



Northern  
Territory  
Government

DEPARTMENT OF BUSINESS AND EMPLOYMENT

# Annual Report 2011–12



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Department of Business and Employment

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### ABOUT THIS REPORT

This annual report meets the Department of Business and Employment's legislative reporting obligations in relation to the department's business outcomes identified in the 2011-12 Budget.

The report aims to provide government, employees, organisations and individuals with:

- an understanding of the department's objectives, activities and measures of its performance
- qualitative and quantitative commentary on progress towards achieving departmental goals
- an insight into future directions.

This annual report is prepared in accordance with section 28 of the *Public Sector Employment and Management Act* and the *Financial Management Act*. It presents the ministers with a summary of the activities of the department in 2011-12.



The Hon Peter Chandler MLA  
Minister for Business



The Hon Robyn Lambley MLA  
Minister for Corporate and Information  
Services



The Hon Terry Mills MLA  
Minister for Defence Liaison



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Minister for Business  
Parliament House  
DARWIN NT 0800

The Hon Robyn Lambley MLA  
Minister for Corporate and Information Services  
Parliament House  
DARWIN NT 0800

The Hon Terry Mills MLA  
Minister for Defence Liaison  
Parliament House  
DARWIN NT 0800

Dear Ministers

In accordance with section 28 of the *Public Sector Employment and Management Act*, I am pleased to present you with the Department of Business and Employment's annual report for the year ending 30 June 2012.

I advise that to the best of my knowledge and belief, in respect of my duties as an accountable officer pursuant to section 13 of the *Financial Management Act*, the system of internal control within the department provides reasonable assurance that:

- a) Proper records of all transactions affecting the department are kept and employees under my control observe the provisions of the

*Financial Management Act*, the Financial Management Regulations and Treasurer's Directions.

- b) Procedures within the department afford proper internal control and a current description of such procedures is recorded in the department's Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*.
- c) There is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exist.
- d) In accordance with section 15 of the *Financial Management Act*, the results of internal audits have been reported to me and the internal audit capacity is adequately available to the department.
- e) The financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with part 2 section 5 and part 2 section 6 of the Treasurer's Directions where appropriate.
- f) All Employment Instructions issued by the Commissioner for Public Employment have been satisfied.
- g) In respect of my responsibilities pursuant to section 131 of the *Information Act*, I advise that, to the best of my knowledge and belief, the department has implemented processes to achieve compliance with part 9 of the *Information Act*.

Yours sincerely

**Peter Carew**

**Chief Executive**

26 September 2012

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### CHIEF EXECUTIVE'S MESSAGE

The 2011-12 year has been challenging and rewarding. It is an exciting time for the Territory as we prepare for the flow-on opportunities from several major projects, including the INPEX Ichthys project.

Our major achievements for the financial year include:

- achieving targets in Vocational Education and Training (VET), Indigenous employment, labour force participation rates.
- developing a suite of procurement reforms to simplify processes, increase transparency, increase recognition of local content and build procurement competency
- co-chairing the INPEX Ichthys Industry Participation Plan Steering Committee to maximise local industry engagement in the Ichthys project
- administering the Building Northern Territory Industry Participation Policy to encourage the development of Industry Participation Plans and therefore increase local industry participation in major projects
- delivering the Territory Business Upskills program, including workshops attended by 1246 local businesspeople, and 41 business coaching sessions
- delivering another successful October Business Month, attended by 7539 people – a 36% increase on 2010
- partnering with business and industry representatives for 14 events, including migration expos, and national employment and career events, to promote the Territory as a place to work and live
- implementing the Community Based Childcare Support Program to assist centres to strengthen business and financial management, and governance principles
- completing the installation of the fibre optic loop in 17 remote communities.

There were significant changes to the agency structure during the year including the streamlining of adult training in October 2011. This function transferred to the department from the Department of Education and Training to create a single point of contact for employment, training and private sector workforce development. The move reflects the national VET reform agenda, which links funding for training to job outcomes and sees industry having a key input to training needs.

In June 2012, Procurement Policy, Procurement Liaison and Procurement Services were brought together into a single division. The consolidation ensured we gained maximum benefit from the broad experience in each unit to further develop sound integrated policy, deliver good outcomes for businesses and government, better respond to procurement matters and better support the Procurement Review Board.

I joined the department after the 2011-12 financial year and would like to recognise the contributions and achievements of Graham Symons and Mark Sweet during the reporting period.

I would also like to thank each department employee for their hard work and dedication throughout the year. It is through your efforts that we can achieve so much.

I look forward to continuing to work with all staff, Territory businesses and other stakeholders in the coming year.

Peter Carew

Chief Executive



## ABOUT THIS DEPARTMENT

### ORGANISATION OVERVIEW

The organisation comprises four entities: the Department of Business and Employment and three government business divisions (GBDs) - Data Centre Services, the Government Printing Office and NT Fleet.

The diagram on page 4 shows the organisation's structure at 30 June 2012.

The organisation employs about 800 staff, with the majority (680) working in the department and the remainder spread across the GBDs.

The total budget for 2011-12 was just under \$268 million, excluding the GBDs, which are separate budget entities. Refer to page 91 for more financial information.

The department has service outlets in Darwin, Jabiru, Alice Springs, Katherine, Tennant Creek and Nhulunbuy.

### IN PROFILE

The department's primary responsibilities are to deliver business and industry development services, Defence support, employment, vocational and educational training and shared corporate services.

The department works with business to develop and broaden the Northern Territory's economic base, including providing strategic programs and activities to support business and industry development.

It is responsible for providing strategic labour market policy advice and forecasting to maximise employment opportunities for Territorians and meet industry needs.

It administers training strategy and policy for the adult vocational education and training sector and administers funding to registered training organisations in the Territory.

## ABOUT THIS DEPARTMENT

The department provides shared corporate services to all Northern Territory Government agencies and business divisions, including financial and human resource administration, procurement, information technology management and property management.

Key responsibilities are to:

- identify, assess and support business and industry development opportunities
- improve business competitiveness and productivity
- stimulate business innovation, research and knowledge development
- provide strategic labour market research and advice
- coordinate employment programs for graduates, new apprentices and Indigenous cadets
- develop procurement policy, provide secretariat services to the Procurement Review Board and provide procurement advice to agencies
- develop, promote and implement employment strategies, including coordination of Indigenous employment, Regional Job Hubs, skilled migration programs and Workforce Growth NT
- develop and administer training strategy and policy for the adult vocational education and training sector in the Territory and administers funding to registered training organisations (RTOs) for the delivery of training
- provide information technology services to support government business
- operate corporate systems to enable processing of government transactions such as accounts and payroll
- develop information and communications technology policy, including telecommunications strategy for remote area communication services
- lease office accommodation and manage leased property to support government service delivery.



### Data Centre Services

Data Centre Services (DCS) delivers a range of information technology services to all Northern Territory Government agencies.

Key responsibilities are to:

- host and manage mainframe applications
- host and manage mid-range server applications
- administer databases
- manage enterprise data storage
- host information and communications technology (ICT) infrastructure for agencies and contract service providers
- manage various whole-of-government information technology functions, electronic security and identity management.





### Government Printing Office

The Government Printing Office (GPO) provides cost-effective printing and publication services to the Legislative Assembly and government agencies.

Key responsibilities are to:

- provide a secure environment for the timely production of government documents
- outsource to local industry as appropriate.



### NT Fleet

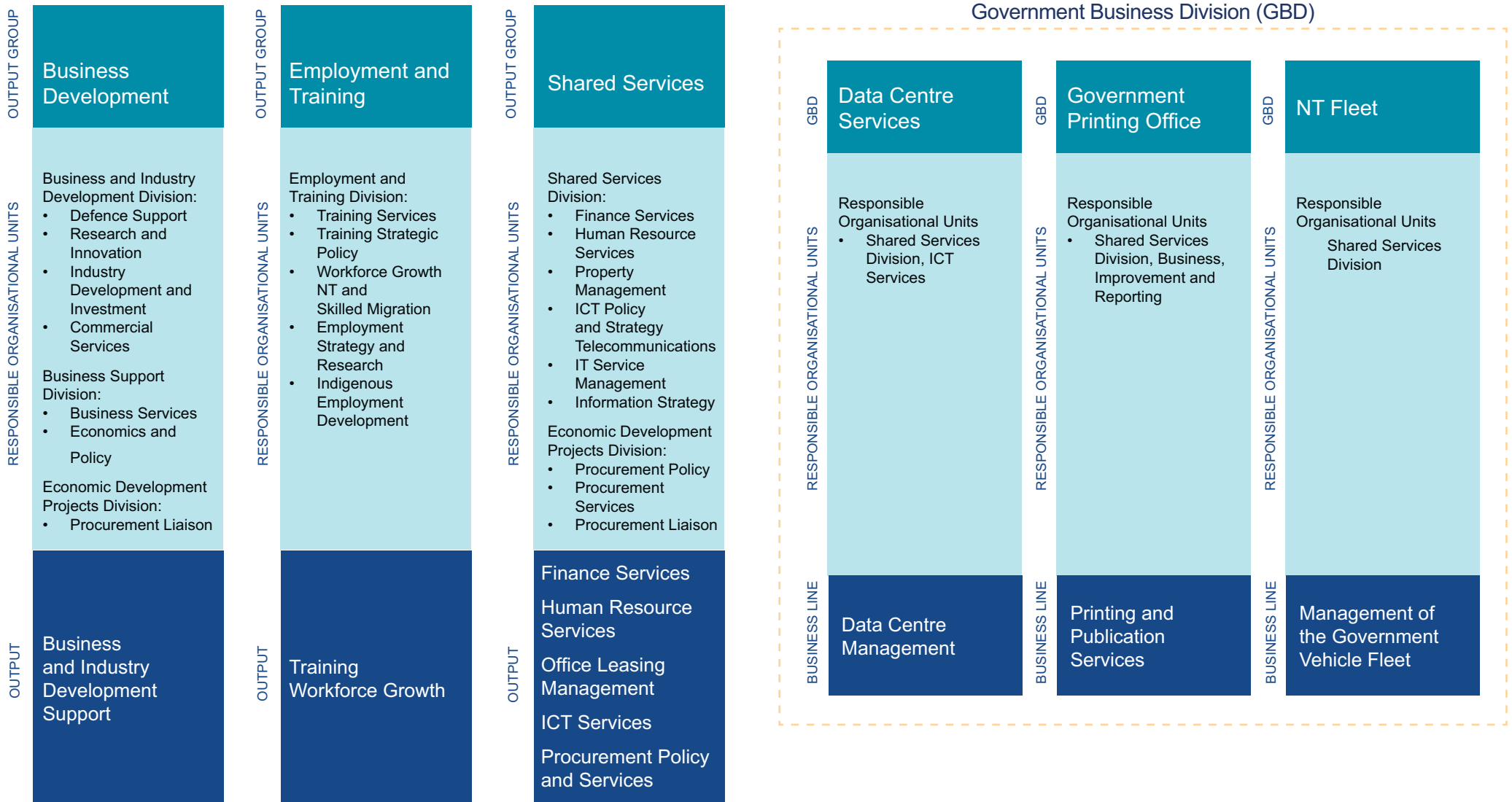
NT Fleet manages all government vehicles except those of the Northern Territory Police, Fire and Emergency Services.

Key responsibilities are to:

- manage the strategic replacement program for the fleet
- manage the strategic replacement program for the fleet
- match vehicles with agencies' operational needs
- administer supply and service contracts
- manage the maintenance and disposal of vehicles, plant and equipment.

**OPERATIONAL STRUCTURE**

The following diagram outlines the department's operational structure by output group and responsible organisational units, excluding the Corporate Services Division, which supports all output groups and Government Business Divisions.

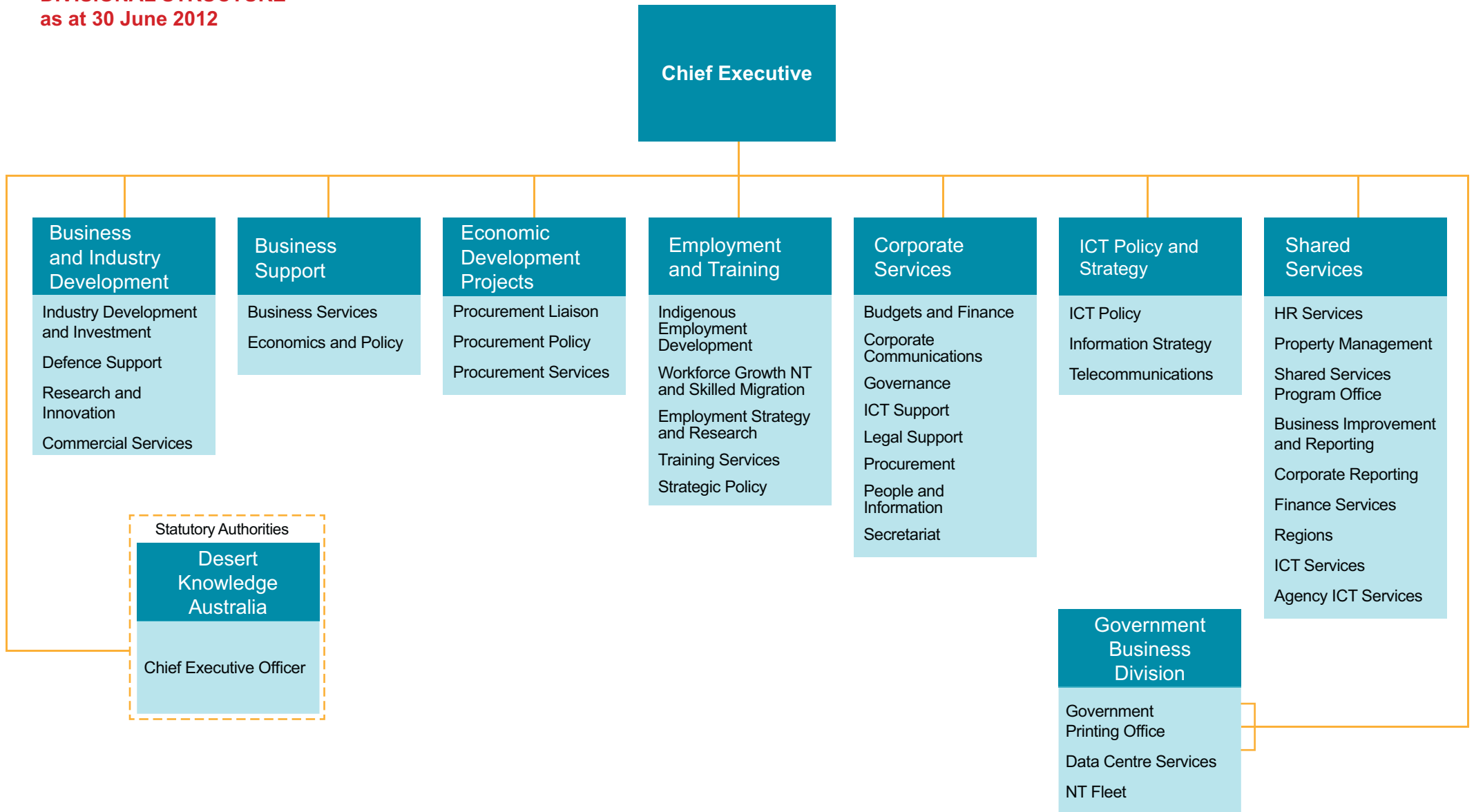


**CORPORATE PLAN**

The department's Corporate Plan 2009-12 outlines strategic issues and sets priorities that support the achievement of strategic objectives over the four years.

<p><b>Our business is to :</b></p> <ul style="list-style-type: none"> <li>• build industry capabilities through support &amp; solutions for Territory businesses</li> <li>• support SMEs, industry and individuals to benefit from the opportunities presented as a result of major projects</li> <li>• develop, attract and retain a skilled Territory workforce</li> </ul>	<ul style="list-style-type: none"> <li>• provide shared corporate services to the Northern Territory Government</li> <li>• provide for flexible training that meets the needs of business, industry &amp; individuals</li> </ul>	<p><b>To deliver our strategic actions we will:</b></p> <ul style="list-style-type: none"> <li>• actively engage with stakeholders</li> <li>• understand and anticipate customer needs</li> <li>• be solution-focused</li> <li>• realise staff potential</li> <li>• build leadership capacity</li> <li>• attract capable employees</li> <li>• strengthen policy skills</li> </ul>	<ul style="list-style-type: none"> <li>• support work life balance and occupational health and safety</li> </ul> <p><b>Values</b></p> <ul style="list-style-type: none"> <li>• people</li> <li>• performance</li> <li>• professionalism</li> </ul>
<p><b>PRIORITIES</b></p> <p><b>Economic Sustainability</b></p> <ul style="list-style-type: none"> <li>• investment attraction and business support</li> <li>• skilled migration</li> <li>• indigenous employment</li> <li>• procurement reforms</li> </ul>	<p><b>Knowledge Creativity &amp; Innovation</b></p> <ul style="list-style-type: none"> <li>• research and innovation</li> <li>• access to and use of technology</li> <li>• high speed broadband</li> <li>• increased use of ICT</li> </ul>	<p><b>The Environment</b></p> <ul style="list-style-type: none"> <li>• green fleet</li> <li>• green leased office accommodation</li> <li>• green information communications technology</li> </ul>	
<p><b>STRATEGIC ISSUES</b></p> <p><b>Business Support &amp; Industry Development</b></p> <ul style="list-style-type: none"> <li>• a supportive environment to facilitate business growth, industry development and investment attraction</li> <li>• strong business and industry capability to support and benefit from major projects</li> <li>• delivery of major development projects that will benefit the Territory economy in line with key government objectives.</li> </ul>	<p><b>Employment and Training NT</b></p> <ul style="list-style-type: none"> <li>• a skilled workforce that meets the demand of a growing economy through training, increased indigenous participation and migration</li> </ul> <p><b>Indigenous Economic Development</b></p> <ul style="list-style-type: none"> <li>• Northern Territory and Commonwealth strategies, initiatives and projects particularly for training and employment to support Indigenous economic development.</li> </ul>	<p><b>Electronic Service Delivery</b></p> <ul style="list-style-type: none"> <li>• advanced electronic service delivery, particularly eHealth, eGovernment support to business and eLearning.</li> </ul> <p><b>Shared Services</b></p> <ul style="list-style-type: none"> <li>• streamlined central corporate services across government.</li> </ul>	<p><b>Climate Change</b></p> <ul style="list-style-type: none"> <li>• greenhouse gas emission reductions through implementing a greener fleet, green leased office accommodation, energy efficient ICT infrastructure and services.</li> </ul>
<p><b>STRATEGIC ACTIONS</b></p> <p><b>Business and Industry Growth</b></p> <ul style="list-style-type: none"> <li>• promote and facilitate industry and business development</li> <li>• provide assistance to business to help respond to changing economic conditions</li> <li>• assist small businesses to engage in major projects, such as oil and gas projects</li> <li>• identify and support the development of new industries and business opportunities and promote and facilitate investment</li> <li>• develop and stimulate innovation, research and knowledge</li> <li>• enhance service delivery through development of an eBusiness portal</li> <li>• facilitate industry development in a support of the Australian Defence Force and initiatives that support members and their families to have successful postings in the NT</li> <li>• champion economic development projects that will benefit the territory economy</li> <li>• develop and manage stakeholder relationships in government, business and the community to deliver successful outcomes.</li> </ul>	<p><b>Employment and Training NT</b></p> <ul style="list-style-type: none"> <li>• develop new NT employment strategy</li> <li>• increase availability of labour market and workforce information</li> <li>• increase number of Territorians commencing and completing apprenticeships or traineeships</li> <li>• increase number of Territorians ready to take job opportunities via industry-relevant training</li> <li>• promote Vocational Education and Training</li> <li>• deliver skilled worker attraction programs</li> <li>• coordinate skilled migration services to assist NT businesses and employers</li> </ul> <p><b>Indigenous Employment</b></p> <ul style="list-style-type: none"> <li>• support indigenous training and workforce pathways to employment</li> <li>• recruit indigenous Territorians to Government administrative jobs</li> <li>• recruit and support Indigenous apprentices and trainees in Government</li> <li>• develop cross cultural training programs for Government employees.</li> </ul>	<p><b>eServices</b></p> <ul style="list-style-type: none"> <li>• develop Information and Communications Technology (ICT) policy and strategies</li> <li>• work with the Australian Government to deliver high speed broadband to remote communities</li> <li>• advance electronic service delivery in eHealth, eLearning and eGovernment support to business utilising high speed broadband</li> <li>• establish a single business centric online service with links to NT Government and national business programs</li> <li>• enhance telecommunications infrastructure and eService applications</li> </ul> <p><b>Shared Services</b></p> <ul style="list-style-type: none"> <li>• enhance shared services and improve reporting to support agencies and inform corporate decisions.</li> <li>• develop and upgrade corporate business systems:</li> <li>• electronic payment systems</li> <li>• HR reporting solution</li> <li>• recruitment system</li> <li>• agency budget management system</li> </ul>	<ul style="list-style-type: none"> <li>• payroll service automation modules</li> <li>• banking services solutions</li> <li>• identify opportunities to improve corporate services efficiency and effectiveness</li> <li>• reform Government procurement policy and practice to improve transparency and outcomes.</li> </ul> <p><b>Climate Change</b></p> <p>Develop and implement:</p> <ul style="list-style-type: none"> <li>• Green Fleet Strategy</li> <li>• Green Office Building Policy</li> <li>• Green IT program, including desktop, printers</li> <li>• ecoBIZ NT initiative.</li> </ul>

**DIVISIONAL STRUCTURE**  
as at 30 June 2012



### PEOPLE

The department fosters a positive and productive working environment, encourages open and honest communication, provides a healthy and safe workplace and implements fair and equitable processes.

Staff learning and development opportunities are promoted and facilitated through in-house programs (including studies assistance, mentoring, coaching, on-the-job learning opportunities), external leadership programs and short courses. Flexible work practices are promoted as part of work-life balance while ensuring that operational requirements are sufficiently staffed to achieve the department's outcomes.

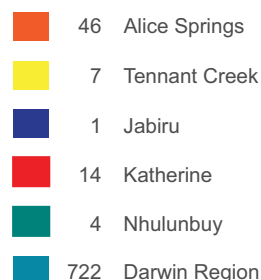
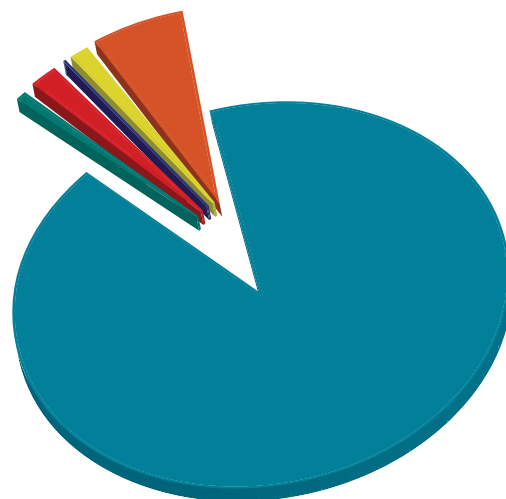
Our full-time equivalent staffing numbers comprise a mix of full-time and part-time or flexible work arrangements.

The department is staffed according to the following full-time equivalent (FTE) budgeted allocations:

Department	668
Data Centre Services	62
NT Fleet	33
Government Printing Office	31

Most staff (91%) were located in the Darwin region with the remainder located in the regions of Katherine, Nhulunbuy, Alice Springs, Jabiru, Alice Springs and Tennant Creek.

FTEs by regions



Further details of the department's staff profile and human resource strategies and achievements are at page 29.

### CUSTOMERS AND STAKEHOLDERS

A key priority for the department is to deliver a high quality service and continuously improve its processes and relationships to maximise customer and stakeholder satisfaction.

Our customers are:

- the business community
- government agencies, business divisions and statutory authorities
- vocational education and training providers and training organisations
- government employees and prospective employees.

Other stakeholders are:

- business and industry
- the ICT industry
- the Northern Territory community
- skilled migrants.

The department's approach and responses are consistent across all services, with an emphasis on prompt and reliable services, open communication and a consultative approach that encourages input and feedback.

### CHARLES DARWIN UNIVERSITY

In line with the Charles Darwin University (CDU) / NT Government partnership agreement, the department has worked with CDU across a number of areas to continue to expand upon the mutually productive and cooperative relationship between the two organisations. CDU worked in collaboration with the department to ensure that publicly funded training delivery was targeted at meeting industry, community and individual needs. The flexibility of the funding arrangements has enabled the university to respond in a timely manner to requests for training from both the department and industry.

The department also provided support to the university's North Australian Centre for Oil and Gas (NACOG) by helping facilitate collaboration and partnerships with industry. The department worked closely with NACOG to assist in its participation in events to prepare local businesses for major projects.

The department also facilitated and commissioned a study of the opportunities and applications of micro LNG in the Northern Territory. The department coordinated the provision of joint funding to NACOG from the Power and Water Corporation (PWC) and Department of Business and Employment for a high level study to examine the viability of supplying LNG to remote power stations and mines in the Northern Territory. The project builds NACOG capabilities through knowledge transfer and joint research, while delivering key specialist research outcomes for the department and PWC.

### FINANCES

From 1 July 2011 the majority of the Training Division of the Department of Education and Training was transferred to the Department of Business and Employment increasing the annual spend from about \$170 million to \$265 million.

The department is funded from NTG appropriation of \$205.3 million (79%) Commonwealth grants \$22.5 million (9%) and sale of goods and services revenue of \$31.6 million (12.6%).

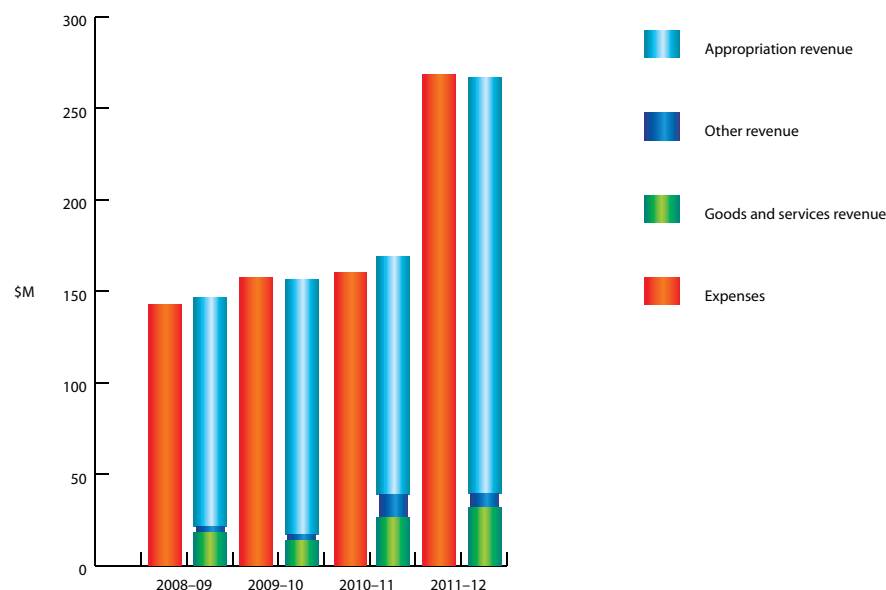
The majority of the goods and services revenue is received from Government Business Divisions providing cost-effective shared services based on a cost recovery model. The price list as at 30 June 2012 is at Appendix I.

Departmental expenses comprise property leasing costs (25%), employee costs (23%), grants (34%), ICT support costs to operate and maintain whole-of-government corporate systems including the infrastructure fund (10%) and operational costs (7%).

Overall expenditure in 2011-12 was 1% higher than budgeted expenditure; however, the corresponding revenue received was 1% higher than estimated.

Financial statements start at page 91. The audited statements for the three government business divisions received unqualified audit opinions.

### DBE Expenditure and Revenue



**Data Centre Services (DCS)**

DCS experienced revenue growth in mid-range services. Growth in mid-range services is due to increased application hosting and data storage services on behalf of agencies. Mainframe services includes the hosting of agencies' infrastructure in the Chan Data Centre and is also experiencing growth due to the sound and secure nature of the Chan facility. Major capital acquisitions include a \$770 000 upgrade in the storage area network infrastructure to cope with the increased demand for storage and \$970 000 in mainframe enhancements and upgrades.

DCS net surplus after tax for 2011-12 is \$300 000 higher than the budget of \$3.4 million.

**Government Printing Office (GPO)**

While there was a marginal (3%) increase in revenue from printed materials (\$170 000), cost increases principally attributed to outsourced work, electricity and freight were higher (5%) and resulted in the GPO not being able to maintain a positive financial position in 2011-12.

The GPO's loss was \$700 000 for 2011-12, which was \$370 000 lower than the anticipated surplus.

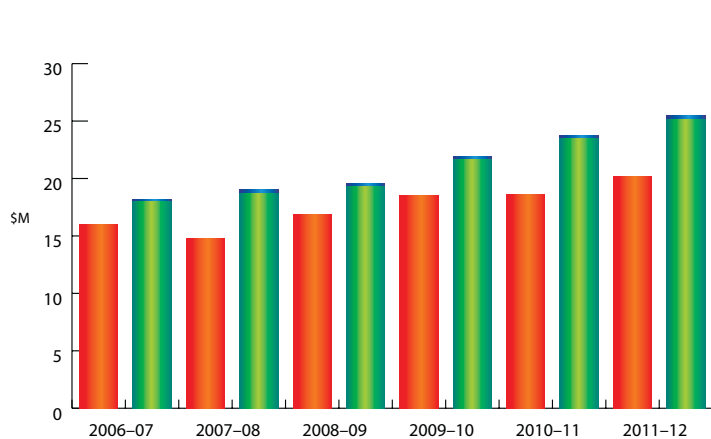
A large number of orders received in June were either outsourced or carried over to 2012-13 due to business interruption as a result of floor works. The commissioning of an offset printer is the main factor behind the deficit.

**NT Fleet**

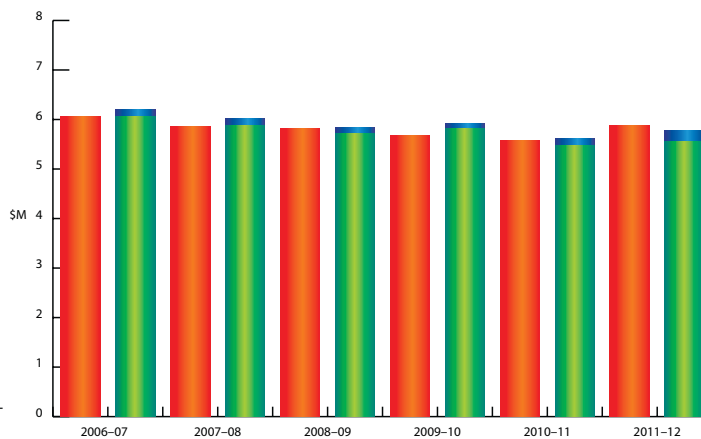
NT Fleet continues to grow, with a significant increase in revenue from vehicle hire contracts and vehicle disposals. Expenses also increased mainly due to higher depreciation and vehicle repairs and maintenance due to growth in vehicle numbers.

NT Fleet's net surplus after tax was \$11.3 million for 2011-12, which was \$410 000 higher than anticipated.

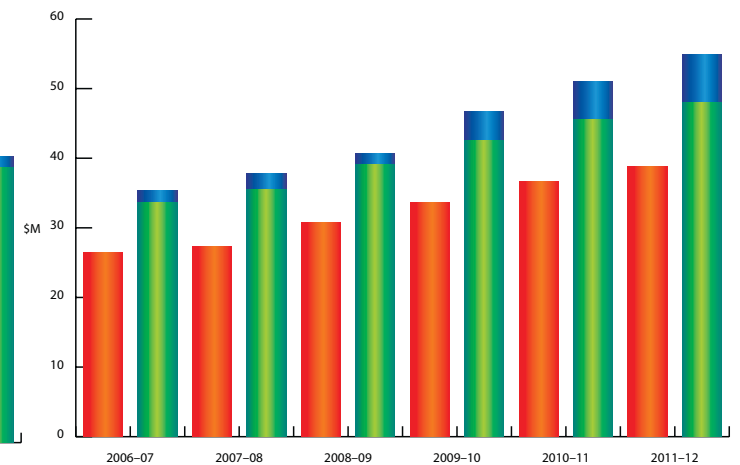
**DCS Expenditure and Revenue Trends**



**GPO Expenditure and Revenue Trends**



**NT Fleet Expenditure and Revenue Trends**



Other revenue (blue), Goods and services revenue (green), Expenses (red)

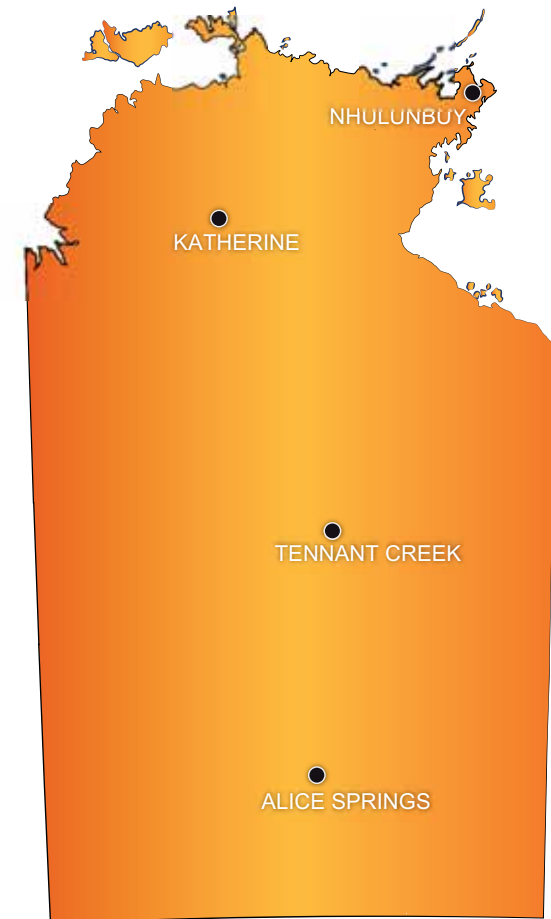
### REGIONAL HIGHLIGHTS

The department provides regional services in Alice Springs, Katherine, Nhulunbuy and Tennant Creek. Of these, Alice Springs is the largest office and delivers the broadest range of services, including business and industry support, employment and training, finance, human resources, procurement, property leasing, ICT and fleet. Accounts receivable administration functions and recruitment services for all government agencies across the Northern Territory are provided from the Alice Springs office. This office also directly supports the Tennant Creek office and the Katherine office.

#### Highlights: Alice Springs and Tennant Creek

- Integrated regional Employment and Training NT services.
- Implemented phase one of eRecruit across government agencies.
- Conducted October Business Month activities, with 16 events in Alice Springs (547 attendees) and four events in Tennant Creek (56 attendees).
- Ensured regular visits to Alice Springs and Tennant Creek businesses by business support client managers and Procurement Liaison.
- Workforce Growth NT and Skilled Migration officers operating in Tennant Creek and Alice Springs.

- Successfully delivered business improvement programs including:
  - In Alice Springs: 20 New Starter workshops, 18 Territory Business Upskills workshops and five business coaching sessions, 14 grants under the Territory Business Growth program and 346 skilled migration visas associated with 177 nominations certified
  - In Tennant Creek: five New Starter Workshops, five Territory Business Upskills workshops and one business coaching session, six grants under the Territory Business Growth program and 46 skilled migration visas associated with 34 nominations certified.
- In conjunction with the Department of Immigration and Citizenship, conducted information sessions for Northern Territory business on skilled migration, including changes to the employer-sponsored visa schemes in Alice Springs on 30 May 2012 and Tennant Creek on 31 May 2012.
- Implemented structural change within the regional Human Resource Services group, including centralising all government recruitment services in Alice Springs and establishing the new regional shared services client support role.



- Engaged seven regional apprentices, including four Indigenous apprentices and one school-based apprentice. The apprentices work in various apprenticeship areas.



### Highlights: Katherine and Nhulunbuy

- Integrated regional employment and training NT services.
- Conducted October Business Month activities, with nine events in Katherine (307 attendees) and four events in Nhulunbuy (234 attendees).
- Ensured client managers regularly visited Katherine and Nhulunbuy businesses and Procurement Liaison met with businesses in Katherine.
- Successfully delivered business improvement programs, including:
  - In Katherine, 15 New Starter workshops, 14 Territory Business Upskills workshops and four business coaching sessions, 11 grants under the Territory Business Growth program and 30 skilled migration visas associated with 16 nominations certified.
  - In Nhulunbuy, two Territory Business Upskills workshops, two grants under the Territory Business Growth program and five skilled migration visas associated with two nominations certified.
- Departmental officers from the skilled migration unit visited Nhulunbuy to provide information to employers on skilled migration options to address skill shortages.
- On Groote Eylandt, one skilled migration visa associated with one nomination certified.
- In conjunction with the Department of Immigration and Citizenship, conducted information sessions for Northern Territory businesses on skilled migration, including changes to the employer sponsored visa schemes in Katherine.
- Implemented structural change within the regional Human Resource Services group, including centralising all government recruitment services in Alice Springs and establishing the new regional shared services client support role.
- Engaged 17 regional apprentices, including 12 Indigenous apprentices.



### ACHIEVEMENTS IN 2011-12

#### Output Group – Business Development

- Delivered programs to assist Territory industry to grow capabilities and capture opportunities in emerging oil, gas and mining major projects.
- Implemented the Community Based Childcare Support Program to assist centres with strategies aiming to strengthen business and financial management and governance principles to ensure they are managed as independent, viable businesses.
- Encouraged businesses to achieve growth and employment objectives, improve their prospects in securing government tenders and develop and implement quality assurance and occupational practise through the Territory Business Growth program.
- Co-chaired the INPEX Ichthys Industry Participation Plan Steering Committee, which provides a focus on maximising local industry engagement in the INPEX project.
- Administered the Building Northern Territory Industry Participation Plan that encourages the development of Industry Participation Plans, which aim to increase local industry participation in major projects.
- Delivered the Territory Business Upskills program, which provided workshops

to 1246 clients and 41 business coaching sessions to the small business community across the Northern Territory to increase capacity and capability.

- Delivered the Chief Minister's Anzac Spirit Study Tour Award program.
- Coordinated a series of investment briefings targeting national finance leaders to increase awareness of the strength of the Territory's economy and investment pipeline.
- Provided strategic support to AIDN-NT to enable funding to be secured for its Defence Education and Learning (DEAL) program, which delivers skills and business development training for the Territory's defence support industry.
- Provided submissions to Australian Government reviews, including the Australian Defence Force Posture Review and the Senate Foreign Affairs, Defence and Trade References Committee inquiry into procurement procedures for defence capital projects.
- Conducted industry feasibility studies into commercial visitor accommodation and cross-cultural training to support development in remote communities.
- Spearheaded development of knowledge and innovation in the Northern Territory through supporting the Northern Territory Research and Innovation Board, research and innovation grants and liaising with Australian Government agencies,

fostering innovation and disseminating information to Territory businesses.

- Continued to provide financial support to key industry associations through the Industry Development Support Program.
- Provided a source of business licensing and information across the Northern Territory, as well as access to departmental and other business services, through the Territory Business Centres.
- Delivered another successful October Business Month, providing business management information and ideas to the Northern Territory business community, which was attended by 7539 people; a 36% increase on 2011.

