

DEPARTMENT OF
CORPORATE AND INFORMATION SERVICES

Annual Report 2016-17



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Letter of Representation to the Minister

The Hon Lauren Moss MLA
Minister for Corporate and Information Services
Parliament House
Darwin NT 0800

Dear Minister

In accordance with section 28 of the *Public Sector Employment and Management Act*, I am pleased to submit the 2016-17 annual report on the activities and achievements of the Department of Corporate and Information Services.

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

- 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 these procedures are 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
- d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity is adequate and the results of internal audits have been reported to me
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions
- f) 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 is working in compliance with Part 9 of the *Information Act*.

Yours sincerely



Kathleen Robinson
Chief Executive

26 September 2017

Our Report

The Department of Corporate and Information Services annual report provides a comprehensive record of the department's functions and performance for 2016-17 and progress against the department's strategic goals and priorities

The 2016-17 annual report for the Department of Corporate and Information Services complies with annual reporting requirements in the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*.

Our audience

The primary purpose is to report the department's performance for 2016-17 to the Minister for Corporate and Information Services.

Other audiences of this information include the Northern Territory Legislative Assembly, other government agencies, our staff, the department's stakeholders and the community.

The DCIS annual report informs readers and provides an:

- understanding of the department's objectives and activities
- outline of the department's culture, responsibilities and internal governance arrangements
- account of performance and financial management
- insight into future directions and priorities.

How to use

The report has a Chief Executive's Foreword and six key sections, as summarised below:

- **The Department** outlines the organisation's purpose, primary functions and objectives.
- **Achievements** reports DCIS' output performance in 2016-17 and results against measures published in *Budget Paper No. 3*.
- **Corporate Governance** details DCIS' corporate governance model and performance.
- **Our People** provides an overview of DCIS' people, human resource management, legislative requirements and formally acknowledges employee achievements.
- **Financial Reports** provides financial statements and related notes for DCIS and the two government business divisions of NT Fleet and Data Centre Services.
- **Appendices** lists more detailed information that needs to be disclosed and is adjunct to the main report.

The report is published online at www.nt.gov.au/dcis

Alternative document formats are available upon request from the department.

Our Performance Symbols

- ✓ Completed - finalised within this reporting period.
- 🕒 In Progress - extends over two reporting periods and is generally expected to be completed on time.
- 🔄 Ongoing - long-term and continues across reporting periods, or needs to be delivered annually.

Contents

INTRODUCTION		PART 3 – CORPORATE GOVERNANCE	
Letter of Representation to the Minister	1	Corporate Governance Framework	58
Our Report	2	All-of-Government Governance Roles	69
Chief Executive’s Foreword	4	Planning Framework	72
PART 1 – THE DEPARTMENT		Communication	74
Overview	8	Corporate Governance Accountabilities	79
Our Context	8	Insurance Arrangements	82
Corporate Statement	9	PART 4 – OUR PEOPLE	
Strategic Priorities	10	2016-17 Highlights	86
Organisation Chart	12	Staff Snapshot	87
Clients and Stakeholders	13	Developing our People	92
Services	13	Workforce Diversity	99
Charges	15	Supporting our People	101
Performance and Accountability	15	Future Priorities	104
Regional Activities	15	Legislative Compliance	106
PART 2 – ACHIEVEMENTS		PART 5 – FINANCIAL REPORTS	
Overview	18	5a - DCIS Financial Report	109
Highlights	19	5b - NT Fleet Financial Report	149
Report Card for the Strategic Plan 2016-2018	20	5c - Data Centre Services Financial Report	185
DCIS Innovation Program	22	PART 6 – APPENDICES	
What We Achieved by Output	23	Appendix I - Shared Corporate Services Price List	222
Output Group: Shared Services	24	Appendix II - Audits by the Auditor-General	224
Finance Services	24	Appendix III - Department Insurance Claims	227
Human Resources Services	26	Appendix IV - Accommodation Costs for Non-Government Organisations	228
Contract Services	28	Appendix V - Gifted and Loaned Vehicles	230
Information and Communications Technology Services	30	Appendix VI - ICT Governance Board Membership	231
Property Leasing Services	34	Appendix VII - Ministerial ICT Advisory Council Membership	232
Asset Services	36	Appendix VIII - Certificates of Exemption Issued	233
Project Services	38	Appendix IX - Glossary	234
Output Group: Digital Government	42		
Digital Government	42		
Output Group: Corporate and Governance	48		
Corporate and Governance	48		
What the GBDs Achieved	50		
NT Fleet	50		
Data Centre Services	52		
Sustainability	54		

Chief Executive's Foreword

2016-17 in Review



'The department's role has expanded again in 2016-17, with the talents and dedication of DCIS staff highlighted as we embraced the changes, enhanced our service quality and strengthened our commitment to drive improvements that support the broader operations of the Northern Territory Government.'

I am pleased to present the annual report of the Department of Corporate and Information Services (DCIS) for the year ending 30 June 2017. The report provides a comprehensive account of the department's functions and performance, and approved budgets and resources.

Over 2016-17, our client centred approach and culture of innovation, improvement and engagement has seen results being delivered across the DCIS 2016-2018 Strategic Plan.

Our people continue to be a core part of our department's strategy and success. The department has upheld its commitment to the development of skilled leaders through our Emerging Leaders Program. Ongoing support, empowerment and development of staff is increasing our performance, contribution and value as a central part of the Northern Territory Government.

DCIS was tasked with greater responsibility for advancing digital initiatives in 2016-17, with the formation of the Office of Digital Government. The focus on digital government places DCIS in a digital leadership role, with recruitment to the Executive Director of the office to be completed in 2017. The office's roles include Digital Policy and Telecommunications; ICT Governance; Cyber Security and Design; and Online Services. Progressing further initiatives related to data and digital services is likely to see the office's roles expand in the future. This team has already completed several achievements with more ongoing or scheduled to commence from next year.

Important programs with Telstra and the Centre for Appropriate Technology to expand mobile phone and broadband services in remote Territory locations continued to progress over the year. New mobile phone and/or broadband services were connected in three remote communities and 12 mobile hotspots were installed.

Seeking ways to advocate effectively and expand telecommunications in remote and regional areas of the Territory remains a key role for DCIS. Telecommunications infrastructure is essential for a digital future as it enables access to better health and education services, socio-economic development and improves safety, tourism and transport services.

The Territory Budgets for 2016 and 2017 included initiatives for very significant new ICT systems for health services and policing, with DCIS assigned responsibility for managing the ICT projects to deliver these major new digital solutions. This builds on the work DCIS is doing to successfully develop and implement the ASNEX solution for the Northern Territory Government's infrastructure assets; where the program remains under budget and on track to conclude in mid-2018.

The new projects, which have a combined value in excess of \$300 million, are substantially broadening DCIS' range of functions and responsibilities and are requiring the department to step up and extend our ICT remit across government. It has been inspiring to see staff in DCIS eagerly take up the considerable challenges these and our other digital projects bring and to respond with professionalism, enthusiasm and dedication. DCIS will be heavily focused on delivering many significant and complex ICT solutions for government over at least the next four to five years.

The department has a very important role to play assuring effective ICT governance across the Northern Territory Public Sector. A strong governance focus was maintained throughout 2016-17 and this remains a significant and challenging role due to the advancement of technology and the need to build capability.

During the year, the Online Services unit (which manages the all-of-government internet site) was transferred from the Department of the Chief Minister to DCIS and added to our suite of services. Online Services has successfully transitioned and is working through a program to integrate web presence functions and improve the client service model for digital communications.

The above areas of growth and change have been built on DCIS' strong service delivery base, where a wide range of initiatives were progressed across the department in 2016-17 including:

- commenced lease of new Alice Springs Supreme Court, the first major government facility delivered through a leasing model
- coordinated machinery of government changes for all agencies following the change of government in August 2016
- increased to 90% the number of government payments made to suppliers within 30 days
- created an Aboriginal Employment Opportunities Register to assist agencies achieve Aboriginal employment targets
- expanded the suite of online candidate pools for frontline roles such as firefighters and teachers; making it easier for people to register their interest in jobs and easier for agencies to recruit skilled staff. This initiative is driven by DCIS' Alice Springs office
- finalised construction and fitout requirements for new Government Data Centre
- integrated new Feenix budget management system across the department and both GBDs
- introduced new tender and contract management systems, TDO and Contrax, that will be available for use across government and progressed system modifications required for procurement reform changes
- released a tender for a lease of 10 000 m² for office space for the Department of Health; this will be the largest single Northern Territory Government lease
- implemented additional cyber security tools and controls to better protect the Northern Territory Government's ICT environment from cyber threats.

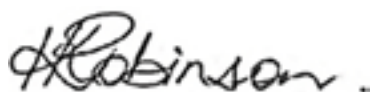
DCIS staff and business units are actively supported to deliver their priorities by a committed internal team who continued their valuable assistance efforts over 2016-17. Key activities to help improve the department's performance included developing leadership programs and encouraging DCIS values and professional behaviours; applying rigorous financial management oversight; strengthening governance and testing business continuity plans; delivering procurement training and health and wellbeing programs; upgrading essential ICT systems; promoting innovation and expanding communications.

The achievements section provides more information on substantial projects, services and initiatives delivered over the year by teams across DCIS, as well as key priorities for 2017-18.

Looking to 2017-18, DCIS will maintain a strong focus on delivering across its broad remit; improving services, achieving project milestones and exceeding our customers' expectations.

The department will progress initiatives and actions set in the DCIS 2016-2018 Strategic Plan and will continue to work to deliver government priorities over 2017-18.

I wish to extend my many thanks to DCIS staff for their extraordinary efforts over 2016-17. The department has achieved a great deal again this year and I would like to acknowledge the hard work of DCIS employees who dedicate themselves to their tasks each day. I look forward to working with each and every one of them in continuing to deliver government's priorities over the next year.



Kathleen Robinson
Chief Executive

26 September 2017



The Department

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1

Overview	8
Our Context	8
Corporate Statement	9
Strategic Priorities	10
Organisation Chart	12
Clients and Stakeholders	13
Services	13
Charges	15
Performance and Accountability	15
Regional Activities	15

Overview

Our vision - to exceed our clients' expectations with high quality corporate services

DCIS is a Northern Territory Public Sector agency as defined under the Administrative Arrangements Order issued by The Administrator.

DCIS provides a wide range of shared corporate services for all government agencies, including financial and human resource administration, contract services, information and communications technology (ICT) services, property leasing, project services and management of the government fleet. The department also has a digital leadership role to support government and agencies in advancing digital initiatives through digital policy, ICT governance, cyber security strategy and online service design. DCIS has responsibility across government for service delivery, operational direction setting and advice in these areas.

In 2016-17, DCIS comprised the Department of Corporate and Information Services and two government business divisions (GBDs) – NT Fleet and Data Centre Services (DCS).

Our organisation structure is on page 12.

As at 30 June 2017, DCIS employed 622 full-time equivalent (FTE) staff, with the majority (536) working in the department and the remainder spread across the GBDs. We have service outlets in Darwin, Palmerston, Casuarina, Katherine and Alice Springs.

The total budget for 2016-17 was \$204 million, excluding the GBDs, which are separate budget entities. Refer to the Financial Reports section starting at page 109 for detailed financial information and explanations of our financial performance across all budget entities.

Our Context

Deliver reliable and efficient shared services that support government and enable agencies to focus on core business

The department strives to be a leader in providing quality corporate services to government. We focus on consistency, aligning our services with agencies' requirements and increasing the efficiency of our systems and processes to deliver savings and benefits to our client agencies. We encourage a collaborative, innovative and professional culture within the department to deliver on government priorities.

We operate in an environment of continuous improvement, constant change and increasing accountability. An ongoing and key focus is ensuring business efficiency improvements, particularly through technology-led solutions, economies of scale and business process reforms.



QUALITY SERVICES



CONTINUOUS IMPROVEMENT



RESPONSIVE TO CLIENT NEEDS

Corporate Statement

Our corporate statement guides the actions of the department and influences the way we work together, the way we interact with our clients and the way we engage within the broader Northern Territory Government environment

Vision

Our vision is to exceed our clients' expectations with high quality corporate services.

Purpose

DCIS' purpose is to deliver reliable and efficient corporate services that support government and enable agencies to focus on their core business.

Our principles

We will meet our key responsibilities and strategic objectives through:

- delivering quality services consistently and on time
- listening to our clients, staff and stakeholders and sharing responsibility for solutions
- maintaining confidentiality of our clients' information within government
- managing our business risks to ensure service continuity and protect resources
- driving innovation to deliver value for our clients.

Our values

The values of DCIS guide our actions and integrity both as a valued business partner to clients and within our department. The values define who we are and are reflected in our daily work. Our values are:

- **Professional** – we do our work to a high standard
- **Honest** – we tell the truth
- **Accountable** – we take responsibility for our actions
- **Innovative** – we strive to improve.

Our services

DCIS provides the following services:

- Finance Services
- Human Resource Services
- Contract Services
- ICT Services
- Asset Services
- Property Leasing Services
- Project Services
- Vehicle Fleet Services
- Data Centre Services.

In 2017 the Office of Digital Government was established to lead key government digital initiatives. This is a new role and business line for DCIS which in 2016-17 includes:

- Digital Policy and Telecommunications
- ICT Governance
- Cyber Strategy and Design
- Online Services.

Strategic Priorities

The department has a clear set of strategic priorities that underpins our purpose in delivering reliable and efficient corporate services

Strategic Plan 2016-2018

The Strategic Plan 2016-2018 sets strategic priorities that are aligned with government priorities, policy, strategic issues and the agency highlights reported in the Budget Papers. The plan underpins our core focus on service delivery, with strategic priorities and actions reflected in divisional business plans and individual performance agreements.

The plan guides the department's decision-making and is a tool for the Chief Executive and Executive Management Board to ensure work is focused on our core business and deliverables.

Regular reporting against the plan, including a six-month report on progress is provided to the Executive Management Board. Progress updates include communications to staff across the department through the staff newsletter: DCISIntel.

The plan was established as a sustainable strategy; it is intentionally flexible and able to accommodate new programs and emerging priorities allowing the department to continue to meet government's needs over the life of the plan. To this end, the plan was updated in October 2016 to include new government priorities as identified in the table below. A scorecard report on the plan's progress is outlined in the achievements section.

The following table provides an overview of the plan's strategic priorities and actions.

Telecommunications that benefit communities across the Territory	Oversee expansion of telecommunications services in remote communities.
	Engage with suppliers and agencies to encourage new telecommunications projects that will grow the Territory's economic potential.
	Advocate with the Australian Government and others for the establishment of modern and reliable telecommunications services across the Territory, enabling Territorians to benefit from advances in technology.
Creative solutions that reduce red tape	Prepare and deploy enterprise digital solutions to support agencies with end-to-end management of common business functions, including identity controls, contracts, budgets, assets and grants.
	Seek new and innovative ways to support agencies to deliver services online and mobile through digital technologies to better share data and solutions and respond effectively to community needs.
Corporate services that add value	Provide an advisory service to agencies identifying business process improvements that will generate efficiencies and productivity gains.
	Establish a new government data centre in Millner providing essential capability, improving resiliency and enabling future data centre capacity planning.
	Progress initiatives to improve and strengthen corporate services to deliver better outcomes for government, agencies and users.
	Explore innovative and environmentally beneficial service options <i>(added October 2016)</i> .

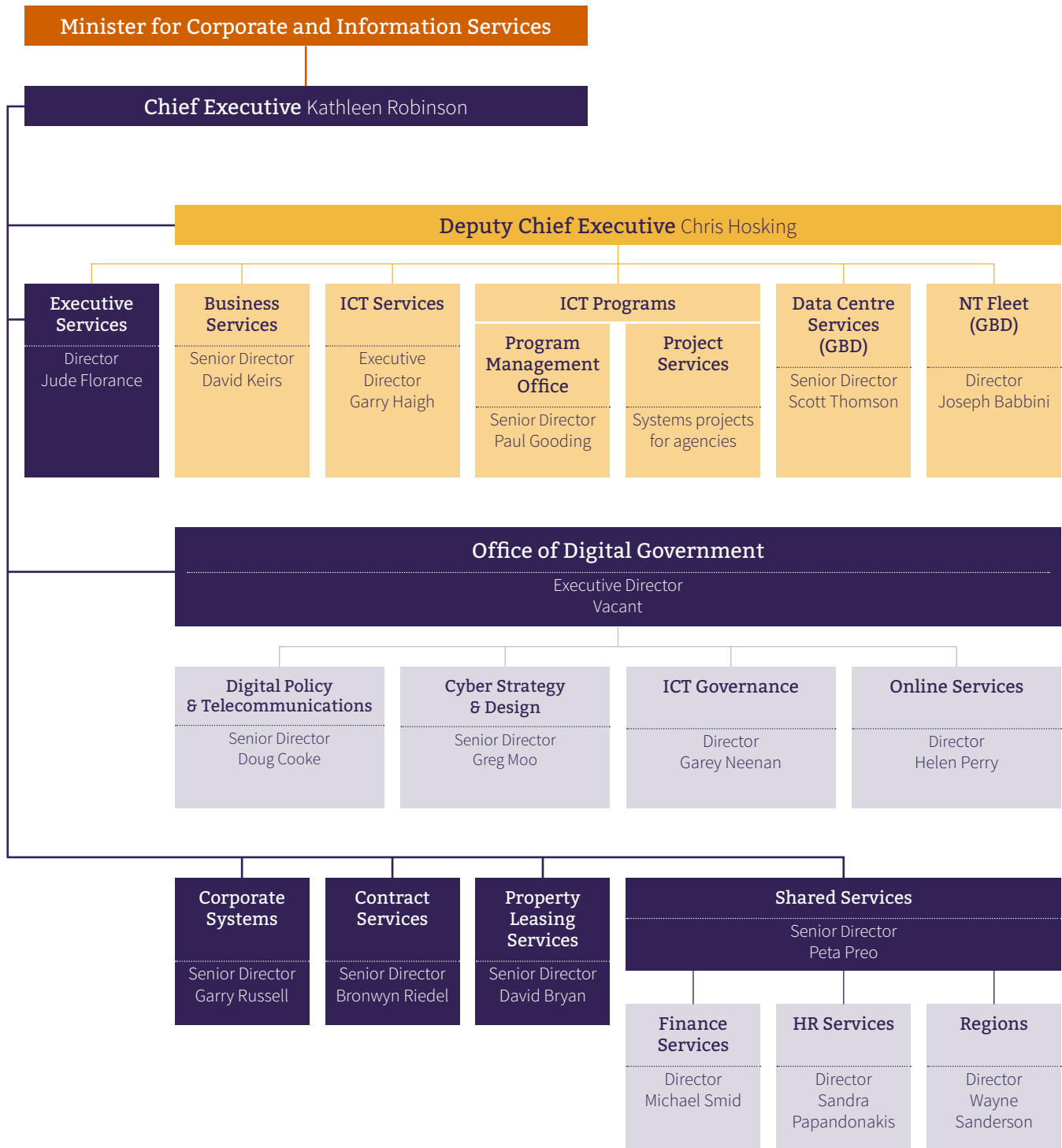
Digital services that are innovative and agile	Renew the NT Government ICT Strategy with a clear digital direction, including supporting strategies and action plans (<i>updated October 2016</i>).
	Lead and shape ICT directions across government through establishing an office of the CIO (<i>added October 2016</i>).
	Create a central NT Government public data ecosystem so agencies can make their data sets open to the public, enabling innovation and fostering business opportunities (<i>updated October 2016</i>).
	Work with agencies, industry, academia and others to advance data analytics capability, integration and results (<i>updated October 2016</i>).
	Seek new and innovative ways to support agencies to deliver services online and mobile through digital technologies to better share data and solutions and respond effectively to community needs.
Project governance that supports agencies to deliver successful outcomes	Advise and guide agencies to improve project governance sector-wide.
	Test agency proposals for major ICT investments to better inform investment decisions.
	Monitor agency major ICT projects to provide assurance that the projects will deliver fit-for-purpose solutions on time and on budget.
DCIS workforce that is skilled, capable and motivated	Continue to increase Aboriginal participation in the DCIS workforce, including a focus on management level roles.
	Nurture and grow potential leaders within the agency, recognising performance and talent.
	Invest in developing capability including commitment to trainees and graduates.
	Explore further opportunities to employ more people with disabilities.
	Provide safe, professional workplaces that encourage employees to perform at their best.

Organisation Chart

Department of Corporate and Information Services

Our structure aligns our functions to our strategic priorities and core business responsibilities to provide an effective service delivery focus

THE DEPARTMENT



Clients and Stakeholders

The DCIS Service Framework is our partnership model for delivering shared corporate services across government agencies and is underpinned by our core service principles of partnership, reliability, accountability and innovation

DCIS commits to delivering a high quality service and continuously improving processes and relationships in order to exceed our client's expectations. The DCIS Service Framework is representative of a sustainable business approach that is responsive to a changing environment.

Our clients

- Northern Territory Government agencies, business divisions and statutory authorities
- Northern Territory Public Sector employees and prospective employees
- Business community, particularly the local ICT industry
- Businesses that tender and supply to government.

Other stakeholders

- DCIS staff
- Northern Territory Government and Ministers
- Northern Territory community
- Ministerial ICT Advisory Council
- Australian Government
- Other state governments.

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

DCIS services to clients are guided by the following principles which underpin our business processes and practices:

- **Partnership** - constructive engagement and productive relationships with clients; developing shared solutions that balance government policy requirements with agency needs and preferences
- **Reliability** - consistent, equitable and timely service delivery for all clients
- **Accountability** - responsible and honest approach with robust internal control structure and ethical behaviour
- **Innovation** - efficient business processes, standardised and automated where feasible; driving reforms to improve service efficiency and add value for clients
- **Sustainability** - responsible business practices to ensure ongoing sustainability of the partnership model.

Services

Processes, systems, projects, contract management and reports that support government and agencies in effectively managing their resources, activities and infrastructure assets and deliver value and efficiencies

Shared corporate services for government agencies

The major shared corporate service lines include:

- Finance Services: accounts payable, accounts receivable, ledgers, banking services and taxation.
- Human Resource Services: payroll and employment services, recruitment services, employment programs and support services.
- Contract Services: quotations and tenders administration, across government contracts and print management services.

- Information and Communications Technology (ICT) Services: ICT contract management, ICT network infrastructure and architecture, cyber security operations, and agency ICT services.
- Property Leasing Services: property lease acquisitions, management and advice to support the accommodation requirements of agencies, and building cleaning and security services.
- Asset Services: development, administration and support of systems to manage agency infrastructure assets.
- Project Services: project management and support services to agencies to deliver significant and / or high-risk ICT projects and initiatives, primarily for new, upgraded or replacement ICT systems.

The department’s shared corporate service lines are supported by the following internal units that work across service lines and are reported within the service outputs:

- Corporate Systems: operates and supports government’s central business systems (including payroll, accounting, procurement and assets), help desk services, systems administration and business intelligence reporting.
- Program Management Offices: ICT program and project management services, including business analysis, development coordination and testing for infrastructure, cyber security and business applications projects.

Digital Government

The Office of Digital Government was established late in 2016-17 to lead the government’s digital advancement agenda through providing advice, coordination and oversight of key government digital initiatives. The Office of Digital Government includes the following service lines:

- ICT Governance: analysis and testing of agency major ICT investment proposals, project assurance and oversight of important agency ICT projects, develops guidance for agencies and supports key governance committees and the Ministerial ICT Advisory Council.
- Digital Policy and Telecommunications: monitors opportunities to improve communications outcomes across the Northern Territory and liaise with the Australian Government (which has responsibility for telecommunications), and develops all-of-government ICT policies and standards, including records management and data communications standards.
- Cyber Strategy and Design: strategic analysis, policy development, security architecture design, technology and user awareness initiatives to enhance cyber security, progress enterprise ICT initiatives for government, and coordinates the Digital Territory Strategy.
- Online Services: manages NT.GOV.AU (internet) and NTG Central (all-of-government intranet), monitors government’s web environment and supports agencies to manage their websites.

NT Fleet

NT Fleet is a government business division that manages government vehicles, excluding the Northern Territory Police, Fire and Emergency Services’ fleet. NT Fleet manages vehicle acquisitions, disposals and related contracts and coordinates vehicle maintenance and repairs with contractors and agencies.

Data Centre Services

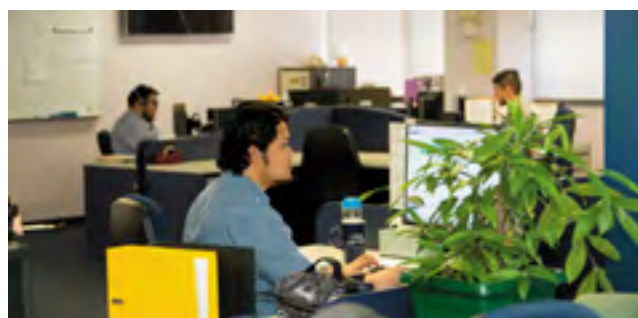
Data Centre Services (DCS) is a government business division that provides ICT support to all agencies. Services include mainframe computing, midrange server hosting of government systems and providing secure storage and backup of government data. DCS operates to an industry standard of 24 hours per day, seven days per week through a highly secure facility.

Business Services

Business Services supports the department’s activities by providing internal corporate support services with a focus on developing and managing financial, compliance, human resources, procurement and ICT systems for DCIS.



NT Fleet



Data Centre Services

Charges

Agencies are notionally charged for the value of the DCIS services they receive. Notional fees are recorded in agency budgets and ledgers. DCIS services are provided on a full cost recovery basis to GBDs and other non-budget entities.

Fees charged are in accordance with the shared corporate services price list, at Appendix I. Fees are set having regard to DCIS' costs to deliver each service and are reviewed annually.

The pricing model calculates and distributes costs related to service delivery equitability across all service lines. Service usage information for each client, such as transactional volume data, is extracted from core business systems with unit costs applied to determine client service charges.

Performance and Accountability

We do what we say we will and take responsibility for our actions

The department monitors its performance through a clearly defined organisation structure and by developing capable managers and leaders; with defined roles and responsibilities for all staff. We report on our organisational performance, the performance of our people and our financial position. Within this reporting framework DCIS conducts post project reviews to capture lessons learned.

We strive to demonstrate clear links between strategy and implementation and individual action. As described in our corporate governance framework at Part 3, we have strong links between our strategic planning, business planning, individual performance agreements and compliance to ensure our business is conducted in a transparent manner as we deliver on our vision.

Regional Activities

The department provides regional services in Alice Springs and Katherine that span the main corporate services needed by regional agencies. A key feature is that DCIS also delivers the following all-of-government service lines solely from our Alice Springs Office:

- **Recruitment Services** – arranges the advertising of job vacancies for all agencies; provides advice to applicants; manages the Entry Level Recruitment Program and candidate pools for key job categories; and provides vacancy files to agencies.
- **Accounts Receivable Services** – issues invoices; monitors and collects revenue due to agencies from the provision of services/products; and provides advice and reports to agencies.
- **Payroll Debt Recovery** – manages and recovers salary overpayments on behalf of agencies; maintains records and generates reports for agencies.

Services provided in Alice Springs

- Recruitment services
- Accounts receivable services
- Payroll debt recovery
- Receiver of Territory monies (RTM) services
- Workplace injury solutions (workers' compensation administration)
- Contracts and procurement services
- ICT services
- Leased property services
- Vehicle fleet services.



Alice Springs staff

Services provided in Katherine

- Receiver of Territory monies (RTM) services
- Accounts receivable services
- ICT services.

Services provided remotely

- Ten staff members work remotely across a range of locations to provide flexibility for the employee while enabling the department to benefit from the retention of highly skilled employees in specialist roles.



Katherine staff

2016-17 regional highlights

- Expanded agency engagement in the regions, through participation in inter-agency meetings and participation in the emergency procedures associated with Northern Territory Emergency Services.
- Improved communication of DCIS initiatives and activities to agency staff in regional centres through agency forums in both Alice Springs and Katherine.
- Expanded the deployment of Wi-Fi in Northern Territory Government premises in the regions.
- Adopted energy efficiency measures to rationalise power equipment supporting ICT infrastructure, assisting agencies to reduce energy use.
- Continued to play a significant role in developing improvements to the eRecruit system, including automating entry level recruitment and bulk recruitment processes, providing efficiencies in processing.
- Launched the Aboriginal Employment Opportunities candidate pool providing a central point where job seekers, both existing and potential employees, can register interest for career development opportunities and agencies can access a pool of Aboriginal job seekers.
- Continued to expand the delivery of DCIS' corporate systems training to agency staff located in regions across the Northern Territory using MS Lync, reducing the need to travel.
- Participated in the Tennant Creek and Alice Springs Skills, Careers and Employment Expos.

The focus for 2017-18

- Continue to integrate agency receipting processes into DCIS systems to reduce double handling of transactions.
- Increase Aboriginal employment in regional offices.
- Assess new functionality of bulk recruitment and candidate pools to ensure benefits are being realised.
- Build relationships with schools and local service providers to increase participation in employment programs.
- Increase regional participation in training and leadership programs.
- Continue to expand agency engagement in the regions.
- Continue to conduct agency forums across the regions.



Achievements

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2

Overview	18
Highlights	19
Report Card for the Strategic Plan 2016-2018	20
DCIS Innovation Program	22
What We Achieved by Output	23
Output Group: Shared Services	24
Finance Services	24
Human Resources Services	26
Contract Services	28
Information and Communications Technology Services	30
Property Leasing Services	34
Asset Services	36
Project Services	38
Output Group: Digital Government	42
Digital Government	42
Output Group: Corporate and Governance	48
Corporate and Governance	48
What the GBDs Achieved	50
NT Fleet	50
Data Centre Services	52
Sustainability	54

Overview

Departmental responsibilities are linked to government priorities and directions

The profile of DCIS is evolving which is expanding the breadth of support the department provides to government and agencies. DCIS has two clearly defined core roles.

Shared Services

DCIS' foundational role is to provide shared corporate services functions efficiently and effectively that support government and enable agencies to focus on their core business.

