ECONOMIC DEVELOPMENT DIRECTORATE

DIRECTORATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

SECTION A

ECONOMIC DEVELOPMENT DIRECTORATE
FINANCIAL STATEMENTS
For the Period From 17 May 2011 to 30 June 2011

STATEMENT OF RESPONSIBILITY

In my opinion, the financial statements are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the period from 17 May 2011 to 30 June 2011 and the financial position of the Directorate on that date.

David Dawes
Chief Executive
Economic Development Directorate
19th September 2011

ECONOMIC DEVELOPMENT DIRECTORATE
FINANCIAL STATEMENTS
For the Period From 17 May 2011 to 30 June 2011

STATEMENT BY THE CHIEF FINANCE OFFICER

In my opinion, the financial statements have been prepared in accordance with generally accepted accounting principles, and are in agreement with the Directorate's accounts and records and fairly reflect the financial operations of the Directorate for the period from 17 May to 30 June 2011 and the financial position of the Directorate on that date.

Ian Thomson

Ian Thomson
Chief Finance Officer
Economic Development Directorate
19 September 2011

Economic Development Directorate
Operating Statement
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Income			
Revenue			
Government Payment for Outputs	3	4,780	-
User Charges - Non-ACT Government	4	2,442	-
Interest	5	19	-
Resources Received Free of Charge	6	4	-
Other Revenue	7	316	-
Total Revenue		**7,561**	**-**
Gains			
Other Gains	8	229	-
Total Gains		**229**	**-**
Total Income		**7,790**	**-**
Expenses			
Employee Expenses	9	1,829	-
Superannuation Expenses	10	264	-
Supplies and Services	11	6,046	-
Depreciation and Amortisation	12	1,749	-
Grants and Purchased Services	13	721	-
Borrowing Costs	14	1	-
Other Expenses	15	619	-
Total Expenses		**11,229**	**-**
Operating (Deficit)		**(3,439)**	**-**
Other Comprehensive Income			
Other Comprehensive Income	30	449	-
Total Other Comprehensive Income		**449**	**-**
Total Comprehensive (Deficit)		**(2,990)**	**-**

The above Operating Statement should be read in conjunction with the accompanying notes.

[1] The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

The Directorate only has one output class and as such the above operating statement is also the Directorate's Operating Statement for the Economic Development output class.

A.6 Financial Report continued

Economic Development Directorate
Balance Sheet
As at 30 June 2011

	Note No.	Actual 2011 $'000	Original Budget [1] 2011 $'000
Current Assets			
Cash and Cash Equivalents	19	2,158	-
Receivables	20	4,939	-
Inventories	21	52	
Other Assets	25	563	-
Total Current Assets		**7,712**	**-**
Non-Current Assets			
Property, Plant and Equipment	22	205,980	-
Intangible Assets	23	543	-
Capital Works in Progress	24	62,666	-
Total Non-Current Assets		**269,189**	**-**
Total Assets		**276,901**	**-**
Current Liabilities			
Payables	26	8,602	-
Finance Leases	27	249	-
Employee Benefits	28	5,807	-
Other Liabilities	29	1,304	-
Total Current Liabilities		**15,962**	**-**
Non-Current Liabilities			
Finance Leases	27	224	-
Employee Benefits	28	489	-
Total Non-Current Liabilities		**713**	**-**
Total Liabilities		**16,675**	**-**
Net Assets		**260,226**	**-**
Equity			
Accumulated Funds		259,777	-
Asset Revaluation Surplus	30	449	
Total Equity		**260,226**	**-**

The above Balance Sheet should be read in conjunction with the accompanying notes.

[1] As the Directorate was established after the preparation of the 2010-11 budget, there are no budget figures.

The Directorate only has one output class and as such the Balance Sheet is also the Directorate's Balance Sheet for the Economic Development output class.

Economic Development Directorate
Statement of Changes in Equity
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Accumulated Funds Actual 2011 $'000	Asset Revaluation Surplus Actual 2011 $'000	Total Equity [1] Actual 2011 $'000	Original Budget [1] 2011 $'000
Balance at the Beginning of the Reporting Period		-	-	-	-
Comprehensive Income					
Operating (Deficit)		(3,439)	-	(3,439)	-
Increase in the Asset Revaluation Surplus	30	-	449	449	-
Total Comprehensive (Deficit)		**(3,439)**	**449**	**(2,990)**	**-**
Transactions Involving Owners Affecting Accumulated Funds					
Capital Injections		15,027	-	15,027	-
Net Assets transferred in as part of an Administrative Restructure	31	248,189	-	248,189	-
Total Transactions Involving Owners Affecting Accumulated Funds		**263,216**	**-**	**263,216**	**-**
Balance at the End of the Reporting Period		**259,777**	**449**	**260,226**	**-**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

[1] The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Cash Flow Statement
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Cash Flows from Operating Activities			
Receipts			
Government Payment for Outputs		4,780	-
User Charges - Non-ACT Government		2,764	-
Interest Received		19	-
Goods and Services Tax Collected from Customers		156	-
Other		522	-
Total Receipts from Operating Activities		**8,241**	**-**
Payments			
Employee		1,325	-
Superannuation		264	-
Supplies and Services		2,539	-
Borrowing Costs		1	-
Goods and Services Tax Paid to Suppliers		1,957	-
Other		1,109	-
Total Payments from Operating Activities		**7,195**	**-**
Net Cash Inflows from Operating Activities	35	**1,046**	**-**
Cash Flows from Investing Activities			
Receipts			
Proceeds from Sale of Property, Plant and Equipment		23	-
Total Receipts from Investing Activities		**23**	**-**
Payments			
Purchase of Property, Plant and Equipment		16,320	-
Total Payments from Investing Activities		**16,320**	**-**
Net Cash (Outflows) from Investing Activities		**(16,297)**	**-**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Economic Development Directorate
Cash Flow Statement
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Cash Flows from Financing Activities			
Receipts			
Capital Injections		15,027	-
Receipt of Transferred Cash Balances		2,385	
Total Receipts from Financing Activities		**17,412**	**-**
Payments			
Repayment of Finance Lease Liabilities		3	-
Total Payments from Financing Activities		**3**	**-**
Net Cash Inflows from Financing Activities		**17,409**	**-**
Net Increase in Cash and Cash Equivalents Held		2,158	-
Cash and Cash Equivalents at the Beginning of the Reporting Period		-	-
Cash and Cash Equivalents at the End of the Reporting Period	35	**2,158**	**-**

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

1 The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Statement of Appropriation
For the Period From 17 May 2011 to 30 June 2011

	Original Budget 2011 $'000	Total Appropriated 2011 $'000	Appropriation Drawn 2011 $'000
Departmental			
Government Payment for Outputs	-	5,743	4,780
Capital Injections	-	62,406	15,027
Total Departmental Appropriation	**-**	**68,149**	**19,807**

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Budget Papers. As the Directorate was established after the preparation of the 2010-11 budget, there were no original budget figures.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Directorate during the year. This amount also appears in the Cash Flow Statement.

Variances between 'Total Appropriated' and 'Appropriation Drawn'

The variance between the total appropriated and the appropriation drawn is due to the transfer in of Government Payment for Output revenue from other directorates, as a result of restructuring of administrative arrangements which occurred on 17 May 2011.

The variance between the total appropriated and the appropriation drawn is due to capital injections being appropriated to other Directorates prior to the restructuring of administrative arrangements which occurred on 17 May 2011 and rain earlier in the year.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE INDEX

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 1 OBJECTIVES OF THE ECONOMIC DEVELOPMENT DIRECTORATE

The Economic Development Directorate delivers services to ACT business community in relation to economic development and business support programs and is responsible for designing and delivering the ACT Government's land release program. The Directorate leads the ACT and capital region tourism industry to create and implement a variety of marketing and development programs. The Directorate will also facilitate access to a range of sporting and recreation activities by managing sporting programs, venues, sportsgrounds and community events.

The Directorate was created (*Administrative Arrangement No.1 2011*) with the transfer of tourism, business industry development, and major events from the Chief Minister's Directorate, sport and recreation and territory venues and events from Territory and Municipal Services Directorate and land release and City Centre projects from the abolished Department of Land and Property Services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The FMA requires the preparation of annual financial statements for ACT Government Directorates.

The FMA and *Financial Management Guidelines* issued under the Act, require the Directorate's financial statements to include:

(i) an Operating Statement for the year;
(ii) a Balance Sheet at the end of the year;
(iii) a Statement of Changes in Equity for the year;
(iv) a Cash Flow Statement for the year;
(v) a Statement of Appropriation for the year;
(vi) a summary of the significant accounting policies adopted for the year; and
(vii) such other statements as are necessary to fairly reflect the financial operations of the Directorate during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with 'Generally Accepted Accounting Principles' (GAAP) as required by the FMA. The financial statements have been prepared in accordance with:

(i) Australian Accounting Standards; and
(ii) ACT Accounting and Disclosure Policies.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements have also been prepared according to the historical cost convention, except for assets which were valued in accordance with the (re)valuation policies applicable to the Directorate during the reporting period.

These financial statements are presented in Australian dollars, which is the Directorate's functional currency.

The Directorate is an individual reporting entity.

(b) The Reporting Period

These financial statements state the financial performance, changes in equity and cash flows of the Directorate for the period from 17 May 2011 to 30 June 2011, together with the financial position of the Directorate as at 30 June 2011.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(c) Comparative Figures

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the *FMA*, budget information for 2010-11 must be presented in the financial statements. As the Directorate was created after the preparation of the 2010-11 budget, no budget numbers appear in the financial statements .

Prior Year Comparatives

There are no prior year comparatives as the Directorate was established on 17 May 2011.

(d) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars ($'000). Use of "-" represents zero amounts or amounts rounded down to zero.

(e) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Directorate and the revenue can be reliably measured. The Directorate's main sources of revenue are User Charges (see Note 4) and Government Payment for Outputs (see Note 3). In addition, the following specific recognition criteria must be met before revenue is recognised:

Sale or Rental of Goods

Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership of the goods has transferred to the buyer, the Directorate retains neither continuing managerial involvement nor effective control over the goods sold and the costs incurred in respect of the transaction can be measured reliably.

Rental income is recognised on a straight-line basis over the term of the rental agreement.

Rendering of Services

Revenue from the rendering of services is recognised when the stage of completion of the transaction at the reporting date can be measured reliably and the costs of rendering those services can be measured reliably.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(f) Resources Received and Provided Free of Charge

Resources received free of charge are recorded as a revenue and expense in the Operating Statement at fair value. The revenue is separately disclosed under resources received free of charge, with the expense being recorded in the line item to which it relates.

Goods and services received free of charge from ACT Government agencies are recorded as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recorded as donations. Services that are received free of charge are only recorded in the Operating Statement if they can be reliably measured and would have been purchased if not provided to the Directorate free of charge.

Resources provided free of charge are recorded at their fair value in the expense line items to which they relate.

