

# NATIONAL NATIVE TITLE TRIBUNAL

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The National Native Title Tribunal (NNTT) was established under the *Native Title Act 1993* (the Act), the objectives of which include:

- to provide for the recognition and protection of native title
- to establish a mechanism for determining claims to native title, and
- to establish ways in which future dealings affecting native title (future acts) may proceed.

Under the scheme created by the Act, the NNTT is vested with wide-ranging responsibilities which include:

- testing claimant applications for registration purposes
- providing assistance to parties (including geospatial information and historical, anthropological and linguistic research services)
- assisting with the negotiation of indigenous land use agreements (ILUAs) and assessing them for registration
- conducting reviews and inquiries about native title issues
- mediating various types of applications
- mediating, arbitrating and conducting inquiries about certain future acts, and
- maintaining registers of claims, determinations of native title and ILUAs.

The outcome of the NNTT in 2010–11 is ‘Facilitation of native title determinations, agreements and the disposition of related matters for claimants and others with interests in land and waters through mediation, agreement-making and administrative decisions’.

In 2010–11 the NNTT, and other participants in the native title system, will be operating in a recently changed scheme for the resolution of native title applications. This scheme is the result of the *Native Title Amendment Act 2009*, which commenced in September 2009. This legislation gives effect to the Australian Government’s policy to achieve more flexible and quicker negotiated settlements of native title claims. Among other measures, the amendments removed the automatic referral of matters to the NNTT for mediation and gave the Federal Court control over native title mediation by allowing it to refer each native title application to an appropriate person or body for mediation.

During 2010–11 the NNTT will continue to work with the Federal Court, and in alignment with its priorities, to implement the amendments and the resulting changed scheme for the resolution of native title applications.

The challenges for the NNTT in 2010–11 and beyond include:

- continual monitoring of access to the NNTT’s mediation practice and related functions following the 2009 amendments, and calibrating resources as required
- operating with fewer NNTT members, and
- reduced ongoing funding .

The NNTT is responding to the new native title environment by:

- strategically repositioning itself through its Strategic Plan 2009–2011, in particular as articulated in its new vision: ‘Timely, effective native title and related outcomes’
- actioning key strategies identified in the Strategic Plan 2009–2011, including:
  - maintaining or improving the timeliness of services
  - working with parties to develop timely and effective native title and related outcomes
  - using cross-cultural mediation experience and geospatial, research and other specialist expertise to deliver effective services
  - delivering high-quality mediation and agreement-making services
  - fostering a culture of high achievement and performance within the NNTT, and
  - managing resources strategically and effectively
- developing stronger and more effective relationships with the Federal Court, the Department of Families, Housing, Community Services and Indigenous Affairs, and other participants in the native title system
- regularly reporting to the Federal Court on the progress of mediation
- responding appropriately to requests from the Federal Court
- implementing initiatives designed to streamline native title processes, such as holding scoping conferences for non-government respondents
- entering into tenure information-sharing agreements with relevant state and territory authorities
- engaging in cross-institutional projects which will assist in expediting the resolution of claims, and
- working collaboratively with other entities to address emerging issues, particularly after determinations of native title are made.

The NNTT will monitor and measure its success in these and other initiatives using the ‘balanced scorecard’ strategic management methodology as appropriate.

## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

**Table 1.1: Agency resource statement—Budget estimates for 2010–11 as at Budget May 2010**

	Estimate of prior year amounts available in 2010–11 (\$'000)	+ Proposed at Budget 2010–11 (\$'000)	= Total estimate 2010–11 (\$'000)	Actual available appropriation 2009–10 (\$'000)
<b>ORDINARY ANNUAL SERVICES<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	17,477	–	17,477	–
Departmental appropriation <sup>3</sup>	–	27,351	27,621	29,682
S 31 relevant agency receipts <sup>4</sup>	–	88	88	84
<b>Total ordinary annual services</b>	<b>17,477</b>	<b>27,439</b>	<b>45,186</b>	<b>29,766</b>
<b>OTHER SERVICES</b>				
<b>Departmental non-operating</b>				
Equity injections	–	270	270	–
<b>Total other services</b>	<b>–</b>	<b>270</b>	<b>270</b>	<b>–</b>
<b>Total available annual appropriations</b>	<b>17,477</b>	<b>27,709</b>	<b>45,186</b>	<b>29,766</b>
<b>SPECIAL ACCOUNTS</b>				
Opening balance <sup>5</sup>	–	–	–	–
Receipts	–	–	–	–
<b>Total special accounts</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total net resourcing for agency</b>	<b>17,477</b>	<b>27,709</b>	<b>45,186</b>	<b>29,766</b>

All figures are GST exclusive.