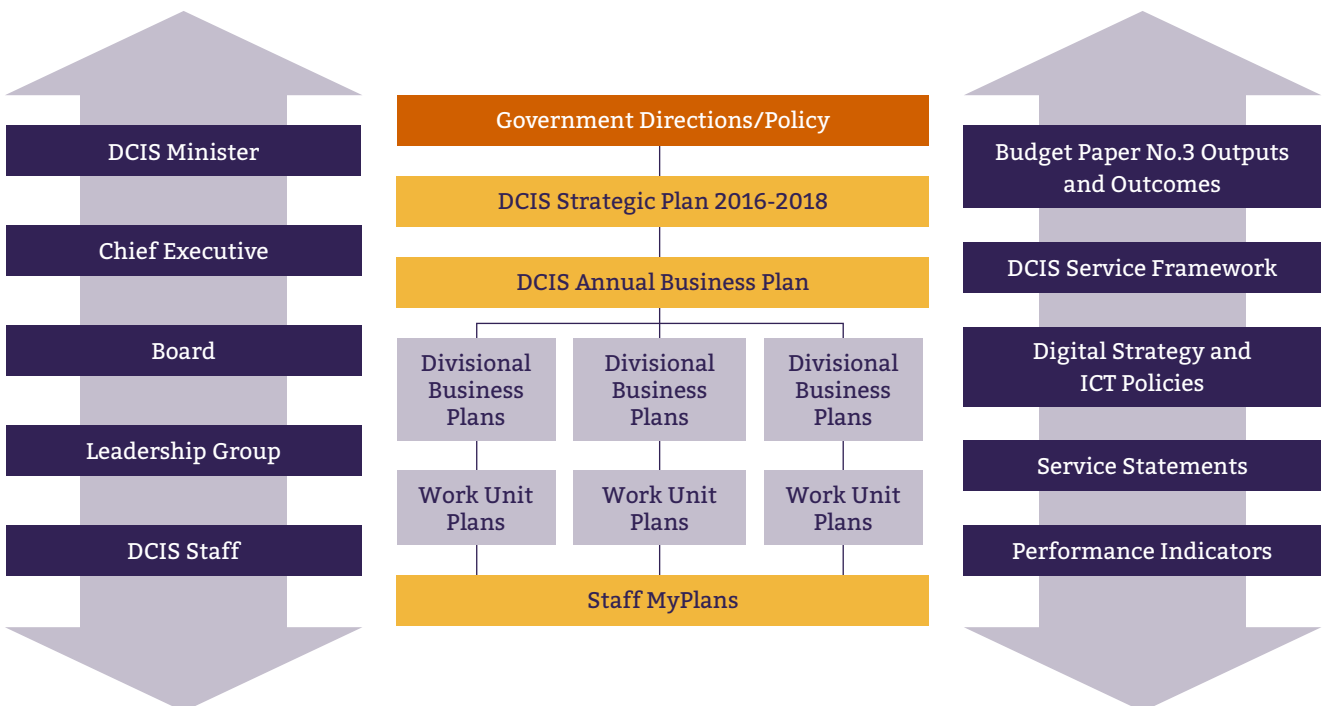
Digital Government

DCIS is taking up a digital leadership role to support government and agencies in advancing digital initiatives to enable delivery of contemporary digital services and provide a platform from which agencies can leverage their digital activities.

This section reports on DCIS' performance in delivering outputs and business lines. Information on achievements and key projects is detailed and performance is reported against priorities identified in the previous year's annual report. The Shared Services and Digital Government output groups essentially represent DCIS the department, with the two government business divisions reported as separate business lines. Work units across the department support the achievement of outputs.

Performance against the output key deliverables published in *Budget Paper No. 3* is reported in the performance measure tables with most key deliverables met or exceeded. Where actual performance differs from the estimate, an explanation is provided.

The department's corporate framework links and aligns planning and strategy with responsibilities, governance, outputs and service delivery, ensuring outcomes are influenced from the bottom-up and the top-down. The connections and linkages between government directions, the department's strategy, implementation plans, unit activities and individual actions are illustrated in the diagram below.



Highlights

Highlighted here are significant projects and achievements over the reporting period that demonstrate the commitment, effort and professionalism of DCIS staff to improving service delivery and outcomes for agencies.

← July 2016 ————— June 2017 →					
Telecommunications					
Ali Curung first community to receive broadband service through NTG / Telstra Co-investment Program	Five mobile hotspots for Top End installed at South Alligator Boat Ramp, South Alligator truck stop, South Warlock roadside rest, Daly Waters truck stop and Werenbun outstation	Timber Creek received broadband service through NTG / Telstra Co-investment Program	Titjikala received both mobile phone and broadband service through NTG / Telstra Co-investment Program	17th mobile hotspot for Central Australia installed at Palm Valley, Finke Gorge National Park	Statements and evidence to Senate Committee public hearings on NBN and ABC shortwave radio
Digital Government					
ICT Issues Paper to Economic Summit	Cyber Security Awareness Week	Survey of agency ICT proposals and projects	Cloud Computing Policy approved	Established the Office of Digital Government	
Digital / ICT industry workshops for summits	Input to Infrastructure Plan	Online Services transferred to DCIS	Discussion Paper: Towards a digital strategy for the Northern Territory developed		
ICT Projects					
Procurement phase of ePASS replacement project completed	Won 2016 Chief Minister's Award for Innovation in the Public Sector for ASNEX	Developed business case for project to replace police PROMIS system	Developed new roads reporting application	Contrax, contract management system, project completed	CCSRP contract to InterSystems Australia Pty Ltd
Feenix budget management system embedded in DCIS		Implemented MyResignation processing module			Implemented new TDO solution for tenders
Shared Corporate Services					
2016 Chief Minister's Award for Excellence winner for Improving Aboriginal Employment Outcomes	MOG changes implemented following incoming government	Alice Springs Supreme Court building completed	Sponsored CDU IT Code Fair and GovHack	Launched Aboriginal Employment Opportunities candidate pool	Tender released for DoH Office Lease
GBDs					
Implemented an online vehicle acquisitions module	NT Fleet accredited member of Tyre Stewardship Australia	Transitioned to Feenix to better integrate budget management	New Government Data Centre fitted out		
DCIS Workforce					
Implemented 'MyCareer' tool	Managed transfer of Online Services to DCIS	Developed agency action plans to address People Matter Survey outcomes	Mental Health Week introduced as part of Health and Wellbeing Program	Corporate Capability Plan reviewed and updated	
DCIS Governance					
Completed independent strategic risk assessment of the department's work health and safety environment	Developed an internal local content assessment model	Aligned procurement processes with government procurement reforms	Business Continuity scenario testing undertaken		
← July 2016 ————— June 2017 →					




Report Card for the Strategic Plan 2016-2018










The Strategic Plan 2016-2018 is mid-way through its operational lifecycle. The plan is intentionally not task centric but more expansively oriented to allow for changes at a government level and accommodate new programs and emerging priorities over its lifespan. By way of example, the plan was updated in October 2016 to include new government priorities.













From a reporting perspective, the fluidity of the plan keeps it high level and open; meaning individual tasks that appear in business plans will show completion and attribute to the progress of the strategic priorities and actions which remain either in progress or ongoing for the life of the plan. This can be further evidenced later in this section against each output's achievements.

Six-monthly reports are provided to the Executive Management Board and align to the board reporting on the department's overarching business plan.

In the context of this update:

-  In Progress means the strategic action has been advanced as expected through business plan activities.
-  Ongoing means the strategic action is of an enduring nature with continuing effort through business plan activities.
-  Completed means the strategic action was a project that has been delivered.

Strategic Priorities	Status	Actions
Telecommunications that benefit communities across the Territory		Oversee expansion of telecommunications services in remote communities.
		Engage with suppliers and agencies to encourage new telecommunications projects that will grow the Territory's economic potential.
		Advocate with the Australian Government and others for the establishment of modern and reliable telecommunications services across the Territory, enabling Territorians to benefit from advances in technology.
Creative solutions that reduce red tape		Prepare and deploy enterprise digital solutions to support agencies with end-to-end management of common business functions, including identity controls, contracts, budgets, assets and grants.
		Seek new and innovative ways to support agencies to deliver services online and mobile through digital technologies to better share data and solutions and respond effectively to community needs.
Corporate services that add value		Provide an advisory service to agencies identifying business process improvements that will generate efficiencies and productivity gains.
		Establish a new government data centre in Millner providing essential capability, improving resiliency and enabling future data centre capacity planning.
		Progress initiatives to improve and strengthen corporate services to deliver better outcomes for government, agencies and users.
		Explore innovative and environmentally beneficial service options.

Strategic Priorities	Status	Actions
Digital services that are innovative and agile		Renew the NT Government ICT Strategy with a clear digital direction, including supporting strategies and action plans.
		Lead and shape ICT directions across government through establishing an office of the CIO.
		Create a central NT Government public data ecosystem so agencies can make their data sets open to the public, enabling innovation and fostering business opportunities.
		Work with agencies, industry, academia and others to advance data analytics capability, integration and results.
Project governance that supports agencies to deliver successful outcomes		Advise and guide agencies to improve project governance sector-wide.
		Test agency proposals for major ICT investments to better inform investment decisions.
		Monitor agency major ICT projects to provide assurance that the projects will deliver fit-for-purpose solutions on time and on budget.
DCIS workforce that is skilled, capable and motivated		Continue to increase Aboriginal participation in the DCIS workforce, including a focus on management level roles.
		Nurture and grow potential leaders within the agency, recognising performance and talent.
		Invest in developing capability including commitment to trainees and graduates.
		Explore further opportunities to employ more people with disabilities.
		Provide safe, professional workplaces that encourage employees to perform at their best.

DCIS Innovation Program

The DCIS Innovation Program highlights the importance of innovation in DCIS, with our progress and achievements reported in annual reports. The innovation concept was incorporated as a value in the DCIS Corporate Statement in 2013 and the Strategic Plan 2016-2018 further supports this value through emphasis on continuous improvement.

The current program invites nominations from staff on projects that improve the department's operations or services. Endorsed suggestions are detailed in the annual Innovation Program and incorporated into divisional business plans. The status of program initiatives are reported quarterly to the Executive Management Board (EMB) and regular updates are provided to staff on project outcomes.

In 2016-17 the following ideas were submitted by staff and accepted by the board, added to the Innovation Program, or progressed via other mechanisms:

- Video Tutorials for Training – to assist with raising the knowledge of Northern Territory Government staff, expanding training materials to include the spoken word, subtitles, hyperlinks and video materials.
Decision: add to Innovation Program.
- Normalisation Methodology for Local Content Scoring – devise a sound methodology for better representing local content scores in tender assessments, applying similar concepts to approach used for pricing scores.
Decision: progress through Procurement Governance Committee working group which is focussing on improving tenders and designing for local content.
- KPI Achievement Recognition – to support a performance culture by improving awareness of KPIs at the 'coalface'.
Decision: add to Innovation Program.
- Panel Members for Tender Assessments – central pool of staff with procurement experience/skills or panel member/chair experience to use when allocating panel members and panel chair for tender assessments.
Decision: add to Innovation Program.
- Promotion of the Australian Style Guide – increase awareness and visibility for work units to encourage use and as a reference for preparing quality documents.
Decision: progress and promote through the PA Network.

Ideas that were submitted in 2016-17 which require further consideration and have yet to be added to the Innovation Program include:

- MyICT web link created in NTG Central.
Decision: deferred due to cost implications, with benefits to be clarified.
- Online Support Chat.
Decision: referred back to the nominator to provide more details and evidence of benefits, risks and impacts.
- Private Facebook group for DCIS internal communications.
Decision: not accepted although concept will be considered as part of the staff site rebuild project.
- Medic Alert Allowance – better managing underlying medical conditions in the workplace.
Decision: referred to People and Development unit for investigation and advice.

Status of the Innovation Program over 2016-17:

Innovation Program	Status
1. Introduction of AOG Contract Management System	✓
2. Standard Classification Codes	⊙
3. Contract Administration Business Process Re-engineering (Contract Services – contract administration services)	⊙
4. Online Pay Progression Application	⊙
5. KPI Achievement Recognition	✓
6. Access myPlan via Portal/Website	⊙
7. AOG Induction – Basic Level	⊙
8. Video Tutorials for Training	✓
9. Panel Members for Tender Assessments	✓
10. Normalisation Methodology for Local Content Scoring	✓
11. Promotion of the Australian Style Guide	✓

Progressing the DCIS Innovation Framework

The DCIS Innovation Committee developed an enhanced innovation framework which was considered and accepted by EMB in June 2016. The framework builds on the serial innovation approach and is based on a more deliberate and sustainable approach to innovation in DCIS.

The framework integrates staff engagement, agile development and staged investment contexts to the innovation process, with the aim of engaging staff, generating new ideas and having a bit of fun. The board agreed to trial the agile concept and the committee is to report back to EMB in November 2017 on progress.

Committing to, and investing in, an innovation program is a journey that takes time to evolve to a mature model. Key steps towards this new framework that progressed over 2016-17:

- held discussions with external expert in the area of innovative work practices and their practical application
- researched practical activities to promote innovative thinking and problem solving
- reviewed a range of practical options considered a good fit for the DCIS organisational environment and able to be implemented
- presentation by Department of Infrastructure, Planning and Logistics (DIPL) to EMB on their Innovation Program
- established the DCIS Innovation Committee in early 2017.

NEXT STEPS

- Report back to EMB on the agile concept trial.
- Continue to promote the Innovation Program internally.

What We Achieved by Output

Our performance symbols, detailed on page 2 are used to explain where each initiative is tracking in terms of its project cycle. Performance achievements are also aligned to our strategic planning framework, as identified by the following reporting symbols:

SP Strategic Plan links to the department's strategic plan

BP Business Plan forms part of the suite of key annual activities

IP Innovation Program links to the department's innovation program.

Activity in relation to each category is regularly reported and monitored at EMB.

Output Group: Shared Services

Outcome: reliable and efficient shared services that support government and enable agencies to focus on core business

Provision of shared corporate services has been, and remains, a core function of DCIS. This output group covers finance services, human resource services, contract services, ICT services, property leasing services, asset services and project services.

Finance Services

Provide finance services to agencies through processes, systems, projects and reports that support agencies in effectively managing their financial resources

This output is responsible for:

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

The work units that contribute to this output are Accounts Payable, Accounts Receivable, Taxation Services, Asset Accounting, Banking and Card Administration, Ledgers, Receiver of Territory Monies and Reconciliations, Program Management Office, Financial Systems, Corporate Reporting and Business Services.

Service delivery is provided from offices across Darwin, Casuarina, Katherine and Alice Springs; with all-of-government accounts receivable services provided from our Alice Springs office.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Payments processed	551 340	549 632	505 209	494 373	500 000	522 340	500 000
Debts processed	38 418	40 697	40 368	45 076	50 000	61 036	60 000
Processing accuracy	99%	99%	100%	100%	100%	100%	100%
Invoices paid within 30 days	85%	87%	85%	87%	90%	90%	90%
Average number of days to collect debts	55	56	54	54	55	57	55

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Payments processed – increase in the number of invoices processed primarily relates to new initiatives, such as the Home Improvement Scheme.

Debts processed – increase attributable to new process and system for healthcare billing introduced by Department of Health in 2016-17.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Payments processed – payments expected to return to operational levels in 2017-18 following conclusion of the Home Improvement Scheme.

TREND ANALYSIS COMMENTS

Payments processed – early years' numbers influenced by the Asset Management System's payment processes, with a base operational level of around 500 000 payments per annum.

Debts processed – new healthcare billing arrangements that commenced in 2016-17 are anticipated to change level to around 60 000 debts per annum from 2017-18.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
BP	Implemented Chartgen to enable better management of agency charts of accounts.
SP BP	Developed and delivered specialist tax training on GST and property transactions.
SP BP	Developed online FBT videos and GST training packages for grants and appropriations to guide agency staff.
SP BP	Undertook stakeholder engagement, and collated business requirements for grants management processes with new GrantsNT prototype build.
SP BP	Established new virtual payment card facility.
BP	Developed reports to ensure NTG compliant with new ATO payments reporting requirements.
BP	Completed the transfer of the portfolio of housing assets into GAS.
SP BP	Implemented Machinery of Government changes across most agencies.

🔄 IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Planning for the Electronic Card Management System (ECMS) upgrade.	end 2017
BP	Establishing a new prepaid payment card facility for one-off emergency payments such as in the event of a natural disaster.	end 2017
BP	Ensuring NTG compliant with new ATO grants reporting requirements.	end 2017

🔄 ONGOING

Aligned to	Description of achievement
BP IP	Continuing phased Feenix system roll-out to agencies.
SP BP IP	Assisting agencies to improve processing of supplier invoices within NTG's 30-day payment policy. Actions in 2016-17 led to an average 3% increase across government.
SP BP	Improving the rate of electronic lodgement of supplier invoices and increase the proportion of invoices paid within the 30-day payment policy.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Design, develop and implement all-of-government grants management system, GrantsNT.
- Increase the number of supplier invoices lodged digitally.
- Redevelop the payroll tax system used to calculate and lodge departmental obligations.
- Ensure DCIS is proactively positioned to take advantage of the new payments platform technology being implemented by the banking industry to enable real time payments.

90%

of undisputed invoices paid within 30 days

Across NTG, over 500 000 invoices paid each year



Human Resource Services

Provide human resource services to agencies through processes, systems, projects and reports that support agencies in effectively managing their human resources

This output is responsible for:

- delivering recruitment, employment and payroll administration services across government to assist agencies, employees and prospective employees
- coordinating employment programs for graduates, trainees and Aboriginal employees, with a particular focus on increasing the representation of Aboriginal employees within government
- providing support, maintenance and development of the government's core human resource systems, including the employee self-service module (myHR) and the all-of-government payroll system (PIPS)
- coordinating job evaluation services for agencies that classify the level of positions
- administering services for workers' compensation claims and rehabilitation programs, including coordinating with the external claims manager to assist agencies
- providing a suite of human resource management and workforce development reports.

The work units that contribute to this output are Payroll and Employment Services, Recruitment Services, JES Administration, Employment Programs, Workers Compensation Administration, Program Management Office, Corporate Reporting, HR Systems and Business Services.

Service delivery is provided from offices across Darwin, Casuarina, Palmerston, Alice Springs and Katherine; with all-of-government recruitment services provided entirely from our Alice Springs office.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Payroll transactions processed	1.2M	1.1M	1.1M	1.2M	1.2M	1.2M	1.2M
Commencements and terminations processed	14 500	14 000	13 863	13 883	13 500	13 164	13 500
Client queries resolved on first contact	n/a	n/a	81%	77%	85%	73%	85%
Vacancies published	n/a	n/a	4 719	4 645	4 400	4 374	4 400

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Commencements and terminations processed – minor variation reflecting agency activity.

Client queries resolved on first contact – result reflects that complex queries are a higher proportion of total, following expanded self-service functionality in myHR and more information made available to clients online.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Client queries resolved on first contact – increase was initially anticipated as service centre performance improves, however the emerging trend of greater self-service for standard queries and increasingly complex queries coming to the service centre may necessitate the target being revised.

TREND ANALYSIS COMMENTS

Commencements and terminations processed – primarily influenced by staffing activity across the public sector.

Client queries resolved on first contact – trend results are influenced by increases in the number of queries addressed through myHR or online help which is changing the mix of standard and complex queries. Improvements in service centre performance are partially offset by a higher proportion of increasingly complex queries. The centre is resolving queries within service standards.

Vacancies published – primarily influenced by staffing activity across the public sector.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
SP BP	Created the Aboriginal Employment Opportunities Register to assist agencies achieve Aboriginal employment targets in the <i>Aboriginal Employment and Career Development Strategy</i> .
SP BP	Expanded the Aboriginal Employment Program and certificates in response to agency business requirements.
BP	Established a contemporary Payroll and Employment Services administration model to better support service delivery.
SP BP	Implemented myResignation calculation processing module.
SP BP	Optimised communications tools for service delivery to regional clients, in collaboration with ICT Services, with preferred methods promoted across the agency.
SP BP	Enhanced automated processing of leave for hospital based workers.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Assisting DTF to undertake the change management process to transition-in the new framework for NTG workers' compensation administration model.	end 2017
SP BP	Rolling out myResignation automated employee self-service module.	end 2017

🔄 ONGOING

Aligned to	Description of achievement
BP	In partnership with NTPFES, progress the development of a Remote Community Policing Aboriginal Employment Program.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Effectively manage the transition of workers' compensation administration to an external service provider, with a focus on quality change management.
- Facilitate development programs for Aboriginal Employment Program alumni to contribute to career advancement.
- Establish a new panel for salary sacrifice service providers to support NTPS employees.
- Evaluate opportunities to improve delivery of the salary packaging services to NTG employees.
- Build relationships with schools and agencies to promote NTG employment programs and facilitate placements with regional networks.
- Develop pilot for a disability specific traineeship program, to improve career opportunities in NTG for people with a disability.
- Continue the digital services program, enhancing automated functionality for personal leave processing, payment of penalties in lieu of leave bonuses and increments.
- Work with the Australian Tax Office (ATO) to progress their new Single Touch Payroll reporting process for NTG and prepare for implementation in line with the ATO's timetable.

Contract Services

Provide contract services to agencies through processes, systems, projects and reports that support agencies in effectively managing their procurements and contracts and delivering value through across government contracts

This output is responsible for:

- establishing and administering across government common use contracts
- providing tender management services for agency procurements with an estimated value of \$100 000 or more
- notifying respondents and awarding tenders with an estimated value of \$100 000 or more on behalf of agencies
- publishing details of quotations and tenders awarded with an estimated value of \$15 000 or more
- supporting and managing the procurement business systems used across government and by businesses
- facilitating printing services for agencies.

The work units within DCIS that contribute to this output are Contracts and Procurement Services, Across Government Contracts, Print Management Unit, Program Management Office, Corporate Systems, Corporate Reporting and Business Services.

Service delivery is provided from offices in Darwin and Alice Springs; with regional operations primarily focused on procurements for the region and local business issues.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Tenders released to market	863	994	884	938	900	914	900
Tender responses processed	3 952	4 672	4 148	4 889	4 500	4 503	4 500
Proportion of responses lodged electronically	73%	93%	96%	97%	100%	98%	100%
Contracts awarded	1 214	1 242	1 464	1 224	1 200	1 154	1 100
Number of across government contracts	10	13	20	26	27	27	29

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Number of across-government contracts – reflects anticipated new contract categories to be progressed in 2017-18.

TREND ANALYSIS

Tenders released to market – changes over time relate to business activities across agencies and procurement lifecycle of contracts.

Tender responses processed – changes over time relate to business activities across agencies, procurement lifecycle of contracts and industry interest in government work.

Proportion of responses lodged electronically – increasing trend is due to introduction of the QTOL system with electronic lodgement facility and closure of tender boxes in 2013.

Contracts awarded – changes over time relate to business activities across agencies and procurement lifecycle of contracts.

Number of across government contracts – trend reflects an approach from 2014 to source a broader range of common-use goods and services through across government contracts.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
SP BP IP	Completed project to introduce a new TDO solution to support electronic preparation of complex tender documentation, with workflows improved across agencies and efficiencies being delivered.
SP BP	Assessed a category management approach to NTG procurements.
SP BP	Expanded the suite of across government contracts as identified and required by agencies.
BP	Embedded print management services within the DCIS Services Framework.
SP BP IP	Completed project to introduce a new contract management system (Contrax) for NTG to assist agencies to effectively manage their contracts. Technology implementation completed in 2016-17 with interfacing and roll-out of Contrax to agencies in 2017-18.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Transitioning contracts managed by DCIS to new Contrax system.	end 2017
SP BP	Supporting progressive roll-out of Contrax to agencies.	mid 2018
BP	Improving air charter booking processes to deliver efficiencies for agencies.	mid 2018

🔄 ONGOING

Aligned to	Description of achievement
SP BP	Developing and implementing functionality enhancements for the APRO system and the QTOL system as identified and required, aligned to changes in NTG procurement rules.
BP	Focusing on contract performance and relationship management processes by engaging and supporting agencies and suppliers.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Implement government procurement reforms in procurement systems, services and processes.
- Develop toolkit (training materials and templates) in support of agencies adopting Contrax, and user guides and other resources to assist users of Contrax.
- Establish suite of contact management reports and contract analytics.
- Enhance industry engagement and advice about future across government contract opportunities.
- Redevelop the Procurement Systems Roadmap, following implementation of reforms and applications for document development and contract management.

23 675

user registrations for QTOL – to receive advice and lodge tenders for government contracts

161

businesses are panellists on across government contracts



Information and Communications Technology Services

Provide ICT services to agencies through processes, systems, projects, sourcing, contract management and reports that support agencies in effectively managing their ICT resources

This output is responsible for:

- providing ICT infrastructure for government that underpins agency ICT services
- coordinating ICT end user services, including desktop and mobile devices
- managing all-of-government outsourced ICT services and engaging with industry on ICT services, contracts, government requirements and directions
- providing an advisory service to smaller agencies to support management of their ICT requirements through an out-posted team
- managing government's ICT networked environment, in conjunction with key agencies and service providers
- providing ICT security advice, establishing operational cyber security measures for government's ICT environment and providing incident response coordination
- evaluating agency proposals for new or changed ICT systems to ensure appropriate systems architecture and security controls
- maintaining the government's records management system and providing information and records management system support to agencies
- coordinating development services for agency mainframe business applications
- managing identity management for the Northern Territory Government through the ePASS system.

The work units that contribute to this output are Agency ICT Services, ICT Contracts and Service Delivery, Infrastructure, Architecture and Security, Projects Office, Records Systems, Corporate Systems, Identity Management, Application Services and Business Services.

Service delivery is provided from offices in Darwin and Alice Springs with regional operations primarily focussed on ICT services for agencies operating in the respective regions.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Laptops/workstations	16 136	16 533	17 329	18 099	18 500	18 650	18 700
ICT services provided within agreed service levels	98%	98%	99%	100%	100%	100%	100%
Severe desktop faults restored within service level agreement	95%	99%	98%	100%	100%	100%	100%
ICT Service Centre queries resolved on first contact	n/a	n/a	n/a	n/a	70%	68%	75%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Laptops/workstations – increase due to greater demand from agencies for devices related to an increasingly mobile workforce.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Laptops/workstations – increase reflects expected growth in devices related to the Palmerston Regional Hospital coming online.

TREND ANALYSIS COMMENTS

Laptops/workstations – growth reflects greater usage of mobile devices and technology across agencies as more online services become available and the workforce becomes more mobile.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
SP BP	Completed the procurement phase of the ePASS replacement project.
BP	Developed a contemporary 'virtual desktop' solution to streamline access to systems and services via multiple device types for DoH's Emergency Department and operating theatres.
BP	Improved mobile ICT services through infrastructure and applications that enhance remote access and mobile computing, including NTG drop box solution.
IP	Implemented a secure email, smartphone and tablet solution for all-of-government international travel.
SP	Sponsored and participated in the 2016 CDU IT Code Fair.
SP BP	Implemented a SIEM solution to enhance cyber security across government.
SP BP	Developed a NTG business classification scheme for use in TRM datasets to standardise terminology, improve use and support disposal processes.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Progressing an ICT security reporting framework using information now available from SIEM solution and improving governance reporting.	end 2017
SP BP IP	Standardising TRM system settings and configuration across the NTG to provide a more consistent and uniform system, including implementing the NTG Business Classification Scheme.	early 2018
BP	Implementing a Network Access Control toolset to enhance network security and improve network management and support.	end 2017
SP	Progressing implementation of ePASS replacement project.	end 2018
SP	Implementing new Contrax system for management of ICT Services contracts.	end 2017
BP	Investigating options and benefits for a full service catalogue system.	mid 2018
BP	Enhancing security of government's virtual private network (VDI solution).	mid 2018
BP	Renewing ICT Services hardware contracts.	end 2017
SP	Replacing the all-of-government core internet filtering system.	end 2017

🔄 ONGOING

Aligned to	Description of achievement
SP	Continuing to leverage government's role as a major consumer of ICT services to build local industry capacity in partnership with CDU.
SP BP	Liaising with agencies to identify and increase use of call centre tools to improve frontline service efficiency and effectiveness.
BP	Analysing the current cyber security environment against threat trends and considering possible directions to mitigate potential threats and improve the responsiveness of cyber security for government's ICT environment.
SP BP	Rationalising the government printing environment, including printers and multi-functional devices.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Establish new contracts for ICT ancillary goods and services, and logistical services.
- Continue implementation of Australian Government's Essential Eight cyber security measures.
- Implement Contrax across all ICT Services managed contracts.
- Investigate geo redundancy for the NTG voice network as part of the new Government Data Centre (GDC).
- Investigate separate end user support packages for both Alice Springs and Katherine to better enable the local industry to bid for government work packages.
- Determine a suitable future ICT Service Centre job management system.
- Procure supply of NTG internet carriage services.
- Engage with local industry to identify potential opportunities for future sourcing activities to ensure appropriate mix in line with advancing local industry capability.
- Rationalise the number of TRM datasets through a system model that readily enables machinery of government changes and product upgrades.
- Develop a training framework to enhance and support records management capabilities.
- Upgrade TRM environment to ensure Windows 10 support.

12M

NTG email gateway processes an average of 12 million emails a month

3M

Almost 3 million new records were created in TRM in the last 12 months, a 35% increase on the year before

27%

increase to remote deployment of devices due to technology improvements



Virtual Desktop Infrastructure

Successful pilot implementation of virtual desktop infrastructure at Emergency Department of Royal Darwin Hospital. This technology delivers more convenient and secure access to critical systems, allowing clinicians to be mobile and connected and improving productivity for hospital staff.

Full implementation is scheduled early in 2017-18 pending final acceptance from the Department of Health. This technology will make it much easier for clinicians to access systems and information while moving from patient to patient or ward to ward, retaining access to patient records from one computer to the next while ensuring security and data protection.

Chart Generator System Project

Chartgen is software used to create and maintain agency general ledgers within GAS that are used to manage financial data and enable financial reporting across government.

The project required reengineering existing general ledgers within Chartgen to allow ongoing maintenance and major restructuring and testing in significantly shorter timeframes.

The benefits from using Chartgen include deepening the knowledge base, helping eliminate errors and improving advice to agencies.



Aboriginal Employment Opportunities Register

The Aboriginal Employment Opportunities Register (previously known as the ATSI candidate pool) initiative was introduced on 30 May 2017. The register is an ongoing recruitment drive within the NTG eRecruit system utilised similarly to Entry Level Recruitment for both applicants and government agencies. The register covers AO3 to SAO2 classifications, and is open to Aboriginal NTG staff and public job seekers to be considered for vacancies of less than six months.

The register was created as a key initiative designed to assist with achieving Aboriginal employment targets in the current Aboriginal Employment and Career Development Strategy. The register addresses two key themes:

1. attract and retain Aboriginal people within NTG
2. build capability to develop careers.

2016 Chief Minister's Award for Excellence in the Public Sector

DCIS won two awards at the Chief Minister's awards for Excellence in the Public Sector held in November 2016:

1. Improving Indigenous Employment category for Delivering Aboriginal Employment Outcomes
2. Innovation in the Public Sector category for ASNEX.

This is a major achievement for DCIS and recognises our commitment to deliver quality services and shows we are competitive on a sector-wide level.

Property Leasing Services

Provide property leasing advice and services to support the accommodation requirements of agencies

This output is responsible for:

- procuring leased commercial property for agencies, managing and administering lease agreements, including leases on behalf of some non-government organisations (details at Appendix IV)
- making rental payments, processing rental increases and conducting market reviews
- undertaking all-of-government and department-specific leased accommodation planning
- liaising with building owners to manage the resolution of building maintenance issues and providing property management advice to client agencies
- procuring and managing cleaning and security services contracts for government leased buildings
- administering land leases in remote Territory communities, on behalf of the Northern Territory Government.

