



Northern  
Territory  
Government

DEPARTMENT OF BUSINESS AND EMPLOYMENT

# Annual Report 2010–11



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Department of Business and Employment  
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[www.nt.gov.au/dbe](http://www.nt.gov.au/dbe)

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### ABOUT THIS REPORT

This annual report meets the department's legislative reporting obligations, and also provides a record of and insight into activities undertaken by the department towards achieving its business outcomes as identified in the 2010–11 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
- provide qualitative and quantitative commentary on progress towards achieving departmental goals
- provide 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 2010–11.



Hon (Rob) Daniel Robert Knight MLA  
Minister for Business and Employment  
Minister for Defence Support



Mr Karl Hampton MLA  
Minister for Information,  
Communications and Technology Policy



Hon Paul Henderson MLA  
Minister for Defence Liaison





## DEPARTMENT OF BUSINESS AND EMPLOYMENT

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Hon (Rob) Daniel Robert Knight MLA  
Minister for Business and Employment  
Minister for Defence Support  
Parliament House  
DARWIN NT 0800

Hon Paul Henderson MLA  
Minister for Defence Liaison  
Parliament House  
DARWIN NT 0800

Mr Karl Hampton MLA  
Minister for Information, Communications and  
Technology Policy  
Parliament House  
DARWIN NT 0800

Dear Ministers

In accordance with the provisions of 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 2011.

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, or 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 Act.

Yours sincerely

GRAHAM SYMONS  
Chief Executive  
16 September 2011

## CONTENTS

<b>INTRODUCTION AND OVERVIEW</b>	<b>ii</b>	<b>OUTPUT PERFORMANCE REPORTING</b>	<b>35</b>
About this Report	ii	Output Group – Business Development	36
Representation Letter	iii	Output Group – Employment	47
Table of Contents	iv	Output Group – Shared Services	52
Chief Executive’s Summary	v	Output: Finance Services	52
		Output: Human Resource Services	56
<b>ABOUT THIS DEPARTMENT</b>	<b>1</b>	Output: Procurement Policy and Services	60
Organisation Overview	1	Output: Information and Communication Technology Services	65
In Profile	1	Output: Office Leasing Management	70
Operational Structure	3	Government Business Divisions	74
Corporate Plan	4	Data Centre Services	74
Executive Structure	5	Government Printing Office	78
People	6	NT Fleet	81
Customers and Stakeholders	7		
Finances	7	<b>FINANCIAL REPORTS</b>	<b>85</b>
Regional Highlights	9	Department of Business and Employment	86
Achievements in 2010–11	11	Data Centre Services	117
Priorities in 2011–12	16	Government Printing Office	144
		NT Fleet	170
<b>CORPORATE GOVERNANCE</b>	<b>18</b>		
Corporate Governance Framework	18	<b>APPENDICES</b>	<b>196</b>
Governance Committees	19	Appendix I	Department of Business and Employment Service Price List
Management Environment	20	Appendix II	Audits by the Auditor-General
Planning	21	Appendix III	Internal Reviews
Communication	22	Appendix IV	Self-Insurance Claims
Accountabilities	22	Appendix V	Territory Business Growth Program and Territory Business Centre Regional Activity
Insurance Arrangements	23		208
Greener Government	24	Appendix VI	Northern Territory Research and Innovation Board and Northern Territory Research and Innovation Fund
			209
<b>OUR PEOPLE</b>	<b>27</b>	Appendix VII	Grant Payments to Business and Industry Associations
Supporting and Growing Our People	29	Appendix VIII	Industry Assistance, Grants and Sponsorship
Initiatives Planned for 2011–12	31	Appendix IX	Accommodation Costs for Non-Government Organisations
Legislative Compliance	32		216

### CHIEF EXECUTIVE'S SUMMARY

The Department of Business and Employment is charged with a number of responsibilities under key Northern Territory Government policies, particularly Territory 2030, but also A Working Future and the Climate Change Policy. Several of these responsibilities are shared with other agencies. Under Territory 2030, the department's tasks are:

- Economic Sustainability – investing for long term growth
  - continuing to grow the Territory economy
  - continuing to grow the size and skills of the workforce.
- Economic Sustainability – growing local industry
  - expand manufacturing industry, with a focus on gas-based industry
  - establishing Darwin as a key centre for oil and gas operations, maintenance and workforce
  - increase the number of aviation passengers
  - continue to expand the defence supply and service sector.
- Economic Sustainability – cutting edge business
  - lift the productivity of business
  - provide access to innovative business development programs and assistance.
- Knowledge, Creativity & Innovation – a focus on research and innovation
  - increase Territory expenditure on research and innovation.
- Knowledge, Creativity & Innovation – improving access to and use of technology
  - facilitate access by citizens and business in major towns and communities to high-speed broadband
  - encourage business use of information and communications technology
  - DBE also contributes to the achievement of objective 3 under Education and to objective 1 under Health and Well Being which involve the use of ICT to improve service delivery.
- Environment – sustainable living
  - energy and water efficiency in commercial buildings leased by the Northern Territory Government.

The department's responsibilities under the Climate Change Policy are:

- Implementation of the Green Office Building Policy.
- Achieving Greening the Fleet emission reduction targets.
- Green procurement policy.

Under A Working Future, the department's primary responsibilities relate to coordination of Indigenous employment strategies and contributing to Indigenous economic development through business development and government procurement.

### Economic Sustainability

In 2010–11, the department's key initiatives and achievements contributing to economic sustainability were:

- A Gearing Up for Major Projects taskforce was established, including major industry association representatives, unions and relevant agencies. This group was created to support local business and industry in relation to training, workforce planning and development to facilitate take-up of the opportunities from the development of the oil and gas industry and other resource sector expansions. The taskforce was given major project status. Information channels have been established through industry association newsletters and the department's business email network. A number of well-attended programs have been provided to business on pre-qualification requirements, finance, and workforce planning and development.
- The department continued skilled worker attraction programs targeted at both interstate and overseas workers. The Territory State Migration Plan was signed by the Commonwealth Minister. Negotiations were initiated with the Australian Government regarding the development of a Regional Migration Agreement for the Northern Territory to facilitate the employment of skilled workers from overseas in key skills shortage categories.

- Funding was provided to the Manufacturing Council for the development of an NT Manufacturing Industry Strategy. The NT Civil Contractors Association was funded to assist the local industry gear up for the expansion associated with resource sector developments. The department supported industry in the formation of the NT ICT Industry Association and provided funding to the new association for the development of an ICT industry plan.
  - The department continued to manage the InvestNT website and to coordinate the use of the site by economy sector agencies and potential investors.
  - Business development programs were provided through the Business Upskills program and through October Business Month. These programs continue to be cited by small business in the Sensis survey as significant factors in the level of business support for government policies.
  - Government approved a departmental submission seeking endorsement of an eBusiness roadmap and the move of major NTG licensing data bases onto a common licensing system with a streamlining of licensing processes and requirements for business.
  - Government approved significant procurement reforms including greater transparency in the treatment of price in tender assessments, accreditation for assessment panel chairs, training for panellists, streamlining of procurement processes, and the introduction of an audit regime for continuous improvement.
  - During 2010, 115 apprentices commenced with the Northern Territory Public Sector, exceeding the target of 100 for the calendar year.
- Competitive backhaul fibre is now available in Alice Springs and the NextGen fibre installation to Darwin is due for completion later this year. This project was the culmination of several years of lobbying with the Australian Government and support for competitive private sector project proposals.
  - The rollout of internet and video conferencing access through public libraries in remote communities continued under the Remote Indigenous Public Internet Access program with the Australian Government. This will see access in all Territory Growth Towns.
  - The department convened a coordination group of Northern Territory Government agencies to liaise with NBNCo on the rollout of the National Broadband Network. Delays with NBNCo contractual arrangements with Telstra and with contractors resulted in little progress in 2010–11.
- Other initiatives in ICT and Innovation this year included:
- Planning for the incorporation of an ICT Industry Expo within the 2011 October Business Month program.
  - An increase in funding commitment to research through the Remote Economic Participation CRC.

### Knowledge, Creativity & Innovation

2010–11 was another year of progress in telecommunications in the Territory:

- The three-year Health eTowns project, jointly funded by the Australian and the Northern Territory Governments continued to roll out on schedule with the installations of fibre loops in the Growth Towns connecting government services. Digital 'health carts' commenced operation in two regional centres and will be progressively rolled out to Territory Growth Towns.

### Environment

- A 9% reduction in average emissions per vehicle was achieved through the Greening the Fleet program in NT Fleet. This is just under half way towards the 20% reduction target for June 2013.
- Progress continued to be made in implementation of the Green Office Building policy with energy efficiency upgrades to existing government-leased office buildings and requests for tenders released for new office accommodation meeting 5-Star NABERS requirements.

### A Working Future

There were some important initiatives and achievements in Indigenous employment in 2010–11:

- The JobsNT target of 3000 additional indigenous employment commencements by June 2011 was reached in December 2010.
- The department's Indigenous Employment Program took in 70 trainees in 2010–11 and successfully placed 83% in Territory Government agencies.
- Government approved a departmental submission to introduce a mandatory 8% weighting for Indigenous employment across government procurement based on demonstrated indigenous employment performance. This will commence in November 2011.
- The department initiated a project in cooperation with DHLGRS, DCI and the remote shires to grow skilled Indigenous employment in the construction industry in remote areas.

### Other Achievements

- The new generation ICT whole-of-government ICT contracts achieved \$10 million in savings on 2009–10 expenditure across government in the first year of operation and met 92–99% of service targets.
- The Electronic Invoice Management System was fully implemented resulting in significant recurrent savings, reduced error rates, and improved tracking and reporting.

### Key Challenges for 2011–12

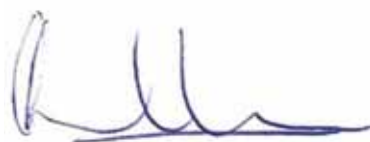
2011–12 will present some significant challenges for the department's services:

- The expected Ichthys announcement at the end of 2011 is likely to signal the beginning of an upturn in the local economy and significant business opportunity but is also likely to exacerbate skilled labour shortages. The commencement of many large resource projects in WA and Queensland over the next few years will add further pressures. We will need to continue to work with the Australian Government to achieve a policy response that is sensitive to regional differences.

- Northern Territory industry will continue to require support from government and peak industry bodies to adapt to emerging opportunities and challenges.
- Growing Indigenous employment will be a key challenge, particularly growing sustainable Indigenous employment in remote areas.
- In Shared Services, the immediate challenges are to meet the growing workload, particularly in payroll and property management and to deliver reliable, quality service.
- Important projects which will need to be implemented in 2011–12 include:
  - eBusiness
  - Procurement Reform
  - Shires Indigenous Employment project.
- The government decision to move adult Vocational Education and Training from the Department of Education to DBE will create the opportunity to target training more closely to meet the needs of the Northern Territory job market and for greater input from business and industry.

In closing, I take this opportunity to express my appreciation to our partners in business and industry, the training sector, government agencies and to all staff for their vital contribution to the department's achievements in 2010–11.

Chief Executive



Graham Symons







## 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 3 shows the organisation's structure.

The organisation employs around 740 staff (by budget allocation), with the majority working in the department (615 based on budget allocation) and the remainder spread across the GBDs.

The total budget for 2010–11 is just over \$160 million, excluding the GBDs, which are separate budget entities. Refer to page 85 for more financial information.

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

### IN PROFILE

The Department of Business and Employment's primary responsibilities are to deliver business and industry development services, Defence support, employment and corporate shared services.

The department works with business to develop and broaden the Northern Territory's economic base.

This includes 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.

The department provides corporate shared 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
- 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
- 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 contracted 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**

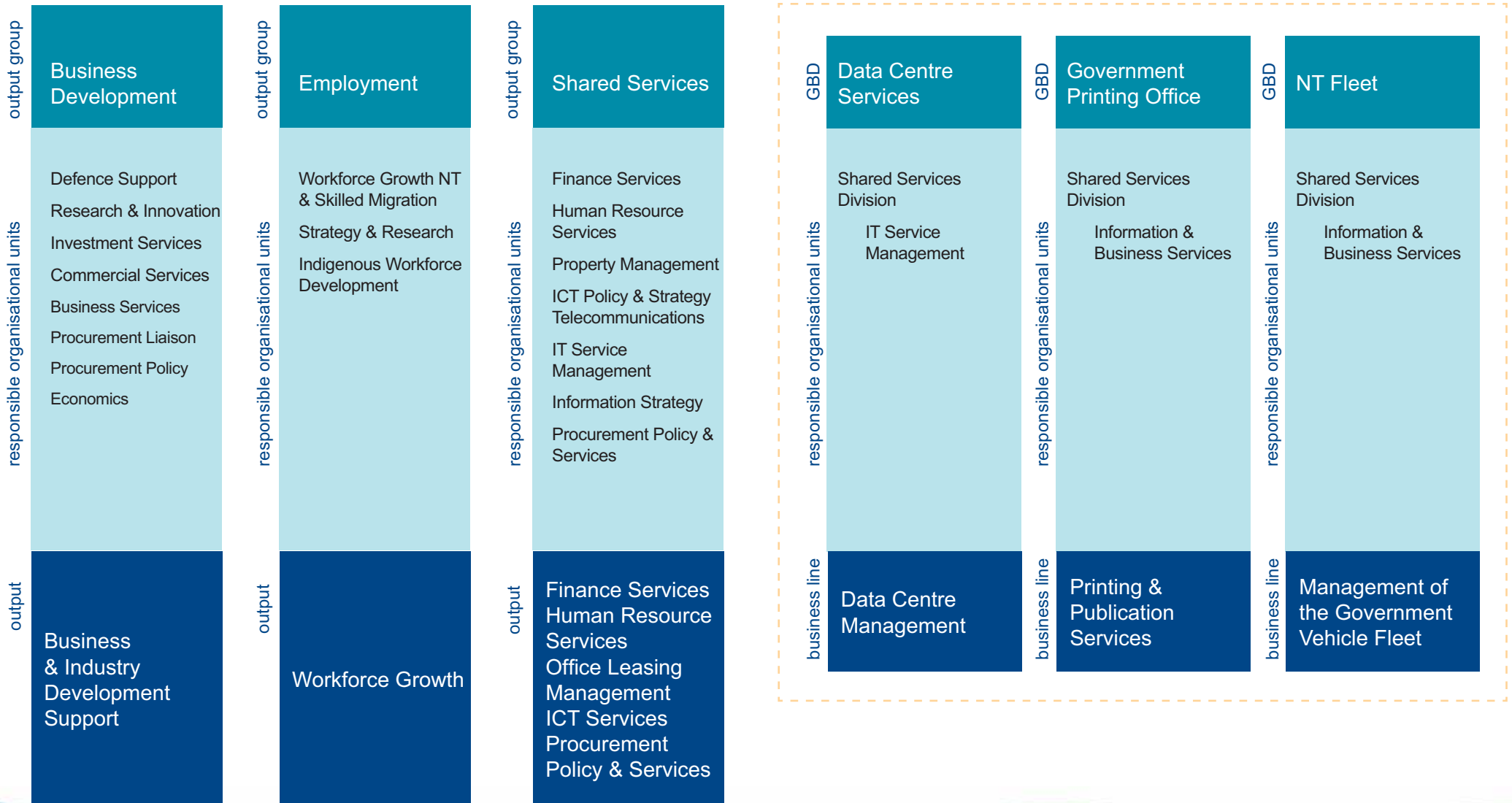
NT Fleet manages all government vehicles, except those of the Northern Territory Police, Fire and Emergency Services

Key responsibilities are to:

- manage the strategic replacement program for the fleet
- 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 operation structure by output group and the responsible areas and includes the Corporate Services Division that services all areas in the department.



## CORPORATE PLAN

The Department of Business and Employment Corporate Plan 2009–12 outlines strategic issues and sets priorities that focus on supporting the department to realise the tactical issues it faces over the four-year period.

### Our business is to:

- Build industry capabilities through support and solutions for Territory businesses
- Develop, attract and retain a skilled Territory workforce
- Provide shared corporate services to the Northern Territory Government

### We Value

People  
Performance  
Professionalism

### To deliver our strategic actions we will:

- Attract capable employees
- Strengthen policy skills
- Realise staff potential
- Understand and anticipate customer needs
- Build leadership capacity
- Actively engage with stakeholders
- Be solution-focused
- Support work life balance and occupational health and safety

## Strategic Actions

### Employment

- Establish Workforce Growth Unit
- Enhance Labour Market Analysis model
- Develop the NT Employment Strategy across the Territory incorporating Indigenous Employment and Career Development
- Establish Regional Job Hubs
- Enhance Skilled Worker campaign
- Develop NT Business and Skilled Migration Strategy

### Business and Industry Growth

- Promote and facilitate industry and business development
- Conduct forums to inform small businesses of major project opportunities
- Land for Industry Growth initiative
- Identify and support the development of new industries, opportunities and investment
- Stimulate innovation, research and knowledge development
- Maintain and improve the Territory's business operating environment

### Corporate Services

- Implement Corporate Services Review for Finance and HR Services
- Plan for move to new HR Information system
- Improve reporting to assist in agency decision-making
- Plan for development of enhanced HR information systems
- Identify future opportunities to improve corporate services efficiency and effectiveness

### Working Future

Develop and implement:

- Cross cultural training for the Government
- Indigenous recruitment to Government administrative stream
- Recruitment and support for Government Indigenous apprentices and trainees
- Telecommunications infrastructure and e-services applications

### Climate Change

Develop and implement policies for:

- Green Fleet, Procurement and Leasing strategies
- Green IT – including data centre, desktop etc
- ecoBiz NT initiative

### eServices

- Develop an Information Communications Technology (ICT) strategy for government
- Government to advance electronic service delivery in the areas of:
  - eHealth
  - eGovernment
  - eLearning
  - eGovernment support to business
  - High speed broadband

## Strategic Issues

DBE must respond to the following key imperatives and opportunities:

### Employment

Comprehensive evidenced-based Northern Territory Employment Strategy responsive to the changing employment environment.

### Indigenous Development

Northern Territory and Commonwealth strategies particularly for training, employment and economic development.

### Land Development

Strategic land development in the Northern Territory to stimulate economic growth.

### Business Support and Industry Development

Facilitate a supportive environment for business growth to identify industry opportunities.

### Electronic Service Delivery

Advance electronic service delivery particularly eHealth, eGovernment support to business and eLearning.

### Climate Change

Northern Territory and Commonwealth policies particularly for transport, building energy use and procurement.



## EXECUTIVE STRUCTURE as at 30 June 2011



**Chief Executive  
Graham Symons \***



**Business  
& Industry  
Development**

**Gareth James \***

Industry Development  
& Investment  
Defence Support  
Research & Innovation  
Commercial Services



**Business  
Support**

**Doug Phillips \***

Procurement Liaison  
Business Services



**Employment  
& Policy  
Coordination**

**Brian  
O'Gallagher \***

Economics  
Indigenous  
Employment  
Development  
Workforce Growth NT  
& Skilled Migration  
Strategy & Research  
Procurement Policy



**Corporate  
Services**

**Chris Hosking \***

People & Information  
Corporate  
Communications  
Legal Support  
Budgets & Finance  
ICT Support  
Secretariat  
General Services  
Risk & Audit  
Procurement



**ICT Policy &  
Strategy**

**Victor De Silva\***

Information Strategy  
Telecommunications



**Shared  
Services**

**Kathleen  
Robinson \***

HR Services  
Property Management  
Shared Services  
Program Office  
Business, Improvement  
& Reporting  
- Corporate Reporting  
Finance Services  
Regions  
Ian Low \*  
Procurement Services  
- Contracts &  
Procurement Services  
ICT Services  
- Agency ICT Services

Statutory Authorities

**Desert  
Knowledge  
Australia**

Chief  
Executive Officer  
John Huigen

**Government  
Business  
Divisions**

NT Fleet  
Government  
Printing Office  
Data Centre Services

\* Management Board Member

## PEOPLE

The department endeavours to foster a positive and productive working environment that encourages open and honest communication, a healthy and safe workplace and fair and equitable processes.

The department supports and promotes staff learning and development by facilitating learning opportunities through in-house programs and external leadership and development programs.

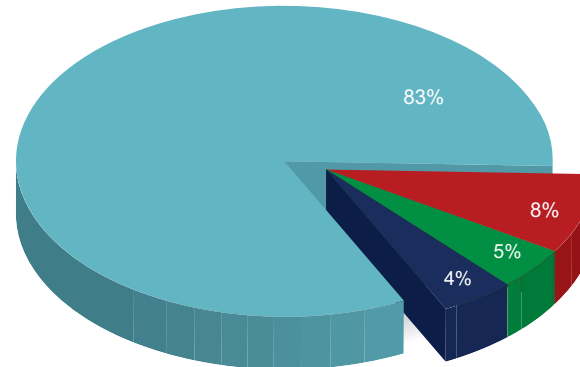
The department is staffed according to the following full-time budgeted allocations:

Department	615
Data Centre Services	62
NT Fleet	33
Government Printing Office	31

Within the department, 51% of staff work for finance services (110) and human resource services (205). The remaining 49% work in procurement services, property management, information, communications and technology services, employment, business and industry support, and internal corporate management.

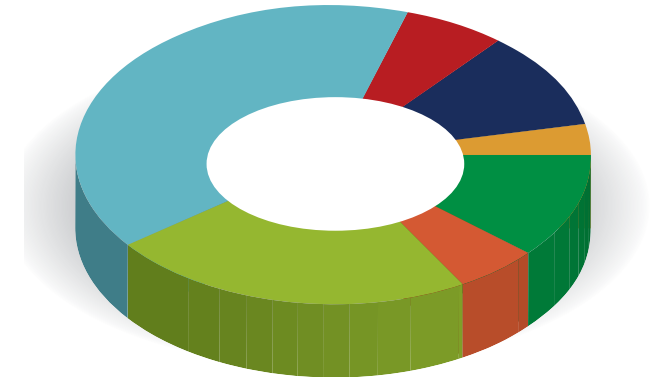
Further details of the department's staff profile and human resource strategies and achievements are at page 27.

Full-Time Equivalent (FTE)



- Department
- Data Centre Services
- NT Fleet
- Government Printing Office

Average Staffing Levels for 2010–2011 by Output – Full-Time Equivalents (FTEs)



Division	No.
Business and Industry Development Support	71
Workforce Growth	33
Finance Services	140
Human Resource Services	247
Procurement Policy and Services	38
Information and Communication Technology	65
Office Leasing Management	20
<b>Total Department of Business and Employment</b>	<b>614</b>

## 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
- government employees and prospective employees.

Other stakeholders are:

- business and industry
- the information and communication technology (ICT) industry
- the Northern Territory community.

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

In 2010–11 the department implemented a Customer Service Feedback System to capture and manage feedback about shared services provided to government customers. The data captured by the feedback system allows the department to identify areas that require improvement and facilitates the continuous improvement of those services in order to maintain and ultimately improve customer satisfaction.

## FINANCES

The department is primarily funded by output appropriation from the Central Holding Authority, which comprises around 77% of the department's revenue. The department notionally charges general Northern Territory Government agencies for the provision of shared services, which are cost effective and based on a cost-recovery model. The price list as at 30 June 2011 is at Appendix I (page 197).

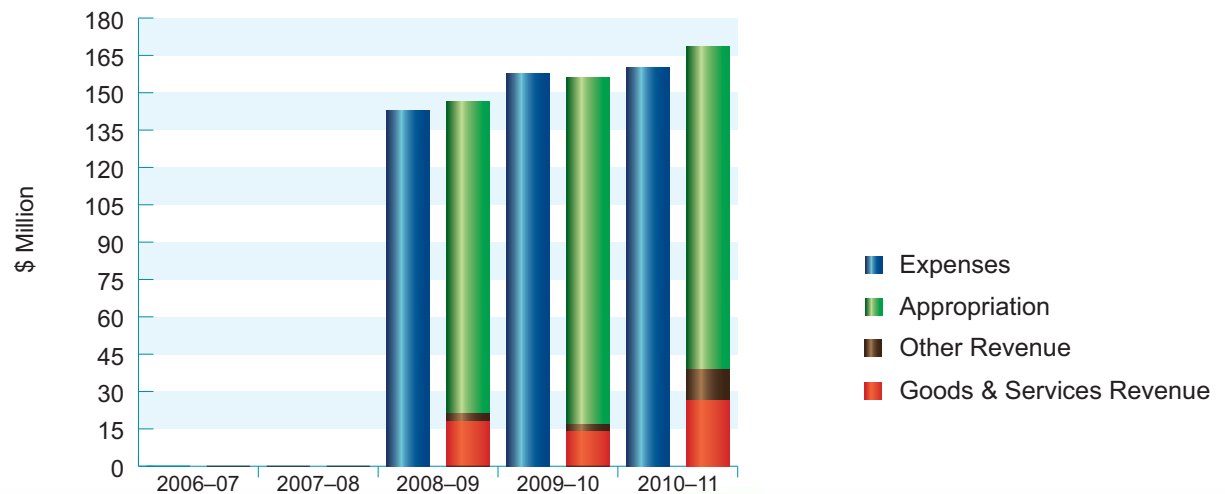
The majority of the remaining revenue is received from government business divisions (GBDs) for services provided.

Departmental expenses comprise property leasing costs (37%), employee costs (33%), grants (5%), ICT support costs to operate and maintain whole-of-government corporate systems, as well as the one-off acquisition costs for assets and transition to the new ICT contracts (14%) and operational costs (11%).

Overall expenditure in 2010–11 was within 0.24% of budgeted expenditure when taking into account the carry over of funds received for Commonwealth grants not spent as at 30 June 2011.

Financial statements start at page 85. The audited statements for the three GBDs received unqualified audit opinions.

## DBE Expenditure and Revenue Trends



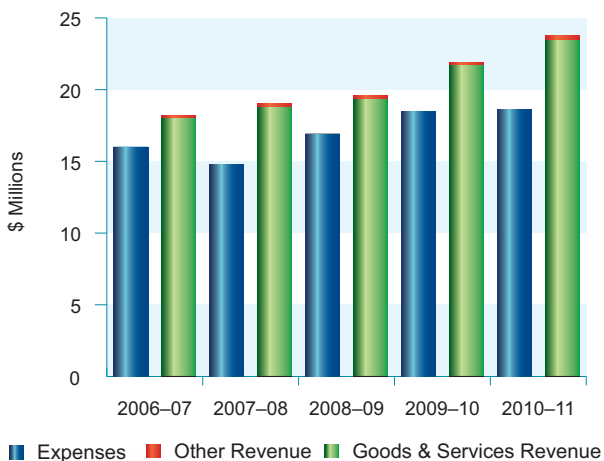
## Data Centre Services (DCS)

DCS experienced revenue growth in midrange and mainframe services. Growth in midrange 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.

DCS major capital acquisitions during the year include a \$0.75 million upgrade in the storage area network infrastructure to cope with the increased demand for storage and \$0.46 million in the Chan data centre for infrastructure and environment upgrades.

DCS net surplus after tax for 2010–11 is \$3.6 million which is higher than the budget of \$2.69 million.

### DCS Expenditure and Revenue Trends



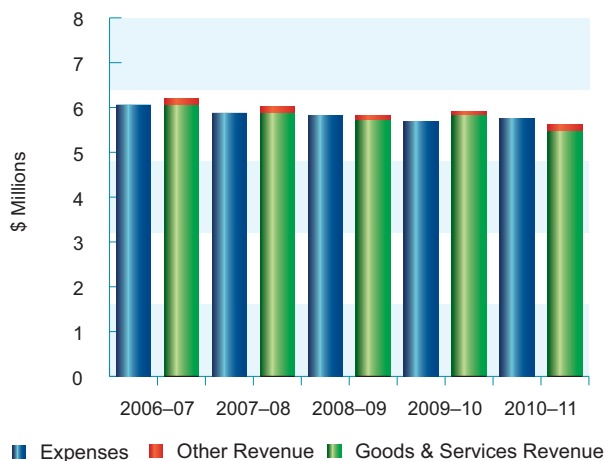
## Government Printing Office (GPO)

The demand for printed materials during 2010–11 decreased from the previous year by 6% (\$0.35 million).

The GPO maintained its focus on internal operating efficiencies and as a result was able to maintain a positive financial position despite a decrease in revenue.

The GPO's net surplus after tax was \$0.03 million for 2010–11, which was \$0.05 million lower than anticipated.

### GPO Expenditure and Revenue Trends

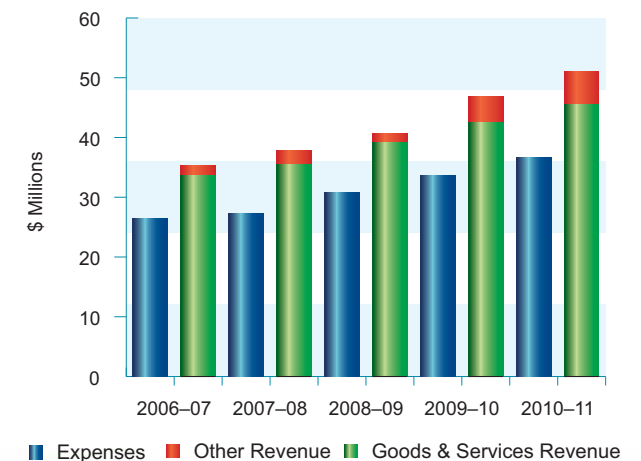


## NT Fleet

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

NT Fleet's net surplus after tax was \$10.13 million for 2010–11, which was \$0.67 million lower than anticipated.

### NT Fleet Expenditure and Revenue Trends





### REGIONAL HIGHLIGHTS

The department provides regional services in Alice Springs, Katherine and Tennant Creek. Of these, Alice Springs is the largest office and delivers the broadest range of services, including business and industry support and employment, finance, human resources, procurement, property leasing, ICT and fleet services. Accounts receivable administration functions 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

Conducted October Business Month activities, with 19 events in Alice Springs (453 attendees) and five events in Tennant Creek (78 attendees).

Ensured regular visits to Alice Springs and Tennant Creek businesses by Business Support Client Managers and Procurement Liaison.

Workforce Growth NT/Skilled Migration staff based in Nhulunbuy and Alice Springs.

Successfully delivered business improvement programs, including:

#### Alice Springs

- 20 New Starter workshops, 21 Territory Business Upskills workshops and two business coaching sessions
- 22 grants under the Territory Business Growth program
- 237 skilled migration visas associated with 118 nominations certified.

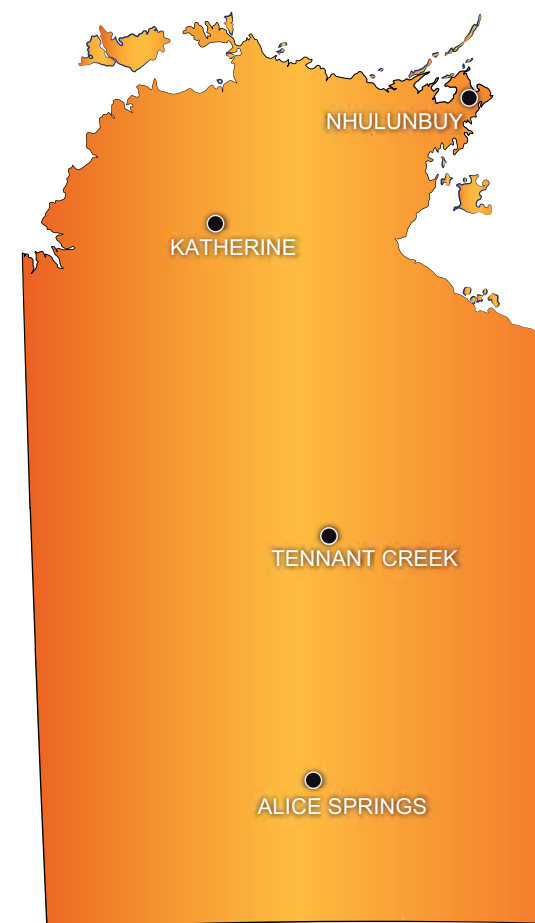
#### Tennant Creek

- Five Territory Business Upskills workshops and two business coaching sessions
- Two grants under the Territory Business Growth program
- 32 skilled migration visas associated with 12 nominations certified.

In partnership with the Chamber of Commerce NT, conducted a Business and Skilled Migration information session in Alice Springs on 23 March 2011. The session aimed to raise employers' awareness of skilled migration options available to them in addressing skill shortages in the regions. A similar session was held in Tennant Creek on 10 May 2011.

Initiated structural change within the regional Human Resource Services group in readiness for implementation of the revised Recruitment and Employment Services model and 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, including Business Skills, Conservation and Land Management, Dental Assisting and Tourism.



### Highlights: Katherine and Nhulunbuy

Conducted October Business Month activities, with eight events in Katherine (206 attendees) and four events in Nhulunbuy (46 attendees).

Ensured Business Support Client Managers regularly visited Katherine and Nhulunbuy businesses, and that Procurement Liaison met with businesses in Katherine.

Successfully delivered business improvement programs, including:

#### Katherine

- 15 New Starter workshops, 15 Territory Business Upskills workshops and seven business coaching sessions
- Eight grants under the Territory Business Growth program
- 28 skilled migration visas associated with 15 nominations certified.

#### Nhulunbuy

- Four Territory Business Upskills workshops and two business coaching sessions
- Eight grants under the Territory Business Growth program
- Six skilled migration visas associated with three nominations certified.

Departmental officers from the Skilled Migration unit visited Nhulunbuy to provide information to employers on skilled migration options to address skill shortages.

#### Groote Eylandt

- Six skilled migration visas associated with three nominations certified.

Conducted a Business and Skilled Migration information session in Katherine on 31 May 2011 to raise employers' awareness of skilled migration options available to them in addressing skill shortages.

Initiated structural change within the regional Human Resource Services group in readiness for implementation of the revised Recruitment and Employment Services model and the new

regional shared services client support role.

Engaged eight regional apprentices, including six Indigenous apprentices (five apprentices are located in remote areas) and two school-based apprentices.

Following the review of the service delivery functions and subsequent closure of the Nhulunbuy office, alternate on-site service delivery arrangements were established together with the transfer of some functions to the Katherine office.



### ACHIEVEMENTS IN 2010–11

#### Output Group – Business Development

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.

Encouraged businesses to achieve growth and employment objectives, improve their prospects in securing government tenders and develop and implement quality assurance and occupational procedures through the Territory Business Growth program.

Territory Business Upskills program, assisted 1111 in the Northern Territory small business community to increase capacity and capability.

ecoBiz NT, a business efficiency program, assist 21 Northern Territory businesses to reduce their environmental impact through ecoBiz NT grants.

Delivered the 16th October Business Month, which aims to provide business management information and ideas to the Northern Territory business community, which was attended by 5529, a 14% increase on 2009.

Administered the Building Northern Territory Industry Participation (BNTIP) policy.

Contributed to the growth of the Northern Territory's economic base through the launch of InvestNT, a portal for investment attraction and facilitation.

Implemented a Major Projects Industry Development and Engagement program to help grow local industry capability and maximise opportunities for local business to engage other major projects.

Promoted the Common User Area site at East Arm to contractors in the mining and oil and gas industries and continued participation in the industry-government Strategic Management Group that guides its future development.

Conducted remote industry feasibility studies to strengthen the Territory Growth Towns' economic base.

Spearheaded development of knowledge and innovation in the Northern Territory through supporting the Northern Territory Research and Innovation Board, research and innovation grants and liaised with Australian Government agencies fostering innovation, disseminating information to Territory businesses.