#### Output Group – Employment and Training

##### *Workforce Growth*

- Partnered with business and industry representatives at, or in delivering, 14 events, including migration expos and national employment and career events to promote the Northern Territory as a place to work and live.
- Processed 1089 employer nominations and skilled migrant sponsorships with 2264 visas associated with the applications, an increase of 21% from 2010-11.
- Submitted a proposal to the Australian Government for the implementation of Regional Migration Agreements (for the whole of the Northern Territory).

- Negotiated the 2011-12 Northern Territory State Migration Plan that facilitates access to skilled overseas nationals with occupations in demand in the Northern Territory.

### *Training*

- Achieved targets in the Jobs NT 2010-2012 Employment Strategy for Territorians in VET training, Indigenous employment, labour force participation rates and students participating in VET in Schools.
- In conjunction with other jurisdictions, negotiated a revised National Agreement for Skills and Workforce Development with the Australian Government.
- With the other jurisdictions, negotiated a new National Partnership Agreement on Skills Reform with the Australian Government and finalised the supporting Northern Territory Implementation Plan.
- Delivered the 2011 Northern Territory Training Awards that involved 11 categories and recognised training excellence and achievements by apprentices, trainees, students, trainers, businesses and training organisations at a gala dinner in September 2011.
- With other jurisdictions and the Australian Government, developed an agreed Business Case, Principles and Implementation Plan to guide the harmonisation of Australian

Apprenticeships and reform of Australian Apprenticeship Support Services.

- Delivered the Northern Territory Government Careers Expo circuit during August 2011.

### **Output Group – Shared Services**

#### *Finance Services*

- Implemented stages four and five of the Electronic Invoice Management System (EIMS).
- Stage four is a purchase requisition module linked to purchase order recording in the Government Accounting System. Stage five saw the implementation of an email invoice processing solution that has streamlined business processes for supplier invoices received via email.
- Transitioned to a new banking services provider for the Northern Territory Government.

#### *Human Resource Services*

- Implemented the new eRecruit system (stage one) for the electronic lodgement and management of recruitment actions across all agencies. A total of 94% of NTG job applications are now received via eRecruit and agency job vacancies are managed through this new system.
- Introduced Recruitment, Employment and Payroll Services revitalisation initiatives, including new team structures, expanded

contact points for employees and agencies, resolution of outstanding leave and client queries, updated procedures, and enhanced training programs for payroll officers and managers.

- Commenced a multi-year system automation program with business requirements and priorities for HR system automation. Modules developed with a focus on automating highly variable payroll processes, such as time-based payments.
- In response to agency requests, introduced across-government induction forums for senior staff who are new to the public service, on top of agency-specific induction courses.
- Delivered a contemporary HR Reporting Solution that provides a suite of HR reports for all agencies.
- Implemented a 'payroll giving' facility to allow NTPS employees to make pre-tax donations to eligible charities.

#### *Procurement Policy and Services – Procurement Policy*

- Developed a suite of procurement reforms to simplify processes, increase transparency, increase recognition of local content and build procurement competency.
- Delivered industry briefings, developed best practice guidelines for tender assessment, commenced the development of a new Quotations and

Tenders Online system, developed new tier three simplified conditions of quotation and contract and streamlined response schedules for tiers three and four.

- Implemented the Council of Australian Governments (COAG) initiated changes to the prequalification systems for civil contractors in roads and bridges and non-residential construction with Contractor Accreditation Limited (CAL).
- Participated in the Australasian Procurement and Construction Council working group to develop and implement a best-practice approach to sustainable procurement across all jurisdictions.

### *Procurement Policy and Services – Procurement Services*

- Continued to expand the coverage of procurement network professionals and worked with agencies to capitalise on the benefits of their specialist expertise.
- Developed and delivered training and assistance to agency staff on key procurement processes such as tender debriefing, tender specifications and contract management.

### *Information and Communication Technology Services*

- Completed the installation of fibre optic loop in 17 remote towns and implemented a government local area network capable of 100Mb bandwidth to meet current and future demand and

facilitate enhanced delivery of services.

- Established a new Computers for the Community program, with about 120 machines gifted to community organisations.
- Upgraded the government's TRIM records management system for 17 agencies.
- Consolidated the server fleet for improved management and reduced carbon emissions.
- Worked with the Australian Government on the Regional Backbone Blackspot Program, resulting in an optic fibre link between Darwin and Toowoomba that was commissioned in December 2011. The link provides competitive interstate communications for the first time.
- Developed an eBusiness strategy to implement an NT business web portal with links to government programs.

### *Office Leasing Management*

- Successfully implemented a new leased property management system with all lease data migrated and staff trained.
- Developed a new standard property lease agreement in close collaboration with the Property Council of Australia. The new lease agreement has been registered as the government's Memorandum of Common Provisions and is now in use.
- Awarded a contract for a new lease for 9000m<sup>2</sup> of commercial office accommodation in Darwin in a new office

building to be known as the Charles Darwin Centre.

- Awarded a contract for a new lease for 2500m<sup>2</sup> of commercial office accommodation in a new office building in Bath Street, Alice Springs.

### *Business Line – Data Centre Management*

- Investigated and developed an improved backup solution to mitigate risks in accessing backed up agency business data.
- Continued to provide more efficient application hosting and energy usage through server virtualisation technologies. The avoidance of potential CO<sub>2</sub> emissions increased to 192 tonnes per month.
- Implemented a mainframe development toolset for use by agencies to assist with the modernising of legacy mainframe systems.
- Upgraded the Chan Data Centre central communications network to a high-speed 20 Gigabyte backbone.

### *Business Line – Printing and Publication Services*

- Installed an offset five-colour printing press replacing two end-of-life printing presses.
- Commenced a comprehensive review of the GPO's pricing model and job costing.
- Continued to work in partnership with private sector printing firms to support industry by outsourcing work fairly and

equitably. A total of 27% of printing sales were outsourced to the private sector.

### *Business Line – Management of the Government Vehicle Fleet*

- Continued to implement a carbon emission reduction strategy, which targets a 20% reduction in the average CO<sub>2</sub> produced by the government's passenger and light commercial fleets over five years. At 30 June 2012, the average CO<sub>2</sub> production has been reduced by 13.3% (222 CO<sub>2</sub> gm per km) with 74% of all fleet vehicles meeting the targets.
- Implemented the pool vehicle booking system across 25 agencies with more than 2900 vehicles registered in the system. An accident reporting module was developed to allow users to report accidents or damage to government vehicles.
- Commenced the procurement process for supply of bowser fuel and bulk diesel with a focus on strengthening opportunities for local suppliers.
- Implemented a policy of purchasing ANCAP five star safety rating on passenger vehicles and a minimum of four star ratings for the light commercial fleet.

## **PRIORITIES IN 2012-13**

### **Output Group – Business Development**

- Continue to deliver industry development programs to assist Northern Territory industry to grow its capabilities and capture opportunities in emerging oil, gas and mining major projects; particular, manufacturing and logistics, supply and service sector opportunities.
- Leverage industry and broader economic development from the Defence presence, from ADF and US force posture decisions and the 2013 Defence White Paper.
- Assist Northern Territory business and industry to adjust to changed business and market conditions.
- Expand the Territory Business Growth program to include new programs aimed at improving employment practices and the increased uptake of technology in business.
- Align the department's efforts with those of other agencies to help position Darwin as a regional oil and gas hub.
- Provide guidance for Major Project Industry Participation Plans to maximise local industry participation.
- Continue to promote Northern Territory industry capability to support Defence equipment based in the Territory.
- Support the Manufacturers Council to implement a new NT manufacturing strategy.

- Increase the department's investment promotion, attraction and facilitation program to support the Territory's projected growth demands for commercial, industrial and residential infrastructure and projected demand for industry capability to support the resources sector.
- Design and deliver a pilot program to support remote Indigenous board directors through governance training, with an emphasis on financial management.
- Continue support for regional international aviation hub development.
- Contribute to the management and operation of the Northern Territory's regulation impact assessment processes.
- Contribute to national business reforms through COAG and the Business Regulation and Competition Working Group.
- Participate in the national business continuity planning initiatives, including in the food and grocery sector.

### **Output Group - Employment and Training**

#### *Workforce Growth*

- Implement the new Indigenous Workforce Participation Initiatives grants program.
- Develop the new Jobs Package – Traineeship program, supported by the Australian Government's Stronger Futures initiatives to provide up to 100



traineeships for Indigenous participants from remote communities.

- Initiate the Regional and Remote Workforce Connect Project to mobilise Indigenous workers from areas of low to higher employment opportunities.
- Develop and implement the Jobs Portal as a one-stop shop for people looking for work in the NT and for businesses looking for workers.
- With input from Northern Territory employers, industry associations and Unions NT, develop and implement the 2012 Jobs in the NT Plan to promote the Northern Territory as a destination to live, work and do business.
- Launch and implement a new employment strategy for the Northern Territory.
- Deliver timely assessments of employer nominations for skilled workers and applications for Northern Territory sponsorship to address skilled workforce shortages in the Northern Territory.
- Commence regional workforce strategies. Develop and implement Regional Migration Agreements for the whole of the Northern Territory to give employers greater access to semi-skilled and skilled overseas workers where local workers cannot be sourced.
- In partnership with the Department of Immigration and Citizenship's

Darwin based outreach officer, deliver information sessions and workshops to inform Northern Territory employers and intending skilled migrants about the skilled worker visa requirements.

### *Training*

- Work with key stakeholders to commence implementation of the 10 individual skills reforms per the National Partnership Agreement on Skills Reform – Northern Territory Implementation Plan.
- Review existing Memorandum of Understanding (MOU) on Transitions, Skills, Workforce Development and Employment between the Australian and Northern Territory governments, and develop a new MOU for 2013-15.
- Develop and implement a broad-based vocational education and training (VET) marketing strategy and campaign to promote VET as an option open to all in the community.
- Develop strategies to increase government and the VET sectors' responsiveness to industry through greater engagement.
- Continue to work with the Australian Government and other jurisdictions to develop and implement strategies and initiatives to support the apprenticeship reform and harmonisation agendas.

### Output Group - Shared Services

#### *Finance Services*

- Develop and implement an invoice portal, as stage six of EIMS, to enable suppliers to electronically lodge and track their invoices.
- Review the asset accounting function in context of the new Asset Management System.
- Develop an expanded reporting suite to assist agencies meet the 30 day payment policy.

#### *Human Resource Services*

- Implement stage two of the eRecruit system, including; replacing the government jobs website and introducing candidate pools for key employment categories.
- Continue to progress the Human Resource system and process automation program.
- Expand the HR Reporting Solution to other HR related datasets, including OH&S.
- Implement the electronic Fares Out of Isolated Localities (FOILs) system.

#### *Procurement Policy and Services*

- Implement a new Quotations and Tenders, Online system incorporating a Tenderers Information Database.
- Implement procurement reforms in three stages:

- Stage one involves realigning procurement tiers to introduce anew simplified tier-four threshold, mandating an explicit weighting on price and mandating local development and value adding to a minimum 20% of combined price and non price assessment criteria.
- Stage two includes the introduction of agency business review committees, mandating accredited procurement assessment panel chairs and refocus of Procurement Review Boards.
- Stage three will include the development of whole-of-government contractor performance reporting system and range of best practice guidelines for procurement.

#### *Information and Communications Technology Services*

- Investigate and scope business requirements for central email storage infrastructure that will enable improved backup and retrieval of records.
- Progress mobility in government projects to enhance remote access and mobile computing and expand telephony options.
- Finalise the upgrade of the government's records management system, TRIM.
- Assist the Department of Education and Training to provide community video conferencing facilities in remote towns.
- As part of the National Broadband Network rollout for the Northern Territory,

negotiate the installation of fixed wireless connections for remote communities, resolve any hotspot issues as they arise, coordinate NBN activity across government and raise awareness of issues with stakeholders.

- Maximise the number of Territorians with access to digital television.
- Facilitate government website compliance with the new Web Content Accessibility Guidelines 2.0.
- Investigate and coordinate eLearning technology platforms for the Northern Territory Public Sector.

#### *Office Leasing Management*

- Develop panel contracts for cleaning and security of leased premises.
- Establish an NT Government property management forum.
- Continue to progress workplace design standards in conjunction with the Department of Infrastructure.

#### *Business Line – Data Centre Management*

- Work to strengthen the resilience and redundancy of the Data Centre's operations.
- Upgrade the Chan Data Centre backup generator.
- Review the role of ePass in providing government identity management services.
- Contain the carbon footprint of an energy intensive facility.

*Business Line – Printing and Publication Services*

- Analyse printing panel contract arrangements with a focus on strengthening the partnership with private sector suppliers.
- Complete improvements to the GPO's management information systems.

*Business Line – Management of the Government Vehicle Fleet*

- Continue to work with agencies to increase the percentage of government fleet vehicles meeting green targets and reducing greenhouse gases.
- Review and implement recommendations from the driver education and safety survey.







## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE FRAMEWORK

The department's governance structure consists of a Management Board and three subcommittees reporting to the Executive Group and Chief Executive. The board and subcommittees oversee the strategic deployment of resources across the department, and the development and implementation of policies, plans and procedures that provide a foundation of good governance.



The governance structure encompasses the department and its Government Business Divisions (GBDs): Data Centre Services, the Government Printing Office and NT Fleet. While the GBDs are treated as distinct budget entities and are required to produce audited financial statements, they are accountable to the Chief Executive.

The department's corporate governance is guided by the following principles:

- strong leadership with a clearly defined executive and a robust and active governance committee structure
- accountability through the implementation of appropriate internal controls and corporate policies
- effective stewardship of resources through compliance with legislation, Northern Territory Government policies and internal procedures
- comprehensive planning and a continuous improvement approach to management and service delivery
- cohesive governance frameworks addressing the department's primary resources – people, finances and information
- a focus on risk and appropriate risk mitigation through a risk management framework
- ethical behaviour expectations communicated at all levels with fair and equitable treatment, respect for others and professional and responsive service delivery
- clear advice and guidance for staff to ensure that governance requirements are well understood
- communication with stakeholders, including ministers and government.

### GOVERNANCE COMMITTEES

#### Management Board

The Management Board is the department's most senior planning and decision making body. It provides advice to the Chief Executive on governance across the department and focuses on managing the operation of the department and the achievement of the department's objectives and strategies.

The board reviews, endorses and approves corporate policies to provide a cohesive approach to the delivery of organisational strategies and to monitor and review departmental performance.

Chaired by the Chief Executive, the Management Board is the department's principal planning and decision -making body which meets monthly to:

- provide advice and assist the Chief Executive in governing the department and meeting statutory responsibilities
- facilitate a cooperative approach to the delivery of organisational strategies and to monitor and review departmental performance.

At 30 June 2012, the Management Board members were:

- Mark Sweet, Chief Executive (Chair)
- Kathleen Robinson, Executive Director, Shared Services
- Gareth James, Executive Director, Business and Industry Development
- Kim Jenkinson, Executive, Director Employment and Training

- Adele Young, Executive Director, Economic Development and Projects
- Doug Phillips, Executive Director, Business Support
- Chris Hosking, Executive Director, Corporate Services
- Victor De Silva, Director, ICT Policy and Strategy.

The Chief Executive and members also meet weekly as an Executive Management Group to provide timely and effective strategic leadership to the department with respect to strategic operational and internal processes.

#### Risk Management and Audit Committee

The Risk Management and Audit Committee:

- oversees risk management activities, audit and review programs, and the adequacy of the internal control environment for the department and its Government Business Divisions
- monitors the outcomes of risk assessments, audits and reviews and the implementation of recommendations and actions
- oversees reviews required under the conditions of the ICT outsourcing contracts
- reports directly to the Chief Executive.

In 2011-12, the department reviewed and updated the committee's terms of reference to enhance its independence and effectiveness. A key change to strengthen independence of the committee

was the appointment of an external chairperson, which also resulted in an subsequent increase in external membership on the committee.

Significant work to strengthen business continuity management for the department and its GBDs commenced during 2011-12. Standardised templates for business impact analysis, disruption risk assessment and business plan development were implemented to ensure consistent and effective plans are produced. The committee will continue to monitor the project to ensure an effective business continuity framework is implemented.

At 30 June 2012, the Risk Management and Audit Committee members were:

- John Montague, Commissioner of Superannuation, Northern Territory Treasury (Chair)
- Kathleen Robinson, Executive Director, Shared Services
- Garry Haigh, Senior Director, Information and Communication Technology Services
- Katrina Harding, Director Business, Improvement and Reporting
- Tracy Scott, Executive Director, Business Services, Department of Lands and Planning.

The committee meets at least four times a year and the Northern Territory Auditor-General is invited to attend at least one meeting each year to discuss relevant issues. The committee also requests the attendance of departmental directors and managers to discuss issues within the scope.

With the department's whole-of-government roles in providing shared services and maintaining critical corporate systems, the NT Auditor-General's Office continued its comprehensive audit program during 2011-12. A summary of the findings for this year's external audits is at Appendix II.

### Information Management Committee

The role of this committee is to:

- oversee development of the department's information management strategic direction by managing the ICT Governance Framework and facilitating the strategic planning of ICT requirements
- develop and review the department's ICT policies and standards for the assessment of technology proposals to ensure they meet departmental ICT objectives
- monitor ICT projects and the implementation of appropriate new technologies to ensure consistency with the department's strategic direction and its ICT Governance Framework.

The committee reports to the Chief Executive through the Management Board

At 30 June 2012, the information management committee members were:

- Chris Hosking, Executive Director, Corporate Services (Chair)
- Bob Creek, Director, Data Centre Services
- Joe Babbini, Director, NT Fleet

- Craig O'Halloran, Director, Business Services
- Victor De Silva, Director, ICT Policy and Strategy
- David Bryan, Director, NT Property Management
- Mez Korbetis, Director, Corporate Communications.

The committee meets monthly and provides minutes of its meetings for the information of the Management Board.

During 2011-12, the committee monitored and provided support for a number of major ICT projects, including the successful implementation of eRecruit, the government's new online recruitment system. The committee continued new par to promote the efficient use of ICT resources, including energy efficient and environmentally sustainable ICT in the department, through continual development of and amendment to appropriate policies and procedures. This included the pilot of a number of energy efficiency and productivity tools in the department which were being considered for rollout across the government, including desktop management tools and unified communications client products.

### Human Resource Governance Committee

The role of the Human Resource Governance Committee is to:

- oversee and advise on human resourcing requirements for the department and its business divisions
- review and endorse recruitment action
- review and endorse job evaluation action
- actively monitor unattached officers
- undertake a human resources governance role for the department.

At 30 June 2012, the Human Resource Governance Committee's members were:

- Chris Hosking, Executive Director, Corporate Services
- Garry Haigh, Senior Director, Information and Communication Technology Services
- Gareth James, Executive Director, Business and Industry Development.

The committee meets weekly and reports regularly to the Management Board. Procedures governing the functions and terms of reference have been developed and disseminated across the department and business divisions.

### Occupational Health and Safety Steering Committee

The Occupational Health and Safety (OH&S) Steering Committee oversees the implementation of the OH&S Framework, policy and associated procedures in the department.

The role of the OH&S Steering Committee is to:

- ensure that the department adopts a uniform approach, based on best practice and continuous improvement, in all OH&S matters
- monitor and continuously improve department compliance with OH&S legislation, standards, codes of practice, policies and procedures
- promote OH&S awareness and appropriate behavioural and cultural change of staff throughout the department
- coordinate the development and implementation of planning processes that align with the department's broader strategic planning in order to ensure a proactive approach to OH&S management across all regions
- provide advice and recommendations to the Management Board on OH&S issues.

The committee meets quarterly. It is chaired by the Executive Director Employment and Training and comprises representatives from each workplace building committee.

The committee monitors the department's OH&S performance, reports to the Executive Management Board quarterly and, where required, develops OH&S policy for endorsement by the board and the Chief Executive.

The committee is actively working towards achieving compliance with the requirements of

the *Workplace Health and Safety Act* in line with the nationally harmonised OH&S legislation, to be completed by 31 December 2012.

### MANAGEMENT ENVIRONMENT

#### Ethical standards

The department's values are underpinned by the Northern Territory Public Sector (NTPS) Principles and Code of Conduct, which provide guidance to staff on a range of moral and ethical issues they may face during their employment. The Code of Conduct forms part of the terms and conditions of employment and is therefore binding on all employees. All department employees who are new to the NTPS receive a copy of the Code of Conduct booklet.

The binding nature of the Code of Conduct is explained to all new staff at induction programs. As the department is responsible for collecting and retaining sensitive personal information for all Northern Territory Government employees, privacy requirements for information are highlighted.

The department recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department or of the Northern Territory Government in general. All Management Board members, Executive Directors and senior staff complete a full disclosure declaration annually to declare private and other interests that might result in a conflict of interest. If any interests are identified, appropriate action is taken to resolve the conflict or prevent it from arising. Completed declarations are held

as evidence of disclosure and, as such, provide some protection against unfounded allegations of bias concerning department advice or decisions.

Specific departmental policies have been developed to guide employees in ethical issues such as outside employment, harassment in the workplace, addressing grievances, gifts and benefits, and preventing and responding to fraud and dishonesty. The policies and procedures are available to all employees through the staff-only intranet.

### PLANNING

#### Corporate plan

The Corporate Plan 2009-12 stresses the importance of the department's employees, who provide a capable and committed workforce that underpins the success of the department in meeting its strategic priorities.

The plan was extended to include 2012 to allow the department to undertake a comprehensive review of its strategic priorities, including those supporting its work towards whole of government objectives. The review and corporate planning process will be undertaken in late 2012 and will result in the development of the department's Corporate Plan 2013-16.

#### Business plans

Business plans are developed for individual services, detailing key actions and projects to be completed in the coming year, which contribute to the overall departmental objectives and support the Corporate Plan. The business plans also

incorporate actions to mitigate identified risks and are developed in consultation with staff and stakeholders. Progress against priority projects or actions is reported monthly to the Management Board. This provides a regular update on key organisational goals and ensures a coordinated approach to performance monitoring.

### Performance measures

Key Performance Indicators (KPIs) reports are tabled quarterly for the information of the Management Board. The 2011-12 KPIs align with the Corporate Plan and focus on qualitative and timeliness measures with reporting against the 2011-12 KPIs provided from page 38.

The board also receives reports highlighting the status of actions to achieve strategic priorities for government and the department.

### COMMUNICATION

#### Marketing and communications

The Corporate Communications Unit provides corporate communication services to support the department and promote government support initiatives relevant to local business and industry.

The unit provides internal and external communication for regional, local, national and international audiences and stakeholders via media, web, strategic marketing and other communication tools.

#### External communications achievements

- Raised awareness of Northern Territory Government business support programs

and workforce development initiatives to assist business and industry to grow.

- Delivered the Northern Territory Government Business Portal and Jobs Portal.
- Managed key department websites, providing access to business services, activities, strategic direction, policy and projects.
- Supported key department initiatives, including procurement reforms, opportunities for local business in major projects and jobs in the NT skilled worker attraction programs.

#### Internal communications achievements

- Provided departments with information on whole of government services, procedures and forms in the delivery of shared services.
- Delivered and maintained the shared services intranet as a core communication tool for all government departments.

### ACCOUNTABILITIES

#### Statutory accountability

The department is required to comply with the *Financial Management Act*, the *Superannuation Act*, *Public Sector Employment and Management Act* and other legislation, such as the *Anti-Discrimination Act* and the *Workplace Health and Safety (National Uniform Legislation) Act*. Through the department's orientation program, staff are made aware of the department's

corporate governance framework and the relevant statutes, and training in these matters is included in the department's training plans.

### Legislation administered

The department is responsible for administering the following Acts:

- Biological Resources
- Desert Knowledge Australia
- Northern Territory Employment and Training
- Information (Part 9 except Archives Management)
- Northern Territory Products Symbol
- Procurement
- Year 2000 Information Disclosure.

The *Biological Resources Act* and subordinate legislation provide for and regulate bio-prospecting in the Northern Territory.

The *Desert Knowledge Australia Act* and subordinate legislation encourage and facilitate learning, research and sustainable economic and social development relating to deserts and arid lands and establish Desert Knowledge Australia.

The *Northern Territory Employment and Training Act* provides for employment and vocational education and training that meets the present and future needs in the Territory for government, industry and the community and the development of employment initiatives.

The *Information Act* (Part 9 except Archives Management) relates to Northern Territory Government records management.

The *Northern Territory Products Symbol Act* and subordinate legislation authorise the use of a products symbol to distinguish and promote the sale of products made in the Territory.

The *Procurement Act* and subordinate legislation provide a cohesive framework for the procurement of supplies by government agencies and aim at achieving value for money from expenditure on supplies by way of procedures and processes that are transparent to all suppliers.

The *Year 2000 Information Disclosure Act* was to encourage the voluntary disclosure and exchange of information about year 2000 computer problems and remediation efforts.

### Delegations

The Chief Executive is the Accountable Officer for the department for the purposes of the *Financial Management Act* and the *Procurement Act*. The department maintains and regularly reviews delegations covering procurement, financial and human resource management activities. The delegations allow appropriately authorised departmental staff to undertake specific responsibilities of the Accountable Officer or Chief Executive prescribed in the *Financial Management Act*, the *Procurement Act* and the *Public Sector Employment and Management Act*.

### Accounting and Property Manual

In accordance with the *Financial Management Act*, the department has a detailed Accounting and Property Manual that specifies finance

procedures and internal control requirements. The manual also includes processes and controls for shared services provided to the government and is available to other agencies to assist them in meeting their financial accountabilities. It is continually updated to capture changes in legislation, policy and implementation of new systems and processes. The manual underwent a major review and update in December 2009.

### Policies and Standard Operating Procedures

Comprehensive standard operating procedures have been developed for finance, human resources, information management and procurement functions. The procedures assist staff to ensure consistent and appropriate processes across the department. These procedures are regularly reviewed and updated.

As the Northern Territory Government's shared services provider, the department is also required to develop and maintain policies and procedures that have a whole-of-government focus.

### Legal Services

The department has an out-posted lawyer from the Solicitor for the Northern Territory (a statutory body managed by the Department of Justice) who is available to provide legal advice, prepare legal documentation and manage any necessary outsourcing of legal services on behalf of the department.

### Information Act requests

The Northern Territory *Information Act* (the Act) allows for access to government and personal information. The Act formally sets out the process for access to information held by the department.

In 2011-12 the department receipted three Freedom of Information (FOI) applications, released 2034 full documents and 165 partial documents. All applications were finalised within 60 days.

In accordance with the Act, the FOI Annual Statistical Return for the department has been forwarded to the Information Commissioner to be incorporated in the Commissioner's annual report.

### Ombudsman enquiries

In 2011-12 there were no enquiries that required a response.

### INSURANCE ARRANGEMENTS

The department self insures the majority of its insurable risks. Data Centre Services, Government Printing Office and NT Fleet conduct annual risk assessments to identify insurable risks requiring insurance in accordance with the department's Risk Management Framework. Identified insurable risks are evaluated to determine the level of risk and strategies are identified. Strategies to mitigate insurable risks include a range of policies and procedures and the purchase of commercial insurance in accordance with Treasurer's Direction M2.1 – Insurance Arrangements.

### Department of Business and Employment

Two policies of commercial insurance were purchased in 2011-12 for international travel by department employees and international travel by students and chaperones as part of the Anzac Spirit Awards. The total cost of commercial insurance policies was \$1563 in 2011-12, down from \$2298 in 2010-11. There were no claims on the policies.

Claims applicable to self insurance for the department for 2011-12 and 2010-11 are detailed in Appendix III.

### Data Centre Services

In 2011-12, Data Centre Services procured policies of commercial insurance for workers' compensation, property damage, product liability, public liability and motor vehicles. The total cost of premiums for commercial policies of insurance in 2011-12 was \$30 277, compared with \$28 640 in 2010-11. Two claims were made against the commercial insurance policies in 2011-12, resulting in \$5635 being recovered.

There were no claims in 2011-12 or 2010-11 on self insured risks resulting from the period prior to the release of Treasurer's Direction M2.1.

### Government Printing Office

The GPO engaged a consultant to review its insurable risks in 2008-09 and undertakes internal risk assessments annually to identify its requirements for commercial insurance. The GPO purchased commercial insurance policies for workers' compensation, property damage,

product liability, public liability and motor vehicles in 2011-12. The total cost of premiums for commercial insurance policies in 2011-12 was \$60 152, compared with \$53 245 in 2010-11.

There were no claims on commercial insurance policies or self-insured risks resulting from the period prior to the release of Treasurer's Direction M2.1.

### NT Fleet

NT Fleet undertakes internal risk assessments of its insurable risks, which resulted in policies of commercial insurance being obtained for workers' compensation, public liability and damage to the motor vehicle fleet due to natural disasters. The total cost of premiums for commercial insurance policies in 2011-12 was \$297 382, compared with \$242 171 in 2010-11.

The increase in the cost of insurance premiums in 2010-11 is primarily due to an increase in the cost of the motor vehicle fleet policy. There were no claims against these insurance policies.

There were no claims in 2011-12 or 2010-11 on self insured risks resulting from the period prior to the release of Treasurer's Direction M2.1.

### Risk mitigation of insurable risks

An overview of mitigation strategies for identified insurable risks follows.

Insurable risk category	Mitigation strategy
Workers' Compensation	<ul style="list-style-type: none"> <li>• In accordance with the Treasurer's Directions, the department self insures for workers compensation.</li> <li>• The GBDs obtained policies of insurance for workers' compensation.</li> <li>• An OH&amp;S Management Framework consisting of policies, plans and procedures ensures health and safety is managed in workplaces.</li> <li>• Each building has an OH&amp;S Committee and an OH&amp;S Steering Committee, which reports directly to the Management Board.</li> </ul>
Property and Assets	<ul style="list-style-type: none"> <li>• The department self insures property and assets.</li> <li>• GBDs have commercial comprehensive insurance policies for motor vehicles.</li> <li>• NT Fleet insures the fleet for natural disasters.</li> <li>• GPO has broadform property insurance for printing assets.</li> <li>• Internal policies and procedures are in place for the effective management of assets and to mitigate potential losses.</li> <li>• Effective contract management practices mitigate the risk of loss of assets.</li> </ul>
Public liability	<ul style="list-style-type: none"> <li>• GBDs have commercial policies of insurance for public liability.</li> </ul>
Indemnities	<ul style="list-style-type: none"> <li>• The department and GBDs comply with the <i>Financial Management Act</i> and Treasurer's Directions for guarantees and indemnities.</li> <li>• Internal policies and procedures are provided for the guidance of staff.</li> </ul>
Product liability	<ul style="list-style-type: none"> <li>• The GPO's broadform public liability insurance includes product liability insurance.</li> </ul>
International travel	<ul style="list-style-type: none"> <li>• A policy of insurance obtained for international travel by employees.</li> <li>• A policy of insurance for international travel was obtained for students receiving the Anzac Spirit Awards and their chaperones.</li> </ul>



**GREENER GOVERNMENT**

As the Shared Services provider, the department is charged with leading and developing initiatives and activities designed to reduce carbon footprint and improve environmental practices for government leased buildings, the government fleet, ICT services, business, procurement and printing.

**Departmental green office initiatives**

The department makes a concerted effort to reduce its carbon emissions and energy usage through a range of activities. The following initiatives are implemented and encouraged across all departmental locations:

- electronic document records management resulting in a reduction in paper files
- default power saving functions implemented on all department computers and laptops
- reduction in the number of printers and centralisation of multifunction devices to reduce power usage
- defaulting department computers to double-sided and black and white printing
- providing paper recycling bins in all buildings
- toner and ink cartridge recycling bins in place throughout the department
- using intranet and internet to publish large documents
- active participation in Earth Hour

- encouraging all staff to switch off all lights and electrical equipment when not in use
- building lights and air-conditioning pre-timed to switch off after office hours and operate on a two hour timer for outside hours use
- timers installed on photocopiers and hot water heaters to reduce after hours use of electricity
- introduction of zone lighting controls in certain buildings.

**Chan Data Centre**

Data centres around the world are facing increasing demands to provide additional computing capacity. Agency requirements for IT infrastructure and managed computing services are growing at an increasing rate each year, which is resulting in an escalating number of servers and data storage devices in the Chan Data Centre, and a corresponding increase in electricity usage. Such demand growth has meant that lowering energy use in absolute terms is not feasible and has required Data Centre Services to focus on a strategy to maximise performance from its ICT infrastructure. This is achieved through extracting more computing capacity from each device by applying a virtualisation model.

The Chan Data Centre has implemented a 'virtualise first' policy, in which agency business systems are hosted in a virtualised server environment rather than on physical server devices. This policy enables multiple IT systems to be individually managed from one physical server as if they were on separate 'virtual'



servers. This substantially reduces the overall need for physical servers and consuming less power than the standard server model.

This virtualisation strategy has enabled the Chan Data Centre to reduce its total potential carbon emissions by 192 metric tonnes per month. Performance continued to improve in 2011-12, up from 122 metric tonnes per month in 2010-11. This is a measure of carbon emissions avoided through virtualisation and other business practices in the data centre, rather than total emissions produced.

An energy efficiency audit for the Chan Data Centre has been commissioned to further identify opportunities to improve energy use. Data Centre Services continues to monitor electricity usage to ensure effective use of energy and minimise wastage.

### NT Fleet

NT Fleet is targeting a 20% reduction in the average CO<sub>2</sub> gases produced by its passenger and light commercial fleets, measured in gm/km, over five years. Individual annual targets for CO<sub>2</sub> reductions are negotiated with NTG agencies to reduce their carbon footprint.

NT Fleet's target has resulted in four-cylinder vehicles now comprising 77% of the fleet. In 2010-11, the focus shifted from acquiring four-cylinder vehicles to more fuel efficient vehicles, particularly those vehicles with a green vehicle guide rating of 6.5 or higher for passenger vehicles and 5.5 for non 4WD light commercial vehicles.

### Government Printing Office

The GPO uses vegetable-based inks, recycles 100% of recyclable print production waste, applies environmentally friendly waste management practices and promotes the use of a range of recycled paper stock to its customers.

The GPO is an advanced user of Computer-to-Plate systems, eliminating the need for film and chemicals from the prepress process. All printing plates are made using this system and technology that is free from developer chemicals.

Printer technology was upgraded in 2011-12 and will deliver efficiencies in printing production from 2012-13, which will lead to a reduction in paper waste, water consumption and chemicals usage.

### Office Leasing Management

The department has implemented a policy to reduce carbon emissions of leased office space. The policy applies to office leases of 2000 square metres or more, which covers 113 000m<sup>2</sup> of the total portfolio. Owners of existing buildings have been encouraged to achieve a 4.5 star National Australian Built Environment Rating System (NABERS) base building energy rating by July 2012. New developments are to achieve five-star NABERS ratings.

At June 2012, some 35 000m<sup>2</sup> of government office leases were rated at 4 star NABERS or better. This is expected to increase to 60 000m<sup>2</sup> over the next 12 to 18 months as additional properties are refurbished and achieve NABERS rating increases.

The department has worked closely with the Department of Lands and Planning to achieve energy efficiencies in government leased accommodation. Energy usage reports have been prepared for all significant leases, with recommendations implemented during lease negotiations.

### ecoBiz NT

EcoBiz NT is an eco-efficiency program that assists small and medium Northern Territory businesses to reduce their environmental impact and save money at the same time.

The program has been operating since 2008-09.

In 2011-12 the program received 44 applications and conducted 36 site surveys. It provided 11

grants to a total of \$145 627. The estimated emission savings are 193 tonnes of CO<sub>2</sub> equivalent.

### Information Communication Technology Services

The department works with the ICT service providers to reduce carbon emissions associated with services delivered under outsourced contracts.

ICT contracts require service providers to comply with standards and regulations for waste reduction, disposal and energy use star ratings.

With most ICT equipment having a relatively limited life, the focus for the contracts is on making environmental gains through reuse, recycling and reducing waste in the disposal of ICT equipment.

A three year project that started in 2010-11 aims to decrease the number of printers across government to reduce power consumption without affecting agency work output. Following on from the reductions in 2010-11, the number of printers per 100 workstations has further reduced from 13.24 to 12.01 in 2011-12.



## OUR PEOPLE

### OUR PEOPLE

The department's corporate values are People, Professionalism and Performance.

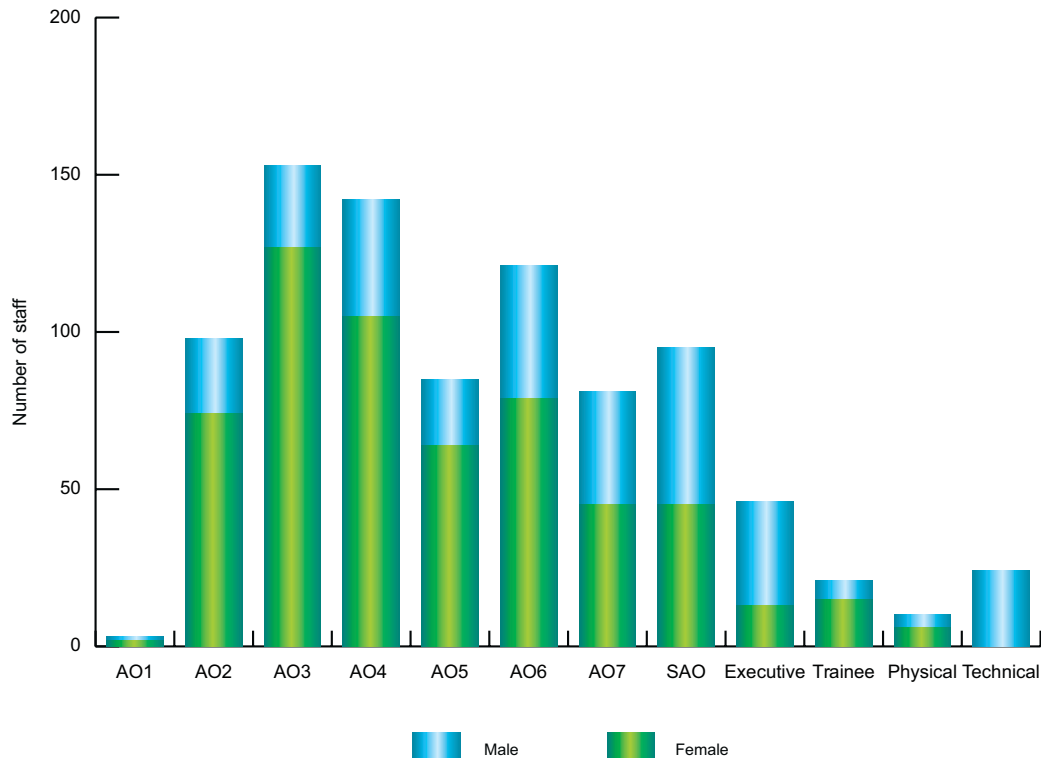
Our people are our most important asset. Their high-level performance ensures our services to business are professionally delivered.