1. Appropriation Bill (No. 1 & 2) 2010–11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$0.426m in 2010–11 for the departmental capital budget (see Table 3.2.5 for further details). For accounting purposes, this amount has been designated as 'contributions by owners'.
4. Section 31 relevant agency receipts—estimate.
5. Estimated opening balance for special accounts (less 'Special Public Money' held in accounts such as Other Trust Moneys and Services for Other Governments and Non-Agency Bodies accounts). For further information on special accounts, see Table 3.1.2.

### 1.3 BUDGET MEASURES

Budget measures relating to the NNTT are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: Agency 2010–11 Budget measures**

	Program	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2012–13 (\$'000)	2013–14 (\$'000)
<b>EXPENSE MEASURES</b>						
<b>National Native Title Tribunal— increased efficiencies</b>	1.1					
Departmental expenses		–	(1,456)	(1,652)	(1,975)	(2,693)
<b>Improving Access to Justice</b>	1.1					
Departmental		–	(2,055)	(2,393)	(2,556)	(2,331)
<b>Total expense measures</b>		–	<b>(3,511)</b>	<b>(4,045)</b>	<b>(4,531)</b>	<b>(5,024)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The NNTT's outcome is described below together with its related program, specifying the performance indicators and targets used to assess and monitor the performance of the NNTT in achieving government outcomes.

**Outcome 1: Facilitation of native title determinations, agreements and the disposition of related matters for claimants and others with interests in land and waters through mediation, agreement-making and administrative decisions**

The NNTT has a single program with three key components:

- Stakeholder and community relations
- Agreement-making, and
- Decisions.

The three effectiveness indicators of the various components are:

- improvement in the quality of native title and related agreement-making
- increase in the proportion of native title and related agreements by:
  - increase in agreement-making as an alternative to litigated outcomes
  - increase in ILUA and future act agreement-making as alternatives to arbitration, and
- less than 5% of decisions successfully appealed or reviewed.

## Outcome expense and resource statement

Table 2.1 provides an overview of the total expenses for Outcome 1 by program.

**Table 2.1: Budgeted expenses and resources for Outcome 1**

<b>Outcome 1: Facilitation of native title determinations, agreements and the disposition of related matters for claimants and others with interests in land and waters through mediation, agreement-making and administrative decisions</b>	<b>2009–10 Estimated actual expenses (\$'000)</b>	<b>2010–11 Estimated expenses (\$'000)</b>
<b>Program 1.1: National Native Title Tribunal</b>		
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	29,682	26,925
Revenues from independent sources (section 31)	84	88
Expenses not requiring appropriation in the Budget year <sup>1</sup>	967	967
<b>Total expenses for Outcome 1<sup>2</sup></b>	<b>30,733</b>	<b>27,980</b>
	<b>2009–10</b>	<b>2010–11</b>
<b>Average staffing level (number)</b>	<b>217</b>	<b>182</b>

Note: The NNTT's revised outcome statement was approved by the Minister for Finance and Deregulation on 23 December 2009, and accordingly is reflected in the 2010–11 Portfolio Budget Statements.

Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

1. Includes \$0.967m in depreciation and amortisation expense in 2010–11.
2. Excludes capital expense. For details, see Table 3.2.5.

## Contributions to Outcome 1

### Program 1.1: National Native Title Tribunal

#### **Program 1.1 objective**

The NNTT has a single program with three key components:

- Stakeholder and community relations
- Agreement-making, and
- Decisions.

#### **Stakeholder and community relations**

The NNTT is empowered under the Act to assist native title applicants and other persons with the preparation of applications, and to help people at any stage of a proceeding. The NNTT aims to provide comprehensive services in this regard, through the provision of maps, research reports, register and tenure information and information about native title and agreement-making processes.

In addition, the NNTT builds the capacities of parties to be effective participants in the native title process by facilitating forums, workshops and planning meetings, often in partnership with other organisations.

Those roles and functions enhance stakeholder and community relationships and facilitate the efficient and effective operation of the native title system.

#### **Agreement-making**

The NNTT works with participants in native title proceedings to reach timely and effective native title and native title-related outcomes.