Established a three-year partnership with DSIIR's Inspiring Australia program, Engineers Australia and Charles Darwin University to promote public engagement with science and innovation in the Northern Territory.

Partnered with the Cooperative Research Centre for Remote Economic Participation and its management company Ninti One Ltd to address remote disadvantage through applied research.

Coordinated the Northern Territory Government submission to the Commonwealth's 2011 Strategic Roadmap for Research Infrastructure.

Continued financial support to key industry associations through the Industry Development Support Program.

Implemented a mid-life review of the Northern Territory Defence Support Industry Development Strategy to ensure its continued relevance to industry and its development.

In partnership with the Australian Industry and Defence Network, Northern Territory (AIDN-NT), exhibited at the 2010 Land Warfare Conference in Brisbane and the 2011 Defence + Industry Conference in Adelaide.

Launched a Defence support industry DVD to showcase the Defence presence in the Northern Territory, the industry's capability and the Territory's infrastructure to support Defence operations and industry growth.

Hosted a 'Friends of the Territory' Defence support function in Canberra where the Chief Minister promoted Northern Territory industry capability and Government's support of the Defence sector.

Prepared and lodged a submission to the Senate of the Parliament of Australia inquiry into Defence Procurement, lobbying for increased Defence support activities in the Northern Territory.

Launched the Chief Minister's Anzac Spirit Study Tour award. Three Year 10 and 11 students, a teacher and a Defence representative travelled to France to attend the 2011 Anzac Day Dawn Service in Villers-Bretonneux.

Launched the 'Life in Darwin' DVD to profile Darwin to Defence families. The DVD provides an overview of living in Darwin and testimonials from Defence personnel and families about their experiences living in Darwin.

### **Output Group – Employment**

Developed the Economic Activity and Jobs Survey tool to provide reliable employment data for the Territory Growth Towns.

Supported local jobs for local people – particularly in regional and remote areas including the Territory Growth Towns – via workforce plans for shires, a pre-employment program with the Minerals Council NT and the Jobs Guarantee in Territory Growth.

Developed the Jobs in the NT campaign (2009–10) in conjunction with peak industry bodies and coordinated and attended job shows locally, nationally and internationally to promote Northern Territory employment opportunities.

Supported 17 programs across all regions and initiated 23 new programs under the Indigenous Training for Employment Program.

Established Regional Job Hubs and Community Employment and Training Advisory Groups in Nhulunbuy and Tennant Creek.

Maintained the Territory Worker Database, which attracted registrations from more than 3000 jobseekers, including people in skill shortage vocations.

Certified 831 primary applications from overseas skilled workers (1877 visas issued - applicants and family members).

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

#### *Finance Services*

Implemented Stages 2 and 3 of the Electronic Invoice Management System (EIMS):

- Stage 2 involved scanning and processing invoices to electronically workflow through to agencies for payment approval. This gives the agencies improved capabilities for invoice management.
- Stage 3 trialled the Non-Invoice Payment module in two client agencies. With its success, the system is now ready to roll out into other agencies.

Integrated workers' compensation claims data into the Government Accounting System to enable more automated processing of payments related to claims.

#### *Human Resource Services*

Expanded the Indigenous Employment Program in 2010–11: 70 jobseekers commenced the program over five intakes, and more than 80% of the program graduates took up employment across agencies. The program's expansion also included extending the range of qualifications offered.

Delivered two 'Payroll Schools' under the Indigenous Employment Program with 24 participants completing the training and gaining permanent employment in Payroll Services.

Completed the development phase of the HR Reporting Solution project, which will deliver improved people and organisation.

Successfully implemented the automation of police officer timesheets for processing extra duty entitlements and allowances.

Successfully implemented a streamlined certification process for Payroll Services transactions.

Implemented automation of penalties in lieu calculation for shift workers.

Initiated the NTPS school-based apprenticeship program and achieved 23% of the identified target in the first year.

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

In conjunction with the Indigenous Employment unit, expanded the procurement strategy that supports Indigenous employment in Government work:

- to allow agencies to directly approach shires in certain circumstances
- by improved opportunities for shires to submit competitively neutral bids on open tenders
- to consider Indigenous labour participation in tender assessments.

Implemented Council of Australian Governments changes to the prequalification systems for civil contractors for roads and bridges, and building contractor for non-residential construction.



Developed Best Practice Guidelines for Tender Assessment for use by tender assessment chairs.

Approved a further range of reforms to Government Procurement.

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

Increased the number of outposted Procurement Network professionals who support other agencies.

Undertook a business process review of Contract and Procurement Services, with the objective of improving processes and service integration between functions and between outposted and in-house staff.

Provided training to agency staff across government to assist in the implementation of the Best Practice Guidelines for Tender Assessment and the accreditation of tender assessment panel chairs.

### *Information and Communication Technology Services*

Installed fibre optic cabling between the local health clinic, school and police station in six Territory Growth Towns as part of the Digital Regions Initiative to support eHealth and eLearning programs.

Established an ICT Infrastructure Program to manage a rolling IT device replacement program.

ICT Services adopted a dual approach to 'Green IT'. Stage 1 involves procurement, recycling and disposal of ICT equipment and Stage 2 will see

a reduction in its carbon footprint via reduction of servers and printers.

The Australian and Northern Territory governments's jointly-funded, three-year \$15 million project to deliver eHealth and eLearning services in 17 of the 20 Territory Growth Towns is underway and on schedule for completion around March 2012.

Supported funding bids under the following national programs:

- successful bid for Nextgen to build new fibre links into Darwin with more than \$70 million of work in the Northern Territory over 18 months. Completion is expected on schedule
- successful bid for \$2.2 million in funding to provide public access internet to 40 Northern Territory remote communities. Program is on schedule.

Ministerial approval granted for social media policy and guidelines for whole-of-government use of Web 2.0 technologies granting opportunities for online interaction with Territorians to develop better policies and services.

Ministerial approval granted for updated Records Management Standards for Public Sector Organisations under Section 138 of the *Information Act*.

eBusiness strategy jointly developed with Business Support division was endorsed by Cabinet.

### *Office Leasing Management*

Successfully negotiated nine new leases and renewed 36 leases.

Developed and issued a public tender for provision of 9000m<sup>2</sup> of commercial office lease space in Darwin.

Completed accommodation plans to relocate agencies from the Greatorex Building in Alice Springs and released a tender for a 1000m<sup>2</sup> office lease in Alice Springs as part of the relocation requirements.

Developed a tender to assist with progressing the establishment of a Government Business Centre in Nguui.

### *Business Line – Data Centre Management*

Delivered more efficient application hosting and energy usage through server virtualisation technologies. The data centre currently houses 395 virtual servers and, through this technology, is able to avoid 62 tonnes per month of potential CO<sub>2</sub> emissions.

Established a capacity planning and forecasting model for data centre hosting.

Two infrastructure reviews of the Chan Data Centre were completed to improve operational efficiencies.

Investigated options for implementing an improved backup solution to increase efficiency for accessing and recovering agency business data, with the solution partially installed in 2010–11 and due for completion in 2011–12.

## ABOUT THIS DEPARTMENT

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

Continued to work in partnership with private sector printing firms to support industry by outsourcing work fairly and equitably. 28% of printing sales was outsourced to the private sector.

Continued to monitor energy usage and implement strategies to reduce the GPO's carbon footprint through the use of plant-based inks, reusing grey water, reducing chemical usage, recycling waste, and promoting green initiatives to clients.

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

Continued implementation of the Greening the Fleet Strategy, targeting a 20% reduction in the average CO<sub>2</sub> produced by the government's passenger and light commercial fleets over five years. In the first two years of the strategy a 9% reduction in carbon emissions was achieved.

Increased the average green rating for passenger vehicles from 6.2 to 6.5, which exceeds the current minimum green rating of 5.5. 30 % of Fleet's passenger vehicles have a green rating of 7.5 or higher. 97% of light commercial vehicles meet or exceed the current minimum green rating of 3.5.

Delivered a net profit of \$10.13 million, representing a 9.5% return on assets.

Upgraded the fleet website to incorporate monthly agency key performance indicators reporting on Green the Fleet strategy.

Implemented and enhanced the online Vehicle Booking System across all agencies to record and report on vehicle utilisation, accidents, fringe benefits tax and traffic infringement notices.



### PRIORITIES IN 2011–12

#### Output Group – Business Development

Provision of information, training and assistance to business to enhance management skills, business planning, environmental management, uptake of technology and business performance.

Continue delivering financial support through the Industry Development Support Program but ensure that such assistance provided to peak industry associations is applied to maximising industry and economic development.

Proactively seek opportunities to develop new industry capabilities through the Industry Development Grant Scheme.

Carry out the commitment of a new Business Efficiency Program to improve environmental aspects through grants and training to business operators. Work with industry to identify adverse effects and new opportunities from the Australian Government Clean Energy Future Policy.

Support research and innovation, including the Northern Territory Research and Innovation Grants program.

Assist Northern Territory businesses with their export marketing objectives through Trade Support Scheme grants.

Progress the project to improve provision of eGovernment support to business and to increase the range of government services available electronically.

Support the Australian Industry and Defence Network Northern Territory (AIDN-NT). In partnership with AIDN-NT, implement the Northern Territory Defence Support Industry Development Strategy 2007–2017.

Attract high-value and complex Defence-related contracts to the Northern Territory to provide local industry with engagement and development opportunities.

Promote the Defence Support Hub as a strategic location for Defence support industry in order to attract investment and develop industry capability.

Profile the Northern Territory to Defence members and families as a family-friendly posting. Sponsor activities that support Defence members and families in the Northern Territory.

In partnership with the association, implement a new ICT Industry Development Strategic Plan.

In partnership with the Manufacturing Council, implement a new manufacturing industry development strategy aimed at broadening and deepening capability, maximising growth through engagement in major projects and long-term sustainability.

Continue to promote and facilitate investment in the Northern Territory.

As part of the Gearing Up for Major Projects initiative, implement the Major Projects Industry Development and Engagement Program aimed at growing Northern Territory industry capability, facilitating Small to Medium Enterprise

engagement in major projects and attracting inbound investment to plug capability gaps where local solutions do not exist.

Through the Industry Participation Plan (IPP) Steering Committee, maximise Northern Territory industry participation in the Ichthys and Marine Supply Base projects.

Develop business modelling and facilitate enterprise development in the Territory Growth Towns as the department's contribution to the local implementation plans.

Facilitate the development of Government Business Centres in Territory Growth Towns.

Support Jetstar Hub Development.

Deliver the Local Aviation Industry Support objectives of the Aviation Futures 2015 Strategy.

#### Output Group – Employment

Develop more rigorous and comprehensive forecasts for the Northern Territory's labour market.

Continued implementation of Jobs NT 2010–12, including initiatives to support the Northern Territory workforce through the workforce development framework and engagement of industry to develop workforce planning and development plans and initiatives.

Support local industry and business to prepare for major projects, including the coordination of the Gearing up for Major Projects Taskforce.



Continued support for economic participation initiatives in the Territory Growth Towns.

Implement procurement reform including development and implementation of the Optimising Indigenous Opportunities policy.

Continue to develop and facilitate initiatives that support Indigenous Territorians in accessing employment and advancing their careers. Focus will continue on employment growth and retention in regional and remote areas.

Leverage and coordinate cross-government priorities, including industry-specific workforce planning, economic participation priorities in the Territory Growth Towns and COAG reforms.

Develop and implement the Northern Territory Migration Plan.

Promote the Northern Territory nationally and internationally as a place to live and work, facilitating links between Territory employers and workers from Australia and overseas.

Conduct targeted interstate and international recruitment activity to attract skilled workers.

Upgrade the Territory Worker Database to include international jobseekers, school leavers and Indigenous jobseekers.

Develop and release the Jobs in the NT Campaign 2011–12.

Support Local Implementation Plans in the Territory Growth Towns.

Implement a Contractor Performance Reporting system across all agencies and across goods and services contracts.

Implement the Council of Australian Governments' project on harmonising prequalification of civil contractors and contract systems, across major civil works.

Develop a range of economic and employment information, analysis and advisory services to meet requirements of businesses, government and agencies.

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

Streamline the provision of corporate services across government.

Develop and implement a new electronic purchase requisition system for Tier 1 purchases (less than \$15 000).

Complete the transition of banking services to the Northern Territory Government's new banking provider.

Develop and implement a new Budget Management System that will provide a comprehensive budgeting and forecasting tool for agencies.

Progress the Smart Forms initiative through development of some high volume shared services forms.

Continue to develop a new electronic recruitment system across.

Continue to develop and implement a range of human resource (HR) process and system improvements.

Deploy a new HR Reporting Solution.

Investigate expanding the range of qualifications offered under the apprentice and school-based apprentice programs to facilitate an increase in agency uptake of apprentices.

Continue to deliver and expand the Indigenous Employment Program to provide a program in Alice Springs and more programs tailored to identified agency needs.

Introduce Recruitment, Employment and Payroll Services.

Facilitate a 'Payroll Giving' program to allow government employees to make pre-tax donations to eligible charities.

Progress the development of an electronic solution for processing entitlements and payments for Fares Out of Isolated Localities.

Implement the Tender Assessment Panel Chair accreditation scheme in support of the Northern Territory Government's *Best Practice Guide for Tender Assessment*.

Develop improved web communications with industry in support of Tenders Online.

Participate in a cross-jurisdictional working group to develop collaborative national procurement arrangements.



Continue to consolidate the number of printers and servers across government to reduce energy usage as part of green ICT initiatives and ensure that service providers are following environmental standards with equipment recycling and disposal.

Re-establish the Computers for the Community program.

Continue the rollout of the Digital Regions Initiative across the remaining 10 Territory Growth Towns to provide fibre optic links to government infrastructure in the towns.

Enhance desktop services to facilitate desktop video conferencing, online meetings and document sharing.

Introduce a 'Mobility in Government' program that will enable low-cost mobile computing and remote security access to devices.

Centralise and upgrade the ICT hardware and application software underpinning the Northern Territory Government's records management system.

In conjunction with relevant agencies, coordinate development of agency Leased Office Accommodation Plans with a 5-10 year outlook.

Implement a new leased property management system and provide user training.

Assist with progressing the establishment of a Government Business Centre in Nguiu.

Progress strategies to enhance communications infrastructure across the Northern Territory.

Support the development of eServices strategies to meet the needs of the Northern Territory, in partnership with service delivery agencies, especially in relation to education, health and support to business.

Coordinate multi-agency transition of Northern Territory Business and Occupation Licenses to the National Occupations Licensing System.

Develop a Northern Territory Government ICT Policy Framework, review all ICT policies and redesign the ICT policy website for easier maintenance and discovery of policies.

Develop Version 3 of the Northern Territory Government ICT Architecture.

Support the Information Commissioner with the review of the *Information Act*.

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

Continue to contain the carbon footprint of an energy-intensive facility.

Improve mainframe operational efficiency.

Assist agencies to modernise their legacy mainframe systems.

Replace one of the two existing mainframes.

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

Improve data and functionality of the GPO's management information systems.

Develop and progress marketing strategy to ensure clients are aware of service options.

Update and replace key printing equipment at end of life.

Continue to work in partnership with private sector.

Continue to implement energy efficiencies and green initiatives.

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

Continue work with agencies to achieve objectives of the Greening the Fleet Strategy.

Review application of the Greening the Fleet Strategy for years three, four and five, with a particular focus on setting CO<sub>2</sub> reduction targets for each agency.

Achieve more competitive fuel pricing and improved contract coverage through participation in an inter-jurisdictional fuel contract arrangement.

Design and implement improved fleet reporting to agencies.

Develop and promote driver training courses for use by staff, with particular emphasis on 4WD vehicles.

Expand use of the pool vehicle booking system.

Prepare business case for NT Fleet's business information system.

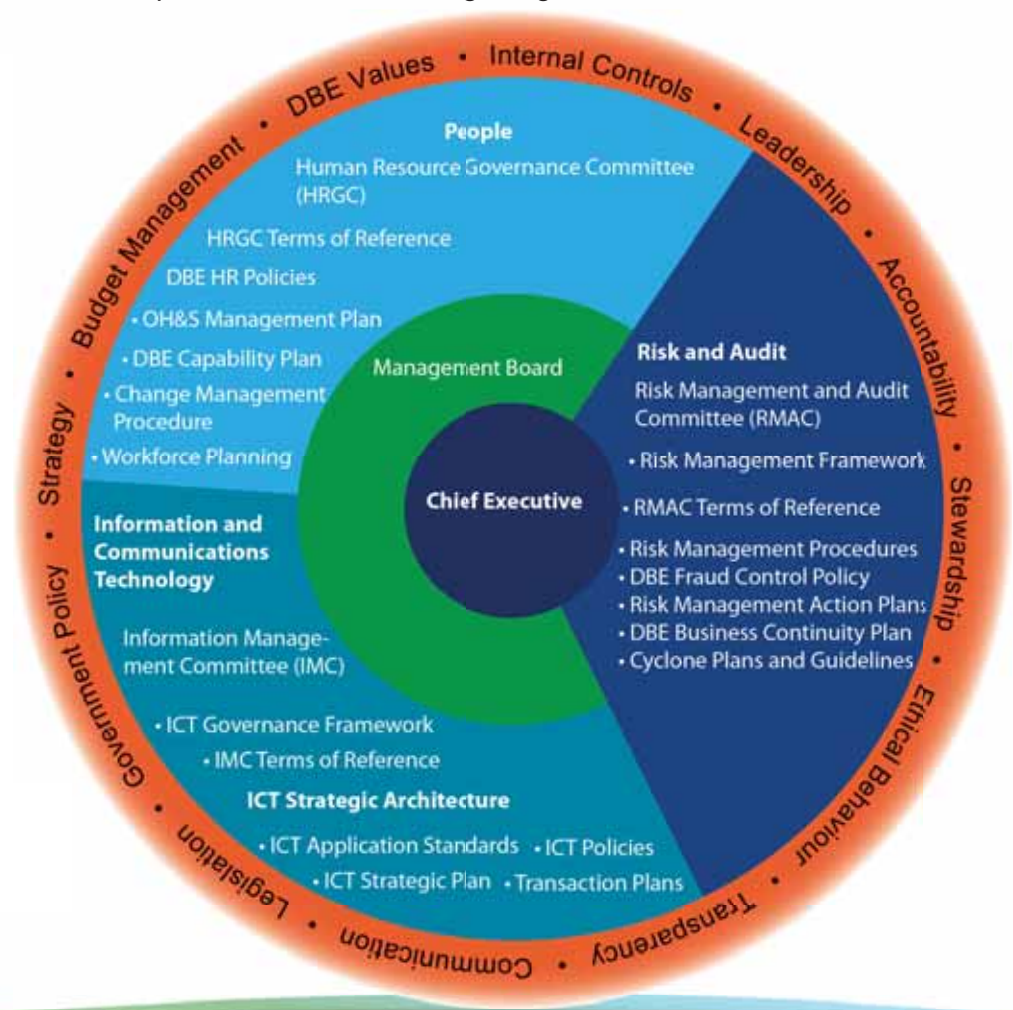
Continue to seek ways to reduce the cost of owning and operating fleet vehicles.



## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE FRAMEWORK

The department's governance structure consists of a Management Board and three sub-committees that report to the Executive Group and Chief Executive. The board and sub-committees oversee the strategic deployment of resources across the department and the development and implementation of policies, plans and procedures that will 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

#### Risk Management and Audit Committee

The Risk Management and Audit Committee:

- reports directly to the Chief Executive
- oversees risk management activities, audit and review programs for the department
- monitors progress against recommendations arising from audits and reviews conducted under these programs
- oversees reviews that are required under the conditions of the ICT outsourcing contracts.

In 2010–11 the department continued to monitor and update risk profiles with actions to mitigate risks to its operations. These actions included the identification and procurement of insurance policies required for identified insurable risks for the department, Data Centre Services, Government Printing Office and NT Fleet. The department also implemented a protocol to facilitate the Northern Territory Auditor-General's Office's access to personnel records held by external agencies to improve the outcomes of payroll processing compliance audits.

The Risk Management and Audit committee is chaired by the Executive Director Shared Services. Members include the Chief Executive, Director Finance Services and Senior Director Information and Communication Technology

Services. A customer representative from the Department of Lands and Planning is an external member and a representative of the Northern Territory Auditor-General's Office participates in an observer role.

With the department's whole-of-government roles in providing shared services and maintaining critical corporate systems, the Northern Territory Auditor-General's Office continued its comprehensive audit program during 2010–11. The audit findings were mostly satisfactory, with some isolated instances of control breakdowns, non-observance of procedures and identified opportunities to improve policies and procedures. A summary of the findings for this year's external audits is at Appendix II (page 199).

The department undertakes internal reviews across the agency to improve processes and provide assurance. The internal reviews completed in 2010–11 focused on whole-of-government corporate credit card procedures and ICT service provider systems, processes and procedures. A summary of internal reviews in 2010–11 is at Appendix III (page 205).

#### Human Resource Governance Committee

The Human Resource Governance Committee:

- oversees and advises on human resourcing requirements for the department and its business divisions
- reviews and endorses recruitment action
- actively monitors unattached officers
- undertakes a human resources governance role for the department.



In 2010–11 the committee continued to actively and cohesively manage human resources and employment strategies across the department.

The committee is chaired by the Executive Director Corporate Services. Its members are the Senior Director Information and Communication Technology Services, Executive Director Business and Industry Development and Director People and Information (secretariat). 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 department's Occupational Health and Safety Steering committee:

- ensures that mechanisms are in place to identify and address OH&S issues
- ensures that site-specific OH&S committees meet regularly
- ensures the department's OH&S guidelines are available and understood by staff.

The committee is chaired by the Director People and Information and comprises representatives from each worksite, together with a regional representative.

The committee monitors the department's OH&S performance, reports to the 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 and this will be completed in 2011–12.

### **Information Management Committee**

The Information Management Committee:

- reports to the Chief Executive through the Management Board
- directs the development of the department's information management strategy by overseeing the ICT Governance Framework and facilitating the strategic planning of ICT requirements
- develops and reviews the department's ICT policies and standards for the assessment of technology proposals to ensure they meet departmental ICT objectives
- monitors 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 is chaired by the Executive Director Corporate Services. Its members are Director Data Centre Services, Director NT Fleet, Director Business Services, Director ICT Policy and Strategy, Director NT Property Management and Director Corporate Communications.

The committee monitored and provided support for a number of major ICT projects during 2010–11 including the successful implementation of the Electronic Invoice Management System (EIMS) across the Northern Territory Government and the implementation of uniform business

processes for records management via Electronic Document Records Management (EDRM) within the department. The committee continues 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.

### **MANAGEMENT ENVIRONMENT Executive Management Group**

The Executive Management Group is a key part of the department's leadership framework. The Chief Executive has the primary responsibility for providing strategic leadership to the department. The group meets weekly and consists of the Chief Executive, Executive Director Shared Services, Executive Director Business and Industry Development, Executive Director Employment and Policy Coordination, Executive Director Business Support and Executive Director Corporate Services.

### **Management Board**

The Management Board provides advice to the Chief Executive and the Executive Management Group 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 and 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.

Members of the Management Board are shown in the Executive Structure on page 5.

### **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 that are new to the NTPS are provided with 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 the collection and retention of 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 specifically, or of the Northern Territory Government in general. All Management Board members, Executive Directors and pertinent senior staff complete a full disclosure declaration on an annual basis to declare private and other interests that might result in a conflict of interest. If such 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 located on the staff-only intranet site, where they are available to all employees.

### **PLANNING Corporate Plan**

The Corporate Plan 2009–12 stresses the importance of its employees contributing to a capable and committed workforce, which then underpins the success of the department meeting its strategic priorities.

The plan was extended to include 2011–12 to allow the department to undertake a major review of its strategic priorities, including those supporting its work towards Territory 2030 objectives. The review and corporate planning

process to be undertaken during the coming year will result in the development of the department's Corporate Plan 2012–2014.

### **Business Plans**

Business plans prepared for individual units set out practical tasks and projects to be completed in the coming year. These business plans contribute to overall departmental objectives and support the Corporate Plan. Business plans are developed in consultation with staff and stakeholders, and progress against priority projects is reported to the Management Board monthly. This provides a regular update on key organisational goals and ensures a coordinated approach to performance monitoring.

### **Performance Measures**

The Management Board has undertaken significant work to refine monthly Key Deliverables reports to ensure they provide a succinct and useful overview of the department's performance. The board also receives reports highlighting the status of actions to achieve strategic priorities for government and the department.

The measures are compiled from a range of data sources. The Key Deliverables for 2010–11 align with the Corporate Plan and focus on qualitative and timeliness measures rather than on more traditional quantitative measures. Reporting against the Key Deliverables for 2010–11 begins on page 36.

## COMMUNICATION

The Corporate Communications Unit provides communication and marketing services to support the department and promote government 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 communication tools.

### External Communications - Achievements

- Raised awareness of the Northern Territory Government business support programs and workforce development initiatives to business and industry.
- Provided skilled worker attraction program through national expos, shows, conferences, awards and correspondence.
- Managed key department websites providing access to business services, activities, strategic direction, policy and projects.

### Internal Communications - Achievements

- Launched an improved staff intranet to provide information to assist in achieving department objectives, including staff news, information, policies, procedures and forms. Delivered and maintained the shared services intranet as a core communication tool for all government departments.
- Provided departments with information on whole-of-government services, procedures and forms in the delivery of corporate services.

## ACCOUNTABILITIES

### Statutory Accountability

The department is required to comply with the *Financial Management Act*, *Superannuation Act*, *Public Sector Employment and Management Act* and other employment-related legislation such as the *Anti-Discrimination Act* and the *Workplace Health and Safety 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
- 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 *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 Northern Territory.

The *Procurement Act* and subordinate legislation provide a cohesive framework for the procurement of supplies by government agencies and aim to achieve 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 Officer prescribed in the *Financial Management Act*, the *Procurement Act* and the *Public Sector Employment and Management Act*. The functions and authority of the governance committees are recognised in the delegations and are reviewed annually.

### Accounting and Property Manual

In accordance with the *Financial Management Act*, the department has a detailed Accounting and Property Manual (APM) that specifies finance procedures and internal control requirements. This manual is also made available to other agencies to assist them in meeting their financial accountabilities. The APM underwent a major review and update in December 2009 is updated on a regular basis to capture changes due to the implementation of new systems and processes.

### Policies and Standard Operating Procedures

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

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 give advice, prepare legal documentation and manage any necessary outsourcing of legal services on behalf of the department.

### Information Act Requests

The department received three applications under the *Information Act* to access information in 2010–11. These were finalised within 60 days of receipt of the application. A total of 713 pages of information was released to applicants.

The department receipted a total of 56 applications under the *Information Act* on behalf of other government agencies.

In accordance with the Act, the Freedom of Information Annual Statistical Return for the department has been forwarded to the Information Commissioner and this information is incorporated in the Commissioner's annual report.

### Ombudsman Enquiries

There were no enquiries made in 2010–11 to which the department had to respond.

### INSURANCE ARRANGEMENTS

The department, including Data Centre Services, Government Printing Office and NT Fleet, conducts assessments to identify risks; including any insurable risks in accordance with the department's Risk Management Framework. Identified insurable risks are evaluated to determine the level of risk and strategies created to mitigate the effect of those risks. 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

In accordance with Treasurer's Direction M2.1 - Insurance Arrangements, the department self insures the majority of its insurable risks. Commercial insurance was purchased in 2010–11 for international business travel by department employees and students travelling overseas as part of the Anzac Spirit Awards. Commercial public liability insurance was also purchased for the department's stands at international skilled migration expos. The total cost of commercial insurance policies for international travel and public liability increased to \$2298 in 2010–11 from \$1673 in 2009–10. There were no claims on the commercial policies of insurance.

Any claims applicable to self-insurance for the department for 2010–11 and 2009–10 are detailed in Appendix IV (page 207).

### Data Centre Services (DCS)

Prior to the release of Treasurer's Direction M2.1 – Insurance Arrangements, DCS self insured all insurable risks through the department. As a result of undertaking risk assessments of its insurable risks, DCS has 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 reduced to \$28 640 in 2010–11 from \$53 726 in 2009–10. The reduction is primarily due to a reduction in the cost of insurance for workers' compensation, which was due to an overestimation of 2009–10 wages. DCS made

two claims against its commercial insurance policies during 2010–11 resulting in \$2984 being received.

There were no claims on self-insured risks resulting from the period prior to the release of Treasurer's Direction M2.1. Details of self-insurance claims for 2010–11 and 2009–10 are in Appendix IV (page 207).

### **Government Printing Office (GPO)**

The GPO undertakes risk management in accordance with the department's Risk Management Framework. Prior to the release of Treasurer's Direction M2.1 the insurable risks of the GPO were self-insured through the department.

The GPO engaged a consultant to review its insurable risks in 2008–09 and undertook internal risk assessments in the process of obtaining commercial insurance policies for workers' compensation, property damage, product liability, public liability and motor vehicles for 2009–10. The total cost of premiums for commercial insurance policies in 2010–11 and 2009–10 was \$53 245 and \$50 915 and respectively.

There were no claims on commercial insurance policies during 2010–11 or 2009–10. Details of self-insurance claims for 2010–11 and 2009–10 are in Appendix IV (page 207).

### **NT Fleet**

NT Fleet undertakes internal risk assessments of its insurable risks, which resulted in policies of commercial insurance being obtained for workers'

compensation and damage to the motor vehicle fleet due to natural disasters and theft. The total cost of premiums for commercial insurance policies in 2010–11 and 2009–10 was \$242 171 and \$204 894 respectively. 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. NT Fleet made two claims against its commercial insurance policies in 2010–11 and received \$94 901 relating to four vehicles with flood damage from Cyclone Carlos and one vehicle with malicious damage due to theft.

Prior to the release of Treasurer's Direction M2.1, the insurable risks of NT Fleet were self-insured through the department. Details of the cost of claims of self-insured risks for 2010–11 and 2009–10 are in Appendix IV (page 207).

### **GREENER GOVERNMENT**

As the shared services provider, the department is charged with leading and developing initiatives and activities designed to reduce its 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 has continued to make concerted efforts to reduce its carbon emissions and energy usage in 2010–11 through a range of activities. The following initiatives are implemented and encouraged across all departmental buildings and locations:

- the implementation of Electronic Document Records Management resulting in a reduction in paper files
- default power saving functions implemented on department computers and laptops
- defaulting department computers to double-sided and black and white printing
- paper recycling bins installed across business units
- toner and ink cartridge recycling bins in place throughout the department
- using intranet and internet to publish large documents
- changing behaviours to switch off lights and computers when not in use
- review and rationalise the department's fleet where possible
- active participation in Earth Hour
- encouraging all staff to switch off all 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 an increasing demand to provide additional computing capacity. Growing demand by agencies for IT infrastructure and managed computing services has resulted in a large increase in the number of servers and data storage devices in the Chan Data Centre. Electricity usage is therefore increasing. Within this constraint, staff continue to monitor electricity usage to ensure effective use of energy and minimal wastage.

The Chan Data Centre has implemented a 'virtualise first' policy, where business systems are hosted in a virtualised server environment rather than physical server devices. This enables multiple IT system requirements to be managed from a virtual server and eliminates the need for individual physical servers, which would consume more power. This has been a key factor in enabling the Chan Data Centre to reduce its total potential carbon emissions by 62 metric tonnes per month. Performance has improved in 2010–11, up from 50 metric tonnes per month in 2009–10. This is a measure of carbon emissions avoided through virtualisation and other business practices in the data centre, rather than total emissions.

### NT Fleet

NT Fleet has implemented the government's Greening the Fleet Strategy, which will see a 20% reduction in the average CO<sub>2</sub> gases produced by its passenger and light commercial fleets measured in gm/km over the next five

years. Individual agency targets were established in 2009–10 and four-cylinder vehicles now comprise 74% 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 5.5 or higher for both the passenger and non-4WD light commercial vehicles.

### Government Printing Office (GPO)

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

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 of developer chemicals.

The GPO is investigating ways to re-use waste water from printing production.

An environmentally friendly cleaning contract was implemented in 2010–11, which stipulates that no environmentally harmful chemicals can be used and promotes energy saving cleaning methods.

### NT Property Management

The Government's Green Office Building Policy forms part of its Climate Change Policy.

The Green Office Building Policy applies to leases of 2000 square metres or more. Owners

of existing buildings are 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 5-Star NABERS ratings.

Of the current leased office accommodation portfolio, 22% is rated at least 4-Star NABERS or better. This is expected to increase to nearly 50% over the next 12-18 months as additional properties are refurbished and achieve NABERS rating.

NT Property Management works closely with the Department of Construction and Infrastructure 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 2010–11, ecoBiz NT conducted 77 eco-efficiency audits for businesses and reduced existing CO<sub>2</sub> emissions by 613 tonnes.

### Information Communication Technology Services

The department is working with 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 project to reduce the number of printers across government commenced in 2010–11 and will continue over three years. This will lower power consumption without affecting work output within agencies. In 2010–11 a reduction from 16 printers per 100 workstations to 13.24 printers per 100 workstations was achieved.





## OUR PEOPLE

### OUR PEOPLE

The Department of Business and Employment's services are delivered through its people. Our business outcomes are underpinned by the corporate values of People, Professionalism and Performance. We are committed to supporting and developing our people to guide performance and build skills and competencies.

In 2010–11 the following initiatives were undertaken to support staff:

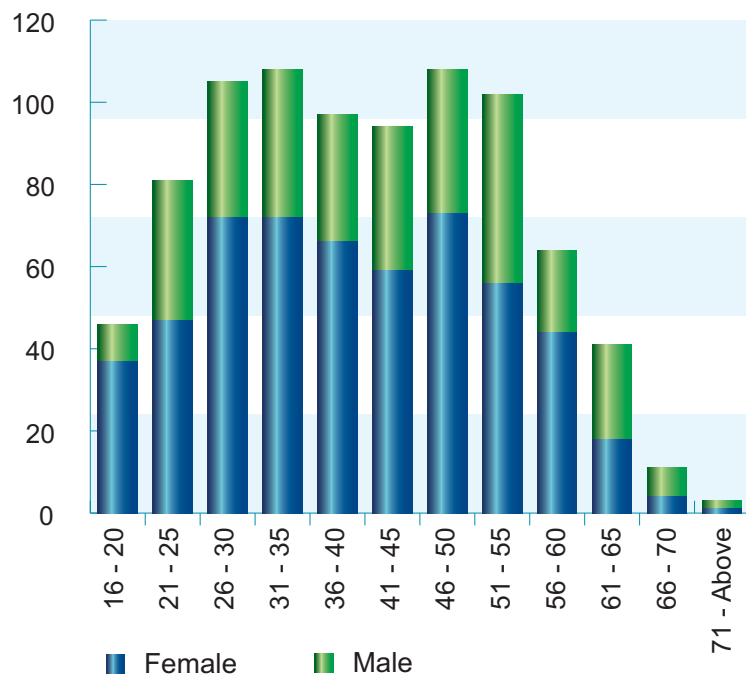
- implementation of the employee wellness strategy which included milestone and contribution recognition
- an Indigenous Employment and Career Development Strategy was implemented throughout the department including the development of a dedicated staff site for Indigenous employment, engagement and communication.

