

ANNUAL REPORT 2020-21



DEPARTMENT OF CORPORATE
AND DIGITAL DEVELOPMENT



**PUBLISHED BY THE DEPARTMENT OF
CORPORATE AND DIGITAL DEVELOPMENT**

© Northern Territory Government 2021

You may download, display, print and copy any material in this report, in unaltered form only, for your personal use or for non-commercial use within your organisation.

Except as permitted above you must not copy, adapt, publish, distribute or commercialise any material contained in this report without prior written permission from the Northern Territory Government through the Department of Corporate and Digital Development.

ISSN: 1835-2332

Enquiry should be made to:
Department of Corporate and Digital Development

**GPO Box 2391
Darwin NT 0801**

Telephone: +61 8 8999 1413
Email: dcdd.comms@nt.gov.au

Website: dcdd.nt.gov.au

Letter of Representation to the Minister

The Hon Paul Kirby MLA
Minister for Corporate and Digital Development
Parliament House
Darwin NT 0800

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act 1993*, I am pleased to submit the Department of Corporate and Digital Development (DCDD) 2020-21 annual report setting out the activities and achievements of the department.

Pursuant to the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*, I advise that to the best of my knowledge and belief:

- a) proper records of all transactions affecting DCDD are kept and employees under my control observe the provisions of the *Financial Management Act 1995*, the Financial Management Regulations and Treasurer's Directions
- b) procedures within DCDD afford proper internal control, a current description of such procedures are recorded in the accounting and property manual, which has been prepared in accordance with the requirements of the *Financial Management Act 1995*
- c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in, or omission from, the accounts and records exists
- d) in accordance with section 15 of the *Financial Management Act 1995*, the internal audit capacity available to DCDD is adequate, and the results of internal audits have been reported to me
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions
- f) Employment Instructions issued by the Commissioner for Public Employment have been satisfied
- g) DCDD is working in compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act 2002*.

Yours sincerely



Kathleen Robinson
Chief Executive
30 September 2021

Purpose of the Report

The 2020-21 Annual Report of the Department of Corporate and Digital Development has been prepared by the Chief Executive Officer (CEO) in order to comply with annual reporting requirements under section 28 of the Public Sector Employment and Management Act 1993 (PSEMA), sections 11 and 13 of the Financial Management Act 1995 and the Information Act 2002.

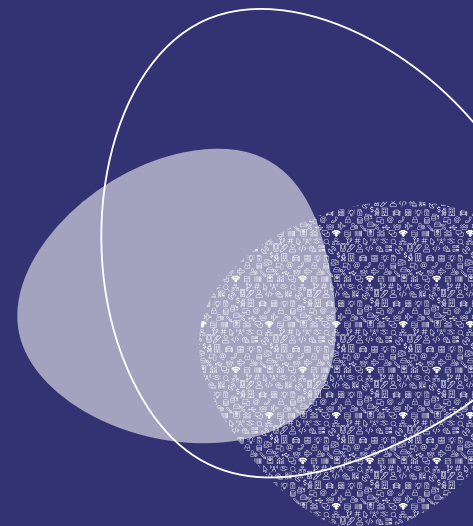
Its primary purpose is to report to the Minister on DCDD's performance in 2020-21 against approved budget outputs and performance measures. Other audiences include the Northern Territory Legislative Assembly, the community, other government agencies, DCDD staff and other stakeholders.

Pursuant to section 28 of the PSEMA, DCDD must present a report to the Minister on its operations within three months from the end of the financial year, and it must contain:

- functions and objectives of the agency
- legislation administered
- organisation overview, including number of employees of each designation and any variation in those numbers since the last report
- operations, initiatives and achievements relating to planning, efficiency, effectiveness, performance and service delivery to stakeholders
- measures taken to ensure public sector principles were upheld
- management training and staff development programs
- occupational health and safety programs and
- financial statements prepared in accordance with sections 11 and 13 of the *Financial Management Act 1995*.

This annual report provides a record of DCDD's functions and performance for 2020-21 and progress towards the department's strategic goals and priorities.

*The report is published online at dcdd.nt.gov.au
Alternative document formats are available upon request from the department.*



Chief Executive Foreword



I am pleased to deliver the annual report of the Department of Corporate and Digital Development (DCDD) for the year ending 30 June 2021; the first annual report under our new agency name. DCDD formally commenced in September 2020 through Machinery of Government changes, building on our previous long-standing Department of Corporate and Information Services title.

DCDD provides a refreshed direction, with a clear focus on development and explicit recognition of our two major service disciplines; digital and corporate services. The department has used this opportunity to unite, reset and reframe our service models to go forward. Internally we have a saying that to achieve OneNTG we must first be OneDCDD. Across the department we work together and put our customers and our people at the centre of what we do collectively to strive for service excellence.

Aligned with our new name, in 2020 we restructured the department creating new Corporate Services and Digital Services divisions with our service segments transitioned to the relevant division in line with their primary function. Each division is professionally led by an exceptional Deputy Chief Executive. The department also incorporates the Office of Digital Government, as our policy and strategy arm, and a Business Support Services division that internally supports us to deliver our service mandate.

The 2020-21 year has been dominated by the COVID-19 pandemic, which has continued to disrupt through new priorities demanding delivery of innovative solutions faster and stretching capacity; requiring agility and resilience. Similar to other agencies, DCDD has had to be highly responsive to meet emerging needs and manage rapidly changing circumstances.

DCDD's roles in the pandemic response have centred on support services and digital solutions to help both customer agencies and the Territory community, particularly the Can-do Territory portal and the Territory Check-In app. The department has worked behind the scenes to support Government's public health, community safety and economic rebound priorities.

A wide range of COVID-19 response activities have been undertaken across DCDD to help our customer agencies, including recruitment and training to meet their COVID-19 workforce needs, sourcing ICT devices and licenses, installing communications equipment, developing and maintaining websites, managing recovery of quarantine debts, paying business grants and providing vehicles. In addition, our staff have selflessly volunteered to work with frontline agencies at COVID-19 testing centres and emergency operations centres; in grants teams and data teams; and as contact tracers.

We have continued to deliver our projects and services and drive the Corporate Services Reform (CSR3) program in 2020-21, around our COVID-19 activities. The CSR3 Program remains a central focus for the department as the biggest corporate reform program since 1998. We largely completed the consolidation phase of the multi-year work program in 2020-21, with our staff transitioning from smaller teams providing a range of services to a single agency into larger enterprise teams providing specific functions with deeper knowledge servicing all agencies across government.

In line with our restructure and CSR3 service aggregation requirements, we reshaped our office locations in 2020-21, completing a substantial colocation exercise that saw over 1,500 staff relocated and teams brought together.

Throughout the year our staff have consistently showcased their professionalism, dedication and customer service ethos. Our people have adapted and responded brilliantly during a particularly challenging year, coming together in functional teams and forging new bonds, while continuing to deliver quality services to our customers. The department has endeavoured to provide a supportive environment for progressing major organisational change through careful management and a long-term focus on building a great workplace culture.

Although we have managed changes and new demands well in most areas, I acknowledge the NTPS People Matter Survey in 2020-21 identified a need for us to improve. Around two-thirds of DCDD staff participated in the survey which reflected an overall 68% staff satisfaction result. Disappointingly, staff advised of workplace bullying instances in DCDD and rated the engagement of senior management poorly.

In collaboration with our staff, the department has developed a People Matter action plan for 2021-22, supplemented with targeted action plans at division / branch levels. Responding to the Survey is a high priority across DCDD and we will progress actions to improve engagement and employee experience and make DCDD a better place to work.

This year we have strongly focused on our customers with a goal to deliver exceptional customer experience and service that is responsive, reliable and professional. We are creating a DCDD customer charter with input from our customers and staff, aligned to the NTG Customer Focus Framework introduced in 2020-21.

Our ongoing work, commencing in 2021-22, will be to embed the new customer charter across the department and in time establish an enviable reputation for excellent customer service. In recognition of the focus on customer experience and improving customer service, this report includes a new section, Our Customers, highlighting the work the department is doing specifically to help our customers.

As you read through the report, particularly our achievements section, you will see many examples of the initiatives led by DCDD and the results we have delivered over 2020-21. The report provides an account of the department's performance, through a snapshot of key initiatives and projects, which are underpinned by our activities and service delivery across DCDD that work each day to support the business of government and which represent the bulk of our operations.

The department continues to grow and evolve providing more assistance to Government; building on our core operational services to now provide an increasing range of decision support and strategic advisory services for customer agencies.

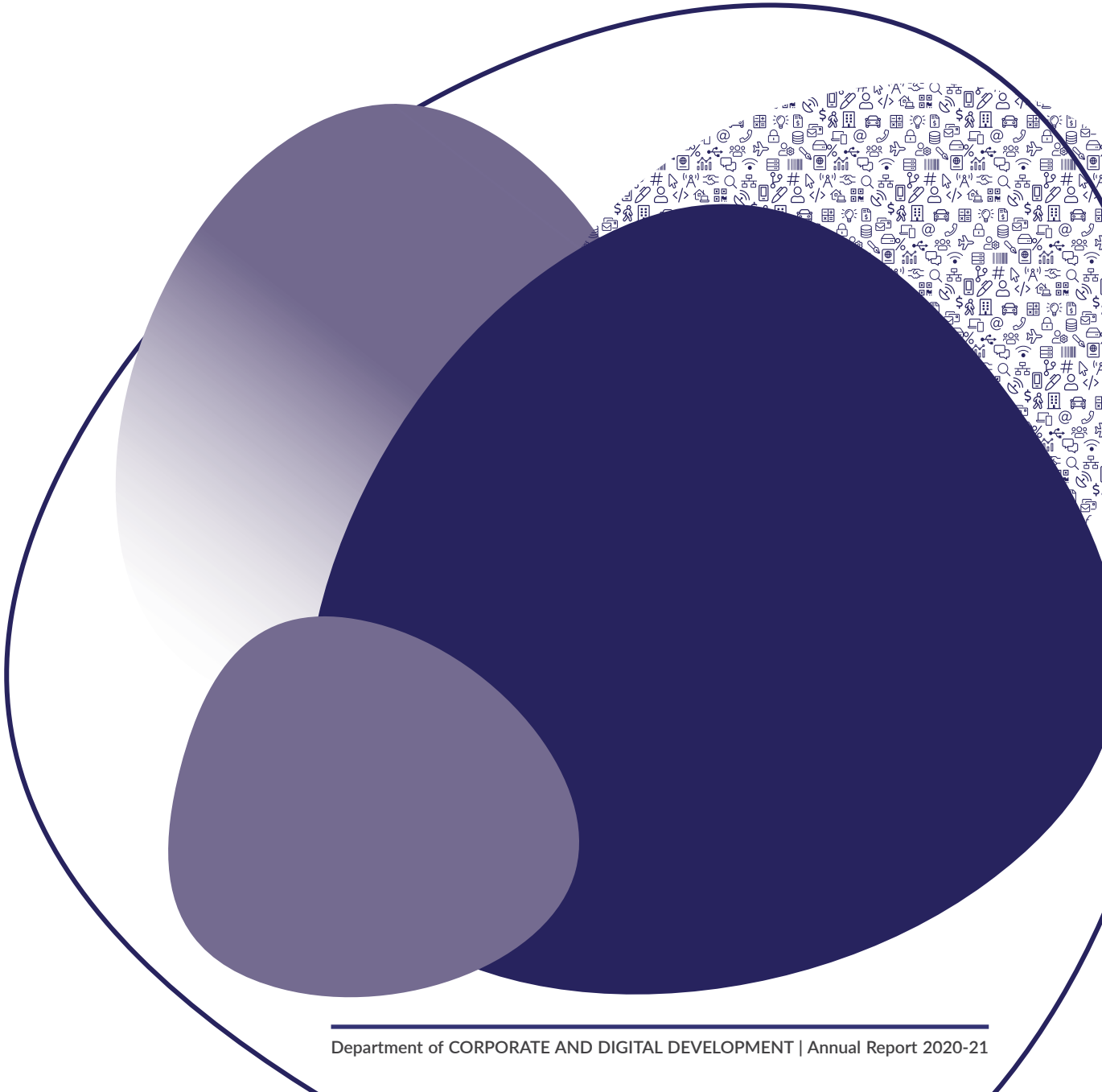
I would like to thank each and every one of the staff in the department for their vital contributions to one of our busiest and most challenging years. Our staff show time and time again

how they rise to overcome challenges and persevere to deliver great results even in trying circumstances. I am always proud, regularly surprised and often inspired by our dedicated staff and high performing teams working right across DCDD.

I really look forward to continuing to work with all of our people and to being humbled and surprised again as we progress our program of work together in 2021-22.

Kathleen Robinson

Chief Executive



CONTENTS

THE DEPARTMENT

Our role	9
Our vision and values	9
Our structure	9
Our governance	10
Our services	12
Our customers	12
Our people	13
Our finances	13
Our sustainability	13

OUR CUSTOMERS

2020-21 in numbers	15
Our customers	16
Customer profile	16
Guiding frameworks	16
Customer experience	17
Supporting our customers	18
Stakeholders	19

PERFORMANCE & ACHIEVEMENTS

How to read this section	21
Performance and achievements	21
How we support government priorities	22
Output reporting	28
Government business divisions	40

OUR PEOPLE

2020-21 in numbers	42
Overview	43
Workforce snapshot	43
Diversity and inclusion	45
Retirements	45
Leadership and career development	46
Supporting our people	47
Work health and safety	48
Employment instructions	49

CORPORATE GOVERNANCE

Overview	53
Planning	53
Risk management	54
Internal controls	55
Internal audit	55
Freedom of information	55
Ombudsman	55
Independent Commissioner Against Corruption	56
Complaints and resolutions	56
Governance committees	56
COVID-19 governance groups	58
NTG governance frameworks	58

FINANCIALS

DCDD	60
NT Fleet	99
Data Centre Services	135

APPENDICES

Appendix A - Corporate statement	172
Appendix B - Performance reporting	173
Appendix C - FTE workforce table	176
Appendix D - Learning and development programs	177
Appendix E - DCDD charging model	178
Appendix F - Sustainability	180
Appendix G - DCDD governance committees	181
Appendix H - Audits by the Auditor-General	188
Appendix I - Internal audits and reviews	193
Appendix J - Complaints and resolutions	194
Appendix K - Gifted and loaned vehicles	196
Appendix L - Accommodation costs for non-government organisations	197
Appendix M - Grants and sponsorships	199



1

THE DEPARTMENT

Our role	9
Our vision and values	9
Our structure	9
Our governance	10
Our services	12
Our customers	12
Our people	13
Our finances	13
Our sustainability	13

OUR ROLE

The Department of Corporate and Digital Development (DCDD) manages the NT Government's digital environment and supports all government agencies through delivering corporate and digital services, advising agencies and developing transformative solutions. DCDD includes two government business divisions; NT Fleet, who manage the NT Government vehicle fleet (except Northern Territory Police,

Fire and Emergency Services vehicles (NTPFES)); and Data Centre Services (DCS), delivering core ICT infrastructure and support services to NT Government agencies.

DCDD has a responsibility to provide high quality support and advice to the Minister for Corporate and Digital Development.

OUR VISION AND VALUES

VISION

Improve government through services and solutions that exceed expectations.

VALUES

Honest: we tell the truth.

Professional: we work to a high standard.

Respectful: we are considerate in our interactions.

Accountable: we take responsibility for our actions.

Innovative: we commit to improving.

DCDD's Corporate Statement is a key driver in shaping our purpose and commitment to the way we conduct our operations and is presented at Appendix A. The Corporate

Statement links our role, values and principles to influence how the department works together, interacts with clients and engages within the broader NT Government environment.

OUR STRUCTURE

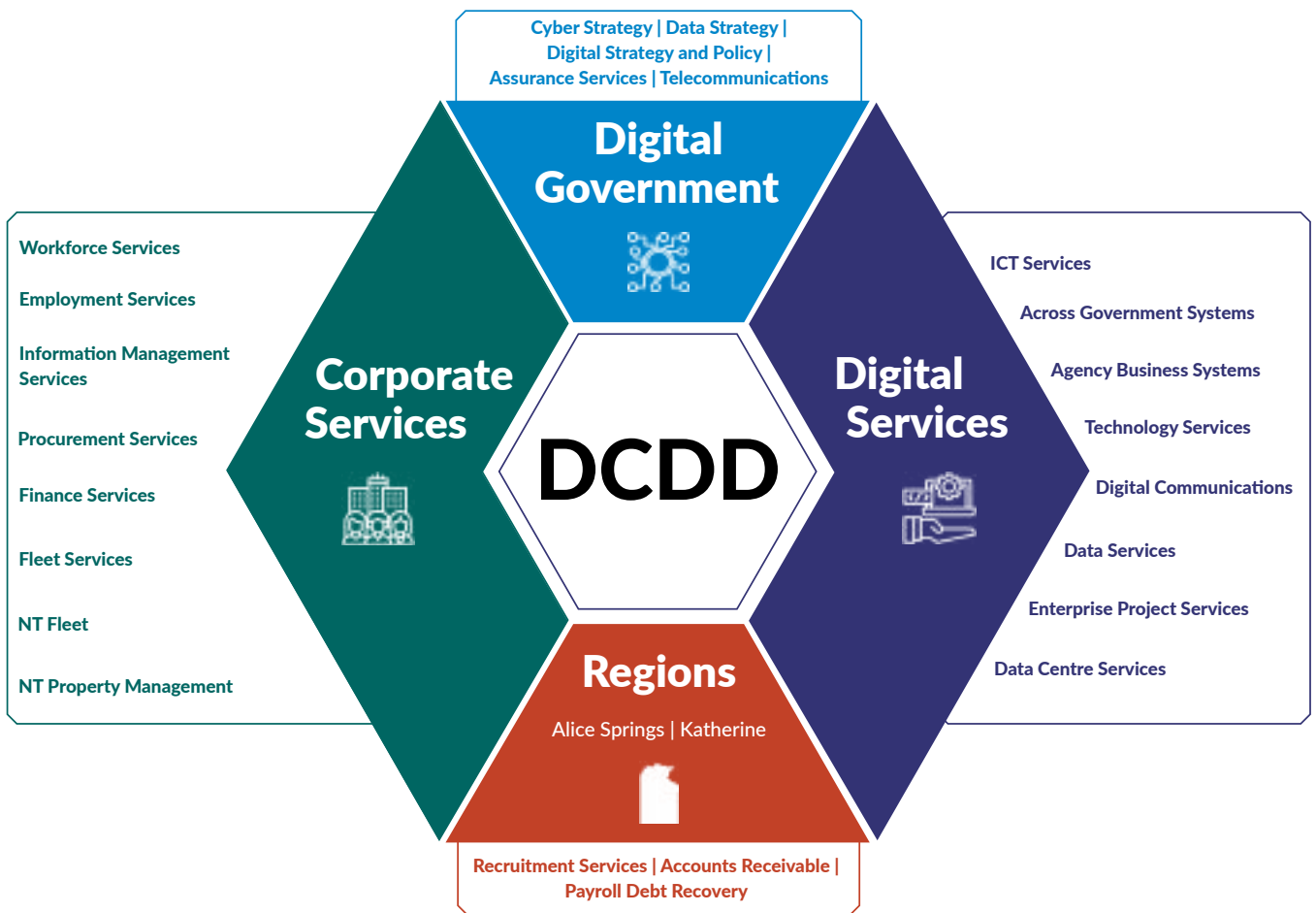
Following implementation of the Corporate Services Reform Program (CSR3) in 2019-20 and significant Machinery of Government (MoG) changes, the department was refreshed and realigned in August 2020 into a new organisational model to better integrate new and existing functions into service disciplines and domains.

The new model is based on our two primary service disciplines Corporate Services and Digital Services, which comprise related service domains. The model is designed to reflect how our customers use our services and position us to effectively deliver on our core functions, reforms and projects.

The Office of Digital Government, as the strategic digital policy arm of DCDD, is separate while working closely to guide our service design. Our internal business support units support the department's operations. Diagram 1 refers.

This structure enables DCDD to continue to deliver our services to the Northern Territory Public Sector (NTPS) while remaining adaptable and responsive to emerging changes and supporting our high-performing, results driven workforce. Diagram 2 reflects the organisational model.

Diagram 1- DCDD Services Diagram



OUR GOVERNANCE

DCDD is responsible for administering the *Information Act 2002*, Part 9 (except Archives Management) as it relates to NT Government records management.

The department is also required to comply with the *Financial Management Act 1995*, *Public Sector Employment and Management Act 1993*, *Procurement Act 1995*, *Information Act 2002* and other legislation, such as the *Anti-Discrimination Act 1992*, *Superannuation Act 1986* and the *Work Health and Safety Act 2011*.

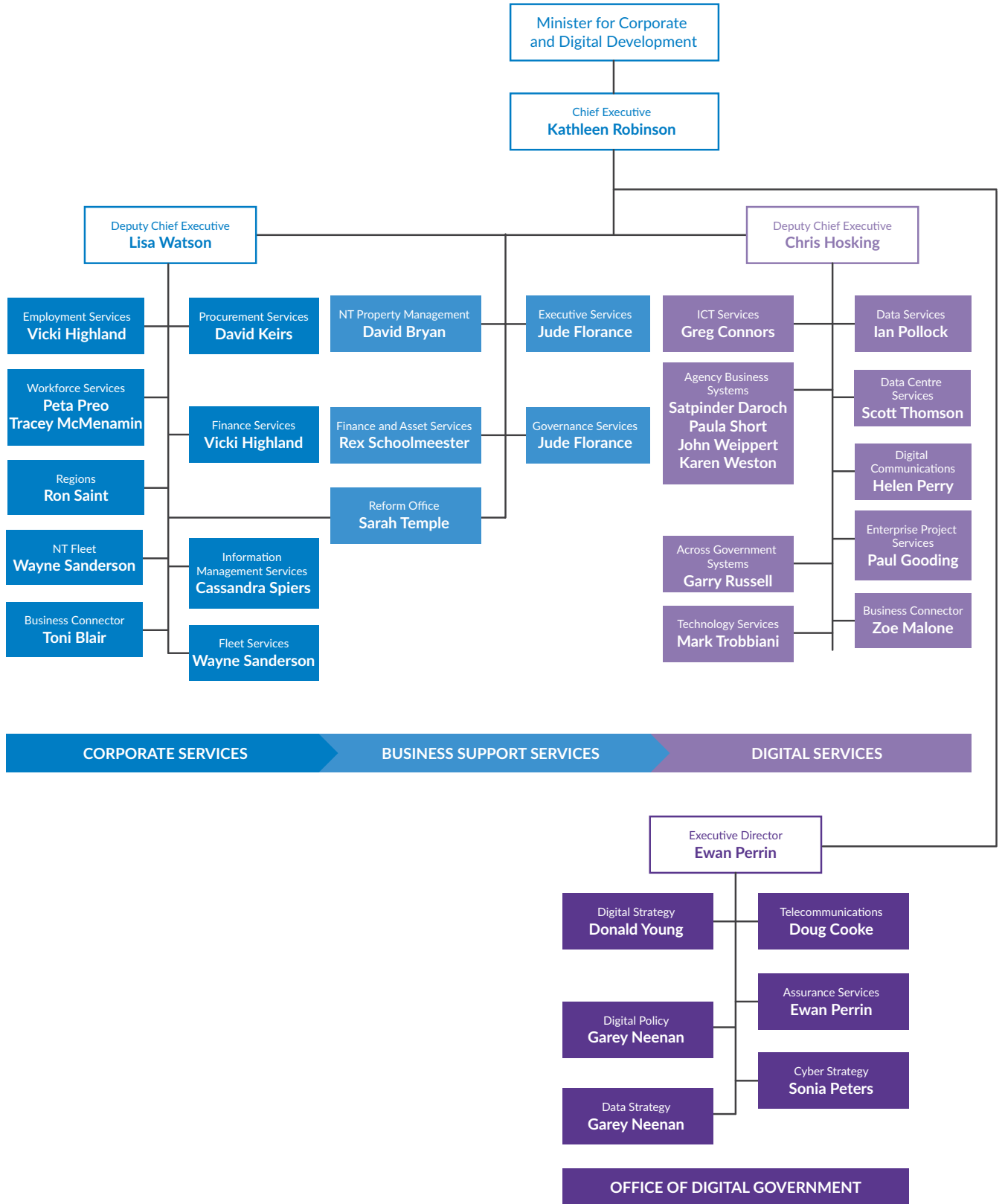
DCDD maintains a comprehensive corporate governance model as appropriate for the department's responsibilities. Legislative requirements are supported by our model and

promoted to our staff through a range of methods, including our orientation and training programs, strategies, updates on our staff intranet site, reviews and standard operating procedures and audits. Compliance is embedded in our ICT and process controls, accounting and property manual, policies, procedures and user guides.

The governance model is regularly monitored and adjusted as required to ensure the department continues to provide necessary oversight as priorities emerge and requirements change.

Information on our governance is available in the Corporate Governance section.

Diagram 2 - DCDD Organisational Structure

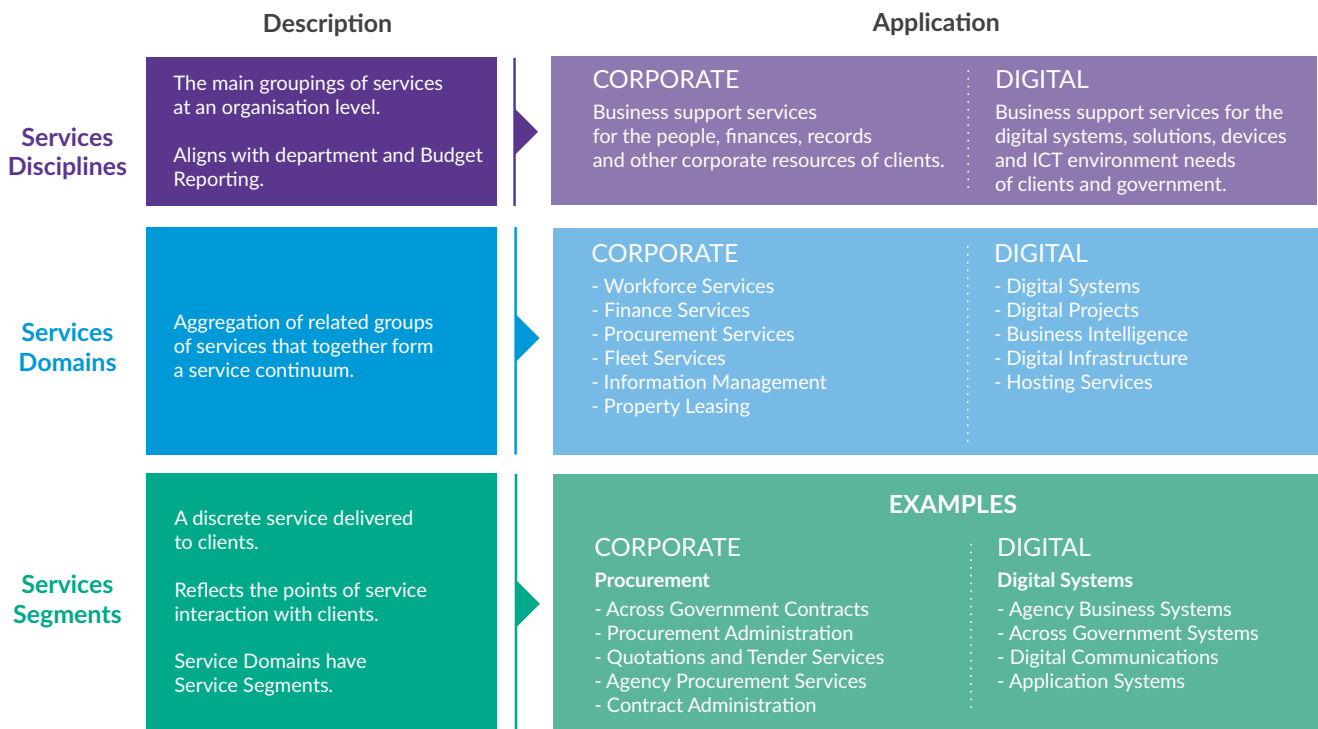


OUR SERVICES

The delivery of our corporate and digital services is guided by the Enterprise Services Framework, refreshed in 2020 and implemented to clearly set out how our services are managed and professionally delivered to support agencies and entities across government.

Our service profile outlined below, describes our service delivery structure and the span of functions we deliver to our clients across DCDD, NT Fleet and DCS.

Diagram 3 – DCDD Service Delivery Structure



DCDD services, advice and solutions are delivered across multiple support dimensions as represented at diagram 4 in Our Customers, reflecting the diversity of our business support requirements across government.

The Enterprise Services Framework is supported by DCDD Service Statements which describe the specific functions of each service segment to identify scope, clarify roles and responsibilities of DCDD and clients, standards and reporting. Service statements include standards which address the key activities within the service segment and reflect the performance levels DCDD undertakes to deliver.

OUR CUSTOMERS

DCDD’s primary role is to support customers and the NTG enabling them to achieve their goals through enterprise-wide delivery of centralised support services.

We collaborate and develop effective partnerships with our customers, including NT Government agencies and Government Business Divisions (GBD), Government Owned

Corporations and statutory bodies, NTPS employees, and businesses that tender and supply to government, including ICT businesses and across government contractors.

Information on customer services is found in the Our Customers section.

OUR PEOPLE

Our people are flexible and innovative, with the capability and expertise to support our wide ranging functions and deliver responsive, consistent and reliable support to our customers. Our behaviours are consistent with our values and define our collaborative working environment.

As at 30 June 2021, the department comprised 1,159 full-time equivalent employees, compared with 1,169 the previous year (including our GBDs). Our staff are located in Darwin, Katherine and Alice Springs.

Information on staffing is found in the Our People section.

OUR FINANCES

DCDD's final budget for 2020-21 was \$373 million (excluding the GBDs which are separate budget entities). DCDD's expenditure for 2020-21 of \$357 million was well within the department's budget and below expectations. Timing changes in the delivery of major digital transformation projects and telecommunications grants due to external factors, including COVID-19 impacts,

lower property leasing costs due to market conditions and challenges sourcing resource capability were the primary drivers of lower spending in 2020-21.

A comprehensive review of DCDD and the GBD's financial performance is provided in the Financial Section.

OUR SUSTAINABILITY

The NTG's Climate Change Response – towards 2050 is working towards a target of net zero emissions by 2050.

DCDD is committed to responsible business practices which are environmentally and economically sustainable and we continue to evaluate and improve efficiency through a diverse range of measures to contribute to this target. Appendix F describes our key activities that contribute to sustainable business practices for our department.

The areas where we can assist the NTG to reduce emissions are through:

- our management of the NTG's vehicle fleet, increasing electric and hybrid vehicles in the government fleet
- energy efficiency measures in leased buildings
- digital technology providing more online services, reducing paper and transport impacts
- recycling consumables used across the department.



2

OUR CUSTOMERS

2020-21 in numbers	15
Our customers	16
Customer profile	16
Guiding frameworks	16
Customer experience	17
Supporting our customers	18
Stakeholders	19

2020-21 IN NUMBERS

SNAPSHOT OF OUR SERVICES TO OUR CUSTOMERS

500,358

payments processed and

189,342

invoices created.

Over

150

digital systems managed that underpin agencies' core business and

40

across digital systems.

400

courses available in NTG MyLearning system, averaging

14,511

logins per month.

50.4 M

spam emails blocked through NTG security controls.

26.7 M

records maintained in Territory Records Manager.

Over

1.31 M

payroll transactions actioned.

24,198

job tickets raised in Data Centre Services.

541

procurements resulting in

\$426 M

in contracts awarded for client agencies.

4,596

recruitments advertised and

6 674

employee commencement actions completed.

Over

3,520

vehicles managed within NTG Fleet, including

14

electric vehicles.

16,000

data service requests raised and resolved.

10.2 M

total check-ins through the Territory Check-In App.

Average

36,000

annual workforce services requests.

190

commercial property leases managed.

3,966

grants payments totalling

654.5 M

processed through GrantsNT.

220

contractors for Across Government Contracts with

91%

Territory Enterprises.

22,021

computers across

529

NTG networked sites.

1,194

applications lodged through new Can-do Territory portal.

5.7 M

Coronavirus NT website visits.

Supported

22,612

NTPS employees (FTE).

120

websites managed.

OUR CUSTOMERS

DCDD's primary role is to deliver services that help enable the work of government. Our department has been providing a diverse array of services to a growing base of customers over many years. As such, customer service and creating positive customer experiences are vitally important to our department and our reputation.

In line with work progressing across government, in 2020-21 DCDD commenced a reinvigorated approach to focus on customer service and improve customer experience.

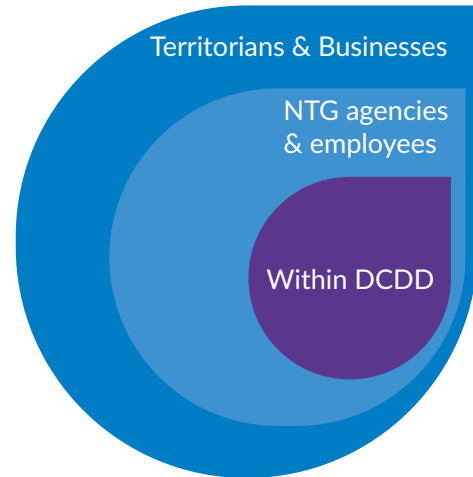
We are focused on refining and enhancing our services to benefit our customers and develop higher quality services that meet our customers' changing needs.

CUSTOMER PROFILE

As the NT Government's central public sector agency, delivering services to Territorians and business is at the heart of what we do in government. As the provider of enterprise corporate services, our key customers are other public sector agencies, statutory organisations and NT public servants.

DCDD's customers include:

- NTG departments and authorities – supporting their core business operations
- NTPS employees – mostly through arranging employment, paying payroll and providing advice
- suppliers to NTG – paying invoices for work done
- businesses seeking to supply NTG – facilitating procurements
- NT community – interactions with digital systems that service the community
- remote NT communities and businesses – delivering modern communications to remote residents through telecommunications co-investment programs
- DCDD staff – as NTPS employees, our staff are also our customers at times.



GUIDING FRAMEWORKS

There are several frameworks that guide and underpin our approach to customer service.

NTG Customer Focus Framework

Government is committed to improving customer experience and making it easy for people to do business in the Territory as a driver for economic growth. This is established through the NTG Customer Focus Framework being led by the Department of the Chief Minister and Cabinet. The framework is designed to improve overall community satisfaction with government service delivery by improving the experience that customers have in their interactions with NTG agencies.

The NTG Customer Focus Framework is premised on:

- a customer first approach
- data and tracking
- active management of processes developed using agreed Customer Experience principles
- supporting the capability and culture of agency teams to deliver experiences that are better aligned to customer expectations.

OneNTG Model

OneNTG represents a collective view of government where all agencies and employees work collaboratively to a common goal and a consistent focus on quality customer service. This reflects a significant change in service delivery mindset from agency-based to a single-government focus, where services are delivered for the benefit of the NTG and by extension the community.

OneNTG is based on mutually accepted principles of:

- support – responsive and reliable services for customers
- partner – collaboration and respect between agencies and stakeholders
- integrate – unified and standardised services effectively leveraging increased scale
- improve – better solutions, quality performance and innovation.



This whole of NTG commitment aims to build strong productive relationships across agencies to achieve successful service integration that will deliver consistent and positive customer experiences across agencies.

DCDD Enterprise Services Framework

The Enterprise Services Framework sets DCDD's commitments to our customers providing a unified enterprise-wide approach to delivering corporate and digital support services for all our customers.

The Framework outlines how we will engage with our customers, and guides and informs decisions, addressing both strategic and operational requirements, to meet government policy and agency business requirements. The Framework is based on the OneNTG principles:

- support – high quality, consistent and responsive service delivery and decision-support advice for customers
- partner – constructive engagement, shared understanding and productive relationships with customers

- integrate – create better shared solutions and standardise services, leverage scale to generate efficiency
- improve – enhance services, innovate with digital technology, and develop professional capability to add value for customers.

There are clear linkages between the NTG Customer Focus Framework, the OneNTG collaborative model and the DCDD Enterprise Services Framework. The guides are all customer service centred, with a whole of government approach and a focus on continual improvement. Messages are consistent around working together, supporting customers and being responsive.

CUSTOMER EXPERIENCE

Customer Experience (CX) refers to a customer's perceptions and related feelings from interactions with an organisation's employees, systems, channels, products and services.

The department has participated in a NTG Steering Committee on Customer Focus and a NTPS CX Working Group, with the aim of building and sharing knowledge across the sector. Through these groups the concept of human centred design is being explored and adopted, which includes CX as a fundamental principle.

DCDD is one of four departments selected to roll out a recommended CX playbook over the years ahead that will keep building our customer service ethos and maturing our approach; embedding CX principles and shaping our service culture.

DCDD Customer Charter

During the year, DCDD has worked to build awareness and organisational capability in CX and develop a Customer Charter aligned to the NTG Customer Focus Framework and consistent with the DCDD Enterprise Services Framework. An internal working group drawn from across the department has progressed analysis of key elements for a charter, with the intent to produce a simple one-page charter statement that outlines up to five customer commitments which can be applied across the span of DCDD's operations.

Work on DCDD's Customer Charter will continue into the next financial year, starting with detailed engagement with our agency customers on the draft charter to get input and ensure it is meaningful and aligned with agency expectations. Once the Customer Charter is finalised and accepted, implementation will be supported with a program of education, training and tools designed to build a CX culture.

DCDD's Customer Charter will enhance our existing customer focus and strengthen our interaction with clients and businesses to develop a seamless service experience.

CX by design

We are concentrating on CX and human centred design principles for creating new solutions, particularly digital solutions, and reshaping or refining existing solutions as they are identified and prioritised for consideration. This requires CX expertise with a strong focus on thinking how customers will use the system and making forms and processes as simple and clear as possible. We acknowledge this is a work in progress and we will continue to improve.

DCDD is using contemporary digital forms software that is highly interactive, developing intuitive web portals and creating simple to use apps.

CX by practice

Our other primary focus area to improve CX is at our coalface, where DCDD staff interact with our customers, including face-to-face, via email, telephone or formal correspondence. While we have continually worked on improving our customer service with training, awareness, guidelines and clear expectations; we recognise that there is more we can do.

Over 2021 and beyond we will strengthen this focus and supplement with further training, reinforcement of expectations, active promotion of CX with our staff, and ongoing review of our documentation to ensure messages are clear and polite.

SUPPORTING OUR CUSTOMERS

The core business of DCDD is focussed on supporting NTG agencies through the delivery of quality enterprise services. Our services are delivered across four dimensions reflecting the diversity of business support requirements across government.

Strategic Support – contribution to strategy and policy development at whole of sector and department levels and solution builds.

Decision Support – specialist guidance and advice to assist clients with problem solving, innovation or direction setting.

Systems Support – development, deployment and ongoing management of digital and organisational systems on behalf of customers.

Operational Support – transactional services and processing enabling essential business operations across government.

Over and above our standard customer services across the support dimensions, in 2020-21 DCDD was tasked to deliver multiple new or expanded customer services for emerging priorities, such as digital solutions in response to the COVID-19 pandemic and Territory Economic Reconstruction program initiatives. The Achievements section presents our performance and achievements for the year, reporting on both standard services and emerging requirements.

In the context of supporting our customers and the Territory public sector, a summary of key initiatives with a CX focus is outlined below, with more details reported in the Achievements section.

Diagram 4 – DCDD Support Dimensions



- **Can-do Territory portal** – creation of a new digital portal making it easy for businesses to apply for licenses online, using CX design principles and an agile prototyping approach to enable rapid delivery. Work will continue to expand the range of licenses available.
- **Territory Check-In app** – deployment of a digital app for registering attendance at a location enabling rapid contact tracing where required. The app, developed by the ACT Government, is designed to be simple, fast and easy to use.

- **COVID-19 pandemic priority requirements** – implementing corporate and digital solutions, making improvements and assisting frontline agencies with critical activities, including:
 - facilitated with Department of Industry, Tourism and Trade (DITT) over 800 lockdown small business grants payments
 - established and deployed new digital tools
 - developed a digital reporting solution for COVID-19 testing and contact tracing data
 - provided additional remote connectivity for thousands of NTG staff enabling them to work online from home
 - established remote connectivity arrangements to support border checkpoints
 - greatly increased digital capacity, including mobile devices, telephony and software licenses
 - delivered new leased spaces, additional building and cleaning needs and vehicle requirements
 - DCDD staff providing assistance with the COVID-19 Hotline, the COVID-19 Testing Centre, training to become contact tracers and working shifts at the Emergency Operations Centre.
- **Territory Economic Reconstruction** – a focus on jobs growth and economic development reducing the impacts of the pandemic, including priority directions to make the Territory the easiest place to do business, reduce red tape and focus on customer service. This is providing a renewed focus on the importance of customer experience. DCDD has a number of digital initiatives to deliver under this program, including expanding the Can-do Territory portal.
- **Machinery of Government changes** – supporting our customers through major organisational changes across the NTPS in 2020-21, with 15 agencies reducing to 11 and multiple functional transfers. Additionally, supporting several large agencies with internal restructures, including the Department of Health's 'Better Together' program.

The COVID-19 response has highlighted the benefits to government and agencies of having central support in DCDD as it is enabling fast, consistent and reliable support across the NTG and for our customers.

STAKEHOLDERS

Our stakeholder engagement and communication is tailored to the needs and circumstances of each stakeholder group, this enables us to maintain strong relationships across our diverse business. The department interacts with a range of stakeholders, including:

- Government and Ministers – set policy and strategic direction
- central agencies – Department of Chief Minister and Cabinet (DCMC), including Office of the Commissioner for Public Employment (OCPE) as employer of most NTPS staff, Department of Territory Families (DTF) and Department of the Attorney-General and Justice (AGD).
- governance groups – such as Jobs Standing Committee, Fiscal Repair Standing Committee
- oversight authorities – such as the NT Auditor-General, Independent Commissioner Against Corruption, Ombudsman, NT WorkSafe
- local industry sectors – particularly the digital industry, commercial property industry and motor vehicle industry through DCDD's work and procurements across more than 40 industry sectors
- professional bodies – including digital, data, cyber, accounting, human resource management, procurement and information management professions
- advisory groups – such as Team Territory and multiple industry engagements, including the Ministerial Digital Advisory Council, regular industry meetings, briefings, events and Digital Territory Strategy actions developed with the ICT industry

- academia – particularly Charles Darwin University through skills development, scholarships and collaborative projects
- governments in other Australian jurisdictions – particularly in relation to digital and data initiatives, with interactions also across shared services, procurement and fleet management.

