LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

QON No. 44

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), MARK PARTON MLA, SUZANNE ORR MLA

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Inquiry into referred 2016–17 Annual and Financial Reports
ANSWER TO QUESTION ON NOTICE

Asked by MR COE MLA:

Chief Minister, Treasury and Economic Development Directorate 2016/17 Annual Report, Financial Management, Output 4

In relation to Financial and Economic Management:

1. Why was the directorate revenue $3.2 million less than originally budgeted?
2. How were expenses reduced by more than $6.5 million during 2016-17 compared to 2015/16

Mr BARR MLA: The answer to the Member's question is as follows:–

1. The decrease in Output Class 4 revenue compared to the original budget is largely due to the lower Controlled Recurrent Payments resulting from:
   - the rollover of $8.408m in funding from 2016-17 to future years associated with the Restructure Fund ($6.597m), Strategic Asset Management Plan ($1.074m), Investment Logic Mapping ($0.347m), Asset Recycling ($0.072m), Insurance Reform ($0.131m) and Value Sharing Advice ($0.187m) initiatives;
   - an underspend in consultant fees associated with the Infrastructure Finance and Advisory Division's projects ($0.514m);
   - a number of vacant positions not being back filled ($0.476m); and
   - a change in notional allocation of corporate overhead, following the Administrative Arrangements of 1 November 2016.

   This is partially offset by the rollover of $7.583m in funding from 2015-16 to 2016-17 associated with the Restructure Fund ($5.974m), Strategic Asset Management Plan ($1.233m) and Investment Logic Mapping ($0.376m) initiatives.

2. The decrease in Output Class 4 total expenses in 2016-17 compared to 2015-16 is mainly due to:
   - a decrease in expenditure relating to the Restructure Fund ($5.290m) and partnership framework advisory support ($0.475m); and
   - the impact of the cessation of funding associated with Pilot Asset Review ($0.153m), Directorate Operational Review ($0.618m) and Australian Forum Investment Ready ($0.2m) initiatives.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: Andrew Barr   Date: 23.11.2017

By the Treasurer, Andrew Barr MLA