## Our Staff in Profile

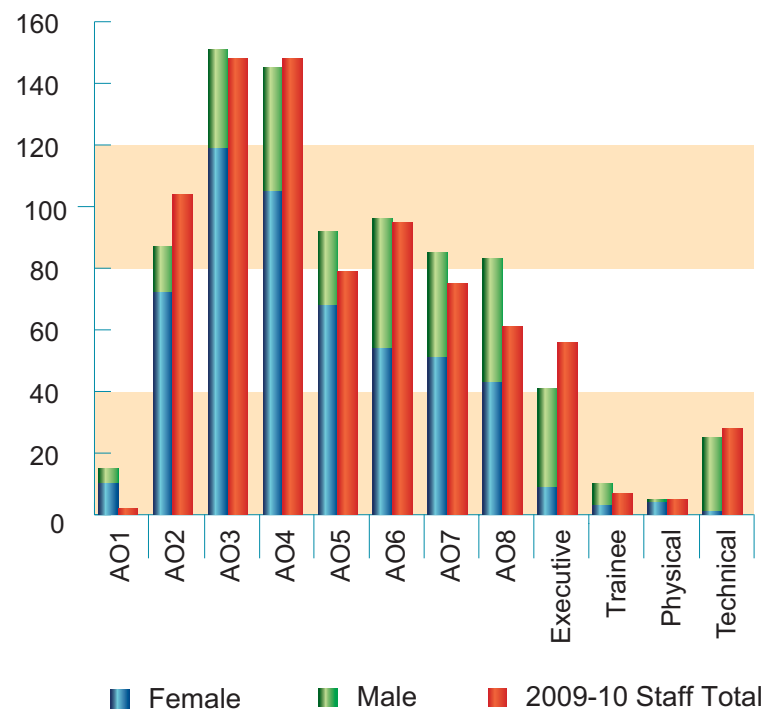
At 30 June 2011, 835 people (by head count) were employed across the department in a range of classifications, with more than half in the AO2 to AO4 classifications.

The following graphs show a breakdown of classifications by gender, and the variation in staff numbers by classification over two years.

Staff by age and gender



Staff numbers by gender and stream compared to last financial year





## SUPPORTING AND GROWING OUR PEOPLE

The department recognises the need to develop its staff, build skills, provide for succession planning, facilitate careers and progress knowledge to build a competent and capable workforce. In 2010–11, the department spent almost \$770 000 on training and study expenses.

The following outlines a number of corporate initiatives to support and develop our people during 2010–11.

Initiative	Action
<b>Implementation of the Wellness Strategy</b>	<p>Implementation of the milestone recognition and contribution recognition initiatives.</p> <p>Milestone recognition celebrations were held in December 2010 recognising service milestones for 10, 20 and 30-plus years of service.</p> <p>Contribution recognition provides an opportunity to acknowledge and recognise individuals through the Management Board on a quarterly basis. Individual staff and teams were acknowledged in December 2010 and March 2011.</p>
<b>Implementation of the Indigenous Employment Career Development Strategy</b>	<p>The department's Indigenous Employment and Career Development Strategy (IECDS) was implemented. Focus areas identified are:</p> <ul style="list-style-type: none"> <li>• Adopt a School – this initiative is in partnership with Palmerston Senior College to encourage career employment opportunities</li> <li>• Workplace Buddy Program – assisting the department and the Northern Territory Public Sector (NTPS) to create culturally inclusive workplaces and increase participation of Indigenous Australians in the NTPS</li> <li>• quarterly Indigenous information sessions were conducted by an Indigenous private sector provider to raise awareness of Indigenous matters – two sessions were conducted in 2011</li> <li>• cross-cultural training provided to all staff – 74% of staff attended</li> <li>• IECDS staff website developed and launched throughout the agency</li> <li>• IECDS information sessions are provided at the department's orientation on bi-monthly basis.</li> </ul> <p>Indigenous employment numbers for the department have risen from 3% to 6.7%.</p>
<b>Occupational Health and Safety Framework</b>	Occupational Health and Safety Framework developed to ensure compliance of the <i>Work Health and Safety Act</i> on 1 January 2012.
<b>Complaint Handling Resolution Procedure</b>	Implementation of a complaint handling resolution procedure to provide employees with an established process, so matters are dealt with fairly, openly, honestly in a prompt and confidential manner focusing on outcomes.

Initiative	Action
<p><b>In-House Information Sessions</b></p>	<p>Information sessions focused on:</p> <ul style="list-style-type: none"> <li>• appropriate workplace behaviour</li> <li>• Buddy Program</li> <li>• internal complaints handling</li> <li>• staff selection.</li> </ul> <p>Telephone and video conferencing facilities were used to connect to regional offices.</p>
<p><b>Corporate Capability Plan</b> The plan identifies and maps the department's capability gaps. The plan guides developmental initiatives and drives the content and availability of a number of programs.</p>	<p>Focus areas identified in the 2010–11 corporate capability plan were:</p> <ul style="list-style-type: none"> <li>• customer service</li> <li>• cross-cultural awareness.</li> </ul> <p>These areas were addressed through formal and informal developmental programs.</p>
<p><b>Leadership Programs</b> The department continues to support specialised management programs.</p>	<p>The Public Sector Management Program was undertaken by two staff members.</p> <p>People Aiming Towards Higher Skills (PATHS) is a management capabilities framework that identifies leadership capabilities from AO3 to SAO.</p>
<p><b>Women in Leadership</b> The department supports women to undertake development programs at different stages of their careers.</p>	<p>Ongoing informal mentoring and coaching is actively promoted to grow and encourage women into senior positions.</p>
<p><b>Graduates and Apprentices</b> The department supports an active apprenticeship and graduate program to improve staff retention and build skills and knowledge.</p>	<p>During 2010–11:</p> <ul style="list-style-type: none"> <li>• one apprentice commenced in the department</li> <li>• one apprentice graduated</li> <li>• two graduates continued with the graduate program</li> <li>• a further four graduates commenced the two year program in 2010–11.</li> </ul>
<p><b>Employee Assistance Program</b> This program provides confidential professional counselling services for staff and their immediate families, independent of the department and the Northern Territory Public Sector.</p>	<p>Darwin Consultant Psychologists and the Employee Assistance Service are the two principal providers, delivering professional counselling, training and development, workshops and management planning sessions, mediation, career counselling and management coaching.</p>

### INITIATIVES PLANNED FOR 2011–12

In keeping with the department's commitment to grow and support our people, key initiatives planned for 2011–12 include:

- implement the OH&S Management Framework in line with harmonised OH&S legislation
- further implementation of the Wellness Strategy, which will incorporate flexible work practices and employee involvement initiatives
- further implementation of the Indigenous Employment Career Development Strategy which will be further enhanced by the Adopt-a-School partnership with Palmerston Senior College
- provide ongoing training, growth and development opportunities for staff
- support whole-of-government programs such as apprenticeships, graduate traineeships and Indigenous employment.



**LEGISLATIVE COMPLIANCE**

**Reporting Against Employment Instructions**

The department's performance against each instruction is reported below.

Employment Instruction and Agency Requirements	Action
<p><b>Number 1 – Recruitment</b>                      Agency to develop procedures on recruitment and selection for internal use.                      Chief Executive required to report annually on the number of employees in each designation and variations since last report.</p>	<p>The department implemented policy and established procedures for use by managers and selection panels and provided information sessions to all managers and staff.                      In 2010–11:</p> <ul style="list-style-type: none"> <li>• 177 vacancies were advertised</li> <li>• 175 staff commenced</li> <li>• 134 separations were processed</li> <li>• two appeals were lodged.</li> </ul>
<p><b>Number 2 – Probation</b>                      Chief Executive to develop a probationary process for the agency and convey details of the probationary process to employees within their first week of reporting for duty.</p>	<p>The department probation policy is available for staff.</p>
<p><b>Number 3 – Natural Justice</b>                      The rules of natural justice to be observed in all dealings with employees.</p>	<p>The department endeavours to observe the principles of natural justice in all dealings with employees.</p> <p>The orientation program includes reference to natural justice principles.</p>
<p><b>Number 4 – Performance Management</b>                      Chief Executive to report annually to the Office of the Commissioner for Public Employment (OCPE) on management training and staff development programs.                      Chief Executive to develop and implement performance management systems for their agency.</p>	<p>Management training and staff development activities and performance management are reported through the myPlan program.</p>
<p><b>Number 5 – Medical Incapacity</b>                      No agency action or reporting requirements.</p>	<p>Department managers liaise with the People and Development (P&amp;D) unit and OCPE for specific advice on resolving medical incapacity as required and on a case-by-case basis.</p>
<p><b>Number 6 – Inability to Discharge Duties</b>                      Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.                      Chief Executive may establish procedures regarding inability within their agency.</p>	<p>Department managers liaise with the P&amp;D unit and OCPE as required and on a case-by-case basis. In 2010–11, no employee was terminated under the inability process.</p>



**Employment Instruction and Agency Requirements**

**Action**

**Number 7 – Discipline**

Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.  
Chief Executive may establish procedures regarding discipline within their agency.

The performance management policy and procedures is available for staff. P&D consultants work closely with managers to ensure processes are followed correctly.

A total of two formal disciplinary actions were undertaken in the department in 2010–11.

**Number 8 – Grievances**

Chief Executive shall establish written procedures for the agency that should outline steps for dealing with grievances and be available to employees.

The grievance policy and procedures is available for staff. P&D consultants work closely with managers and employees to ensure processes are followed correctly.

One grievance was lodged with OCPE in 2010–11 and the review board found in favour of the agency. The grievance was in response to a disciplinary process undertaken.

One internal grievance was lodged to the Chief Executive, and this was resolved to the employee's satisfaction.

**Number 9 – Now incorporated in Employment Instruction 1.**

**Number 10 – Employee Records**

Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.

In 2010–11 the department continued implementing Electronic Documents Records Management (EDRM).

Any requests by department employees to access their employee records are made through the P&D unit.

**Number 11 – Equal Employment Opportunity**

Chief Executive to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.

Chief Executive to report annually to the OCPE on programs and initiatives agency has developed.

The department strives to increase the representation of Indigenous employees. In 2010–11 the department continued to support the Indigenous Employment Program with 30 program participants employed by the department. The Indigenous Employment and Career Development Strategy was implemented. The department had its first Indigenous apprentice move into the Indigenous cadetship program studying a Bachelor of Business and is currently studying a Bachelor of Commerce. This employee remains with the department and is expected to finish in 2013.

The department employs people with a range of disabilities and has a wide range of staff from non-English speaking backgrounds.

**Employment Instruction and Agency Requirements**

**Action**

**Number 12 – Occupational Health and Safety**

Chief Executive to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.

The department has an Occupational Health and Safety (OH&S) framework comprising a representative steering committee to ensure appropriate monitoring of the health and safety of staff. OH&S committees for each work site are tasked with monitoring and addressing site-specific OH&S issues.

Chief Executive to report annually to the OCPE on occupational health and safety programs.

The department is updating its O&HS framework to ensure it is compliant with the new Harmonised O&HS legislation, which is effective on 1 January 2012. Management is committed to providing a safe workplace. The department fully funds flu vaccinations as an O&HS strategy for its staff.

**Number 13 – Code of Conduct**

Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees. Chief Executive may issue agency-specific code of conduct.

New staff are provided with the NTPS Principles and Code of Conduct as part of their commencement package. The code is also an integral component in the orientation program that is mandatory for all new staff.

Refresher sessions are conducted by P&D staff for individual work units as required.

**Number 14 – Part-time Employment**

Chief Executive to advise unions on a six-monthly basis of the number of part-time employees by salary stream.

The department supports part-time working arrangements and other flexible work arrangements and includes them in its Flexible Work Practices policy. In 2010–11:

- 52 people were undertaking part-time work
- 49 people used recreation leave at half pay
- 17 people used extended leave for a career break
- two people have home-based work arrangements.

The department aims to make flexible working arrangements available wherever practical.



## OUTPUT PERFORMANCE REPORTING

### OUTPUT PERFORMANCE REPORTING

The performance measures and targets in this annual report are consistent with the 2010–11 Budget Paper No. 3, which reflects the current output structure that has been in place for most of the reporting period.

The following diagram provides an overview of the output structure:



**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 and Industry Development Support**

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 and referral 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.

**Performance**

Initiative or Activity	Achievement
The Business Enterprise Centre (BEC NT) is contracted to provide new and intending business owners with workshops that cover the basics of running a business.	<p>→ This workshop series will continue to be held across all major centres in the Northern Territory. 95 workshops were delivered to 967 participants, including:</p> <ul style="list-style-type: none"> <li>• 60 workshops in Darwin (718 attendees)</li> <li>• 20 in Alice Springs (134)</li> <li>• 15 in Katherine (115).</li> </ul> <p>868 client management services were also provided.</p>
Procurement Liaison	<p>→ During the 2010–11 financial year, Procurement Liaison met with 157 Northern Territory businesses on procurement matters and 118 regional businesses on quarterly trips to all major regional centres and 12 industry associations.</p> <p>The complaints registrar was maintained with 59 new matters referred to Procurement Liaison at an average of 4.9 per month compared to a total of 22 for the 2009–10 financial year. The average time to resolve complaints was 24.8 days, with four of the 59 taking longer than 30 days.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
ecoBiz NT is a business efficiency program to assist Northern Territory businesses reduce their environmental impact.	<p>→ 21 businesses received grants totalling \$243 080. The following annual reductions were achieved:</p> <ul style="list-style-type: none"> <li>• 613 tonnes of CO<sub>2</sub>.</li> </ul> <p>Completed 77 business eco audits.</p>
October Business Month (OBM) is targeted at providing new business management knowledge and ideas to the Northern Territory business community.	<p>→ 84 events were held with 5529 attendees, as follows:</p> <ul style="list-style-type: none"> <li>• Darwin – 48 events (4746 attendees)</li> <li>• Katherine – eight events (206 attendees)</li> <li>• Tennant Creek – five events (78 attendees)</li> <li>• Alice Springs – 19 events (453 attendees)</li> <li>• Nhulunbuy – four events (46 attendees).</li> </ul>
The Territory Business Upskills program offers Northern Territory small businesses the opportunity to identify areas for improvement that can increase the capacity and capability of each enterprise.	<p>→ Potential new workshop topics were identified in conjunction with consultants and clients to address emerging business issues.</p> <p>92 workshops were delivered to 1111 attendees, as well as 55 business coaching sessions, including:</p> <ul style="list-style-type: none"> <li>• Darwin – 47 workshops (737 attendees and 36 coaching sessions)</li> <li>• Katherine – 15 workshops (98 attendees and seven coaching sessions)</li> <li>• Tennant Creek – five workshops (seven attendees and two coaching sessions)</li> <li>• Alice Springs – 21 workshops (229 attendees and two coaching sessions)</li> <li>• Nhulunbuy – four workshops (20 attendees, two coaching sessions).</li> </ul>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Territory Business Growth (TBG) Program	<p>✓ 116 grants totalling \$508 147, were provided to 103 Northern Territory businesses to develop strategic plans to enhance business performance, profitability, employment levels and market penetration. The program is available Territory-wide and is delivered by qualified business consultants. Programs were delivered in:</p> <ul style="list-style-type: none"> <li>• Darwin – 76 programs, 66 businesses \$356 392</li> <li>• Alice Springs – 22 programs, 20 businesses \$79 215</li> <li>• Tennant Creek – two programs, two businesses \$8 824</li> <li>• Katherine – eight programs, eight businesses \$28 475</li> <li>• Nhulunbuy – eight programs, seven businesses \$35 241.</li> </ul> <p>Appendix V (page 208) provides a breakdown of the businesses that have completed the program.</p>
Technology in Business	<p>✓ Delivered 48 Get On Line NT workshops to 411 attendees. Get On Line NT (GOLNT) is a program designed to assist small businesses across the Northern Territory, including home-based businesses to:</p> <ul style="list-style-type: none"> <li>• go online</li> <li>• significantly enhance their web presence</li> <li>• increase their website usage</li> <li>• engage in e-business capabilities to help reduce their costs</li> <li>• improve their market opportunities.</li> </ul> <p>Workshops were delivered in:</p> <ul style="list-style-type: none"> <li>• Darwin – 27 workshops (298 attendees)</li> <li>• Katherine – 10 workshops (46 attendees)</li> <li>• Alice Springs – 10 workshops (63 attendees)</li> <li>• Nhulunbuy – one workshop (four attendees).</li> </ul>
<p>Client Management Program</p> <p>Meet with businesses and their representatives to promote government services, programs and support.</p>	<p>✓ Approximately 3958 businesses were visited across regional Northern Territory centres promoting the Territory and Australian Government assistance programs.</p>

✓ Achieved
▲ Partially Achieved
✗ Not Achieved
➔ Continues into 2011–12

Initiative or Activity	Achievement
Territory Business Centres (TBC) provide a single point of contact for business to access government services and requirements.	<p>→ TBCs operate in Darwin, Katherine, Tennant Creek and Alice Springs. More than 158 110 client contacts were made in 2010–11.</p> <p>Appendix V (page 208) provides a breakdown by month and by region.</p>
Research and Innovation Commercialisation Initiative	<p>→ Facilitating complementary between Commercialisation Australia and Northern Territory activities that support commercialisation.</p>
Commonwealth, State and Territory Advisory Council on Innovation	<p>→ Participate (through the Commonwealth, State and Territory Advisory Council on Innovation) in the development of an implementation plan for the Framework of Principles for Innovation Initiatives.</p> <p>→ Participate in the development of a Strategic Framework for Research Infrastructure Investment and advise on approaches to support research infrastructure in the Northern Territory.</p>
Northern Territory Research and Innovation Fund	<p>✓ The Northern Territory Research and Innovation Board recommended funding of:</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>for a total of \$182 200.</p> <p>Appendix VI provides more information about the fund.</p>
Northern Territory Research and Innovation Awards	<p>✓ Six awards recognised Northern Territorian research and innovation achievements at a highly successful gala event.</p>
Northern Territory Research and Innovation Board	<p>✓ Secretariat support was provided to the board, which met four times during 2010–11. Appendix VI provides more information about the board.</p>
Provide support to ensure that Northern Territory businesses utilise the department's wide range of business development programs.	<p>→ Support was provided to Northern Territory industry associations and business to ensure effective use of the department's programs.</p>

✓ Achieved
▲ Partially Achieved
✗ Not Achieved
→ Continues into 2011–12

Initiative or Activity	Achievement
Continue membership and input to the aviation inter-agency advisory committee.	<p>✓ → The department continues membership of the Northern Territory Aviation Working Group. The group manages the implementation of the Aviation Futures 2015 Strategy.</p> <p>✓ → The department oversees Jetstar’s implementation and compliance of the ‘Building Northern Territory Industry Participation Plan’ policy.</p>
Continue to encourage, facilitate and support the development of biodiscovery-based research projects with the potential to generate economic benefits for the Northern Territory.	<p>✓ → The department continued to encourage biodiscovery-based research projects with two Benefit Sharing Deeds (BSD) currently in effect and a further draft issued for consideration.</p>
In conjunction with other agencies, enhance investment promotion and facilitation processes.	<p>✓ → The investNT portal, a web-based investment promotion and facilitation tool, was developed by the department and launched by the Chief Minister at the World Expo, Shanghai, in August 2010. An interagency investment group was established to oversee its future development and management.</p>
Investment Services – Common User Area	<p>✓ → The department continued its key role in promoting the Common User Area and its availability and benefits to project proponents and prime contractors in the mining, oil and gas industries. A strategic management group continues to guide future development, consisting of the department, Land Development Corporation, Darwin Port Corporation, Northern Territory Industry Capability Network and the Manufacturers Council.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
<p>Small Business Ministerial Council (SBMC)</p>	<p>✓ The Small Business Ministerial Council (SBMC) held its 12th annual meeting on 6 August 2010 in Melbourne, Victoria. All jurisdictions, including the Northern Territory, participated.</p> <p>Among the priorities advanced by the Small Business Ministers were:</p> <ul style="list-style-type: none"> <li>• resource sharing across jurisdictions to assist and support business recover from natural disasters</li> <li>• progressing the availability of better small business statistical information</li> <li>• retail tenancy consistency and harmonisation</li> <li>• progressing Indigenous small business enterprise development to be included as a formal commitment and strategy under COAG’s National Partnership on Indigenous Economic Participation.</li> </ul> <p>Following COAG’s earlier decision to put in place a new Ministerial Council system, the SBMC ceased on 1 July 2011 and the Northern Territory’s formal participation also ceased on that date. Consideration is being given to the creation of an informal Small Business Ministers Meeting and an official support group, referred to as the Small Business Agency Group (SBAG), as an alternative.</p>
<p>Assisting with the continued broadening and growth of the Northern Territory’s economic base.</p>	<p>✓ → Support and facilitation services continue to be provided across a range of industries, with a particular focus on oil and gas, mining, manufacturing and bio-resources and technology.</p>

✓ Achieved     
 ▲ Partially Achieved     
 ✗ Not Achieved     
 → Continues into 2011–12

**Initiative or Activity** **Achievement**

**Commercial Services**  
Continue to provide strategic business advice and administrative management of industry development funding programs and ensure the department's loan portfolio is prudently managed.

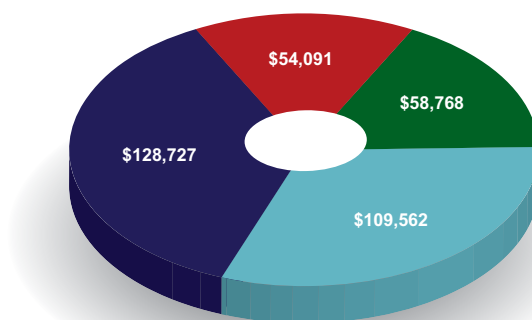
→ The department provided a range of grant and sponsorship programs to businesses and industry organisations across the Northern Territory. Details of all grant payments to business and industry associations in 2010–11 are at Appendices VII to VIII (page 210 and 215).

Strategic business advice and administrative management support for industry development funding programs was provided. This encompassed:

- departmental programs (Territory Business Growth, Industry Development Grants, Industry Association Grants, ecoBiz NT, NT Jobs Growth, Trade Support Scheme and sponsorships)
- Department of Housing, Local Government and Regional Services programs (Indigenous Business Development, Regional Economic Development)
- Department of the Chief Minister programs (Trade Support Scheme).

The department's loan portfolio was also managed prudently. Details are provided in the chart below.

**Loans portfolio at 30 June 2011**



Categories	Costs (\$)
BTEC – 1 Loan	109 562
Natural Disaster Relief (1998 Katherine Flood) – 3 Loans	128 727
Natural Disaster Relief (2006 Katherine and Region flooding) – 2 Loans	54 091
Natural Disaster Relief (Cyclone Ingrid) – 1 Loan	58 768
<b>TOTAL</b>	<b>351 148</b>

**Industry Participation Plans** ✓ → Implementation of the Building Northern Territory Industry Participation (BNTIP) Policy continued. Further reforms to the operational arrangements and procurement policies relating to industry participation were introduced.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Continue to work with the Land Development Corporation (LDC) to develop and promote the Defence Support Hub and to attract Defence support businesses and Defence-related contracts to the Northern Territory.	<p>→ Development of the Defence Support hub in collaboration with the Land Development Corporation continued with completion of Stage 1.</p> <p>The hub was promoted to small and medium enterprises (SMEs) and to prime Defence contractors support businesses and Defence representatives at national Defence industry conferences and exhibitions.</p>
Facilitate the production of a 'Life in Darwin' DVD to inform Defence personnel and their families being posted or considering a posting to Darwin.	✓ Launched the 'Life in Darwin' DVD to profile Darwin to Defence families. The DVD provides an overview of living in Darwin and testimonials from Defence personnel and families about their experiences living in Darwin.
Develop a Chief Minister's Anzac Spirit Study Tour Award and launch the program.	✓ Successful completion of the inaugural Chief Minister's Anzac Spirit Study Tour Award. Three year 10 and 11 students, a teacher and a Defence representative travelled to Villers-Bretonneux, France, to attend the 2011 Anzac Day Dawn Service. The 2011 Nominations for the 2012 Anzac Spirit Study Tour Award are currently in progress to year 9 and 10 students in the Northern Territory.
Promote and market the Northern Territory and its Defence support industry through Defence media, at conferences and exhibits.	<p>✓ → The government hosted an exhibit at the Defence and Industry conference in Adelaide in June 2011.</p> <p>Northern Territory SMEs and business associations also participated.</p> <p>Industry capability was particularly promoted to Defence and prime contractors.</p>
Continue to engage with Defence prime contractors who have won contracts to deliver through life support service contracts on platforms based in the Northern Territory, such as the Armidale class Patrol Boats, the Abrams tanks and ASLAVs and Tiger Armed Reconnaissance Helicopters.	<p>→ Good relationships are now established with the key contractors and discussions are held regularly in relation to Defence contracts and opportunities for work to be delivered in the Northern Territory.</p> <p>This is a continuous work and includes developing a strong relationship with the Australian Industry Group Defence Council.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Continue to support the Australia Industry and Defence Network Northern Territory (AIDN-NT) to implement the Northern Territory Defence Support Industry Development Strategy and other projects.	<p>→ The Defence Support Division continued to assist AIDN-NT with the implementation of the strategy, prime contractor visits, exhibiting and networking at major conferences, arranging forums for SMEs and support for the annual gala dinner.</p> <p>A full review of actions to be taken under the strategy is currently being undertaken in partnership with AIDN-NT.</p>
Develop, promote and deliver awards to industry that recognise achievements.	<p>✓ → The Chief Minister and Minister for Defence Support Awards were presented at an industry gala dinner in 2010.</p> <p>The Minister for Defence Support launched the third annual NT Defence Industry Awards at a breakfast function on 12 May 2011.</p> <p>Nominations for the 2011 Defence Support Industry Awards are now open for businesses in the Northern Territory to showcase their Defence Support capabilities.</p>
Continue to promote, to Defence, the Northern Territory industry capability to support Defence equipment based in the Territory.	<p>→ Promotion of Northern Territory industry capability continued as an ongoing priority through engagements with the Minister for Defence, and Minister for Defence Materiel and senior Defence representatives.</p>
Align services and contribute to building the Territory Growth Towns into vibrant places to live and work.	<p>✓ The department has contributed to the facilitation of the Local Implementation Plans for the 21 Territory Growth Towns.</p> <p>✓ → The department has conducted mapping to understand the employment profiles of the Territory Growth Towns. 2010 mapping was completed in September 2010. Mapping for 2011 is underway. This has been a joint partnership with the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) and the first Territory Growth Town employment profile will be completed in October 2011.</p> <p>The department has completed a project proposal on Government Business Centres in the Territory Growth Towns. A pilot is being launched in Wurrimiyanga.</p>
Oil and Gas	<p>✓ → The department co-chairs the Industry Participation Plan with INPEX.</p> <p>✓ The department has launched a Major Project Industry Development and Engagement program to better inform and build the capacity of the local business community to win work on major projects, including the proposed INPEX project.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



**Business Development Budget Performance Indicators**

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Licence and business infrastructure services provided by Territory Business Centres	120 000	120 000	158 110	120 000
Economic reports and fact sheets issued	35	40	35	35
Grants and sponsorships to support business and industry development and research and innovation (a)	\$4.4M	\$4.5M	\$4.6M	\$4.7M
Research and innovation grants	20	20	16	22
October Business Month participant satisfaction	94%	94%	93%	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 2010–11**

Nil

**Movements between 2010–11 Revised Budget and Actual**

*Licence and business infrastructure services provided by Territory Business Centres*

The change to Territory Business Centre figures relates to the introduction of the OH&S Construction Induction Card, Working with Children Card and the replacement of the OH&S Card with High Risk Card.

*Grants and sponsorships to support business and industry development and research and innovation*

Minor variations across six program areas.

*Research and innovation grants*

The number of grant applications from tertiary institutions in 2011 was down on that for previous years due to the National Health and Medical Research Council moving its deadline for grant applications to a date which clashed with the NT Research and Innovation grant closing date.

**New deliverables**

*(a) Grants and sponsorships to support business and industry development, and research and innovation*

The new dollar value measure of support to business and industry and research and innovation replaces the previous measure of the number of businesses and associations assisted.

**Measures not continued from 2010–11 Budget**  
*Industry and investment projects facilitated*

Performance measures amended to better reflect the revised functions of the division and services provided to business and industry.

*Business and industry associations provided with financial assistance*

The previous measure of the number of business and industry associations provided with financial assistance has been replaced with a dollar value measure of support to business and industry.

## Priorities for 2011–12

- Continue to promote the Northern Territory industry capability to support Defence equipment based in the Territory.
- Evaluate and deliver a suite of professional business development programs and services to people and businesses across the Northern Territory.
- Assist Northern Territory business and industry to adjust to changed business and market conditions.
- Expand the Territory Business Growth program to include tourism business and work with regional businesses to ensure they can maximise their opportunities from Working Future strategies.
- Promote business and industry development and growth, and provide assistance to business in responding to the challenges of current market conditions.
- Actively promote the Northern Territory as an investment destination.
- Review the Industry Development Support Program to ensure that assistance provided to peak industry associations is focused on industry and economic development activities.
- Proactively seek opportunities to develop new industry capabilities with funding from the Industry Development Grant Scheme.
- Provide financial analysis services to business Divisions of Northern Territory Government Agencies.
- Carry out the commitment of a new Business Efficiency Program to improve environmental aspects through grants and training to business operators.
- Stimulate research and innovation, through support of the Northern Territory Research and Innovation Board and its grants, scholarships, and awards programs.
- Create a Northern Territory Government network of organisations conducting or commissioning research for the purposes of sharing results and maximising benefits.
- Assess the carbon-trading enterprise potential for remote Northern Territory.
- Review the Northern Territory's bio-prospecting administration.
- Develop a program to support commercialisation from Northern Territory research and innovation.
- Create a monthly newsletter detailing grant opportunities for Northern Territory researchers, innovators, and public service to increase applications to outside Northern Territory funding sources.
- Assist Northern Territory businesses with their export marketing objectives through continuing to provide Trade Support Scheme grants.
- Support the Australian Industry and Defence Network Northern Territory.
- Expand the Territory Business Growth program to include Jobs NT Workforce Planning Program, working with Northern Territory businesses in preparation for possible future major projects coming on line.

**OUTPUT GROUP: EMPLOYMENT**

This output group provides the capacity to forecast workforce needs and promotes the Northern Territory nationally and internationally as a place to live and work. It also coordinates Indigenous employment policy and strategy.

The outcomes are a diversified skill base with fewer skills shortages and maximised employment opportunities for Territorians.

**Performance Output: Workforce Growth**

Responsibilities:

- providing strategic advice and forecasts on workforce needs 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 to settle, work and establish businesses and contribute to the skills, population and overall economic base of the Territory.

**Performance**

Initiative or Activity	Achievement
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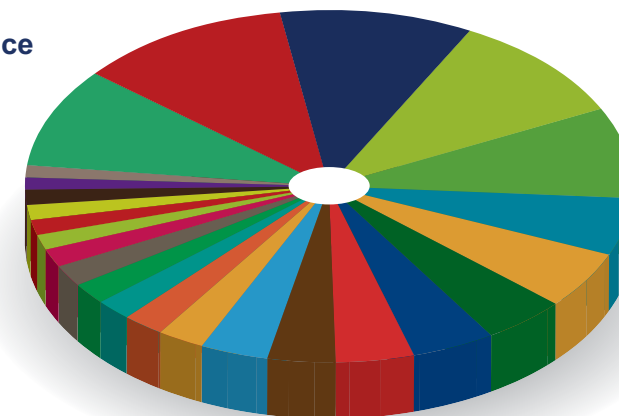
Business and Skilled Migration

✓ → The Business and Skilled Migration Strategy was incorporated into the Jobs NT Strategy in 2010. Visas related to nominations and sponsorships certified by the department increased to 1877, a 19% increase on 2009–10.

Over the five-year life of the strategy, the Northern Territory has increased its share of the Australian migrant intake to 0.9%. Details provided in the chart below.

**Northern Territory: Settler Arrivals by Birthplace**

United Kingdom and Ireland	11.62	North East Asia (Other)	2.42
Philippines	10.28	Singapore	2.17
India	9.95	Vietnam	2.01
New Zealand	8.19	North Africa/Middle East	2.01
Indonesia	5.43	Mynamar	1.51
Thailand	5.18	Sri Lanka	1.51
South Africa	4.52	South East Asia (Other)	1.42
People's Republic of China	4.26	Germany	1.34
Europe (Other)	4.26	USA	1.25
Southern Asia (Other)	3.76	Sub Saharan Africa (Other)	1.25
Zimbabwe	3.60	Oceania (Other)	1.17
		Other	8.95



✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Jobs in the NT campaign, incorporating national and international promotional activity.	<p>→ The department participated in:</p> <ul style="list-style-type: none"> <li>• two international migration exhibitions in Ireland and the United Kingdom and three dedicated seminars on the Northern Territory in Ireland</li> <li>• three joint activities with Charles Darwin University at Study to Migrate exhibitions in China, Indonesia and the Philippines</li> <li>• The NT Week at the Shanghai World Expo and conducted an investment attraction seminar in Shandong in the People’s Republic of China.</li> </ul>
Jobs NT 2010–12, an overarching workforce development structure that brings together current government policies and initiatives.	<p>Jobs NT 2010–12 was developed, launched and implemented. It identifies three priority groups, including specific performance indicators:</p> <ul style="list-style-type: none"> <li>✓ → • business and employers – the Northern Territory continues to grow the size and skills of the workforce</li> <li>✓ • Indigenous employment – 3000 Indigenous Territorians commencing in employment across the public and private sectors in the three years to 2012</li> <li>→ • young people – a 5% increase in the number of young Territorians achieving a Year 12 or equivalent certificate II qualification by 2012.</li> </ul>
Indigenous Training for Employment Program (ITEP)	<p>✓ ITEP grants have been directed towards two program streams, Indigenous Job Outcomes and Workforce Development. The program focus is on delivering employment outcomes and workforce development strategies that support economic participation as Working Future initiatives in the Territory Growth Towns.</p> <p>Achievements in 2010–11:</p> <ul style="list-style-type: none"> <li>• ITEP supported 20 projects with a commitment of \$2.2 million. In 2011 grants specifically focused on critical initiatives at sector level through workforce planning and development approaches. \$0.7 million has been allocated to support activity for shires and health and community services sectors.</li> </ul> <p>ITEP completes its 4 year agreement with the Australian Government in June 2011.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
Territory Worker Database	<p>→ Commenced upgrading the Territory Worker Database to allow candidates to upload curriculum vitae and enable the capture of relevant information from overseas candidates.</p> <p>There has been a 45% increase in the number of candidates registering interest in working in the Territory through the database.</p>
Northern Territory Occupation Shortage List 2011	<p>→ The list is reviewed annually in consultation with industry, businesses, government agencies and the community to take into account emerging and existing occupation shortages.</p> <p>41 responses were received from stakeholders, resulting in six new occupations being added.</p> <p>The list was released in March 2011.</p>
Workforce Growth NT – regional activities	<p>→ Delivered Jobs in the NT and skilled migration seminars in Tennant Creek, Katherine and Alice Springs.</p> <p>The evolving role of the Regional Job Hubs in Tennant Creek and Nhulunbuy is focusing on labour market data collection.</p> <p>224 regional applications were received for certification and sponsorship. 130 primary applications were certified.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Employment Budget Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Workforce Growth NT/Skilled Migration database registrations:				
- international	550	550	0	700
- interstate	2000	2500	3039	2500
Business and skilled migration visas for nominations and sponsorships certified	1200	1200	1877	1200
Client satisfaction with employment programs *	80%	80%	80%	80%
Timeframes met as agreed *	100%	100%	100%	100%

\* These measures/key deliverables apply to the Indigenous Training for Employment Program (ITEP)

**Movements between Original and Revised Budget 2010–11**

*Workforce Growth NT/Skilled Migration database registrations - Interstate*

Increased registrations were due to participation in exhibition in Sydney in December 2010 and targeted media marketing within Australia.