The work units within DCIS that contribute to this output are Property Leasing, Property Management, Leasing Payments, Corporate Systems and Business Services.

Service delivery is provided from offices in Darwin and Alice Springs.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Property leases	186	196	189	194	198	199	195
Area leased (000 m ²)	203	201	207	202	202	204	200
Average cost per m ²	\$371	\$396	\$412	\$420	\$422	\$419	\$425

TREND ANALYSIS COMMENTS

Property leases / Area leased (000 m²) – minor fluctuations over time due to changes in agency accommodation requirements and lease configurations.

Average cost per m² – trend reflects movements in the local commercial leased property market over time.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
BP	Monitored the construction and commissioning of the new Supreme Court Building in Alice Springs.
BP	Transitioned to a new all-of-government panel contract for security patrol services.
SP	Finalised the Expression of Interest process initiated in 2015-16 to identify options for potential office accommodation for DoH.
BP	Leased space in Todd Mall, Alice Springs to enable DTC to establish a megafauna exhibition.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Developing an online customer portal for leased accommodation so agencies can lodge and keep track of building maintenance issues.	late 2017
SP BP	Rolling out the leased accommodation customer portal across agencies.	mid 2018

C ONGOING

Aligned to	Description of achievement
SP BP	Assisting DoH with its office accommodation needs for administrative staff according to government direction.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Complete the procurement for a lease for 10 000 m² of Darwin CBD office space for DoH.
- Use the all-of-government Contrax system to manage the cleaning and security patrol services contracts.
- Update the Workplace Design Standards policy.
- Procure a lease for office and storage facilities to accommodate the Department of Primary Industry and Resources' Fisheries Branch.
- Procure a lease for a new hangar facility at Darwin Airport for NT Police, Fire and Emergency Services.
- Work with DoH to determine an appropriate long-term warehouse solution for suppliers for Top End Health Services and the National Critical Care and Trauma Response Centre.

Alice Springs Supreme Court Building

Construction of the Alice Springs Supreme Court and Commercial Precinct was completed in April 2017, with the building being officially opened by the Hon Michael Gunner MLA, Chief Minister of the Northern Territory on 5 May 2017.

The building is 4500 m² over four levels, with the owner creating additional office space for leasing to commercial tenants.

The NTG Supreme Court lease is 2500 m² comprising two courtrooms, custody, judicial and counsel facilities, sally port and courts administration on levels one and two. The lease is for 20 years with extension options.



Asset Services

Provide asset services to agencies through processes, systems, projects and reports that support agencies in effectively managing their infrastructure assets

This output is responsible for:

- delivering asset recording and administration services to agencies to provide required asset services information
- developing the ASNEX solution for managing and recording infrastructure assets
- supporting and maintaining the systems used to deliver asset services across government
- assisting agencies to meet their business needs relating to asset and financial management and reporting.

The work units that contribute to this output are Corporate Systems, Corporate Reporting, Finance Services, Program Management Office and Business Services.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Work orders processed	n/a	110 000	112 879	117 033	135 000	124 870	135 000
Reports available	n/a	40	214	234	254	265	280
Help desk jobs completed within service standards	n/a	99%	100%	98%	80%	75%	90%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Work orders processed – projected increase due to changed agency asset maintenance contracts, procedures and data capture which was overestimated.

Reports available – agencies identified additional priority report requirements that were delivered by the ASNEX program.

Help desk jobs completed within service standards – fluctuation is due to revised service level management standards implemented across Corporate Systems which required methodology redesign and this measure to be reset.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Work orders processed – gradual increase in work orders is anticipated due to changed agency asset maintenance contracts, procedures and data capture being delivered through the ASNEX program.

Reports available – further increase is expected as new reports continue to be developed for agencies as part of the ASNEX program.

Help desk jobs completed within service standards – improvements to service performance are expected in 2017-18 with updated processes embedded into help desk operations.

TREND ANALYSIS COMMENTS

Work orders processed – increases over time are primarily due to changed agency asset maintenance contracts, procedures and data capture.

Reports available – trend reflects the continued development of new reports by ASNEX program.

Help desk jobs completed within service standards – new service level management methodology, standards and help desk operations implemented in 2016-17 caused an interim reduction but will improve resolution of job tickets over the longer term.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
SP	Developed a web-based portal to provide a single access point for users of ASNEX.
BP	Designed and implemented 31 new reports and dashboards to add to ASNEX business intelligence suite.
SP BP	Developed a solution to replace the NTG roads reporting website to better inform the public about road conditions and closures.
BP	Implemented improved spatial (map) visualisation, functionality and integration of NTG infrastructure assets.
SP BP	Implemented a mobility platform to support infrastructure asset inspections in the field.
BP	Transformed foundation systems, AIS and RIMS, to a contemporary web-based environment.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Expanding integration of Contrax, the new contract management system, with ASNEX.	end 2017
SP BP	Launch the new NTG roads reporting website.	end 2017
BP	Expanding the ASNEX portal functionality and integration capability to support prioritised business requirements and ASNEX solutions, including external officer and contractor access.	mid 2018
BP	Expanding the ASNEX mobility platforms to enable prioritised innovative business process improvements through information access, verification and capture in the field.	mid 2018
BP	Increasing the spatial (mapping) capability for infrastructure assets and exploring opportunities for improved public access.	mid 2018
BP	Growing the integrated business intelligence and data repository solution by a further 15 standard reports and executive dashboards to assist agencies to manage their infrastructure assets.	mid 2018

🔄 ONGOING

Aligned to	Description of achievement
BP	Enhancing the ASNEX foundation systems to meet agencies' ongoing and emerging business priorities.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Implement new modules of the ASNEX solution based on approved and prioritised business requirements.
- Complete the transition to 'business as usual' in collaboration with the ASNEX systems support team and agency stakeholders.
- Close the ASNEX program in accordance with the DCIS Project Management Framework, including the business benefit realisation process.

Project Services

Provide project management expertise and services that deliver project outcomes on behalf of agencies

This output is responsible for:

- managing ICT projects on behalf of agencies where agreed by both agency Chief Executives or where directed by government (excludes DCIS' ICT projects)
- providing support to client agencies in the delivery of ICT projects
- providing advice on the approach and requirements for project delivery, including risks and costs
- ensuring managed projects are operating within the Northern Territory Government ICT Governance Framework.

The work units that contribute to this output are Project Services, Program Management Office, Executive Services and Business Services. Advice and input from other DCIS units is sourced as required for projects.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Major ICT programs managed on behalf of agencies	n/a	n/a	n/a	1	1	2	2
Projects managed on behalf of agencies	n/a	n/a	n/a	5	4	5	6
Projects completed	n/a	n/a	n/a	3	4	3	3

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Major ICT programs managed on behalf of agencies – Program SerPro to replace Police's PROMIS system added in 2017.

Projects managed on behalf of agencies – new initiative for myFuel NT online portal project.

Projects completed – occupational licensing system project has extended into 2017-18.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
Core Clinical Systems Renewal Program (CCSRP)	
SP BP	Completed public tender process for the supplier of the new core clinical system awarding a contract to InterSystems Australia Pty Ltd.
SP BP	Completed stage one of the Health Interoperability Platform project, to enable secure data exchange between existing health systems and the new core clinical system.
SP BP	Developed and proved the data migration strategy to enable the safe migration of clinical data to the new system.
Program SerPro – replacement of PROMIS policing system	
BP	Developed a detailed business case on behalf of NTPFES for the replacement of the Police Real-time Online Management and Information System (PROMIS).
Other	
BP	Completed Phase 2 of the Election Commitments Database on behalf of DCM delivering enhanced analysis and reporting capability.
BP	Developed the business case for the reintroduction of BDR in partnership with DoH and AGD.

IN PROGRESS

Aligned to	Description of achievement	Expected completion
Core Clinical Systems Renewal Program		
SP BP	Developing a detailed Implementation Planning Study to support the implementation of CCSRP in partnership with InterSystems.	end 2017
SP BP	Upgrading enterprise grade Wi-Fi to all Territory hospitals and remote health centres to deliver increased mobility and access to ICT resources for frontline staff.	mid 2017
SP BP	Project managing a contemporary support model for DoH's ICT services to prepare for the new core clinical system.	end 2018
SP BP	Implementing a range of foundation technology projects to prepare the DoH's ICT environment for the roll-out of the new core clinical system.	end 2018
Program SerPro		
SP BP	Developing the tendering approach for procurement of a new policing ICT system.	end 2017
Other		
BP	Developing a comprehensive business case on behalf of TF for a solution to replace the obsolete Community Care Information System (CCIS).	end 2017
BP	Developing and implementing the myFuel NT portal on behalf of AGD to inform Territory consumers of best value fuel pricing and incentivise competition between fuel retailers.	end 2017
BP	Reconfiguring DCIS Project Services construct to align with an increasing requirement to manage major business transformation projects on behalf of agencies where ICT is a key enabler to the reform program.	end 2017
BP	Implementing a new ICT system to support and modernise occupational licensing and compliance functions for AGD.	mid 2018

ONGOING

Aligned to	Description of achievement
SP BP	Continuing to develop and enhance project management tools and capabilities to provide an effective bureau-style service to agencies.
BP	Continuing to enhance and refine quality assurance and governance processes related to Project Services activities undertaken on behalf of agencies.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

Core Clinical Systems Renewal Program

- Work with InterSystems and NT Health to install, design and configure the new system and establish appropriate clinical work processes.
- Develop site profiles on all NT Health facilities within the scope of the program to support and enhance stakeholder communication and effective change management.
- Continue to implement foundation projects to support system implementation including mapping current NT Health business processes; building existing system integration to the new solution; safe migration of existing data; developing a service model for NT Health ICT operations; developing a health service provider directory and completing roll-out of Wi-Fi to all NT health centres and hospitals.

Future Priorities

Program SerPro

- Conduct public tender for a contemporary new ICT solution to support policing activities across the Northern Territory.
- Establish program governance model.
- Award a contract for the new policing system (named SerPro).
- Commence detailed implementation planning work.

Other

- Complete development of the business case for a new ICT system to replace CCIS and support the increased business needs of Territory Families, including business intelligence capability.
- Implement the myFuel NT online portal.
- Advise and work with agencies on project requirements and proposals as new issues emerge.

Challenging Procurement Process for CCSRP

In July 2017, the CCSRP tender process for acquisition of a new core clinical system was finalised. This was the most complex ICT system procurement undertaken to date in the NT and its completion within 12 months is a major milestone for the program.

The procurement process was underpinned by substantial engagement with clinicians across the NT to ensure that the new system meets clinical requirements. To inform the tender process more than 3000 system requirements were developed and documented by clinicians from all disciplines. This was achieved through over 100 workshops held in Darwin, Katherine, Nhulunbuy, Alice Springs and Tennant Creek, where more than 600 clinicians provided input to the process.

Assessment of tenders was undertaken by 64 participants from clinical, information technology and health information systems backgrounds. No stone was left unturned to ensure that the right stakeholders from all parts of the health sector were involved in the process.

The tender assessment process included system demonstrations and a proof of concept based on four complex clinical scenarios that capture unique patient journeys typical to the NT.

34

clinicians involved in tender process for new clinical system to ensure clinical needs are met

\$300M

Project Services managing projects across 5 agencies with a combined value over \$300M



Independent Assessment of DCS Operations

In 2016, Data Centre Services commissioned an independent assessment of the cost efficiency of its data centre operations; including mainframe operations; midrange server operations; enterprise data storage; middleware operations and data centre facilities and management. The periodic market test provides comprehensive analysis against industry benchmarks. Overall Data Centre Services performed well with the unit cost mostly below the relevant peer groups, higher productivity than peers and on-par quality results. The results for unit cost and productivity reflected an improvement since the last market test in 2013.



Telstra/NTG Co-investment Program

Titjikala became the first community under the Telstra/NTG Co-investment Program to receive both mobile and broadband services in early 2017. As a result of the work at Titjikala, nearby Santa Teresa will receive enhanced mobile services later in 2017.

Implementing new Tender Document Online (TDO) solution

NTG undertakes over 2000 procurements each year for goods and services valued over \$15 000. Each involves the preparation of formal document sets describing requirements (goods, services, consultancies or construction), questions to be answered by tenderers and legal conditions of tendering and contract.

TDO is a new tool that is available to staff across all agencies to prepare tender document sets. It streamlines production processes and saves time and efforts, replacing a system that provided limited access to selected agencies and allowing the retirement of legacy systems.

TDO delivers productivity improvements through allowing users to reuse prior work and reducing duplicated effort through integration with the suite of procurement systems. TDO complies with NTG's Procurement Framework and commercial standards.

NTG is a leader in the adoption of whole-of-jurisdiction digital procurement solutions.

myResignation Calculation Module

The myResignation calculation module was deployed in November 2016. This system allows for automatic calculations of entitlements for the majority of Northern Territory Government resignations. This solution has led to a five-fold increase in transaction processing, eliminated error potential and improved customer service.

Output Group: Digital Government

Outcome: Digital initiatives, advice and controls that support government and agencies in advancing digital innovation to improve government services

DCIS has a digital leadership role through the Office of Digital Government to support government and agencies in advancing digital initiatives through digital policy, cyber security strategy, data intelligence and online service design.

Digital Government

Provide advice, coordination and oversight of key government digital initiatives through policy and strategy development, investment analysis, project assurance, online presence, industry collaboration and enterprise ICT security and architecture design

This output is responsible for:

- researching technology trends and progressing innovative solutions to digitally transform Northern Territory Government operations in collaboration with agencies and stakeholders
- developing and implementing a Digital Territory Strategy that engages with agencies, industry and the community to shape strategic ICT directions and provide the framework to address ICT related government initiatives
- coordinating telecommunications infrastructure programs and advocating with the Australian Government and providers on telecommunications and broadcasting, covering mobile and fixed phone services, broadband and radio broadcasting, particularly for remote communities in the Northern Territory
- managing the *NT Government ICT Governance Framework* including developing all-of government digital policies, standards and initiatives that encompass ICT systems, information and data communications
- evaluating ICT investment proposals and overseeing agency major ICT projects, including commissioning stage gate reviews for the ICT Governance Board to provide assurance that agencies will deliver fit-for-purpose solutions within the parameters set
- developing and implementing a Cyber Security Framework addressing government's cyber security posture, approach and roadmap
- designing cyber security controls and strategies, including building knowledge of cyber security across government and the local business sector
- maintaining and improving all-of-government web platforms, NT.GOV.AU and NTG Central
- identifying website technology trends and applying best practice guidance for agencies to enhance and improve the usability of the Northern Territory Government's web presence
- designing data models, strategies and technology solutions to enable effective and intelligent use of government data
- coordinating enterprise-level digital governance committees and the Ministerial ICT Advisory Council.

The work units that contribute to this output are Digital Policy and Telecommunications, Cyber Strategy and Design, ICT Governance, Online Services, Executive Services and Business Services. Advice and input from other DCIS units is sourced as required for projects.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Stage gate reviews undertaken	n/a	n/a	n/a	n/a	10	14	12
Major projects overseen by the ICT Governance Board	n/a	n/a	14	21	24	27	22
Cyber security programs delivered	n/a	n/a	n/a	n/a	12	12	16
Digital projects	n/a	n/a	n/a	n/a	8	8	10

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Stage gate reviews undertaken – reflects increase in agency ICT projects.

Major projects overseen by the ICT Governance Board – increase due to additional projects from key policy initiatives and project activity in agencies.

MOVEMENTS BETWEEN ACTUAL AND 2017-18 BUDGET

Major projects overseen by the ICT Governance Board – reflects future projects anticipated to be commencing as a result of the annual agency survey. 2017-18 estimate may need to be revised.

Cyber security programs delivered – following the success of the first Cyber Security Awareness Program in 2016, the program is being expanded to a month format to enable increased participation.

Digital projects – reflects anticipated activity.

TREND ANALYSIS COMMENTS

Major projects overseen by the ICT Governance Board – growth follows introduction of the Northern Territory Government ICT Governance Framework in 2014 and reflects agency activity.

Performance Achievements in 2016-17

 **COMPLETED**

Aligned to	Description of achievement
Digital	
SP BP	Established the Office of Digital Government after an extensive consultation process with stakeholders within and external to government.
SP BP	Prepared and submitted an ICT Issues Paper for DTBI’s Economic Summits.
SP BP	Provided digital content for DIPL’s 10 Year Infrastructure Strategy.
SP BP	Conducted industry engagement for the Digital Territory Strategy and consulted with NTG agencies on digital actions.
SP BP	Prepared Discussion Paper: towards a digital strategy for the NT.
BP	Incorporated most agency websites into the new NT.GOV.AU website shared design environment.
BP	Assisted agencies to develop new mobile responsive websites to support communications initiatives and improve site functionality for mobile device presentation.
BP	Developed and implemented websites to support communication campaigns and consultation activities, including SA-NT initiative, Fracking Inquiry and Territory Day.
BP	Implemented workflow management tools for online content and site development tasks to improve tracking, reporting and new testing approaches to improve website governance and inform ongoing improvements.
SP	Assisted DTBI in establishment of the ICT Innovation Centre in Darwin, jointly funded by the NTG and Australian Government.
ICT Governance	
BP	Implemented a reporting portal for agencies to provide regular status updates on their major ICT projects.
BP	Conducted the 2016 survey of agency ICT proposals and major projects.
BP	Developed a database of lessons learnt from ICT projects for use by agency project teams.
Cyber	
BP	Conducted a Cyber Security Awareness week in October 2016 to increase user awareness both within the NTG and local business community.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

✓ COMPLETED

Aligned to	Description of achievement
Telecommunications	
SP BP	Completed the second year of the Centre for Appropriate Technology (CAT) Mobile Phone Hotspot Program, with seven sites installed in Central Australia and five sites delivered in the Top End.
SP BP	Expanded telecommunications services for remote communities under the Telstra/NTG Co-investment Program, with two broadband only sites and one mobile / broadband site completed.
SP BP	Briefed Australian Parliamentary Committees and Inquiries on the National Broadband Network and ABC Shortwave Radio Service.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
Digital		
SP BP	Establishing communications channels to capture community feedback on Digital Discussion Paper.	mid 2017
SP BP	Commencing preparatory work for the Digital Territory Strategy.	end 2017
SP	Developing open data policy and a digital service standard for the NTG, leveraging work done by the Australian Government.	end 2018
BP	Integrating internet and intranet teams to form a cohesive, client focused service line.	end 2017
BP	Establishing service statement and operational model for new Online Services unit in consultation with agencies.	end 2017
ICT Governance		
SP BP	Updating NTG ICT Governance Framework and Treasurer's Directions (ICT Series) to incorporate Office of Digital Government.	end 2017
BP	Creating guidelines to assist agencies with ICT Project Risk Management, Benefits Realisation, Project Financial Management and Contract Management.	mid 2018
Cyber		
BP	Developing a Cyber Security Framework to outline NTG's posture, ICT security requirements across the NTG, and the respective responsibilities of agencies and the department.	end 2017
BP	Expanding cyber security awareness activities to deliver a month-long awareness program in October 2017 across NT centres addressing the ICT industry, local business sector and government.	end 2017
BP	Reviewing cyber security policies and standards.	mid 2018
SP BP	Building a cyber security roadmap to address and prioritise security control requirements.	mid 2018
Data		
SP BP	Developing the business case for a central open data portal as the technology platform to make NTG data accessible.	end 2017
SP BP	Improving data visualisation capabilities to enhance the quality and expand the range of reporting tools available for agencies.	end 2017
SP BP	Working with DCM and others to explore the requirements and prerequisites needed to establish improved data analytics capability.	mid 2018
Telecommunications		
SP BP	Progressing final mobile phone hotspots under the CAT program.	mid 2018
SP BP	Completing the final year of the Telstra/NTG Co-investment Program.	end 2018

ONGOING

Aligned to	Description of achievement
Digital	
SP	Capturing NT-based 'digital stories' to showcase local talent, innovation and opportunities.
SP BP	Maintaining rolling review program to update digital and information management policies and standards.
BP	Engaging with the local ICT industry to foster skills development, innovation and better information sharing.
SP	Continue working with DTBI, which is developing common approaches to encourage research and innovation in the business sector.
BP	Coordinating training for NTG web and communications officers.
BP	Enhancing information architecture and online content to improve usability.
BP	Monitoring the progression of digital projects to ensure milestones are achieved.
ICT Governance	
BP	Continuing to coordinate ICT Governance Board oversight of major agency ICT projects and investment proposals.
BP	Continuing engagement with agencies to build knowledge of ICT governance.
Telecommunications	
SP BP	Advocating with the Australian Government and service providers to explore avenues for improving and expanding remote telecommunications.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

Digital

- Release the Discussion Paper: towards a digital strategy for the NT and hold public forums in Darwin and Alice Springs to gather community views.
- Finalise and launch the Digital Territory Strategy and commence action plans.
- Link location intelligence plans for agencies with the Digital Territory Strategy, to leverage location intelligence work being done across government.
- Complete and promote a Digital Service Standard for the Northern Territory Government.
- Introduce a digital newsletter for Northern Territory Government users.
- Enhance NTG Central to improve usability and better meet the needs of the Northern Territory Government.
- Improve the usability and accessibility of NT.GOV.AU and review the search tool to improve search results.
- Investigate a web forms solution for all-of-government to reduce internal and external manual form processes on NT.GOV.AU and intranet sites.
- Develop web standards and guidelines to ensure high quality output of web solutions across the Northern Territory Government.
- Continue industry engagement, through the Ministerial ICT Advisory Council, to explore ways the local ICT industry can grow and support the economic growth of the Northern Territory.

ICT Governance

- Canvas options to expand usage of project reporting portal and make available to agencies.
- Expand the suite of guidelines, tools and templates made available to agencies to assist with strengthening ICT project management and ICT governance more generally.
- Maintain oversight of major ICT projects, working cooperatively with agencies and commissioning stage gate reviews as required to support agencies to confidently deliver their projects.

Future Priorities

Cyber

- Complete development of a Cyber Security Framework for the Northern Territory Government and obtain approval.
- Contribute to the advancement of specialised cyber security education programs in the Northern Territory through contributing funding towards an Associate Professor Cyber Security position at Charles Darwin University.
- Update the Treasurer's Directions to incorporate cyber security requirements.
- Establish a Security Leadership Group to increase across government engagement in cyber security initiatives.
- Enhance cyber security user awareness across the Northern Territory Government and local business community through a Cyber Security Awareness Month.
- Develop and roll-out an online cyber security induction program for Northern Territory Government users.
- Update ICT all hazards plan and related emergency management protocols to reflect contemporary cyber security threat landscape and incident response plans.

Data

- Construct a central Open Data Portal for the Northern Territory Government and issue open data policy, standards and guidelines.
- Work with agencies to get agency datasets ready for publication.
- Explore opportunities for data sharing and piloting new ways to utilise data to benefit the Northern Territory Government and stakeholders.
- Investigate approaches, requirements and solutions for data sharing within government.
- Manage a suite of data projects in collaboration with agencies.

Telecommunications

- Complete the final year of the Telstra / Northern Territory Government co-investment remote telecommunications infrastructure program.
- Finalise the Centre for Appropriate Technology mobile hotspots construction program in both Central Australia and the Top End.
- Explore options to continue expanding telecommunications services in the Northern Territory.

Cyber Security Awareness Week

DCIS hosted its first Cyber Security Awareness Week in October 2016 to raise awareness that cyber security is everyone's business. User knowledge is a key first line of defence against a range of cyber threats.

Presentations were held for local businesses in Darwin and Alice Springs, the ICT industry, NTG staff in a range of roles and some schools staff. The presentations were well attended with over 400 people participating and positive feedback received.

The Australian Cyber Security Centre, the Australian Signals Directorate, CQR, National Australia Bank and Kinetic partnered with DCIS to deliver the presentations.



36

Aboriginal Employment Program participants, across three program intakes, supported across government 2016-17

Payroll Services receive around 7500 contacts over a pay cycle (over 3300 calls and 4000 emails)

2596

rental payments in 2016-17 with all paid on time

3057

building work requests logged

Demand for storage continues to grow – increase of 146% over past 5 years to 3200tb.

Over 40% NT.GOV.AU visits through a mobile device in June 2017

over \$1B

worth of infrastructure asset payments processed through ASNEX and GAS

30 000

infrastructure assets actively managed by agencies via ASNEX

34 clinicians involved in tender process for new clinical system to ensure clinical needs are met

\$300M

Project Services managing projects across 5 agencies with a combined value over \$300M

392

DCIS contractors, of which 293 (75%) are identified as Territory Enterprises

400+

participants at NTG's first Cyber Security Awareness program of events

22 CAT

hotspots installed Territory-wide

15.7%

Staff turnover rate, down from 19.2% in 2015-16

8.4 litres

Average light fleet fuel usage per 100 kilometres

24.3

months is the average age of the light fleet

NTG Enterprise Service Bus processed approximately 43 million messages for the year, an increase of 14% from the previous year



Output Group: Corporate and Governance

Outcome: Corporate and governance services that effectively and efficiently support the department and its government business divisions

Corporate and Governance

Improved organisational performance through strategic and governance leadership and the provision of corporate service functions

This output is responsible for providing effective corporate and governance services to support the department's functions including finance, human resources, ICT, procurement, records management, executive support, governance and risk services, and communications.

The work groups that contribute to this output are Executive Services and Business Services. The business services units are Budgets and Finance, People and Development, Governance, ICT Support, Procurement, Information Management and General Services.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
BP	Completed an independent strategic risk assessment of the department's work health and safety environment.
BP	Implemented the 'My Career' tool to guide Aboriginal and early careers staff to explore work and career options and help develop their career plan.
BP	Managed the transfers of the PMU and Online Services units to DCIS.
BP	Implemented the Feenix Budget Management System for Data Centre Services and NT Fleet.
BP	Contributed to NTG procurement framework reforms; developed an internal local content assessment model; and developed a visual presentation option for tenderer debriefs.
BP	Reviewed the results of the People Matter Survey; developed agency actions to improve outcomes in identified areas and presented the results and actions to agency staff.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Progressing implementation of outcomes of the strategic risk assessment of the agency's work health and safety environment.	late 2017
SP BP IP	Participating in the Transforming NTG Records System program in developing a new business classification scheme for government records.	end 2017
BP	Redeveloping the DCIS staff site in line with contemporary web practices and aligning technology platforms in the department's web space.	end 2017
BP	Independent testing of business continuity plans for selected key services to identify opportunities to improve processes.	mid 2017

IN PROGRESS

Aligned to	Description of achievement	Expected completion
BP	Reviewing the department's MyPlan performance management program and identifying opportunities to improve processes.	mid 2018
BP	Implementing an Aboriginal Employment Career Development Reference Group to promote and guide AECDS implementation in DCIS.	late 2017
BP	Finalising department accounting policies for ICT asset capitalisation and ICT clearing account.	late 2017
BP	Implementing action plans related to the 2016 NTPS People Matter Survey in consultation with the Staff Consultative Committee.	mid 2018

ONGOING

Aligned to	Description of achievement
SP BP	Actively supporting NTG Traineeship Program, Graduate Program, Aboriginal Cadet Support Program and Aboriginal Employment Program through ongoing participation.
BP	Maintaining strong focus on exceeding Aboriginal employment targets through the DCIS AECDS and ongoing cultural competency training for all staff.
BP	Delivering procurement training sessions to agency staff targeted to Tier 1 and 2 procurements and Buy Local requirements.
BP	Refining and supporting the Wellness Program to encourage a focus on health conscious behaviours and habits.
BP	Considering training priorities in response to strategic issues and MyPlan data, through the Corporate Capability Plan, to maintain a workforce that is skilled, capable and motivated.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Facilitate biennial risk workshops for operational and strategic risk registers, including specific fraud risk assessments for identified operations.
- Analyse the department's Fraud Control Policy to ensure alignment with the Northern Territory Auditor-General's Fraud Assessment Framework Review.
- Expand internal audits for department procurement activities in accordance with the Procurement Framework.
- Consider and progress outcomes from scenario testing of business continuity plans for the continuous improvement of processes.
- Commence development of the 2019-2021 Strategic Plan.
- Review existing and develop new DCIS Service Statements and related service standards to inform new or amended services.
- Review the department's Risk Management Framework to ensure it remains contemporary and aligned to the department's operations.
- Implement a new performance management and feedback document using electronic workflows for the department's MyPlan process in 2018.
- Complete the redevelopment of the DCIS intranet staff site.
- Consider the effects of forthcoming revised Accounting Standards for leases; income for not for profit entities and revenue from contracts with customers which come into effect from 1 January 2019.
- Update and extend the agency's complaints management system.
- Develop and implement an agency communications policy and plan.
- Progress an Enterprise Information Management strategy.

What the GBDs Achieved

Government Business Divisions

Government Business Divisions (GBDs) operate on a commercial basis, although they are subject to government financial framework and accountabilities under the *Financial Management Act*, with the Chief Executive of the GBD accountable to the responsible Minister for financial performance.

GBD activities are required to comply with competitive neutrality principles to ensure privately owned businesses can compete effectively and to minimise any commercial advantages accruing as a result of government ownership.

NT Fleet

Provide low-cost, fit-for-purpose vehicles that support agencies' business requirements

This business line is responsible for:

- managing the Northern Territory Government vehicle fleet, including light and heavy vehicles and plant and equipment, with the exception of Northern Territory Police, Fire and Emergency Services vehicles
- providing agencies with vehicles that are fit-for-purpose and have a low whole-of-life cost
- managing vehicle acquisition and disposal, coordinating maintenance and repairs and reporting to agencies
- managing government-wide contracts for vehicles, fuel, maintenance and auction services
- providing advice to government on fleet strategy and planning and operational advice to agencies
- providing not-for-profit community-based organisations with vehicles as a gift or loan, including through the Community Benefit Fund (details at Appendix V).

The work units that contribute to this business line are NT Fleet, Corporate Systems, Corporate Reporting and Business Services.

Service delivery is provided from offices in Darwin and Alice Springs.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Light vehicles managed	2 899	2 831	2 749	2 895	2 900	2 776	2 900
Light vehicles disposed	969	591	751	665	850	835	850
Heavy vehicles managed	777	790	807	821	840	841	840
Light vehicles meeting fuel and safety standards	n/a	n/a	97%	98%	100%	100%	100%
Light vehicles managed within vehicle life standards	75%	91%	85%	79%	85%	87%	90%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Light vehicles managed and disposed – decrease due to reduced agency needs and extending the life of some vehicles with low utilisation.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Light vehicles managed – estimate reflects anticipated vehicles program which may require adjustment in light of 2016-17 result.

Light vehicles disposed – estimate reflects standard disposal patterns and is based on vehicles managed number. Estimate will be monitored and revised during 2017-18.

Light vehicles managed within vehicle life standards – estimate reflects target goal.

TREND ANALYSIS COMMENTS

Light / Heavy vehicles managed – trend is primarily influenced by agency activities and initiatives.