Data and Digital Minister's Meeting

At a national level, DCDD actively works with stakeholders from other jurisdictions across Australia through the Data and Digital Minister's Meeting. Data and Digital Ministers are working to improve outcomes for customers by driving cross-government collaboration on data and digital transformation to drive smarter service delivery and improved policy outcomes by focusing on:

- transforming government services around life events
- reforming cross-jurisdictional data and digital platforms, services and protocols
- enhancing government capability to build public trust and deliver digitally
- delivering a seamless digital identity experience for citizens.

The digital transformation work program is extensive. During the year we have worked with our colleagues and stakeholders to progress significant priorities, including digital identity, digital inclusion, life events design and data sharing initiatives.

DCDD is contributing on a national stage and represents the Minister and NTG on a number of national digital and data working groups focusing on priority issues, particularly digital inclusion, digital identity, cyber security, data and analytics.



3

PERFORMANCE & ACHIEVEMENTS

How to read this section	21
Performance and achievements	21
How we support government priorities	22
Output reporting	28
Government business divisions	40

HOW TO READ THIS SECTION

Initiatives in this section are aligned to government priorities.

Status Table

IN PROGRESS	
COMPLETE	

Implementation Partners

CMC	Department of the Chief Minister and Cabinet	TFHC	Department of Territory Families, Housing and Communities
DTF	Department of Treasury and Finance	DoH	Department of Health
AGD	Department of the Attorney-General and Justice	DIPL	Department of Infrastructure, Planning and Logistics
DITT	Department of Industry, Tourism and Trade	CfAT	Centre for Appropriate Technology

Links to Policies and Programs

BLP	Buy Local Policy	PBR	Plan for Budget Repair
DTS	Digital Territory Strategy	RCP	Regional Connectivity Program (Australian Govt.)
LJF	Local Jobs Fund	RTCP	NTG/Telstra Telecommunications Co-Investment Program
JFP	Jobs First Plan	TERC	Territory Economic Reconstruction Commission Reports
MBSP	Mobile Black Spot Program (Australian Govt.)		

Oversight Groups

BRS	Budget Review Sub-Committee	FRSC	Fiscal Repair Standing Committee
CROC	Corporate Reforms Oversight Committee	JSC	Jobs Standing Committee
DIDC	Digital Industry Development Committee	RCC	Regional Coordination Committee
DROC	Digital Reforms Oversight Committee	TEMC	Territory Emergency Management Council
ESPB	Enterprise Services Program Board		

PERFORMANCE AND ACHIEVEMENTS

An overview of DCDD's performance and achievements for 2020-21, along with future priorities and challenges are reported in this section in two focus areas:

- overarching government strategic priorities and major initiatives driving our department, primarily delivered across our functions using our combined expertise and
- output group reporting based on Territory Budget Paper No. 3.

HOW WE SUPPORT GOVERNMENT PRIORITIES

Over 2020-21 the department continued to deliver on whole of government reform programs making substantial progress throughout the year and achieving some significant milestones.

DIGITAL TERRITORY

digitalterritory.nt.gov.au

Using and developing digital technology to build connections, improve customer experience and grow the digital economy.

CAN-DO TERRITORY PORTAL

The first release of the Can-do Territory Portal provided businesses and individuals with a simple online process to apply for retail and cafe licences, including lodging and tracking forms via SMS and email and information guides all in one place, replacing paperwork and red-tape.

The portal continues to be expanded to incorporate new features and services. The second release in 2020-21 allows event organisers to apply online for special events liquor permits.

Development of release 3 is underway which will allow for application and issue of digitised white cards through the portal.

The portal is being developed in consultation with agencies and through focus groups with a cross section of local small business owners to discuss and validate system design.

As at 30 June 2021, 1,194 digitised applications had been lodged through the portal relating to food registration, trade waste approvals and liquor permits for special events.

The Can-do Territory portal has made the application processes for businesses more transparent providing improved analytics and reporting.

COMPLETE	Phase 1 and 2
IN PROGRESS	Phase 3
PARTNERS	CMC, DITT
LINKS TO	TERC, DTS
OVERSIGHT	JSC

TERABIT TERRITORY

Stage one of Terabit Territory is complete, increasing the capacity of Vocus' fibre network from 400 gigabits to 20 terabits. This initiative is transforming the network between Adelaide-Darwin-Brisbane to improve connectivity to the rest of Australia.

The increased capacity will position the Territory to become a highly-competitive digital leader for new investment and business opportunities.


Additionally, a new subsea link between Darwin, Jakarta and Singapore will be constructed by Vocus providing the Territory's first direct digital pathway to technology hubs in Singapore and South-East Asia.

COMPLETE	Stage 1
PARTNERS	Vocus, CMC, DITT
LINKS TO	TERC, LJJ, DTS
OVERSIGHT	JSC

COVID-19 DIGITAL SOLUTIONS

A suite of new digital solutions have been rapidly developed and continue to be expanded to support the restrictions and requirements essential to underpin the Territory's response to the COVID-19 pandemic.

- COVID-19 compliance system – integrates solutions for border control permits and exemptions and provides sophisticated reporting and data analysis for contact tracing.
- COVID-19 bookings – online booking tools for COVID-19 tests and vaccinations.
- Territory Check-In app – enables seamless digital data capture of attendance at venues with over 10.2 million check-ins during the reporting period.
- G2G Now app – allows home quarantine and online compliance checks using geo-location and biometrics.
- Supported COVID-19 work from home arrangements by uplifting NTG remote access services.
- Fast tracked the deployment of Microsoft Teams and Office 365 to support agencies increase and improve online interactions.
- Refreshed the fleet of mobile devices for NTPFES frontline officers.
- Assisted the National Critical Care and Trauma Response Centre with onsite ICT support.
- Connected communications and equipment at vaccination centres, quarantine facility and emergency operations centres.

COMPLETE	
PARTNERS	DoH, other NTG agencies
LINKS TO	TERC, DTS
OVERSIGHT	TEMC

DIGITAL TERRITORY STRATEGY

The Digital Territory Strategy maps out a plan that will enable Territorians to get the most from digital opportunities now and into the future.

The 2020-21 Digital Territory Action Plan was developed in partnership with the NTG, local councils, the digital industry and community. The Plan reflects 65 actions, including:

- 23 new actions
- 23 multi-year programs
- 19 ongoing actions.


The digital territory website is being refreshed in 2021-22 to provide an interactive user experience. The website showcases our achievements and actions, stories and key information and opportunities for the local digital industry.

COMPLETE	
PARTNERS	NTG agencies, Industry, Local Councils, Community
LINKS TO	TERC, PBR
OVERSIGHT	DROC, DIDC, JSC

COMMERCIAL DATA CENTRE

An Expression of Interest was released to private investors to establish a commercial data centre in Darwin, which generated substantial interest. This process is concluding, with the outcome to be announced in 2021-22.

Building a strong data centre footprint will position Darwin to develop a strong digital economy and is key to future digital opportunities.

IN PROGRESS	
PARTNERS	CMC, DITT, DIPL
LINKS TO	TERC, DTS
OVERSIGHT	JSC

CORPORATE REFORM

Reshaping and consolidating corporate services to generate efficiencies, improve customer experience and establish robust service foundations.

CORPORATE SERVICES CONSOLIDATION


The Corporate Services Reform (CSR3) Program, commencing 2019, is a multi-year sector-wide reform program to transform corporate and digital services across the NTPS to a consolidated model in DCDD.

The reform program has seen DCDD's core functions, services and responsibilities greatly expand as outlined in the Our Customers section, with our service delivery moving from agency-focussed to a single-government focus.

Significant and sustained organisational change management has been necessary to implement such a large scale program. For many years, corporate staff worked in small teams across multiple functions serving a single agency. CSR3 is requiring the model to fundamentally change to become larger teams of specialists in specific corporate functions providing services to all agencies.

A major office co-location program was undertaken in 2020-21 to bring our staff together and allow us to consolidate services. Around 1,500 staff were relocated with functional teams established. The co-location program has resulted in 20 fewer DCDD tenancies, with the department now in 10 buildings.

Most functional streams are now operating in enterprise-based teams which are providing multiple benefits to staff by breaking down silos, growing capabilities and building networks. This model is also starting to improve customer experience, productivity and service delivery.

COMPLETE	
PARTNERS	NTG agencies
LINKS TO	PBR
OVERSIGHT	CROC, ESPB, FRSC


SERVICE TRANSFORMATION

During 2020-21, CSR3 continued to transition through phased implementation from the reorganise to the standardise phase. Extensive work has been undertaken and continues towards achieving efficiencies through integration and standardisation. DCDD has ongoing programs to improve processes and services and create better customer experiences.

Improvements have been made throughout the year to drive productivity by reducing duplication, introducing consistent processes and documentation.

Service development initiatives include streamlining and digitising processes, transitioning workforce services to a service excellence model and establishing a focus on service response. Over time, agencies will see benefits such as reduced training costs, contract management guidance and better support services.

A central online learning management solution across government is being used successfully to deploy a range of online training programs for agency staff, including emergency management training and WebEoC training. There are real opportunities to leverage this solution to expand and improve training for NTPS employees. Work on extending online training will continue in 2021-22 and beyond.


IN PROGRESS	
PARTNERS	NTG agencies
LINKS TO	PBR
OVERSIGHT	CROC, ESPB, FRSC

ENTERPRISE SERVICES FRAMEWORK AND SERVICE STATEMENTS

An Enterprise Services Framework was developed in 2020-21 to define DCDD's service delivery and commitments to our customers. The framework is based on the OneNTG principles and guides DCDD to achieve objectives and enable innovative and responsive services for our customers.

The framework is supplemented with 38 individual service statements covering the full suite of the department's services. The statements were substantially revised and updated through extensive engagement with agencies to ensure our service design and delivery meets our core responsibilities.

An ongoing rolling service statements review program has been established to continue to drive improvement and maintain engagement with client agencies.

COMPLETE	
PARTNERS	NTG agencies
LINKS TO	PBR
OVERSIGHT	CROC, ESPB, FRSC

CUSTOMER PORTALS

To improve our service delivery to client agencies, online customer service portals have been designed and implemented across key functions to track client interactions and service delivery.

The portals are simplifying procedures and replacing manual processes to optimise resources. Importantly, the portals allow us to triage service requests for rapid response, better manage volumes, identify trends and highlight areas for improvement.


Through careful design, the customer portals are being used to help automate workflows, provide real-time oversight of activity levels and improve compliance record keeping and security.

The following customer service portals were introduced in 2020-21:

- Information Management
- HR Services
- Procurement Services.

The portals allow analysis of data to track trends, identify patterns, anomalies and service delivery peaks to provide responsive service design, with work continuing to refine and improve the portals.

The single across government intranet site NTG Central was refreshed and upgraded in 2020-21 expanding content, improving search functionality and personalising presentation for NTPS employees.

IN PROGRESS	
PARTNERS	NTG agencies
LINKS TO	PBR
OVERSIGHT	FRSC, ESPB

CONNECTING THE TERRITORY

Leveraging and expanding telecommunications services to accelerate digital connectivity in regional and remote areas of the Territory.

DIGITAL CONNECTIVITY IN REGIONAL AND REMOTE NT


The government is investing in upgrading telecommunications infrastructure to meet the increasing demand for modern telecommunications services in remote NT locations.

COVID-19 has highlighted the importance of telecommunications services to regional and remote areas reinforcing the need for telecommunications to access digital services such as health and education, transact online and to stay connected with family and friends.

Extensive foundational work has been progressed in preparation for multiple telecommunications projects including:

- analysis of telecommunications network outages to inform future priority connections and strengthen the network
- investigation of new connectivity solutions suitable for small remote communities
- ongoing advocacy with the Australian Government for reliable telecommunications for regional and remote communities.

Project works will commence in 2021-22 and continue over coming years to accelerate expansion of telecommunications services delivering digital connectivity in regional and remote areas of the Territory.

IN PROGRESS	
PARTNERS	Service Providers, Australian Government
LINKS TO	DTS, TERC, RTCP, MBSP, RCP
OVERSIGHT	NTG/Telstra Steering Committee, DIDC, JSC


TIWI ISLANDS TELECOMMUNICATIONS UPGRADES

Telstra and the NT Government have co-invested to upgrade telecommunications on the Tiwi Islands, leveraged through an undersea fibre connection by Vocus Group, to maximise digital connectivity. Three communities have benefitted from the strengthened digital connections:

- Pirlangimpi and Milikapiti now have improved internet services
- Wurrumiyanga has upgraded mobiles and broadband services.

Mobile service upgrades to 4G are being scheduled by Telstra for Pirlangimpi and Milikapiti.

Residents and businesses on the Islands are now receiving reliable modern communications.


COMPLETE	
PARTNERS	Telstra, Vocus
LINKS TO	RTCP, DTS, TERC
OVERSIGHT	NTG/Telstra Steering Committee

MOBILE HOTSPOTS PROGRAM

Completed the third CfAT hotspots program, with five new mobile hotspots installed across Central Australia and the Top End. This brings the total hotspots installed under NTG programs to 35.

CfAT mobile phone hotspots extend mobile phone coverage up to 100 kilometres while using no power which is ideal for the Territory environment. Hotspots are manufactured in Alice Springs using CfAT's Aboriginal workforce.

This technology has filled a vital gap in telecommunications services in remote regions, enabling communications in very isolated locations.

COMPLETE	
PARTNERS	CfAT
LINKS TO	DTS
OVERSIGHT	DROC

LEASING INITIATIVES


Implementing leasing projects to optimise the government's leased property portfolio, stimulate economic activity to support local businesses and jobs and generate operational efficiencies.

LEASE MANUNDA PLACE

Construction of a new office complex in the Darwin CBD was completed in 2020, providing a contemporary, long-term headquarters for the Department of Health and enabling the consolidation of most DCDD Corporate Development staff into a single location.

Manunda Place combines the latest design in air conditioning, double glazing and natural light, internal atriums, and an extensive open plan work environment to deliver high energy efficiency and a 5 Star NABERS rating. These features combine to make Manunda Place one of the most efficient office buildings in the government's portfolio.

Manunda Place is leased for 15 years and provides 10,000m² of office space over seven floors.


COMPLETE	
PARTNERS	DoH, DIPL
LINKS TO	BLP
OVERSIGHT	BRS

NTG LEASED PROPERTY STIMULUS SCHEME

Building upgrade projects for around 25 NTG leased buildings were progressed by building owners in 2020-21 under the government's Leased Property Stimulus Scheme.

Building upgrades are occurring across Darwin, Alice Springs, Katherine and Tennant Creek at an estimated value of \$55 million funded by building owners.


Over 2020-21, 15 building upgrades were completed, delivering improvements such as solar panels, double glazing, LED lights, new office fitout and end of trip facilities.

IN PROGRESS	
PARTNERS	CMC, DTF, DITT, DIPL
LINKS TO	BLP, Darwin City Deal
OVERSIGHT	BRS

KATHERINE GOVERNMENT CENTRE

Works have commenced to refurbish Katherine Government Centre, the government's main service hub in the Big Rivers Region. The upgrades have been designed to enhance the way agencies operate through a dedicated and integrated OneNTG service counter to provide residents and businesses a one stop shop for local services.

The project is scheduled to be completed in six stages to minimise interruption for customers in the region. The Centre will be leased by the NTG for 15 years to enable ongoing service to the local community.

IN PROGRESS	
PARTNERS	CMC, AGD, DIPL, TFHC, DITT, DoH
LINKS TO	BLP
OVERSIGHT	RCC

OUTPUT REPORTING

Corporate Support Development

Professional, responsive and reliable corporate services, quality solutions and trusted advice that enables government and agencies to focus on core business.

PROCUREMENT SERVICES

Coordinate procurement and contract administration services, development initiatives, advice and management of across-government contracts to enable agencies to source the supplies needed for their business operations within the NTG procurement framework.

FINANCE SERVICES

Provide enterprise finance operations, development initiatives and advisory services that support government and agencies to manage their financial resources.

ACTIVITY	2020-21 ACHIEVEMENT
Across government panel contracts	Developed new contracts for professional advisory services and influenza vaccinations across the whole-of-government to support a OneNTG approach. Implemented panel contracts for waste collection, printing services and expanded accredited training services contracts.
Future of Jabiru Program	Supported procurement activity to establish a \$77.2 million contract for electricity supply for Jabiru as part of the NTG's Future of Jabiru Program.
Contract Management Framework	Established a contract management framework for DCDD to ensure a standardised approach to managing and administering contracts for goods and services procured. The framework will guide DCDD staff tasked with contract management.
COVID-19 procurement	Maintained support agencies through major procurements needed to effectively respond to emerging pandemic needs. This includes services for the Centre for National Resilience, Howard Springs and the Alice Springs Quarantine Facility.
COVID-19 quarantine billing	Managed, on behalf of the Department of Health, a new COVID-19 quarantine billing service for people travelling to the NT from declared hot spots who undertake quarantine. Invoices are issued and debts recovered in line with Chief Health Officer directions.
Payment card industry compliance	Continued projects with agencies to ensure NTG systems and processes meet payment card industry compliance requirements. Progressed a pilot for New Payments Platform initiatives.
NTGPay project	Progressed acquisition of a new contemporary digital invoice payments solution for government, NTGPay.

WORKFORCE SERVICES

Provide workforce decision-support and development services, human capital initiatives and advice to assist agencies to manage their workforce.

EMPLOYMENT SERVICES

Deliver enterprise employment operations from recruitment to retirement and advisory services that support the employment of staff across government.

ACTIVITY	2020-21 ACHIEVEMENT
Superannuation remediation	<p>Continued work to complete superannuation remediation actions, with data and payments provided to the Australian Tax Office enabling superannuation adjustments for affected employees.</p> <p>The Auditor-General's audit report in late 2020 made 15 recommendations for controls to rectify and improve payment of superannuation entitlements. A program addressing the audit recommendations, with oversight by OCPE, DTF and DCDD, is continuing and is expected to be completed in 2021-22.</p> <p>Ongoing examination of superannuation records and processes is occurring through an Employment Entitlements Governance Model, involving OCPE, DTF and DCDD.</p>
OneNTG Orientation Program	Development work is nearing completion to create the first OneNTG mixed-mode orientation program through face to face and online delivery. This program will deliver consistent and clear advice to induct new NTPS employees for all agencies.
Traineeship model	Examined models for managing traineeship programs across government in order to develop an improved program in collaboration with key agencies.
Aboriginal Employment Programs	Managed delivery of Alice Springs Aboriginal Employment Programs in 2020-21 which attracted the highest rate of participation yet seen, following work done to update marketing and promotional material.
Disability Action Plan	Assisted to implement DCDD's commitment to recruiting, retaining and removing barriers experienced by persons with a disability, along with work to deliver other actions set out in the DCDD Disability Action Plan.
myCommencements online solution	Simplified and digitised onboarding process for new NTPS employees to improve the customer experience. This is Phase 1 of the project with a second phase planned to deliver internal process efficiencies.
Workforce reporting digital solution	Established an interim solution to facilitate standardised and consistent workforce planning data for agencies.

PROPERTY LEASING

Deliver property leasing and tenancy management services, development initiatives and advice to meet the office accommodation requirements of agencies.

ACTIVITY	2020-21 ACHIEVEMENT
Youth Skills Training Centre in Palmerston	<p>Constructed a new state of the art training centre, with a 10 year lease established as part of the government's Back on Track Reform Program.</p> <p>The facility includes four work bays, a commercial kitchen, five classrooms (attached to each work bay) and office space for 10 staff, enabling the students to receive qualifications across a range of industries, including engineering, animal studies, hospitality, electro-technology, construction and automotive.</p> <p>The \$5.5 million project delivered a centre providing up to 75 students with a range of education, training and support services.</p>
Central Australia Health Service Stores Facility	<p>Purpose built 1,600m² warehouse and office facility constructed in Alice Springs providing the Department of Health with a contemporary stores facility.</p> <p>The \$3.5 million project delivered capacity to effectively manage medical stores needed to support the Alice Springs Hospital precinct, Central Australia and Barkly regions.</p> <p>The facility is leased for 15 years.</p>
NT House refurbishment	<p>A full refurbishment and improvement program for NT House undertaken by the building owner was completed in 2020-21.</p> <p>The program included NTG leased areas and replacement of 30 year old office fitout to better meet the accommodation needs of agencies. Other improvements included the addition of ambulant toilet facilities to each floor, LED lighting throughout to improve energy efficiency and a multi-purpose NTG conference facility.</p>

INFORMATION MANAGEMENT

Provide information and records management services, development initiatives and advice that support agencies to manage their business records.

VEHICLE MANAGEMENT

Coordinate vehicle and administration services, development initiatives and advice that support the vehicle fleet requirements of agencies.

ACTIVITY	2020-21 ACHIEVEMENT
Machinery of Government TRM migration	<p>Progressed migrating records datasets to align TRM with changes to the Administrative Arrangements Orders. Work undertaken in partnership with Across Government Systems, following Machinery of Government changes in 2020.</p>
Records Management Learning Program	<p>Developing learning programs to build records management and TRM capability, knowledge and skills.</p> <p>The programs will be applicable to Information Management staff and for employees more widely across government.</p>
Mobile odometer app	<p>Created mobile app to simplify the process for fleet vehicle drivers to record their odometer readings. The app prompts drivers to record their odometer reading via sms.</p>

FUTURE PRIORITIES

Establish an Assurance and Process Improvement branch in Employment Services.

Finalise design for an online OneNTG orientation program and commence roll out across government.

Implement and embed a Human Resource Business Partner model to support agencies' HR needs.

Work with agencies to progress design of early careers programs, including traineeships and graduates.

Progress Phase 2 of the myCommencements online solution.

Analyse Job Evaluation System Unit services and functional design.

Explore options for standardising online training for middle managers.

Award new across government panel contracts for professional advisory services.

Commence implementation of a new NTGPay system.

Develop service delivery model for processing Freedom of Information (FOI) applications across the NTPS.

Support and implement the NTPS Workforce Strategy for a future focused workforce.

Prepare to implement online vendor panel for DCDD panel contracts.

Define requirements and introduce a workforce reporting digital solution in conjunction with OCPE.

Support customer agencies to implement their People Matter Survey actions.

Work with agencies to co-design an online performance management solution and business process.

Investigate opportunities for future across government panel contracts, including security services and freight.

Enhance 'Trax' the NTG's centralised contract administration system.

Progress reconfiguration and refurbishment of Katherine Government Centre.

Plan and design project approach to Government Business Centres in key remote communities through long term leases.

Finalise government office accommodation plan to support a Barkly business hub.

Continue to coordinate the Leased Property Stimulus Scheme.

Work with agencies to encourage transition of pool vehicles to electric cars.

Complete development of a learning program for records management.

Drive further efficiencies as part the CSR3 reform through a benefits realisation framework.

Progress the regional stakeholder engagement action plan.

Finalise an NTPS WHS Framework and strategic priorities.

Support the NTPS Aboriginal Employment Strategy to increase Aboriginal staff.

Continue to progress payment card industry compliance projects.

Improve visibility and usage of myLearning across government.

Analyse injury management processes to consider procedural improvements through-evidence based decisions.

Digital Government Development

Transformative customer-focused digital solutions and services operating in a controlled ICT environment, leveraging technology and increasing connectivity to improve government service delivery.

AGENCY BUSINESS SYSTEMS AND SUPPORT SERVICES

Deliver systems administration and support services, development initiatives, digital solutions and technical advice to manage digital business systems that support agencies to deliver their services to the community.

ACROSS-GOVERNMENT SYSTEMS AND SUPPORT SERVICES

Provide systems administration and support services, development initiatives, digital solutions and technical advice for enterprise systems that operate across government to support the NTPS.

ACTIVITY	2020-21 ACHIEVEMENT
Tracer digital solution	Progressed procurement of the new Tracer digital solution to deliver an end-to-end firearm application, licensing and registration process. Tracer will replace manual processes and the current SaFER system, which is technically obsolete.
Schools Human Capital Management System	Implemented a contemporary Human Capital Management System across 156 NTG schools. The new system processes payments to school-based employees and complies with Australian Taxation Office single touch payroll obligations.
GrantsNT	Expanded functionality in the GrantsNT digital solution to enable more grant categories to be managed digitally. GrantsNT now supports third party grant payments, such as sports vouchers and business growth grants.
NTG Services	Completed initial implementation of the new NTG Services solution to support provisioning of ICT services and resources across the NTG.
Digital relief payments	Digitised payment processes for emergency relief payments for the Department of Territory Families, Housing and Communities.
Banned drinkers register upgrades	Progressed development of both a technology refresh and software upgrade to the BDR. The upgrade projects are underway and will be rolled out in 2021-22. The projects will enhance scanning of drivers licenses and provide an improved customer experience at takeaway liquor outlets.

ICT NETWORK SERVICES

Manage the government ICT network development and oversight, enterprise architecture, cyber security operations and service sourcing to sustain government's ICT environment.

ACTIVITY	2020-21 ACHIEVEMENT
NTG Cyber Security Awareness	Rolled out online training pilot rolled out across DCDD and areas of the Department of Education to provide awareness training on cyber threats and cyber smart practices.
Joint Cyber Security Centre	Delivered outreach service in Darwin to drive collaboration and information-sharing on cyber security issues to lift the nation's cyber resilience and cyber capability.
Cyber security awareness sessions and briefings	<p>Conducted sessions at the Jabiru-West Arnhem Business Development Forum, NT Arts Business Forum, Department of Education's School Business Managers Conference and staff of the Legislative Assembly.</p> <p>Collaborated with NT Police Cyber Crime and the Australian Cyber Security Centre to provide cyber security briefings to ICT sector, conveyancers; DITT business champions and Local Government Association of the NT's CEO Forum.</p>
Protecting Critical Infrastructure and Systems of National Significance reforms	Participated in consultation for co-design of Australian Government's reforms to uplift security and resilience of Australia's critical infrastructure.
Cyber security exercises	Planned and coordinated participation in national cyber security exercises, including working with partner agencies.
Hospital Wi-Fi blackspot upgrades	Implemented Wi-Fi upgrades for blackspots within Territory hospitals, with a particular focus on Katherine Hospital in readiness for the deployment of the new Acacia solution.
Consultation with digital industry	Continued to consult and engage with the local ICT industry through briefings to inform industry of future tendering opportunities and inform tendering approaches.
ICT Services Contracting model	<p>Reviewed the ICT Services Contracting model which sets out a contemporary approach for all-of-government ICT services contracts managed by DCDD.</p> <p>The new model simplifies contract management and reporting processes, and provides opportunities for the local ICT industry to meet the NTG's evolving needs.</p>
Cyber Security Operations Centre	Progressed design and preparatory works to establish a contemporary Cyber Security Operations Centre.

DATA SERVICES

Provide data management, reporting services, data sharing coordination, development initiatives and advice to inform agency business decisions enabling service delivery improvement.

DIGITAL COMMUNICATIONS

Provide online web services, communications and solutions, development initiatives and advice to support agencies and inform the community about government services.

ACTIVITY	2020-21 ACHIEVEMENT
Health data warehouse	Successfully completed the project to redevelop the NT Health enterprise data warehouse with ongoing refinement planned as the new Acacia clinical system is rolled out.
eDash project	Developed new interactive digital dashboard 'eDash' for the Department of Education, allowing teachers and principals to access a range of student and whole of school data in user friendly digital format.
Data brokerage project	Completed the data brokerage project providing the Department of Territory Families, Housing and Communities with specialised reporting of core business functions and laying the foundations for data capability to be delivered through the CARE project.
Coronavirus NTG site	Provided website publishing and support, including after-hours to ensure the public remain informed of the NT's position and messaging.
Digital forms	Supported the introduction of business to government transactions through the use of digital forms for businesses wanting to open a new café or restaurant in the Territory.
NTG Central upgrade	Upgraded NTG Central intranet to a new platform improving access to corporate information and services for employees with content discoverable and personalised.
Library and Archives web sites	Implemented publically available web page archives for NT Library and Archives Services websites.
Data Governance Guide	Commenced development of a draft Data Governance Guide to provide a self-assessment tool for agency data governance and management capability.
Open data portal	Upgraded the NTG open data portal to improve the user experience and establish a support contract.
Data Sharing Blueprint	Drafted a Data Sharing Blueprint as a one-page guide to assist agencies share data.

DIGITAL CONNECTIVITY AND STRATEGY

Promote digital policy and strategy development, telecommunications advocacy and coordination, reform initiatives and advice to support the digital transformation of government services and development of a local digital economy.

ACTIVITY	2020-21 ACHIEVEMENT
Groote Eylandt fibre upgrade project	<p>Installation works underway, facilitated through a co-funded arrangement with the Anindilyakwa Land Council, South 32, Telstra and NTG.</p> <p>Project will expand capacity and deliver improved telecommunications services for the region.</p>
Arnhem fibre upgrade project	<p>Completed the feasibility study to upgrade the Arnhem fibre link.</p> <p>Telstra will commence works in 2021-22 to improve digital access across Arnhem Land communities and businesses, along with six communities connected to the Arnhem fibre.</p>
NTG / Telstra Remote Telecommunications Co-investment Program	<p>Continued to partner with Telstra to deliver modern telecommunications solutions in the NT's remote areas through NTG / Telstra co-investment programs.</p> <p>The Belyuen community was connected in November 2020, with mobile phone and broadband services.</p> <p>The next program phase in 2021 will see a transmission upgrade for Yuendumu to Alice Springs and commissioning of mobile services at Bulla.</p> <p>Works are in the design stage for a further 10 communities to receive mobile and/or broadband services.</p>
Kakadu Mobiles Program	<p>Finalised priority site selection with Tourism and Parks Australia for construction of mobile phone services to key sites across Kakadu National Park to improve connectivity and safety for visitors and local residents.</p>
Territory Digital Forum	<p>Delivered Territory Digital Forum in partnership with DITT and the Australian Computer Society to identify challenges, innovations and explore opportunities in the digital sector.</p>
Digital Territory Strategy Action Plan 2021-22	<p>Launched the 2021-22 Digital Territory Action Plan outlining new and emerging initiatives and significant achievements from the previous plan.</p>
Digital Futures	<p>Designed a refreshed digital futures model in a virtual setting to inspire women and girls to take up careers in the IT and digital industry.</p>

DIGITAL PROJECTS

Coordinate and oversee project management, development initiatives and advice to deliver transformational digital solutions for agencies that improve government service delivery and customer experience.

ACTIVITY	2020-21 ACHIEVEMENT
CARE system	Procured core software on which the new CARE child protection and youth justice system will be based, with design and configuration of the new digital solution progressing to schedule.
SerPro	Continued design and build of the new SerPro digital policing solution in preparation for testing and roll-out in mid-2022.
Acacia	Finalised design and configuration of patient administration functionality as the initial tranche of the new Acacia digital health solution for Territory-wide deployment over 2021-22 commencing in Katherine.
Veritas digital courts system	Implemented the Veritas case management system within Civil Courts, with work progressing to deliver the new digital solution to Criminal Courts in 2022.
MVR business portal	Delivered a new MVR digital portal to deliver online self-service capability for selected transactions to Licensed Motor Vehicle Dealers, fleet owners and sole traders.
POINT portal	Deployed the Petroleum Onshore Information NT (POINT) portal designed and developed through an interagency program to provide a mapping tool and public access to key petroleum exploration data.
Pension concession online system	Enhanced the pension concession system to provide debit cards for the Seniors Recognition scheme.
Legislative drafting and publishing system	Completed procurement of a digital legislative drafting and publishing system for the Office of Parliamentary Counsel.
Parks Online Booking System	Developed the business case to support a new digital Parks Online Booking System to digitise and streamline booking access to Territory parks and camping sites.
Sage budget system	Progressed development of the Sage whole of government budget management system for pilot deployment in 2021-22.
ICT systems stocktake and master systems index	Conducted stocktake of 680 ICT systems across government and created a Master Systems Index, reflecting around 200 systems now managed by DCDD.
Project Assurance Framework	Expanded the Project Assurance Framework and guidelines in line with Treasurers Directions to provide clear direction and definition of project assurance requirements.
Revenue Management System (Intra)	Prepared a business case for a contemporary multi-stream revenue management solution for Territory Revenue Office.

FUTURE PRIORITIES

Continue to expand and incorporate new features and digitise services within the Can-do Territory portal.

Assess digital industry baseline capability as input to a digital industry growth strategy.

Conduct a viability assessment and commence strategic design for a digital precinct masterplan.

Implement a Parks Online Booking System to streamline booking access to Territory parks and camping sites.

Develop the 2022-23 Action Plan under the Digital Territory Strategy.

Finalise a Digital Government Transformation Plan and digital roadmap.

Continue working with the ACT Government on the Territory Check-In app to meet emerging needs.

Progress digitisation of forms and develop digital solutions to support housing inspections.

Operationalise data sharing for the national data sharing intergovernmental agreement.

Monitor the delivery of installation works for the Groote Eylandt fibre upgrade project.

Continue to advocate with the Australian Government and service providers to expand and improve regional and remote telecommunications with reliable connectivity.

Coordinate a proof of concept to provide four small remote communities with modern telecommunications through a community Wi-Fi solution.

Pilot the SAGE budget management system with selected departments prior to implementation across agencies.

Analyse telecommunications network outages and map for a five year period to inform future priority areas to improve service reliability.

Consider results of a feasibility study into telecommunications for NT schools to provide greater data capability.

Finalise configuration and testing of the CARE solution in preparation for deployment of child protection functionality in 2022.

Complete configuration of solution for testing and manage deployment of the new SerPro policing solution in 2022.

Implement Acacia patient administration functionality Territory-wide and progress further clinical functionality configuration.

Implement a OneNTG data platform and create a single business intelligence environment.

Progress Phase 2 of the myCommencements online solution.

Develop information architecture for online transactions to improve digital government services.

Commence preparations to support the transition of major digital reform projects to business as usual operation.

Oversight construction of a Cyber Security Operations Centre.

Monitor Fibre Sense trial in Palmerston for acoustic sensing of events data.

Explore implementation of online cyber security training.

Deliver modern search technology to promote NTG initiatives online and improve content on nt.gov.au.

Progress mobile services design and installations in 11 remote communities to complete the NTG / Telstra co-investment program.

Progress telecommunications programs in Kakadu, Jabiru and Yirrkala and explore future program options.

Progress implementation of a digital courts system to Criminal Courts through the Veritas project.

Develop and deliver the Digital Futures program for 2021-22.

Corporate and Shared Services

Delivers improved organisational performance through strategic and governance leadership and the provision of business support functions.

CORPORATE AND GOVERNANCE

Provide corporate and governance services to support the agency's functions, including financial services and performance information, planning, strategic policy, governance and risk management, executive support and corporate communication services.

SHARED SERVICES

Provide corporate and governance services to support NT Fleet and Data Centre Service.

SHARED SERVICES RECEIVED

Receive infrastructure services from the Department of Infrastructure, Planning and Logistics.

ACTIVITY	2020-21 ACHIEVEMENT
Fraud and corruption training	Coordinated fraud and corruption awareness sessions, face to face and virtually, for all DCDD employees, with 92% of staff attending this important training.
International fraud awareness week	Organised a range of activities across the department for International Fraud Awareness Week, including case studies, videos and messaging.
DCDD Strategic Plan 2022-2024	Commenced consultation and engagement with our staff to inform development of the next DCDD Strategic Plan.
People Matter Survey results	<p>Consulted with staff on the People Matter Survey results to collate staff ideas and feedback and integrate into a DCDD Action Plan.</p> <p>The DCDD Action Plan will focus on the primary areas where DCDD needs to improve and will be supplemented with Action Plans at division/branch level related to areas of specific relevance highlighted through the Survey.</p>
Charging model	<p>Progressed development of an updated charging model for DCDD services following the significant changes in service remit with the Corporate Services Reform Program.</p> <p>The revised charging model will be introduced in 2021-22, including analysis of changes and engagement with our customer agencies.</p>
Communications Plan	Developed and implemented an annual communications plan to map department priorities over 2021-22.
DCDD Service Development Plans	Developed approach and prepared project plans focused on projects that will develop and improve the support services DCDD provides for our customers.

FUTURE PRIORITIES

Develop online training package for induction of new DCDD staff to supplement the new OneNTG orientation program.

Design and implement a DCDD Customer Charter consistent with the requirements of the NTG's new Customer Focus Framework.

Implement the DCDD People Matter Survey Action Plan and the supporting communications plan.

Consider requirements and develop refresher training for fraud and corruption awareness.

Implement tasks related to the CX 'playbook' following consultation with staff and customers.

Streamline the annual review process for staff Conflict of Interest declarations to improve efficiency.

Evaluate DCDD's Employment Screening process and consider improvements.

Finalise and rollout the DCDD Strategic Plan 2022-2024 and commence implementation.

Consider organisation and roles of Business Support teams to effectively support the department's operations.

Establish program for Appropriate Workplace Behaviours Training for staff across DCDD.

Commence reviewing DCDD enterprise correspondence to improve customer experience.

Produce procurement reference material in partnership with DITT to guide procurement processes.

Align DCDD intranet site with the refreshed NTG Central site.

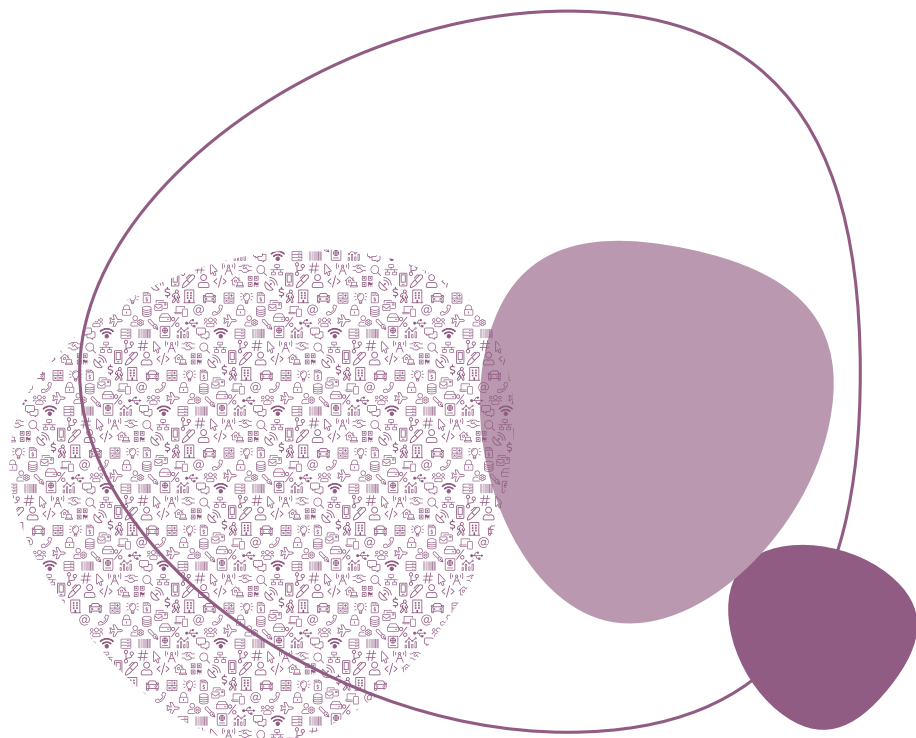
Introduce rolling review for Service Statements under the Enterprise Services Framework.

Commence planning for international fraud awareness activities.

Develop a risk appetite statement for DCDD.

Examine internal billing processes to identify areas for improvement.

Prepare Service Development Plans for key business functions.



GOVERNMENT BUSINESS DIVISIONS

NT Fleet

NT Fleet manages the Northern Territory Government vehicle fleet, with the exception of Northern Territory Police, Fire and Emergency Services vehicles.

ACTIVITY	2020-21 ACHIEVEMENT
Bulk registration	Transitioned to a bulk vehicle registration model where registration for light vehicles in the fleet is aligned to improve efficiency.
Fleet restructure	Completed review and restructure of NT Fleet resulting from the centralisation of agency corporate services.
Short term vehicle hire solution	Implemented a new online short term vehicle hire solution to replace manually intensive processes. Clients now have a fully digital and seamless experience when booking a vehicle and can view vehicles and hire rates.

FUTURE PRIORITIES

Work with agencies to increase agency uptake of electric vehicles in the NTG fleet.

Streamline fleet registration processes through facilitating dealerships to register light vehicles.

Install electric vehicle charging points on-site at NT Fleet.

Data Centre Services

Data Centre Services delivers core ICT infrastructure and support services to Territory Government agencies.

ACTIVITY	2020-21 ACHIEVEMENT
Independent benchmark review	Assessment of cost efficiency of core DCS services and functions against industry benchmarks to evaluate value for money and DCS service delivery standards. Results indicated DCS outperformed the peer group in 82% of the metric categories measured.
Mainframe Cobol upgrade	System mainframe environment optimised using the latest version of Cobol programming language to update applications. This work enables DCS to maintain contemporary standards, reduce operational costs and support future digital innovation.
Disaster recovery	Established long term solution for disaster recovery activities at the Backup Data Centre facility to deliver service resiliency for Government's critical business applications.

FUTURE PRIORITIES

Undertake technology reviews for printing solutions, middleware integration and virtualisation technology.

Expand opportunities to improve application integration between major internal and external systems within the NTG.

Analyse DCS charging model post CSR3 changes.



4

OUR PEOPLE

2020-21 in numbers	42
Overview	43
Workforce snapshot	43
Diversity and inclusion	45
Retirements	45
Leadership and career development	46
Supporting our people	47
Work health and safety	48
Employment instructions	49

2020-21 IN NUMBERS

SNAPSHOT OF OUR SERVICES TO OUR CUSTOMERS

1,205

Headcount.

1,159

FTE.

53

people work in regional areas.

771

females.

431

males.

3

self specified.

13%

of our staff are from culturally diverse backgrounds.

3%

of our staff identify as having a disability.

7%

of our people identify as being Aboriginal.

44

years average age of DCDD staff.

52%

of staff work in digital roles.

48%

of staff work in corporate roles.

369

staff participated in the department's flu vaccination program.

46

people completed the Emerging Leaders Program.

40

participants in our early career programs.

2,247

attendances at professional development.

1,007

staff have myPlans in place.

8

inappropriate workplace behaviour claims addressed in 2020-21.

24

DCDD teams comprising

26%

staff, equaling to

63

new DCDD staff attended face to face orientations, with another

158

people participating in the Virgin Pulse Global Challenge.

316

people, are supported with flexible work arrangements.

12

sessions conducted online.