**Movements between 2010–11 Revised Budget and Actual**

*Workforce Growth NT/Skilled Migration database registrations - International*

No international candidates registered into the Territory Worker Database as development of the capability to capture relevant information from international candidates is yet to be completed.

*Workforce Growth NT/Skilled Migration database registrations - Interstate*

Increased registrations were due to participation in exhibition in Sydney in December 2010 and targeted media marketing within Australia.

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

The increase was largely due to changes in Commonwealth legislation and policy relating to the General Skilled Migration schemes.

**Measures not continued from 2010–11 Budget**

Employment programs developed and introduced.

## Priorities for 2011–12

- Continued implementation of Jobs NT 2010–12, including initiatives to support the Northern Territory workforce through the workforce development framework and initiatives including engagement of industry to develop sector workforce planning and development plans and initiatives.
- Support local industry and business prepare for major projects - including co-chairing the joint industry/government/union Gearing Up For Major Projects taskforce established to address these matters.
- Continued support for economic participation initiatives in the Territory Growth Towns.
- Implement procurement reform including the Optimising Indigenous Opportunities policy development and implementation.
- Annual update of the Northern Territory Occupation Shortage List.
- Continue to develop and facilitate initiatives that support Indigenous Territorians access employment and advance their career opportunities. Focus will continue on employment growth and retention in regional and remote areas.
- Collaborations with Australian Government agencies to leverage and coordinate cross-government priorities, including industry-specific workforce planning, remote services delivery priorities and COAG reforms.
- Develop and release the Jobs in the NT campaign 2011–12, including further promotion of the Territory Worker Database as a tool to link employees with Northern Territory employers.
- Undertake targeted interstate and international recruitment activity to attract skilled workers.
- Continue to raise awareness of Business and Skilled Migration as mechanisms to address skill shortages and strengthen regional business and skilled migration services as an integral part of Jobs NT 2010–12.
- Continue to participate in targeted migration promotions in countries that are key sources for skilled migrants and for occupations where ongoing skill shortages exist in the Northern Territory.
- Continue joint promotional work with the International Office of Charles Darwin University with a focus on the major source countries for overseas tertiary students.
- Endeavour to influence national skilled migration policy by engaging with the Department of Immigration and Citizenship and profiling the Northern Territory's employment environment and the needs of Northern Territory employers.

**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 technology management 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.

**Performance**

Initiative or Activity	Achievement
Implement Stage 2 and 3 of the Electronic Invoice Management System (EIMS).	<p>✓ Stage 2 – Completed Successfully delivered the electronic workflow of invoices for coding and approval by agencies along with improved reporting and tracking of invoices.</p> <p>Stage 3 – Completed Non Invoice Payment Module pilot completed across two client agencies and system now ready for broader use.</p>
Design and implement an electronic purchase requisition workflow for Tier 1 (less than \$15 000).	<p>→ This project could not be progressed while the government was transitioning to a new banking services provider. With this transition largely complete by the first quarter of 2011–12, development of the new purchase requisition system will commence with the project due for completion before 2012.</p>
Develop and implement a solution to better integrate the workers compensation claims management system and the Government Accounting System, resulting in more automated claims processing.	<p>✓ Solution developed and implemented in 2010–11 resulting in processed claims being interfaced into the Government Accounting System reducing data entry duplication and improving efficiency.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
Review the scope and processes of the Asset Accounting function to coincide with the Department of Construction and Infrastructure implementing the whole-of-government Asset Management System.	→ Asset recognition threshold reviewed and changed in 2010–11 with resultant modifications to processes and records implemented. Ongoing provision of information and advice to the Department of Construction and Infrastructure relating to its project of implementing a new whole-of-government Asset Management System. Further consideration of asset accounting processes has had to be deferred to align with timeframes for this major project.
Continue to enhance financial reporting through improving security and access, consolidating similar reports and developing reports more efficiently.	✓ New consolidated financial reporting suites developed for use by all agencies.
Establish a financial report catalogue that provides a searchable inventory for customers.	→ Report catalogue under development.
Transition to a new banking services provider for the Northern Territory Government.	→ Transition commenced in early 2011 and was largely complete in 2010–11, with bank accounts created and corporate credit cards changed.  Some tasks have continued across into 2011–12, including conversion of some key receivables systems.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Finance Services Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Payments processed	360 000	375 000	405 200	375 000
Debts processed	29 000	32 000	33 530	32 000
Processing accuracy (a)	99.5%	99.5%	99.6%	99.5%
Invoices paid within 30 days	90%	90%	80%	90%
Average days to collect debts	55	55	45	55

**Movements between Original and Revised Budget 2010–11**

*Payments processed*

Increased due to higher payments volume.

**Movements between 2010–11 Revised Budget and Actual**

*Payments processed*

Actual volume increase was greater than anticipated.

*Invoices paid within 30 days*

Unanticipated decline in payments terms across agencies which is being addressed.

*Average days to collect debts*

Timing of collections improved during the last quarter of the financial year.

**New deliverables**

*(a) Processing accuracy*

Reversal of previous measure which recorded percentage of processing errors. The new measure focuses on accuracy and better aligns with new focus on Key Deliverables.

**Renamed deliverables from 2010–11 Budget**

*Payments processed*

**from Creditor invoices processed**

Payments processed also includes non-invoices such as grants and subsidies, employee allowances and reimbursements.

*Debts processed*

**from Debtor invoices processed**

Simplified description to improve readability.

*Invoices paid within 30 days*

**from Creditor Invoices paid within 30 days**

Simplified description to improve readability.

**Measures not continued from 2010–11 Budget**

*System availability*

A number of systems are managed by Finance Services with outages required for normal operational purposes and planned outside business hours.

## Priorities for 2011–12

- Develop and implement a new Budget Management System.
- Scope and develop an upgrade to the Receipts Processing System to provide expanded functionality.
- Develop a Standing Advance Recording and Replenishment System to automate the reimbursement, reconciliation and audit processes for petty cash advances.
- Progress the smart forms initiative and commence development of some high-volume forms.



**OUTPUT GROUP: SHARED SERVICES**

**Output: Human Resource Services**

Responsibilities:

- delivering payroll, recruitment and other human resource 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 employing Indigenous apprentices in remote areas to build skills and a local workforce
- providing support, maintenance and development of the government’s core human resource IT systems, including the employee self-service module (myHR)
- coordinating the delivery of short course training, employment programs and job evaluation services for government agencies
- providing human resource management and workforce development reports to agencies.

**Performance**

Initiative or Activity	Achievement
Expand the new Indigenous Employment Program (IEP)	<p>→ The IEP was expanded in 2010–11 with 70 people commencing the program across five intakes. A successful completion rate of over 80% was achieved, with many program graduates now employed across agencies. The range of qualifications offered was extended to meet the recruitment and skills demands of agencies. This included a new program delivering a Certificate II in Community Services qualification tailored for the Department of Health and the Department of Children and Families.</p> <p>The IEP will further extend the range of qualifications available in 2012 by offering a Certificate II in Customer Contact.</p> <p>Five programs are planned for 2011–12, which will include a program in Alice Springs.</p>
Develop and implement an eRecruitment system for government.	<p>→ During 2010–11 the project was re-evaluated with changes made to the delivery platform, hosting, source application and business requirements for electronic recruitment. This led to a new direction and an expanded scope for this project. Additional agency consultation in 2010–11 has improved the system functionality. An internally hosted solution is being developed and is on track for implementation by 2012.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
Deliver a contemporary HR reporting solution, providing a full suite of HR reports for use by all agencies.	→ Design, build and system testing successfully completed. Rollout of this new solution will be completed in 2011–12.
Implement a new Northern Territory Public Sector (NTPS) School-Based Apprenticeship Program with a target of 40 apprentices.	→ The NTPS School-Based Apprenticeship program was implemented and achieved 23% of the targeted 40 apprentices in its first year of operation.
Undertake a Payroll School for 12 Indigenous people in 2010–11 to provide additional staff for Payroll Services, with the training program combining certificate studies and specific payroll training.	✓ Two Payroll Schools were conducted in 2010–11, with 24 participants successfully completing the training program and gaining permanent employment.
Develop process and systems improvements for the Entry Level Recruitment Program, including integration with the new eRecruitment system and consideration of assessment options.	→ Process improvements have been implemented as part of a broader Recruitment and Payroll Services review. The system solution for the Entry Level Recruitment Program will be provided as a key part of the eRecruit electronic recruitment system. Outcomes will be reported within the eRecruit project for 2011–12.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Human Resource Services Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Payroll transactions processed	1.1M	1.0M	1.0M	1.1M
Commencements and terminations processed	14 000	14 000	14 000	14 000
Processing accuracy (a)	99.5%	99.5%	99.5%	99.5%
Proportion of apprentices graduated	80%	76%	56%	80%

**Movements between Original and Revised Budget 2010–11**

*Payroll transactions processed*

Original estimate for 2010–11 was too high.

**Movements between 2010–11 Revised Budget and Actual**

*Proportion of apprentices graduated*

Following a review in 2010–11, the methodology for calculating apprentice completion rates has been modified. Previously non completion was recorded when an apprentice did not complete the academic component or was terminated due to performance issues. Categorisation as non completed has now expanded and includes apprentices who move to permanent employment during the program or who leave the program voluntarily. The 2011–12 budget estimate will be adjusted accordingly.

**New deliverables**

*(a) Processing accuracy*

Reversal of previous measure which recorded percentage of processing errors. New deliverable focuses on accuracy and better aligns with new focus on Key Deliverables.

**Measures not continued from 2010–11 Budget**

*Payroll transactions processed in applicable pay period*

*Average days to commence new employees*

*Workers compensation claims processed within statutory time limits*

Change in reporting reflects the shift from reporting time, quantity and quality measures to Key Deliverables. Some measures were included to provide measures within the previously specified categories.

Achievements of the previous measures were not always within DBE’s control as processes are often dependant on agency and, in some cases, external stakeholder input. Some measures remain static and are thus of limited value.

## Priorities for 2011–12

- Deploy the new HR reporting solution to Northern Territory Government agency HR practitioners, executives and program managers.
- Expand the HR reporting solution to include Occupational Health and Safety and recruitment business data.
- Introduce a range of Recruitment, Employment and Payroll Services revitalisation initiatives, including new teams structures and expanded contact points for employees across government.
- Facilitate a 'Payroll Giving' program to allow Northern Territory Government employees to make pre-tax donations to eligible charities.
- Implement improved telephony and ticketing technology within Recruitment, Employment and Payroll Services. Refer to the above performance table regarding corporate system improvements for 2011–12.
- Investigate expanding the range of qualifications offered under the apprentice and school-based apprentice programs to facilitate an increase in agency uptake of apprentices.
- Continue to deliver the Indigenous Employment Program.
- Continue to develop and implement system and process automation improvements, including electronic timesheets for nurses not based in hospitals and for assistant teachers as well as automated processing of resignations.
- Commence development of an electronic solution for processing entitlements and payments for Fares Out of Isolated Localities (FOILs).

**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 a number of 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.

**Performance**

Initiative or Activity	Achievement
<b>Procurement Services</b>	
Improve efficiency and service quality through increased automation and standardisation of procurement processes across government.	→ The Agency Procurement Requisition Online (APRO) system was further developed in 2010–11 to improve reporting against National Construction Accreditation, OH&S standards and stimulus projects. Implementation of the first stage of Procurement Review Board approval workflows will be completed early in 2011–2012.  An alternative strategy for the development of a web-enabled version of the Tender Document Management System (TDMS) is being prototyped in 2011–12.
Expand the coverage of procurement network professionals and work with agencies to capitalise on the benefits of their specialist expertise.	✓ All agencies are now supported by out posted or nominated Procurement Services staff to lead, facilitate and advise on procurement matters.
Integrate procurement services functions across work units to optimise efficiency and effectiveness.	✓ Staff have been encouraged to work across functional lines and move between out posted and in-house roles.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12



Initiative or Activity	Achievement
Review Contract and Procurement Services business processes.	✓ Review undertaken in 2010–11 and implementation of key recommendations has commenced. Work will continue in 2011–12 with the objective of offering agencies a more flexible suite of service offerings and improved delivery structure.
Review approach to procurement planning for individual projects valued at \$200 000 and above.	→ Best Practice Guidelines for Tender Assessment were developed in 2010–11. Development of guidelines on ways to improve planning will be commenced in 2011–12.
Develop and deliver training and assistance to agency staff on key procurement processes such as tender debriefing, tender specifications and contract management.	→ In addition to developing Best Practice Guidelines for Tender Assessment, a training program to accredit Tender Assessment Chairs was developed in 2010–11. The initial round of training courses for nominated agency staff commenced in mid-2011.  Assistance has also been provided to agencies with developing tender specifications and improving contract management practices.
<b>Procurement Policy</b>	
Ongoing development of procurement policy that takes into account environmental sustainability.	→ Environmental sustainability criterion to be incorporated into procurement framework as part of the procurement reforms to be implemented during 2011–2012.
Develop procurement strategies to support Indigenous employment as part of the government’s Working Future initiative.	→ Strategy development commenced and achievements to date include: <ul style="list-style-type: none"> <li>• changes made to procurement to allow agencies to approach shires to undertake Northern Territory Government work</li> <li>• increasing opportunities for Indigenous labour participation</li> <li>• improved opportunities for shires to submit competitively neutral bids on open tenders</li> <li>• improved use of Indigenous Development Plans in construction work.</li> </ul> Further developments on Indigenous employment will be included as part of new item for 2012 Indigenous Opportunity.
Develop a process to manage Contractor Performance Reports across multiple agencies for non-construction contracts.	→ Business strategy developed with further development to be included in Procurement Reform requirements in 2011–2012.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Implement Council of Australian Governments-initiated changes to the prequalification systems for: <ul style="list-style-type: none"> <li>• civil contractors in roads, bridges</li> <li>• non-residential construction, with Contractor Accreditation Limited (CAL).</li> </ul>	→ CAL has undertaken necessary changes to its systems and processes to accommodate a modified national AUSTROAD system for contracts for roads and bridges valued over \$50 million. <ul style="list-style-type: none"> <li>• Following audit to ensure compliance with national system arrangements will be made to announce the implementation of the system to industry locally and nationally.</li> <li>• Will commence documenting Request for Tenders (RFTs) to the new standards.</li> <li>• Introduce new format Contract Performance Report (CPR) to be used in the roads and bridges work area.</li> </ul> The Australia Procurement and Construction Council (APCC) system for non-residential construction (different to AUSTROADS system) will be implemented during 2011–2012.
Review procurement policy and legislation in support of the introduction of a new purchase requisitions system.	→ Will now be included as part of procurement reform changes.

✓ Achieved     
 ▲ Partially Achieved     
 ✗ Not Achieved     
 → Continues into 2011–12

Procurement Policy and Services Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Tenders released to market <sup>1</sup> (a)	920	920	918	900
Tender responses lodged and processed <sup>1</sup> (b)	3640	3640	3761	3560
Proportion of responses lodged electronically	60%	60%	59%	65%
Contracts awarded <sup>1</sup> (c)	1040	1040	1073	1015

<sup>1</sup> Decrease due to completion of economic stimulus programs.

**Movements between Original and Revised Budget 2010–11**

Nil

**Movements between 2010–11 Revised Budget and Actual**

Nil

**New deliverables**

*(a) Tenders released to market*

Key deliverable identifies effort in preparation of tenders and quotations for release to market. Previous measures focused on point of awarding tender which does not fully reflect effort or deliverables, including multi-staged market engagements.

*(b) Tender responses lodged and processed*

Key deliverable identifies the number of responses to tenders and quotations received from businesses. The number of responses, in conjunction with the number of tenders, highlights market involvement in NTG procurement activity.

*(c) Contracts awarded*

Key deliverable identifies the number of contracts prepared and administered which reflects services delivered. There can be multiple contracts arising from one tender, for example panel contracts.

**Renamed deliverables from 2010–11 Budget**  
*Proportion of responses lodged electronically from Proportion of tenders lodged electronically*

New name better describes deliverables by focusing on the proportion of responses to NTG tenders and quotations that businesses lodge online.

**Measures not continued from 2010–11 Budget**  
*Tenders awarded*

Replaced by two new measures – ‘Tenders released to market’ and ‘Contracts awarded’ – these better reflect the drivers of work effort and are key deliverables of this output.

*Addenda to tenders issued*

Measure is not a key deliverable. Addenda often do not reflect quality and can arise for a range of reasons external to DBE’s services, such as information clarity, scope changes and contact changes.

*Procurement Review Board appeals upheld as a proportion of tenders reviewed*

Measure is not a key deliverable. Measure is a small result with only marginal changes. Individual businesses determine number of appeals lodged and circumstances determine their success.

*Average days to issue tenders*

Measure is not a key deliverable. Processing timing within DBE is consistent leading to a static measure of limited value. Now better reflected in key deliverable ‘Tenders released to market’.

## Priorities for 2011–12

### *Procurement Services*

- Participate in cross-jurisdictional working groups to explore potential collaboration opportunities for national procurement arrangements.
- Implement the Tender Assessment Chair accreditation scheme underlying the Northern Territory Government's Best Practice Guidelines for Tender Assessment.
- Develop an improved web communication interface in support of Tenders Online.
- Revise the suite of procurement services available to agencies to provide more flexible service arrangements and improve delivery.

### *Procurement Policy*

- Implement approved procurement reforms to improve:
  - the transparency of the Northern Territory Government procurement system (including a better understanding of price and non-price factors)
  - the quality and consistency of the tender assessment process
  - the streamlining of procedures for the agencies with high volume procurement needs
  - the optimisation of Indigenous opportunities from Northern Territory Government procurement.

#### Specific measures include:

- the introduction of an explicit weighting for price
- mandating a minimum weighting of at least 16% for the Local Development and Value Adding criterion
- accreditation of assessment panel chairs with associated Best Practice Guidelines for Tender Assessment
- introduce random post-award audits for Tier 4 and 5 contracts
- introduce requirement that 50% Local Development and Value Adding weighting be allocated to Indigenous opportunity in assessment.



**OUTPUT GROUP: SHARED SERVICES**

**Output: Information and Communication Technology Services**

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 encompassing IT systems and data communications, including internet and telephones

- providing ICT security advice and incident response coordination, managing the Northern Territory Government’s internet and intranet web sites
- 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.

**Performance**

Initiative or Activity	Achievement
Manage delivery of ICT services across government by service providers in accordance with contractual arrangements.	➔ Annual review conducted of all contracts. Some process improvements identified in the Service Centre to remove unnecessary procedures in the ordering and management of mobile and satellite services. Savings target achieved with improved ICT service delivery to agencies.
Establish a new ICT Infrastructure Program.	✓ Infrastructure Program Board established. Asset replacement program developed and implemented and new rolling replacement program implemented for future years.
ICT service providers to achieve carbon emissions reductions for ICT services under new outsourced contracts.	➔ Equipment purchased under the new contracts adheres to the energy star compliance standard for office equipment.  Printers are capable of using recycled paper and remanufactured or re-filled toner and ink cartridges.  ICT assets are being disposed of in accordance with Australian Government hazardous waste regulations where applicable.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      ➔ Continues into 2011–12

Initiative or Activity	Achievement
Roll-out enhanced data communications infrastructure under the Digital Regions Initiative to 16 Territory Growth Towns to support eHealth and eLearning initiatives in these towns.	<p>→ New optic fibre cabling was installed in six Territory Growth Towns during 2010–11. Installations for the remaining towns are progressing on schedule and are due to be completed by quarter four of 2011–12. Fibre extensions to PowerWater Corporation and other facilities in some towns are in progress.</p> <p>Working with Telstra to have local exchanges upgraded where required to enable greater Wide Area Network data communications speeds.</p>
Maximise opportunities in the Northern Territory available through the Australian Government's \$36 billion capital investment in the National Broadband Network.	<p>→ NBNco has committed to a first roll-out of 3000 premises to have access to fibre in the Casuarina area starting in the first quarter 2012.</p>
National Broadband Network Backhaul Blackspots program.	<p>→ Northern Territory supported industry submissions to provide backhaul links.</p> <p>Two fibre links will be built in the Northern Territory, accounting for more than \$70 million of investment.</p> <p>Installation of the fibre optic link between Darwin and Brisbane began in early 2010. Completion is expected by early 2012.</p> <p>Darwin interstate connection through Adelaide is expected to go live in September 2011.</p>
Develop a Northern Territory ICT industry website to showcase capability and provide an information portal for the industry.	<p>✓ The ICT industry website portal (<a href="http://www.ntict.org">www.ntict.org</a>) was completed and is operational.</p>
Deploy with the Northern Territory Library (Department of Natural Resources, Environment, the Arts and Sport) public internet access to 40 remote communities; nine of which are Territory Growth Towns.	<p>▲ → The program is under way with 17 of 40 target communities completed as at June 2011. Ongoing maintenance in 19 communities and training completed in 20 of the 40 communities.</p>

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Respond to climate change by developing and implementing strategies to reduce greenhouse gases associated with the operation of government ICT.	✓ The Green ICT Policy was developed and sanctioned by the Northern Territory Government Information Management committee and the policy was released.
Develop eBusiness strategies to meet the needs of Northern Territory businesses, in partnership with service delivery agencies, especially in relation to licences and registrations.	→ A multi-agency steering group has been established to coordinate the implementation of a road map for a Northern Territory Government online business and occupational licensing service to be established for businesses over the next three to five years and achieve a single business-centric online portal.

✓ Achieved
▲ Partially Achieved
✘ Not Achieved
→ Continues into 2011–12

Information and Communication Technology Services Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Laptops/workstations	14 200	14 500	14 463	14 700
Outsourced ICT services provided within agreed service levels	98%	98%	98%	98%
Severe desktop faults restored within service level agreement	100%	100%	100%	100%
Remote communities connected to broadband	25	25	25	25

**Movements between Original and Revised Budget 2010–11**

*Laptops/workstations*

Growth of devices with increase in network capacity.

**Measures not continued from 2010–11 Budget**

*Average monthly user service calls to helpdesk*

Measure does not reflect a key service deliverable. Service calls are directly related to the number of devices.

*Records management system work requests resolved within two days*

Measure does not reflect a key service deliverable and was providing little or no value to clients. Static measure with minimal variation and limited usefulness.

**Movements between 2010–11 Revised Budget and Actual**

*Nil*

*Agency score card for desktop services (out of 10)*

Measure does not reflect a key service deliverable. Results were static. Arrangements modified under new contracting model.

**Renamed deliverables from 2010–11 Budget**

*Outsourced ICT services provided within agreed service levels*

**from** *Outsourced services provided within agreed service levels*

Very minor change to include reference to ICT.

*Records management system availability*

Measure does not reflect key service deliverables for records management system. Outages can be caused by external network factors. Static measure with minimal variations and limited usefulness.



## Priorities for 2011–12

### ICT Policy

- Maximise the opportunities for the Northern Territory from the Australian Government's National Broadband Network by developing an engagement strategy with NBNco and the Australian Government.
- Develop a Northern Territory Broadband Strategy in line with Territory 2030 to provide guidance to maximise the benefits of the National Broadband Network.
- Develop communication capabilities in the Territory Growth Towns to ensure urban parity and maximum benefit.
- Engage with the Australian Government, broadcasters and media organisations to achieve parity in cost and content for digital television broadcasting services throughout the Northern Territory, particularly in remote areas.
- Implement national web content accessibility guidelines.
- Pilot and develop eForms and electronic workflow solutions to support improvement of government processes.

### ICT Services

- Establish new Computers for the Community program offering up to 500 machines a year.
- Introduce major improvements to Mobility in Government with the introduction of infrastructure and applications that assist in remote access and mobile computing. Identified projects include:
  - expansion of wireless LAN coverage
  - introduction of Mobile Device Management software to enable better remote management of mobile devices
  - investigation of iPad and iPhone document management software tools to enhance the usability and security of these devices within the government network
  - assessment of NEC everphone software for improved on-net phone coverage via mobile devices
  - implementation of Microsoft Lync 2010 – office communicator suite that allows desktop video conferencing, document sharing, online meetings and presence awareness using Microsoft Exchange
  - implementation of Microsoft Project 2010 Server – application presented from a central server allowing shared information and better project management.
- Consolidation of the server fleet for improved management and reduction of carbon emissions.
- Upgrade the government's records management system, TRIM, for all Northern Territory Government agencies.

**OUTPUT GROUP: SHARED SERVICES**

**Output: Office Leasing Management**

Property leasing matters are overseen by the Government Office Accommodation Committee (GOAC), which provides a whole-of-government approach to coordinating and managing the office accommodation portfolio. GOAC comprises the chief executives of the Department of Business and Employment, Northern Territory Treasury, Department of Construction and Infrastructure and the Office of the Commissioner for Public Employment.

Responsibilities:

- acquiring leased commercial, retail, industrial and special-use property
- managing commercial leased accommodation, including security and cleaning services. The portfolio comprises more than 190 leases of approximately 190 000m<sup>2</sup> located throughout the Northern Territory, including 33 leases managed on behalf of a range of non-government organisations. Details provided at Appendix IX (page 216).
- providing professional real estate services to agencies, which includes accommodation planning, lease negotiation, tenant advocacy and managing relationships with landlords, developers and industry.

**Performance**

Initiative or Activity	Achievement
Service agency requests for leased commercial property in urban and remote areas in a timely and professional manner.	✓ Nine new leases and 36 renewed leases were negotiated in 2010–11. Acquisition of suitable property in remote areas remains an ongoing challenge.
Prepare a business case and determine functional requirements for a leased property management system.	✓ Business case prepared and approved. New leased property management system procured in 2010–11. Customisation and system development commenced in 2010–11 with the system to be fully implemented early in 2011–12.
Develop lease property plans for key growth agencies, in conjunction with the agencies.	→ Research work including preliminary analysis of available commercial accommodation and projections was commenced and will continue in 2011–12. An external advisor with suitable commercial accommodation planning expertise was sourced to lead this project.
Develop a Workplace Design and Management Policy and standards in conjunction with the Department of Construction and Infrastructure.	→ Development of Accommodation Plans for four major departments will be progressed in 2011–12. Independent consultant has proposed a Northern Territory Government Workplace Design and Management Policy, Standards and Guidelines following consultation with key stakeholders. The proposed policy will be further considered and developed over the course of 2011–12.
Increase use of paper recycling in cleaning contracts.	→ A new cleaning services tender specification, including paper recycling requirements, has been developed. The tender is due to be released during 2011–12.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Coordinate accommodation plans to relocate agencies from the Greatorex Building in Alice Springs.	✓ Accommodation planning to relocate affected agencies is complete. A tender for 1000m <sup>2</sup> of office accommodation in Alice Springs was released in June 2011 as part of the relocation activities identified in the plan.
Assist with progressing the establishment of a Government Business Centre in Nguiu, focusing on office lease negotiations and participate in planning for Government Business Centres in other Territory Growth Towns.	→ A tender for the Nguiu Government Business Centre has been developed and will be issued in 2011–12. Assistance will continue to be provided to the lead agencies in relation to planning the establishment of Government Business Centres in other Territory Growth Towns and future lease requirements.
Provision of central lease administration services for land tenure in remote communities.	→ Provided assistance and advice to the lead agencies in relation to the future leasing of land in remote communities. Assistance will continue to be provided through 2011–12.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Office Leasing Management Budget Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Property leases	200	195	195	200
Area leased (000m <sup>2</sup> )	200	190	190	200
Average cost per m <sup>2</sup>	\$310	\$327	\$335	\$340
Leased property area accredited for NABERS 4-Star or better <sup>1</sup> energy efficiency rating (000m <sup>2</sup> )	40	40	30	55

<sup>1</sup> NABERS is the Australian built environmental ratings system, 4-Star is equivalent to Australian best practice.

**Movements between Original and Revised Budget 2010–11**

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

Reflects market pricing.

**Movements between 2010–11 Revised Budget and Actual**

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

The Northern Territory commercial property market is very buoyant with demand matching or exceeding supply in most centres. Consequently, the property market is experiencing rental valuation increases beyond indexation.

*Leased property are accredited for NABERS 4-Star or better energy efficiency rating*

A number of leased commercial premises are currently undergoing NABERS energy efficiency ratings or are in the process of refurbishment to attain a NABERS rating and, on completion, are anticipated to achieve 4.5 stars or better.

**Renamed deliverables from 2010–11 Budget**

*Leased property area accredited for NABERS 4-Star or better energy efficiency rating (000m<sup>2</sup>) from Area of leased commercial property accredited for energy efficiency under NABERS 4-Star or better (m<sup>2</sup>)*

**Measures not continued from 2010–11 Budget**

*Rental payments made on time*

Rental payments are mainly paid through an automated schedule and there is very little variation to the measure. Results are static and of limited value.

### Priorities for 2011–12

- Assess responses to tender for the supply of 9000m<sup>2</sup> of commercial office accommodation in Darwin.
- Assess responses to tender for 1000m<sup>2</sup> office accommodation in Alice Springs.
- Coordinate development of agency Leased Office Accommodation Plans with a 5-10 year outlook in conjunction with the relevant agencies.
- Implement a new leased property management system, including training.
- Develop tenders for an across-government panel contract for Cleaning and Building Security Services.





**GOVERNMENT BUSINESS DIVISIONS**

**Data Centre Services**

Data Centre Services (DCS) 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
- 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.

**Performance**

Initiative or Activity	Achievement
Meet agency demand for fully managed computing services	✓ There was a growing demand for fully managed services during 2010–11. Additional server infrastructure was installed, which increased the number of fully managed computing servers from 365 to 498. The increased demand for services is set to continue through 2011–12 with the trend showing three to five new servers requested weekly.
Investigate options for implementation of an improved backup solution to mitigate risks in accessing backed-up agency business data.	→ The investigation was completed in 2010–11. The hardware and software components required to upgrade the data backup system and improve the efficiency for accessing and recovering agency business data has been delivered and partially installed. The full installation will be completed early 2011–12.
Contain the carbon footprint of an energy-intensive facility.	→ The avoidance of potential CO <sub>2</sub> emissions increased to 62 metric tonnes per month as a result of the extension of virtual server technology over physical servers. Further energy saving occurred by raising the operating temperature in the data centre computer room thereby reducing the power consumption.
Ensure minimal disruption and continuity of critical government business systems by enhancing disaster recovery capabilities.	→ This is a multi-year project. Following an external risk assessment in 2010, further agency and stakeholder consultations have been progressed. Analysis of interim and/or partial solutions will occur over 2011–12.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Initiative or Activity	Achievement
Infrastructure review of the Chan Data Centre.	✓ Two infrastructure reviews were completed during the 2010–11. Two additional air-cooled computer room air-conditioning units were installed. Overhead power cabling racks were introduced, replacing the need for underfloor cabling. Two power distribution boards were replaced and an investigation into the emergency power generation requirements commenced. The refurbishment of the operations area was completed.
Establish a capacity planning and forecasting model for data centre hosting services.	✓ A capacity planning model for the Chan Data Centre was introduced, which monitors and forecasts physical storage and power consumption requirements. The forecasting prompted some of the infrastructure upgrades outlined above.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

Data Centre Services Budget Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Cost per mainframe CPU second (a)	\$0.28	\$0.28	\$0.29	\$0.26
Servers hosted in Chan Data Centre <sup>1</sup>	520	585	580	600
Fully managed servers	380	380	498	460
Data storage area network (Terabytes) <sup>2</sup>	150	465	420	650
Carbon emissions – avoided (Tonnes) (b)	700	790	830	800

<sup>1</sup> Deliverable adjusted to only count servers with SAN. Tape drives and network appliances removed. Increase due to transfer of server ownership to NTG.

<sup>2</sup> Increase due to transfer of Storage Area Network data storage previously outsourced to contracted providers

**Movements between Original and Revised Budget 2010–11**

*Servers hosted in the Chan Data Centre*

Increase due to anticipated client demand for new services

*Data storage area network (Terabytes)*

Increase due to expected transfer of stored data from a contracted service provider to Data Centre Services resulting from the new ICT contracts.

*Carbon emissions – avoided (Tonnes)*

Increase due to anticipated growth of energy efficient virtual server technology.

**Movements between 2010–11 Revised Budget and Actual**

*Fully managed servers*

Significant increase in the number of servers due to client demand, including the introduction of new business systems.

**New deliverables**

*(a) Cost per mainframe CPU second*

Deliverable reflects cost effectiveness of mainframe environment which aligns with key services.

*(b) Carbon emissions – avoided (Tonnes)*

Deliverable tracks potential carbon emissions avoided through energy efficient practices in the Data Centre. Deliverable aligns with government climate change policy priorities.

**Renamed deliverables from 2010–11 Budget**

*Data storage area network (Terabytes) from Terabytes of storage area network*

Minor name change to clarify deliverable.

**Measures not continued from 2010–11 Budget**

*Billable mainframe (CPU) seconds processed per month*

Measure does not reflect mainframe effectiveness which is important requirement for data centre mainframe clients.

*Unplanned outages per month – mainframe services*

Measure does not reflect key service deliverable. Mainframe reliability is very high resulting in static measure of limited usefulness.

*Unplanned outages per month – virtual server environment*

Measure does not reflect key service deliverable. Virtual server environment is closely managed resulting in a static measure of limited usefulness.

*Response time for mainframe services (<5 seconds)*

Measure does not reflect a key service deliverable. This is a static measure of limited value.

*Performance report for mid-range services provided to clients each month*

Reports are automatically generated for clients from realtime system monitoring. This is a static measure of limited value and is not a key service deliverable.

## Priorities for 2011–12

- Improve mainframe operational efficiency by reducing the cost of operations in line with 2010–11 external benchmarking recommendations.
- Mainframe Modernisation Project – assist agencies to modernise their legacy mainframe systems by installing a development toolset that will provide them with a graphical user interface.
- Commence review of ePass and its role in providing government identity management services.
- Mainframe upgrade – replace one of the two existing mainframe servers.
- Upgrade the Chan Data Centre’s central data communications network.



**GOVERNMENT BUSINESS DIVISIONS**

**Government Printing Office**

The Government Printing Office (GPO) delivers efficient, high-quality specialised and general printing and government publications services, involving the use 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 and specialised printing and publication services to Parliament and government agencies in a secure environment including the production of Hansard, Bills, Acts, subordinate legislation, Gazettes, annual reports, budget papers, ballot papers, stationery, brochures, posters, and other reports, publications and promotional material
- applying commercial practices in delivering centralised printing services for government in partnership with the private sector printing industry, which involves outsourcing a consistent portion of print jobs to best meet specific printing requirements.

