



Northern  
Territory  
Government

DEPARTMENT OF BUSINESS AND EMPLOYMENT

# Annual Report 2009–10



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## ABOUT THIS REPORT

This annual report meets the department's legislative reporting obligations, and also provides a record and insight into activities undertaken by the department towards achieving its business outcomes as identified in the 2009–10 Budget.

The report aims to:

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

This annual report is prepared in accordance with section 28 of the *Public Sector Employment and Management Act* and the *Financial Management Act*. It presents the Ministers with a summary of the activities of the department in 2009–10.



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

Minister for Defence Support



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



**Hon Paul Henderson MLA**  
Minister for Defence Liaison



DEPARTMENT OF BUSINESS AND EMPLOYMENT

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

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

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

Dear Ministers

I am please to present you the Department of Business and Employment's annual report for the year ending 30 June 2010, in accordance with the provisions of Section 28 of the *Public Sector Employment and Management Act*.

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

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

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

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

Yours sincerely

GRAHAM SYMONS  
Chief Executive

30 September 2010

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## CHIEF EXECUTIVE'S MESSAGE



**Chief Executive  
Graham Symons**

This has been a significant year on a number of fronts. Against a backdrop of change at a Territory and national level, the department has been able to make substantial contributions to the achievement of Northern Territory Government policy objectives.

Territory 2030, which was launched in December 2009, includes a number of targets for which this department has some responsibility, including the following in which specific action occurred in 2009–10:

- growing the size and skills of the workforce
- securing private investment
- expand the Defence supply and service sector
- provide access to innovative business development programs
- facilitate access to high-speed broadband and the internet for major towns and communities and for businesses in regional centres.

The department has also been integral to the implementation of government Climate Change Policy initiatives.

Energy-efficiency of government offices is improving through the Green Office Building policy, which officially commenced in December 2009 but started taking effect beforehand: following the consultation phase in 2008, property owners had anticipated the December policy announcement and had commenced planning to upgrade the energy efficiency of government-leased offices nearing the end of a lease. In June 2010, a Request for Expression of Interest was released including green office space closer to residential areas, reducing traffic congestion and home-to-work travel.

Greening the Fleet, which commenced in July 2009, achieved a 5% reduction in CO<sub>2</sub> emissions across NT Fleet over the year. This was a little lower than targeted, partly due to slower than expected new vehicle delivery times.

The ecoBiz NT program continued to experience high uptake from businesses looking to reduce carbon emissions and reduce costs.

The department has had a key role in strengthening information and communications technology services across the Northern Territory.

The new whole-of-government ICT contracts, which commenced in June 2010, will meet the government's growing demand for greater bandwidth, internet and mobile services while achieving savings through a new contract structure which achieved a more competitive tender process. Another benefit of the new contracts is a single help desk across all services.

Completion of the Arnhem Optic Fibre by Telstra, in partnership with the government, saw Nhulunbuy and seven Territory Growth Towns connected by optic fibre for the first time. The success of the government's \$15 million submission for the Australian Government Digital Regions Program will support improved health, education and policing outcomes in 17 of the 20 Territory Growth Towns. The joint funded project capitalises on improved telecommunications infrastructure and technology and advances in telemedicine. The Health-eTowns project will help reduce the tyranny of distance in the 17 Territory Growth Towns through improved service delivery in health and education and by providing access to broadband services to reduce social isolation.

The Northern Territory was also successful in securing a further \$2.1 million in Australian Government funding under the Remote Indigenous Internet Access program which will establish and maintain internet enabled PCs in 42 public access venues such as local libraries, and shire offices. Training will also be provided under this initiative.

In 2009–10, the department took on the responsibility for coordinating the government's Indigenous employment effort. The department worked with Australian Government agencies and Northern Territory Public Sector (NTPS) agencies to facilitate opportunities for Indigenous employment in the NTPS and through government procurement of construction, goods and services.

Indigenous employment and training will also be bolstered through the Northern Territory Government's new employment strategy Jobs NT 2010–12, which was launched by Minister Knight on 27 May 2010.

Jobs NT commits \$312 million over the next three years to create a sustaining workforce, providing not only jobs, training, student support and infrastructure, but also targeted help for business, employers and job seekers. Embedded in the strategy is \$11 million of additional funding to continue government's commitment to apprenticeships and traineeships and increasing Indigenous employment.

Figures released in January 2010 show that the Northern Territory has increased its national share of overseas skilled migration from 0.3% to 0.9% over the past four years.

In terms of supporting business and encouraging investment in the Northern Territory, 2009–10 has seen a number of successes.

InvestNT, a whole-of-government investment web portal, went live in May 2010. It is designed to provide a single global entry point for potential investors seeking investment opportunities and information about the Northern Territory's economy and operating environment.

October Business Month (OBM) 2009 set a new record for business participation, with a 9.7% increase in attendance to 4833. This equates to 26% of all Northern Territory businesses attending OBM events. OBM 2009 audiences attended a packed program

of professional development workshops, seminars, business breakfasts and dinners, award presentations and networking events in all regions of the Northern Territory.

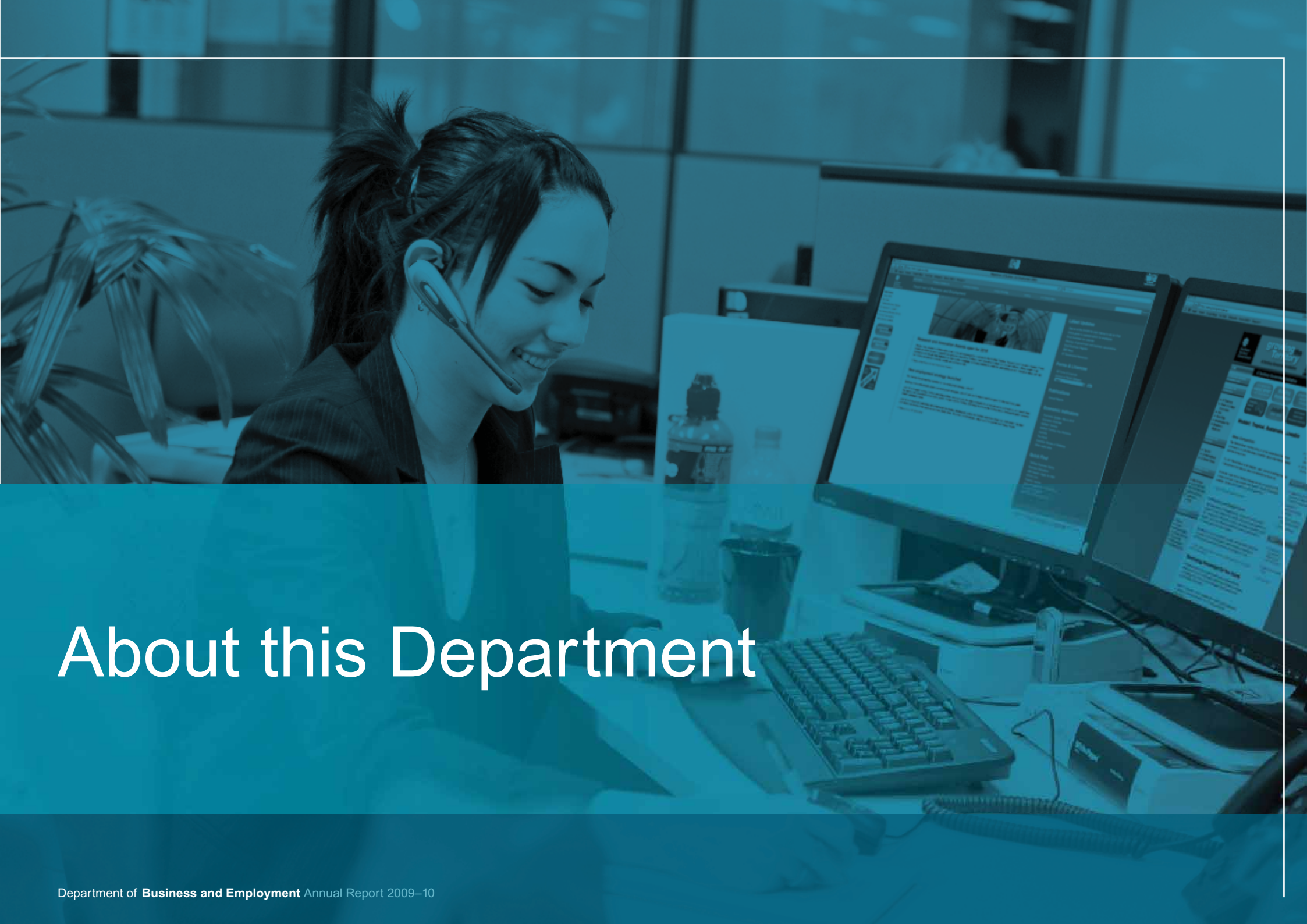
Feedback from 93% of OBM participants indicated that they had learnt something new that could be applied to their businesses, and 87% of participants expected to improve or change some aspect of their business practices.

The Sensis® Report released in May 2010 identified business support programs as a key reason for support of government policies by small to medium enterprises (SMEs). The same report showed Northern Territory SMEs to have consistently the highest level of business confidence in the nation through 2009–10.

Finally, a new opportunity for NT-based Defence support industry jobs came to fruition with the long awaited Australian Government announcement of the preferred tenderer for the Abrams Tanks support contract in May 2010.

I want to express appreciation for our partners in business and industry, and in other government agencies, and I thank all staff for their efforts during 2009–10. I look forward to another productive year as we work to achieve Northern Territory Government strategic objectives throughout 2010–11.

**Graham Symons**



# About this Department



## ORGANISATION OVERVIEW

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

The diagram on page 4 shows the organisation's structure.

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

The total budget for 2009–10 is just over \$150 million, excluding the GBDs, which are separate budget entities. Refer to page 82 for more financial information.

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

## IN PROFILE

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

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

This includes providing strategic programs and activities to support business and industry development.

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

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

Key responsibilities are to:

- identify, assess and support business and industry development opportunities
- improve business competitiveness and productivity
- stimulate business innovation, research and knowledge development
- provide strategic labour market research and advice

- coordinate employment programs for graduates, new apprentices and Indigenous cadets
- develop procurement policy, provide secretariat services to the Procurement Review Board and provide procurement advice to agencies
- develop, promote and implement employment strategies, including coordination of Indigenous employment, Regional Job Hubs, skilled migration programs and Workforce Growth NT
- provide information technology services to support government business
- operate corporate systems to enable processing of government transactions such as accounts and payroll
- develop information and communications technology policy including telecommunications strategy for remote area communication services
- lease office accommodation and manage leased property to support government service delivery.

## ABOUT THIS DEPARTMENT



### Data Centre Services

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

Key responsibilities are to:

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



### Government Printing Office

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

Key responsibilities are to:

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



### NT Fleet

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

Key responsibilities are to:

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

## OPERATIONAL STRUCTURE

The following diagram outlines the department's operational structure by output group and the responsible areas and includes the Corporate Services Division that services all areas in the department.



## CORPORATE PLAN

The department's Corporate Plan 2009–11 outlines strategic issues and sets priorities that focus on supporting the department to realise the tactical issues it faces over the next three years.

### WE VALUE:

People

Performance

Professionalism

#### Our business is to:

- build industry capabilities through support and solutions for Northern Territory businesses
- develop, attract and retain a skilled Northern Territory workforce
- provide corporate shared services to the Northern Territory Government.

#### Our strategic issues:

- employment
- business support and industry development
- Indigenous development
- electronic service delivery
- land development
- climate change.

#### We will deliver our strategic actions by:

- attracting capable employees
- realising staff potential
- building leadership capacity
- being solution-focused
- strengthening policy skills
- understanding and anticipating customer needs
- actively engaging with stakeholders
- supporting work-life balance and occupational health and safety.

#### To meet and respond to our strategic issues we must employ the following targeted actions:

##### Employment

- establish Workforce Growth Unit
- enhance labour market analysis model
- develop a Northern Territory Employment Strategy across the Territory incorporating Indigenous employment and career development
- establish regional job hubs
- enhance Skilled Worker Campaign
- develop Northern Territory Business and Skilled Migration Strategy.

##### eServices

- Develop an information and communications technology (ICT) strategy for government to advance electronic service delivery in the areas of:
- e-Health
  - e-Government
  - e-Learning
  - e-Government support to business
  - high speed broadband.

##### Business and Industry Growth

- promote and facilitate industry and business development
- conduct forums to inform small businesses about major project opportunities
- land for industry growth initiative
- identify and support the development of new industries, opportunities and investment
- stimulate innovation, research and knowledge development
- maintain and improve the Northern Territory's business operating environment.

##### Corporate Services

- implement Corporate Services Review for Finance and Human Resource Services
- improve reporting to assist in agency decision making
- plan for development of enhanced human resources information systems
- identify future opportunities to improve corporate services efficiency and effectiveness.

##### Working Future – Indigenous Development

- Develop and implement:
- cross-cultural training for government
  - Indigenous recruitment to Northern Territory Public Sector (NTPS) administrative stream
  - recruitment and support for NTPS Indigenous apprentices and trainees
  - telecommunications infrastructure and eServices applications.

##### Climate Change

- Develop and implement policies for:
- Green fleet, procurement and leasing strategies
  - Green IT
  - ecoBiz NT initiative.



# ABOUT THIS DEPARTMENT

## EXECUTIVE STRUCTURE

as at 30 June 2010



\* Management Board Member

# ABOUT THIS DEPARTMENT

## PEOPLE

The department strives to foster a positive and productive working environment that provides a platform for open and honest communication, empowers staff, treats them fairly and equitably and encourages them to take personal responsibility. The department actively promotes occupational health and safety in the work environment, particularly in specialised workplaces where heavy machinery is used.

The department supports and promotes staff learning and development through its Corporate Capability Plan, which facilitates networking and learning opportunities through in-house programs and external leadership and development programs.

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

Department – 615

Data Centre Services – 62

NT Fleet – 33

Government Printing Office – 31

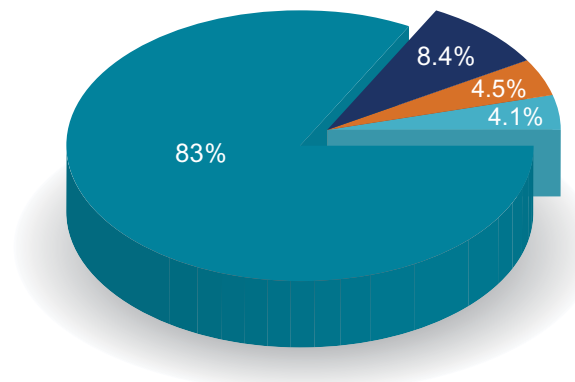
Within the department, 53% of staff work for Finance Services (108) and Human Resource Services (218). The remaining 47% work in procurement services, property management, information, communications and technology

services, employment, business and industry support, and internal corporate management.

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

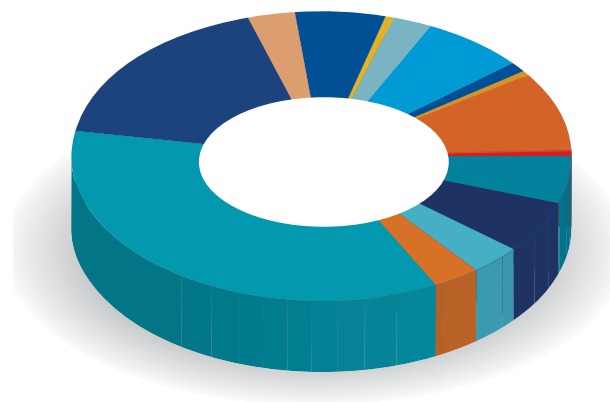
### Full-Time Equivalent (FTE)

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



### JUNE 2010

#### Staffing Levels by Division – Full-Time Equivalents (FTEs)



Division	No.
Business & Industry	33
Business Support	37
Employment	20
Property Administration	18
HR Services	218
Finance Services	108
Corporate Reporting	20
IT Services	36
Sourcing Strategy	2
ICT	17
Procurement	40
Regional Offices	7
Corporate Services Review	4
Internal Corporate Support	53
Shared Services Executive	2
Executive	2
<b>Total DBE</b>	<b>615</b>

## CUSTOMERS AND STAKEHOLDERS

A key priority for the department is continuous improvement of our relationship with customers and stakeholders.

Our customers are:

- the business community
- government agencies, business divisions and statutory authorities
- government employees and prospective employees.

Other stakeholders are:

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

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

## FINANCES

The department is primarily funded by output appropriation from the Central Holding Authority, which comprises around 89% of the department's revenue. The department notionally charges general Northern Territory Government agencies for shared services provision. The department aims to provide cost-effective shared services with services based on a cost recovery model. The price list as at 30 June 2010 is at Appendix I.

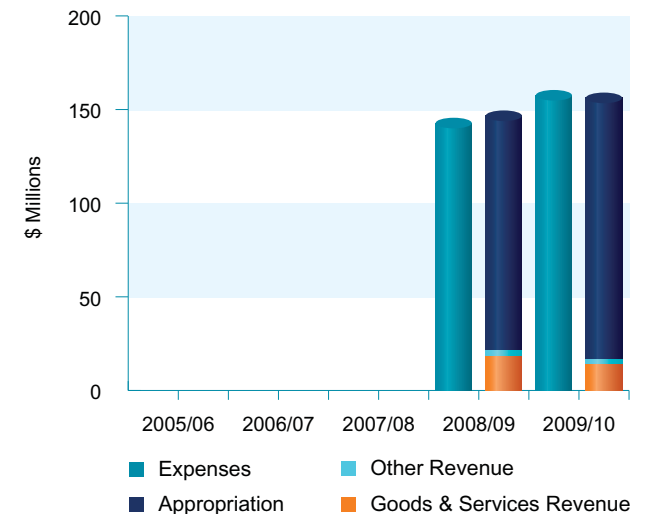
The majority of the remaining revenue is received from government business divisions for services provided.

Departmental expenses comprise property leasing costs (38%), employee costs (33%), grants (6%), ICT support costs to operate and maintain whole-of-government corporate systems, as well as the one-off acquisition costs for assets and transition to the new ICT Contracts (17%) and operational costs (6%).

Overall expenditure in 2009–10 was within 0.01% of budgeted expenditure when taking into account the carry-over of funds received for Commonwealth grants not spent as at 30 June 2010.

Financial statements start at page 82. The audited statements for the three government business divisions received unqualified audit opinions.

## DBE Expenditure and Revenue Trends



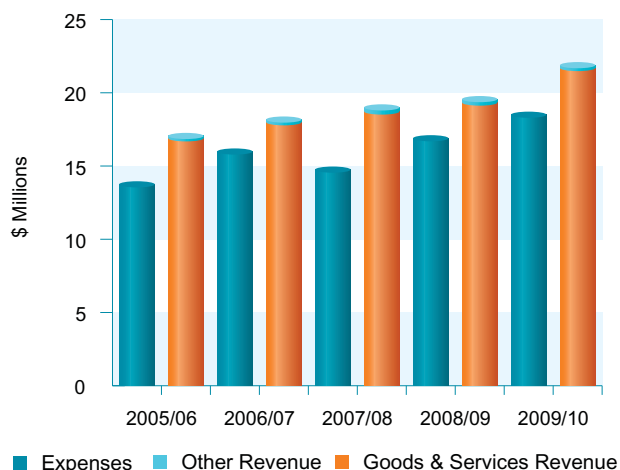
# ABOUT THIS DEPARTMENT

## Data Centre Services

DCS experienced revenue growth throughout all business functions, which include mainframe, midrange, and ePass services. Mainframe hardware was refreshed during the year at a capital cost of \$1 million, while Chan Data Centre infrastructure, the virtual server environment and the storage area network were all upgraded at a total cost of \$1.2 million.

DCS' net surplus after tax for 2009–10 was \$500 000 higher than anticipated at \$2.37 million.

### DCS Expenditure and Revenue Trends



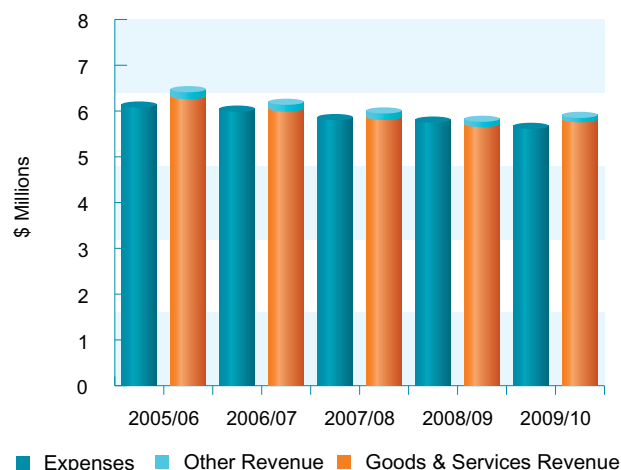
## Government Printing Office

The demand for printed materials during 2009–10 was consistent with the previous year.

GPO maintained its focus on internal operating efficiencies and, as a result, was able to deliver an improved financial performance in 2009–10.

GPO's net surplus after tax was \$170 000 for 2009–10, \$80 000 higher than anticipated.

### GPO Expenditure and Revenue Trends

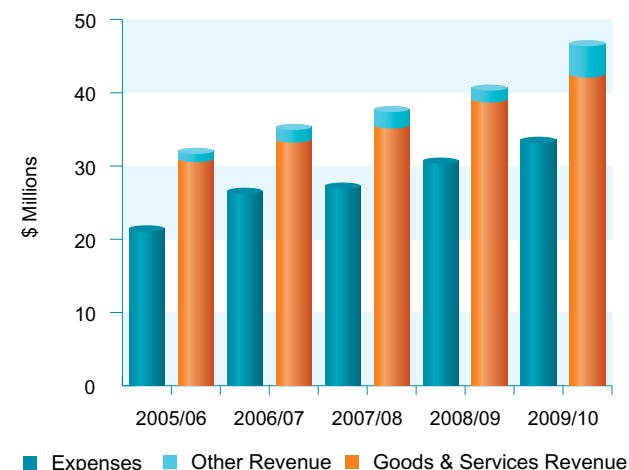


## NT Fleet

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

NT Fleet's net surplus after tax was \$9.2 million for 2009–10, \$900 000 higher than anticipated.

### NT Fleet Expenditure and Revenue Trends





## REGIONAL HIGHLIGHTS

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

### Highlights: Alice Springs and Tennant Creek

Conducted October Business Month activities, with 24 events in Alice Springs (1417 attendees) and two events in Tennant Creek (32 attendees).

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

Established Regional Job Hubs in Nhulunbuy and Tennant Creek, with Regional Workforce Growth NT officers operating in Alice Springs, Nhulunbuy and Tennant Creek.

Successfully delivered business improvement programs including:



### Alice Springs

- 20 New Starter Workshops, 20 Territory Business Upskills Workshops and 7 Business Coaching sessions
- 19 grants under the Territory Business Growth program
- 312 business and skilled migration visa applications received with 145 nominations.

### Tennant Creek

- 5 New Starter Workshops and 7 Territory Business Upskills Workshops and 2 Business Coaching sessions
- 1 grant under the Territory Business Growth program
- 11 business and skilled migration visa applications received with 4 nominations.

Conducted a Government to Business Expo in Alice Springs attended by approximately 100 private sector personnel. The expo aimed to assist businesses to discover and access business support programs, services and grants, information relevant to licensing and regulatory requirements and to gain access to government specialists and procurement officers. A total of 12 Northern Territory Government agencies, four industry groups and 11 Australian Government agencies participated.

Further consolidated Accounts Receivable functions from across the department in the Alice Springs office with the roll-out of a single Customer File across all agencies.

Engaged 31 regional apprentices, including 10 Indigenous apprentices. The apprentices work in seven different apprenticeship areas, with the majority working in Business Skills or Conservation and Land Management. The region also engaged its first school-based apprentice in Business through the Department of Justice.

### Highlights: Katherine and Nhulunbuy

Conducted October Business Month activities, with 12 events in Katherine (177 attendees) and two events in Nhulunbuy (52 attendees).

Ensured client managers regularly visited Katherine and Nhulunbuy businesses and Procurement Liaison met with businesses in Katherine.

Successfully delivered business improvement programs, including:

### Katherine

- 15 New Starter Workshops, 14 Territory Business Upskills Workshops and 3 Business Coaching sessions
- 6 grants under the Territory Business Growth program
- 30 business and skilled migration visa applications received with 10 nominations.



### Nhulunbuy

- 3 Territory Business Upskills Workshops and 1 Business Coaching session
- 4 grants under the Territory Business Growth program, 43 business and skilled migration visa applications received with 15 nominations.

Strengthened the working relationship between the corporate and business areas of the department, with joint projects such as the Katherine Show stand, the Farm and Garden Day stand and the local Careers Expo.

Managed the major refurbishment of the Katherine Government Centre, which affected six agencies. Some 600 computer or printer moves and 550 phone moves were required during the period with all agencies reporting positive outcomes and minimal disruption.

Engaged 12 regional apprentices, including 10 Indigenous apprentices (four apprentices are located in remote areas).

Reviewed the service delivery functions of the Nhulunbuy office in light of significantly reduced workload, with matters now in hand to facilitate the transfer of some functions to Katherine and the adoption of alternative service delivery methodologies for the remaining functions. The review incorporated widespread consultation and communication with all stakeholders including government agencies, local businesses and public stakeholders.

### ACHIEVEMENTS IN 2009–10

#### Output Group – Business Development

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

Delivered the 15th October Business Month, targeted at providing new business management knowledge and ideas to the Northern Territory business community.

Continued the Territory Business Upskills program offering Northern Territory small businesses opportunities to identify areas for improvement to increase capacity and capability.

Encouraged business, through the Territory Business Growth Program, to achieve growth and employment, and improve chances of gaining government tenders and developing and implementing quality assurance and occupational procedures.

Provided support to ensure that Northern Territory businesses use the department's wide range of business development programs.

Continued membership of and input to the Aviation Inter-agency Advisory Committee, leading to the development of a three year aviation strategy.

Continued to administer the Building Northern Territory Industry Participation (BNTIP) policy.

Maintained implementation of the *Access to Biological Resources Act* and continued

promotion nationally and internationally of the Northern Territory as a source of biodiscovery.

Assisted the continued broadening and growth of the Northern Territory's economic base including the launch of InvestNT, a whole-of-government web portal for investment attraction and facilitation.

Promoted the Common User Area and its availability and benefits to project proponents and prime contractors in the mining and oil and gas industries and continued to participate in the industry-government Strategic Management Group guiding its future development.

Continued priority promotion of Northern Territory industry capability, and promotion and marketing of the Territory and its Defence support industry.

Continued support for the Australian Industry and Defence Network Northern Territory and the implementation of the Northern Territory Defence Support Industry Development Strategy (2007–2017).

Launched the Chief Minister's Anzac Spirit Study Tour award for Year 9 and 10 students.

Continued support for Defence community and national families week events.

Completed employment survey in Territory Growth Towns.

Provided expert advice and support on business and employment to the Service Delivery Coordination Unit.

## ABOUT THIS DEPARTMENT

Spearheaded development of knowledge and innovation in the Northern Territory through supporting the Northern Territory Research and Innovation Board, research and innovation grants and Charles Darwin Medal event and liaising with Australian Government instrumentalities fostering innovation, disseminating information to Territory businesses.

### Output Group – Employment

Developed and launched Jobs NT 2010–12.

Represented (with the Department of Education and Training) the Northern Territory Government to sign and commence Memorandum of Understanding on Transitions, Skills, Workforce Development and Employment with the Australian Government Department of Education, Employment and Workplace Relations (DEEWR).

Signed the Undertaking Agreement between the Australian Employment Covenant and the Northern Territory Government to deliver 200 Indigenous employment outcomes in the Northern Territory Public Sector.

Developed the Jobs in the NT Campaign 2009–10 in cooperation with peak industry bodies and coordinated and attended shows locally, nationally and internationally to promote employment opportunities in the Northern Territory.

Supported 15 programs across all regions and initiated 12 new programs under the Indigenous Training for Employment Program.

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

Maintained the Territory Worker Database, which attracted registrations from more than 3 000 jobseekers including people skilled in shortage areas, such as trades, education and health.

Attended regional expos across the Northern Territory, driving a 600% increase in businesses registrations to search for workers in the database, with nearly half located in regional areas.

Certified 707 primary applications (1579 visas), an increase compared with previous years. Over 70% of migrants coming to the Northern Territory are skilled, and most have occupations matching those on the skilled shortage list.

### Output Group – Shared Services

#### Finance Services

Improved the Travel Request Information Processing System (TRIPS) and automated travel allowance payments through the Government Accounting System (GAS).

Implemented stage 1 of Electronic Invoice Management System with invoices being scanned, processed and interfaced into GAS.

Delivered dynamic refreshable finance reports through implementing new report writing practices and technology. The result is quicker development time and faster, more flexible financial reporting for clients.

Designed a new electronic purchase requisition system for Tier 1 purchases.

Moved most Darwin-based Finance Services functions from a CBD location to new premises

at Casuarina. Functions included Accounts Payable, Taxation Services, Asset Accounting and Accounts Management. This marked the final phase of co-locating functions and locating staff closer to where most people live, as envisaged in the Climate Change Policy.

#### Human Resource Services

Supported the Working Future strategy by rolling out cross-cultural training courses across government.

Implemented the new Indigenous Employment Program for base-grade administrative positions. A total of 14 jobseekers commenced in 2009–10 and their training will conclude in 2010–11.

Market tested and procured a web based e-Recruitment system that will deliver service efficiencies through electronic administration of recruitment functions across all agencies. It will also benefit potential applicants with improved communications and document handling. Project implementation commenced in 2010 and is scheduled to conclude by the second quarter of 2011.

Developed a self-service function in myHR for employees to request back copies of payment summaries.

Commenced a pilot for streamlining the certification of payroll transaction records.

Commenced work on an electronic timesheet for recording extra duty and allowances for police officers.

## ABOUT THIS DEPARTMENT

### Procurement Policy and Services – Procurement Policy

Implemented government policy to streamline a range of procurement initiatives:

- an increase to all procurement thresholds
- public quotations issued via Tenders Online for Tier 3 (between \$50 000 and \$200 000)
- disclosure of tender assessment criteria weightings for all tenders with an estimated value of \$200 000 and greater
- mandatory use of Agency Procurement Requisition Online (APRO) for Tier 2 (\$15 000 to \$50 000) to Tier 5 (\$5 million and greater)
- removed the limit of delegation to agency chief executives for issuing Certificates of Exemption from Public Tendering (previously Procurement Minister was required to issue Certificates where value exceeded \$250 000).

Worked closely with the Employment Division to review the Procurement Directions to achieve more accurate recording of achievements in employment, in support of the Working Future strategy.

Developed a procurement policy that takes into account environmental sustainability.

### Procurement Policy and Services – Procurement Services

Established a Procurement Network of departmental procurement professionals out-posted to agencies to improve procurement outcomes, as part of stage 2 of the Northern Territory Government procurement initiatives.

Redeveloped the Agency Procurement Requisitions Online (APRO) system to incorporate changes to tender thresholds and introduction of public quotations for procurement in the \$50 000 to \$200 000 range.

Initiated system improvements to capture tender assessment data, incorporate Procurement Review Board approvals into the workflow and enhance agency reporting.

### Information and Communication Technology Services

Applied Sourcing Strategy for procurement of the third generation of major ICT outsourcing contracts. This is a substantial project spanning 2008–09 to 2010–11, involving a comprehensive and highly complex procurement approach covering the range of outsourced ICT services required for all government agencies.

Commenced most new ICT outsourcing contracts by July 2010. The procurement process involved extensive industry and agency consultation in the tender development phase and rigorous evaluation, overseen by a probity auditor.

Undertook programs to disengage from previous contracts and move to new ICT contracts in the final quarter of 2009–10, with some continuing into 2010–11.

Completed e-Services strategy consultancies for e-Business, e-Health and e-Learning to enhance the Northern Territory's capacity in electronic service delivery.

Secured \$7 million of Australian Government funding matched by \$8 million of Northern

Territory Government funding for a three year project to deliver e-Health and e-Learning services in 17 of the 20 Territory Growth Towns.

Completed the Arnhem link, which involved investing \$6.8 million in partnership with Telstra, the Northern Land Council and Rio Tinto to build a \$34 million fibre communications link across Arnhem Land, connecting nine remote communities with high speed broadband.

Supported funding bids under the following national programs:

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

### Office Leasing Management

Issued Green Office Building Policy as part of the Climate Change Policy, following extensive consultations across the Northern Territory with property owners, developers and industry representatives.

Negotiated commitment agreements to comply with the Green Office Building Policy with the owners of most major buildings in Darwin, Palmerston, Katherine and Alice Springs.

Introduced a new commercial lease template with contemporary and equitable provisions, including green lease schedules, following detailed negotiations with key stakeholders including the Property Council of Australia (NT Division).



## ABOUT THIS DEPARTMENT

Successfully negotiated 37 new leases and renewed 37 leases.

Contributed to the development of a National Framework for Sustainable Government Office Buildings, as a member of the inter-jurisdictional Government Property Group.

Engaged an independent expert to develop a policy discussion paper on a proposed Workplace Design and Management Policy. The discussion paper will be released for stakeholder consideration in 2010–11 and a formal Policy and Accommodation Guidelines will then be developed. This project is being jointly managed with the Department of Construction and Infrastructure.

Participated in development of a Government Business Centre model for Nguiu as a template approach for centres in other Territory Growth Towns.

### Business Line – Data Centre Management

Finalised the electronic passport2 system (ePass2) and implemented the system's second phase to manage all NTPS employee identity information and improve the integration with outsourced service providers for ICT service requests.

Delivered more efficient application hosting and reduced carbon emissions through server virtualisation technologies, which currently stands at 270 servers and equates to over 60 metric tonnes per month of CO<sub>2</sub> avoidance.

Completed the upgrade of the mainframe to a Z10 business class server.

Converted a number of agencies' business systems to the current generation of application software and installed the enterprise service bus which provides an interface between mainframe and midrange business systems.

Completed the upgrade of the data backup system, which has reduced the time required to complete this daily task and reduced the amount of data backed up by using data de-duplication technology.

Completed the Data Centre Services benchmarking study, which reported that services were generally equal to or better than those of peer organisations.

### Business Line – Printing and Publication Services

Implemented a customer feedback questionnaire to ascertain customer satisfaction with the services provided by the Government Printing Office. Customers advised a 97% satisfaction rating.

Continued to work in partnership with private sector printing firms to support industry by outsourcing work fairly and equitably.

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

Implemented Greening the Fleet Strategy, which will see a 20% reduction in the average CO<sub>2</sub> produced by the government's passenger and light commercial fleets (measured in grams per kilometre) over five years. 2009–10 marked the first years of the strategy with a 7%

CO<sub>2</sub> reduction target set and a 5% reduction achieved across government. Delays in vehicle delivery and slow uptake of the strategy by some agencies contributed to this target shortfall, which will need to be made up in 2010–11.

Increased the number of more fuel efficient 4-cylinder vehicles from 63% to 70%.

Introduced fortnightly auctions to increase opportunity for greater sales at improved sale prices for government vehicles at public auction.

Sponsored a Fleet Management training course, delivered by the Institute of Public Works and Engineering Australia, which was well received by agency participants.

Delivered a net profit of \$9.24 million, representing a 10.3% return on assets.

Upgraded the fleet website to incorporate ANCAP safety ratings for vehicles.