61%

employee engagement identified through People Matter Survey.

8.5%

of staff have more than 10 years' government service.

Fast facts information is presented as headcount as at 30 June 2021.

OVERVIEW

DCDD maintains a clear focus on supporting and developing our most valuable asset, our people, by encouraging our staff, strengthening our capabilities and building high performance culture to meet current and future business needs and opportunities.

Our staff play a central role in implementing the priorities of the department, with people working across a span of

diverse functions and outputs to deliver quality services consistently and on time; listening to clients, staff and stakeholders; and meeting their responsibility to provide solutions that support government and enable agencies to focus on their core business.

We work in a collaborative, responsive and professional culture within the department to deliver on our strategic priorities.

WORKFORCE SNAPSHOT

The workforce tables below provide a snapshot of our staffing levels at 30 June 2021 and are expressed by headcount to provide a full reflection of our workforce, including staff in

NT Fleet and Data Centre Services. A comparison of classifications and FTE from June 2020 to June 2021 can be found at Appendix C.

KEY STAFFING DATA

Demographics Headcount - 30 June 2021

			%
Full time	1,129		94%
Part time	76		6%
Male: Female: Self Specified	431 : 771 : 3		64% : 36% : 0%
Senior management gender ratio	51 : 50		50.5% : 49.5%
Average age	44		
Early careers	11		
Aboriginal staff	86		7%
Staff with a disability	39		3.2%

Turnover - 2020-21

		%
Commencements	141	12%
Separations (resignations)	124	10%
Staff turnover rate (includes separations and transfers)	113	9%

Note:

- Headcount as at pay period 26
- Senior management ratio - includes ECOs and SAO2s based on paid classification

Staff by employment type - 30 June 2021

		%
Early Careers	11	0.9%
Administrative (AO1-AO7)	924	76.7%
Senior Administrative	215	17.8%
Executive	47	3.9%
Technical	4	0.3%
Professional	4	0.3%
Total	1205	100%

Staff by gender and level - 30 June 2021

		Total	%
Early Careers	Male: 7 Female: 4	11	0.9%
AO1	Male: 1 Female: 2	3	0.2%
AO2	Male: 14 Female: 29	43	3.6%
AO3	Male: 26 Female: 85	111	9.2%
AO4	Male: 48 Female: 133	181	15.0%
AO5	Male: 56 Female: 102	158	13.1%
AO6	Male: 78 Female: 153	231	19.2%
AO7	Male: 83 Female: 112	195	16.2%
SAO1	Male: 61 Female: 99	160	13.3%
SAO2	Male: 26 Female: 28	54	4.5%
EO1C	Male: 13 Female: 14	27	2.2%
EO2C	Male: 10 Female: 6	16	1.3%
EO3C	Male: 1	1	0.1%
EO4C	Male: 1 Female: 1	2	0.2%
EO6C	Female: 1	1	0.1%
P2	Male: 1 Female: 2	3	0.2%
P3	Male: 1	1	0.1%
T1	Male: 1	1	0.1%
T3	Male: 1	1	0.1%
T4	Male: 2	2	0.2%
	Self-Specified: 3	3	0.2%
Total		1,205	100%

Note:

- data for this table is based on paid classification.

Staff by age and gender - 30 June 2021

		Total	%
15 - 19	Male: 1 Female: 3	4	0.3%
20 - 24	Male: 14 Female: 25	39	3.2%
25 - 29	Male: 42 Female: 64	106	8.8%
30 - 34	Male: 48 Female: 106	154	12.8%
35 - 39	Male: 59 Female: 118	177	14.7%
40 - 44	Male: 75 Female: 101	176	14.6%
45 - 49	Male: 48 Female: 90	138	11.5%
50 - 54	Male: 58 Female: 101	159	13.2%
55 - 59	Male: 35 Female: 85	120	10.0%
60 - 64	Male: 35 Female: 54	89	7.4%
65+	Male: 16 Female: 24	40	3.3%
	Self-Specified: 3	3	0.2%
Total		1,205	100%

Years of service by gender and milestone groups - 30 June 2021

		Total	%
< 10 Years	Male: 235 Female: 389	624	51.8%
10 - 19 Years	Male: 125 Female: 236	361	30.0%
20 - 29 Years	Male: 45 Female: 78	123	10.2%
30 - 39 Years	Male: 15 Female: 45	60	5.0%
> 40 Years	Male: 11 Female: 23	34	2.8%
Self-Specified:	3	3	0.2%
Total	Male: 431 Female: 771 Self-Specified: 3	1,205	100%

DIVERSITY AND INCLUSION

DCDD celebrates the diversity of its staff who bring a broad range of skills, experience and opportunities for innovation and new experiences. Our employee's differences are valued and welcomed in our inclusive culture which supports all employees to be treated equitably and afforded the same rights and obligations.

13% of our staff are from culturally diverse backgrounds.

3% of our staff identify as having a disability.

**7% of our workforce identify as being Aboriginal,
5% are female.**

64% of our workforce are female.

There are a number of strategies and initiatives in place both across DCDD and the NTG to support our commitment to diversity and inclusion:

- DCDD Disability Action Plan to support the NTPS Employability Strategy 2018-2022
- DCDD Special Measures Plan
- Inclusion and Diversity initiative
- Disability Employment Program
- Indigenous Employment and Career Development Strategy.

Over the reporting period, a number of celebrations were held across DCDD to recognise and thank our staff who reached important service milestones.

These milestones are a significant achievement for our staff who have continued to show their commitment and dedication throughout the changes we have seen to the department over the years and have made a significant contribution to the diverse range of services we deliver for our customers.

Years	Number of staff
10	50
20	24
30	10
40	12
50	6

RETIREMENTS

The following staff retired during the year and are enjoying their well-deserved retirement. All staff have provided exceptional service to the NTPS over the years, with over 90 years of experience between them and have played a significant role in shaping DCDD. Their contributions to the NTPS and DCDD have always been valued and we wish each of them all the best in retirement.

- Patricia Phillips
- Lucy Gregg
- Megan Baldick

LEADERSHIP AND CAREER DEVELOPMENT

DCDD continues to invest in, and build on, the capability of our people through the focus areas in our Capability Investment Strategy 2019-2021. One of our three components in our Strategic Plan is 'to inspire a capable, innovative and high performing workforce'.

We develop our people through a wide range of programs, ranging from leadership programs to enhance and develop leadership capability across all levels, face to face and online training, short courses, conferences and seminars, employment pathways and subsidised formal qualifications.

Our staff have a myPlan in place to provide an opportunity to define their goals and responsibilities, career aspirations, pathways and succession planning, review priorities and performance and identify learning and development areas to support growth.

The department continues to support broader NTPS programs aimed at growing leadership skills, championing diversity and nurturing staff development.

Development

In 2020-21, DCDD staff participated in multiple internal and external training and development initiatives, as outlined at Appendix D with 2,212 attendees recorded noting some staff have completed multiple training programs.

Training was spread across a range of categories, including procurement, project management, HR, policy, governance, ICT, business, cross cultural training, work health and safety, leadership and mentoring. A total of \$536,350 was invested in our people through these programs, including 20 staff who were supported to access study assistance.

To further support and facilitate our staff in training and development, we established a corporate training matrix in 2020-21 to guide essential corporate training requirements

across the department. The programs are mapped against the OCPPE Capability Leadership Framework, aligning with essential training requirements specific to our employee's classification, role and/or location, allowing employees to develop skill sets required to achieve their employment and career goals and for DCDD to develop a highly skilled workforce.

Due to the ongoing effects of COVID-19, delivery of our learning and development has continued in 2020-21 through online or digital formats to ensure our staff continue to have access to training options. Moving forward in 2021-22, DCDD will be transitioning to a single eLearning management system across the NTG. This will allow more online learning opportunities for DCDD staff.

Leadership Programs

EMERGING LEADERS PROGRAM

46 new and emerging leaders at the AO7 and SAO1 levels completed the program in September 2020. The program is based on five units of the Certificate IV in Leadership and Management, tailored for DCDD staff.

As part of the Corporate Services Reform Program, work is progressing in 2021 to transition to standardised leadership development programs using the OneNTG approach. This will increase mixed mode delivery capitalising on digital tools in addition to face to face programs. The redesigned programs will provide development opportunities to be delivered to more employees, increasing equity of access to regional employees and reducing cost. Supplementary DCDD specific programs can be facilitated where appropriate.

PUBLIC SECTOR MANAGEMENT PROGRAM (PSMP)

Three staff are currently enrolled in the PSMP, targeted at new and existing mid-level managers and leading to a Graduate Certificate in Business (Public Sector Management). DCDD has consistently supported our staff to undertake the PSMP and this commitment will be continued.

Career Development

DCDD has continued to support career development and provide opportunities for career pathways, with 42 participants supported in early career programs throughout 2020-21. Progress, participation rates and mentoring updates on our programs are regularly provided to Executive Management Board (EMB).

GRADUATE PROGRAM

DCDD has a two year program for recent university graduates providing an opportunity to rotate through DCDD based on their studies.

Eleven graduates with degrees in Information Technology, Business, Commerce, Accounting, Digital Design and Creative Arts and Industries were employed across DCDD, in 2020-21.

TRAINEESHIP PROGRAMS

Trainees in DCDD are engaged through NTG Traineeship, Aboriginal Traineeship, and School-Based Traineeship programs, studying Certificate III and IV and Diploma of Business.

In 2020-21 DCDD engaged:

- 15 full time trainees
- 11 Aboriginal trainees in this total
- 6 trainees completed their traineeship
- 6 trainees are due to complete over 2021-2022
- 3 trainees resigned/withdrew for various reasons.

One our participants, James Fairbanks, completed his Diploma of Business through this program, making him the highest achieving trainee, a fantastic achievement.

ABORIGINAL EMPLOYMENT PROGRAM (AEP)

DCDD actively participates in the AEP, with two participants completing this year's program and two participants who resigned/withdrew. The AEP is a 20 week program, alternating two-week placements; 10 weeks in the workplace and 10 weeks undertaking training towards a Certificate II in Business. Upon successful completion, the participants are awarded a nationally recognised qualification, along with a pathway into full time work for a fixed period or into a NTG Traineeship to further their studies.

VACATION EMPLOYMENT PROGRAM

The program provides professional employment opportunities to current university students during semester breaks and feeds into the Graduate Program. Four vacation students in the areas of Law, Accounting and Economics were employed in the department.

INTERNATIONAL STUDENT PLACEMENTS

The International Student Placements provides professional internship opportunities to university students undertaking a professional practice year program. Eight students undertook a placement with DCDD in 2020-21 in the areas of Information Technology, Data Science and Business.

SUPPORTING OUR PEOPLE

People Matter Survey

The People Matter Survey provides an important opportunity for all NTPS employees to have a say about their workplace and contribute to making the public sector a better place to work.

The information shared through the survey gives an evidence-based insight into workforce issues at a whole of sector level, and is specific to agencies to provide their employees'

perceptions of leadership, change management, job satisfaction, well-being and employee engagement in the workplace.

Data collected from the survey will form an overall whole of sector response plan, with action plans being developed by all agencies in response to the results, which will guide our actions over the next two years.

RESPONSE RATE

66%

(46% across the NTPS)

756

of 1,137 employees responded.

EMPLOYEE EXPERIENCE

68%

employee satisfaction

61%

employee engagement.

AREAS OF STRENGTH

94%

behaviour at work is informed by/guided by the Code of Conduct

91%

of staff seek out opportunities to improve their day-to-day performance.

AREAS TO IMPROVE

29%

feel senior managers engage with employees at all levels of the organisation

29%

think it is safe to speak up and challenge the way things are done in the organisation.

There were a number of positives from this year's survey relating to employee experience. Our highest scores highlighted in the survey related to staff having:

- a strong sense of purpose and believing their work is important
- a high understanding of their business unit's role in contributing to DCDD
- behaviours at work linked to the Code of Conduct and NTPS values
- clear direction and understanding of their responsibilities
- an understanding of how their work contributes to DCDD's strategic objectives.

The results identified areas where we need to focus to improve, including:

- senior management leadership and engagement to keep our staff better informed
- improving workplace behaviours
- building staff connections to DCDD following our significant organisation changes in the past year.

The workplace behaviours indicators were particularly disappointing and have been confirmed with leaders across the department as a key area for significant improvement. DCDD takes these results seriously and is working with staff to celebrate the things we do well and target ways we can improve and make DCDD a better place to work. We are doing this by:

- exploring the results within teams to further understand responses
- engaging with staff to develop a DCDD agency response plan
- incorporating key focus areas into our DCDD 2021-22 Business Plan to drive positive change
- monitoring progress through quarterly EMB reporting to ensure our actions are effective and being addressed
- reporting to the Office of Commissioner for Public Employment on our progress
- communicating outcomes and progress to employees as these evolve.

Work-life Balance

DCDD places a focus on promoting a healthy work-life balance and provides resources and educational information for staff to improve wellbeing, potentially reduce sickness and improve productivity.

Our staff are supported with access to a range of flexible working arrangements, with 316 staff having a flexible work arrangement in place in 2020-21:

Type	Number
Compressed hours	7
Part-time work arrangement	80
Home-based work	46
Averaging hours	129
COVID-19 working from home	54

Our Wellbeing Program encompasses physical, mental and emotional wellness and safety, with a range of initiatives offered across the department, such as employee assistance program, ergonomic awareness, flu vaccination program, Virgin Pulse Global Corporate Challenge and mentoring.

Throughout the year staff participated in, and contributed to, (held in a COVID-19 safe way) NAIDOC week, Harmony Day, R U OK Day, Movember, Breast Cancer fundraising, Stress Down Day Morning Tea and Pyjama Day fundraising. Staff also donated foodstuffs to Foodbank and money to Dolly's Dream and Australia's Biggest Morning Tea.

WORK HEALTH AND SAFETY

DCDD has a Work Health and Safety (WHS) Governance Committee, supplemented with 12 WHS Building Committees, relating to work locations, including two in the regions. All buildings have trained fire wardens and first aid officers and workplace assessments have confirmed the department complies with WHS requirements.

MoG changes across the sector prompted a number of office moves across DCDD in the 2020-21 financial year, which led to significant changes to WHS Building Committees and their membership. As at 30 June 2021, there were 12 DCDD WHS Building committees, with a refreshed membership, committed to supporting DCDD in the provision of safe working environments.

To ensure DCDD continues to provide safe working environments for staff, members of the DCDD WHS Building Chairs Committee undertook physical walkthroughs of all DCDD work sites. These walkthroughs also focused on COVID-19 measures, which was additional to periodic inspections by Public Health Officers.

The WHS Governance Committee held additional out-of-session meetings to address issues associated with conducting business during COVID-19. This included providing updated advice to EMB on issues, such as employees working from home during lockdowns, to ensure consistency with WHS Risk Mitigation strategies.

In 2020-21, 35 WHS incidents were reported (compared to 37 incidents in 2019-20), which represents approximately 3% of DCDD's workforce.

WHS incidents by mechanism:

Type	2020-21
Being hit by objects	3
Hitting objects	3
Slips, trips and falls	9
Vehicle incidents	2
Body stressing	6
Other	12

WHS incident data is examined by the WHS Management Committee, relevant WHS Building Committee(s) and local supervisors to identify ways to mitigate future incidents. Aggregated WHS incident data and management actions are reported to EMB each quarter.

There were five workers compensation cases open at the beginning of the reporting period, five new claims were submitted in the period and one was closed. This left nine cases open at 30 June 2021.

To further support and promote work health and safety and wellbeing themes across DCDD, a WHS calendar of events provides dedicated events and promotions to provide a safe, healthy and secure learning and working environment, including:

- promotion of a range of resources on COVID-19 safe work practices and implementing protocols to ensure physical distancing and hygiene measures
- executive visits to DCDD worksites across Darwin, Katherine and Alice Springs to raise the profile and demonstrate executive level commitment to WHS
- virtual panel discussion on the work of DCDD Emergency Responders (Fire Wardens and First Aid Officers)
- interactive virtual panel discussion on employee work life balance options available.

EMPLOYMENT INSTRUCTIONS

Under the *Public Sector Employment and Management Act 1993*, Employment Instructions provide direction to departments on human resource management matters. The department's performance against each Employment Instruction is detailed below.

Number 1 – Filling Vacancies

Internal procedures on recruitment and selection.

273 Requests to Fill (RTF) were completed
 108 vacancies were advertised externally
 Average time to fill was 8.4 weeks
 76 new staff commenced
 287 criminal history checks lodged
 449 people transferred into DCDD from other agencies
 8 transfers formally occurred under PSEMA s.35 (excludes MoG).

Number 2 – Probation

Probationary process for the agency.

Managers and new employees are informed about the probation processes. There were 64 staff on probation in 2020-21.
 Of the staff on probation for 6 months or under: 4 were confirmed.
 There was 1 probation extension.
 Of the staff on 12 months' probation: 18 were confirmed.

Number 3 – Natural Justice

The principles of natural justice to be observed in all dealings with employees.

The principles of natural justice are integral to addressing employee related matters and are covered in the DCDD Orientation Program to ensure staff awareness. An early intervention approach is applied. Prior to an adverse decision being made that affects an employee the natural justice principles are always applied.

Number 4 – Employee Performance Management and Development Systems

Chief Executive to develop and implement performance management systems for their agency.

The Performance Management system in DCDD is called myPlan. Information sessions were provided to staff to promote the myPlan performance review and the SAO Pay Progression scheme.

The department has a strong focus on ensuring all staff participate in the myPlan process. 84% or 1,007 staff completed their myPlans.

Pay progression applications were approved for 27 (13%) senior administrative officers.

Number 5 – Medical Examinations

The Chief Executive may engage a health practitioner to conduct a medical examination of an employee (PSEMA s45).

Early intervention action is taken to minimise referral for medical consultations. The services of the employee assistance programs are promoted regularly to staff and detailed in the Orientation Program.

2 staff were managed in accordance with early intervention strategies.

Number 6 – Performance and Inability

The Chief Executive may establish procedures regarding inability within their agency. (PSEMA s44).

Performance and inability action is addressed through an early intervention approach in consultation with staff and managers.

Nil employees were managed in accordance with inability provisions.

Number 7 – Discipline

The Chief Executive may establish procedures regarding discipline within their agency (PSEMA s49).

Breaches of conduct and discipline matters are addressed in accordance with Employment Instructions.

5 discipline cases were addressed, with 3 resolved during the reporting period.

Number 8 – Internal Agency Complaints and Section 59 Grievance Reviews

Chief Executive to establish, and make available to staff, the agency's written procedures that outline steps for dealing with grievances (PSEMA s59).

Managers and employees are informed of the internal complaints handling process.

17 complaints were made under the DCDD internal complaint handling process during 2020-21, with one lodged directly with the Office of the Commissioner for Public Employment.

14 matters were resolved without requiring escalation to Section 59 review and 3 remain ongoing.

Number 9 – Employment Records

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

Staff are informed of records and information management requirements using the Territory Records Manager system. Regular training is provided regarding requirements to manage records electronically.

Confidential HR staff files are held electronically in accordance with clause 5 of the instruction.

Number 10 – Equality of Employment Opportunity Programs

Chief Executive to report annually to OCPE on programs and initiatives the agency has developed regarding equal employment opportunities.

Workplace diversity and equal employment opportunity is promoted through an inclusive management and leadership approach, that values the contributions of people from different cultural backgrounds, skills, knowledge and experience.

Cultural diversity is also addressed in the DCDD Cultural Competency Training Program. DCDD has a diverse workforce, including staff from a wide range of non-English speaking backgrounds. Statistics are provided earlier in this section.

Number 11 – Occupational Health and Safety Standards Programs

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

The department has a WHS Management Committee and Workplace Building Management Committees for buildings where DCDD is the primary tenant. WHS is promoted via the staff site, quarterly reports to the EMB and the DCDD Orientation Program. The annual flu vaccination program is made available to all staff, with 369 staff participating in the 2021 campaign.

Number 12 – 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 made aware of the NTPS Principles and Code of Conduct as part of their commencement package and through the DCDD Orientation Program. DCDD has policies to provide clear directions for the conduct of employees in relation to gifts and benefits and conflicts of interest. Any offers to employees require approval by the Chief Executive to ensure they meet business objectives and avoid risks such as perceived conflicts of interest. Processes are in place to declare, consider and manage actual, potential and perceived conflicts of interest.

Number 13 – Appropriate Workplace Behaviour

Chief Executive must develop and implement an agency policy and procedure to foster appropriate workplace behaviour and a culture of respect.

Appropriate workplace behaviour for new employees is covered in the DCDD Orientation Program. The presentations include the Code of Conduct, Public Sector Principles and DCDD Values.

Workshops on Building Positive Workplace Culture, Managing Conflict, Managing Complaints, Giving and Receiving Feedback and Managing Poor Performance will continue in the next reporting period. These workshops are designed to assist team leaders and managers develop their skills in managing employees.

Specific advice on encouraging appropriate behaviour and managing inappropriate behaviour in the workplace is provided on a case-by-case basis by the Dispute Resolution team. Where possible, early intervention action is initiated in order to minimise cases.

8 workplace behaviour matters were addressed in 2020-21.

5

CORPORATE GOVERNANCE

Overview	53
Planning	53
Risk management	54
Internal controls	55
Internal audit	55
Freedom of information	55
Ombudsman	55
Independent Commissioner Against Corruption	56
Complaints and resolutions	56
Governance committees	56
COVID-19 governance groups	58
NTG governance frameworks	58

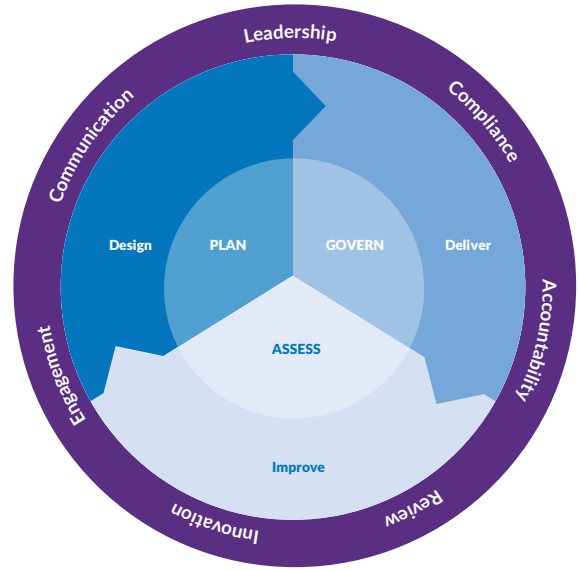
OVERVIEW

Our corporate governance model provides DCDD and GBDs with a strong foundation to support our rigorous governance culture that enables individuals to be ‘self-governing’, accountable and manage risks within their respective areas; defines internal controls for staff to operate accountably; and ensures clarity and transparency across our business.

Diagram 5 clearly defines how our governance practices guide our activities, align with our strategic direction and control risks linked to our service delivery. Key components that form our model are further described throughout this section.

The Corporate Governance Model is underpinned by elements of the DCDD values and OneNTG principles which guide the department’s decision making and operational actions.

Diagram 5 – Corporate Governance Model



PLANNING

DCDD’s corporate governance structure links and aligns planning and strategy with responsibilities, outputs and service delivery; ensuring outcomes are influenced from the top-down and the bottom-up.

DCDD’s corporate planning approach informs our strategic planning, business planning and flows into individual performance plans to ensure our business is coordinated and conducted in a transparent manner.

Diagram 6 - Planning Model



Strategic Plan

DCDD's Strategic Plan 2019-2021 has been designed to be adaptable to change allowing us to deliver on emerging priorities and drive our performance to achieve our strategic directions of:

- **Leading Digital Government:** Accelerate digital opportunities to connect, enable and service the Territory.
- **Delivering Shared Solutions:** Advance enterprise corporate services enabling agencies to focus on core business.
- **Investing in Capability:** Inspire a capable, innovative and high performing workforce.

Business Plans

Our Strategic Plan and Corporate Statement cascade into our annual business plans, which contribute to overall departmental objectives through divisional projects under the key focus areas of staff and teams, clients and government/departmental priorities.

The Strategic Plan guides decision making and is a tool for the Chief Executive and Executive Management Board to ensure the department's work is focused on its core business and strategic deliverables.

This year marks the final year of our current Strategic Plan, which has guided us through significant reform and change over the past three years, and seen many initiatives linked to the plan implemented. Preparation has commenced for the new 2022-2024 Strategic Plan which will underpin our future direction for delivery of the priorities allocated to us in line with our vision and strategic objectives.

Progress of our plans is measured and monitored through regular reporting to EMB to ensure key commitments and initiatives outlined in the business plans are tracked and achieved.

Business Plans are also developed for our corporate governance committees, formalising accountability and improving visibility and risk mitigation across the committees.

RISK MANAGEMENT

The department's Risk Management Framework is consistent with AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines. DCDD uses this overarching framework to form our cohesive risk management approach.

The framework comprises a risk management policy, procedures and information sheets which provides staff with the information and tools to manage risks on a day to day basis. Risk management is integrated into our business planning processes and embedded across the department enabling a proactive risk management culture.

To support the framework, a Risk Appetite Statement is in development and will be an integral element of the Risk Management Framework. It will define the department's attitude towards risk and outline the level of risk the department is willing to accept in order to achieve its strategic goals. The statement:

- allows for a better understanding of our strategic goals, culture, context and sensitivity to risk
- contributes to embedding a risk culture that supports strategic planning and decision making
- facilitates a proactive risk management approach to mitigate risks that impact strategic operational objectives.

The Risk Management Committee provides strategic direction and monitors risk management activities across the department and Government Business Divisions. Refer Appendix G.

To further support our risk management obligations and enhance risk reporting, the following additional controls are in place to strengthen DCDD's risk oversight.

Employment Screening

Assesses suitability of people for employment to protect employees and clients from harm, and ensure the department provides services in a professional manner.

Fraud

DCDD has zero tolerance for fraud and is committed to minimising the incidence of fraud through our Fraud and Corruption Control Policy.

Improper Conduct Investigations and Reporting

Employees are encouraged to recognise and report suspicions of improper conduct to ensure it is quickly exposed and eliminated in accordance with DCDD's Improper Conduct Investigations and Reporting Policy, and as defined under the *Independent Commissioner Against Corruption Act 2017*.

Whistleblowers

Employees with a concern of improper conduct, including potential fraud, corruption and dishonesty are encouraged to communicate their allegations or suspicions without fear of reprisal. The department has a Whistleblower Policy to clearly outline and support processes for whistleblowing.

Risk Assessments

DCDD has a diverse range of activities with a number of risk assessments undertaken within the department such as strategic, operational, fraud, procurement and project risks. Regular monitoring and reporting of risk assessments are undertaken to ensure risks are managed and mitigated through the Risk Management Committee, and other relevant governance committees.

INTERNAL CONTROLS

DCDD has a robust set of key internal controls in place to detect and mitigate risks and assist the Accountable Officer in the performance of their duties under the relevant legislation.

Delegations

Authorised staff are delegated to undertake specific responsibilities of the Accountable Officer as prescribed in the applicable legislation.

Conflicts of interest

Employees are responsible for declaring and actively managing conflicts of interest through an annual process or as conflicts arise to maintain the department's integrity.

Gifts and benefits

The Code of Conduct under the PSEMA and DCDD's Gifts and Benefits Policy outline clear direction for the conduct of employees in relation to gifts and benefits.

Data breaches

Requirements and management of data breach incidents to protect confidential information held within DCDD are set out in the Data Breach Policy and Data Breach Response Plan.

Procurement controls

A strong focus on procurement governance is maintained to comply with the NTG's Procurement Framework as DCDD is a major procurer.

Accounting and Property Manual

The manual sets out finance procedures and internal controls to be applied across the department to ensure DCDD's processes are in accordance with the *Financial Management Act 1995* and Treasurer's Directions.

Policies and procedures

Policies, procedures and templates in place to assist governance committees and employees with their work. These are required to be approved by the EMB, Chief Executive or Governance Committee.

INTERNAL AUDIT

In accordance with the *Financial Management Act 1995* the department has an internal audit function to assist the Accountable Officer. A strategic audit plan is managed by the internal audit function and monitored by the Audit Committee. The 2020-21 internal audits can be found at Appendix I.

FREEDOM OF INFORMATION

The *Information Act 2002* allows for access to government and personal information. In 2020-21 DCDD received 182 FOI applications and other payment receipts on behalf of other agencies.

11 new FOI requests were lodged in 2020-21 and one was carried forward from 2019-20 in relation to information held by DCDD for personal or government information. Of these requests, one resulted in an internal review, one withdrew and two FOI requests were transferred to relevant agencies.

OMBUDSMAN

In 2020-21 the Ombudsman received three enquiries in relation to the department. These enquiries were addressed by the Ombudsman's Office and finalised without requiring formal notification.

INDEPENDENT COMMISSIONER AGAINST CORRUPTION

DCDD is committed to creating and maintaining an environment that is free of improper conduct as defined under the *Independent Commissioner Against Corruption Act 2017* (ICAC Act). The department maintains an Improper Conduct Investigations and Reporting Policy and encourages employees to recognise and report suspicions of improper

conduct to ensure it is quickly exposed and eliminated. All allegations or suspicions of improper conduct are managed in a professional, respectful and consistent way across the department. The department has a Whistleblower Policy to communicate the importance of reporting improper conduct without fear of reprisal.

COMPLAINTS AND RESOLUTIONS

Our staff have the right to make a complaint if they are aggrieved by matters relating to employment, which is covered in Our People section. DCDD customers can also make complaints and provide feedback if they don't receive the high level of service expected from us, which is encouraged to improve our services.

Complainants are routinely contacted personally to discuss and resolve matters and where required, are provided a formal response through written correspondence. Complaints can also be lodged through external reporting agencies as referenced in Appendix J and are considered impartially with a focus on resolution and learning.

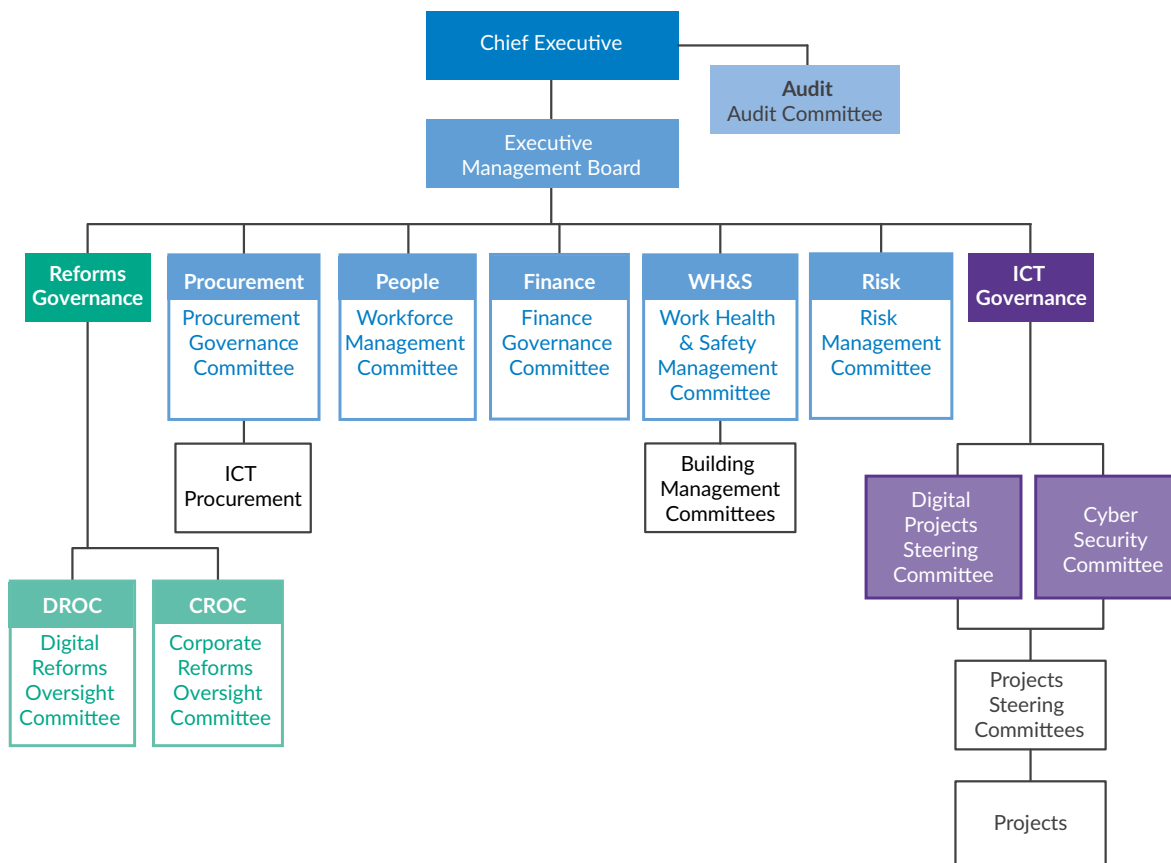
Customers have multiple channels to make a complaint or provide feedback about our services, including via our website, through our range of online service management portals, by email, phone or through Ministerial correspondence.

GOVERNANCE COMMITTEES

Our governance committee structure consists of the Executive Management Board (EMB) and its supporting committees responsible for focusing on key governance requirements

within DCDD. Each committee's purpose, activity and membership for 2020-21 are outlined in Appendix G.

Diagram 7 - DCDD corporate governance committee structure



Executive Management Board



Kathleen Robinson
Chief Executive



Chris Hosking
Deputy CE Digital Services



Lisa Watson
Deputy CE Corporate Services



Ewan Perrin
Executive Director ODG



David Bryan
Senior Director NTPM



Judy Florance
Director Executive Services



Ron Saint
Director Regions



Rex Schoolmeester
Chief Financial Officer

EMB is the senior governance and decision-making body of DCDD, providing strategic direction across the department and GBDs. The board members as at 30 June 2021 are pictured above. In addition, two staff members are selected to participate on EMB quarterly to provide staff with an opportunity to broaden their experience and knowledge at a strategic level and strengthen the capability of the senior leadership team.

The board provides a key governance oversight role by measuring and monitoring performance through quarterly

reporting of Key Performance Indicators (KPIs) to ensure the board has a well-defined insight on service performance across its span of functions. KPIs reflect performance metrics for our outputs and are aligned to our Strategic Plan and DCDD Service Statements. Careful consideration is given to performance, trends and issues at board meetings, with KPIs reviewed and expanded if changes are required.

The board meets monthly and met on 12 occasions in 2020-21. Further information on the board's activity can be found at Appendix G.

Changes to our committees

Our committee structure was reviewed in 2020 to align with our refreshed organisational model and encompass our senior staff who transitioned to DCDD through the CSR3 program. Acknowledging the department's increasing responsibilities to deliver major reforms for government, two new committees, Corporate Reforms Oversight Committee and Digital Reforms

Oversight Committee, were established to actively oversee and monitor our reform programs. The Communications Committee was dissolved with communications addressed as a core requirement across other governance committees and functional areas.

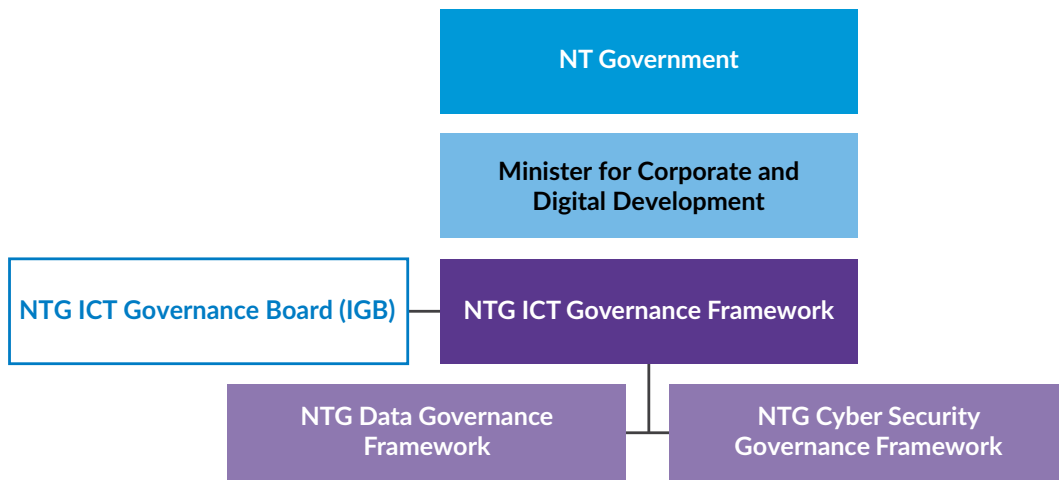
COVID-19 GOVERNANCE GROUPS

Our COVID-19 governance groups established at the start of the pandemic, have remained in place to respond to emerging issues as they have arisen over the year to ensure an appropriate level of pandemic governance is maintained. The COVID-19 Oversight Group and Incident Response Groups purpose, activity and membership for 2020-21 are outlined in Appendix G.

NTG GOVERNANCE FRAMEWORKS

As part of our strategic ICT responsibilities, DCDD has developed a range of clearly defined governance frameworks for the use of agencies across the NTG to ensure compliance with core digital governance and accountability requirements.

Diagram 8 - All of government ICT governance model



ICT Governance Framework

The ICT Governance Framework ensures ICT investments and projects across agencies are planned and supported by the framework. The framework requires assurance oversight, particularly for high risk, high value digital programs and sets out processes for agency management of ICT programs.

The framework is enhanced by Treasurer's Directions (ICT series), digital policies, a reporting portal and ICT governance guidelines to assist agencies.

ICT Governance Board (IGB)

The ICT Governance Framework is underpinned by the IGB to ensure consistency and accountability for application of the framework across the public sector by:

- applying stringent monitoring, analysis of agency major ICT investment proposals
- oversight of ICT projects from an all-of-government perspective.

The IGB considers digital policies, emerging ICT issues and risks and coordinates reporting to government.

The list of members, comprising senior representatives from across government, can be found at Appendix G.

Cyber Security Governance Framework

The Cyber Security Governance Framework complements the NTG ICT Governance Framework to ensure cyber security is essential to the management of the NT Government's ICT environment and government service delivery. The framework sets out:

- NTG's cyber security policy intent and alignment to contemporary practice
- planning and investment approach for cyber security controls
- cyber security management responsibilities of the department and agencies.

The Framework, Treasurer's Directions (ICT series), ICT policies, standards and guidelines and the NTG ICT Governance Framework together provide an integrated package for the effective governance of cyber security across government.

The Cyber Security Committee operationalises the framework through monitoring and overseeing cyber security activities and readiness across DCDD's responsibilities and the NT Government's enterprise ICT environment. The Committee also provides advice on cyber security matters to the IGB.

The Security Leadership Group is part of the Cyber Security Governance Framework and considers cyber security related innovations and initiatives with significant user impact for advice to the IGB.

Following Machinery of Government changes in 2019-20 the membership and ongoing relevance of this group is being considered, with most advisory tasks being progressed by the Cyber Security Committee.

Data Governance Framework

The NTG's Northern Territory Data Governance Framework provides the foundation for managing and sharing data across government effectively, respectfully and accountably, while enabling data and digital technology to foster innovation and economic development. The Framework provides safeguards to assess risks and consider ethical and cultural aspects of data re-use and ensure compliance with legislation, policies, standards and guidelines for the protection of sensitive data.

At a national level, the NT is a signatory to the intergovernmental agreement on data sharing and is actively participating on the national Data and Analytics Working Group to operationalise the agreement and improve data sharing between jurisdictions and with the Commonwealth.

The NT also participates on national Closing the Gap working groups, progressing initiatives focused on data sharing and making data more accessible to Aboriginal communities.

An inter-agency Data Sharing Governance Committee has been established to ensure framework requirements are met in relation to the integration of child safety information for the new CARE system implementation. Senior executives across relevant NTG agencies are actively participating in addressing barriers and challenges to effectively sharing important data.

The Data Leadership Group under the framework is not presently active while the focus is on resolving critical child protection data requirements. This work is expected to set the foundations and protections to enable safe data sharing more broadly. Progressing national data sharing work program initiatives under the intergovernmental agreement is anticipated to require revisions to the Data Governance Framework, Committee Structure. Future governance arrangements will be determined in 2021-22.



6a

DCDD

Financial Report

FINANCIAL STATEMENT OVERVIEW

For the year ended 30 June 2021

FINANCIAL PERFORMANCE (Comprehensive operating statement)

The Department of Corporate and Digital Development (DCDD) manages the Territory Government's digital environment and supports all government agencies through delivering corporate and digital services, advising agencies and developing transformative solutions.

DCDD's financial performance for the year is presented in two ways. Table 1 compares the department's performance with

the final approved revised budget and Table 2 compares the current year performance with the previous year. Both tables highlight the total income and expense movement, with more detailed analysis and commentary provided in Tables 3 to 5 showing income and expenses by category. Table 6 shows the department's net worth and financial position, the impact of investment decisions and recognition of assets and liabilities.

Table 1: 2020-21 Final Budget and Performance

	2020-21		
	Actual \$000	Final Budget \$000	Variation \$000
Income	360 380	354 695	5 685
Expenses	357 405	373 485	16 080
Surplus/(Deficit)	2 975	(18 790)	21 765
Other Comprehensive Income	-	-	-
Comprehensive Result	2 975	(18 790)	21 765

DCDD's operating financial performance for the year showed a \$3 million surplus compared with the final budget estimated deficit of \$18.8 million. DCDD's improved result is partly due to changed timing of expenses for delivery of major ICT projects and telecommunications grants which will be carried over and incurred in 2021-22.

Major ICT projects are managed by DCDD, with the largest being Core Clinical Systems Renewal Program (CCSRP), Client Management Systems Alignment (CMSA), and SerPro Policing System. Other factors include lower property leasing costs and employee costs due to market conditions and challenges recruiting and maintaining capability.

Table 2: 2019-20 and 2020-21 Performance

	Actual \$000		Variation \$000
	2020-21	2019-20	
Income	360 380	347 406	12 974
Expenses	357 405	364 378	6 973
Surplus/(Deficit)	2 975	(16 972)	19 947
Other Comprehensive Income	-	-	-
Comprehensive Result	2 975	(16 972)	19 947

The significant change in the actual operating performance from an operating deficit of \$17 million in 2019-20 to an operating surplus of \$3 million in 2020-21 is mainly attributed to the changes in timing of payments relating to major ICT

projects and telecommunications grants realigning expenses between years and lower than anticipated costs for property leasing related to CPI and market rental conditions.