**OUR STAFF IN PROFILE**

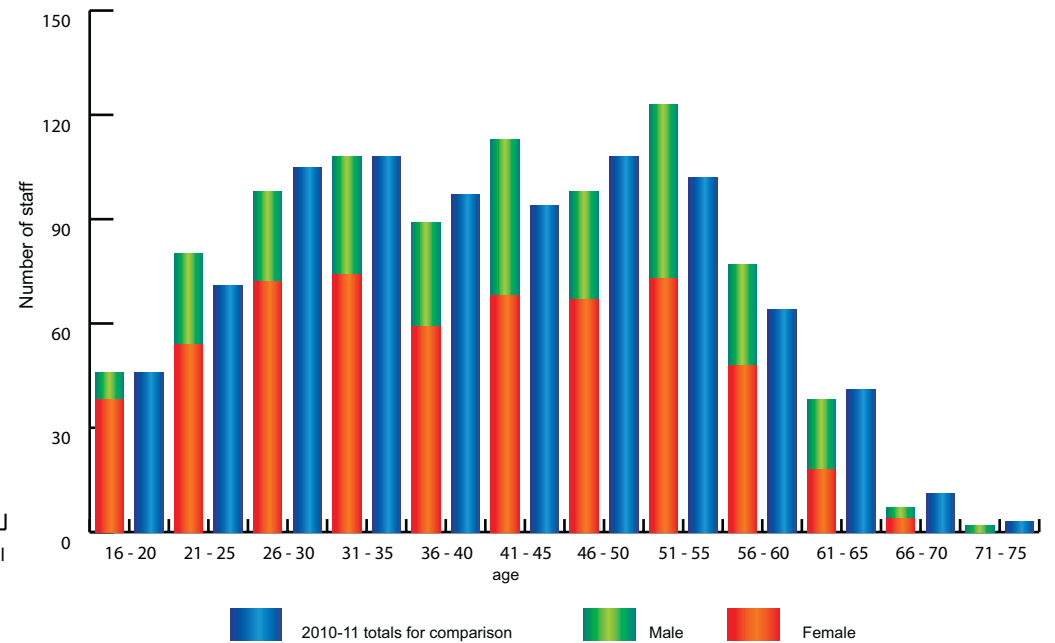
On 30 June 2012, a total of 879 people (by head count<sup>1</sup>) were employed. The majority of staff were in the AO3, AO4 and AO6 classifications.

The following graph shows gender breakdown by classification

The department's classification streams by gender at 30 June 2012



The department's staffing by age and gender at 30 June 2012



<sup>1</sup> Employees paid and unpaid who belong to an agency. Head count is the count of physical people, so a part-time person would count as one.

**SUPPORTING AND GROWING OUR PEOPLE**

To maintain a competent workforce, the department is committed to developing staff, building skills, planning for succession, facilitating careers, and retaining and improving knowledge.

In 2011-12, about \$815 000 was spent on training and development, including study assistance, short course training and leadership programs.

The following table outlines corporate initiatives that supported and developed our staff.

Initiative	Action
<b>Wellness Strategy</b>	<p>The Wellness Strategy continues to develop. Other elements will be added to improve our employees' wellbeing.</p> <p>In December 2011, milestone recognition celebrations were held for 10, 20 and 30 years of service. Two staff were recognised for over 40 years of service and one for 50 years of service.</p> <p>Additionally, 13 staff were awarded for their achievements and contributions towards meeting departmental outcomes. Such recognition provided an opportunity to acknowledge staff performance and achievement.</p>
<b>Indigenous Employment Career Development Strategy</b>	<p>The department's Indigenous Employment and Career Development Strategy (IECDS) makes Indigenous employment our business. The strategy focuses on communication, work environment, attraction, retention and partnerships, and is underpinned by three basic principles of respect, relationships and opportunities. (Since the 2010 launch of the IECDS, Indigenous staff representation has risen from 2% to 6.7%.)</p> <p>Initiatives supporting the IECDS are:</p> <ul style="list-style-type: none"> <li>• an IECDS staff website that shares information and respects Indigenous culture and history</li> <li>• IECDS information as part of our orientation program, including IECDS sessions in the regions</li> <li>• Welcome to Country protocols</li> <li>• the Workplace Buddy Program to assist new Indigenous employees to successfully become part of the department</li> <li>• cross-cultural training as part of the department's orientation program (82% of staff have attended the program, just short of our target of 90%)</li> <li>• quarterly Indigenous information sessions provided knowledge and awareness of broader Indigenous topics.</li> <li>• the IECDS Adopt a School Program in partnership with Palmerston Senior College</li> <li>• Since the 2010 launch of the IECDS, Indigenous staff representations has risen from 2% to 6.7%.</li> </ul>

Initiative	Action
<b>Occupational Health and Safety Framework</b>	<p>Our Occupational Health and Safety (OH&amp;S) Framework was developed. Staff were invited to provide input.</p> <p>The OH&amp;S intranet now provides information to staff.</p> <p>Staff were invited to join OH&amp;S building committees.</p>
<b>Complaint Handling Resolution Procedure</b>	<p>The complaint handling resolution procedure dealt with matters fairly, openly, promptly and confidentially.</p> <p>The process satisfactorily resolved complaints before they required the Chief Executive’s involvement as part of the grievance process.</p>
<b>Internal information sessions</b>	<p>information sessions were conducted on:</p> <ul style="list-style-type: none"> <li>• occupational health and safety</li> <li>• the Indigenous Employment and Career Development Strategy</li> <li>• our performance development program, MyPlan</li> <li>• people and human resource management</li> <li>• performance management.</li> </ul> <p>The sessions were held in the regions.</p> <p>Additionally, we provided other people management and human resource information sessions to our staff.</p>
<b>Leadership Programs</b>	<p>Staff attended the following specialist leadership programs:</p> <ul style="list-style-type: none"> <li>• Public Sector Management Program:- two staff members</li> <li>• 360-Degree Feedback Tool:- one staff member</li> <li>• Executive Leaders Program:- two staff members.</li> </ul> <p>Ten of our staff attended the Emerging Leaders Program that was developed for payroll managers</p>
<b>Women in Leadership</b>	<p>Informal mentoring and coaching was available to encourage women to progress to senior management positions.</p> <p>Nine women were permanently promoted to the Senior Classification level. About 11% of women (held against permanent / ongoing employment) were temporarily promoted to positions.</p>

Initiative	Action
<b>Graduates and apprentices</b>	<p>Our two-year Graduate Development Program had participants in the areas of information technology, human resources management, procurement, accounting and legal.</p> <p>We employed eight graduates.</p> <p>Under our apprenticeship program, most worked in the areas of business, information technology, printing and graphics.</p> <p>Our 13 apprentices comprised those employed in 2010, 2011 and 2012. Of those:</p> <ul style="list-style-type: none"> <li>• two finished their apprenticeship and left the department</li> <li>• one was successful in winning a permanent position</li> <li>• 10 remain with the department</li> </ul>
<b>Employee Assistance Program (EAP)</b>	<p>Employees and their immediate family can confidentially access the services of psychologists and professional counsellors to address work, personal or family matters. Our providers offer professional counselling, training and development workshops, management planning sessions, mediation, career counselling and management coaching.</p>

### PRIORITIES FOR 2012-13

- Continue to implement the OH&S Management Framework and compliance requirements in accordance with harmonised OH&S legislation.
- Implement the Wellness Strategy and incorporate flexible work practice options and employee involvement initiatives, including the provision of wellbeing information, and link this to the OH&S Strategy.
- Implement the Indigenous Employment and Career Development Strategy (IECDS) for 2013-15.
- Implement the Adopt a School program 2013-15 to continue our partnership with Palmerston Senior College and create a joint cross agency venture in the Alice Springs region.
- Implement the Managers for Tomorrow program aimed at building capacity for middle managers in response to the NTPS staff survey.
- Provide ongoing training and development opportunities for staff through the Capability Leadership Framework.
- Continue to support whole-of-government programs, such as apprenticeships, graduate traineeships and Indigenous employment.

**LEGISLATIVE COMPLIANCE**

**Reporting against Employment Instructions**

Employment Instructions are rules relating to the functions and powers of the Commissioner for Public Employment under the *Public Sector Employment and Management Act*, or otherwise relating to the good management of the Public Sector. The department’s performance against each Employment Instruction is detailed below.

The department’s People and Development Unit is reviewing and developing processes and supporting information for managers and staff in accordance with the review of the *Public Sector Employment and Management Act* and subordinate legislation, including the Employment Instructions.

Employment Instruction and agency requirements	Actions
<p><b>1 – Filling Vacancies</b></p> <p>Agency to develop procedures on recruitment and selection for internal use.</p>	<p>Information sessions were provided to managers and staff about selection processes.</p> <ul style="list-style-type: none"> <li>• 369 vacancies were advertised</li> <li>• 182 staff commenced</li> <li>• 149 separations were processed</li> <li>• two appeals were lodged.</li> </ul>
<p><b>2 – Probation</b></p> <p>Chief Executive to develop a probationary process for the agency and provide details of the process to employees.</p>	<p>Managers and new employees were given information about the changed probation procedures. Updated agency documentation is being developed and information sessions will be provided to staff.</p>
<p><b>3 – Natural Justice</b></p> <p>The principles of natural justice to be observed in all dealings with employees.</p>	<p>The principles of natural justice are promoted in all employee related matters.</p> <p>The department’s orientation program further informs new staff about natural justice principles.</p>



Employment Instruction and agency requirements	Actions
<p><b>4 – Employee Performance Management and Development Systems</b></p>	<p>Management training and staff development activities are reported through the MyPlan process annually.</p>
<p>Chief Executive to report annually to the Office of the Commissioner for Public Employment (OCPE) on management training and staff development programs.</p>	<p>Information sessions are provided to staff to promote the benefits of this process.</p>
<p>Chief Executive to develop and implement performance management systems for their agency.</p>	
<p><b>5 – Medical Examinations</b></p>	<p>Some staff were referred for medical examinations.</p>
<p>In certain circumstances, the Chief Executive may engage a health partitioner to conduct a medical examination of an employee.</p>	<p>Early intervention action is taken to minimise medical referral cases. The services of the EAP (Employee Assistance Programs) are promoted regularly to staff.</p>
<p><b>6 – Performance and Inability</b></p>	<p>Performance and inability action occurred in consult with managers.</p>
<p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p>	<p>One employee was terminated under the inability process. Some staff were required to undertake a performance improvement plans.</p>
<p>Chief Executive may establish procedures regarding inability within their agency.</p>	
<p><b>7 – Discipline</b></p>	<p>Breaches of conduct and discipline matters were addressed on a case-by-case basis.</p>
<p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used.</p>	<p>One discipline case resulted in termination. Some other staff were given a formal caution.</p>
<p>Chief Executive may establish procedures regarding discipline within their agency.</p>	

Employment Instruction and agency requirements	Actions
<p><b>8 – Internal Agency Complaints and Section 59 Grievance Reviews</b></p> <p>Chief Executive shall establish, and make available to staff, the agency’s written procedures that outline steps for dealing with grievances.</p>	<p>Managers and employees are informed of the internal complaint handling process.</p> <p>One grievance was lodged with OCPE and was referred back to the department. The complaint handling resolution procedure was used and the complaint was resolved with no further action required.</p>
<p><b>9 – Employment Records</b></p> <p>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</p>	<p>The department completed the implementation of Electronic Document Records Management for personnel records.</p> <p>Staff were made aware of the information and records management requirements using the Tower Records Information Management (TRIM) system.</p> <p>More work will be done on improving recording and transferral of staff employment histories.</p>
<p><b>10 – Equality of Employment Opportunity Programs</b></p> <p>Chief Executive to devise and implement programs to ensure equal employment opportunities and outcomes.</p> <p>Chief Executive to report annually to the OCPE on programs and initiatives the agency has developed.</p>	<p>Workplace diversity and equal employment opportunity is promoted through an inclusive management and leadership approach, that values the contributions of people from different cultural backgrounds, skills, knowledge and experience.</p> <p>The department maintained a diverse workforce, including staff from a wide range of non-English speaking backgrounds. An annual Equal Employment Opportunity survey was conducted.</p>
<p><b>11 – Occupational Health and Safety Standards Programs</b></p> <p>Chief Executive to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.</p> <p>Chief Executive to report annually to the OCPE on occupational health and safety programs.</p>	<p>The Occupational Health and Safety (OH&amp;S) Framework was developed and communicated to staff.</p> <p>Under the framework, Workplace Building Committees were established, an OH&amp;S staff website was developed and information made available to all staff.</p> <p>Information sessions are provided to staff on new OH&amp;S legislative requirements; the roles of employees, managers, committees, health and safety representatives; penalties; and other topical information.</p> <p>Flu vaccinations were offered.</p>

Employment Instruction and agency requirements	Actions
<p><b>12 – Code of Conduct</b></p> <p>Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees. Chief Executive may issue agency-specific code of conduct.</p>	<p>New staff are made aware of the Northern Territory Public Service (NTPS) Principles and Code of Conduct as part of their commencement package and during mandatory orientation.</p>
<p><b>13 – Appropriate Workplace Behaviour</b></p> <p>Chief Executive must develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect.</p>	<p>Appropriate workplace behaviour for new employees is in covered during orientation. Additional information sessions on managing employee performance and breaches of conduct are provided to work units and staff as part of early intervention action.</p> <p>Specific advice on encouraging appropriate behaviour in the workplace and managing inappropriate behaviour is also provided on a case-by-case basis. Associated information is available on the staff website.</p>



## OUTPUT PERFORMANCE REPORTING

The performance measures and targets in this annual report are consistent with the department's output structure.

An overview of the output structure is below:

<b>Business Development</b>
Business and Industry Development Support
<b>Employment and Training</b>
Workforce Growth
Training
<b>Shared Services</b>
Finance Services
Human Resource Services
Procurement Policy and Services
Information and Communication Technology Services
Office Leasing Management
<b>GOVERNMENT BUSINESS DIVISIONS</b>
<b>Data Centre Services</b>
Data Centre Management
<b>Government Printing Office</b>
Printing and Publication Services
<b>NT Fleet</b>
Management of the Government Vehicle Fleet

**OUTPUT GROUP: BUSINESS DEVELOPMENT**

This output group provides strategic programs and activities to support sustainable business development.

The outcome is substantial and lasting economic benefits for business and the broader community.

**Output: Business Development**

Responsibilities:

- assisting in the development of a better-informed and capable Northern Territory business community through

providing business information, access to training, coaching and business planning programs

- provision of strategic policy advice and analysis to enhance economic development, business competitiveness and productivity
- pursuing industry development opportunities in specific industry sectors such as defence support
- stimulating business innovation, research and knowledge development
- providing strategic business advice and

administrative management of industry development funding programs and ensuring the loan portfolio is prudently managed

- providing Territory Business Centres as a first contact point for many business-related services and products from government agencies, including start-up business information, and assistance with the lodgement and issue of permits and registrations required to operate in business.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Licence and business infrastructure services provided by Territory Business Centres	120 000	140 000	150 535	140 000
Economic reports and fact sheets issued	35	52	54	52
Grants and sponsorships to support business and industry development	\$4.7 M	\$4.7 M	\$4.7 M	\$5.3 M
Research and innovation grants	22	18	19	22
October Business Month participant satisfaction	94%	92%	92%	94%
Upskills Workshops participant satisfaction	96%	96%	96%	96%
Business growth applications assessed within 30 days	100%	100%	100%	100%

**Movements between original and revised budget 2011-12***Licence and business infrastructure services provided by Territory Business Centres*

Extra services were provided through TBCs.

*Economic reports and fact sheets issued*

Demand for specific economic information increased.

*Research and innovation grants*

Grant applications decreased in 2011-12 due to a timing change for the receipt of related Commonwealth health research grants.

*October Business Month participant satisfaction*

Changed to better reflect historical data.

**Movements between revised budget and actual***Licence and business infrastructure services provided by Territory Business Centres*

Extra services provided through the TBCs.

*Research and innovation grants*

Grant applications decreased in 2011-12 due to a timing change for the receipt of related Commonwealth health research grants.

Performance

Initiative or activity	Achievement	Status
Business Enterprise Centre (BEC NT) workshops on the basics of running a business	<p>Delivered 105 workshops to 909 participants in major centres across the Territory, including:</p> <ul style="list-style-type: none"> <li>• 65 workshops in Darwin (654 attendees)</li> <li>• 20 in Alice Springs (207 attendees)</li> <li>• 15 in Katherine (43 attendees)</li> <li>• five in Tennant Creek (five attendees).</li> </ul> <p>Provided 635 client management services.</p>	Ongoing in 2012-13
Procurement Liaison	<p>Visited or contacted 258 Territory businesses for Tendering Essentials workshops, business coaching sessions and to discuss procurement issues.</p> <p>Provided 14 business coaching sessions for Territory businesses.</p> <p>Trialled a Tendering Success webinar with 33 businesses from across the Territory.</p> <p>Received 47 complaints regarding procurement actions (compared to 59 complaints in 2010-11). On average, agencies took 28.2 work days to resolve all complaints and 66% were resolved in the quarter they were received.</p>	Recurrent Program
EcoBiz NT efficiency program to assist businesses to reduce their environmental impact	<p>Received 44 applications and conducted 36 site surveys.</p> <p>Provided 11 grants totalling \$145 627:</p> <ul style="list-style-type: none"> <li>• Darwin: eight programs, \$112 493</li> <li>• Katherine: two programs, \$20 334</li> <li>• Tennant Creek: one program, \$12 800.</li> </ul> <p>Assisted businesses to achieve estimated emission savings of 193 tonnes of CO<sub>2</sub> equivalent.</p> <p>Facilitated a Clean Energy Australia session with 44 participants.</p>	Recurrent program

Initiative or activity	Achievement	Status
<p>October Business Month (OBM), providing new business management knowledge and ideas to the Northern Territory business community</p>	<p>93 events were held across the Territory with 7539 attendees:</p> <ul style="list-style-type: none"> <li>• Darwin: 58 events, 6382 attendees</li> <li>• Katherine: nine events, 307 attendees</li> <li>• Tennant Creek: four events, 56 attendees</li> <li>• Alice Springs: 16 events, 547 attendees</li> <li>• Nhulunbuy: four events, 234 attendees</li> <li>• online: two events, 13 participants.</li> </ul>	<p>Recurrent Program</p>
<p>Territory Business Upskills program assisting small businesses to identify areas for improvement</p>	<p>Delivered 89 workshops to 1246 attendees and 41 business coaching sessions:</p> <ul style="list-style-type: none"> <li>• Darwin: 45 workshops, 707 attendees and 31 coaching sessions</li> <li>• Katherine: 14 workshops, 118 attendees and four coaching sessions</li> <li>• Tennant Creek: five workshops, 11 attendees and one coaching session</li> <li>• Alice Springs: 18 workshops, 242 attendees and five coaching sessions</li> <li>• Nhulunbuy: two workshops, 16 attendees</li> <li>• online: five workshops, 152 participants.</li> </ul>	<p>Recurrent program</p>
<p>Territory Business Growth program</p>	<p>Provided 103 grants totalling \$435 756 to 93 Northern Territory businesses to develop strategic plans to enhance business performance, profitability, employment levels and market penetration. Programs were delivered in:</p> <ul style="list-style-type: none"> <li>• Darwin: 86 programs, 77 businesses, \$363 139 in grants</li> <li>• Alice Springs: seven programs, seven businesses, \$19 036 in grants</li> <li>• Tennant Creek: three programs, three businesses, \$12 333 in grants</li> <li>• Katherine: six programs, five businesses, \$37 612 in grants</li> <li>• Nhulunbuy: one program, one business, \$3636 in grants</li> </ul>	<p>Recurrent program</p>



Initiative or activity	Achievement	Status
<p>Community Based Childcare Support Program to assist centres to ensure they are managed as independent, viable businesses</p>	<p>Engaged with 23 centres in Darwin, Katherine, Nhulunbuy, Tennant Creek, Alice Springs and Yulara.</p> <p>Provided 22 centres with grants totalling \$85 244.</p> <p>Delivered programs in:</p> <ul style="list-style-type: none"> <li>• Darwin: 24 programs, 14 businesses, \$50 528 in grants</li> <li>• Alice Springs: 12 programs, five businesses, \$24 479 in grants</li> <li>• Katherine: two programs, one business, \$4047 in grants</li> <li>• Nhulunbuy: two programs, one business, \$3390 in grants</li> <li>• Tennant Creek: one program, one business, \$2800 in grants</li> </ul> <p>Conducted 19 workshops with individual centres on financial management and governance.</p> <p>Provided MYOB training to six centres.</p> <p>Provided two centres with grants to upgrade hardware and software.</p> <p>Provided seven centres with grants to receive specialist assistance with financial management, HR and governance.</p> <p>Convened the inaugural NT Community Based Childcare Directors Summit with 19 centres represented.</p>	<p>Acheived</p> <p>Ongoing in 2012-13</p>
<p>Client Management Program to promote government services, programs and support.</p>	<p>Visited about 4060 businesses across regional centres promoting Territory and Australian government assistance programs.</p> <p>Provided three Business Booster programs (two in Darwin with 59 attendees and one in Alice Springs with 16 attendees).</p>	<p>Recurrent program</p>

Initiative or activity	Achievement	Status
Territory Business Centres, a single point of contact for business to access government services and requirements	<p>Made 151 197 client contacts:</p> <ul style="list-style-type: none"> <li>• Darwin: 111 716</li> <li>• Alice Springs: 26 080</li> <li>• Katherine: 10 987</li> <li>• Tennant Creek: 2414.</li> </ul>	Recurrent program
Research and Innovation Commercialisation Initiative	<p>Identified 12 to 16 projects with high commercialisation potential and an existing relationship with the Research and Innovation Branch and the NT Research and Innovation Board.</p> <p>Supported four of these projects toward commercialisation.</p>	Recurrent program
Commonwealth, State and Territory Advisory Council on Innovation	<p>Participated (through the Working Groups of the Commonwealth, State and Territory Advisory Council on Innovation) in developing an implementation plan for the Framework of Principles for Innovation Initiatives, identifying innovation indicators and monitoring procurement of innovation.</p>	Recurrent program
Northern Territory Research and Innovation fund ,managed by the Northern Territory Research and Innovation Board	<p>Approved grants to a value of \$182 200:</p> <ul style="list-style-type: none"> <li>• six research projects</li> <li>• three proof-of-concept projects</li> <li>• two innovation projects.</li> </ul> <p>Provided secretariat support to the board, which met five times.</p> <p>Appendix IV provides details about the board and fund.</p>	Achieved
Northern Territory Research and Innovation Awards	<p>Selected 17 exceptional finalists from a field of 33 nominees. Eight awards were presented, recognising Territorian research and innovation achievements, at a gala dinner attended by 330 guests. The event received broad support from 11 Territory and national sponsors.</p>	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Implementation of aviation strategies through participating on an across NTG working group	<p>Participated in three working group meetings to implement a Territory aviation strategy.</p>	Ongoing in 2012-13

Initiative or activity	Achievement	Status
Development of biodiscovery-based research projects with the potential to generate economic benefits for the Northern Territory	<p>Continued to encourage, facilitate and support the development of biodiscovery-based research projects.</p> <p>Approved 100 permits to collect wildlife. None required benefit, one application was not approved pending restructuring of the research proposal and two were not approved pending legal advice.</p>	Recurrent program
Investment Promotion and Facilitation Program to support government and industry efforts to attract inbound investment to the Territory	Implemented a series of investment briefings for national decision makers in the finance sector to improve access to finance for NT businesses through increasing awareness of the strength of the Territory's economy and its investment pipeline.	Achieved
	Participated in the Northern Territory Government exhibit at Offshore Europe in Aberdeen in September 2011, which promoted the Territory as an attractive investment and migration destination for companies in the oil and gas industry. The event featured 1500 exhibits from more than 40 countries and attracted 42 000 visitors and delegates.	Achieved
	Further developed the investNT portal.	Achieved
Small Business Officials Group	<p>Took part in meetings of the Small Business Officials Group formed to oversee completion of policy projects under the guidance of the Small Business Ministerial Council, which ceased from 1 July 2011. The issues addressed included:</p> <ul style="list-style-type: none"> <li>• Indigenous enterprise development and web portal</li> <li>• small business statistics development</li> <li>• small business continuity planning initiatives</li> <li>• clean energy future</li> <li>• COAG reform agenda</li> <li>• red tape reduction initiatives</li> <li>• National Broadband Network.</li> </ul>	Ongoing in 2012–13

Initiative or activity	Achievement	Status
<p>Strategic business advice and management of industry development funding programs, to ensure the department's loan portfolio is prudently managed</p>	<p>Provided a range of grant and sponsorship programs to businesses and industry organisations across the Northern Territory. Details are at Appendices V to VI.</p> <p>Provided strategic business advice and administrative management support for industry development funding programs:</p> <ul style="list-style-type: none"> <li>• Departmental programs (Territory Business Growth, Industry Development Grants, Industry Association Grants, ecoBiz NT, NT Jobs Growth, Trade Support Scheme and sponsorships)</li> <li>• Department of Housing, Local Government and Regional Services programs (Indigenous Business Development, Regional Economic Development)</li> <li>• Department of the Chief Minister programs (Trade Support Scheme).</li> </ul> <p>Prudently managed the department's loan portfolio. There are five loans as at 30 June 2012:</p> <ul style="list-style-type: none"> <li>• Natural Disaster Relief (1998 Katherine Flood): three loans \$132 111</li> <li>• Natural Disaster Relief (2006 Katherine and Region flooding): two loans \$29 428</li> </ul>	<p>Achieved</p> <p>Recurrent program</p>
<p>Building Northern Territory Industry Participation Policy to increase local industry participation in major projects</p>	<p>Continued to administer the Building Northern Territory Industry Participation Policy by encouraging the development of Industry Participation Plans for a number of major projects and reviewing plans for 30 government procurement projects valued at over \$5 million.</p> <p>Continued to improve operational arrangements.</p>	<p>Recurrent program</p> <p>Ongoing in 2012-13</p>

Initiative or activity	Achievement	Status
Supporting the Land Development Corporation (LDC) to develop and promote a Defence Support Hub	Promoted the Defence Support Hub to the defence support industry, resulting in strong interest from a potential anchor tenant. Negotiations are underway for the LDC to develop facilities to accommodate an anchor tenant on a commercial basis.	Ongoing in 2012-13
Contribution to national reviews, studies and discussions to influence policy development that will benefit the Northern Territory defence support industry	<p>Provided submissions to:</p> <ul style="list-style-type: none"> <li>• Senate Foreign Affairs, Defence and Trade References Committee inquiry into procurement procedures for Defence capital projects</li> <li>• Defence Materiel Organisation / Skills Australia Defence industry workforce study</li> <li>• Australian Defence Force Posture Review.</li> </ul>	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Chief Minister's Anzac Spirit Study Tour Award program	<p>Delivered a successful 2011 Anzac Spirit Study Tour with more than 200 students from 13 schools entering the 2011 competition. The <i>NT News</i> described the Anzac Spirit award as 'one of the best awards in the Territory'.</p> <p>Launched the 2012 Study Tour award program in April 2012.</p>	<p>Achieved</p> <p>Recurrent program</p>
Increasing amount of Defence related work being undertaken by industry in the NT	<p>Continued to engage with Defence prime contractors to identify opportunities to attract through-life support projects and work to the Territory and opportunities for local industry engagement.</p> <p>Provided support to local defence businesses seeking to identify opportunities and engage with prime contractors to participate in major defence contracts.</p>	Ongoing 2012-13

Initiative or activity	Achievement	Status
Supporting the Australian Industry and Defence Network Northern Territory (AIDN-NT)	Delivered financial and general administrative support to AIDN-NT to enable it to support and grow its industry.	Achieved
	Delivered strategic support to AIDN-NT to enable it to secure federal funding for its Defence Education and Learning (DEAL) program to deliver skills and business development training for the Territory's Defence support industry.	Ongoing in 2012-13
	Facilitated the Chief Minister's Award and the Minister for Defence Support Award at AIDN-NT's gala dinner in 2011.	
Promote Northern Territory industry capability to support Defence equipment based in the Territory	Facilitated briefings by the Northern Territory Government for the Australian Government to promote Northern Territory industry capability and the economic benefits of supporting Defence platforms and equipment in the regions where it is based.	Ongoing 2012-13
Align services and contribute to building the remote communities into vibrant places to live and work	Completed annual employment profiles for major remote communities.	Partially Achieved
	Convened the/a Remote Commercial Literacy Taskforce, which hosts an annual event for stakeholders and meets quarterly to align programs. A pilot project is complete and has generated tools for use by field officers for helping aspiring business people in major remote communities.	Ongoing in 2012-13
	Conducted Industry viability studies into Commercial Visitor Accommodation and Cross Cultural Training, for use across agencies to support development in these areas.	

Initiative or activity	Achievement	Status
Facilitated programs to assist local businesses to prepare for major projects	Co-chaired INPEX Ichthys IPP Steering Committee and through the implementation of the IPP maintained a focus on maximising local industry engagement in this major project.	Ongoing in 2012-13
	<p>Continued to deliver a series of topic specific seminars and workshops guiding local businesses to grow their capabilities and capacity to engage in Ichthys and other future major projects. The events were delivered in partnership with:</p> <ul style="list-style-type: none"> <li>• Chamber of Commerce NT</li> <li>• Industry Capability Network NT</li> <li>• Master Builders NT</li> <li>• NT Road Transport Association</li> <li>• NT Manufacturers Council</li> <li>• International Business Council</li> <li>• Civil Contractors Federation NT</li> <li>• INPEX Darwin</li> <li>• ConocoPhillips</li> <li>• ENI</li> <li>• JKC</li> <li>• Engineers Australia Northern Division</li> <li>• Unions NT</li> <li>• Department of Education, Employment and Workplace Relations</li> <li>• Charles Darwin University</li> <li>• Batchelor Institute of Indigenous Tertiary Education.</li> </ul>	Ongoing in 2012-13

### Priorities for 2012-13

- Evaluate and deliver a suite of professional business development programs and services to people and business across the Territory.
- Assist Northern Territory business and industry to adjust to changed business and market conditions.
- Expand the Territory Business Growth program to include new programs aimed at improving employment practices and increasing uptake of technology in business.
- Align the department's efforts with those of other agencies to help position Darwin as a regional oil and gas hub.
- Provide steerage for major project Industry Participation Plans to maximise local industry participation.
- Continue to deliver programs to assist local businesses to grow capabilities and capture opportunities in oil, gas and major mining projects, particularly in manufacturing and logistics, supply and service sectors.
- Leverage industry and broader economic development from the defence presence, from Australian Defence Forces and US force decisions and the 2013 Defence White Paper.
- Continue to promote Northern Territory industry capability to support defence equipment based in the Territory.
- Continue to support the Australian Industry and Defence Network Northern Territory (AIDN-NT).
- Support the Manufacturers Council to implement a new NT manufacturing strategy.
- Increase the department's investment promotion, attraction and facilitation program to support the Territory's projected growth demands for commercial, industrial and residential infrastructure and projected demand for industry capability to support the resources sector.
- Design and deliver a pilot program to support remote Indigenous board directors through governance training, with an emphasis on financial management.
- Continue support for a regional international aviation hub development through the agreement with Jetstar Airways Pty Ltd.
- Contribute to the management and operation of the Northern Territory's regulation impact assessment processes.
- Contribute to national business reforms through COAG and the Business Regulation and Competition Working Group.
- Participate in national business continuity planning initiatives, including in the food and grocery sector.
- Further develop data on business costs and competitiveness.



**OUTPUT GROUP: EMPLOYMENT AND TRAINING**

This output group provides strategic advice on employment and the labour market in the Territory to align resourcing of training and workforce growth programs to ensure a skilled workforce is available to meet identified employment needs and maximise opportunities for Territorians.

The output group provides funding to training providers to deliver a broad range of training programs and support foremployment and training related industry organisations (Appendix VII).

**Output: Workforce Growth**

Responsibilities:

- providing strategic advice and forecasts on employment opportunities in the Northern Territory to ensure a skilled workforce is available to meet identified employment needs
- developing, promoting and implementing employment strategies, including facilitation and coordination of networks and initiatives that support improved Indigenous employment outcomes
- matching labour and skills development supply and demand through Workforce Growth NT and skilled migration initiatives to meet employers' needs, particularly in the regions
- providing advice and information about business and skilled migration programs and promoting the Northern Territory to potential skilled and business migrants overseas to settle, work and establish businesses and contribute to the skills, population and overall economic base of the Territory
- working with the Australian Government to influence business and skilled migration policy development to ensure that Northern Territory needs are taken into consideration.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Workforce Growth NT/skilled migration database registrations:				
- international	700	750	732	800
- interstate	2500	2700	3641	3000
Business and skilled migration visas for nominations and sponsorships certified	1200	1200	2264	1200
Client satisfaction with employment programs	80%	80%	80%	80%
Timeframes met as agreed	100%	100%	100%	100%

### **Movements between Original and Revised Budget 2011-12**

#### *Workforce Growth NT/skilled migration database registrations*

The international and interstate skilled worker attraction campaign continued with industry and employers

### **Movements between revised budget and actual**

#### *Workforce Growth NT/Skilled Migration database registrations - international*

The ability to capture international registrations commenced on 1 February 2012.

#### *Workforce Growth NT/Skilled Migration database registrations - international*

Additional numbers contributed to the success of an online advertising campaign.

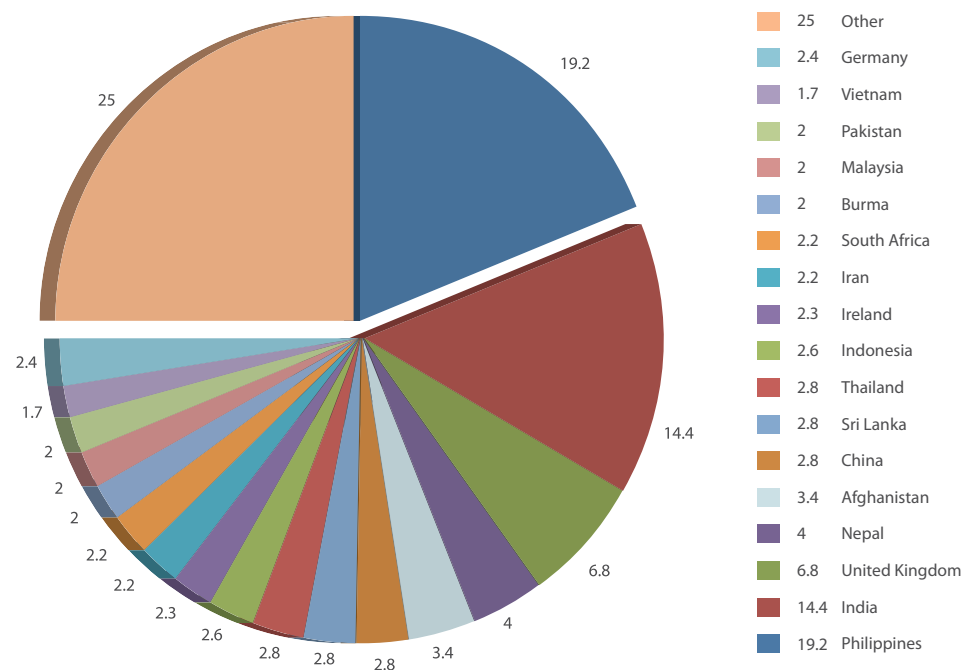
#### *Business and skilled migration visas for nominations and sponsorships certified*

Additional visas were handled due to the need to process RSMS nominations on hand before policy changes came into effect on 1 July 2012

Performance

Initiative or Activity	Achievement	Status
Business and Skilled Migration	Processed 1089 employer nominations and skilled migrant sponsorships with 2264 visas associated with the applications (an increase of 21% over 2010-11).	Achieved
	Submitted a proposal to the Australian Government for the implementation of Regional Migration Agreements for the whole of the Northern Territory.	Ongoing in 2012-13
	Negotiated the 2011-12 Northern Territory State Migration Plan that facilitates access to skilled overseas nationals with occupations in demand.	Ongoing in 2012-13

Northern Territory Settler arrivals by birthplace



Initiative or Activity	Achievement	Status
	Developed Northern Territory submissions into the Australian Government's reviews of the Permanent Employers Sponsored Visa (included the Regional sponsored Migration Scheme); the Business Skilled Migration Program and the Size and Composition of Australia's 2012-13 Migration Program.	Achieved
	In conjunction with the Department of Immigration and Citizenship, conducted information sessions for Northern Territory business on skilled migration including changes to the employer sponsored visa schemes and the Northern Territory Government's submission for a Regional Migration Agreement.	Achieved
	Continued to work with Charles Darwin University to promote Darwin in the Philippines and China as an international study location.	Achieved
	Supported mining investment attraction by the Department of Resources through migration briefings to incoming investment delegations and participation in the 2011 China Mining Expo.	Achieved
	Contributed to overseas settlement numbers of 1368 or 1.08% of the Australian migrant intake (an increase of 10%).	Achieved
Jobs in the NT campaign	Partnered with business, industry associations and Unions NT to participate in or deliver 14 events to promote the Northern Territory as a place to work and live. This included migration expos in Ireland, the United Kingdom, South Africa, the United States of America and New Zealand and national employment and career events in Adelaide, Wollongong, Brisbane and Sydney.	Achieved
Jobs NT 2010-12	Completed and achieved the targets set within Jobs NT 2010-2012 Employment Strategy launched in May 2010: more than 24 000 Territorians in VET training each year. more than 3000 Indigenous Territorians commenced employment in the past three years. labour force participation rates continue to exceed national participation rates. 42% of students participating in VET in Schools completed a certificate and 1041 school students completed a VET in Schools qualification in 2011. Developed discussion paper for the new employment strategy, including consultation with key stakeholders and forums in the regions.	Achieved
Territory Worker Database	Upgraded the Territory Worker Database to allow skilled overseas jobseekers to register interest in working in the Northern Territory and all entrants to upload their curriculum vitae.	Achieved

Initiative or Activity	Achievement	Status
Indigenous Training for Employment Program (ITEP)	Concluded the joint ITEP agreement in June 2011. Additional NT Government and Commonwealth funds have supported new projects. All ITEP funded initiatives will conclude by 30 June 2013. There were 17 grants approved in 2011-12 from the remaining ITEP funds plus recurrent NT government grant monies. Since its inception in 2007-08, ITEP has funded 62 projects and to date supported about 1700 opportunities for Indigenous Territorians to benefit from jobs, training or career enhancement experiences.	Achieved
Northern Territory Occupation Shortage List 2011	Maintained current list. Started to revise process to reflect stakeholder feedback.	Achieved Ongoing in 2012-13
Workforce Growth NT – Regional activities	Continued to collect vacancy and training data in line with the Regional Job Hubs program.	Achieved Ongoing in 2012-13

### Priorities for 2012-13

- Implement the new Indigenous Workforce Participation Initiatives grants program.
- Develop the new Jobs Package – Traineeship program, supported by the Australian Government's Stronger Futures initiatives. This aims to achieve up to 100 traineeships for Indigenous participants from remote communities.
- Initiate the Regional and Remote Workforce Connect project to mobilise Indigenous workers from areas of low to higher employment opportunities.
- Launch and implement a new employment strategy.
- Develop an occupation shortage list.
- Commence regional workforce strategies.
- With input from Northern Territory employers, industry associations and Unions NT, develop and implement the 2012 Jobs in the NT Plan to promote the Northern Territory as a destination to live, work and do business.
- Develop and implement Regional Migration Agreements for the whole of the Northern Territory to give employers greater access to semi-skilled and skilled overseas workers where local workers cannot be sourced.
- Develop and implement the Jobs Portal as a one-stop shop for people looking for work in the NT and for businesses looking for workers.
- Deliver timely assessments of employer nominations for skilled workers and applications for Northern Territory sponsorship to address skilled workforce shortages in the Northern Territory.
- In partnership with the Department of Immigration and Citizenship's Darwin-based Outreach Officer, deliver information sessions and workshops to inform Northern Territory employers and intending skilled migrants about the skilled visa requirements.