(g) Repairs and Maintenance

The Directorate undertakes major cyclical maintenance on its infrastructure assets. Where the maintenance leads to an upgrade of the asset, and increases the service potential of the existing infrastructure asset, the cost is capitalised. Maintenance expenses which do not increase the service potential of the asset are expensed.

(h) Borrowing Costs

Borrowings costs are expensed in the period in which they are incurred.

(i) Waivers of Debt

Debts that are waived under section 131 of the *Financial Management Act 1996* are expensed during the year in which the right to payment was waived. Further details of waivers are disclosed at Note 16 Waivers, Impairment Losses and Write-offs.

(j) Current and Non-Current Items

Assets and liabilities are classified as current or non-current in the Balance Sheet and in the relevant notes. Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Assets or liabilities which do not fall within the current classification are classified as non-current.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(k) Impairment of Assets

The Directorate assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Any resulting impairment losses, for infrastructure assets, buildings, leasehold improvements, intangible and community and heritage assets, are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Impairment losses for plant and equipment are recognised in the Operating Statement. Also, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's 'fair value less cost to sell' and its 'value in use'. An asset's 'value in use' is its depreciated replacement cost, where the asset would be replaced if the Directorate were deprived of it. Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

(l) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement and the Balance Sheet, cash includes cash at bank and cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Any bank overdrafts are included in cash and cash equivalents in the Cash Flow Statement but not in the cash and cash equivalents line on the Balance Sheet.

(m) Investments

The Directorate holds an equal investment with Australian Capital Ventures Limited (ACVL) in the Canberra Business Development Fund (CBDF). The fund is a unit trust whose principal activity is to invest in the equity of early stage businesses carrying out activities providing potential benefits to the Canberra Region. This investment is accounted for as a Territorial investment (see Note 39)

The investment has been designated as a "Financial Asset at Fair Value through Profit and Loss". This asset is measured at fair value with any adjustments to the carrying amount going to the Statement of Income and Expenses on Behalf of the Territory. Fair value is based upon current share market price for investments in publicly listed entities. Fair value of investments in unlisted entities is determined by recent "arms length" transactions for a reasonable quantity of securities (e.g. security issue or transfer) or by valuation provided by the directors of CBDF if the book value of the entity is deemed inappropriate.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(n) Receivables

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. Trade receivables are payable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

The allowance for impairment losses represents the amount of trade receivables and other trade receivables that the Directorate estimates will not be paid. The Directorate determines the allowance for impairment losses based on objective evidence and a review of balances within receivables that are unlikely to be collected. The Directorate considers the following is objective evidence of impairment:

- debts more than 60 days overdue; or
- identified disputed invoices.

The allowance for impairment losses is written back against the receivables account when the Directorate ceases action to collect the debt, as it considers that it will cost more to recover the debt than the debt is worth.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises the purchase price of inventories as well as transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. The cost of inventories is assigned using the first-in, first-out method.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

(p) Acquisition and Recognition of Property, Plant and Equipment

Property, plant and equipment is initially recorded at cost. Cost includes the purchase price, directly attributable costs and the estimated cost of dismantling and removing the item (where, upon acquisition, there is a present obligation to remove the item).

Where property, plant and equipment is acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition. However property, plant and equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

Where payment of property, plant and equipment is deferred beyond normal credit terms, the difference between its cash price equivalent and the total payment is measured as interest over the period of credit. The discount rate used to calculate the cash price equivalent is an asset specific rate.

The Directorate capitalises all non-current physical assets with a value of $2,000 or more. If a certain category of physical asset (i.e. desktops, printers, faxes, etc) is considered material because of the volume and nature of the assets purchased, then even though the individual cost of these assets may be less than $2,000 they are still capitalised and recorded as assets in the Balance Sheet.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(q) Measurement of Property, Plant and Equipment after Initial Recognition

Property, plant and equipment is measured at fair value.

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is measured using market based evidence available for that asset (or a similar asset), as this is the best evidence of an asset's fair value. Where the market price for an asset cannot be obtained because the asset is specialised and is rarely sold, depreciated replacement cost is used to estimate fair value.

Property, plant and equipment assets are revalued every 3 years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to property, plant and equipment at the date of revaluation is written-back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

(r) Intangible Assets

The Directorate's Intangible Assets are comprised of externally acquired software for internal use.

Externally acquired software is recognised and capitalised when:

(a) it is probable that the expected future economic benefits that are attributable to the software will flow to the Directorate;

(b) the cost of the software can be measured reliably; and

(c) the acquisition cost is equal to or exceeds $50,000.

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life.

Intangible Assets are measured at cost.

(s) Depreciation and Amortisation of Non-Current Assets

Non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. The useful life commences when an asset is ready for use. When an asset is revalued, it is depreciated/amortised over its newly assessed remaining useful life. Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as leasehold improvements, infrastructure assets, and plant and equipment.

Heritage and community assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements and plant and equipment under a finance lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation/amortisation for non-current assets is determined as follows:

(s) Depreciation and Amortisation of Non-Current Assets - Continued

Class of Asset	Depreciation / Amortisation	Useful Life (Years)
Buildings	Straight Line	10 - 99
Leasehold Improvements	Straight Line	3 - 10
Plant and Equipment Purchased	Straight Line	3 - 5
Plant and Equipment under a Finance Lease	Straight Line	2 - 4
Infrastructure Assets	Straight Line	20 - 100
Intangible Assets	Straight Line	5

The useful lives of all major assets are reassessed on an annual basis.

(t) Payables

Payables are a financial liability and are measured at the fair value of the consideration received when initially recognised and at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within thirty days after the invoice date.

Payables include Trade Payables, Other Payables and Accrued Expenses. Trade Payables represent the amounts owing for goods and services received prior to the end of the reporting period and unpaid at the end of the reporting period and relating to the normal operations of the Directorate.

Accrued Expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received by period end.

(u) Leases

The Directorate has entered into finance leases and operating leases.

Finance Leases

Finance leases effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the assets under a finance lease. The title may or may not eventually be transferred. Finance leases are initially recognised as an asset and a liability at the lower of the fair value of the leased asset and the present value of the minimum lease payments each being determined at the inception of the lease. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Assets under a finance lease are depreciated over the shorter of the asset's useful life and lease term. Leased assets are depreciated on a straight-line basis. The depreciation is calculated after first deducting any residual values which remain for each leased asset. Each lease payment is allocated between interest expense and reduction of the lease liability. Lease liabilities are classified as current and non-current.

Operating Leases

Operating leases do not effectively transfer to the Directorate substantially all the risks and rewards incidental to ownership of the asset under an operating lease. Operating lease payments are recorded as an expense in the Operating Statement on a straight-line basis over the term of the lease.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(v) Employee Benefits

Employee benefits include wages and salaries, annual leave, long service leave and applicable on-costs. On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave. These benefits accrue as a result of services provided by employees up to the reporting date that remain unpaid. They are recorded as a liability and as an expense.

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual leave and long service leave that fall due wholly within the next 12 months is measured based on the estimated amount of remuneration payable when the leave is taken.

Annual and long service leave including applicable on-costs that do not fall due within the next 12 months are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At each reporting period end, the estimated future payments are discounted using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. In 2010-11, the discount factor used to calculate the present value of these future payments is 92.2%.

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and the applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. However, where there is an unconditional right to defer settlement of the liability for at least 12 months, annual leave and long service leave have been classified as a non-current liability in the Balance Sheet.

(w) Superannuation

Superannuation payments are made to the Territory Banking Account each year, to cover the Directorate superannuation liability for the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This payment covers the CSS/PSS employer contribution but does not include the productivity component. The productivity component is paid directly to ComSuper by the Directorate. The CSS and PSS are defined benefit superannuation plans meaning that the defined benefits received by employees are based on the employee's years of service and average final salary.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(w) Superannuation - Continued

Superannuation employer contribution payments, for the CSS and PSS, are calculated, by taking the salary level at an employee's anniversary date and multiplying it by the actuarially assessed CSS or PSS employer contribution rate for each employee. The productivity component payments are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the employer contribution rate (approximately 3%) for each employee. Superannuation payments for the PSSAP are calculated by taking the salary level, at an employee's anniversary date, and multiplying it by the appropriate employer contribution rate. Superannuation payments for fund of choice arrangements are calculated by taking an employee's salary each pay and multiplying it by the appropriate employer contribution rate.

A superannuation liability is not recognised in the Balance Sheet as the Superannuation Provision Account recognises the total Territory superannuation liability for the CSS and PSS, and ComSuper and the external schemes recognise the superannuation liability for the PSSAP and other schemes respectively.

The ACT Government is liable for the reimbursement of the emerging costs of benefits paid each year to members of the CSS and PSS in respect of the ACT Government service provided after 1 July 1989. These reimbursement payments are made from the Superannuation Provision Account.

(x) Equity Contributed by the ACT Government

Contributions made by the ACT Government, through its role as owner of the Directorate, are treated as contributions of equity.

Increases or decreases in net assets as a result of Administrative Restructures are also recognised in equity.

(y) Insurance

Major risks are insured through the ACT Insurance Authority. The excess, payable under this arrangement, varies depending on each class of insurance held.

(z) Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Directorate has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

Revenue Recognition

Note 2 (e): 'Revenue Recognition' discloses that revenue is generally recognised when the Directorate controls the revenue. User charge revenue is recognised upon delivery of that service to customers, or by reference to the stage of completion of contracts or agreements for the services involved.

Impairment of Receivables

Note 2 (n): 'Receivables' discloses that where there is objective evidence that a receivable may not be collected, an assessment of the likelihood of the recovery of a receivable is required to determine whether an impairment loss must be recognised.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(z) Significant Accounting Judgements and Estimates - Continued

Measurement of Territorial Investments at Fair Value

Note 2 (m): 'Measurement of Investments at Fair Value : The Directorate received an investment pertaining to shares in a unit trust. The shares held by the Unit Trust, and therefore the valuation, was made on 30th June 2011 on the basis as specified in the note.

Measurement of Property, Plant and Equipment at Fair Value

Note 2 (q): 'Measurement of Property, Plant and Equipment after Initial Recognition': Significant judgements have been applied in measuring fair value. The Directorate received assets, pertaining to sports and recreation and venues and events functions, that had been revalued by independent valuers, Australian Valuation Office and Allbids Liquidity Partners, in June 2011, on the basis of fair market value.

Estimate of Useful Lives

The Directorate has made a significant estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment has been based on the historical experience of similar assets, and in some cases, has been based on valuations provided by AON Valuation Services in April 2011 for assets later received by the Directorate through Administrative Arrangement Orders. The useful lives are assessed on an annual basis and any adjustments are made when considered necessary. Further disclosure concerning an asset's useful life can be found at Note 2 (s) 'Depreciation and Amortisation of Non-Current Assets'.