Income

Operating revenue received for the financial year was \$360 million compared to \$347 million in 2019-20. DCDD is funded through a combination of Northern Territory Government appropriation and goods and services income from Government Business Divisions (GBDs) and Government Owned Corporations (GOCs). DCDD services are billed under a costing model that is based on service usage, including notional charges applied to general agencies.

Table 3: Income by Category

Year	Output Appropriation		Goods and Services		Other Income		Grants		Goods and Services received FOC		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	277 329	77.0	75 085	20.8	6 664	1.8	1 130	0.3	172	0.1	360 380	100
2019-20	266 019	76.6	74 153	21.3	6 625	1.9	413	0.1	196	0.1	347 406	100

In 2020-21 output appropriation was higher than the previous year as a result of the revised timing of major ICT projects and remote telecommunications programs. The increase in goods and services income is primarily due to recognition of

additional ICT revenue. The increase in grant income reflects one-off revenue received from the Commonwealth for COVID-19 responses.

Expenses

DCDD expenses are primarily related to employee and digital (ICT) costs, reflecting DCDD's management of government's ICT systems, networks and major digital transformation initiatives. Depreciation is a substantial expenditure as a result of the adoption of AASB16 relating to leases and subsequent recognition of right-of-use assets.

Table 4: Expenses by Category

Year	Employee		Digital		Depreciation		Operational		Property		Grants		Other		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	127 615	35.7	106 785	30.0	87 922	24.6	7 576	2.1	14 360	4.0	4 265	1.2	8 882	2.5	357 405	100
2019-20	126 698	34.8	105 405	28.9	84 390	23.2	10 985	3.0	15 363	4.2	12 677	3.5	8 860	2.4	364 378	100

Total operational expenses in 2020-21 were \$7 million lower than the previous year largely due the timing changes for major ICT projects. Grants expenses decreased in 2020-21 due to a one-off grant expenditure in 2019-20 relating to the Tiwi Islands Fibre Connection. Employee expenses increased in line

with wages growth in accordance with the NTPS Enterprise Agreement. Depreciation expenses have increased primarily as a result of recognising depreciation on right-of use assets under Accounting Standard AASB 16 – Leases and taking up a lease on Manunda Place.

2020-21 Expenses and final budget by output

Expenses are reported in Budget Papers and to the Department of Treasury and Finance by output and output groups. DCDD's output groups include:

- Corporate Support Development – professional, responsive and reliable corporate services, quality solutions and trusted advice that enables government and agencies to focus on core business
- Digital Government Development – transformative customer-focused digital solutions and services operating in a controlled ICT environment, leveraging technology and increasing connectivity to improve government service delivery
- Corporate and Governance – improved organisational performance through strategic and governance leadership and the provision of business support functions.

Table 5: 2020-21 Expenses and Final Budget by Output

	Actual	Final Budget	Variation
	\$000	\$000	\$000
CORPORATE SUPPORT DEVELOPMENT			
Workforce Services	24 153	27 075	2 922
Employment Services	16 891	18 596	1 705
Procurement and Contract Services	8 991	9 038	47
Information Management Services	6 153	6 591	438
Finance Services	7 634	7 859	225
Property Leasing Services	103 431	107 711	4 280
Vehicle Management Services	729	873	144
CORPORATE SUPPORT DEVELOPMENT - TOTAL	167 983	177 743	9 760
DIGITAL GOVERNMENT DEVELOPMENT			
ICT Network Services	38 850	39 377	527
Agency Business Systems and Support Services	60 336	62 903	2 567
Across Government Systems and Support Services	25 955	25 212	(743)
Digital Projects	30 483	34 267	3 784
Data Services	14 744	14 591	(153)
Digital Communications	3 068	2 489	(579)
Digital Connectivity and Strategy	8 992	10 878	1 886
DIGITAL GOVERNMENT DEVELOPMENT - TOTAL	182 428	189 717	7 289
CORPORATE AND SHARED SERVICES			
Corporate and Governance	5 293	4 865	(428)
Shared Services Received	443	302	(141)
Shared Services Provided	1 259	858	(401)
CORPORATE AND SHARED SERVICES - TOTAL	6 994	6 025	(970)
TOTAL	357 405	373 485	16 080

The primary output variations were:

- Employment Services – lower than expected expenditure largely due to reduced resources.
- Workforce Services – lower than expected expenditure reflecting timing challenges reorganising work streams and recruiting to positions.
- Property Leasing Services – lower than anticipated rental costs mostly due to lower CPI and market rental conditions.
- Agency Business Systems and Support Services – lower than anticipated expenditure for some business systems due to timing and capacity, which is expected to be one-off in 2020-21.
- Across Government Systems and Support Services – higher than anticipated expenditure due to improvements required for GrantsNT and procurement systems and stabilisation works needed to support EIMS.
- Digital projects – revised delivery timeframes for major ICT projects, carried over to 2021-22.
- Digital Connectivity and Strategy – revised timing of telecommunications grants, carried over to 2021-22.
- Corporate and Governance – COVID-19 related expenses not factored into the budget. Costs incurred across the department are recorded centrally.

FINANCIAL POSITION (Balance sheet)

The Statement of Financial Position sets out balances of the assets, liabilities and equity of the department at 30 June 2021.

Table 6: 2020-21 and 2019-20 Financial Position

	2020-21	2019-20	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	134 315	104 523	29 792
Non-Current Assets	739 682	569 903	169 779
TOTAL ASSETS	873 997	674 426	199 571
LIABILITIES			
Current Liabilities	115 375	110 510	(4 865)
Non-Current Liabilities	490 705	376 071	(114 634)
TOTAL LIABILITIES	606 080	486 581	(119 499)
NET ASSETS	267 917	187 845	80 072
EQUITY	267 917	187 845	80 072
TOTAL EQUITY	267 917	187 845	80 072

DCDD's net asset position as at the end of 2020-21 was \$267.9 million, compared with the previous year's position of \$187.8 million, an increase of \$80 million. The increase largely relates to government investment in the delivery of major ICT digital projects. The net asset position improvement is reflected in the increase in current assets, primarily cash and deposits and non-current assets, primarily property, plant and equipment for major ICT projects.

DCDD's major assets as at 30 June 2021 included:

Current Assets

- \$113.4 million cash and deposits
- \$14.8 million prepayments (primarily related to the property leasing portfolio)
- \$6.2 million receivables (GST, service fees and property leasing charges).

Non-Current Assets

- \$585.2 million property, plant and equipment for right-of-use (lease) assets
- \$154 million intangible assets
- \$0.5 million prepayments.

DCDD's major liabilities at 30 June 2021 included:

Current Liabilities

- \$72 million leased property liabilities
- \$21.5 million provisions for employee entitlements
- \$21.5 million accrued expenses and payables.

Non-Current Liabilities

- \$490.7 million leased property liabilities.

Certification of the financial statements

We certify that the attached financial statements for the Department of Corporate and Digital Development have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* 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 2021 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
Chief Executive
30 August 2021



Rex Schoolmeester
Chief Financial Officer
30 August 2021

Comprehensive operating statement

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
INCOME			
Grants and subsidies revenue			
Current	4a	1 130	413
Appropriation			
Output	4b	277 329	266 019
Sales of goods and services	4c	75 085	74 153
Interest revenue	4d	78	-
Goods and services received free of charge	5	172	196
Other income	4d	6 586	6 625
TOTAL INCOME	3	360 380	347 406
EXPENSES			
Employee expenses		127 615	126 698
Administrative expenses			
Property management		14 360	15 363
Purchases of goods and services	7	114 361	116 390
Repairs and maintenance		-	-
Depreciation and amortisation	15, 17	87 922	84 390
Other administrative expenses ¹		172	196
Grants and subsidies expenses			
Current		165	227
Capital		4 100	12 450
Interest expenses	8	8 710	8 664
TOTAL EXPENSES	3	357 405	364 378
NET SURPLUS/(DEFICIT)		2 975	(16 972)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE RESULT		2 975	(16 972)

¹ Includes DIPL repairs and maintenance service charges.

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

Balance sheet

As at 30 June 2021

	Note	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and deposits	10	113 352	83 947
Receivables	12	20 963	20 576
Total Current Assets		134 315	104 523
Non-Current Assets			
Receivables	12	506	947
Property, plant and equipment	15, 16	585 204	467 182
Intangibles	17	153 972	101 774
Total Non-Current Assets		739 682	569 903
TOTAL ASSETS		873 997	674 426
LIABILITIES			
Current Liabilities			
Deposits held	22	413	827
Payables	19	21 504	19 746
Borrowings and advances – Lease liabilities	20	72 005	69 507
Provisions	21	21 453	20 341
Other liabilities – Unearned contract revenue	22	-	89
Total Current Liabilities		115 375	110 510
Non-Current Liabilities			
Borrowings and advances – Lease liabilities	20	490 705	376 071
Total Non-Current Liabilities		490 705	376 071
TOTAL LIABILITIES		606 080	486 581
NET ASSETS		267 917	187 845
EQUITY			
Capital		272 731	195 635
Reserves	24	-	-
Accumulated funds		(4 815)	(7 790)
TOTAL EQUITY		267 917	187 845

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

Statement of changes in equity

For the year ended 30 June 2021

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2020-21					
Accumulated Funds					
Accumulated Funds		(7 007)	2 975	-	(4 032)
Transfers from reserves		(783)	-	-	(783)
		(7 790)	2 975	-	(4 815)
Reserves	24	-	-	-	-
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		165 573	-	63 034	228 607
Equity transfers in		91 553	-	9 048	100 600
Other equity injections		27 225	-	5 020	32 245
Equity withdrawals					
Capital withdrawal ^(e)		(38 259)	-	(5)	(38 264)
Equity transfers out		(50 457)	-	-	(50 457)
		195 635	-	77 097	272 731
TOTAL EQUITY AT END OF FINANCIAL YEAR		187 845	2 975	77 097	267 917

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2019-20					
Accumulated Funds					
Accumulated Funds		9 965	(16 972)	-	(7 007)
Transfers from reserves		(783)	-	-	(783)
		9 182	(16 972)	-	(7 790)
Reserves	24	-	-	-	-
Capital – Transactions with Owners					
Equity injections					
Capital appropriation		121 299	-	44 274	165 573
Equity transfers in		80 761	-	10 792	91 553
Other equity injections		15 343	-	11 882	27 225
Equity withdrawals					
Capital withdrawal ^(e)		(34 060)	-	(4 199)	(38 259)
Equity transfers out		(46 201)	-	(4 256)	(50 457)
		137 142	-	58 493	195 635
TOTAL EQUITY AT END OF FINANCIAL YEAR		146 324	(16 972)	58 493	187 845

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

Cash flow statement

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and subsidies received			
Current	4a	1 130	413
Appropriation			
Output	4b	277 329	266 019
Commonwealth		-	-
Receipts from sales of goods and services		121 348	110 361
Interest received		-	-
Total Operating Receipts		399 807	376 793
Operating Payments			
Payments to employees		(126 071)	(113 943)
Payments for goods and services		(167 169)	(160 024)
Grants and subsidies paid			
Current		(165)	(227)
Capital		(4 100)	(12 450)
Interest paid	8	(8 710)	(8 664)
Total Operating Payments		(306 215)	(295 308)
Net Cash From/(Used in) Operating Activities		93 592	81 485
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(58 412)	(40 729)
Total Investing Payments		(58 412)	(40 729)
Net Cash From/(Used in) Investing Activities		(58 412)	(40 729)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings			
Deposits received		(414)	(4 566)
Equity injections			
Capital appropriation		63 034	44 274
Other equity injections		5 020	11 882
Total Financing Receipts		67 640	51 590
Financing Payments			
Finance lease payments		(73 408)	(69 143)
Equity withdrawals		(6)	(4 199)
Total Financing Payments		(73 414)	(73 342)
Net Cash From/(Used in) Financing Activities		(5 774)	(21 752)
Net increase/(decrease) in cash held		29 406	19 004
Cash at beginning of financial year		83 947	64 943
CASH AT END OF FINANCIAL YEAR		113 352	83 947

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

Index of notes to the financial statements

Note	
1	Objectives and funding
2	Statement of significant accounting policies
3	Comprehensive Operating Statement by output group
Income	
4a	Grants and subsidies revenue
4b	Appropriation
4c	Sales of goods and services
4d	Other income
5	Goods and services received free of charge
6	Gain on disposal of assets
Expenses	
7	Purchases of goods and services
8	Interest expense
9	Write-offs, postponements, waivers, gifts and ex gratia payments
Assets	
10	Cash and deposits
11	Reconciliation of cash
11b	Reconciliation of liabilities arising from financing activities
12	Receivables
13	Advances and investments
14	Other assets
15	Property, plant and equipment
16	Agency as a lessee
17	Intangibles
18	Assets held for sale
Liabilities	
19	Payables
20	Lease liabilities
21	Provisions
22	Other liabilities
23	Commitments
Equity	
24	Reserves
Other disclosures	
25	Fair value measurement
26	Financial instruments
27	Related parties
28	Contingent liabilities and contingent assets
29	Events subsequent to balance date
30	Accountable Officer's trust account
31	Schedule of Administered Territory items
32	Budgetary information

1. Objectives and funding

The objective of the Department of Corporate and Digital Development (DCDD) is to support government agencies to achieve their goals by delivering high quality corporate and digital services, solutions and advice.

The Department's remit was substantially expanded since 2019-20 and is focused on the twin disciplines of digital services and corporate services.

In the digital services discipline DCDD, including the Office of Digital Government, delivers the full range of digital services from network architecture and cyber security; through agency and across government digital systems management, data management and digital projects delivery; to ICT infrastructure, telecommunications and end user support.

In the corporate services discipline, DCDD provides end-to-end support services across workforce management, procurement and contract services, information management and vehicle fleet services, along with finance services and property leasing management.

DCDD is predominantly funded by, and is dependent on, receipt of Parliamentary appropriations. The financial statements encompass all funds through which DCDD controls resources to carry on its functions and deliver its outputs.

Note 3 provides summary financial information in the form of an Operating Statement by output group.

A) MACHINERY OF GOVERNMENT CHANGES

Transfers in

Details of transfer: Procurement and Corporate ICT units transferred from the Department of Territory Families, Housing and Communities.

Basis of transfer: Administrative Arrangements Order (No. 2) 2019, 27 June 2019.

Date of transfer: Effective from 1 July 2020.

The assets and liabilities transferred as a result of this change were as follows:

	\$000
ASSETS	
Cash	136
	136
LIABILITIES	
Provisions	(136)
	(136)
NET ASSETS	-

Transfers out

There were no transfers out as a result of Administrative Arrangements Orders.

2. Statement of significant accounting policies

A) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires DCDD to prepare financial statements for each year ended 30 June based on the form determined by the Treasurer. The form of DCDD financial statements should include:

- 1) Certification of the Financial Statements
- 2) Comprehensive Operating Statement
- 3) Balance Sheet
- 4) Statement of Changes in Equity
- 5) Cash Flow Statement
- 6) applicable explanatory notes to the financial statements

B) BASIS OF ACCOUNTING

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 been prepared in accordance with the historical cost convention.

The form of DCDD 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.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been early adopted for 2020-21.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

C) REPORTING ENTITY

The financial statements cover the department as an individual reporting entity.

DCDD is a Northern Territory Government department established under the *Interpretation Act 1978* and specified in the *Administrative Arrangements Order*.

The principal place of business of the department is: Level 9, Charles Darwin Centre, 19 The Mall, Darwin NT.

DCDD has no controlled entities.

D) DCDD AND TERRITORY ITEMS

The financial statements of DCDD include income, expenses, assets, liabilities and equity over which DCDD has control (DCDD items). Certain items, while managed by DCDD, are controlled and recorded by the Northern Territory rather than DCDD (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 Territory liabilities that are not practical or effective to assign to individual agencies, such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in DCDD's financial statements. However, DCDD is accountable for certain Territory items managed on behalf of government.

E) COMPARATIVES

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

F) 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. Figures in the financial statements and notes may not equate due to rounding.

G) CHANGES IN ACCOUNTING POLICIES

There has been one change to accounting policies adopted in 2020-21 as a result of management decisions.

Commencing from 2020-21, costs associated with other Northern Territory Government agencies will not be capitalised as part of major ICT projects. The net impact of this change is a \$2.74 million increase in expenses in the Comprehensive Operating Statement and a corresponding reduction in assets in the Balance Sheet.

Changes in policies relating to COVID-19 are disclosed in k) below.

H) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

I) GOODS AND SERVICES TAX (GST)

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

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

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

J) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

DCDD may receive contributions from government where the government is acting as the owner of DCDD. Conversely, DCDD may make distributions to government. In accordance with the *Financial Management Act 1995* 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 DCDD as adjustments to equity.

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

K) IMPACT OF COVID-19

The Northern Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges to ease financial hardship faced by individuals and businesses as a result of COVID-19.

In 2019-20, DCDD was responsible for billing non-government schools for ICT services. This function has transferred to Department of Education in 2020-21.

There was no other activity relating to COVID-19 which impacted DCDD's Financial Statements in 2020-21.

3. Comprehensive operating statement by output group

Note	Corporate Support Development		Digital Government Development		Corporate and Shared Services		Total		
	2021	2020	2021	2020	2021	2020	2021	2020	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
INCOME									
Grants and subsidies revenue									
Current	4a	21	-	-	-	1 109	413	1 130	413
Appropriation									
Output	4b	140 771	131 482	133 525	130 724	3 033	3 813	277 329	266 019
Sales of goods and services	4c	28 284	27 888	45 439	44 907	1 362	1 358	75 085	74 153
Goods and services received free of charge	5	-	-	-	-	172	196	172	196
Gain on lease extinguishment	4d	78	-	-	-	-	-	78	-
Other income	4d	143	268	6 207	6 242	237	115	6 586	6 625
TOTAL INCOME		169 297	159 638	185 171	181 873	5 913	5 895	360 380	347 406
EXPENSES									
Employee expenses		59 777	61 039	63 712	61 307	4 126	4 352	127 615	126 698
Administrative expenses									
Property Management		13 556	13 908	500	915	304	540	14 360	15 363
Purchases of goods and services	7	6 815	7 553	105 184	107 172	2 362	1 665	114 361	116 390
Depreciation and amortisation	15,17	79 125	75 424	8 767	8 843	30	123	87 922	84 390
Other administrative expenses ¹	5	-	-	-	-	172	196	172	196
Grants and subsidies expenses									
Current		-	-	165	207	-	20	165	227
Capital		-	-	4 100	12 450	-	-	4 100	12 450
Interest Expenses	8	8 710	8 664	-	-	-	-	8 710	8 664
TOTAL EXPENSES		167 983	166 588	182 428	190 894	6 994	6 896	357 405	364 378
NET SURPLUS/(DEFICIT)		1 314	(6 950)	2 743	(9 021)	(1 081)	(1 001)	2 975	(16 972)
OTHER COMPREHENSIVE INCOME									
Items that will not be reclassified to net surplus/deficit									
Changes in asset revaluation reserve		-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-	-	-	-	-	-
COMPREHENSIVE RESULT		1 314	(6 950)	2 743	(9 021)	(1 081)	(1 001)	2 975	(16 972)

¹ Includes DIPL repairs and maintenance service charges.

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

4. Income

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.

DCDD revenue for the 2020-21 financial year has been disaggregated below into categories to enable users of these

financial statements to understand the nature, amount, timing and certainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

DCDD provides corporate services and digital services for government agencies.

A) GRANTS AND SUBSIDIES REVENUE

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Current grants	-	1 130	1 130	-	413	413
Capital grants	-	-	-	-	-	-
TOTAL GRANTS AND SUBSIDIES REVENUE	-	1 130	1 130	-	413	413

Grants revenue is recognised at fair value exclusive of the amount of GST.

Grant revenue, passed on from a Northern Territory Government controlled entity with the exception of the Central Holding Authority, is recognised upfront on receipt, irrespective of which revenue accounting standard it may fall under in accordance with the Treasurer's Direction on income.

B) APPROPRIATION

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Output	-	277 329	277 329	-	266 019	266 019
Commonwealth	-	-	-	-	-	-
TOTAL APPROPRIATION	-	277 329	277 329	-	266 019	266 019

Output appropriation is the operating payment to each agency for the outputs they provide as specified in the *Appropriation Act*. It does not include any allowance for major non-cash costs such as depreciation. Output appropriations do not have sufficiently specific performance obligations and recognised on receipt of funds.

Where appropriation received has an enforceable contract with sufficiently specific performance obligations as defined in

AASB 15, revenue is recognised as and when goods and or services are transferred to the customer or third party beneficiary.

Otherwise revenue is recognised when DCDD gains control of the funds. DCDD, through output appropriation, provides government support services and digital government services to agencies.

C) SALES OF GOODS AND SERVICES

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Property – recovery of costs	-	11 021	11 021	-	11 128	11 128
Corporate services charges	-	35 746	35 746	-	35 870	35 870
ICT infrastructure program	-	27 184	27 184	-	26 211	26 211
Salary sacrifice administrative fee	1 134	-	1 134	944	-	944
TOTAL SALES OF GOODS AND SERVICES	1 134	73 951	75 085	944	73 209	74 153

Sale of goods

Revenue from sales of goods is recognised when DCDD satisfies a performance obligation by transferring the promised goods.

Revenue from these sales are based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is no element of financing present as sales are made with a short credit term.

DCDD sale of goods revenue includes:

ICT infrastructure program – a program to manage the supply of ICT hardware to agencies, including desktops, laptops, printers, PABX handsets, servers and MFDs. Revenue is recognised as DCDD satisfies its performance obligation when services are performed, with the payments typically due a month after.

Rendering of services

Revenue from rendering of services is recognised when DCDD satisfies the performance obligation by delivering the promised services.

DCDD services revenue includes:

Corporate services charges – services are billed to agencies through a costing model which covers the wide range of corporate services that DCDD provides. Data on services performed for each NTG agency is collected on a monthly basis, and applied to determine agency charges. Revenue is recognised as DCDD satisfies its performance obligation when services are performed for agencies. Where payments are required, the payments are typically due a month after being charged.

Property – recovery of costs – includes funds received from agencies for rent, cleaning, security and management fees. Revenue is recognised as DCDD satisfies its performance obligation when these services are performed and the payments are typically due a month after.

Salary sacrifice administrative fee – fees charged by DCDD for the work undertaken to facilitate personal salary packaging arrangements for NTPS employees. Revenue is recognised as DCDD satisfies its performance obligation when these services are performed, with the payments typically due a month after.

Revenue from contracts with customers for the 2020-21 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and certainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

2021	2020
\$000	\$000

TYPE OF GOOD AND SERVICE

Regulatory services	-	-
Service delivery	1 134	944
Construction services	-	-
Sales of inventory	-	-
Research services	-	-
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOODS OR SERVICES	1 134	944

TYPE OF CUSTOMER

Australian Government entities	-	-
State and territory governments	-	-
Non-government entities	1 134	944
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	1 134	944

TIMING OF TRANSFER OF GOODS AND SERVICES

Over time	-	-
Point in time	1 134	944
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	1 134	944

D) OTHER INCOME

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Gain on lease extinguishment	-	78	78	-	-	-
One-off ICT revenue adjustment	-	-	-	-	5 363	5 363
Other recovered costs	-	6 586	6 586	-	1 262	1 262
TOTAL OTHER INCOME	-	6 664	6 664	-	6 625	6 625

DCDD pays for goods and services on behalf of other agencies and expense recoveries are classified as follows:

One-off ICT revenue adjustment – return of unused ICT clearing account funds to the Northern Territory Government.

Other recovered costs – recovered expenses, includes management costs for digital projects.

DCDD satisfies performance obligations when the goods or services have been completely delivered. Subsequently, DCDD recovers the expenditure from the other agency through issuance of an invoice, with revenue recognised when payment is received.

5. Goods and services received free of charge

	2021	2020
	\$000	\$000
Repairs and maintenance – DIPL notional charges	172	196
	172	196

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not

been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Repairs and maintenance expenses and associated employee costs were centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change and now form part of goods and services received free of charge by DCDD.

6. Gain on disposal of assets

DCDD has no gain on disposal of assets in 2020-21 and 2019-20.

7. Purchases of goods and services

2021	2020
\$000	\$000

The net surplus/(deficit) has been arrived at after charging the following expenses.

GOODS AND SERVICES EXPENSES

Information technology charges	46 533	41 051
Information technology hardware and software	23 739	24 016
Telecommunications	1 950	1 746
Contractors and consultants ¹	37 875	38 869
Advertising ²	1	1
Marketing and promotion ³	87	168
Document production	65	62
Legal expenses ⁴	567	356
Recruitment ⁵	78	239
Training and study	600	681
Official duty fares	30	84
Travelling allowance	12	35
Equipment expenses – other ⁶	356	3 580
Other	2 468	5 502
TOTAL	114 361	116 390

¹ Includes IT contractors and consultants, marketing and promotion.

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 contractors and consultants category.

⁴ Includes legal fees, claim and settlement costs.

⁵ Includes recruitment-related advertising costs.

⁶ Radio handsets for NTPFES.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

Property Management Expense

Property management expenses primarily relates to whole of government commercial property leasing costs, including rent, cleaning and security.

Repairs and Maintenance Expenses

Repairs and maintenance expenses were centralised under the Department of Infrastructure, Planning and Logistics (DIPL) in 2019 as part of machinery of government changes. DCDD now recognises a notional repairs and maintenance expense under services received free of charge in Note 5.

8. Interest expense

2021	2020
\$000	\$000
Interest from lease liabilities ¹	8 664
TOTAL	8 710

¹ Interest expense for 2021 and 2020 relates to lease liabilities in accordance with AASB 16.

9. Write-offs, postponements, waivers, gifts and ex gratia payments

	Agency				Territory items			
	2021	No. of	2020	No. of	2021	No. of	2020	No. of
	\$000	Trans.	\$000	Trans.	\$000	Trans.	\$000	Trans.
Write-offs, postponements and waivers under the Financial Management Act 1995	1	1	3	5	-	-	-	-
Represented by:								
Amounts written off, postponed and waived by delegates								
Irrecoverable amounts payable to the Territory or an agency written off	1	1	3	3	-	-	-	-
Losses or deficiencies of money written off ¹	-	-	-	2	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY DELEGATES	1	1	3	5	-	-	-	-

¹ 2019-20: This relates to NTG superannuation remediation amounts which are reflected in the Central Holding Authority with the loss required to be recorded by DCDD.

10. Cash and deposits

	2021	2020
	\$000	\$000
Cash on hand	44	51
Cash at bank	113 308	83 896
	113 352	83 947

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 that are ultimately payable to the beneficial owner.

11. Cash flow reconciliation

A) RECONCILIATION OF CASH

The total of DCDD's 'Cash and deposits' of \$113.4 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

	2021	2020
	\$000	\$000
NET SURPLUS/(DEFICIT)	2 975	(16 972)
NON-CASH ITEMS:		
Depreciation and amortisation	87 922	84 390
Asset write-offs/write-downs	-	-
Asset donations/gifts	-	-
(Gain)/Loss on lease extinguishment	(78)	-
CHANGES IN ASSETS AND LIABILITIES:		
Decrease/(Increase) in receivables	55	(6 641)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	1 696	9 079
(Decrease)/Increase in provision for employee benefits	685	9 690
(Decrease)/Increase in other provisions	427	1 850
(Decrease)/Increase in other deferred income	(89)	89
NET CASH FROM OPERATING ACTIVITIES	93 592	81 485

B) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**2020-21**

	Cash flows						Total cash flows
	1 July	Equity injection/ withdrawal	Appropriation	Deposits received	Lease liabilities repayments	Other	
	\$000	\$000	\$000	\$000	\$000	\$000	
Deposits held	827	-	-	(414)	-	-	(414)
Provisions	20 341	-	-	-	-	-	
Lease liabilities	445 578	-	-	-	(73 408)	-	(73 408)
Equity injections/ withdrawals	195 635	5 014	63 034	-	-	-	68 048
TOTAL	662 381	5 014	63 034	(414)	(73 408)	-	(5 774)

	Other		
	Other	Total other	30 June
	\$000	\$000	\$000
Deposits held			413
Provisions	1 112	1 112	21 453
Lease liabilities	190 540	190 540	562 710
Equity injections/ withdrawals	9 048	9 048	272 731
TOTAL	200 700	200 700	857 307

2019-20

	Cash flows								
	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Equity injection/ withdrawal	Appropriation	Deposits received	Lease liabilities repayments	Other	Total cash flows
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Deposits held	5 393	-	5 393	-	-	(4 566)	-	-	(4 566)
Provisions	-	-	-	-	-	-	-	-	-
Lease liabilities	-	505 337	505 337	-	-	-	(69 143)	-	(69 143)
Equity injections/ withdrawals	137 142	-	137 142	7 683	44 274	-	-	-	51 957
TOTAL	142 535	505 337	647 872	7 683	44 274	(4 566)	(69 143)	-	(21 752)

	Other		
	Other	Total other	30 June
	\$000	\$000	\$000
Deposits held	-	-	827
Provisions	20 341	20 341	20 341
Lease liabilities	9 384	9 384	445 578
Equity injections/ withdrawals	6 536	6 536	195 635
TOTAL	36 261	36 261	662 381

C) NON-CASH FINANCING AND INVESTING ACTIVITIES

Lease transactions

During the financial year, DCDD recorded right-of-use asset for property leases with an aggregate value of \$551 million (2020: \$441 million).

12. Receivables

	2021	2020
	\$000	\$000
CURRENT		
Accounts receivable	1 492	1 721
Less: Loss allowance	-	-
	1 492	1 721
Interest receivables	-	-
GST receivables	4 277	5 156
Prepayments	14 767	12 165
Other receivables	427	1 534
	19 471	18 855
NON-CURRENT		
Prepayments	506	947
Other receivables	-	-
	506	947
TOTAL RECEIVABLES	21 469	21 523

Receivables are initially recognised when DCDD becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables DCDD estimates are likely to be uncollectible and are considered doubtful.

Accrued contract revenue

Accrued contract revenue arises from contracts with customers where DCDD's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once DCDD's rights to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers is reported as part of other receivables.

DCDD has no accrued contract revenues.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. DCDD applies the simplified approach to measuring expected credit losses.

Loss allowance for receivables

This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue.

To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include a failure to make contractual payments for a period greater than 182 days past due.

Due to COVID-19, DCDD's credit risk exposure has increased and is reflected in the expected credit losses reported. To ease financial hardship faced by individuals and businesses as a result of COVID-19, the Northern Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges. This has been reflected in the expected credit loss recorded within the reporting period.

There is no loss allowance for the 2020-21 and 2019-20 financial year as the doubtful debts were written off in the same year. All other overdue receivables are deemed collectible as at 30 June 2021.

The loss allowance for receivables and reconciliation as at the reporting date are disclosed below.

	2021				2020			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	1 349	-	-	1 349	1 585	-	-	1 585
Overdue for less than 30 days	125	-	-	125	18	-	-	18
Overdue for 30 to 60 days	11	-	-	11	8	-	-	8
Overdue for more than 60 days	-	-	-	-	63	-	-	63
TOTAL INTERNAL RECEIVABLES	1 485	-	-	1 485	1 674	-	-	1 674
EXTERNAL RECEIVABLES								
Not overdue	(13)	-	-	(13)	27	-	-	27
Overdue for less than 30 days	-	-	-	-	4	-	-	4
Overdue for 30 to 60 days	-	-	-	-	2	-	-	2
Overdue for more than 60 days	20	-	-	20	14	-	-	14
TOTAL EXTERNAL RECEIVABLES	7	-	-	7	47	-	-	47

Total amounts disclosed exclude statutory amounts and prepayments and include contract receivables and accrued contract revenue.

Reconciliation of loss allowance for receivables

DCDD recognised no loss allowance for receivables for 2020-21 and 2019-20 from the assessment of expected credit losses.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

13. Advances and investments

DCDD had no advances paid, equity accounted investments and investments in shares for the 2020-21 and 2019-20 financial years.

14. Other assets

A) AGENCY AS A LESSOR

DCDD is not a lessor and therefore, does not have any finance lease, operating lease or sublease arrangements. There is no lease receivables for 2020-21 and 2019-20.

B) CONTRACT COST ASSET

For the 2020-21 and 2019-20 reporting period, no costs were capitalised as a contract cost asset.

15. Property, plant and equipment

Total property, plant and equipment

	2021	2020
	\$000	\$000
PLANT AND EQUIPMENT		
At cost	41 758	40 370
Less: Accumulated depreciation	(20 519)	(18 109)
	21 239	22 261
CONSTRUCTION WORKS IN PROGRESS		
At capitalised cost	7 037	-
	7 037	-
COMPUTER HARDWARE		
At cost	24 260	18 743
Less: Accumulated depreciation	(18 792)	(14 529)
	5 468	4 214
LEASED PROPERTY, PLANT AND EQUIPMENT¹		
At capitalised cost	677 597	514 721
Less: Accumulated depreciation	(126 137)	(74 014)
	551 460	440 707
TOTAL PROPERTY, PLANT AND EQUIPMENT	585 204	467 182

¹DCDD has no concessionary leases.

2021 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2020-21 is set out below:

	Computer hardware	Plant and equipment	Construction (WIP) Infrastructure	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2020	4 214	22 261	-	440 707	467 182
Additions	3 788	(541)	-	231 182	234 429
Disposals	-	-	-	-	-
Depreciation expense – asset owned	(2 755)	(2 483)	-	-	(5 238)
Amortisation expense – right-of-use asset	-	-	-	(77 540)	(77 540)
Additions/disposals from administrative restructuring	-	-	-	-	-
Additions/disposals from asset transfers	221	2 002	7 037	-	9 260
Revaluation increments/(decrements)	-	-	-	(42 889)	(42 889)
CARRYING AMOUNT AS AT 30 JUNE 2021	5 468	21 239	7 037	551 460	585 204

2020 Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below.

	Computer hardware	Plant and equipment	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2019	3 301	77 459	505 337	586 097
Additions	8 823	4 007	-	12 830
Additions of right-of-use assets	-	-	6 310	6 310
Depreciation expense – asset owned	(8 642)	(3 319)	-	(11 961)
Amortisation expense – right-of-use asset	-	-	(74 014)	(74 014)
Additions/disposals from administrative restructuring	732	-	-	732
Additions/disposals from asset transfers	-	(55 886)	-	(55 886)
Revaluation increments/(decrements)	-	-	3 074	3 074
CARRYING AMOUNT AS AT 30 JUNE 2020	4 214	22 261	440 707	467 182

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 DCDD 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, Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on an all-of-government basis. Therefore, appropriation for DCDD capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to DCDD.

Revaluations and Impairment

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

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:

	2021	2020
Plant and equipment	10 years	10 years
Leased plant and equipment	5 years	5 years
Right-of-use assets ¹	Lease term	Lease term
Computer software – general (off the shelf)	2-5 years	2-5 years
Computer software – Corporate Systems	5-10 years	5-10 years
Computer hardware	3-6 years	3-6 years

¹ Further information on right-of-use assets is disclosed in Note 16.

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

16. DCDD as a lessee

DCDD leases office, warehouse and specialty facilities. Lease contracts vary in lease terms and extension options. Lease terms are negotiated on an individual basis and are based on the standard memorandum of common provisions. The lease agreements do not impose any covenants. DCDD does not provide residual value guarantees in relation to leases.

Extension and termination options are only included in the lease term for measurement of the lease liability if the lease is reasonably certain to be extended. The majority of extension and termination options held are exercisable only by DCDD and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows of \$118.8 million have not been included in the lease liability because it is not reasonably certain the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of \$43 million.

DCDD has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option.

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 15.

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2020	-	440 707	-	-	440 707
Additions	-	231 182	-	-	231 182
Disposals	-	-	-	-	-
Amortisation expense	-	(77 540)	-	-	(77 540)
Revaluation increments/ (decrements) including remeasurement	-	(42 889)	-	-	(42 889)
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
CARRYING AMOUNT AS AT 30 JUNE 2021	-	551 460	-	-	551 460

	Land	Buildings	Infrastructure	Plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Balance as at 1 July 2019	-	505 337	-	-	505 337
Additions	-	6 310	-	-	6 310
Disposals	-	-	-	-	-
Amortisation expense	-	(74 014)	-	-	(74 014)
Revaluation increments/decrements including remeasurement	-	3 074	-	-	3 074
Impairment losses	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-
CARRYING AMOUNT AS AT 30 JUNE 2020	-	440 707	-	-	440 707

The following amounts were recognised in the statement of comprehensive income for the year ending in respect of leases where DCDD is the lessee.

	2021	2020 ¹
	\$000	\$000
Amortisation expense of right-of-use assets	77 540	74 014
Interest expense on lease liabilities	8 710	8 664
Expense relating to short-term leases	5 627	6 810
Expense relating to leases of low-value assets	-	-
Variable lease payments, not included in the measurement of lease liabilities	-	-
Intergovernmental leases	525	588
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	92 402	90 076

¹ 2019-20 data was adjusted from the published version to include vehicles leased from NT Fleet and for comparability with 2021 disclosures.

Recognition and measurement

DCDD assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

DCDD recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

DCDD recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Inter-governmental leases

DCDD applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognises these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised within DCDD.

17. Intangibles

	2021	2020
	\$000	\$000
Carrying amount		
Intangibles with a finite useful life		
Internally generated intangibles		
At cost	187 204	128 190
Less: accumulated amortisation	(33 233)	(26 416)
Written down value – 30 June	153 972	101 774
TOTAL INTANGIBLES	153 972	101 774

Intangible valuations

Intangible assets for DCDD are comprised of computer software. Intangible assets are stated at historical cost less depreciation, which is deemed to equate to fair value.

Impairment of intangibles

Due to the method of valuation of DCDD intangible assets, no assessment for impairment was undertaken for the year ended 30 June 2021 and year ended 30 June 2020.

	2021	2020
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life		
Internally generated intangibles		
Carrying amount at 1 July	101 774	9 151
Additions	346	35 974
Disposals	-	-
Depreciation and amortisation	(5 144)	(10 829)
Additions/disposals from administrative restructuring	-	5 379
Additions/disposals from asset transfers	2 115	62 099
Other movements	54 881	-
CARRYING AMOUNT AS AT 30 JUNE	153 972	101 774

18. Assets held for sale

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probable within one year from the date of classification.

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.

DCDD had no assets held for sale in 2020-21 and 2019-20.

19. Payables

	2021	2020
	\$000	\$000
Accounts payable	1 807	4 205
Accrued expenses	18 185	14 091
Other payables	1 512	1 450
TOTAL PAYABLES	21 504	19 746

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 DCDD. Accounts payable are normally settled within 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

20. Lease liabilities

	2021	2020
	\$000	\$000
CURRENT		
Lease liabilities	72 005	69 507
	72 005	69 507
NON-CURRENT		
Lease liabilities	490 705	376 071
	490 705	376 071
TOTAL LEASE LIABILITIES	562 710	445 578

At the commencement date of the lease where DCDD is the lessee, DCDD recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the agency
- payments of penalties for terminating the lease, if the lease term reflects the agency exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the DCDD's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2021	2020
	\$000	\$000
Balance at 1 July	445 578	505 337
Additions/remeasurements	190 540	9 385
Interest expenses	8 710	8 664
Payments	(82 118)	(77 808)
BALANCE AT 30 JUNE	562 710	445 578

DCDD had total cash outflows for leases of \$82.1 million in 2020-21 (\$86.5 million in 2019-20).

Future minimum lease payments under non-cancellable leases not recorded as liability are as follows:

	2021		2020 ¹	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
Within one year	510	1 280	588	432
Later than one year and not later than five years	648	-	764	-
Later than five years	-	-	-	-
	1 158	1 280	1 352	432

¹ 2019-20 data was adjusted from the published version to include vehicles leased from NT Fleet.

21. Provisions

	2021	2020
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	16 044	15 403
Leave loading	2 015	1 936
Recreation leave airfares	106	141
Other current provisions	-	-
Other provisions	3 288	2 861
	21 453	20 341
NON-CURRENT		
Employee benefits		
Recreation leave	-	-
TOTAL PROVISIONS	21 453	20 341
RECONCILIATIONS OF OTHER PROVISIONS		
Balance as at 1 July	2 861	1 012
Additional provisions recognised	3 288	2 861
Reductions arising from payments	(2 861)	(1 012)
BALANCE AS AT 30 JUNE	3 288	2 861

DCDD employed 1,090 employees as at 30 June 2021 (1,103 employees as at 30 June 2020).

Employee benefits

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

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

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

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

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

22. Other liabilities

	2021	2020
	\$000	\$000
CURRENT		
Financial guarantee liability	-	-
Unearned revenue	-	89
Unearned capital grants	-	-
Deposits held	413	827
TOTAL OTHER LIABILITIES	413	916

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued where the total value being guaranteed is greater than \$1 million.

DCDD had no financial guarantee contracts for 2020-21 and 2019-20.

Superannuation

Employees' superannuation entitlements are provided through the:

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

DCDD 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 therefore not recognised in DCDD's financial statements.

Unearned contract revenue

There is no unearned contract revenue for 2020-21.

Prior year unearned contract revenue relates to consideration received in advance from customers in respect of an ICT project to be delivered in 2020-21.

DCDD anticipates to recognise as revenue, any liabilities for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2021	2020
	\$000	\$000
Not later than one year	-	89
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	89

23. Commitments

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

Disclosures in relation to capital and other commitments are detailed below.

2021		2020	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments primarily relate to digital projects' hardware/software.

Capital expenditure commitments contracted at balance date but not recognised as liabilities are payable as follows:

Within one year	-	126 409	-	103 043
Later than one year and not later than five years	-	38 425	-	131 399
Later than five years	-	-	-	-
	-	164 834	-	234 442

(II) OTHER EXPENDITURE COMMITMENTS

DCDD has no other expenditure commitments.

24. Reserves

DCDD has no asset revaluation surplus as at 30 June 2021 and as at 30 June 2020.

25. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset

in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

DCDD's property, plant and equipment, computer software and computer hardware are recognised at cost less depreciation or amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

26. 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 assets and liabilities are recognised on the Balance Sheet when DCDD becomes a party to the contractual provisions of the financial instrument. DCDD's financial instruments include cash and deposits, receivables, payables and finance lease liabilities.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes, including GST and penalties.

DCDD has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

A) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	\$000
2020-21					
Cash and deposits	-	-	113 352	-	113 352
Receivables ¹	-	-	1 492	-	1 492
TOTAL FINANCIAL ASSETS	-	-	114 844	-	114 844
Deposits held ¹	-	-	413	-	413
Payables ¹	-	-	3 320	-	3 320
Lease liabilities	-	-	562 710	-	562 710
TOTAL FINANCIAL LIABILITIES	-	-	566 443	-	566 443

¹ Total amounts disclosed exclude statutory amounts, prepaid expenses and accrued contract revenue.