**Output: Training**

Responsibilities:

- provide funding for the delivery of Vocational Education and Training to support the development of a productive and highly skilled workforce for industry
- provide funding for the delivery of Vocational Education and Training to assist working age Territorians to develop the skills and qualifications needed to participate effectively in the labour market, including for disadvantaged groups
- regulation of apprenticeships and traineeships under the *Northern Territory Employment and Training Act*
- contributing to national and Northern Territory Vocational Education and Training policy, strategy, initiatives, agreements and reform, including for equity groups
- liaising and engaging with industry on vocational education and training matters
- developing and implementing training events, marketing campaigns/materials and publications.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13
	Original Budget	Revised Budget	Actual	Original Budget
Annual hours of curriculum delivered	3.7 M	4.0 M	4.4 M	4.1 M
Number of students enrolled in VET	24 000	24 000	24 442	24 850
Apprenticeship and traineeship commencements	2750	2800	3021	2850
Apprentices and trainees in training	3900	4350	4000	4600
Proportion of invalid student enrolments (audit)	2%	1.5%	3.3%	2%
Successful training completions	75%	75%	76%	75%
Resource agreements issued and monitored within appropriate timeframes	95%	95%	95%	95%

### **Movements between original and revised budget**

#### *Annual hours of curriculum delivered*

Annual hours increased due to impact of Productivity Places Program, which finished in 2011-12.

#### *Apprenticeship and traineeship commencements*

Continuing effort with employers to increase apprentice and trainee uptake resulted in increased commencements.

#### *Apprentices and trainees in training*

This figure was higher because of increased government and industry commitment and pending training contracts to be registered.

### **Movements between revised budget and actual**

#### *Annual hours of curriculum delivered*

Annual hours increased due to the impact of the Productivity Places Program, which finished in 2011-12.

#### *Number of students enrolled in VET*

The number increased due to impact of Productivity Places Program, which finished in 2011-12

#### *Apprenticeship and traineeship commencements*

The number of commencements increased because of continuing effort with employers to increase apprentice and trainee uptake.

#### *Apprentices and trainees in training*

Completions in 2011 calendar year increased 16%, offset by an increase in commencements.

#### *Proportion of invalid student enrolments (audit)*

This increase was due to an anomaly in record keeping with one provider.

### **Measures not continued from 2011-12 budget:**

#### *Registered training organisations' compliance with Australian Quality Training Framework (audit)*

This measure is no longer applicable as responsibility for RTO compliance was transferred to the National VET Regulator from 1 July 2011.

Performance

Initiative or Activity	Achievement	Status
National Agreement for Skills and Workforce Development	Together with other jurisdictions, negotiated a revised National Agreement for Skills and Workforce Development with the Australian Government. The new agreement will achieve a vocational education and training system that delivers a more productive and highly skilled workforce, enabling all working age Australians to participate effectively in the labour market and contribute to Australia's economic future.	Achieved
National Partnership Agreement on Skills Reform	Negotiated a new National Partnership Agreement on Skills Reform in conjunction with other jurisdictions and the Australian Government and finalised the supporting Northern Territory Implementation Plan. The reforms represent a shared vision for reforms to the national training system.	Achieved
Apprenticeship reforms and harmonisation	Along with the Australian Government and other jurisdictions developed a business case, principles and implementation plan to guide the harmonisation of Australian Apprenticeships and the reform of Australian Apprenticeship Support Services.	Achieved
	Activities under the Implementation Plan will continue to be rolled out until 30 June 2014 when the Northern Territory will take responsibility for support services.	Ongoing in 2012-13
Apprenticeship Support Services	A request for tender for the Northern Territory Australian Apprenticeships Support Services contract was negotiated and developed with the Australian Government. A new contract was awarded for the period 1 July 2012 to 30 June 2014.	Achieved



Initiative or Activity	Achievement	Status
<p>Training events</p>	<p>Presented the 2011 Northern Territory Training Awards in 11 categories. The awards recognised training excellence and achievements by apprentices, trainees, students, trainers, businesses and training organisations at the most successful gala dinner ever in September 2011.</p> <p>Five of the six student category winners proudly represented the Northern Territory at the Australian Training Awards in November 2011, along with three of the Territory's organisation category winners who made it to the national finals.</p> <p>Held another successful annual Northern Territory Government Careers Expo circuit in August 2011, allowing students, teachers, parents and the public to explore career opportunities and pathways. Expos were held in Darwin, Katherine, Tennant Creek and Nhulunbuy, with the Alice Springs expo being held by St Phillips College. Exhibitor and attendee numbers were high at all expos.</p> <p>Held the 2011 Worldskills Northern Territory regional competitions. More than 60 of the Territory's skilled young people took part. The winners of each category will represent the Northern Territory at the national competitions in late 2012.</p>	<p>Achieved</p>

### Priorities for 2012-13

- Work with key stakeholders to commence implementation of the 10 individual skills reforms per the National Partnership Agreement on Skills Reform Northern Territory Implementation Plan.
- Review Memorandum of Understanding (MOU) on Transitions, Skills, Workforce Development and Employment between the Australian and Northern Territory governments, and develop a new MOU for 2013-15.
- Develop and implement a broad-based Vocational Education and Training (VET) marketing campaign/strategy to promote VET as an option open to all in the community.
- Develop strategies to increase government and the VET sectors' responsiveness to industry through greater industry engagement.
- Continue to work with the Australian Government and other jurisdictions to develop and implement strategies and initiatives to support the apprenticeship reform and harmonisation agendas.
- Monitor the Northern Territory Australian Apprenticeships Support Services contract to ensure identified outcomes are achieved. Work with Australian Apprenticeships NT and other stakeholders to develop an Australian Apprenticeships Support Services model consistent with the reform and harmonisation agendas for implementation into the NT from 1 July 2014.

**OUTPUT GROUP: SHARED SERVICES**

This Output Group provides shared corporate services to support Northern Territory Government agencies and business divisions.

The outcome is the provision of cost-effective shared financial and human resource administration, procurement services, information and communication technology (ICT) services and office leasing services for all government agencies.

**Output: Finance Services**

Responsibilities:

- delivering finance services to government agencies, including payment of accounts, receivables management, ledgers, asset records, corporate tax returns, banking services and administration of corporate credit cards
- providing support, maintenance and development of the Government Accounting System (GAS), a financial reporting warehouse, and a number of smaller financial systems that are linked to GAS
- providing regular finance-related training and awareness sessions for agencies.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Payments processed	375 000	430 000	450 550	430 000
Debts processed	32 000	38 000	43 210	38 000
Processing accuracy	99.5%	99.5%	99.9%	99.5%
Invoices paid within 30 days	90%	90%	83%	90%
Average days to collect debts	55	55	53	55

### **Movements between original and revised budget**

#### *Payments processed*

Payment volumes across agencies increased.

#### *Debts processed*

New charges introduced by Northern Territory Police Fire, and Emergency Services resulted in additional debts to be processed.

### **Movements between revised budget and actual**

#### *Payments processed*

Actual payment volumes across agencies increased above the estimate.

#### *Debts processed*

New charges introduced by Northern Territory Police Fire and Emergency Services exceeded estimated debt numbers. More invoices were issued in relation to the implementation of the new Asset Management System by the Department of Construction and Infrastructure.

#### *Invoices paid within 30 days*

Delays in the receipt of some invoices and some instances of delays in agency approval have affected the overall proportion of invoices paid within 30 days.

Performance

Initiative or activity	Achievement	Status
Design and implement stage four of the Electronic Invoice Management System (EIMS) project: electronic purchase requisition module for tier one purchases (less than \$15 000)	Implemented EIMS module for several agencies.	Achieved
	Programmed an enhancement to purchase order recording in the Government Accounting System for 2012-13, which will expand agency usage.	Ongoing in 2012-13
Develop and implement stage five of EIMS: an electronic scanning and work flow solution for emailed supplier invoices	Implemented email invoice processing solution in March 2012. This module streamlines and automates business processes for supplier invoices received via email, reducing processing times within government and payment times for suppliers. Other benefits include an audit trail, more information and enhanced record keeping.	Achieved
Asset accounting function to coincide with the new government Asset Management System	Deferred review to 2012-13, due to the need to align with technical requirements of the system relating to the capture of financial data on assets and the AMS project timeframes.	Not achieved
	Continued to provide information and advice relating to asset accounting requirements and the data interface to GAS.	Ongoing in 2012-13
Financial report catalogue providing a searchable inventory of reports for all agencies	Completed catalogue design and developed content. The catalogue is scheduled to be released to client agencies in 2013.	Partially achieved: Ongoing in 2012-13
New banking services provider for the Northern Territory Government	Completed successful transition to new banking provider.	Achieved
New Budget Management System for this department and Department of Justice	Designed and trialled prototype for 2012-13 budget development cycle. Further enhancements to improve performance are under development.	Achieved

Initiative or activity	Achievement	Status
Upgrade Receipts Processing System	Deferred upgrade to 2012-13. The Receipts Processing System relies on the transmission of banking data, which has required reconfiguration following the change in banks. This upgrade could not be progressed until the banking services transition was complete.	Ongoing in 2012-13
Standing Advance Recording and Replenishment System to automate the reimbursement, reconciliation and audit processes for petty cash advances	Re-examined finance systems development work program due to impacts of the major banking services transition and Asset Management System implementation projects. Because the Standing Advance Recording and Replenishment System has a relatively narrow user base, it has been given a lower priority.	Not achieved
Smart forms Project	Developed a proof-of-concept model to test the business applications selected for the Shared Services Forms solution. A smart form for OH&S incident reporting has been developed and is due to be implemented in 2012-13.	Partially achieved Ongoing in 2012-13

**Priorities for 2012-13**

- Develop and implement stage six of EIMS, an invoice portal to enable suppliers to electronically lodge and track their invoices.
- Scope and test requirements for a project to update the software version of the Government Accounting System.
- Review the Asset Accounting function in context of the new Asset Management System.
- Develop an expanded reporting suite to assist agencies to implement the 30 day payment policy.
- Scope a project to upgrade and expand the Receipts Processing System.

**OUTPUT GROUP: SHARED SERVICES**

**Output: Human Resource Services**

Responsibilities:

- delivering recruitment, employment and payroll administration services across government to assist agencies, employees and prospective employees
- coordinating employment programs for graduates, apprentices and Indigenous employees, with a particular focus on increasing the representation of Indigenous employees within government
- providing support, maintenance and development of the government’s core human resource IT systems, including the employee self-service module (myHR) and the whole-of-government single payroll system (PIPS)
- coordinating job evaluation services for government agencies to determine work value and classification level of positions
- providing advice on Occupational Health and Safety management to assist agencies to comply with legislative requirements
- administering services for workers’ compensation claims and rehabilitation programs, including coordinating with the external claims manager to assist agencies to achieve effective claims management
- providing a suite of human resource management and workforce development reports to agencies.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Payroll transactions processed	1.1M	1.1M	1.1M	1.2M
Commencements and terminations processed	14 000	14 000	13 740	14 500
Processing accuracy	99.5%	99.5%	99.5%	99.5%
Proportion of apprentices graduated	80%	80%	56%	80%

**Movements between revised budget and actual**

*Commencements and terminations processed*

Actual staff turnover across the public sector did not reach expected levels.

*Proportion of apprentices graduated*

Some apprentices left the program prior to graduating, primarily because they secured alternative employment outside the NTPS, moved interstate or did not meet the requirements of the program.

**Performance**

Initiative or activity	Achievement	Status
Indigenous Employment Program (IEP)	Continued to deliver IEP: <ul style="list-style-type: none"> <li>• Certificate II in Business (regions)</li> <li>• Pre Prison-Officer-In-Training</li> <li>• Certificate II in Customer Contact</li> <li>• Certificate II in Business (Darwin)</li> <li>• Certificate II in Community Services.</li> </ul>	Achieved Ongoing in 2012-13
eRecruit system	Successfully implemented new eRecruit system (stage one) across all agencies. A total of 94% of NT Government job applications are now received via eRecruit, and agency job vacancies are managed through this new system.  The eRecruit system will continue to be developed and expanded. The next stage will include entry level recruitment.	Achieved



Initiative or activity	Achievement	Status
HR systems automation	<p>Commenced a multi-year system automation program focusing on automating highly variable payroll processes, such as time-based payments, to improve business process efficiency and service outcomes.</p> <p>Identified priorities for automation modules, with core business requirements and specifications under development.</p> <p>Developed an electronic timesheet for police overtime payments as a technology pilot. The next priorities are electronic timesheets for assistant teachers and nurses not based in hospitals, with development work commenced in 2011-12. Work will continue over 2012-13 to construct a uniform application layer, using middleware technology, which will provide a consistent and robust platform for future business process automation.</p>	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Electronic solution for processing Fares Out of Isolated Localities (FOILs) entitlements and payments	<p>Commenced developing and testing an electronic FOILs system, which is expected to be deployed in 2013.</p>	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Recruitment, Employment and Payroll Services revitalisation initiatives	<p>Introduced a range of initiatives including new team structures, expanded contact points for employees and agencies, resolution of outstanding leave and client queries, updated procedures and enhanced training programs for payroll officers and managers.</p>	<p>Achieved</p>
'Payroll Giving' program	<p>Implemented a 'Payroll Giving' facility to allow Northern Territory Public Service employees to make pre-tax donations to eligible charities.</p>	<p>Achieved</p>
Telephony and ticketing technology within Recruitment, Employment and Payroll Services	<p>Implemented a new telephony system and enhanced the ticketing system to improve functionality.</p>	<p>Achieved</p>
Range of qualifications under the NTPS apprentice and school-based apprentice programs	<p>Completed a profile of each agency, highlighting qualifications needs, and provided them to agency HR units.</p> <p>Continued to work closely with agencies in relation to apprentice nominations and qualifications, including school-based apprentices. Decisions on apprenticeship disciplines are made by each agency.</p>	<p>Achieved</p>

Initiative or activity	Achievement	Status
HR Reporting Solution (stage one), providing a suite of HR reports for use by all agencies	Delivered HR Reporting Solution in September 2011 with 650 users by the end of 2011—12. More than 500 managers and HR practitioners attended training and agency feedback has been positive.	Achieved
HR Reporting Solution (stage two), including occupational health and safety and recruitment business data	Commenced developing a comprehensive HR reporting suite for occupational health and safety data.  Recruitment reporting is available from the new eRecruit system. Transition of recruitment data into the data repository is programmed to commence in future years after all phases of the eRecruit system are implemented.	Partially achieved  Ongoing in 2012-13
Across government induction forums for senior officers	Investigated options for an across government induction forum for senior staff new to the public service, in addition to agency specific induction courses. This occurred in response to a query from the Department of Education and Training.  Conducted two forums in 2011-12, with multiple agencies involved and favourable responses from participants.	Achieved

### Priorities for 2012-13

- Implement stage two of the eRecruit system including replacement of the government jobs website and introduction of candidate pools for key employment categories, including the Entry Level Recruitment Program.
- Progress the Human Resource system and process automation program.
- Consider approaches to improve the NTPS apprenticeship program.
- Expand the HR Reporting Solution to other HR related datasets, including OH&S.
- Implement the electronic Fares Out of Isolated Localities (FOILs) system.

**OUTPUT GROUP: SHARED SERVICES**

**Output: Procurement Policy and Services**

Responsibilities:

- administering the *Procurement Act* and its subordinate legislation, which includes maintaining practice directions to guide agencies, providing advice on compliance requirements, engaging industry stakeholders and proposing amendments to the legislation
- establishing and administering across-government common use contracts
- providing advisory and consulting services to agencies, including advice and assistance with procurement planning, specifying requirements, tender assessment and preparing recommendations
- placing a strong focus on effective two-way communication with industry through regular contact with industry groups, including the Chamber of Commerce NT, Master Builders NT, Industry Capability Network NT and Contractor Accreditation Limited
- ensuring that the relationship with industry is fostered to achieve successful outcomes for government and industry.

**Budget Performance Indicators**

Key Deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Tenders released to market	900	1050	1100	1150
Tender responses lodged and processed	3560	4100	4312	4500
Proportion of responses lodged electronically	65%	66%	68%	67%
Contracts awarded	1015	1150	1157	1250

### **Movements between original and revised budget**

#### *Tenders released to market*

Demand from agencies increased.

#### *Tender responses lodged and processed*

Demand from agencies increased.

#### *Proportion of responses lodged electronically*

Business confidence in use of technology increased.

#### *Contracts awarded*

Demand from agencies increased.

### **Movements between revised budget and actual**

#### *Tenders released to market*

Demand for services by agencies was greater than the estimate.

#### *Tender responses lodged and processed*

This increase was in line with agency demand for tenders released to market and also reflects market interest in government work.

#### *Proportion of responses lodged electronically*

Business confidence in use of technology was greater than the estimate.

#### *Contracts awarded*

Contracts awarded increased in line with tenders released to market.

**Performance**

Initiative or activity	Achievement	Status
<i>Procurement Services</i>		
Increased automation and standardisation of procurement processes across government	Announced goals of procurement reforms, including quality improvements and consistency in approach through better tools and capacity building.	Partially achieved Ongoing in 2012-13
Expanding coverage of procurement network professionals	Continued to grow outreach of procurement network professionals by posting more staff and providing specialist knowledge and support to more people.	Achieved
Integrating procurement services functions across work units	Restructured Procurement Policy, Procurement Liaison and Procurement Services into one division to optimise efficiency and effectiveness.	Achieved
Review of Contract and Procurement Services business processes	Working toward implementing selected recommendations from completed business process review.	Partially achieved Ongoing into 2012-13
Review of procurement planning for individual projects valued at \$200 000 and above	Deferred review to 2012-13 as part of the procurement reforms (stage two).	Not achieved
Training and assistance on key procurement processes such as tender debriefing, tender specifications and contract management	Included specialist training programs for procurement in the training and development suite available to agency staff	Achieved
<i>Procurement Policy</i>		
Ongoing development of procurement policy that takes into account environmental sustainability	Participating in the Australasian Procurement and Construction Council working group to develop and implement a best practice approach to sustainable procurement across all jurisdictions.	Partially achieved Ongoing in 2012-13

Initiative or activity	Achievement	Status
Procurement reforms to simply process, increase transparency, increase recognition of local content and build procurement competency	Undertook industry briefings, drafted best practice guidelines for tender assessment, commenced development of new Quotations and Tenders Online, system, developed new tier three simplified conditions of quotation and contract and streamlined response schedules for tiers three and four.	Partially achieved Ongoing in 2012-13
Procurement strategies to support Indigenous employment	Deferred development of strategies to 2012-13 as part of the procurement reforms (stage two).	Not achieved Ongoing in 2012-13
Managing Contractor Performance Reports across multiple agencies for non construction contracts	Deferred to 2012-13 as part of the procurement reforms (stage three).	Not achieved Ongoing in 2012-13
Council of Australian Governments initiated changes to prequalification systems for civil contractors in roads and bridges and non-residential construction, with Contractor Accreditation Limited (CAL).	Achieved mutual recognition of civil contractors prequalified in other jurisdictions. No applications were received to mutually recognise contractors for non-residential construction.	Partially achieved Ongoing in 2012-13
Review procurement policy and legislation in support of a new purchase requisitions system.	Completed specifications.	Partially achieved Ongoing in 2012-13

**Priorities for 2012-13**

*Procurement Services*

- Implement a new Quotations and Tenders Online system, incorporating a Tenderer’s Information database.
- Support the implementation of all three stages of the procurement reforms.

*Procurement Policy*

- Realign procurement tiers to introduce new simplified tier four threshold, mandating an explicit weighting on price and mandating local development and value adding to a minimum 20% of combined price and non price assessment criteria.
- Introduce agency business review committees, mandating accredited procurement assessment panel chairs and refocus of Procurement Review Boards.
- Develop a whole-of-government contractor performance reporting system and a range of best practice guidelines for procurement.

### Output: Information and Communication Technology Services

This output group provides ICT leadership, advice and corporate services to support requirements of all agencies through outsourced ICT services and government-wide ICT strategies.

Responsibilities:

- managing whole-of-government outsourced ICT services and security and providing ICT infrastructure and services across government
- developing whole-of-government ICT strategies, architecture and policies that encompass IT systems and data communications, including internet and telephones
- providing ICT security advice and incident response coordination
- managing the Northern Territory Government's internets and intranets websites
- identifying economic development opportunities for the ICT industry in the Northern Territory and delivering government components of the Northern Territory ICT Industry Strategic Plan to help grow the local ICT industry
- developing a telecommunications and broadcasting policy, including establishing strategies to improve telecommunications services, particularly to remote communities in the Northern Territory
- coordinating funding submissions to boost the provision of contemporary telecommunications services across the Northern Territory
- providing an advisory service to government agencies to support management of their ICT requirements and environment
- developing a records management policy, maintaining the records management system and providing records management support to agencies.

### Budget Performance Indicators

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Laptops/workstations	14 700	15 800	16 014	16 000
Outsourced ICT services provided within agreed service levels	98%	97%	97%	98%
Severe desktop faults restored within service level agreement	100%	100%	100%	100%

**Movements between original and revised budget 2011-12**

*Laptops/workstations*

Agency demand for devices increased.

**Movements between revised budget and actual**

*Laptops/workstations*

Additional business sites and services generated more agency demand for devices.

**Measures not continued from 2011-12 budget**

*Remote communities connected to broadband*

This measure has been superseded by the National Broadband Network.

**Performance**

Initiative or activity	Achievement	Status
Delivery of ICT services across government by service providers in accordance with contractual arrangements, including energy efficiency improvements	Conducted annual reviews of outsourced contracts and monitored service providers' achievements in meeting contractual requirements for carbon emission reductions. ICT services are now in steady state operation.	Achieved
Computers for the Community program	Established program and gifted about 120 machines to community organisations.	Achieved
Digital Regions initiative	Completed the installation of a fibre optic loop in 17 remote communities to support eHealth and eLearning initiatives in the towns.  Implemented a Northern Territory Government local area network capable of 100mb bandwidth to meet current and future bandwidth demand and facilitate enhanced delivery of core government services.	Achieved



Initiative or activity	Achievement	Status
Improvements to mobile ICT services through infrastructure and applications that enhance remote access and mobile computing	<p>Expanded Northern Territory Government wireless local area network coverage by installing 60 Wireless Access Points, bringing the total to 249.</p> <p>Implemented the Microsoft Lync 2010 office communicator suite, allowing desktop video conferencing, document sharing, online meetings and presence awareness.</p> <p>Implemented Microsoft Project Server 2010, which allows sharing of project information and better management of projects across work units or agencies.</p> <p>Projects under consideration or development that will be continued in 2012-13 include:</p> <ul style="list-style-type: none"> <li>• introducing mobile device management technology</li> <li>• improving telephony options.</li> </ul>	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Upgrade records management system TRIM across agencies	Upgraded TRIM system for 17 agencies, with the remaining agencies scheduled for upgrade in 2012-13.	<p>Partially achieved</p> <p>ongoing in 2012-13</p>
Consolidate the server fleet for improved management and reduced carbon emissions	Established project to reduce the number of servers across the fleet, with 45 servers removed in 2011-12. Target is to reduce the server fleet by up to 30% over 2012-13.	<p>Achieved</p> <p>Ongoing in 2012-13</p>
Public internet access to 40 remote communities	The program is now managed by NT Libraries. Completed.	Achieved
Strategies to reduce greenhouse gas emissions associated with the operation of government ICT	<p>Introduced power-management software across the NT Government network to enable better management of power consumption on all desktop and laptop computers.</p> <p>Installed software on 220 machines as pilot site testing.</p> <p>Continued to reduce the ratio of printers to workstations from 13.24 printers per 100 workstations in 2010-11 to 11.49 in 2011-12.</p>	<p>Partially achieved</p> <p>Ongoing in 2012-13</p> <p>Recurrent program</p>

Initiative or activity	Achievement	Status
eBusiness strategies, especially in relation to licences and registrations	Completed. eBusiness strategy endorsed by Cabinet to implement NT business web portal with links to government programs, a central licensing service to process NT occupational licences and integrate National Occupational Licensing System (NOLS) under the COAG agreement.	Achieved
Maximise opportunities in the Northern Territory through the Australian Government's \$36 billion capital investment in the National Broadband Network	Negotiated fixed wireless connections in the 20 major remote Growth Towns. Other activities include resolution of hotspot issues as they arise, coordination of NBN activity across government and raising awareness of the issues with stakeholders	Ongoing in 2012-13
National Broadband Network Backhaul Blackspots program	The completion and commissioning of the optic fibre link between Darwin and Toowoomba in December 2011. The link provides competitive interstate communications for the first time.	Achieved

### Priorities for 2012-13

#### *ICT Policy*

- Develop an ICT policy that will ensure the delivery of improved services to Territorians and increased productivity improvements across the Northern Territory Public Sector.
- As part of the National Broadband Network rollout for the Northern Territory, obtain fixed wireless connections for remote communities.
- Maximise the number of Territorians who have access to digital television.
- Ensure government websites created in 2012 comply with new Web Content Accessibility Guidelines version 2.0.
- Coordinate an eLearning approach and technology platform for the Northern Territory Public Sector.

#### *ICT Services*

- Investigate and scope business requirements for new central email storage infrastructure that will improve backup and retrieval of records.
- Progress mobile ICT services projects to enhance remote access and mobile computing:
  - introduce mobile device management
  - improve and expand telephony options.
- Finalise the upgrade of the government's records management system, TRIM, across agencies.
- Assist with the provision of community video conferencing facilities in remote towns.
- Consolidate the server fleet to improve management and reduce carbon emissions.

## Output: Office Leasing Management

Provides commercial property leasing services to all agencies to meet the accommodation needs of government.

Responsibilities:

- providing professional property management services, which include accommodation planning, lease negotiation, tenant advocacy and managing relationships with landlords, developers and industry
- acquiring leased commercial, retail, industrial and special use property for occupation by agencies
- managing the government's commercial leased accommodation portfolio, including leases managed on behalf of some non government organisations (details at Appendix VIII)
- procure and manage security and cleaning services contracts for government-leased buildings.

## Budget Performance Indicators

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Property leases	200	200	203	200
Area leased (000m <sup>2</sup> )	200	200	203	200
Average cost per m <sup>2</sup>	\$340	\$350	\$350	\$380
Leased property area accredited for NABERS 4 star or better energy efficiency rating (000m <sup>2</sup> ) <sup>1</sup>	55	40	35	60

### Movements between original and revised budge

#### *Average cost per m<sup>2</sup>*

Changes in the leased cost of premises are driven by movements in the local commercial property market.

#### *Leased property area accredited for NABERS 4 star or better energy efficiency rating (000m<sup>2</sup>)<sup>1</sup>*

A number of properties were still undergoing the extensive NABERS certification process at the end of 2011-12 and are expected to achieve 4 star NABERS rating or better in 2012-13. The reduction in this measure in 2011-12 and increase in 2012-13 largely reflects this timing impact.

1 National Australian Built Environment Rating System (NABERS) is the Australian built environmental ratings system. 4 star is equivalent to Australian best practice.

Performance

Initiative or activity	Achievement	Status
New leased property management business system	Implemented new leased property management system with all lease data migrated to the new business system and staff trained.	Achieved
Leased accommodation plans for key growth agencies, in conjunction with the agencies	Developed and piloted an accommodation planning tool for two key agencies with additional accommodation requirements. Further accommodation planning will continue with agencies as a core business activity in future years.	Achieved
Workplace design standards	Incorporated contemporary workplace design principles into office fit out projects. These were trialled in a major project and resulted in more effective use of office space, which has been very well received by the tenant agency staff. Design standards will continue to be progressed and incorporated in fit out design from 2012-13.	Partially achieved Ongoing in 2012-13
New standard property lease agreement	Developed a new standard property lease agreement in close collaboration with the Property Council of Australia. The new lease agreement has been registered as the government's Memorandum of Common Provisions and is now in use.	Achieved
Central lease administration services for government leases in remote communities	Executed and administered remote land leases in 2011-12 and established a new lease administration process.	Achieved
Government Business Centre (GBC) planning where agencies advise resourcing needs	Issued and evaluated a select tender for a GBC in Wurrumiyanga, Tiwi Islands. This did not result in a contract being awarded.  Continued to provide assistance to agencies in planning their office accommodation requirements in remote centres.	Achieved

Initiative or activity	Achievement	Status
Tender for new major lease of commercial office accommodation in Darwin	Completed tender process with a contract awarded to lease 9000m <sup>2</sup> in a new office building to be known as the Charles Darwin Centre in the Smith Street Mall. Construction of the building is due to commence 2013 with the lease due to commence in 2015.	Achieved
Tender for new major lease of commercial office accommodation in Alice Springs	Completed tender process with a contract awarded to lease 2500m <sup>2</sup> in a new office building in Bath Street Alice Springs. Construction of the building has commenced with the lease due to commence in 2013.	Achieved
Panel contracts for cleaning and building security services	Analysed agency business requirements and established short-term contractual arrangements to enable service continuation while the tender development process occurs.  Planned detailed industry consultation for early 2012-13 to obtain industry input into the service model on which the tenders and contracts will be based.	Ongoing in 2012-13
Paper recycling in cleaning contracts	Incorporated this initiative into the panel contacts for cleaning and building security services.	Achieved

**Priorities for 2012-13**

- Continue to progress contemporary workplace design standards in conjunction with the Department of Infrastructure.
- Develop panel contracts for cleaning of leased premises.
- Develop panel contracts for building security services for leased premises.
- Establish an NT Government property management forum with involvement of all agencies.
- Design and implement leased accommodation reporting for agencies.
- Participate in a national review of green leasing policies through an intergovernmental group.

**GOVERNMENT BUSINESS DIVISIONS**

**Data Centre Services**

Data Centre Services manages the operations of the Northern Territory Government’s mainframe, mid-range, application services and other centralised computer processing facilities.

The outcome is that the government’s critical business systems operate in a computing environment that is flexible, reliable and secure, with high levels of access and availability.

Responsibilities:

- hosting and managing mainframe applications and mid-range server applications
- managing enterprise data storage and data backups
- hosting ICT infrastructure for agencies and contracted service providers
- operating the Chan Data Centre facility
- managing various whole-of-government information technology functions, including electronic security and identity management.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Cost per mainframe CPU second	\$0.26	\$0.26	\$0.28	\$0.26
Servers hosted in Chan Data Centre	600	600	601	600
Fully managed servers	460	629	632	700
Data storage area network (terabytes)	650	700	712	1000
Carbon emissions avoided (tonnes)	800	1800	2115	2000

### Movements between original and revised budget

#### *Fully managed servers*

Agencies have continued the trend to transition existing servers to the Data Centre and to host new business applications on Data Centre servers. This measure increases annually, reflecting the growth in agency demand primarily from expanding agency computing requirements.

#### *Data storage area network (terabytes)*

The data stored in agency business systems continues to grow exponentially, reflecting the business trends being experienced internationally. This growth in demand requires regular expansion of the data storage network.

#### *Carbon emissions – avoided (tonnes)*

The difference is due primarily to a change in the methodology for calculation of emissions supported by improvements in hardware efficiency and energy reduction strategies.

### Movements between revised budget and actual

#### *Carbon emissions – avoided (tonnes)*

The use of energy efficient technology has enabled continued improvement in the avoidance of potential carbon emissions. This is primarily due to the ongoing substitution of physical servers with more efficient virtual servers.

### Performance

Initiative or Activity	Achievement	Status
Improved backup solution to mitigate risks in accessing backed-up agency business data	Installed data backup infrastructure. The infrastructure is operational.	Achieved
Contain the carbon footprint of an energy intensive facility	The avoidance of potential CO <sub>2</sub> emissions has increased from 122 tonnes to 192 tonnes per month. Programmed an energy efficiency audit for 2012-13.	Recurrent program
Risk mitigation measures to minimise potential for disruption to critical government business systems	Completed detailed business continuity plans. Actions to improve system redundancy and resilience are regularly undertaken with ongoing monitoring.	Partially achieved



Initiative or Activity	Achievement	Status
Improve mainframe operational efficiency by reducing the cost of operations	The overall cost of mainframe operations has been reduced. Specialist toolsets are being established that will improve mainframe systems' usability.	Ongoing in 2012-13
Agencies modernising legacy mainframe systems	Implemented mainframe development toolset with graphical user interface capability available for agencies to use.	Achieved
Review of ePass and its role in providing government identity management services	Commenced review and identified draft future business requirements.	Achieved Ongoing in 2012-13
Upgrade to mainframe	Replaced one of the two existing mainframe servers. The mainframe server is operational.	Achieved
Upgrade to Chan Data Centre's central data communications network	Upgraded central communications network to a high-speed 20 Gigabyte backbone.	Achieved

### Priorities for 2012-13

- Work to strengthen the resilience and redundancy of the data centre's operations.
- Upgrade the Chan Data Centre backup generator.
- Review the role of ePass in providing government identity management services.
- Improve mainframe operational efficiency and align with external benchmarks.
- Contain the carbon footprint of an energy-intensive facility.

**GOVERNMENT BUSINESS DIVISIONS**

**Government Printing Office**

The Government Printing Office (GPO) delivers printing and government publications services to agencies and the parliament, involving the usage of both in-house and local printing industry sources.

The outcome is printing and publications that meet client requirements in terms of time, cost, quality and security.

Responsibilities:

- delivering cost-effective printing and publication services to Northern Territory Government agencies in a secure environment.
- working closely with the private sector printing industry to best meet agencies' specific printing requirements through outsourcing relevant print jobs.

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Print jobs delivered	2600	2685	2770	2600
Proportion of printing sales outsourced	25%	25%	27%	25%
Print jobs completed within required timeframes	99%	99%	99%	99%
Print jobs error free	99.9%	99.9%	99.9%	99.9%
Print jobs quoted and won	85%	85%	91%	85%

**Movements between original and revised budget 2011-12**

*Print Jobs delivered*

Agencies' demand for print services increased.

**Movements between revised budget and actual**

*Proportion of printing sales outsourced*

Increased volume of work combined with major machinery maintenance resulted in a higher proportion of jobs outsourced.

*Printing jobs quoted and won*

Focused effort within the GPO in quoting for jobs resulted in achieving above expectations.

**Performance**

Initiative or activity	Achievement	Status
Energy efficiencies and green initiatives, including monitoring the use of environmentally harmful chemicals	Printer technology upgrade in 2011-12 is delivering efficiencies in printing production and reducing paper wastage, water consumption and chemical usage.	Achieved Recurrent program
Working in partnership with private sector printers	Outsourced 27% of total printing sales to the private sector.	Recurrent program
Management information systems	Conducted a comprehensive review of the GPO's pricing model and job costing to update cost inputs and identify business costs. Pricing model changes will be fully incorporated in the GPO's management information systems.  Progressed required software version modifications to GPO's main business application.	Partially achieved Ongoing in 2012-13

Initiative or activity	Achievement	Status
Marketing strategy to increase awareness of service options	While a marketing strategy was initially envisaged, further detailed consideration of the GPO's client base of NTG agencies indicated broad awareness of printing services and agency requirements. An alternative, more targeted approach to raising agency awareness has been adopted, including individual agency meetings and site visits to the GPO.	Completed
Key printing equipment at end of life	Installed an offset five-colour printing press, replacing two end-of-life printing presses that were subsequently traded in.	Achieved

**Priorities for 2012-13**

- Analyse printing panel contract arrangements with a focus on strengthening the partnership with private sector suppliers.
- Complete improvements to management information systems.

**GOVERNMENT BUSINESS DIVISIONS**

**NT Fleet**

NT Fleet provides Northern Territory Government agencies with a modern fleet of vehicles matched to their operational needs.

The outcome, in cooperation with client agencies, is to strive to achieve a safe, environmentally friendly and cost-effective government vehicle fleet.

Responsibilities:

- managing the Northern Territory Government vehicle fleet, including light and heavy vehicles and plant and equipment, except for Police, Fire and Emergency services vehicles
- managing vehicle acquisition and disposal, coordinating maintenance and repairs, monitoring vehicle usage and reporting to agencies
- managing government wide contracts for vehicles, fuel, maintenance and auction services
- providing policy advice to government on vehicle fleet matters and fleet planning and operational advice to agencies
- providing support, advice and assistance to agencies to achieve the objectives of the carbon emission reduction strategy
- providing not-for-profit community-based organisations with vehicles as a gift or loan following successful application to the government's Community Benefit Fund.

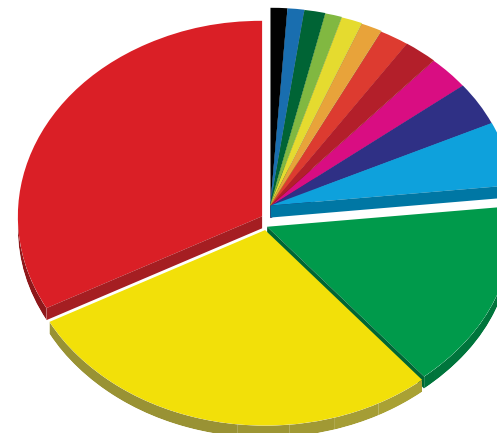
**Gifted vehicles**



39 091	Wurli Wurlingong
39 091	Starlight Children Foundation
38 182	Buku-Larrnggay Mulka Inc
37 273	Golden Glow Corp NT
31 818	St John Ambulance
30 909	Naliwurru Wuli Association
16 364	Barkly Regional Arts
16 182	Bawinanga Aboriginal Corop Aged Care
16 182	Multicultural Council of the NT & Darwin Community
14 545	Step Out Community
14 545	NT Shelter Inc
13 636	Forster Foundation
12 727	Lifeline Central Australia Inc
11 818	Variety NT
8636	HPA Incorporated

Sub Total \$340 999

**Loaned vehicles**



42413	Darwin Festival
36890	Garma Festival
20231	Finke Desert Race
6662	Thamarrur Inc
4810	NT Writers Centre
3724	Bike Challenge
2699	Fred's Pass Show
2611	Red Hot Arts Central
1928	Music NT
1637	Gurindji Walkoff
1634	Indigenous Music Aw:
1625	SIDS & Kids NT
1596	Golden Heart Awards
1478	Humpty Doo Scouts

Sub Total \$129 938

**Total value gifted and loaned vehicles: \$470 937**

**Budget Performance Indicators**

Key deliverables	2011-12			2012-13 Original budget
	Original budget	Revised budget	Actual	
Light vehicles managed	2910	2910	2961	3025
Light vehicles disposed	1000	1000	953	1000
Heavy vehicles managed	662	662	698	690
Vehicles disposed within replacement criteria	80%	80%	82%	80%
Reduction in greenhouse gas emissions	7%	7%	4.3%	2%
Vehicles available for auction sale within 36 days	90%	90%	85%	90%

**Movements between revised budget and actual**

*Reduction in greenhouse gas emissions*

Target reductions of 20% are projected to be achieved over five years. The majority (14% reduction) would occur in the first two years as vehicles are replaced with more efficient models. The carbon emission reduction strategy has targets of 2% per annum over the final three years.

*Vehicles available for auction sale within 36 days*

The 5% reduction is as a result of ongoing difficulty in securing transport services for vehicles in remote areas to Darwin, which results in delays in disposal.

**Renamed deliverables from 2011-12 budget**

*'Reduction in greenhouse gas emissions' from 'Reduction in greenhouse gases produced per km travelled.'*

The description was updated to better reflect the underlying methodology for recording emissions reductions linked to vehicle types.