The native title scheme created by the Act expressly anticipates and supports the resolution of native title issues by agreement.

Accordingly, through delivery of a wide range of services, the NNTT facilitates the making of agreements by parties to native title proceedings.

In particular:

- the NNTT must mediate applications for determination of native title and compensation applications that are referred to it by the Federal Court
- parties wishing to make an ILUA or a statutory access agreement may request the NNTT to assist them in negotiating the agreement, and
- parties wishing to reach an agreement about whether or how certain future acts affecting native title may be done can ask the NNTT to mediate.

**Program 1.1 objective (continued)****Decisions**

The objective is to make timely and legally sustainable decisions in performance of the NNTT's registration and arbitration functions, including:

- decisions made by the Native Title Registrar, and reconsideration decisions by NNTT members, when considering native title claimant applications for registration on the Register of Native Title Claims
- the Native Title Registrar's decisions whether to register agreements on the Register of Indigenous Land Use Agreements
- determinations made by the NNTT that a future act may or must not be done and, if the future act may be done, whether it is to be done subject to conditions or not. It also includes decisions whether negotiations to reach agreement about future act determination applications have occurred in good faith, and
- the processing, and finalisation, by the NNTT of objections to the inclusion of the expedited procedure statement in certain future act notices.

**Program 1.1 expenses**

The NNTT has measures savings of \$17.111m over the period 2010-11 to 2013-14.

The NNTT will receive additional capital funding (\$0.270m) in 2010-11, from the ICT BAU Reinvestment Fund, to implement initiatives directed at achieving ICT efficiencies.

(\$'000)	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual departmental expenses					
Departmental item	29,766	27,013	24,530	23,878	23,564
Expenses not requiring appropriation in the Budget year	967	967	567	657	550
<b>Total program expenses</b>	<b>30,733</b>	<b>27,980</b>	<b>25,097</b>	<b>24,535</b>	<b>24,114</b>

### **Program 1.1 deliverables**

The NNTT's deliverables are set out against the following three components (which constitute its single program):

- Stakeholder and community relations
- Agreement-making, and
- Decisions.

The NNTT uses qualitative and quantitative measures to assess and report on its performance. The qualitative measures are set out against each component. The quantitative measures are set out in the table below.

Note: The unique nature of the native system and the factors affecting it (internal and external) create difficulties in the precise forecasting of deliverables.

The target deliverables for 2010–11 have been informed by current workloads and achievements in the previous financial year, and the deliverables for forward years have been formulated on an analysis of workload and achievement trends and the reduced NNTT funding for 2010–11 to 2013–14. It is difficult to forecast with accuracy the impact of reduced NNTT funding on deliverables. Under the scheme created by the Act, the NNTT performs a wide range of mandatory and discretionary functions and provides associated services. The NNTT will seek to ensure that its funding is allocated appropriately to facilitate the performance of its functions and provision of those services.

#### **Stakeholder and community relations**

The deliverables are as follows:

- Capacity-building and strategic/sectoral initiatives, projects and activities including the strategic planning of native title-related activities with stakeholders
- Assistance and information: providing a wide range of NNTT services to assist native title claimants and other participants in native title processes.

The qualitative measures for this component are:

- 80% of respondents to client surveys are satisfied with the quality of the initiative
- 80% of respondents to client surveys are satisfied with the assistance, service or product.

**Program 1.1 deliverables (continued)****Agreement-making**

The 2009 amendments to the Act are likely to affect the NNTT's role in mediating in respect of native title determination (claimant) applications, and facilitating related agreements such as ILUAs. The NNTT anticipates that the reduction in funding may have a more immediate impact on deliverables in 2010-11.

In that context, the deliverables are set out below, under specified departmental items.

ILUAs negotiated with the assistance of the NNTT:

- fully concluded agreements
- milestones in ILUA negotiations outside the mediation of native title determination applications
- milestones in ILUA negotiations within the mediation of native title determination applications.

Native title agreements and related milestones agreements – agreements on native title determination applications (claimant, non-claimant, compensation and revised applications) mediated with the assistance of the NNTT:

- agreements that fully resolve native title applications
- milestones on issues, leading towards the resolution of native title applications
- process and framework milestones.

Future act agreements – agreements mediated with the assistance of the NNTT that a proposed activity or acquisition may or may not proceed, either:

- agreements that fully resolve future act applications, or
- milestones in future act mediations.