Light vehicles disposed – impact in 2013-14 relates to commencement of Vehicle Policy Framework with trend influenced by agency activities and community service obligations.

Light vehicles managed within vehicle life standards – steadily increasing due to better monitoring of utilisation and agency responsiveness to vehicle replacement requests.

Performance Achievements in 2016-17

 **COMPLETED**

Aligned to	Description of achievement
BP	Implemented an online acquisitions module as part of modernising fleet business systems environment to streamline processing and deliver efficiencies.
BP	Integrated a digital disposal module within the business systems environment to increase accuracy and user productivity and reduce time.
BP	Transitioned to Feenix solution to better integrate budget management requirements.

 **IN PROGRESS**

Aligned to	Description of achievement	Expected completion
BP	Introducing a digital maintenance and servicing functionality to facilitate efficient on time vehicle servicing with automated notifications and online scheduling.	end 2017
BP	Progressing an online vehicle ordering process with clients to provide productivity gains and enhance the user experience.	end 2017
BP	Establishing an online solution for short term vehicle hire.	mid 2018
BP	Delivering dashboard reporting to clients using DCIS’ business intelligence toolset and data warehouse capability.	mid 2018

 **ONGOING**

Aligned to	Description of achievement
BP	Continue working with agencies to encourage agencies to take-up suitable vehicle location awareness capability for non-metropolitan vehicles as a safety measure.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Transfer the support and maintenance of NT Fleet’s business systems environment to Corporate Systems division to gain scale and resourcing benefits.
- Establish new end-to-end disposal services through a single contract, with procurement to occur in 2017-18.

Data Centre Services

Ensure government's critical business systems operate in a computing environment that is flexible, reliable and secure, with high levels of performance and availability

This output is responsible for:

- operating the Northern Territory Government Data Centre facility
- hosting and managing mainframe applications and mid-range server applications
- managing enterprise data storage and data backups
- hosting ICT infrastructure for agencies and contracted service providers.

The work units that contribute to this business line are Mainframe Systems, Midrange Systems, Architecture and Security, Application Services and Business Services.

Service delivery is provided from offices and facilities in Darwin.

Key Deliverables Performance	Previous Years				Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate	2016-17 Actual	2017-18 Budget
Monthly cost per million instructions per second (MIPS)	n/a	n/a	\$1 090	\$1 114	\$1 045	\$1 019	\$1 050
Mainframe computing availability	n/a	n/a	100%	100%	100%	100%	100%
Virtual server computing availability	n/a	n/a	100%	100%	100%	100%	100%
Physical servers hosted in data centre	n/a	n/a	551	415	415	405	415
Fully managed servers	700	889	1 000	1 195	1 350	1 330	1 450
Data storage area network (terabytes)	1 300	1 512	2 100	2 615	3 200	3 200	3 700

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2016-17

Monthly cost per million instructions per second (MIPS) – reduction achieved due to new mainframe enterprise licensing agreement and higher than anticipated client demand.

Physical servers hosted – reduction reflects continuing trend by clients to convert from physical servers to virtual servers.

MOVEMENTS BETWEEN 2016-17 ACTUAL AND 2017-18 BUDGET

Monthly cost per million instructions per second (MIPS) – cost per MIPS is expected to normalise as client demand returns to usual levels, along with the reduced processing for some batch workloads.

Fully managed servers – reflects the increase expected for CCSRP in 2017-18 and agencies moving from agency owned to fully managed servers.

Data storage area network (terabytes) – anticipated continued growth and CCSRP establishing a footprint.

Physical servers hosted – 2016-17 target results indicate that the 2017-18 estimate needs to be revised down.

TREND ANALYSIS COMMENTS

Monthly cost per million instructions per second (MIPS) – cost decrease in 2016-17 results from increased demand and lowering of some software costs, with costs expected to normalise in future years.

Physical servers hosted – downwards trend reflects the transition from physical to virtual server technology.

Fully managed servers – increase year on year results from agencies moving to utilise computing resources 'as a service' from Data Centre Services. The cost efficiency of virtual server computing has incentivised this trend. The effect of major projects like CCSRP is expected to increase volumes in future years.

Data storage area network (terabytes) – growth results from a steady transition of agencies' digital data into the centralised storage network and continued growth in the volume of data in agency ICT systems. The effect of major projects like CCSRP is expected to increase volumes.

Performance Achievements in 2016-17

✓ COMPLETED

Aligned to	Description of achievement
SP BP	Provided technical advice and guidance to the project to establish new GDC.
SP BP	Determined computing equipment and ICT infrastructure requirements for GDC and commenced preparatory work to provision new facility.
BP	Transitioned to Feenix solution to better integrate budget management requirements.

🕒 IN PROGRESS

Aligned to	Description of achievement	Expected completion
SP BP	Finalising Stage 1 of the GDC facility project relating to fitout of the electrical, mechanical and architectural requirements and systems.	mid 2017
SP BP	Planning for Stage 2 of the GDC to establish computing services in the facility and provide improved resiliency and disaster recovery capability for critical government ICT services.	end 2017
SP BP	Establishing a brokering service for cloud technologies which aligns with the cloud computing policy.	end 2017
BP	Developing a self-provisioned catalogue service for budget virtual servers in the NTG Private Cloud.	end 2017

🔄 ONGOING

Aligned to	Description of achievement
BP	Continuing service improvements through expanding and enhancing real-time integration of data between ICT systems utilising middleware technology.
BP	Further exploiting and expanding on mobile and web technologies as a key element of the modernisation of mainframe ICT systems.
BP	Exploring options to improve cost recovery processes through enhancements and automation of billing system data capture.

Our Reporting Symbols: **SP** Strategic Plan **BP** Business Plan **IP** Innovation Program

Future Priorities

- Establish the GDC as the primary data centre for the Northern Territory Government with services transitioning from the Chan data centre over two years.
- Scale down the Chan data centre to being a secondary site providing disaster recovery capability.
- Progress Business Case to relocate Chan data centre to a new secondary site.
- Analyse and explore approaches for enhancing storage security and management of selected agency-held ICT infrastructure
- Establish a self-service portal providing a product catalogue for self-provisioning of pre-defined virtual servers in the Northern Territory Government private cloud.
- Establish the ICT footprint and facilities for the CCSRP systems.

Sustainability

The department is committed to responsible business practises which are environmentally and economically sustainable and works to identify measures to improve sustainability. This commitment is given prominence in the Strategic Plan 2016-2018 through the strategic action to 'explore innovative and environmentally beneficial service options.'

All-of-Government

PRINTER DEVICE MANAGEMENT REVIEW

DCIS has undertaken a review of printers and multifunction devices (MFDs) with the intent to reduce the printing footprint across government. The goal is to reduce the number of printing devices in the Northern Territory Government network from a ratio of 16 printers per 100 workstations to a more manageable 10 printers per 100 workstations. This initiative has required extensive work with agencies to change work practices and demonstrate benefits.

	2015-16	2016-17
Printing devices per 100 workstations	14.51	12.98

The reduction of printers per workstations has reduced the amount of carbon emissions, printer paper and consumables. Additionally, suppliers are now required to dispose of old equipment in accordance with the *Hazardous Waste (Regulation of Exports and Imports) Act 1989 (Cth)* and the National Government Waste Reduction and Purchasing Guidelines.

A reduction of 60 printing devices was achieved in 2016-17 and work will continue on this initiative to seek further improvements in the printer ratio.

NT FLEET

In May 2017, NT Fleet became an accredited member of Tyre Stewardship Australia.

As a participant in the Tyre Stewardship Scheme, NT Fleet supports the objectives of the scheme to increase resource recovery and recycling and minimise the environmental, health and safety impacts of end-of-life tyres generated in Australia.

To do this NT Fleet commits to:

- dealing transparently and ethically with others involved in the tyre supply chain, including consumers
- promoting the scheme to the community, other businesses and organisations, including through the development and implementation of an individual action plan
- using the scheme's branding and logo and adhere to the conditions that apply to that use
- complying with relevant laws and practices, including those that apply to the environment and work health and safety
- cooperating with surveys that are undertaken from time to time
- eliminating disposal of end-of-life tyres to landfill (except where no viable alternative is available and subject to state and territory legislation; for example, in rural and remote areas where appropriate recycling facilities are not available, or transportation costs are prohibitive).

NT Fleet's Vehicle Fleet Policy specifies maximum fuel consumption to minimise carbon emissions into the environment as follows:

- 8.5 litres / 100 km for urban use pool vehicles and Executive Contract Officer vehicles.
- 10 litres / 100 km for non-four wheel drive light commercial vehicles.
- 13 litres / 100 km for four wheel drive vehicles.

Fuel consumption across the fleet has exceeded these targets, with the following results achieved:

- 7.2 litres / 100 km for urban use pool vehicles and Executive Contract Officer vehicles.
- 8.6 litres / 100 km for non-four wheel drive light commercial vehicles.
- 9.5 litres / 100 km for four wheel drive vehicles.

LEASED ACCOMMODATION

The NTG's standard Green Commercial Lease, which applies to leases greater than 2000 m², requires a minimum 4.5 Star NABERS rating for existing buildings and a 5 Star NABERS rating for new buildings.

NABERS is a national rating system that measures the environmental performance of buildings. Buildings achieving a 4.5 to 5 Star NABERS rating are regarded as energy efficient, have a lower carbon footprint and have reduced operating costs for both government and the building owner.

DATA CENTRE SERVICES

DCS has a 'virtualisation first' policy where justification is needed to utilise physical hardware over the much more efficient and effective virtual server environment. The storage requirements for government have also been virtualised to ensure the most efficient use of power for running and cooling essential ICT hardware.

This policy approach enables DCS to sustain or increase computing capacity for agencies while minimising the size of the server device fleet. A smaller fleet size reduces power consumption and lowers the requirement for cooling it which, in turn, also avoids increasing power usage.

COMPUTERS FOR THE COMMUNITY

DCIS contributes to the Computers for the Community program which is administered by DTBI. This community focused program gifts computing devices to not for profit and community organisations. These devices are considered end of life for the Northern Territory Government network and are reconditioned and repurposed for the program to reduce the amount of equipment being sent for recycling.

The number of devices gifted under this program, driven by requests from community organisations, with recent year's data is listed below.

	2014-15	2015-16	2016-17
Devices gifted through Computers for the Community program	345	364	240

VIDEOCONFERENCING

Videoconferencing is assisting in reducing the need to travel across the Northern Territory and interstate. DCIS manages a central videoconferencing environment for the Northern Territory Government, which includes 274 units across the five major centres, Darwin, Alice Springs, Tennant Creek, Katherine and Nhulunbuy and 15 remote centres. The largest user is DoH, with 135 units for telehealth, a videoconferencing system that allows patients in remote areas to connect with healthcare providers in major centres. The remaining units are distributed evenly across agencies. Thirty-four units were installed in 2016-17, up from 26 in 2015-16.

Internal

The department maintains diverse operations which are delivered from 13 worksites across five centres. This spread of operations results in multiple different building management regimes (largely dependent on the building owners' systems) and necessitates a decentralised approach to managing work sites and office consumables. While this presents challenges in consistent data capture and processes, the department maintains a focus on sustainability through the measures outlined below.

PAPER CONSUMPTION

DCIS has a focus on introducing online systems for government, including QTOL, eRecruit, TDO and ASNEX over recent years. This digital service expansion represents a major contributor to increasing efficiency, reducing errors and administrative burdens and improving sustainability through greatly reducing paper consumption.

The department moved to electronic document records management several years ago which transitioned thousands of files and records to digital format. Refinements to this program are continuing.

The Across Government Contracts team maintains a fleet of iPads for assessing complex tenders, which avoids printing voluminous tender responses.

The department encourages black and white, double-sided printing default settings on MFDs and printers.

Work is progressing on an Enterprise Information Management project that will see the department move further along the digital spectrum, with many documents and workflows to be managed online.

ENERGY USAGE

The department’s 13 office locations include multiple shared tenancies which make it difficult to provide reliable power usage and carbon emissions data.

All buildings have automatic programmed timing for lighting and airconditioning, ensuring these are switched off after hours. The airconditioning in most buildings is set at 22-25 degrees celsius, contributing to the energy efficiency.

In addition, staff are encouraged to turn off lighting, computers and equipment when not in use.

RECYCLING

The department provides recycling bins for confidential documents, paper, cardboard and commingled recycling on each floor, across all buildings. General waste bins are also provided. The department continues to recycle printer toners, cartridges and mobile phones.

FLEET MANAGEMENT

DCIS has 29 vehicles in the department, representing a FTE:Vehicle ratio of 20:1, which compares very favourably across the Northern Territory Government. All vehicles are registered in NT Fleet’s Vehicle Booking System for pool use.

The average fuel consumption is 7.1L/100km, 1.4L/100km better than current maximum set in the Vehicle Policy Framework.

Average CO2 is 174g/km, which is significantly better than the average indicator of 184g/km reported in the Green Vehicle Guide across passenger vehicles.

Supporting the Community

Departmental staff continued to support a number of charitable and social events over 2016-17, which provided opportunities for staff to gather socially and contribute to the community. These events raised over \$1800 for charity and included Superhero Day; Jeans for Jeans Day; Footy Colours Day; R U OK? Day; Beyond Blue; Pink Month; Red Cross Big Cake Bake; Red Nose Day; Wear Orange Wednesday; RSPCA Cupcake Day; NT Foodbank; Harmony Day; and Shave for a Cure.

Our Senior Director Shared Services volunteers her time as Chair of SIDS and Kids NT and is a volunteer parent supporter.

The Regional Manager Shared Services is a senior member of Rotary and has had an association with the organisation as a member, President and Commodore for 24 years.



R U OK? Day

Occupational Support Services team member Loene Wilson travelled to Queensland and assisted with recovery efforts following Cyclone Debbie.

Fund raisers are held annually by Data Centre Services hosting lunch sessions internally for Harmony Day, Australia Day and Multicultural Day with donations provided to the charity of choice. This year over \$500 was raised and donated to the Starlight Children’s Foundation.



Superhero Day



NTG Cyclone Debbie deployment team



Corporate Governance

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3

Corporate Governance Framework	58
All-of-Government Governance Roles	69
Planning Framework	72
Communication	74
Corporate Governance Accountabilities	79
Insurance Arrangements	82

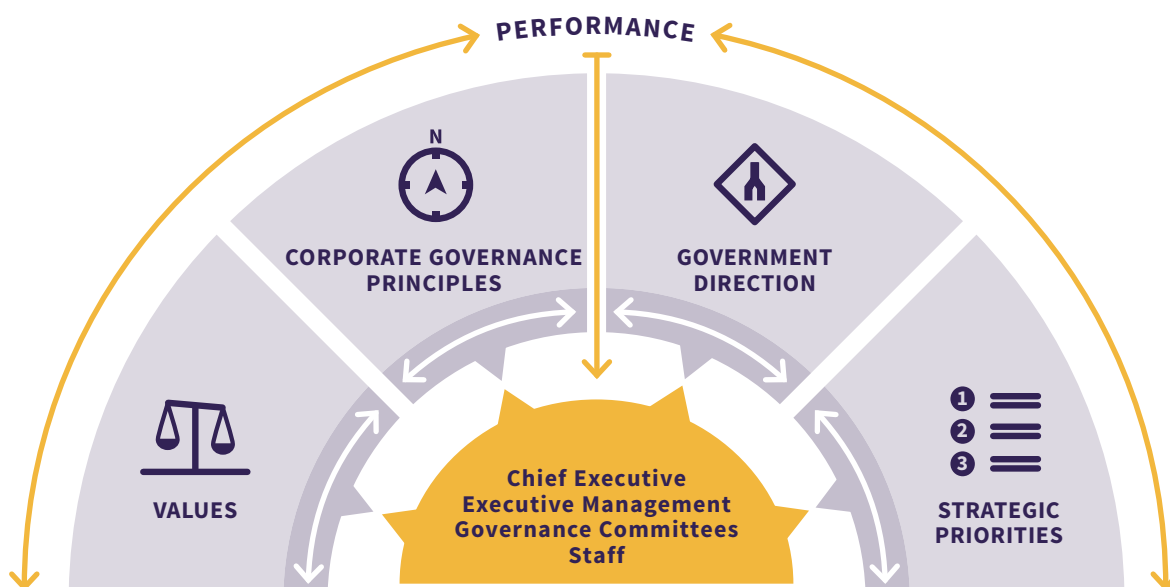
Corporate Governance Framework

The Corporate Governance Framework provides a model through which the department's activities and actions are designed, directed and controlled. Good governance is fundamental to the department delivering efficient and effective services to its clients in a controlled, professional and accountable manner.

The department's framework is supported by a rigorous and effective governance structure encompassing the department and its government business divisions. Our governance framework guides the actions of individuals by providing clarity and direction about appropriate behaviour and decision-making to foster a 'self-governing' approach.

The Corporate Governance Framework is presented below in Figure 1, which provides the framework for responsible and sustainable business practices.

Figure 1. Corporate Governance Framework



Corporate Governance Principles

When making decisions and taking operational actions, DCIS is guided by six Corporate Governance Principles as presented in Figure 2 below.

Figure 2. Corporate Governance Principles

Leadership	Robust leadership with a clearly defined executive, an active governance committee structure and communication with stakeholders.
Accountability	Appropriate internal controls and policies which provide employees with a clear understanding of their roles and responsibilities.
Integrity	Actively promoting honesty and ethical conduct by upholding appropriate standards of behaviour.
Stewardship	Effective stewardship of resources ensuring compliance with legislation, Northern Territory Government policies and internal procedures.
Communication	Clear articulation to staff at all levels about the vision, strategy, planning, governance requirements and expectations with respect to the fair and equitable treatment of others.
Risk Management	Applying a detailed risk management framework to identify risks and impacts and determine appropriate risk mitigations.

Corporate Governance Committees

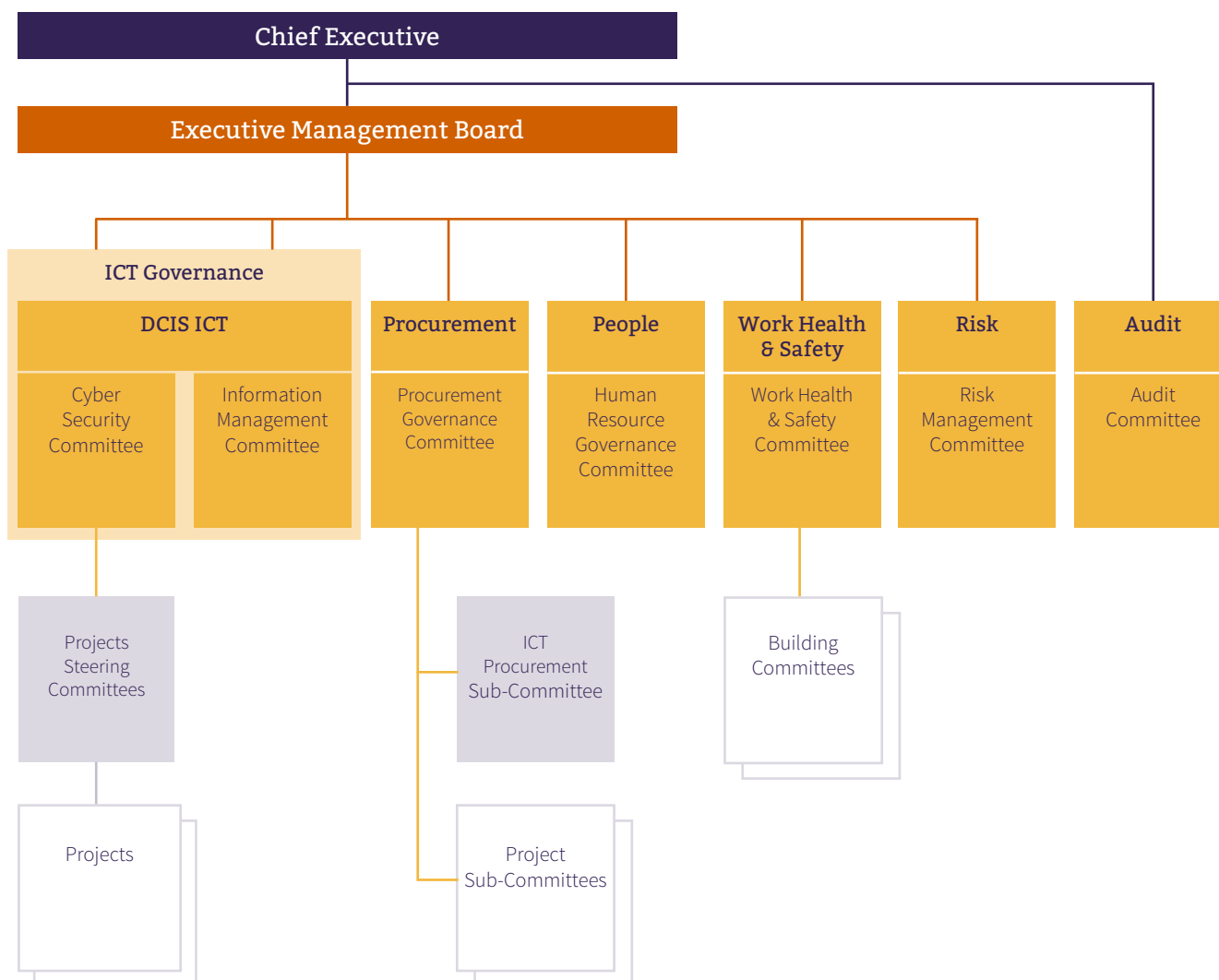
The department's governance structure comprises an Executive Management Board and supporting committees focussed on key governance elements.

The board and committees oversee the allocation of resources across the department and the development and implementation of policies, plans and procedures that provide a foundation of good governance for the department's activities. The committees report to the board, with the exception of the Audit Committee which reports directly to the Chief Executive, as outlined in the diagram below.

A consistent format for each committee's terms of reference, in place since 2014, provides a standard approach to outlining purpose, role, scope, membership, meeting frequency and reporting requirements of each committee. The terms of reference are reviewed annually to document any change in membership and ensure they continue to reflect the department's business requirements and assist the Chief Executive discharge core accountabilities.

The review of terms of reference for this reporting period commenced in June and will be finalised in the first quarter of 2017-18. Memberships have generally remained consistent in this reporting period providing stability and consolidation of knowledge to the newer members appointed in the previous year.

Further information on each committee's key functions, performance in 2016-17 and membership as at 30 June 2017 are outlined in this section.



Executive Management Board

ROLE

To provide strategic direction for the department. The board is the senior decision-making group of the department and meets monthly.

MEMBERSHIP



Kathleen Robinson
Chief Executive (Chair)



Chris Hosking
Deputy Chief Executive



Garry Haigh
Executive Director
ICT Services



Peta Preo
Senior Director
Shared Services



David Keirs
Senior Director
Business Services



Greg Moo
Senior Director
Cyber Strategy and Design



Bronwyn Riedel
Senior Director
Contract Services



David Bryan
Senior Director
NT Property Management



Garry Russell
Senior Director
Corporate Systems



Doug Cooke
Senior Director
Digital Policy



Jude Florance
Director
Executive Services
(Executive Officer)

DCIS supports leadership development and succession planning with Executive Management Board comprising two rotational members selected from the Executive Leadership Group each quarter.

Membership changes in 2016-17

- Rotational Members: Joseph Babbini, Paula Short, Bronwyn Lo, Dale Clifford, Colin Fitzgerald, Sheree Hansen, Amanda Hawkins and Kathleen Gray.

KEY FUNCTIONS

- Review and approve corporate policies to provide a cohesive approach to the delivery of organisational strategies.
- Monitor performance against objectives.
- Provide advice to the Chief Executive and the Executive Leadership Group on organisational performance.
- Consider issues from governance committees to ensure consistency with strategic directions, governance framework and meeting accountabilities.
- Ensure the department has sound resource management practices.

2016-17 ACHIEVEMENTS

- Approved the Agency Procurement Management Plan; DCIS Fraud Control Policy; Workforce Development Plan; Strategic Risk Register; DCIS Corporate Capability Plan 2017; DCIS Knowledge and Information Management Blue Print; DCIS Special Measures Plan; DCIS Roadmap Planning and Portfolio Management Policy; Exit Employee Framework; DCIS Development Programs Mentoring Tools; and Recognition of Services Milestones Policy.
- Endorsed the DCIS Business Plan 2016-17 and divisional business plans for 2017-18.
- Supported and monitored early career programs; DCIS emerging leaders program; and leadership programs run by the Office of the Commissioner for Public Employment.
- Provided strategic oversight through the suite of progress reports to the board: biannually on the Strategic Plan and quarterly on KPIs; DCIS 2016-17 Business Plan; Innovation Program; Strategic Risks; and Workforce Strategy.



Executive Management Board



Executive Management Board Rotational Members

Audit Committee

ROLE

To monitor and oversee audit activities across the department. The committee meets quarterly and has agency representatives as well as an external Chair, to ensure independence.

MEMBERSHIP



Susan Kirkman, Executive Director Corporate Services, Department of Tourism and Culture (Chair)

Monica Birkner, Executive Director Procurement, Programming and Contractor Compliance, Department of Infrastructure, Planning and Logistics

Bronwyn Riedel, Senior Director Contract Services

David Keirs, Senior Director Business Services

Garry Russell, Senior Director Corporate Systems

Rex Schoolmeester, Chief Financial Officer (Ex-Officio)

Jo Vanderpoll, A/Director Governance (Executive Officer)

Membership changes in 2016-17

- Off: Assistant Under Treasurer, Department of Treasury and Finance (Chair)
- On: Executive Director Corporate Services, Department of Tourism and Culture (Chair)

KEY FUNCTIONS

- Monitor external audit outcomes and the implementation of audit recommendations.
- Develop and monitor internal audit and review programs.
- Endorse the strategic audit plan.
- Review progress and findings of internal audits and process reviews and monitor the implementation of findings.
- Consider the adequacy of the internal control environment, including effectiveness, risks and systems for ensuring compliance.
- Monitor and review financial reporting processes.
- Review the financial statements for DCIS and GBDs.
- Review audit programs and monitor outcomes for audit requirements specified in the ICT outsourced contracts.

2016-17 ACHIEVEMENTS

- Monitored the rolling DCIS Strategic Audit Plan and the status of internal audits and reviews.
- Maintained an active oversight of the implementation of process and control improvements to address audit findings.
- Continued emphasis on monitoring the findings and actions with respect to the IT control environment for key government applications.
- Established a Finance Group for DCIS and GBD finance officers to improve communication and awareness with regards to year-end processes; budget and finance controls; audit matters and deliverables.
- Strengthened and clarified objectives and communication lines between the Risk Management Committee and the Audit Committee.

Risk Management Committee

ROLE

To provide strategic direction and monitor risk management activities, including business continuity management, across the department.

MEMBERSHIP



Scott Thomson, Senior Director Data Centre Services (Chair)

Peta Preo, Senior Director Shared Services

Bronwyn Riedel, Senior Director Contract Services

Gregory Moo, Senior Director Cyber Strategy and Design

Bronwyn Lo, Director Program Management Office

Jo Vanderpoll, A/Director Governance

Greg Connors, Director ICT Infrastructure, Architecture and Security

Lucy Gregg, A/Governance Officer (Executive Officer)

Membership changes in 2016-17

Nil.

KEY FUNCTIONS

- Promote an effective risk management culture across the department.
- Monitor and provide direction with respect to the department's risk management approach.
- Provide input to and endorse a risk management framework and supporting policies and plans to ensure effective risk management, including business continuity management.
- Approve the risk management procedures, tables and templates for the department.
- Monitor compliance with the risk management framework, policies and plans, including business continuity management.
- Identify strategic risks for consideration by the Executive Management Board.
- Monitor findings of internal and external audits to identify key risks and ensure appropriate risk management strategies are implemented.
- Review and monitor risk assessments, including fraud risk assessments and treatment plans.
- Coordinate the review of Incident Response Group (IRG) events.
- Within the context of the committee's primary purpose, undertake other functions and activities as determined from time to time by the Chief Executive.

2016-17 ACHIEVEMENTS

- Reviewed the strategic risk register, including updating to reflect changes in functional areas for consideration and approval by the Executive Management Board.
- Monitored and reviewed business unit operational risks and their identified treatments on an ongoing basis.
- Monitored effectiveness and approved Cyclone and Flood Preparation Plans.
- Endorsed changes to the Gifts and Benefits Policy and Procedures, including development of an information sheet to clarify on expectations in relation to attendance at social events.
- Endorsed changes to the Fraud Control Policy and associated documents.
- Approved the roll-out of a Fraud Health Check Survey and considered results for the development of fraud awareness requirements.

Human Resource Governance Committee

ROLE

To oversee and make recommendations to the Chief Executive about the recruitment and filling of vacancies in the department.

MEMBERSHIP



David Keirs, Senior Director Business Services (Chair)

Garry Haigh, Executive Director ICT Services

Jenni Purkis, Director People and Information

Jude Florance, Director Executive Services

Sandra Papandonakis, Director Employment and Payroll Services

Rex Schoolmeester, Chief Financial Officer

Secretariat: People and Development Unit

Membership changes in 2016-17

Nil.

KEY FUNCTIONS

- Monitor compliance with government policy on filling of vacancies.
- Endorse all recruitment activity and processes, including fixed period (temporary contracts); higher duties allowance greater than six weeks; and requests for job evaluation action.
- Monitor the placement of internal redeployees and unattached officers; staff transfers.

2016-17 ACHIEVEMENTS

- Monitored internal redeployees and unattached officers and referred staff for placement against vacancies with one unattached officer placed.
- Endorsed:
 - 153 requests to advertise, including ongoing and temporary vacancies
 - 63 fixed period contracts (renewals and new)
 - 28 job evaluation requests.
- Public Sector Instrument appointments endorsed:
 - PSI 11 – two
 - PSI 12 – two
 - PSI 21 – 12.
- Developed handbook containing key human resource information for members and proxies.

Procurement Governance Committee

ROLE

To monitor and oversee procurement planning and activity for the department.

MEMBERSHIP



Kathleen Robinson, Chief Executive (Chair)
Chris Hosking, Deputy Chief Executive
Bronwyn Riedel, Senior Director Contract Services
David Bryan, Senior Director NT Property Management
David Keirs, Senior Director Business Services
Garry Haigh, Executive Director ICT Services
Peta Preo, Senior Director Shared Services
Jude Florance, Director Executive Services
Ken Conway, Director IT Service Management
Sam Vulcano, Chief Procurement Officer
 (Executive Officer)

Membership changes in 2016-17

Nil.

KEY FUNCTIONS

- Provide strategic leadership and direction through the development of sound procurement governance practices.
- Oversee the development and implementation of procurement frameworks, policies and processes to ensure compliance with all-of-government legislation and policy.
- Oversee the development, review and endorse the Agency Procurement Management Plan.
- Review and endorse high risk and/or high volume procurement activities (for Tiers 3, 4 and 5) and those with non-standard requirements.
- Monitor agency procurement performance against key performance indicators and all-of-government trend diagnostics.
- Review and endorse requests for Certificates of Exemption and extended contract periods.