Performance

Initiative or Activity	Achievement	Status
Carbon emission reduction strategy to reduce greenhouse gases associated with the vehicle fleet	Reduced average CO <sub>2</sub> production by 13.3% (222 CO <sub>2</sub> gm per km) with 74% of all NT Fleet vehicles meeting requirements. This will continue to improve as older vehicles are replaced with more fuel-efficient models. The strategy, which commenced in 2009, targets a 20% reduction in CO <sub>2</sub> emissions by 2014.	Partially achieved
Quality and timely fleet management information	<p>Provided agencies with monthly KPI reporting on the reduction of carbon emissions, including agreed targets and actual performance.</p> <p>Further reports are being developed in consultation with agencies that will highlight total vehicle costs, including accessories fitted within their operational requirements.</p>	Achieved
A safer, more environmentally friendly fleet, while minimising costs	<p>Implemented a policy of purchasing only ANCAP 5 star safety rating on passenger vehicles and a minimum of 4 star ratings for the light commercial fleet.</p> <p>Established quarterly meetings to assist client agencies to identify greener and safer vehicles that will meet their operational requirements.</p>	Achieved
NT Fleet business systems	Conducted a review of the business system. The review found the current system fit for purpose, but would benefit from enhancement to better manage vehicle replacement, utilisation and agency fleet management practices.	Achieved
Pool vehicle booking system across government	<p>Implemented the pool vehicle booking systems, which is used by 25 agencies with more than 2900 vehicles registered.</p> <p>Developed and implemented an accident reporting module that allows users to report accidents or damage.</p>	Achieved

Initiative or Activity	Achievement	Status
Procurement process for supply of bowser fuel and bulk diesel, including consideration of fuel contract arrangements locally and interstate	Released the government's tender for supply of bowser fuel and bulk diesel with the contract to be awarded in early 2012-13. The procurement approach included a focus on strengthening opportunities for local providers.	Partially achieved
Whole-of-life registration for government-owned vehicles	Conducted initial scoping work, which identified registration complexities that preclude an alternative registration model at this time.	Completed
Driver training for agency staff, with particular emphasis on 4WD vehicles	Researched and analysed needs of client agencies and developed a driver education and safety survey.	Partially achieved Ongoing in 2012-13

**Priorities for 2012-13**

- Continue to work with agencies to increase the percentage of government fleet vehicles meeting green targets and reducing greenhouse gases.
- Review and implement recommendations from the driver education and safety survey.





## FINANCIAL STATEMENTS

**FINANCIAL STATEMENT OVERVIEW**

From 1 July 2011, the majority of the Training Division of the Department of Education and Training (\$95 million) was transferred to the Department of Business and Employment, increasing the annual spend from about \$170 million to \$265 million.

The Department of Business and Employment provides:

- strategic programs to develop and broaden the Northern Territory's economy; in particular, support to industry and individual businesses to grow industry capability and business competitiveness and investment attraction, promotion and facilitation services
- industry research and innovation facilitation services through grants and advisory services
- funding and administration of the provision of an Australian standard adult Vocational Education and Training (VET) system in the Territory
- coordination of training, employment and workforce growth initiatives to respond to occupational skill shortages in the emerging economic conditions
- strategic labour market analysis, including major projects workforce impacts
- facilitation of skilled migration programs that meet industry and employer needs, and support for Territorians to gain and retain employment
- shared corporate services for government agencies, including financial and human resource administration, procurement services, information and communications technology (ICT) services and office leasing.

**Financial Performance**

The department's operating deficit for 2011-12 reflects a minor variation from the budgeted deficit. Both revenue and expenditure were slightly higher than budgeted.

**Table 1: 2011-12 Actual and Budget Performance**

	Actual \$'000	Budget \$'000	Variation \$'000
Income	266 875	265 880	995
Expenses	268 723	267 625	1 098
<b>Surplus/(Deficit)</b>	<b>(1 848)</b>	<b>(1 745)</b>	<b>(103)</b>

**Income**

The department is funded from NTG appropriation of \$205.247 million, Commonwealth Grants of \$22.479 million and Sale of Goods and Services Revenue of \$31.636 million. The majority of the goods and services revenue is received from government business divisions providing cost-effective shared services based on a cost recovery model.

Government business divisions are charged for the department's corporate shared services, with this income included in goods and services revenue. Additionally, direct costs for some specific services, such as salary packaging administration and short training courses, are recouped from recipients.

**Table 2: Income by Category**

Output Revenue	Goods and Services Revenue	Commonwealth Revenue	Other Revenue	TOTAL					
\$'000	%	\$'000	%	\$'000	%				
205 247	76.9	31 636	11.9	22 479	8.4	7 513	2.8	266 875	100

**Expenses**

Departmental expenses comprise property leasing costs (26%), employee costs (23%), grants (34%), ICT support costs to operate and maintain whole-of-government corporate systems including the infrastructure fund (10%) and operational costs (7%).

Overall expenditure in 2011-12 was 1% higher than budgeted expenditure; however, the corresponding revenue received was 1% higher than estimated.

The department paid \$91.567 million in grants in 2011-12, with the largest grants programs being:

- \$56.702 million for training delivery
- \$4.9 million for Productivity Places Program
- \$3 million for Stronger Futures Jobs Package
- \$2.716 million for Indigenous Futures Responsive programs
- \$2.253 million for Indigenous Training Employment Programs
- \$1.510 million for Industry Development Support Program grants
- \$0.9 million to support Desert Knowledge Australia
- \$0.436 million for Business Growth Program grants
- \$0.287 million for Trade Support Scheme.

**Table 3: Expenses by Category**

Employee	Property	ICT	Operational	Grants	TOTAL						
\$'000	%	\$'000	%	\$'000	%						
61 553	22.9	69 570	25.9	27 026	10.0	19 007	7.1	91 567	34.1	268 723	100

In considering expenses by output group, the Shared Services output group represents the largest share as it incorporates property costs, almost all ICT costs and the majority of employee costs.

**Table 4: Expenses by Output Group**

Expense	Business Development	Employment and Training	Shared Services	Total
	\$'000	\$'000	\$'000	\$'000
Employee	8 476	6 798	46 279	61 553
Operational	4 483	5 561	105 559	115 603
Grants	4 777	86 509	282	91 567
<b>Total</b>	<b>17 735</b>	<b>98 868</b>	<b>152 120</b>	<b>268 723</b>
Percentage	6.6%	36.8%	56.6%	100%

**FINANCIAL POSITION**

The department's net asset position at the end of 2011-12 is \$108 million.

Major assets include:

- \$26.05 million: cash and deposits
- \$8.77 million: receivables, primarily relating to GST receivables, service level agreement billing and property leasing portfolio
- \$5.24 million: prepayments, primarily relating to the property leasing portfolio
- \$66.49 million: property, plant and equipment, primarily buildings and leasehold improvements
- \$1.14 million: intangibles.

Major liabilities include:

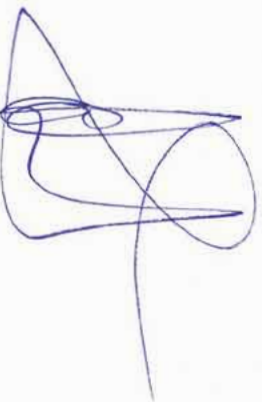
- \$9.74 million: deposit held for Accountable Officer's Trust Account and Clearing Account
- \$6.33 million: payables
- \$7.12 million: current provisions
- \$2.99 million: non-current employee entitlements.

**DEPARTMENT OF BUSINESS AND EMPLOYMENT  
FINANCIAL REPORT****CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the attached financial statements for the Department of Business and Employment have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2012 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

**Mark Sweet****CHIEF EXECUTIVE****3 September 2012****Rex Schoolmeester****CHIEF FINANCE OFFICER****3 September 2012**

	Note	2012
		<u>\$'000</u>
<b>INCOME</b>		
Grants and subsidies revenue		
Current		5 338
Capital		257
Appropriation		
Output		205 247
Commonwealth		22 479
Sales of goods and services		31 636
Interest revenue		8
Goods and services received free of charge	4	1 820
Gain on disposal of assets	5	1
Other income		89
<b>TOTAL INCOME</b>		<u><b>266 875</b></u>
<b>EXPENSES</b>		
Employee expenses		61 553
Administrative expenses		
Property Management	6	69 570
Purchases of goods and services	6	37 367
Repairs and maintenance		873
Depreciation and amortisation	10, 11	6 026
Goods and services received free of charge	4	1 820
Other administrative expenses		(53)
Grants and subsidies expenses		
Current		88 359
Capital		3 208
Gain/Loss on disposal of Assets	5	
<b>TOTAL EXPENSES</b>		<u><b>268 723</b></u>
<b>NET SURPLUS/(DEFICIT)</b>		<u><b>(1 848)</b></u>
<b>COMPREHENSIVE RESULT</b>		<u><b>(1 848)</b></u>

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

	Note	2012 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and deposits	7	26 047
Receivables	8	8 769
Loans and advances	9	34
Prepayments		5 239
<b>Total Current Assets</b>		<b>40 089</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	10	66 484
Intangibles	11a	1 135
Cultural assets	11b	8
Other assets		
<b>Total Non-Current Assets</b>		<b>67 627</b>
<b>TOTAL ASSETS</b>		<b>107 716</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Deposits held		9 739
Accounts Payable	12	1 582
Other Payables and Accruals		4 747
Provision for Employee Benefits	13	6 001
Other Provisions	13	1 116
Other liabilities		107
<b>Total Current Liabilities</b>		<b>23 292</b>
<b>Non-Current Liabilities</b>		
Provisions for Employee Benefits	13	2 985
<b>Total Non-Current Liabilities</b>		<b>2 985</b>
<b>TOTAL LIABILITIES</b>		<b>26 276</b>
<b>NET ASSETS</b>		<b>81 440</b>
<b>EQUITY</b>		
Capital		72 458
Reserves	14	1 329
Accumulated funds		7 653
<b>TOTAL EQUITY</b>		<b>81 440</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$'000	\$'000	\$'000	\$'000
<b>2011-12</b>					
<b>Accumulated Funds</b>		9 501			9 501
Changes in accounting policy					
Correction of prior period errors			(1 848)		(1 848)
Transfers from reserves					
Other movements directly to equity		9 501	(1 848)		7 653
<b>Reserves</b>					
Asset revaluation reserve	14	1 329			1 329
		<b>1 329</b>			<b>1 329</b>
<b>Capital – Transactions with Owners</b>		24 268			24 268
Equity injections					
Capital appropriation				1 379	1 379
Equity transfers in				40 513	40 513
Other equity injections				6 298	6 298
Equity withdrawals		24 268			24 268
		<b>24 268</b>		<b>48 190</b>	<b>72 458</b>
<b>Total Equity at End of Financial Year</b>		<b>35 098</b>	<b>(1 848)</b>	<b>48 190</b>	<b>81 440</b>

*The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.*



	Note	2012
		<u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating Receipts</b>		
Grants and subsidies received		
Current		5 337
Capital		257
Appropriation		
Output		205 247
Commonwealth		22 479
Receipts from sales of goods and services		51 821
Interest received		8
<b>Total Operating Receipts</b>		<b>285 149</b>
<b>Operating Payments</b>		
Payments to employees		(55 430)
Superannuation contributions paid		(4 524)
Payments for goods and services		(129 713)
Grants and subsidies paid		
Current		(87 843)
Capital		(3 208)
Other		(515)
<b>Total Operating Payments</b>		<b>(281 234)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	15	<u><b>3 915</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investing Receipts</b>		
Repayment of advances		88
<b>Total Investing Receipts</b>		<b>88</b>
<b>Investing Payments</b>		
Purchases of assets		(6 440)
Advances and investing payments		(8)
<b>Total Investing Payments</b>		<b>(6 448)</b>
<b>Net Cash From/(Used in) Investing Activities</b>		<u><b>(6 360)</b></u>

	2012
Note	\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
<b>Financing Receipts</b>	
Deposits received	1 800
Equity injections	
Capital appropriation	1 379
Other equity injections	6 298
<b>Total Financing Receipts</b>	<b>9 477</b>
<b>Net Cash From/(Used in) Financing Activities</b>	
Net increase/(decrease) in cash held	7 032
Cash at beginning of financial year	19 015
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>26 047</b>

*The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.*

**INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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**1. Objectives and funding**

The objective of the Department of Business and Employment is to:

- provide support to industry and individual business to grow industry capability and business competitiveness, and attract investment
- provide strategic advice on employment and the labour market in the Territory to align resourcing of training and workforce growth programs to ensure a skilled workforce is available to meet identified employment needs and maximise opportunities for Territorians
- provide cost effective shared financial and human resource administration, procurement, information technology management and office leasing services to government.

The department is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the department controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the department are summarised into three output groups.

Note 3 provides summary financial information in the form of an Operating Statement by Output Group.

The department has the following output groups and outputs:

**Business Development**

Business and Industry Development Support

**Employment and Training**

Workforce Growth

Training

**Shared Services**

Finance Services

Human Resource Services

Procurement Policy and Services

Information and Communications Technology Services

Office Leasing Management

Detailed information about these outputs can be found within the annual report.

**2. Statement of significant accounting policies****a) Basis of Accounting**

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department of Business and Employment to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) Certification of the Financial Statements
- (ii) Comprehensive Operating Statement
- (iii) Balance Sheet
- (iv) Statement of Changes in Equity
- (v) Cash Flow Statement

(vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

**AASB 124 Related Party Disclosures (December 2009), AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]**

The Standards amend the requirements of the previous version of AASB 124 to clarify the definition of a related party, provide a partial exemption from related party disclosure requirements for government-related entities and include an explicit requirement to disclose commitments involving related parties. The Standards do not impact the financial statements.

**AASB 1054 Australian Additional Disclosures, AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]**

The Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and New Zealand's Financial Reporting Standards Board. AASB 2011-1 amends a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRS and harmonisation between Australian and New Zealand Standards. The Standard relocates and deletes various Australian-specific guidance and disclosures from other Standards and aligns the wording used to that adopted in IFRSs. Relocated Australian-specific disclosures are now contained in AASB 1054. The Standards do not impact the financial statements.

**AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]**

The Standard amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7). The Standard does not impact the financial statements.

**AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]**

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard does not impact the financial statements.

**AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]**

The Standard makes amendments to AASB 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of balance sheet activities. The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The Standard does not impact the financial statements.

**b) Australian Accounting Standards and Interpretations Issued but not yet Effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 <i>Financial Instruments (Dec 2010)</i> , AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010)</i> [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]	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 and <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	
AASB 10 <i>Consolidated Financial Statements</i>	Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 <i>Consolidated and Separate Financial Statements</i> .	1 Jan 2013	
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2013	

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 13 <i>Fair Value Measurement</i> , AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The Standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.	1 Jan 2013	
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards</i> [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	Makes consequential amendments to a range of Standards and Interpretations in light of the issuance of AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> .	1 Jan 2013	
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	Requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.	1 July 2012	

### c) Agency and Territory Items

The financial statements of the department include income, expenses, assets, liabilities and equity over which the department has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies, as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements.

**d) Comparatives**

From 1 July 2011 the majority of the Training Division of the Department of Education and Training was transferred to the Department of Business and Employment, increasing the annual spend by approximately \$195 million. This has severely impacted the 2010-11 comparative data to the extent that it is not useful nor is it an accurate comparison. The 2010-11 data has therefore been removed from these statements.

**e) Presentation and Rounding of Amounts**

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

**f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2011-12 as a result of management decisions.

**g) Accounting Judgments and Estimates**

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(s) and Note 13: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(p), 8: Receivables and 16: Financial Instruments.
- Depreciation and Amortisation – Note 2(k), Note 10: Property, Plant and Equipment, and Note 11: Intangibles.

**h) Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the



ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

#### **i) Income Recognition**

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

#### **Grants and Other Contributions**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

#### **Appropriation**

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Special Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by Treasury on behalf of the Central Holding Authority and then on-passed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

#### **Sale of Goods**

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the agency
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Rendering of Services**

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

#### **Interest Revenue**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**Goods and Services Received Free of Charge**

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

**Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 5.

**Contributions of Assets**

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

**j) Repairs and Maintenance Expense**

Funding is received for repairs and maintenance works associated with agency assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

**k) Depreciation and Amortisation Expense**

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives. Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	<b>2012</b>
Buildings	50 years
Plant and equipment	10 years
Leased plant and equipment	5 years
Cultural assets	100 years
Intangibles	10 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

**l) Interest Expense**

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

**m) Cash and Deposits**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 20.

**n) Receivables**

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 16 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable and other receivables are generally settled within 30 days.

**o) Property, Plant and Equipment****Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

**Complex Assets**

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

**Subsequent Additional Costs**

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

**Construction (Work in Progress)**

As part of the financial management framework, the Department of Construction and Infrastructure is responsible for managing general government capital works projects on a whole-of-Government basis. Therefore, appropriation for all agency capital works is provided directly to the department of Construction and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

**p) Revaluations and Impairment****Revaluation of Assets**

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets
- cultural assets
- intangibles.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

#### **Impairment of Assets**

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 16 provides additional information in relation to the asset revaluation surplus.

#### **q) Leased Assets**

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### **Finance Leases**

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

#### **Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

#### **r) Payables**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

#### **s) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at

amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including the department, and as such no long service leave liability is recognised in agency financial statements.

#### t) Superannuation

Employees' superannuation entitlements are provided through:

- the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- the Commonwealth Superannuation Scheme (CSS)
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

#### u) Contributions by and Distributions to Government

The agency may receive contributions from government where the government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

#### v) Commitments

Disclosures in relation to capital and other commitments, including lease commitments, are shown at Note 17.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

**3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP**

	Note	Business	Shared	Total
		\$'000	\$'000	\$'000
<b>INCOME</b>				
Grants and subsidies revenue				
Current			5 334	5 338
Capital			257	257
Appropriation				
Output		14 452	72 281	118 513
Commonwealth			20 979	1 500
Sales of goods and services		878	443	30 316
Interest revenue		8		31 636
Goods and services received free of	4		827	8
Gain on disposal of assets	5	993		1 820
Other income			(3)	1
<b>TOTAL INCOME</b>		<b>16 331</b>	<b>100 118</b>	<b>150 426</b>
			93	<b>266 875</b>
<b>EXPENSES</b>				
Employee expenses		8 476	6 798	46 279
Administrative expenses				61 553
Purchases of goods and services	6	3 236	3 143	100 559
Repairs and maintenance		108	90	675
Depreciation and amortisation	10,	200	1 500	4 326
Loss on disposal of assets	5			6 026
Other administrative expenses <sup>1</sup>	23	(53)		(53)
Goods and services received free	4	993	827	1 820
Grants and subsidies expenses				
Current		4 776	83 301	282
Capital			3 208	88 359
Community service obligations				3 208
Interest expenses	18			
<b>TOTAL EXPENSES</b>		<b>17 736</b>	<b>98 867</b>	<b>152 121</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(1 405)</b>	<b>1 251</b>	<b>(1 695)</b>
				<b>(1 848)</b>

<sup>1</sup> Includes DBE service charges.

*This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.*

	2012 \$'000
<b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>	
Corporate and information services relating to Business and Employment	1 820
	<b>1 820</b>
<b>5. GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>	
Net proceeds from the disposal of non-current assets	1
Less: Carrying value of non-current assets disposed	
Gain on the disposal of non-current assets	<b>1</b>
<b>6. PURCHASES OF GOODS AND SERVICES</b>	
The net surplus/(deficit) has been arrived at after charging the following expenses:	
<b>Goods and services expenses:</b>	
Information Technology Charges	12 744
Information Technology Hardware and Software	8 787
Telecommunications	1 661
Office Leasing	68 131
Consultants <sup>1</sup>	5 756
Advertising <sup>2</sup>	315
Marketing and Promotion <sup>3</sup>	1 126
Document Production	68
Legal Expenses <sup>4</sup>	111
Recruitment <sup>5</sup>	231
Training and Study	815
Official Duty Fares	566
Travelling Allowance	138

<sup>1</sup> Includes marketing, promotion and IT consultants.

<sup>2</sup> Does not include recruitment or marketing and promotion advertising.

<sup>3</sup> Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

<sup>4</sup> Includes legal fees, claim and settlement costs.

<sup>5</sup> Includes recruitment-related advertising costs.

	<b>2012</b>
	<b>\$'000</b>
<b>7. CASH AND DEPOSITS</b>	
Cash on hand	59
Cash at bank	25 988
On call or short-term deposits	
	<b>26 047</b>
<b>8. RECEIVABLES</b>	
<b>Current</b>	
Accounts receivable	5 262
Less: Allowance for impairment losses	( 3)
<b>Total Accounts Receivables</b>	<b>5 259</b>
GST receivables	3 040
Other receivables	469
<b>Total Other Receivables</b>	<b>3 509</b>
<b>Total Other Receivables</b>	<b>8 769</b>
<b>9. LOANS AND ADVANCES</b>	
Total Loans	161
Provision for Doubtful debts	(127)
<b>Total Loans and Advances</b>	<b>34</b>



	2012 \$'000
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>	
<b>Land</b>	
At fair value	3 280
<b>Buildings</b>	
At fair value	73 294
Less: Accumulated depreciation	(33 249)
	<b>40 045</b>
<b>Plant and Equipment</b>	
At cost	20 560
Less: Accumulated depreciation	( 4 405)
	<b>16 155</b>
<b>Computer software</b>	
At fair value	9 672
Less: Accumulated amortisation	(4 059)
	<b>5 613</b>
<b>Computer hardware</b>	
At fair value	2 033
Less: Accumulated depreciation	(643)
	<b>1 390</b>
<b>Total Property, Plant and Equipment</b>	<b>66 484</b>

#### Property, Plant and Equipment Valuations

The latest revaluations as at 30 June 2010 were independently conducted. The valuer was the Australian Valuation Office. Due to the specialised nature of many of the properties and the consequent lack of market-based evidence of fair value, estimates of value have primarily been ascertained using the Depreciated Replacement Cost Approach. This has been supplemented by the Market Value Approach for properties that are readily saleable on the open market and where market sales evidence can be reliably used to determine market values.

#### Impairment of Property, Plant and Equipment

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2012. No impairment adjustments were required as a result of this review.

**10. PROPERTY, PLANT AND EQUIPMENT (continued)**  
**2012 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2011-12 is set out below:

	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2011	2 300	2 275	16 042	3 963	396	24 976
Additions		9	2 631	2 775	1 336	6 751
Disposals						
Depreciation		(1 447)	(2 518)	(1 125)	(342)	(5 432)
Additions/ (Disposals) from administrative restructuring	980	39 208				40 188
Additions/ (Disposals) from asset transfers						
<b>Carrying Amount as at 30 June 2012</b>	<b>3 280</b>	<b>40 045</b>	<b>16 155</b>	<b>5 613</b>	<b>1 390</b>	<b>66 484</b>

**11a. INTANGIBLES**  
**Carrying amounts**

<b>Other intangibles</b>						
At valuation						1 777
Less: Accumulated amortisation						(642)
Written down value – 30 June						1 135
<b>Total Intangibles</b>						<b>1 135</b>
<b>Intangible Valuations</b>						

The agency did not hold any intangible assets prior to 2010-11 therefore no revaluations have been conducted.

**Impairment of Intangibles**

Agency intangible assets were assessed for impairment as at 30 June 2012. No impairment adjustments were required as a result of this review.

	<b>2012</b>
	<b>\$'000</b>
<b>Other intangibles</b>	
Carrying amount at 1 July	1 728
Amortisation	(593)
<b>Carrying amount as at 30 June</b>	<b>1 135</b>

**11b. CULTURAL ASSETS**

Carrying amount	
At valuation	10
Less: Accumulated depreciation	(2)
Written down value – 30 June	8
Reconciliation of movements	
Carrying amount at 1 July	0
Additions/(Disposals) from administrative restructuring	8
Additions/(Disposals) from asset transfers	
<b>Carrying amount as at 30 June</b>	<b>8</b>

**Heritage and Cultural Assets Valuation**

The agency did not hold any cultural assets prior to 2011—12 therefore no revaluations have been conducted.

**Impairment of Heritage and Cultural Assets**

Agency heritage and cultural assets were assessed for impairment as at 30 June 2012. No impairment adjustments were required as a result of this review.

	2012
	\$'000
<b>12. PAYABLES</b>	
Accounts payable	1 582
Accrued expenses	4 747
<b>Total Payables</b>	<b>6 329</b>
<b>13. PROVISIONS</b>	
<b>Current</b>	
<i>Employee benefits</i>	
Recreation leave	4 979
Leave loading	794
Recreation leave airfares	217
Purchased recreation leave	11
<i>Other current provisions</i>	
Other provisions	1 116
<b>Total Current Provisions</b>	<b>7 117</b>
<b>Non-Current</b>	
<i>Employee benefits</i>	
Recreation leave	2 985
<b>Total Non-Current Provisions</b>	<b>2 985</b>
<b>Total Provisions</b>	<b>10 102</b>

**Reconciliation of Provisions**

It is not possible to complete this as there is no opening balance as at 1 July 2011.

The agency employed 879 employees as at 30 June 2012.

<b>2012</b>
<b>\$'000</b>

**14. RESERVES****Asset Revaluation Surplus***(i) Nature and purpose of the asset revaluation surplus*

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

*(ii) Movements in the asset revaluation surplus*

Balance as at 1 July	1 329
<b>Balance as at 30 June</b>	<b>1 329</b>

**15. NOTES TO THE CASH FLOW STATEMENT****Reconciliation of Cash**

The total of agency 'Cash and deposits' of \$26 047 recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

**Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities**

<b>Net Surplus/(Deficit)</b>	<b>(1 848)</b>
<i>Non-cash items:</i>	
Depreciation and amortisation	6 026
(Gain)/Loss on disposal of assets	
Repairs and maintenance – Minor New Works (non-cash)	4
Other expenses	(53)
<i>Changes in assets and liabilities:</i>	
Decrease/(Increase) in receivables	(3 349)
Decrease/(Increase) in advances	
Decrease/(Increase) in prepayments	(107)
Decrease/(Increase) in other assets	
(Decrease)/Increase in payables	1 819
(Decrease)/Increase in provision for employee benefits	1 149
(Decrease)/Increase in other provisions	169
(Decrease)/Increase in other liabilities	107
<b>Net Cash from Operating Activities</b>	<b>3 915</b>

**Non-Cash Financing and Investing Activities**

The department has no finance lease commitments.

**16. FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the department include cash and deposits, receivables and payables. The department has limited exposure to financial risks as discussed below.

**a) Categorisation of Financial Instruments**

The carrying amounts of the Department of Business and Employment's financial assets and liabilities by category are disclosed in the table below.

	<b>2012</b>
	<b>\$'000</b>
<b>Financial Assets</b>	
Cash and deposits	26 047
Receivables	8 769
Loans and advances	34
<b>Financial Liabilities</b>	
Deposits held	9 739
Payables	6 329

**b) Credit Risk**

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

**Receivables**

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and ageing analysis of receivables is presented below.

	<b>Ageing of Receivables \$'000</b>	<b>Ageing of Impaired Receivables \$'000</b>	<b>Net Receivables \$'000</b>
<b>2011-12</b>			
Not overdue	8 401		8 401
Overdue for less than 30 days	232		232
Overdue for 30 to 60 days	53		53
Overdue for more than 60 days	83		83
<b>Total</b>	<b>8 769</b>		<b>8 769</b>

**c) Liquidity Risk**

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

**2012 Maturity Analysis For Financial Assets And Liabilities**

	Fixed Interest Rate			Non Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years			
<b>Assets</b>						
Cash and deposits				\$'000	\$'000	%
Receivables				26 047	26 047	
Loans and advances	34			8 769	8 769	4
<b>Total Financial Assets</b>	<b>34</b>			<b>34 816</b>	<b>34 850</b>	
<b>Liabilities</b>						
Deposits held				9 739	9 739	
Payables				6 329	6 329	
<b>Total Financial Liabilities</b>				<b>16 068</b>	<b>16 068</b>	

**d) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. The primary market risk that an agency is likely to be exposed to is interest rate risk.

**(i) Interest Rate Risk**

The Department of Business and Employment is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing.

**(ii) Price Risk**

The Department of Business and Employment is not exposed to price risk as the department does not hold units in unit trusts.

**(iii) Currency Risk**

The Department of Business and Employment is not exposed to currency risk as the department does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

**e) Net Fair Value**

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.

Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – derived from inputs not based on observable market data.

2012	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial Assets</b>					
Cash and deposits	26 047	26 047			26 047
Receivables	8 769	8 769			8 769
Advances and investments	34	34			34
<b>Total Financial Assets</b>	<b>34 850</b>	<b>34 850</b>			<b>34 850</b>
<b>Financial Liabilities</b>					
Deposits held	9 739	9 739			9 739
Payables	6 329	6 329			6 329
<b>Total Financial Liabilities</b>	<b>16 068</b>	<b>16 068</b>			<b>16 068</b>

The net fair value of financial instruments disclosed above are based on level 1 method, the carrying amount of these financial instruments recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.





**17. COMMITMENTS**

<b>2012</b>
<b>\$'000</b>

**(i) Capital Expenditure Commitments**

The agency has no capital expenditure commitments.

**(ii) Other Expenditure Commitments**

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

Within one year	4 795
Later than one year and not later than five years	5 906
Later than five years	
	<u><b>10 701</b></u>

**(iii) Operating Lease Commitments  
Property**

The agency leases property under non-cancellable operating leases expiring from 1 month to 25 years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated.

Within one year	50 913
Later than one year and not later than five years	137 948
Later than five years	91 752
	<u><b>280 613</b></u>

**(iv) Operating Lease Commitments  
Plant and Equipment**

The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year	18
Later than one year and not later than five years	13
Later than five years	
	<u><b>31</b></u>

**(v) Finance Lease Commitments**

The Department has no finance lease commitments.

**18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Department had no material contingent liabilities or contingent assets as at 30 June 2012.

**19. EVENTS SUBSEQUENT TO BALANCE DATE**

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

**20. ACCOUNTABLE OFFICER'S TRUST ACCOUNT**

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of Trust Money	Opening	Receipts	Payments	Closing
	Balance			Balance
	1 July 2011			30 June 2012
	\$'000	\$'000	\$'000	\$'000
Salaries and Super cancelled cheques	202	32		234
Accounts Payable cancelled cheques	1 344	110	(33)	1 421
RTM Unpresented Cheques		22		22
Key Deposits Katherine Training Centre				
	<b>1 546</b>	<b>164</b>	<b>(33)</b>	<b>1 677</b>

**21. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS**

	Agency	
	2012 \$'000	No. of Trans.
<b>Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i></b>		
Represented by:		
<i>Amounts written off, postponed and waived by Delegates</i>		
Irrecoverable amounts payable to the Territory or an agency written off	1	3
Losses or deficiencies of money written off		
Public property written off		
Waiver or postponement of right to receive or recover money or property		
<b>Total Written Off, Postponed and Waived by Delegates</b>	<b>1</b>	<b>3</b>
<i>Amounts written off, postponed and waived by the Treasurer</i>		
Irrecoverable amounts payable to the Territory or an agency written off	33	1
Losses or deficiencies of money written off		
Public property written off		
Waiver or postponement of right to receive or recover money or property		
<b>Total Written Off, Postponed and Waived by the Treasurer</b>	<b>33</b>	<b>1</b>
<b>Write-offs, Postponements and Waivers Authorised Under Other Legislation <sup>(a)</sup></b>		
<b>Gifts Under the <i>Financial Management Act</i></b>		
<b>Ex Gratia Payments Under the <i>Financial Management Act</i></b>		

**FINANCIAL STATEMENT OVERVIEW****Financial Performance**

Data Centre Services (DCS) produced another strong result in 2011-12, with a surplus of \$3.73 million after the recognition of income tax for the year of \$1.6 million. This signified an increase of \$0.1 million over the previous year's result and \$0.3 million above the budget estimate. Based on this surplus, DCS will also be returning a dividend to government of \$1.86 million for 2011-12.

DCS has experienced a sustained increase in demand for its services as a result of the expanding demand for Information and Communications Technology (ICT) solutions. DCS operates within three main business functions, these being Mainframe services, Midrange services, and a whole-of-government IT security management function. Growth continues to primarily be focused in the Midrange Services area with requests from agencies for application hosting and data storage services. Mainframe Services, which includes the hosting of agencies' equipment in the Chan data centre, is also experiencing growth due to the sound and secure nature of the Chan facility.

**Table 1: 2011-12 Budget and Actual Performance**

	Actual		Budget		Variation	
	\$'000		\$'000		\$'000	
	2012	2011	2012	2011	2012	2011
Income	25 474	23 775	24 358	22 303	1 116	1 472
Expenses	20 141	18 599	19 469	18 462	(672)	(137)
<b>Net Surplus before Tax</b>	<b>5 333</b>	<b>5 176</b>	<b>4 889</b>	<b>3 841</b>	<b>444</b>	<b>1 335</b>
Income Tax Expense	1 600	1 553	1 468	1 152	132	(401)
<b>Net Surplus after Tax</b>	<b>3 733</b>	<b>3 623</b>	<b>3 421</b>	<b>2 689</b>	<b>312</b>	<b>934</b>

**Income**

DCS' primary revenue source is from the provision of information technology services to government agencies and external clients. These services, classified under the income category of Goods and Services in Table 2 below represent 99% of DCS' total revenue, with the rest being made up of interest earned on DCS' cash reserves.

**Table 2: Income by Category**

Year	Goods and Services		Interest		Other revenue		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
2011-2012	25 135	98.7	333	1.3	6		25 474	100
2010-2011	23 464	98.7	311	1.3			23 775	100
2009-2010	21 690	99.1	196	0.9			21 886	100

The increase in demand for Midrange Services has increased the income produced within this business function significantly more than that experienced within other functions. Midrange services growth is primarily in the areas of storage and use of the virtual environment.

Table 3: Income by Business Function

Year	Mainframe		Midrange		IT Security / ePass		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
2011-2012	13 127	51.5	9 988	39.2	2 359	9.3	25 474	100
2010-2011	14 065	59.2	6 874	28.9	2 836	11.9	23 775	100
2009-2010	13 361	61.0	5 601	25.6	2 924	13.4	21 886	100

**Expenses**

DCS incurs the majority of its expenditure on employee costs and in ICT, which includes information technology related costs for hardware, software and contractors. Compared to previous years' figures, the greatest increase in expenditure for 2011-12 occurred in the ICT expense category both in absolute terms and in percentage share terms; however, the percentage share of ICT has reduced. DCS has managed to contain cost growth in all categories except in ICT services where increased service demand has driven growth.

Table 4: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
2011-2012	9 482	47.1	5 889	29.2	1 587	7.9	1 965	9.8	1 218	6.0	20 141	100
2010-2011	9 053	48.7	5 907	31.8	870	4.6	1 540	8.3	1 229	6.6	18 599	100
2009-2010	8 615	46.6	5 892	31.8	912	4.9	1 813	9.8	1 270	6.9	18 502	100

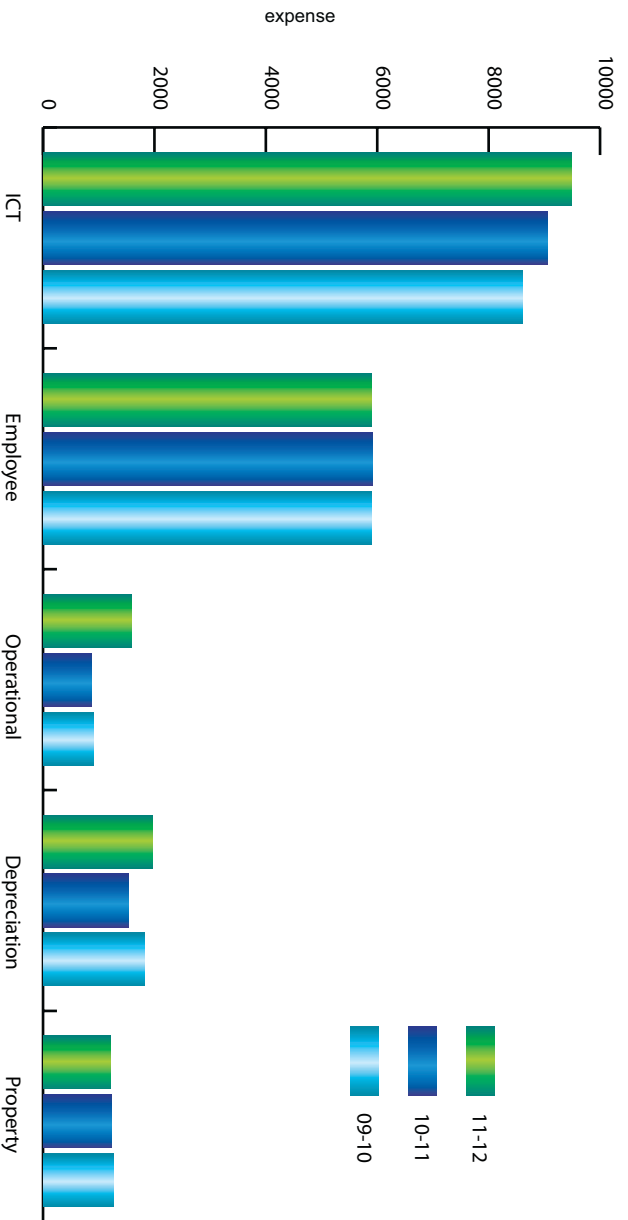


Table 5: Expenses by Business Function

Year	Mainframe	Midrange	IT Security / ePass	TOTAL				
	\$'000	%	\$'000	%	\$'000	%		
2011-2012	10 855	53.9	6 512	32.3	2 774	13.8	20 141	100
2010-2011	10 774	57.9	4 784	25.7	3 041	16.4	18 599	100
2009-2010	11 568	62.5	3 348	18.1	3 586	19.4	18 502	100

**FINANCIAL POSITION**

DCS has maintained its strong financial position in 2011-12 with net assets totalling \$14.4 million; an increase of \$1.9 million from the previous year. This increase is due to increases in cash reserves, receivables and prepayments. There has been a slight increase in liabilities of \$0.36 million due largely to increased payables. DCS's major capital acquisitions during the year include a \$0.77 million hardware upgrade in SAN infrastructure to cope with the increased demand for storage and \$1.4 million in the Chan data centre for infrastructure and environment upgrades.

## FINANCIAL STATEMENTS

Data Centre Services Financial Report  
For the year ended 30 June 2012

## CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for Data Centre Services have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2012 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Alan Tregilgas

CHIEF EXECUTIVE

20 September 2012



Rex Schoolmeester

CHIEF FINANCIAL OFFICER

19 September 2012



**Auditor-General**

**Independent Auditor's Report  
to the Treasurer  
Data Centre Services  
Year Ended 30 June 2012**

I have audited the accompanying financial report of Data Centre Services which comprises the balance sheet as at 30 June 2012, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

**The Chief Executive's responsibility for the Financial Report**

The Under Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act*, and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion the financial report presents fairly, in all material respects, the financial position of Data Centre Services as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Financial Management Act*.

A blue ink signature of F. McGuinness.