The qualitative measure for this component is:

- Clients' perception of the quality of the agreement-making process.

**Decisions**

- Registration of native title claimant applications
- Registration of ILUAs
- Future act determinations
- Finalised objections to the expedited procedure.

Program 1.1 deliverables (*continued*)

The qualitative measures for this component are:

- 70% of decisions for the registration of native title claimant applications are completed within six months of receipt of the original or amended application submitted for registration
- 90% of decisions for the registration of ILUAs are completed within six months of receipt of the application submitted for registration, where there is no objection or other bar to registration
- 80% of future act determinations are finalised within six months of the application being made
- 80% of objections to the expedited procedure resolved other than by agreement are finalised within nine months of the section 29 notice closing date
- 70% of objections to the expedited procedure resolved by agreement are finalised within nine months of acceptance.

<b>Deliverables</b>	<b>2009–10 Revised budget</b>	<b>2010–11 Budget</b>	<b>2011–12 Forward year 1</b>	<b>2012–13 Forward year 2</b>	<b>2013–14 Forward year 3</b>
<b>Stakeholder and community relations</b>					
Capacity-building initiatives	7	4	3	2	2
Assistance and information	345	274	195	163	163
<b>Agreement-making</b>					
ILUAs (fully concluded)	52	38	33	33	33
ILUAs (milestone—outside mediation)	31	53	49	49	47
ILUAs (milestone—within mediation)	175	104	95	95	93
Native title agreements (full resolution)	17	14	14	15	16
Native title agreements (specific issues)	166	125	113	113	113
Native title agreements (framework and process)	147	129	115	109	109
Future act agreements (full resolution)	65	65	58	57	57
Future act agreements (milestones in negotiations)	100	86	79	75	75
<b>Decisions</b>					
Registration of native title claimant applications	29	29	29	27	26
Registration of ILUAs	54	60	55	55	54
Future act determinations	37	45	43	43	38
Finalised objections to the expedited procedure	852	1,030	1,030	1,030	995

**Program 1.1 key performance indicators**

The key performance indicators for the program components are as follows:

**Stakeholder and community relations**

- Improvement in the quality of native title and related agreement-making

**Agreement-making**

- Improvement in the quality of native title and related agreement making
- Increase in the proportion of native title and related agreements by:
  - increase in agreement-making as an alternative to litigated outcomes
  - increase in ILUA and future act agreement-making as alternatives to arbitration

**Decisions**

- Less than 5% of decisions successfully appealed or reviewed.

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010–11 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, special accounts and government Indigenous expenditure.

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Movement of administered funds between years

The NNTT has no administered appropriations.

#### 3.1.2 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the NNTT.

**Table 3.1.2: Estimates of special account flows and balances**

	Opening balance 2010–11 2009–10	Receipts 2010–11 2009–10	Payments 2010–11 2009–10	Adjustments 2010–11 2009–10	Closing balance 2010–11 2009–10
Outcome	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Other Trust Monies—	1				
FMA Act s 20(D) <sup>1</sup>	1	–	–	–	–
<b>Total special accounts 2010–11 Budget estimate</b>	–	–	–	–	–
<i>Total special accounts 2009–10 estimate actual</i>	–	–	–	–	–

(D) = Departmental.

- The purpose of this account is to hold monies advanced to the NNTT by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1988*. Where the NNTT makes payment against accrued sick leave entitlements pending determination of an employee's claim, permission is obtained in writing from each individual to allow the NNTT to recover monies from this account. This account is non-interest-bearing. Since it is not possible to estimate compensations claims and payments, no amounts have been estimated.

### 3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3 shows the NNTT's Australian Government Indigenous expenditure relating to Outcome 1.

**Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)**

	Appropriations						Program
	Bill No. 1 (\$'000)	Bill No. 2 (\$'000)	Special appropriation (\$'000)	Total appropriation (\$'000)	Other (\$'000)	Total (\$'000)	
<b>Outcome 1</b>							
Departmental 2010–11	27,351	270	–	27,621	88	27,709	1.1
<i>Departmental 2009–10</i>	<i>29,682</i>	<i>–</i>	<i>–</i>	<i>29,682</i>	<i>84</i>	<i>29,766</i>	<i>1.1</i>
<b>Total AGIE 2010–11</b>	<b>27,351</b>	<b>270</b>	<b>–</b>	<b>27,621</b>	<b>88</b>	<b>27,709</b>	
<i>Total AGIE 2009–10</i>	<i>29,682</i>	<i>–</i>	<i>–</i>	<i>29,682</i>	<i>84</i>	<i>29,766</i>	

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

There is no significant difference between the agency resourcing and financial statements.