Classification of Leases

Note 2 (u): 'Leases' discloses that leases are classified according to the risk and benefits under the leasing arrangements.

Employee Benefits

Note 2 (v): 'Employee Benefits': Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for employee benefits requires a consideration of the future wage and salary levels, experience of employee departures and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable. Further information on this estimate is provided in Note 2 (u) 'Employee Benefits'.

(aa) Impact of Accounting Standards Issued but yet to be Applied

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Directorate does not intend to adopt these standards and interpretations early. It is estimated that the effect of adopting the below pronouncements, when applicable, will have no material financial impact on the Directorate in future reporting periods:

- AASB 1 First-time Adoption of Australian Accounting Standards (application date 1 January 2011);
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations (application date 1 January 2011);
- AASB 7 Financial Instruments: Disclosures (application date 1 January 2011);
- AASB 9 Financial Instruments (application date 1 January 2013);
- AASB 101 Presentation of Financial Statements (application date 1 January 2011);
- AASB 107 Statement of Cash Flows (application date 1 January 2011);

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(aa) Impact of Accounting Standards Issued but yet to be Applied - Continued

- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (application date 1 January 2011);
- AASB 110 Events after the Reporting Period (application date 1 January 2011);
- AASB 118 Revenue (application date 1 January 2011);
- AASB 119 Employee Benefits (application date 1 January 2011);
- AASB 132 Financial Instruments: Presentation (application date 1 January 2011);
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets (application date 1 January 2011);
- AASB 139 Financial Instruments: Recognition and Measurement (application date 1 January 2011);
- AASB 140 Investment Property (application date 1 January 2011);
- AASB 1031 Materiality (application date 1 January 2011);
- AASB 1053 Application of Tiers of Australian Accounting Standards (application date 1 Jul 2013);
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (application date 1 January 2013);
- AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (application date 1 January 2013);
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1& AASB 7] (application date 1 July 2011];
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 January 2013);
- AASB Interpretation 4 Determining whether an Arrangement contains a lease (application date 1 January 2011); and
- AASB Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (application date 1 January 2011)

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 3 GOVERNMENT PAYMENT FOR OUTPUTS

Government Payment for Outputs (GPO) is revenue received from the ACT Government to fund the costs of delivering outputs. The ACT Government pays GPO appropriation on a fortnightly basis.

	2011
	$'000
Revenue from the ACT Government	
Government Payment for Outputs	4,780
Government Payment for Outputs	**4,780**

NOTE 4 USER CHARGES FOR GOODS AND SERVICES

User-charge revenue is derived by providing goods and services to other ACT Government agencies and to the public. User-charge revenue is not part of ACT Government appropriation and is paid by the user of the goods or services. This revenue is driven by consumer demand.

User Charges – Non-ACT Government	
Service Revenue (Non - ACT Government)[1]	2,442
Total User Charges - Non-ACT Government	**2,442**
Total User Charges for Goods and Services	**2,442**

[1] Service revenue derives from event management activities and comprises sports match receipts, hiring of venues and merchandising of tourist products.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 5 INTEREST

	2011 $'000
Revenue from within the ACT Government	
Interest Revenue from the Territory Banking Account	19
Total Interest Revenue from within ACT Government	19
Total Interest Revenue	**19**
Total interest revenue from financial assets at fair value through Profit and Loss	-
Total interest revenue from financial assets not at fair value through Profit and Loss	19

NOTE 6 RESOURCES RECEIVED FREE OF CHARGE

Resources received free of charge relate to services being provided free of charge from other agencies within the ACT Government.

Revenue from ACT Government Entities	
Legal Services	4
Total Resources Received Free of Charge	**4**

NOTE 7 OTHER REVENUE

Other Revenue arises from the core activities of the Directorate. Other Revenue is distinct from Other Gains, as Other Gains tend to be unusual items that are not part of the core activities of the Directorate.

Revenue from Non-ACT Government Entities	
Property and project recoveries	316
Total Other Revenue from Non-ACT Government Entities	**316**
Total Other Revenue	**316**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period from 17 May 2011 to 30 June 2011

NOTE 8 OTHER GAINS

Other gains tend to be unusual transactions that are not part of the Directorate's core activities. Other gains are distinct from other revenue, as other revenue arises from the core activities of the Directorate.

	2011 $'000
Other Gains [1]	206
Sale of Property, Plant and Equipment	23
Total Other Gains	**229**

[1] Other gains relates to recoveries from other ACT government agencies for recharges.

NOTE 9 EMPLOYEE EXPENSES

Wages and Salaries	1,645
Annual Leave Expenses	274
Long Service Leave Expenses	(92)
Workers' Compensation Premium	2
Total Employee Expenses	**1,829**

NOTE 10 SUPERANNUATION EXPENSES

The Directorate receives funding for superannuation payments as part of the Government Payment for Outputs. The Directorate then makes payments on a fortnightly basis to the Territory Banking Account for its portion of the Territory's Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) superannuation liability. The productivity benefit for these schemes is paid directly to Comsuper.

Superannuation payments have been made direct to Comsuper to cover the superannuation liability for employees that are in the Public Sector Superannuation Scheme Accumulation Plan (PSSAP).

Superannuation payments are also made to external providers as part of the employee fund of choice arrangements, and to employment agencies for the superannuation contribution the Directorate is required to make for the contract staff it employs.

Superannuation Contributions to the Territory Banking Account	165
Productivity Benefit	18
Superannuation Payment to Comsuper (for the PSSAP)	8
Superannuation to External Providers	73
Total Superannuation Expenses	**264**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 11 SUPPLIES AND SERVICES

	2011 $'000
Audit Fees	32
Communications	82
Contractors and Consultants	1,445
Cost of Goods Sold [1]	676
Ground Maintenance	105
Hire Charges	120
Interest Expense	1
Information Technology Charges	149
Insurance	45
Marketing Costs [2]	576
Motor Vehicle Expenses	22
Other	76
Postage and freight	20
Printing and Stationery	92
Professional Fees	120
Property Charges [3]	549
Repairs and Maintenance	607
Staff Costs	208
Travel	49
Utilities	400
Work in Progress Expensed [4]	672
Total Supplies and Services	**6,046**

[1] Cost of Goods Sold relates to both recoverable and non-recoverable costs pertaining to hire of sporting venues. These costs include security, cleaning, food, beverage, and traffic management.

[2] Marketing Costs includes advertising, promotion, photography and signage.

[3] Property Charges includes cleaning, security, landscaping, pest control, and storage.

[4] Work in Progress Expensed relates to Territory Venues and Events facility upgrades, including consulting fees, feasibility studies, and landscaping which could not be capitalised.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 12 DEPRECIATION AND AMORTISATION

	2011 $'000
Depreciation	
Buildings	260
Plant and Equipment	153
Infrastructure Assets	1,279
Leasehold Improvements	49
Total Depreciation	**1,741**
Amortisation	
Intangible Assets	8
Total Amortisation	**8**
Total Depreciation and Amortisation	**1,749**

NOTE 13 GRANTS AND PURCHASED SERVICES

Grants are amounts provided by the Directorate, to ACT Government agencies and non-ACT Government agencies for general assistance or for a particular purpose. Grants may be for capital, current or recurrent purposes and the name or category reflects the use of the grant. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Grants to Community Organisations	721
Total Grants	**721**

NOTE 14 BORROWING COSTS

Finance Charges on Finance Leases	1
Total Borrowing Costs	**1**

NOTE 15 OTHER EXPENSES

Asset Impairment [1]	232
Other Expenses	387
Total Other Expenses	**619**

[1] Relates to an impairment in the value of the video replay board at the Canberra Stadium.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 16 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

The impairment loss listed below has occurred during the reporting period for the Directorate.

	No.	2011 $'000
Impairment Loss from Property, Plant and Equipment		
Plant and Equipment	1	232
Total Impairment Loss from Property, Plant and Equipment		**232**
Total Waivers, Impairment Losses and Write-Offs		**232**

NOTE 17 ACT OF GRACE PAYMENTS

There were no Act of Grace payments made during the reporting period pursuant to Section 130 of the *Financial Management Act 1996*.

NOTE 18 AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Directorate by the ACT Auditor-General's Office. No other services were provided by the ACT Auditor-General's Office.

Audit Services

	2011 $'000
Audit Fees paid to the ACT Auditor-General's Office	32
Total Audit Fees	**32**

NOTE 19 CASH AND CASH EQUIVALENTS

The Directorate holds a number of bank accounts with the Commonwealth Bank as part of the whole-of-government banking arrangements. As part of these arrangements, the Directorate receives interest on one of these accounts.

Cash at Bank	2,154
Cash on Hand	4
Total Cash and Cash Equivalents	**2,158**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 20 RECEIVABLES

	2011 $'000
Current Receivables	
Trade Receivables	807
Less: Allowance for Impairment Losses	-
	807
Other Trade Receivables	1,632
Less: Allowance for Impairment Losses	-
	1,632
Accrued Revenue	158
Net GST Receivable	1,802
Other Current Receivables	540
Total Current Receivables	**4,939**
Total Receivables	**4,939**

Aging of Receivables

	Not Overdue Current $'000	Past Due Less than 30 Days $'000	Past Due 30 to 60 Days $'000	Total $'000
2011				
Not Impaired[1]				
Receivables	4,939	-		**4,939**

1) 'Not Impaired' refers to Net Receivables (that is Gross Receivable less Impaired Receivables).

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 20 RECEIVABLES - Continued

Classification of ACT Government/Non-ACT Government Receivables

	2011 $'000
Receivables with ACT Government Entities	
Net Trade Receivables	330
Other Current Receivables	200
Total Receivables with ACT Government Entities	**530**
Receivables with Non-ACT Government Entities	
Net Trade Receivables	2,109
Accrued Revenue	158
Net Goods and Services Tax Receivable	1,802
Other Current Receivables	340
Total Receivables with Non-ACT Government Entities	**4,409**
Total Receivables	**4,939**

NOTE 21 INVENTORIES

Current Inventories [1]	
Purchased Items – Net Realisable Value	52
Total Current Inventories	**52**
Total Inventories	**52**

[1] Inventories comprise merchandise for resale at the Canberra Visitor Centre.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 22 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following classes of assets – land, buildings, leasehold improvements, plant and equipment, community and heritage assets and infrastructure.

Land includes leasehold land held by the Directorate.

Buildings held mainly relate to sporting or tourism facilities and include pavilions, amenities blocks, canteen blocks, boat sheds, and storage sheds.

Leasehold improvements represent capital expenditure incurred in relation to leased assets. These include fitout of leased buildings used for administrative purposes.

Infrastructure assets comprise public utilities that provide essential services and enhance the productive capacity of the economy. Infrastructure assets held by the Directorate include site improvements, irrigation systems, lighting systems, carparks, fences, gates, and electrical upgrades. Land under infrastructure is not included in infrastructure assets.