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2019-20					
Cash and deposits	-	-	83 947	-	83 947
Receivables ¹	-	-	1 721	-	1 721
TOTAL FINANCIAL ASSETS	-	-	85 668	-	85 668
Deposits held ¹	-	-	827	-	827
Payables ¹	-	-	5 655	-	5 655
Lease liabilities	-	-	445 578	-	445 578
TOTAL FINANCIAL LIABILITIES	-	-	452 060	-	452 060

¹ Total amounts disclosed exclude statutory amounts, prepaid expenses and accrued contract revenue.

Categories of financial instruments

DCDD's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost.

Financial liabilities are classified under the following categories:

- amortised cost.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by DCDD to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. DCDD's financial assets categorised at amortised cost include cash and deposits and receivables.

Financial assets at fair value through other comprehensive income

DCDD does not have any financial assets in this category.

Financial assets at fair value through profit or loss

DCDD does not have any financial assets in this category.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. DCDD's financial liabilities categorised at amortised cost include all accounts payable, deposits held and lease liabilities.

Financial liabilities at fair value through profit or loss

DCDD does not have any financial liabilities in this category.

Derivatives

DCDD does not trade in derivatives.

B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

DCDD has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, DCDD 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 DCDD's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Credit risk relating to receivables is disclosed in Note 12.

C) LIQUIDITY RISK

Liquidity risk is the risk that DCDD will not be able to meet its financial obligations as they fall due. DCDD's approach to managing liquidity is to ensure that it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring that minimum levels of cash are held in the DCDD bank account to meet various current employee and supplier liabilities. DCDD's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event that one-off extraordinary expenditure items arise that deplete cash to levels that compromise the DCDD's ability to meet its financial obligations.

The following tables detail DCDD's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Balance Sheet which are based on discounted cash flows.

2021 Maturity analysis for financial liabilities

Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
\$000	\$000	\$000	\$000	\$000

LIABILITIES

Deposits held	413	413	-	-	413
Payables ¹	3 320	3 320	-	-	3 320
Lease liabilities	610 618	3 031	343 176	264 411	610 618
TOTAL FINANCIAL LIABILITIES	614 351	6 764	343 176	264 411	614 351

¹Total amounts disclosed exclude statutory amounts and accrued items.

2020 Maturity analysis for financial liabilities

Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
\$000	\$000	\$000	\$000	\$000

LIABILITIES

Deposits held	827	827	-	-	827
Payables ¹	5 655	5 655	-	-	5 655
Lease liabilities	445 578	69 507	305 715	70 356	445 578
TOTAL FINANCIAL LIABILITIES	452 060	75 989	305 715	70 356	452 060

¹Total amounts disclosed exclude statutory amounts and accrued items.

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.

DCDD has relatively limited exposure to market risk.

(i) Interest rate risk

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

DCDD is not exposed to interest rate risk as financial assets and financial liabilities, with the exception of leases, are

non-interest bearing. Lease arrangements are established on a fixed interest rate and therefore do not expose DCDD to interest rate risk.

(ii) Price risk

DCDD is not exposed to price risk as it does not hold units in unit trusts.

(iii) Currency risk

DCDD is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

27. Related parties

i) Related parties

DCDD is a government administrative entity and is wholly owned and controlled by the Northern Territory Government. Related parties of the department include:

- the Portfolio Minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of DCDD directly
- close family members of the Portfolio Minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by KMPs or the Portfolio Minister or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

KMP of DCDD are those persons having authority and responsibility for planning, directing and controlling the activities of DCDD. These include the Minister, the Chief Executive Officer and 11 members of the Executive Management Board of DCDD as listed on page 57.

iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the Minister as the Minister's remuneration and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's Annual financial statements.

The aggregate compensation of KMP of DCDD is set out below:

	2020-21	2019-20
	\$000	\$000
Short-term benefits	1 869	5 652
Post-employment benefits	187	581
Long-term benefits	-	-
Termination benefits	-	-
TOTAL	2 056	6 233

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

DCDD's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation.

The following table provides quantitative information about related party transactions entered into during the year with other Northern Territory Government controlled entities.

2021

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
RELATED PARTY	\$000	\$000	\$000	\$000
NTG agencies	151 037	36 215	1 825	4 339

2020

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
RELATED PARTY	\$000	\$000	\$000	\$000
NTG agencies	135 507	41 954	1 414	3 484

DCDD's transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed.

DCDD had no other related party transactions in excess of \$10,000.

28. Contingent liabilities and contingent assets

DCDD had no material contingent liabilities or contingent assets in 2020-21 and 2019-20.

29. 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.

30. Accountable Officer's trust account

In accordance with section 7 of the *Financial Management Act 1995*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust.

There was no activity in the Accountable Officer's trust account in 2020-21 and 2019-20.

31. Schedule of administered Territory items

DCDD had no administered Territory items for 2020-21 and 2019-20.

32. Budgetary Information

	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$000	\$000	\$000	
Comprehensive Operating Statement				
INCOME				
Grants and subsidies revenue				
Current	1 130	-	1 130	1
Capital	-	-	-	
Appropriation				
Output	277 329	310 791	(33 462)	2
Commonwealth	-	-	-	
Sales of goods and services	75 085	75 270	(185)	
Interest revenue	78	-	78	3
Goods and services received free of charge	172	302	(130)	
Gain on disposal of assets	-	-	-	
Other income	6 586	1 348	5 238	4
TOTAL INCOME	360 380	387 711	(27 331)	
EXPENSES				
Employee expenses	127 615	128 918	1 303	
Administrative expenses				
Purchases of goods and services	128 721	171 395	42 674	5
Repairs and maintenance	-	-	-	
Depreciation and amortisation	87 922	86 701	(1 221)	
Other administrative expenses	172	302	130	
Grants and subsidies expenses				
Current	165	216	51	
Capital	4 100	13 000	8 900	6
Community service obligations	-	-	-	
Interest expenses	8 710	11 279	2 569	7
TOTAL EXPENSES	357 405	411 811	54 406	
NET SURPLUS/(DEFICIT)	2 975	(24 100)	27 075	
COMPREHENSIVE RESULT	2 975	(24 100)	27 075	

This comparison is different from the Comprehensive Operating Statement presented in the financial statement overview at the front of this report. This note reflects the original budget, whilst the overview section references the final budget, which incorporates budget adjustments approved during the year.

Notes:

- One-off funding from Department of Health for DCDD's COVID-19 costs.
- The \$33.5 million decrease in output appropriation compared to the original 2020-21 Budget reflects:
 - revised timing of funding for major ICT projects, including Can-do Territory Digital Portal (\$9.5 million), Jabiru and Kakadu network and mobile connectivity upgrades (\$6.5 million), SerPro policing system (\$4.2 million), NTGPay system (\$2.4 million) and Arnhem fibre backbone upgrade (\$2 million), combined with
 - transfer from output to capital appropriation for VERITAS project (\$5.7 million) and P25 Digital Radio project (\$3.2 million).
- Variance reflects gain on lease extinguishment in 2020-21.
- The \$5.2 million increase in other income primarily reflects higher than anticipated cost recovery for projects undertaken on behalf of agencies (\$2.4 million) combined with \$2.8 million balance of the ICT clearing account transferred to CHA.

5. Purchase of goods and services decreased by \$42.7 million mostly attributed to the revised timing of expenditure for major ICT projects (\$20 million), reclassification of operational expenditure to employee and capital (\$12 million), underspends in corporate services (\$5.5 million) and digital services (\$2 million) and a returned funding to DOE relating to an ICT contract adjustment (\$3 million).
6. Capital grants decreased by \$8.9 million predominantly due to the revised delivery timeframe for Jabiru and Kakadu network and mobile connectivity upgrades (\$6.5 million) and Arnhem fibre backbone upgrade (\$2 million).
7. Variance is due to revised timing of commencement on a number of leases from 2020-21 to 2021-22.

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Balance Sheet

ASSETS

Current Assets

Cash and deposits	113 352	58 050	55 302	1
Receivables	20 963	21 525	(562)	2
Other assets	-	-	-	
Total Current Assets	134 315	79 575	54 740	

Non-Current Assets

Receivables	506	-	506	2
Advances and investments	-	-	-	
Property, plant and equipment	585 204	613 386	(28 182)	3
Intangibles	-	-	-	
Prepayments	-	-	-	
Other assets	153 972	182 665	(28 693)	4
Total Non-Current Assets	739 682	796 051	(56 369)	
TOTAL ASSETS	873 997	875 626	(1 629)	

LIABILITIES

Current Liabilities

Deposits held	413	829	416	
Payables	21 504	18 693	(2 811)	5
Borrowings and advances	72 005	69 507	(2 498)	6
Provisions	21 453	20 342	(1 111)	
Other liabilities	-	89	89	
Total Current Liabilities	115 375	109 460	(5 915)	

Non-Current Liabilities

Borrowings and advances	490 705	528 870	38 165	6
Total Non-Current Liabilities	490 705	528 870	38 165	
TOTAL LIABILITIES	606 080	638 330	32 250	

NET ASSETS

NET ASSETS	267 917	237 296	30 621	
-------------------	----------------	----------------	---------------	--

EQUITY

Capital	272 731	269 186	3 545	
Reserves	-	-	-	
Accumulated funds	(4 815)	(31 890)	27 075	
TOTAL EQUITY	267 917	237 296	30 621	

This comparison is different from the Balance Sheet presented in the financial statement overview at the front of this report. This note reflects the original budget and the overview section references the final budget which incorporates approved budget adjustments during the year.

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2020.

Notes:

- Opening balance adjustment of \$25.9 million plus the net increase in cash of \$29.4 million.
- Variance is due to the reclassification of prepayments from current to non-current.
- Property, plant and equipment decreased by \$28.2 million largely due to a revaluation decrement for leased assets (\$43 million), partially offset by office fit-outs for Manunda Place (\$8 million) and higher than budgeted acquisitions of leased assets (\$7 million).
- Other assets decreased by \$28.7 million reflects the revised timing of capital expenditure for major ICT projects including CCSRP (\$18.2 million), CMSA (\$10.4 million), TRACER project (\$2.8 million) and SerPro policing system (\$2.5 million), partially offset by P25 digital radio project (\$3.2 million) and VERITAS system (\$2.5 million).
- Opening balance adjustment of \$1 million combined with a net increase in creditors and accrued expenses of \$1.85 million.
- The net decrease in borrowings and advances of \$35.7 million reflects the movement in lease liability in line with the revaluation decrement of leased assets (\$43 million), partially offset by higher than budgeted property lease liability (\$7 million).

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Grants and subsidies received				
Current	1 130	-	1 130	1
Capital	-	-	-	
Appropriation				
Output	277 329	310 791	(33 462)	2
Commonwealth	-	-	-	
Receipts from sales of goods and services	121 348	76 618	44 730	3
Interest received	-	-	-	
Total operating receipts	399 807	387 409	12 398	

Operating payments

Payments to employees	126 071	128 918	2 847	4
Payments for goods and services	167 169	171 395	4 226	5
Grants and subsidies paid				
Current	165	216	51	
Capital	4 100	13 000	8 900	6
Community service obligations	-	-	-	
Interest paid	8 710	11 279	2 569	7
Total operating payments	306 215	324 808	18 593	
Net cash from/(used in) operating activities	93 592	62 601	30 991	

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM INVESTING ACTIVITIES

Investing payments				
Purchases of assets	58 412	89 730	31 318	8
Advances and investing payments	-	-	-	
Total investing payments	58 412	89 730	31 318	
Net cash from/(used in) investing activities	(58 412)	(89 730)	31 318	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing receipts				
Deposits received	(414)	-	(414)	
Equity injections				
Capital appropriation	63 034	66 332	(3 298)	9
Commonwealth appropriation	-	-	-	
Other equity injections	5 020	6 070	(1 050)	
Total financing receipts	67 640	72 402	(4 762)	
Financing payments				
Lease liabilities payments	73 408	71 169	(2 239)	10
Equity withdrawals	6	-	(6)	
Total financing payments	73 414	71 169	(2 245)	
Net cash from/(used in) financing activities	(5 774)	1 233	(7 007)	
Net increase/(decrease) in cash held	29 406	(25 896)	55 301	
Cash at beginning of financial year	83 947	83 946	1	
CASH AT END OF FINANCIAL YEAR	113 352	58 050	55 302	

Notes:

- Reimbursements from the Department of Health for some of DCDD's COVID-19 costs.
- The \$33.5 million decrease in output appropriation reflects:
 - revised timing of funding for major ICT projects, including Can-do Territory Digital Portal (\$9.5 million), Jabiru and Kakadu network and mobile connectivity upgrades (\$6.5 million), SerPro policing system (\$4.2 million), NTGPay system (\$2.4 million) and Arnhem fibre backbone upgrade (\$2 million), combined with
 - transfer from output to capital appropriation for VERITAS project (\$5.7 million) and P25 Digital Radio project (\$3.2 million).
- Variance is primarily related to GST receipts of \$32.3 million and Commonwealth paid parental leave of \$6 million which were not budgeted, and cost recovery of various projects (\$5.2 million).
- Payments to employees decreased by \$2.8 million in line with reduced expenditure in the corporate support development and digital government development output groups.
- Payments for goods and services decreased by \$4.2 million predominantly due to revised timing of major ICT projects (\$3.2 million) and digital projects (\$1.5 million).
- Capital grant payments decreased by \$8.9 million predominantly due to the revised delivery timeframe for Jabiru and Kakadu network and mobile connectivity upgrades (\$6.5 million) and Arnhem fibre backbone upgrade (\$2 million).
- Variance is due to revised timing of commencement on a number of leases from 2020-21 to 2021-22.
- Variation is related to realignment of the major ICT projects to outer years.
- Variation is related to realignment of capital appropriation for the major ICT projects to outer years (\$12.2 million), partially offset by realignment between capital and operational expenditure (\$9 million) for various ICT projects.
- Variance is due to higher than anticipated lease payments in line with the implementation of AASB 16 Leases.



6b

NT FLEET

Financial Report

FINANCIAL STATEMENT OVERVIEW

For the year ended 30 June 2021

FINANCIAL PERFORMANCE (Comprehensive operating statement)

The financial performance of NT Fleet is presented in two ways. Table 1 compares NT Fleet's 2020-21 performance with the final budget for the year and Table 2 compares performance between the current year and previous year.

More details are provided in subsequent commentary and analysis in Tables 3 and 4. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 5 and related commentary.

Table 1: 2020-21 Final Budget and Performance

	2020-21		
	Actual \$000	Final Budget \$000	Variation \$000
Income	40 264	38 874	1 390
Expenses	31 883	32 266	383
NET SURPLUS BEFORE TAX	8 381	6 608	1 773
Income Tax Expense	2 514	1 982	(532)
NET SURPLUS AFTER TAX	5 867	4 626	1 241
COMPREHENSIVE RESULT	5 867	4 626	1 241
Dividend (50%)	2 933	2 313	(620)

NT Fleet achieved an operating result for 2020-21 of \$5.9 million after tax, which was \$1.2 million better than the final budget estimate of \$4.6 million.

NT Fleet will pay an income tax equivalent of \$2.5 million and return a dividend of \$2.9 million to government for 2020-21.

Table 2: 2020-21 and 2019-20 Performance

	2020-21	2019-20	Variation
	\$000	\$000	\$000
Income	40 264	36 533	3 731
Expenses	31 883	31 693	(190)
NET SURPLUS BEFORE TAX	8 381	4 840	3 541
Income Tax Expense	2 514	1 452	(1 062)
NET SURPLUS AFTER TAX	5 867	3 388	2 479
Other Comprehensive	-	-	-
COMPREHENSIVE RESULT	5 867	3 388	2 479

Higher income in 2020-21 resulted from improved vehicle disposal revenue due to better sale prices compounded by a higher number of disposals in the reporting year. The lease period of light vehicles was extended by one year in 2019-20 and this jointly contributed to a \$2.5 million increase in the comprehensive result.

Income

NT Fleet sources its primary income from vehicle lease charges. The vehicle lease income, classified under the income category of goods and services in Table 3 below represented 86.3 per cent of NT Fleet's total income, with the remainder made up of gain on disposal of assets, interest and other income.

Table 3: Income by Category

Year	Goods and Services		Gain on Disposal of Assets		Investment		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	34 745	86.3	5 332	13.2	58	0.2	129	0.3	40 264	100
2019-20	34 454	94.3	1 742	4.8	226	0.6	111	0.3	36 533	100

Income increased mainly due to significant increase in gains on disposal of assets resulting from higher than anticipated number and sale prices of vehicles disposed during the reporting period.

Expenses

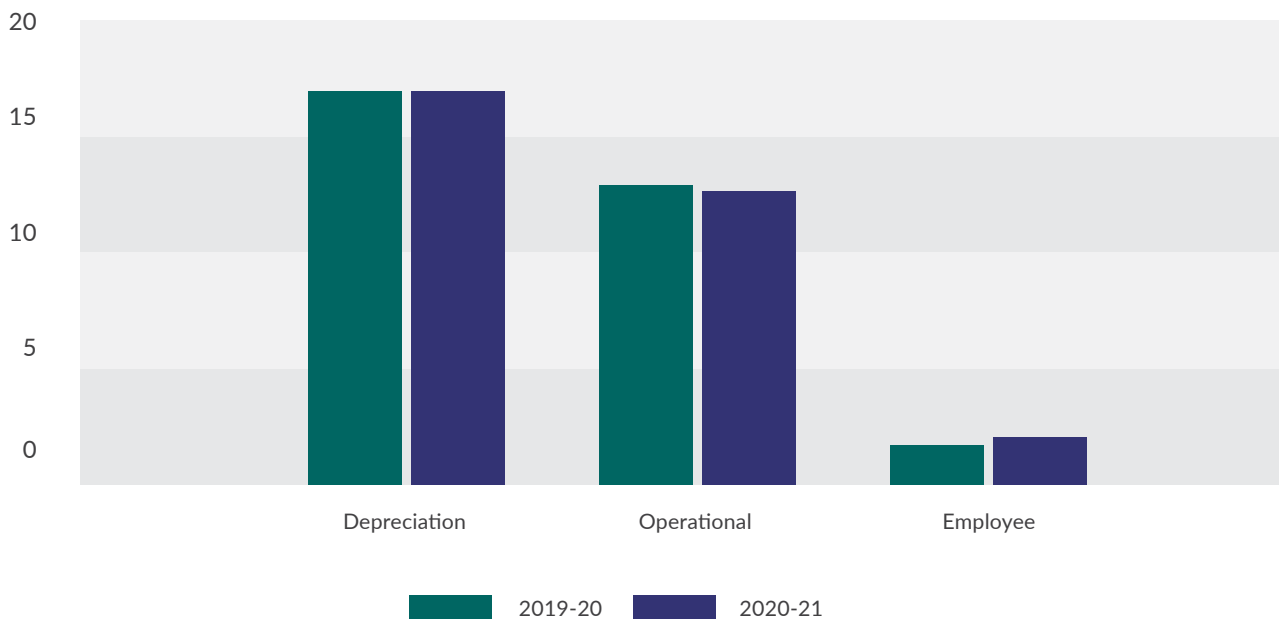
NT Fleet incurred the majority of its expenses on depreciation and operational costs for the fleet.

Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Interest		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	17 050	53.5	12 736	39.9	2 090	6.6	7	-	31 883	100
2019-20	17 032	53.7	12 918	40.8	1 732	5.5	10	-	31 693	100

The increase in employee expenses includes positions vacant in 2019-20 which were filled in 2020-21 after realigning NT Fleet business functions. The decrease in operational expenses is mainly due to reduced vehicle repairs and maintenance expenses, insurance premiums and decreased corporate service charges.

Figure 1: Expenses by Category



FINANCIAL POSITION (Balance sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of NT Fleet at the end of the financial year. The table below compares NT Fleet's financial position as at 30 June 2021 with the position at 30 June 2020.

Table 5: 2020-21 and 2019-20 Financial Position

	2020-21	2019-20	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	41 767	37 187	4 580
Non-Current Assets	92 436	92 518	(82)
TOTAL ASSETS	134 203	129 705	4 498
LIABILITIES			
Current Liabilities	6 706	4 924	(1 782)
Non-Current Liabilities	200	418	218
TOTAL LIABILITIES	6 906	5 342	(1 564)
NET ASSETS	127 297	124 363	2 934
EQUITY	127 297	124 363	2 934
TOTAL EQUITY	127 297	124 363	2 934

NT Fleet's net asset position at the end of 2020-21 was \$127.3 million, compared with the previous year's position of \$124.4 million, an increase of \$2.9 million.

This improvement is largely due to an increase in current assets, primarily cash and deposits, driven by an improved cash inflow from operating activities. A decrease of \$0.08 million in non-current assets is due to the movement of property, plant and equipment.

Major assets at 30 June 2021 included:

Current Assets

- \$39.4 million cash and deposits
- \$1.6 million receivables and prepayments
- \$0.7 million assets held for disposal.

Non-Current Assets

- \$89.8 million property, plant and equipment (mainly motor vehicles)
- \$2.7 million intangibles (computer software).

Major liabilities at 30 June 2021 included:

- \$0.7 million payables and accrued expenses
- \$2.5 million income tax provision
- \$0.3 million provision for employee entitlements
- \$2.9 million provision for dividends
- \$0.4 million lease liabilities.

Certification of the financial statements

We certify that the attached Financial Statements for NT Fleet have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* 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 2021 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

Chief Executive

23 September 2021



Rex Schoolmeester

Chief Financial Officer

23 September 2021



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Digital Development
NT Fleet
Page 1 of 2

Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2021, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of NT Fleet in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Chief Executive of the Department of Corporate and Digital Development is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of NT Fleet to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate NT Fleet or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of NT Fleet.



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of NT Fleet.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of NT Fleet to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however, future events or conditions may cause NT Fleet to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

27 September 2021

Comprehensive operating statement

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
INCOME			
Sales of goods and services	3a	34 745	34 454
Interest revenue		58	226
Gain on disposal of assets	5	5 332	1 742
Other income	3b	129	111
TOTAL INCOME		40 264	36 533
EXPENSES			
Employee expenses		2 090	1 732
Administrative expenses			
Property management		67	79
Purchases of goods and services ¹	6	12 669	12 840
Depreciation and amortisation	15, 16, 17	17 050	17 032
Interest expenses	7	7	10
TOTAL EXPENSES		31 883	31 693
SURPLUS BEFORE INCOME TAX		8 381	4 840
Income tax expense	9	2 514	1 452
NET SURPLUS		5 867	1 452
COMPREHENSIVE RESULT		5 867	3 388

¹ Purchases of Goods and Services were revised in 2019-20 to incorporate DCDD Service Charges for other administrative expenses.

The Comprehensive Operating Statement is to be read in conjunction with the notes to the Financial Statements.

Balance sheet

As at 30 June 2021

	Note	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and deposits	10	39 406	34 759
Receivables	12	1 635	1 077
Assets held for sale	18	726	1 351
Total Current Assets		41 767	37 187
Non-Current Assets			
Property, plant and equipment	15	89 752	90 198
Intangibles	17	2 684	2 320
Total Non-Current Assets		92 436	92 518
TOTAL ASSETS		134 203	129 705
LIABILITIES			
Current Liabilities			
Payables	19	747	1 290
Income tax liabilities	21	2 514	1 452
Provisions	22	3 227	1 964
Lease liabilities	20	218	218
Total Current Liabilities		6 706	4 924
Non-current liabilities			
Lease liabilities	20	200	418
Total Non-Current Liabilities		200	418
TOTAL LIABILITIES		6 906	5 342
NET ASSETS		127 297	124 363
EQUITY			
Capital	24	565	565
Accumulated funds	24	126 732	123 798
TOTAL EQUITY		127 297	124 363

The Balance Sheet is to be read in conjunction with the notes to the Financial Statements.

Statement of changes in equity

For the year ended 30 June 2021

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2020-21					
Accumulated funds	24	123 798	5 867	-	129 665
Dividends payable	22	-	-	(2 933)	(2 933)
		123 798	5 867	(2 933)	126 732
Capital - Transactions with owners		565	-	-	565
Equity injections		-	-	-	-
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	24	124 363	5 867	(2 933)	127 297
2019-20					
Accumulated funds		122 104	3 388	-	125 492
Dividends payable		-	-	(1 694)	(1 694)
		122 104	3 388	(1 694)	123 798
Capital - Transactions with owners		565	-	-	565
Equity injections		-	-	-	-
Equity transfers in		-	-	-	-
		565	-	-	565
TOTAL EQUITY AT END OF FINANCIAL YEAR	24	122 669	3 388	(1 694)	124 363

The Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

Cash flow statement

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		34 447	34 510
GST receipts		4 799	4 393
Interest received		62	251
Total operating receipts		39 308	39 154
Operating payments			
Payments to employees		(2 088)	(1 808)
Payments for goods and services		(12 634)	(13 211)
GST payments		(4 898)	(4 509)
Interest paid		(7)	(10)
Income tax paid		(1 452)	(2 712)
Total operating payments		(21 079)	(22 250)
Net cash from/(used in) operating activities	11a	18 229	16 904
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Proceeds from asset sales	5	13 168	8 927
Total investing receipts		13 168	8 927
Investing payments			
Purchases of assets	15, 17	(24 838)	(19 977)
Total investing payments		(24 838)	(19 977)
Net cash from/(used in) investing activities		(11 670)	(11 050)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing payments			
Finance lease payments	11b	(218)	(216)
Dividends paid	11b	(1 694)	(3 164)
Total financing payments		(1 912)	(3 380)
Net cash from/(used in) financing activities		(1 912)	(3 380)
Net increase/(decrease) in cash held		4 647	2 475
Cash at beginning of financial year		34 759	32 284
CASH AT END OF FINANCIAL YEAR	10	39 406	34 759

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

Index of notes to the financial statements

Note	
1	Objectives and funding
2	Statement of significant accounting policies
Income	
3a	Sales of goods and services
3b	Other income
4	Goods and services received free of charge
5	Gain on disposal of assets
Expenses	
6	Purchases of goods and services
7	Interest expense
8	Write-offs, postponements, waivers, gifts and ex gratia payments
9	Income tax expense
Assets	
10	Cash and deposits
Cash flow reconciliation	
11a	Reconciliation of cash
11b	Reconciliation of liabilities arising from financing and investing activities
12	Receivables
13	Advances and investments
14	Other assets
15	Property, plant and equipment
16	NT Fleet as a lessee
17	Intangibles
18	Assets held for sale
Liabilities	
19	Payables
20	Lease liabilities
21	Income tax liabilities
22	Provisions
23	Commitments
Equity	
24	Equity
Other disclosures	
25	Fair value measurement
26	Financial instruments
27	Related parties
28	Contingent liabilities and contingent assets
29	Events subsequent to balance date
30	Budgetary information

1. Objectives and funding

NT Fleet manages the light and heavy vehicle fleet for Northern Territory Government agencies, except Northern Territory Police, Fire and Emergency Services. Management of the Northern Territory Government vehicle fleet incorporates acquisition, vehicle leasing, maintenance and disposal.

Key functional responsibilities are:

- delivering a low-cost and fit-for-purpose passenger and light commercial vehicle fleet in accordance with the Northern Territory Government Vehicle Policy Framework

- managing supply and service contracts
- managing the disposal of vehicles, plant and equipment.

Funding is received predominantly from vehicle lease income derived from client agencies.

2. Statement of significant accounting policies

A) STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires NT Fleet to prepare Financial Statements for each year ended 30 June based on the form determined by the Treasurer. The form of NT Fleet Financial Statements should include:

- 1) Certification of the Financial Statements
- 2) Comprehensive Operating Statement
- 3) Balance Sheet
- 4) Statement of Changes in Equity
- 5) Cash Flow Statement
- 6) applicable explanatory notes to the Financial Statements.

B) BASIS OF ACCOUNTING

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 been prepared in accordance with the historical cost convention.

The form of NT Fleet's 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.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been adopted early for 2020-21.

Several amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

C) REPORTING ENTITY

The Financial Statements cover NT Fleet as an individual reporting entity.

NT Fleet is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978* and specified in the Administrative Arrangements Order.

The principal place of business of the GBD is: Lot 5441 Armidale Street, Woolner NT 0820.

NT Fleet has no controlled entities.

D) NT FLEET AND TERRITORY ITEMS

The Financial Statements of NT Fleet include income, expenses, assets, liabilities and equity over which the NT Fleet has control (NT Fleet items). Certain items, while managed by NT Fleet, are controlled and recorded by the Northern Territory rather than NT Fleet (Territory items). Territory items are recognised and recorded in the Central Holding Authority.

NT Fleet held no Territory items.

E) COMPARATIVES

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

F) 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. Figures in the Financial Statements and notes may not equate due to rounding.

G) CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies adopted in 2020-21 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in I) below.

H) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

Judgments and estimates that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

I) GOODS AND SERVICES TAX (GST)

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

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

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

J) TAXATION

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

K) 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 1995* 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.

L) IMPACT OF COVID-19

The Northern Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges to ease financial hardship faced by individuals and businesses as a result of COVID-19.

NT Fleet has provided 23 vehicles for key agencies such as Department of Health, Northern Territory Police, Fire and Emergency Services and Department of Territory Families, Housing and Communities to carry out required services to prevent COVID-19 impacting Northern Territory communities. There was no impact on the financial statements of these leases. No extra vehicles were purchased and no other impacts were identified on NT Fleet's operations.

M) DIVIDENDS

NT Fleet has provided for a dividend payable at the rate of 50 per cent of net profit after tax in accordance with the Northern Territory Government's dividend policy.

3. Income

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.

NT Fleet revenue for the 2020-21 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature, amount, timing

and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

NT Fleet provides vehicle acquisition, vehicle leasing, repair and maintenance services and disposal services for government and non-government agencies.

A) SALES OF GOODS AND SERVICES

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Hire revenue (from vehicle leases)	-	31 037	31 037	-	30 824	30 824
Recoverable repairs and maintenance	-	3 708	3 708	-	3 630	3 630
TOTAL SALES OF GOODS AND SERVICES	-	34 745	34 745	-	34 454	34 454

Sale of goods

Revenue from sales of goods is recognised when NT Fleet satisfies a performance obligation by transferring the promised goods such as vehicles and equipment.

NT Fleet typically acquires and registers fit-for-purpose vehicles for customers/agencies.

NT Fleet satisfies its performance obligations when the control of a vehicle is transferred to a customer/agency under a lease arrangement.

NT Fleet issues monthly tax invoices to customers for lease payments which are due within 30 days. Lease rate income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature (AASB 16).

Rendering of services

Revenue from rendering of services is recognised when NT Fleet satisfies the performance obligation by completing repair and maintenance services.

NT Fleet manages various repair and maintenance services for leased vehicles throughout the lease term. Unscheduled repair and maintenance costs are recovered from agencies after

vehicles have been serviced in accordance with lease terms and conditions.

Disposing of vehicles

Gain on disposal of assets comprises profits from disposing of lease vehicles after they are returned from customers. Pickles Auctions Pty Ltd (Pickles) provides auction services for NT Fleet under a disposal contract.

The contract requires Pickles to pay all proceeds of the auction sale into a trust account on the first banking day after completion of the sale and on successive days thereafter, until all proceeds are deposited pending settlement with a detailed statement of services provided within five working days from the last day of the auction sale. Successful bidders are not provided with vehicles until payments have been made in full. NT Fleet then issues the recipient-created-tax invoices to Pickles and clears the clearing account.

Sale profits/losses are then recognised as a gain or loss on disposal of assets. These transactions neither create performance obligations nor give rise to liabilities for NT Fleet as income is recognised on receipt after vehicles are sold.

NT Fleet's performance obligations are typically satisfied at the time the asset is sold.

B) OTHER INCOME

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Refund for cancellation of registration	-	129	129	-	111	111
TOTAL OTHER INCOME	-	129	129	-	111	111

4. Goods and services received free of charge

NT Fleet is a government business division and does not receive goods and services free of charge.

5. Gain on disposal of assets

	2021	2020
	\$000	\$000
Net proceeds from the disposal of non-current assets	13 168	8 927
Less: Carrying value of non-current assets disposed	(7 836)	(7 185)
TOTAL GAIN ON DISPOSAL OF ASSETS	5 332	1 742

6. Purchases of goods and services

2021	2020
\$000	\$000

The net surplus/(deficit) has been arrived at after charging the following expenses:

GOODS AND SERVICES EXPENSES:

Contractors and consultants ¹	40	31
Audit fees	50	72
Advertising ²	1	1
Legal expenses ³	2	2
Training and study	8	9
Official duty fares	3	2
Travelling allowance	1	1
Information technology charges and communications	1 059	856
Insurance premiums	1 879	1 943
Motor vehicle expenses	8 090	8 253
Other administrative expenses	1 536	1 670
TOTAL	12 669	12 840

¹ Includes IT contractors and IT consultants.

² Includes recruitment-related advertising costs.

³ Includes legal fees, claim and settlement costs.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and services costs recognised in the reporting period in which they are incurred.

7. Interest expense

	2021	2020
	\$000	\$000
Interest from lease liabilities	7	10
TOTAL	7	10

Interest expense in 2021 and 2020 relates to lease liabilities in accordance with AASB 16.

8. Write-offs, postponements, waivers, gifts and ex gratia payments

NT Fleet had no write-offs, postponements, waivers, and gifts or ex gratia payments for the year ended 30 June 2021 or 30 June 2020.

9. Income tax expense

	2021	2020
	\$000	\$000
Prima facie income tax expense calculated at 30% of the surplus before income tax	2 514	1 452
	2 514	1 452

10. Cash and deposits

	2021	2020
	\$000	\$000
Cash on hand	5	4
Cash at bank	39 401	34 755
	39 406	34 759

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.

11. Cash flow reconciliation

A) RECONCILIATION OF CASH

The total of NT Fleet 'Cash and deposits' of \$39.4 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

	2021	2020
	\$000	\$000
NET SURPLUS	5 867	3 388
NON-CASH ITEMS:		
Depreciation and amortisation	17 050	17 032
(Gain)/loss on disposal of assets	(5 332)	(1 742)
CHANGES IN ASSETS AND LIABILITIES:		
Decrease/(Increase) in receivables and prepayments	(558)	(172)
(Decrease)/Increase in payables	116	(225)
(Decrease)/Increase in provision for employee benefits	14	(98)
(Decrease)/Increase in other provisions	1 072	(1 279)
NET CASH FROM OPERATING ACTIVITIES	18 229	16 904

B) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING AND INVESTING ACTIVITIES

2020-21

	Cash flows				Non-Cash-flows		
	1 July	Payments	Lease liabilities repayments	Total cash flows	Other	Total Other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	1 694	(1 694)	-	(1 694)	2 933	2 933	2 933
Lease Liabilities	637	-	(218)	(218)	-	-	419
Equity injections/withdrawals	122 669	-	-	-	1 694	1 694	124 363
Fixed asset creditors	282	(282)	-	(282)	658	658	658
TOTAL	125 282	(1 976)	(218)	(2 194)	5 285	5 285	128 373

2019-20

	Cash flows						Non-Cash-flows		
	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Payments	Lease liabilities repayments	30 June Total cash flows	Other	30 June Total non-cash	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends paid	3 164	-	3 164	(3 164)	-	(3 164)	1 694	1 694	1 694
Lease Liabilities	-	852	852	-	(215)	(215)	-	-	637
Equity injections/withdrawals	122 669	-	122 669	-	-	-	-	-	122 669
Fixed asset creditors	40	-	40	(40)	-	(40)	282	282	282
TOTAL	125 873	852	126 725	(3 204)	(215)	(3 419)	1 976	1 976	125 282

C) NON-CASH FINANCING AND INVESTING ACTIVITIES

Lease transactions

During the financial year, NT Fleet recorded right-of-use assets for the lease of office accommodation and four vehicles with an aggregate value of \$0.63 million (2020: \$0.85 million).

12. Receivables

	2021	2020
	\$000	\$000
CURRENT		
Accounts receivable	787	150
Less: Loss allowance	-	-
	787	150
Interest receivables	3	7
Prepayments	224	188
GST receivables	127	27
Other receivables	494	705
TOTAL RECEIVABLES	1 635	1 077

Receivables are initially recognised when NT Fleet becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include accounts receivable, accrued and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables NT Fleet estimates are likely to be uncollectible and are considered doubtful.

Based on the assessment, NT Fleet's accounts receivable are 100 per cent collectible.

Accrued contract revenue

Accrued contract revenue arises from contracts with customers where NT Fleet's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once NT Fleet's rights to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers is reported as part of other receivables.

NT Fleet has no accrued contract revenue and contract receivables as NT Fleet revenue is recognised under AASB 16 leases and other revenue.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. NT Fleet applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include a failure to make contractual payments for a period greater than 182 days past due.

NT Fleet's credit risk exposure has decreased which is reflected in the expected credit losses reported in the table below. To ease financial hardship faced by individuals and businesses as a result of COVID-19, the Northern Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges.

The loss allowance for receivables and reconciliation as at the reporting date are disclosed below.

Loss allowance for receivables

	2021				2020			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	659	-	-	659	87	-	-	87
Overdue for less than 30 days	4	-	-	4	49	-	-	49
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL INTERNAL RECEIVABLES	663	-	-	663	136	-	-	136
EXTERNAL RECEIVABLES								
Not overdue	121	-	-	121	2	-	-	2
Overdue for less than 30 days	3	-	-	3	6	-	-	6
Overdue for 30 to 60 days	-	-	-	-	6	-	-	6
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RECEIVABLES	124	-	-	124	14	-	-	14

Total amounts disclosed exclude statutory amounts and prepayments, and include contract receivables and accrued contract revenue.

Reconciliation of Loss Allowance for Receivables

NT Fleet recognised no loss allowance for receivables in 2020-21 and 2019-20 from the assessment of expected credit losses.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period. NT Fleet's prepayments mostly comprise commercial insurance policy premiums.

13. Advances and investments

NT Fleet had no advances paid, equity accounted investments and investment in shares for the 2020-21 and 2019-20 financial years.

14. Other assets¹

	2021	2020 ¹
	\$000	\$000
Lease receivables	-	-
TOTAL OTHER ASSETS	-	-

¹ Prior year note was revised, right-of-use assets are disclosed in note 16.

NT Fleet as a lessor

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

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

Finance Leases

At the lease commencement date, NT Fleet recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets at amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

NT Fleet has no finance leases as lessor for the 2020-21 and 2019-20 financial years.

Operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease

are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NT Fleet owned vehicles and plant and equipment are leased to general government and non-government agencies under operating lease arrangements¹ with rentals payable monthly. Lease payments include the capital cost, registration fee, administration fee, AANT fee, scheduled repairs and maintenance cost, financing rate and Community Benefit Levy. Future minimum rentals receivable (undiscounted) under non-cancellable operating leases as at 30 June are as follows:

	2021	2020 ¹
	\$000	\$000
Not later than one year	21 903	23 564
Later than one year and not later than five years	36 165	37 106
Later than five years	2 040	2 575
TOTAL OTHER ASSETS	60 108	63 245

¹ 2019-20 data adjusted from previously published statement to reclassify leases correctly as operating leases and align with 2020-21 data.

15. Property, plant and equipment

A) TOTAL PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$000	\$000
MOTOR VEHICLES - LIGHT		
At cost	106 424	103 765
Less: Accumulated depreciation	(39 722)	(37 518)
	66 702	66 247
MOTOR VEHICLES - HEAVY		
At cost	45 986	45 103
Less: Accumulated depreciation	(23 428)	(21 856)
	22 558	23 247
LEASEHOLD IMPROVEMENT		
At cost	181	158
Less: Accumulated depreciation	(101)	(87)
	80	71
LEASED PROPERTY, PLANT AND EQUIPMENT		
At capitalised cost	852	852
Less: Accumulated amortisation	(440)	(219)
	412	633
TOTAL PROPERTY, PLANT AND EQUIPMENT	89 752	90 198

2021 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2020-21 is set out below.

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2020	66 246	23 247	72	633	90 198
Additions	19 103	4 314	22	-	23 439
Disposals	(9 178)	(1 880)	-	-	(11 058)
Depreciation expense – asset owned	(10 559)	(3 383)	(14)	-	(13 956)
Amortisation expense – right-of-use asset	-	-	-	(221)	(221)
Asset transfers	2 725	1 122	-	-	3 847
Depreciation transfers	(1 635)	(862)	-	-	(2 497)
CARRYING AMOUNT AS AT 30 JUNE 2021	66 702	22 558	80	412	89 752

2020 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below.

	Motor vehicles light	Motor vehicles heavy	Leasehold improvements	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2019	69 962	24 258	40	852	95 112
Additions	13 989	5 062	42	-	19 093
Disposals	(8 656)	(1 771)	-	-	(10 427)
Depreciation expense – asset owned	(10 324)	(4 302)	(10)	-	(14 637)
Amortisation expense – right-of-use asset	-	-	-	(219)	(219)
Asset transfers	3 167	-	-	-	3 167
Depreciation transfers	(1 892)	-	-	-	(1 892)
CARRYING AMOUNT AS AT 30 JUNE 2020	66 246	23 247	72	633	90 198

B) PROPERTY, PLANT AND EQUIPMENT HELD AND USED BY NT FLEET

A reconciliation of the carrying amount of property, plant and equipment (vehicle) held and used by NT Fleet (Director NT Fleet, Executive Contract Officer) is set out below:

	Motor vehicles light	Total
	\$000	\$000
Balance at 1 July 2020	29	29
Gross carrying amount	(3)	(3)
Accumulated depreciation/amortisation	-	-
Carrying amount as at 1 July 2020	26	26
Additions	-	-
Disposals	(26)	(26)
Depreciation/amortisation expense	-	-
CARRYING AMOUNT AS AT 30 JUNE 2021	-	-

	Motor vehicles light	Total
	\$000	\$000
Balance at 1 July 2019		
Gross carrying amount	33	33
Accumulated depreciation/amortisation	(4)	(4)
Carrying amount as at 1 July 2019	29	29
Adjusted carrying amount as at 1 July 2019	29	29
Depreciation expense – asset owned	(3)	(3)
CARRYING AMOUNT AS AT 30 JUNE 2020	26	26

C) PROPERTY, PLANT AND EQUIPMENT WHERE ENTITY IS LESSOR UNDER OPERATING LEASES²

A reconciliation of the carrying amount of property, plant and equipment where NT Fleet is lessor under operating leases is set out below:

	Motor vehicles light	Motor vehicles heavy	Total
	\$000	\$000	\$000
Balance at 1 July 2020			
Gross carrying amount	78 476	27 549	106 025
Accumulated depreciation/amortisation	(12 212)	(4 302)	(16 514)
Carrying amount as at 1 July 2020	66 264	23 247	89 511
Amortisation expense – right-of-use asset	(23)	-	(23)
Additions	21 828	5 436	27 264
Disposals	(9 152)	(1 880)	(11 032)
Depreciation expense – asset owned	(12 194)	(4 245)	(16 439)
CARRYING AMOUNT AS AT 30 JUNE 2021¹	66 723	22 558	89 281

¹ Includes right-of-use of asset of \$21,000 (an initial adoption of \$67,000 less \$46,000 amortisation expenses).