Modified the pool vehicle booking system to cater for specific requirements of the Department of Health and Families, which has now fully implemented this system.

Finalised the replacement program for elevated work platforms for Power and Water Corporation.

## PRIORITIES IN 2010–11

### Output Group – Business Development

Promote business and industry development and growth, and provide assistance to business in responding to the challenges of current market conditions.

Formally launch InvestNT portal and actively promote the Northern Territory as an investment destination.

Continue the Industry Development Support Program to provide operational and program support.

Carry out the commitment of a new Business Efficiency Program to improve environmental aspects through grants and training to business operators.

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

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

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

### Output Group – Employment

Develop and implement the Northern Territory Migration Plan.

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

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

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

Develop and release the Jobs in the NT Campaign 2010–11.

Support Local Implementation Plans in the Territory Growth Towns.

Develop government procurement policy that optimises Indigenous employment opportunities.

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

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

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

Implement Jobs NT employment strategy with a focus on workforce development in industry sectors including construction, transport and logistics (including marine supply), oil and gas, manufacturing and early childhood services.

Enhance the labour market forecasting suite.

### Output Group – Shared Services

Streamline the provision of corporate services across government with a particular focus on core finance and human resource services.

Implement the Electronic Invoice Management System (stages 2 and 3) to automate the accounts payable process.

Implement a new electronic recruitment system across government that will deliver contemporary automated recruitment processes for government agencies and job applicants.

Implement a new electronic purchase requisition system for Tier 1 purchases (below \$15 000).

Continue to develop and implement a range of HR process and system improvements including electronic timesheets, myHR functionality for managers and supervisors and streamlining certification processes.

Implement a new HR Reporting Solution that will deliver a full suite of human resource management reports for use across government.

Implement a new NTPS school-based apprenticeship program with a target of 40 apprentices.

Expand the Indigenous Employment Program (Administrative Stream) with at least two intakes in 2010–11.

Successfully disengage from existing ICT contracts and move to new arrangements under the third generation ICT Outsourcing contracts.

Establish a new model for managing the delivery of ICT services across government, including

## ABOUT THIS DEPARTMENT

the ICT infrastructure program and a central billing model.

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

Progress strategies to enhance communications infrastructure across the Northern Territory.

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

Expand the coverage of procurement network consultants and work with agencies to capitalise on the benefits of their specialist expertise.

Deliver procurement training on tender debriefing, tender specifications and contract management.

Review business processes in Contract and Procurement Services.

Assess proposals from public Expressions of Interest seeking leased office accommodation in Darwin, Palmerston and Nhulunbuy.

Coordinate accommodation plans to relocate agencies from the Greatorex Building in Alice Springs.

Develop and implement a Workplace Design and Management Policy in conjunction with the Department of Construction and Infrastructure.

Increase the use of paper recycling in building cleaning contracts.

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

Coordinate the across government Agency Efficiency Review project.

### Business Line – Data Centre Management

Improve technological and computing capabilities further expanding the virtual server and data storage environment.

Improve the operational efficiency of the mainframe service in view of two key systems being retired in 2010–11.

Contain the carbon footprint of an energy intensive facility.

Determine options for the establishment of a second data centre site as a disaster recovery facility.

Review the role of ePass and its role in providing government identity management services.

Establish a capacity planning and forecasting model for data centre hosting services.

### Business Line – Printing and Publication Services

Fully implement the National Printing Industry Sustainable Green Print Environmental Management Certification System in Government Printing Office (GPO).

Review service delivery options for printing services to agencies, including coordination of printing management functions, to ensure effective and efficient services to customers.

Continue monitoring energy usage and seeking ways to reduce the GPO's carbon footprint.

Maintain work share with private sector print industry.

Recruit a new Government Printer.

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

Continue to monitor and assist agencies to comply with the Greening the Fleet Strategy.

Review application of the Greening the Fleet Strategy for years three, four and five of the strategy (commencing in 2011–12), with a particular focus on setting CO<sub>2</sub> reduction targets for year three.

Deliver a reasonable return on the asset base through prudent financial management.

Develop and promote driver training courses for use by agency staff.

Enhance and expand usage of the pool vehicle booking system.

Finalise review of functional requirements and prepare business case for NT Fleet's business information system.

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



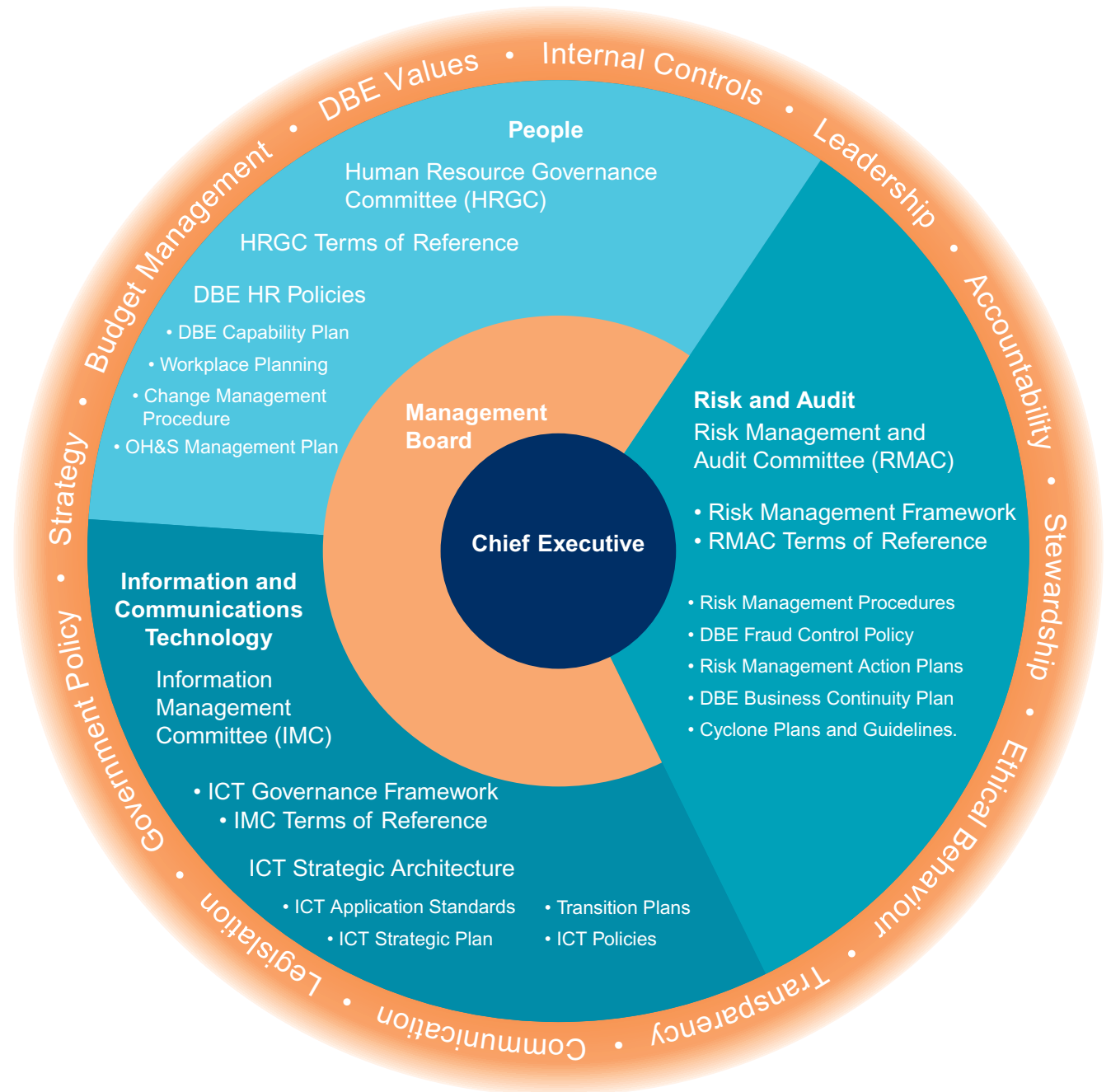


# Corporate Governance

## CORPORATE GOVERNANCE FRAMEWORK

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

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





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

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

## GOVERNANCE COMMITTEES

The committees report to the Chief Executive through the Management Board.

### Risk Management and Audit Committee

The Risk Management and Audit Committee:

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

In 2009–10 the department developed a Business Continuity Management Policy to provide a framework for its business continuity management. The framework should minimise the complexity while maximising the flexibility of plans, with incident and situation specific plans developed for preparation, response and recovery elements of business continuity (e.g. cyclone, flood, reduced workforce). The department continued to monitor and update risk profiles to mitigate risks to its operations.

The Risk Management and Audit Committee is chaired by the Executive Director Shared Services. Its members are the Chief Executive, Director Finance Services and Senior Director Information and Communication Technology Services. A customer representative from the Department of Lands and Planning is an external member and a representative of the NT Auditor-General's Office participates in an observer role.

With the department's whole-of-government roles in providing shared services and maintaining critical corporate systems, the NT Auditor-General's Office continued its comprehensive audit program during 2009–10. The audit findings were mostly satisfactory, with some isolated instances of control breakdowns, non-observance of procedures and minor issues noted. A summary of the findings for this year's external audits is at Appendix II.

The department continues to undertake internal reviews across the agency to improve processes and provide assurance. The internal reviews completed in 2009–10 focused on ICT disaster recovery capability and security policies and standards. In addition to the internal reviews, a number of process reviews were undertaken. A summary of internal reviews in 2009–10 is at Appendix III.

### Human Resource Governance Committee

The Human Resource Governance Committee:

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

In 2009–10 the committee continued to actively and cohesively manage human resources and employment strategies across the department.

The committee is chaired by the Executive Director Shared Services. Its members are the Senior Director Information and Communication Technology Services, Executive Director Business and Industry Development and Director People and Information (secretariat). The committee meets weekly and reports regularly to the Management Board. Procedures governing the functions and terms of reference have been developed and disseminated across the department and business divisions.

All unattached officers from stage 1 of the Corporate Services Review co-location project have been successfully placed. In 2010–11 the committee will again be integral to the placing of unattached officers as a result of Corporate Services Review stage 2 projects, the implementation of electronic invoice management.

The committee also oversees OH&S requirements including site committee structures, roles and OH&S management plans.

## Occupational Health and Safety Steering Committee

The department's Occupational Health and Safety Steering Committee:

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

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

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

The committee is actively working towards achieving compliance with the requirements of the *Workplace Health and Safety Act* and this will be completed in 2010–11.

## Information Management Committee

The Information Management Committee:

- directs the development of the department's information management strategy by overseeing the ICT Governance Framework and facilitating the strategic planning of ICT requirements
- develops and reviews the department's ICT policies and standards for the assessment of technology proposals to ensure they meet departmental ICT objectives
- monitors ICT projects and the implementation of appropriate new technologies to ensure consistency with the department's strategic direction and its ICT Governance Framework.

The committee is chaired by the Executive Director Corporate Services. Its members are Director Data Centre Services, Director Program Office, Director Business Support, Director ICT Policy and Strategy, Director Human

Resource Services and Director Corporate Communications and Secretariat.

The committee monitored and provided support a number of major ICT projects during 2009–10 and continued to implement policies and procedures following the implementation of the ICT Governance Framework in 2008–09. In 2010–11 the committee will focus on the development of policies and processes to promote energy efficient and environmentally sustainable ICT in the department.

## MANAGEMENT ENVIRONMENT

### Executive Management Group

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

### Management Board

The board provides advice to the Chief Executive and the Executive Management Group on governance across the department and focuses on managing the operation of the department and the achievement of the department's objectives and strategies.

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

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

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

Members of the Management Board are shown in the Executive Structure on page 6.

## Ethical Standards

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

The binding nature of the Code of Conduct is explained to all new staff at induction programs. As the department is responsible for the collection and retention of sensitive personal information for all Northern Territory

Government employees, privacy requirements for information are highlighted.

The department recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department specifically, or of the Northern Territory Government in general. All Management Board, Executive Directors and pertinent senior staff completed a full disclosure declaration on an annual basis to declare private and other interests that might result in a conflict of interest. If such interests are identified, appropriate action is taken to resolve the conflict or prevent it from arising. Completed declarations are held as evidence of disclosure and, as such, provide some protection against unfounded allegations of bias concerning department advice or decisions.

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

## PLANNING

### Corporate Plan

The Corporate Plan 2009–11 stresses the importance of its employees to provide a capable and committed workforce which then underpins the success of the department meeting its strategic priorities.

The plan is due for review in 2010–11. This will include setting the strategic priorities and focusing on supporting the department to align its work over the coming two to three years to Territory 2030.

### Business Plans

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

### Performance Measures

Monthly reporting to Management Board has been refined to highlight strategic priorities for government and the department. Significant work will be done on performance measures in 2010–11 to give the board a useful overview.

The measures are compiled from a range of data sources. Key Performance Indicators (KPIs) for 2009–10 align with the Corporate Plan and focus on qualitative and timeliness measures rather than on more traditional quantitative measures.

Reporting against the KPIs for 2009–10 begins on page 45.

## COMMUNICATION

The department uses several mechanisms for ensuring effective internal and external communication for regional, local, national and international audiences and stakeholders.

### External Communications

The department connects with business, industry and skilled workers through expos, shows, conferences, awards and correspondence. Staff communicate with business on a daily basis via site visits, telephone and email.

Regional newspapers columns are managed by the department to keep regional Territorians advised of the activities, services and programs.

The department's websites provide access to business services, activities, strategic direction, policy and projects. The information and services is primarily target at business, industry, skilled workers, business and skilled migrants and the community. There are seven websites:

- the department site
- Growing the Territory
- The Territory
- Buy Territory
- October Business Month
- InvestNT
- Business and Skilled Migration.

In the event of an emergency, the emergency management group is contacted by any available means for immediate action.

The department also maintains the shared services intranet as the main communication tool with all other government departments. This provides departments with information on whole-of-government services, procedures and forms in the delivery of corporate services.

### Internal Communications

The department reviewed internal communication in early 2010 with initiatives due for release later in 2010.

The staff intranet site is a hub for news, information, policies, procedures and forms for department staff. This includes news clippings, radio alerts and online news articles referencing issues and activities relevant to the department are posted to the staff intranet daily. The redevelopment of the staff site is nearing completion and will enhance staff engagement and communication processes.

## ACCOUNTABILITIES

### Statutory Accountability

The department is required to comply with the *Financial Management Act*, *Superannuation Act*, *Public Sector Employment and Management Act* and other employment-related legislation such as the *Anti-Discrimination Act* and the *Workplace Health and Safety Act*. Through the department's Orientation Program, staff are made aware of the department's corporate governance framework and the relevant statutes, and training in these matters is included in the department's training plans.

### Legislation Administered

The department is responsible for administering the following Acts:

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

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

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

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

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

The *Procurement Act* and subordinate legislation provide a cohesive framework for the procurement of supplies by government agencies and aim at achieving value for money from expenditure on supplies by way of



procedures and processes that are transparent to all suppliers.

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

## Delegations

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

## Accounting and Property Manual

In accordance with the *Financial Management Act*, the department has a detailed Accounting and Property Manual (APM) that specifies finance procedures and internal control requirements. This manual is also made available to other agencies to assist them in meeting their financial accountabilities. The APM was reviewed and updated in December 2009.

## Policies and Standard Operating Procedures

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

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

## Legal Services

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

## Information Act Requests

The department received two applications under the *Information Act* to access information in 2009–10 that was finalised within 90 days of receipt of application. A total of 443 pages of information was released to the applicant.

The department receipted a total of 95 applications under the *Information Act* on behalf of other government agencies.

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

## Ombudsman Enquiries

There were no enquiries made in 2009–10 to which the department had to respond.

## INSURANCE ARRANGEMENTS

### Department of Business and Employment

In line with its Risk Management Framework, the department conducts assessments to identify risk profiles across the department. This includes any insurable risks. Risks were evaluated to determine the level of risk and strategies were identified to mitigate or manage those risks.

In accordance with Treasurer's Direction R2.1 – Insurance Arrangements released in November 2008, the department's risk management processes did not identify a requirement to obtain commercial insurance cover for 2009–10. The department continues to self-insure all applicable insurable risks. Any claims applicable to self-insurance for the department for 2009–10 and 2008–09 are detailed in Appendix IV.



## Data Centre Services

DCS undertakes risk management in accordance with the department's Risk Management Framework. Prior to the release of Treasurer's Direction R2.1 – Insurance Arrangements in November 2008, DCS self-insured all insurable risks through the department.

As a result of undertaking risk assessments of its insurable risks, DCS has policies of commercial insurance for workers compensation, property damage, product liability, public liability and motor vehicles. The total cost of premiums for commercial policies of insurance increased to \$53 726 in 2009–10 from \$27 300 in 2008–09, with 2009–10 reflecting the first full financial year's costs of commercial insurance since the release of Treasurer's Direction R2.1. There were no claims on commercial insurance policies during 2009–10 or 2008–09; however, there were claims on self-insured risks prior to the release of Treasurer's Direction R2.1. Details of self-insurance claims for 2009–10 are in Appendix IV.

## Government Printing Office

The GPO undertakes risk management in accordance with the department's Risk Management Framework. Prior to the release of Treasurer's Direction R2.1 the insurable risks of the GPO were self insured through the department.

The GPO engaged a consultant to review its insurable risks in 2008–09 and undertook

internal risk assessments in the process of obtaining commercial insurance policies for workers compensation, property damage, product liability, public liability and motor vehicles for 2009–10. The total cost of premiums for commercial insurance policies in 2009–10 and 2008–09 was \$50 915 and \$14 553 respectively. The increase in costs of commercial insurance was due to 2009–10 being the first full financial year since the release of Treasurer's Direction R2.1. There were no claims on commercial insurance policies during 2009–10 or 2008–09. Details of self-insurance claims for 2009–10 and 2008–09 are in Appendix IV.

## NT Fleet

NT Fleet undertakes risk management in accordance with the department's Risk Management Framework. NT Fleet undertakes internal risk assessments of its insurable risks, which resulted in policies of commercial insurance being obtained for workers compensation and damage to the motor vehicle fleet due to natural disasters. The total cost of premiums for commercial insurance policies in 2009–10 and 2008–09 was \$148 660 and \$44 297 respectively. The significant increase in the cost of premiums in 2009–10 reflects the costs of insurance for the first full financial year since the release of Treasurer's Direction R2.1 and the procurement of commercial insurance for damage to the motor vehicle fleet from natural disasters.

Prior to the release of Treasurer's Direction R2.1, the insurable risks of NT Fleet were self-insured through the department. Details

of the cost of claims of self-insured risks for 2009–10 and 2008–09 are in Appendix IV.

## GREENER GOVERNMENT

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

### Departmental Green Office Initiatives

The department has continued to make concerted efforts to reduce its carbon emissions and energy usage in 2009–10 through a range of activities.

The following initiatives are encouraged across all departmental buildings and locations:

- defaulting department computers to double-sided and black and white printing
- paper recycling bins installed across business units
- toner and ink cartridge recycling bins in place throughout the department
- using intranet and internet to publish large documents
- changing behaviours to switch off lights and computers when not in use
- review and rationalise the department's fleet where possible
- active participation in Earth Hour

- encouraging all staff to switch off all electrical equipment when not in use
- building lights and air-conditioning pre-timed to switch off after office hours and operate on a 2-hour timer for outside hours use
- timers installed on photocopiers and hot water heaters to reduce after hours use of electricity
- introduction of zone lighting controls in certain buildings.

## Chan Data Centre

Data centres around the world are facing an increasing demand to provide additional computing capacity. Growing demand by agencies for IT infrastructure and managed computing services has resulted in a large increase in the number of servers and data storage devices in the Chan Data Centre. Electricity usage is therefore increasing. Within this constraint, staff continue to monitor electricity usage to ensure effective use of energy and minimal wastage.

The department has implemented a 'virtualise first' policy, where business systems are hosted in a virtualised server environment rather than physical server devices. This has been a key factor in enabling the department to reduce its total potential carbon emissions by 50 metric tonnes per month.

## NT Fleet

NT Fleet has implemented the government's Greening the Fleet strategy, which will see a 20% reduction in the average CO<sub>2</sub> gases produced by its passenger and light commercial fleets measured in gm/km over the next 5 years. Individual agency targets were established for 2009–10 and 4-cylinder vehicles now comprise 64% of the fleet. However, the focus in 2009–10 shifted from 4-cylinder vehicles to the acquisition of more fuel efficient vehicles, particularly those vehicles with a 'green vehicle guide' rating of 5.5 or higher.

## Government Printing Office

The GPO is investigating options to join the National Printing Industry Sustainable Green Print Environmental Management Certification System.

## NT Property Management

The Northern Territory Government approved the Green Office Building Policy in December 2009 as part of its Climate Change Policy.

The Green Office Building Policy applies to leases of 2000 square metres or more. Owners of existing buildings are encouraged to achieve a 4.5 Star NABERS Base Building Energy Rating. This standard applies to existing buildings from 1 July 2012 and is being addressed in lease renewal negotiations as leases expire. From 1 January 2010, new developments are required to achieve 5 Star NABERS and 5 Star Green Star Ratings.

The Green Office Building Policy requires government to set environmental standards for tenancies in leased buildings. These standards are being developed through the Workplace Design and Management Policy, which is due to be submitted to government for review and approval in 2010.

NT Property Management works closely with the Department of Construction and Infrastructure to achieve energy efficiencies in government-leased accommodation. Energy usage reports have been prepared for all significant leases, with recommendations implemented during lease negotiations. In 2008–09, a draft Green Leasing strategy to support the government's proposed climate change policy was developed. The proposed policy settings are consistent with other state and territory jurisdictions. The recommended Rating Tools for buildings are:

- National Australian Built Environment Rating System (NABERS) – Energy Efficiency; Green Star – Environmental Sustainability
- existing buildings - 4.5 Stars NABERS for leased space over 2000 square metres and 3 year term
- new buildings - 5 Stars NABERS and Green Star.

## ecoBiz NT

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

The program has been operating since 2008–09. In 2009–10 ecoBiz NT avoided the production of approximately 753 tonnes of CO<sub>2</sub> and the use of 14 700 kilolitres of water, 920 litres of LPG, four forest trees (paper savings) and 400 litres of solvent based degreaser.

## ICT Services

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

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

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

## Domain 'Green' Building

The Domain is a building leased prior to the introduction of the Green Office Building Policy. The Domain is designed to achieve a 5 Star NABERS Base Building Energy Rating and the owner is required to maintain a minimum performance level of 4.5 Stars.





# Our People

# OUR PEOPLE

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

In 2009–10 the following initiatives were undertaken in support of staff:

- the performance management program was reviewed in 2009. The revised myPlan process included an increased focus on reflecting on previous years' achievements and planning for future achievements with a suite of supporting documents
- an Employee Wellness Strategy was developed for implementation in 2010–11 encompassing areas of flexible work practices, reward and recognition and employee involvement
- an Indigenous Employment and Career Development Strategy was developed for implementation in 2010–11.

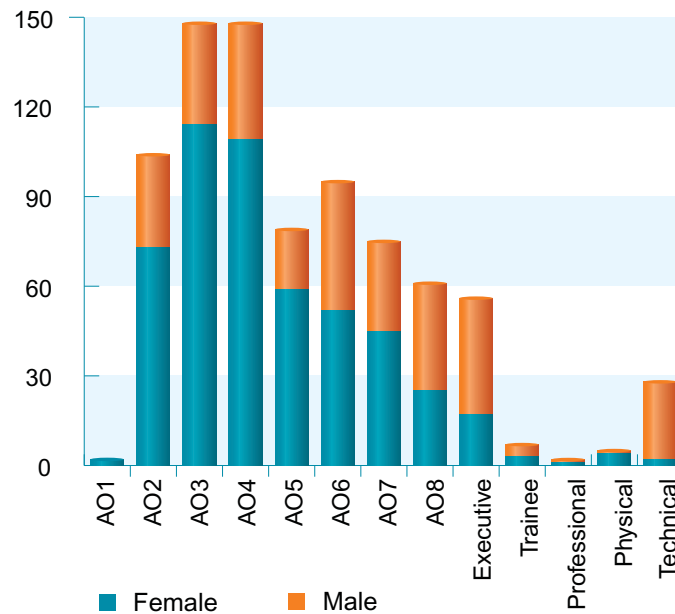
Approximately 40% of the department's staff participated in the biannual NTPS Staff Survey in 2009. The People and Development Unit provided feedback on the results to the Executive Management Board with an action plan in response to areas where satisfaction levels were below 60%. Key focus areas included reward and recognition and internal complaint handling procedures. The department scored highly in areas of occupational health and safety, commitment to customer service excellence and valuing diversity.

## Our Staff in Profile

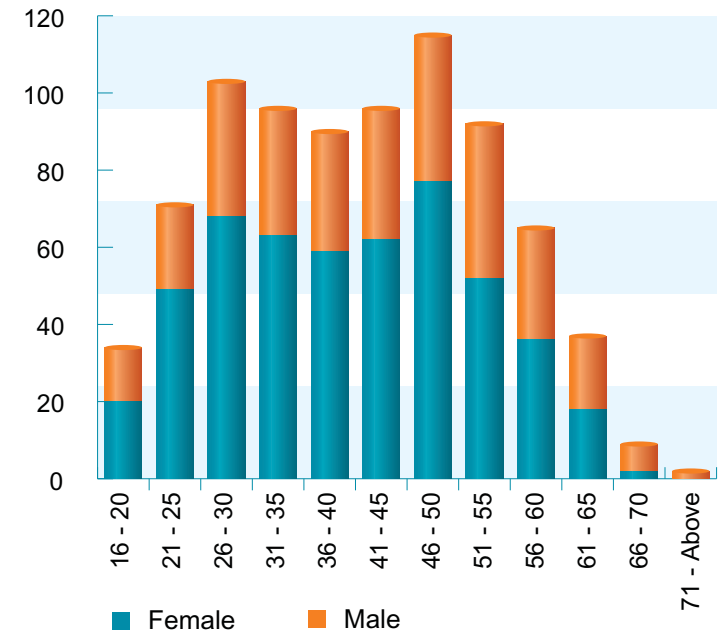
At 30 June 2010, 810 people (by head count) were employed across the department in a range of classifications, with more than half in the AO2 and AO4 classifications.

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

DBE Classification Streams by Gender at 30 June 2010



DBE Staffing by Age and Gender



The distribution of age is fairly even across the department, with females representing more than 60% of staff.



## SUPPORTING AND GROWING OUR PEOPLE

The department recognises the need to develop its staff, build skills, provide for succession planning, facilitate careers and progress knowledge to build a competent and capable workforce. In 2009–10, the department spent almost \$498 351 on training and study expenses.

The following outlines a number of corporate initiatives to support and develop our people during 2009–10.

### Initiative: myPlan

myPlan is a mechanism for staff and their supervisors to revisit performance and achievements, establish a shared understanding of work unit objectives and identify personal professional development needs on an annual basis.

#### Action

This year's myPlan process saw a return of more than 70% across the department.

The completion of a myPlan for Achieving and myPlan for Developing by all staff encourages clear direction setting and personal responsibility for learning and development needs.

myPlan allows the department to identify corporate learning needs and incorporate them in the Corporate Capability Plan.

### Initiative: Corporate Capability Plan

The Corporate Capability Plan identifies and maps the department's capability gaps. The plan guides development initiatives and drive the content and availability of a number of programs.

#### Action

Focus areas identified in the 2009–10 Corporate Capability Plan were:

- project management
- customer service
- cross-cultural awareness
- Microsoft Excel introduction—advanced.

These areas were addressed through formal and informal development programs.

Microsoft Excel training was addressed through a pilot online learning program.

### Initiative: In-House Workshops

The in-house workshops provide a forum for staff to network and learn through sharing information and to have input into agency initiatives and policies.

#### Action

Workshop topics included:

- Flexible Work Practices
- Reward and Recognition
- Employee Involvement
- Indigenous Employment and Career Development
- Workplace Bullying

Telephone and video conferencing have been used to connect to regional offices and People and Development staff undertake regional visits on an annual basis.

### Initiative: Leadership Programs

The department continues to support specialised management programs.

#### Action

The Public Sector Management Program was undertaken by 3 staff members, 1 of whom was female and 1 of whom was an employee identifying as having a disability.

People Aiming Towards Higher Skills (PATHS) is a management capabilities framework that identifies leadership capabilities from AO3 to AO8.

The Executive Contract Officer review documents were reviewed and aligned with the OCPE Leadership Framework.

### Initiative: Women in Leadership

The department supports women to undertake development programs at different stages of their careers.

#### Action

Ongoing informal mentoring and coaching is actively promoted to grow and encourage women into senior positions.

### Initiative: Graduates and Apprentices

The department supports an active apprenticeship and graduate program to improve staff retention and build skills and knowledge.

#### Action

A total of 5 apprentices continued or commenced in the department and 3 apprentices graduated.

A total of 5 graduates continued with the graduate program and a further 4 graduates commenced the 2-year program in 2009–10.

### Initiative: Staff Sensing

This is an annual program to ascertain the views of staff on important and current business issues. Regional staff members are included through annual visits by People and Development, teleconferencing and video conferencing.

#### Action

This year the focus was on staff input into the development of the department's Indigenous Employment and Career Development Strategy.

Over 40% of staff participated in the biannual NTPS Staff Survey and an action plan has been developed in response to all areas where the department scored lower than 60% satisfied.

### Initiative: Employee Assistance Program

This program provides confidential professional counselling services for staff and their immediate families, independent of the department and the NTPS.

#### Action

Darwin Clinical Psychologists and the Employee Assistance Service are the 2 principal providers, delivering training and development, workshops and management planning sessions and mediation, career counselling and management coaching.

## INITIATIVES PLANNED FOR 2010–11

In keeping with the department's commitment to grow and support our people, key initiatives planned for 2010–11 include:

- implement the Wellness Strategy. This will incorporate rewards and recognition, flexible work practices and employee involvement initiatives
- implement the Indigenous Employment Career Development Strategy *Indigenous Employment is Everyone's Business*
- provide ongoing training, growth and development opportunities for staff
- support whole-of-government programs such as apprenticeships, graduate traineeships and Indigenous employment
- implement a complaints handling procedure.

## LEGISLATIVE COMPLIANCE

### Reporting Against Employment Instructions

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

Employment Instruction and Agency Requirements	Action
<p><b>Number 1 – Recruitment</b></p> <p>Agency to develop procedures on recruitment and selection for internal use.</p> <p>Chief Executive required to report annually on the number of employees in each designation and variations since last report.</p>	<p>The department implemented policy and established procedures for use by managers and selection panels.</p> <p>In 2009–10, 153 vacancies were advertised, 159 staff commenced and 138 separations were processed.</p> <p>No appeals were lodged in 2009–10.</p>
<p><b>Number 2 – Probation</b></p> <p>Chief Executive to develop a probationary process for the agency and convey details of the probationary process to employees within their first week of reporting for duty.</p>	<p>The department probation policy has been implemented and is distributed to staff through workplace induction.</p>
<p><b>Number 3 – Natural Justice</b></p> <p>The rules of natural justice to be observed in all dealings with employees.</p>	<p>The department endeavours to observe the principles of natural justice in all dealings with employees.</p> <p>The induction program includes a short guide to natural justice principles.</p>
<p><b>Number 4 – Performance Management</b></p> <p>Chief Executive to report annually to the Office of the Commissioner for Public Employment (OCPE) on management training and staff development programs.</p> <p>Chief Executive to develop and implement performance management systems for their agency.</p>	<p>Management training and staff development activities and performance management are reported through the myPlan program described above.</p> <p>More information on management and staff development is in this section of this report.</p>
<p><b>Number 5 – Medical Incapacity</b></p> <p>No agency action or reporting requirements.</p>	<p>Department managers liaise with the People and Development (P&amp;D) Unit and OCPE for specific advice on resolving medical incapacity as required and on a case-by-case basis.</p>

Employment Instruction and Agency Requirements	Action
<p><b>Number 6 – Inability to Discharge Duties</b></p> <p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>Chief Executive may establish procedures regarding inability within their agency.</p>	<p>Department managers liaise with the P&amp;D Unit and OCPE as required and on a case by case basis. In 2009–10, 1 employee was terminated under the inability process.</p>
<p><b>Number 7 – Discipline</b></p> <p>Chief Executive to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>Chief Executive may establish procedures regarding discipline within their agency.</p>	<p>The department has implemented performance management policy and procedures. P&amp;D consultants work closely with managers to ensure processes are followed correctly.</p> <p>A total of 9 formal disciplinary actions were undertaken in the department in 2009–10.</p>
<p><b>Number 8 – Grievances</b></p> <p>Chief Executive shall establish written procedures for the agency that should outline steps for dealing with grievances and be available to employees.</p>	<p>The department has implemented grievance policy and procedures. P&amp;D consultants work closely with managers and employees to ensure processes are followed correctly.</p> <p>A total of 6 grievances were lodged in 2009–10:</p> <p>4 were lodged internally to the Chief Executive, including 1 that was resolved at a work unit level, 2 were not sustained, 1 was sustained and appropriate action was taken in response to the findings.</p> <p>2 were lodged with the Commissioner for Public Employment and the actions of the department were upheld in both cases.</p>
<p><b>Number 9 – Now incorporated in Employment Instruction 1.</b></p>	
<p><b>Number 10 – Employee Records</b></p> <p>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</p>	<p>The department is responsible for storing Northern Territory Government agency personnel files. In 2009–10 the department continued implementing Electronic Documents Records Management (EDRM). All personnel files will be moved into electronic format by September 2010 and will be managed within the Tower Records Information Management (TRIM) system.</p> <p>Any requests by department employees to access their employee records are made through the P&amp;D Unit.</p>

Employment Instruction and Agency Requirements	Action
<p><b>Number 11 – Equal Employment Opportunity</b></p> <p>Chief Executive to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.</p> <p>Chief Executive to report annually to the OCPE on programs and initiatives agency has developed.</p>	<p>The department strives to increase the representation of Indigenous employees. In 2009–10 the department continued to support the Indigenous Employment Program with 5 program participants employed by the department. The Indigenous Employment Career Development Strategy is completed and will be implemented in 2010–11. The department had its first Indigenous apprentice move into the Indigenous cadetship program studying a Bachelor of Business.</p> <p>The department employs people with a range of disabilities and has a wide range of staff from non-English speaking backgrounds with 35 different countries of birth identified.</p>
<p><b>Number 12 – Occupational Health and Safety</b></p> <p>Chief Executive to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.</p> <p>Chief Executive to report annually to the OCPE on occupational health and safety programs.</p>	<p>The department has an OH&amp;S framework comprising a representative steering committee to ensure appropriate monitoring of the health and safety of staff. OH&amp;S committees for each work site are tasked with monitoring and addressing site-specific OH&amp;S issues.</p> <p>Management is committed to providing a safe workplace. The department fully funds flu vaccinations.</p> <p>In the 2009 NTPS Staff Survey the department scored highly against OH&amp;S.</p>
<p><b>Number 13 – Code of Conduct</b></p> <p>Chief Executive may issue guidelines regarding acceptance of gifts and benefits to employees. Chief Executive may issue agency specific Code of Conduct.</p>	<p>New staff are provided with the NTPS Principles and Code of Conduct as part of their commencement package. The code is also an integral component in the orientation program that is mandatory for all new staff.</p> <p>Refresher sessions are conducted by P&amp;D staff for individual work units as required.</p>
<p><b>Number 14 – Part-time Employment</b></p> <p>Chief Executive to advise unions on a 6 monthly basis of number of part-time employees by salary stream.</p>	<p>The department supports part-time working arrangements and other flexible work arrangements and includes them in its Flexible Work Practices policy. In 2009–10:</p> <ul style="list-style-type: none"> <li>• 42 people were undertaking part-time work</li> <li>• 64 people used recreation leave at half pay</li> <li>• 8 people used extended leave for a career break</li> <li>• 34 people have home-based work arrangements.</li> </ul> <p>The department aims to make flexible working arrangements available wherever practical.</p>





# Output Performance Reporting

# OUTPUT PERFORMANCE REPORTING

The agency's outputs structure has changed since the original 2009–10 Budget Papers were published.