2016-17 ACHIEVEMENTS

- Contributed to the review of Northern Territory Government Procurement Framework.
- Developed charts for the use by all agencies to enhance the information provided to tenderers at debrief meetings.
- Developed a methodology for the assessment of local content to reduce subjectivity and improve consistency in assessments.
- Improved procurement practices and quality of procurement documentation across the agency.
- Oversaw 14 procurement actions resulting in contracts totalling over \$116.5 million, including major procurements across the following areas:
 - across government contracts for courier services and office relocation services
 - ICT contracts including: IBM hardware and software licences and maintenance and support; secure web and email gateway; comprehensive integrated client-centric clinical management system; and BMC software licences maintenance and support
 - security services for Northern Territory Government leased buildings
 - property leases.
- Developed the 2017-18 Agency Procurement Management Plan.

Information Management Committee

ROLE

To provide strategic direction and advice for the development and management of ICT within the department.

MEMBERSHIP



Garry Russell, Senior Director Corporate Systems (Chair)
Scott Thomson, Senior Director Data Centre Services
Bronwyn Lo, Director Program Management Office
Jenni Purkis, Director People and Information
Nathan Watts, Director Corporate Reporting
Paula Short, Director Project Management Office (ICT Services)
Tina Matthews, IT Director (ex-officio)
Sheree Hansen, Assistant Director Accounts
Dale Clifford, Service Delivery Manager
Romi Peerzada, Contract Manager (ICT Services)
Colleen D’Arcy, Senior Manager ASNEX Systems (Executive Officer)

Membership changes in 2016-17

- Off: Senior Director Program Management Office
- On: Director Program Management Office

KEY FUNCTIONS

- Facilitating the strategic planning of ICT requirements.
- Provide input to all-of-government ICT policies and standards as they apply to DCIS and manage DCIS specific ICT policies and standards.
- Review, assess and endorse ICT proposals and solutions to ensure they meet corporate ICT objectives and business requirements.
- Consider all-of-government ICT issues that will or are likely to impact the DCIS ICT environment.
- Monitor the implementation of all-of-government ICT and corporate systems projects to manage any impacts on DCIS.

2016-17 ACHIEVEMENTS

- Finalised requirements gathering for upgrade to the Business Applications Register, continuing to monitor progress.
- Monitored:
 - DCIS Technology and Business Systems Roadmap
 - Enterprise Information Management Strategy development
 - ICT projects, operations and usage
 - ePASS, machinery of government and environmental technology changes.
- Reviewed and endorsed:
 - confirmed savings benefits achieved through data pooling mobile plans
 - reduced survey monkey licencing and associated costs
 - business cases for ICT proposals
 - DCIS USB control measures
 - Office 2013 upgrade approach within DCIS
 - DCIS LAN restructure proposal and DCIS file archiving proposal
 - DCIS SharePoint migration approach.

Work Health and Safety Committee

ROLE

To provide strategic direction on work health and safety (WHS) for the department.

MEMBERSHIP



Stacey Henderson, Program Director Territory Records Systems (Chair)

Dale Howard, Director HR Systems

Joseph Babbini, Director NT Fleet

Wayne Sanderson, Director Regions

Joanne Staples, Assistant Director Taxation Services

Michael Crawford, Service Delivery Manager

Caroline Lewis-Driver, A/Manager Mainframe Services

Lisa Hill, Manager HR Operations (Executive Officer)

Membership changes in 2016-17

- Off: Director Commercial Leasing NT Property Management (Chair)
- On: Program Director Territory Records Systems (Chair)

KEY FUNCTIONS

- Oversight and provide advice on WHS for the department.
- Develop and implement a WHS governance framework and facilitate strategic workplace health and safety planning.
- Assist in developing and promoting standards, procedures and a positive workplace culture and awareness of WHS.
- Monitor and review the department's performance, risk management and reporting to ensure ongoing compliance with the *Work Health and Safety Act*.

2016-17 ACHIEVEMENTS

- Monitored and reviewed the department's compliance with WHS legislation ensuring the framework was effective.
- Undertook a review to identify and assess department WHS strategic risks via a series of workshops with key stakeholders from across the department.
 - Report recommendations to be considered in 2017-18.
- Monitored WHS activities and reports for multiple building committees to ensure the framework was being applied, including risk assessments and the status of actions required.

Cyber Security Committee

ROLE

To monitor and oversee cyber security activities and readiness across DCIS' responsibilities and the Northern Territory Government's ICT environment.

MEMBERSHIP



Kathleen Robinson, Chief Executive (Chair)

Doug Cooke, Senior Director Digital Policy

Garry Russell, Senior Director Corporate Systems

Greg Connors, Director Infrastructure, Architecture and Security

Gregory Moo, Senior Director Cyber Strategy and Design

Scott Thomson, Senior Director Data Centre Services

Garry Haigh, Executive Director ICT Services

Garey Neenan, Director ICT Governance

Sonia Peters, Director Cyber Security Coordination (Executive Officer)

Membership changes in 2016-17

Nil.

KEY FUNCTIONS

- Oversight the development of the department's cyber security roadmap.
- Oversight the development and monitoring of cyber security risk plans and mitigation strategies for Northern Territory Government ICT systems, infrastructure and information.
- Ensure appropriate controls, tools and procedures to detect and address cyber incidents are tested and deployed.
- Consider cyber security incident reports and endorse remediation, review advice of the Australian Signals Directorate and liaise where appropriate.
- Provide advice and support to Northern Territory Government agencies on cyber security.

2016-17 ACHIEVEMENTS

- The committee met on 10 occasions during 2016-17.
- Commenced preparation of a Cyber Security Framework, describing the principles, roles, responsibilities and cyber security posture for the Northern Territory Government's ICT environment.
- Developed the Cyber Security Roadmap to align with the framework and inform development of a business case to augment security architecture.
- Implemented a Security Incident and Event Management system to strengthen monitoring of ICT security events.
- Successfully piloted virtual desktop infrastructure at the Royal Darwin Hospital Emergency Department, enabling rapid sign-on and session portability across devices.
- Delivered the inaugural Cyber Security Awareness Week in October 2016 to improve cyber security awareness for government employees and businesses, with approximately 400 participants across the Northern Territory.
- Commissioned two key independent analyses of Northern Territory Government ICT enterprise architecture preparedness against cyber intrusions and progressed security enhancements where required.
- Monitored projects to improve cyber security across government, including assisting agencies to enhance their security posture.

All-of-Government Governance Roles

Office of Digital Government

The Office of Digital Government was established late in 2016-17 to lead the government's digital advancement agenda through providing advice, coordination and oversight of key digital initiatives and controls that support government and agencies advancing digital innovation to improve government services. The Office of Digital Government will enhance focus on:

- strategic leadership of ICT at an all-of-government level
- coordination across the sector
- improved stakeholder engagement
- building and enhancing strategy around digital initiatives and reforms
- cyber security strategy and design.

It also has a key role in progressing government's priorities for a Digital Territory Strategy, open data, digital standards and data analytics.

A review of the Northern Territory Government ICT Governance Framework and committees is in progress to align with the newly formed Office of Digital Government.

Northern Territory Government ICT Governance Framework

The framework ensures ICT governance across agencies is planned, with ICT investments and projects managed consistently and supported by appropriate decision-making. The framework improves the alignment of ICT investments with government direction, strengthens oversight of high risk and high value ICT investments and puts in place structures that improve the management of ICT.

The framework is supplemented by the ICT series of Treasurer's Directions, digital policy updates, a reporting portal and further ICT governance guidelines to assist agencies.

Key elements of the framework include an across government oversight committee structure with senior representation and stringent checks and balances, providing analysis of major ICT investment decisions and oversight of ICT projects from an all-of-government perspective.

The ICT Governance Board maintained a watching brief over 23 major agency ICT projects in 2016-17. Further information is captured in the achievements section of this report.

Cyber Security

Connectivity is vital to delivering government services, however, that connectivity increases the risk of cyber intrusion with the potential to compromise government information. A Cyber Security Framework is being developed to complement the ICT Governance Framework and describes the:

- planning, implementation, testing and monitoring of the security arrangements undertaken for the Northern Territory Government's ICT environment
- principles, governance arrangements and operational approaches to cyber security investment
- linkages between DCIS cyber security governance and across government ICT governance processes.

The Cyber Security Framework; ICT security policies, standards and guidelines; ICT security advisory services; and the ICT Governance Framework; provide an integrated approach to ICT security across government to strengthen all-of-government engagement in the Northern Territory Government's cyber security posture.

Ministerial ICT Advisory Council

The Ministerial ICT Advisory Council provides advice to the Minister for Corporate and Information Services and the ICT Governance Board on the ICT industry, ICT directions, emerging technologies and ICT services suitable for government and the Northern Territory community. The council met four times in 2016-17, including a meeting with the Minister. Key achievements include:

- developed and submitted an ICT Issues Paper to the NT Economic Summits
- provided feedback on options analysis for establishing the Office of Digital Government to advance digital leadership within government
- input to eight new or updated ICT policies and standards
- advice on ICT industry views to assist in shaping the Northern Territory Government's ICT strategy and in relation to government election commitments, particularly open data and digital services
- input to the Buy Local Plan.

Machinery of Government Changes

When administrative arrangements changes are announced by the Northern Territory Government and formalised in an Administrative Arrangements Order, the composition of government agencies are impacted; this is known as Machinery of Government (MOG) changes. MOG changes range from minor to complex and DCIS, as the government's shared service provider, plays a key role in delivering the corporate changes to ensure a smooth transition to new arrangements for affected agencies.

A working committee is held in a 'state of readiness' and is mobilised as required. The committee consists of:

- key staff from the critical service areas within DCIS involved in MOG changes:
 - HR Systems (system administration and staff transfers)
 - Finance Systems (system administration)
 - ICT Services (resetting IT devices and access)
 - Corporate Reporting (BOXI reports)
 - NT Fleet (vehicle records)
 - Contract Services (tenders and procurement systems)
 - Finance Services (ledgers, banking, assets, debtors and taxation)
 - Records Systems (TRM records)
- agency representatives from affected agencies.

In 2016-17, following commencement of a new government, the working committee coordinated extensive MOG changes affecting many agencies.

The MOG changes were successfully and efficiently implemented with most of the requirements completed within a two month period.

Future Priorities

- Establish and embed the Office of Digital Government.
- Update the Northern Territory Government ICT Governance Framework.
- Complete the Cyber Security Framework.
- Develop a cyber security business case, based on the high-level roadmap.
- Expand governance documentation and guidance for agencies including risk management, financial management and benefits realisation for ICT projects.
- Establish a Security Leadership Group.
- Coordinate Ministerial ICT Advisory Council input on ICT issues, including feedback on the Discussion Paper towards a digital strategy for the NT; Digital Territory Strategy; Cyber Security Framework and ICT policies.

ICT Governance Model – Committee Structure



Planning Framework

Responsible business practices aligned to corporate sustainability that considers the management and coordination of environmental, social, financial and technological demands and concerns to ensure responsible, ethical and ongoing success

Organisation Structure

The structure of the organisation was reviewed in May 2017 to align with the department's expanding ICT focus, including the new Digital Government output and implementation of the Office of Digital Government to advance digital leadership within government. This saw Digital Policy and Telecommunications; ICT Governance; Cyber Strategy and Design; and Online Services (which transitioned from the Department of the Chief Minister in December 2016); form the Office of Digital Government. The reporting lines of some senior directors changed with the updated structure clearly defining the ICT roles and supporting a workable business construct aligned with our strategic priorities.

The department's organisation structure is outlined at page 12.

Corporate Statement

The department's corporate statement represents the values and principles DCIS holds itself to in conducting its operations, which complement and are consistent with the Northern Territory Public Sector values. Being continuous in nature, the corporate statement embeds a values based culture and social integrity platform.

The department's Corporate Statement is outlined at page 9.

Strategic Plan

The Strategic Plan 2016-2018 sets out the department's strategic direction and priorities, including key priorities and deliverables set by the Minister and government. The plan provides a holistic view of the department's strategic priorities with a broader focus on themes rather than specific service lines. The six key strategic priorities give stronger emphasis on the importance of our workforce, broaden the project governance focus and gives innovation prominence.

The public sector is a fluid environment, and as part of a sustainable strategy, the plan is deliberately flexible to be able to accommodate new or emerging priorities or programs. Reporting requirements were developed and implemented for the Strategic Plan 2016-2018, with progress against the actions and priorities reported biannually to the Executive Management Board and communication updates to staff as a key accountability.

Business Plans

Business plans are developed for divisions and individual business units, detailing key actions and projects aligned with the Strategic Plan and Corporate Statement and contributing to overall departmental objectives. The business plans also incorporate ideas from the DCIS Innovation Program and actions to mitigate identified risks. Plans are developed in consultation with staff and stakeholders, with tasks flowing through to executive contractor performance reviews and staff MyPlan reviews. Progress against priority projects or actions is reported to the Executive Management Board, providing regular updates on key organisational goals and ensuring a coordinated approach to performance monitoring.

The 2016-17 business plans were endorsed by the Executive Management Board in June 2016, and the DCIS Business Plan developed to assist the board in monitoring key actions on a quarterly basis. Progress updates are communicated to DCIS staff quarterly.

The 2017-18 business planning process commenced May 2017, with divisional business plans endorsed by the Executive Management Board mid-year to maintain the planning and accountability cycle into the next year.

Service Framework

A service framework is established which describes the partnership model for delivery of shared corporate services for Northern Territory Government agencies, business divisions and other government entities (collectively, DCIS clients). The framework provides clear advice to inform clients on corporate shared services that DCIS delivers, service standards and value that clients can expect from DCIS, requirements from clients to enable effective service delivery, and communications and reporting platforms.

Service statements are provided within the framework, which describe the specific nature of each service and identify scope, responsibilities of DCIS and clients, service standards, reporting and contacts.

Service statements are developed with input from clients, are regularly monitored by DCIS, with a formal review annually, and are updated when the service is appreciably changed and when new services come into DCIS. Each service statement includes standards which address the key activities within the service line and reflect the primary performance levels which DCIS undertakes to deliver.

The service framework and statements are available to all agencies on NTG Central.

Performance Measures

Key Performance Indicators (KPIs) for divisions are reported quarterly to the Executive Management Board. The KPIs are aligned to the Strategic Plan and DCIS Service Statements and reflect performance metrics for each division. KPI performance, trends and issues are carefully considered at board meetings. During 2016-17, the KPIs continued to be reviewed and expanded to capture changes in the department's structure and business and ensure the board has a well-defined insight on service performance across the department.

Managing Risk

The department has a Risk Management Framework, which is consistent with AS/NZS ISO 31000:2009 Risk Management: Principles and Guidelines, to form a cohesive and robust risk management approach.

The Risk Management Framework consists of a Risk Management Policy, procedures and information sheets which provide staff with the information and tools to manage risks on a day to day basis. The Employment Screening Policy implemented in 2015-16, together with the Fraud Control Policy, strengthens the department's Risk Management Framework. In addition, the department continues to enhance its management of business continuity risks by regularly reviewing its various plans for DCIS whole of agency and key services to ensure it is prepared, able to respond and recover disrupted services. Scenario testing of business continuity plans was undertaken in mid-2017 to test effectiveness and identify opportunities for improvement.

The Risk Management Committee is responsible for overseeing risk management activities, including business continuity management. The committee promotes a risk management culture and provides direction to enable DCIS to proactively manage its risks through structured strategic and operational risk management and well defined processes for project and procurement risks. Structured risk workshops are held across the department biennially for the management of operational and fraud risks and are planned for 2017-18. Workshops are also held with senior management and oversighted by the Risk Management Committee to assess the department's strategic risks, with two new strategic risks assessed in 2016-17.

The status of risk management is monitored by the Executive Management Board via quarterly reports provided by the Risk Management Committee. The strategic and operational risk registers are accessible online to the Risk Management Committee and relevant staff to manage the department's risks. The department has a broad range of policies, plans and procedures which are reviewed on a regular basis or as required to ensure they provide sufficient guidance to ensure good governance and compliance.

Future Priorities

- Develop the DCIS Business Plan 2017-18.
- Review existing and develop new DCIS Service Statements and related service standards to inform of new or amended services.
- Commence planning for the development of the 2019-2021 Strategic Plan.
- Consider any recommendations from scenario testing of business continuity plans for continuous improvement of processes.
- Review the department's Employment Screening Policy and identify opportunities to improve processes.
- Review the department's Fraud Control Policy in conjunction with the Northern Territory Auditor-General's Office Fraud Health Survey to identify opportunities to improve fraud awareness and controls.
- Undertake formal risk workshops for operational and strategic risks, including a greater emphasis on specific fraud risk assessments for identified operations.

Communication

DCIS focuses on constructive engagement and collaboration with clients to achieve solutions that balance government policy requirements and agency operational needs

The department maintains open communication with client agencies and takes a partnership approach to ensure the effective delivery of services. Ongoing communication at all levels and through many channels is necessary to deliver effective corporate services and maintain our relationships with agencies and industry.

Client Feedback

DCIS maintains an online feedback system for its internal clients which can be accessed through NTG Central. Comments on good service and areas for improvement can be submitted. The system is monitored, with feedback referred to the relevant service director to address. Timeframes to address comments are specified and this process is monitored. Over 2016-17, 18 feedback inquiries were received:

- 22% related to payroll / HR queries
- 56% related to system queries
- 22% were finance or other queries.

In June 2017, the department enhanced channels of feedback, creating a customer online feedback form on the DCIS internet site, allowing for external client feedback to be received and addressed. In this reporting period, one query was received via telephone call and responded to.

External communications

External communications include websites, stakeholder forums related to DCIS procurements, media releases, supporting and engaging with ICT industry and business, and supporting and advertising the government's employment programs. Details of key activities are below.



CAT mobile hotspot at Palm Valley

- Progressed second year of a joint initiative with Telstra to establish a three-year \$30 million program to expand telecommunications services across remote areas of the Northern Territory, providing increased mobile and internet access. Media event conducted in Titjikala in April 2017 to announce completion of the first mobile base station under the program.
- Progressed joint communications for the mobile phone hotspot program with the Centre for Appropriate Technology, which extends mobile coverage in remote parts of the Northern Territory, including transport corridors, tourist sites and remote communities, for 14 sites in 2016-17, with a further four planned for 2017-18.
- Supported and participated in the ICT Industry Association of the NT's Open Data Conference in June 2017, through presentations by the Minister for Corporate and Information Services and DCIS Chief Executive outlining government's direction and actions in progress.
- Participated in and supported the Charles Darwin University IT Code Fair.
- Promoted and supported the government's early career programs through:
 - attending Skills, Employment and Careers Expos in Jabiru, Nhulunbuy, Katherine, Alice Springs, Tennant Creek and Darwin
 - attending post school opportunities information sessions for the Clontarf Foundation, Palmerston Girls Academy and The Smith Family
 - advertising early career programs via website, newspapers, social media and online ads
 - presenting government employment opportunities at senior schools in the Darwin / Palmerston region and at Charles Darwin University
 - engaging with a range of job seeker support organisations to promote government employment programs.



Promoting government's early career programs

- Conducted stakeholder forums with industry bodies for major across government contracts.
- Conducted ICT industry consultation for major ICT contracts including:
 - discussions in regions (Katherine, Tennant Creek and Alice Springs) with local businesses about the ICT Services Contracting Model, ICT contracts, industry input and government's requirements
 - market pre-release of draft tender scope of services documents for ICT services for industry feedback prior to tender
 - post release tender briefings.
- Engagement on the Core Clinical Systems Renewal Program (CCSRP) which included:
 - briefings to local businesses on procurement opportunities
 - consultation with Northern Territory PHN (Primary Health Networks) and Aboriginal Medical Services Alliance Northern Territory (AMSANT).
- Industry engagement on property leasing matters:
 - forum held in February 2017 with a broad cross section of the construction and commercial property sector to inform development of a Request for Tender for the Department of Health office lease
 - ongoing dialogue with building owners and industry representatives, including the Property Council of Australia, NT Branch.

- Extensive consultation and involvement with the non-government organisation (NGO) sector in the design of the GrantsNT system included:
 - briefings at the Chief Minister's biannual meeting with NGOs in Darwin and Alice Springs
 - meetings with 12 individual NGOs and seven information sessions held for NGOs in Darwin, Alice Springs and via teleconference
 - validation of business requirements through an online survey
 - ongoing consultation with NGOs planned throughout development and implementation phases through the establishment of reference groups.
- Media releases for Department of Health office accommodation tender release, CCSRP contract, and Northern Territory Government / Telstra Co-Investment Program.
- Attended and gave evidence at public hearings for:
 - Senate Environment and Communications Legislation Committee on the Australian Broadcasting Corporation Amendment (Restoring Shortwave Radio) Bill 2017 on 9 May 2017
 - Joint Standing Committee on the National Broadband Network on 28 June 2017.
- Provided an ICT issues paper and coordinated two dedicated ICT workshops as part of the Economic Summits for developing an Economic Development Framework.
- Consulted with the Ministerial ICT Advisory Council and the local ICT industry on the ICT Contracting Model, Office of Digital Government options paper, Buy Local Plan, draft ICT policies and input towards a Digital Territory Strategy.
- Delivered the first Cyber Security Awareness Week with presentations to businesses in Darwin and Alice Springs, providing practical tips to protect against cyber threats and scams for small to medium enterprises.

All-of-government communications

With DCIS' role as the government's corporate services provider, internal communications has an all-of-government focus and is delivered via websites, guides, forums, reference groups and networks, supplemented with individual meetings on agency-specific issues. These processes ensure DCIS regularly shares information and seeks advice and feedback from clients. The key information exchange forums are:

- Agency Heads of Corporate Services Forum – quarterly
- HR Directors Network – quarterly
- Chief Finance Officers Forum – quarterly
- Finance Managers Forum – quarterly
- Banking Forum – quarterly
- Chief Information Officers Forum – quarterly
- Records Managers Forum – quarterly
- Fleet Managers User Group – biannually
- System User Groups (eg TRIPS, EIMS, TRM, ECMS) – biannually.

Internal all-of-government communication activities in 2016-17 included:

- DCIS regional forums open to all Northern Territory Government agencies were held in Alice Springs and Katherine to update local agency staff on key DCIS initiatives.
- Implementation of a number of system enhancements to NTG Central.
- Development of a new DCIS internet site.
- Delivered communications across government for major DCIS projects and initiatives, including implementation of myResignation and Cyber Security Awareness week.
- Extensive consultation with agencies responsible for managing grants and respective stakeholders to determine the business requirements and design of the GrantsNT system.
- Conducted roadshows and information sessions on CCSRP across all regions, including Alice Springs, Katherine and Tennant Creek.
- Delivered the first Cyber Security Awareness Week with presentations to Northern Territory Government officers in Darwin and Alice Springs to increase awareness about cyber safe practices and cyber threats and scams.

Departmental communications

DCIS is an agency with a number of divergent business lines. We are spread across multiple buildings, suburbs and regions. The DCISIntel, the monthly newsletter introduced in 2014, continued to strengthen and improve internal communications across the department.

The Chief Executive conducted a roadshow at the beginning of 2017, across all DCIS work units, to discuss the department's plans and priorities for 2017. The roadshow provided an opportunity for the Chief Executive to engage with all staff, reflect on what had collectively been achieved, and where the department is heading for the future.

Chief Executive Roadshow

This year the roadshow format changed from the usual Chief Executive presentation, to each work unit instead presenting to the Chief Executive on their achievements, goals and deliverables and alignment with the strategic plan. Kathleen heard from over 30 business units, with 14 sessions in total, some of which were combined, providing staff the opportunity to hear about other unit's functions and challenges and recognise collaboration needed across the agency to achieve strategic priorities and deliverables.



Other communication activities within the department included:

- Executive Management Board – met monthly with updates provided via the DCISIntel; including continuing to rotate meetings throughout the various DCIS work sites, with one meeting in Palmerston and one split between Alice Springs and Darwin.
- Executive Leadership Group (ELG) – met monthly to convey corporate information to the department’s senior leadership group, for dissemination to their respective business team meetings. In March 2017, ELG was reviewed including membership, charter and change of chair.



Executive Leadership Group

- Staff Consultative Committee – met three times as a key engagement mechanism to workshop and enable direct input between staff and management; providing input to and feedback on:
 - People Matters survey findings
 - People Matters survey strategy response
 - MyPlan review.
- DCIS staff site redevelopment continued in consultation with key groups to determine the site’s information architecture and design.

Future Priorities

- Release Discussion Paper: towards a digital strategy for the NT.
- Coordinate consultation and collate public feedback for input to Digital Territory Strategy.
- Develop and launch Territory Digital Strategy.
- Review DCIS Complaints System to provide one central system for all feedback (internal and external).
- Complete modernisation of DCIS staff site.
- Continue improvement of NTG Central, with the following planned for 2017-18:
 - enhance home page, news and alert functions
 - increase html content to improve publishing efficiency
 - system enhancements to reduce potential for broken links
 - review archiving schedules to consider alignment to all-of-government records disposal schedules.

Corporate Governance Accountabilities

Statutory Accountability

The department is required to comply with the *Financial Management Act*, *Public Sector Employment and Management Act*, *Procurement Act* and other legislation, such as the *Anti-Discrimination Act*, *Superannuation Act* and the *Work Health and Safety Act*. The department's Corporate Governance Framework and the relevant statutes are promoted to staff in a range of ways including through the department's Orientation and Strengthening Our People programs. Information and training on legislative requirements is included in the DCIS Corporate Capability Plan 2017.

Legislation Administered

The department is responsible for administering the *Information Act* Part 9 (except Archives Management) as it relates to Northern Territory Government records management.

Internal Controls

A range of internal controls including delegations, the Accounting and Property Manual, policies, procedures and templates assist the Accountable Officer in the performance of her duties under relevant legislation.

DELEGATIONS

The Chief Executive is the Accountable Officer for the department for the purposes of the *Financial Management Act*, *the Public Sector Employment and Management Act* and the *Procurement Act*. Delegations covering procurement, financial and human resource management activities are reviewed regularly to ensure they meet the department's requirements. The delegations allow appropriately authorised departmental staff to undertake specific responsibilities of the Accountable Officer or Chief Executive as prescribed in the legislation. The delegations were updated during the year to reflect organisational structure and policy changes, including amendments to reflect the revised Treasurer's Directions and the all-of-government Travel Policy Framework.

CONFLICT OF INTEREST

The department recognises that any conflict of interest, whether real or perceived, erodes confidence in the integrity of the department or Northern Territory Government. All Executive Management Board members, Senior Directors, senior staff and employees who hold delegated powers are to complete a disclosure declaration on an annual basis. All staff are required to complete a disclosure declaration when circumstances change to declare any private or other interests that may result in a conflict of interest. If any interests are identified, appropriate action is taken to resolve the conflict or prevent it from arising. Completed declarations are held as evidence of disclosure and, as such, provide some protection against unfounded allegations of bias concerning department advice or decisions.

ACCOUNTING AND PROPERTY MANUAL

In accordance with the *Financial Management Act*, the department has an Accounting and Property Manual that specifies finance procedures and internal control requirements.

The Accounting and Property Manual is reviewed and updated regularly. Amendments in 2016-17 included the addition of references to the new Budget and Cash series of Treasurer's Directions and requirements to align with the Travel Policy Framework, particularly the Overseas Travel Policy Statement.

PROCUREMENT

The department has a Procurement Governance Framework comprising structures, processes and standards to support compliance with the Northern Territory Government's Procurement Framework. The Procurement Governance Framework outlines the roles, functions, relationships, and supporting processes under the procurement governance structure and supports alignment of procurement projects to broader business objectives.

Government's Procurement Directions were substantially revised during 2016-17 with new Procurement Rules and Procurement Governance Policy issued late in the year for application from 2017-18.

The department utilises probity advisors where the activity is risk assessed as having technical complexity, value and coverage or sensitivity.

INTERNAL AUDIT FUNCTION

In accordance with the *Financial Management Act*, the department has an internal audit function to assist the Accountable Officer. A Strategic Audit Plan is managed by the internal audit function and monitored by the Audit Committee. In 2016-17, the following audits and reviews to test internal controls and processes were completed.

Internal audit/review	Objective
Cabinet Information Security	Annual review of the department's Cabinet information access and handling controls, accountability and security culture.
Official Travel	Assess department travel transactions for compliance with the Travel Policy Framework, legislation and policies through biannual reviews.
Work Health and Safety	An independent risk assessment of the department's work health and safety environment to identify strategic work health and safety risks and recommended mitigation or treatment actions.
Air Service Providers to Northern Territory Government	Undertake an operational and technical audit, assessing compliance of the aviation contractors on government's aviation services panel.
Employee Assistance Program	Assess contractor compliance with key requirements of the contract regarding delivery of Employment Assistance Program to Northern Territory Government.
Review of Active Microsoft Directory Environments	Assess the active directory environments of the main Northern Territory Government environment, Power and Water Corporation environment, and Police, Fire and Emergency Services environment.
Desktop and Wireless Vulnerability Assessments	Assess security controls across the Northern Territory Government ICT networks.

STANDARD OPERATING PROCEDURES

Comprehensive standard operating procedures are in place for shared services functions across finance, human resources, information management, procurement and property management services. These procedures are regularly reviewed and updated to assist staff to ensure consistent, appropriate and repeatable processes are followed in providing services.

POLICIES AND PROCEDURES

In addition to the abovementioned controls, a range of subject specific policies, procedures and templates are provided to assist governance committees and employees in areas such as: the management of risks; treatment of gifts and benefits; procurement processes; guarantees and liabilities; travel; work health and safety; fraud control; and human resource management.

All policies, procedures and templates are located on the staff intranet site for easy access by employees. All policies are required to be approved by the Executive Management Board.

The following departmental policies were updated or developed in 2016-17:

- Gifts and Benefits Policy updated to incorporate enhanced reporting requirements and reference to Social Events Procedures
- Accounting and Property Manual updated to ensure compliance with changes to the Treasurer's Directions, the all-of-government Travel Policy Framework and related requirements for overseas travel, and to reflect other procedural and organisational changes
- Fraud Control Policy reviewed to improve ease of use for agency staff and align with organisational changes
- Employee Exit Policy developed to assist employees exiting the agency either temporarily or permanently and to monitor employee satisfaction through feedback.

Other all-of-government policies approved by the Chief Executive during 2016-17 include:

- Mobile Application Development Policy
- Digital Security Policy
- Data and Voice Cabling Policy
- ICT Logging Policy
- ICT Access Policy.

Legal Services

The department utilises legal services from the Solicitor for the Northern Territory (a statutory body managed by the Department of the Attorney-General and Justice). Services provided include legal advice, preparing legal documentation and managing the outsourcing of legal services.