	Motor vehicles light	Motor vehicles heavy	Total
	\$000	\$000	\$000
Balance at 1 July 2019			
Gross carrying amount	103 849	44 490	148 339
Accumulated depreciation/amortisation	(33 916)	(20 232)	(54 148)
Carrying amount as at 1 July 2019	69 933	24 258	94 191
Recognition of right-of-use assets on initial adoption of AASB 16	67	-	67
Adjusted carrying amount as at 1 July 2019	70 000	24 258	94 258
Amortisation expense – right-of-use asset	(23)	-	(23)
Additions	17 155	5 062	22 217
Disposals	(8 656)	(1 771)	(10 427)
Depreciation expense – asset owned	(12 212)	(4 302)	(16 514)
CARRYING AMOUNT AS AT 30 JUNE 2020	66 264	23 247	89 511

² Section title revised from the 2019-20 published financial statements to correctly classify leases as operating leases.

Acquisitions

Property, plant and equipment are initially recognised at cost less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

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 separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of government basis. Therefore appropriation for NT Fleet capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to NT Fleet.

16. NT Fleet as a lessee

NT Fleet leases office accommodation, with the lease contract made for a fixed period of 13 years and may have extension options. The contract is managed by the Northern Territory Government to whom NT Fleet makes monthly lease payments.

NT Fleet leases four plug-in hybrid electric vehicles for 36 months from a dealer. At the end of the lease term, the vehicles are to be returned to the lessor or the lease term can be renewed with the lessor's consent. Termination of lease before the end of the lease term attracts an early termination fee. Lease terms are negotiated on the same basis and contain the same terms and conditions. The lease agreements do not impose any covenants. NT Fleet did not provide residual value guarantees.

Revaluations and impairment

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

There has been no impairment or revaluation of assets for NT Fleet.

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:

	2021	2020
Vehicles – light	4-5 years	4-5 years
Vehicles – heavy	5-10 years	5-10 years
Leasehold improvements	Lease term/ 10 years	Lease term/ 10 years
Computer software	2-10 years	2-10 years
Right-of-use assets ¹	Lease term	Lease term

¹ Further information on right-of-use assets is disclosed in Note 16.

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

NT Fleet has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option.

NT Fleet did not hold low value assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

Right-of-use assets

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 15.

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2020	589	44	633
Additions	-	-	-
Amortisation expense	(196)	(25)	(221)
CARRYING AMOUNT AS AT 30 JUNE 2021	393	19	412

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2019	785	67	852
Additions	-	-	-
Amortisation expense	(196)	(23)	(219)
CARRYING AMOUNT AS AT 30 JUNE 2020	589	44	633

The following amounts were recognised in the comprehensive operating statement for the year in respect of leases where NT Fleet is the lessee:

	2021	2020
	\$000	\$000
Amortisation expense of right-of-use assets	(221)	(219)
Interest expense on lease liabilities	(7)	(10)
Income from subleasing right-of-use assets	29	26
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	(199)	(203)

Recognition and Measurement

NT Fleet assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NT Fleet recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

NT Fleet recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Building	2 to 18 years	2 to 18 years
Transport equipment	2 to 4 years	2 to 4 years

17. Intangibles

NT Fleet capitalised enhancements made to Fleet Business Systems in 2020-21 and 2019-20.

	2021	2020
	\$000	\$000
Carrying amount		
Intangibles with a finite useful life		
Internally generated intangibles		
At cost	4 110	3 369
Less: Accumulated amortisation	(1 426)	(1 049)
Written down value – 30 June	2 684	2 320
TOTAL INTANGIBLES	2 684	2 320

Intangible valuations

Intangible assets for NT Fleet are comprised of computer software. Intangible assets are stated at historical cost less amortisation, which is deemed to equate to fair value.

Impairment of intangibles

As the historical cost less amortisation is deemed to equate to fair value, no impairment was recognised for the year ended 30 June 2021.

	2021	2020
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life		
Internally generated intangibles		
Carrying amount at 1 July	2 320	2 002
Additions	740	602
Depreciation and amortisation	(376)	(284)
CARRYING AMOUNT AS AT 30 JUNE	2 684	2 320

18. Assets held for sale

	2021	2020
	\$000	\$000
Motor vehicles – light	608	1 091
Motor vehicles – heavy	118	260
TOTAL ASSETS HELD FOR SALE	726	1 351

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probable within one year from the date of classification.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell.

These assets are measured at the asset's carrying amount. The carrying amounts of these financial assets and liabilities approximates their fair value. These assets are not depreciated. Non-current assets held for sale have been recognised in the Financial Statements as current assets.

19. Payables

	2021	2020
	\$000	\$000
Accounts payable	294	1 067
Accrued expenses	453	223
TOTAL PAYABLES	747	1 290

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 20 days from the receipt of a valid invoice for invoices under \$1 million or 30 days for invoices over \$1 million.

20. Lease liabilities

	2021	2020
	\$000	\$000
CURRENT		
Lease liabilities	218	218
NON-CURRENT		
Lease liabilities	200	418
TOTAL LEASE LIABILITIES	418	636

At the commencement date of the lease where NT Fleet is the lessee, NT Fleet recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by NT Fleet
- payments of penalties for terminating the lease, if the lease term reflects NT Fleet exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for NT Fleet's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2021	2020
	\$000	\$000
Adjusted balance at 1 July	636	852
Additions/re-measurements	-	-
Interest expenses	7	9
Payments	(225)	(225)
BALANCE AT 30 JUNE	418	636

NT Fleet had total cash outflows for leases of \$225,000 in 2021 (\$225,000 in 2020).

NT Fleet had no future minimum lease payments under non-cancellable leases not recorded as liability for 2020-21 and 2019-20¹.

¹ This note was revised from the 2019-20 published version to comply with disclosure requirements.

21. Income tax liabilities

	2021	2020
	\$000	\$000
Income tax liabilities	2 514	1 452
INCOME TAX LIABILITIES	2 514	1 452

22. Provisions

	2021	2020
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	204	185
Leave loading	40	40
Other employee benefits	-	5
Other current provisions		
Provision for dividends	2 933	1 694
Provision for fringe benefits tax	2	2
Provision for superannuation	33	24
Provision for payroll tax	15	14
TOTAL PROVISIONS	3 227	1 964

RECONCILIATIONS OF PROVISION FOR DIVIDENDS

Balance as at 1 July	1 694	3 164
Additional provisions recognised	2 933	1 694
Reductions arising from payments	(1 694)	(3 164)
BALANCE AS AT 30 JUNE	2 933	1 694

NT Fleet employed 20 employees as at 30 June 2021 (18 employees as at 30 June 2020).

Employee benefits

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

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including NT Fleet and therefore no long service leave liability is recognised in NT Fleet's Financial Statements.

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory 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 therefore not recognised in NT Fleet's Financial Statements.

23. Commitments

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured. Disclosures in relation to capital and other commitments are detailed below.

2021		2020	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments are primarily related to the acquisition of fleet vehicles.

Capital expenditure commitments contracted at balance date but not recognised as liabilities are payable as follows:

	2021	2020
Within one year	- 14 470	- 7 672
	- 14 470	- 7 672

(II) OTHER EXPENDITURE COMMITMENTS

NT Fleet had no other non-cancellable expenditure commitments in 2020-21.

24. Equity

Equity represents the residual interest in the net assets of NT Fleet. The Northern Territory Government's ownership interest in NT Fleet is held in the Central Holding Authority.

	2021	2020
	\$000	\$000
Capital		
Balance as at 1 July	565	565
Balance as at 30 June	565	565
Accumulated funds		
Balance as at 1 July	123 798	122 104
Surplus for the period	5 867	3 388
Dividends payable	(2 933)	(1 694)
Balance as at 30 June	126 732	123 798
TOTAL EQUITY	127 297	124 363

25. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset

in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

NT Fleet recognises its vehicles, leasehold improvements and computer software at cost less depreciation and amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

26. 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 assets and liabilities are recognised on the Balance Sheet when NT Fleet becomes a party to the contractual provisions of the financial instrument. NT Fleet's financial instruments include cash and deposits; receivables, payables and finance lease liabilities.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes including GST and penalties.

NT Fleet has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

A) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2020-21					
Cash and deposits	-	-	39 406	-	39 406
Receivables ¹	-	-	787	-	787
TOTAL FINANCIAL ASSETS	-	-	40 193	-	40 193
Payables ¹	-	-	294	-	294
Lease liabilities	-	-	418	-	418
TOTAL FINANCIAL LIABILITIES	-	-	712	-	712

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2019-20					
Cash and deposits	-	-	34 759	-	34 759
Receivables ¹	-	-	150	-	150
TOTAL FINANCIAL ASSETS	-	-	34 909	-	34 909
Payables ¹	-	-	1 067	-	1 067
Lease liabilities	-	-	636	-	636
TOTAL FINANCIAL LIABILITIES	-	-	1 703	-	1 703

¹Total amounts disclosed exclude statutory amounts, prepaid expenses and accrued items.

Categories of financial instruments

NT Fleet's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost.

Financial liabilities are classified under the following categories:

- amortised cost.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by NT Fleet to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. NT Fleet's financial assets categorised at amortised cost include receivables and lease receivables.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. NT Fleet's financial liabilities categorised at amortised cost include all accounts payable, deposits held, advances received and lease liabilities.

B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

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.

Credit risk relating to receivables is disclosed in Note 12.

C) LIQUIDITY RISK

Liquidity risk is the risk 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 it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in NT Fleet bank account to meet various current employee and supplier liabilities. NT Fleet's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items arise that deplete cash to levels that compromise NT Fleet's ability to meet its financial obligations.

The following tables detail NT Fleet's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Balance Sheet, which are based on discounted cash flows.

2021 Maturity analysis for financial liabilities

	Carrying amount \$000	Less than a year \$000	1 to 5 years \$000	More than 5 years \$000	Total \$000
LIABILITIES					
Payables ¹	294	294	-	-	294
Lease liabilities	418	218	200	-	418
TOTAL FINANCIAL LIABILITIES	712	512	200	-	712

2020 Maturity analysis for financial liabilities

	Carrying amount \$000	Less than a year \$000	1 to 5 years \$000	More than 5 years \$000	Total \$000
LIABILITIES					
Payables ¹	1 067	1 067	-	-	1 067
Lease liabilities	636	218	418	-	636
TOTAL FINANCIAL LIABILITIES	1 703	1 285	418	-	1 703

¹Total amounts disclosed exclude statutory amounts and accrued items.

D) MARKET RISK

Market risk is the risk 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

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

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and financial liabilities, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

Sensitivity analysis

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

	Profit or loss and equity	
	100 basis points increase	100 basis points decrease
	\$000	\$000
30 June 2021		
Financial assets – cash at bank	394	(394)
NET SENSITIVITY	394	(394)
30 June 2021		
Financial assets – cash at bank	348	(348)
NET SENSITIVITY	348	(348)

27. Related parties

i) Related parties

NT Fleet is a government administrative entity and is wholly owned and controlled by the Northern Territory Government. Related parties of NT Fleet include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of NT Fleet directly
- close family members of the portfolio minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government Financial Statements
- any entities controlled or jointly controlled by KMPs or the portfolio minister, or controlled or jointly controlled by their close family members.

(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.

Borrowings and capital purchases

NT Fleet had no borrowings and capital purchases subject to currency risk.

ii) Key management personnel (KMP)

KMP of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Digital Development, Chief Executive Officer of DCDD, Deputy Chief Executive Officer of DCDD, Director NT Fleet and Chief Financial Officer.

iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the Minister as the Minister's remuneration and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's Annual Financial Statements.

The aggregate compensation of key management personnel of NT Fleet is set out below:

	2020-21	2019-20
	\$000	\$000
Short-term benefits	210	219
Post-employment benefits	32	35
TOTAL	242	254

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

NT Fleet's primary ongoing source of funding is received from the Northern Territory Government controlled entities.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

2021

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
RELATED PARTY	\$000	\$000	\$000	\$000
NTG agencies	33 831	8 149	664	318

2020

	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
RELATED PARTY	\$000	\$000	\$000	\$000
NTG agencies	33 628	7 035	864	3 409

NT Fleet's transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

NT Fleet had no other related party transactions in excess of \$10,000.

28. Contingent liabilities and contingent assets

NT Fleet had no material contingent liabilities or contingent assets as at 30 June 2021 and 30 June 2020.

29. 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.

30. Budgetary information

	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$000	\$000	\$000	
Comprehensive Operating Statement				
INCOME				
Sales of goods and services	34 745	34 582	163	
Interest revenue	58	300	(242)	1
Gain on disposal of assets	5 332	2 075	3 257	2
Other income	129	140	(11)	
TOTAL INCOME	40 264	37 097	3 167	
EXPENSES				
Employee expenses	2 090	1 913	(177)	3
Administrative expenses				
Property management	67	278	211	4
Purchases of goods and services	3 110	3 103	(7)	
Repairs and maintenance	8 090	8 090	-	
Depreciation and amortisation	17 050	17 000	(50)	
Other administrative expenses	1 469	1 469	-	
Interest expenses	7	-	(7)	
TOTAL EXPENSES	31 883	31 853	(30)	
NET SURPLUS/(DEFICIT)	8 381	5 244	3 137	
COMPREHENSIVE RESULT	8 381	5 244	3 137	

This comparison is different from the Comprehensive Operating Statement presented in the financial statement overview at the front of this report. This note reflects the original budget, whilst the overview section references the final budget, which incorporates approved budget adjustments during the year.

Notes:

1. Decreased interest revenue resulted from the lower interest rate on the cash at bank balance.
2. Increase due to higher number of vehicles disposed at better sale prices.

3. Increase in employee expenses relates to vacant positions in 2019-20 which were filled in 2020-21 after realigning NT Fleet business functions.

4. Decrease in property management expenses attributed to an adjustment in reporting of property leases under AASB 16.

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Balance Sheet

ASSETS

Current Assets

Cash and deposits	39 406	38 733	673	1
Receivables and prepayments	1 635	1 076	559	2
Assets held for sale	726	-	726	3
Total Current Assets	41 767	39 809	1 958	

Non-Current Assets

Property, plant and equipment	89 752	89 460	292	
Intangibles	2 684	2 509	175	
Total Non-Current Assets	92 436	91 969	467	
TOTAL ASSETS	134 203	131 778	2 425	

LIABILITIES

Current Liabilities

Payables	747	1 289	542	4
Income tax liabilities	2 514	1 573	(941)	5
Provisions	3 227	2 107	(1 120)	6
Lease liabilities	218	214	(4)	
Total Current Liabilities	6 706	5 183	(1 523)	

Non-Current Liabilities

Lease liabilities	200	398	198	7
Total Non-Current Liabilities	200	398	198	
TOTAL LIABILITIES	6 906	5 581	(1 325)	

NET ASSETS

NET ASSETS	127 297	126 197	1 100	
-------------------	----------------	----------------	--------------	--

EQUITY

Capital	565	565	-	
Dividends paid/payable	(2 933)	(1 836)	(1 097)	
Accumulated funds	123 798	123 797	1	
Current year surplus	5 867	3 671	2 196	
TOTAL EQUITY	127 297	126 197	1 100	

This comparison is different from the Balance Sheet presented in the financial statement overview at the front of this report. This note reflects the original budget and the overview section references the final budget which incorporates budget adjustments approved during the year.

Further, the original published budget has not been adjusted to reflect the actual opening balances as at 1 July 2020.

Notes:

1. Higher than expected cash at bank balance due to higher cash flow from improved operating result and gain on disposal of assets.

2. Higher than anticipated receivables due to timing of customer payments.

3. Assets held for sale originally included in the non-current assets budget.

4. Lower than expected payables due to timing of supplier payments.

5. Higher income tax resulted from higher performance surplus before income tax.

6. Higher provision for dividend resulting from higher net surplus after income tax.

7. Decreased lease liabilities due to repayments.

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Receipts from sales of goods and services	34 447	34 722	(275)	
GST receipts	4 799	-	4 799	1
Interest received	62	300	(238)	2
Total operating receipts	39 308	35 022	4 286	

Operating payments

Payments to employees	(2 088)	(1 913)	(175)	
Payments for goods and services	(12 634)	(12 940)	306	
GST Payments	(4 898)	-	(4 898)	1
Income tax paid	(1 452)	(1 452)	-	
Interest paid	(7)	-	(7)	
Total operating payments	(21 079)	(16 305)	(4 774)	
Net cash from/(used in) operating activities	18 229	18 717	(488)	

CASH FLOWS FROM INVESTING ACTIVITIES

Investing receipts

Proceeds from asset sales	13 168	11 975	1 193	3
Total investing receipts	13 168	11 975	1 193	

Investing payments

Purchases of assets	(24 838)	(25 000)	162	
Total investing payments	(24 838)	(25 000)	162	
Net cash from/(used in) investing activities	(11 670)	(13 025)	1 355	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing payments

Lease payments	(218)	(24)	(194)	4
Dividends paid	(1 694)	(1 694)	-	
Total financing payments	(1 912)	(1 718)	(194)	
Net cash from/(used in) financing activities	(1 912)	(1 718)	(194)	
Net increase/(decrease) in cash held	4 647	3 974	673	
Cash at beginning of financial year	34 759	34 759	-	
CASH AT END OF FINANCIAL YEAR	39 406	38 733	673	

Notes:

1. GST receipts and payments not included in original budget.
2. Reduction in interest received due to lower interest rates on cash balances.
3. Higher proceeds due to the higher number of vehicles disposed at higher sale prices.
4. Higher lease payments as property lease payments were not budgeted.

The logo features the letters '6c' in a bold, dark teal font inside a white circle. This circle is set against a background of overlapping teal circles and a dense pattern of small white icons representing various data center and technology concepts like servers, networks, and security.

6c

**DATA CENTRE
SERVICES**

Financial Report

FINANCIAL STATEMENT OVERVIEW

For the year ended 30 June 2021

FINANCIAL PERFORMANCE (Comprehensive operating statement)

The financial performance of Data Centre Services (DCS) is presented in two ways. Table 1 compares DCS' 2020-21 performance with the final budget for the year and Table 2 compares performance between the current year and previous

year. More details are provided in subsequent commentary and analysis in Tables 3 to 6. The impact of financing decisions and recognition of assets and liabilities is outlined in the financial position analysis at Table 7 and related commentary.

Table 1: 2020-21 Final Budget and Performance

	2020-21		
	Actual \$000	Final Budget \$000	Variation \$000
Income	30 098	28 571	1 527
Expenses	24 225	24 138	(87)
NET SURPLUS BEFORE TAX	5 873	4 433	1 440
Income Tax Expense	1 762	1 330	(432)
NET SURPLUS AFTER TAX	4 111	3 103	1 008
COMPREHENSIVE RESULT	4 111	3 103	1 008
Dividend (50%)	2 056	1 552	504

DCS' overall operating financial performance showed a net surplus after tax of \$4.1 million compared with a final budgeted surplus of \$3.1 million. The improvement is primarily due to higher than expected income from an increase in demand for midrange and enterprise storage services. Total expenses remain largely unchanged compared to the 2020-21 final budget.

DCS will pay an income tax equivalent of \$1.8 million and will return a dividend of \$2.1 million to government for 2020-21.

Table 2: 2020-21 and 2019-20 Performance

	2020-21	2019-20	Variation
	\$000	\$000	\$000
Income	30 098	27 290	2 808
Expenses	24 225	24 030	(195)
NET SURPLUS BEFORE TAX	5 873	3 260	2 613
Income Tax Expense	1 762	978	(784)
NET SURPLUS AFTER TAX	4 111	2 282	1 829
COMPREHENSIVE RESULT	4 111	2 282	1 829

Income increased primarily due to growth in midrange and enterprise storage services. Expenses increased due to higher employee and asset expenses, offset by lower property and ICT expenses. This produced an operating surplus of \$4.1 million for 2020-21, which is \$1.8 million higher than the previous year.

Income

DCS' primary income source results from the provision of computing services to Northern Territory Government agencies. These services, classified under the income category of sales of goods and services, in Table 3 below represented 99 per cent of DCS' total income of \$30 million, with the remainder made up of interest and other income.

Goods and services income grew \$3.3 million consistent with increased demand from agencies. Other income fell due to a one-off reimbursement of property management charges (rent) from the Data Centre Transition Project in 2019-20.

Table 3: Income by Category

Year	Sales of Goods and Services		Interest Revenue		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	30 026	99.8	10	-	62	0.2	30 098	100
2019-20	26 772	98.1	50	0.2	468	1.7	27 290	100

Total income is also classified according to DCS' major business functions:

- Mainframe Services – hosting and managing mainframe applications
- Midrange Services – hosting and managing midrange server applications
- Enterprise Storage – managing enterprise data storage and performing data backups
- Data Centre Facility Services – hosting ICT infrastructure for agencies and contracted service providers.

Table 4: Income by Business Function

Year	Mainframe services		Midrange services		Enterprise storage and backup services		Data centre facility services		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	11 654	38.7	13 432	44.6	3 045	10.1	1 967	6.6	30 098	100
2019-20	10 998	40.3	11 162	40.9	2 703	9.9	2 427	8.9	27 290	100

Midrange and enterprise storage services income increased due to demand driven growth.

Expenses

DCS incurred the majority of its expenditure for ICT related expenses for hardware, software and specialist contractors, with employee expenses being the second largest expense.

Table 5: Expenses by Category

Year	ICT		Employee		Operational		Asset expenses		Property		Total	
	\$000	%	Total	%	\$000	%	\$000	%	\$000	%	\$000	%
2020-21	11 208	46.3	6 730	27.8	1 604	6.6	4 068	16.8	615	2.5	24 225	100
2019-20	11 416	47.5	6 325	26.3	1 748	7.3	3 468	14.4	1 073	4.5	24 030	100

ICT expenditure has decreased primarily due to lower software licensing charges and fewer contract resources.

The increase in employee expenses is due to the return of three staff who were seconded to the Data Centre Transition Project in 2019-20.

Increase in asset expenses relates to depreciation of additional assets from the Data Centre Transition Project, combined with an increase in amortisation of leased assets.

The decrease in property management expenditure is due to the completed decommissioning of the Chan Building data centre.

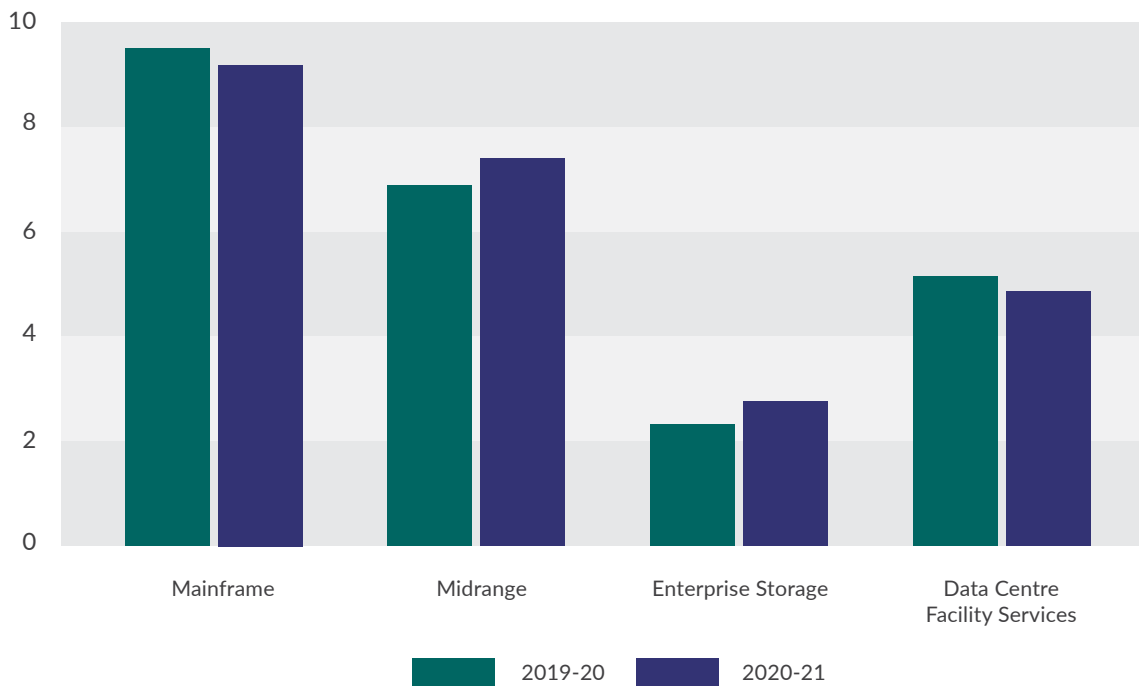
Expenses have also been classified according to DCS' major business functions below.

Table 6: Expenses by Business Function

Year	Mainframe services		Midrange services		Enterprise storage and backup services		Data centre facility services		Total	
	\$000	%	Total	%	\$000	%	\$000	%	\$000	%
2020-21	9 180	37.9	7 369	30.4	2 794	11.5	4 882	20.2	24 225	100
2019-20	9 496	39.5	6 938	28.9	2 393	10.0	5 203	21.6	24 030	100

Midrange services expenditure increased primarily due to staff returning from the Data Centre Transition Project, whilst enterprise storage and back up services expenditure increased as a result of increased asset costs (depreciation). Data centre facility services expenses were lower due to completing the decommissioning of the Chan Building data centre.

Figure 1: Expenses (\$million) by Business Function



FINANCIAL POSITION (Balance sheet)

The Statement of Financial Position details the balances of the assets, liabilities and equity of DCS at the end of the financial year. The table below compares DCS' financial position as at 30 June 2021 with the position at 30 June 2020.

Table 7: 2020-21 and 2019-20 Financial Position

	2020-21	2019-20	Variation
	\$000	\$000	\$000
ASSETS			
Current Assets	19 187	17 768	1 419
Non-Current Assets	28 757	24 717	4 040
TOTAL ASSETS	47 944	42 485	5 459
LIABILITIES			
Current Liabilities	7 699	5 643	(2 056)
Non-Current Liabilities	13 570	12 222	(1 348)
TOTAL LIABILITIES	21 269	17 865	(3 404)
NET ASSETS	26 675	24 620	2 055
EQUITY	26 675	24 620	2 055
TOTAL EQUITY	26 675	24 620	2 055

DCS' net financial position at the end of 2020-21 was \$26.7 million, compared to the previous year's position of \$24.6 million, an increase of \$2.1 million.

Net assets increased by \$2.1 million primarily as a result of the net surplus before tax, offset by the increased provisions for tax and dividends.

Major assets at 30 June 2021 included:

Current Assets

- \$8.6 million cash and deposits
- \$7.5 million prepayments (software licensing and maintenance)
- \$3.1 million receivables (outstanding service fees).

Non-Current Assets

- \$24.8 million property, plant and equipment (including buildings and leasehold improvements)
- \$3.2 million prepayments (software licensing and maintenance)
- \$0.8 million in software intangibles.

Major liabilities at 30 June 2021 included:

Current Liabilities

- \$1.3 million payables and accrued expenses
- \$1.8 million income tax expense
- \$2.1 million provision for dividends
- \$1.0 million provision for employee entitlements
- \$1.3 million in lease liabilities
- \$0.3 million in other liabilities.

Non-Current Liabilities

- \$12.0 million in non-current lease liabilities
- \$1.6 million in other liabilities.

Certification of the financial statements

We certify that the attached Financial Statements for Data Centre Services have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* 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 2021 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

Chief Executive

23 September 2021



Rex Schoolmeester

Chief Financial Officer

23 September 2021



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Digital Development
Data Centre Services
Page 1 of 2

Opinion

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2021, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Data Centre Services as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Data Centre Services in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Chief Executive of the Department of Corporate and Digital Development is responsible for the other information. The other information comprises the information included in Data Centre Services' financial statement overview for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive for the Financial Report

The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of Data Centre Services to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Data Centre Services or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Data Centre Services.



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of Data Centre Services.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Data Centre Services to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report however, future events or conditions may cause Data Centre Services to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

27 September 2021

Comprehensive operating statement

For the year ended 30 June 2021

	Note	2021 \$000	2020 \$000
INCOME			
Sales of goods and services	3a	30 026	26 772
Interest revenue		10	50
Other income	3b	62	468
TOTAL INCOME		30 098	27 290
EXPENSES			
Employee expenses		6 730	6 325
Administrative expenses			
Purchases of goods and services	4	12 560	12 945
Property management	4	615	1 073
Depreciation and amortisation	13, 14, 15	4 048	3 431
Impairment losses		20	37
Interest expenses	5	252	219
TOTAL EXPENSES		24 225	24 030
NET SURPLUS/(DEFICIT)		5 873	3 260
SURPLUS BEFORE INCOME TAX			
		5 873	3 260
Income tax expense	7	1 762	978
NET SURPLUS		4 111	2 282
COMPREHENSIVE RESULT		4 111	2 282

The Comprehensive Operating Statement is to be read in conjunction with the notes to the Financial Statements.

Balance sheet

As at 30 June 2021

	Note	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and deposits	8	8 579	10 515
Receivables	10	10 608	7 253
Total Current Assets		19 187	17 768
Non-Current Assets			
Receivables	10	3 187	457
Property, plant and equipment	13,14	24 781	23 302
Intangibles	15	789	958
TOTAL NON-CURRENT ASSETS		28 757	24 717
TOTAL ASSETS		47 944	42 485
LIABILITIES			
Current liabilities			
Payables	16	1 278	693
Income tax liabilities	17	1 762	978
Provisions	19	3 128	2 657
Lease liabilities	18	1 272	1 149
Other liabilities	20	259	166
Total Current Liabilities		7 699	5 643
Non-Current Liabilities			
Lease liabilities	18	11 983	10 755
Other liabilities	20	1 587	1 467
TOTAL NON-CURRENT LIABILITIES		13 570	12 222
TOTAL LIABILITIES		21 269	17 865
NET ASSETS		26 675	24 620
EQUITY			
Capital	22	4 563	4 563
Accumulated funds	22	22 112	20 057
TOTAL EQUITY		26 675	24 620

The Balance Sheet is to be read in conjunction with the notes to the Financial Statements.

Statement of changes in equity

For the year ended 30 June 2021

	Note	Equity at 1 July	Comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June
		\$000	\$000	\$000	\$000
2020-21					
Accumulated funds	22	20 057	4 111	-	24 168
Dividends payable	19,22	-	-	(2 056)	(2 056)
Special dividend		-	-	-	-
		20 057	4 111	(2 056)	22 112
Capital – transactions with owners		4 563	-	-	4 563
Equity injections					
Equity transfers in		-	-	-	-
Other equity injections		-	-	-	-
Equity withdrawals		-	-	-	-
Equity transfers out		-	-	-	-
		4 563	-	-	4 563
TOTAL EQUITY AT END OF FINANCIAL YEAR		24 620	4 111	(2 056)	26 675
2019-20					
Accumulated funds		20 917	2 282	-	23 199
Dividends payable	22	-	-	(1 142)	(1 142)
Special dividend	22	-	-	(2 000)	(2 000)
		20 917	2 282	(3 142)	20 057
Capital – transactions with owners		1 466	-	-	1 466
Equity injections					
Equity transfers in	22	-	-	4 256	4 256
Other equity injections	22	-	-	169	169
Equity withdrawals					
Equity transfers out	22	-	-	(1 328)	(1 328)
		1 466	-	3 097	4 563
TOTAL EQUITY AT END OF FINANCIAL YEAR		22 383	2 282	(45)	24 620

The Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

Cash flow statement

For the year ended 30 June 2021

		2021	2020
	Note	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts			
Receipts from sales of goods and services		29 646	28 613
GST receipts		2 318	1 804
Interest received		12	57
Total operating receipts		31 976	30 474
Operating payments			
Payments to employees		(6 663)	(6 427)
Payments for goods and services		(18 564)	(14 901)
GST payments		(2 287)	(1 770)
Income tax paid		(978)	(1 342)
Interest paid		(252)	(219)
Total operating payments		(28 744)	(24 659)
Net cash from/(used in) operating activities	9a	3 232	5 815
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing receipts			
Investing payments			
Purchases of assets		(2 634)	(154)
Total investing payments		(2 634)	(154)
Net cash from/(used in) investing activities		(2 634)	(154)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing receipts			
Equity injections		-	169
Total financing receipts		-	169
Financing payments			
Dividends paid		(1 141)	(3 566)
Finance lease payments		(1 393)	(975)
Total financing payments		(2 534)	(4 541)
Net cash from/(used in) financing activities	9b	(2 534)	(4 372)
Net increase/(decrease) in cash held		(1 936)	1 289
Cash at beginning of financial year		10 515	9 226
CASH AT END OF FINANCIAL YEAR	8	8 579	10 515

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

Index of notes to the financial statements

Note	
1	Objectives and funding
2	Statement of significant accounting policies
Income	
3a	Sales of goods and services
3b	Other income
Expenses	
4	Purchases of goods and services
5	Interest expense
6	Write-offs, postponements, waivers, gifts and ex gratia payments
7	Income tax expense
Assets	
8	Cash and deposits
9a	Reconciliation of Cash
9b	Reconciliation of liabilities arising from financing activities
10	Receivables
11	Advances and investments
12	Other assets
13	Property, plant and equipment
14	DCS as a lessee
15	Intangibles
Liabilities	
16	Payables
17	Income tax liabilities
18	Lease liabilities
19	Provisions
20	Other liabilities
21	Commitments
Equity	
22	Equity
Other disclosures	
23	Fair value measurement
24	Financial instruments
25	Related parties
26	Contingent liabilities and contingent assets
27	Events subsequent to balance date
28	Budgetary information

1. Objectives and funding

Data Centre Services (DCS) delivers a range of ICT 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 undertake its functions.

2. Statement of significant accounting policies

A) STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires Data Centre Services to prepare Financial Statements for each year ended 30 June based on the form determined by the Treasurer. The form of DCS Financial Statements should include:

- 1) Certification of the Financial Statements
- 2) Comprehensive Operating Statement
- 3) Balance Sheet
- 4) Statement of Changes in Equity
- 5) Cash Flow Statement
- 6) applicable explanatory notes to the Financial Statements.

B) BASIS OF ACCOUNTING

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 been prepared in accordance with the historical cost convention.

The form of DCS 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.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No new or changed Australian accounting standards have been early adopted for 2020-21.

Several amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

C) REPORTING ENTITY

The Financial Statements cover DCS as an individual reporting entity.

DCS is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act 1978* and specified in the Administrative Arrangements Order.

The principal place of business of the GBD is: Level 3, Darwin Plaza, Smith Street Mall, Darwin NT 0800.

DCS has no controlled entities.

D) DCS AND TERRITORY ITEMS

The Financial Statements of DCS include income, expenses, assets, liabilities and equity over which DCS has control (DCS items). Certain items, while managed by DCS, are controlled and recorded by the Northern Territory rather than DCS (Territory items). Territory items are recognised and recorded in the Central Holding Authority.

DCS held no Territory items.

E) COMPARATIVES

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

F) 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. Figures in the Financial Statements and notes may not equate due to rounding.

G) CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies adopted in 2020-21 as a result of management decisions. Changes in policies relating to COVID-19 are disclosed in I) below.

H) ACCOUNTING JUDGMENTS AND ESTIMATES

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

Actual results may differ from these estimates.

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

Judgments and estimates that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

I) GOODS AND SERVICES TAX (GST)

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

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

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

3. Income

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.

DCS revenue for the 2020-21 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature, amount, timing and uncertainty of income and cash flows.

J) TAXATION

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

K) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

DCS may receive contributions from government where the government is acting as owner of the DCS. Conversely, DCS may make distributions to government. In accordance with the *Financial Management Act 1995* 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 provides additional information in relation to contributions by, and distributions to, government.

L) IMPACT OF COVID-19

There was no activity that affected the Financial Statements of DCS as a result of the COVID-19 pandemic.

M) DIVIDENDS

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

These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

DCS delivers a range of ICT services to all Northern Territory Government agencies.

A) SALES OF GOODS AND SERVICES

	2021			2020		
	\$000	\$000	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	Revenue from contracts with customers	Other	Total
Sale of mainframe services	11 651	-	11 651	10 995	-	10 995
Sale of midrange services	13 432	-	13 432	11 162	-	11 162
Sale of enterprise storage and backup services	2 987	-	2 987	2 703	-	2 703
Sale of data centre facility services	1 956	-	1 956	1 912	-	1 912
TOTAL SALES OF GOODS AND SERVICES	30 026	-	30 026	26 772	-	26 772

Rendering of services

Revenue from rendering of services is recognised when DCS satisfies the performance obligation by transferring the promised information technology services. DCS typically satisfies its performance obligations at the end of the billing period when the services or capacity consumed by the customer can be quantified.

DCS services revenue includes:

Mainframe services – Provision of a mainframe operating environment and hosting of mainframe applications billed to customers through a charging model based on utilisation share. Revenue is recognised as DCS satisfies its performance obligation when the monthly provision of the operating and hosting environment is complete, with payments typically due a month after.

Midrange services – Provision of management services that build upon the base hosting or cloud offering. Services include operating system, database and technical support services. Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the management services is complete, with payments typically due a month after.

Enterprise storage and backup services – Provision of enterprise scale storage and backup solutions to suit customers based on a pay for use basis. Enterprise Storage service is delivered by means of a storage area network (SAN) which

is located in the Data Centre. Enterprise backup is a backup solution for customer business applications. The backup service is delivered by means of a fully managed enterprise class backup solution located in the Data Centre, with copies replicated to multiple sites for disaster recovery included in the charge. DCS satisfies its performance obligation when the monthly provision of the storage and backup services is complete, with payments typically due a month after.

Data centre facility services – The Government Data Centre (GDC) is the primary site which provides a continuous, secure and reliable facility hosting client and agency ICT equipment. Data Centre Services, as part of disaster recovery offerings, can also provide hosting options in a secondary site known as the Backup Data Centre (BDC). Data is collected on the quantity of services consumed on a monthly basis and applied to determine customer charges. DCS satisfies its performance obligation when the monthly provision of the data centre facility is complete, with payments typically due a month after.

Revenue from contracts with customers for the 2020-21 financial year has been disaggregated below into categories to enable users of these Financial Statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2021	2020
	\$000	\$000
TYPE OF GOOD AND SERVICE		
Service delivery	30 026	26 772
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE	30 026	26 772
TYPE OF CUSTOMER		
Australian Government entities	-	-
Northern Territory Government controlled entities	29 751	26 500
Non-government entities	275	272
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	30 026	26 772
TIMING OF TRANSFER OF GOODS AND SERVICES		
Over time	30 026	26 772
Point in time	-	-
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	30 026	26 772

B) OTHER INCOME

	Revenue from contracts with customers		Other		Total	
	2021	2020	2021	2020	2021	2020
	\$000	\$000	\$000	\$000	\$000	\$000
Other income	62	468	-	-	62	468
TOTAL OTHER INCOME	62	468	-	-	62	468

	2021	2020
	\$000	\$000
TYPE OF GOODS AND SERVICES		
Service delivery	62	468
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY GOOD OR SERVICE	62	468
TYPE OF CUSTOMER		
Northern Territory Government controlled entities	58	-
Non-government entities	4	468
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TYPE OF CUSTOMER	62	468
TIMING OF TRANSFER OF GOODS AND SERVICES		
Point in time	62	468
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS BY TIMING OF TRANSFER	62	468

4. Purchases of goods and services

2021	2020
\$000	\$000

The net surplus/(deficit) has been arrived at after charging the following expenses.

GOODS AND SERVICES EXPENSES

Consultants ¹	4 211	4 448
Legal expenses ²	9	13
Training and study	4	25
Official duty fares	-	1
Travelling allowance	-	1
Information technology charges and communications	6 997	6 968
Property management expenses	615	1 073
Insurance premiums	94	100
Agency service arrangements	1 129	1 149
Audit fees	33	25
Other ³	83	215
	13 175	14 018

¹ Includes marketing, promotion and IT consultants.

² Includes legal fees, claim and settlement costs.

³ Includes other equipment and consumables.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and services costs recognised in the reporting period in which they are incurred.

5. Interest expense

2021	2020
\$000	\$000
Interest from lease liabilities ¹	219
TOTAL	219

¹ Interest expense in 2021 and 2020 relates to lease liabilities in accordance with AASB 16.

6. Write-offs, postponements, waivers, gifts and ex gratia payments

	Agency			
	2021 \$000	No. of Trans.	2020 \$000	No. of Trans.
Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i>	20	1	-	-
Represented by:				
Amounts written off, postponed and waived by delegates				
Public property written off	20	1	-	-
TOTAL WRITTEN OFF, POSTPONED AND WAIVED BY DELEGATES	20	1	-	-

7. Income tax expenses

	2021	2020
	\$000	\$000
Prima facie income tax expense calculated at 30% of the surplus before income tax	1 762	978
	1 762	978

8. Cash and deposits

	2021	2020
	\$000	\$000
Cash on hand	8 579	10 515
	8 579	10 515

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.