From January 2010, further restructure was refined with the Corporate Services Division and the Shared Services Division, which included whole-of-government shared services functions.

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

The following diagram sets out the output structure:



### OUTPUT GROUP: BUSINESS DEVELOPMENT

This Output Group provides strategic programs and activities to support sustainable business development.

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

#### Output: Business Development

Responsibilities:

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

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

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

development funding programs and ensuring the loan portfolio is prudently managed

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

#### Performance

Initiative or Activity	Achievement
The Business Enterprise Centre (BEC NT) is contracted to provide new and intending business owners with workshops that cover the basics of running a business	<p>→ This workshop series will continue to be held across all major centres in the Northern Territory. 105 workshops were delivered to 1304 participants, including:</p> <ul style="list-style-type: none"> <li>• 65 workshops in Darwin (911 attendees)</li> <li>• 20 in Alice Springs (285)</li> <li>• 15 in Katherine (93)</li> <li>• 5 in Tennant Creek (15).</li> </ul> <p>969 client management services were also provided.</p>
Procurement Liaison	<p>→ 21 matters were referred to Procurement Liaison, compared to 53 in 2008–09. Procurement Liaison facilitated 8 focus groups across the Northern Territory in May and June 2010. 45 companies participated in the focus groups. A report was completed in July 2010.</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
<p>ecoBiz NT is a business efficiency program to assist Northern Territory businesses reduce their environmental impact</p>	<p>→ 30 businesses received grants totalling \$327 382. The following annual reductions were achieved:</p> <ul style="list-style-type: none"> <li>• 753.01 tonnes of CO<sub>2</sub></li> <li>• 14 718 kilolitres of water</li> <li>• 920 litres of LPG</li> <li>• 4.05 forest trees (in paper savings)</li> <li>• 400 litres of solvent based degreaser.</li> </ul>
<p>October Business Month (OBM) is targeted at providing new business management knowledge and ideas to the Northern Territory business community</p>	<p>→ 89 events were held with 4833 attendees, as follows:</p> <ul style="list-style-type: none"> <li>• Darwin – 47 events, (3120 attendees)</li> <li>• Katherine – 12 events (177 attendees)</li> <li>• Tennant Creek – 2 events (32 attendees)</li> <li>• Alice Springs – 24 events (1417 attendees)</li> <li>• Nhulunbuy – 2 events (52 attendees)</li> <li>• Tourism Roadshow – 2 events (35 attendees).</li> </ul>
<p>The Territory Business Upskills program offers Northern Territory small businesses the opportunity to identify areas for improvement that can increase the capacity and capability of each enterprise</p>	<p>→ Potential new workshop topics were identified in conjunction with consultants and clients to address emerging business issues.</p> <p>84 workshops were delivered to 662 attendees, as well as 54 business coaching sessions including:</p> <ul style="list-style-type: none"> <li>• Darwin – 40 workshops,363 attendees and 41 coaching sessions</li> <li>• Katherine – 14 workshops, 103 attendees and 3 coaching sessions</li> <li>• Tennant Creek – 7 workshops, 20 attendees and 2 coaching sessions</li> <li>• Alice Springs – 20 workshops,165 attendees and 7 coaching sessions</li> <li>• Nhulunbuy – 3 workshops, 11 attendees,1 coaching session.</li> </ul>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11



Initiative or Activity	Achievement
Territory Business Growth (TBG) Program	<p>→ 85 grants were provided totalling \$363 010 to 79 Northern Territory businesses to develop formal business plans. The program is available Territory-wide and is delivered by qualified business consultants. Programs were delivered in:</p> <ul style="list-style-type: none"> <li>• Darwin – 55 programs, 51 businesses (\$241 984)</li> <li>• Alice Springs – 19, 17 businesses (\$70 341)</li> <li>• Tennant Creek – 1 program, 1 business (\$1363)</li> <li>• Katherine – 6 programs, 6 businesses (\$21 847)</li> <li>• Nhulunbuy – 4 programs, 4 businesses (\$27 475)</li> </ul> <p>Appendix V provides a breakdown of the businesses that have completed the program.</p>
<p>Client Management Program</p> <p>Meet with businesses and their representatives to promote government services and programs and support</p>	<p>→ Approximately 2400 businesses were visited across regional Northern Territory centres promoting the Territory and Australian Government assistance programs.</p>
Government to Business Expo	<p>✓ Government to Business Expos were held in Darwin in July 2009 and in Alice Springs in August 2009. More than 400 private sector personnel attended. The forums aimed to assist businesses to discover and access business support programs, services and grants, information on licensing and regulatory requirements and to gain access to government specialists including procurement officers.</p> <p>11 Australian Government agencies, 4 industry groups and 12 Northern Territory Government agencies participated.</p>
Territory Business Centres (TBC) provide a single point of contact for business to access government services and requirements	<p>→ TBCs operate in Darwin, Katherine, Tennant Creek and Alice Springs. More than 131 274 client contacts were made in 2009–10.</p> <p>Appendix V provides a breakdown by month and by region.</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
Meeting of Australian Government, State and Territory Innovation Ministers	<p>→ Northern Territory joined the other jurisdictions in agreeing to participate in action to achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• facilitating complementarity between Commercialisation Australia with existing Territory activities that support commercialisation</li> <li>• participate (through the Commonwealth, State and Territory Advisory Council on Innovation) in the development of an implementation plan for the Framework of Principles for Innovation Initiatives.</li> <li>• participate in the development of a Strategic Framework for Research Infrastructure Investment and advise on approaches to support research infrastructure in the Territory</li> <li>• participate in the revision of the Australian Industry Participation National Framework to link more effectively with industry development, innovation and training initiatives</li> <li>• work with and provide input to the Clinical Trials Action Group.</li> </ul>
The Australian Government launched <i>Inspiring Australia: a national strategy for engagement with the sciences</i> and sought to work with jurisdictions to implement a broad range of science communication initiatives	<p>✓ The department, on behalf of the Northern Territory Research and Innovation Board, in partnership with the Department of Education and Training, CSIRO and Engineers Australia, has funded and will jointly oversight the work of a part-time Science Communication Officer to organise and promote National Science Week and other events throughout the year to highlight the importance of the sciences disciplines in our daily lives.</p>
Northern Territory Research and Innovation	<p>✓ Over the two grant rounds, the Northern Territory Research and Innovation Board recommended funding of:</p> <ul style="list-style-type: none"> <li>• 16 research projects</li> <li>• 4 proof-of-concept projects</li> <li>• 5 innovation projects</li> <li>• 1 visiting fellowship, and</li> <li>• 6 scholarships</li> </ul> <p>for a total of \$633 000</p> <p>Refer to Appendix VI.</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
2009 Northern Territory Research and Innovation Awards	<p>✓ It was decided to hold the awards biennially with the next awards to be held in 2010.</p> <p>The Charles Darwin Research and Innovation Medal was introduced acknowledging lifelong or sustained contribution to innovation. Inaugural medals were presented at the Charles Darwin Symposium Dinner September 2009.</p>
Provide support to ensure that Northern Territory businesses utilise the department's wide range of business development programs	<p>→ Support was provided to Northern Territory industry associations and business to ensure effective use of the department's programs.</p>
Continue membership and input to the aviation inter-agency advisory committee	<p>→ The department continues membership of the Northern Territory Aviation Committee.</p> <p>✓ Assistance and support was also provided for the development strategy of the Darwin Aviation Hub by Jetstar Airlines Limited.</p>
Continue to encourage, facilitate and support the development of biodiscovery-based research projects with the potential to generate economic benefits for the Northern Territory	<p>▲ The department continued to encourage biodiscovery based research projects with 1 Benefit Sharing Deed (BSD) executed by a biotech company (and an access provider other than government) and a further 3 drafts issued for consideration. A BSD with US National Cancer Institute is expected to be concluded soon leading to an extensive initial screening for novel compounds with potential to generate economic benefit.</p>
In conjunction with other agencies, commence a review of the investment facilitation process and ways in which it could be improved	<p>✓ A web-based investment facilitation portal and framework was developed. An interagency investment group has been established to oversee its future development and management.</p>
Investment Services – Common User Area	<p>→ The department continued its key role in promoting the Common User Area and its availability and benefits to project proponents and prime contractors in the mining and oil and gas industries. A strategic management group continues to guide future development, consisting of the department, Land Development Corporation, Darwin Port Corporation, Northern Territory Industry Capability Network and the Manufacturers Council.</p>

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

Initiative or Activity	Achievement
<p>Small Business Ministerial Council (SBMC) – host and manage the secretariat duties of the SBMC</p>	<p>✓ The SBMC held its 11th annual meeting on Wednesday 29 July 2009 at the Darwin Convention Centre.</p> <p>Among the priorities advanced by the Small Business Ministers were:</p> <ul style="list-style-type: none"> <li>• strengthening small business development and an entrepreneurial culture in Indigenous communities</li> <li>• assisting small business to respond to the consequences of natural disasters</li> <li>• retail tenancy improvements</li> <li>• global financial challenges</li> <li>• climate change imperatives</li> <li>• progressing the Australian Business Number/Business Names Registration project</li> <li>• national uniformity for the home based business regulation</li> <li>• the availability of better small business statistical information</li> <li>• the release of an on-line business loan comparison tool</li> <li>• opportunities for small business from planned national broadband developments.</li> </ul> <p>SBMC secretariat responsibilities were transferred to the Victorian Government in September 2009.</p> <p>→ The objective of successfully managing the Small Business Ministerial Council secretariat and the Ministerial and officials meetings was fully achieved.</p> <p>Involvement on the SBMC continued in 2009–10 and into 2010–11.</p> <p>It is likely that the 2010 SBMC Meeting, to be hosted by Victoria in August 2010, will be the last. The Council of Australian Governments agreed in principle in April 2010 to put in place a new Ministerial Council system by March 2011.</p>
<p>Assisting with the continued broadening and growth of the Northern Territory’s economic base</p>	<p>→ Support and facilitation services continue to be provided across a range of industries, with a particular focus on oil and gas; mining; manufacturing and bioresources and technology.</p>

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11



Initiative or Activity	Achievement
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Commercial Services – continue to provide strategic business advice and administrative management of industry development funding programs and ensure the department’s loan portfolio is prudently managed

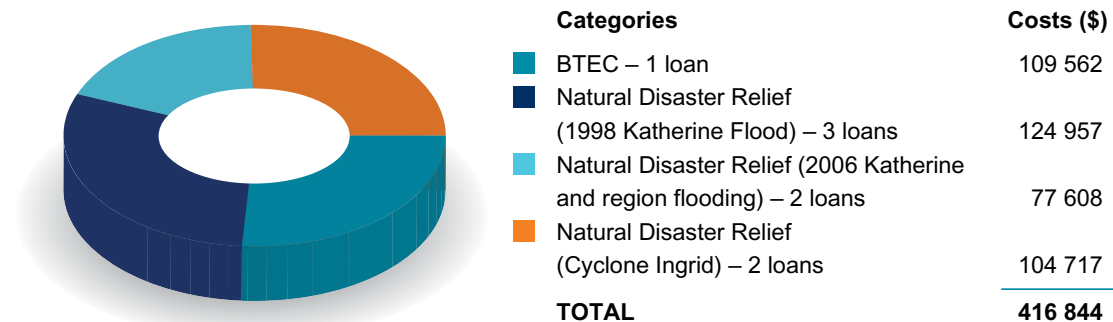
→ The department provided a range of grant and sponsorship programs to businesses and industry organisations across the Northern Territory. Details of all grant payments in 2009–10 are at Appendices VII to VIII.

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

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

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

Loans portfolio at 30 June 2010



Industry Participation Plans

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

Additional Industry Participation Plans relating to major projects receiving government assistance were also finalised or commenced by proponents, including the Inpex Ichthys Project and Minemakers Wonarah Phosphate Project, in line with the BNTIP policy.

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

Initiative or Activity	Achievement
Continue to work with the Land Development Corporation (LDC) to develop and promote the Defence Support Hub and to attract Defence support businesses and Defence related contracts to the Northern Territory	<p>→ Development of the Defence Support Hub in collaboration with the Land Development Corporation continued.</p> <p>The hub was promoted to small and medium enterprises (SMEs) and to prime Defence contractors at national Defence industry conferences, exhibits and elsewhere.</p>
Facilitate the production of a Living in Darwin DVD to inform Defence personnel and their families being posted or considering a posting to Darwin	→ The DVD is in production. Production is due for completion late 2010.
Develop a Chief Minister's Anzac Spirit Study Tour Award and Launch the program	→ The program was launched in April 2010 to current Year 9 and 10 students in the Northern Territory. The award is open until August 2010 and offers 3 students a fully paid trip to France in 2011 for Anzac commemorations.
Identify views and experiences of Defence members and families of life in the Northern Territory	→ The initial survey has been completed and findings analysed.
Promote and market the Northern Territory and its Defence support industry through Defence media, at conferences and exhibits	<p>→ The government hosted an exhibit at the Defence and Industry Conference in Adelaide in June and July 2009.</p> <p>Northern Territory SMEs and business associations also participated.</p> <p>Industry capability was particularly promoted to Defence and prime contractors.</p>
Continue to engage with Defence prime contractors who have won contracts to deliver through life support service contracts on platforms based in the Northern Territory, such as the Armidale Class Patrol Boats, the Abrams tanks and ASLAVs and Tiger Armed Reconnaissance Helicopters	→ Good relationships are now established with the key contractors and discussions are held regularly in relation to Defence contracts and opportunities for work to be delivered in the Northern Territory.
Continue to support AIDN-NT to implement the Northern Territory Defence Support Industry Development Strategy and other projects	→ The Defence Support Division continued to assist AIDN-NT with the implementation of the strategy, prime contractor visits, exhibiting and networking at major conferences, arranging forums for SMEs and support for the annual gala dinner.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
Develop, promote and deliver awards to industry recognising achievements	→ The Chief Minister and Minister for Defence Support Awards were presented at the Industry Gala Dinner.
Continue to promote to Defence the Northern Territory industry capability to support Defence equipment based in the Territory	→ Promotion of Northern Territory industry capability continued as an ongoing priority through engagements with the Minister for Defence, and Minister for Defence Materiel and Science and senior Defence representatives.
Align services and contribute to building the Territory Growth Towns into vibrant places to live and work	<p>▲ The department has facilitated the Local Implementation Plans for the 15 RSD communities and has begun working on the additional 6 Territory Growth Towns.</p> <p>✓ The department has conducted employment mapping of the towns to understand the employment profiles of the Territory Growth Towns.</p> <p>→ A senior officer has been seconded into the service delivery coordination unit to provide expertise and coordinate the economic development planning of the Local Implementation Plans.</p>
<p>✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11</p>	

## Business Development Budget Performance Indicators

Performance Measures	2009–10			2010–11 Original Budget
	Original Budget	Revised Budget	Actual	
<b>Quantity</b>				
Licence and business infrastructure services provided by Territory Business Centres	100 000	120 000	131 000	120 000
Economic reports and fact sheets issued	35	35	35	35
Industry and investment projects facilitated	60	60	60	64
Business and industry associations provided with financial assistance	100	230	196	230
Research and innovation grants	15	18	14	20
<b>Quality</b>				
October Business Month participant satisfaction	90%	93%	93%	94%
Upskills Workshops participant satisfaction	96%	96%	97%	96%
<b>Timeliness</b>				
Business growth applications assessed within 30 days	100%	100%	100%	100%

### Movements between Original and Revised Budget 2009–10

*Licence and business infrastructure services provided by Territory Business Centres desk +20 000*

Increase in business needs

*Business and industry associations provided with financial assistance +130*

Increase activity in regional areas for the Trade Support Scheme, Business Growth and ecoBiz NT programs

### Movements between 2009–10 Revised Budget and Actual

*Licence and business infrastructure services provided by Territory Business Centres desk +11 000*

Increase in usage of services provided



### Priorities for 2010–11

- Continue to promote the Northern Territory industry capability to support Defence equipment based in the Territory.
- Assist with the continued broadening and growth of the Northern Territory's economic base.
- Evaluate and deliver a suite of professional business development programs and services to people and businesses across the Northern Territory.
- Assist Northern Territory business and industry to adjust to changed business and market conditions.
- Continue to work with the Land Development Corporation to develop and promote the Defence Support Hub and to attract Defence support businesses and Defence related contracts to the Northern Territory.
- Promote and market the Northern Territory and its Defence support industry through Defence media and at conferences and exhibits.
- Continue to engage with Defence prime contractors who have won contracts to deliver through-life support service on equipment based in the Northern Territory, such as the Armidale Class Patrol Boats, the Abrams tanks, ASLAVS and Tiger Armed Reconnaissance Helicopters.
- Continue to support AIDN-NT to implement the Northern Territory Defence Support Industry Development Strategy and other projects, such as facilitating visits by leaders of Defence and Defence prime contractors and to lead delegations of Territory SMEs.
- Continue to work with Defence, Defence organisations, members and families to develop the Northern Territory as a posting of choice.
- Continue promoting the Common User Area and its availability and benefits to project proponents and prime contractors in the mining and oil and gas industries.
- Continue to coordinate an interagency investment group to oversee the future development and management of the investment portal and framework.
- Expand the Territory Business Growth program to include tourism business and work with regional businesses to ensure they can maximise their opportunities from Working Future strategies.

### OUTPUT GROUP: EMPLOYMENT

This Output Group provides the capacity to forecast and determine employment opportunities and promotes the Northern Territory nationally and internationally as a place to live and work. It also coordinates Indigenous Employment policy and strategy.

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

#### Output: Employment

##### Responsibilities:

- providing strategic advice and forecasts on employment opportunities in the Northern Territory to ensure a skilled workforce is available to meet identified employment needs
- developing, promoting and implementing employment strategies, including coordination of Indigenous employment and Regional Job Hubs
- matching labour and skills development supply and demand through Workforce Growth NT and skilled migration to meet employers' needs, particularly in the regions
- providing advice and information about business and skilled migration programs and promoting the Northern Territory to potential skilled and business migrants overseas to settle, work and establish businesses and contribute to the skills, population and overall economic base of the Territory.

#### Performance

Initiative or Activity	Achievement
------------------------	-------------

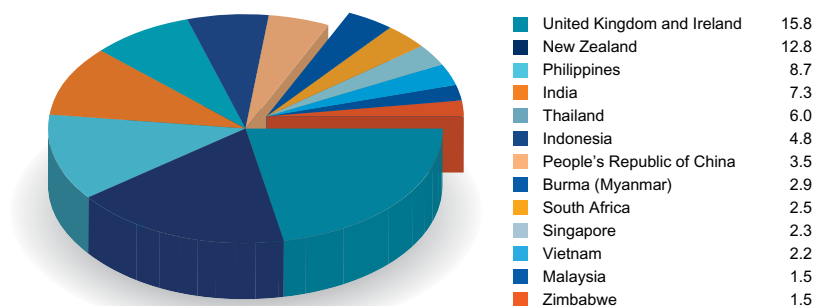
Business and Skilled Migration Strategy

→ As the strategy enters its final year of implementation in 2009–10, the Northern Territory has increased its share of the Australian skilled migrant intake to 0.9%. Details provided in the chart below.

Visas for nominations and sponsorships certified increased by 1707 on previous years.

#### Northern Territory: Settler Arrivals by Birthplace

The principal source countries for migrants to the Northern Territory in 2008–09 were:



Source: DIAC Settler Arrivals 2008–09 released December 2009

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
Promotion of the Northern Territory as a business and skilled migration destination	<p>→ The department participated in:</p> <ul style="list-style-type: none"> <li>• 4 international migration exhibitions in Ireland and the United Kingdom</li> <li>• 3 joint activities with Charles Darwin University at Study to Migrate exhibitions in India, Indonesia and the Philippines</li> <li>• an investment attraction seminar to resources industry investors in the People's Republic of China.</li> </ul>
Jobs NT 2010–12, an overarching workforce development structure that brings together current government policies and initiatives	<p>→ Jobs NT 2010–12 was developed, launched and implemented. It identifies 3 priority groups including specific performance indicators:</p> <ul style="list-style-type: none"> <li>• Business and employers – the Northern Territory continues to grow the size and skills of the workforce</li> <li>• Indigenous employment – 3000 Indigenous Territorians commencing in employment across the public and private sectors in the 3 years to 2012</li> <li>• Young people – a 5% increase in the number of young Territorians achieving a Year 12 or equivalent Certificate II qualification by 2012.</li> </ul>
Indigenous Training for Employment Program (ITEP)	<p>→ ITEP is directed towards 2 program streams, Indigenous Job Outcomes and Workforce Development. The 2009 grant round supported 12 projects with a commitment of \$2 156 818. The focus is on delivering employment outcomes and workforce development strategies and supporting Working Future initiatives.</p>
Territory Worker Database	<p>→ Improved processes supported by systems enhancements are being implemented.</p>
Northern Territory Occupation Shortage List 2010	<p>→ The list is reviewed annually in consultation with industry, businesses, government agencies and the community to take into account emerging and existing occupation shortages.</p> <p>73 responses were received from stakeholders, resulting in 5 new occupations being added. The list was released in March 2010.</p>
Jobs in the NT Campaign 2009–10	<p>→ The campaign included a comprehensive program of local and interstate print, radio and exhibition promotions, including 2 job shows interstate (Brisbane and Adelaide).</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
Recruit Workforce Growth NT officers in Katherine and Alice Springs to provide a local conduit to ensure employees and employers in the regions are linked into all elements of the Territory Worker Campaign	<p>→ Recruitment difficulties have delayed the appointment of officers in Katherine, 1 person has been recruited to an Alice Springs position and a second officer will be appointed in July 2010.</p> <p>Regional businesses are represented in Jobs in the NT Campaign 2009–10 events and actively use the Territory Worker Database.</p>
Regional Job Hubs	<p>→ Regional Job Hubs and Community Employment and Training Advisory Groups were established in Nhulunbuy and Tennant Creek.</p>
Enhance the Territory Worker Database as a tool to link employees with Northern Territory employers	<p>✘ To align with changes to whole-of-government recruitment, redevelopment of the database has been scheduled for 2010–11.</p>

✓ Achieved    ▲ Partially Achieved    ✘ Not Achieved    → Continues into 2010–11



## Employment Budget Performance Indicators

Performance Measures	2009–10			2010–11
	Original Budget	Revised Budget	Actual	Original Budget
<b>Quantity</b>				
Workforce Growth NT/skilled migration database registrations:				
– international	550	550	602	550
– interstate	2 000	2 000	3 117	2 000
Employment programs developed and introduced	2	2	2	2
Business and skilled migration visas for nominations and sponsorships certified	850	1 200	1 579	1 200
<b>Quality</b>				
Client satisfaction with employment programs	80%	80%	80%	80%
<b>Timeliness</b>				
Timeframes met as agreed	100%	100%	100%	100%

### Movements between Original and Revised Budget 2009–10

No significant variations

### Movements between 2009–10 Revised Budget and Actual

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

- international +52
- interstate +1 117

Increase in registrations both international and national primarily due to the result of the introduction of the Jobs in the NT Campaign 2009–10 which included participation in two national recruitment expos and eight international migration opportunities.

*Business and skilled migration visas for nominations and sponsorships certified +379*

Increase primarily due to Australian Government changes to migration program creating an influx of applications under the visa programs sponsored and certified by the Northern Territory Government in 2009–10.

### Priorities for 2010–11

- Implement Jobs NT 2010–12 including initiatives to support the Northern Territory workforce through the workforce development framework and initiatives.
  - Review the Northern Territory Occupation Shortage List, due for release in March 2011.
  - Continue the ITEP grant program to support initiatives for Indigenous Territorians in regional and remote areas.
  - Develop and release the Jobs in the NT Campaign 2010–11 including enhancement of the Territory Worker Database as a tool to link employees with Northern Territory employers.
  - Continue the Business and Skilled Migration strategy through awareness raising activities and strengthening regional business and skilled migration services as an integral part of Jobs NT 2010–12.
  - Continue to participate in targeted migration promotions in countries that are key sources for skilled migrants and for occupations where ongoing skill shortages exist in the Northern Territory.
  - Continue joint promotional work with the International Office of the Charles Darwin University with a focus on the major source countries for overseas tertiary students.
  - Endeavour to influence national skilled migration policy by engaging with the Department of Immigration and Citizenship and profiling the Northern Territory's employment environment and the needs of Territory employers.
- Monitor and evaluate performance of Regional Job Hubs in Nhulunbuy and Tennant Creek.
  - Undertake targeted interstate and international recruitment activity to attract skilled workers.

### OUTPUT GROUP: SHARED SERVICES

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

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

#### Performance

Initiative or Activity	Achievement
Implement an Electronic Invoice Management System (EIMS), which will see invoices scanned and managed through the payment process electronically	<p>▲ Stage 1, which involves invoice scanning and optical character recognition to provide automated data capture, has been completed.</p> <p>Stage 2 will see the electronic workflow of invoice coding and approval by agencies along with improved reporting and tracking of invoices. The system roll out continues into 2010–11.</p>
Design and implement an electronic purchase requisition workflow for Tier 1 (less than \$15 000)	<p>▲ The purchase requisition system design has been completed, including consultation with key agency representatives. Implementation has been deferred to enable new EIMS system to be fully implemented prior to introducing another system. The project is expected to be finalised in 2010–11.</p>
Identify and record standard forms used by agencies across Finance and Human Resource Services and provide recommendations on the most cost effective way of creating 'smart forms' as part of the eGovernment strategy	<p>✓ The review of corporate forms requirements have been completed and high volume forms identified.</p>
Financial reporting – continue to enhance financial reporting through improving security and access, consolidating similar reports for more useful output and developing reports more efficiently	<p>✓ A new suite of Cost Centre Manager reports has been rolled out to all agencies, reducing the number of equivalent function reports from 300+ to fewer than 70.</p> <p>Governance and housekeeping processes have been applied for orderly administration of user security and the reporting environment.</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

- providing support, maintenance and development of the Government Accounting System (GAS), a financial reporting warehouse and a number of smaller financial systems that are linked to GAS
- providing regular finance-related training and awareness sessions for agencies.

Initiative or Activity	Achievement
Leverage new reporting products to pilot the design of new generation finance reports, focusing initially on refreshable financial management reports	✓ New reports have increased flexibility through refreshable parameters allowing financial management reports to be viewed and updated dynamically.
Improve the functionality of the Travel Request Information Processing System (TRIPS) and automate payment of travel allowance	✓ Enhancements have been implemented and TRIPS is now fully integrated with the Government Accounting System, which has automated processing of travel allowance payments.
Enhance reporting on Corporate Credit Cards	✓ A number of new reports were created to assist agencies to comply with updated Northern Territory Government Corporate Credit Card Procedural Guidelines.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

### Finance Services Budget Performance Indicators

Performance Measures	2009–10			2010–11
	Original Budget	Revised Budget	Actual	Original Budget
<b>Quantity</b>				
Creditor invoices processed	345 000	360 000	374 872	360 000
Debtor invoices processed	33 000	29 000	29 735	29 000
<b>Quality</b>				
Processing error rate	< 0.5%	< 0.5%	0.3%	< 0.5%
System availability	100%	100%	100%	100%
<b>Timeliness</b>				
Creditor invoices paid within 30 days <sup>1</sup>	90%	90%	90%	90%
Average days to collect debts	55	55	55	55

1. Relates to undisputed creditor invoices paid within 30 days of invoice date.

### Movements between Original and Revised Budget 2009–10

*Creditor invoices processed +15 000*  
Volume increase anticipated due to increased activity, including Stimulus initiatives.

*Debtor invoices processed - 4 000*

Decrease linked to increase in usage of Ledger Transfer Facility for transactions between Northern Territory Government agencies

### Movements between 2009–10 Revised Budget and Actual

*Creditor invoices processed +14 872*  
Actual volume increase was greater than anticipated

## Priorities for 2010–11

- Implement stages 2 and 3 of the Electronic Invoice Management System (EIMS) project which will see:
  - electronic workflow of invoice coding and approval throughout agencies
  - financial and process reporting
  - tracking of invoices with audit trails and automated escalation provisions.
- Implement an electronic purchase requisition system for Tier 1 (less than \$15 000) purchases, which will see requisitions raised and approved online and automatic generation of purchase orders in the Government Accounting System.
- Develop and implement a solution to better integrate the workers compensation claims management system and the Government Accounting System, resulting in more automated claims processing.
- Review the scope and processes of the Asset Accounting function to coincide with the Department of Construction and Infrastructure implementing the whole-of-government Asset Management System.
- Continue to enhance financial reporting through improving security and access, consolidating similar reports and developing reports more efficiently.
- Establish a financial report catalogue that provides a searchable inventory for customers.
- Progress the smart forms initiative and commence development of some high volume forms.



### OUTPUT GROUP: SHARED SERVICES

#### OUTPUT: HUMAN RESOURCE SERVICES

##### Responsibilities:

- delivering payroll, recruitment and other human resource administration services across government to assist agencies, employees and prospective employees

- coordinating employment programs for graduates, apprentices and Indigenous employees, with a particular focus on employing Indigenous apprentices in remote areas to build skills and a local workforce
- providing support, maintenance and development of the government's core human resource IT systems, including the employee self-service module (myHR)

- coordinating the delivery of short course training, employment programs and job evaluation services for government agencies
- providing human resource management and workforce development reports to agencies.

#### Performance

Initiative or Activity	Achievement
Implement the Indigenous Employment Program	<p>✓ A review of the 2008–09 pilot program led to improvements to the 2009–10 program. An intake of 14 trainees commenced in May 2010 and will complete their Certificate II in Business in September 2010. The program is available to all agencies to support their Indigenous Workforce Development strategies and targets.</p> <p>Planning for the next intake, in August 2010, is well underway. At least 2 intakes are scheduled for 2010–11, including 1 intake in Alice Springs.</p>
Establish a panel of training providers to deliver cross-cultural training programs for NTPS employees	<p>✓ A 3 year cross cultural training panel contract was awarded to 4 Northern Territory based providers. 4 programs are on offer:</p> <ul style="list-style-type: none"> <li>• Orientation</li> <li>• Frontline and Systems Staff</li> <li>• Middle Management (Frontline Service Delivery)</li> <li>• Middle Management (Systems Staff).</li> </ul>
Implement an e-Recruitment system for government	<p>→ An externally hosted, web-based e-Recruitment system was market tested and procured. Project implementation commenced in 2010 and is scheduled to end by the second quarter of 2011. This project has involved agency consultation and input in each phase. It will provide improved efficiencies across all recruitment activities and informative recruitment reports.</p>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
<p>Implement a number of corporate system and process improvements as part of a multi-year program to streamline the provision of corporate services across government, including improvements to system automation and process standardisation across human resource services</p>	<p>→ Work has commenced on producing an electronic time sheet for Police, Fire and Emergency Services. This program will automate the processing of payments relating to extra duty and allowances. The time sheet is scheduled for a pilot phase in the final quarter of 2010.</p> <p>A self-service function has been added to myHR for employees to access their payment summaries.</p> <p>A project to streamline processing of payroll transactions was piloted for a group of agencies.</p> <p>Using TRIPS for processing the Fares Out of Isolated Locations (FOILS) allowance was investigated, highlighting a number of programming complexities. An interim solution using SharePoint technology is being implemented.</p> <p>The Payroll Service Centre pilot was evaluated and it was decided to invest in a suitable technology platform. The Service Centre technologies available under the new ICT contracts will be assessed in 2010–11 to determine an efficient, longer-term solution.</p>
<p>Improve human resource reporting to meet agency management information and statutory reporting requirements</p>	<p>✓ A range of new operational human resource management reports was delivered, along with a suite of workforce demographic reports for agencies.</p>
<p>Implement a new human resources reporting solution</p>	<p>→ Procuring a HR Reporting Solution has taken significantly longer than originally anticipated and is now in the final stages. Implementation is planned to commence in 2010–11 and will be completed over a 12 month period.</p>

✓ Achieved
▲ Partially Achieved
✗ Not Achieved
→ Continues into 2010–11

## Human Resource Services Budget Performance Indicators

Performance Measures	2009–10			2010–11
	Original Budget	Revised Budget	Actual	Original Budget
<b>Quantity</b>				
Payroll transactions processed	0.95M	1.02M	0.98M	1.10M
Commencements and terminations processed	13 420	13 800	14 044	14 000
<b>Quality</b>				
Processing error rate <sup>1</sup>	0.05%	0.05%	0.05%	0.05%
Proportion of apprentices completing qualification	80%	80%	78%	80%
<b>Timeliness</b>				
Payroll transactions processed in applicable pay period	98%	98%	98%	98%
Average days to commence new employees	5	5	5	5
Workers compensation claims processed within statutory time limits	100%	100%	100%	100%

1. Measured as a proportion of salary overpayments compared to total salary payments.

### Movements between Original and Revised Budget 2009–10

*Payroll transactions processed + 0.07M*

Growth in transactional volume anticipated from the year based on initial trends.

### Movements between 2009–10 Revised Budget and Actual

*Payroll transactions processed – 0.04M*

The actual number of pay transactions was lower than revised estimate due to implementation of pay automations for hospital-based casual employees.

## Priorities for 2010–11

- Complete the implementation of the e-Recruitment system. The system will accommodate online requests to fill a vacancy from agency vacancy managers, job application lodgement and effective candidate management.
- Implement a new NTPS School Based Apprenticeship Program with a target of 40 apprentices.
- Embed and expand the Indigenous Employment Program with at least two intakes in 2010–11.
- Undertake a Payroll School for 12 Indigenous people in 2010–11 to provide additional staff for Payroll Services, with the training program merging Certificate II in Business studies and specific payroll training.
- Continue to implement a number of corporate system and process improvements as part of the multi-year Corporate Services Review to streamline the provision of corporate services across government. These include enhancing myHR for managers and supervisors, expanding the electronic timesheet project and further streamlining payroll transactions processing.
- Develop process and systems improvements for the Entry Level Recruitment Program, including integration with the new e-Recruitment system and consideration of assessment options.
- Implement the new HR Reporting Solution, which will deliver a full suite of HR reports for use across government. This project will conclude in 2011–12.
- Review administration of the Northern Territory Government Workers Compensation Scheme in 2011 with a view to recommending efficiencies and ensure claims are managed according to best practice. This project will continue in 2011–12.

### OUTPUT GROUP – SHARED SERVICES

#### OUTPUT: PROCUREMENT POLICY AND SERVICES

##### Responsibilities:

- administering the *Procurement Act* and its subordinate legislation, which includes maintaining practice directions to guide agencies, providing advice on compliance requirements, engaging industry stakeholders and proposing amendments to the legislation

- establishing and administering across-government common use contracts
- providing advisory and consulting services to agencies including advice and assistance with procurement planning, specifying requirements, tender assessment and preparing recommendations
- placing a strong focus on effective 2-way communication with industry through regular contact with a number of industry groups including the Chamber of Commerce, Northern Territory Industry Capability Network and Contractor Accreditation Limited

- ensuring that the relationship with industry is fostered to achieve successful outcomes for government and industry.