Plant and equipment includes motor vehicles under a finance lease, mobile plant, air-conditioning and heating systems, office and computer equipment, furniture and fittings, and other mechanical and electronic equipment.

Heritage assets are defined as those non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held by the Directorate include public parks and gardens, public sporting reserves, public nature reserves and playing ovals.

Community assets are those assets that are provided essentially for general community use or services. Community assets held by the Directorate include public parks and gardens, public sporting reserves, public nature reserves and land under infrastructure.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

	2011 $'000
Land and Buildings	
Land at Fair Value	6,739
Total Land Assets	**6,739**
Buildings at Fair Value	48,798
Less: Accumulated Depreciation	(4,276)
Total Written-Down Value of Buildings	**44,522**
Total Land and Written-Down Value of Buildings	**51,261**
Leasehold Improvements	
Leasehold Improvements at Fair Value	2,326
Less: Accumulated Depreciation	(459)
Total Written Down Value of Leasehold Improvements	**1,867**
Plant and Equipment	
Plant and Equipment at Fair Value [1]	8,466
Less: Accumulated Depreciation	(2,026)
Less: Accumulated Impairment Losses	(232)
Total Written-Down Value of Plant and Equipment	**6,208**
Community and Heritage Assets	
Community and Heritage Assets at Fair Value	67,071
Less: Accumulated Depreciation	-
Total Written-Down Value of Community and Heritage Assets	**67,071**
Infrastructure	
Infrastructure at Fair Value	90,270
Less: Accumulated Depreciation	(10,697)
Total Written-Down Value of Plant and Equipment	**79,573**
Total Written-Down Value of Property, Plant and Equipment	**205,980**

1 Plant and equipment assets relating to sport and recreation and venues and events functions were revalued on 30th June 2011 by independent valuers, Australian Valuation Office, and Allbids Liquidity Partners AVAA, Certified Practicing Valuer, respectively.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Assets under a Finance Lease

Assets under a finance lease are included in the asset class to which they relate in the above disclosure. Assets under a finance lease are also required to be separately disclosed as outlined below.

	2011 $'000
Carrying Amount of Assets under a Finance Lease	
Plant and Equipment under a Finance Lease	877
Accumulated Depreciation of Plant and Equipment under a Finance Lease	(246)
Total Written-Down Value of Assets under a Finance Lease	**631**

A.6 Financial Report continued

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 22 PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during the period from 17 May 2011 to 30 June 2011.

	Land	Buildings	Leasehold Improvements	Plant and Equipment	Infrastructure	Community and Heritage	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying Amount at the Beginning of the Reporting Period	-	-	-	-	-	-	-
							-
Additions				929		-	**929**
Revaluation Increment	-	-	-	449	-	-	**449**
Depreciation	-	(260)	(49)	(153)	(1,279)	-	**(1,741)**
Acquisition through Administrative Restructuring	6,739	44,783	1,915	5,215	80,852	67,071	**206,575**
Disposals	-	-	-	-	-	-	-
Impairment Losses Recognised in the Operating Deficit	-	-	-	(232)	-	-	**(232)**
Carrying Amount at the End of the Reporting Period	**6,739**	**44,522**	**1,867**	**6,208**	**79,573**	**67,071**	**205,980**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 23 INTANGIBLE ASSETS

	2011 $'000
Computer Software	
Externally Purchased Software	
Computer Software at Cost	1,097
Less: Accumulated Amortisation	(554)
Total Externally Purchased Software	**543**
Total Intangible Assets	**543**

Reconciliation of Intangible Assets

The following table shows the movement in intangible assets for the period from 17 May 2011 to 30 June 2011

	Externally Purchased Software $'000
Carrying Amount at the Beginning of the Reporting Period	-
Acquisition through administrative restructuring	551
Amortisation	(8)
Carrying Amount at the End of the Reporting Period	**543**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 24 CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, and contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Directorate is not currently deriving any economic benefits from them. Assets, which are under construction, include infrastructure assets, buildings, and leasehold improvements.

	2011
	$'000
Infrastructure Works in Progess [1]	27,824
Community and Heritage Works in Progress [2]	27,793
Other Works in Progess [3]	7,049
Total Capital Works in Progress	**62,666**

[1] Infrastructure Works in Progress comprise works associated with assets that provide essential services and mainly include site improvements.

[2] Community and Heritage Works in Progress comprise assets such as public parks, nature reserves and playing ovals.

[3] Other Works in Progress comprise buildings and other plant items.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 24 CAPITAL WORKS IN PROGRESS - CONTINUED

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works for the period from 17 May 2011 to 30 June 2011.

	Infrastructure Works In Progress	Community and Heritage Works In Progress	Other Works In Progress	Total
	$'000	$'000	$'000	$'000
Carrying Amount at the Beginning of the Reporting Period	-	-	-	-
Acquisition through Administrative Restructuring	15,674	26,413	1,531	43,618
Additions	12,150	1,380	7,062	20,592
Capital Works in Progress Completed and Transferred to Property, Plant and Equipment		-	(872)	(872)
Capital Works in Progress Completed and Recognised in the Operating Deficit	-	-	(672)	(672)
Carrying Amount at the End of the Reporting Period	**27,824**	**27,793**	**7,049**	**62,666**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 25 OTHER ASSETS

	2011
Current Assets	**$'000**
Prepayments	531
Other	32
Total Current Other Assets	**563**
Total Other Assets	**563**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 26 PAYABLES

	2011 $'000
Current Payables	
Trade Payables	3,879
Other Payables	2,037
Accrued Expenses	2,686
Total Current Payables	**8,602**
Total Payables	**8,602**

Payables are aged as follows:

Not Overdue	8,444
Overdue for Less than 30 Days	158
Total Payables	**8,602**

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities	
Trade Payables	3,483
Other Payables	2,037
Accrued Expenses	2,686
Total Payables with ACT Government Entities	**8,206**
Payables with Non-ACT Government Entities	
Trade Payables	396
Total Payables with Non-ACT Government Entities	**396**
Total Payables	**8,602**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 27 FINANCE LEASES

	2011 $'000
Current Finance Lease Liabilities	
Secured	
Finance Leases	249
Total Current Secured Finance Lease Liabilities	**249**
Non-Current Finance Lease Liabilities	
Secured	
Finance Leases	224
Total Non-Current Secured Finance Lease Liabilities	**224**
Total Finance Lease Liabilities	**473**

Secured Liability

The Directorate's finance lease liability is effectively secured because if the Directorate defaults, the assets under a finance lease revert to the lessor.

Finance Leases

Finance lease commitments are payable as follows:

Within one year	217
Later than one year but not later than five years	295
Later than five years	-
Minimum Lease Payments	**512**
Less: Future Finance Lease Charges	(39)
Amount Recognised as a Liability	**473**
Total Present Value of Minimum Lease Payments	**473**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 27 FINANCE LEASES - Continued	**2011** **$'000**
The present value of the minimum lease payments are as follows:	
Within one year	249
Later than one year but not later than five years	224
Total Present Value of Minimum Lease Payments	**473**

The future minimum lease payments for non-cancellable financing sub-leases expected to be received.

Classification on the Balance Sheet

Finance Leases	
Current Finance Leases	249
Non-Current Finance Leases	224
Total Finance Lease Liabilities	**473**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 28 EMPLOYEE BENEFITS

	2011 $'000
Current Employee Benefits	
Annual Leave	2,397
Long Service Leave	2,772
Accrued Salaries	594
Other Benefits	44
Total Current Employee Benefits	**5,807**
Non-Current Employee Benefits	
Long Service Leave	489
Total Non-Current Employee Benefits	**489**
Total Employee Benefits	**6,296**

For Disclosure Purposes Only

Estimate of when Leave is Payable

Estimated Amount Payable within 12 Months	
Annual Leave	2,397
Long Service Leave	328
Accrued Salaries	594
Other Benefits	44
Total Employee Benefits Payable within 12 Months	**3,363**
Estimated Amount Payable after 12 Months	
Long Service Leave	2,933
Total Employee Benefits Payable after 12 Months	**2,933**
Total Employee Benefits	**6,296**

The Directorate had 202.5 full time equivalent staff as at 30th June 2011

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 29 OTHER LIABILITIES

	2011 $'000
Current Other Liabilities	
Revenue Received in Advance [1]	964
Other [2]	340
Total Current Other Liabilities	**1,304**
Total Other Liabilities	**1,304**

[1] Mainly comprises naming, provider, signage and advertising rights and memberships for the Canberra Stadium, for which full payment is received in advance.

[2] Mainly comprises liability to ACTEW for Waterwise Garden, Canberra International Arboretum

NOTE 30 ASSET REVALUATION SURPLUS

Asset Revaluation Surplus

The Asset Revaluation Surplus is used to record the increments and decrements in the value of property, plant and equipment.

Transferred Balance at the Beginning of the Reporting Period	-
Revaluation of Plant and Equipment	449
Balance at the End of the Reporting Period	**449**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 31 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2010-11

A restructuring of administrative arrangements occurred on 17 May 2011, to create the Directorate as part of the adoption of reforms recommended in the Hawke Review of the ACT Public Service. The responsibility for various functions was transferred from the former Department of Territory and Municipal Services (TAMS), the former Chief Minister's Department (CMD) and the former Department of Land and Property Services (DLAPS).

Income and Expenses

The following table shows the income and expense items associated with the transferring functions recognised by the Directorate for the period from 17 May 2011 to 30 June 2011. It also shows the income and expenses relating to when the functions belonged to TAMS, CMD and DLAPS. These income and expenditure figures were supplied by the respective directorates and as such have been relied upon by the Directorate. Finally, the table shows the total income and expenses for the functions of the Directorate for the whole financial year.