9. Cash flow reconciliation

A) RECONCILIATION OF CASH

The total of DCS 'Cash and deposits' of \$8.6 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

	2021	2020
	\$000	\$000
NET SURPLUS	4 111	2 282
NON-CASH ITEMS		
Depreciation and amortisation	4 048	3 431
Asset write-offs/write-downs	20	37
CHANGES IN ASSETS AND LIABILITIES		
Decrease/(Increase) in receivables	(6 086)	(1 406)
(Decrease)/Increase in payables	226	(94)
(Decrease)/Increase in other payables	359	94
(Decrease)/Increase in provision for employee benefits	9	(119)
(Decrease)/Increase in other provisions	(452)	321
(Decrease)/Increase in income tax liability	784	(364)
(Decrease)/Increase in unearned income	213	1 633
NET CASH FROM OPERATING ACTIVITIES	3 232	5 815

B) RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

2020-21

	Cash flows						Other		
	1 July	Dividends paid	Equity injection/withdrawals	Lease liabilities repayments	Other	Total cash flows	Other	Total Other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends	1 141	(1 141)	-	-	-	(1 141)	2 056	2 056	2 056
Special dividends	-	-	-	-	-	-	-	-	-
Lease liabilities	11 903	-	-	(1 393)	-	(1 393)	2 745	2 745	13 255
Equity injections/withdrawals	4 563	-	-	-	-	-	-	-	4 563
TOTAL	17 607	(1 141)	-	(1 393)	-	(2 534)	4 801	4 801	19 874

2019-20

	Cash flows							
	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Dividends paid	Equity injection/withdrawals	Lease liabilities repayments	Other	Total cash flows
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Dividends	1 566	-	1 566	(1 566)	-	-	-	(1 566)
Special dividends	-	-	-	(2 000)	-	-	-	(2 000)
Lease liabilities	-	6 048	6 048	-	-	(975)	-	(975)
Equity injections/withdrawals ¹	1 466	-	1 466	-	169	-	-	169
TOTAL	3 032	6 048	9 080	(3 566)	169	(975)	-	(4 372)

Other		
Other	Total Other	30 June
\$000	\$000	\$000
1 141	1 141	1 141
2 000	2 000	-
6 830	6 830	11 903
2 928	2 928	4 563
12 899	12 899	17 607

¹ 2019-20 table amended from the published version to correct equity injections/ withdrawals balances.

C) NON-CASH FINANCING AND INVESTING ACTIVITIES

Lease transactions

During the financial year, DCS recorded right-of-use assets for the lease of buildings with an aggregate value of \$6.2 million (2020: \$5.9 million).

10. Receivables

	2021	2020
	\$000	\$000
CURRENT		
Accounts receivable	419	133
Accrued contract revenue	2 696	2 329
Interest receivables	1	2
Prepayments	7 492	4 789
	10 608	7 253
Non-Current		
Prepayments	3 187	457
TOTAL RECEIVABLES	13 795	7 710

Receivables are initially recognised when DCS becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

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

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables DCS estimates are likely to be uncollectible and are considered doubtful.

A) ACCRUED CONTRACT REVENUE

Accrued contract revenue arises from contracts with customers where DCS' right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once DCS' rights to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers is reported as part of other receivables.

B) CREDIT RISK EXPOSURE OF RECEIVABLES

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. DCS applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivable and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include a failure to make contractual payments for a period greater than 182 days past due.

DCS' credit risk exposure has not changed due to COVID-19.

The loss allowance for receivables and reconciliation as at the reporting date are disclosed below.

Loss allowance for receivables

	2021				2020			
	Gross Receivables	Loss rate	Expected credit losses	Net receivables	Gross Receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
INTERNAL RECEIVABLES								
Not overdue	413	-	-	413	82	-	-	82
Overdue for less than 30 days	-	-	-	-	29	-	-	29
Overdue for 30 to 60 days	-	-	-	-	15	-	-	15
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL INTERNAL RECEIVABLES	413	-	-	413	126	-	-	126
EXTERNAL RECEIVABLES								
Not overdue	6	-	-	6	6	-	-	6
Overdue for less than 30 days	-	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RECEIVABLES	6	-	-	6	6	-	-	6

Total amounts disclosed exclude statutory amounts and prepayments and include contract receivables and accrued contract revenue.

C) RECONCILIATION OF LOSS ALLOWANCE FOR RECEIVABLES

DCS recognised no loss allowance for receivables for 2020-21 and 2019-20 from the assessment of expected credit losses.

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

DCS prepayments include software licenses and related software and hardware support services. Perpetual licenses are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

The increase in prepayments in 2020-21 is due to the timing of payment of software licenses.

11. Advances and investments

DCS had no advances paid, equity accounted investments and investments in shares for the 2020-21 and 2019-20 financial years.

12. Other assets

DCS held no lease assets as a lessor for 2020-21 and 2019-20.

13. Property, plant and equipment

Total property, plant and equipment

	2021	2020
	\$000	\$000
INFRASTRUCTURE		
At capitalised cost	27	27
Less: Accumulated depreciation	(4)	(1)
	23	26
PLANT AND EQUIPMENT		
At capitalised cost	10 853	10 641
Less: Accumulated depreciation	(1 102)	(648)
	9 751	9 993
COMPUTER HARDWARE		
At capitalised cost	7 144	5 097
Less: Accumulated depreciation	(5 293)	(3 587)
	1 851	1 510
LEASED PROPERTY, PLANT AND EQUIPMENT		
At capitalised cost	15 399	12 879
Less: Accumulated depreciation	(2 243)	(1 106)
	13 156	11 773
TOTAL PROPERTY, PLANT AND EQUIPMENT	24 781	23 302

2021 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right-of-use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below.

	Infrastructure	Plant and equipment	Computer hardware	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2020	26	9 993	1 510	11 773	23 302
Additions	-	465	2 170	-	2 635
Additions of right-of-use assets	-	-	-	6 208	6 208
Depreciation expense – asset owned	(3)	(528)	(1 829)	-	(2 360)
Amortisation expense – right-of-use asset	-	-	-	(1 360)	(1 360)
Additions/disposals from asset transfers	-	(159)	-	-	(159)
Revaluation Increments/Decrements	-	-	-	(3 465)	(3 465)
Impairment Losses	-	(20)	-	-	(20)
CARRYING AMOUNT AS AT 30 JUNE 2021	23	9 751	1 851	13 156	24 781

2020 Property, Plant and Equipment Reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases. Further information on right of use assets is disclosed in Note 14. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below:

	Infrastructure	Plant and equipment	Computer hardware	Leased property, plant and equipment	Total
	\$000	\$000	\$000	\$000	\$000
Carrying amount as at 1 July 2019	-	8 301	2 530	6 048	16 879
Additions	27	-	1 528	-	1 555
Additions of right-of-use assets	-	-	-	6 830	6 830
Depreciation expense – asset owned	(1)	(414)	(1 560)	-	(1 975)
Amortisation expense – right-of-use asset	-	-	-	(1 105)	(1 105)
Additions/disposals from asset transfers	-	2 106	(988)	-	1 118
Revaluation Increments/Decrements	-	-	-	-	-
Impairment Losses	-	-	-	-	-
CARRYING AMOUNT AS AT 30 JUNE 2020	26	9 993	1 510	11 773	23 302

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 separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of government basis. Therefore funds for DCS capital works is provided directly to DIPL 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.

Revaluations and impairment

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

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

There has been impairment loss and revaluation of assets for DCS in 2020-21.

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:

	2021	2020
Plant and equipment	2-18 years	2-18 years
Right-of-use assets ¹	Lease Term	Lease Term
Computer software	2-10 years	2-10 years
Computer hardware	2-10 years	2-10 years

¹ Further information on right-of-use assets is disclosed in Note 14.

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

14. DCS as a lessee

DCS leases office accommodation, vehicles and data centre facilities. Lease contracts are typically made for fixed periods of 2 to 10 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. DCS does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the DCS and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee. During the current financial year, there was no financial effect of revising lease terms to reflect the effect of exercising extension and termination options in recognised lease liabilities and right-of-use assets.

DCS has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. DCS did not hold low value assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of leased property, plant and equipment at Note 13.

	Buildings	Leased transport equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2020	11 766	7	11 773
Additions	6 173	35	6 208
Disposals	-	-	-
Amortisation expense	(1 352)	(8)	(1 360)
Other movements – <i>Revaluation Increments/(Decrements)</i>	(3 465)	-	(3 465)
CARRYING AMOUNT AS AT 30 JUNE 2021	13 122	34	13 156

	Buildings	Leased transport equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2019	6 034	14	6 048
Additions	6 830	-	6 830
Amortisation expense	(1 098)	(7)	(1 105)
CARRYING AMOUNT AS AT 30 JUNE 2020	11 766	7	11 773

The following amounts were recognised in the statement of comprehensive income for the year in respect of leases where DCS is the lessee:

	2021	2020
	\$000	\$000
Amortisation expense of right-of-use assets	(1 360)	(1 105)
Interest expense on lease liabilities	(252)	(219)
TOTAL AMOUNT RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT	(1 612)	(1 324)

Recognition and Measurement

DCS assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

DCS recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

DCS recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Building	2-18 years	2-18 years
Transport Equipment	2-4 years	2-4 years

15. Intangibles

	2021	2020
	\$000	\$000
Carrying amount		
Computer software		
At cost	2 759	2 600
Less: Accumulated amortisation	(1 970)	(1 642)
Written down value – 30 June	789	958
TOTAL INTANGIBLES	789	958

Intangible valuations

Intangible assets for DCS are comprised of computer software. Intangible assets are stated at historical cost less depreciation, which is deemed to equate to fair value.

Impairment of intangibles

As the historical cost less amortisation is deemed to equate to fair value, no impairment was recognised for the year ended 30 June 2021.

	2021	2020
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life		
Carrying amount at 1 July	958	936
Additions	-	-
Amortisation	(328)	(349)
Additions/(disposals) from asset transfers	159	371
CARRYING AMOUNT AS AT 30 JUNE	789	958

16. Payables

	2021	2020
	\$000	\$000
Accounts payable	226	-
Accrued expenses	876	547
GST Payable	176	146
TOTAL PAYABLES	1 278	693

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 20 days from the receipt of a valid invoice for invoices under \$1 million or 30 days for invoices over \$1 million.

17. Income tax liabilities

	2021	2020
	\$000	\$000
Income tax liabilities	1 762	978
INCOME TAX LIABILITIES	1 762	978

18. Lease liabilities

	2021	2020
	\$000	\$000
CURRENT		
Lease liabilities	1 272	1 149
NON-CURRENT		
Lease liabilities	11 983	10 755
TOTAL LEASE LIABILITIES	13 255	11 904

At the commencement date of the lease where the DCS is the lessee, DCS recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by DCS
- payments of penalties for terminating the lease, if the lease term reflects DCS exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for DCS' leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2021	2020
	\$000	\$000
Balance at 1 July	11 904	6 048
Additions/remeasurements	2 744	6 830
Interest expenses	252	219
Payments	(1 645)	(1 193)
BALANCE AT 30 JUNE	13 255	11 904

DCS had total cash outflows for leases of \$1.6 million in 2020-21 (\$1.2 million in 2019-20).

19. Provisions

	2021	2020
	\$000	\$000
CURRENT		
Employee benefits		
Recreation leave	802	790
Leave loading	74	77
Other employee benefits	4	4
Other current provisions		
Provision for dividends	2 056	1 141
Provision for fringe benefits tax	2	2
Provision for superannuation	137	94
Provision for payroll tax	53	59
Other provisions	-	490
	3 128	2 657
TOTAL PROVISIONS	3 128	2 657
RECONCILIATIONS OF PROVISION FOR DIVIDENDS		
Balance as at 1 July	1 141	1 566
Additional provisions recognised	2 056	1 141
Reductions arising from payments	(1 141)	(1 566)
BALANCE AS AT 30 JUNE	2 056	1 141

DCS employed 53 employees as at 30 June 2021 (48 employees as at 30 June 2020).

Employee benefits

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

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

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

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

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including DCS and therefore no long service leave liability is recognised in DCS' Financial Statements.

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory 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 therefore not recognised in DCS Financial Statements.

20. Other liabilities

	2021	2020
	\$000	\$000
CURRENT		
Unearned contract revenue	259	166
NON-CURRENT		
Unearned contract revenue	1 587	1 467
TOTAL OTHER LIABILITIES	1 846	1 633

Financial guarantee contracts

DCS had no financial guarantee contracts as at 30 June 2021 or 30 June 2020.

Unearned contract revenue

Unearned contract revenue relates to consideration received in advance from customers in respect of Information Technology services. Unearned contract revenue balances as at 30 June 2021 is \$1.8 million (balance at 1 July 2020 was \$1.6 million). Software licensing, support and maintenance are valid for the contracted period, performance obligations are satisfied on the expiration of the validity period.

Of the amount included in the unearned contract revenue balance as at 1 July 2020, \$0.26 million has been recognised as revenue in 2020-21.

Revenue recognised in 2020-21 from performance obligations satisfied or partially satisfied in previous period is \$1.6 million. This is mainly due to a validity period yet to commence.

DCS anticipates to recognise as revenue, any liabilities for unsatisfied obligations as at the end of the reporting period in accordance with the time bands below:

	2021	2020
	\$000	\$000
Not later than one year	259	166
Later than one year and not later than five years	1 587	1 467
TOTAL	1 846	1 633

21. Commitments

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured. Disclosures in relation to capital and other commitments are detailed below:

2021		2020	
Internal	External	Internal	External
\$000	\$000	\$000	\$000

(I) CAPITAL EXPENDITURE COMMITMENTS

DCS had no capital expenditure commitments in 2020-21 and 2019-20.

(II) OTHER EXPENDITURE COMMITMENTS

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

Within one year	-	3 931	-	6 182
Later than one year and not later than five years	-	7 862	-	11 793
	-	11 793	-	17 975

22. Equity

Equity represents the residual interest in the net assets of DCS. The Northern Territory Government's ownership interest in DCS is held in the Central Holding Authority.

	2021	2020
	\$000	\$000
Capital		
Balance as at 1 July	4 563	1 466
Equity Injections		
Equity injections	-	169
Equity transfers	-	2 928
Balance as at 30 June	4 563	4 563
Accumulated Funds		
Balance as at 1 July	20 057	20 916
Surplus for the period	4 111	2 282
Dividends payable	(2 056)	(1 141)
Special dividend	-	(2 000)
Balance as at 30 June	22 112	20 057
TOTAL EQUITY	26 675	24 620

23. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset

in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

DCS' property, plant and equipment, computer software and computer hardware are recognised at cost less depreciation or amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

24. 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 assets and liabilities are recognised on the Balance Sheet when DCS becomes a party to the contractual provisions of the financial instrument. DCS' financial instruments include cash and deposits; receivables and payables and finance lease liabilities.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes including GST and penalties.

DCS has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

A) CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2020-21					
Cash and deposits	-	-	8 579	-	8 579
Receivables ¹	-	-	419	-	419
TOTAL FINANCIAL ASSETS	-	-	8 998	-	8 998
Payables ¹	-	-	226	-	226
Lease liabilities	-	-	13 255	-	13 255
TOTAL FINANCIAL LIABILITIES	-	-	13 481	-	13 481

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued items.

	Fair value through profit or loss				Total
	Mandatorily at fair value	Designated at fair value	Amortised cost	Fair value through other comprehensive income	
	\$000	\$000	\$000	\$000	
2019-20					
Cash and deposits	-	-	10 515	-	10 515
Receivables ¹	-	-	135	-	135
TOTAL FINANCIAL ASSETS	-	-	10 650	-	10 650
Payables ¹	-	-	-	-	-
Lease liabilities	-	-	11 904	-	11 904
TOTAL FINANCIAL LIABILITIES	-	-	11 904	-	11 904

¹ Total amounts disclosed here exclude statutory amounts, prepaid expenses and accrued items.

Categories of financial instruments

DCS' financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost.

Financial liabilities are classified under the following categories:

- amortised cost.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by DCS to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. DCS' financial assets categorised at amortised cost include receivables and advances paid.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. DCS' financial liabilities categorised at amortised cost include all accounts payable, deposits held, advances received and lease liabilities.

B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

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.

Credit risk relating to receivables is disclosed in Note 10.

C) LIQUIDITY RISK

Liquidity risk is the risk DCS will not be able to meet its financial obligations as they fall due. DCS' approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in DCS' bank account to meet various current employee and supplier liabilities. DCS' exposure to liquidity risk is minimal.

Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure

items arise that deplete cash to levels that compromise DCS' ability to meet its financial obligations.

The following tables detail DCS' remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Balance Sheet, which are based on discounted cash flows.

2021 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables ¹	226	226	-	-	226
Lease Liabilities	13 255	1 502	5 998	7 171	14 671
TOTAL FINANCIAL LIABILITIES	13 481	1 728	5 998	7 171	14 897

2020 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
LIABILITIES					
Payables ¹	-	-	-	-	-
Lease Liabilities	11 904	1 370	5 454	6 423	13 248
TOTAL FINANCIAL LIABILITIES	11 904	1 370	5 454	6 423	13 248

¹Total amounts disclosed exclude statutory amounts and accrued items.

D) MARKET RISK

Market risk is the risk 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.

E) INTEREST RATE RISK

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

DCS has limited exposure to interest rate risk as DCS' financial assets and financial liabilities are non interest bearing. Lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk.

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.

	Profit or loss and equity	
	100 basis points increase	100 basis points decrease
	\$000	\$000

30 June 2021

Financial assets – cash at bank	86	(86)
NET SENSITIVITY	86	(86)

30 June 2020

Financial assets – cash at bank	105	(105)
NET SENSITIVITY	105	(105)

(i) Price risk

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

(ii) 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.

25. Related parties

i) Related parties

DCS is a government administrative entity and is wholly owned and controlled by the Northern Territory Government. Related parties of DCS include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of DCS directly
- close family members of the portfolio minister or KMP including spouses, children and dependents
- all public sector entities that are controlled and consolidated into the whole of government Financial Statements
- any entities controlled or jointly controlled by KMPs or the portfolio minister, or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

KMP of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Digital Development, Chief Executive Officer of DCDD, Deputy Chief Executive Officer of DCDD, Senior Director Data Centre Services and Chief Financial Officer.

iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits paid/payable to the Minister as the Minister's remuneration and allowances are payable by the Department of the Legislative Assembly and disclosed within the Treasurer's Annual Financial Statements.

The aggregate compensation of key management personnel of DCS is set out below:

	2020-21	2019-20
	\$000	\$000
Short-term benefits	264	269
Post-employment benefits	27	27
TOTAL	291	296

DCDD provides management services to DCS and the amount relating to KMP has been included in the figures above.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

DCS' primary ongoing source of funding is received from Northern Territory Government controlled entities.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

2021

RELATED PARTY	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
NTG agencies	29 823	4 546	3 114	4 217

2020

RELATED PARTY	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
NTG agencies	26 550	4 305	2 433	4 239

DCS' transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

DCS had no other related party transactions in excess of \$10,000.

26. Contingent liabilities and contingent assets

DCS had no contingent liabilities or contingent assets as at 30 June 2021 or 30 June 2020.

27. 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.

28. Budgetary information

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Comprehensive Operating Statement

INCOME				
Sales of goods and services	30 026	28 466	1 560	1
Interest revenue	10	54	(44)	
Other income	62	-	62	
TOTAL INCOME	30 098	28 520	1 578	
EXPENSES				
Employee expenses	6 730	6 800	70	
Administrative expenses				
Purchases of goods and services	12 560	13 121	561	2
Property Management	615	346	(269)	2
Depreciation and amortisation	4 048	4 002	(46)	
Impairment losses	20	-	(20)	
Interest expenses	252	238	(14)	
TOTAL EXPENSES	24 225	24 507	282	
NET SURPLUS/(DEFICIT)	5 873	4 013	1 860	
Income Tax Expense	1 762	1 204	(558)	3
NET SURPLUS	4 111	2 809	1 302	
COMPREHENSIVE RESULT	4 111	2 809	1 302	

This comparison is different from the Comprehensive Operating Statement presented in the financial statement overview at the front of this report. This note reflects the original budget, whilst the overview section references the final budget which incorporates budget adjustments approved during the year.

Notes:

1. Increase is due to growth in midrange income of \$0.7 million and enterprise storage services income of \$0.9 million.
2. Lower expenditure in purchases of goods and services is partially offset by higher property management expenditure due to lease repayments.
3. Income tax expense increased in line with improved operating result.

	2020-21 Actual	2020-21 Original budget	Variance	Note
	\$000	\$000	\$000	
Balance Sheet				
ASSETS				
Current Assets				
Cash and deposits	8 579	12 669	(4 090)	1
Receivables	10 608	7 102	3 506	2
Total Current Assets	19 187	19 771	(584)	
Non-Current Assets				
Receivables	3 187	457	2 730	3
Property, plant and equipment	24 781	22 364	2 417	4
Intangibles	789	624	165	
Total Non-Current Assets	28 757	23 445	5 312	
TOTAL ASSETS	47 944	43 216	4 728	
LIABILITIES				
Current Liabilities				
Payables	1 278	541	(737)	5
Income Tax Liabilities	1 762	1 204	(558)	6
Provisions	3 128	2 920	(208)	
Lease Liabilities	1 272	1 149	(123)	7
Other liabilities	259	166	(93)	
Total Current Liabilities	7 699	5 980	(1 719)	
Non-Current Liabilities				
Lease liabilities	11 983	9 744	(2 239)	7
Other liabilities	1 587	1 468	(119)	
Total Non-Current Liabilities	13 570	11 212	(2 358)	
TOTAL LIABILITIES	21 269	17 192	(4 077)	
NET ASSETS	26 675	26 024	651	
EQUITY				
Capital	4 563	4 563	-	
Opening Balance	20 057	20 057	-	
Current year surplus (+)/deficit (-)	4 111	2 809	1 302	
Dividends paid/payable	(2 056)	(1 405)	(651)	
TOTAL EQUITY	26 675	26 024	651	

This comparison is different from the Balance Sheet presented in the financial statement overview at the front of this report. This note reflects the original budget and the overview section references the final budget which incorporates budget adjustments approved during the year.

Further, the original published budget figure has not been adjusted to reflect the actual opening balances as at 1 July 2020.

Notes:

1. Decrease in cash and deposits is largely due to prepayments for ICT software and licences.
2. Increase in current receivables in line with increased income of \$0.3 million and \$2.7 million increase in ICT current prepayments.
3. Increase in non-current receivables relates to prepayments for upfront renewals of ICT software agreements of \$2.7 million.

4. Net increase relates to right-of-use assets and is largely due to renegotiated Government Data Centre leased property of \$2.4 million.
5. Payables increased due to various business arrangements and timing of payments of \$0.4 million.
6. Increase in tax liabilities is in line with improved operating result.
7. Net increase in lease liabilities primarily relates to renegotiated Government Data Centre leased property.

2020-21 Actual	2020-21 Original budget	Variance	Note
\$000	\$000	\$000	

Cash Flow Statement

CASH FLOWS FROM OPERATING ACTIVITIES

Operating receipts

Receipts from sales of goods and services	29 646	28 466	1 180	1
GST receipts	2 318	-	2 318	2
Interest received	12	54	(42)	
Total operating receipts	31 976	28 520	3 456	

Operating payments

Payments to employees	(6 663)	(6 800)	137	
Payments for goods and services	(18 564)	(13 467)	(5 097)	3
GST Payments	(2 287)	-	(2 287)	2
Income Tax Paid	(978)	(978)	-	
Interest paid	(252)	(238)	(14)	
Total operating payments	(28 744)	(21 483)	(7 261)	
Net cash from/(used in) operating activities	3 232	7 037	(3 805)	

CASH FLOWS FROM INVESTING ACTIVITIES

Investing payments

Purchases of assets	(2 634)	(2 730)	96	
Total investing payments	(2 634)	(2 730)	96	
Net cash from/(used in) investing activities	(2 634)	(2 730)	96	

CASH FLOWS FROM FINANCING ACTIVITIES

Financing payments

Dividends paid	(1 141)	(1 141)	-	
Lease liabilities payments	(1 393)	(1 012)	(381)	
Total financing payments	(2 534)	(2 153)	(381)	
Net cash from/(used in) financing activities	(2 534)	(2 153)	(381)	
Net increase/(decrease) in cash held	(1 936)	2 154	(4 090)	
Cash at beginning of financial year	10 515	10 515	-	
CASH AT END OF FINANCIAL YEAR	8 579	12 669	(4 090)	

Notes:

1. Increase is due to growth in midrange and enterprise storage receipts of \$1.5 million.
2. Variance relates to GST receipts and payments not included in the original budget.
3. Increase is due to higher prepayments for ICT software and licenses.



7

APPENDICES

Appendix A - Corporate statement	<u>172</u>
Appendix B - Performance reporting	<u>173</u>
Appendix C - FTE workforce table	<u>176</u>
Appendix D - Learning and development programs	<u>177</u>
Appendix E - DCDD Charging model	<u>178</u>
Appendix F - Sustainability	<u>180</u>
Appendix G - DCDD governance committees	<u>181</u>
Appendix H - Audits by the Auditor-General	<u>188</u>
Appendix I - Internal audits and reviews	<u>193</u>
Appendix J - Complaints and resolutions	<u>194</u>
Appendix K - Gifted and loaned vehicles	<u>196</u>
Appendix L - Accommodation costs for non-government organisations	<u>197</u>
Appendix M - Grants and sponsorships	<u>199</u>

APPENDIX A - Corporate Statement

DEPARTMENT OF CORPORATE AND DIGITAL DEVELOPMENT

CORPORATE STATEMENT

OUR PURPOSE

we are here to:

Support agencies to achieve their goals by delivering high calibre services, transformative solutions and trusted advice

OUR VISION

we aspire to:

Improve government through services and solutions that exceed expectations

OUR COMMITMENT

we will work to:

- ✓ deliver quality services consistently and on time
- ✓ involve our clients in design and delivery of contemporary solutions
- ✓ provide reliable, constructive guidance and advice
- ✓ manage our business risks to protect service continuity
- ✓ demonstrate our values in our behaviours and actions

OUR VALUES

We are:

Honest we tell the truth

Professional we work to a high standard

Respectful we are considerate in our interactions

Accountable we take responsibility for our actions

Innovative we commit to improving

Our values align with the NTPS values



APPENDIX B - Performance Reporting

Budget Paper No. 3 set outs the 2020-21 key performance indicators for the department to measure our performance against responsibilities which are reflected in the tables below.

DCDD

2020-21	2020-21	2021-22
Estimate	Actual	Budget

CORPORATE SUPPORT DEVELOPMENT

	2020-21	2020-21	2021-22
	Estimate	Actual	Budget
Human resources cases resolved for agencies	350	686 ¹	350
Client participants at training programs	5 000	5 570 ²	5 500
Payroll transactions processed	1.26 M	1.31 M ³	1.26 M
Client queries resolved on first contact	75%	67% ⁴	≥75%
Days to activate new employees on payroll system (average)	4	3.8	4
Across-government contractors managed	250	221 ⁵	270
Client procurements facilitated	500	541 ⁶	520
Days to process tender documents	3	2.6	3
Information management datasets supported	21	20	21 ⁷
New Territory Records Manager records in digital format			≥80%
Payments processed	500 000	500 680	490 000
Processing accuracy	100%	100%	100%
Debts processed	185 000	189 342	182 000
Days to collect debts (average)	55	56	55
Area leased (000 square metres)	232	234	220
Average cost per square metre	\$411	\$410	\$416
Invoices reconciled for payment within standard timeframes	90%	90%	≥ 90%

2020-21	2020-21	2021-22
Estimate	Actual	Budget

DIGITAL GOVERNMENT DEVELOPMENT

Laptops, workstations, tablets	21 000	21 800	22 000
ICT services provided within agreed service levels	100%	100%	100%
ICT Service Centre queries resolved on first contact	70%	71.8%	≥70%
Across-government systems availability	99%	99.8%	≥99%
Average annual unscheduled outages per system (ABS)	3 hours	2.5 hours	3 hours
Agency business systems availability	99%	99.9%	≥99%
Enterprise digital programs in progress	4	5	4
Digital projects being managed	32	29	22
Data service requests resolved	16 000	16 861	16 000
Website service requests resolved	19 700	20 196	20 000
Project assurance reviews	5	3 ⁸	10
Digital projects overseen by the ICT Governance Board	20	23	20
Datasets published on the open data portal	780	827	820

Note:

1. The variance is due to increased capability and capacity within the Workforce Services team as a result of centralisation of Workforce Services and improved information capture.
2. Increase in client participation is as a result of additional programs being made available.
3. Increased transactions related to supporting the NTG's COVID-19 response (eg. increased timesheets and commencements), machinery of government changes, processing of Employee Agreements and staff for NT elections.
4. myHR system developments have increased system-generated job tickets that trigger a manual process which cannot be 'fixed on first' (eg. the myCancel Leave feature introduced in 2020-21). The 2021-22 target will need to be revised to better align with the changed context.
5. Timing of procurements led to lower than anticipated contractors number in 2020-21. New across government contracts are underway and progressing to award in 2021-22.
6. Agency requirements are generating higher activity level.
7. New measure from 1 July 2021.
8. Changes in timing for major digital transformation programs resulted in changes to assurance review timing, which is anticipated to increase reviews in the next year.

DATA CENTRE SERVICES

2020-21	2020-21	2021-22
Estimate	Actual	Budget

DATA CENTRE MANAGEMENT

Mainframe computing availability	100%	99.93%	100%
Virtual server computing availability	100%	99.98%	100%
Fully managed servers	1 450	1 455	1 500
Data storage area network (terabytes)	3 500	5 950 ¹	4 000

Note:

1. Growth in data storage results from additional computing resources required for major digital reform projects and migration of Health ICT systems from Royal Darwin Hospital to the Government Data Centre. The 2021-22 target will need to be revised to better align with the changed context.

NT FLEET

2020-21	2020-21	2021-22
Estimate	Actual	Budget

VEHICLE FLEET SERVICES

Light vehicles managed	2 500	2 670 ¹	2 500
Heavy vehicles managed	880	852	880
Light vehicles meeting fuel and safety standards	100%	98%	100%
Light vehicles managed within vehicle life standards	90%	80% ²	≥90%

Note:

1. Increase reflects higher than anticipated agency demand.
2. Decrease reflects fewer light vehicles being replaced.

APPENDIX C - FTE Workforce Table

FTE comparison table as at June 2020 and June 2021.

	June 2020	June 2021
	FTE	FTE
CLASSIFICATION		
Executive Contract Officer 6	0	1
Executive Contract Officer 5	1	0
Executive Contract Officer 4	2	2
Executive Contract Officer 3	1	1
Executive Contract Officer 2	17	15.6
Executive Contract Officer 1	29	27
Executive Officer 2	1	0
Senior Administrative Officer 2	57.9	53.5
Senior Administrative Officer 1	150.1	156.8
Administrative Officer 7	185.3	190
Administrative Officer 6	221.4	221.4
Administrative Officer 5	152.3	150.8
Administrative Officer 4	182.3	175.9
Administrative Officer 3	103.4	104.2
Administrative Officer 2	46	38.2
Administrative Officer 1	2	3
Graduate	4	6.5
Technical 4	2	2
Technical 3	1.6	1
Technical 1	2	1
Professional 3	2	1
Professional 2	1	2.9
Apprentice	4	4
Other	1	0
TOTAL FTE	1,169.3	1,158.8

APPENDIX D - *Learning and Development Programs*

DCDD staff undertook the following development opportunities either through online or face-to-face training in 2020-21.

OTHER LEARNING AND DEVELOPMENT PROGRAMS

TRAINING CATEGORY	Number
Business	12
Code of Conduct	12
Content Manager (TRM)	161
Cross Cultural Awareness	48
Digital and ICT systems	73
Electoral Commission Support	13
Emergency Management	22
Fraud and Corruption Awareness	1 104
Human Resources	130
Induction	72
Leadership	49
Orientation	14
Procurement	343
Special Measures	41
Work Health and Safety	38
Workplace Behaviour and Performance	25
TOTAL	2 157

OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT PROGRAMS

CATEGORY	Number
Business Acumen	5
Cross Cultural Training	2
Governance	2
Leadership	25
Mentoring/Coaching	2
Performance Management	13
Policy	1
Project Management	5
TOTAL	55

STUDY ASSISTANCE

Study assistance was provided in the areas of:

- Masters of: Cyber Security | Information Technology (Cyber Security)
- Graduate Certificates in: Governance and Public Policy | Strategic Management
- Bachelors of: Human Services | Business | Computer Science | Information Technology | Laws
- Certificate IVs in: Leadership and Management | Training and Assessment (TAE40116)
- Graduate Diploma of Information Technology (Cyber Security)
- Practising Certification Program – Human Resources.

APPENDIX E - DCDD Charging Model

In order to fully reflect the costs to deliver agency services, DCDD is required to allocate its service costs to client agencies, GBDs and other supported entities. The DCDD costing model is based on measuring costs to deliver services for each client entity, with no internal charging or margins applied. DCDD costs are notionally allocated to NTG agencies, where GBDs and other entities are required to pay for the cost of DCDD services used.

The department has continued to develop and refine the charging model over 2020-21 to incorporate costs for services transferred via the CSR3 program through a reliable and scalable methodology. This examination is based on the department's previous service segments and cost drivers along with detailed analysis of new cost structures, service demand drivers and agency usage patterns. Work is underway to establish source data and demand linkages across all new service segments.

This detailed work will be ready in 2021-22 enabling implementation of an expanded charging model.

For 2020-21, as an interim year while development is proceeding, the charging model is based on a combination of unit charges applied to agency usage for existing service segments and aggregated amounts for the new CSR3 service segments based on the budget transferred from the customer agency for each segment. Through this approach agencies are provided a fair distribution that matches their expected expenditure. The table below sets out the unit charges for applicable service segments.

As DCDD moves ahead and establishes the enterprise services model more fully, future years will incorporate more service segments with charges based on unit costing that will reflect changes in customer agencies' consumption of services.

Service	Cost Measure (Monthly)	Costs (\$)
Across Government Contracts		
Across government contracts	Per full time employee per pay per contract	0.15
Contract Services		
Contract Administration	Per contract issued	1 544.81
Full tender procurement	Per contract issued	6 387.54
Tier 2 quotations	Per quotation issued	135.92
Tier 3 quotations including awards	Per quotation and award issued	1 708.81
Tender management	Per tender issued	2 094.91
Non-standard contracts	Number of non-standard contracts	135.92
Procurement systems	Number of procurements	186.56
Contract management systems	Number of contracts per month	11.26
Finance Services		
Payments through interface	Per interfaced payment transaction	0.40
Internet payments	Per internet payment transaction	53.92
Manual payments	Per manual payment transaction	33.68
EIMS	Per EIMS payment processed	9.78
Accounts receivable electronic invoices	Per accounts receivable electronic invoice processed	18.72
Advance cheques/petty cash	Per advance cheque/petty cash transaction processed	54.97
Accounts receivable RTM receipts	Per electronic accounts receivable RTM receipt issued	14.40
Accounts receivable bank accounts	Per bank account reconciled	115.64
Manual receipt	Per manual receipt transaction	47.47
Manual ledger transfer	Per manual ledger transfer invoice processed	27.33
Credit card management	Per corporate credit card issued	37.42
Tax BAS/GST return	Per line per tax BAS/GST return	0.81
FBT return	Per line per tax FBT return	21.53
Payroll tax return	Per cost code per payroll tax return	5.23
Asset disposals	Number of asset disposals	84.04
Asset additions	Number of new asset additions	24.76
Asset records maintenance	Number of assets in the asset register	2.19

Service	Cost Measure (Monthly)	Costs (\$)
Employment Services		
Entry level recruitment	Monthly average of administrative staff (FTE)	1.44
Employment programs	Number of apprentices/trainees managed	843.33
Job evaluation services	Per position evaluated under JES system	223.21
Benchmark	Number of benchmarks	135.82
JAQ/Document searches	Number of requests	40.17
Payroll services	Number of paid employees	7.61
Payroll manual transactions	Number of manual payroll transactions processed	14.58
Payroll auto transactions	Number of automatic payroll transactions processed	4.08
Employee commencements	Number of employee commencements processed	196.58
Payroll terminations	Number of employee cessations processed	196.31
Recruitment advertising	Per advertising request processed	219.06
Recruit temporary/nominal move	Per temporary or nominal move processed	17.98
Executive Contract Officers	Number of paid Executive Contract Officers	16.57
Employment programs graduates	Number of graduates	514.16
Employment programs vacation	Number of students	619.41
Employment Drive Administration	Number of recruitment program requests	59.01
Payroll debt recovery	Number of FTEs per pay	1.47
Payroll contacts	Number of payroll contacts	13.21
Employment Services - RTF processing	Number of RTFs	62.50
Worker's compensation payroll	Number of worker's compensation related payroll transaction record	49.24
ICT Services		
ITS Agency Services Manager	Percentage share of IT Manager	12 549.64
ITS Agency Services Director	Percentage share of IT Director	15 815.63
ICT contract management and security	Per ICT equipment	6.69
Property Management		
Leased property management	Per square metre of leased building	1.21
PROGEN System	Per square metre of leased building	0.09
Records System Services		
TRM administration	Number of workstations	3.38
Across Government Systems		
Financial systems - NTGPay	Number of NTGPay invoices (EIMS Invoices)	2.74
Financial systems - ECMS	Number of ECMS credit card transactions	3.45
Financial systems - TRIPS	Number of TRIPS transactions	3.26
Financial Systems - GAS	Number of general ledger GAS Transactions	0.85
GrantsNT	Percentage of dollar value of grants processed	544.91
ASNEX	Percentage of usage	3 796.56
HR Systems - eRecruit	Number of eRecruit RFT's	18.67
HR Systems - FOILS	Number of Foils	6.58
HR Systems	Number of HR System Transactions	9.08
Web Services		
NTG Web Services	Number of FTE's per Pay	3.04
nt.gov.au	Number of NT Gov Service requests	69.02
NTG Central	Number of NTG Central Service requests	146.09
Web page updates	Number of updates	95.85
Fleet Services		
Fleet Services	Number of vehicles	28.11

APPENDIX F - *Sustainability*

DCDD recognises the importance of sustainable business practices and is committed to working to identify measures to improve sustainability across our operations. This is demonstrated through a range of initiatives in 2020-21.

Energy Usage and Infrastructure

- Our newest building 'Manunda Place' is an environmentally conscious office tower with internal atriums, high energy efficiency and shading and greening at street level. The leased space is one of the most efficient office buildings in the government's leased property accommodation portfolio with a density of 11m² per person.
- End of trip facilities are installed in leased properties to encourage employees to use alternate transport such as bicycles to commute.
- LED energy efficient lighting in buildings and automated lighting controls are installed to turn off air conditioners and lighting outside of work hours.
- Open plan floor designs and access to natural light are key features.
- Solar panel arrays are installed on a number of buildings.
- Average NABERS rating of 4.5 stars across our leased commercial property portfolio, with 12 buildings achieving a 5 star rating. NABERS ratings of 4.5 stars are required for leases greater than 2,000m² reflecting a need for the buildings to have a lower carbon footprint.
- NT Government's Leased Property Stimulus Scheme is resulting in building owners improving the efficiency and sustainability of their buildings, which is providing direct benefit to agencies, lowering energy consumption and power bills. Improvements including:
 - seven new and two upgraded end of trip facilities
 - 19 solar arrays
 - 18 buildings upgraded to more energy efficient LED internal lighting.

Vehicles and Infrastructure

- DCDD is leading the electric vehicle initiative with six electric vehicles in our fleet. The department transitioned three pool vehicles to two electric vehicles in 2020-21 and is planning to replace one more pool vehicle with an electric vehicle in 2021-22.

- Electric vehicle charging points installed across selected leased buildings, including Darwin, Katherine and Alice Springs. Charging stations currently installed in Charles Darwin Centre and Manunda Place.
- In 2021-22, NT Fleet will renew the NTG Vehicle Policy to incorporate electric vehicle requirements, commence transitioning agency pool vehicles to electric vehicles, explore opportunities to incentivise uptake of electric vehicles and work with the local vehicle industry to encourage greater diversity of electric vehicles in the NT market.

Recycling

- Central points are located through buildings to recycle paper for confidential documents, paper and cardboard.
- Printer cartridges, toners, mobile phones, milk bottles and coffee pods are recycled.

Digital and Technology

- Implementation of digital technology and improvements to video conference capabilities to reduce the need to travel.
- Automation of manual processes to online forms and electronic records and signatures, online training and iPads replacing printed meeting documents to reduce paper consumption.
- New hardware installed which is more power efficient.
- Virtualisation from physical hardware over to a virtual server environment in data centres to reduce power consumption, resulting in 2,197 tonnes of CO₂ avoided.

APPENDIX G - DCDD Governance Committees

Our services require robust governance arrangements that underpin the achievement of government's priorities and provide opportunities for clients and key stakeholders to be involved in the engagement and development of support services. The governance model shown below is multi-party and multi-layered, covering whole of government, client agencies and DCDD.

DCDD governance committees, purpose, activity and membership for the 2020-21 period are outlined in this appendix.

All the memberships listed are as at 30 June 2021.

EXECUTIVE MANAGEMENT BOARD ACTIVITY

Purpose: To provide strategic direction for the department. The board is the senior governance and advisory group of the department and meets monthly.

2020-21 Activity

The board met on 12 occasions and approved/endorsed:

- Business Plans for DCDD overall, each division and Governance Committee
- People Matter Survey results
- Regional Stakeholder Plan
- DCDD Disability Action Plan
- Corporate Training Framework and calendar
- DCDD Special Measures Plan
- Fraud and Corruption Awareness training
- Enterprise Services Framework
- DCDD Service Statements
- DCDD Strategic Plan 2022-2024 development process
- Development of DCDD Customer Charter
- Annual Communications Plan
- DCDD Acknowledgement of Country Policy
- WHS events calendar
- Terms of Reference for each Governance Committee
- Employment screening model within DCDD reviewed
- NTPS Workforce Strategy 2021-2026 implementation
- Work Health and Safety, working from home during COVID-19
- DCDD Work Health and Safety Consultative Arrangements

The board:

- monitored and supported an increase to DCDD early career programs intake, including graduate rotations, GetSet in the NT 2021, DCDD trainees and the PSMP leadership program run by OCPE.
- provided strategic oversight through monitoring quarterly KPIs and end of year reporting, risk register, DCDD Agency Strategic Priority Plan, bi-annual risk management reporting, WHS quarterly reporting and monitoring of excess leave.
- monitored divisional reports and projects.

Staff are informed of key board decisions and papers considered through CE messaging, the staff intranet and divisional meetings.

Supporting committees

AUDIT COMMITTEE

Purpose: To oversee and monitor audit activities across the department.

Membership

Bridgette Bellenger, General Manager Territory Regional Growth, Department of the Chief Minister and Cabinet (Chair) | **David Ah Toy**, Executive Director Reform Management Office | **Lisa Watson**, Deputy Chief Executive Corporate Services | **Michael Smid**, Director Finance Services | **Stacey Henderson**, Director Application Services | **Jude Florance**, Director Executive Services | **Rex Schoolmeester**, Chief Financial Officer (Ex Officio) | **Jo Vanderpoll**, Senior Manager Governance (Ex Officio) | **Mia Scaturchio**, Governance Administration Officer (Secretariat)

2020-21 Activity

The committee met on five occasions.