Information Act requests

The *Information Act* allows for access to government and personal information. In 2016-17, the department received 124 Freedom of Information (FOI) applications on behalf of other agencies. Eight FOI requests were received in relation to information held by DCIS for personnel or government information. Of these requests, none resulted in a complaint or required mediation.

Ombudsman enquiries

The Ombudsman made no approaches to the department in 2016-17 relating to complaints.

Future Priorities

- Review the department's Risk Management Framework to ensure the framework remains contemporary and aligned to the department's operations.
- Enhance fraud control actions, including preparing and delivering fraud awareness sessions to staff and fraud risk assessments.
- Conduct annual internal audit of compliance with all-of-government Travel Policy Framework and relevant legislation.
- Establish regular independent audit of agency procurement processes.

Insurance Arrangements

The department has an active Risk Management Framework with risk assessments performed according to a planned cycle of activity and as required to identify strategic, operational and project risks. In accordance with Treasurer's Direction M2.1 – Insurance Arrangements, the department self-insures its insurable risks. Data Centre Services and NT Fleet undertake annual reviews of their insurable risks resulting in commercial insurance policies obtained for a range of risks.

A summary of the department's risk mitigation strategies for insurable risks is provided below.

Insurable Risk Category	Mitigation strategies
Workers Compensation	<p>A strong governance framework oversighted by a Work Health and Safety Committee reporting to the Executive Management Board and individual building committees.</p> <p>A Work Health and Safety framework consisting of policies, plans and procedures ensures health and safety is managed and appropriate action taken to identify and mitigate risks.</p> <p>Regular workplace communications through team meetings and signage.</p> <p>A work health and safety strategic risk assessment.</p> <p>Commercial insurance policies for Data Centre Services and NT Fleet.</p> <p>The department promotes the Northern Territory Government's Employment Assistance Program with \$37 944 expended on staff visits in 2016-17.</p>
Property and Assets	<p>Internal policies and procedures are in place for the effective management of assets and to mitigate for potential losses.</p> <p>Effective contract management practices mitigate the risk of loss of assets.</p> <p>Capital and minor new works program to maintain property and assets.</p> <p>Commercial comprehensive insurance policies for NT Fleet and Data Centre Services motor vehicles.</p> <p>NT Fleet insures the fleet against damage from natural disasters and the short-term hire fleet is comprehensively insured.</p>
Public Liability and Product Liability	<p>The department's WHS Building Committees conduct risk and hazard identification and accident prevention to eliminate / minimise risks in the workplace.</p> <p>Site specific protocols and practices are in place for identified locations assessed as having a higher level of risk.</p> <p>The WHS Building Committees report to the WHS Governance Committee who oversees the department's WHS by monitoring compliance with the <i>Work Health and Safety Act</i>.</p> <p>Commercial public liability insurance policies for NT Fleet and Data Centre Services.</p>
Indemnities	<p>The department's legal advisors review contracts and agreements containing indemnity clauses to ensure the department and GBDs comply with the <i>Financial Management Act</i> and Treasurer's Direction G2.5 - Guarantees and Indemnities.</p> <p>Northern Territory Government standard terms and conditions are applied, with amendments reviewed by the department's legal advisors.</p> <p>Registers are maintained in accordance with legislative requirements.</p> <p>Internal policies and procedures are provided for the guidance of staff.</p>

Claims applicable to self-insurance for the department for 2016-17 and 2015-16 are detailed in Appendix III.

DATA CENTRE SERVICES

Data Centre Services continued to procure commercial insurance policies for workers' compensation, business insurance and motor vehicles in 2016-17. The total cost of premiums for commercial insurance in 2016-17 was \$40 554, compared with \$39 846 in 2015-16.

There were no claims against Data Centre Services' insurance policies in 2016-17 or 2015-16.

NT FLEET

In 2016-17, NT Fleet procured commercial insurance policies for workers' compensation, public liability, damage to the vehicle fleet due to natural disasters, and short-term hire. The total cost of premiums for commercial insurance policies in 2016-17 was \$230 548, compared with \$247 182 in 2015-16. The total cost of premiums reduced by \$16 634 primarily due to a decrease in the number of vehicles insured under the natural disasters policy.

There were no claims against NT Fleet's insurance policies in 2016-17 or 2015-16.

Roads Reporting Website

DCIS supports the annual Charles Darwin University (CDU) IT Code Fair run each November. In 2016, DCIS provided the students a business innovation challenge: use contemporary methods to inform the public about roads and their constantly changing conditions. The students had to apply lateral thinking to make the information relevant and user friendly especially on modern mobile devices. Four teams of CDU graduates participated in the challenge and demonstrated their concepts to a panel of judges from DCIS, CDU and DIPL. The standard of submissions were excellent and very innovative.

To progress the initiative and involve the students in a business project, DCIS engaged five students over their semester break through local ICT businesses and set the challenge to progress their ideas and deliver a robust business solution. The ASNEX team and DIPL staff provided mentoring and direction to the students.

The new site is now completed and provides a contemporary digital solution with up to date road obstruction information accessible across IT platforms including computers, tablets and mobile devices on Android and iOS devices. It is scheduled for release in 2017-18.

This successful collaboration between NTG, CDU and the local ICT industry has assisted with career pathways for graduate students.



Payroll and Employment Services Administration Model

The contemporary Payroll and Employment Services administration model commenced in July 2016. A staff consultative committee was established and met every two weeks. The new model includes smaller teams and recognises the skill and remuneration required for this key business line. An introductory team has been established to enable smooth transition for new staff into payroll teams.

Audit activity

17 internal, external and specialist audits

Website hits

NT.GOV.AU 300K; NTG Central 147K
on average per month

DCIS spread out

Services delivered across 13 office locations
throughout the NT





Our People

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4

2016-17 Highlights	86
Staff Snapshot	87
Developing our People	92
Workforce Diversity	99
Supporting our People	101
Future Priorities	104
Legislative Compliance	106

2016-17 Highlights

DCIS recognises that our people are our most valuable asset; they are responsible for delivering quality services consistently and on time; listening to clients, staff and stakeholders; and working together on solutions that support government and enable agencies to focus on their core business.

Developing our People

- 24 staff graduated from the DCIS Emerging Leaders Program
- 109 staff attended Strengthening our People Program sessions
- 11 staff accessed OCPE leadership courses
- 550 MyPlans completed, representing a completion rate of 91%
- DCIS supported 22 staff through early career programs
- \$0.41 million invested on training and development

Supporting our People

- Corporate Capability Plan reviewed and updated following the annual MyPlan process
- Health and Wellbeing Program expanded
- 65 staff underwent employment screening in accordance with the Employee Screening Policy
- 3 Orientation Programs run with 67 attendees
- Mental Health Week supported for 2016-17 as part of the Health and Wellbeing Program

Aboriginal Employment

- 10.6% or 73 Aboriginal staff
- 19 Aboriginal staff selected under the Special Measures plan from 102 vacancies advertised

Recognising our People

- Worth A Mention nominations through the DCISIntel included recognition of 21 individuals and 9 teams
- DCISIntel profiled 8 staff, 9 Who Am I (get-to-know your leadership group) and 7 business units
- 32 staff recognised for service milestones

Change Management

- Online Services team transferred from DCM to DCIS
- 2 business unit reviews conducted
- Creation of Office of Digital Government, which included consolidation of four business units/divisions
- Supported by an active People and Development unit and management team

Workforce Diversity

- 88% of staff recorded their EEO details in the personnel system
- 8.8% of staff from non-English speaking background
- 21 staff identify with a disability

Industrial Relations

- Engagement with CPSU on all organisational change management
- Nil industrial matters raised in 2016-17
- CPSU attends Staff Consultative Committee meetings

Social Responsibility

- Social club, business units and individual staff active in fundraising activities
- Participation in NAIDOC, Harmony Day, R U OK Day, Territory Day, NTPS Camp Quality Golf Day, RSPCA Cupcake Day, National Pyjama Day, Masters Games
- Zero tolerance for bullying
- Working to our values

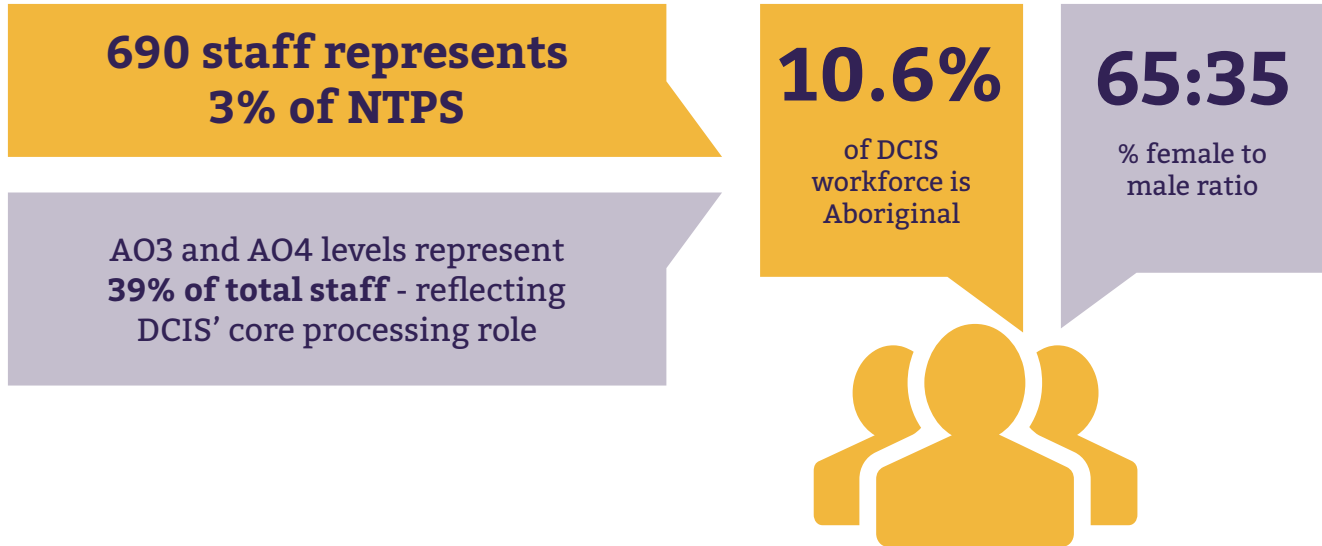


29/25

The Chief Executive has recognised 29 staff individually and more than 25 teams in her monthly updates to staff through the DCISIntel

Staff Snapshot

Workforce demographic data is presented as headcount at 30 June 2017¹ to provide a full reflection of our workforce.



Key Staffing data

	DCIS		NTPS Comparison ²
	Number	%	
Demographics (Headcount)			
Part Time Staff	53	7.7%	14.2%
Full Time Staff	637	92.3%	85.8%
Male : Female ratio	240 : 450	35 : 65%	36 : 64%
Male : Female senior management ratio ³	27 : 18	60 : 40%	49 : 51%
Average Age	42	-	43
Trainees ⁴	13	1.9%	0.5%
Aboriginal Staff	73	10.6%	10.5%
Staff with a disability	21	3.0%	1.0%
Turnover			
Commencements	74	10.7%	23.6%
Separations (resignations)	63	9.1%	21.6%
Staff Turnover rate ⁵	108	15.7%	Not available

¹ Numbers as at pay period 26.

² Sourced from OCPE statistician: as at 30 June 2017 (pay period 26).

³ Includes ECOs and SAO2s based on paid classification.

⁴ Includes Graduates and Aboriginal Cadets.

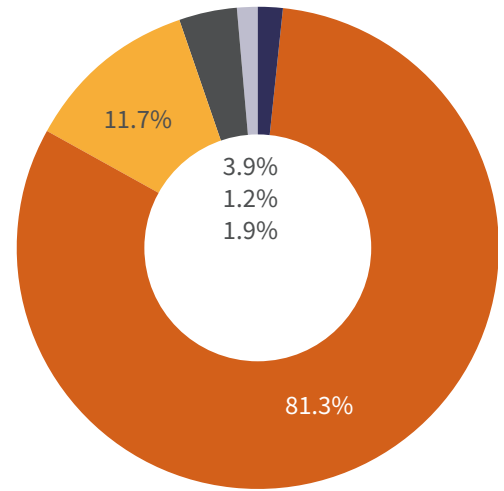
⁵ Includes separations and inter-agency transfers.

Staff by Employment Type

Figure 1: Staff by employment type

	Headcount	%
Trainee	13	1.9%
Administrative (AO1-AO7)	561	81.3%
Senior Administrative	81	11.7%
Executive	27	3.9%
Technical	8	1.2%
Total	690	100%

Figure 2: Staff by employment type



Gender and Level

Figure 3: Identifies staff by gender for each classification level⁶

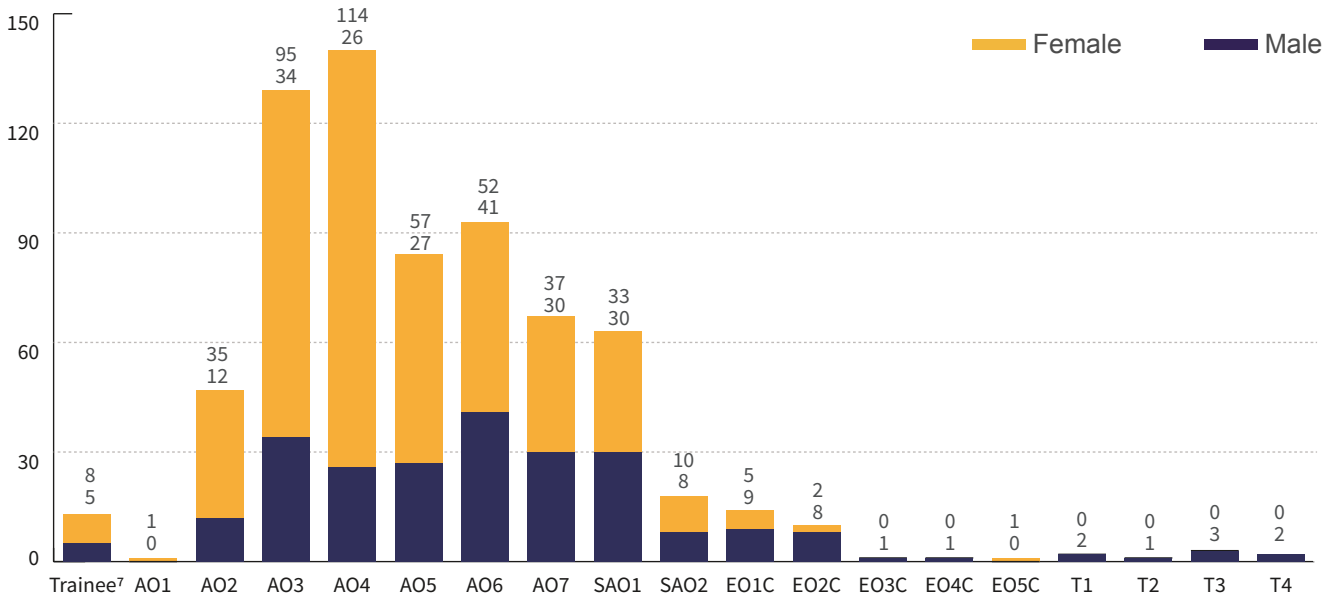
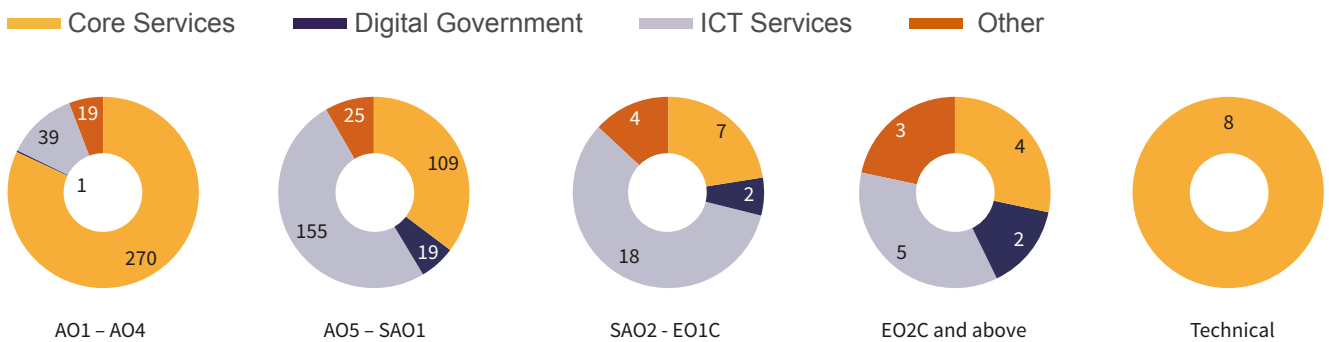


Figure 4: Identifies staff by classification level and function⁸



⁶ Based on paid classification.

⁷ Includes Graduates, Aboriginal Cadets and Trainees.

⁸ Based on paid classification.

Years of Service

Figure 5: Years of service by percentage against milestone groups

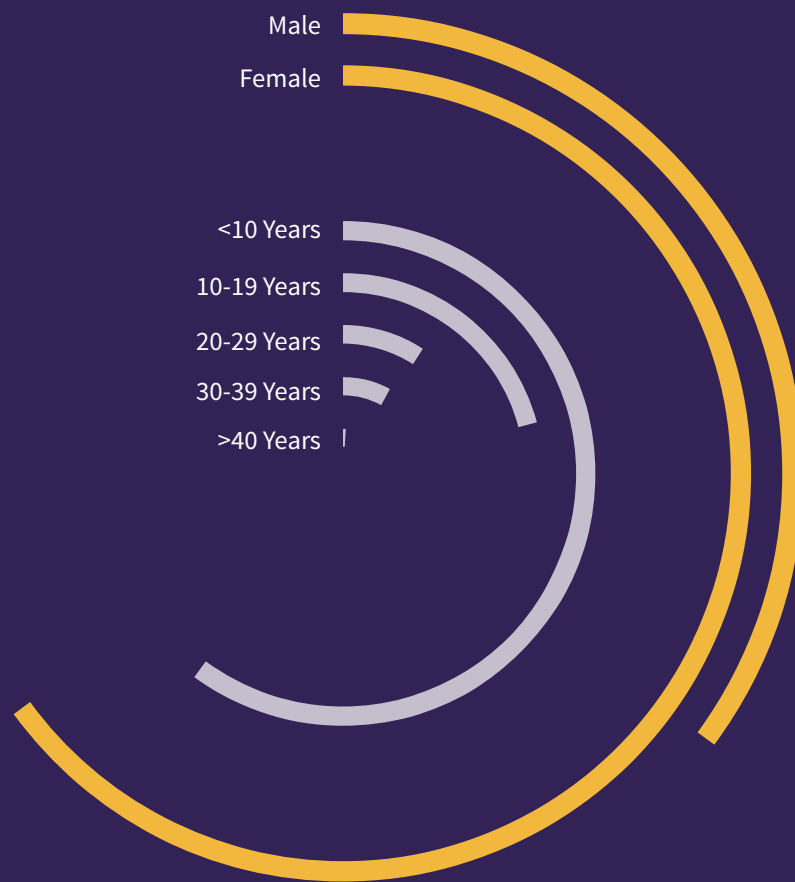


Figure 6: Years of service by gender

	Female	Male	Total	%
<10 Years	267	143	410	59.4
10-19 Years	96	55	151	21.9
20-29 Years	46	18	64	9.3
30-39 Years	35	22	57	8.3
>40 Years	6	2	8	1.1
Total	450	240	690	100.0
%	65	35		

Average Age

Figure 7: Staff by age and gender

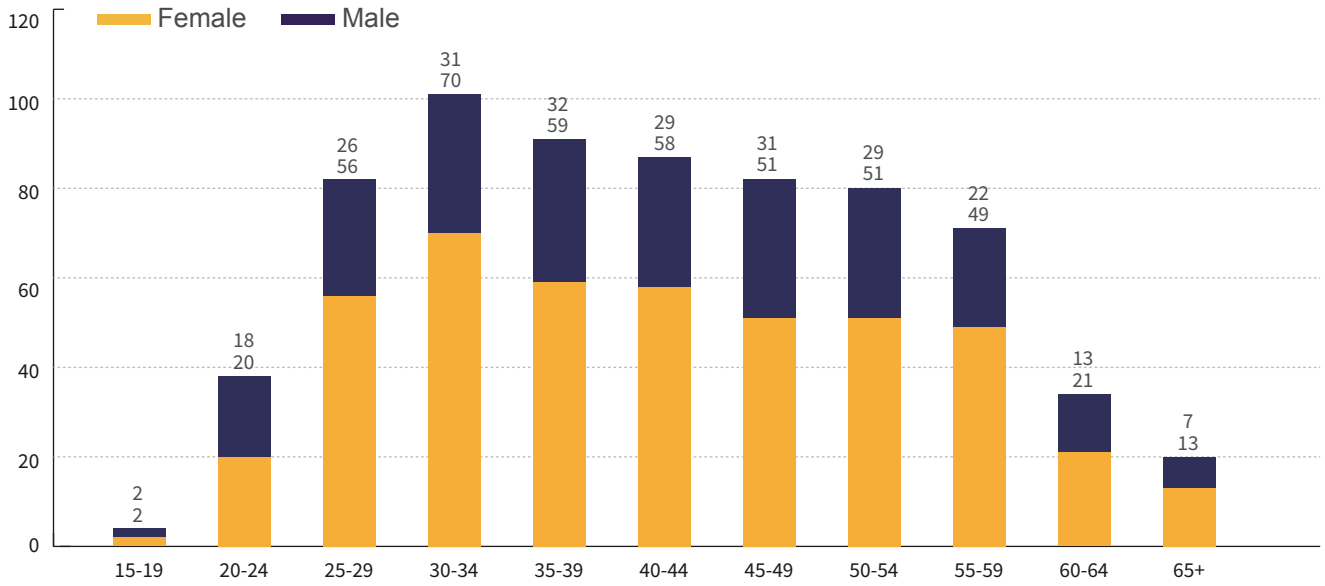
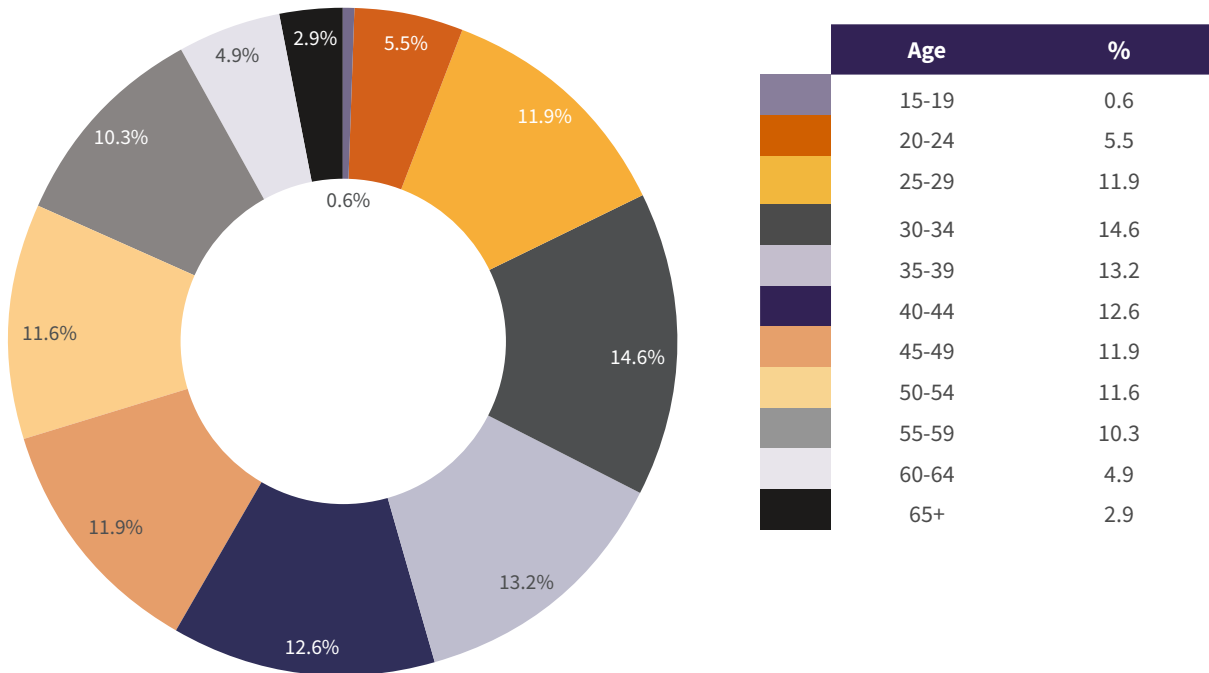


Figure 8: Age profile by percentage



Staff Recognition

During this reporting period, the department recognised a total of 32 staff for service milestones within the Northern Territory Public Sector:

- 3 staff with 35 years of service
- 4 staff with 30 years of service
- 11 staff with 20 years of service
- 14 staff with 10 years of service.

Formal recognition for these service milestones is offered as an optional choice for staff. Those staff who completed 30 years or more of service were invited to be recognised for their remarkable length of service at Parliament House, among those who attended included, Mark Chin, Sue Gardiner and Vernon Lowe who were recognised for 35 years of service; and Chris Pilkington, John Weippert and Lisa Hill who were recognised for 30 years of service. This event was followed by an internal recognition event to celebrate 10 and 20 years' service milestones.



Sue Gardiner



Mark Chin



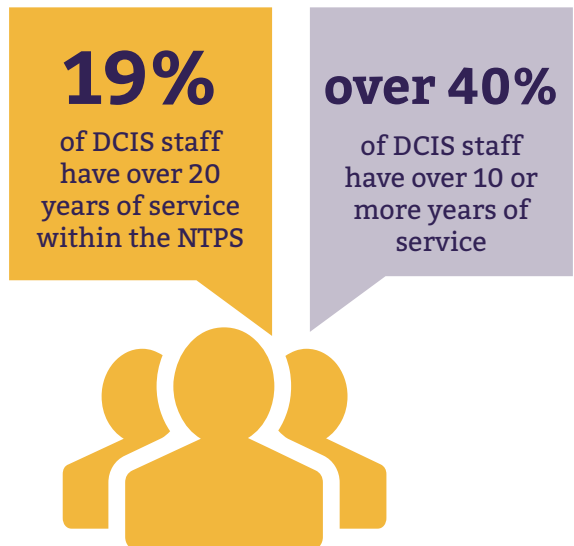
Vernon Lowe



Chris Pilkington



John Weippert



Developing our People

A strong focus on developing staff, building leadership capability and preparing for future workforce needs

Building a workforce that is sustainable and will meet the needs of the department as it grows and faces future changes and challenges is important to DCIS. A skilled, capable and motivated workforce is a key strategic priority. To deliver on this, the department continues to put a lot of effort and emphasis on building programs that are tailored to our business needs, now and into the future.

In addition, the department continues to support individual staff development needs recognised through the MyPlan process.

Commitment to the broader NTPS programs, from the OCPPE suite of targeted leadership development through to the early career programs, is maintained.

This section expands on some of our efforts to meet our strategic priority of skilling our staff.

Workforce Strategy 2016-2018

The DCIS *Workforce Strategy 2016-2018 – Outcomes through people* sets the direction of the workforce over a three year period to ensure effective delivery of government's priorities through our peoples' performance.

In DCIS we believe a successful workforce strategy is one that identifies workforce challenges that are key enablers to business success, puts tangible, achievable strategies in place to respond to these challenges and then delivers on them. The strategy focusses on the top key things that will make a real difference.

Communication to socialise and promote the strategy within the department continues through consultation with divisions and dissemination on the staff news site and DCISIntel. Action plans to implement the strategy are reported back through to Executive Management Board on a quarterly basis.

Corporate Capability Plan

The Corporate Capability Plan identifies training priorities in response to strategic issues, learning needs identified through the MyPlan process and strategic planning priorities. Outcomes related to the plan are reported quarterly to Executive Management Board.

The department has continued a rolling program of Cultural Competency Training to focus on Aboriginal culture and history so there is a shared understanding across cultures. In the 2016-17 reporting period 46 staff attended cultural competency training allowing the department to continue achieving a total participation rate of 93%.

Internal training and development opportunities not outlined elsewhere included:

- Orientation Program
- Combat Bullying Program
- Human resources / industrial relations practitioner workshops
- Performance management and development information sessions for managers and supervisors
- Career planning information sessions.

Training provided to employees through external providers included:

- Tertiary studies including VET certificates, diplomas and Bachelor degrees
- Safety training, such as first aid, WHS and fire warden training
- Project management
- Training in the suite of Microsoft Office products
- Certified Practising Accountants program
- Specialist Information Technology courses
- Specialist conferences, including the Australian Human Resource Institute state conference and Institute of Public Administration Australia conference.

In 2016-17, the department continued to focus on developing the department's Aboriginal workforce through DCIS' Aboriginal Employment and Career Development Strategy. All current and recently completed early career participants have attended career planning information sessions and received support in the development of individual career plans.

Consultative Change Management Practices

This reporting period saw some considerable structural changes for DCIS with the transfer of Online Services from the Department of the Chief Minister; the creation of the Office of Digital Government in late 2016-17 which included the consolidation of Digital Policy and Telecommunications, ICT Governance, Cyber Strategy and Design, and Online Services; and internal reviews progressed for Executive Services and Online Services to reflect current business arrangements.

In supporting staff through these changes, change management practices were followed, with a focus on regular communications with affected staff. The department's People and Development unit were actively engaged throughout the changes, with a dedicated consultant provided as a contact for support. Staff were consulted on impacts to job roles and functions through open communication, with affected staff contributing to the development of job analysis questionnaires where this was required.

Unions were also engaged and kept informed of all change management activities, ensuring the department remains open and transparent and maintains its proactive relationship with unions.

MyPlan Performance Management Framework

The department applies the MyPlan employee performance management and development process to support employee development and build a skilled and capable workforce.

MyPlans are linked to business planning and the department's Innovation Program and are a requirement under the *Public Sector Employment and Management Act*. Under individual MyPlans, roles and tasks are confirmed, performance is reviewed and assessed and development opportunities are identified to advance learning and the employees' career. MyPlans are undertaken in addition to regular on the job workplace performance feedback.

The department requires all staff to complete a MyPlan. In 2016-17, 550 MyPlans were completed, representing a completion rate of 91%. The 2016-17 MyPlan training provided additional focus on the NTPS Capability and Leadership Framework to inform development plans and an emphasis on the provision of feedback. The Executive Management Board monitors the progress and completion rates of the MyPlan.

In addition, a working party oversaw a comprehensive review of the MyPlan tool in 2016-17, which included consideration of other department formats and workshops with the Staff Consultative Committee and a range of focus groups. The updated MyPlan tool will be finalised by the end of 2017 for implementation in 2018.

DCIS Leadership Programs

Strengthening our commitment to our people, recognising their criticality to our success as an organisation; doing more to foster high performance, develop talent and improve Aboriginal participation; along with growing leadership across the department are our priorities.