### **3.2.2 Analysis of budgeted financial statements**

The budget for 2010–11 and forward estimates to 2013–14 show a decrease in appropriation to the NNTT. The reduction in appropriation comprises the savings required by the government.

In 2010–11, the provisions for employees and associated administrative costs are expected to decrease due to the expected reduction in staff numbers in order to meet the reduced level of funding. Over the years 2011–12 to 2013–14, the NNTT expects the downward trend in expenses to continue in response to reduced funding in these future years.

The income statement for the year 2009–10 and forward years indicates a deficit attributable to the Australian Government which equates to the annual amount of depreciation and amortisation costs. This is as a result of the change in government's accounting policy on capital expenditure.

### 3.2.3 Budgeted financial statements tables

#### Departmental

**Table 3.2.1 Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>EXPENSES</b>					
Employee benefits	19,881	18,369	17,161	16,535	16,024
Supplier expenses	9,885	8,644	7,368	7,343	7,541
Depreciation and amortisation	967	967	567	657	550
<b>Total expenses</b>	<b>30,733</b>	<b>27,980</b>	<b>25,097</b>	<b>24,535</b>	<b>24,114</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	84	88	83	97	97
<b>Total revenue</b>	<b>84</b>	<b>88</b>	<b>83</b>	<b>97</b>	<b>97</b>
<b>Total own-source income</b>	<b>84</b>	<b>88</b>	<b>83</b>	<b>97</b>	<b>97</b>
<b>Net cost of (contribution by) services</b>	<b>(30,649)</b>	<b>(27,892)</b>	<b>(25,014)</b>	<b>(24,438)</b>	<b>(24,017)</b>
Revenue from government	29,682	26,925	24,447	23,781	23,468
<b>Surplus (deficit)</b>	<b>(967)</b>	<b>(967)</b>	<b>(567)</b>	<b>(657)</b>	<b>(550)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(967)</b>	<b>(967)</b>	<b>(567)</b>	<b>(657)</b>	<b>(550)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	–	–	–	–	–
<b>Total other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

<b>Note: Reconciliation of operating result attributable to the agency</b>	2009–10 (\$'000)	2010–11 (\$'000)	2011–12 (\$'000)	2013–14 (\$'000)	2012–13 (\$'000)
<b>Operating result attributable to the Australian Government</b>	<b>–</b>	<b>(967)</b>	<b>(567)</b>	<b>(657)</b>	<b>(550)</b>
Plus non-appropriated expenses					
Depreciation and amortisation expenses	–	967	567	657	550
<b>Operating result attributable to the agency</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	815	64	401	576	614
Trade and other receivables	15,695	12,987	12,952	13,135	12,793
<b>Total financial assets</b>	<b>16,510</b>	<b>13,051</b>	<b>13,353</b>	<b>13,711</b>	<b>13,407</b>
<b>Non-financial assets</b>					
Land and buildings	1,277	1,362	1,819	2,391	2,337
Property, plant and equipment	1,094	537	356	184	114
Intangibles	14	12	10	8	6
Other	304	689	513	206	216
<b>Total non-financial assets</b>	<b>2,689</b>	<b>2,600</b>	<b>2,698</b>	<b>2,789</b>	<b>2,673</b>
<b>Total assets</b>	<b>19,199</b>	<b>15,651</b>	<b>16,051</b>	<b>16,500</b>	<b>16,079</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,300	290	514	544	592
<b>Total payables</b>	<b>1,300</b>	<b>290</b>	<b>514</b>	<b>544</b>	<b>592</b>
<b>Provisions</b>					
Employee provisions	4,016	1,749	1,718	1,739	1,397
Other	457	457	457	457	457
<b>Total provisions</b>	<b>4,473</b>	<b>2,206</b>	<b>2,175</b>	<b>2,196</b>	<b>1,853</b>
<b>Total liabilities</b>	<b>5,773</b>	<b>2,496</b>	<b>2,689</b>	<b>2,740</b>	<b>2,445</b>
<b>Net assets</b>	<b>13,426</b>	<b>13,155</b>	<b>13,362</b>	<b>13,760</b>	<b>13,634</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	2,415	3,111	3,885	4,940	5,364
Retained surplus (accumulated deficit)	11,011	10,044	9,477	8,820	8,270
<b>Total parent entity interest</b>	<b>13,426</b>	<b>13,155</b>	<b>13,362</b>	<b>13,760</b>	<b>13,634</b>
<b>Total equity</b>	<b>13,426</b>	<b>13,155</b>	<b>13,362</b>	<b>13,760</b>	<b>13,634</b>