**Performance**

Initiative or Activity	Achievement
Implement the 'National Printing Industry Sustainable Green Print' Environmental Management Certification System.	✘ Detailed investigations have now demonstrated that this system will not deliver value for money and is beyond the capacity and scope of the GPO to achieve within available resources. The GPO is refocussing its efforts on a range of other activities to deliver improved environmental outcomes.
Review service delivery options for printing services to agencies, including coordination of printing management functions to ensure effective and efficient service to customers.	✓ Options have been considered with some refinements made and the overall service model retained. The GPO continues to provide effective and efficient printing services to clients.
Continue monitoring energy usage and seeking ways to reduce the GPO's carbon footprint.	➔ The GPO's energy usage is monitored and reported monthly. A number of carbon reduction strategies have been identified and are being progressively implemented. Key strategies include: <ul style="list-style-type: none"> <li>• using plant-based inks</li> <li>• re-using grey water</li> <li>• reducing the use of chemicals</li> <li>• promoting green initiatives to clients</li> <li>• recycling waste</li> <li>• greening the cleaning in the GPO.</li> </ul>
Maintain work share with private sector print industry.	➔ 28% of total printing sales were outsourced to the private sector during 2010–11.
Recruit a new Government Printer.	✓ Government Printer commenced in October 2010.

✓ Achieved      ▲ Partially Achieved      ✘ Not Achieved      ➔ Continues into 2011–12



Government Printing Office Budget Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Print jobs delivered (a)	2530	2530	2585	2600
Proportion of printing sales outsourced	27%	25%	28%	25%
Print jobs completed within required timeframes	99%	99%	99%	99%
Print jobs error free (b)	99.9%	99.9%	99.9%	99.9%
Print jobs quoted and won (c)	83%	83%	92%	85%

**Movements between Original and Revised Budget 2010–11**

Nil

**Movements between 2010–11 Revised Budget and Actual**

*Proportion of printing sales outsourced*

Increased volume of work done in May–June 2011 resulted in higher proportion achieved.

**New deliverables**

*(a) Print jobs delivered*

Replaces previous measure of ‘Jobs Undertaken’ – now reporting on jobs delivered to clients rather than total number of jobs printed, which included internal stock jobs. This better reflects key service deliverable.

*(b) Print jobs error free*

Replaces previous measure of ‘Jobs reworked’. New deliverable is focussed on the success rate of services rather than previous focus on potential failure rate. This better reflects key service deliverable.

*(c) Print jobs quoted and won*

Replaces ‘Quotes provided within required timeframes’. Deliverable focus is on success of pricing strategies, including timeliness and better reflects key service deliverable.

**Measures not continued from 2010–11 Budget**

*Jobs undertaken*

Replaced with ‘Print Jobs Delivered’ as the previous measure included internal stock jobs.

*Jobs reworked*

Replaced with ‘Print jobs error free’. Quality Assurance processes keep reprints to minimum.

*Quotes provided within required timeframes*

Replaced by ‘Print jobs quoted and won’ as timeliness is only one element of succeeding in winning a quote.

### Priorities for 2011–12

- Enhance, upgrade and improve data and functionality of the GPO's management information systems.
- Develop and progress a marketing strategy to ensure clients are aware of service options and ensure continued provision of effective and efficient services.
- Continue to implement energy efficiencies and green initiatives, including monitoring the use of environmentally harmful chemicals.
- Update and replace key printing equipment at end of life.
- Continue to work in partnership with private sector printers.



**GOVERNMENT BUSINESS DIVISIONS**

**NT Fleet**

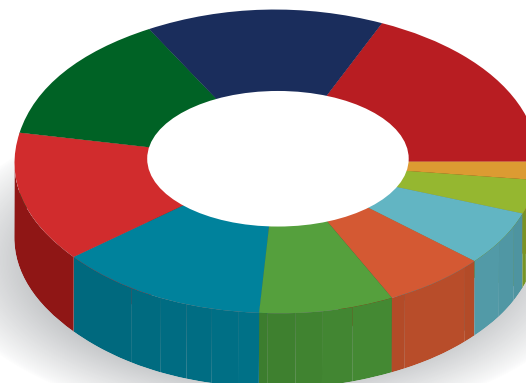
NT Fleet provides agencies with a modern fleet of vehicles matched to their operational needs.

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

**Responsibilities:**

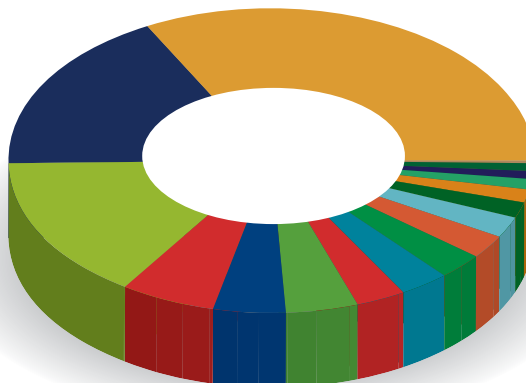
- managing the Northern Territory Government vehicle fleet, including light and heavy vehicles and plant and equipment, except for Police, Fire and Emergency Services vehicles
- managing vehicle acquisition and disposal, contract management, vehicle usage monitoring, coordination of maintenance and repairs and reporting to agencies
- 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 Greening the Fleet 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. Details provided in the charts below.

**Gifted Vehicles**



	<b>Costs (\$)</b>
Missionaries of Charity	5 000
Top End Flying	8 500
Mental Health Association	14 000
Mental Carers NT	15 000
Top End Mental Health Consumer	20 000
Smile A Mile Fun Bus & Toys Library	31 000
Ngaliwurra Wuli Association	33 000
Gapuwiyak Culture	33 000
Brahminy Foundation	35 000
Tiwi Bombers Football Club	43 000
<b>Sub-total</b>	<b>237 500</b>

**Loaned Vehicles**



	<b>Costs (\$)</b>
iNTune and Bush Band	668
Boxing NT Inc	1 043
NT Writers Festival	1 127
Words on Fringe	1 977
Freds Pass Show	2 017
Katherine Regional Arts	2 489
Music NT	3 396
Humpty Doo Scouts	3 859
Ingkerreke Mountain Bike Enduro	4 426
Red Hot Arts Central Australia	4 431
Desert Festival	4 586
NT Centre for Contemporary Art	6 680
Wadeye Festival	7 050
Corrugated Iron Youth Arts	8 709
Finke Desert Race	23 439
Desert Festival	26 426
Yothu Yindi Foundation	49 909
<b>Sub Total</b>	<b>152 232</b>
<b>Total</b>	<b>389 732</b>

Performance

Initiative or Activity	Achievement
Implement the Greening the Fleet Strategy as part of the government's Climate Change Policy to reduce greenhouse gases associated with the vehicle fleet.	→ The Greening the Fleet Strategy was implemented. The strategy will see a 20% reduction in average CO <sub>2</sub> gases produced by the government's passenger and light commercial fleets over the next five years. Agency targets averaging 7% for 2009–10 and 2010–11 were set. At 30 June 2010 a total reduction of 9% had been achieved during the first two years of the strategy's operation. The shortfall is mainly attributed to delays in the delivery of more fuel-efficient vehicles and a slow uptake of the strategy by some agencies. The light vehicle fleet includes a substantially greater proportion of fuel-efficient vehicles, having a green vehicle guide rating of 5.5 or higher.
Continue to achieve an acceptable return on the asset base.	✓ NT Fleet made a net profit of \$10.13 million after tax, an 11% return on asset base.
Continue to provide clients with quality and timely fleet management information.	→ The fleet website continued to be updated with ANCAP safety ratings so agencies can evaluate new models as they are released.  The website was also updated to include monthly agency KPI reporting on the Green the Fleet Strategy, including agreed targets and actual performance.
Work with agencies to acquire a safer, more environmentally friendly fleet, and minimise the cost of owning and operating the fleet.	→ NT Fleet has continued to benchmark against other jurisdictions and adopt best-practice fleet management. Ongoing discussions with agencies have occurred, focused on complying with the Greening the Fleet Strategy and ensuring vehicles suit agency operational needs.
Review NT Fleet business systems to establish the strategic ICT direction.	→ Attempts to identify a suitable consultant to review NT Fleet's business system and management information requirements were unsuccessful. A steering committee has been formed to progress the review in 2011–12 and determine functional requirements.
Implement the pool vehicle booking system across government and monitor usage.	→ The pool vehicle booking system was implemented and made available to agencies. The system was modified to address requirements to update and report on accidents, record data for fringe benefits tax, maximise vehicle utilisation and assign traffic infringement notices. Work continues to improve the usefulness of the system with a project initiated with the Department of Housing, Local Government and Regional Services to continue into 2011–12.

✓ Achieved      ▲ Partially Achieved      ✗ Not Achieved      → Continues into 2011–12

NT Fleet Budget Performance Indicators

Key Deliverables	2010–11			2011–12
	Original Budget	Revised Budget	Actual	Original Budget
Light vehicles managed	2800	2850	2851	2910
Light vehicles disposed	1050	990	945	1000
Heavy vehicles managed	650	657	658	662
Vehicles disposed within replacement criteria	80%	80%	82%	80%
Reduction in greenhouse gases produced per km travelled	7%	7%	9%	7%
Vehicles available for auction sale within 36 days	95%	90%	84%	90%

**Movements between Original and Revised Budget 2010–11**

*Light vehicles managed*

Additional vehicles required by large agencies such as Departments of Health, Children and Families, Education and Training and Power and Water Corporation.

*Light vehicles disposed*

2010–11 - delays in supply of replacement vehicles on order.

*Vehicles available for auction sale within 36 days*

Target reduced due to difficulty of transporting regional vehicles to Darwin.

**Movements between 2010–11 Revised Budget and Actual**

*Light vehicles disposed*

5% reduction in disposals mainly due to limited availability of replacement vehicles as a result of the disasters in Japan.

*Vehicles available for auction sale within 36 days*

Ongoing difficulty of transporting vehicles from remote areas to Darwin and delays in disposal preparations by service providers.

**Renamed deliverables from 2010–11 Budget**

*Vehicles disposed within replacement criteria from Vehicles aged within replacement criteria*

Minor name change to better reflect the key service deliverable.



## Priorities for 2011–12

- Continue to support and assist agencies to achieve the objectives of the Greening the Fleet Strategy.
  - Review application of the Greening the Fleet Strategy for years three, four and five of the Strategy, with a particular focus on setting CO<sub>2</sub> reduction targets for each agency.
- Participate in inter-jurisdictional fuel contract arrangements for government fleet operators.
- Implement whole-of-life registration for government-owned vehicles.
- Design and implement fleet reporting for agencies utilising the department's data warehouse capabilities.
- Deliver a reasonable return on the asset base through prudent financial management.
- Develop and promote driver training courses for use by agency staff, with particular emphasis on 4WD vehicles.
- Enhance and expand the use of the pool vehicle booking system across the Northern Territory Government.
- Finalise a review of the functional requirements and prepare business case for NT Fleet's business information system.
- Continue to investigate opportunities to reduce the cost of owning and operating fleet vehicles.





## FINANCIAL STATEMENTS



## FINANCIAL STATEMENT OVERVIEW

### For the Year Ended 30 June 2011

The Department of Business and Employment (DBE) 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;
- strategic labour market policy advice, facilitation of skilled migration to meet industry needs, strategic advice on the workforce impact of major projects and policy frameworks to improve indigenous employment outcomes; and
- shared corporate services for Government agencies and Government business divisions, including financial and human resource administration, procurement services, information and communications technology (ICT) services and office leasing.

### FINANCIAL PERFORMANCE

The Department's operating surplus of \$8.4 million for 2010–11 reflects a minor variation from the budgeted surplus of \$8.0 million. The key variation relates to an under expenditure on the Commonwealth Indigenous Training for Employment programs of \$0.7 million which will be carried over to 2011–12 financial year.

**Table 1: 2010–11 Actual and Budget Performance**

	Actual \$'000		Budget \$'000		Variation \$'000	
	2011	2010	2011	2010	2011	2010
Income	168 731	156 231	168 682	160 728	49	(4 497)
Expenses	160 320	157 590	160 724	159 527	404	1 937
<b>Surplus/(Deficit)</b>	<b>8 411</b>	<b>(1 359)</b>	<b>7 958</b>	<b>1 201</b>	<b>453</b>	<b>(2 560)</b>

### Income

The majority of the Department's income is sourced from appropriation from the Central Holding Authority (called Output Revenue). The Department's corporate shared services are provided free-of-charge to general government agencies, although notional charges are recorded and reflected in each agency's budget and output costs. The 2010–11 Output Revenue figure includes a reduction of \$9.9 million when compared to the 2009–10 figures, reflecting a change in the funding source for the whole of Government Information and Communications Technology (ICT) infrastructure from Output Revenue to Goods and Services Revenue.

An additional \$8 million of Commonwealth revenue was received in 2010–11 for a Commonwealth Government National Partnership Agreement to fund the Digital Regions Initiative.

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**

Year	Output Revenue		Goods and Services Revenue		Commonwealth Revenue		Other Revenue		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	129 730	76.9	26 313	15.6	9 725	5.8	2 963	1.8	168 731	100.0
09–10	139 467	89.3	13 967	8.9	1 234	0.8	1 563	1.0	156 231	100.0
08–09	125 454	85.5	18 055	12.3	1 624	1.1	1 554	1.1	146 687	100.0

### Expenses

Property costs, primarily office lease rents for all government agencies, comprise the largest expense category for the Department. Both property and ICT costs are mostly committed by long term, fixed contracts and are generally non-discretionary. The ICT figure includes ongoing expenditure relating to the delivery of ICT services and computer hardware to general government agencies. Employee expenses are the second major expense category with ongoing efforts to contain and reduce these costs.

Employee cost increased in 2010–11 primarily as a result as the new administrative functions associated with the changed ICT outsourcing arrangements.

The Department paid an \$8.1 million grant in 2010–11 with the largest grants programs being:

- Indigenous Training for Employment grants of \$2.3 million
- Industry Development Support Program grants of \$1.8 million
- \$0.9 million to support Desert Knowledge Australia
- \$0.3 million for EcoBiz grants
- \$0.5 million for Business Growth Program grants

**Table 3: Expenses by Category**

Year	Employee		Property		ICT		Operational		Grants		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	53 401	33.3	59 823	37.3	25 971	16.2	13 023	8.1	8 102	5.1	160 320	100.0
09–10	52 009	33.0	59 497	37.7	26 093	16.6	10 222	6.5	9 769	6.2	157 590	100.0
08–09	49 308	34.5	49 436	34.6	15 390	10.8	12 814	9.0	15 830	11.1	142 778	100.0

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**

	Business Development	Employment	Shared Services	Total
	\$'000	\$'000	\$'000	\$'000
Employee	7 525	2 473	43 403	53 401
Operational	4 464	1 809	92 543	98 816
Grants	4 571	3 258	274	8 103
<b>Total</b>	<b>16 560</b>	<b>7 540</b>	<b>136 220</b>	<b>160 320</b>
Percentage	10.3%	4.7%	85.0%	100.0%

**FINANCIAL POSITION**

The Department's net asset position at the end of 2010–11 is \$35.1 million.

Major assets include:

\$19.0 million - cash and deposits;

\$5.4 million - receivables, primarily relating to GST receivables, service level agreement billing and property leasing portfolio;

\$5.1 million - prepayments, primarily relating to the property leasing portfolio;

\$25.0 million - property, plant and equipment, primarily buildings and leasehold improvements;

and

\$1.7 million – intangibles.

Major liabilities include:

\$7.9 million - deposit held for Accountable Officer's Trust Account and Clearing Account;

\$4.5 million – payables;

\$6.2 million - current provisions - includes employee entitlements of \$5.2 million and other employee payroll on-costs of \$ 0.9 million; and

\$2.6 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 2011 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.



.....  
Graham Symons  
Chief Executive

30 August 2011



.....  
Rex Schoolmeester  
Chief Finance Officer

30 August 2011

	NOTE	2011 \$'000	2010 \$'000
<b>INCOME</b>			
<i>Grants and Subsidies Revenue</i>			
Current		1 725	1 234
Capital		5 000	
<i>Appropriation</i>			
Output		129 730	139 467
Commonwealth		3 000	
Sales of Goods and Services		26 313	13 967
Interest Revenue		11	14
Goods and Services Received Free of Charge	4	1 314	1 342
Gain on Disposal of Assets	5	4	23
Other Income		1 634	184
<b>TOTAL INCOME</b>	3	<b>168 731</b>	<b>156 231</b>
<b>EXPENSES</b>			
Employee Expenses		53 401	52 009
<i>Administrative Expenses</i>			
Purchases of Goods and Services	6	95 566	92 922
Repairs and Maintenance		430	559
Depreciation and Amortisation	10, 11	1 396	1 020
Other Administrative Expenses		110	(31)
Goods and Services Received Free of Charge	4	1 314	1 342
<i>Grants and Subsidies Expenses</i>			
Current		8 102	6 979
Capital		1	2 790
Loss on Disposal of Assets	5		
<b>TOTAL EXPENSES</b>	3	<b>160 320</b>	<b>157 590</b>
<b>NET SURPLUS</b>		<b>8 411</b>	<b>(1 359)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in Asset Revaluation Surplus			1 005
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>			<b>1 005</b>
<b>COMPREHENSIVE RESULT</b>		<b>8 411</b>	<b>(354)</b>

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

	NOTE	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	7	19 015	7 572
Receivables	8	5 420	3 375
Loans and Advances	9	60	237
Prepayments		5 131	3 658
<b>Total Current Assets</b>		<b>29 626</b>	<b>14 842</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	24 976	11 870
Intangibles	11	1 728	
<b>Total Non-Current Assets</b>		<b>26 704</b>	<b>11 870</b>
<b>TOTAL ASSETS</b>		<b>56 330</b>	<b>26 712</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits Held		7 939	96
Payables	12	4 510	3 125
Provisions	13	6 178	5 873
<b>Total Current Liabilities</b>		<b>18 627</b>	<b>9 094</b>
<b>Non-Current Liabilities</b>			
Provisions	13	2 605	2 603
<b>Total Non-Current Liabilities</b>		<b>2 605</b>	<b>2 603</b>
<b>TOTAL LIABILITIES</b>		<b>21 232</b>	<b>11 697</b>
<b>NET ASSETS</b>		<b>35 098</b>	<b>15 015</b>
<b>EQUITY</b>			
Capital		24 268	12 596
Reserves	14	1 329	1 329
Accumulated Funds		9 501	1 090
<b>TOTAL EQUITY</b>		<b>35 098</b>	<b>15 015</b>

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

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>2010–11</b>					
<b>Accumulated Funds</b>		<b>1 090</b>			<b>1 090</b>
Transfers from Reserves			8 411		8 411
		<b>1 090</b>	<b>8 411</b>		<b>9 501</b>
<b>Reserves</b>	14	<b>324</b>			<b>324</b>
Asset Revaluation Reserve		1 005			1 005
		<b>1 329</b>			<b>1 329</b>
<b>Capital - Transactions with Owners</b>		<b>12 596</b>			<b>12 596</b>
Equity Injections					
Capital Appropriation				3 288	3 288
Equity Transfers In				8 243	8 243
Other Equity Injections				141	141
Specific Purpose Payments					
National Partnership Payments					
Commonwealth - Capital					
Equity Withdrawals					
Capital Withdrawal					
Equity Transfers Out					
		<b>12 596</b>		<b>11 672</b>	<b>24 268</b>
<b>Total Equity at End of Financial Year</b>		<b>15 015</b>	<b>8 411</b>	<b>11 672</b>	<b>35 098</b>
<b>2009–10</b>					
<b>Accumulated Funds</b>		<b>2 449</b>	<b>(1 359)</b>		<b>1 090</b>
Transfers from Reserves					
		<b>2 449</b>	<b>(1 359)</b>		<b>1 090</b>
<b>Reserves</b>	14	<b>324</b>			<b>324</b>
Asset Revaluation Reserve			1 005		1 005
		<b>324</b>	<b>1 005</b>		<b>1 329</b>
<b>Capital - Transactions with Owners</b>		<b>7 882</b>			<b>7 882</b>
Equity Injections					
Capital Appropriation				3 618	3 618
Equity Transfers In				205	205
Other Equity Injections				955	955
Specific Purpose Payments					
National Partnership Payments					
Commonwealth - Capital					
Equity Withdrawals					
Capital Withdrawal				(64)	(64)
Equity Transfers Out				-	-
		<b>7 882</b>		<b>4 714</b>	<b>12 596</b>
<b>Total Equity at End of Financial Year</b>		<b>10 655</b>	<b>(354)</b>	<b>4 714</b>	<b>15 015</b>

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

	NOTE	2011 \$'000	2010 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
<i>Grants and Subsidies Received</i>			
Current		6 725	1 234
Appropriation			
Output		132 730	139 467
Receipts From Sales of Goods And Services		41 510	24 922
Interest Received		11	14
<b>Total Operating Receipts</b>		<b>180 976</b>	<b>165 637</b>
<b>Operating Payments</b>			
Payments to Employees		(52 925)	(51 104)
Payments for Goods and Services		(111 855)	(104 487)
<i>Grants and Subsidies Paid</i>			
Current		(8 102)	(6 979)
Capital		(1)	(2 790)
<b>Total Operating Payments</b>		<b>(172 883)</b>	<b>(165 360)</b>
<b>Net Cash From Operating Activities</b>	15	<b>8 093</b>	<b>277</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales			
Repayment of Advances		78	48
<b>Total Investing Receipts</b>		<b>78</b>	<b>48</b>
<b>Investing Payments</b>			
Purchases of Assets		(7 988)	(2 031)
Advances and Investing Payments		(12)	(15)
<b>Total Investing Payments</b>		<b>(8 000)</b>	<b>(2 046)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(7 922)</b>	<b>(1 998)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Proceeds of Borrowings			
Deposits Received		7 843	(240)
<i>Equity Injections</i>			
Capital Appropriation		3 288	3 619
Other Equity Injections		141	955
<b>Total Financing Receipts</b>		<b>11 272</b>	<b>4 334</b>
<b>Financing Payments</b>			
Repayment of Borrowings			
Equity Withdrawals			(64)
<b>Total Financing Payments</b>			<b>(64)</b>
<b>Net Cash From/(Used In) Financing Activities</b>		<b>11 272</b>	<b>4 270</b>
Net Increase/(Decrease) in Cash Held		11 443	2 549
Cash at Beginning of Financial Year		7 572	5 023
<b>CASH AT END OF FINANCIAL YEAR</b>	7	<b>19 015</b>	<b>7 572</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**

1. Objectives and Funding
2. Statement of Significant Accounting Policies
3. Operating Statement by Output Group

**INCOME**

4. Goods and Services Received Free of Charge
5. Gain/Loss on Disposal of Assets

**EXPENSES**

6. Purchases of Goods and Services

**ASSETS**

7. Cash and Deposits
8. Receivables
9. Loans and Advances
10. Property, Plant and Equipment
11. Intangibles

**LIABILITIES**

12. Payables
13. Provisions

**EQUITY**

14. Reserves

**OTHER DISCLOSURES**

15. Notes to the Cash Flow Statement
16. Financial Instruments
17. Commitments
18. Contingent Liabilities and Contingent Assets
19. Events Subsequent to Balance Date
20. Accountable Officer's Trust Account
21. Write-offs, Postponements and Waivers

## 1. OBJECTIVES AND FUNDING

The objective of the Department of Business and Employment is to build industry capabilities through support and solutions for Territory businesses, develop, attract and retain a skilled Territory workforce and provide shared corporate services to the Northern Territory 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**

Workforce Growth

### **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 Department 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; and
- (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 101 Presentation of Financial Statements (September 2007), AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101*

This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Comprehensive Operating Statement and Statement of Changes in Equity. Other Comprehensive Income is now disclosed in the Comprehensive Operating Statement and the Statement of Changes in Equity discloses owner changes in equity separately from non-owner changes in equity.

*AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*

A number of amendments are largely technical, clarifying particular terms or eliminating unintended consequences. Other changes include current/non-current classification of convertible instruments, the classification of expenditure on unrecognised assets in the cash flow statement and the classification of leases of land and buildings. 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.

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Impact on financial statements</b>
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on 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]	Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7)	1 Jan 2011	Terminology and editorial changes. Impact minor

DBE anticipates that the adoption of these standards and interpretations in future periods will not have material impact to the Financial Statements. However, detail of impact is still being assessed.

### 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 Department, are controlled and recorded by the Territory rather than the Department (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.

### d) Comparatives

Where necessary, comparative information for the 2009–10 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

The accounting policies adopted are consistent with those of the previous year except for an increase to the asset capitalisation threshold from \$5 000 to \$10 000 in accordance with amendments to the Treasurer's Directions. See note 2(o) in regards to asset acquisitions.

**g) Accounting Judgements and Estimates**

The preparation of the financial report requires the making of judgements 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 of making the judgements 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.

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

- Employee Benefits – Note 2(s) and Note 13: Non-current provisions 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(n) and Note 8: Receivables.
- Depreciation and Amortisation – Note 2(k), Note 10: 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 Taxation 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 Department 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 and National Partnership 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 Department 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 Department; and
- 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; and
- 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 Department 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 Department assets as part of Output Revenue. Costs associated with repairs and maintenance works on Department 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:

	2011	2010
Buildings	50 Years	50 Years
Plant and Equipment	10 Years	10 Years
Leased Plant and Equipment	5 Years	5 Years
Intangible Assets	10 Years	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 Department 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 16 Financial Instruments.

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 Department 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 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 the Department'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 the Department.

#### **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; and
- Intangibles.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's 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 Department assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Department 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 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 Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

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 Reserve. Note 14 provides additional information in relation to the Asset Revaluation Reserve.

### **q) Leased Assets**

Leases under which the Department 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 are recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction from 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 Department. 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 and recreation leave and other employee benefit liabilities that fall due within twelve 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 twelve 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; and
- 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 Department financial statements.

#### **t) Superannuation**

Employees' superannuation entitlements are provided through the:

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

The Department 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 Department financial statements.

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

The Department may receive contributions from Government where the Government is acting as owner of the Department. Conversely, the Department 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 Department 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.

#### **v) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 17 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. OPERATING STATEMENT BY OUTPUT GROUP**

	Note	Business Development		Employment		Shared Services		Total	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>INCOME</b>									
<i>Grants and Subsidies Revenue</i>									
Current		6	10	1 641	1 033	78	191	1 725	1 234
Capital						5 000		5 000	
<i>Appropriation</i>									
Output		14 228	15 034	5 636	4 204	109 866	120 229	129 730	139 467
Commonwealth Partnerships						3 000		3 000	
Sales of Goods and Services		911	97	30		25 372	13 870	26 313	13 967
Interest Revenue		11	14					11	14
Goods and Services Received Free of Charge	4	876	1 100	438	242			1 314	1 342
Gain on Disposal of Assets	5					4	23	4	23
Other Income		78	29		6	1 556	149	1 634	184
<b>TOTAL INCOME</b>		<b>16 110</b>	<b>16 284</b>	<b>7 745</b>	<b>5 485</b>	<b>144 876</b>	<b>134 462</b>	<b>168 731</b>	<b>156 231</b>
<b>EXPENSES</b>									
Employee Expenses		7 525	7 321	2 473	1 997	43 403	42 691	53 401	52 009
<i>Administrative Expenses</i>									
Purchases of Goods and Services	6	3 380	3 022	1 323	1 333	90 863	88 567	95 566	92 922
Repairs and Maintenance		49	66	24	17	357	476	430	559
Depreciation and Amortisation	10, 11	49	20	24	5	1 323	995	1 396	1 020
Loss on Disposal of Assets	5								
Other Administrative Expenses	21	110	(39)				8	110	(31)
Goods and Services Received Free of Charge	4	876	1 080	438	262			1 314	1 342
<i>Grants and Subsidies Expenses</i>									
Current		4 571	4 805	3 258	1 869	273	305	8 102	6 979
Capital						1	2 790	1	2 790
<b>TOTAL EXPENSES</b>		<b>16 560</b>	<b>16 275</b>	<b>7 540</b>	<b>5 483</b>	<b>136 220</b>	<b>135 832</b>	<b>160 320</b>	<b>157 590</b>
<b>NET SURPLUS</b>		<b>(450)</b>	<b>9</b>	<b>205</b>	<b>2</b>	<b>8 656</b>	<b>(1 370)</b>	<b>8 411</b>	<b>(1 359)</b>
<b>OTHER COMPREHENSIVE INCOME</b>									
Changes in Asset Revaluation Surplus							1 005		1 005
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>							<b>1 005</b>		<b>1 005</b>
<b>COMPREHENSIVE RESULT</b>			<b>9</b>		<b>2</b>		<b>(365)</b>		<b>(354)</b>

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

	2011 \$'000	2010 \$'000
<b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>		
Corporate and Information Services relating to Business and Employment	1 314	1 342
<b>Total Goods and Services Received Free of Charge</b>	<b>1 314</b>	<b>1 342</b>
<b>5. GAIN/LOSS ON DISPOSAL OF ASSETS</b>		
Net proceeds from the disposal of non-current assets	4	23
Less: carrying value of non-current assets disposed		
<b>Total Gain on Disposal of Assets</b>	<b>4</b>	<b>23</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	12 021	12 673
Information Technology Hardware and Software	6 040	7 352
Telecommunications	1 224	919
Office Leasing	59 823	59 497
Consultants <sup>(1)</sup>	5 512	3 375
Advertising <sup>(2)</sup>	466	465
Marketing and Promotion <sup>(3)</sup>	1 056	849
Document Production	40	52
Legal Expenses <sup>(4)</sup>	141	741
Recruitment <sup>(5)</sup>	114	89
Training and Study	770	498
Official Duty Fares	406	318
Travelling Allowance	108	104
(1) Includes marketing, promotion and IT consultants.		
(2) Does not include recruitment advertising or marketing and promotion advertising.		
(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(4) Includes legal fees, claim and settlement costs.		
(5) Includes recruitment related advertising costs.		
<b>7. CASH AND DEPOSITS</b>		
Cash on Hand	59	61
Cash at Bank	18 956	7 511
<b>Total Cash and Deposits</b>	<b>19 015</b>	<b>7 572</b>
<b>8. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	2 476	820
Less: Allowance for Impairment Losses	(3)	(3)
Interest Receivables	1	1
GST Receivable	2 413	2 035
Other Receivables	533	522
<b>Total Receivables</b>	<b>5 420</b>	<b>3 375</b>

	2011 \$'000	2010 \$'000
<b>9. LOANS AND ADVANCES</b>		
Total Loans	274	382
Provision for Doubtful Debts	(214)	(145)
<b>Total Loans and Advances</b>	<b>60</b>	<b>237</b>
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
At Fair Value	2 300	2 300
	<b>2 300</b>	<b>2 300</b>
<b>Buildings</b>		
At Fair Value	5 286	5 023
Less: Accumulated Depreciation	(3 011)	(2 910)
	<b>2 275</b>	<b>2 113</b>
<b>Plant and Equipment</b>		
At Cost	17 905	4 147
Less: Accumulated Depreciation	(1 863)	(1 372)
	<b>16 042</b>	<b>2 775</b>
<b>Computer Software</b>		
At Fair Value	6 897	6 897
Less: Accumulated Amortisation	(2 934)	(2 215)
	<b>3 963</b>	<b>4 682</b>
<b>Computer Hardware</b>		
At Fair Value	704	327
Less: Accumulated Depreciation	(308)	(327)
	<b>396</b>	
<b>Total Property, Plant and Equipment</b>	<b>24 976</b>	<b>11 870</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 2011. No impairment adjustments were required as a result of this review.

**10. PROPERTY, PLANT AND EQUIPMENT (Continued)****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:

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2010	2 300	2 113	2 775	4 682		11 870
Additions		264	13 758		376	14 398
Disposals						
Depreciation and Amortisation		(102)	(491)	(719)	(35)	(1 347)
Additions/(Disposals) from Asset Transfers					55	55
Revaluation Increments/(Decrements)						
<b>Carrying Amount as at 30 June 2011</b>	<b>2 300</b>	<b>2 275</b>	<b>16 042</b>	<b>3 963</b>	<b>396</b>	<b>24 976</b>

**2010 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2009–10 is set out below:

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2009	1 400	2 113	940	5 401		9 854
Additions			2 031			2 031
Disposals						
Depreciation and Amortisation		(105)	(196)	(719)		(1 020)
Additions/(Disposals) from Asset Transfers						
Revaluation Increments/(Decrements)	900	105				1 005
<b>Carrying Amount as at 30 June 2011</b>	<b>2 300</b>	<b>2 113</b>	<b>2 775</b>	<b>4 682</b>		<b>11 870</b>

	2011 \$'000	2010 \$'000
<b>11. INTANGIBLES</b>		
<b>Carrying amounts</b>		
<b>Intangibles with a finite useful life</b>		
<b>(a) Internally generated intangibles</b>		
At valuation		
Less: Accumulated Amortisation		
Written down value – 30 June		
<b>(b) Other intangibles</b>		
At valuation	1 777	
Less: Accumulated Amortisation	(49)	
Written down value – 30 June	1 728	
<b>Intangibles with an infinite useful life</b>		
<b>(a) Internally generated intangibles</b>		
<b>(b) Other intangibles</b>		
<b>Total Intangibles</b>	1 728	

**Intangible Valuations**

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 2011. No impairment adjustments were required as a result of this review.



	2011 \$'000	2010 \$'000
<b>11. INTANGIBLES (continued)</b>		
<b>Reconciliation of movements</b>		
<b>Intangibles with a finite useful life</b>		
<b>(a) Internally generated intangibles</b>		
Carrying amount at 1 July		
Additions		
Disposals		
Depreciation and Amortisation		
Additions/(Disposals) from Administrative Restructuring		
Additions/(Disposals) from Asset Transfers		
Revaluation Increments/(Decrements)		
Impairment Losses		
Impairment Losses Reversed		
Other Movements		
Carrying Amount as at 30 June		
<b>(b) Other intangibles</b>		
Carrying amount at 1 July		
Additions	1 777	
Disposals		
Amortisation	(49)	
Additions/(Disposals) from Administrative Restructuring		
Additions/(Disposals) from Asset Transfers		
Revaluation Increments/(Decrements)		
Impairment Losses		
Impairment Losses Reversed		
Other Movements		
Carrying Amount as at 30 June	<b>1 728</b>	

	2011 \$'000	2010 \$'000
<b>12. PAYABLES</b>		
Accounts Payable	1 929	1 431
Accrued Expenses	2 581	1 694
<b>Total Payables</b>	<b>4 510</b>	<b>3 125</b>
<b>13. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	4 389	4 179
Leave Loading	684	613
Recreation Leave Airfares	159	185
<i>Other Current Provisions</i>		
Other Provisions	946	896
	<b>6 178</b>	<b>5 873</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	2 605	2 603
	<b>2 605</b>	<b>2 603</b>
<b>Total Provisions</b>	<b>8 783</b>	<b>8 476</b>
<b>Reconciliation of Other Provisions</b>		
<b>Balance as at 1 July 2010</b>	896	821
Additional Provisions Recognised	1 682	1 648
Reductions Arising from Payments	(1 632)	(1 573)
<b>Balance as at 30 June 2011</b>	<b>946</b>	<b>896</b>

The Agency employed 634 employees as at 30 June 2011 (617 employees as at 30 June 2010).

**14. RESERVES****Asset Revaluation Reserve***(i) Nature and Purpose of the Asset Revaluation Reserve*

The asset revaluation reserve 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 Reserve.

