries.
Department of Primary Industries	501	544	43	Mainly due to increase in mining royalties resulting from higher coal prices and volumes.
Other	699	734	35	Aggregated net minor variances.
Total Fines, Regulatory Fees and Other Revenue	1,591	1,821	230	
TOTAL REVENUES	44,645	46,396	1,751	

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EXPENSES				
Rural Assistance Authority	195	467	272	Primarily due to the continuation of the drought and the Commonwealth lowering the eligibility criteria for funding. There are corresponding revenue offsets.
Crown Finance Entity	2,860	3,126	266	Rail debt reduction payment to the Transport Infrastructure Development Corporation of \$390 million offset by superannuation asset and liability revaluation (\$46 million) and lower interest expense due to lower borrowing requirements (\$61 million).
Department of Health	11,797	11,986	189	Expenses associated with additional Commonwealth funding paid direct to the Area Health Services, funding for HIV epidemiology and clinical research, agency expensing of capital purchases and expenditures related to increased revenue.
Department of Education and Training	9,278	9,441	163	Additional school based salaries, depreciation expense due to asset revaluations at 2006-07 year end, special education employee costs and spending additional Commonwealth and VET course revenues.
Roads and Traffic Authority of New South Wales	2,240	2,377	137	Increased maintenance expenditure, in particular repair work on the Central Coast and North Coast roads following floods.
NSW Police Force	1,897	1,992	95	Higher claims under Police's Death and Disability Scheme and revised accounting treatment for employee contributions to this Scheme and increased depreciation expense due to extra funding for ICT projects.
Department of Primary Industries	392	479	87	Mainly equine influenza costs and drought assistance measures.
Department of Water and Energy	445	522	77	Primarily expenditure related to the Achieving Sustainable Groundwater Entitlements program. The program is funded by both the Commonwealth and the State.
Department of the Arts, Sport and Recreation	348	417	69	Mainly due to approved grants for Energy Australia Stadium, Sydney Cricket Ground and Museum of Contemporary Art.
World Youth Day Authority	4	65	61	Additional expenses associated with World Youth Day events, including accessing Randwick Racecourse.
NSW BusinessLink	54	101	47	Additional costs due to increased client project work.

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EXPENSES (cont)				
Department of Community Services	1,162	1,196	34	Increase in the number of children in Out of Home Care services.
Treasury	482	512	30	Higher number of applicants for First Home Owners Grant than anticipated.
Crown Leaseholds Entity	23	50	27	Grants of land to Local Councils and Crown Reserve Trusts.
Department of Premier and Cabinet	136	159	23	Primarily expenses related to conducting three Special Commission of Inquiries and transition to the new Ministry, including improved IT capability for the Minister's offices.
Department of Corrective Services	768	790	22	Variations in the department's program of workplace reforms.
Events NSW Pty Ltd	...	21	21	Creation and funding of the new entity.
Ministry of Transport	3,327	3,347	20	Western Metro feasibility study - onpassing of a Commonwealth grant of \$20 million plus a State Government contribution of \$10 million to the Transport Infrastructure Development Corporation. Increased expenditure partly offset by lower than anticipated expenditure for the former State Rail Authority.
Motor Accidents Authority	11	26	15	Increase in grants for road safety initiatives and rehabilitation for motor vehicle accident victims.
NSW Self Insurance Corporation	1,126	757	(369)	Reduction in the claims costs, particularly in relation to medical indemnity public liability and lower weekly benefit payments in worker's compensation.
Department of Commerce	760	734	(26)	Mainly reflects amendment to Defined Benefit Super Scheme estimate consistent with the State Super final accounts for 2006-07.
Building and Industry Long Service Leave Coporation	100	84	(16)	Mainly reduction in provision for long service leave arising from actuarial assessment.
Treasurer's Advance	215	...	(215)	Increased expenses included in agency data.
Other	6,985	7,047	62	Aggregated net minor variations.
TOTAL EXPENSES	44,605	45,696	1,091	
BUDGET RESULT - SURPLUS/(DEFICIT)	40	700	660	

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Capital Expenditure (Excluding finance lease acquisitions)				
Department of Environment and Climate Change	80	231	151	Primarily grants received for the purchase of water licenses and acquisition of land dedicated for National Park.
Environmental Planning and Assessment Act	309	130	(179)	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.
Department of Education and Training	564	523	(41)	Reduction in expenditure for various capital works due to delayed negotiations and finalisation of project specifications.
Department of Corrective Services	97	68	(29)	Reduction in building works resulting from delays in site acquisition and planning approval on Inmate Beds project. Expenditure has been deferred to future years when alternative accommodation arrangements are identified.
Treasurer's Advance	60	...	(60)	Expenditures included in agency data.
Other	3,581	3,589	8	Aggregated net minor variations.
Total Capital Expenditure	4,691	4,541	(150)	
Sales of Non-Financial Assets				
Roads and Traffic Authority of New South Wales	23	64	41	Significant increase in asset sales.
Environmental Planning and Assessment Act	50	84	34	Sale of land from the Rouse Hill project.
Department of Health	51	15	(36)	Early recognition of sale of Newcastle Hospital in June 2007.
State Property Authority	67	50	(17)	Sale of Sheas Creek industrial land.
Other	278	314	36	Aggregated net minor variations.
Total Sales of Non-Financial Assets	469	527	58	

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Depreciation				
Department of Education and Training	367	399	32	Additional depreciation expense due to \$1.5 billion asset revaluation at June 2007.
Other	2,062	2,079	17	Aggregated net minor variations.
Total Depreciation	2,429	2,478	49	
Change in Inventories	(2)	4	6	Aggregated net minor variations.
Other Movements in Non-Financial Assets				
Assets acquired under Finance Leases:				
Department of Corrective Services	...	61	61	Finance lease brought forward into 2007-08 from 2008-09.
Ministry of Transport	121	139	18	Mainly for additional acquisitions of 61 new buses under finance lease arrangements.
Other movements:				
Roads and Traffic Authority of New South Wales	68	267	199	Unbudgeted non-cash capital grant and higher right to receive physical assets (see revenue above).
Other	72	103	31	Aggregated net minor variations.
Total Other Movements in Non-Financial Assets	261	570	309	
NET LENDING	(2,012)	(1,410)	602	