Note: 'Equity' is the residual interest in assets after deduction of liabilities.  
Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental statement of changes in equity—summary of movement (Budget year 2010–11)**

	Retained earnings (\$'000)	Contributed equity/ capital (\$'000)	Total equity (\$'000)
<b>Opening balance as at 1 July 2010</b>			
Balance carried forward from previous period	11,011	2,415	13,426
Adjustment for changes in accounting policies	–	–	–
<b>Adjusted opening balance</b>	<b>11,011</b>	<b>2,415</b>	<b>13,426</b>
<b>Comprehensive income</b>			
Surplus (deficit) for the period	(967)	–	(967)
<b>Total comprehensive income recognised directly in equity</b>	<b>10,044</b>	<b>2,415</b>	<b>12,459</b>
<b>Transactions with owners</b>			
Contributions by owners			
Appropriation (equity injection)	–	270	270
Appropriation (departmental capital budget)	–	426	426
<b>Sub-total transactions with owners</b>	<b>–</b>	<b>696</b>	<b>696</b>
<b>Estimated closing balance as at 30 June 2011</b>	<b>10,044</b>	<b>3,111</b>	<b>13,155</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	84	88	93	97	97
Appropriations	29,682	30,058	25,463	25,051	24,108
Net GST received	850	980	690	710	715
<b>Total cash received</b>	<b>30,616</b>	<b>31,126</b>	<b>26,246</b>	<b>25,858</b>	<b>24,920</b>
<b>Cash used</b>					
Employees	19,662	20,487	17,542	16,815	16,566
Suppliers	9,661	10,964	7,593	7,813	7,892
<b>Total cash used</b>	<b>29,323</b>	<b>31,451</b>	<b>25,135</b>	<b>24,628</b>	<b>24,458</b>
<b>Net cash from (used by) operating activities</b>	<b>1,293</b>	<b>(325)</b>	<b>1,111</b>	<b>1,230</b>	<b>462</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,283	426	774	1,055	424
<b>Total cash used</b>	<b>1,283</b>	<b>426</b>	<b>774</b>	<b>1,055</b>	<b>424</b>
<b>Net cash from (used by) investing activities</b>	<b>(1,283)</b>	<b>(426)</b>	<b>(774)</b>	<b>(1,055)</b>	<b>(424)</b>
<b>Net increase (decrease) in cash held</b>	<b>10</b>	<b>(751)</b>	<b>337</b>	<b>175</b>	<b>38</b>
Cash and cash equivalents at beginning of reporting period	805	815	64	401	576
<b>Cash and cash equivalents at end of reporting period</b>	<b>815</b>	<b>64</b>	<b>401</b>	<b>576</b>	<b>614</b>

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget—Bill 1 (DCB)	–	426	774	1,055	424
Equity injections—Bill 2 <sup>1</sup>	–	270	–	–	–
<b>Total capital appropriations</b>	<b>–</b>	<b>696</b>	<b>774</b>	<b>1,055</b>	<b>424</b>
<b>Total new capital appropriations</b>					
<b>Represented by:</b>					
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation—DCB <sup>2</sup>	–	696	774	1,055	424
Funded internally from departmental resources <sup>3</sup>	1,283	–	–	–	–
<b>Total</b>	<b>1,283</b>	<b>696</b>	<b>774</b>	<b>1,055</b>	<b>424</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,283	426	774	1,055	424
<b>Total cash used to acquire assets</b>	<b>1,283</b>	<b>426</b>	<b>774</b>	<b>1,055</b>	<b>424</b>

Prepared on Australian Accounting Standards basis.

DCB = departmental capital budget.

1. Includes capital injection for the *Migration to VoIP Telephony Services* and *Integration of EDRMS into Standard Operating Environment* measures funded by the Department of Finance and Deregulation ICT BAU Reinvestment Fund. These assets will be purchased during 2009–10.
2. Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets.
3. Includes the following sources of funding:
  - annual and prior year appropriations, and
  - s 31 relevant agency receipts.