*(ii) Movements in the Asset Revaluation Reserve*

	2011 \$'000	2010 \$'000
<b>Balance as at 1 July</b>	<b>1 329</b>	<b>324</b>
Increment/(Decrement) - Land		900
Increment/(Decrement) - Buildings		105
<b>Balance as at 30 June</b>	<b>1 329</b>	<b>1 329</b>

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

The total of Department Cash and Deposits of \$19 015 109 recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

**Reconciliation of Net Surplus to Net Cash From Operating Activities**

<b>Net Surplus</b>	8 411	(1 359)
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 396	1 020
(Gain)/Loss on Disposal of Fixed Assets		
Repairs and Maintenance – Minor New Works (non-cash)		205
Other Expenses	110	(32)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(2 044)	594
Decrease/(Increase) in Advances		(6)
Decrease/(Increase) in Prepayments	(1 473)	15
(Decrease)/Increase in Payables	1 385	(711)
(Decrease)/Increase in Provision for Employee Benefits	257	613
(Decrease)/Increase in Other Provisions	51	74
(Decrease)/Increase in Other Liabilities		(136)
<b>Net Cash From Operating Activities</b>	<b>8 093</b>	<b>277</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 Department include cash and deposits, receivables, payables and finance leases. The Department has limited exposure to financial risks as discussed below.

**(a) Categorisation of Financial Instruments**

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

	2011 \$'000	2010 \$'000
<b>Financial Assets</b>		
Cash and deposits	19 015	7 572
Receivables	5 420	3 375
Loans and Advances	60	237
<b>Total Financial Assets</b>	<b>24 495</b>	<b>11 184</b>
<b>Financial Liabilities</b>		
Deposits Held	7 939	96
Payables	4 510	3 125
<b>Total Financial Liabilities</b>	<b>12 449</b>	<b>3 221</b>

**(b) Credit Risk**

The Department has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the Department 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 Department'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.

	2011 \$'000	2010 \$'000
<b>Ageing of Receivables</b>		
Not overdue	4 227	3 227
Overdue for less than 30 days	447	53
Overdue for 30 to 60 days	293	12
Overdue for more than 60 days	453	83
<b>Total Receivables</b>	<b>5 420</b>	<b>3 375</b>

**(c) Liquidity Risk**

Liquidity risk is the risk that the Department will not be able to meet its financial obligations as they fall due. The Department'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 undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

**2011 Maturity analysis for financial liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
Deposits Held					7 939	7 939	
Payables					4 510	4 510	
<b>Total Financial Liabilities:</b>					<b>12 449</b>	<b>12 449</b>	

**2010 Maturity analysis for financial liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
Deposits Held					96	96	
Payables					3 125	3 125	
<b>Total Financial Liabilities:</b>					<b>3 221</b>	<b>3 221</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 Agency is not exposed to interest rate risk as Department financial assets and financial liabilities are non-interest bearing.

## ii) Price Risk

The Department is not exposed to price risk as the Department does not hold units in unit trusts.

## iii) Currency Risk

The Department 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 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

Level 2 – to be used for those instruments that cannot be classified as either Level 1 or Level 3.

Level 3 – fair value is estimated using inputs other than quoted market data, for example, net present value.

<b>2011</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</b>
<b>Financial Assets</b>					
Cash and Deposits	19 015	19 015			19 015
Receivables	5 420	5 420			5 420
Advances and Investments	60	60			60
<b>Total Financial Assets:</b>	<b>24 495</b>	<b>24 495</b>			<b>24 495</b>
<b>Financial Liabilities</b>					
Deposits Held	7 939	7 939			7 939
Payables	4 510	4 510			4 510
Finance Lease Liabilities					
<b>Total Financial Liabilities:</b>	<b>12 449</b>	<b>12 449</b>			<b>12 449</b>
<b>2010</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</b>
<b>Financial Assets</b>					
Cash and Deposits	7 572	7 572			7 572
Receivables	3 375	3 375			3 375
Advances and Investments	237	237			237
<b>Total Financial Assets:</b>	<b>11 184</b>	<b>11 184</b>			<b>11 184</b>
<b>Financial Liabilities</b>					
Deposits Held	96	96			96
Payables	3 125	3 125			3 125
Finance Lease Liabilities					
<b>Total Financial Liabilities:</b>	<b>3 221</b>	<b>3 221</b>			<b>3 221</b>

The net fair value of financial instruments disclosed above is calculated based on method level 1. 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.

	2011 \$'000	2010 \$'000
<b>17. COMMITMENTS</b>		
<b>(i) Capital Expenditure Commitments</b>		
The Department has no Capital Expenditure Commitments		
<b>(ii) Other Expenditure Commitments</b>		
Other non-cancellable expenditure commitments (including carry-overs) not recognised as liabilities are payable as follows:		
Within one year	6 638	2 321
Later than one year and not later than five years		
Later than five years		
	<b>6 638</b>	<b>2 321</b>
<b>(iii) Operating Lease Commitments</b>		
<b>Property</b>		
The Department leases property under non-cancellable operating leases expiring from 1 month to 25 years. Leases generally provide the Department with a right of renewal at which time all lease terms are renegotiated.		
Within one year	46 199	42 037
Later than one year and not later than five years	121 293	109 891
Later than five years	68 600	72 411
	<b>236 092</b>	<b>224 339</b>
<b>Plant and Equipment</b>		
The Department 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	19	44
Later than one year and not later than five years	9	16
Later than five years		
	<b>28</b>	<b>60</b>
<b>(iv) Finance Lease Commitments</b>		
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 2011.

**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 Balance 1 July 2010	Receipts	Payments	Closing Balance 30 June 2011
Salaries and Super cancelled cheques		202		202
Accounts Payable cancelled cheques		1 343		1 343
		<b>1 545</b>		<b>1 545</b>

**21. WRITE-OFFS, POSTPONEMENTS AND WAIVERS**

**Write-offs, Postponements and Waivers Under the *Financial Management Act***

Represented by:

Amounts written off, waived and postponed by Delegates

Irrecoverable amounts payable to the Territory or an Agency written off

Losses or deficiencies of money written off

Public property written off

Waiver or postponement of right to receive or recover money or property

**Total written off, waived and postponed by Delegates**

Amounts written off, postponed and waived by the Treasurer

Irrecoverable amounts payable to the Territory or an Agency written off

Losses or deficiencies of money written off

Public property written off

Waiver or postponement of right to receive or recover money or property

**Total written off, postponed and waived by the Treasurer**

**Write-offs, Postponements and Waivers Authorised**

**Under Other Legislation <sup>(a)</sup>**

2011 \$'000	No. of Trans.	2010 \$'000	No. of Trans.
		5	1
		5	1
		5	1

**DATA CENTRE SERVICES**  
**FINANCIAL STATEMENT OVERVIEW**  
**For the Year Ended 30 June 2011**

**FINANCIAL PERFORMANCE**

Data Centre Services (DCS) produced another strong result in 2010–11 with a total surplus of \$3.62 million after the recognition of income tax for the year of \$1.55 million. This total surplus signified an increase of \$1.25 million over the previous year's result and \$0.93 million above the budget estimate. Based on this surplus, DCS will also be returning a dividend to Government of \$1.81 million for 2010–11.

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: 2010–11 Budget and Actual Performance**

	Actual \$'000		Budget \$'000		Variation \$'000	
	2011	2010	2011	2010	2011	2010
Income	23 775	21 886	22 303	21 249	1 472	637
Expenses	18 599	18 502	18 462	18 609	(137)	107
<b>Net Surplus before Tax</b>	<b>5 176</b>	<b>3 384</b>	<b>3 841</b>	<b>2 640</b>	<b>1 335</b>	<b>744</b>
Income Tax Expense	1 553	1 015	1 152	792	(401)	(223)
<b>Net Surplus after Tax</b>	<b>3 623</b>	<b>2 369</b>	<b>2 689</b>	<b>1 848</b>	<b>934</b>	<b>521</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		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	23 464	98.7	311	1.3			23 775	100
09–10	21 690	99.1	196	0.9			21 886	100
08–09	19 331	98.8	212	1.1	25	0.1	19 568	100

The increase in demand for Midrange services has increased the income produced within this business function significantly more than that experienced within the other business functions.

**Table 3: Income by Business Function**

Year	Mainframe		Midrange		IT Security / ePass		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	14 065	59.2	6 874	28.9	2 836	11.9	23 775	100
09–10	13 361	61.0	5 601	25.6	2 924	13.4	21 886	100
08–09	12 887	65.9	4 425	22.6	2 256	11.5	19 568	100

**Expenses**

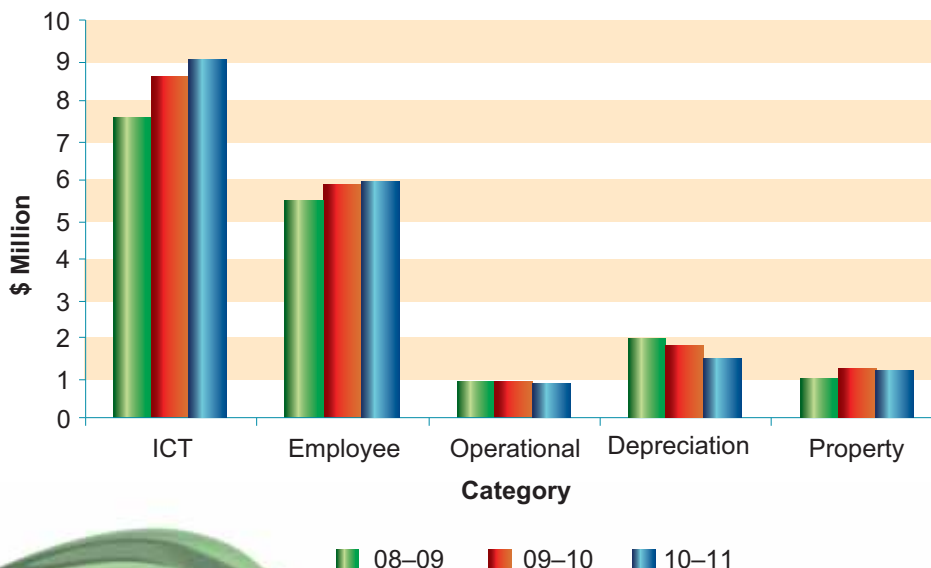
DCS incurs the majority of its expenditure in employee costs and in ICT, which includes information technology related costs for hardware, software and contractors. Compared to previous year’s figures, the greatest increase in expenditure for 2010–11 occurred in the ICT expense category both in absolute terms and in percentage share terms. DCS has managed to contain cost growth in all categories except in ICT services where increased demand has driven growth in this expenditure category.

**Table 4: Expenses by Category**

Year	ICT		Employee		Operational		Depreciation		Property		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	9 053	48.7	5 907	31.8	870	4.6	1 540	8.3	1 229	6.6	18 599	100
09–10	8 615	46.6	5 892	31.8	912	4.9	1 813	9.8	1 270	6.9	18 502	100
08–09	7 575	44.8	5 456	32.3	913	5.4	1 962	11.6	989	5.9	16 895	100

Figure 1 compares DCS’ expenses across financial years by category.

**Figure 1: Expenses by Category**





**Table 5: Expenses by Business Function**

Year	Mainframe		Midrange		IT Security / ePass		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	10 774	57.9	4 784	25.7	3 041	16.4	18 599	100
09–10	11 568	62.5	3 348	18.1	3 586	19.4	18 502	100
08–09	11 453	67.8	2 875	17.0	2 567	15.2	16 895	100

**FINANCIAL POSITION**

DCS has maintained its strong financial position in 2010–11 with net assets totalling \$12.48 million, an increase of \$1.91 million from \$10.57 million in the previous year. The increase in net assets is largely due to the increase in cash reserves of \$3.56 million as a result of the increased net operating surplus. There has been a corresponding increase in liabilities of \$1.59 million due largely to the increased provisions for tax and dividends. DCS major capital acquisitions during the year include a \$0.75 million upgrade in SAN infrastructure to cope with the increase demand for storage and \$0.46 million in the Chan data centre for infrastructure and environment upgrades.

DATA CENTRE SERVICES  
FINANCIAL REPORT

## 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 2011 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.



Kathleen Robinson  
A/CHIEF EXECUTIVE

20 September 2011



Rex Schoolmeester  
CHIEF FINANCE OFFICER

20 September 2011

	NOTE	2011 \$'000	2010 \$'000
<b>INCOME</b>			
Sales of Goods and Services		23 464	21 690
Interest Revenue		311	196
Other Income			
<b>TOTAL INCOME</b>		<b>23 775</b>	<b>21 886</b>
<b>EXPENSES</b>			
Employee Expenses		5 907	5 892
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	11 162	10 797
Depreciation and Amortisation	7	1 540	1 813
Doubtful Debt Expenses		(10)	
<b>TOTAL EXPENSES</b>		<b>18 599</b>	<b>18 502</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>5 176</b>	<b>3 384</b>
Income Tax Expense	4	1 553	1 015
<b>NET SURPLUS</b>	12	<b>3 623</b>	<b>2 369</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>			
<b>COMPREHENSIVE RESULT</b>			
		<b>3 623</b>	<b>2 369</b>

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

	NOTE	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	5	9 101	5 542
Receivables	6	2 530	2 551
Prepayments		2 329	2 598
<b>Total Current Assets</b>		<b>13 960</b>	<b>10 691</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	4 265	4 035
<b>Total Non-Current Assets</b>		<b>4 265</b>	<b>4 035</b>
<b>TOTAL ASSETS</b>		<b>18 225</b>	<b>14 726</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	1 008	679
Income Tax Liabilities	9	1 553	1 015
Provisions	10	2 678	1 892
Other Liabilities	11	195	312
<b>Total Current Liabilities</b>		<b>5 434</b>	<b>3 898</b>
<b>Non-Current Liabilities</b>			
Provisions	10	310	261
<b>Total Non-Current Liabilities</b>		<b>310</b>	<b>261</b>
<b>TOTAL LIABILITIES</b>		<b>5 744</b>	<b>4 159</b>
<b>NET ASSETS</b>		<b>12 481</b>	<b>10 567</b>
<b>EQUITY</b>			
Capital	12	913	811
Accumulated Funds		11 568	9 756
<b>TOTAL EQUITY</b>		<b>12 481</b>	<b>10 567</b>

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

	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
	\$'000	\$'000	\$'000	\$'000
<b>2010–11</b>				
<b>Accumulated Funds</b>	<b>9 756</b>	<b>3 623</b>		<b>13 379</b>
Dividends Payable			(1 811)	(1 811)
	<b>9 756</b>	<b>3 623</b>	<b>(1 811)</b>	<b>11 568</b>
<b>Capital - Transactions with Owners</b>	<b>811</b>			<b>811</b>
Equity Transfers In			102	102
	<b>811</b>		<b>102</b>	<b>913</b>
<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>
<b>2009–10</b>				
<b>Accumulated Funds</b>	<b>8 572</b>	<b>2 369</b>		<b>10 941</b>
Dividends Paid			(1 185)	(1 185)
	<b>8 572</b>	<b>2 369</b>	<b>(1 185)</b>	<b>9 756</b>
<b>Capital - Transactions with Owners</b>	<b>569</b>			<b>569</b>
Equity Transfers In			242	242
	<b>569</b>		<b>242</b>	<b>811</b>
<b>Total Equity at End of Financial Year</b>	<b>9 141</b>	<b>2 369</b>	<b>(943)</b>	<b>10 567</b>

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



	NOTE	2011 \$'000 (Outflows)/Inflows	2010 \$'000 (Outflows)/Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Operating Receipts</i>			
Receipts from Sales of Goods And Services		24 783	22 469
GST Receipts		1 351	1 275
Interest Received		299	187
<b>Total Operating Receipts</b>		<b>26 433</b>	<b>23 931</b>
<i>Operating Payments</i>			
Payments to Employees		(5 774)	(5 747)
Payments for Goods and Services		(11 934)	(12 876)
GST Payments		(1 274)	(1 318)
Income Tax Paid		(1 015)	( 802)
<b>Total Operating Payments</b>		<b>(19 997)</b>	<b>(20 743)</b>
<b>Net Cash From Operating Activities</b>	13	<b>6 436</b>	<b>3 188</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Investing Payments</i>			
Purchases of Assets		(1 691)	(1 756)
<b>Total Investing Payments</b>		<b>(1 691)</b>	<b>(1 756)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(1 691)</b>	<b>(1 756)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Financing Payments</i>			
Dividends Paid	10, 12	(1 185)	(935)
<b>Total Financing Payments</b>		<b>(1 185)</b>	<b>(935)</b>
<b>Net Cash Used In Financing Activities</b>		<b>(1 185)</b>	<b>(935)</b>
Net Increase in Cash Held		3 560	497
Cash at Beginning of Financial Year		5 542	5 045
<b>CASH AT END OF FINANCIAL YEAR</b>	5	<b>9 102</b>	<b>5 542</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**

1. Objectives and Funding
2. Statement of Significant Accounting Policies

**EXPENSES**

3. Purchases of Goods and Services
4. Income Tax Expense

**ASSETS**

5. Cash
6. Receivables
7. Property, Plant and Equipment

**LIABILITIES**

8. Payables
9. Income Tax Liabilities
10. Provisions
11. Other Liabilities

**EQUITY**

12. Equity

**OTHER DISCLOSURES**

13. Notes to the Cash Flow Statement
14. Financial Instruments
15. Commitments
16. Contingent Liabilities and Contingent Assets
17. Events Subsequent to Balance Date
18. Write-offs, Postponements and Waivers

## 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 which 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 the 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; and
- (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 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]*

A number of amendments are largely technical, clarifying particular terms or eliminating unintended consequences. Other changes include current/non-current classification of convertible instruments, the classification of expenditure on unrecognised assets in the cash flow statement and the classification of leases of land and buildings. 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 124 Related Party Disclosures (Dec 2009)	Government-related entities are granted partial exemption from related party disclosure requirements	1 Jan 2011	No impact is expected.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]	Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7)	1 Jan 2011	No impact is expected.
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]	Makes numerous editorial amendments to a range of Standards and Interpretations	1 Jan 2011	No impact is expected.
Interpretation 4 Determining whether an Arrangement contains a Lease	Provides guidance on identifying lease arrangements	1 Jan 2011	No impact is expected.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Amends AASB 7 <i>Financial Instruments: Disclosures</i> , introducing additional disclosures designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets	1 July 2011	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 it 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 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 2009–10 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 less than \$500 being rounded down to zero.

**f) Changes in Accounting Policies**

There have been no changes to accounting policies adopted in 2010–11 as a result of management decisions.

**g) Accounting Judgements and Estimates**

The preparation of the financial report requires the making of judgements 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 of making the judgements 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.

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

- Employee Benefits – Note 2(t) 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.
- Doubtful Debts – Note 2(o) and Note 6: Receivables.
- Depreciation and Amortisation – Note 2(k) and 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 Taxation 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; and
- 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; and
- 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 Expenses**

Costs associated with repairs and maintenance works on DCS' 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:

	2011	2010
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) Interest Expense**

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

**m) 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.

**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) 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.

**p) 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' 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.

**q) 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 arm's length transaction.

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 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.

**r) 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 are recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are recognised as a deduction of the lease expense over the term of the lease.

**s) 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.

**t) 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 and recreation leave and other employee benefit liabilities that fall due within twelve 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 twelve 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; and
- 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 the financial statements.

**u) Superannuation**

Employees' superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- 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 in DCS' financial statements.

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

DCS may receive contributions from Government where the Government is acting as owner of DCS. 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.

**w) 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.

**x) 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.

	2011 \$'000	2010 \$'000
<b>3. 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>	3 383	3 433
Legal Expenses <sup>(2)</sup>		1
Recruitment <sup>(3)</sup>	1	1
Training and Study	108	117
Official Duty Fares	12	9
Travelling Allowance	5	4
Corporate Support from Other Agencies	460	351
Audit Fees	22	19
(1) Includes marketing, promotion and IT consultants.		
(2) Includes legal fees, claim and settlement costs.		
(3) Includes recruitment related advertising costs.		
<b>4. INCOME TAX EXPENSE</b>		
Current Year Surplus	5 176	3 384
Prima facie income tax expense calculated at 30% of the surplus	1 553	1 015
<b>Total Income Tax Expense</b>	<b>1 553</b>	<b>1 015</b>
<b>5. CASH</b>		
Cash at Bank	9 101	5 542
<b>Total Cash</b>	<b>9 101</b>	<b>5 542</b>



	2011 \$'000	2010 \$'000
<b>6. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	571	699
Less: Allowance for Impairment Losses		(10)
	<b>571</b>	<b>689</b>
Interest Receivables	32	20
Other Receivables	1 927	1 842
<b>Total Receivables</b>	<b>2 530</b>	<b>2 551</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At Cost	1 459	1 068
Less: Accumulated Depreciation	(516)	(368)
	<b>943</b>	<b>700</b>
<b>Computer Software</b>		
At Cost	1 730	2 314
Less: Accumulated Amortisation	(1038)	(1 276)
	<b>692</b>	<b>1 038</b>
<b>Computer Hardware</b>		
At Cost	6 459	5 764
Less: Accumulated Depreciation	(3 829)	(3 467)
	<b>2 630</b>	<b>2 297</b>
<b>Total Property, Plant and Equipment</b>	<b>4 265</b>	<b>4 035</b>

### Impairment of Property, Plant and Equipment

DCS property, plant and equipment assets were assessed for impairment as at 30 June 2011. As a result of this review no impairment losses were recognised or adjustments required.

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2010</b>	<b>700</b>	<b>1 038</b>	<b>2 297</b>	<b>4 035</b>
Additions	321		1 370	1 691
Transfers In / (Out)	79			79
Depreciation / Amortisation	(157)	(346)	(1037)	(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>
	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2009</b>	<b>240</b>	<b>1 579</b>	<b>2 031</b>	<b>3 850</b>
Additions	340		1 416	1 756
Transfers In / (Out)	242			242
Depreciation / Amortisation	(122)	(541)	(1 150)	(1 813)
<b>Carrying Amount as at 30 June 2010</b>	<b>700</b>	<b>1 038</b>	<b>2 297</b>	<b>4 035</b>

	2011 \$'000	2010 \$'000
<b>8. PAYABLES</b>		
Accounts Payable	410	52
Accrued Expenses	513	619
GST Payable	85	8
<b>Total Payables</b>	<b>1 008</b>	<b>679</b>
<b>9. INCOME TAX LIABILITIES</b>		
Income Tax Payable	1 553	1 015
<b>Total Income Tax Liabilities</b>	<b>1 553</b>	<b>1 015</b>
<b>10. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	454	440
Leave Loading	94	82
Other Employee Benefits - Recreation Leave Airfares	9	6
<i>Other Current Provisions</i>		
Provision for Dividend	1 811	1 185
Provision for Fringe Benefits Tax	3	3
Provision for Superannuation	93	86
Provision for Payroll Tax	119	90
Provision Other	95	
	<b>2 678</b>	<b>1 892</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	310	261
	<b>310</b>	<b>261</b>
<b>Total Provisions</b>	<b>2 988</b>	<b>2 153</b>
<b>Reconciliation of Dividends</b>		
<b>Balance as at 1 July</b>	<b>1 185</b>	<b>935</b>
Reductions Arising from Payments	(1 185)	(935)
Additional Provisions Recognised	1 811	1 185
<b>Balance as at 30 June</b>	<b>1 811</b>	<b>1 185</b>

DCS employed 63 employees as at 30 June 2011 (59 employees as at 30 June 2010).

	2011 \$'000	2010 \$'000
<b>11. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred Revenue	195	312
<b>Total Other Liabilities</b>	<b>195</b>	<b>312</b>
<b>12. EQUITY</b>		
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>811</b>	<b>569</b>
<i>Equity Injections</i>		
Equity Transfers In	102	242
<b>Balance as at 30 June</b>	<b>913</b>	<b>811</b>
DCS has made no adjustment to reserves for the year ended 2010–11 or 2009–10.		
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>9 756</b>	<b>8 572</b>
Surplus for the Period	3 623	2 369
Dividends Payable	(1 811)	(1 185)
<b>Balance as at 30 June</b>	<b>11 568</b>	<b>9 756</b>
<b>Total Equity</b>	<b>12 481</b>	<b>10 567</b>

## 13. NOTES TO THE CASH FLOW STATEMENT

**Reconciliation of Cash**

The total of DCS Cash of \$9.101M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

**Reconciliation of Net Surplus to Net Cash from Operating Activities****Net Surplus**

	2011 \$'000	2010 \$'000
<b>Net Surplus</b>	<b>3 623</b>	<b>2 369</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 540	1 813
R&M - Minor New Works Non-Cash	24	
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	21	(412)
Decrease/(Increase) in Prepayments	269	(1 031)
(Decrease)/Increase in Accounts Payable	358	11
(Decrease)/Increase in Other Payables	(29)	151
(Decrease)/Increase in Provision for Employee Benefits	78	60
(Decrease)/Increase in Other Provisions	131	70
(Decrease)/Increase Income Tax Liability	538	213
(Decrease)/Increase in Deferred Income	(117)	(56)
<b>Net Cash From Operating Activities</b>	<b>6 436</b>	<b>3 188</b>

*Non-Cash Items:*

    Depreciation and Amortisation

    R&M - Minor New Works Non-Cash

*Changes in Assets and Liabilities:*

    Decrease/(Increase) in Receivables

    Decrease/(Increase) in Prepayments

    (Decrease)/Increase in Accounts Payable

    (Decrease)/Increase in Other Payables

    (Decrease)/Increase in Provision for Employee Benefits

    (Decrease)/Increase in Other Provisions

    (Decrease)/Increase Income Tax Liability

    (Decrease)/Increase in Deferred Income

**Net Cash From Operating Activities**

**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' 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 Westpac Banking Corporation.

**(a) Categorisation of Financial Instruments**

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

	2011 \$'000	2010 \$'000
<b>Financial Assets</b>		
Cash and deposits	9 101	5 542
Receivables	2 530	2 551
<b>Financial Liabilities</b>		
Payables	1 008	679

**(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' 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.



## 14. FINANCIAL INSTRUMENTS (Continued)

	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>571</b>

**Reconciliation of the Allowance for Impairment Losses**

Opening	10		10
Written-off during the year			
Recovered during the year			
Increase/(decrease) in allowance recognised in profit or loss	(10)		(10)
<b>Total</b>			

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>2009–10</b>			
Not Overdue	417		417
Overdue for 30 to 60 Days	167		167
Overdue for more than 60 Days	96		96
Overdue for more than 90 days	19	(10)	9
<b>Total</b>	<b>699</b>	<b>(10)</b>	<b>689</b>

**Reconciliation of the Allowance for Impairment Losses**

Opening		10	
Written-off during the year			
Recovered during the year			
Increase/(decrease) in allowance recognised in profit or loss			
<b>Total</b>		<b>10</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' 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' 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.

**2011 Maturity Analysis for Financial Assets & Liabilities**

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

**2010 Maturity Analysis for Financial Assets & Liabilities**

	Variable Interest	Fixed Interest Rate			Non Interest Bearing	Total	Weighted Average
		Less than a Year	1 to 5 Years	More than 5 Years			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assests</b>							<b>3.42</b>
Cash and deposits	5 542					5 542	
Receivables					2 551	2 551	
<b>Total Financial Assets:</b>	<b>5 542</b>				<b>2 551</b>	<b>8 093</b>	
<b>Liabilities</b>							
Payables					679	679	
<b>Total Financial Liabilities:</b>					<b>679</b>	<b>679</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. Finance lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk. Other financial liabilities are non-interest bearing. DCS' 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 percent in market interest rates across all maturities would not have a significant effect and is considered not material to DCS.

	<b>2011</b> <b>\$'000</b>	<b>2010</b> <b>\$'000</b>
<b>Variable rate instruments</b>		
Cash	9 101	5 542
<b>Total</b>	<b>9 101</b>	<b>5 542</b>

**Market Sensitivity Analysis**

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on DCS' profit or loss and equity:

	<b>Profit or Loss and Equity</b>	
	<b>100 basis points increase \$'000</b>	<b>100 basis points decrease \$'000</b>
<b>30 June 2011</b>		
Financial Assets - Cash at bank	91	(91)
<b>30 June 2010</b>		
Financial Assets - Cash at bank	55	(55)

**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 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

Level 2 – to be used for those instruments that cannot be classified as either Level 1 or Level 3.

Level 3 – fair value is estimated using inputs other than quoted market data, for example, net present value.

<b>2011</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</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>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>1 008</b>

<b>2010</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</b>
<b>Financial Assets</b>					
Cash and Deposits	5 542	5 542			5 542
Receivables	2 551	2 551			2 551
<b>Total Financial Assets:</b>	<b>8 093</b>	<b>8 093</b>			<b>8 093</b>
<b>Financial Liabilities</b>					
Payables	679	679			679
<b>Total Financial Liabilities:</b>	<b>679</b>	<b>679</b>			<b>679</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 2011 or 30 June 2010.

**16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

DCS had no contingent liabilities or contingent assets as at 30 June 2011 or 30 June 2010.

**17. EVENTS SUBSEQUENT TO BALANCE DATE**

DCS had no events subsequent to balance date as of 30 June 2011.

**18. WRITE-OFFS, POSTPONEMENTS AND WAIVERS**

DCS had no write-offs, postponements or waivers for the year ended 2010–11 or 2009–10.



**GOVERNMENT PRINTING OFFICE  
FINANCIAL STATEMENT OVERVIEW  
For the Year Ended 30 June 2011**

### FINANCIAL PERFORMANCE

The 2010–11 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 2011.

#### Operating Statement

The operating statement provides information on the financial performance of the GPO during the year. The surplus or deficit for the year is calculated by subtracting the expense items from the revenue items.

For the year ended 30 June 2011, the GPO recorded a surplus of \$0.03 million after tax, the result was \$0.05 million less than the budgeted after tax value of \$0.08 million. The GPO will return a dividend of approximately \$0.01 million and taxes of \$0.01 million to Government.

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. The GPO has focussed on improving internal business processes and carefully managing its costs throughout 2010–11 resulting in lowering expenses over the past three years. This is a significant achievement in an environment of annually increasing wage costs and inflation, particularly price rises in raw materials such as paper.

**Table 1: 2010–11 Budget versus Actual Performance**

	Actual \$'000		Budget \$'000		Variation \$'000	
	2011	2010	2011	2010	2011	2010
Income	5 618	5 917	5 990	5 990	(372)	(73)
Expenses	5 576	5 677	5 880	5 870	304	193
<b>Net Surplus before Tax</b>	<b>42</b>	<b>240</b>	<b>110</b>	<b>120</b>	<b>(68)</b>	<b>120</b>
Income Tax Expense	13	72	33	36	20	(36)
<b>Net Surplus after Tax</b>	<b>29</b>	<b>168</b>	<b>77</b>	<b>84</b>	<b>(48)</b>	<b>84</b>

#### Income

The GPO is primarily funded by goods and services revenue derived from printing services provided to Northern Territory Government Agencies. Income decreased by \$0.03 million from the prior year, this was predominantly due to a smaller volume of work this financial year. The GPO also received interest and other revenue of \$0.15 million.

**Expenses**

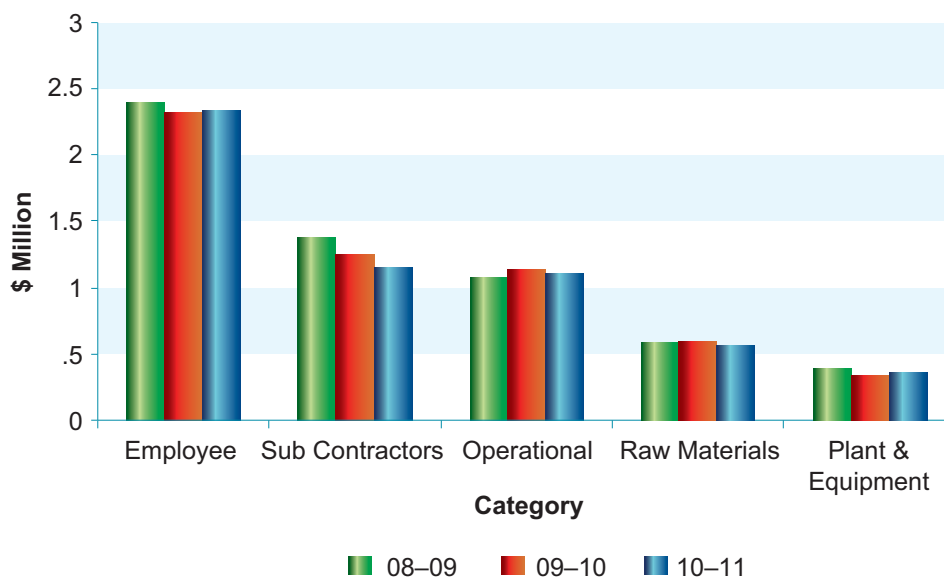
Expenses decreased by \$0.10 million from the previous year. Employee costs comprise the largest expense category for the Government Printing Office. Employee costs were contained in 2010–11 despite salary increases. Costs for sub-contractors decreased in 2010–11 due to a reduction in demand for specialised printing requirements. The below shows the composition of major expense categories.

**Table 2: Expenses by Category**

Year	Employee		Sub Contractors		Operational		Raw Materials		Plant & Equipment		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
10–11	2 353	42.2	1 154	20.7	1 160	20.8	533	9.6	376	6.7	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
08–09	2 405	41.4	1 323	22.8	1 113	19.1	564	9.7	408	7.0	5 813	100.0

Figure 1 shows the Government Printing Office’s expenses by the various categories.

**Figure 1: Expenses by Category**



**Balance Sheet**

The Balance Sheet provides a summary of the GPO's total assets and liabilities. During the year, current assets increased by \$0.27 million. The increase was predominantly in receivables. Fixed assets have decreased by \$0.10 million, due to depreciation.

Total liabilities increased by \$0.15 million. The increase was predominantly due to very high production volumes in the last month of the financial year.

The combined effect of the movements in assets and liabilities resulted in the Government Printing Office's financial position reflecting a slight improvement of \$0.01 million in 2010–11.

**Statement Of Changes In Equity**

The Statement of Changes in Equity reflects movements in equity balances during the year.

Equity increased by \$0.01 million to \$3.17 million. Equity movements were due to the addition of profit after tax of \$0.03 million and a decrease of \$0.07 million for dividends payable.

**Cash Flow Statement**

The Cash Flow Statement reflects total cash payments and receipts during the financial year.

Over all the GPO decreased its cash held by \$0.16 million. This is predominantly due to the higher than expected receivables balance.

**GOVERNMENT PRINTING OFFICE  
FINANCIAL REPORT****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 2011 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.