##### Performance

Initiative or Activity	Achievement
<b>Procurement Services</b>	
Continue the establishment and development of the Procurement Network of out-posted procurement consultants into line agencies	✓ Out-posted procurement consultants established in 10 agencies. In 2009–10 the emphasis was on developing Procurement Management Plans to assist agencies and identifying common procurement requirements across government.
Improving efficiency and service quality through increased automation and standardisation of processes across government	▲ The Agency Procurement Requisitions Online (APRO) system underwent significant development to incorporate changes to tender thresholds and introduction of public quotations for procurement in the \$50 000 to \$200 000 value range.  The system was also improved to capture tender assessment data, incorporate Procurement Review Board approvals into the workflow and provide enhanced agency reporting. This work will continue in 2010–11.  A web-enabled version of the Tender Document Management System (TDMS) is currently being tested.
<b>Procurement Policy</b>	
Ongoing development of procurement policy that takes into account environmental sustainability	✗ No progress was made in 2009–10 due to staff shortages and changes.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11



Initiative or Activity	Achievement
Develop procurement strategies to support Indigenous employment as part of the government Working Future initiative	<p>▲ Strategy development commenced with completion anticipated by the end of 2010. Achievements to date include:</p> <ul style="list-style-type: none"> <li>• changes made to procurement to allow agencies to approach Shires to undertake Northern Territory Government work</li> <li>• increasing opportunities for Indigenous labour participation</li> <li>• improved opportunities for Shires to submit competitively neutral bids on open tenders</li> <li>• improved use of Indigenous Development Plans in construction work.</li> </ul>

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

## Procurement Policy and Services Budget Performance Indicators

Performance Measures	2009–10			2010–11
	Original Budget	Revised Budget	Actual	Original Budget
<b>Quantity</b>				
Tenders awarded <sup>1</sup>	600	980	967	950
<b>Quality</b>				
Addenda to tenders issued	14%	34%	35%	32%
Proportion of tenders lodged electronically	70%	50%	51%	60%
Procurement Review Board appeals upheld as a proportion of tenders reviewed	2%	2%	1%	1.5%
<b>Timeliness</b>				
Average days to issue tenders	7	7	5	7

### Movements between Original and Revised Budget 2009–10

*Tenders awarded +380*

Original estimate was for Tier 4 and 5 activities. Revised estimate now also includes Tier 3 activities, to better reflect effort in this output.

*Addenda to tenders issued +20%*

2009–10 target overly optimistic.

*Proportion of tenders lodged electronically -20%*

Acceptance of electronic tendering is gradually increasing, but below initial expectations for 2009–10.

### Movements between 2009–10 Revised Budget and Actual

No significant variations

1. This measure covers tenders administered by the agency within the Tiers 4 and 5 procurement bands

## Priorities for 2010–11

### Procurement Services

- Expand the coverage of procurement network consultants and work with agencies to capitalise on the benefits of their specialist expertise.
- Integrate procurement services functions across work units to optimise efficiency and effectiveness.
- Prepare a business case to determine the future for a Northern Territory Government procurement management system and develop functional specifications for this system.
- Review Contract and Procurement Services business processes.
- Review approach to procurement planning for individual projects valued at \$200 000 and above.
- Deliver training and assistance to agency staff on tender debriefing, tender specifications and contract management.

### Procurement Policy

- Develop a process to manage Contractor Performance Reports across multiple agencies for non construction contracts.
- Implement Council of Australian Governments initiated changes to the prequalification system for civil contractors in roads, bridges and non-residential construction, with Contractor Accreditation Limited.
- Review procurement policy and legislation in support of the introduction of a new purchase requisitions system.

### OUTPUT GROUP: SHARED SERVICES

#### OUTPUT: INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

##### Responsibilities:

- managing whole-of-government outsourced ICT services and security and providing ICT infrastructure and services across government
- developing whole-of-government ICT strategies, architectures and policies encompassing IT systems and data communications, including internet and telephones

- providing ICT security advice, incident response coordination and managing the Northern Territory Government's internet and intranet web sites
- identifying economic development opportunities for the ICT industry in the Northern Territory and delivering government components of the Northern Territory ICT Industry Strategic Plan to help grow the local ICT industry
- developing a telecommunications and broadcasting policy, including establishing strategies to improve telecommunications services, particularly to remote communities in the Northern Territory

- coordinating funding submissions to boost the provision of contemporary telecommunications services across the Northern Territory
- providing an advisory service to government agencies to support management of their ICT requirements and environment
- developing a records management policy, maintaining the records management system and providing records management support to agencies.

##### Performance

Initiative or Activity	Achievement
Implement the third generation of major ICT sourcing contracts ensuring maximum benefits to the government and continued reliability of its ICT systems and infrastructure	<p>✓ The tender was released in July 2009 and the tender process was completed, along with disengagement from previous ICT contracts.</p> <p>All ICT services were moved to the new contracts and delivery model on 30 June 2010.</p> <p>A Project Management Office was established to oversee the move to the new contracts.</p>
Establish a new ICT Contracts Infrastructure Program	→ Establish asset records and determine rolling replacement program. Determine infrastructure charging.
Implement billing and recovery model for ICT contracts	✓ New billing arrangements commenced.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
All service providers must achieve carbon emissions reductions for ICT services under new outsourced contracts	<p>▲ New contracts include achievable targets for carbon emissions reductions. The environmental measures include:</p> <ul style="list-style-type: none"> <li>• energy star compliance for office equipment (computers, printers and photocopiers)</li> <li>• printers operate with recycled paper and use re-manufactured or re-filled toner and ink cartridges</li> <li>• reduction of printed pages through double-sided printing</li> <li>• re-use and recycling in compliance with the National Government Waste Reduction and Purchasing guidelines</li> <li>• packaging of equipment to use minimal wrapping</li> <li>• equipment disposal to comply with Australian Government hazardous waste regulations.</li> </ul>
Develop National Broadband Network strategy to maximise opportunities in the Northern Territory under the \$43 billion Australian Government investment	<p>→ NBNco has committed to a first tranche of 3000 premises to have access to fibre in the Casuarina area starting in the second quarter 2011. The full strategy will be completed in 2011.</p>
National Broadband Network Backhaul Blackspots funding of fibre link into the Northern Territory to be announced in 2009–10	<p>✓ Northern Territory supported industry submissions to provide backhaul links.</p> <p>▲ 2 fibre links will be built in the Northern Territory, accounting for more than \$70 million of investment.</p> <p>→ Installation of the optic fibre link between Darwin and Brisbane began in early 2010. Completion is expected by July 2011.</p>
Continue ICT industry presentations at Northern Territory schools to encourage tertiary studies in ICT	<p>→ Presentations were completed to 7 Northern Territory high schools.</p>
Continue the Computers for Community initiative	<p>✓ The program was completed with 1300 used computers and printers distributed to not for profit organisations.</p>
Develop a Northern Territory ICT industry website to showcase capability and provide an information portal for the industry	<p>✓ The ICT industry website portal was completed and is operational.</p>

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

Initiative or Activity	Achievement
Digital Regions Initiative to seek up to \$7 million of Australian Government funding for e-Health and e-Learning initiatives and broadband infrastructure in 20 Territory Growth Towns	→ The funding application was successful and the program is underway with expected completion date of 2012 for 17 Territory Growth Towns.
Deploy with the Northern Territory Library (Department of Natural Resources, Environment, the Arts and Sport) and the Department of Education and Training public internet access to 9 of the 20 Territory Growth Towns	→ The program is underway with 14 communities completed in 2009–10.
Respond to climate change by developing and implementing strategies to reduce greenhouse gases associated with the operation of government ICT	→ The Green ICT Policy was developed and sanctioned by the Northern Territory Government Information Management Committee and the policy was released.
Develop e-Business strategies to meet the needs of Northern Territory businesses, in partnership with service delivery agencies, especially in relation to licences and registrations	→ A steering group was formed and an eBusiness strategic overview has been completed.
Continue the TRIM upgrade to all agencies by December 2009	✓ The TRIM upgrade was completed to all agencies.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11



## Information and Communication Technology Services Budget Performance Indicators

Performance Measures	2009–10			2010–11 Original Budget
	Original Budget	Revised Budget	Actual	
<b>Quantity</b>				
Laptops/workstations	12 500	14 200	14 500	14 200
Average monthly user service calls to helpdesk <sup>1</sup>	10 000	10 000	11 200	10 000
Remote communities connected to broadband	21	21	21	25
<b>Quality</b>				
Agency score card for desktop services (out of 10)	7.8	9.0	8.1	9.0
Outsourced services provided within agreed service levels	87%	98%	98%	98%
Records management system availability <sup>2</sup>	99%	99%	99%	99%
<b>Timeliness</b>				
Severe desktop faults restored within service level agreement	100%	99%	99%	100%
Records management system work requests resolved within 2 days	100%	100%	100%	100%

1. Industry average 0.8 - 1.2 per device per month.

2. The records information management system (TRIM) is a 24 x 7 system with three planned outages per year.

### Movements between Original and Revised Budget 2009–10

*Laptops/workstations +1 700*

Increase mainly due to ICT growth in major  
frontline service agencies

*Agency score card for desktop services  
(out of 10) +1.2*

Increased efficiency in delivery of service

*Outsourced services provided within agreed  
service levels +11%*

Increased efficiency in delivery of service

### Movements between 2009–10 Revised Budget and Actual

*Average monthly user service calls  
to helpdesk +1200*

Increased number of service calls

## Priorities for 2010–11

- Maximise the opportunities for the Northern Territory from the Australian Government's National Broadband Network by developing an engagement strategy with NBNco and the Australian Government.
- Develop an Northern Territory Broadband Strategy in alignment with Territory 2030 to provide guidance to maximise the benefits of the National Broadband Network.
- Develop communication capabilities in the Territory Growth Towns to ensure urban parity and maximum benefit.
- Engage with the Australian Government, broadcasters and media organisations to achieve parity in cost and content for digital television broadcasting services throughout the Northern Territory, particularly in remote areas.
- Develop a Gov 2.0 Cabinet Strategy or discussion paper with the Department of the Chief Minister.
- Pilot a Web 2.0 Technologies for Government 2.0 (social networking, micro blogging).
- Deliver architecture and technology plans for new outsourced ICT arrangements.
- Implement national web content accessibility guidelines.
- Pilot and develop e-forms and electronic work flow solutions to support improvement of government processes.

### OUTPUT GROUP: SHARED SERVICES

#### OUTPUT: OFFICE LEASING MANAGEMENT

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

#### Responsibilities:

- acquiring leased commercial, retail, industrial and special use property
- management of commercial leased accommodation including security and cleaning services. The portfolio currently consists of more than 190 leases of approximately 194 000m<sup>2</sup> located throughout the Northern Territory, including 35 leases managed on behalf of a range of non government organisations (details provided at Appendix IX).
- providing corporate real estate services to agencies including accommodation strategies, lease negotiation, contract procurement

and tenant advocacy, including managing relationships with landlords, developers and other government agencies that supply tenancy services.

#### Performance

Initiative or Activity	Achievement
Servicing requests for leased commercial property in urban and remote areas in a timely and professional manner	✓ 37 new leases and 37 renewed leases were negotiated in 2009–10. Acquisition of suitable property in remote areas remains an ongoing challenge.
Establishing Government Business Centres in the 20 Territory Growth Towns in conjunction with the Department of the Chief Minister	→ GOAC participated in development of the Nguiu Government Business Centre as a template approach for other Territory Growth Towns. Further work will continue to progress the Nguiu Centre in 2010–11.
Provision of central lease administration services for land tenure in remote communities	→ The role of NT Property Management in this initiative remains under consideration. Timing depends on other agencies resolving land tenure issues.
Reduce the impact of the leased office portfolio on the natural environment by developing and implementing strategies to reduce energy consumption and promote recycling	✓ The Green Office Building Policy was approved in December 2009. New leases are being actioned and existing leases are being renewed in line with the policy.  Paper recycling was incorporated into building services for the new Domain building at Casuarina.

✓ Achieved ▲ Partially Achieved ✗ Not Achieved → Continues into 2010–11

Initiative or Activity	Achievement
Develop and implement policy on workplace design and management to reduce the time and costs associated with the design, installation and maintenance of fit-outs	→ A policy discussion paper was developed by an independent consultant and is being considered by stakeholders. A Workplace Design Policy and Accommodation Guidelines will be prepared in 2010–11.
Obtain government approval for the Portfolio Management Framework endorsed by the GOAC and implement the framework to improve overall portfolio performance	✓ The Portfolio Management Framework is consistent with the National Framework for Sustainable Government Office Buildings which was endorsed, in principle, by government.
Implement a new suite of standard lease documents: Office, Retail and Industrial, and Green Lease Schedule	✓ A new standard lease document was developed and successfully negotiated with the Property Council of Australia.
Evaluate current and future requirements to replace the leased property management system (LPMS)	→ A review of LPMS deficiencies (gap analysis) was completed. A scope of work and business case will be developed over 2010–11.
Develop and implement a Green Office Building Policy as part of the government's Climate Change Policy	✓ The Green Office Building Policy was approved in December 2009 and is being progressively implemented.

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

## Office Leasing Management Budget Performance Indicators

Performance Measures	2009–10			2010–11 Original Budget
	Original Budget	Revised Budget	Actual	
<b>Quantity</b>				
Property leases	195	195	194	200
Area leased (000m <sup>2</sup> )	200	196	194	200
Average cost per m <sup>2</sup>	\$285	\$300	\$313	\$310
<b>Quality</b>				
Area of leased commercial property accredited for energy efficiency under NABERS 4 star or better (m <sup>2</sup> ) <sup>1</sup>	13 577	22 500	21 000	40 000
<b>Timeliness</b>				
Rental payments made on time	99%	99%	99%	99%

1. NABERS is the Australian build environmental ratings system, 4 star is equivalent to Australian best practice.

### Movements between Original and Revised Budget 2009–10

Area of leased commercial property accredited for energy efficiency under NABERS 4 star or better (m<sup>2</sup>) + 8 923  
A number of leased buildings achieved 4 star NABERS rating earlier than expected. Trend anticipated to continue.

### Movements between 2009–10 Revised Budget and Actual

No significant variations.

### Priorities for 2010–11

- Assess proposals from public Expressions of Interest seeking leased office accommodation in Darwin, Palmerston and Nhulunbuy, selecting proposals that meet government's needs, provide value for money and reflect the Green Office Building Policy and Climate Change Policy.
- Develop lease property plans for key growth agencies, in conjunction with the agencies.
- Develop and implement a Workplace Design and Management Policy in conjunction with the Department of Construction and Infrastructure.
- Develop and implement green occupancy agreements between building owners and agency tenants and manage assets in accordance with these agreements.
- Increase use of paper recycling in cleaning contracts.
- Coordinate accommodation plans to relocate agencies from the Greatorex Building in Alice Springs.
- Prepare a business case and determine functional requirements for a leased property management system.
- Assist with progressing the establishment of a Government Business Centre in Nguiu, focusing on office lease negotiations and participate in planning for Government Business Centres in other Territory Growth Towns.



### DATA CENTRE SERVICES

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

The outcome is that the government's critical business systems operate in a computing

environment that is flexible, reliable and secure, with high levels of access and availability.

Responsibilities:

- hosting and managing mainframe application and mid-range server application
- administering the database
- managing enterprise data storage

- hosting ICT infrastructure for agencies and contracted service providers
- operating the Chan Data Centre facility
- managing various whole-of-government information technology functions, electronic security and identity management.

### Performance

Initiative or Activity	Achievement
Meeting agency demand for fully managed computing services	→ Additional servers and storage capacity were acquired, reducing the need for agencies to purchase hardware infrastructure. Some 270 virtual servers have been installed with the number steadily growing.
Upgrading mainframe computing infrastructure	✓ The mainframe was upgraded to a new Z10 business class server representing state of the art technology. This was completed in February 2010.
Implementation of a new back up solution to improve efficiency in backing up business data.	▲ This continues into 2010–11. The system has been installed and will be configured by mid 2011.
Containing the carbon footprint of an energy intensive facility	→ The introduction of virtual server technology has reduced the number of physical servers, reducing CO <sub>2</sub> by 60 metric tonnes monthly. This is an ongoing task
Ensuring minimal disruption and continuity of critical government business systems by enhancing disaster recovery capabilities	→ This project will take a number of years to fully implement. A disaster recovery risk assessment of the Chan Data Centre was completed in March 2010. Report findings are being assessed with costed options to be developed.
Improving technological and computing capabilities	✓ A new mainframe processor was acquired and virtual server infrastructure was further expanded.
Infrastructure review of the Chan Data Centre	→ The review and upgrade of Data Centre infrastructure will continue through 2010–11.

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

Initiative or Activity	Achievement
Implementing improvements to the ePass system to improve and automate ICT service requests in preparation for the third generation outsourcing contracts	✓ This was completed June 2010. Changes will continue through 2010–11 to improve system integration with outsourced service provider systems.
Implementing the use of electronic forms interface technologies integrated to key government IT systems to replace paper forms	✗ The progress of this initiative significantly depends on agency take-up, which has been less than anticipated.
Commence a benchmarking study of mid-range services to examine market parity	✓ The benchmarking study was completed in May 2010. It included server management, mainframe, database administration and data storage services, which were rated equal to or better than peer reference sites.

✓ Achieved    ▲ Partially Achieved    ✗ Not Achieved    → Continues into 2010–11

### Data Centre Services Budget Performance Indicators

Performance Measures	2009–10			2010–11 Original Budget
	Original Budget	Revised Budget	Actual	
<b>Quantity</b>				
Billable mainframe (CPU) seconds processed per month	1.7M	2.3M	2.3M	2.4M
Servers hosted in Chan Data Centre	440	660	650	700
Fully managed servers	325	350	379	380
Terabytes of storage area network	65	100	179	150
<b>Quality</b>				
Unplanned outages per month – mainframe services	0	0	0	0
Unplanned outages per month – virtual server environment	3	3	3	3
<b>Timeliness</b>				
Response time for mainframe services (< 5 seconds)	98.5%	98.3%	98.3%	98.5%
Performance report for mid-range services provided to clients each month	< 10 Days	< 10 Days	< 10 Days	< 10 Days

### Movements between Original and Revised Budget 2009–10

*Billable mainframe (CPU) seconds processed per month + 0.6M*

Increased utilisation principally from four major mainframe IT systems. Usage higher than anticipated and expected to be sustained for 2010–11 and beyond.

*Servers hosted in Chan Data Centre +220*  
Increase due to 125 new servers for three major agencies and new IP telephony infrastructure, together with services identified as part of a server hosting audit conducted.

*Fully managed servers +25*  
Increase in client demand for server management and application hosting.

*Terabytes of storage area network +35*  
Increase in client demand for data storage.

*Response times for mainframe services – 0.2%*  
Decrease in response time due to increased transaction time for a client application.

### Movements between 2009–10 Revised Budget and Actual

*Servers hosted in Chan Data Centre -10*  
Decrease due to the consolidation of existing physical servers into the virtual server environment and the removal of some outsourced service provider equipment.

*Fully managed servers +29*  
Increase in client demand for server management and application hosting.

*Terabytes of storage area network +79*  
Increase primarily due to data storage previously managed by service providers transferred to Data Centre Services.

## Priorities for 2010–11

- Meet increasing agency demand for fully managed computing services by extending the virtual server and data storage environment.
- Upgrade the back-up system for government business data.
- Improve mainframe operational efficiency.
- Assist agencies to modernise their legacy mainframe systems.
- Continue plans to contain the carbon footprint of the energy intensive Chan Data Centre.
- Determine options to establish a data centre disaster recovery site.
- Establish a capacity planning and forecasting model for data centre hosting services.
- Review ePass and its role in providing government identity management services.

### GOVERNMENT PRINTING OFFICE

The Government Printing Office (GPO) delivers efficient and high quality specialised and general printing and government publications services, involving the use of both in-house and local printing industry sources.

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

#### Responsibilities:

- delivering cost-effective and specialised printing and publication services to Parliament and Government agencies in a secure environment including the production of Hansard, Bills, Acts, subordinate legislation, Gazettes, annual reports, budget papers, ballot papers, stationery, brochures, posters, and other reports, publications and promotional material
- applying commercial practices in delivering centralised printing services for government in partnership with the private sector printing industry involving outsourcing a consistent portion of print jobs to best meet customers' specific printing requirements.

#### Performance

Initiative or Activity	Achievement
Continue to work in partnership with private sector printing firms to support private industry by outsourcing work fairly and equitably	✓ A total of 26.6% of printing sales were outsourced to the private sector.
Ascertain customer satisfaction with the GPO's services to assist in assessing performance	✓ An independent customer survey was undertaken in July and August 2009 to ascertain the level of customer service achieved by the GPO. Customers gave a 97% satisfied rating.
Continue to build business relationships with customers and suppliers	✓ The GPO fostered excellent relationships with its customers and suppliers during 2009–10 and delivered positive outcomes for many local industry participants. This is an ongoing focus for the GPO.
Review customer future demands for printed materials to ensure the GPO is positioned to be able to deliver the required services in a highly effective manner	✓ Future customer demands were reviewed as a result of data received from the customer survey undertaken in July and August 2009.
Enhance efficiency and deliver more streamlined value added services to customers	✓ The GPO business performance improved significantly throughout 2009–10. Efficiency gains delivered a significant improvement in financial performance.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

Initiative or Activity	Achievement
Consider ways to reduce the GPO's carbon footprint through lowering energy usage and greenhouse gas emissions	→ The GPO has taken action to reduce its carbon footprint within its production environment.
Implement the "National Printing Industry Sustainable Green Print" Environmental Management Certification System	→ The GPO will further progress this important initiative in 2010–11.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

## Government Printing Office Budget Performance Indicators

Performance Measures	2009–10			2010–11
	Original Budget	Revised Budget	Actual	Original Budget
<b>Quantity</b>				
Jobs undertaken	3 100	3 100	3 058	3 150
Proportion of printing sales outsourced <sup>1</sup>	25%	25%	26.6%	27%
<b>Quality</b>				
Jobs reworked	< 0.1%	< 0.1%	< 0.1%	< 0.1%
<b>Timeliness</b>				
Quotes provided within required timeframes	99%	99%	98%	99%
Jobs completed within required timeframes	99%	99%	99%	99%

Movements between Original and Revised Budget 2009–10  
No significant variations

Movements between 2009–10 Revised Budget and Actual  
No significant variations

1. GPO regularly outsources work with some print orders requiring expertise and/or equipment not available within GPO.



## Priorities for 2010–11

- Fully implement the National Printing Industry Sustainable Green Print Environmental Management Certification System.
- Review service delivery options for printing services to agencies, including coordination of printing management functions, to ensure effective and efficient services to customers.
- Continue monitoring energy usage and seeking ways to reduce the GPO's carbon footprint.
- Maintain work share with private sector print industry.
- Recruit a new Government Printer.

### NT FLEET

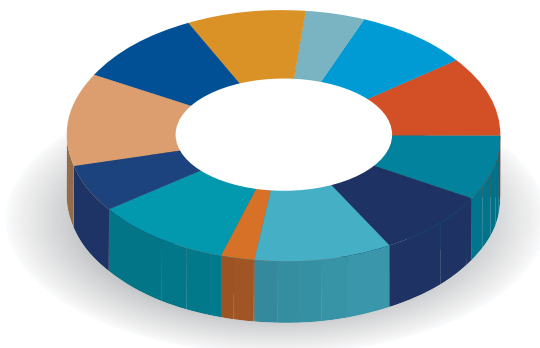
NT Fleet provides agencies with a modern fleet of vehicles matched to their operational needs.

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

#### Responsibilities:

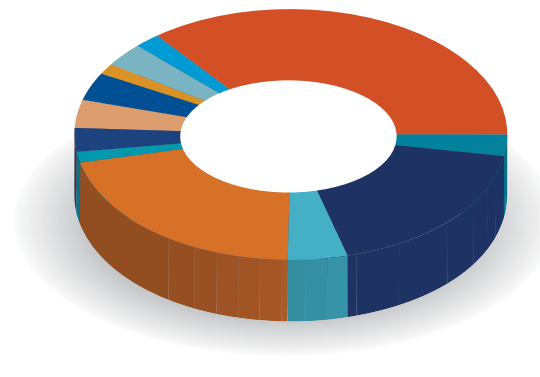
- managing the Northern Territory Government vehicle fleet, including light and heavy vehicles and plant and equipment, except for police, fire and emergency services vehicles
- managing vehicle acquisition and disposal, contract management, vehicle usage monitoring, coordination of maintenance and repairs, and reporting to agencies
- providing policy advice to government on vehicle fleet matters and fleet planning and operational advice to agencies
- providing not for profit community based organisations with vehicles as a gift or loan following successful application to the government's Community Benefit Fund. Details provided in the charts below.

#### Gifted Vehicles



	Costs (\$)
Alzheimer's Australia	25 000
Barkly Regional Arts	25 000
Binjari Community	30 000
Friends of North Australia Railway	7 500
MJD Foundation	30 000
Multicultural Youth NT	18 000
NT Blue Light Disco	35 000
Olive Pink Botanic Garden	28 000
Royal Life Saving Society	26 000
Ruby Gaea Darwin Centre Against Rape	13 000
TCK Christian Family	25 000
Uniting Church in Aust. Frontier Services	30 000
<b>Sub-total</b>	<b>292 500</b>

#### Loaned Vehicles



	Costs (\$)
Corrugated Iron Youth Arts	3 828
Darwin Festival	24 767
Desert Festival	6 107
Finke Desert Race	28 937
Freds Pass Show	1 804
Humpty Doo Scouts	4 106
Music NT	4 986
NT Writers' Centre	5 046
Outback Territory Cruise	1 759
Red Centre Mountain Bike Endruo	4 162
SIDS & Kids NT	2 940
Yothu Yindi Foundation	48 314
<b>Sub Total</b>	<b>136 755</b>
<b>Total</b>	<b>429 255</b>

## Performance

Initiative or Activity	Achievement
Implement the Greening the Fleet Strategy as part of the government's Climate Change Policy to reduce greenhouse gases associated with the vehicle fleet	✓ The Greening the Fleet strategy was implemented. The strategy will see a 20% reduction in average CO <sub>2</sub> gases produced by the government's passenger and light commercial fleets over the next 5 years. Agency targets averaging 7% for 2009–10 and 2010–11 were set. At 30 June 2010 a 5% reduction had been achieved. The shortfall is attributed mainly to delays in delivery of more fuel efficient vehicles and a slow uptake of the strategy by some agencies. The light vehicle fleet includes a substantially greater proportion of fuel efficient vehicles, having a green vehicle guide rating of 5.5 or higher.
Continue to achieve an acceptable return on the asset base	✓ NT Fleet made a net profit of \$9.2 million after tax, a 10.3% return on asset base.
Continue to provide clients with quality and timely fleet management information	✓ The fleet website continued to be updated with ANCAP safety ratings added so agencies can evaluate new models as they are released.  NT Fleet sponsored a Fleet Management training course which was delivered by the Institute of Public Works and Engineering Australia. Given its success NT Fleet will sponsor a similar course in 2010–11.
Work with agencies to acquire a safer, more environmentally friendly fleet, and minimise the cost of owning and operating the fleet	✓ NT Fleet has continued to benchmark against other jurisdictions and adopt best practice fleet management. Ongoing discussions with agencies have occurred, focused on complying with Greening the Fleet Strategy and ensuring vehicles suit agency operational needs.
Review NT Fleet business systems to establish the strategic ICT direction	→ Attempts to find a suitable consultant to review NT Fleet's business system and management information requirements were unsuccessful. A steering committee has been formed to progress the review in 2010–11 and determine functional requirements.
Implement the pool vehicle booking system across government and monitor usage	→ The pool vehicle booking system is implemented and available to agencies. The system has been modified to address requirements of the Department of Health and Families. Further work is required to improve the usefulness of the system. Work has been initiated with the Department of Housing, Local Government and Regional Services and this will continue into 2010–11.
Finalise the elevating work platforms replacement program for the Power and Water Corporation	✓ The program has been completed.

✓ Achieved   ▲ Partially Achieved   ✗ Not Achieved   → Continues into 2010–11

## NT Fleet Budget Performance Indicators

Performance Measures	2009–10			2010–11 Original Budget
	Original Budget	Revised Budget	Actual	
<b>Quantity</b>				
Light vehicles managed	2 700	2 750	2 745	2 800
Light vehicles disposed	1 050	950	984	1 050
Heavy vehicles managed	650	650	647	650
<b>Quality</b>				
Vehicles aged within replacement criteria	80%	80%	82%	80%
Reduction in greenhouse gases produced per km travelled	5%	6%	5%	7%
<b>Timeliness</b>				
Vehicles available for auction sale within 36 days	95%	95%	76%	95%

### Movements between Original and Revised Budget 2009–10

*Light vehicles disposed -100*

Delays in supply of replacement vehicles on order for 2009–10.

*Reduction in greenhouse gases produced per km travelled +1%*

Impact of Greening the Fleet Strategy.

### Movements between 2009–10 Revised Budget and Actual

*Light vehicles disposed +34*

3% increase due to introduction of two auctions per month.

*Reduction in greenhouse gases produced per km travelled -1%*

Due to a disproportionate increase in the number of light commercial vehicles, delays in delivery of more fuel efficient vehicles and slow take up of the Greening the Fleet Strategy by some agencies.

*Vehicles available for auction sale within 36 days -19%*

Due to unavailability of service contractors, freight between regional centres and availability of parts from suppliers.

## Priorities for 2010–11

- Continue to monitor and assist agencies to comply with the Greening the Fleet Strategy.
- Review application of the Greening the Fleet Strategy for years three, four and five of the strategy (commencing in 2011–12), with a particular focus on setting CO<sub>2</sub> reduction targets for year three.
- Deliver a reasonable return on the asset base through prudent financial management.
- Develop and promote driver training courses for use by agency staff.
- Enhance and expand usage of the pool vehicle booking system.
- Finalise review of functional requirements and prepare business case for NT Fleet's business information system.
- Continue to seek ways to reduce the cost of owning and operating fleet vehicles.



# Financial Statements



### FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2010

The Department of Business and Employment (DBE) provides:

- leadership to develop and broaden the Northern Territory economic base and strategic programs and activities to support business, industry and investment development;
- strategic labour market policy advice and forecasting to maximise employment opportunities for Territorians and meet industry needs; and
- shared corporate services for Government agencies and business divisions including financial and human resource administration, procurement services, information and communications technology management and office leasing.

### FINANCIAL PERFORMANCE

The Department's operating *deficit* of \$1.4 million for 2009–10 reflects a significant variation from the budgeted *surplus* of \$1.2 million. The key variations include:

- the delayed receipt of a \$5.0 million Commonwealth Capital Grant contribution which will now be received in the 2010–11 financial year;
- offset by
  - the under expenditure on the Commonwealth Indigenous Training for Employment programs of \$1.6 million to be carried over to 2010–11; and
  - an increase in Goods and Services Revenues received of \$0.7 million.

Table 1: 2009–10 Budget and Actual Performance

	Actual \$'000	Budget \$'000	Variation \$'000
Income	156 231	160 728	( 4 497)
Expenses	157 590	159 527	1 937
<b>Surplus/(Deficit)</b>	<b>( 1 359)</b>	<b>1 201</b>	<b>( 2 560)</b>

### Income

By far the majority of the Department's income is sourced from appropriation from the Central Holding Authority (called output revenue). The Department's corporate shared services are provided free-of-charge to general government agencies, although notional charges are recorded and reflected in each agency's budget and output costs. The 2009–10 output Revenue figure includes a one-off receipt of \$8.7 million to meet the transition costs for the new outsourced Information and Communications Technology (ICT) contracts and additional funding of \$6.0 million to cover the significant increase in property rentals and associated costs.

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

Table 2: Income by Category

Output Revenue		Goods and Services Revenue		Commonwealth Revenue		Other Revenue		TOTAL	
\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
139 467	89.3	13 967	8.9	1 234	0.8	1 563	1.0	156 231	100.0

### Expenses

Property costs, primarily office lease rents for all government agencies, comprise the largest expense category for the Department, followed closely by employee costs. Both property and ICT costs are mostly committed by long term, fixed contracts and are generally non-discretionary. In 2009–10 the ICT figure includes a one-off payment of \$8.7 million to meet the transition costs to the new ICT contracts and \$6.0 million for increased property rentals. Employee expenses are the second major expense category with ongoing efforts to contain and reduce these costs.

Table: 3 Expenses by Category

Employee		Property		ICT		Operational		Grants		TOTAL	
\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
52 009	33.0	59 497	37.7	26 093	16.6	10 222	6.5	9 769	6.2	157 590	100.0

The Department had a \$9.8 million grant program in 2009–10, with the largest grant being the final instalment of \$2.8 million for the Arnhem Optic Fibre Project.

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

Table: 4 Expenses by Output Group

	Business Development \$'000	Employment \$'000	Shared Services \$'000	Total \$'000
Employee	7 321	1 997	42 691	52 009
Operational	4 150	1 617	90 045	95 812
Grants	4 805	1 869	3 095	9 769
<b>Total</b>	<b>16 276</b>	<b>5 483</b>	<b>135 831</b>	<b>157 590</b>
Percentage	10.3%	3.5%	86.2%	100.0%

### FINANCIAL POSITION

The Department's net asset position at the end of 2009–10 is \$15.0 million.

Major assets include:

- \$7.6 million - cash and deposits,
- \$3.4 million - receivables, primarily relating to the property leasing portfolio,
- \$3.7 million - prepayments, primarily relating to the property leasing portfolio,
- \$11.9 million - property, plant and equipment, primarily ICT infrastructure assets.

Major liabilities include:

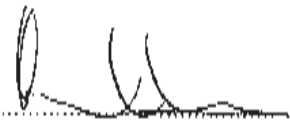
- \$3.1 million - payables,
- \$5.8 million - current provisions - includes employee entitlements of \$5.0 million and other employee payroll on-costs of \$0.9 million,
- \$2.6 million - non-current employee entitlements.

## CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2010 and the financial position on that date.

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



Graham Symons  
**CHIEF EXECUTIVE**

31 August 2010



Rex Schoolmeester  
**CHIEF FINANCE OFFICER**

31 August 2010

## COMPREHENSIVE OPERATING STATEMENT For the year ended 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>INCOME</b>			
<i>Grants and Subsidies Revenue</i>			
Current		1 234	1 624
<i>Appropriation</i>			
Output		139 467	125 454
Sales of Goods and Services		13 967	18 055
Interest Revenue		14	16
Goods and Services Received Free of Charge	4	1 342	1 476
Gain on Disposal of Assets	5	23	
Other Income		184	62
<b>TOTAL INCOME</b>	<b>3</b>	<b>156 231</b>	<b>146 687</b>
<b>EXPENSES</b>			
Employee Expenses		52 009	49 308
<i>Administrative Expenses</i>			
Purchases of Goods and Services	6	92 922	75 122
Repairs and Maintenance		559	321
Depreciation and Amortisation	10	1 020	719
Other Administrative Expenses		(31)	1
Goods and Services Received Free of Charge	4	1 342	1 476
<i>Grants and Subsidies Expenses</i>			
Current		6 979	6 515
Capital		2 790	9 315
Loss on Disposal of Assets	5		1
<b>TOTAL EXPENSES</b>	<b>3</b>	<b>157 590</b>	<b>142 778</b>
<b>NET SURPLUS</b>		<b>(1 359)</b>	<b>3 909</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in Asset Revaluation Surplus		1 005	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>1 005</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>(354)</b>	<b>3 909</b>

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

### BALANCE SHEET For the year ended 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	7	7 572	5 023
Receivables	8	3 375	3 970
Loans and Advances		237	231
Prepayments		3 658	3 672
<b>Total Current Assets</b>		<b>14 842</b>	<b>12 896</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	11 870	9 854
<b>Total Non-Current Assets</b>		<b>11 870</b>	<b>9 854</b>
<b>TOTAL ASSETS</b>		<b>26 712</b>	<b>22 750</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits Held		96	337
Payables	11	3 125	3 835
Provisions	12	5 873	5 542
Other Liabilities	13	-	136
<b>Total Current Liabilities</b>		<b>9 094</b>	<b>9 850</b>
<b>Non-Current Liabilities</b>			
Provisions	12	2 603	2 245
<b>Total Non-Current Liabilities</b>		<b>2 603</b>	<b>2 245</b>
<b>TOTAL LIABILITIES</b>		<b>11 697</b>	<b>12 095</b>
<b>NET ASSETS</b>		<b>15 015</b>	<b>10 655</b>
<b>EQUITY</b>			
Capital		12 596	7 882
Reserves	14	1 329	324
Accumulated Funds		1 090	2 449
<b>TOTAL EQUITY</b>		<b>15 015</b>	<b>10 655</b>

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 2010

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<b>2009–10</b>					
<b>Accumulated Funds</b>		<b>2 449</b>	<b>(1 359)</b>		<b>1 090</b>
Transfers from Reserves		-	-		-
		<b>2 449</b>	<b>(1 359)</b>		<b>1 090</b>
<b>Reserves</b>	14	<b>324</b>			<b>324</b>
Asset Revaluation Reserve		-	1 005		1 005
		<b>324</b>	<b>1 005</b>		<b>1 329</b>
<b>Capital - Transactions with Owners</b>		<b>7 882</b>			<b>7 882</b>
Equity Injections					
Capital Appropriation		-	-	3 618	3 618
Equity Transfers In		-	-	205	205
Other Equity Injections		-	-	955	955
Equity Withdrawals		-	-	-	-
Capital Withdrawal		-	-	(64)	(64)
		<b>7 882</b>	<b>-</b>	<b>4 714</b>	<b>12 596</b>
<b>Total Equity at End of Financial Year</b>		<b>10 655</b>	<b>(354)</b>	<b>4 714</b>	<b>15 015</b>
<b>2008–09</b>					
<b>Accumulated Funds</b>		<b>(1 460)</b>	<b>3 909</b>	<b>-</b>	<b>2 449</b>
		<b>(1 460)</b>	<b>3 909</b>		<b>2 449</b>
<b>Reserves</b>	14	<b>324</b>	<b>-</b>	<b>-</b>	<b>324</b>
Asset Revaluation Reserve		-	-	-	-
		<b>324</b>	<b>-</b>	<b>-</b>	<b>324</b>
<b>Capital - Transactions with Owners</b>		<b>4 247</b>			<b>4 247</b>
Equity Injections					
Capital Appropriation		-	-	762	762
Equity Transfers In		-	-	909	909
Other Equity Injections		-	-	2 055	2 055
Equity Withdrawals		-	-	-	-
Capital Withdrawal		-	-	(91)	(91)
		<b>4 247</b>	<b>-</b>	<b>3 635</b>	<b>7 882</b>
<b>Total Equity at End of Financial Year</b>		<b>3 111</b>	<b>3 909</b>	<b>3 635</b>	<b>10 655</b>

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 2010

	NOTE	2010 \$'000 (Outflows) / Inflows	2009 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
<i>Grants and Subsidies Received</i>			
Current		1 234	1 624
Appropriation			
Output		139 467	125 454
Receipts From Sales of Goods And Services		24 922	25 511
Interest Received		14	18
<b>Total Operating Receipts</b>		<b>165 637</b>	<b>152 607</b>
<b>Operating Payments</b>			
Payments to Employees		(51 104)	(47 273)
Payments for Goods and Services		(104 487)	(83 931)
<i>Grants and Subsidies Paid</i>			
Current		(6 979)	(6 515)
Capital		(2 790)	(9 315)
<b>Total Operating Payments</b>		<b>(165 360)</b>	<b>(147 034)</b>
<b>Net Cash From Operating Activities</b>	15	<b>277</b>	<b>5 573</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales	5	-	(1)
Repayment of Advances		48	184
<b>Total Investing Receipts</b>		<b>48</b>	<b>183</b>
<b>Investing Payments</b>			
Purchases of Assets		(2 031)	(3 860)
Advances and Investing Payments		(15)	(22)
<b>Total Investing Payments</b>		<b>(2 046)</b>	<b>(3 882)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(1 998)</b>	<b>(3 699)</b>

	NOTE	2010 \$'000 (Outflows) / Inflows	2009 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Receipts</b>			
Proceeds of Borrowings		-	394
Deposits Received		(240)	(52)
<b>Equity Injections</b>			
Capital Appropriation		3 619	762
Other Equity Injections		955	2 055
<b>Total Financing Receipts</b>		<b>4 334</b>	<b>3 159</b>
<b>Financing Payments</b>			
Repayment of Borrowings		-	(395)
Equity Withdrawals		(64)	(91)
<b>Total Financing Payments</b>		<b>(64)</b>	<b>(486)</b>
<b>Net Cash From Financing Activities</b>		<b>4 270</b>	<b>2 673</b>
Net Increase in Cash Held		2 549	4 547
Cash at Beginning of Financial Year		5 023	476
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>7</b>	<b>7 572</b>	<b>5 023</b>

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

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2010

### 1. OBJECTIVES AND FUNDING

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

The Department is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the Department are summarised into three Output Groups. Note 3 provides summary financial information in the form of an Operating Statement by Output Group.

The Department has the following output groups and outputs:

#### **Business Development**

Business Development

#### **Employment**

Employment

#### **Shared Services**

Finance Services

Human Resource Services

Procurement Policy and Services

Information and Communications Technology Services

Office Leasing Management

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

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting

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

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

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.

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

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

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

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

Comprehensive Operating Statement and the Statement of Changes in Equity discloses owner changes in equity separately from non-owner changes in equity.

*AASB 123 Borrowing Costs, AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities*

The revised Standard AASB 123 mandates the capitalisation of all borrowing costs attributable to the acquisition, construction or production of qualifying assets. However AASB 2009-1 allows not-for-profit public sector entities to continue to choose whether to expense or capitalise borrowing costs relating to qualifying assets. The Standards do not impact the Financial Statements because DBE has not changed its policy with regards to borrowing costs and continues to expense the costs.

*AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [ AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]*

The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale. The Standard does not impact the Financial Statements.

*AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*

The Standard amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosures about fair value measurements. It establishes a three-level hierarchy for making fair value measurements, requiring those financial instruments measured at fair value in the Balance Sheet to be categorised into levels.

*Interpretation 17 Distributions of Non-cash Assets to Owners, AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-cash Assets to Owners*

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The Interpretation and Standard do not impact the Financial Statements.

*Interpretation 18 Transfers of Assets from Customers*

The Interpretation clarifies the accounting for agreements in which an entity receives from a customer an item of property, plant and equipment (or cash for the acquisition or construction of such items of property, plant and equipment) that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of good or services. The Interpretation does not impact the Financial Statements.

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

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

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments relate to terminology and editorial changes.	1 Jan 2010	Terminology and editorial changes. Impact minor
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19	Consequential amendment to AASB 1 arising from publication of interpretation 19.	1 Jul 2010	The DBE does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the DBE is still assessing the detailed impact and whether to early adopt.

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i> .	1 Jan 2011	No impact is expected.
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB’s project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	1 Jan 2013	The measurement basis for (Agency) main financial assets (cash and deposit and receivable and receivable) are not likely to change on application of AASB9. However, a change in measurement basis, may give rise to a material financial impact on agency’s financial statement.  Detail of impact is still being assessed.
AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.

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



## c) Agency and Territory Items

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

**Central Holding Authority**

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

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

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

## d) Comparatives

Where necessary, comparative information for the 2008–09 financial year has been reclassified to provide consistency with current year disclosures.

## e) Presentation and Rounding of Amounts

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

## f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2009–10 as a result of management decisions.

## g) Accounting Judgements and Estimates

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

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

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

- Employee Benefits – Note 2(s) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate.
- Allowance for Impairment Losses – Note 2(n) and Note 8: Receivables.
- Depreciation and Amortisation – Note 2(k), Note 10: Property, Plant and Equipment.

### h) Goods and Services Tax

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

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

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

### i) Income Recognition

Income encompasses both revenue and gains.

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

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

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

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

#### **Appropriation**

Output Appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of Agency outputs after taking into account funding from Agency income. It does

not include any allowance for major non-cash costs such as depreciation.

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

Revenue in respect of Appropriations is recognised in the period in which the Agency gains control of the funds.

#### **Sale of Goods**

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

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

#### **Rendering of Services**

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

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

### **Interest Revenue**

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

### **Goods and Services Received Free of Charge**

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

### **Disposal of Assets**

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

### **Contributions of Assets**

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

#### **j) Repairs and Maintenance Expense**

Funding is received for repairs and maintenance works associated with Department assets as part of Output Revenue. Costs associated with repairs and maintenance works on Department assets are expensed as incurred.

#### **k) Depreciation and Amortisation Expense**

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

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

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

	2010	2009
Buildings	50 Years	50 Years
Plant and Equipment	10 Years	10 Years
Leased Plant and Equipment	5 Years	5 Years
Intangible Assets	10 Years	10 Years

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

#### **l) Interest Expense**

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

#### **m) Cash and Deposits**

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

#### **n) Receivables**

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

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

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

## o) Property, Plant and Equipment

**Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 threshold are expensed in the year of acquisition.

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

**Complex Assets**

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

**Subsequent Additional Costs**

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

**Construction (Work in Progress)**

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

## p) Revaluations and Impairment

**Revaluation of Assets**

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

- Land;
- Buildings; and
- Intangible Assets.

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

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

**Impairment of Assets**

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

Impairment losses are recognised in the Comprehensive Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed,

the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve. Note 14 provides additional information in relation to the Asset Revaluation Reserve.

### q) Leased Assets

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

#### **Finance Leases**

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

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

#### **Operating Leases**

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

### r) Payables

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

### s) Employee Benefits

Provision is made for employee benefits accumulated as a result

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

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

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

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

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

### t) Superannuation

Employees' superannuation entitlements are provided through the:

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

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



u) Contributions by and Distributions to Government

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

The Statement of Changes in Equity and Note 14 provide additional information in relation to contributions by, and distributions to, Government.

v) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 17 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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



## 3. OPERATING STATEMENT BY OUTPUT GROUP

	Note	Business Development		Employment		Shared Services		Total	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>INCOME</b>									
<i>Grants and Subsidies Revenue</i>									
Current		10	90	1 033	1 000	191	534	1 234	1 624
<i>Appropriation</i>									
Output		15 034	19 644	4 204	3 185	120 229	102 625	139 467	125 454
Sales of Goods and Services		97	960	-	-	13 870	17 095	13 967	18 055
Interest Revenue		14	16	-	-	-	-	14	16
Goods and Services Received Free of Charge	4	1 100	1 210	242	266	-	-	1 342	1 476
Gain on Disposal of Assets	5	-	-	-	-	23	-	23	-
Other Income		29	-	6	-	149	62	184	62
<b>TOTAL INCOME</b>		<b>16 284</b>	<b>21 920</b>	<b>5 485</b>	<b>4 451</b>	<b>134 462</b>	<b>120 316</b>	<b>156 231</b>	<b>146 687</b>
<b>EXPENSES</b>									
<i>Employee Expenses</i>									
		7 321	7 744	1 997	1 636	42 691	39 928	52 009	49 308
<i>Administrative Expenses</i>									
Purchases of Goods and Services	6	3 022	2 920	1 333	992	88 567	71 210	92 922	75 122
Repairs and Maintenance		66	38	17	9	476	274	559	321
Depreciation and Amortisation	10	20	34	5	9	995	676	1 020	719
Loss on Disposal of Assets	5	-	-	-	-	-	1	-	1
Other Administrative Expenses	21	(39)	-	-	-	8	1	(31)	1
Goods and Services Received Free of Charge	4	1 080	1 210	262	266	-	-	1 342	1 476
<i>Grants and Subsidies Expenses</i>									
Current		4 805	4 693	1 869	1 548	305	274	6 979	6 515
Capital		-	5 315	-	-	2 790	4 000	2 790	9 315
<b>TOTAL EXPENSES</b>		<b>16 275</b>	<b>21 954</b>	<b>5 483</b>	<b>4 460</b>	<b>135 832</b>	<b>116 364</b>	<b>157 590</b>	<b>142 778</b>
<b>NET SURPLUS</b>		<b>9</b>	<b>(34)</b>	<b>2</b>	<b>(9)</b>	<b>(1 370)</b>	<b>3 952</b>	<b>(1 359)</b>	<b>3 909</b>
<b>OTHER COMPREHENSIVE INCOME</b>									
Changes in Asset Revaluation Surplus		-	-	-	-	1 005	-	1 005	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 005</b>	<b>-</b>	<b>1 005</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>9</b>	<b>(34)</b>	<b>2</b>	<b>(9)</b>	<b>(365)</b>	<b>3 952</b>	<b>(354)</b>	<b>3 909</b>

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

	2010 \$'000	2009 \$'000
<b>4. GOODS AND SERVICES RECEIVED FREE OF CHARGE</b>		
Corporate and Information Services relating to Business and Employment	1 342	1 476
<b>Total Goods and Services Received Free of Charge</b>	<b>1 342</b>	<b>1 476</b>
<b>5. GAIN/LOSS ON DISPOSAL OF ASSETS</b>		
Net proceeds from the disposal of non-current assets	23	3
Less: carrying value of non-current assets disposed	-	(4)
<b>Total Loss on Disposal of Assets</b>	<b>23</b>	<b>(1)</b>

	2010 \$'000	2009 \$'000
<b>6. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Information Technology	12 673	12 406
Information Technology Contract Transition Costs	8 746	-
Office Leasing	59 497	49 436
Consultants <sup>(1)</sup>	3 375	3 888
Advertising <sup>(2)</sup>	465	450
Marketing and Promotion <sup>(3)</sup>	849	1 090
Document Production	52	95
Legal Expenses <sup>(4)</sup>	741	270
Recruitment <sup>(5)</sup>	89	266
Training and Study	498	427
Official Duty Fares	318	434
Travelling Allowance	104	112

(1) Includes ICT, marketing and promotion consultants.

(2) Does not include recruitment advertising or marketing and promotion advertising.

(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

(4) Includes legal fees, claim and settlement costs.

(5) Includes recruitment related advertising costs.

	2010 \$'000	2009 \$'000
<b>7. CASH AND DEPOSITS</b>		
Cash on Hand	61	61
Cash at Bank	7 511	4 962
<b>Total Cash and Deposits</b>	<b>7 572</b>	<b>5 023</b>
<b>8. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	820	2 650
Less: Allowance for Impairment Losses	(3)	-
Interest Receivables	1	-
GST Receivable	2 035	812
Other Receivables	522	508
<b>Total Receivables</b>	<b>3 375</b>	<b>3 970</b>
<b>9. LOANS AND ADVANCES</b>		
Total Loans	382	231
Provision for Doubtful Debts	(145)	0
<b>Total Loans and Advances</b>	<b>237</b>	<b>231</b>

	2010 \$'000	2009 \$'000
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
At Fair Value	2 300	1 400
	<b>2 300</b>	<b>1 400</b>
<b>Buildings</b>		
At Fair Value	5 023	5 175
Less: Accumulated Depreciation	(2 910)	(3 062)
	<b>2 113</b>	<b>2 113</b>
<b>Plant and Equipment</b>		
At Cost	4 147	2 116
Less: Accumulated Depreciation	(1 372)	(1 176)
	<b>2 775</b>	<b>940</b>
<b>Computer Software</b>		
At Fair Value	6 897	6 897
Less: Accumulated Amortisation	(2 215)	(1 496)
	<b>4 682</b>	<b>5 401</b>
<b>Computer Hardware</b>		
At Fair Value	327	357
Less: Accumulated Depreciation	(327)	(357)
	-	-
<b>Total Property, Plant and Equipment</b>	<b>11 870</b>	<b>9 854</b>

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

2010 Property, Plant and Equipment Reconciliations

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

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2009</b>	<b>1 400</b>	<b>2 113</b>	<b>940</b>	<b>5 401</b>	-	<b>9 854</b>
Additions	-	-	2 031	-	-	<b>2 031</b>
Disposals	-	-	-	-	-	-
Depreciation and Amortisation	-	(105)	(196)	(719)	-	<b>(1 020)</b>
Additions/(Disposals) from Asset Transfers	-	-	-	-	-	-
Revaluation Increments/(Decrements)	900	105	-	-	-	<b>1 005</b>
<b>Carrying Amount as at 30 June 2010</b>	<b>2 300</b>	<b>2 113</b>	<b>2 775</b>	<b>4 682</b>	-	<b>11 870</b>

2009 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2008–09 is set out below:

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2008</b>	<b>1 400</b>	<b>2 204</b>	<b>369</b>	<b>2 230</b>	-	<b>6 203</b>
Additions	-	-	296	3 564	-	<b>3 860</b>
Disposals	-	-	(4)	-	-	<b>(4)</b>
Depreciation and Amortisation	-	(107)	(203)	(392)	(17)	<b>(719)</b>
Additions/(Disposals) from Asset Transfers	-	15	481	-	17	<b>513</b>
<b>Carrying Amount as at 30 June 2009</b>	<b>1 400</b>	<b>2 113</b>	<b>940</b>	<b>5 401</b>	-	<b>9 854</b>

	2010 \$'000	2009 \$'000
<b>11. PAYABLES</b>		
Accounts Payable	1 431	2 068
Accrued Expenses	1 694	1 767
<b>Total Payables</b>	<b>3 125</b>	<b>3 835</b>
<b>12. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	4 179	3 971
Leave Loading	613	575
Recreation Leave Airfares	185	175
<i>Other Current Provisions</i>		
Other Provisions	896	821
	<b>5 873</b>	<b>5 542</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	2 603	2 245
	<b>2 603</b>	<b>2 245</b>
<b>Total Provisions</b>	<b>8 476</b>	<b>7 787</b>
<b>Reconciliation of Other Provisions</b>		
<b>Balance as at 1 July 2008</b>	821	547
Additional Provisions Recognised	1 648	2 148
Reductions Arising from Payments	(1 573)	(1 874)
<b>Balance as at 30 June 2009</b>	<b>896</b>	<b>821</b>

The Department employed 617 full-time equivalent employees as at 30 June 2010.

	2010 \$'000	2009 \$'000
<b>13. OTHER LIABILITIES</b>		
<b>Current</b>		
Other Liabilities	-	136
<b>Total Other Liabilities</b>	<b>-</b>	<b>136</b>
<b>14. RESERVES</b>		
<b>Asset Revaluation Reserve</b>		
<i>(i) Nature and Purpose of the Asset Revaluation Reserve</i>		
The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the Asset Revaluation Reserve.		
<i>(ii) Movements in the Asset Revaluation Reserve</i>		
<b>Balance as at 1 July</b>	<b>324</b>	<b>324</b>
Increment/(Decrement) - Land	900	-
Increment/(Decrement) - Buildings	105	-
<b>Balance as at 30 June</b>	<b>1 329</b>	<b>324</b>

	2010 \$'000	2009 \$'000
<b>15. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>Reconciliation of Cash</b>		
The total of Department Cash and Deposits of \$7 571 752 recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
<b>Reconciliation of Net Surplus to Net Cash From Operating Activities</b>		
<b>Net Surplus</b>	<b>(1 359)</b>	<b>3 909</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 020	719
(Gain)/Loss on Disposal of Fixed Assets	-	4
Repairs and Maintenance – Minor New Works (non-cash)	205	2
Other Expenses	(32)	-
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	594	(1 642)
Decrease/(Increase) in Advances	(6)	-
Decrease/(Increase) in Prepayments	15	(163)
(Decrease)/Increase in Payables	(711)	889
(Decrease)/Increase in Provision for Employee Benefits	613	1 546
(Decrease)/Increase in Other Provisions	74	274
(Decrease)/Increase in Other Liabilities	(136)	35
<b>Net Cash From Operating Activities</b>	<b>277</b>	<b>5 573</b>

**16. FINANCIAL INSTRUMENTS**

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

(a) **Categorisation of Financial Instruments**

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

	2010 \$'000	2009 \$'000
<b>Financial Assets</b>		
Cash and deposits	7 572	5 023
Receivables	3 375	3 970
Loans and Advances	237	231
<b>Total Financial Assets</b>	<b>11 184</b>	<b>9 224</b>
<b>Financial Liabilities</b>		
Deposits Held	96	337
Payables	3 125	3 835
<b>Total Financial Liabilities</b>	<b>3 221</b>	<b>4 172</b>



### (b) Credit Risk

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

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

#### **Receivables**

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

	2010 \$'000	2009 \$'000
<b>Ageing of Receivables</b>		
Not overdue	3 227	3 356
Overdue for less than 30 days	53	440
Overdue for 30 to 60 days	12	33
Overdue for more than 60 days	83	141
<b>Total Receivables</b>	<b>3 375</b>	<b>3 970</b>

### 16. FINANCIAL INSTRUMENTS (Continued)

#### (c) Liquidity risk

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

The following tables detail the undiscounted cash flows payable by the Department by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

#### 2010 Maturity analysis for financial liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
Deposits Held					96	96	
Payables					3 125	3 125	
<b>Total Financial Liabilities:</b>					<b>3 221</b>	<b>3 221</b>	

#### 2009 Maturity analysis for financial liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
Deposits Held	-	-	-	-	337	337	
Payables		-	-	-	3 835	3 835	
<b>Total Financial Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 172</b>	<b>4 172</b>	

### (d) Market Risk

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

#### i) Interest Rate Risk

The Agency is not exposed to interest rate risk as Department financial assets and financial liabilities are non-interest bearing.

#### ii) Price Risk

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

#### iii) Currency Risk

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

## 16. FINANCIAL INSTRUMENTS (Continued)

### (e) Net Fair Value

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

Level 1 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

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

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

2010	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial Assets</b>					
Cash and Deposits	7 572	7 572			7 572
Receivables	3 375	3 375			3 375
Advances and Investments	237	237			237
<b>Total Financial Assets:</b>	<b>11 184</b>	<b>11 184</b>			<b>11 184</b>
<b>Financial Liabilities</b>					
Deposits Held	96	96			96
Payables	3 125	3 125			3 125
Finance Lease Liabilities	-	-			-
<b>Total Financial Liabilities:</b>	<b>3 221</b>	<b>3 221</b>			<b>3 221</b>
<b>2009</b>					
	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial Assets</b>					
Cash and Deposits	5 023	5 023			5 023
Receivables	3 970	3 970			3 970
Advances and Investments	231	231			231
<b>Total Financial Assets:</b>	<b>9 224</b>	<b>9 224</b>			<b>9 224</b>
<b>Financial Liabilities</b>					
Deposits Held	337	337			337
Payables	3 835	3 835			3 835
Finance Lease Liabilities	-	-			-
<b>Total Financial Liabilities:</b>	<b>4 172</b>	<b>4 172</b>			<b>4 172</b>

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

	2010 \$'000	2009 \$'000
<b>17. COMMITMENTS</b>		
<b>(i) Capital Expenditure Commitments</b>		
The Department has no Capital Expenditure Commitments		-
<b>(ii) Other Expenditure Commitments</b>		
Other non-cancellable expenditure commitments (including carry-overs, clearing accounts, trust account) not recognised as liabilities are payable as follows:		
Within one year	2 321	2 619
Later than one year and not later than five years	-	-
Later than five years	-	-
	<b>2 321</b>	<b>2 619</b>

**(iii) Operating Lease Commitments**

**Property**

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

Within one year	42 037	37 101
Later than one year and not later than five years	109 891	93 742
Later than five years	72 411	63 910

	2010 \$'000	2009 \$'000
	<b>224 339</b>	<b>194 753</b>
<b>Plant and Equipment</b>		
The Department also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:		
Within one year	44	60
Later than one year and not later than five years	16	52
Later than five years	-	-
	<b>60</b>	<b>112</b>
<b>(iv) Finance Lease Commitments</b>		
The Department has no Finance Lease Commitments		

### 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Department had no material contingent liabilities or contingent assets as at 30 June 2010.

### 19. EVENTS SUBSEQUENT TO BALANCE DATE

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

### 20. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

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

Nature of Trust Money	Opening Balance 1 July 2009	Receipts	Payments	Closing Balance 30 June 2010
Superannuation returned cheques	-	-	-	-

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

	Agency 2010 \$'000		Agency 2009 \$'000	
	No. of Trans.	No. of Trans.	No. of Trans.	No. of Trans.
<b>Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i></b>	5	1	1	1
Represented by:				
<u>Amounts written off, waived and postponed by Delegates</u>				
Irrecoverable amounts payable to the Territory or an Agency written off				
Losses or deficiencies of money written off				
Public property written off			1	1
Waiver or postponement of right to receive or recover money or property				
<b>Total written off, waived and postponed by Delegates</b>			1	1
<u>Amounts written off, postponed and waived by the Treasurer</u>				
Irrecoverable amounts payable to the Territory or an Agency written off				
Losses or deficiencies of money written off	5	1		
Public property written off				
Waiver or postponement of right to receive or recover money or property				
<b>Total written off, postponed and waived by the Treasurer</b>	5	1		
<b>Write-offs, Postponements and Waivers Authorised Under Other Legislation</b>	-	-		

### FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2010

### FINANCIAL PERFORMANCE

Data Centre Services (DCS) continued to produce a strong result in 2009–10 with a total surplus of \$2.37 million after the recognition of income tax for the year of \$1.02 million. This total surplus signified an increase of \$0.5 million above the previous year's result and \$0.52 million above the budget estimate. Based on this surplus, DCS will also be returning a dividend to Government of \$1.19 million for 2009–10.

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

Table 1: 2009–10 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2010	2009	2010	2009	2010	2009
Income	21 886	19 568	21 249	19 586	637	(18)
Expenses	18 502	16 895	18 609	17 211	107	316
<b>Net Surplus before Tax</b>	<b>3 384</b>	<b>2 673</b>	<b>2 640</b>	<b>2 375</b>	<b>744</b>	<b>298</b>
Income Tax Expense	1 015	802	792	713	(223)	(89)
<b>Net Surplus after Tax</b>	<b>2 369</b>	<b>1 871</b>	<b>1 848</b>	<b>1 662</b>	<b>521</b>	<b>209</b>

### Income

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

Table 2: Income by Category

Year	Goods and Services		Interest		Other		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	21 690	99.1	196	0.9	-	-	21 886	100
08-09	19 331	98.8	212	1.1	25	0.1	19 568	100

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

Table 3: Income by Business Function

Year	Mainframe		Midrange		IT Security / ePass		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	13 361	61.0	5 601	25.6	2 924	13.4	21 886	100
08-09	12 887	65.9	4 425	22.6	2 256	11.5	19 568	100

### Expenses

DCS incurs the majority of its expenditure in employee costs and in ICT, which includes information technology related costs for hardware, software and contractors. Compared to previous year's figures, the greatest increase in expenditure for 2009–10 occurred in the ICT expense category both in absolute terms and in percentage share terms. This was due to the increased demand and expansion of ICT services within DCS during the year. Depreciation expenses experienced the greatest decrease both in absolute and percentage share terms as a result of the complete depreciation of some assets during the year.

Table 4: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	8 615	46.6	5 892	31.8	912	4.9	1 813	9.8	1 270	6.9	18 502	100
08-09	7 575	44.8	5 456	32.3	913	5.4	1 962	11.6	989	5.9	16 895	100

Figure 1 compares DCS' expenses across financial years by category

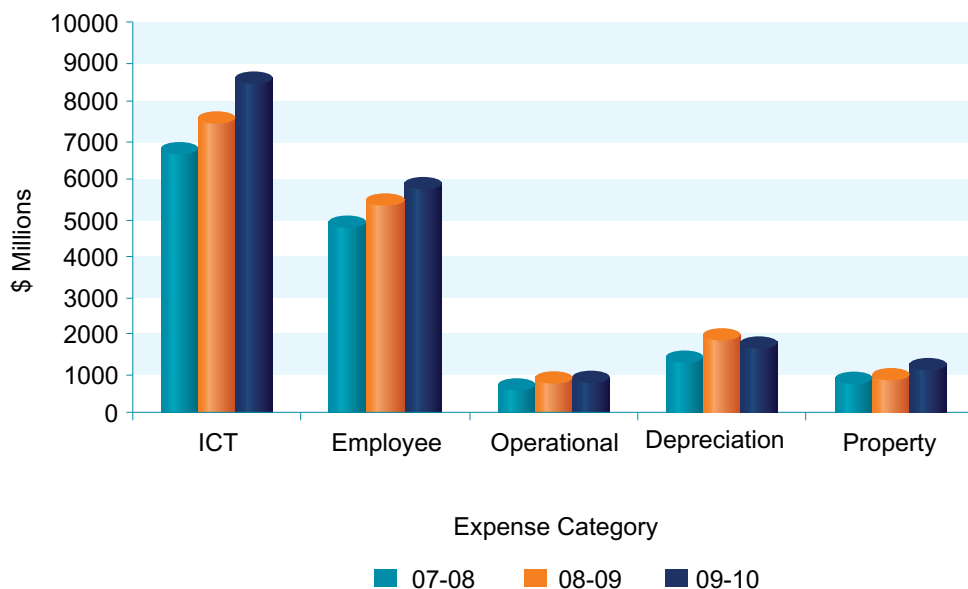


Table 5: Expenses by Business Function

Year	Mainframe		Midrange		IT Security / ePass		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	11 568	62.5	3 348	18.1	3 586	19.4	18 502	100
08-09	11 453	67.8	2 875	17.0	2 567	15.2	16 895	100

### FINANCIAL POSITION

DCS continued to maintain a strong financial position in 2009–10 with net assets totalling \$10.57 million, an increase of \$1.43 million from \$9.14 million in the previous year. The net asset increase of \$1.43 million resulted from total liabilities increasing by \$0.7 million, offset by a total asset increase of \$2.13 million. Liabilities increased as a result of more expenses being accrued for at year end and an increase in the provision of income tax and dividends ensuing from the improved operating surplus in 2009–10. The increase in assets resulted from an increase in cash, receivables, and repayments for the year. Major capital acquisitions made during the year included the z10 mainframe at a cost of \$0.99 million, and \$0.39 million spent on virtualisation infrastructure.

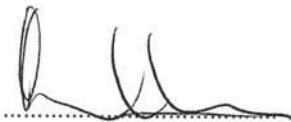


### CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2010 and the financial position on that date.

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



Graham Symons  
**CHIEF EXECUTIVE**

22 September 2010



Rex Schoolmeester  
**CHIEF FINANCE OFFICER**

21 September 2010



**Auditor-General**

**Independent Auditor's Report to the  
Minister for Business and Employment**

**Data Centre Services**

**Year ended 30 June 2010**

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2010, 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 of the entity.

#### **The Responsibility of the Chief Executive for the Financial Report**

The Chief Executive of the Department of Business and Employment is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Auditor's Opinion**

In my opinion the financial report presents fairly, in all material respects, the financial position of Data Centre Services as of 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).



F McGuiness  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

29 September 2010

## COMPREHENSIVE OPERATING STATEMENT For the year ended 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>INCOME</b>			
Sales of Goods and Services		21 690	19 331
Interest Revenue		196	212
Other Income		-	25
<b>TOTAL INCOME</b>		<b>21 886</b>	<b>19 568</b>
<b>EXPENSES</b>			
Employee Expenses		5 892	5 456
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	10 797	9 469
Depreciation and Amortisation	7	1 813	1 962
Other Administrative Expenses		-	8
<b>TOTAL EXPENSES</b>		<b>18 502</b>	<b>16 895</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>3 384</b>	<b>2 673</b>
Income Tax Expense	4	1 015	802
<b>NET SURPLUS</b>	12	<b>2 369</b>	<b>1 871</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-
<b>COMPREHENSIVE RESULT</b>		<b>2 369</b>	<b>1 871</b>

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

**BALANCE SHEET As at 30 June 2010**

	NOTE	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5	5 542	5 045
Receivables	6	2 551	2 139
Prepayments		2 598	1 567
<b>Total Current Assets</b>		<b>10 691</b>	<b>8 751</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	4 035	3 850
<b>Total Non-Current Assets</b>		<b>4 035</b>	<b>3 850</b>
<b>TOTAL ASSETS</b>		<b>14 726</b>	<b>12 601</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	679	517
Income Tax Liabilities	9	1 015	802
Provisions	10	1 892	1 543
Other Liabilities	11	312	368
<b>Total Current Liabilities</b>		<b>3 898</b>	<b>3 230</b>
<b>Non-Current Liabilities</b>			
Provisions	10	261	230
<b>Total Non-Current Liabilities</b>		<b>261</b>	<b>230</b>
<b>TOTAL LIABILITIES</b>		<b>4 159</b>	<b>3 460</b>
<b>NET ASSETS</b>		<b>10 567</b>	<b>9 141</b>
<b>EQUITY</b>			
Capital	12	811	569
Accumulated Funds		9 756	8 572
<b>TOTAL EQUITY</b>		<b>10 567</b>	<b>9 141</b>

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 2010

	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<i>2009–10</i>				
<b>Accumulated Funds</b>	<b>8 572</b>	<b>2 369</b>	-	<b>10 941</b>
Dividends Payable	-	-	(1 185)	(1 185)
	<b>8 572</b>	<b>2 369</b>	<b>(1 185)</b>	<b>9 756</b>
<b>Capital - Transactions with Owners</b>	<b>569</b>	-	-	<b>569</b>
Equity Transfers In	-	-	242	242
	<b>569</b>	-	<b>242</b>	<b>811</b>
<b>Total Equity at End of Financial Year</b>	<b>9 141</b>	<b>2 369</b>	<b>(943)</b>	<b>10 567</b>
<i>2008–09</i>				
<b>Accumulated Funds</b>	<b>7 636</b>	<b>1 871</b>	-	<b>9 507</b>
Dividends Paid	-	-	(935)	(935)
	<b>7 636</b>	<b>1 871</b>	<b>(935)</b>	<b>8 572</b>
<b>Capital - Transactions with Owners</b>	<b>475</b>	-	-	<b>475</b>
Equity Transfers In -	-	-	94	94
	<b>475</b>	-	<b>94</b>	<b>569</b>
<b>Total Equity at End of Financial Year</b>	<b>8 111</b>	<b>1 871</b>	<b>(841)</b>	<b>9 141</b>

*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 2010

	NOTE	2010 \$'000 (Outflows) / Inflows	2009 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts from Sales of Goods and Services		22 469	20 393
GST Receipts		1 275	1 108
Interest Received		187	230
<b>Total Operating Receipts</b>		<b>23 931</b>	<b>21 731</b>
<b>Operating Payments</b>			
Payments to Employees		(5 747)	(5 323)
Payments for Goods and Services		(12 876)	(11 241)
GST Payments		(1 318)	(1 034)
Income Tax Paid		( 802)	(1 275)
<b>Total Operating Payments</b>		<b>(20 743)</b>	<b>(18 873)</b>
<b>Net Cash From Operating Activities</b>	13	<b>3 188</b>	<b>2 858</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Payments</b>			
Purchases of Assets		(1 756)	(833)
<b>Total Investing Payments</b>		<b>(1 756)</b>	<b>(833)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(1 756)</b>	<b>(833)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Dividends Paid	10, 12	(935)	(1 487)
<b>Total Financing Payments</b>		<b>(935)</b>	<b>(1 487)</b>
<b>Net Cash Used In Financing Activities</b>		<b>(935)</b>	<b>(1 487)</b>
Net Increase in Cash Held		497	538
Cash at Beginning of Financial Year		5 045	4 507
<b>CASH AT END OF FINANCIAL YEAR</b>	5	<b>5 542</b>	<b>5 045</b>

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

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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

## EXPENSES

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

## ASSETS

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

## LIABILITIES

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

## EQUITY

12. Equity

## OTHER DISCLOSURES

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

## NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2010

## 1. OBJECTIVES AND FUNDING

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

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

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## (a) Basis of Accounting

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

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

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



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

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

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

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

*AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [ AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]*

The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale. The Standard does not impact the Financial Statements.

*AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*

The Standard amends AASB 7 *Financial Instruments: Disclosures* to require enhanced disclosures about fair value measurements. It establishes a three-level hierarchy for making fair value measurements, requiring those financial instruments measured at fair value in the Balance Sheet to be categorised into levels.

*Interpretation 17 Distributions of Non-cash Assets to Owners, AASB 2008-13 Amendments to Australian Accounting Standards arising from*

*AASB Interpretation 17 Distributions of Non-cash Assets to Owners*  
The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The Interpretation and Standard do not impact the Financial Statements.

*Interpretation 18 Transfers of Assets from Customers*

The Interpretation clarifies the accounting for agreements in which an entity receives from a customer an item of property, plant and equipment (or cash for the acquisition or construction of such items of property, plant and equipment) that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of good or service. The Interpretation does not impact the Financial Statements.

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

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

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments relate to terminology and editorial changes.	1 Jan 2010	Terminology and editorial changes, which would result in minor impact.
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19	Consequential amendment to AASB 1 arising from publication of Interpretation 19.	1 Jul 2010	The DCS does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 124 Related party disclosures (Calendar 2011)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, DCS is still assessing the detailed impact and whether to adopt the changes early.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other Australian Accounting Standards and Interpretations.	1 Jan 2011	No impact is expected.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a minimum funding requirement</i> .	1 Jan 2011	No impact is expected.
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial instruments: recognition and measurement</i> (AASB 139 <i>Financial Instruments: recognition and measurement</i> ).	1 Jan 2013	The measurement basis for DCS' main financial assets (cash and deposits, and receivables) is not likely to change on application of AASB 9.
AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.

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

### (c) Agency and Territory Items

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

#### **Central Holding Authority**

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

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

### (d) Comparatives

Where necessary, comparative information for the 2008–09 financial year has been reclassified to provide consistency with current year disclosures.

### (e) Presentation and Rounding of Amounts

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

### (f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2009–10 as a result of management decisions.

## (g) Accounting Judgements and Estimates

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

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

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

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

## (h) Goods and Services Tax

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

is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

## (i) Income Recognition

Income encompasses both revenue and gains.

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

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

**Sale of Goods**

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

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

### **Rendering of Services**

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

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

### **Interest Revenue**

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

### **Disposal of Assets**

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

### **Contributions of Assets**

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

#### (j) Repairs and Maintenance Expenses

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

#### (k) Depreciation and Amortisation Expense

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

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

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

	2010	2009
Plant and Equipment	2 - 10 Years	2 - 10 Years
Computer Software	2 - 5 Years	2 - 5 Years
Computer Hardware	2 - 4 Years	2 - 4 Years

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

#### (l) Interest Expenses

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

#### (m) Taxation

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

#### (n) Cash and Deposits

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

#### (o) Receivables

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

The allowance for impairment losses represents the amount of receivables DCS estimates are likely to be uncollectible and are considered doubtful. Analysis of the age of the receivables that are past due as at the reporting date are disclosed in an ageing schedule under credit risk in Note 14 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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



## (p) Property, Plant and Equipment

**Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 threshold are expensed in the year of acquisition.

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

**Complex Assets**

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

**Subsequent Additional Costs**

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

**Construction (Work in Progress)**

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

## (q) Revaluations and Impairment

**Revaluation of Assets**

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

## (r) Impairment of Assets

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

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

Impairment losses are recognised in the Comprehensive Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Surplus for that class of asset to the extent that an available balance exists in the Asset Revaluation Surplus.

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

## (s) Leased Assets

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



### **Operating Leases**

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

#### (t) **Payables**

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

#### (u) **Employee Benefits**

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

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

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

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

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

#### (v) **Superannuation**

Employees' superannuation entitlements are provided through the:

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

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

#### (w) **Contributions by and Distributions to Government**

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

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

#### (x) **Dividends**

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

#### (y) **Commitments**

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

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

	2010 \$'000	2009 \$'000
<b>3. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Consultants <sup>(1)</sup>	3 433	2 535
Marketing and Promotion <sup>(2)</sup>	-	1
Legal Expenses <sup>(3)</sup>	1	-
Recruitment <sup>(4)</sup>	1	17
Training and Study	117	239
Official Duty Fares	9	7
Travelling Allowance	4	3
Corporate Support from Other Agencies	351	267
Audit Fees	19	16
(1) Includes marketing, promotion and IT consultants.		
(2) Includes advertising for marketing and promotion, but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(3) Includes legal fees, claim and settlement costs.		
(4) Includes recruitment related advertising costs.		
<b>4. INCOME TAX EXPENSE</b>		
Current Year Surplus	3 384	2 672
Prima facie income tax expense calculated at 30% on the surplus	1 015	802
<b>Total Income Tax Expense</b>	<b>1 015</b>	<b>802</b>

	2010 \$'000	2009 \$'000
<b>5. CASH</b>		
Cash at Bank	5 542	5 045
<b>Total Cash</b>	<b>5 542</b>	<b>5 045</b>
<b>6. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	699	480
Less: Allowance for Impairment Losses	(10)	(11)
	<b>689</b>	<b>469</b>
Interest Receivable	20	11
Other Receivables	1 842	1 659
<b>Total Receivables</b>	<b>2 551</b>	<b>2 139</b>

	2010 \$'000	2009 \$'000
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At Cost	1 068	502
Less: Accumulated Depreciation	(368)	(262)
	<b>700</b>	<b>240</b>
<b>Computer Software</b>		
At Cost	2 314	2 317
Less: Accumulated Amortisation	(1 276)	(738)
	<b>1 038</b>	<b>1 579</b>
<b>Computer Hardware</b>		
At Cost	5 764	6 385
Less: Accumulated Depreciation	(3 467)	(4 354)
	<b>2 297</b>	<b>2 031</b>
<b>Total Property, Plant and Equipment</b>	<b>4 035</b>	<b>3 850</b>

**Impairment of Property, Plant and Equipment**

DCS' property, plant and equipment assets were assessed for impairment as at 30 June 2010. No impairment adjustments were required as a result of this review.

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2008</b>	<b>234</b>	<b>2 120</b>	<b>2 531</b>	<b>4 885</b>
Additions	127	-	846	973
Transfers In / (Out)	-	-	(46)	(46)
Depreciation / Amortisation	(121)	(541)	(1 300)	(1 962)
<b>Carrying Amount as at 30 June 2009</b>	<b>240</b>	<b>1 579</b>	<b>2 031</b>	<b>3 850</b>

	2010 \$'000	2009 \$'000
<b>8. PAYABLES</b>		
Accounts Payable	52	41
Accrued Expenses	619	426
GST Payable	8	50
<b>Total Payables</b>	<b>679</b>	<b>517</b>
<b>9. INCOME TAX LIABILITIES</b>		
Income Tax Payable	1 015	802
<b>Total Income Tax Liabilities</b>	<b>1 015</b>	<b>802</b>

	2010 \$'000	2009 \$'000
<b>10. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	440	420
Leave Loading	82	71
Other Employee Benefits – Recreation Leave Airfares	6	8
<i>Other Current Provisions</i>		
Provision for Dividend	1 185	935
Provision for Fringe Benefits Tax	3	3
Provision for Superannuation	86	60
Provision for Payroll Tax	90	46
	<b>1 892</b>	<b>1 543</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	261	230
	<b>261</b>	<b>230</b>
<b>Total Provisions</b>	<b>2 153</b>	<b>1 773</b>
<b>Reconciliation of Dividends</b>		
<b>Balance as at 1 July</b>	<b>935</b>	<b>1 487</b>
Reductions Arising from Payments	(935)	(1 487)
Additional Provisions Recognised	1 185	935
<b>Balance as at 30 June</b>	<b>1 185</b>	<b>935</b>

DCS employed 59 employees as at 30 June 2010 (57 employees as at 30 June 2009).

	2010 \$'000	2009 \$'000
<b>11. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred Revenue	312	368
<b>Total Other Liabilities</b>	<b>312</b>	<b>368</b>
<b>12. EQUITY</b>		
Equity represents the residual interest in the net assets of DCS. The Government's ownership interest in DCS is held in the Central Holding Authority as described in Note 2(c).		
<b>Capital</b>		
<b>Balance as at 1 July</b>	<b>569</b>	<b>475</b>
<i>Equity Injections</i>		
Equity Transfers In	242	94
<b>Balance as at 30 June</b>	<b>811</b>	<b>569</b>
DCS has made no adjustment to reserves for the year ended 2009–10 or 2008–09.		
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>8 572</b>	<b>7 636</b>
Surplus for the Period	2 369	1 871
Dividends Payable	(1 185)	(935)
<b>Balance as at 30 June</b>	<b>9 756</b>	<b>8 572</b>
<b>Total Equity</b>	<b>10 567</b>	<b>9 141</b>

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

The total of DCS Cash of \$5.542M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

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

	2010 \$'000	2009 \$'000
<b>Net Surplus</b>	<b>2 369</b>	<b>1 871</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 813	1 962
<i>Changes in Assets and Liabilities:</i>		
(Increase) in Receivables	(412)	(52)
(Increase) in Prepayments	(1 031)	(263)
Increase/(Decrease) in Accounts Payable	11	(407)
Increase in Other Payables	151	120
Increase in Provision for Employee Benefits	60	98
(Decrease)/Increase in Other Provisions	70	(50)
(Decrease)/Increase in Income Tax Liability	213	(473)
(Decrease)/Increase in Deferred Income	(56)	52
<b>Net Cash From Operating Activities</b>	<b>3 188</b>	<b>2 858</b>

14. FINANCIAL INSTRUMENTS

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

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

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

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

(a) Categorisation of Financial Instruments

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

	2010 \$'000	2009 \$'000
<b>Financial Assets</b>		
Cash and deposits	5 542	5 045
Receivables	2 551	2 139
<b>Financial Liabilities</b>		
Payables	679	517

(b) Credit Risk

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

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



14. FINANCIAL INSTRUMENTS (Continued)

**Receivables**

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

	Ageing of Receivables \$'000	Ageing of Impaired Receivables \$'000	Net Receivables \$'000
<b>2009–10</b>			
Not Overdue	417	-	417
Overdue for 30 to 60 Days	167	-	167
Overdue for more than 60 Days	96	-	96
Overdue for more than 90 days	19	10	9
<b>Total</b>	<b>699</b>	<b>10</b>	<b>689</b>
<b>Reconciliation of the Allowance for Impairment Losses<sup>(a)</sup></b>			
Opening	-	10	-
Written-off during the year	-	-	-
Recovered during the year	-	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	-	-
<b>Total</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>2008–09</b>			
Not Overdue	338	-	338
Overdue for 30 to 60 Days	101	-	101
Overdue for more than 60 Days	29	-	29
Overdue for more than 90 days	11	11	-
<b>Total</b>	<b>479</b>	<b>11</b>	<b>468</b>
<b>Reconciliation of the Allowance for Impairment Losses<sup>(a)</sup></b>			
Opening	-	2	-
Written-off during the year	-	-	-
Recovered during the year	-	-	-
Increase/(decrease) in allowance recognised in profit or loss	-	9	-
<b>Total</b>	<b>-</b>	<b>11</b>	<b>-</b>

(c) Liquidity risk

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

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

14. FINANCIAL INSTRUMENTS (Continued)

2010 Maturity Analysis for Financial Assets & Liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	5 542	-	-	-	-	5 542	3.42
Receivables	-	-	-	-	2 551	2 551	
<b>Total Financial Assets:</b>	<b>5 542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 551</b>	<b>8 093</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	679	679	
<b>Total Financial Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>679</b>	<b>679</b>	

### 2009 Maturity Analysis for Financial Assets & Liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							<b>4.54</b>
Cash and deposits	5 045	-	-	-	-	5 045	
Receivables	-	-	-	-	2 139	2 139	
<b>Total Financial Assets:</b>	<b>5 045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 139</b>	<b>7 184</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	517	517	
<b>Total Financial Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>517</b>	

#### (d) Market Risk

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

##### i) Interest Rate Risk

DCS has limited exposure to interest rate risk. Finance lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk. Other financial liabilities are non-interest bearing. DCS' exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables. An immediate and sustained increase of 1 percent in market interest rates across all maturities would not have a significant effect and is considered not material to DCS.

2010  
\$'000

2009  
\$'000

#### Variable rate instruments

Cash	5 542	5 045
<b>Total</b>	<b>5 542</b>	<b>5 045</b>

## 14. FINANCIAL INSTRUMENTS (Continued)

### Market Sensitivity Analysis

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

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2010</b>		
Financial Assets - Cash at bank	55	(55)
<b>30 June 2009</b>		
Financial Assets - Cash at bank	50	(50)

##### ii) Price Risk

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

##### iii) Currency Risk

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

### (e) Net Fair Value

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

Level 1 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

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

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

2010	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial Assets</b>					
Cash and Deposits	5 542	5 542	-	-	5 542
Receivables	2 551	2 551	-	-	2 551
<b>Total Financial Assets:</b>	<b>8 093</b>	<b>8 093</b>	<b>-</b>	<b>-</b>	<b>8 093</b>
<b>Financial Liabilities</b>					
Payables	679	679	-	-	679
<b>Total Financial Liabilities:</b>	<b>679</b>	<b>679</b>	<b>-</b>	<b>-</b>	<b>679</b>
2009					
<b>Financial Assets</b>					
Cash and Deposits	5 045	5 045	-	-	5 045
Receivables	2 139	2 139	-	-	2 139
<b>Total Financial Assets:</b>	<b>7 184</b>	<b>7 184</b>	<b>-</b>	<b>-</b>	<b>7 184</b>
<b>Financial Liabilities</b>					
Payables	517	517	-	-	517
<b>Total Financial Liabilities:</b>	<b>517</b>	<b>517</b>	<b>-</b>	<b>-</b>	<b>517</b>

### 14. FINANCIAL INSTRUMENTS (Continued)

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

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

### 15. COMMITMENTS

DCS had no material commitments as at 30 June 2010 or 30 June 2009.

### 16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

DCS had no contingent liabilities or contingent assets as at 30 June 2010 or 30 June 2009.

### 17. EVENTS SUBSEQUENT TO BALANCE DATE

DCS had no events subsequent to balance date as at 30 June 2010.

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

DCS had no write-offs, postponements or waivers for the year ended 2009–10 or 2008–09.

### FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2010

### FINANCIAL PERFORMANCE

The Government Printing Office (GPO) achieved a net surplus after tax of \$0.17 million for 2009–10. This is a substantial improvement over the budget projected result of \$0.08 million surplus. The Government Printing Office will return a dividend to Government of \$0.08 million and taxes of \$0.07 million for 2009–10.

Advances in electronic transmission of documents and personal computing technology are impacting on the printing industry globally and leading to a reduction in demand for some traditional categories of printed product. Cognisant of the revenue trends, the Government Printing Office has focussed on improving internal business processes and carefully managing its costs throughout 2009–10 resulting in lowering expenses over the past two years. This is a significant achievement in an environment of annually increasing wage costs and inflation, particularly price rises in raw materials such as paper.

Table 1: 2009–10 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2010	2009	2010	2009	2010	2009
Income	5 917	5 831	5 990	5 817	(73)	14
Expenses	5 677	5 813	5 870	5 907	193	94
<b>Net Surplus/(Deficit) Before Tax</b>	<b>240</b>	<b>18</b>	<b>120</b>	<b>(90)</b>	<b>120</b>	<b>108</b>
Income Tax Expense	72	5	36	-	36	5
<b>Surplus/(Deficit)</b>	<b>168</b>	<b>13</b>	<b>84</b>	<b>(90)</b>	<b>84</b>	<b>103</b>

### Income

Income from printing services represents over 98% of the Government Printing Office total income. Income increased by \$0.09 million from \$5.83 million in 2008–09 to \$5.92 million in 2009–10.

### Expenses

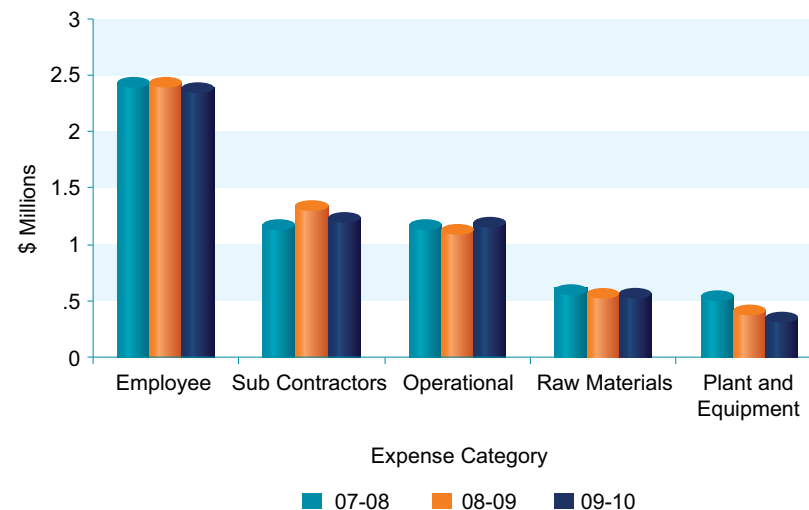
Employee costs comprise the largest expense category for the Government Printing Office. Employee costs were contained in 2009–10 despite salary increases. Costs for sub-contractors decreased in 2009–10 due to a reduction in demand for specialised printing requirements.

Table 2 below shows the composition of major expense categories.

Table 2: Expenses by Category

Year	Employee		Sub Contractors		Operational		Raw Materials		Plant & Equipment		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	2 349	41.4	1 231	21.7	1 172	20.6	567	10.0	358	6.3	5 677	100.0
08-09	2 405	41.4	1 323	22.8	1 113	19.1	564	9.7	408	7.0	5 813	100.0

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



### FINANCIAL POSITION

Current assets increased by over \$0.21 million in 2009–10 with a growth in cash balances. This was off-set by a reduction of \$0.13 million in non-current asset balances at year end due to depreciation and amortisation on printing plant and equipment. Total assets increased by \$0.08 million overall.

Total liabilities remained the same (\$1.06 million) over the year mostly through careful management of creditors.

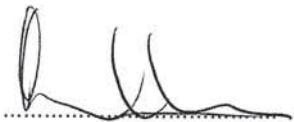
The combined effect of the movements in assets and liabilities resulted in the Government Printing Office's financial position reflecting an improvement of \$0.084 million in 2009–10.

## CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2010 and the financial position on that date.

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



Graham Symons  
**CHIEF EXECUTIVE**

22 September 2010



Rex Schoolmeester  
**CHIEF FINANCE OFFICER**

22 September 2010



**Auditor-General**

**Independent Auditor's Report to the  
Minister for Business and Employment**

**Government Printing Office**

**Year ended 30 June 2010**

I have audited the accompanying financial report of the Government Printing Office, which comprises the balance sheet as at 30 June 2010, 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 of the entity.

### The Responsibility of the Chief Executive for the Financial Report

The Chief Executive of the Department of Business and Employment is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Auditor's Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Government Printing Office as of 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).



F. McGuinness  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

29 September 2010

## COMPREHENSIVE OPERATING STATEMENT For the year ended 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>INCOME</b>			
Sales of Goods and Services		5 820	5 713
Interest Revenue		88	105
Gain on Disposal of Assets	3	-	4
Other Income		9	9
<b>TOTAL INCOME</b>		<b>5 917</b>	<b>5 831</b>
<b>EXPENSES</b>			
Employee Expenses		2 349	2 405
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	3 114	3 121
Repairs and Maintenance		84	73
Depreciation and Amortisation	9	130	214
Other Administrative Expenses		-	-
Interest Expenses		-	-
<b>TOTAL EXPENSES</b>		<b>5 677</b>	<b>5 813</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>240</b>	<b>18</b>
Income Tax Expense		72	5
<b>NET SURPLUS</b>	14	<b>168</b>	<b>13</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-
<b>COMPREHENSIVE RESULT</b>		<b>168</b>	<b>13</b>

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



## BALANCE SHEET As at 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Deposits	6	3 003	2 669
Receivables	7	497	628
Inventories	8	187	204
Prepayments		57	29
<b>Total Current Assets</b>		<b>3 744</b>	<b>3 530</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	429	560
<b>Total Non-Current Assets</b>		<b>429</b>	<b>560</b>
<b>TOTAL ASSETS</b>		<b>4 173</b>	<b>4 090</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	314	322
Income Tax Liabilities	11	72	5
Provisions	12	441	384
Other Liabilities	13	71	193
<b>Total Current Liabilities</b>		<b>898</b>	<b>904</b>
<b>Non-Current Liabilities</b>			
Provisions	12	163	158
<b>Total Non-Current Liabilities</b>		<b>163</b>	<b>158</b>
<b>TOTAL LIABILITIES</b>		<b>1 061</b>	<b>1 062</b>
<b>NET ASSETS</b>		<b>3 112</b>	<b>3 028</b>
<b>EQUITY</b>			
Capital	14	373	373
Accumulated Funds		2 739	2 655
<b>TOTAL EQUITY</b>		<b>3 112</b>	<b>3 028</b>

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 2010

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<i>2009–10</i>					
<b>Accumulated Funds</b>	14	2 655	168	-	2 823
Dividends Paid (Payable)		-	-	(84)	(84)
		2 655	168	(84)	2 739
<b>Capital - Transactions with Owners</b>	14	373	-	-	373
Equity Injections		-	-	-	-
Equity Transfers In		-	-	-	-
Equity Withdrawals		-	-	-	-
Equity Transfers Out		-	-	-	-
		373	-	-	373
<b>Total Equity at End of Financial Year</b>		<b>3 028</b>	<b>168</b>	<b>(84)</b>	<b>3 112</b>
<i>2008–09</i>					
<b>Accumulated Funds</b>	14	2 648	13	-	-
Dividends Payable		-	-	(6)	(6)
		2 648	13	(6)	2 655
<b>Capital - Transactions with Owners</b>	14	373	-	-	<b>373</b>
Equity Injections		-	-	-	-
Equity Transfers In		-	-	-	-
Equity Withdrawals		-	-	-	-
Equity Transfers Out		-	-	-	-
		373	-	-	373
<b>Total Equity at End of Financial Year</b>		<b>3 021</b>	<b>13</b>	<b>(6)</b>	<b>3028</b>

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 2010

	NOTE	2010 \$'000 (Outflows) / Inflows	2009 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts From Sales of Goods And Services		6 403	6 350
Interest Received		83	112
Other Operating Receipts		9	9
<b>Total Operating Receipts</b>		<b>6 495</b>	<b>6 471</b>
<b>Operating Payments</b>			
Payments to Employees		(2 348)	(2 413)
Payments for Goods and Services		(3 802)	(3 808)
Income Tax Paid		(5)	(43)
<b>Total Operating Payments</b>		<b>(6 155)</b>	<b>(6 264)</b>
<b>Net Cash From Operating Activities</b>	15	<b>340</b>	<b>207</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales	3	-	4
<b>Total Investing Receipts</b>			<b>4</b>
<b>Investing Payments</b>			
Purchases of Assets		-	(7)
<b>Total Investing Payments</b>		-	<b>(7)</b>
<b>Net Cash Used In Investing Activities</b>		-	<b>(3)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Dividends Paid	12	(6)	(51)
<b>Total Financing Payments</b>		<b>(6)</b>	<b>(51)</b>
<b>Net Cash Used In Financing Activities</b>		<b>(6)</b>	<b>(51)</b>
Net Increase in Cash Held		334	153
Cash at Beginning of Financial Year		2 669	2 516
<b>CASH AT END OF FINANCIAL YEAR</b>	6	<b>3 003</b>	<b>2 669</b>

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

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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## NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2010

## 1. OBJECTIVES AND FUNDING

The Government Printing Office (GPO) operates as a Government Business Division and delivers cost effective printing and publishing services to the Northern Territory Government from premises located at Parap in a secure environment, specifically designed for efficient production of a diverse range of products and services.

The Government Printing Office is a self-funded organisation. It generates its income from sales of printed products and services to Government agencies.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## a) Basis of Accounting

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

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

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

Except where stated, the financial statements have also been prepared

in accordance with the historical cost convention.

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

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

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

*AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]*

The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale. The Standard does not impact the Financial Statements.

*AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*

The Standard amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosures about fair value measurements. It establishes a three-level hierarchy for making fair value measurements, requiring those financial instruments measured at fair value in the

Balance Sheet to be categorised into levels.

*Interpretation 17 Distributions of Non-cash Assets to Owners, AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-cash Assets to Owners*  
The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The Interpretation and Standard do not impact the Financial Statements.

*Interpretation 18 Transfers of Assets from Customers*

The Interpretation clarifies the accounting for agreements in which an entity receives from a customer an item of property, plant and equipment (or cash for the acquisition or construction of such items of property, plant and equipment) that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of good or services. The Interpretation does not impact the Financial Statements.

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

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

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments relate to terminology and editorial changes.	1 Jan 2010	Terminology and editorial changes. Impact minor
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19	Consequential amendment to AASB 1 arising from publication of interpretation 19.	1 Jul 2010	The GPO does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the GPO is still assessing the detailed impact and whether to early adopt.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement	Amendment to Interpretation 14 arising from the issuance of Prepayments of a minimum funding requirement	1 Jan 2011	Expected to have no significant impact.



Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	1 Jan 2013	The measurement basis for main financial assets (cash and deposit and receivable) are not likely to change on application of AASB9. However, a change in measurement basis, may give rise to a material financial impact on financial statement.  Detail of impact is still being assessed.
AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.

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

**c) Agency and Territory Items**

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

**Central Holding Authority**

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

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

**d) Comparatives**

Where necessary, comparative information for the 2008–09 financial year has been reclassified to provide consistency with current year disclosures.

**e) Presentation and Rounding of Amounts**

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

## f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2009–10 as a result of management decisions.

## g) Accounting Judgements and Estimates

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

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

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

- Employee Benefits – Note 2(v) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate.
- Allowance for Impairment Losses – Note 2(p) and Note 7: Receivables.
- Depreciation and Amortisation – Note 2(k) and Note 9: Property, Plant and Equipment.

## h) Goods and Services Tax

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

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

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

## i) Income Recognition

Income encompasses both revenue and gains.

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

**Sale of Goods**

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

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Government Printing Office retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Government Printing Office; and

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of Services**

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

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

**Interest Revenue**

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

**Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 3.

**Contributions of Assets**

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

Contributions are recognised at the fair value received or receivable.

j) **Repairs and Maintenance Expense**

Funding is received for repairs and maintenance works associated with Government Printing Office assets as part

of Output Revenue. Costs associated with repairs and maintenance works on Government Printing Office assets are expensed as incurred.

k) **Depreciation and Amortisation Expense**

Items of property, plant and equipment, including buildings but

excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

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

	2010	2009
Plant and Equipment	2-20 Years	2-20 Years
Computer Hardware and Software	1-5 Years	1-5 Years

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

l) **Interest Expense**

Interest expenses are expensed in the period in which they are incurred.

m) **Taxation**

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

n) **Cash**

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

o) **Inventories**

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and

condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Inventories held for distribution are those inventories distributed at no or nominal consideration, and are carried at the lower cost and current replacement cost.

p) **Receivables**

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

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

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

q) **Property, Plant and Equipment**

**Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 threshold are expensed in the year of acquisition.

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

**Complex Assets**

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

**Subsequent Additional Costs**

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

**Construction (Work in Progress)**

As part of the Financial Management Framework, the Department of Construction and Infrastructure is responsible for managing general government capital works projects on a whole-of-government basis. Therefore appropriation for GPO capital works is provided directly to the Department of Construction and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Government Printing Office.

r) **Revaluations and Impairment**

**Revaluation of Assets**

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

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

**Impairment of Assets**

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

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

Impairment losses are recognised in the Comprehensive Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

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

#### s) Assets Held for Sale

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probably within the next twelve months.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

#### t) Leased Assets

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

##### **Operating Leases**

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

#### u) Payables

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

#### v) Employee Benefits

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

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

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

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

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



## w) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

## x) Contributions by and Distributions to Government

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

The Statement of Changes in Equity and Note 14 provide additional information in relation to contributions by, and distributions to, Government.

## y) Dividends

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

## z) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 19 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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



	2010 \$'000	2009 \$'000
<b>3. GAIN ON DISPOSAL OF ASSETS</b>		
Net proceeds from the disposal of non-current assets	-	4
Less: Carrying value of non-current assets disposed	-	-
<b>Total Gain on Disposal of Assets</b>	<b>-</b>	<b>4</b>
<b>4. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Consultants <sup>(1)</sup>	-	-
Recruitment <sup>(2)</sup>	-	2
Training and Study	10	7
Official Duty Fares	-	4
Travelling Allowance	-	3
Audit Fees	26	23
Corporate Support from Other Agencies	148	60
(1) Includes marketing, promotion and IT consultants.		
(2) Includes recruitment related advertising costs.		
<b>5. INCOME TAX EXPENSE</b>		
Current Year Profit	240	18
Prima facie income tax expense calculated at 30% on the surplus	72	5
<b>Total Income Tax Expense</b>	<b>72</b>	<b>5</b>

	2010 \$'000	2009 \$'000
<b>6. CASH</b>		
Cash on Hand	2	2
Cash at Bank	3 001	2 667
<b>Total Cash</b>	<b>3 003</b>	<b>2 669</b>
<b>7. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	381	520
Interest Receivable	10	5
Other Receivable	106	101
<b>Total Receivables</b>	<b>497</b>	<b>628</b>
<b>8. INVENTORIES</b>		
<b>General Inventories</b>		
At cost	146	139
	<b>146</b>	<b>139</b>
<b>Work in Progress</b>		
At cost	41	65
	<b>41</b>	<b>65</b>
<b>Total Inventories</b>	<b>187</b>	<b>204</b>

The cost of inventory recognized as an expense during the period in respect of continuing operation was \$0.57M in 2009–10 (2008–09 \$0.56M)

	2010 \$'000	2009 \$'000
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment</b>		
At cost	4 172	4 189
Less: Accumulated Depreciation	(3 745)	(3 643)
	<b>427</b>	<b>546</b>
<b>Computer Hardware</b>		
At cost	167	177
Less: Accumulated Depreciation	(165)	(165)
	<b>2</b>	<b>12</b>
<b>Computer Software</b>		
At cost	453	453
Less: Accumulated Depreciation	(453)	(451)
	<b>-</b>	<b>2</b>
<b>Total Property, Plant and Equipment</b>	<b>429</b>	<b>560</b>

**Impairment of Property, Plant and Equipment**

The Government Printing Office's property, plant and equipment assets were assessed for impairment as at 30 June 2010. No impairment adjustments were required as a result of this review.

2010 Property, Plant and Equipment Reconciliations

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

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

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2008–09 is set out below:

	Plant and Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2008</b>	<b>735</b>	<b>6</b>	<b>26</b>	<b>767</b>
Additions			7	7
Disposals				
Depreciation and Amortisation	(189)	(4)	(21)	(214)
<b>Carrying Amount as at 30 June 2009</b>	<b>546</b>	<b>2</b>	<b>12</b>	<b>560</b>

	2010 \$'000	2009 \$'000
<b>10. PAYABLES</b>		
Accounts Payable	102	120
Accrued Expenses	183	153
GST Payables	29	49
<b>Total Payables</b>	<b>314</b>	<b>322</b>
<b>11. INCOME TAX LIABILITIES</b>		
Income Tax Liabilities	72	5
<b>Total Income Tax Liabilities</b>	<b>72</b>	<b>5</b>
<b>12. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	189	196
Leave Loading	36	43
Other Employee Benefits – Recreation Leave Fares	63	71
<i>Other Current Provisions</i>		
Provision for Dividends	84	6
Provision for Fringe Benefits Tax	4	2
Provision for Workers Compensation Premium	4	5
Provision for Payroll Tax	9	8
Provision for Superannuation	52	53
	<b>441</b>	<b>384</b>

	2010 \$'000	2009 \$'000
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	163	158
	<b>163</b>	<b>158</b>
<b>Total Provisions</b>	<b>604</b>	<b>542</b>
<b>Reconciliation of Dividends</b>		
<b>Balance as at 1 July</b>	6	50
Additional Provisions Recognised	84	6
Reductions Arising from Payments	(6)	(50)
<b>Balance as at 30 June</b>	<b>84</b>	<b>6</b>
The GPO employed 31 employees as at 30 June 2010 (36 employees as at 30 June 2009).		
<b>13. OTHER LIABILITIES</b>		
<b>Current</b>		
Deferred Income	71	193
<b>Total Other Liabilities</b>	<b>71</b>	<b>193</b>

	2010 \$'000	2009 \$'000
<b>14. EQUITY</b>		
Equity represents the residual interest in the net assets of the GPO. The Government's ownership interest in the GPO is held in the Central Holding Authority as described in Note 2(c).		
<b>Capital</b>		
<b>Balance as at 1 July</b>	<b>373</b>	<b>373</b>
<i>Equity Injections</i>	-	-
Equity Transfers In		
<i>Equity Withdrawals</i>	-	-
Equity Transfers Out		
<b>Balance as at 30 June</b>	<b>373</b>	<b>373</b>
<b>Accumulated Funds</b>		
<b>Balance as at 1 July</b>	<b>2 655</b>	<b>2 648</b>
Surplus for the Period	168	13
Dividends Payable	(84)	(6)
<b>Balance as at 30 June</b>	<b>2 739</b>	<b>2 655</b>
<b>Total Equity</b>	<b>3 112</b>	<b>3 028</b>

	2010 \$'000	2009 \$'000
<b>15. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>Reconciliation of Cash</b>		
The total of Agency Cash and Deposits of \$3.003M recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
<b>Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities</b>		
<b>Net Surplus/(Deficit)</b>	<b>168</b>	<b>13</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	131	214
(Gain)/Loss on Disposal of Assets	-	(4)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	141	(72)
(Increase)/Decrease in Interest Receivable	(5)	7
Decrease in Inventories	17	30
(Increase)/Decrease in Prepayments	(28)	10
(Increase)/Decrease in Accrued Revenue	(5)	6
(Decrease) in Payables	(8)	(57)
Increase/(Decrease) in Income Tax Liabilities	67	(38)
(Decrease) in Provision for Employee Benefits	(17)	(10)
Increase /(Decrease) in Other Provisions	1	(10)
(Decrease)/Increase in Deferred Income	(122)	118
<b>Net Cash From Operating Activities</b>	<b>340</b>	<b>207</b>

**Non-Cash Financing and Investing Activities**

*Finance Lease Transactions*

During the financial year the GPO Office acquired \$nil (2009: \$nil) plant and equipment / computer equipment and software by means of finance leases.