**Table 3.2.6: Statement of departmental asset movements (2010–11)**

	Buildings (\$'000)	Other property, plant & equipment (\$'000)	Intangibles (\$'000)	Total (\$'000)
<b>As at 1 July 2010</b>				
Gross book value	6,015	3,648	452	10,115
Accumulated depreciation/amortisation and impairment	(4,738)	(2,554)	(438)	(7,730)
<b>Opening net book balance</b>	<b>1,277</b>	<b>1,094</b>	<b>14</b>	<b>2,385</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase—appropriation ordinary annual services	285	141	–	426
<b>Total additions</b>	<b>285</b>	<b>141</b>	<b>–</b>	<b>426</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(200)	(698)	(2)	(900)
<b>As at 30 June 2011</b>				
Gross book value	6,300	3,789	452	10,541
Accumulated depreciation/amortisation and impairment	(4,938)	(3,252)	(440)	(8,630)
<b>Closing net book balance</b>	<b>1,362</b>	<b>537</b>	<b>12</b>	<b>1,911</b>

Prepared on Australian Accounting Standards basis.

### Administered

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation revenue</b>					
Other	30	–	–	–	–
<b>Total non-taxation revenue</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total income administered on behalf of government</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Other	30	–	–	–	–
<b>Total expenses administered on behalf of government</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

Note: The NNTT collects application fees on behalf of the government and these amounts are swept overnight and transferred to the Official Public Account. Since it is not possible to estimate the amount of fees the NNTT will collect on behalf of the government, none have been estimated.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual 2009–10 (\$'000)	Budget estimate 2010–11 (\$'000)	Forward estimate 2011–12 (\$'000)	Forward estimate 2012–13 (\$'000)	Forward estimate 2013–14 (\$'000)
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Other	30	–	–	–	–
<b>Total cash received</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash from (used by) operating activities</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Other	30	–	–	–	–
<b>Total cash used</b>	<b>30</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net cash from (used by) financing activities</b>	<b>(30)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at beginning of reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Prepared on Australian Accounting Standards basis.

Note: The NNTT collects application fees on behalf of the government and these amounts are swept overnight and transferred to the Official Public Account. Since it is not possible to estimate the amount of fees the NNTT will collect on behalf of the government, none have been estimated.

### 3.2.4 Notes to the financial statements

#### Net cash arrangements

These arrangements will commence from 1 July 2010. Essentially the net cash arrangements discontinue funding to agencies for non-cash expenses (depreciation, amortisation and make-good). From 1 July 2010, agencies will be appropriated on the basis of net cash requirements. Departmental capital budgets will be introduced from 1 July 2010. The departmental capital budget will meet the costs associated with replacement of minor assets (assets valued at \$10m or less) and costs that are eligible to be capitalised. The departmental capital budget effectively replaces the depreciation expense funding.

#### Basis of accounting

The budgeted financial statements have been prepared on an accrual accounting basis, having regard to Statements of Accounting Concepts, and in accordance with the Finance Minister's Orders, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

## **Departmental**

### *Revenue from government*

Appropriations for departmental outputs are recognised as revenue.

### *Employee expenses*

Employee expenses consist of salaries, allowances, leave entitlements, redundancy expenses and superannuation.

### *Supplier expenses*

Supplier expenses consist of travel expenses, administrative costs, and consultant and contractor costs.

### *Cash*

Cash includes notes and coins held and any deposits held at call with a bank or other financial institution.

### *Receivables*

Receivables include departmental moneys transferred to the Official Public Account and outstanding debts owed to the NNTT.

### *Employee provisions*

Employee liabilities consist of accrued salary for the part pay period and accumulated annual and long service leave entitlements as at 30 June.

### *Supplier payables*

Supplier payables consist of amounts owed to suppliers for services or supplies provided prior to 30 June.

### *Assets*

Assets consist mainly of cash transferred to the Official Public Account (included in trade and other receivables), prepayments (rent in advance, licences and subscriptions), and plant and equipment.

### *Liabilities*

Liabilities consist of employee provisions and supplier payables.

## **Administered**

Administered revenues relate to the course of ordinary activities performed by the NNTT on behalf of the Australian Government. This revenue is generated from fees charged on lodgment of application with the NNTT.