STRENGTHENING OUR PEOPLE PROGRAM

The department continued the Strengthening our People program in 2016-17 to develop and grow emerging talent at the supervisory and middle management levels across DCIS and proactively support succession management. Open to all staff and facilitated by DCIS subject matter experts, 109 staff attended the following range of interactive sessions:

- project management essentials
- emergency procedures and business continuity
- myCareer / myDevelopment career planning
- managing a budget and FTE allocation.

EMERGING LEADERS PROGRAM

The Emerging Leaders program was developed specifically for DCIS, primarily targeting staff that perform management / supervision duties as a part of their role. 'Up and coming' leaders are also identified and nominations are endorsed by the Executive Management Board. Learning topics include: understanding self and others; leading teams and high performance; delivering service excellence; future proofing teams, budget management and delegations.

Feedback prompted a review and enhancement of the program during 2016-17 to strengthen and expand the program targeting staff at the AO7 to SAO1 level. The revised program will be targeted at 'up and coming leaders' at the AO7 to SAO1 level with delivery expected during the first half of 2017-18.



Emerging Leaders Program

The second cohort of 24 new and upcoming DCIS leaders completed the program in June 2016 and attended their graduation ceremony during 2016-17. Participants completed a five month program comprising of five two-day workshops. The program covered a suite of leadership areas including: personal communication and leadership styles, emotional intelligence, team leadership, financial management, conflict management and building and supporting positive workplace cultures.

Celina Hodge was a recent graduate from the DCIS Emerging Leaders Program. One of the key points Celina took away from the program was to better understand the individuals within the teams she leads *'Appreciating what drives individuals is critical to ensuring staff remain engaged in the workplace and encouraged to maintain performance standards.'*



1. Cohort 2 ELP Graduates.
2. Celina Hodge receiving her certificate of completion from the Chief Executive, Kathleen Robinson.

Other Leadership Programs

OFFICE OF THE COMMISSIONER FOR PUBLIC EMPLOYMENT (OCPE) LEADERSHIP PROGRAMS

DCIS staff accessed the following professional leadership programs through OCPE during 2016-17:

- Public Sector Management Program – 3 employees
- 'Discovery' Women in Leadership Program – 1 employee
- 'Lookrukin' – Women's Aboriginal Leadership Program – 4 employees
- Future Leaders Program – 3 employees.

FUTURE LEADERS NETWORK

The Future Leaders Network is a two-year program supported by the Northern Territory Government to attract and retain talented young people in the NTPS. The program is targeted at NTPS employees who are under 30 years of age with an outstanding work history, are recognised as potential future leaders and have at least two years of service in government. DCIS had four staff members, two from Darwin and two from Alice Springs, who completed the program during 2016-17.



Jessy Cunningham receiving her Future Leaders Network Certificate with the Commissioner for Public Employment, Craig Allen.

WOMEN IN LEADERSHIP

DCIS actively supports female staff participation in leadership programs. Leadership and development programs attended by female staff in 2016-17 included:

- DCIS Strengthening our People program
- Emerging Leaders Program
- Future Leaders Program
- Public Sector Management Program
- NT Women in Leadership conference/workshops
- Discovery for Women Program
- Lookrukin – Women’s Aboriginal Leadership Program
- Machinery of Government Program.

The department also encourages informal mentoring and coaching to support women progress to senior management positions.

Early Career Programs

The department is committed to supporting the early career programs to meet current and future needs. Regular reporting of participation rates and employment outcomes achieved through these programs is provided to the Executive Management Board.

In 2016-17, DCIS continued its participation in the Aboriginal Cadetship Support Program with one participant undertaking a Bachelor of Business, studying full time and working in DCIS during semester breaks as part of the on-the-job work experience component.

An increased focus will be placed on building partnerships with Charles Darwin University to identify suitable candidates and promote our Aboriginal Employment and Career Development Strategy initiatives.

The department is actively promoting career planning for DCIS staff and has launched ‘My Career’ across the agency.

My Career is a guide developed for entry level staff inclusive of questions to help explore ideas through prompting. Once completed, this tool assists people in finding the information to help develop a career plan. All early career staff are supported when developing their career plan.

GRADUATE DEVELOPMENT PROGRAM

The DCIS Graduate Development Program is a two-year program which employs university graduates from a variety of disciplines. Graduate career paths within DCIS include information technology, business management, finance and accounting, and human resources. DCIS employs a minimum of four graduates each year under this program.

Graduates undertake four rotations to different business units on a six-monthly basis to ensure each graduate is exposed to different experiences and challenges. The program also includes participation in the Department of Treasury and Finance’s graduate development workshops.

Each graduate is mentored by a senior staff member to provide support and guidance to graduates to manage their own learning and career development. Graduates are also encouraged to participate in the DCIS Social Club committee which helps build teamwork and allows them to network across the department.

Over the reporting period, three new graduates commenced in January 2017 and three graduates completed the program. As at 30 June 2017, the department had five graduates, with two continuing on the second year of the program.



Graduates



Graduates

Graduate Success

During the final year of her Finance degree at Flinders University, Emily Meginess applied for the Graduate Development Program. *'I saw the advert and applied for it, I had a job three months before I had finished my degree.'*

'The best thing about the DCIS Graduate Development Program (GDP) is the rotations and their length. Six months gives enough time to learn the role and the work area. My final rotation was in Budgets and Finance and my experiences in previous rotations really helped me.'

'The program also provided me with many training and development opportunities. During the program I attended the DCIS Emerging Leaders Program, Project Management Essentials training and participated in DTF's FOIT workshops and have started studying towards my CPA.'

'The DCIS GDP offers a great opportunity to learn and exposure to a wide variety of work experiences. As a university graduate, the program offers secure employment at a good pay rate with the opportunity to build your career. I would encourage anyone considering considering their employment beyond university to apply for the Graduate Development Program.'



Recent graduate, Emily Meginess, building her career with Budgets and Finance.

TRAINEESHIP PROGRAMS

DCIS employs a minimum of 12 trainees each year, across the general, Aboriginal and school-based traineeship schemes. Support and guidance is provided to the trainees by the People and Development unit with regular monitoring, discussions in work units and reporting to the Executive Management Board. Workplace buddying arrangements and networking are encouraged to assist trainees to get the most value from their experience at DCIS.

Over the reporting period, 14 trainees were working across the department in the areas of business, finance and information technology:

- Five successfully completed their traineeships.
- One resigned to undertake different career path.
- One due to complete Certificate III in Business Administration in February 2018.
- One due to complete Certificate IV in Business Administration in February 2018.
- Four due to complete Certificate III in Accounts Administration or Business Administration in August 2018.
- Two due to complete Certificate III in Information Technology in February 2019.
- 92% of the trainees are Aboriginal.



Trainees

Success of our Trainees

After successfully completing the Aboriginal Employment Program (AEP) Aaron Millen commenced employment within DCIS' ICT Services division in June 2015. Since his commencement, Aaron has continued to develop his career in Information Technology.

Building on the success of his AEP, Aaron commenced a two-year traineeship in Information, Digital Media and Technology working in HR Systems. *'The most positive events in my early careers programs would have to be being placed in two interesting and enjoyable areas to work in. I really couldn't ask for anything more in that regard.'*

In recognition of his performance in completing his two-year traineeship within 12-months Aaron was recently awarded the 2017 Top End NAIDOC Youth of the Year. *'To me the NAIDOC award is a symbol of my accomplishments. It filled me with great pride to receive such an award.'*

'There are many benefits to doing a traineeship with the NT Government, but the one that stands out for me would be the opportunities I received. Being able to gain further employment and training in my desired field and simply being able to see the multiple career pathways available in government has been an eye opener.'

Aaron's advice for Aboriginal people considering applying for traineeships is *'be willing to change within your workplace and don't be shame to ask questions.'*



Aaron Millen

2017 Northern Territory Trainee of the Year Award Finalist

Teah McCallum works in the Employment Programs Unit and is one of the top three finalists who are vying for the 2017 NT Trainee of the Year Award. Teah has completed a Cert I, II and III in Business and is currently studying for her Cert IV in Business and Cert IV in Leadership and Management.

'I am motivated by the goals I surround myself with; wanting to achieve, learn and develop both personally and professionally gives me a great sense of accomplishment. It's something that I can look back on and say "I achieved that". I enjoy being able to build my skill base and pursue my career aspirations while learning valuable life lessons.'

'I am incredibly grateful and lucky to have taken on the Vocational Education and Training (VET) pathway as it has provided great career opportunities and a fantastic pathway into higher education. I have been able to complete beneficial certificates, expand my knowledge and also learn the value of knowledge, determination and having confidence within yourself. The Traineeship Program provides an amazing array of qualifications and self-improvement. I believe that my decision to have taken on a traineeship will take me very far in life and I look forward to what the future holds.'

The NT Training Awards recognises the top apprentices, trainees, vocational students, Aboriginal students, employers, VET trainers, training providers and businesses leading the way in vocational education and training. Teah should feel very proud of being short-listed as a finalist in her award category, an amazing achievement on its own.

Teah will find out if she will be crowned the NT Trainee of the Year Awards Gala Dinner Presentation in September 2017, and if successful will represent the Northern Territory at the Australian Training Awards.



Teah McCallum, 2017 NT Trainee of the Year Award Finalist



AEP Participants

ABORIGINAL EMPLOYMENT PROGRAM

The department actively seeks ways to increase Aboriginal employment by supporting the Aboriginal Employment Program (AEP).

In 2016-17, DCIS supported three AEP participants who commenced their Certificate II in Business Administration program in February 2017. Two successfully completed the program in June 2017 and commenced employment with the department.

Workforce Diversity

Increasing Aboriginal participation in the DCIS workforce is a strategic action

DCIS celebrates the diversity of its staff and treats everyone equitably. All employees are afforded the same rights and have the same obligations – men, women, Aboriginal Australians, people with a disability, mature aged people, young people and people from culturally diverse backgrounds.

Figure 9: EEO profile within DCIS

	Male	Female	Total	% of DCIS employees
Aboriginal	19	54	73	10.6%
Non-English speaking background	24	37	61	8.8%
People with a disability	6	15	21	3.0%

Aboriginal Employment

The department continued to increase the focus on Aboriginal employment in line with the NTPS Aboriginal Employment and Career Development Strategy. In 2015-16 the Executive Management Board approved the DCIS Aboriginal Employment and Career Development Strategy (AECDS).

The AECDS encompasses a proactive approach to building our Aboriginal workforce, increasing the representation of Aboriginal employees from 5.8% in 2013 to 10.6% in 2017. DCIS remains on track to meet its Aboriginal representation targets.

Making Connections

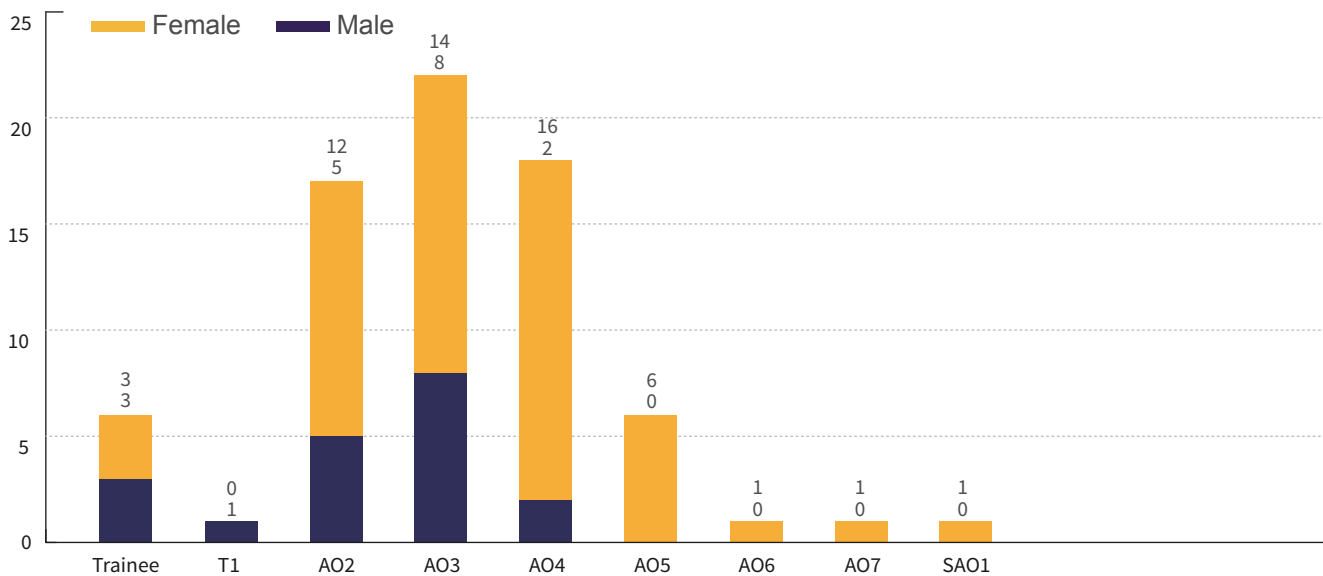
DCIS has been making connections with the Clontarf students from Casuarina Senior College for several years. Three DCIS employees participated in the Casuarina Secondary College Clontarf mock interviews during August 2016. Students were interviewed by DCIS staff in a 'real life' interview scenario against a hypothetical public sector vacancy. The annual mock interviews are an integral part of the Clontarf program's goal of equipping Aboriginal men with valuable skills to make them job ready when they graduate from high school.

During the year DCIS established a relationship with the Palmerston Senior College's Girls Academy. The Aboriginal students and teachers were provided with a tour of the DCIS offices at the Charles Darwin Centre. The girls were introduced to staff from various business units who offered information about their work and career advice. Following the tour, students and teachers met with and heard career stories from past and current Aboriginal trainees and were provided information on the NTPS' AECDS by staff from the Employment Programs Unit.

18.3%

Aboriginal representation
in HR Services



Figure 10: Aboriginal employment by gender and level

DCIS actively promotes employment programs to agencies to increase Aboriginal workforce participation and manages the Aboriginal Employment and Aboriginal Apprenticeship programs on behalf of all agencies.

Some key actions undertaken in 2016-17 that support and value workforce diversity include:

- continuing the DCIS Cultural Competency Training program; a rolling program to capture all staff on an ongoing basis, sessions were conducted in October and November 2016, resulting in 93% total participation, exceeding the target of 90%
- advertising vacancies for six months or more and ongoing under the NTPS Special Measures requirements to preference suitable Aboriginal applicants resulting in 102 positions advertised under Special Measures
- implementing an approved Special Measures Plan resulting in 46 applications received under Special Measures from Aboriginal applicants resulting in 19 successful Special Measures recruitment actions
- supporting a workplace project 'Growing a Senior Indigenous Workforce in DCIS' by a Public Sector Management Program participant and the subsequent acceptance of a number of recommendations to promote and improve senior Aboriginal workforce participation
- conducting information sessions so staff are aware of the Special Measures provisions and recruitment process requirements
- promoting a video to highlight successful Aboriginal staff in DCIS and their employment journey and development pathways within the department
- highlighting the focus on Aboriginal employment in the DCIS Orientation Program
- setting clear expectations and monitoring Aboriginal employment results through strategic and business plan reporting
- continuing Aboriginal staff representation and engagement on the Staff Consultative Committee
- implementing the DCIS Aboriginal Employment and Career Development Strategy action plan overseen by a steering committee made up of Aboriginal employees and Aboriginal employment champions
- celebrating cultural events, such as NAIDOC week, National Reconciliation Week and Harmony Day
- actively engaging with the Clontarf Foundation and Palmerston Senior College's Girls Academy to promote career paths in business, finance and information technology to Aboriginal school leavers.

Supporting our People

Success is achieved through our people

Health and Wellbeing

DCIS continues to support a healthy work-life balance for staff. This is achieved through promoting a health and wellbeing program and providing resources, information for staff to consider and access. A healthier workplace and healthier staff will improve wellbeing, potentially reduce sickness/absenteeism, and improve productivity. Initiatives being supported in the department include:

- Mental Health Week, conducted in October 2016 to raise awareness and support staff in managing their mental health, with sessions attracting over 300 people.
- Flextime – providing employees with the ability to vary their working hours and patterns to suit their individual circumstances.
- Flexible working arrangements – more formal arrangements that provide flexibility to the employee while ensuring the department benefits from retention of highly skilled employees.
- Employee Assistance Program – services include professional counselling, training and development workshops, management planning sessions, mediation, career counselling and management coaching.
- Flu Vaccination Program.
- Global Corporate Challenge participation.
- Refreshment facilities for staff e.g. tea, coffee and showers.
- Mentoring – an effective tool in shaping the development of career changes and new staff recruited through employment programs.

2016 Global Corporate Challenge

As part of promoting a healthy work environment, the department supported 20 teams, made up of seven participants, in the GCC. The goal is to improve levels of fitness of the individual and to raise overall awareness of health and wellbeing matters.

The GCC provides a simple and engaging way to build a culture of health right across the business. The challenge was for each participant complete 10 000 steps (or the equivalent on swimming or cycling) a day for 100 days between May to September 2016.

Beyond the 100 days, the GCC provides a 12 month platform to ensure that learning and positive habit formation continues throughout the year.

By the end of the 100 days, 64% of participants were meeting the 10 000 steps per day target as opposed to only 10% pre GCC. 65% reported a decrease in stress levels at home or work and 72% reported an increase in their productivity or concentration.

90% of 2016 participants rated the GCC as good or excellent with 91% stating they would participate again.

DCIS is actively participating in the 2017 challenge.



2016 DCIS GCC winning team 'Transformers'

Figure 11: Flexible Work Arrangements supported in 2016-17

	Number	% of workforce
Compressed hours	10	1.4%
Part-time work arrangement	39	5.6%
Home-based work	5	0.7%
Recreation leave at half pay	36	5.2%
Remote work	10	1.4%

Work Health and Safety Framework

DCIS has a Work Health and Safety (WHS) Committee, as well as eight WHS Building Committees, relating to work locations, including two in the regions. The role and achievements of the WHS Committee are reported in the Corporate Governance section.

Information for staff on a range of WHS matters is provided via the DCIS staff site, including the management framework, committees, roles and responsibilities, first aid and fire wardens, and WHS policies and practices. In addition, WHS information is provided to staff through the DCIS Orientation Program.

All buildings have trained fire wardens and first aid officers and workplace assessments confirm the department complies with WHS requirements. A strategic risk assessment focused on work health and safety was completed in 2016-17 with recommendations being overseen by the committee.

In 2016-17, 16 WHS incidents were reported (compared to 40 incidents in 2015-16). One new workers' compensation claim was submitted in total, there were two open claims at 30 June 2017.

Figure 12: Incidents by mechanisms

Incidents by mechanism	2016-17
Being Hit by Objects	3
Body Stressing	1
Environmental Factors	1
Hitting Objects	1
Mental Factors	1
Slips, Trips and Falls	4
Vehicle Incidents and Other	5
Total	16

247

staff received flu vaccinations

214

consultations were accessed through the Employee Assistance Program

16 WHS

incidents were reported in 2016-17, down from 40 incidents in 2015-16



2016 People Matters Survey

ACTION PLAN DEVELOPED

The People Matters Survey was conducted over three weeks in May and June 2016 with 385 DCIS staff responding which reflects a 66% response rate. Results were received in August 2016 and response plans were developed by the end of 2016.

The best performing response areas were in relation to equal employment opportunities, respect in the workplace, role clarity, customer focus and achieving best practice. Areas for improvement included merit selection with people recruited having relevant skills for the job, accountability, impartiality and complaint management processes. Survey outcomes were delivered to staff stakeholder groups such as the Staff Consultative Committee, Executive Leadership Group and staff at a divisional level. These groups were consulted in developing the agency response plan, which sought to recognise and communicate positive results and take action where improvement was required.

The agency response plan was launched in early 2017, with 15 information sessions conducted across DCIS including the regions. The response plan includes actions comprising greater use of independent selection panellists, further training in merit selection, improved introductions for new employees to business areas, improved performance and accountability feedback mechanisms, continuing combat bullying sessions and maintaining a zero tolerance on inappropriate behaviour in the workplace.

Complaint Resolution Process

The department's internal complaint resolution procedure deals with matters fairly, promptly and confidentially. Eight internal complaints were received during 2016-17. One complaint process remains open, the remaining complaints have been resolved with no further action required.

The process seeks to address complaints with the assistance of the People and Development unit to provide a prompt and appropriate resolution informally, or more formally through a Chief Executive's or Commissioner for Public Employment decision (where a formal grievance has been submitted under the *Public Sector Employment and Management Act*). One formal grievance was submitted directly to the Commissioner for Public Employment and that process remains open.

3

orientation
programs
run with 67
participants



Orientation Program

An Orientation Program is conducted for new staff to introduce them to working in DCIS. The program provides new employees with a formal welcome to working in the department and the NTPS. Insight into the department's core functions, systems and processes, as well as the department's principles, values and priorities as outlined in the DCIS corporate statement and strategic plan are provided.

DCIS continuously reviews the program and in 2017 a presentation on DCIS Values was introduced which has been well received.

Succession Planning

DCIS takes a proactive approach to succession planning, with all business units required to identify succession planning actions in divisional business plans and individual performance agreements, which are subject to monitoring and reporting. The Strengthening our People and Emerging Leaders programs were used as key succession and talent management initiatives continue to be implemented across the department.

In addition, the department supported a number of employees' participation in development and leadership programs sponsored by the Office of the Commissioner for Public Employment.



Staff Consultative Committee

Senior Administrative Officer Progression

In accordance with the NTPS 2013-2017 Enterprise Agreement, annual pay progression for Senior Administrative Officers is based on performance. Officers employed in a senior classification (SAO1 and SAO2) are eligible to apply for pay progression after 12 months.

Applications for pay progression must demonstrate sustained superior performance against the performance criteria. This process is tied to performance targets agreed upon through the annual MyPlan performance review process.

In 2016-17, of the 80 Senior Administrative Officers within DCIS, eight officers (10%) applied for pay progression and were approved on the basis of demonstrated superior performance in their roles.

Staff Consultative Committee

The department's Staff Consultative Committee met three times in 2016-17. The committee provides the opportunity for staff at various level to be involved in the development and providing responses to, human resource related matters. The committee was consulted on programs, initiatives and changes to policy that affected DCIS employees including the People Matter Survey, proposed review of the MyPlan and career planning.

Future Priorities

- Continue to implement the DCIS Workforce Development Strategy and action plans.
- Identify within the Corporate Capability Plan effective training measures for excellence in service provision to all-of-government.
- Continue to implement the DCIS Aboriginal Employment and Career Development Strategy and action plans.
- Continue to implement the action plan arising from the 2016 NTPS People Matter Survey.
- Conduct internal workshops for team leaders and supervisors covering: giving and receiving feedback; managing complaints; managing conflict; managing poor performance and appropriate workplace behaviour to continue our skills development focus.
- Progress leadership development programs to strengthen the capability of existing and emerging leaders.
- Expand the DCIS Strengthening our People program.
- Implement an updated DCIS performance management system 'MyPlan' and plan towards a future online solution.
- Build on the Health and Wellbeing Program, through initiatives such as Mental Health Week to include a broader wellness objective.
- Strengthen the current partnership with the Clontarf Foundation and Girls Academy to engage Aboriginal school-leavers and provide information on career pathway options available within DCIS.
- Develop and implement strategies to attract senior Aboriginal staff to DCIS.
- Implement the enhanced Emerging Leaders Program with integrated content to promote problem solving, critical thinking, collaboration, innovation and effective service delivery.

Mental Health Week 2016

The first DCIS Mental Health Week was conducted from 10 to 14 October 2016.

There were 25 sessions delivered by external service providers, covering 11 topics in five different locations in Darwin, Casuarina, Palmerston and Alice Springs. The feature topic was 'Mindfulness and Managing Stress', other sessions included 'Mental Toughness', 'Increase Your Tolerance', 'Stress and Resilience', 'What Makes a Great Relationship', and 'Fixed versus Growth Mindset'.

There was a very high level of staff engagement across the department with over 300 staff attending individual sessions. The week featured a daily email about a mental health topic, supported by a dedicated staff site containing additional articles, links to websites and course details. Mental Health Week culminated in Odd Socks Day where staff from across DCIS sent in odd socks photos.

There was extremely positive feedback about the week, with staff expressing thankfulness that mental health and how to maintain good mental health, were highlighted. In response to staff commenting this should take place annually, a week focussing on the health and wellbeing of DCIS staff is planned for late 2017.



Legislative Compliance

Reporting against Employment Instructions

Employment Instructions are rules relating to the functions and powers of the Commissioner for Public Employment under the *Public Sector Employment and Management Act*.

The department's performance against each Employment Instruction is detailed below.

Employment Instruction and annual reporting requirements	Agency actions
Number 1 – Filling Vacancies	
Internal procedures on recruitment and selection.	Employment screening (criminal history checks) was introduced for all new employees in the previous reporting period to strengthen the agency's Risk Management Framework. <ul style="list-style-type: none">• 202 vacancies advertised• 74 staff commenced• 65 employee screening checks• 60 people transferred into DCIS from other agencies• 4 appeals were lodged.
Number 2 – Probation	
Probationary process for the agency.	Managers and new employees are informed about the probation processes. Six month probation reports: <ul style="list-style-type: none">• 7 employees were confirmed• 7 employees were extended• 3 employees are absent from normal duties due to unpaid leave and/or temporary transfer outside of the department so probation action cannot be completed. 12 month probation reports: <ul style="list-style-type: none">• 15 employees were confirmed. One employee was terminated through the probation process.
Number 3 – Natural Justice	
The principles of natural justice to be observed in all dealings with employees.	The principles of natural justice are integral to addressing employee related matters and are addressed in the DCIS Orientation Program to ensure staff awareness, and an early intervention approach.
Number 4 – Employee Performance Management and Development Systems	
Chief Executive to develop and implement performance management systems for their agency.	Performance management is administered through the annual MyPlan process. Information sessions were provided to staff to promote the MyPlan performance review and Senior Classification Pay Progression scheme. The department has a strong focus on ensuring all staff participate in the MyPlan process. <ul style="list-style-type: none">• 550 (91%) MyPlans completed• 8 (10% of senior administrative officers) Senior Classification Pay Progression applications were received and approved.

Employment Instruction and annual reporting requirements	Agency actions
Number 5 – Medical Examinations	
The Chief Executive may engage a health practitioner to conduct a medical examination of an employee.	Early intervention action is taken to minimise referral for medical consultations. The services of the employee assistance programs are promoted regularly to staff and covered in the Orientation Program. Two staff were referred for a medical examination.
Number 6 – Performance and Inability	
The Chief Executive may establish procedures regarding inability within their agency.	Performance and inability action is addressed through an early intervention approach in consultation with staff and managers. There was one performance/inability case in 2016-17. The case is under management.
Number 7 – Discipline	
The Chief Executive may establish procedures regarding discipline within their agency.	Breaches of conduct and discipline matters are addressed in accordance with Employment Instructions. There was one discipline case in 2016-17.
Number 8 – Internal Agency Complaints and Section 59 Grievance Reviews	
Chief Executive to establish, and make available to staff, the agency's written procedures that outline steps for dealing with grievances.	Managers and employees are informed of the internal complaint handling process. Eight complaints were made under the DCIS internal complaint handling process during 2016-17; and were resolved without escalating to Section 59 review. One complaint was submitted directly to OCPE for Section 59 review. This matter remains open.
Number 9 – Employment Records	
Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.	Staff are informed of the information and records management requirements using Territory Records Management system; and the requirement to manage records electronically through the provision of regular training. This includes records relating to the employment history of an employee.
Number 10 – Equality of Employment Opportunity Programs	
Chief Executive to report annually to OCPE on programs and initiatives the agency has developed regarding equal employment opportunities.	Workplace diversity and equal employment opportunity is promoted through an inclusive management and leadership approach, that values the contributions of people from different cultural backgrounds, skills, knowledge and experience. Cultural diversity is also addressed in the DCIS Cultural Competency Training Program. DCIS has a diverse workforce, including staff from a wide range of non-English speaking backgrounds. Statistics are provided earlier in this section.

Employment Instruction and annual reporting requirements

Agency actions

Number 11 – Occupational Health and Safety Standards Programs

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

The department has a Work Health and Safety (WHS) Committee and Workplace Building Committees for each building. WHS is promoted via the staff site, quarterly reports to the Executive Management Board and the DCIS Orientation Program.

The annual flu vaccination program was offered again to all staff; 247 staff participated in 2016-17.

Number 12 – Code of Conduct

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

New staff are made aware of the NTPS Principles and Code of Conduct as part of their commencement package and through the DCIS Orientation Program.

DCIS has a policy to provide clear direction for the conduct of employees in relation to gifts and benefits. Any offers to employees require approval by the Chief Executive to ensure they meet business objectives and avoid risks such as perceived conflicts of interest.

Number 13 – Appropriate Workplace Behaviour

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

Appropriate workplace behaviour for new employees is covered in the DCIS Orientation Program.

In 2016-17 DCIS developed a Values Awareness Program. An interactive session was delivered to orientation participants, in addition to being distributed to senior staff to roll-out and present in their divisions.

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

There were five workplace behaviour matters addressed in 2016-17.



Department of
Corporate and
Information Services
Financial Report
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Financial Statement Overview	110
Certification of the Financial Statements	114
Comprehensive Operating Statement	115
Balance Sheet	116
Statement of Changes in Equity	117
Cash Flow Statement	118
Index of Notes to the Financial Statements	119

Financial Statement Overview

For the year ended 30 June 2017

Financial Performance (Comprehensive Operating Statement)

The Department of Corporate and Information Services (DCIS) overall operating financial performance for the year showed a \$12.2 million surplus, which was significantly higher than both the 2016-17 final budget estimated surplus (\$0.4 million) and the 2015-16 operating financial performance result (\$2.7 million). This result includes some timing mismatches where income was received in 2016-17 and the related expenses will be incurred in 2017-18, which is likely to lead to a substantially different result for next year.

During 2016-17 multiple changes to DCIS' income, expenses and assets have been required to address emerging and changed business needs. Key changes have included:

- investment in major ICT projects that are being project-managed by DCIS on behalf of agencies, such as CCSRP and replacing the core policing system
- timing changes for payment of costs relating to some major ICT projects, including CCSRP and ASNEX, requiring income to transfer between financial years
- transfer of functions to DCIS for Online Services and Print Management from the Department of the Chief Minister
- changes in demand for DCIS services from agencies, Government Business Divisions (GBDs), Government Owned Corporations (GOCs) and employees
- reduced CPI and market rental rates combined with changes in agency requirements, leading to lower than anticipated property leasing costs
- creation of the Office of Digital Government in 2017.

The impacts of the above changes, along with annual parameters and efficiency savings, are reflected in the tables that follow. Tables 1 and 2 highlight the total income and expense movements, with more details provided in subsequent commentary and analysis in Tables 3 to 5. The impact of investment decisions and recognition of assets is outlined in the financial position analysis at Table 6 and related commentary.