16. FINANCIAL INSTRUMENTS

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

The Government Printing Office’s operating account earns monthly interest at a variable interest rate (NT Treasury Corporation’s average 11am cash rate less 25 basis points).

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

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

(a) Categorisation of Financial Instruments

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

	2010 \$'000	2009 \$'000
<b>Financial Assets</b>		
Cash	3 003	2 669
Receivables	497	628
<b>Financial Liabilities</b>		
Payables	314	322

(b) Credit Risk

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

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

**Receivables**

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

	2010 \$'000	2009 \$'000
<b>Ageing of Receivables</b>		
Not overdue	304	462
Overdue for less than 30 days	55	35
Overdue for 30 to 60 days	20	26
Overdue for more than 60 days	2	(1)
<b>Total Accounts Receivables</b>	<b>381</b>	<b>522</b>

16. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

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

The following tables detail the undiscounted cash flows payable by the Government Printing Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

2010 Maturity analysis for financial Assets & liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	3 001	-	-	-	2	3 003	3.42
Receivable	-	-	-	-	497	497	
<b>Total Financial Assets:</b>	<b>3 001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>499</b>	<b>3 500</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	314	314	
Employee Benefits	-	-	-	-	451	451	
Dividends Payable	-	-	-	-	84	84	
<b>Total Financial Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>849</b>	<b>849</b>	
<b>Total Financial Liabilities:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>796</b>	<b>796</b>	

2009 Maturity analysis for financial Assets & liabilities

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and deposits	2 667	-	-	-	2	2 669	4.54
Receivable	-	-	-	-	628	628	
<b>Total Financial Assets:</b>	<b>2 667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>630</b>	<b>3 297</b>	
<b>Liabilities</b>							
Payables	-	-	-	-	322	322	
Employee Benefits	-	-	-	-	468	468	
Dividends Payable	-	-	-	-	6	6	

16. FINANCIAL INSTRUMENTS (Continued)

(d) Market Risk

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

i) Interest Rate Risk

The Government Printing Office has limited exposure to interest rate risk. The Government Printing Office’s exposure to interest rate risk on financial assets is set out in the following tables.

	2010 \$'000	2009 \$'000
<b>Variable rate instruments</b>		
Financial assets		
Cash	3 003	2 669
<b>Total</b>	<b>3 003</b>	<b>2 669</b>



**Market Sensitivity Analysis**

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

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2010</b>		
Financial assets – cash at bank	30	(30)
<b>30 June 2009</b>		
Financial assets – cash at bank	27	(27)

ii) Price Risk

The Government Printing Office is not exposed to price risk as Government Printing Office does not hold units in unit trusts.

iii) Currency Risk

The Government Printing Office is not exposed to currency risk as Government Printing Office does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

(e) Net Fair Value

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

Level 1 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

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

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

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>2010</b>					
<b>Financial Assets</b>					
Cash and Deposits	3 003	3 003	-	-	3 003
Receivables	497	497	-	-	497
Advances and Investments	-	-	-	-	-
<b>Total Financial Assets:</b>	<b>3 500</b>	<b>3 500</b>			<b>3 500</b>
<b>Financial Liabilities</b>					
Deposits Held	-	-	-	-	-
Payables	314	314	-	-	314
Employee Benefits	451	288	-	163	451
Dividends Payable	84	84	-	-	84
<b>Total Financial Liabilities:</b>	<b>849</b>	<b>686</b>	<b>-</b>	<b>163</b>	<b>849</b>

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>2009</b>					
<b>Financial Assets</b>					
Cash and Deposits	2 669	2 669	-	-	2 669
Receivables	628	628	-	-	628
Advances and Investments	-	-	-	-	-
<b>Total Financial Assets:</b>	<b>3 297</b>	<b>3 297</b>	<b>-</b>	<b>-</b>	<b>3 297</b>
<b>Financial Liabilities</b>					
Payables	322	322	-	-	322
Employee Benefits	468	310	-	158	468
Dividends Payable	6	6	-	-	6
<b>Total Financial Liabilities:</b>	<b>796</b>	<b>638</b>	<b>-</b>	<b>158</b>	<b>796</b>

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

Non-current financial liabilities in respect of employee benefits are measured based on level 3 as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.

	2010 \$'000	2009 \$'000
<b>17. COMMITMENTS</b>		
<b>Other Expenditure Commitments</b>		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	62	30
Later than one year and not later than five years	62	8
Later than five years		
	<b>124</b>	<b>38</b>

**18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Government Printing Office had no contingent liabilities or contingent assets as at 30 June 2010 or 30 June 2009.

**19. EVENTS SUBSEQUENT TO BALANCE DATE**

The Government Printing Office had no events subsequent to balance date as at 30 June 2010.

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

The Government Printing Office had no write-offs, postponements or waivers during the year ended 30 June 2010 or 30 June 2009.

### FINANCIAL STATEMENT OVERVIEW

For the Year Ended 30 June 2010

### FINANCIAL PERFORMANCE

NT Fleet produced a net surplus after tax of \$9.2 million in 2009–10 which was \$0.9 million higher than the budget estimate, due to continuing strong demand for vehicles. There is a close correlation between numbers of vehicles managed, vehicle hire revenue and fleet costs, particularly vehicle depreciation and repairs and maintenance. NT Fleet will pay taxes of \$4.0 million and return a dividend of \$4.6 million to Government for 2009–10.

NT Fleet manages two fleets, a light vehicle fleet (made up of passenger and light commercial vehicles) and a heavy vehicle fleet (made up of trucks, plant and equipment). The majority of vehicles are in the light fleet, with the heavy fleet comprising of fewer vehicles, although generally at a higher individual value. Over the year the light and heavy vehicle fleets grew by 2% and 1% respectively. Revenue and expenses for both fleets are provided below.

Table 1: 2009–10 Budget and Actual Performance

	Actual \$'000		Budget \$'000		Variation \$'000	
	2010	2009	2010	2009	2010	2009
Income	46 778	40 710	45 508	39 227	1 270	1 483
Expenses	33 584	30 737	33 570	29 959	14	(778)
<b>Net Surplus Before Income Tax</b>	<b>13 194</b>	<b>9 973</b>	<b>11 938</b>	<b>9 268</b>	<b>1 256</b>	<b>705</b>
Income Tax Expense	3 958	2 992	3 581	2 780	377	(212)
<b>Net Surplus After Income Tax</b>	<b>9 236</b>	<b>6 981</b>	<b>8 357</b>	<b>6 488</b>	<b>879</b>	<b>493</b>

### Income

Most of NT Fleet's revenue comes from goods and services revenue (91%) with vehicle hire charges being the primary revenue source. This revenue increased by \$3.4 million in 2009–10 due to an increase in the size of the leased vehicle fleet and an increase in the vehicle hire rates charged to customers. The size of the fleet is dictated by agency business needs and vehicle hire rates are influenced by a number of vehicle related costs.

Asset income was \$4 million in 2009–10, increased by \$2.7 million on the previous year due to better sale prices and the sale of more vehicles.

Table 2: Revenue by Category

Year	Goods and Services		Investment		Other <sup>1</sup>		Asset		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
<b>09-10</b>	42 504	90.9	217	0.5	105	0.2	3 952	8.4	46 778	100.0
<b>08-09</b>	39 097	96.0	223	0.6	90	0.2	1 300	3.2	40 710	100.0

Note: <sup>1</sup> Other includes miscellaneous income such as motor vehicle registration refunds.

Table 3: Revenue by Fleet Type

Year	Light Fleet		Heavy Fleet		TOTAL	
	\$'000	%	\$'000	%	\$'000	%
<b>09-10</b>	40 417	86.4	6 361	13.6	46 778	100.0
<b>08-09</b>	34 939	85.8	5 771	14.2	40 710	100.0

### Expenses

NT Fleet's expenses increased by \$2.8 million in 2009–10. The majority of NT Fleet's expenditure is directly related to its holdings of vehicle assets which increased over the year. The largest cost categories are:

- depreciation – 59.7% of total expenses and an increase of \$2.3 million in 2009–10; and
- vehicle repairs and maintenance – 27.4% of total expenses and an increase of \$0.5 million in 2009–10.

Table 4: Expenses by Category

Year	Depreciation		Repairs & Maintenance		Employees		Operational		TOTAL	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
09-10	20 054	59.7	9 210	27.4	2 312	6.9	2 008	6.0	33 584	100.0
08-09	17 787	57.9	8 733	28.4	2 094	6.8	2 123	6.9	30 737	100.0

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

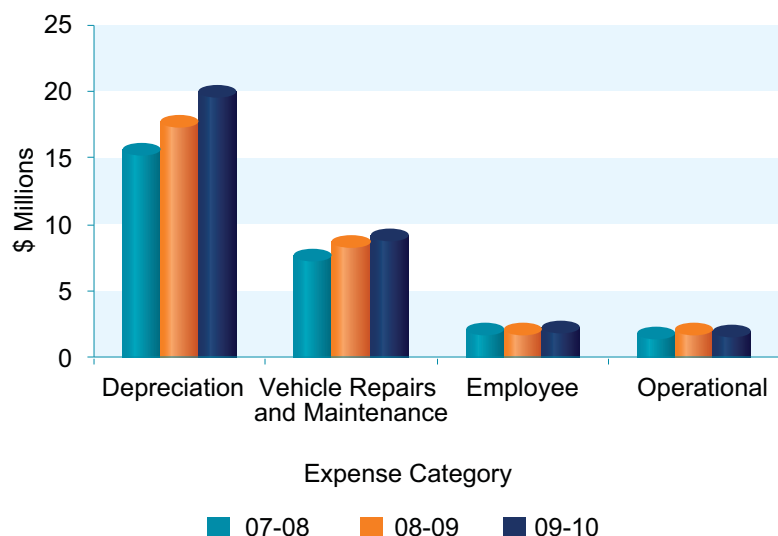


Table 5: Expenses by Fleet Type

Year	Light Fleet		Heavy Fleet		TOTAL	
	\$'000	%	\$'000	%	\$'000	%
09-10	29 004	86.4	4 580	13.6	33 584	100.0
08-09	26 464	86.1	4 273	13.9	30 737	100.0

### FINANCIAL POSITION

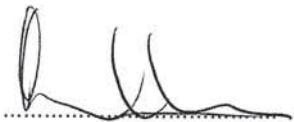
NT Fleet's net assets at 30 June 2010 were \$85.1 million, an increase of \$4.6 million on the same time last year. This improvement is mainly due to a fleet modernisation program and an increase in the size of the fleet. Vehicle asset balances grew by \$1.6 million over 2009–10 with an increase in current assets of \$5.1 million, mostly due to a higher cash balance at year-end. Total assets improved by \$6.7 million overall. Total current liabilities increased by \$3.1 million over 2009–10 due to increases in payables and provisions for income tax and dividends. Non-current liabilities were reduced by \$1 million due to a repayment of government loan in 2009–10.

### CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2010 and the financial position on that date.

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



Graham Symons  
**CHIEF EXECUTIVE**

22 September 2010



Rex Schoolmeester  
**CHIEF FINANCE OFFICER**

21 September 2010



**Auditor-General**

**Independent Auditor's Report to the  
Minister for Business and Employment**

**NT Fleet**

**Year ended 30 June 2010**

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2010, 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 of the entity.

#### **The Responsibility of the Chief Executive for the Financial Report**

The Chief Executive of the Department of Business and Employment is responsible for the preparation and true and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Auditor's Opinion**

In my opinion the financial report presents fairly, in all material respects, the financial position of NT Fleet as of 30 June 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).



F McGuinness  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

29 September 2010

## COMPREHENSIVE OPERATING STATEMENT For the year ended 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>INCOME</b>			
Sales of Goods and Services		42 504	39 097
Interest Revenue		217	223
Gain on Disposal of Assets	3	3 952	1 300
Other Income		105	90
<b>TOTAL INCOME</b>		<b>46 778</b>	<b>40 710</b>
<b>EXPENSES</b>			
Employee Expenses		2 312	2 094
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	1 741	1 839
Repairs and Maintenance		9 210	8 733
Depreciation and Amortisation	9	20 054	17 787
Interest Expenses		267	284
<b>TOTAL EXPENSES</b>		<b>33 584</b>	<b>30 737</b>
<b>SURPLUS BEFORE INCOME TAX</b>		<b>13 194</b>	<b>9 973</b>
Income Tax Expense	5	3 958	2 992
<b>NET SURPLUS</b>		<b>9 236</b>	<b>6 981</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>9 236</b>	<b>6 981</b>

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



## BALANCE SHEET As at 30 June 2010

	NOTE	2010 \$'000	2009 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	6	9 934	5 952
Receivables	7	1 951	900
Inventories	8	5	12
Prepayments		110	17
<b>Total Current Assets</b>		<b>12 000</b>	<b>6 881</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	89 499	87 904
<b>Total Non-Current Assets</b>		<b>89 499</b>	<b>87 904</b>
<b>TOTAL ASSETS</b>		<b>101 499</b>	<b>94 785</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	4 309	3 376
Income Tax Liabilities	11	3 958	2 992
Provisions	12	4 959	3 786
Other Liabilities	13	-	-
<b>Total Current Liabilities</b>		<b>13 226</b>	<b>10 154</b>
<b>Non-Current Liabilities</b>			
Borrowings and Advances	14	3 000	4 000
Provisions	12	160	136
<b>Total Non-Current Liabilities</b>		<b>3 160</b>	<b>4 136</b>
<b>TOTAL LIABILITIES</b>		<b>16 386</b>	<b>14 290</b>
<b>NET ASSETS</b>		<b>85 113</b>	<b>80 495</b>
<b>EQUITY</b>			
Capital		467	467
Accumulated Funds		84 646	80 028
<b>TOTAL EQUITY</b>		<b>85 113</b>	<b>80 495</b>

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 2010

	NOTE	Equity at 1 July \$'000	Comprehensive result \$'000	Transactions with owners in their capacity as owners \$'000	Equity at 30 June \$'000
<i>2009–10</i>					
<b>Accumulated Funds</b>		80 028	9 236	-	89 264
Dividends payable				(4 618)	(4 618)
		80 028	9 236	(4 618)	84 646
<b>Capital - Transactions with Owners</b>		467	-	-	467
Equity Injections		-	-	-	-
Equity Transfers In					
Equity Withdrawals		-	-	-	-
Equity Transfers Out					
		467	-	-	467
<b>Total Equity at End of Financial Year</b>		<b>80 495</b>	<b>9 236</b>	<b>(4 618)</b>	<b>85 113</b>
<i>2008–09</i>					
<b>Accumulated Funds</b>		76 538	6 981	-	8 3519
Dividends Payable		-	-	(3 491)	(3 491)
		76 538	6 981	(3 491)	80 028
<b>Capital - Transactions with Owners</b>		436	-	-	436
Equity Injections					
Equity Transfers In		-	-	31	31
Equity Withdrawals		-	-	-	-
Equity Transfers Out					
		436	-	31	467
<b>Total Equity at End of Financial Year</b>		<b>76 974</b>	<b>6 981</b>	<b>(3 460)</b>	<b>80 495</b>

This 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 2010

	NOTE	2010 \$'000 (Outflows) / Inflows	2009 \$'000 (Outflows) / Inflows
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Receipts From Sales of Goods And Services		46 461	42 430
Interest Received		200	257
<b>Total Operating Receipts</b>		<b>46 661</b>	<b>42 687</b>
<b>Operating Payments</b>			
Payments to Employees		(2 230)	(2 098)
Payments for Goods and Services		(16 238)	(14 822)
Interest Paid		(284)	(283)
Income Tax Paid		(2 992)	(3 139)
<b>Total Operating Payments</b>		<b>(21 744)</b>	<b>(20 342)</b>
<b>Net Cash From Operating Activities</b>	<b>15</b>	<b>24 917</b>	<b>22 345</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from Asset Sales	3	21 164	16 276
<b>Total Investing Receipts</b>		<b>21 164</b>	<b>16 276</b>
<b>Investing Payments</b>			
Purchases of Assets		(37 608)	(37 782)
<b>Total Investing Payments</b>		<b>(37 608)</b>	<b>(37 782)</b>
<b>Net Cash Used In Investing Activities</b>		<b>(16 444)</b>	<b>(21 506)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Financing Payments</b>			
Repayment of Borrowing		(1 000)	-
Dividend Paid		(3 491)	(3 662)
<b>Total Financing Payments</b>		<b>(4 491)</b>	<b>(3 662)</b>
<b>Net Cash Used In Financing Activities</b>		<b>(4 491)</b>	<b>(3 662)</b>
Net Increase/(Decrease) in Cash Held		3 982	(2 823)
Cash at Beginning of Financial Year		5 952	8 775
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>6</b>	<b>9 934</b>	<b>5 952</b>

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

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## NOTES TO FINANCIAL STATEMENTS For the year ended 30 June 2010

## 1. OBJECTIVES AND FUNDING

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

Key functional responsibilities are:

- managing the strategic replacement program for the Territory Government's fleet;
- minimising the total cost of fleet ownership;
- administering supply and service contracts, vehicle specifications and delivery programs; and
- managing the disposal of vehicles, plant and equipment.

Funding is provided predominantly via vehicle hire income derived from client agencies.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

## a) Basis of Accounting

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

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

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

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

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

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

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

*AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]*

The amendments largely clarify the required accounting treatment where previous practice had varied, although some new or changed requirements are introduced. Topics include below market interest-rate government loans, accounting for advertising and promotional expenditure, investment property under construction and the reclassification to inventories of property, plant and equipment previously held for rental when the assets cease to be rented and are held for sale. The Standard does not impact the Financial Statements.

*AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*

The Standard amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosures about fair value measurements. It establishes a three-level hierarchy for making fair value measurements, requiring those financial instruments measured at fair value in the Balance Sheet to be categorised into levels.

*Interpretation 17 Distributions of Non-cash Assets to Owners, AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-cash Assets to Owners*  
The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The Interpretation and Standard do not impact the Financial Statements.

*Interpretation 18 Transfers of Assets from Customers*

The Interpretation clarifies the accounting for agreements in which an entity receives from a customer an item of property, plant and equipment (or cash for the acquisition or construction of such items of property, plant and equipment) that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of good or services. The Interpretation does not impact the Financial Statements.

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

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

Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 2009-5 Further amendments to Australian Accounting Standards arising from the annual improvements project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments relate to terminology and editorial changes.	1 Jan 2010	Terminology and editorial changes. Impact minor
AASB 2009-13 Amendments to Australian Accounting Standards arising from interpretation 19	Consequential amendment to AASB 1 arising from publication of interpretation 19.	1 Jul 2010	The NT Fleet does not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 19 and related amendments have no impact.
AASB 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the NT Fleet is still assessing the detailed impact and whether to early adopt.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	1 Jan 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement	Amendment to Interpretation 14 arising from the issuance of Prepayments of a minimum funding requirement.	1 Jan 2011	No impact is expected.



Standard/Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 Financial Instruments: recognition and measurement).	1 Jan 2013	The measurement basis for main financial assets (cash and deposit and receivable) are not likely to change on application of AASB9. However, a change in measurement basis, may give rise to a material financial impact on financial statement.  Detail of impact is still being assessed.
AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	1 Jan 2013	Detail of impact is still being assessed.

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

c) **Agency and Territory Items**

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

**Central Holding Authority**

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government controlled entities. The Central Holding Authority also holds certain Territory assets not assigned to Agencies as well as certain Territory liabilities that are not

practical or effective to assign to individual Agencies such as unfunded superannuation and long service leave.

d) **Comparatives**

Where necessary, comparative information for the 2008–09 financial year has been reclassified to provide consistency with current year disclosures.

e) **Presentation and Rounding of Amounts**

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

### f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2009–10 as a result of management decisions.

### g) Accounting Judgements and Estimates

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

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

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

- Employee Benefits – Note 2(w) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year Government bond rate.
- Doubtful Debts – Note 2(p) and Note 7: Receivables.
- Depreciation and Amortisation – Note 2(l) and Note 9: Property, Plant and Equipment.

### h) Goods and Services Tax

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

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

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

### i) Income Recognition

Income encompasses both revenue and gains.

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

#### **Sale of Goods**

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

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- NT Fleet retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;

- it is probable that the economic benefits associated with the transaction will flow to NT Fleet; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Rendering of Services**

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

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

### **Interest Revenue**

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

### **Disposal of Assets**

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to note 3.

### **Contributions of Assets**

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

### **j) Repairs and Maintenance Expense**

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

### **k) Taxation**

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

### **l) Depreciation and Amortisation Expense**

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

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:

	2010	2009
Vehicles – light	2 – 3 Years	2 – 3 Years
Vehicles – heavy	3 – 10 Years	3 – 10 Years
Leasehold improvements	10 – 15 Years	10 – 15 Years
Computer software	1 – 5 Years	1 – 5 Years

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

### **m) Interest Expense**

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

### **n) Cash**

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

## o) Inventories

General inventories are all inventories other than those held for distribution and are carried at the lower of cost and net realisable value. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Inventories held for distribution are those inventories distributed at no or nominal consideration and are carried at the lower of cost and current replacement cost.

## p) Receivables

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

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

Accounts receivable and other receivables are generally settled within 14 days.

## q) Property, Plant and Equipment

**Acquisitions**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5 000 threshold are expensed in the year of acquisition.

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

**Complex Assets**

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as

separate assets. The components may be replaced during the useful life of the complex asset.

**Subsequent Additional Costs**

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

**Software (Work in Progress)**

NT Fleet funded the migration to a new programming tool suit utilised by the NT Government's software programming contractor. The cost associated with this project has been capitalised.

## r) Revaluations and Impairment

**Revaluation of Assets**

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

- Heavy vehicles
- Intangibles

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

The unique nature of some of the heritage and cultural assets may preclude reliable measurement. Such assets have not been recognised in the financial statements.

**Impairment of Assets**

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

Non-current physical and intangible Agency assets are assessed for indicators of impairment on an annual basis. If an indicator of

impairment exists, NT Fleet determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

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

#### s) Assets Held for Sale

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly probably within the next twelve months.

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

#### t) Leased Assets

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

##### **Operating Leases**

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating

lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

#### u) Payables

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

#### v) Borrowings

Government loans are initially recognised at the fair value of the consideration received less directly attributable transaction cost.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

#### w) Employee Benefits

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

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

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

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



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

x) **Superannuation**

Employees' superannuation entitlements are provided through the:

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

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

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

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

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

z) **Dividends**

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

aa) **Commitments**

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 17 and are consistent with the requirements contained in AASB 101, AASB 116 and AASB 117.

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



	2010 \$'000	2009 \$'000
<b>3. GAIN ON DISPOSAL OF ASSETS</b>		
Proceeds from the disposal of non-current assets	21 164	16 276
Less: Carrying value of non-current assets disposed	17 212	14 976
<b>Gain on Disposal of Non-Current Assets</b>	<b>3 952</b>	<b>1 300</b>
<b>4. PURCHASES OF GOODS AND SERVICES</b>		
The net surplus has been arrived at after charging the following expenses:		
<b>Goods and Services Expenses:</b>		
Consultants <sup>(1)</sup>	12	-
Advertising <sup>(2)</sup>	3	-
Document Production	3	5
Recruitment <sup>(3)</sup>	2	7
Training and Study	8	14
Official Duty Fares	3	5
Travelling Allowance	2	2
Audit Fees	37	38
Corporate Support from Other Agencies	417	377
(1) Includes marketing and promotion consultants.		
(2) Does not include recruitment advertising or marketing and promotion advertising.		
(3) Includes recruitment related advertising costs.		

	2010 \$'000	2009 \$'000
<b>5. INCOME TAX EXPENSE</b>		
Current Year Profit	13 194	9 973
Prima Facie Tax Expense Calculated at 30% of the surplus	3 958	2 992
<b>Total Income Tax Expense</b>	<b>3 958</b>	<b>2 992</b>
<b>6. CASH</b>		
Cash on Hand	3	9
Cash at Bank	9 931	5 943
<b>Total Cash</b>	<b>9 934</b>	<b>5 952</b>
<b>7. RECEIVABLES</b>		
<b>Current</b>		
Accounts Receivable	1 062	243
Interest Receivable	29	11
GST Receivable	13	36
Other Receivables	847	610
<b>Total Receivables</b>	<b>1 951</b>	<b>900</b>
<b>8. INVENTORIES</b>		
Raw Material and Stores	5	12
<b>Total Inventories</b>	<b>5</b>	<b>12</b>

The cost of inventory recognized as an expense during the period in respect of continuing operation was \$7,000 in 2009–10 (2008–09 \$6,700).

	2010 \$'000	2009 \$'000
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Motor Vehicles - Light</b>		
At Cost	103 685	99 314
Less: Accumulated Depreciation	(27 807)	(24 658)
	75 878	74 656
<b>Motor Vehicles - Heavy</b>		
At Cost	26 135	24 866
Less: Accumulated Depreciation	(12 847)	(11 918)
	13 288	12 948
<b>Intangibles - Computer Software</b>		
At cost	284	249
<b>Leasehold Improvements</b>		
At capitalised cost	54	54
Less: Accumulated Depreciation	(5)	(3)
	49	51
<b>Total Property, Plant and Equipment</b>	<b>89 499</b>	<b>87 904</b>

**Impairment of Property, Plant and Equipment**

NT Fleet's property, plant and equipment were assessed for impairment as at 30 June 2010. No impairment adjustments were required as a result of this review.

**2010 Property, Plant and Equipment Reconciliations**

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

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold \$'000 Improvements	Intangibles - Software \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2009</b>	<b>74 656</b>	<b>12 948</b>	<b>51</b>	<b>249</b>	<b>87 904</b>
Additions	35 673	3 154	-	35	38 862
Disposals	(16 633)	(579)	-	-	(17 212)
Depreciation/ other	(17 818)	(2 235)	(2)	-	(20 055)
<b>Carrying Amount as at 30 June 2010</b>	<b>75 878</b>	<b>13 288</b>	<b>49</b>	<b>284</b>	<b>89 499</b>

**2009 Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2008–09 is set out below:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Leasehold Improvements \$'000	Intangibles - Software \$'000	Total \$'000
<b>Carrying Amount as at 1 July 2008</b>	<b>70 964</b>	<b>11 861</b>	<b>21</b>	<b>239</b>	<b>83 085</b>
Additions	34 130	3 410	31	10	37 581
Disposals	(14 645)	(330)	-	-	(14 975)
Depreciation	(15 793)	(1 993)	(1)	-	(17 787)
<b>Carrying Amount as at 30 June 2009</b>	<b>74 656</b>	<b>12 948</b>	<b>51</b>	<b>249</b>	<b>87 904</b>

	2010 \$'000	2009 \$'000
<b>10. PAYABLES</b>		
Accounts Payable	3 969	3 032
Accrued Expenses	39	56
Other Accrued Expenses and Accrued Salaries	301	288
<b>Total Payables</b>	<b>4 309</b>	<b>3 376</b>

	2010 \$'000	2009 \$'000
<b>11. INCOME TAX LIABILITIES</b>		
Income Tax Payable	3 958	2 992
<b>Total Income Tax Liabilities</b>	<b>3 958</b>	<b>2 992</b>
<b>12. PROVISIONS</b>		
<b>Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	200	168
Leave Loading	40	31
Recreation Leave Fares	7	12
<i>Other Current Provisions</i>		
Provision for Dividend	4 618	3 491
Provision for Fringe Benefits Tax	3	4
Provision for Payroll Tax	26	27
Provision for Superannuation	58	47
Provision for Workers Compensation Premium	7	6
<b>Total Current Provisions</b>	<b>4 959</b>	<b>3 786</b>
<b>Non-Current</b>		
<i>Employee Benefits</i>		
Recreation Leave	160	136
<b>Total Non-Current</b>	<b>160</b>	<b>136</b>

	2010 \$'000	2009 \$'000
<b>Total Provisions</b>	<b>5 119</b>	<b>3922</b>
<b>Reconciliations of Dividends</b>		
<b>Balance as at 1 July</b>	<b>3 491</b>	<b>3 662</b>
Reductions Arising from Payments	(3 491)	(3 662)
Additional Provisions Recognised	4 618	3 491
<b>Balance as at 30 June</b>	<b>4 618</b>	<b>3 491</b>

NT Fleet employed 33 employees as at 30 June 2010 (32 employees as at 30 June 2009).

	2010 \$'000	2009 \$'000
<b>13. OTHER LIABILITIES</b>		
<b>Current</b>		
There are no other current liabilities.		
<b>14. BORROWINGS AND ADVANCES</b>		
<b>Non-Current</b>		
Loans and Advances	3 000	4 000
<b>Total Borrowings and Advances</b>	<b>3 000</b>	<b>4 000</b>

## 15. NOTES TO THE CASH FLOW STATEMENT

### Reconciliation of Cash

The total of NT Fleet Cash and Deposits of \$9.935 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

	2010 \$'000	2009 \$'000
<b>Net Surplus</b>	<b>9 236</b>	<b>6 981</b>
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	20 054	17 787
(Gain) on Disposal of Assets	(3 952)	(1 300)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(1 051)	393
Decrease/(Increase) in Inventories	7	(2)
Decrease/(Increase) in Prepayments	(93)	(14)
(Decrease)/Increase in Payables	(321)	532
(Decrease)/Increase in Provision for Employee Benefits	60	(2)
(Decrease)/Increase in Other Provisions	977	(156)
(Decrease)/Increase in Deferred Income	-	(1 874)
<b>Net Cash From Operating Activities</b>	<b>24 917</b>	<b>22 345</b>

16. FINANCIAL INSTRUMENTS

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

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

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

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

(a) Categorisation of Financial Instruments

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

	2010 \$'000	2009 \$'000
<b>Financial Assets</b>		
Cash	9 935	5 952
Receivables	1 951	900
<b>Financial Liabilities</b>		
Payables	4 309	3 376

(b) Credit Risk

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

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

**Receivables**

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

	2010 \$'000	2009 \$'000
<b>Ageing of Receivables</b>		
Not Overdue	943	91
Overdue for less than 30 Days	116	150
Overdue for 30 to 60 Days	3	2
Overdue for more than 60 Days	-	-
<b>Total Accounts Receivables</b>	<b>1 062</b>	<b>243</b>

16. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity risk

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

The following tables detail the undiscounted cash flows payable by NT Fleet by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Balance Sheet.

2010 Maturity

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
<b>Assets</b>							
Cash and Deposits	9 932	-	-	-	3	9 935	3.44
Receivable	-	-	-	-	1 951	1 951	
<b>Liabilities</b>							
Payable	-	-	-	-	(4 309)	(4 309)	6.5
Employee Benefits	-	-	-	-	(407)	(407)	
Government Loan	-	(196)	(3 197)	-	-	(3 393)	
Dividends	-	-	-	-	(4 618)	(4 618)	
<b>Net Financial Assets (Liabilities)</b>							
	<b>9 932</b>	<b>(196)</b>	<b>(3 197)</b>	<b>-</b>	<b>(7 380)</b>	<b>(841)</b>	

2009 Maturity

	Variable Interest \$'000	Fixed Interest Rate			Non Interest Bearing \$'000	Total \$'000	Weighted Average %
		Less than a Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000			
Cash and Deposits	5 943	-	-	-	9	5 952	4.5
Receivable	-	-	-	-	900	900	
Payable	-	-	-	-	(3 376)	(3 376)	7.1
Employee Benefits	-	-	-	-	(347)	(347)	
Government Loan	-	(284)	(4 569)	-	-	(4 853)	
Dividends	-	-	-	-	(3 491)	(3 491)	
<b>Net Financial Assets (Liabilities)</b>							
	<b>5 943</b>	<b>(284)</b>	<b>(4 569)</b>	<b>-</b>	<b>(6 305)</b>	<b>(5 215)</b>	

(d) Market Risk

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

i) Interest Rate Risk

NT Fleet has limited exposure to interest rate risk. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk. NT Fleet's exposure to interest rate risk on financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year. NT Fleet's operating accounts earns quarterly interest at a variable interest rate (NT Treasury's Corporation's weighted average cash returns less 50 basis points).

Assuming the financial assets and liabilities as at 30 June 2010 were to remain until maturity or settlement without any action by NT Fleet to alter the resulting interest rate risk exposure, an immediate and sustained increase of 1 percent in market interest rates across all maturities would not have a significant effect and is considered not material to NT Fleet.



16. FINANCIAL INSTRUMENTS (continued)

	2010 \$'000	2009 \$'000
<b>Variable rate instruments</b>		
Financial assets	9 932	5 943
Financial Liabilities	-	-
<b>Total</b>	<b>9 932</b>	<b>5 943</b>

**Market Sensitivity Analysis**

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

	Profit or Loss and Equity	
	100 basis points increase \$'000	100 basis points decrease \$'000
<b>30 June 2010</b>		
Financial assets – cash at bank	99	(99)
<b>30 June 2009</b>		
Financial assets – cash at bank	59	(59)

ii) Price Risk

NT Fleet is not exposed to price risk as NT Fleet does not hold units in unit trusts.

iii) Currency Risk

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

(e) Net Fair Value

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

Level 1 – fair value is calculated using quoted prices in active markets. Instruments whose carrying amount is deemed to be equal to its fair value qualify for this level of classification.

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

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

2010	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
<b>Financial Assets</b>					
Cash and Deposits	9 935	9 935	-	-	9 935
Receivables	1 951	1 951	-	-	1 951
Advances and Investments	-	-	-	-	-
<b>Total Financial Assets:</b>	<b>11 886</b>	<b>11 886</b>	<b>-</b>	<b>-</b>	<b>11 886</b>
<b>Financial Liabilities</b>					
Payables	4 309	4 309	-	-	4 309
Borrowings and Advances	3 000	3 000	-	-	3 000
Employee Benefits	407	247	-	160	407
Dividends Payable	4 618	4 618	-	-	4 618
<b>Total Financial Liabilities:</b>	<b>12 334</b>	<b>12 174</b>	<b>-</b>	<b>160</b>	<b>12 334</b>

	Total Carrying Amount \$'000	Net Fair Value Level 1 \$'000	Net Fair Value Level 2 \$'000	Net Fair Value Level 3 \$'000	Net Fair Value Total \$'000
2009					
<b>Financial Assets</b>					
Cash and Deposits	5 952	5 952	-	-	5 952
Receivables	900	900	-	-	900
Advances and Investments	-	-	-	-	-
<b>Total Financial Assets:</b>	<b>6 852</b>	<b>6 852</b>	-	-	<b>6 852</b>
<b>Financial Liabilities</b>					
Payables	3 376	3 376	-	-	3 376
Borrowings and Advances	4 000	4 000	-	-	4 000
Employee Benefits	347	211	-	136	347
Dividends Payable	3 491	3 491	-	-	3 491
<b>Total Financial Liabilities:</b>	<b>11 214</b>	<b>11 078</b>	-	<b>136</b>	<b>11 214</b>

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

Non-current financial liabilities in respect of employee benefits are measured based on level 3 as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.

	2010 \$'000	2009 \$'000
<b>17. COMMITMENTS</b>		
<b>(i) Capital Expenditure Commitments</b>		
Estimated capital expenditure contracted for at balance date but not provided for and payable:		
Within one year	9 749	8 383
	<b>9 749</b>	<b>8 383</b>
<b>(ii) Operating Lease Commitments</b>		
NT Fleet leases property under non-cancellable operating leases expiring on 23 January 2010 and 11 November 2012. Leases generally provide NT Fleet with a right of renewal at which time all lease terms are renegotiated. NT Fleet also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:		
Within one year	0	4
Later than one year and not later than five years	43	5
	<b>43</b>	<b>9</b>
<b>(iii) Operating Lease Commitments Receivable</b>		
Received not later than one year	34 341	31 889
Later than one year and not later than five years	21 426	19 192
	<b>55 767</b>	<b>51 081</b>

## 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2010 or as at 30 June 2009.

## 19. EVENTS SUBSEQUENT TO BALANCE DATE

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

## 20. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

NT Fleet had no write offs, postponements or waivers in 2009–10 and 2008–09.