.....  
Kathleen Robinson  
A/CHIEF EXECUTIVE

20 September 2011



.....  
Rex Schoolmeester  
CHIEF FINANCE OFFICER

20 September 2011

	NOTE	2011 \$'000	2010 \$'000
<b>INCOME</b>			
Sales of Goods and Services		5 467	5 820
Interest Revenue		126	88
Other Income		25	9
<b>TOTAL INCOME</b>		<b>5 618</b>	<b>5 917</b>
<b>EXPENSES</b>			
Employee Expenses		2 353	2 349
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	3026	3 114
Repairs and Maintenance		86	84
Depreciation and Amortisation	8	111	130
<b>TOTAL EXPENSES</b>		<b>5576</b>	<b>5 677</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>42</b>	<b>240</b>
Income Tax Expense	4	13	72
<b>NET SURPLUS</b>	13	<b>29</b>	<b>168</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>			
<b>COMPREHENSIVE RESULT</b>			
		<b>29</b>	<b>168</b>

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



	NOTE	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	5	2 842	3 003
Receivables	6	885	497
Inventories	7	220	187
Prepayments		72	57
<b>Total Current Assets</b>		<b>4 019</b>	<b>3 744</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	318	429
<b>Total Non-Current Assets</b>		<b>318</b>	<b>429</b>
<b>TOTAL ASSETS</b>		<b>4 337</b>	<b>4 173</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	9	540	314
Income Tax Liabilities	10	13	72
Provisions	11	411	441
Other Liabilities	12	85	71
<b>Total Current Liabilities</b>		<b>1 049</b>	<b>898</b>
<b>Non-Current Liabilities</b>			
Provisions	11	162	163
<b>Total Non-Current Liabilities</b>		<b>162</b>	<b>163</b>
<b>TOTAL LIABILITIES</b>		<b>1 211</b>	<b>1 061</b>
<b>NET ASSETS</b>		<b>3 126</b>	<b>3 112</b>
<b>EQUITY</b>			
Capital	13	373	373
Accumulated Funds		2 753	2 739
<b>TOTAL EQUITY</b>		<b>3 126</b>	<b>3 112</b>

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

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>2010–11</b>					
<b>Accumulated Funds</b>	13	2 739	29		2 768
Dividends Payable				(15)	(15)
					<u>2 753</u>
<b>Capital - Transactions with Owners</b>	13	373			373
Equity Injections					
Equity Transfers In					
Equity Withdrawals					
Equity Transfers Out					
		<u>373</u>			<u>373</u>
<b>Total Equity at End of Financial Year</b>		<b><u>3 112</u></b>			<b><u>3 126</u></b>
<b>2009–10</b>					
<b>Accumulated Funds</b>	13	2 655	168		2 823
Dividends Payable				(84)	(84)
		<u>2 655</u>	<u>168</u>	<u>(84)</u>	<u>2 739</u>
<b>Capital - Transactions with Owners</b>	13	373			373
Equity Injections					
Equity Transfers In					
Equity Withdrawals					
Equity Transfers Out					
		<u>373</u>			<u>373</u>
<b>Total Equity at End of Financial Year</b>		<b><u>3 028</u></b>	<b><u>168</u></b>	<b><u>(84)</u></b>	<b><u>3 112</u></b>

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

	NOTE	2011 \$'000 (Outflows)/Inflows	2010 \$'000 (Outflows)/Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts from Sales of Goods And Services		5 650	6 403
Interest Received		125	83
Other Operating Receipts		25	9
<b>Total Operating Receipts</b>		<b>5 800</b>	<b>6 495</b>
<b>Operating Payments</b>			
Payments to Employees		(2 306)	(2 348)
Payments for Goods and Services		(3 499)	(3 802)
Income Tax Paid		(72)	(5)
<b>Total Operating Payments</b>		<b>(5 877)</b>	<b>(6 155)</b>
<b>Net Cash From Operating Activities</b>	14	<b>(77)</b>	<b>340</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales			
<b>Total Investing Receipts</b>			
<b>Investing Payments</b>			
Purchase of Assets			
<b>Total Investing Payments</b>			
<b>Net Cash Used In Investing Activities</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Dividends Paid	11	(84)	(6)
<b>Total Financing Payments</b>		<b>(84)</b>	<b>(6)</b>
<b>Net Cash From/(Used In) Financing Activities</b>		<b>(84)</b>	<b>(6)</b>
Net Increase/(Decrease) in Cash Held		(161)	334
Cash at Beginning of Financial Year		3 003	2 669
<b>CASH AT END OF FINANCIAL YEAR</b>	5	<b>2 842</b>	<b>3 003</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**

1. Objectives and Funding
2. Statement of Significant Accounting Policies

**EXPENSES**

3. Purchases of Goods and Services
4. Income Tax Expense

**ASSETS**

5. Cash and Deposits
6. Receivables
7. Inventories
8. Property, Plant and Equipment

**LIABILITIES**

9. Payables
10. Income Tax Liabilities
11. Provisions
12. Other Liabilities

**EQUITY**

13. Equity

**OTHER DISCLOSURES**

14. Notes to the Cash Flow Statement
15. Financial Instruments
16. Commitments
17. Contingent Liabilities and Contingent Assets
18. Events Subsequent to Balance Date
19. Write-offs, Postponements and Waivers

## 1. OBJECTIVES AND FUNDING

The GPO 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 GPO 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 GPO to prepare financial statements for the year ended 30 June based on the format determined by the Treasurer. The format of the 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; and
- (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 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]*

A number of amendments are largely technical, clarifying particular terms or eliminating unintended consequences. Other changes include current/non-current classification of convertible instruments, the classification of expenditure on unrecognised assets in the cash flow statement and the classification of leases of land and buildings. 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 124 Related Party Disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the GPO is still assessing the detailed impact and whether to early adopt.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]	Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7)	1 Jan 2011	No impact is expected.
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]	Makes numerous editorial amendments to a range of Standards and Interpretations	1 Jan 2011	No impact is expected.
Interpretation 4 Determining whether an Arrangement contains a Lease	Provides guidance on identifying lease arrangements	1 Jan 2011	No impact is expected.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Amends AASB 7 <i>Financial Instruments: Disclosures</i> , introducing additional disclosures designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets	1 July 2011	No impact is expected.

GPO 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 the GPO include income, expenses, assets, liabilities and equity over which the GPO has control (Agency items). Certain items, while managed by the Government Printing Office, are controlled and recorded by the Territory rather than the GPO (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 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 2009–10 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 2010–11 as a result of management decisions.

**g) Accounting Judgements and Estimates**

The preparation of the financial report requires the making of judgements 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 of making the judgements 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.

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

- Employee Benefits – Note 2(v) and Note 11: 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 17: 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) and Note 6: Receivables.
- Depreciation and Amortisation – Note 2(k) and Note 8: 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 Taxation 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 GPO 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 Government Printing Office; and
- 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; and
- 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 the GPO 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 GPO assets as part of Output Revenue. Costs associated with repairs and maintenance works on GPO 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:

	2011	2010
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 are expensed in the period in which they are incurred.

**m) Taxation**

The GPO 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**

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.

Inventories held for distribution are those inventories distributed at no or nominal consideration, and are carried at the lower cost and current replacement cost. Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average 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 GPO 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 15 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable and other receivables are generally settled 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 \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 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 GPO 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 GPO 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 GPO.

**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 arm's 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 GPO assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the GPO 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 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 Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

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 Reserve.



**s) Assets Held for Sale**

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probably within the next twelve 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 GPO 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 Government Printing Office. 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 and recreation leave and other employee benefit liabilities that fall due within twelve 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 twelve 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; and
- 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 GPO and as such no long service leave liability is recognised in the GPO financial statements.

**w) Superannuation**

Employees' superannuation entitlements are provided through the:

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

The GPO 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 GPO may receive contributions from Government where the Government is acting as owner of the Government Printing Office. Conversely, the GPO 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 GPO as adjustments to equity.

The Statement of Changes in Equity and Note 13 provide additional information in relation to contributions by, and distributions to, Government.

**y) Dividends**

The GPO 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.

**z) Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 16 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/(deficit) has been arrived at after charging the following expenses:

**Goods and Services Expenses:**

	2011 \$'000	2010 \$'000
Consultants <sup>(1)</sup>		
Recruitment <sup>(2)</sup>	16	
Training and Study	3	10
Official Duty Fares		
Travelling Allowance		
Audit Fees	23	26
Corporate Support from Other Agencies	172	148

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

<sup>(2)</sup> Includes recruitment related advertising costs.

	2011 \$'000	2010 \$'000
<b>4. INCOME TAX EXPENSE</b>		
Current Year Profit	42	240
<b>Prima facie income tax expense calculated at 30% of the surplus</b>	<b>13</b>	<b>72</b>
<b>5. CASH</b>		
Cash on Hand	2	2
Cash at Bank	2 840	3 001
<b>Total Cash</b>	<b>2 842</b>	<b>3 003</b>
<b>6. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	840	381
Interest Receivables	10	10
Other Receivables	35	106
<b>Total Receivables</b>	<b>885</b>	<b>497</b>
<b>7. INVENTORIES</b>		
<b>General Inventories</b>		
At cost	165	146
	<b>165</b>	<b>146</b>
<b>Work in Progress</b>		
At cost	55	41
	<b>55</b>	<b>41</b>
<b>Total Inventories</b>	<b>220</b>	<b>187</b>
The cost of inventory recognised as an expense during the period in respect of continuing operation was \$0.57M in 2010–11 (2009–10 \$0.57M)		
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At cost	4 170	4 172
Less: Accumulated Depreciation	(3 852)	(3 745)
	<b>318</b>	<b>427</b>
<b>Computer Hardware</b>		
At cost	167	167
Less: Accumulated Depreciation	(167)	(165)
		<b>2</b>
<b>Total Property, Plant and Equipment</b>	<b>318</b>	<b>429</b>

#### Impairment of Property, Plant and Equipment

The Government Printing Office's property, plant and equipment assets were assessed for impairment as at 30 June 2011. No impairment adjustments were required as a result of this review.

**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 & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2010</b>	427		2	429
Additions				
Disposals				
Depreciation / Amortisation	(109)		(2)	(111)
<b>Carrying Amount as at 30 June 2011</b>	<b>318</b>			<b>318</b>

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2009–10 is set out below:

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2009</b>	546	2	12	560
Additions				
Disposals				
Depreciation / Amortisation	(119)	(2)	(10)	(131)
<b>Carrying Amount as at 30 June 2010</b>	<b>427</b>		<b>2</b>	<b>429</b>

	2011 \$'000	2010 \$'000
<b>9. PAYABLES</b>		
Accounts Payable	335	102
Accrued Expenses	156	183
GST Payables	49	29
<b>Total Payables</b>	<b>540</b>	<b>314</b>
<b>10. INCOME TAX LIABILITIES</b>		
Income Tax Liabilities	13	72
<b>Total Income Tax Liabilities</b>	<b>13</b>	<b>72</b>

	2011 \$'000	2010 \$'000
<b>11. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	198	189
Leave Loading	40	36
Other Employee Benefits – Recreation Leave Fares	90	63
<i>Other Current Provisions</i>		
Provision for Dividends	15	84
Provision for Fringe Benefits Tax	3	4
Provision for Workers Compensation Premium	3	4
Provision for Payroll Tax	11	9
Provision for Superannuation	51	52
	<b>411</b>	<b>441</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	162	163
	<b>162</b>	<b>163</b>
<b>Total Provisions</b>	<b>573</b>	<b>604</b>
<b>Reconciliation of Dividends</b>		
<b>Balance as at 1 July</b>	84	6
Additional Provisions Recognised	15	84
Reductions Arising from Payments	(84)	(6)
<b>Balance as at 30 June</b>	<b>15</b>	<b>84</b>

The GPO employed 31 employees as at 30 June 2011 (31 employees as at 30 June 2010).

	2011 \$'000	2010 \$'000
<b>12. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred Income	85	71
<b>Total Other Liabilities</b>	<b>85</b>	<b>71</b>



	2011 \$'000	2010 \$'000
<b>13. EQUITY</b>		
Equity represents the residual interest in the net assets of the GPO. The Government's ownership interest in the GPO is held in the Central Holding Authority as described in Note 2 (c)		
<b>Capital</b>		
<b>Balance as at 1 July</b>	373	373
<i>Equity Injections</i>		
<i>Equity Transfers In</i>		
<i>Equity Withdrawals</i>		
<i>Equity Transfers Out</i>		
<b>Balance as at 30 June</b>	<b>373</b>	<b>373</b>
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	2 739	2 655
Surplus for the Period	29	168
Dividends Payable	(15)	(84)
<b>Balance as at 30 June</b>	<b>2 753</b>	<b>2 739</b>
<b>Total Equity</b>	<b>3 126</b>	<b>3 112</b>
<b>14. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>Reconciliation of Cash</b>		
The total of Agency Cash and Deposits of \$2.841M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
<b>Reconciliation of Net Surplus to Net Cash From Operating Activities</b>		
<b>Net Surplus</b>	<b>29</b>	<b>168</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	111	131
(Gain)/Loss on Disposal of Assets		
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(458)	141
Decrease/(Increase) in Interest Receivable		(5)
Decrease/(Increase) in Inventories	(34)	17
Decrease/(Increase) in Prepayments	(14)	(28)
Decrease/(Increase) in Accrued Revenue	70	(5)
(Decrease)/Increase in Payables	225	(8)
(Decrease)/Increase in Income Tax Liabilities	(59)	67
(Decrease)/Increase in Provision for Employee Benefits	39	(17)
(Decrease)/Increase in Other Provisions		1
(Decrease)/Increase in Deferred Income	14	(122)
<b>Net Cash From Operating Activities</b>	<b>(77)</b>	<b>340</b>

**15. 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 GPO include cash and deposits, receivables and payables. The GPO has limited exposure to financial risks as discussed below.

The GPO'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 Westpac Banking Corporation.

**(a) Categorisation of Financial Instruments**

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

	2011 \$'000	2010 \$'000
<b>Financial Assets</b>		
Cash	2 842	3 003
Receivables	885	497
<b>Financial Liabilities</b>		
Payables	540	314

**(b) Credit Risk**

The GPO has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the GPO 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 2011 is presented below.

<b>Ageing of Receivables</b>	2011 \$'000	2010 \$'000
Not overdue	835	304
Overdue for less than 30 days	5	55
Overdue for 30 to 60 days		20
Overdue for more than 60 days		2
<b>Total Accounts Receivables</b>	<b>840</b>	<b>381</b>

**15. FINANCIAL INSTRUMENTS (Continued)****(c) Liquidity Risk**

Liquidity risk is the risk that the GPO will not be able to meet its financial obligations as they fall due. The GPO'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 undiscounted cash flows payable by the GPO by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

**2011 Maturity Analysis for Financial Assets and Liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'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>898</b>	<b>3 727</b>	
<b>Liabilities</b>							
Payables					540	540	
Other Payables					153	153	
Employee Benefits					490	490	
Income tax Payable					13	13	
Dividends Payable					15	15	
<b>Total Financial Liabilities:</b>					<b>1 211</b>	<b>1 211</b>	

**2010 Maturity Analysis for Financial Assets and Liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	2 991				12	3 003	3.42
Receivables					497	497	
<b>Total Financial Assets:</b>	<b>2 991</b>				<b>509</b>	<b>3 500</b>	
<b>Liabilities</b>							
Payables					314	314	
Other Payables					140	140	
Employee Benefits					451	451	
Income tax Payable					72	72	
Dividends Payable					84	84	
<b>Total Financial Liabilities:</b>					<b>1 061</b>	<b>1 061</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

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.

	2011 \$'000	2010 \$'000
<b>Variable rate instruments</b>		
Financial assets		
Cash	2 842	3 003
<b>Total</b>	<b>2 842</b>	<b>3 003</b>

**Market Sensitivity Analysis**

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

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2011</b>		
Financial assets – cash at bank	29	(29)
<b>30 June 2010</b>		
Financial assets – cash at bank	30	(30)

## ii) Price Risk

The GPO is not exposed to price risk as GPO does not hold units in unit trusts.

## iii) Currency Risk

The GPO is not exposed to currency risk as GPO 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 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

Level 2 – to be used for those instruments that cannot be classified as either Level 1 or Level 3.

Level 3 – fair value is estimated using inputs other than quoted market data, for example, net present value.

<u>2011</u>	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	2 842	2 842			2842
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	540	540			540
Other Payables	153	153			153
Employee Benefits	490	328		162	490
Income Tax payable	13	13			13
Dividends Payable	15	15			15
<b>Total Financial Liabilities:</b>	<b>1 211</b>	<b>1 049</b>		<b>162</b>	<b>1 211</b>

<u>2010</u>	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	3 003	3 003			3 003
Receivables	497	497			497
<b>Total Financial Assets:</b>	<b>3 500</b>	<b>3 500</b>			<b>3 500</b>
<b>Financial Liabilities</b>					
Payables	314	314			314
Other Payables	140	140			140
Employee Benefits	451	288		163	451
Income Tax payable	72	72			72
Dividends Payable	84	84			84
<b>Total Financial Liabilities:</b>	<b>898</b>	<b>898</b>		<b>163</b>	<b>1 061</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.



	2011 \$'000	2010 \$'000
<b>16. COMMITMENTS</b>		
<b>Other Expenditure Commitments</b>		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	145	62
Later than one year and not later than five years	205	62
Later than five years		
	<b>350</b>	<b>124</b>

**17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The GPO had no contingent liabilities or contingent assets as at 30 June 2011 or 30 June 2010.

**18. EVENTS SUBSEQUENT TO BALANCE DATE**

The GPO had no events subsequent to balance date as of 30 June 2011.

**19. WRITE-OFFS, POSTPONEMENTS AND WAIVERS**

The GPO had no write-offs, postponements or waivers during the year ended 30 June 2011 or 30 June 2010.

**NT FLEET**  
**FINANCIAL STATEMENT OVERVIEW**  
**For the Year Ended 30 June 2011**

**FINANCIAL PERFORMANCE**

NT Fleet produced a net surplus after tax of \$10.13 million in 2010–11 which was \$0.67 million lower than the budget estimate, due to a lower than estimated take up of vehicles by a large agency. 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 \$4.34 million and return a dividend of \$5.06 million to Government for 2010–11.

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 of fewer vehicles, although generally at a higher individual value. Over the year the light and heavy vehicle fleets grew by 3.9% and 1.7% respectively. Revenue and expenses for both fleets are provided below.

**Table 1: 2010–11 Budget and Actual Performance**

	Actual \$'000		Budget \$'000		Variation \$'000	
	2011	2010	2011	2010	2011	2010
Income	51 065	46 778	51 617	45 508	(552)	1 270
Expenses	36 596	33 584	36 185	33 570	(411)	(14)
<b>Net Surplus Before Income Tax</b>	<b>14 469</b>	<b>13 194</b>	<b>15 432</b>	<b>11 938</b>	<b>(963)</b>	<b>1 256</b>
Income Tax Expense	4 341	3 958	4 630	3 581	289	(377)
<b>Net Surplus After Income Tax</b>	<b>10 128</b>	<b>9 236</b>	<b>10 802</b>	<b>8 357</b>	<b>(674)</b>	<b>879</b>

**Income**

Most of NT Fleet's revenue comes from goods and services revenue (89.2%) with vehicle hire charges being the primary revenue source. This revenue increased by \$3.05 million in 2010–11 due to an increase in the size of the leased vehicle fleet and an increase in the vehicle hire rates charged to customers. The size of the fleet is dictated by agency business needs and vehicle hire rates are influenced by a number of vehicle related costs.

Asset income was \$5.02 million, an increase of \$1.07 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>		Asset		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<b>10–11</b>	45 551	89.2	361	0.7	130	0.3	5 023	9.8	51 065	100.0
<b>09–10</b>	42 504	90.9	217	0.5	105	0.2	3 952	8.4	46 778	100.0
<b>08–09</b>	39 097	96.0	223	0.6	90	0.2	1 300	3.2	40 710	100.0

Note: <sup>1</sup> Investment includes interest revenue.

<sup>2</sup> Other includes miscellaneous income such as motor vehicle registration refunds.

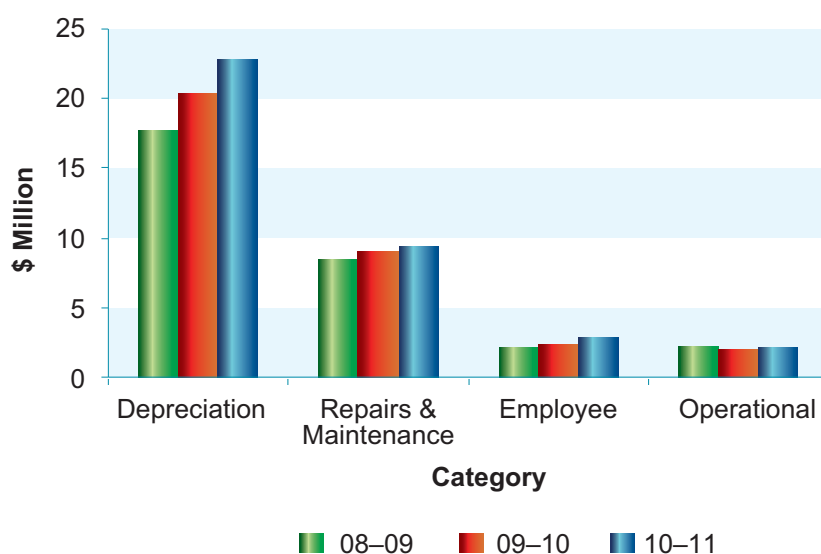
### Expenses

NT Fleet's expenses increased by \$3.01 million in 2010–11. 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 – 60.8% of total expenses and an increase of \$2.18 million in 2010–11; and
- vehicle repairs and maintenance – 26.1% of total expenses and an increase of \$0.34 million in 2010–11.

Figure 1 shows NT Fleet's expenses by the various categories.

**Figure 1: Expenses by Category**



### FINANCIAL POSITION

NT Fleet's net assets at 30 June 2011 were \$90.21 million, an increase of \$5.10 million on the same time last year. This increase is due to the retained income for the year. Vehicle asset balances grew by \$1.92 million over 2009–10 with an increase in current assets of \$3.32 million, mostly due to a higher cash balance at year-end. Total assets improved by \$5.24 million overall. Total current liabilities increased by \$3.13 million over 2009–10 mainly due to a \$3 million loan repayment due in April 2012.

**NT FLEET  
FINANCIAL REPORT****CERTIFICATION OF THE FINANCIAL STATEMENTS**

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 2011 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.



Kathleen Robinson  
A/CHIEF EXECUTIVE

20 September 2011



Rex Schoolmeester  
CHIEF FINANCE OFFICER

20 September 2011

	NOTE	2011 \$'000	2010 \$'000
<b>INCOME</b>			
Sales of Goods and Services		45 551	42 504
Interest Revenue		361	217
Gain on Disposal of Assets	3	5 023	3 952
Other Income		130	105
<b>TOTAL INCOME</b>		<b>51 065</b>	<b>46 778</b>
<b>EXPENSES</b>			
Employee Expenses		2 632	2 312
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	1 959	1 741
Repairs and Maintenance		9 546	9 210
Depreciation and Amortisation	9	22 263	20 054
Interest Expenses		196	267
<b>TOTAL EXPENSES</b>		<b>36 596</b>	<b>33 584</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>14 469</b>	<b>13 194</b>
Income Tax Expense	5	4 341	3 958
<b>NET SURPLUS</b>		<b>10 128</b>	<b>9 236</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>			
<b>COMPREHENSIVE RESULT</b>		<b>10 128</b>	<b>9 236</b>

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



	NOTE	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	6	13 631	9 934
Receivables	7	1 638	1 951
Inventories	8	8	5
Prepayments		45	110
<b>Total Current Assets</b>		<b>15 322</b>	<b>12 000</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	91 416	89 499
<b>Total Non-Current Assets</b>		<b>91 416</b>	<b>89 499</b>
<b>TOTAL ASSETS</b>		<b>106 738</b>	<b>101 499</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	3 509	4 309
Income Tax Liabilities	11	4 341	3 958
Provisions	12	5 454	4 959
Borrowings and Advances	14	3 000	
Other Liabilities	13	47	
<b>Total Current Liabilities</b>		<b>16 351</b>	<b>13 226</b>
<b>Non-Current Liabilities</b>			
Borrowings and Advances	14		3 000
Provisions	12	174	160
<b>Total Non-Current Liabilities</b>		<b>174</b>	<b>3 160</b>
<b>TOTAL LIABILITIES</b>		<b>16 525</b>	<b>16 386</b>
<b>NET ASSETS</b>		<b>90 213</b>	<b>85 113</b>
<b>EQUITY</b>			
Capital		503	467
Accumulated Funds		89 710	84 646
<b>TOTAL EQUITY</b>		<b>90 213</b>	<b>85 113</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>2010–11</b>					
<b>Accumulated Funds</b>		84 646	10 128		94 774
Dividends payable				(5 064)	(5 064)
		84 646	10 128	(5 064)	89 710
<b>Capital - Transactions with Owners</b>		467			467
Equity Injections				36	36
Equity Transfers In					
Equity Withdrawals					
Equity Transfers Out					
		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>
<b>2009–10</b>					
<b>Accumulated Funds</b>		80 028	9 236		89 264
Dividends Payable				(4 618)	(4 618)
		80 028	9 236	(4 618)	84 646
<b>Capital - Transactions with Owners</b>		436			436
Equity Injections					
Equity Transfers In		31			31
Equity Withdrawals					
Equity Transfers Out					
		467			467
<b>Total Equity at End of Financial Year</b>		<b>80 495</b>	<b>9 236</b>	<b>(4 618)</b>	<b>85 113</b>

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

	NOTE	2011 \$'000 (Outflows)/Inflows	2010 \$'000 (Outflows)/Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts from Sales of Goods And Services		51 080	46 461
Interest Received		347	200
<b>Total Operating Receipts</b>		<b>51 427</b>	<b>46 661</b>
<b>Operating Payments</b>			
Payments to Employees		(2 556)	(2 230)
Payments for Goods and Services		(16 214)	(16 238)
Interest Paid		(196)	(284)
Income Tax Paid		(3 958)	(2 992)
<b>Total Operating Payments</b>		<b>(22 924)</b>	<b>(21 744)</b>
<b>Net Cash From Operating Activities</b>	15	<b>28 503</b>	<b>24 917</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales	3	21 583	21 164
<b>Total Investing Receipts</b>		<b>21 583</b>	<b>21 164</b>
<b>Investing Payments</b>			
Purchase of Assets		(41 771)	(37 608)
<b>Total Investing Payments</b>		<b>(41 771)</b>	<b>(37 608)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(20 188)</b>	<b>(16 444)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Repayment of Borrowing			(1 000)
Dividends Paid		(4 618)	(3 491)
<b>Total Financing Payments</b>		<b>(4 618)</b>	<b>(4 491)</b>
<b>Net Cash From/(Used In) Financing Activities</b>		<b>(4 618)</b>	<b>(4 491)</b>
Net Increase/(Decrease) in Cash Held		3 697	3 982
Cash at Beginning of Financial Year		9 934	5 952
<b>CASH AT END OF FINANCIAL YEAR</b>	6	<b>13 631</b>	<b>9 934</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**

1. Objectives and Funding
2. Statement of Significant Accounting Policies

**INCOME**

3. Gain on Disposal of Assets

**EXPENSES**

4. Purchases of Goods and Services
5. Income Tax Expense

**ASSETS**

6. Cash
7. Receivables
8. Inventories
9. Property, Plant and Equipment

**LIABILITIES**

10. Payables
11. Income Tax Liabilities
12. Provisions
13. Other Liabilities
14. Borrowings and Advances

**OTHER DISCLOSURES**

15. Notes to the Cash Flow Statement
16. Financial Instruments
17. Commitments
18. Contingent Liabilities and Contingent Assets
19. Events Subsequent to Balance Date
20. Write-offs, Postponements and Waivers

## 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; and
- 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 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; and
- (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 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]*

A number of amendments are largely technical, clarifying particular terms or eliminating unintended consequences. Other changes include current/non-current classification of convertible instruments, the classification of expenditure on unrecognised assets in the cash flow statement and the classification of leases of land and buildings. 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 124 Related Party Disclosures (Dec 2009)	Government-related entities are granted partial exemption from related party disclosure requirements	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the NT Fleet is still assessing the detailed impact and whether to early adopt.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]	Key amendments include clarification of content of statement of changes in equity (AASB 101) and financial instrument disclosures (AASB 7)	1 Jan 2011	No impact is expected.
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]	Makes numerous editorial amendments to a range of Standards and Interpretations	1 Jan 2011	No impact is expected.
Interpretation 4 Determining whether an Arrangement contains a Lease	Provides guidance on identifying lease arrangements	1 Jan 2011	No impact is expected.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets	Amends AASB 7 <i>Financial Instruments: Disclosures</i> , introducing additional disclosures designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets	1 July 2011	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 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 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 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 2009–10 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 2010–11 as a result of management decisions.

**g) Accounting Judgements and Estimates**

The preparation of the financial report requires the making of judgements 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 of making the judgements 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.

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

- Employee Benefits – Note 2(w) 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.
- Doubtful Debts – Note 2(p) and Note 7: Receivables.
- Depreciation and Amortisation – Note 2(l) and 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 Taxation 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 goods and services tax (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; and
- 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; and
- 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 NT Fleet obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

#### **j) Repairs and Maintenance Expenses**

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.

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:

	2011	2010
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

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

**m) Interest Expense**

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

**n) Cash**

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 all inventories other than those held for distribution and are carried at the lower of cost and net realisable value. 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.

Inventories held for distribution are those inventories distributed at no or nominal consideration and are carried at the lower of 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 estimated receivables which 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 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 NT Fleet 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.

**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 class of non-current assets are reviewed for revaluation 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.

**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, NT Fleet is to determine 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 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 Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

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 to be 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 Reserve.



**s) Assets Held for Sale**

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probably within the next twelve 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 NT Fleet 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 NT Fleet. 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 and recreation leave and other employee benefit liabilities that fall due within twelve 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 twelve 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; and
- 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:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- 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 17 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.

	2011 \$'000	2010 \$'000
<b>3. GAIN ON DISPOSAL OF ASSETS</b>		
Proceeds from the disposal of non-current assets	21 583	21 164
Less: Carrying value of non-current assets disposed	(16 560)	(17 212)
<b>Gain on Disposal of Non-Current Assets</b>	<b>5 023</b>	<b>3 952</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>	52	12
Advertising <sup>(2)</sup>	1	3
Document Production	9	3
Recruitment <sup>(3)</sup>	1	2
Training and Study	5	8
Official Duty Fares	7	3
Travelling Allowance	5	2
Audit Fees	23	37
Corporate Support from Other Agencies	465	417
<sup>(1)</sup> Includes marketing and promotion 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	14 469	13 194
Prima Facie Tax Expense Calculated at 30% of the surplus	4 341	3 958
<b>Total Income Tax Expense</b>	<b>4 341</b>	<b>3 958</b>
<b>6. CASH</b>		
Cash on Hand	4	3
Cash at Bank	13 627	9 931
<b>Total Cash</b>	<b>13 631</b>	<b>9 934</b>
<b>7. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	943	1 062
Interest Receivable	43	29
GST Receivable	(121)	13
Other Receivables	773	847
<b>Total Receivables</b>	<b>1 638</b>	<b>1 951</b>
<b>8. INVENTORIES</b>		
Raw Material and Stores	8	5
<b>Total Inventories</b>	<b>8</b>	<b>5</b>

	2011 \$'000	2010 \$'000
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicles - Light</b>		
At Cost	108 596	103 685
Less: Accumulated Depreciation	(32 036)	(27 807)
	<b>76 560</b>	<b>75 878</b>
<b>Motor Vehicles - Heavy</b>		
At Cost	26 330	26 135
Less: Accumulated Depreciation	(11 870)	(12 847)
	<b>14 460</b>	<b>13 288</b>
<b>Intangibles - Computer Software</b>		
At Cost	321	284
Less: Accumulated Depreciation	(32)	
	<b>289</b>	<b>284</b>
<b>Leasehold Improvements</b>		
At capitalised cost	113	54
Less: Accumulated Depreciation	(6)	(5)
	<b>107</b>	<b>49</b>
<b>Total Property, Plant and Equipment</b>	<b>91 416</b>	<b>89 499</b>

### Impairment of Property, Plant and Equipment

NT Fleet's property, plant and equipment were assessed for impairment as at 30 June 2011. No impairment adjustments were required as a result of this review.

### 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:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold Improvements \$'000	Intangibles - Software \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2010</b>	<b>75 878</b>	<b>13 288</b>	<b>49</b>	<b>284</b>	<b>89 499</b>
Additions	36 070	4 574	59	37	40 740
Disposals	(15 525)	(1 035)			(16 560)
Depreciation/other	(19 863)	(2 367)	(1)	(32)	(22 263)
<b>Carrying Amount as at 30 June 2011</b>	<b>76 560</b>	<b>14 460</b>	<b>107</b>	<b>289</b>	<b>91 416</b>

**2011 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2009–10 is set out below:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold Improvements \$'000	Intangibles - Software \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2009</b>	<b>74 656</b>	<b>12 948</b>	<b>51</b>	<b>249</b>	<b>87 904</b>
Additions	35 673	3 154		35	38 862
Disposals	(16 633)	(579)			(17 212)
Depreciation	(17 818)	(2 235)	(2)		(20 055)
<b>Carrying Amount as at 30 June 2010</b>	<b>75 878</b>	<b>13 288</b>	<b>49</b>	<b>284</b>	<b>89 499</b>

	2011 \$'000	2010 \$'000
<b>10. PAYABLES</b>		
Accounts Payable	3 098	3 969
Accrued Expenses	39	39
Other Accrued Expenses and Accrued Salaries	372	301
<b>Total Payables</b>	<b>3 509</b>	<b>4 309</b>
<b>11. INCOME TAX LIABILITIES</b>		
Income Tax Payable	4 341	3 958
<b>Total Income Tax Liabilities</b>	<b>4 341</b>	<b>3 958</b>

	2011 \$'000	2010 \$'000
<b>12. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	230	200
Leave Loading	44	40
Recreation Leave Fares	14	7
<i>Other Current Provisions</i>		
Provision for Dividend	5 064	4 618
Provision for Fringe Benefits Tax	4	3
Provision for Payroll Tax	30	26
Provision for Superannuation	60	58
Provision for Workers Compensation Premium	7	7
<b>Total Current</b>	<b>5 453</b>	<b>4 959</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	174	160
<b>Total Non-Current</b>	<b>174</b>	<b>160</b>
<b>Total Provisions</b>	<b>5 627</b>	<b>5 119</b>
 <b>Reconciliations of Dividends</b>		
 <b>Balance as at 1 July</b>	<b>4 618</b>	<b>3 491</b>
Reductions Arising from Payments	(4 618)	(3 491)
Additional Provisions Recognised	5 064	4 618
<b>Balance as at 30 June</b>	<b>5 064</b>	<b>4 618</b>

NT Fleet employed 33 employees as at 30 June 2011 (33 employees as at 30 June 2010).

	2011 \$'000	2010 \$'000
<b>13. OTHER LIABILITIES</b>		
Current	47	
<b>Total Other Liabilities</b>	<b>47</b>	
 <b>14. BORROWINGS AND ADVANCES</b>		
<b>Current</b>		
Loans and Advances	3 000	
<b>Non-Current</b>		
Loans and Advances		3 000
<b>Total Borrowings and Advances</b>	<b>3 000</b>	<b>3 000</b>

## 15. NOTES TO THE CASH FLOW STATEMENT

**Reconciliation of Cash**

The total of NT Fleet Cash and Deposits of \$13.63 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****Net Surplus***Non-Cash Items:*

Depreciation and Amortisation

(Gain)/Loss on Disposal of Assets

*Changes in Assets and Liabilities:*

Decrease/(Increase) in Receivables

Decrease/(Increase) in Inventories

Decrease/(Increase) in Prepayments

(Decrease)/Increase in Payables

(Decrease)/Increase in Provision for Employee Benefits

(Decrease)/Increase in Other Provisions

(Decrease)/Increase in Deferred Income

**Net Cash From Operating Activities**

	2011 \$'000	2010 \$'000
<b>Net Surplus</b>	10 128	9 236
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	22 263	20 054
(Gain)/Loss on Disposal of Assets	(5 023)	(3 952)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	313	(1 051)
Decrease/(Increase) in Inventories	(3)	7
Decrease/(Increase) in Prepayments	65	(93)
(Decrease)/Increase in Payables	268	(321)
(Decrease)/Increase in Provision for Employee Benefits	56	60
(Decrease)/Increase in Other Provisions	389	977
(Decrease)/Increase in Deferred Income	47	
<b>Net Cash From Operating Activities</b>	<b>28 503</b>	<b>24 917</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 NT Fleet include cash and deposits, receivables and 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 Westpac Banking Corporation.