	Amounts Relating to when Function was held by TAMS	Amounts Relating to when Function was held by CMD	Amounts Relating to when Function was held by DLAPS	Amounts Relating to when Function was held by the Directorate	Total
	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	2011
	$'000	$'000	$'000	$'000	$'000
Revenue					
Government Payment for Outputs	18,869	21,676	6,204	4,780	51,529
User Charges - ACT Government	7	-	1,924	-	1,931
User Charges - Non-ACT Government	5,343	-	-	2,442	7,785
Interest	72	-	-	19	91
Resources Received Free of Charge	-	-	-	4	4
Other Revenue	699	3,649	450	316	5,114
Total Revenue	24,990	25,325	8,578	7,562	66,455

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 31 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED

	Amounts Relating to when Function was held by TAMS	Amounts Relating to when Function was held by CMD	Amounts Relating to when Function was held by DLAPS	Amounts Relating to when Function was held by the Directorate	Total
	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	2011
	$'000	$'000	$'000	$'000	$'000
Expenses					
Employee Expenses	4,012	5,280	5,518	1,829	16,639
Superannuation Expenses	587	732	753	264	2,336
Supplies and Services	11,780	15,178	2,000	6,046	35,004
Depreciation and Amortisation	11,775	280	36	1,749	13,840
Grants and Purchased Services	5,062	3,809	-	721	9,592
Borrowing Costs	29	13	-	1	43
Other Expenses	2,867	-	1,090	619	4,576
Total Expenses	**36,112**	**25,292**	**9,397**	**11,228**	**82,031**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 31 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - Continued

Assets and Liabilities

Assets and liabilities transferred in as part of the revised Administrative Arrangements at the date of transfer were as follows:

	Transferred Amounts Relating to when Function was held by TAMS	Transferred Amounts Relating to when Function was held by CMD	Transferred Amounts Relating to when Function was held by DLAPS	Total
	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	1 July 2010 to 16 May 2011	2011
	$'000	$'000	$'000	$'000
Assets				
Cash and Cash Equivalents	2,217	167	1	2,385
Receivables	1,287	-	2,090	3,377
Inventories	-	58	-	58
Property, Plant and Equipment	200,422	5,329	823	206,574
Intangible Assets	-	475	77	552
Capital Work in Progress	14,401	68	29,149	43,618
Other Assets	131	445	63	639
Total Assets Transferred	**218,458**	**6,542**	**32,203**	**257,203**
Liabilities				
Payables	1,060	-	269	1,329
Interest-Bearing Liabilities	-	-	-	-
Finance Leases	411	-	65	476
Employee Benefits	1,686	1,977	2,128	5,791
Other Liabilities	1,071	347	-	1,418
Total Liabilities Transferred	**4,228**	**2,324**	**2,462**	**9,014**
Total Net Assets Transferred	**214,230**	**4,218**	**29,741**	**248,189**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 32 FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 'Summary of Significant Accounting Policies'.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Directorate is considered to have minimal exposure to interest rate risk because only one cash and cash equivalents account is held in an interest-bearing account and finance leases are held in fixed interest arrangements.

Sensitivity Analysis

A sensitivity analysis has not been undertaken as it is considered that the Directorate's exposure to this risk is insignificant and would have an immaterial impact on its financial results.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment loss. The Directorate expects to collect all financial assets that are not past due or impaired.

Cash and cash equivalents are held with the Commonwealth Bank, in accordance with whole of government banking arrangements.

The Directorate manages the credit risk for receivables by regularly monitoring its receivables and issuing monthly statements to overdue accounts where required. There is no significant concentration of credit risk that has been identified in this analysis.

Liquidity Risk

Liquidity risk is the risk that the Directorate will be unable to meet its financial obligations as they fall due. The Directorate's main financial obligations relate to the payment of employee benefits, payment of grants and the purchase of supplies and services. Salaries are paid on a fortnightly basis and purchases of supplies and services are paid within 30 days of receiving the goods or services.

The main source of cash to pay these obligations is appropriation from the ACT Government which is paid on a fortnightly basis during the year. The Directorate manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations.

The Directorate has an aging workforce with significant levels of accumulated and unpaid leave. As staff resign or retire and these obligations fall due, the Directorate has been able to meet these obligations from current levels of appropriation. With anticipated higher levels of staff retiring in coming years, it is possible that in future years the Directorate may need additional appropriation from Government to be able to meet payment of these obligations.

The Directorate's exposure to liquidity risk is considered insignificant based on a current assessment of risk.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 32 FINANCIAL INSTRUMENTS - Continued

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Directorate's financial assets are not subject to price risk. Accordingly, a sensitivity analysis has not been undertaken.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 32 FINANCIAL INSTRUMENTS – CONTINUED

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2011 $'000	Net Fair Value 2011 $'000
Financial Assets		
Cash and Cash Equivalents	2,158	2,158
Receivables	4,939	4,939
Total Financial Assets	**7,097**	**7,097**
Financial Liabilities		
Payables	8,602	8,602
Finance Leases	473	473
Total Financial Liabilities	**9,075**	**9,075**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 32 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Directorate's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2011. All financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Notes	Floating Interest Rate	Fixed Interest maturing in:			Non-Interest Bearing	Total
			1 Year or Less	Over 1 Year to 5 Years	More than 5 Years		
		$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets							
Cash and Cash Equivalents	19	2,158	-	-	-	-	2,158
Receivables	20	-	-	-	-	4,939	4,939
Total Financial Assets		**2,158**	**-**	**-**	**-**	**4,939**	**7,097**
Weighted Average Interest Rate		4.60%	-	-	-		
Financial Liabilities							
Payables	26	-	-	-	-	8,602	8,602
Finance Leases	27	-	217	295	-	-	512
Total Financial Liabilities		**-**	**217**	**295**	**-**	**8,602**	**9,114**
Weighted Average Interest Rate		-	7.54%	7.55%	-		
Net Financial Assets/(Liabilities)		**2,158**	**(217)**	**(295)**	**-**	**(3,662)**	**(2,016)**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 32 FINANCIAL INSTRUMENTS – CONTINUED

	Notes	2011 $'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables	20	4,939
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	26,27	9,114

The Directorate does not have any financial assets in the 'Fair Value through Profit and Loss Designated Upon Initial Recognition' category, 'Available for Sale' category, or the 'Held to Maturity' category and, as such, these categories are not included above.

Fair Value Hierarchy

The Directorate does not have any financial assets or financial liabilities at fair value. As such no fair value hierarchy disclosures have been made.

Gains on Each Category of Financial Asset and Financial Liability	
Gains on Financial Assets	
Financial Assets at Fair Value through the Profit and Loss Designated upon Initial Recognition	-
Loans and Receivables	-
Gains on Financial Liabilities	
Financial Liabilities at Fair Value through the Profit and Loss Designated upon Initial Recognition	-
Financial Liabilities Measured at Amortised Cost	-

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 33 COMMITMENTS

	2011 $'000
Capital Commitments	
Capital commitments contracted at reporting date that have not been recognised as liabilities are as follows:	
Within one year	11,578
Later than one year but not longer than five years	-
Total Capital Commitments	**11,578**
Other Commitments	
Other Commitments contracted at reporting date that have not been recognised as liabilities, are payable as follows:	
Within one year	8,856
Later than one year but not longer than five years	17,628
Later than five years	7,454
Total Other Commitments	**33,938**
Operating Lease Commitments	
Non-cancellable operating lease commitments are payable as follows:	
Within one year	93
Later than one year but not longer than five years	111
Total Operating Lease Commitments	**204**

NOTE 34 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Assets

There are no Contingent Assets recognised at the reporting date.

Contingent Liabilities

The Directorate is subject to legal claims of approximately $100,000 relating to Sport and Recreation activities.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 35 CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement to the equivalent items in the Balance Sheet.

	2011 $'000
Total Cash and Cash Equivalents Recorded in the Balance Sheet	2,158
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	**2,158**

(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating Deficit

Operating Deficit	(3,439)
Add/(Less) Non-Cash Items	
Impairment Loss of Non-Current Assets	232
Depreciation of Property, Plant and Equipment	1,741
Amortisation of Intangibles	8
Less Items Classified as Investing or Financing	
Net Gain on Disposal of Non-Current Assets	(23)
Cash Before Changes in Operating Assets and Liabilities	**(1,481)**
Changes in Operating Assets and Liabilities	
Increase in Receivables	(1,562)
Decrease in Inventories	6
Decrease in Other Assets	83
Increase in Payables	3,431
Increase in Provision	504
Decrease in Other Liabilities	65
Net Changes in Operating Assets and Liabilities	**2,527**
Net Cash Inflows from Operating Activities	**1,046**

(c) Non-Cash Financing and Investing Activities

Acquisition of Motor Vehicles by means of Finance Lease	3

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 36 THIRD PARTY MONIES

The Directorate holds security deposits for the Tourism Trust account and unclaimed lottery prize monies for the ACT Gambling and Racing Commission.

	2011 $'000
Unclaimed Lottery Prize Monies Held in Trust for the ACT Gambling and Racing Commission	
Balance at the Beginning of the Reporting Period	**1,880**
Cash Receipts	7
Cash Payments	-
Balance at the End of the Reporting Period	**1,887**

ECONOMIC DEVELOPMENT DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

Economic Development Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Income			
Revenue			
Payment for Expenses on Behalf of the Territory		-	-
Total Revenue		-	-
Total Income		-	-
Expenses			
Loss on Investment	38	561	-
Total Expenses		**561**	-
Operating (Deficit)		**(561)**	-
Total Comprehensive (Deficit)		**(561)**	-

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying notes.

[1] The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Statement of Assets and Liabilities on Behalf of the Territory
As at 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Non-Current Assets			
Investments - Territorial	39	1,638	
Total Non-Current Assets		**1,638**	-
Total Assets		**1,638**	-
Net Assets		**1,638**	-
Equity			
Accumulated Funds		1,638	-
Total Equity		**1,638**	-

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying notes.

[1] As the Directorate was established after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Statement of Changes in Equity on Behalf of the Territory
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Accumulated Funds Actual 2011 $'000	Total Equity Actual [1] 2011 $'000	Original Actual [1] 2011 $'000
Balance at the Beginning of the Reporting Period		-	-	-
Comprehensive Income				
Operating (Deficit)		(561)	-	-
Total Comprehensive Income Deficit		**(561)**	**-**	**-**
Transactions Involving Owners Affecting Accumulated Funds				
Net Assets transferred in as part of Administrative Restructure	40	2,199	-	-
Total Transactions Involving Owners Affecting Accumulated Funds		**2,199**	**-**	**-**
Balance at the End of the Reporting Period		**1,638**		

The above Statement of Changes in Equity on Behalf of the Territory should be read in conjunction with the accompanying notes.

[1] The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Cash Flow Statement on Behalf of the Territory
For the Period From 17 May 2011 to 30 June 2011

	Note No.	Actual [1] 2011 $'000	Original Budget [1] 2011 $'000
Cash Flows from Operating Activities			
Receipts			
Cash from Government for Expenses on Behalf of the Territory		-	-
Total Receipts from Operating Activities		-	-
Payments			
Other		-	-
Total Payments from Operating Activities		-	-
Net Cash Inflows/(Outflows) from Operating Activities		-	-
Net Cash Inflows/(Outflows) from Investing Activities		-	-
Cash Inflows/(Outflows) from Financing Activities		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents Held		-	
Cash and Cash Equivalents at the Beginning of the Reporting Period		-	-
Cash and Cash Equivalents at the End of the Reporting Period		-	-

The above Cash Flow Statement on Behalf of the Territory should be read in conjunction with the accompanying notes.

[1] The Directorate was created on 17 May 2011. The actual figures for 2011 represent the operations of the Directorate for the period from 17 May 2011 to 30 June 2011. As the Directorate was created after the preparation of the 2010-11 budget, there are no budget figures.