F. McGuinness

Auditor-General for the Northern Territory  
Darwin, Northern Territory

28 September 2012



	Note	2012 \$'000	2011 \$'000
<b>INCOME</b>			
Sales of goods and services		25 135	23 464
Interest revenue		333	311
Miscellaneous income		6	-
<b>TOTAL INCOME</b>		<b>25 474</b>	<b>23 775</b>
<b>EXPENSES</b>			
Employee expenses		5 889	5 907
Administrative expenses			
Purchases of goods and services	3	12 287	11 162
Depreciation and amortisation	7	1 965	1 540
Doubtful debts expenses		-	(10)
<b>TOTAL EXPENSES</b>		<b>20 141</b>	<b>18 599</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>5 333</b>	<b>5 176</b>
Income tax expense	4	1 600	1 553
<b>NET SURPLUS/(DEFICIT)</b>	12	<b>3 733</b>	<b>3 623</b>
<b>COMPREHENSIVE RESULT</b>		<b>3 733</b>	<b>3 623</b>

*The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.*

	Note	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and deposits	5	9 787	9 101
Receivables	6	3 338	2 530
Prepayments		3 193	2 329
<b>Total Current Assets</b>		<b>16 318</b>	<b>13 960</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	4 221	4 265
<b>Total Non-Current Assets</b>		<b>4 221</b>	<b>4 265</b>
<b>TOTAL ASSETS</b>		<b>20 539</b>	<b>18 225</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	1 465	1 008
Income tax liabilities	9	1 600	1 553
Provisions	10	2 542	2 678
Other liabilities	11	190	195
<b>Total Current Liabilities</b>		<b>5 797</b>	<b>5 434</b>
<b>Non-Current Liabilities</b>			
Provisions	10	363	310
<b>Total Non-Current Liabilities</b>		<b>363</b>	<b>310</b>
<b>TOTAL LIABILITIES</b>		<b>6 160</b>	<b>5 744</b>
<b>NET ASSETS</b>		<b>14 379</b>	<b>12 481</b>
<b>EQUITY</b>			
Capital	12	944	913
Accumulated funds		13 435	11 568
<b>TOTAL EQUITY</b>		<b>14 379</b>	<b>12 481</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>2011-12</b>				
<b>Accumulated Funds</b>	12	11 568	3 733	15 301
Dividends payable			(1 866)	(1 866)
		11 568	3 733	(1 866)
			(1 866)	13 435
<b>Capital – Transactions with Owners</b>		913		913
Equity injections				
Equity transfers in	12		31	31
		913	31	944
<b>Total Equity at End of Financial Year</b>	12	<b>12 481</b>	<b>3 733</b>	<b>(1 835)</b>
				<b>14 379</b>
<b>2010-11</b>				
<b>Accumulated Funds</b>		9 756	3 623	13 379
Dividends payable			(1 811)	(1 811)
		9 756	3 623	(1 811)
			(1 811)	11 568
<b>Capital – Transactions with Owners</b>		811		811
Equity injections				
Equity transfers in			102	102
		811	102	913
<b>Total Equity at End of Financial Year</b>		<b>10 567</b>	<b>3 623</b>	<b>(1 709)</b>
				<b>12 481</b>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

	Note	2012	2011
		\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts from sales of goods and services		24 320	24 783
GST receipts		1 392	1 351
Interest received		341	299
<b>Total Operating Receipts</b>		<b>26 053</b>	<b>26 433</b>
<b>Operating Payments</b>			
Payments to employees		(5 905)	(5 774)
Payments for goods and services		(12 829)	(11 934)
GST payments		(1 373)	(1 274)
Income tax paid		(1 553)	(1 015)
<b>Total Operating Payments</b>		<b>(21 660)</b>	<b>(19 997)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	13	<b>4 393</b>	<b>6 436</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Payments</b>			
Purchases of assets		(1 897)	(1 691)
<b>Total Investing Payments</b>		<b>(1 897)</b>	<b>(1 691)</b>
<b>Net Cash From/(Used in) Investing Activities</b>		<b>(1 897)</b>	<b>(1 691)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Dividends paid		(1 811)	(1 185)
<b>Total Financing Payments</b>		<b>(1 811)</b>	<b>(1 185)</b>
<b>Net Cash From/(Used in) Financing Activities</b>		<b>(1 811)</b>	<b>(1 185)</b>
Net increase/(decrease) in cash held		685	3 560
Cash at beginning of financial year		9 102	5 542
<b>CASH AT END OF FINANCIAL YEAR</b>	5	<b>9 787</b>	<b>9 102</b>

*The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.*

**INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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## 1. OBJECTIVES AND FUNDING

DCS delivers a range of information technology services to all Northern Territory Government agencies and ensures that critical business systems operate in an environment that is flexible, reliable and secure with high levels of access and availability.

DCS is funded through income generated by services provided to Northern Territory Government agencies. The financial statements encompass all funds and resources DCS controls to carry on its functions and deliver the output of Data Centre Management.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting

The general purpose financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires DCS to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of DCS financial statements is to include:

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of DCS financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

**AASB 124 Related Party Disclosures (December 2009), AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]**

The Standards amend the requirements of the previous version of AASB 124 to clarify the definition of a related party, provide a partial exemption from related party disclosure requirements for government-related entities and include an explicit requirement to disclose commitments involving related parties. The Standards do not impact the financial statements.

**AASB 1054 Australian Additional Disclosures, AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]**

The Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and New Zealand's Financial Reporting Standards Board. AASB 2011-1 amends a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSS and harmonisation between Australian and New Zealand Standards. The Standard relocates and

deletes various Australian-specific guidance and disclosures from other Standards and aligns the wording used to that adopted in IFRSs. Relocated Australian-specific disclosures are now contained in AASB 1054. The Standards do not impact the financial statements.

**AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]**

The Standard amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7). The Standard does not impact the financial statements.

**AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]**

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard does not impact the financial statements.

**AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]**

The Standard makes amendments to AASB 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities. The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The Standard does not impact the financial statements.

**AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]**

The Standard extends relief from consolidation to not-for-profit entities in particular circumstances, by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity and the ultimate or intermediate parent entity are not-for-profit entities that comply with Australian Accounting Standards. The Standard does not impact the financial statements.

**b) Australian Accounting Standards and Interpretations Issued but not yet Effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed on the following page were in issue but not yet effective.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 <i>Financial Instruments</i> (Dec 2010), AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (Dec 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]	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	No impact is expected
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2013	No impact is expected
AASB 13 <i>Fair Value Measurement</i> , AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The Standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.	1 Jan 2013	No impact is expected
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards</i> [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	Makes consequential amendments to a range of Standards and Interpretations in light of the issuance of AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> .	1 Jan 2013	
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	Requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.	1 July 2012	No impact is expected



DCS anticipates that the adoption of these Standards and Interpretations in future reporting periods will not have a material impact on the financial statements. However, details of any possible impacts are still being assessed. These Standards and Interpretations will be first applied in the financial report that relates to the annual reporting period beginning after the effective date of each pronouncement.

#### **c) Agency and Territory Items**

The financial statements of DCS include income, expenses, assets, liabilities and equity over which DCS has control (Agency items). Certain items, while managed by the Government Business Division (GBD), are controlled and recorded by the Territory rather than the GBD (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### **Central Holding Authority**

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements.

#### **d) Comparatives**

Where necessary, comparative information for the 2010-11 financial year has been reclassified to provide consistency with current year disclosures.

#### **e) Presentation and Rounding of Amounts**

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

#### **f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2011-12 as a result of management decisions.

#### **g) Accounting Judgments and Estimates**

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(s) and Note 10: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 16: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(n), Note 6: Receivables and Note 14: Financial Instruments.
- Depreciation and Amortisation – Note 2(k), Note 7: Property, Plant and Equipment.

#### **h) Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

#### **i) Income Recognition**

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Deferred income is recognised when income is received prior to the transfer of goods or provision of services to a customer.

##### **Sale of Goods**

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- DCS retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to DCS
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of Services**

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

**Interest Revenue**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

**Contributions of Assets**

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by government, as gains when DCS obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

**j) Repairs and Maintenance Expense**

Costs associated with repairs and maintenance works on DCS's assets are expensed as incurred.

**k) Depreciation and Amortisation Expense**

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2012	2011
Plant and Equipment	2-10 years	2-10 years
Computer Software	2-5 years	2-5 years
Computer Hardware	2-4 years	2-4 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

**l) Taxation**

DCS is required to pay income tax on its accounting surplus at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions, NT Tax Equivalents Regime.

**m) Cash and Deposits**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

**n) Receivables**

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables DCS estimates are likely to be uncollectible and are considered doubtful. Analysis of the age of the receivables that are

past due as at the reporting date are disclosed in an ageing schedule under credit risk in Note 14: Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable and other receivables are generally settled within 30 days.

#### **o) Property, Plant and Equipment**

##### **Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

##### **Complex Assets**

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

##### **Subsequent Additional Costs**

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to DCS in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

##### **Construction (Work in Progress)**

As part of the financial management framework, the Department of Construction and Infrastructure is responsible for managing general government capital works projects on a whole-of-Government basis. Therefore, appropriation for DCS's capital works is provided directly to the Department of Construction and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to DCS.

#### **p) Revaluations and Impairment**

##### **Revaluation of Assets**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

##### **Impairment of Assets**

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible DCS assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, DCS determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a

revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

#### **q) Leased Assets**

Leases under which DCS assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### **Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

#### **r) Payables**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to DCS. Accounts payable are normally settled within 30 days.

#### **s) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements
- other types of employee benefits.

As part of the Financial Management Framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including DCS and as such no long service leave liability is recognised in agency financial statements.

#### **t) Superannuation**

Employees' superannuation entitlements are provided through:

- the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- the Commonwealth Superannuation Scheme (CSS)
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

DCS makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised DCS' financial statements.

**u) Contributions by and Distributions to Government**

DCS may receive contributions from government where the government is acting as owner of the agency. Conversely, DCS may make distributions to government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by DCS as adjustments to equity.

The Statement of Changes in Equity and Note 12 provide additional information in relation to contributions by, and distributions to, government.

**v) Dividends**

DCS has provided for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy.

**w) Commitments**

Disclosures in relation to commitments are shown at Note 15 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

**3. PURCHASES OF GOODS AND SERVICES**

The net surplus has been arrived at after charging the following expenses:

	2012 \$'000	2011 \$'000
<b>Goods and Services Expenses:</b>		
Consultants <sup>1</sup>	4 111	3 383
Recruitment <sup>2</sup>	2	1
Training and Study	171	108
Official Duty Fares	5	12
Travelling Allowance	4	5
Audit Fees	19	22
Corporate Support from Other Agencies	538	460

<sup>1</sup> Includes marketing, promotion and IT consultants.

<sup>2</sup> Includes recruitment-related advertising costs.

**4. INCOME TAX EXPENSE**

Current Year Surplus	5 333	5 176
Prima facie income tax expense calculated at 30% of the surplus	1 600	1 553
<b>Total Income Tax Expense</b>	<b>1 600</b>	<b>1 553</b>

**5. CASH AND DEPOSITS**

Cash at Bank	9 787	9 101
<b>Total Cash</b>	<b>9 787</b>	<b>9 101</b>

**6. RECEIVABLES**

<b>Current</b>		
Accounts Receivable	1 133	571
Interest Receivables	24	32
Other Receivables	2 181	1 927
<b>Total Receivables</b>	<b>3 338</b>	<b>2 530</b>

	2012 \$'000	2011 \$'000
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At Cost	1 465	1 459
Less: Accumulated Depreciation	(728)	(516)
	<b>737</b>	<b>943</b>
<b>Computer Software</b>		
At Cost	2 100	1 730
Less: Accumulated Amortisation	(1 492)	(1 038)
	<b>608</b>	<b>692</b>
<b>Computer Hardware</b>		
At Cost	7 184	6 459
Less: Accumulated Depreciation	(4 308)	(3 829)
	<b>2 876</b>	<b>2 630</b>
<b>Total Property, Plant and Equipment</b>	<b>4221</b>	<b>4 265</b>

#### Impairment of Property, Plant and Equipment

DCS property, plant and equipment assets were assessed for impairment as at 30 June 2012. As a result of this review no impairment losses were recognised or adjustments required.



7. PROPERTY, PLANT AND EQUIPMENT Continued	Plant and Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	TOTAL \$'000
Carrying Amount as at 1 July 2011	943	692	2 630	4 265
Additions	97	370	1 430	1 897
Disposals	-	-	(704)	(704)
Transfers In / (Out)	(91)	-	819	728
Depreciation / Amortisation	(212)	(454)	(1 299)	(1 965)
<b>Carrying Amount as at 30 June 2012</b>	<b>737</b>	<b>608</b>	<b>2 876</b>	<b>4 221</b>
Carrying Amount as at 1 July 2010	700	1 038	2 297	4 035
Additions	321	-	1 370	1 691
Transfers In / (Out)	79	-	-	79
Depreciation / Amortisation	(157)	(346)	(1 037)	(1 540)
<b>Carrying Amount as at 30 June 2011</b>	<b>943</b>	<b>692</b>	<b>2 630</b>	<b>4 265</b>

	2012 \$'000	2011 \$'000
<b>8. PAYABLES</b>		
Accounts payable	402	410
Accrued expenses	957	513
GST payable	106	85
<b>Total Payables</b>	<b>1 465</b>	<b>1 008</b>
<b>9. INCOME TAX LIABILITIES</b>		
Income tax payable	1 600	1 553
<b>Total Income Tax Liabilities</b>	<b>1 600</b>	<b>1 553</b>
<b>10. PROVISIONS</b>		
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	415	454
Leave loading	98	94
Other employee benefits – recreation leave airfares	10	9
<i>Other current provisions</i>		
Provision for dividend	1 866	1 811
Provision for fringe benefits tax	3	3
Provision for superannuation	95	93
Provision for payroll tax	55	119
Other provisions	-	95
<b>Total Current</b>	<b>2 542</b>	<b>2 678</b>
<b>Non-Current</b>		
<i>Employee benefits</i>		
Recreation leave	363	310
<b>Total non-current provisions</b>	<b>363</b>	<b>310</b>
<b>Total Provisions</b>	<b>2 905</b>	<b>2 988</b>
<b>Reconciliations of Dividends</b>		
Balance as at 1 July	1 811	1 185
Reductions arising from payments	(1 811)	(1 185)
<i>Additional Provisions Recognised</i>	1 866	1 811
<b>Balance as at 30 June</b>	<b>1 866</b>	<b>1 811</b>

DCS employed 62 employees as at 30 June 2012 (63 employees as at 30 June 2011).

<b>11. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred revenue	190	195
<b>Total Income Tax Liabilities</b>	<b>190</b>	<b>195</b>

**12. EQUITY**

Equity represents the residual interest in the net assets of DCS. The government's ownership interest in DCS is held in the Central Holding Authority as described in Note 2(c).

<b>Capital</b>		
<b>Balance as at 1 July</b>	<b>913</b>	<b>811</b>
<i>Equity injections</i>		
Equity transfers in	31	102
<b>Balance as at 30 June</b>	<b>944</b>	<b>913</b>

DCS has made no adjustment to reserves for the year ended 2011-12 or 2010-11.

<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>11 568</b>	<b>9756</b>
Surplus for the period	3733	3623
Dividends payable	(1866)	(1811)
<b>Balance as at 30 June</b>	<b>13 435</b>	<b>11 568</b>
<b>Total Equity</b>	<b>14 379</b>	<b>12 481</b>

## 13. NOTES TO THE CASH FLOW STATEMENT

**Reconciliation of Cash**

The total of agency 'Cash and deposits' of \$9.787 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

**Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities**

	2012 \$'000	2011 \$'000
<b>Net Surplus/(Deficit)</b>	3 733	3 623
<i>Non-cash items:</i>		
R&M – Minor New Works Non-Cash	8	24
Depreciation and amortisation	1 965	1 540
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(808)	21
Decrease/(Increase) in prepayments	(864)	269
(Decrease)/Increase in payables	(8)	358
(Decrease)/Increase in other payables	465	(29)
(Decrease)/Increase in provision for employee benefits	18	78
(Decrease)/Increase in other provisions	(157)	131
(Decrease)/Increase in Income Tax Liability	47	538
(Decrease)/Increase in Deferred Income	(6)	(117)
<b>Net Cash from Operating Activities</b>	<b>4 393</b>	<b>6 436</b>

During the financial year (and the previous financial year) DCS did not acquire plant and equipment/computer equipment and software by means of finance loans.

## 14. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by DCS include cash, receivables and payables. DCS has limited exposure to financial risks as discussed below.

DCS's operating account earns monthly interest at a variable interest rate (NT Treasury Corporation's average 11am cash rate less 25 basis points).

Negative cash balances of \$50 000 or less and negative cash balances over \$50 000, which have an overdraft facility or by prior arrangement with NT Treasury Corporation, attract the average 11am cash rate for the month plus 50 basis points.

Negative balances without overdraft facilities or prior arrangement with NT Treasury Corporation will be charged the overdraft rate applied to the Government Bank Account by the National Australia Bank.

**a) Categorisation of Financial Instruments**

The carrying amounts of DCS financial assets and liabilities by category are disclosed in the table below.

	2012 \$'000	2011 \$'000
<b>Financial Assets</b>		
Cash and deposits	9 787	9 101
Receivables	3 338	2 530
<b>Financial Liabilities</b>		
Payables	1 465	1 008

**b) Credit Risk**

DCS has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, DCS has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents DCS's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

**Receivables**

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>2011-12</b>			
Not overdue	555	-	555
Overdue for 30 to 60 days	352	-	352
Overdue for more than 60 days	223	-	223
Overdue for more than 90 days	3	-	3
<b>Total</b>	<b>1 133</b>	<b>-</b>	<b>1 133</b>

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>2010-11</b>			
Not overdue	475	-	475
Overdue for 30 to 60 days	65	-	65
Overdue for more than 60 days	16	-	16
Overdue for more than 90 days	15	-	15
<b>Total</b>	<b>571</b>	<b>-</b>	<b>571</b>
<b>Reconciliation of the Allowance for Impairment Losses <sup>(a)</sup></b>			
Opening	10	-	10
Increase/(Decrease) in allowance recognised in profit or loss	(10)	-	(10)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**c) Liquidity Risk**

Liquidity risk is the risk that DCS will not be able to meet its financial obligations as they fall due.

DCS's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail DCS's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

## 2012 Maturity analysis for financial assets and liabilities

	Fixed Interest Rate					Total	Weighted Average
	Variable Interest \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Non Interest Bearing \$'000		
<b>Assets</b>							
Cash and deposits	9 787	-	-	-	-	9 787	4.09
Receivables	-	-	-	-	3 338	3 338	
<b>Total Financial Assets</b>	<b>9 787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 338</b>	<b>13 125</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	1 465	1 465	
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 465</b>	<b>1 465</b>	

## 2011 Maturity analysis for financial assets and liabilities

	Fixed Interest Rate					Total	Weighted Average
	Variable Interest \$'000	Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	Non Interest Bearing \$'000		
<b>Assets</b>							
Cash and deposits	9 101	-	-	-	-	9 101	4.41
Receivables	-	-	-	-	2 530	2 530	
<b>Total Financial Assets</b>	<b>9 101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 530</b>	<b>11 631</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	1 008	1 008	
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 058</b>	<b>1 008</b>	

## d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk

**i) Interest Rate Risk**

DCS has limited exposure to interest rate risk. Other financial liabilities are non-interest bearing. DCS's exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables. An immediate and sustained increase of 1% in market interest rates across all maturities would not have a significant effect and is considered not material to DCS.

	2012	2011
	\$'000	\$'000
<b>Variable rate instruments</b>		
Cash	9 787	9 101
<b>Total</b>	<b>9 787</b>	<b>9 101</b>

**Market Sensitivity Analysis**

Changes in the variable rates of 100 basis points (1%) at reporting date would have the following effect on the agency's profit or loss and equity.

	<b>Profit or Loss and Equity</b>	
	<b>100 basis points increase</b>	<b>100 basis points decrease</b>
	\$'000	\$'000
<b>30 June 2012</b>		
Financial assets – cash at bank	98	(98)
<b>30 June 2011</b>		
Financial assets – cash at bank	91	(91)

**(ii) Price Risk**

DCS is not exposed to price risk, as DCS does not hold units in unit trusts.

**(iii) Currency Risk**

DCS has limited exposure to currency risk, as DCS does not hold borrowings denominated in foreign currencies, and has limited transactional currency exposures arising from purchases in a foreign currency.

**(e) Net Fair Value**

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.

Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – derived from inputs not based on observable market data.



	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2012</b>					
<b>Financial Assets</b>					
Cash and deposits	9 787	9 787	-	-	9 787
Receivables	3 338	3 338	-	-	3 338
<b>Total Financial Assets</b>	<b>13 125</b>	<b>13 125</b>	<b>-</b>	<b>-</b>	<b>13 125</b>
<b>Financial Liabilities</b>					
Payables	1 465	1 465	-	-	1 465
<b>Total Financial Liabilities</b>	<b>1 465</b>	<b>1 465</b>	<b>-</b>	<b>-</b>	<b>1 465</b>
<b>2011</b>					
<b>Financial Assets</b>					
Cash and deposits	9 101	9 101	-	-	9 101
Receivables	2 530	2 530	-	-	2 530
<b>Total Financial Assets</b>	<b>11 631</b>	<b>11 631</b>	<b>-</b>	<b>-</b>	<b>11 631</b>
<b>Financial Liabilities</b>					
Payables	1 008	1 008	-	-	1 008
<b>Total Financial Liabilities</b>	<b>1 008</b>	<b>1 008</b>	<b>-</b>	<b>-</b>	<b>1 008</b>

The net fair value of Cash and Deposits and Payables disclosed above are based on the Level 1 method; the carrying amount of these financial instruments recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

The carrying amount for Accounts Receivable has been adjusted for Impairment Losses as detailed in Note 6 to these statements and is considered immaterial to the carrying value of the asset.

#### 15. COMMITMENTS

DCS had no material commitments as at 30 June 2012 or 30 June 2011.

#### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

DCS had no contingent liabilities or contingent assets as at 30 June 2012 or 30 June 2011.

**17. EVENTS SUBSEQUENT TO BALANCE DATE**

DCS had no events subsequent to balance date as of 30 June 2012.

**18. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS**

DCS had no write-offs, postponements, waivers, gifts or ex gratia payments for the year ended 30 June 2012 or 30 June 2011.

**FINANCIAL STATEMENT OVERVIEW****Financial performance**

The 2011—12 financial statements and notes for the Government Printing Office (GPO) have been prepared on an accrual basis and are consistent with the adoption of the Australian equivalent to the International Financial Reporting Standards. The statements provide information on the operating statement, balance sheet, statement of changes in equity and cash flow statement of the GPO for the financial year ended 30 June 2012.

**Operating Statement**

The operating statement provides information on the financial performance of the GPO during the year.

For the year ended 30 June 2012, the GPO recorded a loss of \$0.07 million; the result was \$0.37 million less than the budgeted surplus of \$0.30 million.

Continued advances in electronic transmission of documents and personal computing technology are impacting on the printing industry globally and leading to a reduction in demand for some traditional categories of printed product.

**Table 1: 2011-12 Budget versus Actual Performance**

	Actual		Budget		Variation	
	2012	2011	2012	2011	2012	2011
	\$'000		\$'000		\$'000	
Income	5 776	5 618	5 983	5 990	(207)	(372)
Expenses	5 850	5 576	5 686	5 880	(164)	304
<b>Net Surplus before Tax</b>	<b>(74)</b>	<b>42</b>	<b>297</b>	<b>110</b>	<b>(371)</b>	<b>(68)</b>
Income Tax Expense	-	13	89	33	89	20
<b>Net Surplus after Tax</b>	<b>(74)</b>	<b>29</b>	<b>208</b>	<b>77</b>	<b>(282)</b>	<b>(48)</b>

**Income**

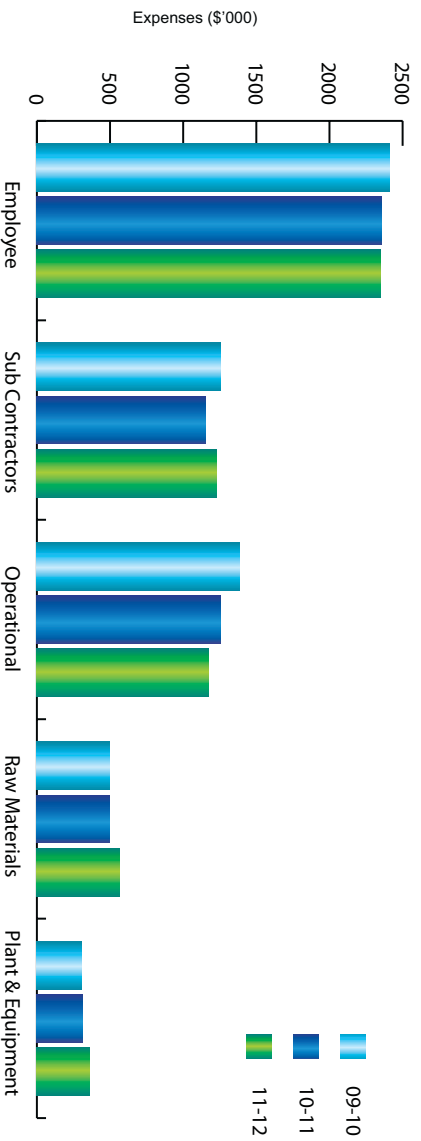
The GPO is primarily funded by goods and services revenue derived from printing services provided to agencies. Income increased by \$0.17 million from the previous year; this was predominantly due to a slight increase in Sales of Goods and Services (\$0.08 million) and profit from the sale of an asset (\$0.09 million). Interest and other revenue were similar to last year at \$0.15 million.

**Expenses**

Expenses increased by \$0.29 million from the previous year. Employee costs comprise the largest expense category for the GPO. Employee costs increased in 2011-12 as a result of salary increases. Costs for sub-contractors increased in 2011-12 due to an increase in demand for specialised printing requirements. All operating costs of the GPO were contained to similar levels as 2010-11 with the exception of an increase in freight and power charges due to tariff increases.

**Table 2: Expenses by Category**

Year	Employee		Sub Contractors		Operational		Raw Materials		Plant & Equipment		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
11-12	2 413	41.3	1 253	21.4	1 382	23.6	495	8.5	307	5.2	5 850	100.0
10-11	2 353	42.2	1 154	20.7	1 258	22.6	496	8.9	315	5.6	5 576	100.0
09-10	2 349	41.4	1 231	21.7	1 172	20.6	567	10.0	358	6.3	5 677	100.0

**Figure 1****FINANCIAL POSITION**

The Government Printing Office's financial position reflects a slight decline of \$0.07 million in 2011-12. During the year, current assets decreased by \$0.93 million, predominantly due to reduced cash balances with the purchase of a replacement printing press and receivables lower by \$0.34 million. Fixed assets increased by \$0.63 million as a result of the printing press purchase. Total liabilities decreased by \$0.22 million, predominantly due to a reduction in trade creditors and accrued expenses.

Equity decreased to \$3.05 million due to the financial result of \$0.07 million deficit.

## FINANCIAL STATEMENTS

Government Printing Office Financial Report  
For the year ended 30 June 2012**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the attached financial statements for the Government Printing Office have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2012 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Alan Tregilgas

CHIEF EXECUTIVE

20 September 2012



Rex Schoolmeester

CHIEF FINANCE OFFICER

19 September 2012



**Auditor-General**

**Independent Auditor's Report  
to the Treasurer**

**Government Printing Office  
Year Ended 30 June 2012**

I have audited the accompanying financial report of the Government Printing Office which comprises the balance sheet as at 30 June 2012, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

### **The Chief Executive's responsibility for the Financial Report**

The Under Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act*, and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion the financial report presents fairly, in all material respects, the financial position of the Government Printing Office as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Financial Management Act*.

A handwritten signature in blue ink, appearing to read 'F McGuinness'.

F McGuinness

Auditor-General for the Northern Territory  
Darwin, Northern Territory

28 September 2012

	2012	2011
	\$'000	\$'000
	<b>Note</b>	
<b>INCOME</b>		
Sales of goods and services	5 546	5 467
Interest revenue	115	126
Gain on disposal of assets	94	-
Other income	21	25
<b>TOTAL INCOME</b>	<b>5 776</b>	<b>5 618</b>
<b>EXPENSES</b>		
Employee expenses	2 413	2 353
Administrative expenses		
Purchases of goods and services	3 255	3 026
Repairs and maintenance	77	86
Depreciation and amortisation	105	111
<b>TOTAL EXPENSES</b>	<b>5 850</b>	<b>5 576</b>
<b>SURPLUS BEFORE INCOME TAX</b>	<b>(74)</b>	<b>42</b>
Income Tax Expense	-	13
<b>NET SURPLUS/(DEFICIT)</b>	<b>(74)</b>	<b>29</b>
<b>COMPREHENSIVE RESULT</b>	<b>(74)</b>	<b>29</b>

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

	Note	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and deposits	6	2 276	2 842
Receivables	7	542	885
Inventories	8	225	220
Prepayments		45	72
<b>Total Current Assets</b>		<b>3 088</b>	<b>4 019</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	949	318
<b>Total Non-Current Assets</b>		<b>949</b>	<b>318</b>
<b>TOTAL ASSETS</b>		<b>4 037</b>	<b>4 337</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	337	540
Income Tax Liabilities	11	-	13
Provisions	12	431	411
Other liabilities	13	64	85
<b>Total Current Liabilities</b>		<b>832</b>	<b>1 049</b>
<b>Non-Current Liabilities</b>			
Provisions	12	153	162
<b>Total Non-Current Liabilities</b>		<b>153</b>	<b>162</b>
<b>TOTAL LIABILITIES</b>		<b>985</b>	<b>1 211</b>
<b>NET ASSETS</b>		<b>3 052</b>	<b>3 126</b>
<b>EQUITY</b>			
Capital	14	373	373
Accumulated funds		2 679	2 753
<b>TOTAL EQUITY</b>		<b>3 052</b>	<b>3 126</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.



	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
Note				
<b>2011-12</b>				
<b>Accumulated Funds</b>	14	2 753	(74)	-
Dividends Payable		-	-	-
<b>Capital – Transactions with Owners</b>	14	373	-	-
Equity injections		-	-	-
		373		373
<b>Total Equity at End of Financial Year</b>		<b>3 126</b>	<b>(74)</b>	<b>-</b>
				<b>3 052</b>
<b>2010-11</b>				
<b>Accumulated Funds</b>		2 739	29	-
Dividends Payable	14	-	-	(15)
		2 739	29	(15)
<b>Capital – Transactions with Owners</b>	14	373	-	-
Equity injections		-	-	-
		373	-	-
<b>Total Equity at End of Financial Year</b>	14	<b>3 112</b>	<b>29</b>	<b>(15)</b>
				<b>3 126</b>

*The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.*

	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating Receipts</b>		
Receipts from sales of goods and services	6 453	5 650
Interest received	119	125
Other operating receipts	21	25
<b>Total Operating Receipts</b>	<b>6 593</b>	<b>5 800</b>
<b>Operating Payments</b>		
Payments to employees	(2 370)	(2 306)
Payments for goods and services	(4 119)	(3 499)
Income tax paid	(13)	(72)
<b>Total Operating Payments</b>	<b>(6 502)</b>	<b>(5 877)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	<b>91</b>	<b>(77)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investing Receipts</b>		
Proceeds from asset sales	94	-
<b>Total Investing Receipts</b>	<b>94</b>	<b>-</b>
<b>Investing Payments</b>		
Purchases of assets	(736)	-
<b>Total Investing Payments</b>	<b>(736)</b>	<b>-</b>
<b>Net Cash From/(Used in) Investing Activities</b>	<b>(642)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Financing Payments</b>		
Dividends Paid	(15)	(84)
<b>Total Financing Payments</b>	<b>(15)</b>	<b>(84)</b>
<b>Net Cash From/(Used in) Financing Activities</b>	<b>(15)</b>	<b>(84)</b>
Net increase/(decrease) in cash held	(566)	(161)
Cash at beginning of financial year	2 842	3 003
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>2 276</b>	<b>2 842</b>

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

**INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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## 1. OBJECTIVES AND FUNDING

The Government Printing Office operates as a Government Business Division and delivers cost effective printing and publishing services to the Northern Territory Government from premises located at Parap in a secure environment, specifically designed for efficient production of a diverse range of products and services.

The Government Printing Office is a self-funded organisation and generates the majority of its income from sales of printed products and services to Government agencies.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting

The general purpose financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Government Printing Office to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

**AASB 124 Related Party Disclosures (December 2009), AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]**

The Standards amend the requirements of the previous version of AASB 124 to clarify the definition of a related party, provide a partial exemption from related party disclosure requirements for government-related entities and include an explicit requirement to disclose commitments involving related parties. The Standards do not impact the financial statements.

**AASB 1054 Australian Additional Disclosures, AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]**

The Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and New Zealand's Financial Reporting Standards Board. AASB 2011-1 amends a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and

harmonisation between Australian and New Zealand Standards. The Standard relocates and deletes various Australian-specific guidance and disclosures from other Standards and aligns the wording used to that adopted in IFRSs. Relocated Australian-specific disclosures are now contained in AASB 1054. The Standards do not impact the financial statements.

**AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]**

The Standard amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7). The Standard does not impact the financial statements.

**AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]**

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard does not impact the financial statements.

**AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]**

The Standard makes amendments to AASB 7 *Financial Instruments*: *Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities. The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The Standard does not impact the financial statements.

**AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]**

The Standard extends relief from consolidation to not-for-profit entities in particular circumstances, by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity and the ultimate or intermediate parent entity are not-for-profit entities that comply with Australian Accounting Standards. The Standard does not impact the financial statements.

**b) Australian Accounting Standards and Interpretations Issued but not yet Effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed on the following page were in issue but not yet effective.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 <i>Financial Instruments</i> (Dec 2010), AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (Dec 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]	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	Minor impact on statements
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2013	Little or no impact
AASB 13 <i>Fair Value Measurement</i> , AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The Standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.	1 Jan 2013	Will have some impact on valuation of machinery assets
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards</i> [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	Makes consequential amendments to a range of Standards and Interpretations in light of the issuance of AASB 10 <i>Consolidated Financial Statements</i> and AASB 12 <i>Disclosure of Interests in Other Entities</i> .	1 Jan 2013	Little or no impact
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	Requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.	1 July 2012	Little or no impact

The GPO anticipates that the adoption of these Standards and Interpretations in future reporting periods will not have a material impact on the financial statements. However, details of any possible impacts are still being assessed. These Standards and Interpretations will be first applied in the financial report that relates to the annual reporting period beginning after the effective date of each pronouncement.

#### **c) Agency and Territory Items**

The financial statements of the Government Printing Office include income, expenses, assets, liabilities and equity over which the Government Printing Office has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### **Central Holding Authority**

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government controlled entities.

The Central Holding Authority holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

#### **d) Comparatives**

Where necessary, comparative information for the 2010-11 financial year has been reclassified to provide consistency with current year disclosures.

#### **e) Presentation and Rounding of Amounts**

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

#### **f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2011—12 as a result of management decisions.

#### **g) Accounting Judgments and Estimates**

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(v) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.

- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(p), 7: Receivables and 16: Financial Instruments.
- Depreciation and Amortisation – Note 2(k), Note 9: Property, Plant and Equipment.

#### **h) Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

#### **i) Income Recognition**

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

#### **Sale of Goods**

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the agency
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Rendering of Services**

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

#### **Interest Revenue**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

#### **Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 3.



**Contributions of Assets**

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

**j) Repairs and Maintenance Expense**

Funding is received for repairs and maintenance works associated with agency assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

**k) Depreciation and Amortisation Expense**

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2012	2011
Plant and Equipment	2-20 years	2-20 years
Computer Hardware and Software	1-5 years	1-5 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

**l) Interest Expense**

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

**m) Taxation**

The Government Printing Office is required to pay income tax on its accounting surplus at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions, NT Tax Equivalents Regime.

**n) Cash and Deposits**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

**o) Inventories**

Inventories include assets held either for sale (general inventories) or for distribution at no or nominal consideration in the ordinary course of business operations.

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

The cost of inventories are distributed at no or nominal consideration and are carried at the lower cost and current replacement cost.

**p) Receivables**

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 16 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days and other receivables within 30 days.

**q) Property, Plant and Equipment****Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

**Complex Assets**

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

**Subsequent Additional Costs**

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

**Construction (Work in Progress)**

As part of the financial management framework, the Department of Construction and Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for capital works is provided directly to the Department of Construction and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

**r) Revaluations and Impairment****Revaluation of Assets**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

**Impairment of Assets**

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible Government Printing Office assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Government Printing Office

determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

#### **s) Assets Held for Sale**

Assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition and their sale is highly probable within the next 12 months.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

#### **t) Leased Assets**

Leases under which the Government Printing Office assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

#### **Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

#### **u) Payables**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

#### **v) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements
- other types of employee benefits.

As part of the Financial Management Framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including the government Printing Office, and as such no long service leave liability is recognised in the Government Printing Office's financial statements.

#### **w) Superannuation**

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- Commonwealth Superannuation Scheme (CSS)
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The Government Printing Office makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in the Government Printing Office's financial statements.

#### **x) Contributions by and Distributions to Government**

The Government Printing Office may receive contributions from government where the government is acting as owner of the Government Printing Office. Conversely, the Government Printing Office may make distributions to government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by the Government Printing Office as adjustments to equity.

The Statement of Changes in Equity and Note 14 provide additional information in relation to contributions by, and distributions to, government.

#### **y) Dividends**

The GPO usually provides for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy. No dividend is payable for the 2011-12 financial year.

#### **z) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments, are shown at Note 17.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

	2012 \$'000	2011 \$'000
<b>3. GAIN ON DISPOSAL OF ASSETS</b>		
Net proceeds from the disposal of non-current assets	94	-
Gain on the disposal of non-current assets	<b>94</b>	-
<b>4. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
<b>Goods and services expenses:</b>		
Recruitment <sup>1</sup>	1	16
Training and study	3	3
Official duty fares	1	
Travelling allowance	1	
Audit Fees	27	23
Corporate Support from Other Agencies	179	172
<sup>1</sup> Includes recruitment-related advertising costs.		
<b>5. INCOME TAX EXPENSE</b>		
Current Year Profit	(74)	42
<b>Prima facie income tax expense calculated at 30% of the surplus</b>	<b>0</b>	<b>13</b>
<b>6. CASH AND DEPOSITS</b>		
Cash on hand	2	2
Cash at bank	2 274	2 840
<b>Total Cash and Deposits</b>	<b>2 276</b>	<b>2 842</b>
<b>7. RECEIVABLES</b>		
<b>Current</b>		
Accounts receivable	450	840
Interest receivables	6	10
GST receivables	18	-
Other receivables	68	35
<b>Total Receivables</b>	<b>542</b>	<b>885</b>

	2012 \$'000	2011 \$'000
<b>8. INVENTORIES</b>		
<b>General Inventories</b>		
At cost	118	165
<b>Work in Progress</b>		
At cost	107	55
<b>Total Inventories</b>	<b>225</b>	<b>220</b>
<p>The Government Printing Office did not writeoff any inventory during the year. The cost of inventory recognised as an expense during the period in respect of continuing operation was \$0.67 million in 2011-12 (2010-11 \$0.57 million)</p>		
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At cost	4 376	4 170
Less: Accumulated depreciation	(3 427)	(3 852)
<b>Computer Hardware</b>	<b>949</b>	<b>318</b>
At cost	167	167
Less: Accumulated Depreciation	(167)	(167)
	-	-
<b>Total Property, Plant and Equipment</b>	<b>949</b>	<b>318</b>

**Impairment of Property, Plant and Equipment**

The Government Printing Office's property, plant and equipment were assessed for impairment as at the 30 June 2012. No impairment adjustments were required as a result of the review.