# Appendices

## DBE Service Price List at 30 June 2010

Service	Cost Measure	Price (\$)
<b>Financial and Accounting Services</b>		
<b>Accounts Payable</b>		
- Invoice processed 1–5 lines	Per invoice	13.10
- Invoice processed 6–10 lines	Per invoice	25.50
- Invoice processed >10 lines	Per invoice	40.50
- Ledger transfer	Per invoice	12.00
- RTM advance cheques	Per cheque	25.80
- Deskbank payments	Per payment	86.00
- Credit card management	No. of credit cards (pa)	420.00
<b>Accounts Receivable</b>		
- Invoice manual requisition	Per invoice	61.00
- Invoice electronic requisition	Per invoice	25.00
- Receiver statements – manual	Per statement	50.00
- Receiver statements – pay online	Per statement	10.00
- RTM	Per receipt	5.20
- Bank account management	Per bank account (pa)	2 496.00
<b>Asset Accounting</b>		
- Asset accounting	No. of assets (pa)	81.60
- Disposals	Per asset disposed	28.00
<b>Taxation Services</b>		
- BAS lodgement	Per line per return	0.40
- FBT Tax	Per line comprising FBT liability	22.00

Service	Cost Measure	Price (\$)
- Payroll Tax	Per cost code per return	6.50
<b>Financial Reporting</b>		
- Auto	Per page produced	1.25
<b>Financial Systems</b>		
	DASD usage (per 1% per annum)	72 000.00
<b>Contract and Procurement Services (CAPS)</b>		
- Tender Management	Per tenders managed	2 000.00
- Public/Select Quotations Service	Per quotation managed	1 760.00
- Standard RFT	Per standard RFT	1 500.00
- Complex RFT	Per complex RFT	4 100.00
- Addenda/Extension	Per addenda/extension	540.00
- CAPS Advisory Service	Per no. of paid employees (pa)	20.00
- CAPS Whole-of-Government Contracts	Per no. of paid employees (pa)	20.00
- RFQ Administration	Per no. of quotations entered	200.00
Couriers/Despatch	Per drop off/ pick up	12.00
<b>Human Resource Services</b>		

Service	Cost Measure	Price (\$)
HR System	Per no. of paid employees (pa)	345.00
Job Evaluation Services	Per JESd position	250.00
<b>Payroll Services</b>		
- Per Employee Charge	Per no. of paid employees (pa)	155.00
- Per PTR Charge - Auto	Per PTR - auto	3.00
- Per PTR Charge - Manual	Per PTR - manual	10.00
- Commencement and Termination	Per commencement or termination	260.00
<b>Recruitment Services</b>		
- New Starter	Per new starter	510.00
- Temporary or Nominal Move	Per temporary or nominal move	30.00
<b>Entry Level Recruitment</b>	Per no. of admin staff (pa)	70.00
<b>Short Courses</b>	Per person/half day	135.00
<b>Employment Programs</b>	No. of apprentices	2 480.00
<b>Venue Management</b>		
- Belvedere House A/S L1	Per half day	50.00
- Belvedere House A/S L2	Per half day	120.00
- Sadgroves Room	Per half day	50.00
- Timor Room	Per half day	100.00
- Frances Bay Room	Per half day	150.00
- Katherine Government Centre	Per half day	90.00

Service	Cost Measure	Price (\$)
OH&S	Per hour	110.00
Workers Compensation	Per hour	83.00
<b>Information and Communications Technology Services</b>		
<b>ICT Policy &amp; Strategy</b>	Per no. of desktops (pa)	110.00
<b>IT Service Management</b>		
- Contract Services	Per no. of desktops (pa)	165.00
- Agency Services	Allocation of FTE Managers (pa)	130 000.00
	Allocation of FTE Directors (pa)	175 000.00
<b>Records Policy &amp; Systems</b>	Per no. of paid employees (pa)	65.00
<b>Property Management</b>		Cost
<b>Leased Property Management</b>	Overheads	3.47%



## Audits by the Auditor-General for year ending 30 June 2010

Audit	Audit Outcome or Recommendation Summary	Action
DBE End of Year Review 2008–09	Employees with negative recreation and long service leave balances were noted during the audit.	A systems enhancement has been implemented that prevents part-time employees recording a negative leave balance.
NT Fleet Financial Statement Audit 2008–09	No new matters were identified since the completion of the interim financial statement audit.	No action was required.
Government Printing Office Financial Statement Audit 2008–09	Payments made by Electronic Funds Transfer (EFT) do not require a second employee to process the payment.	Procedures were updated to require 2 persons to process EFT payments.
Data Centre Services Financial Statement Audit 2008–09	No major matters were identified during the audit.	No action was required.
IT Outsourcing 2009	Alignment of the Northern Territory Government ICT Strategy, ICT Strategic drivers and the Strategic Sourcing Strategy should be confirmed.	The government strategic technology drivers, the ICT Strategy Strategic Intent and the ICT Outsourcing Strategy were reviewed and confirmed that they were aligned.
Records Management System Audit – TRIM	<p>Northern Territory Government Records Management Standards were out of date.</p> <p>Annual survey results are not being used to improve processes, efficiencies or controls.</p> <p>Agencies are developing their own policies and procedures which could be standardised and distributed by DBE.</p> <p>There is no charter or terms of reference for record management responsibilities of DBE and agencies.</p> <p>There is a single point of failure of data contained within TRIM.</p> <p>There is no periodic testing of restoration of TRIM data.</p> <p>6 terminated users within an agency had access to TRIM.</p>	<p>New standards approved by the Minister and are being gazetted.</p> <p>Surveys are currently used for process improvement and will be used on an ongoing basis. No action required.</p> <p>Legislation allows agencies to develop their own policies. DBE will continue to promote the sharing of information. No action required.</p> <p>The <i>Information Act</i> outlines roles and responsibilities. No action required.</p> <p>Data Centre Services is currently reviewing disaster recovery procedures.</p> <p>Data Centre Services is currently implementing a new back-up/restore product.</p> <p>Agency has resolved the issue. In addition, ePass deactivates user access to whole-of-government services on resignation.</p>

Audit	Audit Outcome or Recommendation Summary	Action
myHR Web Application Security Assessment	<p>Although the tests conducted in this assignment did not prove that information within myHR could be easily breached, a number of opportunities were identified to improve security controls over the myHR application:</p> <ul style="list-style-type: none"> <li>• production data used in development and test environments</li> <li>• information in myHR has not been classified according to government requirements</li> <li>• general security observations – special characters are accepted in scripts</li> <li>• lack of myHR data encryption</li> <li>• excessive user logon attempts are possible via the web (http) logon process</li> <li>• myHR server house-keeping is required.</li> </ul>	<p>All required actions have been completed.</p> <p>It was noted that the security vulnerability and penetration testing of myHR did not succeed in breaching myHR controls:</p> <ul style="list-style-type: none"> <li>• system controls for training and test environments of PIPS and myHR implemented and scheduled for review quarterly</li> <li>• no action is required –myHR is a user interface for the Nomad system (PIPS) and only displays information that is part of this system. Records Management Standards are applied to all personnel files</li> <li>• finding is incorrect as myHR does not allow program commands using special characters</li> <li>• myHR sits behind the WAN and is protected by security protocols used for all government applications. Consideration of suggested encryption will be included in any modification of myHR</li> <li>• third party password application is no longer required due to migration of myHR to a single Windows 2003 server</li> <li>• myHR is fully hosted by Data Centre Services and subject to standard housekeeping for hosted servers.</li> </ul>

Audit	Audit Outcome or Recommendation Summary	Action
Government Accounting System (GAS) Controls Audit 2008–09	<p>System of internal control in respect of the central maintenance of the Government Accounting System was found to be satisfactory.</p> <p>The Auditor-General conveyed concerns regarding the possibility that internal controls were overridden resulting in duplicate payments for 2008–09. An assurance that system controls had not been overridden and duplicate payments were not a problem in 2009–10 was requested.</p>	A letter of assurance was provided to the Auditor-General outlining that internal controls were not systemically overridden and duplicate payments were not an issue in 2009–10.
NT Fleet Interim Financial Statement Audit 2009–10	<p>Residual values or projected prices of heavy vehicles and machinery recorded in the Fleet Business System (FBS) may require review.</p> <p>It is possible to delete accounts payable and accounts receivable journal entries recorded in FBS.</p>	<p>Procedures are in place to assess valuations during normal servicing. Material differences between written down value and projected sale price are corrected in BBS through an adjustment in depreciation and reflected in future lease payments.</p> <p>Incorrect journals cannot be reversed in FBS requiring them to be deleted before being re-entered. Only the external programmer is able to delete journals on request and the process is auditable.</p>
NT Fleet IT Controls Review	<p>Regular review of Fleet Business System (FBS) datasets should be undertaken.</p> <p>Access to the FBS DB2 production database should be reviewed.</p> <p>User maintenance procedures for the FBS should be improved.</p> <p>Business Continuity Plan policy and process are yet to be finalised.</p>	<p>Fleet Business Systems datasets will be reviewed and those no longer required will be removed.</p> <p>A timetable has been developed for the System Administrator to review FBS datasets and user access on a quarterly basis.</p> <p>A user access approval form will be developed to improve RACF procedures for FBS user access.</p> <p>In consultation with DBE and Fujitsu, IT continuity plans will be developed for administrative support and restoration of NT Fleet systems and user facilities.</p>

Audit	Audit Outcome or Recommendation Summary	Action
IT Controls Audit Year ending 30 June 2010	<p>The reviewing and interpreting of security logs and events is not formalised and depends on individual judgment.</p> <p>Security policies were not closely aligned with recognised standards, policies do not appear to be consistently reviewed or published on the intranet and compliance management plans do not measure compliance with security policies and procedures.</p> <p>There is no centralised security management framework or role within Data Centre Services.</p>	<p>The implementation of a security event management system and the most appropriate means to enhance network security management will be investigated.</p> <p>ICT Security Policies and Standards were reviewed and a rolling upgrade and maintenance program will commence. Security policies and standards will continue to be communicated to service providers and agencies and published on the intranet.</p> <p>A central security manager will be established to focus on security management activities.</p>
Salary Processing Services (PIPS) Compliance 2010	<p>Controls over the review and follow up of PIPS exception reports are not always followed up.</p> <p>Controls over the commencement of new employees and termination of employees could be enhanced.</p>	<p>The control guide will be reviewed and amended to manage the exception report process better, especially for nil reports.</p> <p>Compliance with procedures will be reiterated to staff and a protocol to access records not held by DBE will be developed in conjunction with the Auditor-General's Office.</p>

## Internal reviews for year ending 30 June 2010

Review	Description	Outcome
Chan Data Centre risk assessment and disaster recovery options	Review by KPMG to undertake an independent assessment of the risks associated with the current single production site, Chan Data Centre, and indicative costing of options to mitigate the risks identified	The review confirmed there is a significant risk exposure to the government from the current single-site data centre model. Key risks include loss of critical systems, unacceptable minimum downtimes and infrastructure related outages. Options to mitigate risks including indicative capital costings were provided.
Review of Security Policies and Standards Redevelopment Scope of Work	Review by Fujitsu to examine existing Northern Territory Security Policies and Standards to recommend: <ul style="list-style-type: none"> <li>• scope of work for the redevelopment of the Northern Territory Government Security Policy and Standards</li> <li>• applicable legislation and standards that new policies and standards should be aligned with</li> <li>• a review and approval process for the development, implementation and maintenance of new policies and standards</li> </ul>	The report detailed the suggested required content for the Northern Territory Government Security Policy and identified a series of security standards required to support the policy.
PIPS Self Certification Sampling Methodology	Review by Deloitte to assess the adequacy of the sampling methodology developed to test the accuracy of the PTR self certification population	The sample methodology was found to be adequate. A number of opportunities were identified to improve the process with respect to actions taken in response to errors, audit evidence, staff training and standard operating procedures.
Review of the disputed transaction process for Northern Territory Government Corporate Credit Cards	Internal review to investigate the opportunity for fraud using the disputed transaction process in the current Corporate Credit Cards procedures and to identify potential improvements to processes to mitigate the opportunity for fraud	The review recommended amendments to disputed transaction lodgment process and relevant policies, procedures and guides.

## Self-Insurance

## Department of Business and Employment

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2008–09	2009–10	2008–09	2009–10	2008–09	2009–10
Workers compensation <sup>1</sup>	18	17	\$612 882 <sup>2</sup>	\$515 398 <sup>3</sup>	\$34 049 <sup>2</sup>	\$26 091 <sup>3</sup>
Motor vehicle	Nil	1	Nil	\$4 584	Nil	\$4 584

<sup>1</sup> Figures are for all claims including new, ongoing and finalised claims.

<sup>2</sup> Total value and average cost of claims include a lump sum settlement of \$280 000. Excluding the settlement, the average cost of claims is \$18 493.

<sup>3</sup> Total value and average cost of claims include a lump sum settlement of \$170 876. Excluding the settlement, the average cost of claims is \$10 680.

## Data Centre Services

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2008–09	2009–10	2008–09	2009–10	2008–09	2009–10
Workers compensation <sup>1</sup>	1	2	\$313	\$34 036	\$313	\$17 018

<sup>1</sup> Figures include new and ongoing claims. Claims commenced prior to commercial insurance arrangements.

## Government Printing Office

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2008–09	2009–10	2008–09	2009–10	2008–09	2009–10
Workers compensation <sup>1</sup>	1	2	\$1814	\$167	\$1814	\$84

<sup>1</sup> Figures include new and ongoing claims. Claims commenced prior to commercial insurance arrangements.

## NT Fleet

Risk Category	Number of claims		Value of claims		Average cost of claims	
	2008–09	2009–10	2008–09	2009–10	2008–09	2009–10
Workers compensation	1	1 <sup>1</sup>	\$567	\$395 668 <sup>1</sup>	\$567	\$395 668 <sup>1</sup>

<sup>1</sup> Claim was an ongoing claim from prior to commercial insurance arrangements and value of claim includes a lump sum settlement of \$380 000.



## Territory Business Growth Program

Regional Breakdown	Financial Year							
	2006–07		2007–08		2008–09		2009–10	
	No.	Funding \$	No	Funding \$	No.	Funding	No.	Funding \$
Darwin	30	189 546	36	207 518	69	304 081	55	241 984
Alice Springs	2	6 817	13	69 563	23	86 507	19	70 341
Tennant Creek	2	12 690	4	19 095	5	21 901	1	1 363
Katherine	1	4 075	2	10 227	8	51 990	6	21 847
Nhulunbuy	0	0	2	13 909	6	38 455	4	27 475
<b>TOTAL</b>	<b>35</b>	<b>213 128</b>	<b>57</b>	<b>320 312</b>	<b>111</b>	<b>502 934</b>	<b>85</b>	<b>363 010</b>

## Territory Business Centre Regional Activity for 2009–10

Number of contacts with businesses:

All TBCs	Total	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Darwin	102 781	8 708	8 107	9 743	7 557	7 226	6 718	7 271	8 617	10 526	9 553	9 296	9 459
Alice Springs	16 125	1 170	983	1 301	1 312	1 272	1 201	926	1 498	1 551	1 615	1 756	1 540
Katherine	9 865	810	675	910	851	574	386	651	701	1 844	786	742	935
Tennant Creek	2 503	220	235	248	272	231	146	136	182	231	194	185	223
<b>TOTAL</b>	<b>131 274</b>	<b>10 908</b>	<b>10 000</b>	<b>12 202</b>	<b>9 992</b>	<b>9 303</b>	<b>8 451</b>	<b>8 984</b>	<b>10 998</b>	<b>14 152</b>	<b>12 148</b>	<b>11 979</b>	<b>12 157</b>

## NORTHERN TERRITORY RESEARCH AND INNOVATION BOARD

The Northern Territory Research and Innovation Board was established in 2004. Its role is to:

- advise government on priority areas for research and innovation in the Northern Territory, particularly in the fields of tropical and desert knowledge
- make recommendations to government on expenditure of the NT Research and Innovation Fund
- report on the performance of the NT Research and Innovation Fund in increasing research activity and capacity in the Northern Territory.

Its members are:

- Professor Grahame Webb (Chair), Director of Wildlife Management International, Darwin
- Dr Bruce Walker (Deputy Chair), Centre for Appropriate Technology, Alice Springs
- Dr Margaret Friedel, Principal Research Scientist, Centre for Arid Zone Research, Sustainable Ecosystems, CSIRO, Alice Springs
- Mr Steven Rowe, Chief Executive Officer, SRA Information Technology, Darwin
- Professor Jonathan Carapetis, Director, Menzies School of Health Research, Darwin
- Professor Barney Glover, Vice-Chancellor, Charles Darwin University
- Mrs Bronwyn Langworthy, Director, Powercorp Pty Ltd
- Dr Graham Mitchell, Principal and CEO, Foursight Associates Pty Ltd, Melbourne
- Mr Graham Symons, Chief Executive of the Department of Business and Employment.

Professor Jeannie Herbert submitted her resignation from the Board on 23 August 2009.

The board met 4 times in 2009–10, 3 times in Darwin and 1 in Alice Springs.

### NT Research and Innovation Fund

The fund was established to provide grants to the research and innovation community and postgraduate scholarships. The fund also supports the NTRIB awards. The fund and the work of the board are aimed at supporting, stimulating and fostering research and innovation as part of the development of a Northern Territory knowledge-based economy. A principal objective is to build resident research capacity and to draw research investment into the Territory. The fund is held in trust by the Charles Darwin University.

The board is currently reviewing its role to maximise the leverage it achieves in supporting the research and innovation initiatives that are of economic, social and environmental benefit to the Territory and its citizens.

The fund's balances are as follows:

#### NT Research and Innovation Fund – Balance as at 30 June 2010

Committed funds <sup>1</sup>	\$839 376
Uncommitted funds <sup>2</sup>	\$166 545
Funds held in trust by Charles Darwin University	\$1 005 921

<sup>1</sup> Funds which have been awarded by the NTRIB and approved by the Minister for Business and Employment, to research and innovation project applicants since the inception of the program but not yet expended.

<sup>2</sup> Funds retained to cover NTRIB approved initiatives.

### Round 7 of the Research and Innovation Grants program

In 2009, the board received 40 grant applications and awarded 7 Research Grants (totalling \$224 000), 3 Innovation Grants (totalling \$45 000), 2 Proof of Concept Grants (totalling \$15 000) and 6 scholarships of \$2 500 each.

### Round 8 of the Research and Innovation Grants program.

The non-scholarship categories of Grant Round 8 were brought forward to close on 14 May 2010. This earlier closing date was intended to give more time for successful NT applicants to meet subsequent application deadlines imposed by external funding organisations (such as the Australian Research Council) from whom they will seek to leverage funding for their projects.

In Round 8, the board received 28 applications and awarded 9 Research Grants (totalling \$242 000), 1 Visiting Fellowship Grant (\$22 000), 2 Innovation Grants (totalling \$50 000) and 2 Proof-of-Concept Grants (totalling \$21 000).

### Impact

A major objective of the grants program is to leverage external funds to the NT. Since the program's inception the capacity for project applicants to leverage additional funding has rested largely with the Territory's research community. Researchers based at Charles Darwin University, including those working at the Menzies School of Health Research, have been successful in gaining grants from a range of sources including Australian Government programs administered by the Australian Research Council and the National Health and Medical Research Council.

The grants program has achieved significant leverage. Since its inception in 2004–05, an investment of \$2.1 million by the NT Government has leveraged over \$12.4 million additional external funds to the NT.

The board is pleased with the increasing number and standard of the research application grants it receives from Charles Darwin University, and cites the success rate of the university's researchers in attaining funds from Australian Government programs and other sources as evidence of the high standard of research activity being undertaken in the NT.

For the 7 research projects awarded grants in 2009 and the 9 research projects awarded grants in 2010, there is potential to attract almost \$3 million in external research funding through the Australian Government programs mentioned above.

In awarding the \$2 500 NTRIB postgraduate scholarships, the board acknowledges the costs associated with undertaking research and the significant boost to a junior researcher's career that can be derived from the purchase of a new piece of equipment or the opportunity to present the research findings and establish networks by attending conferences and workshops.

In 2009–10 the board received 12 applications for NTRIB scholarships. The Board awarded 6 \$2 500 scholarships to postgraduate students.

### Charles Darwin Research and Innovation Medals

The board awarded 4 inaugural Charles Darwin Research and Innovation Medals in 2009. The medals are awarded to individuals who have made an outstanding contribution to the Northern Territory and its people through their research and innovation. Nominees may be active or retired, but ordinarily will have a minimum of 10 years of such service.

The recipients were:

#### Dr Alan Andersen

Alan is a Chief Research Scientist with CSIRO in Darwin, where he has been for 23 years. He led the expansion and diversification of CSIRO's skills base to establish the multi-disciplinary capability required to address the challenges of sustainable land management and regional development across northern Australia, especially on Indigenous lands.

He is the world's leading expert on the ecology of ants and their use as bio-indicators in land management. He has received substantial international recognition of his achievements, including the Far Eastern Economic Review's 2001 Asian Innovation Award.

### Lorna Nungala Fejo

Lorna recognised that the severe health problems faced by adult Indigenous Australians are influenced from the time they are in utero. She developed a culturally sensitive program addressing low birth weights. This resulted in the Strong Women, Strong Babies, Strong Culture program, which operates in communities throughout the Northern Territory, Queensland and Western Australia.

She received the 1988 Australian Medical Association's Best Individual Contribution to Health Care in Australia award and in 2001 she was awarded the Centenary Medal for her service to Aboriginal communities.

### Dr Goff Letts

Goff Letts was recruited by the Commonwealth Government in 1957 to head up a field team responsible for controlling the impact of bovine pleuropneumonia on the northern Australian pastoral industry and renewing interest in live exports to Asia. As the first Chief Inspector of Wildlife and the Chair of the Wildlife Advisory Council he moved to protect freshwater crocodiles and established several wildlife sanctuaries.

He was awarded a CBE in 1978 for his services to the Territory and public administration.

### Dr Peter Whitehead

Peter Whitehead played a key role in the development of the research capacity of the Conservation Commission of the Northern Territory. He contributed to the quality of research that emerged and continues to provide advice on research and innovation.

He was instrumental in having Indigenous concepts of healthy country accepted into mainstream thinking. His research supports the development of policy that will enable wildlife-based industries on Indigenous lands. He contributed to the Caring for Country and the ranger programs that are providing jobs for Indigenous Australians.

## Grant payments for year ending 30 June 2010

Industry Development Support Program	Cost (\$)
Australian Hotels Association - NT Branch Inc	105 000
Australian Industry Defence Network - Northern Territory	137 000
Business Enterprise Centre (Darwin Region) Incorporated	165 000
International Business Council	157 000
Manufacturers Council	88 000
Film and Television Association of the Northern Territory	15 000
Motor Trades Association (NT) Inc	58 000
Industry Capability Network NT	845 000
Welding Technology Institute of Australia	40 000
<b>TOTAL EXPENDITURE</b>	<b>1 610 000</b>

Industry Development Grants	Cost (\$)
Centre Bush Bus Pty Ltd	20 000
Mindil Beach Sunset Market Association Inc	50 000
<b>TOTAL EXPENDITURE</b>	<b>70 000</b>

Business Growth	Cost (\$)
Abbott Cleaning Service	3 636
ABC Transport Pty Ltd	3 636
ABR Communications Pty Ltd	10 636
Accrete Pty Ltd	3 601
Adzu	7 036
Alice Springs Beanie Festival	3 636
Allora Gardens Nursery	2 727
Baby Bump Australia Pty Ltd	3 636
Batchelor Resort	4 091
Benash Maintenance Services	3 636
Big Fat Productions Pty Ltd	2 727
Big O True Value Hardware and Building Supplies	5 341
Bunuwal Industrial Pty Ltd	10 001
Captovate Pty Ltd	12 727
Central Desert Training Pty Ltd	8 636
Colemans Printing Pty Ltd	3 636
Crazy Acres	2 727
Custom Works	2 001
Darwin Voice & Data	3 636
Davies Metal Works	2 424

Business Growth	Cost (\$)
Dunmarra Wayside Inn	4 546
Eagle Training Services NT Pty Ltd	3 636
Earl James & Associates	4 091
Edna's Cleaning Service	2 727
Enchanted Moments Events Pty Ltd	2 727
Essence of Beauty (NT) Pty Ltd	3 636
Flavell Plumbing (NT) Pty Ltd	10 455
Flight Path Golf	2 727
Gove Pharmacy	4 091
GP & JL Crowhurst Pty Ltd	3 636
Harcourts Darwin	3 636
Henge Education Pty Ltd	2 727
Hogs Breath Cafe	3 636
Ironbark (NT) Employment & Training Incorporated	3 636
JN Mousellis Civil Contractors	2 727
Katherine Art Gallery	4 302
Katherine Sign Management Pty Ltd	2 727
Lakes Resort & Caravan Park Pty Ltd	3 636
Lawn Ranger Landscaping and Irrigation Services	2 727
Litchfield Café	3 636
Lorella Springs Station Pty Ltd	3 001
Manfield Colair	4 546
Mangrove Route Pty Ltd	2 727

Business Growth	Cost (\$)
Marchant Family Partnership	3 636
Mbantua Gallery	2 001
Micks Whips & Leather Goods	3 601
Mike Excavations Pty Ltd	7 705
Milkwood Steiner School Association Incorporated	9 091
Mister Medical Pty Ltd	3 636
Nomad Art Productions	8 069
Nomad Tours	8 839
North Australia Business Services Pty Ltd	3 001
North Solutions Pty Ltd	2 727
Northern Power Services Pty Ltd	3 636
Northern Profile Services Pty Ltd	9 727
NT Electrical Group	2 727
NT Recycling Solutions Pty Ltd	2 727
OGM Engineering Pty Ltd	4 773
PTM Homes Pty Ltd	8 182
Palmerston Clothing	3 682
Palmerston Sports Club Inc	9 091
Paradise Landscaping (NT) Pty Ltd	8 182
Patrick Homes Pty Ltd	3 636
Pattison's Heavy Machinery Maintenance Pty Ltd	3 636
Phillips Earthmoving Pty Ltd	1 364
Professionals Stephanie Hart Real Estate	3 636



Business Growth	Cost (\$)
Ray White Palmerston	9 546
Ross Engineering Pty Ltd	3 636
Security & Technology Services Pty Ltd	8 182
Tailormade Tours	3 001
Territory Instruments	3 636
Territory Weed Management Pty Ltd	3 636
Tomazos Construction Group	2 727
Tropical Computers	4 751
Ward Keller Lawyers	7 801
Wayoutback Desert Safaris	3 636
WB Mobile Windscreens	3 636
We Care - Personal Home Services	2 727
Wildlife Café	2 727
<b>TOTAL EXPENDITURE</b>	<b>363 010</b>

Trade Support Scheme	Cost (\$)
Alatai Holiday Apartments	881
Alice Springs Helicopters	12 701
Alice Springs Holidays	17 969
All Cast (NT) Drainage Systems Pty Ltd	1 863
Anangu Waai Pty Ltd	15 861

Trade Support Scheme	Cost (\$)
Atom Supply Group Pty Ltd	3 000
Aurora Resorts and Hotels	4 186
Australia Business Training and Support	1 924
Austwide Mining Title Management	11 909
Basil Hall Editions	6 070
Bluescope Distribution Pty Ltd	1 249
Bridge Toyota	1 239
Buku-Larrnggay Mulka Incorporated	4 549
Bullo River Pty Ltd	2 000
Central Petroleum Limited	11 482
Combined Communication Solutions Pty Ltd	4 582
Controlability Pty Ltd	3 298
Crocosaurus Cove	2 505
Cycad Enterprises Pty Ltd	13 133
Davidson's Arnhemland Safaris Pty Ltd	12 663
Desart Incorporated	2 000
Energy Metals Limited	3 226
Fuel Installation Services	3 000
Fusion Display and Graphics Pty Ltd	3 000
Gecko Canoeing	5 764
Hermannsburg Potters Aboriginal Corporation	5 000

Trade Support Scheme	Cost (\$)
Hydraulink (NT) Pty Ltd	6 810
International Business Council	3 651
International College of Advanced Education Pty Ltd	16 032
ITW Buildex	935
J Blackwood & Son Pty Ltd	8 807
Jongs Upholstery and Canvas	2 599
JVC Investments Pty Ltd	16 959
Kwikleen Distributors Pty Ltd	3 422
Leal Technology Pty Ltd	1 265
Lords Kakadu & Arnhemland Safaris	7 835
Mbantua Gallery	4 261
Mining One Pty Ltd	11 242
Nedrill Blasting Contractors Pty Ltd	8 038
Nitmiluk Tours Pty Ltd	4 276
NT Cattlemen's Association Inc	4 840
NT Livestock Exporters Association Inc	16 406
NT Tyre Service	4 061
Nursery and Garden Industry NT Incorporated	2 500
Outback Ballooning Pty Ltd	11 272
Papunya Tula Artists Pty Ltd	21 903
Rum Jungle Uranium Limited	3 754
Safaritrek Intl Leisure Group (Aust) Pty Ltd	5 470
Shamrock Chemicals (NT) Pty Ltd	1 253

Trade Support Scheme	Cost (\$)
Skycity Darwin Pty Ltd	15 127
St John Ambulance Australia (NT) Inc	16 766
Syntonic Technologies Pty Ltd	6 556
Territory Instruments	3 000
Territory Uranium Company Limited	1 722
The Rainbow Connection	6 289
Thrifty Northern Territory	7 420
Tiwi Design Aboriginal Corporation	7 530
TNG Limited	3 000
Trade Building Supplies Pty Ltd	5 782
Travel North	4 828
Travellers Auto Barn	6 726
Tropical Plant Brokers	1 699
Voyages Hotels and Resorts Pty Ltd	3 000
Warlukurlangu Artists Aboriginal Corporation	21 264
Wayoutback Desert Safaris	8 914
We'reabout Engineering	6 450
We'reabout Pty Ltd	10 609
Westgold Resources Limited	3 000
<b>TOTAL EXPENDITURE</b>	<b>462 327</b>

Sponsorship	Cost (\$)
Australian Hotels Association - NT Branch Inc	10 000
Australian Industry Defence Network Northern Territory	9 000
Australian Institute of Project Management	4 000
Chamber of Commerce NT - East Arnhem	2 500
Master Builders Association Northern Territory Incorporated	10 000
Northern Territory Young Achiever Awards	9 000
Palmerston Regional Business Association	30 000
Rural Area Business Group Incorporated	6 000
<b>TOTAL EXPENDITURE</b>	<b>80 500</b>

ecoBiz NT	Cost (\$)
5 Star Supermarket Katherine	17 422
Able Computer Support	1 500
Advantage Real Estate (NT) Pty Ltd	10 000
Alice Central Backpackers Pty Ltd	887
Alice Motor Inn	3 600
Alice Springs Airport Pty Ltd	4 360
Aralia Supermarket Pty Ltd	19 541
Batchelor Resort	20 000
Beagle Motor Inn	20 000
Beta Frozen Products	20 000
Custom Works	4 229
Desert Sands Motel	10 991

ecoBiz NT	Cost (\$)
Dynamic Signs & Engraving Pty Ltd	8 424
Eldorado Motels Australia Pty Ltd	20 000
Fernanda's Café & Restaurante	10 666
Hayes Knight (NT) Pty Ltd	3 612
Knotts Crossing Resort	12 360
Lay and Sons Organisation Pty Ltd	30 000
McKells NT Real Estate Pty Ltd	710
Mount Nancy Motel	2 086
Palmerston Child Care Centre	11 694
Pecky's Fuel and Car Repairs Pty Ltd	2 890
Rum Jungle Tavern	15 767
Stickers and Stuff	3 900
The Arnhem Club Incorporated	14 242
Top End Group Training Pty Ltd	12 050
Top End Group Training Pty Ltd - Body Corp Plan 94/25	5 266
Top of Town Café and Deli	3 710
Walkabout Lodge & Tavern	20 000
Yots Café	17 475
<b>TOTAL EXPENDITURE</b>	<b>327 382</b>

## Industry Assistance, Grants and Sponsorship.

For year ending 30 June 2010

Program	2008–09		2009–10	
	Number of businesses	Actual expenses \$'000s	Number of businesses	Actual expenses \$,000s
Industry Association Grants (IDSP)	10	1 723	9	1 610
Industry Development Grants	5	547	2	70
Business Growth	111	503	79	363
Trade Support Scheme	71	460	68	462
Sponsorship	12	103	8	81
ecoBiz NT	17	315	30	327
<b>TOTAL</b>	<b>226</b>	<b>3 651</b>	<b>196</b>	<b>2 913</b>

## Accommodation costs for non-government organisations for year ending 30 June 2010

Non-Government Organisation	Building	Cost (\$)
Amateur Fishing Association of the NT	Malak Shopping Centre	35 075
Association of Independent Schools of the Northern Territory	Darwin Central	26 491
Asthma Foundation	Eurilpa House, Alice Springs	4 486
Australia Day Council	Darwin Central	26 491
Australian Association of Young People In Care	Casuarina Plaza	9 600
Camp Quality	Lot 521 Pavonia Place, Nightcliff	38 088
Cancer Council	44 Bath Street, Alice Springs	27 360
Cancer Council	Casi House, Casuarina	51 000
Cancer Council	Randazzo Centre, Katherine	15 300
Child Birth Education	Casuarina Plaza	7 040
Children's Services Support Program	Eurilpa House Alice Springs	32 897
Deaf Association	Casuarina Plaza	15 072
Down Syndrome Association	Rapid Creek Shopping Centre	23 328
Duke of Edinburgh Award	Berrimah Star Centre	72 450
Environmental Hub	Rapid Creek Shopping Centre	39 911
Environment Protection Authority/Natural Resource Management Board	Harbour View Plaza	124 782
Family Planning Association	Eurilpa House, Alice Springs	14 420
Gagadju Association	Government Centre, Jabiru	16 385
Genealogy Society	Cavenagh Court, Darwin	43 810
Good Beginnings	Randazzo Centre, Katherine	30 600
Greening Australia and CLMA	Leichhardt Building, Alice Springs	36 336
GROW	Casuarina Plaza	19 200
Heart Foundation	Darwin Central	53 186
Keep Australia Beautiful Council	Stuart Park Shopping Centre	39 700
Kidsafe NT and SIDS	Rapid Creek Shopping Centre	31 584
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	31 750

Non-Government Organisation	Building	Cost (\$)
Multicultural Community Services of Central Australia	20 Parsons Street, Alice Springs	12 839
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	86 500
Pensioners' Workshop	48 Albatross Street, Winnellie	29 656
Radio Larrakia	Greek Community Centre, Nightcliff	15 582
Red Cross	Casuarina Recreation Centre	73 219
Training Advisory Council	Darwin Plaza	79 200
Training Advisory Council	Winlow House, Darwin	137 424
Various Arts Organisations Warehouse	Tiger Place, Winnellie	33 065
Victims of Crime NT	La Grande, Darwin	42 228
	<b>TOTAL</b>	<b>1 376 055</b>





