

## LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

### WRITTEN QUESTION

Ms Fyles to the Minister for Correctional Services:

#### **Department of Correctional Services-Deficit**

1. Can you please provide a detailed breakdown of the \$34 million budget deficit for the Department of Correctional Services in 2014/15?

**Answer:**

In 2014-15, the Department of Correctional Services budgeted for a deficit of \$34.125M, achieving a deficit of \$34.351M, \$0.226 higher than planned.

A detailed breakdown of the budget is provided by Note 23 of the published accounts for NTDCS. A copy of this statement is attached.

It is the practice within NT Government to fund the cash requirements of agencies through their recurrent budgets managing capital requirements through a separate process. NTDCS had \$19.721M of depreciation and amortization, \$12.872M finance lease payments funded through the balance sheet and \$1.532M of accrued purchases that had been accounted for in the previous year. These three items total \$34.125M the budgeted net deficit.

**DEPARTMENT OF CORRECTIONAL SERVICES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2015

**23. BUDGETARY INFORMATION**

<b>Comprehensive Operating Statement</b>	2014-15 Actual	2014-15 Original Budget	Variance	Note
	\$000	\$000	\$000	
<b>INCOME</b>				
Grants and subsidies revenue				
Current	155		155	
Appropriation				
Output	169 552	181 016	(11 464)	1
Commonwealth	294		294	
Sales of goods and services	2 704	343	2 361	2
Goods and services received free of charge	4 952	4 672	280	
Other income	4 609	3 061	1 548	3
<b>TOTAL INCOME</b>	<b>182 266</b>	<b>189 092</b>	<b>(6 826)</b>	
<b>EXPENSES</b>				
Employee expenses	111 427	95 356	16 071	4
Administrative expenses				
Purchases of goods and services	44 932	42 299	2 633	5
Repairs and maintenance	2 533	2 467	66	
Depreciation and amortisation	16 650	19 721	(3 071)	6
Other administrative expenses	5 117	4 672	445	
Grants and subsidies expenses				
Current	4 033	7 101	(3 068)	7
Interest expenses	31 925	51 601	(19 676)	8
<b>TOTAL EXPENSES</b>	<b>216 617</b>	<b>223 217</b>	<b>(6 600)</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>(34 351)</b>	<b>(34 125)</b>	<b>(226)</b>	
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to net surplus/deficit				
Transfers from Reserves	(3)		(3)	
Changes in asset revaluation surplus	(1 038)		(1 038)	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>(1 041)</b>		<b>(1 041)</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(35 392)</b>	<b>(34 125)</b>	<b>(1 267)</b>	

**Notes:**

The following note descriptions relate to variances greater than 10 per cent or \$1M, or where multiple significant variances have occurred.

- 1 Actual is in line with revised budget and reflects decrease due to savings associated with delays in commencement of Darwin Correctional Centre finance lease offset by unbudgeted Treasurer's Advance received.
- 2 Revised budget included additional \$2.3M revenue due to reclassification. Actual result less than anticipated due to lower than expected prison industries revenue.
- 3 Revised budget included a reduction of \$2.3M revenue due to reclassification. Actual result more than anticipated due to unbudgeted finance lease abatement revenue.
- 4 Revised budget allocation was \$107M. Actual result reflects higher than anticipated expenditure for Alice Springs Correctional Centre (overtime/escorts/rostering) and the multiple relocations of detainees.
- 5 Actual reflects unfunded operational costs for the new Darwin Correctional Centre.
- 6 Actual is in line with revised budget and reflects decrease due to savings associated with delays in commencement of Darwin Correctional Centre finance lease.
- 7 Revised budget of \$5M incorporated a movement of \$0.8M from Grants to Capital. Actual result less than anticipated due to delays in programs and unspent allocations.
- 8 Actual is in line with revised budget and reflects decrease due to savings associated with delays in commencement of Darwin Correctional Centre finance lease.