**2012 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2011-12 is set out below

	Plant and Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2011	318	-	-	318
Additions	736	-	-	736
Disposals	-	-	-	-
Depreciation	(105)	-	-	(105)

**Carrying Amount as at  
30 June 2012**

<b>949</b>	<b>-</b>	<b>-</b>	<b>949</b>
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**2011 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2010-11 is set out below:

	Plant and Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2010	427	-	2	429
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	(109)	-	(2)	(111)
<b>Carrying Amount as at 30 June 2011</b>	<b>318</b>	<b>-</b>	<b>-</b>	<b>318</b>

	2012 \$'000	2011 \$'000
<b>10. PAYABLES</b>		
Accounts payable	149	335
Accrued expenses	188	156
GST payables	-	49
<b>Total Payables</b>	<b>337</b>	<b>540</b>
<b>11. INCOME TAX LIABILITIES</b>		
Income tax liabilities	-	13
<b>Total Income Tax Liabilities</b>	<b>-</b>	<b>13</b>
<b>12. PROVISIONS</b>		
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	209	198
Leave loading	42	40
Recreation leave fares	58	55
Extended leave	44	35
<i>Other current provisions</i>		
Provision for dividends	-	15
Provision for fringe benefits tax	4	3
Provision for workers compensation premium	-	3
Provision for payroll tax	17	11
Provision for superannuation	57	51
<b>Total current</b>	<b>431</b>	<b>411</b>
<b>Non-Current</b>		
<i>Employee benefits</i>		
Recreation leave	153	162
<b>Total Non-current</b>	<b>153</b>	<b>162</b>
<b>Total Provisions</b>	<b>584</b>	<b>573</b>

The Agency employed 32 employees as at 30 June 2012 (31 employees as at 30 June 2011).



	2012 \$'000	2011 \$'000
<b>13. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred income	64	85
<b>Total Other Liabilities</b>	<b>64</b>	<b>85</b>
<b>14. EQUITY</b>		
Equity represents the residual interest in the net assets of the Government Printing Office. The government's ownership interest in the Government Printing Office is held in the Central Holding Authority as described in Note 2 (c)		
<b>Capital</b>		
<b>Balance as at 1 July</b>	<b>373</b>	<b>373</b>
<i>Equity injections</i>		
Equity transfers in	-	-
<i>Equity withdrawals</i>		
Equity transfers out	-	-
<b>Balance as at 30 June</b>	<b>373</b>	<b>373</b>
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>2 753</b>	<b>2 739</b>
Loss for the period	(74)	29
Dividend payable	-	(15)
<b>Balance as at 30 June</b>	<b>2 679</b>	<b>2 753</b>
<b>Total Equity</b>	<b>3 052</b>	<b>3 126</b>

## 15. NOTES TO THE CASH FLOW STATEMENT

**Reconciliation of Cash**

The total of agency 'Cash and deposits' of \$2.276 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

**Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities**

	2012 \$'000	2011 \$'000
<b>Net (Deficit)</b>	(74)	29
<i>Non-cash items:</i>		
Depreciation and amortisation	105	111
(Gain)/Loss on disposal of assets	(94)	-
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	389	(458)
Decrease/(Increase) in interest receivable	4	-
Decrease/(Increase) in inventories	(5)	(34)
Decrease/(Increase) in prepayments	27	(14)
Decrease/(Increase) in accrued revenue	(50)	70
Decrease/(Increase) in payables	(203)	225
(Decrease)/Increase in income tax liabilities	(13)	(59)
Decrease/(Increase) in provision for employee benefits	16	39
Decrease/(Increase) in other provisions	10	-
(Decrease)/Increase in deferred income	(21)	14
<b>Net Cash from Operating Activities</b>	<b>91</b>	<b>(77)</b>

## 16. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Government Printing Office include cash and deposits, receivables and payables. The Government Printing Office has limited exposure to financial risks as discussed below.

The Government Printing Office's operating account earns monthly interest at a variable interest rate (NT Treasury Corporation's average 11am cash rate less 25 basis points).

Negative cash balances of \$50 000 or less and negative cash balances over \$50 000, which have an overdraft facility or by prior arrangement with NT Treasury Corporation, attract the average 11am cash rate for the month plus 50 basis points.

Negative balances without overdraft facilities or prior arrangement with NT Treasury Corporation will be charged the overdraft rate applied to the Government Bank Account by the National Australia Bank.

**a) Categorisation of Financial Instruments**

The carrying amounts of the Government Printing Office's financial assets and liabilities by category are disclosed in the table below.

	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>		
Cash and deposits	2 276	2 842
Receivables	542	885
<b>Financial Liabilities</b>		
Payables	338	540

**b) Credit Risk**

The Government Printing Office has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, the Government Printing Office has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Government Printing Office's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

**Receivables**

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and ageing analysis of receivables as at 30 June 2012 is presented below.

	<b>Ageing of Receivables</b>
	<b>\$'000</b>
<b>2011-12</b>	
Not overdue	414
Overdue for less than 30 days	16
Overdue for 30 to 60 days	13
Overdue for more than 60 days	7
<b>Total</b>	<b>450</b>
<b>2010-11</b>	
Not overdue	835
Overdue for less than 30 days	5
<b>Total</b>	<b>840</b>

**c) Liquidity Risk**

Liquidity risk is the risk that the Government Printing Office will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the Government Printing Office's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

**2012 Maturity analysis for financial assets and liabilities**

	Fixed Interest Rate					Non Interest Bearing	Total	Weighted Average
	Variable Interest	Less than a Year	1 to 5 Years	More than 5 Years				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>								
Cash and deposits	2 264	-	-	-	-	12	2 276	4.09
Receivables	-	-	-	-	-	542	542	-
<b>Total Financial Assets</b>	<b>2 264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554</b>	<b>2 818</b>	<b>-</b>
<b>Liabilities</b>								
Payables	-	-	-	-	-	149	149	-
Other payables	-	-	-	-	-	188	188	-
Income tax payable	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337</b>	<b>337</b>	<b>-</b>

## 2011 Maturity analysis for financial assets and liabilities

	Fixed Interest Rate				Non Interest Bearing	Total	Weighted Average
	Variable Interest	Less than a Year	1 to 5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>							
Cash and deposits	2 829	-	-	-	13	2 842	4.41
Receivables	-	-	-	-	885	885	-
<b>Total Financial Assets</b>	<b>2 829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>898</b>	<b>3 727</b>	<b>-</b>
<b>Liabilities</b>							
Payables	-	-	-	-	335	335	-
Other payables	-	-	-	-	205	205	-
Income tax payable	-	-	-	-	13	13	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>553</b>	<b>553</b>	<b>-</b>

## d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. The primary market risk that a Government Printing Office is likely to be exposed to is interest rate risk.

## (i) Interest Rate Risk

The GPO has limited exposure to interest rate risk. The GPO's exposure to interest rate risk on financial assets is set out in the following tables.

	Variable rate instruments	
	2012	2011
	\$'000	\$'000
<b>Financial assets</b>		
Cash	2 276	2 842
<b>Total</b>	<b>2 276</b>	<b>2 842</b>

## Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1%) at reporting date would have the following effect on the agency's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase	100 basis points decrease
	\$'000	\$'000
<b>30 June 2012</b>		
Financial assets – cash at bank	28	(28)
<b>Net Sensitivity</b>	<b>28</b>	<b>(28)</b>
<b>30 June 2011</b>		
Financial assets – cash at bank	29	(29)
<b>Net Sensitivity</b>	<b>29</b>	<b>(29)</b>

**(ii) Price Risk**

The Government Printing Office is not exposed to price risk as it does not hold units in unit trusts.

**(iii) Currency Risk**

The Government Printing Office is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

**(e) Net Fair Value**

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.

Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – derived from inputs not based on observable market data.

2012	Total Carrying Amount	Net Fair	Net Fair	Net Fair	Net Fair Value Total
		Value Level 1	Value Level 2	Value Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash and deposits	2 276	2 276	-	-	2 276
Receivables	542	542	-	-	542
<b>Total Financial Assets</b>	<b>2 818</b>	<b>2 818</b>	-	-	<b>2 818</b>
<b>Financial Liabilities</b>					
Payables	149	149	-	-	149
Other payables	188	188	-	-	188
Income tax payable	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>337</b>	<b>337</b>	-	-	<b>337</b>

2011	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash and deposits	2 842	2 842	-	-	2 842
Receivables	885	885	-	-	885
<b>Total Financial Assets</b>	<b>3 727</b>	<b>3 727</b>	-	-	<b>3 727</b>
<b>Financial Liabilities</b>					
Payables	335	335	-	-	335
Other payables	205	205	-	-	205
Income tax payable	13	13	-	-	13
<b>Total Financial Liabilities</b>	<b>553</b>	<b>553</b>	-	-	<b>553</b>

The net fair value of current financial assets and liabilities disclosed above are based on level 1 method, the carrying amount of these financial instruments recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

Non-current financial liabilities in respect of employee benefits are measured based on level 3 as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.

## 17. COMMITMENTS

### (i) Other Expenditure Commitments

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

- Within one year
  - Internal
  - External
- Later than one year and not later than five years
  - Internal
  - External

	2012 \$'000	2011 \$'000
	43	37
	42	16
	<b>85</b>	<b>53</b>

**(ii) Operating Lease Commitments**

The agency leases property under non-cancellable operating leases expiring from one to three years. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

	2012	2011
	\$'000	\$'000
Within one year		
- Internal		
- External	100	108
Later than one year and not later than five years		
- Internal		
- External	89	189
	<b>189</b>	<b>297</b>

**18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The GPO had no contingent liabilities or contingent assets as at 30 June 2012 or 30 June 2011.

**19. EVENTS SUBSEQUENT TO BALANCE DATE**

The GPO had no events subsequent to balance date as of 30 June 2012.

**20. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS**

The Government Printing Office had no write-offs, postponements or waivers during the year ended 30 June 2012 or 30 June 2011.



**FINANCIAL STATEMENT OVERVIEW****Financial Performance**

NT Fleet produced a net surplus after tax of \$11.33 million in 2011-12 which was \$0.41 million higher than the budget estimate, due to a higher than estimated take up of vehicles by large agencies. There is a close correlation between numbers of vehicles managed, vehicle hire revenue and fleet costs, particularly vehicle depreciation and repairs and maintenance. NT Fleet will pay taxes of \$4.86 million and return a dividend of \$5.67 million to Government for 2011-12.

NT Fleet manages two fleets, a light vehicle fleet (made up of passenger and light commercial vehicles) and a heavy vehicle fleet (made up of trucks, plant and equipment). The majority of vehicles are in the light fleet, with the heavy fleet comprising fewer vehicles, although generally at a higher individual value. Over the year the light and heavy vehicle fleets grew by 3.9% and 6.1% respectively. Revenue and expenses for both fleets are provided below.

**Table 1: 2011-12 Budget and Actual Performance**

	Actual		Budget		Variation	
	2012	2011	2012	2011	2012	2011
	\$'000		\$'000		\$'000	
Income	54 894	51 065	54 302	51 617	592	(552)
Expenses	38 705	36 596	38 695	36 185	10	(411)
<b>Net Surplus Before Income Tax</b>	<b>16 189</b>	<b>14 469</b>	<b>15 607</b>	<b>15 432</b>	<b>582</b>	<b>(963)</b>
Income Tax Expense	4 857	4 341	4 682	4 630	175	289
<b>Net Surplus After Income Tax</b>	<b>11 332</b>	<b>10 128</b>	<b>10 925</b>	<b>10 802</b>	<b>407</b>	<b>(674)</b>

**Income**

Most of NT Fleet's revenue comes from goods and services revenue (87.6%), with vehicle hire charges being the primary revenue source. This revenue increased by \$2.52 million in 201112.

Income from disposal of assets was \$6.27 million; an increase of \$1.25 million on the previous year due to better sale prices.

**Table 2: Revenue by Category**

Year	Goods and Services		Investment <sup>1</sup>		Other <sup>2</sup>		Assets		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
2011-2012	48 070	87.6	455	0.8	98	0.2	6 271	11.4	54 894	100
2010-2011	45 551	89.2	361	0.7	130	0.3	5 023	9.8	51 065	100
2009-2010	42 504	90.9	217	0.5	105	0.2	3 952	8.4	46 778	100

<sup>1</sup> Investment includes interest revenue.

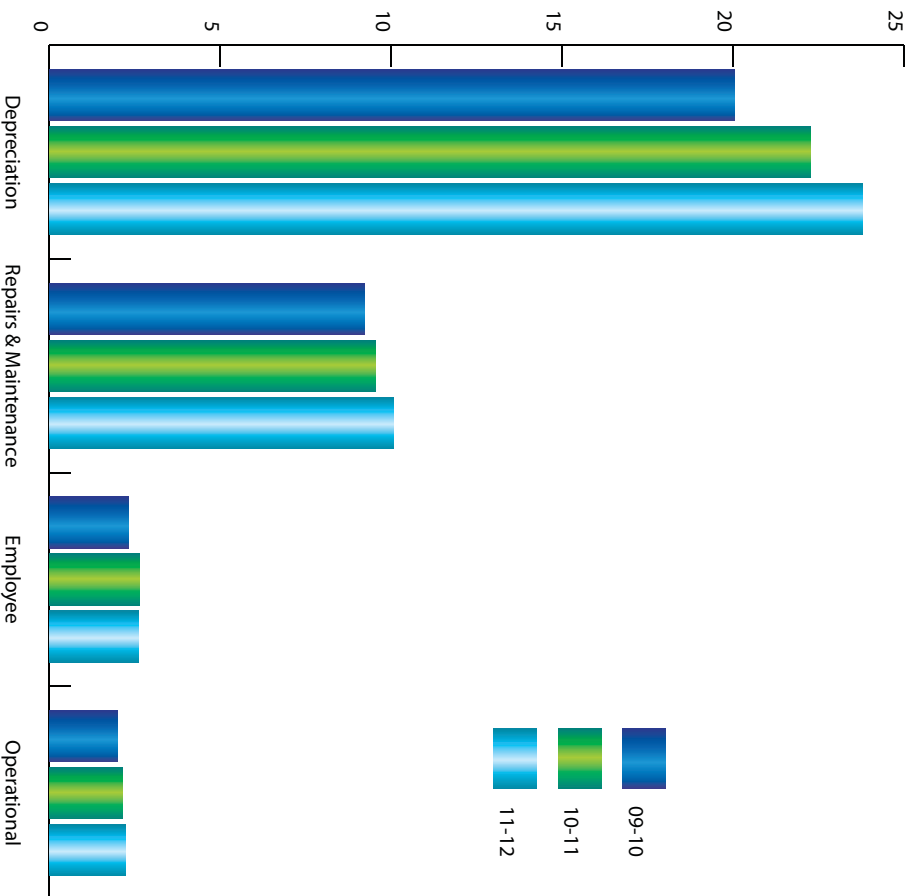
<sup>2</sup> Other includes miscellaneous income such as motor vehicle registration refunds.

**Expenses**

NT Fleet's expenses increased by \$2.11 million in 2011-12. The majority of NT Fleet's expenditure is directly related to its holdings of vehicle assets, which increased over the year. The largest cost categories are:

- depreciation – 61.5% of total expenses and an increase of \$1.53 million in 2011-12
- vehicle repairs and maintenance:- 26% of total expenses and an increase of \$0.51million in 2011-12.

**NT Fleet: Expenditure by category**



**FINANCIAL POSITION**

NT Fleet's net assets at 30 June 2012 were \$95.88 million; an increase of \$5.67 million on the same time last year, due to the retained income for the year. Vehicle asset balances grew by \$7.47 million over 2010-11 with a decrease in current assets of \$4.54 million, mainly due to a loan repayment and increased capital expenditure. Total assets improved by \$2.94 million overall. Total liabilities decreased by \$2.73 million compared to 2010-11 mainly due to a \$3 million loan repayment in 2011-12.

## FINANCIAL STATEMENTS

NT Fleet Financial Report  
For the year ended 30 June 2012

We certify that the attached financial statements for NT Fleet have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2012 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Alan Tregilgas

CHIEF EXECUTIVE

20 September 2012



Rex Schoolmeester

CHIEF FINANCIAL OFFICER

September 2012



**Auditor-General**

**Independent Auditor's Report  
to the Treasurer  
NT Fleet**

**Year Ended 30 June 2012**

I have audited the accompanying financial report of NT Fleet which comprises the balance sheet as at 30 June 2012, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

**The Chief Executive's responsibility for the Financial Report**

The Under Treasurer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act*, and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion the financial report presents fairly, in all material respects, the financial position of NT Fleet as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Financial Management Act*.

  
F McGuinness

Auditor-General for the Northern Territory  
Darwin, Northern Territory

28 September 2012

	Note	2012 \$'000	2011 \$'000
<b>INCOME</b>			
Sales of goods and services		48 070	45 551
Interest revenue		455	361
Gain on disposal of assets	3	6 271	5 023
Other income		98	130
<b>TOTAL INCOME</b>		<b>54 894</b>	<b>51 065</b>
<b>EXPENSES</b>			
Employee expenses		2 620	2 632
Purchases of goods and services	4	2 079	1 959
Repairs and maintenance		10 060	9 546
Depreciation and amortisation		23 788	22 263
Interest expenses		158	196
<b>TOTAL EXPENSES</b>		<b>38 705</b>	<b>36 596</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>16 189</b>	<b>14 469</b>
Income tax expense	5	4 857	4 341
<b>NET SURPLUS/(DEFICIT)</b>		<b>11 332</b>	<b>10 128</b>
<b>COMPREHENSIVE RESULT</b>		<b>11 332</b>	<b>10 128</b>

*The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.*

	Note	2012 \$'000	2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and deposits	6	8 602	13 631
Receivables	7	2 017	1 638
Inventories	8	8	8
Prepayments		164	45
<b>Total Current Assets</b>		<b>10 783</b>	<b>15 322</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	98 890	91 416
<b>Total Non-Current Assets</b>		<b>98 890</b>	<b>91 416</b>
<b>TOTAL ASSETS</b>		<b>109 673</b>	<b>106 738</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	2 636	3 509
Income tax liabilities	12	4 857	4 341
Borrowings and advances	11	3 000	3 000
Provisions	13	6 113	5 454
Other liabilities	14	26	47
<b>Total Current Liabilities</b>		<b>13 632</b>	<b>16 351</b>
<b>Non-Current Liabilities</b>			
Provisions	13	162	174
<b>Total Non-Current Liabilities</b>		<b>162</b>	<b>174</b>
<b>TOTAL LIABILITIES</b>		<b>13 794</b>	<b>16 525</b>
<b>NET ASSETS</b>		<b>95 879</b>	<b>90 213</b>
<b>EQUITY</b>			
Capital		503	503
Accumulated funds		95 376	89 710
<b>TOTAL EQUITY</b>	15	<b>95 879</b>	<b>90 213</b>

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$'000	\$'000	\$'000	\$'000
<b>2011-12</b>					
<b>Accumulated Funds</b>		89 710	11 332		101 042
Dividends payable				(5 666)	(5 666)
<b>Capital – Transactions with Owners</b>		89 710	11 332	(5 666)	95 376
<b>Total Equity at End of Financial Year</b>		<b>90 213</b>	<b>11 332</b>	<b>(5 666)</b>	<b>95 879</b>
<b>2010-11</b>					
<b>Accumulated Funds</b>		84 646	10 128		94 774
Dividends payable				(5 064)	(5 064)
<b>Capital – Transactions with Owners</b>		84 646	10 128	(5 064)	89 710
Equity injections		467			467
Equity transfers in				36	36
		467		36	503
<b>Total Equity at End of Financial Year</b>		<b>85 113</b>	<b>10 128</b>	<b>(5 028)</b>	<b>90 213</b>

*The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.*

	Note	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts from sales of goods and services		53 427	51 080
Interest received		475	347
<b>Total Operating Receipts</b>		<b>53 902</b>	<b>51 427</b>
<b>Operating Payments</b>			
Payments to employees		(2 628)	(2 556)
Payments for goods and services		(18 187)	(16 214)
Income tax paid		(4 341)	(3 958)
Interest paid		(197)	(196)
<b>Total Operating Payments</b>		<b>(25 353)</b>	<b>(22 924)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	16	<b>28 549</b>	<b>28 503</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from asset sales	3	20 524	21 583
<b>Total Investing Receipts</b>		<b>20 524</b>	<b>21 583</b>
<b>Investing Payments</b>			
Purchases of assets		(46 037)	(41 771)
<b>Total Investing Payments</b>		<b>(46 037)</b>	<b>(41 771)</b>
<b>Net Cash From/(Used in) Investing Activities</b>		<b>(25 513)</b>	<b>(20 188)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Receipts from Financing Activities</b>			
Deposits Received		(1)	
<b>Cash Receipts from Financing Activities</b>		<b>(1)</b>	
<b>Financing Payments</b>			
Repayment of borrowing		(3 000)	
Dividends paid		(5 064)	(4 618)
<b>Total Financing Payments</b>		<b>(8 064)</b>	<b>(4 618)</b>
<b>Net Cash From/(Used in) Financing Activities</b>		<b>(8 065)</b>	<b>(4 618)</b>
Net increase/(decrease) in cash held		(5 029)	3 697
Cash at beginning of financial year		13 631	9 934
<b>CASH AT END OF FINANCIAL YEAR</b>	6	<b>8 602</b>	<b>13 631</b>

*The Cash Flow Statement is to be read in conjunction with the notes to the financial statement.*



**INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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## 1. OBJECTIVES AND FUNDING

NT Fleet manages the light and heavy vehicle fleet for all Territory Government agencies, except Northern Territory Police, Fire and Emergency Services. Management of the government vehicle fleet incorporates acquisition, vehicle hire, maintenance and disposal.

Key functional responsibilities are:

- managing the strategic replacement program for the Territory Government's fleet
  - minimising the total cost of fleet ownership
  - administering supply and service contracts, vehicle specifications and delivery programs
  - managing the disposal of vehicles, plant and equipment.
- Funding is provided predominantly via vehicle hire income derived from client agencies.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting

The general purpose financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires NT Fleet to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra-agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

**AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]**

**AASB 124 Related Party Disclosures (December 2009), AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]**

The Standards amend the requirements of the previous version of AASB 124 to clarify the definition of a related party, provide a partial exemption from related party disclosure requirements for government-related entities and include an explicit requirement to disclose commitments involving related parties. The Standards do not impact the financial statements.

**AASB 1054 Australian Additional Disclosures, AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]**

The Standards are a consequence of Phase 1 of the joint Trans-Tasman Convergence project of the AASB and New Zealand's Financial Reporting Standards Board. AASB 2011-1 amends a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard relocates and deletes various Australian-specific guidance and disclosures from other Standards and aligns the wording used to that adopted in IFRSs. Relocated Australian-specific disclosures are now contained in AASB 1054. The Standards do not impact the financial statements.

**AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]**

The Standard amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7). The Standard does not impact the financial statements.

**AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]**

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard does not impact the financial statements.

**AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]**

The Standard makes amendments to AASB 7 *Financial Instruments: Disclosures* resulting from the IASB's comprehensive review of off balance sheet activities. The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The Standard does not impact the financial statements.

**AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]**

The Standard extends relief from consolidation to not-for-profit entities in particular circumstances, by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity and the ultimate or intermediate parent entity are not-for-profit entities that comply with Australian Accounting Standards. The Standard does not impact the financial statements.

**b) Australian Accounting Standards and Interpretations Issued but not yet Effective**

At the date of authorisation of the financial statements, the Standards and Interpretations listed on the following page were in issue but not yet effective.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 <i>Financial Instruments</i> (Dec 2010), AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (Dec 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]	AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	1 Jan 2013	No impact is expected
AASB 10 <i>Consolidated Financial Statements</i>	Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 <i>Consolidated and Separate Financial Statements</i> .	1 Jan 2013	No impact is expected
AASB 12 <i>Disclosure of Interests in Other Entities</i>	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	1 Jan 2013	No impact is expected
AASB 13 <i>Fair Value Measurement</i> , AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The Standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.	1 Jan 2013	Preliminary assessment suggests that it will impact on NT Fleet. However, NT Fleet is still assessing the detailed impact and whether to early adopt.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	Makes consequential amendments to a range of Standards and Interpretations in light of the issuance of AASB 10 Consolidated Financial Statements and AASB 12 Disclosure of Interests in Other Entities.	1 Jan 2013	No impact is expected
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	Requires entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.	1 July 2012	No impact is expected

NT Fleet anticipates that the adoption of these standards and interpretations in future periods will not have material impact to the Financial Statements. However, detail of the impact is still being assessed.

### c) Agency and Territory Items

The financial statements of NT Fleet include income, expenses, assets, liabilities and equity over which the NT Fleet has control (Agency items). Certain items, while managed by NT Fleet, are controlled and recorded by the Territory rather than NT Fleet (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

#### Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the government's ownership interest in government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the government and managed by agencies on behalf of the government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements.

### d) Comparatives

Where necessary, comparative information for the 2010-11 financial year has been reclassified to provide consistency with current year disclosures.

**e) Presentation and Rounding of Amounts**

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

**f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2011—12 as a result of management decisions.

**g) Accounting Judgments and Estimates**

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(w) and Note 13: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 19: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate.
- Allowance for Impairment Losses – Note 2(p), 7: Receivables and 17: Financial Instruments.
- Depreciation and Amortisation – Note 2(l), Note 9: Property, Plant and Equipment.

**h) Goods and Services Tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

**i) Income Recognition**

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

**Sale of Goods**

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer
- NT Fleet retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to NT Fleet
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of Services**

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the entity.

**Interest Revenue**

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**Goods and Services Received Free of Charge**

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

**Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 3.

**Contributions of Assets**

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

**j) Repairs and Maintenance Expense**

Costs associated with repairs and maintenance works on NT Fleet's assets are expensed as incurred.

**k) Taxation**

NT Fleet is required to pay income tax on its accounting surplus at the company tax rate of 30% in accordance with the requirements of the Treasurer's Directions, NT Tax Equivalents Regime.

**l) Depreciation and Amortisation Expense**

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

	2012	2011
Vehicles – light	2–3 Years	2–3 Years
Vehicles – heavy	3–10 Years	3–10 Years
Leasehold improvements	10–15 Years	10–15 Years
Computer software	1–5 Years	1–5 Years

**m) Interest Expense**

Interest expenses include interest on government loans. Interest expenses are expensed in the period in which they are incurred.

**n) Cash and Deposits**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

**o) Inventories**

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

The cost of inventories are assigned using a mixture of first-in, first out or weighted average cost formula or using specific identification of their individual costs.

Inventory held for distribution is regularly assessed for obsolescence and loss.

**p) Receivables**

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an ageing schedule under credit risk in Note 17 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable and other receivable are generally settled within 14 days.

**q) Property, Plant and Equipment****Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.



**Complex Assets**

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

**Subsequent Additional Costs**

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

**Construction (Work in Progress)**

As part of the financial management framework, the Department of Construction and Infrastructure is responsible for managing general government capital works projects on a whole-of-Government basis. Therefore appropriation for NT Fleet capital works is provided directly to the Department of Construction and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

**Software (Work in Progress)**

NT Fleet funded the migration to a new programming tool suite utilised by the NT Government's software programming contractor. The cost associated with this project has been capitalised.

**r) Revaluations and Impairment****Revaluation of Assets**

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- heavy vehicles.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

**Impairment of Assets**

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus.

**s) Assets Held for Sale**

Assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, and their sale is highly probable within the next 12 months.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

**t) Leased Assets**

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

**Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

**u) Payables**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

**v) Borrowings**

Government loans are initially recognised at the fair value of the consideration received less directly attributable transaction cost.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

**w) Employee Benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 12 months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after 12 months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including NT Fleet and as such no long service leave liability is recognised in agency financial statements.

**x) Superannuation**

Employees' superannuation entitlements are provided through:

- the Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS)
- the Commonwealth Superannuation Scheme (CSS)
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

NT Fleet makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in NT Fleet's financial statements.

**y) Contributions by and Distributions to Government**

NT Fleet may receive contributions from government where the government is acting as owner of NT Fleet. Conversely, NT Fleet may make distributions to government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, government. These designated contributions and distributions are treated by NT Fleet as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, government.

**z) Dividends**

NT Fleet has provided for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy.

**aa) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 18.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

	2012 \$'000	2011 \$'000
<b>3 GAIN ON DISPOSAL OF ASSETS</b>		
Net proceeds from the disposal of non-current assets	20 524	21 583
Less: Carrying value of non-current assets disposed	(14 253)	(16 560)
<b>Gain on the disposal of non-current assets</b>	<b>6 271</b>	<b>5 023</b>
<b>4. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Consultants <sup>1</sup>	38	52
Advertising <sup>2</sup>	0	1
Document production	4	9
Recruitment <sup>3</sup>	2	1
Training and study	9	5
Official duty fares	10	7
Travelling allowance	4	5
Corporate support from other agencies	526	465
Audit fees	35	23
<sup>1</sup> Includes marketing, promotion and IT consultants.		
<sup>2</sup> Does not include recruitment advertising or marketing and promotion advertising.		
<sup>3</sup> Includes recruitment-related advertising costs.		
<b>5. INCOME TAX EXPENSE</b>		
Current year profit	16 189	14 469
Prima facie income tax expense calculated at 30% of the surplus	4 857	4 341
<b>Total Income Tax Expense</b>	<b>4 857</b>	<b>4 341</b>
<b>6. CASH AND DEPOSITS</b>		
Cash on hand	3	4
Cash at bank	8 599	13 627
<b>Total Cash</b>	<b>8 602</b>	<b>13 631</b>

	2012	2011
	\$'000	\$'000
<b>7. RECEIVABLES</b>		
<b>Current</b>		
Accounts receivable	1 547	943
Interest receivables	22	43
GST receivables	1	(121)
Other receivables	447	773
<b>Total Receivables</b>	<b>2 017</b>	<b>1 638</b>
<b>8. INVENTORIES</b>		
Raw Material and Stores		8
<b>Total Inventories</b>		<b>8</b>
NT Fleet has outsourced repairs and maintenance of heavy vehicles and no longer keeps inventories. The total amount expensed was \$12 938 consisting of \$7 601 (carried over from 2010-11) and \$5 337 (2011-12).		
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicles - Light</b>		
At cost	116 688	108 596
Less: Accumulated Amortisation	(35 748)	(32 036)
	<b>80 940</b>	<b>76 560</b>
<b>Motor Vehicles - Heavy</b>		
At cost	30 816	26 362
Less: Accumulated Amortisation	(13 257)	(11 870)
	<b>17 559</b>	<b>14 491</b>
<b>Computer Software</b>		
At cost	373	321
Less: Accumulated Amortisation	(32)	(32)
	<b>341</b>	<b>289</b>
<b>Leasehold Improvements</b>		
At cost	58	82
Less: Accumulated Depreciation	(7)	(6)
	51	76
<b>Total Property, Plant and Equipment</b>	<b>98 890</b>	<b>91 416</b>

**Impairment of Property, Plant and Equipment**

NT Fleet property, plant and equipment assets were assessed for impairment as at 30 June 2012. No impairment adjustments were required as a result of this review.

**2012 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2011-12 is set out below:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold Improvements \$'000	Computer Software \$'000	TOTAL \$'000
<b>Carrying Amount as at 1 July 2011</b>	76 560	14 491	76	289	91 416
Additions	39 489	5 998		0	45 487
Disposals	(13 849)	(404)		0	(14 253)
Depreciation	(21 260)	(2 527)	(1)	0	(23 788)
Additions/(Disposals) from asset transfers	0	0	(24)	0	(24)
Other movements	0	0	0	52	52
<b>Carrying Amount as at 30 June 2012</b>	<b>80 940</b>	<b>17 558</b>	<b>51</b>	<b>341</b>	<b>98 890</b>
	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold Improvements \$'000	Computer Software \$'000	TOTAL \$'000
<b>Carrying Amount as at 1 July 2010</b>	75 878	13 288	49	284	89 499
Additions	36 070	4 574			40 644
Disposals	(15 525)	(1 035)			(16 560)
Depreciation	(19 863)	(2 367)	(1)	(32)	(22 263)
Additions/(Disposals) from asset transfers		31	4		35
Other movements			24	37	61
<b>Carrying Amount as at 30 June 2011</b>	<b>76 560</b>	<b>14 491</b>	<b>76</b>	<b>289</b>	<b>91 416</b>

	2012 \$'000	2011 \$'000
<b>10. PAYABLES</b>		
Accounts payable	2 299	3 098
Accrued expenses	0	39
Other accrued expenses and accrued salaries	337	372
<b>Total Payables</b>	<b>2 636</b>	<b>3 509</b>
<b>11. BORROWINGS AND ADVANCES</b>		
<b>Current</b>		
Loans and advances		3 000
<b>Total Borrowings and Advances</b>		<b>3 000</b>
<b>12. INCOME TAX LIABILITIES</b>		
Income tax payable	4 857	4 341
<b>Total Income Tax Liabilities</b>	<b>4 857</b>	<b>4 341</b>
<b>13. PROVISIONS</b>		
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	239	230
Leave loading	44	44
Other employee benefits – recreation leave airfares	11	14
<i>Other current provisions</i>		
Provision for dividend	5 666	5 064
Provision for fringe benefits tax	4	4
Provision for superannuation	115	60
Provision for payroll tax	28	30
Provision for workers compensation premium	6	7
<b>Total current provisions</b>	<b>6 113</b>	<b>5 453</b>

	2012	2011
	\$'000	\$'000
<b>Non-Current</b>		
<i>Employee benefits</i>		
Recreation leave	162	174
<b>Total non-current provisions</b>	<b>162</b>	<b>174</b>
<b>Total Provisions</b>	<b>6 275</b>	<b>5 627</b>
<b>Reconciliations of Provisions</b>		
<b>Dividends</b>		
Balance as at 1 July	5 064	4 618
Reductions arising from payments	(5 064)	(4 618)
Additional provisions recognised	5 666	5 064
<b>Balance as at 30 June</b>	<b>5 666</b>	<b>5 064</b>

The agency employed 33 employees as at 30 June 2012  
(33 employees as at 30 June 2011).

<b>14. OTHER LIABILITIES</b>		
Current	26	47
<b>Total Other Liabilities</b>	<b>26</b>	<b>47</b>
<b>15. EQUITY</b>		
Capital		
Balance as at 1 July	503	467
Equity Injections		
Equity transfers in		36
<b>Balance as at 30 June</b>	<b>503</b>	<b>503</b>
<b>Accumulated Funds</b>		
Balance as at 1 July	89 710	84 646
Surplus for the period	11 332	10 128
Dividends payable	(5 666)	(5 064)
<b>Balance as at 30 June</b>	<b>95 376</b>	<b>89 710</b>
<b>Total Equity</b>	<b>95 879</b>	<b>90 213</b>



	2012	2011
	\$'000	\$'000

## 16. NOTES TO THE CASH FLOW STATEMENT

### Reconciliation of Cash

The total of NT Fleet 'Cash and deposits' of \$8.60 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

### Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

<b>Net Surplus/(Deficit)</b>	11 332	10 128
<i>Non-cash items:</i>		
Depreciation and amortisation	23 788	22 263
(Gain)/Loss on disposal of assets	(6 271)	(5 023)
R&M - Minor New Work Non Cash	22	
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(378)	313
Decrease/(Increase) in inventories	8	(3)
Decrease/(Increase) in prepayments	(118)	65
Decrease/(Increase) in other payables	(375)	268
Decrease/(Increase) in provision for employee benefits	(8)	56
Decrease/(Increase) in other provisions	569	389
Decrease/(Increase) in deferred income	(20)	47
<b>Net Cash from Operating Activities</b>	<b>28 549</b>	<b>28 503</b>

**17. FINANCIAL INSTRUMENTS**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by NT Fleet include cash and deposits, receivables payables. NT Fleet has limited exposure to financial risks as discussed below.

NT Fleet's operating account earns monthly interest at a variable interest rate (NT Treasury Corporation's average 11am cash rate less 25 basis points).

Negative cash balances of \$50 000 or less and negative cash balances over \$50 000, which have an overdraft facility or by prior arrangement with NT Treasury Corporation, attract the average 11am cash rate for the month plus 50 basis points.

Negative balances without overdraft facilities or prior arrangement with NT Treasury Corporation will be charged the overdraft rate applied to the Government Bank Account by the National Australia Bank.

**a) Categorisation of Financial Instruments**

The carrying amounts of NT Fleet's financial assets and liabilities by category are disclosed in the table below.

	2012	2011
	\$'000	\$'000
<b>Financial Assets</b>		
Cash and deposits	8 602	13 631
Loans and receivables	2 017	1 638
<b>Financial Liabilities</b>		
Payables	2 636	3 509

**b) Credit Risk**

NT Fleet has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, NT Fleet has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents NT Fleet's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

**Receivables**

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and ageing analysis of receivables is presented below.

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>2011-12</b>			
Not overdue	1 433		1 433
Overdue for less than 30 days	112		112
Overdue for 30 to 60 days	2		2
<b>Total</b>	<b>1 547</b>		<b>1 547</b>
<b>2010-11</b>			
Not overdue	790		790
Overdue for less than 30 days	132		132
Overdue for 30 to 60 days	13		13
Overdue for more than 60 days	8		8
<b>Total</b>	<b>943</b>		<b>943</b>

### c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. NT Fleet's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

NT Fleet has sufficient assets (passenger vehicles) that are able to be disposed of at short notice and/or the option of delaying the purchase of new assets which can easily be applied to meet fluctuations in short term liquidity.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

## 2012 Maturity analysis for financial assets and liabilities

	Interest Bearing				Non Interest Bearing	Total	Weighted Average
	Fixed or Variable	Less than a Year	1 to 5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>							
Cash and deposits		8 598			4	8 602	3.25
Receivables					2 017	2 017	
<b>Total Financial Assets</b>		<b>8 598</b>			<b>2 021</b>	<b>10 619</b>	
<b>Liabilities</b>							
Payables			2 636			2 636	6.5
<b>Total Financial Liabilities</b>			<b>2 636</b>			<b>2 636</b>	

## 2011 Maturity analysis for financial assets and liabilities

	Interest Bearing					Non Interest Bearing	Total	Weighted Average
	Variable	Less than a Year	1 to 5 Years	More than 5 Years	Interest Bearing			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>								
Cash and deposits		13 627			4	13 631	4.3	
Receivables					1 638	1 638		
<b>Total Financial Assets</b>		<b>13 627</b>			<b>1 642</b>	<b>15 269</b>		
<b>Liabilities</b>								
Payables					(3 509)	(3 509)		
Government Loan					(3 000)	(3 000)	6.5	
<b>Total Financial Liabilities</b>					<b>(3 509)</b>	<b>(6 509)</b>		

## d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. The primary market risk that an agency is likely to be exposed to is interest rate risk.

**(i) Interest Rate Risk**

NT Fleet has limited exposure to interest rate risk. NT Fleet's exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year. NT Fleet's operating accounts earn monthly interest at a variable interest rate (NT Treasury's Corporation's weighted average cash returns less 50 basis points). Assuming the financial assets and liabilities as at 30 June 2012 were to remain until maturity or settlement without any action by NT Fleet to alter the resulting interest rate risk exposure, an immediate and sustained increase of 1 % in market interest rates across all maturities would not have a significant effect and is considered not material to NT Fleet.

	2012 \$'000	2011 \$'000
<b>Variable rate instruments</b>		
Financial Assets	8 598	13 627
Financial Liabilities		
<b>Total</b>	<b>8 598</b>	<b>13 627</b>

**Market Sensitivity Analysis**

Changes in the variable rates of 100 basis points (1%) at reporting date would have the following effect on the agency's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2012</b>		
Financial assets – cash at bank	86	(86)
<b>Net Sensitivity</b>	<b>86</b>	<b>(86)</b>
<b>30 June 2011</b>		
Financial assets – cash at bank	136	(136)
<b>Net Sensitivity</b>	<b>136</b>	<b>(136)</b>

**(ii) Price Risk**

NT Fleet is not exposed to price risk as NT Fleet does not hold units in unit trusts.

