Joy Burch MLA
MINISTER FOR DISABILITY, HOUSING AND COMMUNITY SERVICES
MINISTER FOR AGEING
MINISTER FOR MULTICULTURAL AFFAIRS
MINISTER FOR WOMEN

Member for Brindabella

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QoNs 91-106.

Inquiry into Annual and Financial Reports 2009-10

QUESTIONS ON NOTICE No 91-106

Mr Brendan Smyth asked the Minister for Police and Emergency Services, upon notice, on 6 December 2010:

Note: All these questions relate to the Financial Statements in JACS Annual Report, Volume 2, p.27.

91. Why did Non-ACT Government user charges increased by 13 per cent over the budget estimate?

92. What were the reasons for the increase in revenue from Non-ACT Government users?

93. Will this source of revenue continue to grow?

94. In Other [Income] Gains, what was the source of the $3 million?

95. Will this source of revenue be repeated during 2010-11 or in later years?

96. What were the reasons for the increase in Employee Expenses of more than $13 million over the financial year – from $46 million in the Budget to an outcome of $59 million, in addition to the increase flowing from the reclassification of paramedics?

97. Why was the effect of these other factors not budgeted for?

98. What are the likely indications for trends in employee expenses in 2010-11?

99. Why did spending on Supplies and Services fall below budget by 17 per cent or by more than $4 million?

100. Will this pattern be repeated during 2010-11?

101. Why did the amount of funds allocated to Depreciation and Amortisation fall below budget by 19 per cent or by more than $1.4 million?

102. What new equipment was taken into service by ESA during 2009-10?

Approved for circulation to the Member

Joy Burch MLA
Acting Minister for Police and Emergency Services **Date:** 31.1.11

103. Was a new Bronto fire truck taken on during 2009-10 and, if so, what effect did this new truck have on the allowance for depreciation?

104. What equipment was taken out of service and what effect did this have on the allowance for depreciation?

105. Why did spending on Other Expenses increase by 38 per cent or more than $400,000?

106. Will this trend be continued into 2010-11?

Ms Burch – the answers to the Member's questions are as follows:

<u>Questions 91 and 92</u>

The increase of $1.686m in the 2009-10 actual outcome from the original budget mainly relates to acquittal of 2008-09 Commonwealth Fire Services Payment and higher than expected ambulance transport revenue, mainly for the Department of Veterans Affairs (DVA), and fire alarm related revenue.

<u>Question 93</u>

The acquittal of the 2008-09 Commonwealth Fire Services Payment will cease in 2010-11. Estimated impacts on ambulance transport revenue have been incorporated into the 2010-11 Budget estimates.

<u>Question 94</u>

Other Gains ($3.004m) relate to:

- the gain recognised on the transfer of land at 141 Canberra Avenue, Fyshwick from ACT Property Group to the Emergency Service Agency for the CBRN Store ($2.740m); and
- gains related to the disposal of assets, mainly proceeds from sale of vehicles.

<u>Question 95</u>

The gain relating to the transfer of land at Fyshwick is one-off in nature and will cease in 2010-11. However, gains on disposal of assets may arise in future years, depending on second-hand asset markets.

Question 96

The increase of $13.071m from the original budget is mainly related to:

- recognition of the work value decision relating to ACT Intensive Care Paramedics made by Commissioner Deegan of Fair Work Australia in March 2010 ($5.597m), including a back adjustment to reflect the date of effect of 1 June 2008;
- recognition of the new 2010 collective agreements, including sign-on bonus ($0.723m);
- impact of the change in ACT Government accounting measurement of employee benefit liaiblities ($1.137m); and
- higher employee related costs ($5.614m),including other annual and long service leave movements ($3.137m), which are partially offset by additional own source revenue and lower supplies and services.

Question 97

Outcomes of the work value decision relating to ACT Intensive Care Paramedics; the 2010 collective agreements; and the change in the ACT Government accounting measurement of employee benefit liabilities were not known at the time of developing the 2009-10 Budget, presented in early May 2009.

Question 98

The 2010-11 Budget papers reflect a transfer of $2m from supplies and services to employee expenses and estimates of the ongoing annual impact of the work value decision, the 2010 collective agreement offer made prior to May 2010 and an estimate of the impact of the change in ACT Government accounting measurement of employee benefit liabilities based on information available prior to the presentation of the Budget in May 2010.

Question 99

The decrease of $4.302m in 2009-10 actual from the original budget mainly relates to lower supplies and services to offset the higher employee expenses, the impact of a relatively moderate fire season, and the rollover of repairs and maintenance funding ($0.200m) to 2010-11.

Question 100

The 2010-11 Budget papers reflect a transfer of $2m from supplies and services to employee expenses and the rollover of $0.2m repairs and maintenance funding to 2010-11.

Question 101

The decrease of $1.432m in 2009-10 actual from the original budget predominately relates to the delay in commissioning of ESA Headquarters ($0.871m) and rollovers of the following capital projects:

- ESA Communications Upgrade Project ($0.212m);
- ESA Increased Fire Vehicle Replacement ($0.186m); and
- ESA Vehicle Replacement Program ($0.163m).

Question 102

Equipment, with a value that meets the Department's asset threshold of $5,000, added to the Oracle asset register during 2009-10 includes:

- 2 Thermal Imaging Cameras;
- 2 Photo-ionisation Devices; and
- Gas Suits for Fire Brigade.

The above equipment assets are in addition to equipment incorporated on vehicle assets commissioned during 2009-10, and do not include other equipment purchases less than the $5,000 asset threshold.

Question 103

The new High Rise Aerial Emergency Vehicle was commissioned during 2009-10, with annual depreciation expense of $0.083m. This impact is incorporated into the 2009-10 budget estimate.

Question 104

Equipment, with a value that meets the Department's asset threshold of $5,000, retired from the Oracle asset register during 2009-10 includes:

- 1 Thermal Imaging Camera (annual depreciation expense of $0.003m)

Question 105

The increase of $0.410m in 2009-10 actual Other Expenses from the original budget is predominately due to an increase in the allowance for impairment of receivables primarily related to ambulance transport fees.

Question 106

The increase in allowance for impairment of receivables relates to Receivables balances as at 30 June 2010. The total Other Expenses budget in the 2010-11 Budget papers is similar to prior year budget.