**(a) Categorisation of Financial Instruments**

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

	2011 \$'000	2010 \$'000
<b>Financial Assets</b>		
Cash	13 631	9 935
Receivables	1 638	1 951
<b>Financial Liabilities</b>		
Payables	3 509	4 309

**(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 aging analysis of receivables is presented below.

	2011 \$'000	2010 \$'000
<b>Ageing of Receivables</b>		
Not Overdue	966	943
Overdue for less than 30 Days	132	116
Overdue for 30 to 60 Days	13	3
Overdue for more than 60 Days	8	
<b>Total Accounts Receivables</b>	<b>1 119</b>	<b>1 062</b>

**16. FINANCIAL INSTRUMENTS (Continued)**
**(c) Liquidity Risk**

Liquidity risk is the risk that NT Fleet 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 off 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 undiscounted cash flows payable by NT Fleet by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

**2011 Maturity Analysis for Financial Assets & Liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	13 627				4	13 631	4.3
Receivables					1 638	1 638	
<b>Liabilities</b>							
Payables					(3 509)	(3 509)	
Employee Benefits					(462)	(462)	
Government Loan		(3 000)				(3 000)	6.5
Dividends					(5 064)	(5 064)	
<b>Net Financial Asset (Liabilities):</b>	<b>13 627</b>	<b>(3 000)</b>			<b>(7 393)</b>	<b>3 234</b>	

**2010 Maturity Analysis for Financial Assets & Liabilities**

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	9 932				3	9 935	3.44
Receivables					1 951	1 951	
<b>Liabilities</b>							
Payables					(4 309)	(4 309)	
Employee Benefits					(407)	(407)	
Government Loan		(196)	(3 197)			(3 393)	6.5
Dividends					(4 618)	(4 618)	
<b>Net Financial Asset (Liabilities):</b>	<b>9 932</b>	<b>(196)</b>	<b>(3 197)</b>		<b>(7 380)</b>	<b>(841)</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

NT Fleet has limited exposure to interest rate risk. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet 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 2011 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 percent in market interest rates across all maturities would not have a significant effect and is considered not material to NT Fleet.

	2011 \$'000	2010 \$'000
<b>Variable rate instruments</b>		
Financial assets	13 627	9 932
Financial Liabilities		
<b>Total</b>	<b>13 627</b>	<b>9 932</b>

**Market Sensitivity Analysis**

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

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2011</b>		
Financial assets – cash at bank	136	(136)
<b>30 June 2010</b>		
Financial assets – cash at bank	99	(99)

## 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 is not exposed to currency risk as NT Fleet 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 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

Level 2 – to be used for those instruments that cannot be classified as either Level 1 or Level 3.

Level 3 – fair value is estimated using inputs other than quoted market data, for example, net present value.

<b>2011</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</b>
<b>Financial Assets</b>					
Cash and Deposits	13 631	13 631			13 631
Receivables	1 638	1 638			1 638
Advances and Investments					
<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
Employee Benefits	462	288		174	462
Dividends Payable	5 064	5 064			5 064
<b>Total Financial Liabilities:</b>	<b>12 035</b>	<b>11 861</b>		<b>174</b>	<b>12 035</b>
<b>2010</b>					
<b>2010</b>	<b>Total Carrying Amount \$'000</b>	<b>Net Fair Value Level 1 \$'000</b>	<b>Net Fair Value Level 2 \$'000</b>	<b>Net Fair Value Level 3 \$'000</b>	<b>Net Fair Value Total \$'000</b>
<b>Financial Assets</b>					
Cash and Deposits	9 935	9 935			9 935
Receivables	1 951	1 951			1 951
Advances and Investments					
<b>Total Financial Assets:</b>	<b>11 886</b>	<b>11 886</b>			<b>11 886</b>
<b>Financial Liabilities</b>					
Payables	4 309	4 309			4 309
Borrowings and Advances	3 000	3 000			3 000
Employee Benefits	407	247		160	407
Dividends Payable	4 618	4 618			4 618
<b>Total Financial Liabilities:</b>	<b>12 334</b>	<b>12 174</b>		<b>160</b>	<b>12 334</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.

	2011 \$'000	2010 \$'000
<b>17. COMMITMENTS</b>		
<b>(i) Capital Expenditure Commitments</b>		
Estimated capital expenditure contracted for at balance date but not provided for and payable:		
Within one year	16 981	9 749
	<b>16 981</b>	<b>9 749</b>
<b>(ii) Operating Lease Commitments</b>		
NT Fleet leases property under non-cancellable operating leases expiring in November 2012 and Feb 2015. Leases generally provide NT Fleet with a right of renewal at which time all lease terms are renegotiated.		
Within one year		
Later than one year and not later than five years	30	43
	<b>30</b>	<b>43</b>
<b>(iii) Operating Lease Commitments Receivable</b>		
Within one year	36 711	34 341
Later than one year and not later than five years	23 373	21 426
	<b>60 084</b>	<b>55 767</b>

**18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2011 or as at 30 June 2010.

**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. WRITE-OFFS, POSTPONEMENTS AND WAIVERS**

NT Fleet had no write offs, postponements or waivers in 2010–11 and 2009–10.





## APPENDICES



## DBE SERVICE PRICE LIST AT 30 JUNE 2011

Service	Cost Measure	Price (\$)
<b>Financial 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)	2 496.00
<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% per annum)	72 000.00
<b>Procurement and Policy Services</b>		
Tender Management	Per tenders managed	2 000.00
Public/Select Quotations Service	Per quotation managed	1 760.00
Standard RFT	Per standard RFT	1 500.00
Complex RFT	Per complex RFT	4 100.00
Addenda/Extension	Per addenda/extension	540.00
CAPS Advisory Service	Per no. of paid employees (pa)	20.00
CAPS Whole of Govt Contracts	Per no. of paid employees (pa)	20.00
RFQ Administration	Per no. of quotations entered	200.00
Couriers/Despatch	Per drop off/ pick up	12.00

Service	Cost Measure	Price (\$)
<b>Human Resource Services</b>		
HR System	Per no. of paid employees (pa)	345.00
Job Evaluation Services	Per JESd position	250.00
Short Courses	Per person / half day	135.00
Employment Programs	No. of apprentices	2 480.00
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 - Auto	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 A/S L1	Per half day	50.00
Belvedere House A/S 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 Govt 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>Office Leasing Management</b>		
Leased Property Management		Cost
Leased Property Management	Overheads	3.47%

## AUDITS BY THE AUDITOR-GENERAL FOR YEAR ENDING 30 JUNE 2011

Greening the Fleet Performance Management System Audit 2009–10		
Audit Objective	Audit Outcome	Action
To determine whether the performance management system of NT Fleet enables management to assess whether the NT Government's objectives in relation to the Greening the Fleet Strategy are being achieved effectively, and with regard to the efficiency and economy.	<p>NT Fleet has established a performance management system that enables it to assess the extent to which objectives of the Greening the Fleet Strategy is being achieved. However, the system is not considered adequate for ongoing management of the Government's Climate Change Policy as it affects NT Fleet.</p> <p>Three audit issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>• limitations within the Performance Management System do not permit reporting of actual average gm/km of CO<sub>2</sub> produced</li> <li>• a number of agencies have not demonstrated commitment to their targets as established by NT Fleet</li> <li>• there may be a lack of awareness by Executive Contract Officers of the Green Incentive Program.</li> </ul>	<p>Agencies are mandated to use the Government's fuel contract however the supplier is unable to provide full cover across the Northern Territory. Fuel purchased from independently operated petrol stations does not enable the capture of odometer readings and transfer of fuel data to NT Fleet's reporting system. NT Fleet continues to promote and provide guidance on the requirement for accurate odometer readings and investigate opportunities to improve data capture.</p> <p>NT Fleet met with all agencies and targets have been acknowledged. NT Fleet continues to provide assistance to agencies to meet targets where required.</p> <p>NT Fleet has implemented procedures that ensure Executive Contract Officers are aware of incentives on offer before orders are placed for their vehicles.</p>
DBE End of Year Compliance Audit		
Audit Objective	Audit Outcome	Action
To review the adequacy of selected aspects of end of year financial year controls over accounting and material financial transactions.	No weaknesses in controls were identified during the audit and the accounting and control procedures examined in relation to end of year financial processes were found to be generally satisfactory.	No action required.

**NT Fleet Financial Statement Audit for the year ending 30 June 2010**

Audit Objective	Audit Outcome	Action
To audit the financial statements of NT Fleet for the year ended 30 June 2010 in accordance with the requirements of the <i>Financial Management Act</i> .	An unqualified audit report was issued on the financial report for the year ended 30 June 2010.  No material weaknesses in controls were identified during the audit. The accounting and control procedures examined in relation to the end of the year end were found to be generally satisfactory.	No action required.

**Government Printing Office Financial Statement Audit for the year ending 30 June 2010**

Audit Objective	Audit Outcome	Action
To conduct sufficient audit work to form an opinion on the financial statements of the Government Printing Office for the year ended 30 June 2010.	An unqualified audit report was issued on the financial report for the year ended 30 June 2010. No major matters were identified during the audit.	No action required.

**Data Centre Services Financial Statement Audit for the year ending 30 June 2010**

Audit Objective	Audit Outcome	Action
To conduct sufficient audit work to form an opinion on the financial statements of Data Centre Services for the year ended 30 June 2010.	An unqualified audit report was issued on the financial report for the year ended 30 June 2010.  One audit issue was identified during the audit: <ul style="list-style-type: none"> <li>• existence of two assets selected for sighting from the fixed asset register could not be verified.</li> </ul>	The computer mainframes were not easily identified by inexperienced officers visiting the Chan Data Centre. An inventory count of assets was undertaken by the DBE Assets Management Unit and the assets confirmed.

## IT Outsourcing 2010

Audit Objective	Audit Outcome	Action
<p>To review the approach taken to restructuring and re-tendering of the outsourced IT contracts, with particular emphasis on project management over the tendering process, consideration of technology governance and control, and contract management controls.</p>	<p>A formal and consultative approach was defined and followed for the IT outsourcing initiative, which was supported by the existence of a defined governance and formal project management structure.</p> <p>The audit confirmed a new outsourcing service model has been achieved although there have been some minor disruptions to services during the transition period.</p> <p>One audit issue was identified during the audit:</p> <ul style="list-style-type: none"> <li>• a post implementation review of the revised sourcing strategy and service model had not been performed. It was acknowledged management planned to undertake a post implementation review after contracts have been in steady state for a reasonable period post transition.</li> </ul>	<p>An internal post implementation review was conducted with the report provide to the Chief Executive.</p> <p>The review identified opportunities to enhance the governance of future projects of a similar nature.</p>

**Government Accounting System (GAS) Controls Audit year ending 30 June 2011**

Audit Objective	Audit Outcome	Action
<p>To determine whether there is reasonable assurance that there are satisfactory internal controls in respect of:</p> <ul style="list-style-type: none"> <li>• the central maintenance of the Government Accounting System,</li> <li>• over certain financial services provided to agencies, and</li> <li>• there is adequate and effective communication with agencies with respect of the functions performed for them.</li> </ul>	<p>Audit procedures revealed that generally satisfactory internal controls in respect of the central maintenance of the Government Accounting System and financial services provided to agencies that were audited.</p> <p>No major matters were identified however, it was noted that the Accounting and Property Manual required updating with regards to:</p> <ul style="list-style-type: none"> <li>• procedures and controls for Accounts Payable due to the implementation of EIMS, and</li> <li>• Financial Reporting to reflect the current service elements for Reporting Tools within section 16.1 of the Manual.</li> </ul>	<p>No major matters were identified.</p> <p>Actions have commenced to update the Accounting and Property Manual.</p>

**NT Fleet Interim Financial Statements Audit 2010–11**

Audit Objective	Audit Outcome	Action
<p>To facilitate the end of year audit of the NT Fleet financial statements required for 2010–11 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/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 action required.</p>



IT Controls Audit Year ending 30 June 2011		
Audit Objective	Audit Outcome	Action
<p>To test the internal control structure within the service-wide Information Technology mainframe environment at Data Centre Services (DCS), with particular reference to mainframe operations for GAS, PIPS and PAPMS.</p>	<p>Except for the matters noted below, the Agency maintained, in all material respects, effective control procedures in relation to mainframe security and management of outsourced services providers, relating to the computer environment that supports GAS, PIPS and PAPMS.</p> <p>Disaster recovery plans have been defined for the mainframe environment hosted by DCS, however opportunities exist to strengthen business continuity planning relating to the DBE business units that support GAS.</p> <p>Four audit issues were identified during the audit:</p> <ul style="list-style-type: none"> <li>• business continuity planning opportunities for improvement</li> <li>• disaster recovery arrangements for the DCS mainframe environment</li> <li>• inappropriate access to sensitive mainframe data sets</li> <li>• removal of terminated employees from the mainframe environment.</li> </ul>	<p>DCS has advised all agencies that significant systems outages may result in services not being restored. DCS has a number of preparation, response and recovery plans in place and will develop a business continuity plan.</p> <p>The agency is in the process of updating its business continuity planning and will take audit recommendations into consideration as part of the continuing development of plans for key information systems and business units.</p> <p>DCS continues to work towards an alternate processing facility and improved backup storage options.</p> <p>The DCS (RACF Administration team) has implemented a process to remind agency business system administrators to review persons with sensitive data set access to agency systems.</p> <p>A review of user access to sensitive data sets was undertaken to ensure access requirements were appropriate.</p> <p>DCS relies on agencies to utilise ePASS to convey terminations to enable DCS to undertake security actions. DCS is investigating whether an exception reporting process can be practically implemented within the current systems environment.</p>

PIPS Controls Compliance Audit Year ending 30 June 2011		
Audit Objective	Audit Outcome	Action
To determine whether there is reasonable assurance that there are satisfactory internal controls in respect of the Personnel Information and Payroll System (PIPS) payroll and leave recording functions provided to agencies.	<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 audit 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 are not always performed</li> <li>controls over the commencement of new employees and termination of employees could be enhanced.</li> </ul>	<p>Authorised officers were reminded of the importance of not only checking reports but noting action taken, dating and signing. The PIPS control guide is under review as to whether the department can better manage the audit processes and address procedures required for nil exception reports.</p> <p>Staff were reminded of the importance of filing documents in a timely manner. The PIPS system contains sign off evidence for transactions prepared and certified. The evidencing of checklist and worksheet sign off is under review as part of the review of the PIPS control guide.</p>
NTG Service Wide Procurement Audit		
Audit Objective	Audit Outcome	Action
To ascertain the reliability of the original cost estimates for tenders that were sought by the Department and whether the appropriate tier activity process was properly applied for each procurement transaction selected.	For each procurement transaction selected for audit the appropriate tier activity process was properly applied.	No action required.

## INTERNAL REVIEWS FOR YEAR ENDING 30 JUNE 2011

HP Service Manager Implementation Audit	
Description	Outcome
To undertake a review of the operational implementation of the HP Service Manager Service Centre System (HPSM7).	<p>HPSM7 was found to be an ITIL compliant tool. Feedback from DBE and other service providers indicated the Tool wasn't accurately capturing, measuring and reporting service level and KPI performance standards in accordance with Service Provider contractual obligations and expectations. While the accuracy of reporting associated with service level failures requires improvement, it was confirmed that the current implementation aligned to NTG contractual requirements.</p> <p>The NTG and service providers will investigate opportunities to improve the use of HPSM7.</p>
Service Provider Operational Documentation Audit	
Description	Outcome
To conduct an audit of the Operational Documentation of Service Providers and ensure there is alignment of processes and procedures to the IT Infrastructure Library (ITIL) standards.	<p>Based on sample documentation reviewed, interviews and review of various systems it is concluded all service providers are conforming to the contractual requirements in relation to their obligations pertaining to ITIL.</p> <p>Nil actions were required.</p>
NTG Corporate Credit Card Cancellation Procedures	
Description	Outcome
Review procedures for the cancellation of NTG Corporate Credit Cards to identify weaknesses and provide recommendations to mitigate risk of fraud.	The review identified shortcomings in the cancellation procedures for the return of NTG Corporate Credit Cards. A number of recommendations identified during the review were implemented to improve the internal controls to mitigate the risk of fraud during the process of cancelling NTG Corporate Credit Cards.

Post Implementation Review – ICT Outsourcing Project	
Description	Outcome
An assessment of the ICT Outsourcing Project 2009–10 to determine whether the Project achieved its defined objectives and identify any lessons learnt.	<p>The review confirmed the ICT Outsourcing Project achieved its objectives, including an overall cost savings to the NTG in the order of \$10 million per annum, an increase in local vendors and service choices for agencies, the establishment of a single service desk and the centralised administration of ICT billing. Lessons learnt were identified in the areas of planning, strategic alignment, change management, separation of roles and responsibilities, resource allocation, scope overlap of multi-vendor contracts and contingency plans for protracted negotiations.</p> <p>No further action is required.</p>
NT Property Management Business Process Review	
Description	Outcome
Conduct an organisational effectiveness and business process review to identify actions to improve NTPM performance.	<p>The review identified a number of weaknesses including a lack of an overarching strategy and functional structure within the business unit. Recommendations identified included the development of a NTG office accommodation strategy, formalisation of key processes and controls, the restructure of roles and improved systems.</p> <p>Most review recommendations are currently being implemented.</p>
Contract and Procurement Services (CAPS) Business Process Review	
Description	Outcome
Determine whether CAPS is delivering services relevant to agency needs and is delivering services in an efficient, compliant, timely and client focused manner.	<p>The procurement system design was found to be influenced by the requirement to have quality information from agencies resulting in extensive checking processes which affects work flows. The review also identified two distinct work units when the work performed had the same shared purpose.</p> <p>Most review recommendations are currently being implemented.</p>

## SELF INSURANCE CLAIMS

## Department of Business and Employment

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2009–10	2010–11	2009–10	2010–11	2009–10	2010–11
Workers compensation <sup>1</sup>	17	22	\$443 520 <sup>2</sup>	\$329 439 <sup>3</sup>	\$26 091 <sup>2</sup>	\$14 975 <sup>3</sup>
Motor vehicles	1	2	4584	1457	4584	1457

<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 \$170 876. Excluding the settlement, the average cost of claims is \$10 680.

<sup>3</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.

## Data Centre Services

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2009–10	2010–11	2009–10	2010–11	2009–10	2010–11
Workers compensation <sup>1</sup>	2	<i>Nil</i>	\$34 036	<i>Nil</i>	\$17 018	<i>Nil</i>

<sup>1</sup> Figures provided for claims during the financial year include new and ongoing claims. Claims commenced prior to commercial insurance arrangements.

## Government Printing Office

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2009–10	2010–11	2009–10	2010–11	2009–10	2010–11
Workers compensation <sup>1</sup>	2	<i>Nil</i>	\$167	<i>Nil</i>	\$84	<i>Nil</i>

<sup>1</sup> Figures provided for claims during the financial year include new and ongoing claims. Claims commenced prior to commercial insurance arrangements.

## NT Fleet

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2009–10	2010–11	2009–10	2010–11	2009–10	2010–11
Workers compensation	1 <sup>1</sup>	<i>Nil</i>	\$395 668 <sup>1</sup>	<i>Nil</i>	\$395 668 <sup>1</sup>	<i>Nil</i>

<sup>1</sup> Claim was an ongoing claim from prior to commercial insurance arrangements and value of claim includes a lump sum settlement of \$380 000.

## INTERNAL REVIEWS FOR YEAR ENDING 30 JUNE 2011

## Territory Business Growth Program

Region Breakdown	Financial Year							
	2007–08		2008–09		2009–10		2010–11	
	No	Funding \$	No	Funding \$	No	Funding \$	No	Funding \$
Darwin	36	207 518	69	304 081	55	241 984	66	356 392
Alice Springs	13	69 563	23	86 507	19	70 341	20	79 215
Tennant Creek	4	19 095	5	21 901	1	1363	2	8 824
Katherine	2	10 227	8	51 990	6	21 847	8	28 475
Nhulunbuy	2	13 909	6	38 455	4	27 475	7	35 241
<b>TOTAL</b>	<b>57</b>	<b>320 312</b>	<b>111</b>	<b>502 934</b>	<b>85</b>	<b>363 010</b>	<b>103</b>	<b>508 147</b>

## Territory Business Centre Regional Activity for 2010–11

	TOTAL	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Darwin	119594	9591	10280	11172	10596	10150	9656	8395	9635	11843	8666	10274	9336
Alice Springs	24012	1387	1623	2020	1833	1713	1273	1937	3131	2622	1661	2265	2547
Katherine	11862	814	996	1302	995	918	718	989	1335	1114	743	977	961
Tennant Creek	2642	237	156	187	282	199	153	190	428	263	155	191	201
<b>TOTAL</b>	<b>158110</b>	<b>12029</b>	<b>13055</b>	<b>14681</b>	<b>13706</b>	<b>12980</b>	<b>11800</b>	<b>11511</b>	<b>14529</b>	<b>15842</b>	<b>11225</b>	<b>13707</b>	<b>13045</b>



### Northern Territory Research and Innovation Board

The Northern Territory Research and Innovation Board 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 NT Research and Innovation Funding increasing research activity and capacity in the Northern Territory.

Its members are:

- 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 four times in Darwin during 2010–11.

### Northern Territory Research and Innovation Fund

The fund was established to provide grants to the research and innovation community and postgraduate scholarships. 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 as part of the development of a Northern Territory knowledge-based economy. A principal objective is to build resident research capacity and to draw research investment into the Territory. The fund is held in trust by the Charles Darwin University. The fund's balances are as follows:

#### Northern Territory Research and Innovation Fund – Balance as at 30 June 2011

Committed funds <sup>1</sup>	\$512 173
Uncommitted funds <sup>2</sup>	\$508 350
Funds held in trust by Charles Darwin University	\$1 020 523

<sup>1</sup> Funds which have been awarded by the NTRIB and approved by the Minister for Business and Employment, to research and innovation project applicants since the inception of the program but not yet expended.

<sup>2</sup> Funds retained to cover NTRIB approved initiatives.

**GRANT PAYMENTS TO BUSINESS AND INDUSTRY ASSOCIATIONS  
FOR YEAR ENDING 30 JUNE 2011**

<b>Industry Development Support Program</b>	<b>Cost (\$)</b>
Australian Hotels Association NT	105,000.00
Australian Industry & 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 - Manufactures Council	88,000.00
Film & Television Association of the NT	15,000.00
Industry Capability Network - NT	945,000.00
Master Builders Association NT	70,000.00
Motor Trades Association (NT) Inc	58,000.00
Welding Technology Institute of Australia	40,000.00
<b>Total Expenditure</b>	<b>1,780,000.00</b>
<b>Industry Development Grants</b>	<b>Cost (\$)</b>
Engineers Australia - 'Inspiring Australia'	20,000.00
Information Communication Technology Industry Association of the Northern Territory	60,000.00
<b>Total Expenditure</b>	<b>80,000.00</b>
<b>Business Growth</b>	<b>Cost (\$)</b>
Abbott Cleaning Service	5,000.00
Abode New Homes Pty Ltd	12,690.91
ABR Communications Pty Ltd	1,000.00
Alice Springs Memorial Club Inc.	3,636.36
All Rural Mechanical Pty Ltd	7,500.00
Allora Gardens Nursery	7,000.00
Aquascene	3,636.36
Arafura Civil Pty Ltd	7,036.36
Bennett Design Pty Ltd	5,409.09
BFM Distributors Pty Ltd	3,636.36
Boog Air Pty Ltd	11,636.36
Broadsword Marine Pty Ltd	12,954.55
C & R Constructions Pty Ltd	3,636.36
Cate Killiner Real Estate Pty Ltd	3,636.36
Central Communications (Alice Springs) Pty Ltd	10,000.00
Central Desert Training Pty Ltd	3,636.36
Christine Isaacs Glass Artist	2,727.27
Cobourg Developments Pty Ltd	3,636.36
Colliers International	3,636.36
Custom Works	3,636.36
Cut Price Computers	2,727.27
Darren's Barra Safaris	5,886.36
Darwin Cruises & Charters	3,636.36
Darwin Limousines	1,980.44
Darwin RSL Services & Social Club Inc	12,136.36

<b>Business Growth (continued)</b>	<b>Cost (\$)</b>
Darwin Trailer Boat Club	12,727.27
Darwin Voice & Data	5,240.91
Davies Metal Works	5,640.91
Didgeri Air Art Tours	2,727.27
Eagle Training Services Pty Ltd	3,636.36
Earth Sanctuary World Nature Centre	2,727.27
Elkira Resort Motel	3,636.36
Elsam Plastics	2,727.27
Fernanda's - Inker Pty Ltd	4,411.82
Flavell Plumbing (NT) Pty Ltd	1,818.18
Fluid Power NT	3,636.36
Gecko Canoeing	3,584.50
Glenn Campbell Photography	852.00
Gove Country Club Inc	4,545.45
Harcourts Darwin	9,000.00
Henge Education Pty Ltd	3,636.36
Humbug Fishing Pty Ltd	2,727.27
Hydraulink NT	6,363.63
Inner Journey Expeditions	2,727.27
Invision Design & Joinery	3,636.36
Ironbark Contracting Pty Ltd	8,409.09
Isee-Ilearn	10,636.36
Jaymak NT; PurairClean NT	2,727.27
JJ's Car Hire	2,727.27
John Bedwell Management Pty Ltd	9,772.73
Katherine Art Gallery	3,358.80
Katherine Aviation Pty Ltd	7,613.64
Katherine Regional Mechanical Services	2,727.27
KM Engineering Pty Ltd	2,727.27
KP Carpentry (NT) Pty Ltd	3,636.36
Lakes Resort & Caravan Park Pty Ltd	2,727.27
Larrakeyah Development Corporation	2,727.27
Lowrys Accountants	8,000.00
Mbantua Gallery Trust	1,636.36
MG Electrical Services Pty Ltd	2,727.27
Mindil Beach Sunset Market Association	22,600.00
MP (NT) Admin Service Trust	3,636.36
Muk Muk Pty Ltd	3,636.36
Nakara Consulting Pty Ltd	23,210.00
Noi's Terrace Café	2,100.00
Nomad Tours	2,068.18
Northern Power Services Pty Ltd	8,409.09
Northern Profile Services	909.09

<b>Business Growth (continued)</b>	<b>Cost (\$)</b>
NT Budget & Pink Bins NT	3,545.45
Ogden Power	3,636.36
OGM Engineering Pty Ltd	4,318.18
Outback Financial Services	3,636.36
Outback Helicopter Airwork (NT) Pty Ltd	3,636.36
P & H Cleaning Pty Ltd	2,727.27
PA Jackson Cabinet Makers	9,090.91
Palmerston Garden Supplies	12,636.36
Paradise Landscaping	4,545.46
Penny Farthing Avanti Plus	1,750.00
Phillips Earthmoving Contractors Pty Ltd	4,411.82
Pine Creek Hotel	3,636.36
Probuild (NT) Pty Ltd	3,636.36
Projection Plus	3,636.36
Quality Constructions & Maintenance	2,727.27
Quality Exteriors (NT)	2,727.27
Ramp Trading Pty Ltd	3,636.36
SAR Contracting	3,636.36
Savanna Solutions Pty Ltd	2,727.27
SEIT Outback Australia	2,700.00
Shearn Investments Pty Ltd	3,636.36
Smarttask Office Solutions	2,727.27
Spud Air	3,447.27
St Johns Ambulance NT Aust Inc	5,000.00
Tailormade Tours	4,500.00
The Total Group	2,727.27
Total Health & Rehab Pty Ltd	9,454.54
Totally WorkWear Palmerston	3,272.72
Tou's Garden Pty Ltd	2,727.27
Tracy Village Social and Sports Club Inc	3,636.36
Traditional Credit Union	3,636.36
Tropical Computers Pty Ltd	2,727.27
Venture North	2,700.00
Walkabout Lodge	4,545.45
Zenco Constructions	3,636.36
<b>Total Expenditure</b>	<b>508,147.34</b>
<b>Trade Support Scheme</b>	<b>Cost (\$)</b>
Alice Springs Helicopters	3,500.00
Anangu Waai	7,844.50
Australasian Livestock Services Pty Ltd	2,167.50
Australian Crocodile Products Pty Ltd	12,892.50
Australian Mining and Exploration Title Services	5,413.00

<b>Trade Support Scheme (continued)</b>	<b>Cost (\$)</b>
Australian Rural Exports Pty Ltd	915.00
Basil Hall Editions	1,137.50
Brooke Australia Tours	2,760.50
Carcom Installations Pty Ltd	4,788.50
Chamber of Commerce & Industry NT Inc - International Business Council	1,463.00
Clark Oilfield Services Pty Ltd	2,525.00
Davidson's Arnhem land Safaris Pty Ltd	3,000.00
Geoffrey Gurrumul Yunupingu	4,995.00
Hercules Offshore Lifting Gear	2,352.00
Hermannsburg Potter Aboriginal Corporation	7,474.50
Injalak Arts and Crafts Association	4,750.00
International College of Advanced Education	9,425.50
Itec Health	5,053.50
Lords Kakadu & Arnhem land Safaris	4,607.00
Marthakal Homeland Resource Centre Inc.	14,952.27
Mason Aust Pty Ltd	4,482.50
NT Cattlemen's Association Inc	66,573.50
NT Immersions Pty Ltd	3,000.00
OGM Engineering Pty Ltd	4,208.00
Outback Photographics	9,215.50
Papunya Tula Artists	10,131.50
Paul Arnold Bush Photos P/L	5,967.50
SEIT Outback Australia	9,023.00
Skycity Darwin Pty Ltd	6,000.00
Skytour	5,416.50
St John Ambulance Australia (NT) Inc	9,608.50
Tangentyere Council Incorporated	3,500.00
Tank and Pump	1,990.50
Territory Instruments	1,492.50
Territory Uranium Company Limited	9,027.00
TNG Limited	4,596.00
Top End Pest Control	5,473.00
Venture North Australia Pty Ltd	6,000.00
Warlukurlangu Artists Aboriginal Association	20,094.50
<b>Total Expenditure</b>	<b>287,816.77</b>
<b>Sponsorship</b>	<b>Cost (\$)</b>
Australian Hotels Association NT	10,000.00
Australian Industry & Defence Network NT	19,000.00
Australian Institute of Policy & Science	5,000.00
Australian Institute of Project Management	4,000.00

<b>Sponsorship (continued)</b>	<b>Cost (\$)</b>
CCNT - NT Summit 2011	4,000.00
Charles Darwin University	1,200.00
Darwin Life Pty Ltd	9,150.00
Engineers Australia - Northern Division	15,000.00
Northern Territory Young Achievers Awards	9,000.00
Youth Business Awards 2010	5,000.00
<b>Total Expenditure</b>	<b>81 350.00</b>

<b>ecoBiz NT</b>	<b>Cost (\$)</b>
Batchelor Butterfly Farm and Retreat	4,587.71
Best Western Pine Tree Motel	15,419.20
BP Katherine	4,587.71
Cam Interiors	12,473.50
Darwin Airport Resort	20,000.00
Desert Palms Resort	20,000.00
Fusion Displays and Graphics Pty Ltd	7,177.50
Gove Golf Club	6,850.00
Goymarr Tourist Resort	14,700.00
HALIKOS PTY LTD	20,000.00
Happy Corner Store	10,363.65
Humpty Doo Hotel	20,000.00
Invision Design & Joinery Pty Ltd	7,270.00
Katherine Office Supplies	13,617.50
Malak Supermarket	20,000.00
Managers Quarters	804.55
Parap Veterinary Hospital	13,055.00
Saffron Restaurant	8,704.55
Sprout	13,492.50
Toppy's Sandwich Bar	4,050.00
Yueh Yuan Coffee Lounge	5,926.80
<b>Total Expenditure</b>	<b>243,080.17</b>

<b>Jobs NT Workforce Planning</b>	<b>Cost (\$)</b>
CKS Electrical Mechanical Contractor Pty Ltd	6,363.64
Delta Electrics NT	5,000.00
Katherine East Childcare Centre	6,363.64
Passmore-Le Family Trust t/as Centre Bush Bus	6,363.64
YMCA of Central Australia Inc	7,000.00
<b>Total Expenditure</b>	<b>31,090.92</b>



## INDUSTRY ASSISTANCE, GRANTS AND SPONSORSHIP

Program	2009–10		2010–11	
	<i>Number of Businesses</i>	<i>Actual expenses \$'000s</i>	<i>Number of Businesses</i>	<i>Actual expenses \$'000s</i>
Industry Association Grants (IDSP)	9	1610	10	1780
Industry Development Grants	2	70	2	80
Business Growth	79	363	103	508
Jobs NT Workforce Planning			5	31
Trade Support Scheme	68	462	39	288
Sponsorship	8	81	10	81
ecoBiz NT	30	327	21	243
<b>TOTAL</b>	<b>196</b>	<b>2913</b>	<b>190</b>	<b>3011</b>

**ACCOMMODATION COSTS FOR NON GOVERNMENT ORGANISATIONS  
FOR YEAR ENDING 30 JUNE 2011**

<b>Non-Government Organisation</b>	<b>Building</b>	<b>Cost (\$)</b>
Australian Association of Young People In Care	Casuarina Plaza	9 600
Amateur Fishing Association of the NT	Malak Shopping Centre	29 229
Association of Independent Schools of NT	Darwin Central	20 935
Asthma Foundation	Eurilpa House	4 522
Australia Day Council	Darwin Central	20 935
Camp Quality	Rapid Creek Shopping Centre	33 342
Cancer Council	44 Bath Street (Anangu House)	30 103
Cancer Council	Casi House	56 750
Cancer Council	Randazzo Centre Katherine	15 300
Childbirth Education Association	Casuarina Plaza	7 040
Children's Services Support Program	Eurilpa House	33 160
DeafNT Association	Casuarina Plaza	15 072
Down Syndrome Association	Rapid Creek Shopping Centre	23 328
Duke of Edinburgh's Award NT	Berrimah Star Centre	73 571
The Environment Centre NT & Territory Natural Resource Management	Harbour View Plaza	124 782
Family Planning Association	Eurilpa House	7 210
Gagadju Association	Government Centre Jabiru	15 402
Genealogical Society of NT	Cavenagh Court	41 945
Good Beginnings	Randazzo Centre Katherine	30 600
Greening Australia	Leichhardt Building	36 366
GROW NT	Casuarina Plaza	19 200
Heart Foundation NT	Darwin Central	42 030
Keep Australia Beautiful Council NT	Stuart Park Shopping Centre	44 293
Kidsafe and SIDS & Kids	Rapid Creek Shopping Centre	31 584
L'here Artepe Aboriginal Corporation	Leichhardt Building	31 750
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	86 500
Multicultural Community Services of Central Australia	20 Parsons Street Alice Springs	12 422
Pensioners Workshop Inc	48 Albatross St, Winnellie	29 656
Radio Larrakia Inc	Greek Community Centre	15 582
Red Cross - Drop in Centre	Casuarina Recreation Centre	75 660
Training Advisory Council	Darwin Plaza	79 200
Training Advisory Council	Winlow House	137 242
Victims of Crime NT	La Grande Darwin	42 945
<b>TOTAL</b>		<b>1 277 256</b>