Economic Development Directorate
Territorial Statement of Appropriation
For the Period From 17 May 2011 to 30 June 2011

	2011 Original Budget $'000	2011 Total Appropriated $'000	2011 Appropriation Drawn $'000
Territorial			
Expenses on Behalf of the Territory	-	61	-
Total Territorial Appropriation	-	61	-

The above Territorial Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement on Behalf of the Territory in the Budget Papers. This amount also appears in the Cash Flow Statement on Behalf of the Territory.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the Department during the year. This amount appears in the Cash Flow Statement on Behalf of the Territory.

Variance Between 'Total Appropriated' and 'Appropriation Drawn'

The Directorate received appropriation of $61,000 from Territory and Municipal Services as reimbursement for expenses which would be charged to the Directorate. At the reporting date, the Directorate had not received invoices for these expenses.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

TERRITORIAL NOTE INDEX

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 37 SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

All of the Directorate's accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Departmental and Territorial financial statements.

NOTE 38 LOSS ON INVESTMENTS

	2011 $'000
Loss on financial assets measured at fair value through profit and loss	561
Total Loss on Investments	**561**

NOTE 39 INVESTMENTS

Investment in the Canberra Business Development Fund	1,638
Total Investments	**1,638**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 40 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2010-11

On 17 May 2011, a restructuring of administrative arrangements occurred between the Directorate and the Chief Minister and Cabinet Directorate involving the Business and Industry Development (BID) Branch. BID is responsible for undertaking programs, initiatives and business policy advice to support strategic business and industry development in the ACT. The responsibility for managing the Territory's interest in the Canberra Business Development Fund (CBDF) in association with this function was transferred to the Directorate as part of this administrative arrangement.

Income and Expenses on Behalf of the Territory

The following table shows income and expenses on behalf of the Territory, associated with the Canberra Business Development Fund, recognised by the Directorate for the period from 17 May 2011 to 30 June 2011. It also shows the income and expenses on behalf of the Territory relating to when it belonged to the Chief Minister and Cabinet Directorate. The Chief Minister and Cabinet Directorate income and expense on behalf of the Territory figures were developed in conjunction with the Chief Minister and Cabinet Directorate and as such have been relied upon by the Directorate. Finally, the table shows the total income and expenses on behalf of the Territory for the Canberra Business Development Fund for the whole financial year.

	Amounts Relating to when Function was held by Chief Minister and Cabinet Directorate 1 July 2010 to 16 May 2011 $'000	Amounts Relating to when Function was held by the Directorate 16 May 2011 to 30 June 2011 $'000	Total 2011 $'000
Expenses			
Other Expenses	153	561	714
Total Expenses	**153**	**561**	**714**
Assets and Liabilities			
Assets			
Investments			2,199
Total Assets Transferred			**2,199**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 41 FINANCIAL INSTRUMENTS

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in Note 2 *Summary of Significant Accounting Policies*.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Directorate is not exposed to interest rate risk as there are no territorial assets or liabilities which are exposed to interest rate fluctuations. As a result a sensitivity analysis has not been undertaken.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

There are no territorial assets or liabilities which are exposed to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Directorate will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Directorate ensures that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. Also, where necessary the Directorate has the ability to request additional appropriation in order to meet its territorial payables. This ensures the Directorate has enough liquidity to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial assets and liabilities mature.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices , whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Directorate is exposed to price risk through its investments held in the Canberra Business Development Fund. The Canberra Business Development Fund invests in early stage companies that are commercialising research and development. As a result, there is an inherent risk that the investments will not realise any returns for the Fund. The Fund manages this risk, as comprehensively as possible, by engaging Australian Capital Ventures Limited to select and oversee the investments of the Fund.

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 41 FINANCIAL INSTRUMENTS - (CONTINUED)

Price Risk Sensitivity Analysis

As at 30 June 2011, the effect on net assets as a result of changes in fair value of investments, with all other variables remaining constant would be as follows:

Change in net assets	$'000
- increase in fair value of investments by 20%	326
- decrease in fair value of investments by 20%	(326)

Fair Value of Financial Assets and Liabilities

The carrying amounts and fair values of financial assets and liabilities at balance date are:

	2011 Carrying Amount $'000	2011 Fair Value $'000
Financial Assets		
Investments	1,638	1,638
Total Financial Assets	**1638**	**1638**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 41 FINANCIAL INSTRUMENTS - (CONTINUED)

The following table sets out the Department's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2011. All financial assets and liabilities which are non-interest bearing will mature in one year or less.

All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

Financial Instruments	Note	Floating Interest Rate $'000	Fixed Interest maturing in: 1 Year or Less $'000	Over 1 Year to 5 Years $'000	More than 5 Years $'000	Non-Interest Bearing $'000	Total $'000
Financial Assets							
Investments	39	-	-	-	-	1,638	1,638
Total Financial Assets		**-**	**-**	**-**	**-**	**1,638**	**1,638**
Weighted Average Interest Rate		-	-	-	-	-	
Net Financial Assets		**-**	**-**	**-**	**-**	**1,638**	**1,638**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 41 FINANCIAL INSTRUMENTS - (CONTINUED)

	2011 $'000
Carrying Amount of Each Category of Financial Asset and Financial Liability	
Financial Assets	
Financial Assets at Fair Value Through Profit and Loss	1,638
Gains on Each Class of Financial Asset and Financial Liability	
Losses on Financial Assets	
Financial Assets at Fair Value Through Profit and Loss	(561)

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 41 FINANCIAL INSTRUMENTS - (CONTINUED)

Fair Value Hierarchy

The Directorate is required to classify financial assets and financial liabilities into a fair value hierarchy that reflects the significance of the inputs used in determining their fair value. The fair value hierarchy is made up of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amount of financial assets measured at fair value, as well as the methods used to estimate the fair value are summarised in the table below.

2011

	Classification According to Fair Value Hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial Assets				
Financial Assets at Fair Value through the profit and Loss				
Investments	-	-	1,638	1,638
	-	-	**1,638**	**1,638**

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 42 CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the end of the Reporting Period in the Cash Flow Statement on Behalf of the Territory to the related Items in the Statement of Assets and Liabilities on Behalf of the Territory.

	2011 $'000
Total Cash Disclosed on the Statement of Assets and Liabilities on Behalf of the Territory	-
Cash at the End of the Reporting Period as Recorded in the Cash Flow Statement	-

(b) Reconciliation of Net Cash Inflows from Operating Activities to the Operating (Deficit)

Operating (Deficit)	(561)
Add Loss on Investment	561
Cash Before Changes in Operating Assets and Liabilities	-
Net Cash Inflows from Operating Activities	-

Economic Development Directorate
Notes to and Forming Part of the Financial Statements
For the Period From 17 May 2011 to 30 June 2011

NOTE 43 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2011.

There were no indemnities as at 30 June 2011.

A.7 Statement of Performance

ACT AUDITOR-GENERAL'S OFFICE

REPORT OF FACTUAL FINDINGS

ECONOMIC DEVELOPMENT DIRECTORATE

To the Members of the ACT Legislative Assembly

Report on the statement of performance

The statement of performance of the Economic Development Directorate (the Directorate) for the period from 17 May 2011 to 30 June 2011 has been reviewed.

Responsibility for the statement of performance

The Director-General of the Directorate is responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1996.* This includes responsibility for maintaining adequate records and internal controls that are designed to prevent and detect fraud and error, and the systems and procedures to measure the results of the performance indicators reported in the statement of performance.

The auditor's responsibility

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*, I am responsible for providing a report of factual findings on the statement of performance.

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide assurance that the results of the performance indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996.*

A review is primarily limited to making inquiries with representatives of the Directorate, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

The review did not include an assessment of the relevance or appropriateness of the performance indicators reported in the statement of performance or the related performance targets.

No opinion is expressed on the accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations.

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Electronic presentation of the statement of performance

Those viewing an electronic presentation of this statement of performance should note that the review does not provide assurance on the integrity of information presented electronically, and does not provide an opinion on any other information which may have been hyperlinked to or from the statement of performance. If users of the statement of performance are concerned with the inherent risks arising from the electronic presentation of information, they are advised to refer to the printed copy of the reviewed statement of performance to confirm the accuracy of this electronically presented information.

Independence

Applicable independence requirements of Australian professional ethical pronouncements were followed in conducting the review.

Review opinion

Based on the review procedures, no matters have come to my attention which indicate that the results of the performance indicators, reported in the statement of performance of the Directorate for the period from 17 May 2011 to 30 June 2011, are not fairly presented in accordance with the *Financial Management Act 1996.*

This review opinion should be read in conjunction with the other information disclosed in this report.

M. Cooper.

Dr Maxine Cooper
Auditor-General
27 September 2011

Economic Development Directorate

Statement of Performance

For the Period 17 May 2011 to 30 June 2011

A.7 Statement of Performance continued

Economic Development Directorate

Statement of Performance

For the Period 17 May 2011 to 30 June 2011

Statement of Responsibility

In my opinion, the statement of performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate for the period ended 30 June 2011 and also reflects the judgements exercised in preparing it.

David Dawes

Director General

Economic development Directorate

19th September 2011

ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE
FOR THE FROM 17 MAY 2011 TO 30 JUNE 2011

Output Class 1: **Economic Development**

Output 1.1: **Land Policy and Infrastructure Delivery**

Description: Deliver or oversee the delivery of a diverse range of capital projects in collaboration with government agencies, the private sector and the community

Key outputs to be delivered in 2010-11 include:

- manage whole of government capital projects; coordinate activities across Government to facilitate the delivery of private sector developments; lead and coordinate the delivery of the Government's land supply strategy; and lead and coordinate the delivery of affordable housing policies.