**(iii) Currency Risk**

NT Fleet has limited exposure to currency risk, as NT Fleet does not hold borrowings denominated in foreign currencies, and has limited transactional currency exposures arising from purchases in a foreign currency.

**e) Net Fair Value**

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.  
 Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.  
 Level 3 – derived from inputs not based on observable market data.

	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
<b>2012</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash and deposits	8 602	8 602			8 602
Receivables	2 017	2 017			2 017
<b>Total Financial Assets</b>	<b>10 619</b>	<b>10 619</b>			<b>10 619</b>
<b>Financial Liabilities</b>					
Payables	2 636	2 636			2 636
<b>Total Financial Liabilities</b>	<b>2 636</b>	<b>2 636</b>			<b>2 636</b>
<b>2011</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>					
Cash and deposits	13 631	13 631			13 631
Receivables	1 638	1 638			1 638
<b>Total Financial Assets</b>	<b>15 269</b>	<b>15 269</b>			<b>15 269</b>
<b>Financial Liabilities</b>					
Payables	3 509	3 509			3 509
Borrowings and advances	3 000	3 000			3 000
<b>Total Financial Liabilities</b>	<b>6 509</b>	<b>6 509</b>			<b>6 509</b>

The net fair value of current financial assets and liabilities disclosed above are based on level 1 method, the carrying amount of these financial instruments recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

**18. COMMITMENTS****(i) Capital Expenditure Commitments**

Capital expenditure commitments primarily related to vehicle acquisitions. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows: <sup>1</sup>

Within one year	15 039	16 981
	<b>15 039</b>	<b>16 981</b>

<sup>1</sup> Light and heavy vehicles

**(ii) Operating Lease Commitments**

NT Fleet leases property under non-cancellable operating leases expiring in November 2012 and February 2015. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated.

Within one year	5	
Later than one year and not later than five years	12	30
	<b>17</b>	<b>30</b>

**(iii) Operating Lease Commitments Receivable**

Under leasing arrangements of light and heavy vehicles to Northern Territory Government agencies and other non-profit organisations

Within one year	39 290	36 711
Later than one year and not later than five years	26 402	23 373
	<b>65 692</b>	<b>60 084</b>

**19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2012 or at 30 June 2011.

**20. EVENTS SUBSEQUENT TO BALANCE DATE**

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

**21. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS**

NT Fleet had no write offs, postponements or waivers in 2011-12 and 2010-11.



## APPENDICES



## Shared Corporate Services Price List

Service	Cost Measure	Price (\$)
<b>Financial and Accounting Services</b>		
<b>Accounts Payable</b>		
- Invoice processed 1–5 lines	Per invoice	13.10
- Invoice processed 6 –10 lines	Per invoice	25.50
- Invoice processed >10 lines	Per invoice	40.50
- Ledger transfer	Per invoice	12.00
- RTM advance cheques	Per cheque	25.80
- Deskbank payments	Per payment	86.00
- Credit card management	No. of credit cards (pa)	420.00
<b>Accounts Receivable</b>		
- Invoice manual requisition	Per invoice	61.00
- Invoice electronic requisition	Per invoice	25.00
- Receiver statements – manual	Per statement	50.00
- Receiver statements – pay online	Per statement	10.00
- RTM	Per receipt	5.20
- Bank account management	Per bank account (pa)	2496.00
<b>Asset Accounting</b>		
- Asset accounting	No. of assets (pa)	81.60
- Disposals	Per asset disposed	28.00
<b>Taxation Services</b>		
- BAS lodgement	Per line per return	0.40
- FBT tax	Per line comprising FBT liability	22.00
- Payroll tax	Per cost code per return	6.50
<b>Financial Reporting</b>		
- Auto	Per page produced	1.25
<b>Financial Systems</b>		
- Financial systems	DASD usage (per 1% pa)	72 000.00
<b>Contract and Procurement Services (CAPS)</b>		
- Tender management	Per tenders managed	2000.00
- Public/select quotations service	Per quotations managed	1760.00
- Standard Request for Tender (RFT)	Per standard RFT	1500.00
- Complex RFT	Per complex RFT	4100.00
- Addenda/extension	Per addenda/extension	540.00
- CAPS Advisory Service	Per no. of paid employees (pa)	20.00
- CAPS whole-of-government contracts	Per no. of paid employees (pa)	20.00

Service	Cost Measure	Price (\$)
- Request for Quotation administration	Per no. of quotations entered	200.00
- Couriers/despatch	Per drop off/pick up	12.00
<b>Human Resource Services</b>		
- HR system	Per no. of paid employees (pa)	345.00
- Job Evaluation services	Per evaluated position	250.00
- Short courses	Per person / half day	135.00
- Employment programs	No. of apprentices	2480.00
- OH&S	Per hour	110.00
- Workers compensation	Per hour	83.00
<b>Payroll Services</b>		
- Per employee charge	Per no. of paid employees (pa)	155.00
- Per PTR charge - quto	Per PTR - auto	3.00
- Per PTR charge - manual	Per PTR - manual	10.00
- Commencement and termination	Per commencement or termination	260.00
<b>Recruitment Services</b>		
- New starter	Per new starter	510.00
- Temporary or nominal move	Per temporary or nominal move	30.00
- Entry level recruitment	Per no. of admin staff (pa)	70.00
<b>Venue Management</b>		
- Belvedere House L1	Per half day	50.00
- Belvedere House L2	Per half day	120.00
- Sadgroves Room	Per half day	50.00
- Timor Room	Per half day	100.00
- Frances Bay Room	Per half day	150.00
- Katherine Government Centre	Per half day	90.00
<b>Information and Communications Technology Services</b>		
<b>ICT Policy and Strategy</b>		
- ICT Policy and Strategy	Per no. of desktops (pa)	110.00
<b>IT Service Management</b>		
- Contract services	Per no. of desktops (pa)	165.00
- Agency services	Allocation of FTE - managers (pa)	130 000.00
	Allocation of FTE - directors (pa)	175 000.00
- Records Policy and Systems	Per no. of paid employees (pa)	65.00
<b>Property Management</b>		
<b>Leased Property Management</b>		
- Leased property management	Overheads	3.47%

## Audits by the Auditor-General for the year ended 30 June 2012

Audit	Audit Outcome	Action
<p><b>DBE End of Year Compliance Audit for the year ended 30 June 2012</b></p> <p>Audit objective: To review the adequacy of selected aspects of end of year financial controls over accounting and material financial transactions.</p> <p>The audit focussed on:</p> <ul style="list-style-type: none"> <li>• June journal entries</li> <li>• end-of-year receipting</li> <li>• prescribed ledger completion processes</li> <li>• annual leave and long service data provided by Personnel Information Payroll System (PIPS)</li> <li>• trust accounts</li> <li>• controls and processes applied by the department to capture year end balances.</li> </ul>	<p>No weaknesses in controls were identified during the audit. The accounting and control procedures examined were found to be generally satisfactory.</p> <p>No major matters were identified during the audit.</p>	<p>No action required.</p>
<p><b>NT Fleet Financial Statement Audit for the year ended 30 June 2012</b></p> <p>Audit objective: to conduct sufficient audit work to form an opinion on the financial statements of NT Fleet for the year ended 30 June 2012.</p>	<p>An unqualified audit report was issued on the financial report for the year ended 30 June 2011.</p> <p>No major matters were identified during the audit.</p>	<p>No action required.</p>
<p><b>Government Printing Office Financial Statement Audit for the year ended 30 June 2012</b></p> <p>Audit objective: to conduct sufficient audit work to form an opinion on the financial statements of the Government Printing Office for the year ended 30 June 2012.</p>	<p>An unqualified audit report was issued on the financial report for the year ended 30 June 2011.</p> <p>No major matters were identified during the audit.</p>	<p>No action required.</p>

Audit	Audit Outcome	Action
<p><b>Data Centre Services Financial Statement Audit for the year ended 30 June 2021</b></p> <p>Audit objective: to conduct sufficient audit work to form an opinion on the financial statements of Data Centre Services for the year ended 30 June 2012.</p>	<p>An unqualified audit report was issued on the financial report for the year ended 30 June 2012.</p> <p>No major matters were identified during the audit.</p>	<p>No action required.</p>
<p><b>Government Accounting System (GAS) Controls Audit for the year ended 30 June 2012</b></p> <p>Audit objective: to determine whether:</p> <ul style="list-style-type: none"> <li>• there is reasonable assurance that there are satisfactory internal controls in respect of the central maintenance of the GAS and certain financial services provided to agencies</li> <li>• there is adequate and effective communication with agencies with respect to the functions performed for them.</li> </ul>	<p>Audit procedures revealed that there are satisfactory internal controls in respect of the central maintenance of the GAS and over financial services provided to agencies.</p> <p>There were no key findings with respect to internal controls.</p> <p>One issue was identified during the audit:</p> <ul style="list-style-type: none"> <li>• agreements describing some of the services provided by the department to agencies could be enhanced.</li> </ul>	<p>A suite of service statements covering shared services provided to agencies are being developed. Six service statements were approved and a further nine were circulated to agencies for comment. All Service Statements will be established by 2013.</p>
<p><b>NT Fleet Interim Financial Statements Audit for the year ended 30 June 2012</b></p> <p>Audit objective: to facilitate the end of year audit of the NT Fleet financial statements required for 2011-12 by section 10 of the <i>Financial Management Act</i>; and in accordance with section 13 of the <i>Audit Act</i>, address any control and compliance issues arising from an examination of the accounts and records.</p>	<p>The key systems and procedures relating to NT Fleet's activities were found to be generally satisfactory.</p> <p>No matters were identified during the audit.</p>	<p>No action required.</p>

Audit	Audit Outcome	Action
<p><b>IT Controls Audit for the year ended 30 June 2012</b></p> <p>Audit objective: to understand, risk assess and test the internal control structure within the service-wide information technology mainframe environment at Data Centre Services, with particular reference to mainframe operations and application access management for GAS, PIPS and the Payroll and Management System.</p>	<p>Except for the matters noted below, the department maintained, in all material respects, effective control procedures in relation to user access management within GAS, PIPS and PAPMS and mainframe operations.</p> <p>Four issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>• user access administration</li> <li>• segregation of duties management</li> <li>• backup Tape Restoration testing</li> <li>• access to Control-M (job scheduling tool).</li> </ul>	<p>Agencies request staff to have access to GAS and PIPS and are responsible for removing this access when it's no longer required. The department provides regular user access reports to all agencies to assist them with this maintenance task. The government's first level identity and access system, known as ePASS, controls access to NTG networks, with ePASS access promptly removed for terminated employees. This prevents access to NTG systems.</p> <p>A user access review was undertaken to identify potential user access conflicts and a segregation of duties standard developed to reduce potential for agencies to request conflicting access.</p> <p>A backup tape restoration testing process has been trialled and automatic scheduling will commence August 2012.</p> <p>The quarterly review of Control-M is in progress to ensure access remains appropriate.</p>

Audit	Audit Outcome	Action
<p><b>PIPS Controls Compliance Audit, Year Ended 30 June 2012</b></p> <p>Audit objective: to determine whether there is reasonable assurance that there are satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies.</p>	<p>Subject to the exceptions listed below, the audit procedures performed revealed that generally there are satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies.</p> <p>Two issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>controls over the review and follow up of PIPS exception reports could be enhanced.</li> <li>controls over the commencement of new employees and termination of employees could be enhanced.</li> </ul>	<p>The PIPS Control Guide was updated. A Training and Compliance Unit, with a focus on ensuring staff are trained in all areas of standard operating procedures, was established during 2011-12. This has resulted in generally high levels of procedural compliance achieved across payroll services.</p> <p>Audit issues arose from a small number of manual procedural discrepancies, such as some reports being undated, unsigned or actioned later than required. The audit generally showed one or two transactions in samples that were not fully completed in accordance with payroll standard operating procedures.</p> <p>The importance of following standard operating procedures was regularly emphasised and will be strengthened by the Training and Compliance Unit.</p>

Audit	Audit Outcome	Action
<p><b>IT Outsourcing Audit 2011</b></p> <p>Audit objective: to evaluate the contract management controls that have been applied to the outsourced IT service package contracts.</p> <p>The assessment followed on from outsourcing assessments completed by the NT Auditor-General's Office in 2010, which reviewed the transition and disengagement stage of the new sourcing model.</p>	<p>It was determined that appropriate contract management controls have been applied to the management of the outsourced IT service packages. Opportunities to strengthen compliance management, performance reporting integrity and formalisation of contract management procedures were noted.</p> <p>Four issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>• some contract management procedures need to be updated and endorsed</li> <li>• there is no compliance checking approach for external service providers' responsibilities that do not have a specific deliverable.</li> <li>• concerns in relation to the accuracy and integrity of reporting out of the Service Centre.</li> <li>• service provider security risk assessments to be updated.</li> </ul>	<p>All contract management procedures have been updated and endorsed.</p> <p>A program to confirm compliance with non-specific deliverables was incorporated into the current compliance program, including random compliance checking.</p> <p>Responsibility for updating asset information linked to service centre reporting was reviewed and modified. An independent audit of asset management across service providers has been incorporated within the annual audit program.</p> <p>Security risk assessments have been updated.</p>

Audit	Audit Outcome	Action
<p><b>Online Billing and Invoice Processing System (OBIPS)</b></p> <p>Audit objective: to assess the adequacy of information technology general controls in relation to this system.</p>	<p>Significant opportunities exist to improve the IT control environment that supports the OBIPS application, particularly relating to user access management, authentication controls and documented procedures.</p> <p>Four issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>• OBIPS application strategy and plan</li> <li>• IT policies and procedures</li> <li>• OBIPS application security</li> <li>• operating system and database security</li> </ul>	<p>The department is currently undertaking a review which has recommended replacing the OBIPS application with a contemporary technology solution.</p> <p>Detailed business requirements are being gathered to identify an appropriate solution.</p> <p>Policies and procedures have been updated and authentication controls and user access management enhanced to strengthen user access and application security.</p> <p>OBIPS is an internal billing system; it does not hold and cannot manipulate data from the Shared Services business systems. Accordingly, control risks and potential impacts for Shared Services are negligible.</p>



## Departmental Self Insurance

Risk Category	Number of claims		Value of claims (\$)		Average cost of claims	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Workers compensation <sup>1</sup>	22	14	329 439 <sup>2</sup>	599 397 <sup>3</sup>	14 975 <sup>2</sup>	42 814 <sup>3</sup>
Motor vehicles	2	9	1457	27 368	729	3041

<sup>1</sup> Figures provided are for all claims during the financial year, including new, ongoing and finalised claims.

<sup>2</sup> Total value and average cost of claims include a lump sum settlement of \$120 000. Excluding the settlement, the average cost of claims is \$9520.

<sup>3</sup> Total value and average cost of claims includes two lump sum settlements totalling \$310 000. Excluding the settlements, the average cost of claims is \$20 671.

## Northern Territory Research and Innovation Board

The Northern Territory Research and Innovation Board (NTRIB) was established in 2004. Its roles are to:

- advise government on priority areas for research and innovation in the Northern Territory, particularly in the fields of tropical and desert knowledge
- make recommendations to government on expenditure of the NT Research and Innovation Fund
- report on the performance of the fund in increasing research activity and capacity in the Northern Territory.

At June 30 2012 its members were:

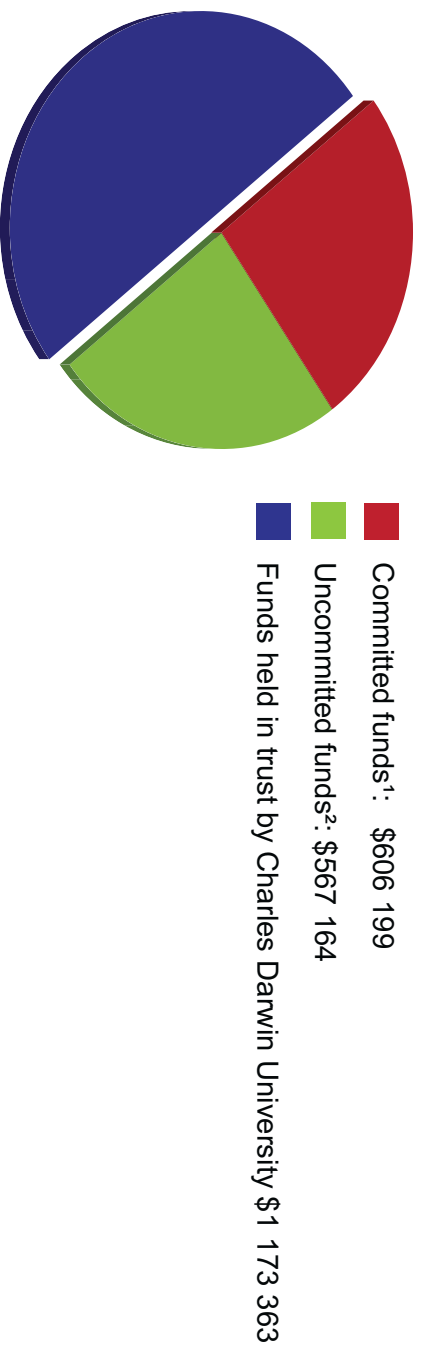
- Dr Bruce Walker (Chair), Centre for Appropriate Technology, Alice Springs
- Professor Grahame Webb, Director of Wildlife Management International, Darwin
- Dr Margaret Friedel, Principal Research Scientist, Sustainable Ecosystems, CSIRO, Alice Springs
- Mr Steven Rowe, Chief Executive Officer, SRA Information Technology, Darwin
- Professor Jonathan Carapetis, Director, Menzies School of Health Research, Darwin
- Professor Barney Glover, Vice-Chancellor, Charles Darwin University
- Mrs Bronwyn Langworthy, Director, Powercorp Pty Ltd
- Dr Graham Mitchell, Principal and CEO, Foursight Associates Pty Ltd, Melbourne
- Mr Graham Symons, Chief Executive of the Department of Business and Employment.

The board met five times in Darwin during 2011-12.

## NORTHERN TERRITORY RESEARCH AND INNOVATION FUND

The fund was established to provide postgraduate scholarships grants to the research and innovation community and the fund also supports the NTRIB awards. The fund and the work of the board are aimed at supporting, stimulating and fostering research and innovation to develop the Northern Territory knowledge-based economy. A principal objective is to build resident research capacity and to attract research investment to the Territory. The fund is held in trust by the Charles Darwin University. The fund's balances are as follows:

### NT Research and Innovation Fund – Balance as at 30 June 2012



<sup>1</sup> Funds that have been awarded by the NTRIB and approved by the Minister, but not yet expended.

<sup>2</sup> Funds retained to cover NTRIB approved initiatives.

## Grant payments to business and industry associations for the year ending 30 June 2012

<b>INDUSTRY DEVELOPMENT SUPPORT PROGRAM</b>	<b>Cost \$</b>
Australian Hotels Association NT	105 000.00
Australian Industry and Defence Network - NT	137 000.00
Business Enterprise Centre	165 000.00
Chamber of Commerce NT- International Business Council	157 000.00
Chamber of Commerce NT- Manufacturers Council	88 000.00
Civil Contractors Federation NT	120 000.00
Film and Television Association of the NT	15 000.00
Industry Capability Network NT	605 000.00
Motor Trades Association (NT) Inc	78 000.00
Welding Technology Institute of Australia	40 000.00

### Total expenditure

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**1 510 000.00**

<b>INDUSTRY DEVELOPMENT PROGRAM</b>	<b>Cost \$</b>
Chamber of Commerce NT - Manufacturers Council	72 772.73
Charles Darwin University	82 184.08
Engineers Australia Northern Division	20 000.00
Northern Feed & Cube Pty Ltd	6000.00
Unions NT	20 000.00

### Total expenditure

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**200 956.81**

<b>TERRITORY BUSINESS GROWTH PROGRAM</b>	<b>Cost \$</b>
Abbott Cleaning Services	3000.00
Action Coaching	2272.73
Action Sheetmetal Pty Ltd	18 181.81
Advanced Training International Inc.	3636.36
Alice Dreaming Pty Ltd	3445.45
Aquascene	7200.00
Arafura Catering Equipment Pty Ltd	12 263.63
Area9 Pty Ltd	2727.27
Arnhem Bush Taxi Services Pty Ltd	3636.36

TERRITORY BUSINESS GROWTH PROGRAM		Cost \$
Ategra Computer Technology		3636.36
Atkin Building Co Pty Ltd		2727.27
Ausurv Pty Ltd		3636.36
Avant Pty Ltd		3636.36
Batchelor Butterfly Farm & Tropical Retreat		2727.27
Big Fat Productions Pty Ltd		1636.36
Bill Warren Painting Service		3636.36
Bridgestone Select Winnellie		3636.36
Central Communications (Alice Springs) Pty Ltd		2136.36
Colemans Printing Pty Ltd		9090.91
Crystal Pool Maintenance		5500.00
Dabsco		2727.27
Darwin Bobcat Hire		3636.36
Darwin Fencing & Fabrication		2727.27
David Firth Plumbing & Draining Pty Ltd		2700.00
De Silva Hebron		9090.91
Dexter Barnes Electrical		4545.45
Dynamic Refrigeration Solutions		3636.36
Earthbuilt Pty Ltd		1363.64
Elaine Mills Property Management		3636.36
Enchanted Moments Events Pty Ltd		3636.36
Far Northern Contractors Pty Ltd		4411.82
Farm Gate Training and Consulting		2727.27
Full Noise Diesel		2727.27
G. J. Wigg Plumbing Specialists Pty Ltd		3636.36
Gimbells Landscaping Pty Ltd		7875.00
Glenn Campbell Photography		1875.27
Green Spark Energy		3636.36
Greening Australia (NT) Ltd		3636.36
Hanuman Restaurant		6363.64
Hawk Earthmoving Pty Ltd		2727.27
Helga's Pet Resort		2727.27
Herron Todd White		3636.36
HPA Incorporated		3636.36
Hydraulink (NT) Pty Ltd		9090.91

TERRITORY BUSINESS GROWTH PROGRAM		Cost \$
Il Lido Italian Restaurant		909.09
K & J Burns Electrical Pty Ltd		15 727.27
K.G.Kimlin Cattle Musters Pty Ltd		3636.36
Katherine Country Club Inc.		8117.91
Keep Moving Pty Ltd		2727.27
LJ Hooker Darwin		7725.00
M.G. Electrical Services Pty Ltd		8181.82
Matt's Patch		1630.00
Mick's Concreting Services NT Pty Ltd		2727.27
Mixed Lollies		2727.27
Monsta Crane Hire Pty Ltd		2727.27
Moogully Pty Ltd		3636.36
Mount Bundy Station		2727.27
Must Have Concepts		2727.27
NBC Consultants		18 317.27
Northern Feed & Cube Pty Ltd		9050.00
NT Recycling Solutions Pty Ltd		9090.91
NT Wine Sales Pty Ltd		3636.36
Oscar's Café		2727.27
Outpost Contracting		2727.27
P.W. Baxter & Associates Pty. Ltd		9625.00
Phillips Earthmoving Contractors Pty Ltd		3375.45
Power Projects (NT) Pty Ltd		14 080.36
Projection Plus		7200.00
PurAir Airconditioning		6000.00
Ray Laurence Constructions Pty Ltd		2727.27
Record Earthmoving		2727.28
Retire Invest Darwin		3636.36
SAR Contracting		1704.55
Scott Hammet Building & Carpentry		9436.36
Shadeworks Hire		3181.82
Simon Byrne Pty Ltd		3636.36
Sprout Creative (NT) Pty Ltd		3636.36
Spur & Anvil Trading Co Pty		3636.36
SRA Information Technology Pty Ltd		6836.36
St John Ambulance Australia NT Inc		3636.36

<b>TERRITORY BUSINESS GROWTH PROGRAM</b>	
	<b>Cost \$</b>
Synergetic Enterprises Pty Ltd	3636.36
Tait Civil Pty Ltd	2727.27
Territory Uniforms	1250.00
Territory Instrument Hire	9090.91
Territory Party Hire	3181.82
The Chook Shed	3636.36
Titan Building Systems	3636.36
Top End Removals	2727.27
Top End Short Stays	2727.27
Total Health & Rehab Pty Ltd	3636.36
Travis Drenth Constructions Pty Ltd	2727.27
Video Service Centre Pty Ltd	2727.27
Wild Geese Building Group Aust Pty Ltd	2727.27

**Total expenditure****435 755.63**

<b>JOBS NT WORKFORCE PLANNING PROGRAM</b>	
	<b>Cost \$</b>
Colemans Printing Pty Ltd	9090.91
DAC Enterprises Pty Ltd	6300.00
Dehareef Pty Ltd	6363.64
Eldorado Motel	7184.55
Far Northern Contractors Pty Ltd	7775.45
Howard Springs Early Learning Centre	3000.00
KM Engineering (NT) Pty Ltd	6363.64
Knotts Crossing Resort	7909.09
Master Builders Association NT	76 065.00
Melaluca Refugee Centre	7000.00
Millner Meat Supply	6363.64
North Australian Aboriginal Family Violence Legal Service	3181.82
St John Ambulance Australia NT Inc	9090.91
Unions NT	20 000.00
Walkabout Lodge & Tavern	7272.73

**Total expenditure****182 961.38**

TRADE SUPPORT SCHEME	Cost \$
Aerosail Engineered Fabric Structures	3305.00
Alice Springs Convention Centre	17 097.50
Altus Logistics	1224.00
Artists of Ampilatwatja Corporation	3786.00
Artlore	15000.00
Australia China Business Council	4833.00
Australian Mining and Exploration Title Services	7687.00
Barwon Management Group Pty Ltd	1120.00
Bridge Toyota	1712.00
Carcom Installations Pty Ltd	1870.00
Chamber of Commerce NT, Ichthys Project	50 000.00
Chamber of Commerce NT, International Business Council	220.00
Chamber of Commerce NT, Manufacturers Council	13 330.00
Cobourg Developments	10 463.00
Cycad Enterprises Pty Ltd	2370.00
Davidson's Arnhemland Safaris	3000.00
Desart Inc	5224.00
Green Energy Australasia Pty Ltd	3876.00
Hydraulink NT Pty Ltd	5087.00
Ikuntji Artists Aboriginal Corporation	11 105.50
International College of Advanced Education	9536.50
Kakadu Air Services Pty Ltd	6737.00
Mabunji Aboriginal Resource Association	11 446.00
Echo Island Arts	19 429.50
Maruku Arts	7026.00
NT Immersions	2736.50
National Flags and Diplomatic & Consular Supplies	4359.50
North Australian Superyacht Services	740.50
NT Tyre Service	5053.00
Scrap Matrix	3202.00
SEIT Outback Australia	3500.00
ShoreAir Pty Ltd	1479.00
St John Ambulance Australia NT Inc	4727.50
TNG Limited	5294.00
Top End Pest Control	5631.00

<b>TRADE SUPPORT SCHEME</b>	
	<b>Cost \$</b>
Total Steel of Australia Pty Ltd	6207.50
Travellers Auto Barn	1480.00
TUC Resources Ltd	10 514.50
Uranium Equities Limited	3583.00
Venture North Australia	1835.50
Warlukurlangu Artists Aboriginal Corporation	4921.00
Wildman Wilderness Lodge	5449.00
<b>Total expenditure</b>	<b>287 198.50</b>

<b>SPONSORSHIP</b>	
	<b>Cost \$</b>
Australian Industry & Defence Network NT	13 972.41
Australian Hotels Association NT	10 000.00
Australian Institute of Project Management	4000.00
Business Professional Women Darwin	7000.00
Darwin Life Pty Ltd	3334.00
Engineers Australia Northern Division	5000.00
Katherine & District Show Society	10 000.00
Master Builders Association NT	11 363.64
NT Young Achiever Awards	11 000.00
Palmerston Regional Business Association	40 000.00
Youth Business Awards 2011	5000.00
<b>Total expenditure</b>	<b>120 670.05</b>

<b>ECOBIZ NT</b>	
	<b>Cost \$</b>
Aileron Roadhouse	20 000.00
Area9	19 000.00
Barkly Quality Butchers	12 800.00
Big4 Katherine Holiday Park	13 734.00
Carla Furnishers Retravision Darwin	17 975.00
Katherine Country Club Inc	6600.00
Kerry's Automotive Group	10 719.00
Sabine Supermarket	16 500.00



<b>ECOBIZ NT</b>	<b>Cost \$</b>
Sea Darwin Pty Ltd	14 185.00
Totally Workwear Palmerston	3914.00
Winnellie Hotel Motel	10 200.00

**Total expenditure****145 627.00****COMMUNITY BASED CHILDCARE PROGRAM**

	<b>Cost \$</b>
Alice Springs Child Care Centre Inc	3534.55
Braiting Neighbourhood Centre Inc	7319.79
Casuarina Childcare Centre	7480.00
Central Australian Community Toy Library	3534.55
Dripstone Children's Centre	2092.45
Gap Community Child Care Centre	3723.91
Gray Child Care Centre Inc	2092.45
Humpty Doo Community Childcare Centre Inc	1800.00
Katherine East Child Care Centre	4046.90
Lutheran Child Care Centre	1800.00
Malak Family Centre	6850.00
Mitchell Street Child Care Centre	2092.45
Nhulunbuy Community Child Care Centre	3390.58
Nightcliff Family Centre	1800.00
Parap Family Centre Inc	6092.45
Scallywags Child Care Centre Inc	1800.00
Stuart Park Child Care Centre Inc	3892.45
Tenant Creek Child Care Centre	2800.00
Three Year Old Kindy Inc	6590.00
Woodroffe Childcare Centre	2092.45
Yulara Childcare Centre	6366.03
2012 Community Based Childcare Summit	4053.18

**Total expenditure****85 244.19**

NATURAL DISASTER RELIEF AND RECOVERY ASSISTANCE PROGRAM CYCLONE CARLOS FEBRUARY 2011		Cost \$
Bamboo Creek Rain Forest Park		8 150.00
Banyan Farm		25 000.00
Daly River Mango Farm		25 000.00
Daly River Stockfeeds		25 000.00
Merrepen Arts Aboriginal Corporation		25 000.00
Nancarr Hideout		25 000.00
Perrys on the Daly		25 000.00
Sinclair's Daly River Fishing Retreat		5 000.00
Wangamaty (Lower Daly) Land Management Group Inc		5 000.00
Woolianna on the Daly Tourist Park		25 000.00

**Total expenditure****193 150.00**

### Industry assistance, grants and sponsorship

PROGRAM	2010-11		2011-12	
	Number of businesses	Actual expenses \$'000	Number of businesses	Actual expenses \$'000
Industry Development Support Program	10	1780	10	1510
Industry Development Grant Program	2	80	5	200
Territory Business Growth	103	508	93	435
Jobs NT Workforce Planning	5	31	15	182
Trade Support Scheme	39	288	42	287
Industry Sponsorship Program	10	81	11	120
Ecobiz NT	21	243	11	145
Community Based Childcare	-	-	22	85
Natural Disaster Relief and Recovery Arrangments – Cyclone Carlos Grants	-	-	10	193
<b>TOTAL</b>	<b>190</b>	<b>3011</b>	<b>219</b>	<b>3157</b>

## Training Program and Industry Support

TRAINING DELIVERY	Cost \$
<b>REGISTERED TRAINING ORGANISATIONS</b>	
Above & Below Adventure Co Pty Ltd as Trustee for the Norman Family Trust	49 539.00
Advanced Training International Inc.	1 310 645.04
Alan Bartlett Consulting Pty Ltd	27 491.00
Australian Drilling Industry Training Committee Ltd	22 198.00
Axiom College Pty Ltd	23 400.00
B and K Kakoschke Pty Ltd	8 160.00
B.L Davis & J.M Davis	27 936.00
Batchelor Institute of Indigenous Tertiary Education	8 632 493.05
Bathun Pty Ltd	2 200.00
Box Hill Institute of TAFE	16 632.00
Carers Training Centre Pty Ltd	27 261.00
Casuarina Senior College Council Inc	12 054.00
Central Desert Training Pty Ltd	80 256.00
Central Gippsland Institute of TAFE	72 870.00
Centre for Appropriate Technology Inc	529 764.00
Challenger Institute of Technology	81 250.00
Charles Darwin University	38 076 925.23
Civil Contractors Federation (SA Branch)	42 028.00
Coastal and Rural Training Pty Ltd	430 770.00
Council for Aboriginal Alcohol Program Services	143 550.00
Dalynn Holdings Pty Ltd	20 000.00
Department of Health and Community Services (NT)	19 019.00
Double D Australia Pty Ltd	21 760.00
Dovaston Consulting Group Pty Ltd	476 251.00
Eagle Training Services NT Pty Ltd	4 992.00
Enterprise Management Group Pty Ltd	65 448.00
Farm Gate Training and Consulting Pty Ltd	42 200.00
Food Safety Operations (QLD) Pty Ltd	102 600.00
Green Skills Institute (Aust) Pty Ltd	19 639.92
Henge Education Pty Ltd	47 772.00
Hostec Hospitality Services	12 800.00
HPC Holdings Pty Ltd	43 610.00
IM Training Pty Ltd	360 176.00

TRAINING DELIVERY	Cost \$
Industries Services Training Pty Ltd	1 402 498.00
Institute for Aboriginal Development (Aboriginal Corporation)	166 253.00
International College of Advanced Education Pty Ltd	133 639.00
James Gorrie	132 905.00
Kangan Batman Institute of TAFE	7030.40
Minister for Employment, Higher Education and Skills	619 440.62
Mipet Pty Ltd	10 440.00
Nhulunbuy High School	9360.00
Northern Territory Chamber of Commerce & Industry Inc	141 694.00
Northern Melbourne Institute of TAFE	30 160.00
Northern Territory Christian Schools Association Inc	114 607.00
Nungalinga College Incorporated	198 000.00
On-Country Indigenous Training Pty Ltd	8750.00
Outback Stores Pty Ltd	93 900.00
P & D Rowe	202 950.00
PARTEC Institute	5870.00
Police, Fire and Emergency Services	180 504.00
Polytechnic West	3213.00
Protector Alsafe Pty Ltd	2400.00
Ramsden Telecommunications Training Pty Ltd	42 255.00
River Murray Training Pty Ltd	20 884.50
Royal Melbourne Institute of Technology	16 582.92
Rural Industry Training and Extension Limited	440 357.50
Seafood and Maritime Industries Training Ltd	398 655.00
Southbank Institute of Technology	30 323.48
St John Ambulance Australia NT Inc	28 260.00
TAFE NSW - Riverina Institute	41 800.00
Taminmin High School Council Inc	21 285.00
The Arnhem Land Progress Aboriginal Corporation	280 192.00
The Pharmacy Guild of Australia	79 023.00
The Tasmanian Skills Institute	103 203.44
The Trustee for Access Training Centre Unit Trust	35 840.00
Tiwi Training & Employment Pty Ltd	88 633.00
Top End Development Services Pty Ltd	168 015.14
Top End Group Training Pty Ltd	39 400.00

TRAINING DELIVERY	Cost \$
Training and Electrical Services Pty Ltd	30 000.00
University of Adelaide	18 630.00
University of Ballarat	3600.00
Vocational Education and Training	86 303.02
Vocational Education and Training	3129.84
Workplace Training Pty Ltd as trustee for The Reid Ramily Trust	3473.28
<b>ORGANISATIONS</b>	
Association of Northern Kimberley and Arnhem Aboriginal Artists Aboriginal Corporation	8000.00
Australian Culinary Federation (NT Chapter)	10 000.00
Barkly Regional Arts	58 321.00
Stuart Cameron	29 640.00
Chubb Fire and Security Pty Ltd	2905.00
Darwin Regional Indigenous Advancement & CDEP Inc	10 600.00
Dhimurru Aboriginal Corporation	16 445.00
Djilpin Arts	10 000.00
East Arnhem Shire Council	9448.77
Greenpainters Ltd	6000.00
ISS Facility Services Australia Limited	22 000.00
Julalikari Council Aboriginal Corporation	7865.00
Katherine Books Pty Ltd	2480.00
Kerry Jayne Nankivell	43 610.00
Laynhapuy Homelands Association	3322.00
Mabunji Aboriginal Resource Association Inc	6335.00
Merrepen Arts Inc Trading	6355.00
Milingimbi Art and Culture Aboriginal Corporation	15 000.00
Mungoorbada Aboriginal Corporation	14 000.00
Northern Land Council	5400.00
Northern Territory Retail Industry Training Council	73 920.00
Thamurrurr Development Corporation Inc	10 561.00
Top End Aboriginal Bush Broadcasting Association Inc	5784.71
Tourism Central Australia	26 600.00
<b>Total expenditure</b>	<b>56 701 742.86</b>

Industry Support	Cost \$
Major Industries Training Advisory Council	155 772.00
Primary Industries Training Advisory Council	155 772.00
Service Industries Training Advisory Council	155 772.00
Transport, Automotive and Engineering Training Advisory Council	155 772.00
Human Services Training Advisory Council	155 772.00
Cultural, Recreation and Tourism Training Advisory Council	155 772.00
Unions NT	200 000.00
NT Working Women's Centre	157 290.00

<b>Total expenditure</b>	<b>1 291 922.00</b>
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## Accommodation costs for non-government organisations for the year ending 30 June 2012

Non-Government Organisation	Building	Cost \$
Australian Association of Young People in Care	Casuarina Plaza	9600
Amateur Fishing Association of the NT	Malak Shopping Centre	35 221
Association of Independent Schools of the NT	Darwin Central	28 196
Asthma Foundation	Eurilpa House	4594
Australia Day Council	Darwin Central	28 196
Camp Quality	Rapid Creek Shopping Centre	42 705
Cancer Council	44 Bath Street (Anangu House)	29 847
Cancer Council	Casi House	51 510
Cancer Council	Randazzo Centre Katherine	15 300
Childbirth Education Association	Casuarina Plaza	7040
Children's Services Support Program	Eurilpa House	33 688
DeafNT Inc	Casuarina Plaza	15 072
Down Syndrome Association	Rapid Creek Shopping Centre	24 111
Duke of Edinburgh's Award NT	Berrimah Star Centre	75 512
The Environment Centre NT & Territory Natural Resource Management	Harbour View Plaza	145 616
Family Planning Association	Eurilpa House	15 252
Gagadiu Association	Government Centre Jabiru	16 636
Genealogical Society of NT	Cavenagh Court	49 707
Good Beginnings	Randazzo Centre Katherine	30 600
Greening Australia	Leichhardt Building	38 582
Grow NT	Casuarina Plaza	19 200
Heart Foundation NT	Darwin Central	56 608
Keep Australia Beautiful Council NT	Stuart Park Shopping Centre	49 107
Kidsafe and SIDS & Kids	Rapid Creek Shopping Centre	31 970
L'here Artepe Aboriginal Corporation	Leichardt Building	33 957
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	91 578
Multicultural Community Services of Central Australia	20 Parsons Street, Alice Springs	12 422
Pensioners Workshop Inc	48 Albatross St, Winnellie	30 398



Non-Government Organisation	Building	Cost \$
Radio Larrakia Inc (relinquished 31/01/2012)	Greek Community Centre	9089
Red Cross Drop in Centre	Casuarina Recreation Centre	76 817
Training Advisory Council	Darwin Plaza	81 125
Training Advisory Council	Winlow House	137 242
Victims of Crime NT	La Grande Darwin	61 157
<b>Total expenditure</b>		<b>1 387 655</b>