Business Plan Achievements:

- Terms of Reference reviewed and updated
- 2019-20 Financial Statements for DCDD, DCS and NT Fleet reviewed and feedback provided
- Internal Audit Charter updated and endorsed
- internal and external audit issues monitored, including actions to address and resolve.

The Risk and Audit committees, although separate, are closely aligned with joint memberships of some members, one combined meeting is held per annum and there is cross visibility of each committee's actions and records.

RISK MANAGEMENT COMMITTEE

Purpose: To provide strategic direction and monitor risk management activities, including business continuity management, across the department and the Government Business Divisions of Data Centre Services and NT Fleet.

Membership

Lisa Watson, Deputy Chief Executive Corporate Services (Chair) | **Alexander Evans**, Director Applications | **John Weippert**, Director ICT | **Jude Florance**, Director Executive Services | **Tracey McMenemy**, Senior Director Workforce Relations | **Wayne Sanderson**, Director NT Fleet | **Zoe Malone**, Senior Director Business Connections Digital Services | **Joanne Vanderpoll**, Senior Manager Governance (Ex Officio) | **Nadine Parkinson**, Governance Officer (Secretariat)

2020-21 Activity

The committee met on seven occasions.

Business Plan Achievements:

- monitored and updated department strategic risks
- oversaw operational risk registers across the department
- oversaw the collation / transition of relevant risks to DCDD as part of CSR3
- reviewed audit outcomes to identify risks to include in either strategic or operational risk registers
- provided support to Governance Services for the Fraud and Corruption Awareness training program.

FINANCE GOVERNANCE COMMITTEE

Purpose: To oversee the effective development of DCDD and its GBDs (Data Centre Services and NT Fleet) budgets and management of financial resources.

Membership

Kathleen Robinson, Chief Executive (Chair) | **David Keirs**, Senior Director Procurement Services | **Vicki Highland**, Senior Director Finance and Employment Services | **Greg Connors**, Senior Director ICT Services | **David Bryan**, Senior Director Property Management | **Rex Schoolmeester**, Chief Financial Officer | **Melanie Lei**, Budgets and Finance – Central Coordination (Secretariat)

2020-21 Activity

The committee met on 12 occasions.

Business Plan Achievements:

- monitored department financial management and budget performance in accordance with Strategic Plan and government priorities
- delivered unqualified sets of financial statements for 2019-20 for DCDD's GBD
- oversaw development of the 2020-21 budget and reviewed output structures for 2021-22
- monitored agency expenditure against budget over the year
- considered changes in accounting treatments and impacts for revised Australian Accounting Standard AASB16 Leases and the ICT Clearing Account
- oversaw extensive changes to the department's budget following the 2019-20 MoG changes.

WORKFORCE MANAGEMENT COMMITTEE

Purpose: To monitor compliance with legislation and government policy with respect to recruitment activity and processes for DCDD and GBDs. The committee supports a strategic approach to recruitment matters, including the management of redeployees and unattached officers.

Membership

Cassandra Spiers, Director Information Management (Chair) | **Rex Schoolmeester**, Chief Financial Officer | **Julie Cargill**, Director Workforce Relations | **Shirley Wilkshire**, Director Workforce Relations | **Ronald Saint**, Director Regions | **Vicki Highland**, Executive Director Finance and Employment Services | **Recruitment Workforce Relations**, (Secretariat)

2020-21 Activity

The committee met on 52 occasions, holding three out of session meetings.

The WMC monitored DCDD compliance with legislation and government policy with respect to recruitment, with reference to agency FTE and Budget.

Business Plan Achievements:

- reviewed 1671 requests covering recruitment to vacancies, extending contracts, and higher duties allowances
- considered proposals for workforce restructures
- considered requests for job evaluations, particularly related to the standardisation of multiple roles centralised during CSR3
- referrals of redeployees and unattached officers to vacant positions
- annual review of the Committee Terms of Reference, forms and processes.

WORK HEALTH AND SAFETY COMMITTEE

Purpose: To provide strategic oversight and direction on Work Health and Safety (WHS) matters for DCDD and GBDs.

Membership

Lisa Watson, Deputy Chief Executive Corporate (Chair) | **Wayne Sanderson**, Director Agency Fleet Services, | **Terry Flynn**, Director Procurement and Commercial Leasing | **Julie Cargill**, Director Workforce Relations Support | **Toni Blair**, Senior Director Business Connections | **Gregory Moo**, Senior Director Digital Services | **Karen Weston**, Digital Portfolio Coordinator | **Paula Short**, Director Technology Services | **Theo Iliou**, WHS Coordinator (Secretariat)

2020-21 Activity

The committee met on seven occasions.

This included additional meetings to discuss matters arising from COVID-19.

Business Plan Achievements:

- completed an annual review of the WHS Risk Register and committee Terms of Reference
- provided strategic direction and contemporary policy advice on WHS matters to DCDD's Executive Management Board
- reviewed and redesigned the WHS reporting for the Executive Management Board to provide greater analysis and insight into statistics and ratings
- completed the annual inspection schedule for Building Walkthroughs by Executive Management Board and WHS Committee members who visited 12 office locations for DCDD, to raise the profile of best practice WHS methods and ensure COVID-19 safety compliance

PROCUREMENT GOVERNANCE COMMITTEE

Purpose: To oversee and monitor high value procurement planning and activities for DCDD and GBDs.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking**, Deputy Chief Executive Digital Services | **David Keirs**, Senior Director Procurement Services | **Greg Connors**, Senior Director ICT Architecture and Cyber Security | **David Bryan**, Senior Director Property Management | **Rahera Noa**, Director Contracts Services | **Carmel Williams**, Senior Procurement and Contracts Officer (Secretariat)

2020-21 Activity

The committee met on 50 occasions.

Business Plan Achievements:

- contributed to and finalised the DCDD Agency Procurement Management Plan 2020-21
- developed and approved the implementation of the DCDD Contract Management Framework
- reviewed audit reports and ensured the recommendations were actioned, including continual improvement of procurement and processes
- considered and monitored industry and key stakeholder engagement strategy and planning
- increased focus on compliance with Contract Management requirements.

DIGITAL PROJECTS STEERING COMMITTEE

Purpose: To oversee the management and delivery of digital and data projects/programs within a structured framework to ensure they meet stated business requirements and are delivered within budget and timeline.

Membership

Chris Hosking, Deputy Chief Executive Digital Services (Chair) | **Kathleen Robinson**, Chief Executive | **Garry Russell**, Senior Director Across Government Systems | **Paul Gooding**, Senior Director Enterprise Project Services | **Bronwyn Lo**, Program Director Enterprise Project Services | **Caroline Lewis-Driver**, Program Director Enterprise Project Services | **Satpinder Daroch**, Director Agency Business Systems | **Donald Young**, Director Digital Strategy | **Zoe Malone**, Senior Director Business Connector Digital Services | **Joshua Gooding**, Director ICT Enterprise Architecture | **Enterprise Project Services** (Secretariat)

2020-21 Activity

The committee met on 23 occasions.

Business Plan Achievements:

- actively reviewed the status of all digital programs and projects each fortnight
- considered resource utilisation across the division as a strategic achievement to promote skill and knowledge sharing across programs and projects
- provided strategic leadership and direction through sound governance practices and prioritisation of projects.

CYBER SECURITY COMMITTEE

Purpose: To monitor and oversee cyber security activities and readiness across DCDD's responsibilities, and the NT Government's enterprise ICT environment.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking**, Deputy Chief Executive Digital Services | **Greg Connors**, Senior Director ICT Services | **Scott Thomson**, Senior Director Data Centre Services | **Adam Smith**, Director Cyber Security (to 30 April 2021) | **Debbie McCarthy**, A/Director Cyber Security (from 30 April 2021) | **Sonia Peters**, Director Cyber Strategy | **Garey Neenan**, Director Digital Policy and Data Strategy | **Donald Young**, Director Digital Strategy | **Paula Short**, Director Digital Agency Business Systems | **Cyber Strategy** (Secretariat)

2020-21 Activity

The committee met on eight occasions.

Business Plan Achievements:

- regular review of the cyber security posture across the NTG ICT enterprise environment
- monitored security projects activity
- oversight of the Cyber Security Awareness Program
- oversight of the cyber security exercise program
- considered and endorsed cyber security related ICT policies.

CORPORATE REFORMS OVERSIGHT COMMITTEE (CROC)

Purpose: To monitor and oversee the delivery of corporate reform programs assigned to DCDD.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Lisa Watson**, Deputy Chief Executive Corporate Services | **Tracey McMenamain**, Senior Director Workforce Relations | **Cassandra Spiers**, Director Information Management | **Vicki Highland**, Senior Director Finance Service and Employment Services | **Ron Saint**, Director Regions | **Wayne Sanderson**, Director NT Fleet | **Peta Preo**, Senior Director Workforce Development | **David Keirs**, Senior Director Procurement Services | **Sarah Temple**, Senior Director Reform Office | **Toni Blair**, Business Connector Corporate Services | **Rosalie Lamour**, Senior Project Officer Reform Office (Secretariat)

2020-21 Activity

CROC was formed in October 2020 and held nine meetings.

- Corporate Services Reforms Plan developed.
- Corporate Services Development Plans reviewed.
- Corporate Action Plans developed to report on project status.
- CROC Project Updates Register created.
- Committee Business Plan developed and endorsed.
- Presentations delivered to CROC, including Service Management Tool, HR Business Partner model, Procurement Opportunities, Human Resources Process Mapping, 2020 MoG activities, Fleet Short Term Hire online booking system, FOI project and Procurement Structure.

DIGITAL REFORMS OVERSIGHT COMMITTEE (DROC)

Purpose: To monitor and oversee the delivery of digital reform programs assigned to DCDD.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking**, Deputy Chief Executive Digital Services | **Ewan Perrin**, Executive Director Office of Digital Government | **Doug Cooke**, Senior Director Telecommunications | **Paul Gooding**, Senior Director Enterprise Project Services | **Helen Perry**, Director Digital Communications | **Jude Florance**, Director Executive Services | **Donald Young**, Director Digital Strategy | **Ian Pollock**, Senior Director Data Services | **Sarah Temple**, Senior Director Reform Office | **Zoe Malone**, Senior Director Business Connector Digital Services | **Belinda Shannen**, Senior Project Officer Reform Office (Secretariat)

2020-21 Activity

DROC was formed in October 2020 and met on 10 occasions.

- Project updates register created to ensure a strong focus on monitoring projects for reform initiatives aligned to TERC, election commitments and a Plan for Budget Repair.
- Updates from external oversight groups, including Enterprise Services Program Board (ESPB) and Fiscal Repair Standing Committee (FRSC).
- Coordinate and review status reporting on digital initiatives to JSC and/or FRSC.
- Provide feedback on proposed digital initiatives and priorities.
- Committee Business Plan developed and endorsed.
- Presentations delivered to DROC, including highlighting digital projects, Digital Territory Strategy and 2021-22 Action Plan, Master Systems Index and development process for Digital Roadmap.

ENTERPRISE SERVICES PROGRAM BOARD

Purpose: The Enterprise Services Program Board oversees DCDD's implementation of reform programs and key projects assigned to DCDD and monitors issues within the strategic oversight of the Fiscal Repair Standing Committee (FRSC) and the Budget Review Subcommittee of Cabinet.

The Enterprise Services Program Board is part of the OneNTG collaborative approach set out in the Enterprise Services Framework. Membership is drawn from senior executives across government to provide external and enterprise-wide oversight of DCDD's delivery of reform projects.

Membership

Kathleen Robinson, Chief Executive DCDD (Chair) | **Catherine Weber**, Deputy Under Treasurer DTF | **Cheryl Winstanley**, Director Employee Relations OCPE | **Karen Elligett**, Executive Director NTPFES | **Fotis Papadakis**, Chief Financial Officer DIPL | **Luke Twyford**, Executive Director Strategy and Performance TFHC | **Jasmin Aldenhoven**, Executive Director DoE | **Sarah Temple**, Senior Director Reform Office DCDD | **Belinda Shannen**, Senior Project Officer DCDD (secretariat)

2020-21 Activity

The committee met on 10 occasions.

- Monitored the reforms program performance.
- Monitored progress of corporate and digital transformation reforms implementation across reform projects identified in the Plan for Budget Repair.
- Considered matters relating to enterprise services reform implementation requirements.
- Provided a coordinated and collaborative approach to enterprise services reform implementation across government.
- Briefings and presentations provided on Information Management Functional Update, Procurement Services Functional Update, HR Services Portal, HR Business Partner Model, Digital Territory Strategy 2021-22 Action Plan, and HR Process mapping.
- Reviewed Enterprise Services Framework, Service Statements, Workforce Dashboards, and 2020-21 Reform Plan.

COVID-19 Governance Groups

COVID-19 OVERSIGHT GROUP (COG)

Purpose: Responsible for overseeing whole of agency preparations and responses to COVID-19 protection measures, considering strategic perspectives and operational priorities. COG coordinates central messaging to the department, receives updates on business continuity in service delivery and employee and workplace health and safety. Actions are undertaken within the context of the Territory Government's emergency response activities.

Membership

Kathleen Robinson, Chief Executive (Chair) | **Chris Hosking**, Deputy Chief Executive Digital Services | **Lisa Watson**, Deputy Chief Executive Corporate Services | **Ewan Perrin**, Executive Director Office of Digital Government | **David Keirs**, Senior Director Procurement Services and Chair of DCDD IRG | **Sonia Peters**, Director Cyber Strategy | **Jude Florance**, Director Executive Services

2020-21 Activity

The committee met on 18 occasions.

- Reviewed and endorsed the DCDD Pandemic Plan, COVID-19 Response Plan; Tiered Workforce Plans; Key Personnel, and Working from Home arrangements to ensure the department's state of readiness.
- Monitored the range of COVID-19 response activities across DCDD, in accord with DCDD Pandemic Plan and CHO Directions.
- Provided regular messaging to staff across DCDD throughout the year, and targeted messaging during lockdown.
- Supported and approved surge workforce and non-essential staff volunteering in roles across the NTG, particularly to assist frontline agencies in lockdown periods.
- Recommended duty of care checks as part of WFH risk assessment.
- Oversaw COVID-19 Survey for lessons learned, implementing endorsed recommendations.

INCIDENT RESPONSE GROUP (IRG)

Purpose: The primary role of the Incident Response Group (IRG) is to manage preparation and response activities for DCDD relating to a significant incident or hazard. IRG is a group of senior DCDD managers empowered to implement preparation and response plans, including providing direction to DCDD staff to ensure the prioritisation and continuity of DCDD operations and safety of staff.

Membership

David Keirs, Senior Director Procurement Services (Chair) | **David Bryan**, Senior Director Property Management | **Jude Florance**, Director Executive Services | **Rex Schoolmeester**, Chief Financial Officer | **Karen Lloyd**, General Services Manager | **Garry Russell**, Senior Director Across Government Systems | **Sarah Temple**, Senior Director Reform Office | **Tina Matthews**, ICT Director Technology Services | **Julie Cargill**, Director Workforce Relations | **Ronald Saint**, Director Regions | **Paula Short**, Director Digital Agency Business Systems | **Dale Clifford**, A/Director Employment Services | **Joanne Staples**, Assistant Director Taxation | **Melanie Lei**, Director Finance and Business Services | **Jo Vanderpoll**, Senior Manager Governance Business Support (Secretariat)

2020-21 Activity

The committee met on 27 occasions.

- Supported DCDD's actions in response to the Chief Health Officer's Directions during the COVID-19 pandemic, including maintaining COVID-19 Safety Plans, developing appropriate protocols, monitoring and ensuring the availability of hygiene supplies, ensuring COVID-19 Safety Officers are identified and staff communications in place to support continued operations during the pandemic.
- Led agency response actions during lockdowns affecting the Darwin and Alice Springs regions.
- Monitored cyclone preparation plans.

ICT Governance Board (IGB)

Purpose: To provide strategic ICT governance for the NTG to enable effective management of ICT resources and guide direction of ICT across government. The role of the Board includes overseeing major ICT projects, providing assurance that the responsible agencies address essential requirements and effectively manage delivery.

Membership

Alister Trier, Chairman Gas Taskforce DCMC (Chair) | **David Braines-Mead**, Deputy Chief Executive DoH | **Maria Mohr**, Deputy Chief Executive DCMC | **Joanne Townsend**, Chief Executive Officer Department of Environment, Parks and Water Security | **Chris Hosking**, Deputy Chief Executive DCDD | **Anne Tan**, Deputy Chief Executive DITT | **Nicole Hurwood**, Deputy Chief Executive DTFHC | **John Harrison**, General Manager, DIPL | **Ewan Perrin**, Executive Director Office of Digital Government DCDD | **Kevin Thomas**, Senior ICT Project Assurance Analyst (Secretariat)

2020-21 Activity

The committee met on 11 occasions.

- The IGB maintained a watching brief over 23 major agency ICT projects.
- Three independent project assurance reviews were commissioned and actioned.
- Through the independent assurance process, IGB highlighted some significant project risks enabling projects to recalibrate and address matters raised to improve project outcomes.

APPENDIX H - *Audits by the Auditor-General*

DCIS Shared Services End of Year Review - *for the year ended 30 June 2020*

AUDIT OBJECTIVE: To review the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCDD on the behalf of NT Government agencies. Audit coverage included samples from financial transactions of 11 Northern Territory Government organisations and focused on:

- June journal entries
- end of year receipting
- prescribed ledger completion processes
- annual leave and long service leave data provided from the Personnel Information Payroll System

- Trust Accounts
- controls and processes applied by DCDD to capture year end balances.

AUDIT OUTCOME: No significant matters were identified during the audit, and accounting and control procedures were found to be generally satisfactory. One audit matter was identified.

- The process of managing exceptions appearing in year-end reports and reconciliations can be enhanced.

ACTION: A monthly report is being developed to identify exceptions.

DCIS End of Year Review - *for the year ended 30 June 2020*

AUDIT OBJECTIVE: To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances at DCDD, with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statements (TAFS).

The review focused on the accrual accounting aspects of the 30 June 2020 financial data contained in DCDD's Government Accounting System (GAS) general ledger and consolidated by the Department of Treasury and Finance into TAFS.

AUDIT OUTCOME: The accounting and control procedures were found to be generally satisfactory.

Two matters were identified:

- unprocessed invoices of \$1,140,446 at the year-end were not accrued for by the agency
- the agency recognised income of \$5.2 million in the incorrect period.

ACTION: A procedure is in place to ensure accruals are captured as part of the end of year process and the ICT clearing account process has been updated.

NT Fleet Financial Statement Audit - *for the year ended 30 June 2020*

AUDIT OBJECTIVE: To undertake sufficient audit procedures relating to the accounts and records of NT Fleet for the year ended 30 June 2020.

AUDIT OUTCOME: An unmodified audit opinion was issued on the financial statements of NT Fleet. Two matters were identified:

- assets held for sale were not valued at the lower of their carrying amount and fair value less costs to sell.

- unreconciled variances exist between GAS and the supporting information systems.

ACTION: Standard Operating Procedures have been established for the valuation of assets held for sale. A process has been developed to undertake a reconciliation of system variances.

DCS Financial Statement Audit - *for the year ended 30 June 2020*

AUDIT OBJECTIVE: To undertake sufficient audit procedures relating to the accounts and records of Data Centre Services for the year ended 30 June 2020.

AUDIT OUTCOME: An unmodified audit opinion was issued on the financial statements of Data Centre Services.

Two matters were identified:

- unreconciled variances exist between GAS and the supporting information systems
- a lease agreement was not signed for the Government Data Centre during the year

ACTION: A process has been developed to undertake a reconciliation of system variances. Processes have been amended for the signing of lease agreements.

SerPro Project Review

AUDIT OBJECTIVE: To assess the following areas in relation to the SerPro system implementation that is intended to replace the Police Realtime Online Management Information System (PROMIS):

- progress of SerPro against the defined budget and stated objectives
- risk and issue management.

AUDIT OUTCOME: No matters arising were identified as part of the procedures undertaken.

ACTION: No action required. This represented a clear audit with no weakness identified across a highly complex digital transformation project.

E-Medication Management (eMMA) System

AUDIT OBJECTIVE: To perform a review of the Electronic Medication Management System (E-Medication).

AUDIT OUTCOME: Key general computer controls tested in relation to the review scope appeared to have operated effectively. 12 matters were identified covering:

- access and permissions to files and sensitive data, including users with terminated network access, user access levels and forms
- monitoring of the eMMA application controls impaired and password settings for eMMA not meeting established practice requirements
- use of guest accounts within eMMA and unused generic system accounts
- the Disaster Recovery Plan not tested in the last 12 months and outcomes from user activity reviews not maintained
- PCIS MedChart is not the latest version of the database
- data protection control weaknesses in relation to both eMMA and PCIS Medchart.

ACTION: The Department is closely focussed on progressing all reasonable action to maintain the reliability of the current e-medications systems while working in parallel to deliver the new Acacia solution, which will replace these systems.

A range of measures are being implemented to strengthen controls in the existing e-medications systems. These include transitioning user access provisioning and related support services to the NTG's whole-of-government ICT Service Centre and the introduction of new service management support tools.

A version upgrade of the underlying eMMA software to version 10 is scheduled which will deliver some short term improvements for clinicians and end users.

The computing hardware and related infrastructure that support the current systems are being transitioned to the NT Government's enterprise level data centre facility, which will strengthen resiliency, reliability and security of these legacy platforms.

Agency Compliance Audit - for the year ended 30 June 2021

AUDIT OBJECTIVE: The audit examined selected aspects of the systems in use as required by the Treasurer's Directions, Procurement Governance Policy and Procurement Rules, with the objective of obtaining reasonable assurance that those selected requirements were being achieved.

AUDIT OUTCOME: The accounting and control procedures provide reasonable assurance that the responsibilities of the Accountable Officer will be met if those systems continue to operate in the manner identified in the audit.

Three matters were identified:

- 10% of undisputed invoices were not processed within the required 20 day and 30 day periods

- there were instances where personnel involved in a procurement activity did not declare any actual, potential or perceived conflict of interest to the delegate
- the Accounting and Property Manual has not been updated.

ACTION: The department has updated Standard Operating Procedures, developed communications for reminding staff of responsibilities, encouraging all to attend procurement training and updated the department's Accounting and Property Manual.

NT Fleet Interim Financial Statements Audit - for the year ended 30 June 2021

AUDIT OBJECTIVE: To facilitate the end-of-financial-year audit of NT Fleet's financial statements required by section 10 of the *Financial Management Act 1995*; identify and examine any significant "new" issues impacting the audit; and in accordance with section 13 of the *Audit Act 1995*, address any control/compliance issues arising from an examination of the accounts and records.

AUDIT OUTCOME: No matters were identified as part of the audit.

ACTION: No action required.

APEX System Internal Control Audit

AUDIT OBJECTIVE: To understand, risk assess and test the internal controls over the APEX application system, relating to financial audit requirements.

AUDIT OUTCOME: No matters arising were identified as part of the audit.

ACTION: No action required.

Government Accounting System (GAS) Controls Audit - for the year ended 30 June 2021

AUDIT OBJECTIVE: To determine there is reasonable assurance that there are satisfactory internal controls for central maintenance of GAS and over the following financial services provided to agencies:

- ledger reconciliation
- financial reporting
- processing of accounts payable
- accounts receivable, including collection of public money and receipts to operating accounts
- advances and official bank accounts
- preparation of the NTG Business Activity Statements for Goods and Services Tax collected and paid
- grants management
- adequate and effective communication with agencies in

respect of the functions performed for them.

AUDIT OUTCOME: Audit procedures performed revealed that generally there are satisfactory internal controls in respect of the central maintenance of GAS and over the financial services provided to agencies. Two matters were identified.

- the timeliness of investigation and resolution of an issue could be improved
- internal controls and procedures are not consistent across the department's processing locations.

ACTION: A Service Delivery Reference Group has been formed to drive process improvements. Standard Operating Procedures and forms have been reviewed, updated and communicated to staff.

Personnel Information and Payroll System (PIPS) Controls Compliance Audit - *for the year ended 30 June 2021*

AUDIT OBJECTIVE: To determine whether there is reasonable assurance that there are satisfactory internal controls for the PIPS payroll and leave recording functions provided to agencies and adequate and effective communication with agencies, including:

- payroll and leave information held in PIPS is accurate and reliable
- procedures deter and protect against fraud
- there is a process for prompt identification of overpayments and a process for recovery
- there is adequate and effective communication with agencies in respect of the functions performed for them.

AUDIT OUTCOME: The audit procedures performed showed generally satisfactory internal controls in relation to PIPS payroll and leave recording functions provided to agencies. Six audit matters were identified:

- delays in employee commencement process
- error in processing of time sheet in relation to an employee's on call allowance
- delay in processing a salary increment
- control weaknesses identified in relation to the debt recovery process
- time delays in processing and removal of employees on PIPS following separation/cessation
- PIPS reports not always actioned in a timely manner.

ACTION: Employees continue to receive training and advice on process requirements and internal controls. Manual processes will always carry some risk of human error. The department is maintaining its focus on clear processes and continuing staff training.

IT Controls Environment Review

AUDIT OBJECTIVE: To understand, risk assess and test the internal controls structure within the service-wide IT mainframe environment with particular reference to mainframe operations for GAS, PIPS and the Payroll and Payment Management System (PAPMS).

The audit covered the design and implementation of IT general controls relating to GAS, PIPS and PAPMS, including:

- identity and access
- GAS Application and Database Security
- PIPS / PAPMS / my Application and Database Security
- NAB Transact Banking Solution.

AUDIT OUTCOME: Key general computer controls tested in relation to the review scope appeared to have operated effectively throughout the review period. One matter was identified:

- The mainframe (RACF) password configuration does not meet the overarching NTG IT Access Standard.

ACTION: The standard is to be updated.

Identity and Access Management (IAMS) Review

AUDIT OBJECTIVE: To assess the effectiveness of controls in relation to IAMS, including:

- access management
- privileged access management
- solution management roles and responsibilities
- IAMS logging and monitoring.

AUDIT OUTCOME: Key general computer controls tested in relation to the review scope appeared to have operated effectively throughout the review period. Two matters were identified:

- ePass scope is inconsistently described
- separations do not automatically trigger a user termination process across all NT Government systems.

ACTION: System user guide has been updated and the department will investigate a workable option to further enhance controls relating to user permissions.

Integrated Revenue Application (INTRA) Review - for the year ended 30 June 2021

AUDIT OBJECTIVE: To assess the following areas of control in relation to INTRA:

- IT general computer controls (including change control, information security, resilience and operations)
- key application controls, including restriction of access to sensitive function, key workflow controls, data input controls and adequacy of reporting
- interface controls with source systems and GAS.

AUDIT OUTCOME: No matters were identified as part of the audit.

ACTION: No action required.

Excessive Leave Entitlements

ASSESSMENT OBJECTIVE: To examine leave entitlements accrued for employees of DCDD, Data Centre Services and NT Fleet in order to identify any employees that had accumulated excessive leave balances.

ASSESSMENT OUTCOME: The review of data related to leave entitlements highlighted the necessity for DCDD, DCS and NT Fleet to manage staff on a continual basis and ensure that staff take their leave entitlement in a timely manner.

Employees with annual leave entitlements in excess of 12 weeks were identified as follows:

- DCDD – 140 (12%) of the 1,174 employees recorded on the annual leave report
- DCS – 12 (26%) of the 47 employees recorded on the annual leave report
- NT Fleet – 2 (11%) of the 18 employees recorded on the annual leave report.

ACTION: The department will continue to monitor employees excessive leave entitlements and leave plans will be implemented where required.

APPENDIX I - *Internal Audits and Reviews*

Official Travel

OBJECTIVE: Assess department travel transactions for compliance with the NTG Travel Policy Framework, legislation and policies.

FINDINGS: TRIPS movement requisitions (MRs) for travel between 1 July 2019 and 30 June 2020 were reviewed with a sample size of 18. All MRs sampled received prior approval in accordance with the NTG Travel Policy. Compliance with the Travel Policy was generally satisfactory, with some instances of non-compliance identified:

- four MRs were not acquitted within 10 working days of return to the workplace

- six MRs reported decreases in actual cost of the travel fare and/or accommodation representing a saving to the department
- one MR reported an increase in actual cost of travel expenses which was not reapproved by a relevant Delegated Officer
- three MRs did not have invoices for cab charges used and no statutory declaration was evidenced.

ACTION: Travel documentation is being updated and reminders are discussed at monthly meetings which include travel processes.

Value for Territory Procurement Audit

OBJECTIVE: To assess compliance with the NTG Procurement Framework, including Value for Territory Assurance.

FINDINGS: The independent audit acknowledged that a strong compliance focus with regards to the NTG Procurement Framework exists within the department. DCDD has procurement training available and a suite of templates that are generally used across the department to efficiently and effectively apply the principles of the NTG Procurement Framework. The independent auditors identified the following:

- three instances out of a sample of 44 Tier 1 procurements did not have purchase orders
- one instance of a Tier 5 procurement noted inaccurate capturing of information

- five instances, out of a total sample of 74 Tier 1 to 5 procurements did not provide Conflict of Interest Forms or did not have the forms signed by a delegated officer
- appropriate records were not always maintained
- one instance out of a sample of 12 contracts in steady state did not comply with Procurement Rules
- a lapse in the knowledge and understanding of the Procurement Rules and the expected application by staff involved in the procurement process.

ACTION: Staff are being encouraged to undertake online procurement training. A central repository has been developed to hold all procurement and contract management files.

Cabinet Information Security

OBJECTIVE: Annual review of the department's Cabinet information to determine if there were any protocol or procedure breaches in the reporting periods and the measures in place to mitigate breaches.

FINDINGS: Review confirmed policy compliance.

ACTION: No action required.

ICT Security Assessments

OBJECTIVE: Independent cyber security audits and reviews are regularly undertaken to monitor the digital eco-system and strengthen NTG ICT systems and assets against the changing cyber security threat landscape. The department also conducts ongoing internal monitoring and remediation activity to protect the NTG's digital environment.

by the Cyber Security Committee and inform decisions on mitigation activity and security controls.

In accordance with security protocols the department does not publish sensitive information about cyber security assessments and controls.

FINDINGS: In 2020-21 three independent ICT Security assessments were conducted. Report findings are addressed

ACTION: Mitigation action activity is reported to, and monitored by, the Cyber Security Committee.

APPENDIX J - *Complaints and Resolutions*

DCDD online feedback and complaints

DCDD promotes and encourages feedback and complaints through our online feedback form for both external and internal clients, and via Ministerial channels. All complaints are tracked to ensure they are resolved and recorded. In the 2020-21 period, 46 instances of feedback and/or complaints were submitted through these channels and were all resolved in the period.

Feedback	Number
Workforce Relations/Development	14
ICT Services/Web	5
Access to NTG systems	6
Payroll	1
Other	4
Ministerial	3
Positive feedback	13
Total	46

Procurement

In 2020-21, two complaints were referred to DCDD regarding the conduct of procurement activities, as summarised below.

Nature of Complaint	Action Taken	Action Taken
<p>Complaint received through the Department of Industry, Tourism and Trade that a local business operator did not receive a notification of a tender released to market in accordance with their user preferences in the Quotations and Tenders Online (QTOL) system.</p> <p>The business requested that the tender be reopened.</p>	<p>Complaint investigated. The business had not accessed QTOL since 2019, resulting in user preferences not being maintained.</p> <p>The request to reopen the tender was unsuccessful as the tendering agency was finalising tender result.</p>	<p>Developing a Terms of Use for QTOL.</p> <p>Investigating options to improve registered users' maintenance of preferences.</p>
<p>An unsuccessful tenderer for D19-0050 Provision of Records Management Services raised concerns about a breach of confidentiality, and integrity of the procurement process regarding a DCDD staff member who was not involved in the process.</p>	<p>Complaint received and investigated by Probity Advisor who found no indication of a breach in the integrity of the procurement process.</p>	<p>Independent investigation undertaken by DCDD Director Governance and Assurance Services of the alleged breach, which concluded no evidence, or likelihood, that confidential procurement documentation was breached.</p> <p>A further complaint was received by the Chief Executive who confirmed the outcome of the investigations.</p> <p>No further action required.</p>

Buy Local Industry Advocate

The Buy Local Industry Advocate is an independent link between local business and the NT Government in respect to government procurement. The advocate investigates complaints from industry and conducts audits on the awarding and implementation of contracts.

There were no complaints from the Buy Local Industry Advocate for DCDD procurements in 2020-21.

Anti-Discrimination

If employees experience discrimination in the workplace they can lodge a complaint to the NT Anti-Discrimination Commission, who will assess the complaint. The *Northern Territory Anti-Discrimination Act 1992* outlines discrimination and conduct, and the process for resolution of complaints of alleged acts of discrimination.

There were no complaints made to the Anti-Discrimination Commission in this reporting period.

Fair Work Commission

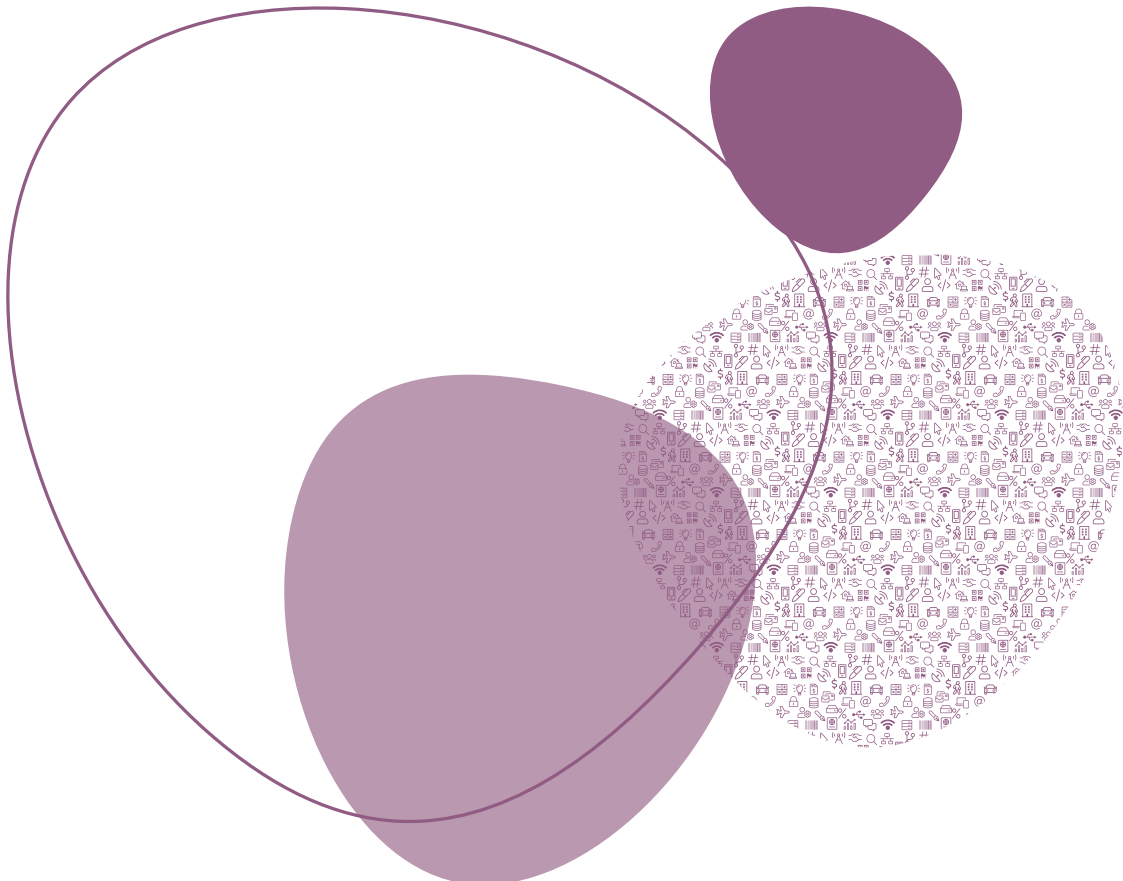
The Fair Work Commission is Australia's national workplace relations tribunal. It is an independent body with power to carry out a range of functions under the *Fair Work Act 2009*, to ensure a safe environment is maintained.

There were no disputes of actions for DCDD staff made to Fair Work Commission in this reporting period.

NT WorkSafe

DCDD is committed to provide a safe, healthy and secure learning and working environment for all employees, contractors and visitors. NT WorkSafe is the NT Government's WHS watchdog, responsible for helping businesses and workers within the NT to understand their obligations under work health and safety.

There was one complaint made to NT WorkSafe in this period which has been resolved.



APPENDIX K - *Gifted and Loaned Vehicles*

\$ (GST Inc)

GIFTED VEHICLES

Darwin Surf Life Saving Club – gifting of tractor*	7 830
Sub Total	7 830

LOANED VEHICLES

Barunga Festival	18 345
Camp Quality	496
Darwin Festival	40 561
Finke Desert Race	15 970
Garrangali Band Tour	7 775
High Ground Film Festival	12 789
Incite Arts - Unbroken Lands	1 997
Maverix Children's Series ABC and Netflix Production	50 272
Nightcliff Sea Breeze Festival	2 816
NT Travelling Film Festival	9 953
NT Writers Festival, Darwin	2 118
Run Larapinta and the Redback MTB Race	3 317
Tracks Dance Company	5 148
Wide Open Spaces	5 907
Sub Total	177 464
TOTAL VALUE OF GIFTED AND LOANED VEHICLES	185 294

* Gifted vehicles are approved by the Treasurer.

A gifted vehicle is reported at its written down value.

The cost of loaning a vehicle is reported at a daily rate times the number of days the vehicle was loaned.

APPENDIX L - Accommodation Costs for Non-Government Organisations

Value of rental paid by DCDD for the premises over the reporting period.

Non-Government Organisation	Building	Supporting Agency	Cost (\$)
Association of Independent Schools of the Northern Territory	NAB Building	Department of Education	80 785
Association of Northern, Kimberley and Arnhem Aboriginal Artists	Harbour View Plaza	Territory Families, Housing and Communities	55 594
Artback NT	Harbour View Plaza	Territory Families, Housing and Communities	73 183
Australia Day Council	NAB Building	Department of the Chief Minister and Cabinet	57 180
Autism NT	Goyder Centre	Department of Health	97 776
Bushmob Inc	Centre for Appropriate Technology Building	Department of Health	215 593
Camp Quality/CanTeen	Unit 13, 82 Woods Street	Department of Health	40 337
Cancer Council of the Northern Territory	NT House, Alice Springs	Department of Health	33 056
Cancer Council of the Northern Territory	Casi House	Department of Health	54 996
CREATE Foundation	NT House, Alice Springs	Territory Families, Housing and Communities	30 963
Darwin Aboriginal Art Fair	Harbour View Plaza	Territory Families, Housing and Communities	33 519
Darwin Festival	Harbour View Plaza	Territory Families, Housing and Communities	153 630
Darwin RSL	NAB Building	Department of Corporate and Digital Development	9 719
Darwin Visual Arts Association	Harbour View Plaza	Territory Families, Housing and Communities	79 147
Genealogical Society NT	84 Smith Street	Territory Families, Housing and Communities	47 278
Girls Academy	Goyder Centre	Department of Education	4 139
Good Beginnings	Randazzo Centre	Territory Families, Housing and Communities	31 975
Industry Skills Advisory Council	The Avenue	Department of Industry, Tourism and Trade	236 657
Keep Australia Beautiful Council Northern Territory	NAB Building	Department of Infrastructure, Planning and Logistics	14 137
L'here Artepe Aboriginal Corporation	20 Parsons Street, Alice Springs	Department of Chief Minister and Cabinet	38 415
Life Education	Goyder Centre	Department of Education	5 795
Multicultural Community Services of Central Australia Inc.	Youth and Community Centre	Territory Families, Housing and Communities	45 865

Non-Government Organisation	Building	Supporting Agency	Cost (\$)
Multicultural Council of the Northern Territory Inc. and Multilingual Broadcasting Council Northern Territory Inc.	Malak Shopping Centre	Territory Families, Housing and Communities	103 076
Music NT	Harbour View Plaza	Territory Families, Housing and Communities	60 333
Northern Territory Badminton Association Inc	Lot 1718/1719 Albatross Street	Territory Families, Housing and Communities	165 361
Northern Territory Council of Government School Organisations	Ethos House	Department of Education	110 620
NT Writers	Harbour View Plaza	Territory Families, Housing and Communities	24 023
Off the Leash	Harbour View Plaza	Territory Families, Housing and Communities	26 818
Pensioners Workshop Association Inc.	48 Albatross Street	Department of Health	34 209
Red Cross	Tennant Creek Government Centre	Department of Infrastructure, Planning and Logistics	0
The Duke of Edinburgh's International Award – Australia (NT Division)	Goyder Centre	Department of Education	8 693
Top End Women's Legal Service Inc.	17 Lindsay Street	Department of the Attorney-General and Justice	67 638
Total Recreation	Casuarina Health Services Complex	Department of Health	53 777
Tracks Dance Company	Harbour View Plaza	Territory Families, Housing and Communities	113 891
Victims of Crime NT Inc.	NAB Building	Department of Attorney General and Justice	90 883
YMCA of the Top End	Satepak House	Territory Families, Housing and Communities	116 793
Youth Drop-in Centre	Palmerston Leisure Centre	Territory Families, Housing and Communities	1
TOTAL EXPENDITURE			2 415 854

APPENDIX M - Grants and Sponsorships

The table below shows the value of DCDD's sponsorships and grants paid in 2020-21 in accordance with conditions/agreements.

Organisation	Purpose	Amount paid (GST exclusive) \$
Grants		
Charles Darwin University	Support for an Associate Professor position in Cyber Security Research	90 000
Charles Darwin University	Scholarships for two IT students	10 000
8CCC Community Radio Incorporated	Enable 8CCC to sustain its community broadcast service and operations	65 000
Telstra Corporation Ltd	NTG / Telstra Remote Telecommunications Co-Investment Programs	4 000 000
NBN Co	Upgrading Yirrkala to fibre to the premise to improve internet service	100 000
Sponsorships		
Charles Darwin University	IT CodeFair 2020	32 727
Australian Computer Society Inc.	'Women in Tech - the Perception Gap in the Time of Pandemic' event	2 000
ICT Industry Association of the Northern Territory	Partner sponsorship for the Reset 2020 Forum	15 000
TOTAL		4 314 727