	Accountability Indicator[1]	Original Target 2010-11	Amended Target 2010-11	Actual Result 2010-11	Variance from Amended Target %	Explanation of Material Variances
TOTAL COST ($'000)		**n/a**	n/a	**$1,668**	100%	The variance largely reflects Administrative Arrangements 2011 (No 1) resulting in the transfer of unspent expenditure as at 16 May 2011 from the former Department of Land and Property Services to the Economic Development Directorate.
GOVERNMENT PAYMENT FOR OUTPUTS ($'000)		**n/a**	n/a	**$1,046**	100%	The variance reflects the impact of undrawn appropriation for the former Department of Land and Property Services as at 16 May 2011 transferred to the Economic Development Directorate resulting from Administrative Arrangements 2011 (No 1).
a.	Implement the Affordable Housing Action Plan	n/a	1	1	-	n/a
b.	Progress (in partnership with the Australian National University) the development of key sites in the City West Precinct	n/a	1	1	-	n/a
c.	Implement Building for Our Ageing Community Strategy	n/a	1	1	-	n/a
d.	Continue to develop a new government office building proposal	n/a	1	1	-	n/a
e.	Develop and implement a land supply strategy	n/a	1	1	-	n/a
f.	Progress implementation of the National Arboretum Canberra	n/a	1	1	-	n/a
g.	Accommodation utilisation rate (m^2 per employee)	n/a	17.0	15.9	(6.0%)	The improvement can be mainly attributed to the removal of ESA Fairbairn from the 'office data' as in excess of 95% of staff are operational and not office based.
h.	Occupancy rate of ACT Government office buildings	n/a	98%	99.1%	1%	n/a

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Measures

1 The accountability indicators were not formally transferred to the Directorate from the former Department of Land and Property Services following *Administrative Arrangements 2011 (No.1)* due to an administrative error in the transfer process. The accountability indicators will be reported from 1 July 2011. The indicative amended targets and actual results have been provided for information purposes only.

a. Coordination of the implementation of the 84 affordable housing initiatives in consultation with other Directorates. Coordination covers interaction with other Agencies responsible for delivery of actions in the plan and reporting to Government on progress.

b. This measure covers the management of the 2004 partnership deed between the ANU and the Territory for the development of the City West precinct.

c. Coordination of the implementation of the *Building For Our Ageing Community* Strategy and providing case management of several aged persons' accommodation developments.

d. Undertake a market sounding exercise to establish the cost benefit of private sector interest in funding and/or partnering options for the government office and present results to Government for consideration.

e. Monitoring activity in the property market and modifying land supply to reflect changing levels in demand and release new five year Land Supply Strategy and Release Programs.

f. Continue to progress the arboretum including planting, completing picnic and barbeque area, paths and other facilities in the Himalayan Cedars and Dairy Farmers Hill. Design, prepare documents and tender for major works associated with the visitors centre.

g. This indicator measure covers the quantum of office space utilised per employee.

h. This indicator measure covers the percentage of all available ACT Property Group office space (in both owned and leased buildings) that is being rented by ACT Government agencies.

A.7 Statement of Performance continued

ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE
FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

Output Class 1: **Economic Development**

Output 1.2: **Business and Industry Development**

Description: Provision of programs, initiatives and business policy advice to support strategic business and industry development in the ACT.

	Accountability Indicator	Original Target 2010-11	Amended Target 2010-11	Actual Result 2010-11	Variance from Amended Target %	Explanation of Material Variances
TOTAL COST ($'000)		n/a	n/a	$1,280	100%	The variance largely reflects Administrative Arrangements 2011 (No 1) resulting in the transfer of unspent expenditure as at 16 May 2011 from Chief Minister's Department to the Economic Development Directorate.
GOVERNMENT PAYMENT FOR OUTPUTS ($'000)		n/a	n/a	$965	100%	The variance reflects the impact of undrawn appropriation for the Chief Minister's Department as at 16 May 2011 transferred to the Economic Development Directorate resulting from Administrative Arrangements 2011 (No 1).
a.	Support business innovation and the commercialisation of wealth generating ideas and research through program approaches	n/a	1	1	-	n/a
b.	Establish and deliver collaboration-based industry development strategies	n/a	1	1	-	n/a
c.	Deliver information and advisory services to the general small business community	n/a	1	1	-	n/a
d.	Work within Australian and the ACT Government policy settings to attract and facilitate business and skilled migration to the Territory	n/a	1	1	-	n/a
e.	Collaborate with the relevant Commonwealth Government entities to support economic development in the Territory and the broader Capital Region	n/a	1	1	-	n/a

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Measures	
a.	**BID's strategic priorities**: Deliver business programs and services including InnovationConnect (Icon), TradeConnect (TCon), ACT Investment Facilitation Program (IFP), Lighthouse Business Innovation Centre (LBIC), and Canberra Business Development Fund (CBDF). Manage relationships with key stakeholders in the ACT business community and innovation system including National ICT Centre of Excellence (NICTA) and National Plant Phonemics Facility Investment (High Resolution Plant Phonemics Centre - HRPPC). **Activities**: Four ICon Assessment Panel rounds conducted in 2010-11 with funds totalling $456,870 awarded to 18 applicant businesses. TradeConnect supported 19 ACT businesses through matched funding grants, with some businesses receiving more than one grant. In addition 5 ACT Businesses were supported through Trade Connect to participate in the Global Acceleration Pilot Program (GAP). Investment Facilitation Program (IFP) received two Expressions of Interest during 2010-11. At end 2010-11 one EOI closed without progressing to Formal Application, one remained under continued negotiation with the applicant. Lighthouse Business Innovation Centre (LBIC) six-monthly activity reports received for periods ending December 2010 and June 2011, identifying a total of 190 individual client interactions including Capital Angels program and introduction of the Entrepreneur Development Fund (EDF). External review of LBIC completed in May 2011 finding that LBIC's service delivery met a strong demand from individual entrepreneurs and local industry, and that LBIC had delivered strong achievements in nurturing and guiding entrepreneurial activity. The total shareholding value of CBDF's nine active company investments was $2,767,599 as at 30 June 2011. NICTA quarterly liaison meetings held and quarterly reports received. Hosted annual Techfest event September 2010 and continued to offer a range of free seminars to broader ACT ICT research and business community including the Meet the Founder series. HRPPC quarterly update meetings held. Launch of world first technology 'Plant Scan' held May 2011. The Centre continues to engage with the local community through outreach programs, as well as with the international community. The Centre is producing world leading science in Plant Phonemics. This measure complete at the end of 2010-11.

ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE
FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

b.	**BID's strategic priorities**: Deliver business programs and services including Canberra BusinessPoint procurement and management of contract for services and advice to high growth potential businesses, ACT Industry Capability Network (ICN), Chief Minister's Export Awards contract management, ACT Exporters' Network, ScreenACT, CollabIT, and the ACT Screen Investment Fund. Manage relationships with key stakeholders in the ACT business community and innovation system including for Education Export. Support activities that promote the economic development of the broader capital region including the ACT Clean Economy Strategy. **Activities:** Canberra BusinessPoint procurement process completed with Lighthouse Business Innovation Centre for provision of Module 2 services. Lighthouse has also led development of revised Canberra BusinessPoint website (www.canberrabusinespoint.com.au) providing online access to training materials, online calendar of events, seminars and workshops, and access to business development resources and tools. ICN industry capability activities have been delivered with a focus on national industry sectors, including attendance at national sector manager workshops. Chief Minister's Export Awards contract with CBC extended for one year , and 2010 Export Awards report accepted October 2010. The 2011 Awards launched in March 2011 and promotional activities commenced. Quarterly reports indicate the ACT Exporters Network's membership has reached 75, with 454 unique email addresses receiving monthly newsletter. A total of 613 people participated in the Network's various outreach activities and ACT Government partnered events throughout the year. ScreenACT Task Force meetings, held every 2nd month, and 'producer pod' professional development program delivered. ScreenACT Strategic Plan to 2016 finalised. ACT Screen Investment Fund launched November 2010 and one funding round held. CollabIT Committee meetings held monthly, a series of 4 risk management training courses and 10 networking/educational seminars held for members. Nine member companies were also supported to attend CEBIT as part of DIISR's Australia Stand. Education Export activities included development of See Yourself Learning in Canberra logo for use in the China Education Trade Mission, development of interim portal, and ongoing meetings with CBC. Prepared ACT Clean Economy Strategy discussion paper for community, key stakeholder and ACT Government interdepartmental consultation. This measure complete at the end of 2010-11.
c.	**BID's strategic priorities:** Deliver business programs and services including Canberra BusinessPoint procurement and management of contract for support and advisory services to intending and early stage businesses, Australian Business Licence Information Service (BLIS), Business Online Services (BOS)/BLIS Transition Project for the ACT, Business in Focus Month (BIFM), and Program marketing and communications. Support activities that promote the economic development of the broader capital region including the ACT Small and Micro Business Forum. Participate actively in business and innovation policy forums including the National Executive of Small Business Agencies (NESBA). **Activities:** Canberra BusinessPoint procurement process completed with Canberra Business Council (CBC) selected as preferred tenderer for provision of Module 1 services. Canberra BusinessPoint shopfront launched January 2011 and full suite of advisory workshops and programs implemented and undergoing continuous delivery. Procurement completed and contract for ongoing data and content maintenance for ACT BLIS/ABLIS (business licence information) executed September 2010, and service level agreement executed for provision of Contact Centre services September 2010. Services were delivered for full reporting period. Attended regular BOS Working Group, Jurisdiction Engagement Project and related meetings. Coordinated Business Online Services/BLIS transition activities including integration of ACT data to national ABLIS (under development), system training, User Acceptance Testing, and BOS MoU negotiation. A successful BIFM was delivered September 2010 with 54 events held over 30 days. Planning for BIFM 2011 reached final stages, with strong support from business community for the 'creativity' theme. Ongoing marketing and communications undertaken including website maintenance, submission of approved content to B2B magazine and publishing of eNewsletters. Planning for BID website redevelopment commenced but on hold due to broader ACT Government activity in this area. ACT Small and Micro Business Forum held September 2010 provided an opportunity for more than 80 small and medium sized enterprises to provide feedback to Government on human resource capability issues faced by small and micro businesses. NESBA meeting attended September 2010. This measure was complete at the end of 2010-11.
d.	**BID's strategic priorities:** Deliver business programs and services including International Student Ambassador Program and the Skilled and Business Migration Program (Regional Certifying Body, Government sponsorship of skilled and business investment migrants, international promotional activities, development of State Migration Plan). Support activities that promote the economic development of the broader capital region, including Augmenting the Skills Response. Participate actively in business and innovation policy forums including the Commonwealth-State Working Party on Skilled Migration, and Standing Committee on Immigration and Multicultural Affairs (SCIMA). **Activities:** International Student Ambassador program meeting held November 2010 with institutional partners and program deliverers to discuss 2010 Program report, organise graduation of first cohort of Ambassadors, and recruitment of 2011Ambassadors. 2010 Ambassadors graduated and 33 Ambassadors recruited from the 5 institutions and inducted in March 2011. Processed 1141 sponsorship applications for employer sponsored, skilled and business migrants - 877 approved; 234 rejected; 9 withdrawn; and 21 were pending. Executed MOUs for State Migration Plan and Health Waiver with Commonwealth Government. ACT Skills Symposium held April 2011, providing guidance for future direction of skills and workforce development issues across the ACT economy, and for consideration by ACT Learning Capital Council. Commenced contractual arrangements to update the ACT Skills Demand survey and modelling of current and future skill shortages in the ACT. Attended and provided input into four meetings of the Commonwealth, State Working Party on Skilled Migration. Provided briefings for one meeting of the Standing Committee on Immigration and Multicultural Affairs (SCIMA) and attended meeting December 2010. This measure was complete at the end of 2010-11.
e.	**BID's strategic priorities**: Deliver business programs and services including Trade Mission Program, Chief Minister's Export Awards collaboration with Austrade in delivery of national program. Manage relationships with key stakeholders in the ACT business community and innovation system including Inward Investment Facilitation Services. Support activities that promote the economic development of the broader capital region including Shanghai World Expo 2010. Participate actively in business and innovation policy forums including National Trade Development Working Group, Small Business Ministerial Council, Commonwealth State and Territories Advisory Council on Innovation, and National Investment Australia Board. **Activities**: three trade missions successfully delivered: July 2010 the Chief Minister led a delegation of eight ACT Businesses to Beijing and Shanghai; September 2011 the Minister for Education led a delegation of six ACT education providers/institutes to Shanghai and Guangzhou. These two Trade Missions to China were undertaken to leverage the ACT Government's Silver Sponsorship of the Australian Pavilion at the Shanghai World Exported third trade mission, comprising five ACT businesses representing the information technology, defence and security sectors, travelled to Malaysia June 2011. Follow up survey results indicate all ACT mission participants produced either immediate sales results or strong leads in the medium term, which will lead to longer term sales and/or partnerships. Collaboration continued with Austrade on Chief Minister's Export Awards, including attendance at National Export Awards December 2010 and meeting to discuss 2010 Awards program and provide input into 2011 Awards arrangements. Responded to Foreign Investment Leads coordinated by Austrade and facilitated market visits from international delegations, predominantly from China. Coordinated ACT Government silver sponsorship for participation in the Australian Pavilion at the Shanghai World Expo 2010 , including three focal point VIP events incorporating installation of Microscopia glass sculpture, promotion of ACTuality web site, promotion of Canberra District wines and Canberra dance troupe and ANU School of Music musician performances. All key performance measures agreed between the ACT Government and the Commonwealth in relation to the Australian pavilion were fulfilled. National Trade Development Working Group meeting held December 2010. The final Small Business Ministerial Council meeting under the COAG Ministerial Council system was held in August 2010. Attended National Investment Advisory Board meeting December 2010. CSTACI met July and December 2010. Active participation in a number of regular working groups has occurred. This measure was complete at the end of 2010-11.

