

Transitional Arrangement for Mine Proprietors

Subsidence Advisory NSW has entered into Deeds of Agreement with the Mine Proprietors to assist them in meeting their obligations and reducing their financial burden under the new legislative framework (the Coal Mine Subsidence Compensation Act 2017). As claims can be lodged up until 30 June 2022 under the Deeds, the remaining exposure cannot be accurately determined at this reporting date but is estimated to be a maximum of approximately \$26 million, which is fully covered by the Coal Mine Subsidence Compensation Fund.

Torrens Assurance Fund

The Torrens Assurance Fund, is a special deposit account operated by DCS (refer Note 6). There are 19 claims (30 June 2020: 15 claims) against the Torrens Assurance Fund which are estimated to be \$13.43 million (30 June 2020: \$13.06 million).

25. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The actual net result for DCS for 2021 is \$15.6 million loss (2020: restated loss \$51.7 million) which was favourable to the budgeted net result by \$206 million.

The major variations to budgets are:

- o Total Revenue was \$699.5 million or 27% unfavourable to budget, mainly in the appropriations line where for actual reporting \$1,094 million of appropriations were reclassified and treated as “transfer payments” in accordance with AASB 1050 “Administered Items”, which for budget purposes were treated as appropriations (refer to note 3(a)). This accounting reclassification was only performed after the budgets were prepared.
- o Further due to the change in accounting treatment of lapsed appropriations, \$72.4 million was adjusted to the actual appropriations this year, refer further to Note 1(i).
- o In addition, Critical Communication Enhancement program funding has been carried over into 2021-22 (~\$70 million both recurrent and capital) and ICT projects are also carried forward into next budget year (~\$40 million).
- o Investment revenue is \$38.8 million lower than budget due to deferral of Project Remediate which was originally expected to occur in this year.
- o Retained taxes, fees and fines is \$48.2 million favourable to budget due; \$21 million favourable receipt of building license, \$15 million higher license receipts from increased Building and Real Estate activities and \$7 million unplanned receipts from Competency card applications.
- o Grants & Other contributions \$58.2 million favourable to budget due to recognition of funding of ~\$24 million relating to Digital Restart projects for cyber security (\$11 million) and Assured Revenue (\$13.6 million).

Total Expenses were \$943.1 million favourable to budget mainly due to Grant and Subsidies (\$1,094 million) which have this year been treated as “transfer payments” (refer to note 3(a)) and will not appear as grants and subsidies. This accounting reclassification was only performed after the budgets were prepared.

Other operating expenses were \$33 million unfavourable to budget mainly due to unbudgeted cost for Project Reimagine and Project Trust. This is offset by underspending in projects such as the “Scanning Project” which was scaled back for the year within the Office of Registrar General and various other operating expenses from business units.

Book value of motor vehicles sold was higher to budget by \$9.5 million as more vehicles were sold down by reporting date in line with the scheduled run down of the fleet.

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