A.7 Statement of Performance continued

ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE
FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

Output Class 1: **Economic Development**

Output 1.3: **Tourism, Venues and Events**

Description: Creation and implementation of a range of marketing and development programs and activities to promote tourism and major events held in the ACT. Management of Canberra Stadium, Manuka Oval and Stromlo Forest Park.

	Accountability Indicator	Original Target 2010-11	Amended Target 2010-11	Actual Result 2010-11	Variance from Amended Target %	Explanation of Material Variances
TOTAL COST ($'000)		n/a	n/a	$4,391	100%	The variance largely reflects Administrative Arrangements 2011 (No 1) resulting in the transfer of unspent expenditure as at 16 May 2011 from the former Department of Territory and Municipal Services and Chief Minister's Department to the Economic Development Directorate.
GOVERNMENT PAYMENT FOR OUTPUTS ($'000)		n/a	n/a	$1,798	100%	The variance reflects the impact of undrawn appropriation for the former Department of Territory and Municipal Services and Chief Minister's Department as at 16 May 2011 transferred to the Economic Development Directorate resulting from *Administrative Arrangements 2011 (No 1)* .
a[1].	Awareness of the Capital Region as a tourist destination					These figures cover a period incorporating the final month of the highly successful *Masterpieces from Paris* exhibition, along with Floriade 2010 (which achieved record levels of interstate visitation) and the new autumn event *Enlighten* . These events, promoted heavily in interstate markets (particularly Sydney and Regional NSW), are likely catalysts for increased awareness levels.
	Sydney	n/a	>9%	12.4%	+3.4%	
	Brisbane	n/a	>5%	7.6%	+2.6%	
	Regional NSW	n/a	>12%	18.5%	+6.5%	
b[1].	Preference of the Capital Region as a tourist destination					These figures cover a period incorporating the final month of the highly successful *Masterpieces from Paris* exhibition, along with Floriade 2010 (which achieved record levels of interstate visitation) and the new autumn event *Enlighten* . These events, promoted heavily in interstate markets (particularly Sydney and Regional NSW), are likely catalysts for increased preference levels.
	Sydney	n/a	>10%	16.0%	+6.0%	
	Brisbane	n/a	>5%	6.2%	+1.2%	
	Regional NSW	n/a	>10%	14.5%	+4.5%	
c[1].	Number of visits to the 'visitcanberra' website	n/a	575,000	95,567	(83.4%)	Australian Capital Tourism now measures website 'visits' in line with accepted industry standards. The statistics package utilised by the previous host provider measured 'hits', which can inflate results. A revised target for 2010-11 was developed without the benefit of historical data for comparison. Use of the internet as a key tool for travel planning and bookings is growing rapidly and this website serves as a call to action for Australian Capital Tourism's broad range of destination marketing activity. As such, the full 12 month target for 2011-12 has been increased to 800,000. The figure for the full year ending 30 June 2011 was 817,141.
d.	Direct expenditure as a result of staging Floriade	n/a	$20m	$0.00	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
e.[2]	Deliver key community events					
	New Year's Eve		1	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
	Australia Day		1	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
	Canberra Day		1	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
	Nara Candle Festival		1	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
f.[2]	Annual festival grants advice to the Minister		Sept. 2010	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.

ECONOMIC DEVELOPMENT DIRECTORATE
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	Accountability Indicator	Original Target 2010-11	Amended Target 2010-11	Actual Result 2010-11	Variance from Amended Target %	Explanation of Material Variances
g.[2]	Conduct four annual *Live in Canberra* interstate expos to increase awareness of the benefits of living and working in the ACT		4	0	(100%)	This measure was delivered prior to 17 May 2011 by Chief Minister's Department.
h.[3]	Number of Major Events at					
	Canberra Stadium	n/a	23	5	(78.3%)	The results are for the period 17 May to 30 June. Inadvertently the full year target was transferred. The variance is mainly a consequence of the reporting period being 6 weeks and the target being for the full year
	Manuka Oval	n/a	3	0	(100%)	The results are for the period 17 May to 30 June. Inadvertently the full year target was transferred. The variance is mainly a consequence of the reporting period being 6 weeks and the target being for the full year.
	Stromlo Forest Park	n/a	6	1	(83.3%)	The results are for the period 17 May to 30 June. Inadvertently the full year target was transferred. The variance is mainly a consequence of the reporting period being 6 weeks and the target being for the
i.[3]	Own Source Revenue by venue					
	Canberra Stadium	n/a	$3,142,722	$1,366,789	(56.5%)	The results are for the period 17 May to 30 June. Inadvertently the full year target was transferred. The variance is mainly a consequence of the reporting period being 6 weeks and the target being for the full year.
	Manuka Oval	n/a	$284,110	$42,453	(85.1%)	The results are for the period 17 May to 30 June. Inadvertently the full year target was transferred. The variance is mainly a consequence of the reporting period being 6 weeks and the target being for the

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Measures

a. Independent tracking survey to record advertising awareness of the Capital Region as a tourist destination.
b. Independent tracking survey to record preference of the Capital Region as a tourist destination.
c. This measure records the performance of the 'visitcanberra' website as a key driver for tourism activities such as travel, research, planning and online bookings in Canberra.
d. This represents the increase in direct expenditure to the ACT economy as a result of staging the event (measured independently).
e. This measure represents key community events. These were delivered prior to the accountability measure being transferred.
f. This measure covers the management of the ACT Festival Fund Assessment Committee and recommendation to the Minister. These were delivered prior to the accountability measure being transferred.
g. This measure represents delivery of expos to raise awareness for of Canberra as a great place to live and work. These were delivered prior to the accountability measure being transferred.
h. The results were attained by pre arranged hiring agreements.
i. Independent revenues are calculated based on various contractual obligations, functions, rental income and other revenue arrangements applicable to each venue.

Notes

1 The results for these accountability indicators are based on data for the full 2010-11 financial year.
2 These accountability measure were completed prior to the transfer of the measure. The results are included in the Chief Minister's and Cabinet Directorate annual report.
3 Results up to 16 May 2011 are reported in Territory and Municipal Services annual report. Territory Venues and Events moved to the Economic Development Directorate from 17 May 2011, results cover period from 17 May 2011 to 30 June 2011.

A.7 Statement of Performance continued

ECONOMIC DEVELOPMENT DIRECTORATE
STATEMENT OF PERFORMANCE
FOR THE PERIOD FROM 17 MAY 2011 TO 30 JUNE 2011

Output Class 1: **Economic Development**

Output 1.4: **Sport & Recreation**

Description: Development of programs, policies and legislation, grant provision, and education and training opportunities to maintain and improve the capabilities of the sport and recreation sector. Including management and maintenance of sportsgrounds and facilities, and the provision of support services to high performance athletes in the ACT.

Accountability Indicator	Original Target 2010-11	Amended Target 2010-11	Actual Result 2010-11	Variance from Amended Target %	Explanation of Material Variances
TOTAL COST ($'000)	**n/a**	n/a	**$3,835**	100%	The variance largely reflects Administrative Arrangements 2011 (No 1) resulting in the transfer of unspent expenditure as at 16 May 2011 from the former Department of Territory and Municipal Services to the Economic Development Directorate.
GOVERNMENT PAYMENT FOR OUTPUTS ($'000)	**n/a**	n/a	**$971**	100%	The variance reflects the impact of undrawn appropriation for the former Department of Territory and Municipal Services as at 16 May 2011 transferred to the Economic Development Directorate resulting from Administrative Arrangements 2011 (No 1).
a. Number of targeted programs delivered in accordance with the Australian Sports Commission agreement	n/a	9	-	(100.0%)	Australian Sports Commission ceased delivery of the Schools Network Program on 31 December 2008. The original target included the delivery of the Schools Network Program based on an assumption that the Australian Sports Commission would be reinstating a similar program in 2010. The program has not been funded or reinstated requiring target amendment.
b. Customer satisfaction survey of ACT Academy of Sport Services	n/a	90.0%	98.4%	9.3%	62 survey responses were returned to the ACT Academy of Sport. 61 respondents were satisfied with the ACT Academy of Sport program, 1 returned an unsatisfied response.
c. Percentage of customers satisfied with the management of sportsgrounds	n/a	92.0%	88.0%	(4.3%)	-
d. Percentage of customers satisfied with the management of aquatic centres	n/a	93.0%	92.0%	(1.1%)	-

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Measures

a. A program is considered implemented once the agreement between Sport and Recreation Services and the Australian Sports Commission is signed. The agreement outlines key outcomes to be achieved and programs in targeted areas to be delivered during the agreement period. The programs to be implemented are: Coaching and Officiating, Indigenous Sport Program, Schools Network, Women Sport, Junior Sport, Governance and Best Practice, Ethics, Disability Sport.

b. Athletes and coaches are surveyed to determine their satisfaction with the support services provided by ACT Academy of Sport.

c. A survey of visitors to district sportsgrounds, enclosed sportsgrounds and neighbourhood ovals sought visitors satisfaction or dissatisfaction with - overall experience provided by the sportsgrounds - how well the sportsground is managed and standard of the facilities provided by the sportsgrounds.

d. A survey of visitors to public swimming pools sought visitors satisfaction or dissatisfaction with the management of public swimming pools - overall experience provided by the public swimming pools and maintenance and cleanliness of public swimming pools.

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