Table 1: 2016-17 and 2015-16 Actual and Final Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2017	2016	2017	2016	2017	2016
Income	209 031	195 646	204 869	193 180	4 162	2 466
Expenses	196 874	192 929	204 462	192 997	(7 588)	(68)
Surplus/(Deficit)	12 157	2 717	407	183	11 750	2 534
Other Comprehensive Income	-	-	-	-	-	-
Comprehensive Result	12 157	2 717	407	183	11 750	2 534

Where required, funds have been carried over to 2017-18 to ensure continuity of essential projects. Adjustments to DCIS' 2017-18 budget, financial performance and financial position have been made to reflect the operational requirements.

Table 2: 2016-17 Actuals compared with 2015-16 Actuals

	2017 \$000	2016 \$000	Variation \$000
Income	209 031	195 646	13 385
Expenses	196 874	192 929	3 945
Surplus/(Deficit)	12 157	2 717	9 440
Other Comprehensive Income	-	-	-
Comprehensive Result	12 157	2 717	9 440

INCOME

DCIS is funded through a combination of Northern Territory Government appropriation and goods and services income from GBDs and GOCs. DCIS services are billed under a charging model that is based on service usage, including notional charges applied to general agencies.

In 2016-17 output appropriation increased over the previous year as a result of: transfer of funding for Online Services and the Print Management Unit from the Department of the Chief Minister; ICT project funding; annual parameters, partially off-set by savings; and changes in office space requirements.

The increase in goods and services income is due to: a higher level of ICT service income; greater demand for DCIS shared services by GBDs and agencies; GBD property leasing requirements; and ICT project contributions.

Table 3: Income by Category

Year	Output Appropriation		Goods and Services		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	142 137	68.0	65 978	31.6	916	0.4	209 031	100
2015-16	136 496	69.8	58 886	30.1	264	0.1	195 646	100

EXPENSES

Total expenses in 2016-17 were \$4 million higher than the previous year. The main increase was \$3.1 million in employee expenses, relating to normal wages growth under the NTPS Enterprise Bargaining Agreement and additional staff following projects and functions transferred to DCIS. Movements across the remaining expense categories were marginal and related to the changes noted above.

Table 4: Expenses by Category

Year	Property		Employee		ICT		Operational		Grants		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	82 704	42.0	53 348	27.1	43 940	22.3	11 737	6.0	5 145	2.6	196 874	100
2015-16	83 500	43.3	50 201	26.0	43 167	22.4	10 715	5.6	5 346	2.8	192 929	100

2016-17 ACTUAL EXPENSES AND FINAL BUDGET BY OUTPUT

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

- Shared Services – provide reliable and efficient shared services that support government and enable agencies to focus on core business.
- Digital Government – provide digital initiatives, advice and controls that support government and agencies in advancing digital innovation to improve government services.
- Corporate and Governance – provide corporate and governance services that effectively and efficiently support the department and its government business divisions.

The primary output variations were:

- Project Services – timing of costs relating to major ICT projects, principally CCSRP. Costs will be met in 2017-18.
- Property Leasing Services – lower than expected CPI, market rates and movements in the leased property portfolio relating to agency and GBD leasing needs.

Table 5: 2016-17 Actual Expenses and Final Budget by Output

	Actual	Final Budget	Variation
	\$000	\$000	\$000
SHARED SERVICES OUTPUT GROUP			
Finance Services	16 448	16 436	12
Human Resource Services	31 000	31 375	(375)
Contract Services	3 718	3 655	63
Information and Communications Technology Services	31 161	30 793	368
Property Leasing Services	86 204	88 438	(2 234)
Asset Services	12 178	12 114	64
Project Services	1 822	6 769	(4 947)
SHARED SERVICES – TOTAL	182 531	189 580	(7 049)
DIGITAL GOVERNMENT OUTPUT GROUP			
Digital Government	8 731	8 926	(195)
DIGITAL GOVERNMENT – TOTAL	8 731	8 926	(195)
CORPORATE AND GOVERNANCE OUTPUT GROUP			
Corporate and Governance	4 661	4 976	(315)
Shared Services Provided	951	980	(29)
CORPORATE AND GOVERNANCE – TOTAL	5 612	5 956	(344)
TOTAL	196 874	204 462	(7 588)

Financial Position (Balance Sheet)

DCIS' net asset position at the end of 2016-17 was \$86.6 million, compared to the previous year's position of \$45.1 million.

This improvement is largely due to government investment to deliver major ICT projects for both DCIS and agencies, which are mostly in the design and implementation phases; supplemented with new IT systems assets and leasehold improvements (fitout) for Darwin Plaza, NT Archives and Alice Springs Plaza, with some offset for depreciation.

DCIS' major assets at 30 June 2017 included:

- \$46.8 million cash and deposits
- \$4.1 million receivables (GST receivable, outstanding service fees and property leasing charges)
- \$8.4 million prepayments (primarily related to the property leasing portfolio)
- \$45.9 million property, plant and equipment (including software, buildings and leasehold improvements).

DCIS' major liabilities at 30 June 2017 included:

- \$4.7 million deposits held in the Accountable Officer's Trust Account (AOTA) and clearing account
- \$5.9 million payables and accrued expenses
- \$8.1 million provisions for employee entitlements.

Table 6: 2016-17 and 2015-16 Actual Financial Position

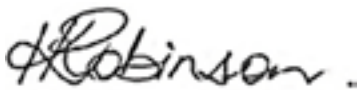
	2017 \$000	2016 \$000	Variation \$000
ASSETS			
Current Assets	59 377	34 646	24 731
Non-Current Assets	45 956	31 301	14 655
TOTAL ASSETS	105 333	65 947	39 386
LIABILITIES			
Current Liabilities	18 752	18 613	139
Non-Current Liabilities	-	2 200	(2 200)
TOTAL LIABILITIES	18 752	20 813	(2 061)
NET ASSETS	86 581	45 134	41 447
EQUITY	86 581	45 134	41 447
TOTAL EQUITY	86 581	45 134	41 447

Certification of the Financial Statements

We certify that the attached financial statements for the Department of Corporate and Information 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 2017 and the financial position on that date.

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



Kathleen Robinson
Chief Executive
31 August 2017



Rex Schoolmeester
Chief Finance Officer
31 August 2017

Comprehensive Operating Statement

For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
INCOME			
Appropriation			
Output		142 137	136 496
Sales of goods and services		65 978	58 886
Gain on disposal of assets	4	-	-
Other income		916	264
TOTAL INCOME	3	209 031	195 646
EXPENSES			
Employee expenses		53 348	50 201
Administrative expenses			
Property management		82 704	83 500
Purchases of goods and services	5	49 191	48 674
Repairs and maintenance		572	56
Depreciation and amortisation	9,11	5 913	5 112
Other administrative expenses	6,9	1	39
Grants and subsidies expenses			
Current		-	285
Capital		5 145	5 061
TOTAL EXPENSES	3	196 874	192 929
NET SURPLUS/(DEFICIT)		12 157	2 717
COMPREHENSIVE RESULT		12 157	2 717

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$000	2016 \$000
ASSETS			
Current Assets			
Cash and deposits	7	46 810	21 696
Receivables	8	4 125	5 767
Prepayments		8 442	7 183
Total Current Assets		59 377	34 646
Non-Current Assets			
Property, plant and equipment	9	45 956	31 301
Intangibles	10	-	-
Total Non-Current Assets		45 956	31 301
TOTAL ASSETS		105 333	65 947
LIABILITIES			
Current Liabilities			
Deposits held		4 730	8 823
Payables	12	5 872	4 111
Provisions	13	8 150	5 665
Other liabilities	14	-	15
Total Current Liabilities		18 752	18 613
Non-Current Liabilities			
Provisions	13	-	2 200
Total Non-Current Liabilities		-	2 200
TOTAL LIABILITIES		18 752	20 813
NET ASSETS		86 581	45 134
EQUITY			
Capital		81 408	52 118
Reserves	16	-	-
Accumulated funds		5 173	(6 984)
TOTAL EQUITY		86 581	45 134

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 2017

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2016-17					
Accumulated Funds		(6 984)	12 157	-	5 173
Changes in accounting policy		-	-	-	-
Transfers from reserves		-	-	-	-
		(6 984)	12 157	-	5 173
Reserves					
Asset Revaluation Reserve		-	-	-	-
Asset Realisation Reserve		-	-	-	-
	16	-	-	-	-
Capital – Transactions with Owners		52 118	-	-	52 118
Equity injections					
Capital appropriation		-	-	24 803	24 803
Equity transfers in		-	-	4 487	4 487
Equity withdrawals					
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
		52 118	-	29 290	81 408
Total Equity at End of Financial Year		45 134	12 157	29 290	86 581
2015-16					
Accumulated Funds		(9 702)	2 718	-	(6 984)
Changes in accounting policy		-	-	-	-
Transfers from reserves		-	-	-	-
		(9 702)	2 718	-	(6 984)
Reserves					
Asset Revaluation Reserve		-	-	-	-
Asset Realisation Reserve		-	-	-	-
	16	-	-	-	-
Capital – Transactions with Owners		35 012	-	-	35 012
Equity injections					
Capital appropriation		-	-	2 429	2 429
Equity transfers in		-	-	14 677	14 677
Equity withdrawals					
Capital withdrawal		-	-	-	-
Equity transfers out		-	-	-	-
		35 012	-	17 106	52 118
Total Equity at End of Financial Year		25 310	2 718	17 106	45 134

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 2017

	Note	2017 \$000	2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Appropriation			
Output		142 137	136 496
Commonwealth		-	-
Receipts from sales of goods and services		94 571	83 985
Interest received		-	-
Total Operating Receipts		236 708	220 481
Operating Payments			
Payments to employees		(52 929)	(51 554)
Payments for goods and services		(157 684)	(157 054)
Grants and subsidies paid			
Current		-	(285)
Capital		(5 145)	(5 061)
Total Operating Payments		(215 758)	(213 954)
Net Cash From/(Used in) Operating Activities	17	20 950	6 527
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(16 546)	(6 107)
Total Investing Payments		(16 546)	(6 107)
Net Cash From/(Used in) Investing Activities		(16 546)	(6 107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings		-	-
Deposits received		(4 093)	(12 086)
Equity injections			
Capital appropriation		24 803	2 429
Total Financing Receipts		20 710	(9 657)
Financing Payments			
Equity withdrawals		-	-
Total Financing Payments		-	-
Net Cash From/(Used in) Financing Activities		20 710	(9 657)
Net increase/(decrease) in cash held		25 115	(9 237)
Cash at beginning of financial year		21 696	30 932
CASH AT END OF FINANCIAL YEAR	7	46 811	21 696

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

Index of Notes to the Financial Statements

Note

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

INCOME

4. Gain on Disposal of Assets

EXPENSES

5. Purchases of Goods and Services
6. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

ASSETS

7. Cash and Deposits
8. Receivables
9. Property, Plant and Equipment
10. Intangibles
11. Fair Value Measurement of Non-Financial Assets

LIABILITIES

12. Payables
13. Provisions
14. Other Liabilities
15. Commitments

EQUITY

16. Reserves

OTHER DISCLOSURES

17. Notes to the Cash Flow Statement
18. Financial Instruments
19. Related Parties
20. Contingent Liabilities and Contingent Assets
21. Events Subsequent to Balance Date
22. Accountable Officer's Trust Account
23. Schedule of Administered Territory Items
24. Budgetary Information
25. Administered Territory Items

1. Objectives and Funding

The objective of the Department of Corporate and Information Services (DCIS) is to provide cost effective shared financial and human resource administration, procurement, information technology management, property leasing and project services to government.

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

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

DCIS has three output groups with 10 outputs:

SHARED SERVICES

- Finance Services
- Human Resource Services
- Contract Services
- Information and Communications Technology Services
- Property Leasing Services
- Asset Services
- Project Services

DIGITAL GOVERNMENT

- Digital Government

CORPORATE AND GOVERNANCE

- Corporate and Governance
- Shared Services Provided

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

2. Statement of Significant Accounting Policies

a) STATEMENT OF COMPLIANCE

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

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

b) BASIS OF ACCOUNTING

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

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

The form of DCIS 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.

New and Revised Accounting Standards

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17.

AASB 124 Related Party Disclosures

This standard applies to the not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of

the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

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

Future Accounting Standards

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value. The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

While for lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the Comprehensive Operating Statement the operating lease expense will be replaced with a depreciation expense relating to the right to use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in the financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

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

c) REPORTING ENTITY

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

DCIS is a Northern Territory department established under the *Interpretation Act* Administrative Arrangements Order.

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

d) DCIS AND TERRITORY ITEMS

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

Central Holding Authority

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

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

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

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in DCIS's financial statements. However, as DCIS is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 23 – Schedule of Administered Territory Items.

e) COMPARATIVES

Where necessary, comparative information for the 2015-16 financial year has been reclassified to provide consistency with current year disclosures.

f) PRESENTATION AND ROUNDING OF AMOUNTS

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) CHANGES IN ACCOUNTING POLICIES

There has been two changes to the accounting policies adopted in 2016-17 as a result of management decisions. These include changes to:

1. recognise all employee entitlements as current assets rather than arbitrarily splitting them between current and non-current assets; and
2. include related parties disclosures in the statements.

h) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

i) GOODS AND SERVICES TAX (GST)

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

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

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

j) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

DCIS may receive contributions from government where the government is acting as the owner of DCIS. Conversely, DCIS 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 DCIS as adjustments to equity.

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

3. Comprehensive Operating Statement by Output Group

	Note	Shared Services ^(a)		Digital Government ^(a)		Corporate and Governance		Total	
		2017	2016	2017	2016	2017	2016	2017	2016
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
INCOME									
Appropriation									
Output		127 825	123 822	8 926	7 288	5 386	5 386	142 137	136 496
Commonwealth		-	-	-	-	-	-	-	-
Sales of goods and services		65 313	58 257	-	-	665	630	65 978	58 887
Gain on disposal of assets	4	-	-	-	-	-	-	-	-
Other income		916	253	-	-	-	11	916	264
TOTAL INCOME		194 054	182 332	8 926	7 288	6 051	6 027	209 031	195 647
EXPENSES									
Employee expenses		45 715	44 008	3 049	1 713	4 584	4 480	53 348	50 201
Administrative expenses									
Property management		82 551	83 422	11	14	142	65	82 704	83 501
Purchases of goods and services	5	47 885	47 599	526	276	780	799	49 191	48 674
Repairs and maintenance		465	-	-	-	107	56	572	56
Depreciation and amortisation	9,11	5 913	5 105	-	-	-	45	5 913	5 112
Other administrative expenses	6,9	-	-	-	-	1	1	1	39
Grants and subsidies expenses									
Current		-	-	-	-	-	-	-	-
Capital		-	-	5 145	5 346	-	-	5 145	5 346
TOTAL EXPENSES		182 529	180 134	8 731	7 349	5 614	5 446	196 874	192 929
NET SURPLUS/(DEFICIT)		11 525	2 198	195	(61)	437	581	12 157	2 718
OTHER COMPREHENSIVE INCOME									
Items that will not be reclassified to net surplus/deficit									
Changes in asset revaluation reserve		-	-	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-	-	-	-	-	-	-
COMPREHENSIVE RESULT		11 525	2 198	195	(61)	437	581	12 157	2 718

^(a)New Output Group established through the transfer of some programs from Shared Services to Digital Government and internal redistributions (Note 2 (e)).

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

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 DCIS 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 DCIS outputs after taking into account funding from DCIS 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 Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance 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 DCIS 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
- DCIS 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 DCIS
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

RENDERING OF SERVICES

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

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

4. Gain on Disposal of Assets

DCIS has no gain on disposal of assets in 2016-17 and 2015-16.

5. Purchases of Goods and Services

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

Goods and services expenses:

	2017 \$000	2016 \$000
Information Technology Charges	14 183	13 210
Information Technology Hardware and Software	12 955	14 151
Telecommunications	1 552	986
Contractors and Consultants ¹	17 059	20 104
Advertising ²	52	48
Marketing and promotion ³	119	192
Document production	58	99
Legal expenses ⁴	26	158
Recruitment ⁵	32	54
Training and study	680	932
Official duty fares	46	113
Travelling allowance	20	35

¹ Includes IT contractors and consultants, marketing and promotion.

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

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

⁴ Includes legal fees, claim and settlement costs.

⁵ Includes recruitment-related advertising costs.

REPAIRS AND MAINTENANCE EXPENSE

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

INTEREST EXPENSE

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

6. Write-Offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

	Agency		Agency		Territory Items		Territory Items	
	2017 \$000	No. of Trans.	2016 \$000	No. of Trans.	2017 \$000	No. of Trans.	2016 \$000	No. of Trans.
Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i>								
Represented by:								
<i>Amounts written off, postponed and waived by Delegates</i>	-	-	-	-	-	-	-	-
Irrecoverable amounts payable to the Territory or an agency written off	1	4	1	1	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
Total Written Off, Postponed and Waived by Delegates	1	4	1	1	-	-	-	-

	2017 \$000	2016 \$000
Cash on hand	53	53
Cash at bank	46 758	21 643
	46 811	21 696

7. Cash and Deposits

Cash on hand
Cash at bank

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 22.

2017	2016
\$000	\$000

8. Receivables

CURRENT		
Accounts receivable	1 532	2 904
Less: Allowance for impairment losses	-	-
Interest receivables	-	-
GST receivables	2 438	2 413
Other receivables	155	451
	2 593	2 864
NON-CURRENT		
Other receivables	-	-
	-	-
Total Receivables	4 125	5 767

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 DCIS estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 18 – Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

PREPAYMENTS

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

2017	2016
\$000	\$000

9. Property, Plant and Equipment

PLANT AND EQUIPMENT		
At fair value	48 850	29 900
Less: Accumulated depreciation	(9 335)	(6 816)
	39 515	23 084
COMPUTER SOFTWARE		
At cost	15 302	14 983
Less: Accumulated depreciation	(11 937)	(10 037)
	3 365	4 945
COMPUTER HARDWARE		
At cost	6 919	5 375
Less: Accumulated depreciation	(3 843)	(2 103)
	3 076	3 272
Total Property, Plant and Equipment	45 956	31 301

PROPERTY, PLANT AND EQUIPMENT VALUATIONS

Refer to Note 11 – Fair Value Measurement of Non-Financial Assets for additional disclosures.

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016-17 is set out below:

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2016	23 084	4 945	3 272	31 301
Additions	14 955	319	1 272	16 546
Disposals	-	-	-	-
Depreciation/Amortisation	(2 546)	(1 900)	(1 467)	(5 913)
Additions/(Disposals) from asset transfers	4 022	-	-	4 022
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	-	-	-	-
Carrying Amount as at 30 June 2017	39 515	3 364	3 077	45 956

2016 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 is set out below:

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2015	9 844	4 068	1 754	15 666
Additions	846	2 649	2 613	6 107
Disposals	-	-	-	-
Depreciation/Amortisation	(2 245)	(1 772)	(1 095)	(5 112)
Additions/(Disposals) from asset transfers	14 677	-	-	14 677
Revaluation increments/(decrements)	-	-	-	-
Impairment losses	(38)	-	-	(38)
Carrying Amount as at 30 June 2016	23 084	4 945	3 272	31 301

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to DCIS 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 Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on an all-of-government basis. Therefore appropriation for DCIS capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to DCIS.

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:

- infrastructure assets
- intangibles.

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

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

Impairment of Assets

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

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

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

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

DCIS' property, plant and equipment assets were assessed for impairment as at 30 June 2017. No impairment adjustments were required as a result of this review.

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:

	2017	2016
Plant and Equipment	10 years	10 years
Leased Plant and Equipment	5 years	5 years
Computer Software – General (off the shelf)	2-5 years	2-5 years
Computer Software - Corporate Systems	5-10 years	5-10 years
Computer Hardware	3-6 years	3-6 years

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

10. Intangibles

DCIS had no intangible assets in 2016-17 and 2015-16.

ASSETS HELD FOR SALE

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

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

LEASED ASSETS

Leases under which DCIS 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 lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

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 of the lease expenses over the term of the lease.

11. Fair Value Measurement of Non-Financial Assets

a) FAIR VALUE HIERARCHY

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
2016-17				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 9)	-	-	45 959	45 959
Total	-	-	45 959	45 959
2015-16				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 9)	-	-	31 301	31 301
Total	-	-	31 301	31 301

There were no transfers between Level 1 and Levels 2 or 3 during 2016-17.

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by DCIS include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal DCIS adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – inputs are unobservable.

b) VALUATION TECHNIQUES AND INPUTS

Valuation techniques used to measure fair value in 2016-17 are:

Level 3 Techniques
<p>Asset Classes</p> <p>Plant and Equipment, Computer Hardware, Computer Software (Note 9)</p>
<p>Cost approach</p>

There were no changes in valuation techniques from 2015-16 to 2016-17.

Plant and equipment are carried at cost less depreciation which is deemed to be closest to fair value.

c) ADDITIONAL INFORMATION FOR LEVEL 3 FAIR VALUE MEASUREMENTS

(i) Reconciliation of Recurring Level 3 Fair Value Measurements

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000
2016-17			
Fair value as at 1 July 2016	23 084	4 945	3 272
Additions	14 955	319	1 272
Disposals	-	-	-
Transfers from Level 2	-	-	-
Transfers to Level 2	-	-	-
Depreciation/Amortisation	(2 546)	(1 900)	(1 467)
Additions/(Disposals) from Asset Transfers	4 022	-	-
Impairments			
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2017	39 515	3 364	3 077
2015-16			
Fair value as at 1 July 2015	9 844	4 068	1 754
Additions	846	2 649	2 613
Disposals	-	-	-
Transfers from Level 2	-	-	-
Transfers to Level 2	-	-	-
Depreciation/Amortisation	(2 245)	(1 772)	(1 095)
Additions/(Disposals) from Asset Transfers	14 677	-	-
Impairments	(38)	-	-
Gains/losses recognised in net surplus/(deficit)	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2016	23 084	4 945	3 272

(ii) Sensitivity analysis

Unobservable inputs used in computing the fair value of assets include the historical cost and the consumed economic benefit for each asset. Given the large number of DCIS assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

12. Payables

Accounts payable
Accrued expenses
Total Payables

	2017 \$000	2016 \$000
	1 023	1 227
	4 849	2 884
	5 872	4 111

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 DCIS. Accounts payable are normally settled within 30 days.

13. Provisions

CURRENT

Employee benefits

Recreation leave

Leave loading

Recreation leave airfares

6 278	3 919
869	773
94	121

Other current provisions

Other provisions

909	851
8 150	5 665

NON-CURRENT

Employee benefits

Recreation leave

-	2 200
-	2 200

Total Provisions

8 150	7 864
--------------	--------------

RECONCILIATIONS OF PROVISIONS

Balance as at 1 July

Additional provisions recognised

Reductions arising from payments

Balance as at 30 June

851	986
909	851
(851)	(986)
909	851

DCIS employed 527 employees as at 30 June 2017 (515 employees as at 30 June 2016).

EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 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
- 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 DCIS, and as such no long service leave liability is recognised in DCIS financial statements.

	2017 \$000	2016 \$000
14. Other Liabilities		
CURRENT		
Unearned Revenue	-	15
	-	15
NON-CURRENT		
Other Liabilities	-	-
	-	-
Total Other Liabilities	-	15

SUPERANNUATION

Employees' superannuation entitlements are provided through the:

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

DCIS 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 DCIS' financial statements.

15. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments

DCIS has no capital expenditure commitments.

(ii) Operating Lease Commitments

Property

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

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	372	73 596	373	72 429
Later than one year and not later than five years	942	234 903	1 089	229 694
Later than five years	203	180 041	403	181 953
	1 517	488 540	1 865	484 076

Plant and Equipment

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

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	-	-	5
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	-	5

(iii) Other Expenditure Commitments

DCIS has no other expenditure commitments.

16. Reserves

ASSET REVALUATION SURPLUS

DCIS has no asset revaluation surplus in 2016-17 and 2015-16.

17. Notes to the Cash Flow Statement

RECONCILIATION OF CASH

The total of DCIS' 'Cash and deposits' of \$46.8 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

	2017 \$000	2016 \$000
Net Surplus/(Deficit)	12 157	2 717
<i>Non-cash items:</i>		
Depreciation and amortisation	5 913	5 112
Asset write-offs/write-downs	-	38
Asset donations/gifts	-	-
(Gain)/Loss on disposal of assets	-	-
Repairs and maintenance – minor new works (non-cash)	465	-
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	1 642	(245)
Decrease/(Increase) in prepayments	(1 259)	510
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	1 761	(1 421)
(Decrease)/Increase in provision for employee benefits	228	(64)
(Decrease)/Increase in other provisions	58	(135)
(Decrease)/Increase in other liabilities	(15)	15
Net Cash from Operating Activities	20 950	6 527

NON-CASH FINANCING AND INVESTING ACTIVITIES

DCIS has no finance lease commitments.

18. 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 DCIS include cash and deposits, receivables, and payables. DCIS has limited exposure to financial risks as discussed below.

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the Balance Sheet when DCIS becomes a party to the contractual provisions of the financial instrument. DCIS' financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. DCIS's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

a) CATEGORISATION OF FINANCIAL INSTRUMENTS

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

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000					
Cash and deposits	-	-	-	46 810	-	-	46 810
Receivables ¹	-	-	-	1 687	-	-	1 687
Total Financial Assets	-	-	-	48 497	-	-	48 497
Deposits held ¹	-	-	-	-	-	4 730	4 730
Payables ¹	-	-	-	-	-	5 872	5 872
Total Financial Liabilities	-	-	-	-	-	10 602	10 602

¹Total amounts disclosed here exclude statutory amounts.

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000					
Cash and deposits	-	-	-	21 696	-	-	21 696
Receivables ¹	-	-	-	3 354	-	-	3 354
Total Financial Assets	-	-	-	25 050	-	-	25 050
Deposits held ¹	-	-	-	-	-	8 823	8 823
Payables ¹	-	-	-	-	-	4 111	4 111
Total Financial Liabilities	-	-	-	-	-	12 934	12 934

¹Total amounts disclosed here exclude statutory amounts.

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures require financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Derivatives

DCIS enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. DCIS does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the Comprehensive Operating Statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the Comprehensive Operating Statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

Netting of Swap Transactions

DCIS, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the Comprehensive Operating Statement.

b) CREDIT RISK

DCIS has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, DCIS 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 DCIS' 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.

Internal Receivables	Aging of Receivables	Aging of Impaired Receivables	Net Receivables
	\$000	\$000	\$000
2016-17			
Not overdue	1 121	-	1 121
Overdue for less than 30 days	6	-	6
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	1 127	-	1 127
2015-16			
Not overdue	1 908	-	1 908
Overdue for less than 30 days	250	-	250
Overdue for 30 to 60 days	112	-	112
Overdue for more than 60 days	512	-	512
Total	2 782	-	2 782

External Receivables	Aging of	Aging of	Net
	Receivables	Impaired	Receivables
	\$000	\$000	\$000
2016-17			
Not overdue	66	-	66
Overdue for less than 30 days	254	-	254
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	86	-	86
Total	406	-	406
2015-16			
Not overdue	37	-	37
Overdue for less than 30 days	1	-	1
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	84	-	84
Total	122	-	122

c) LIQUIDITY RISK

Liquidity risk is the risk that DCIS will not be able to meet its financial obligations as they fall due. DCIS' 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 DCIS' remaining contractual maturity for its financial assets and liabilities.

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years		
	\$000	\$000	\$000	\$000	\$000	\$000		
ASSETS								
Cash and deposits	-	-	-	-	-	-	46 810	46 810
Receivables	-	-	-	-	-	-	1 687	1 687
Total Financial Assets	-	-	-	-	-	-	48 497	48 497
LIABILITIES								
Deposits held	-	-	-	-	-	-	4 730	4 730
Payables	-	-	-	-	-	-	5 872	5 872
Total Financial Liabilities	-	-	-	-	-	-	10 602	10 602

2016 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing \$000	Total \$000
	Less than a Year \$000	1 to 5 Years \$000	More than 5 Years \$000	Less than a Year \$000	1 to 5 Years \$000	More than 5 Years \$000		
	ASSETS							
Cash and deposits	-	-	-	-	-	-	21 696	21 696
Receivables	-	-	-	-	-	-	3 354	3 354
Total Financial Assets	-	-	-	-	-	-	25 050	25 050
LIABILITIES								
Deposits held	-	-	-	-	-	-	8 823	8 823
Payables	-	-	-	-	-	-	4 111	4 111
Total Financial Liabilities	-	-	-	-	-	-	12 934	12 934

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. DCIS has relatively limited exposure to market risk.

(i) Interest Rate Risk

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

(ii) Price Risk

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

(iii) Currency Risk

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

e) NET FAIR VALUE

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	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
2017					
Financial Assets					
Cash and deposits	46 810	46 810	-	-	46 810
Receivables	1 687	1 687	-	-	1 687
Total Financial Assets	48 497	48 497	-	-	48 497
Financial Liabilities					
Deposits held	4 730	4 730	-	-	4 730
Payables	5 872	5 872	-	-	5 872
Total Financial Liabilities	10 602	10 602	-	-	10 602
2016					
Financial Assets					
Cash and deposits	21 696	21 696	-	-	21 696
Receivables	3 354	3 354	-	-	3 354
Total Financial Assets	25 050	25 050	-	-	25 050
Financial Liabilities					
Deposits held	8 823	8 823	-	-	8 823
Payables	4 111	4 111	-	-	4 111
Total Financial Liabilities	12 934	12 934	-	-	12 934

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

There were no changes in valuation techniques during the period.

19. Related Parties

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

KMP of DCIS are those persons having authority and responsibility for planning, directing and controlling the activities of DCIS. These include the Minister, the Chief Executive Officer and 11 members of the executive team.

iii) Remuneration of KMP

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

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

	2016-17 \$000
Short-term benefits	2 577
Long-term benefits	376
Termination benefits	-
Total	2 953

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

DCIS' primary ongoing source of income is received from the Central Holding Authority in the form of output and capital appropriation.

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

2017 Related Party Transactions

Related Party	Revenue from	Payments to	Amounts owed	Amounts owed
	related parties	related parties	by	to
	\$000	\$000	related parties	related parties
			\$000	\$000
All NT Government departments	253 782	21 359	1 048	2 569
Associates	-	-	-	-
Subsidiaries	-	-	-	-

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. All other related party transactions in excess of \$10 000 have been provided in the table below.

Transaction Type	Transaction value	Net receivable/	Commitments as at
	for year ended	(payable) as at	30 June 2017
	30 June 2017	30 June 2017	30 June 2017
	\$000	\$000	\$000
Purchases of goods	14	-	7

20. Contingent Liabilities and Contingent Assets

DCIS had no material contingent liabilities or contingent assets in 2016-17 and 2015-16.

21. 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.

22. 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	Receipts	Payments	Closing Balance
	1 July 2016			30 June 2017
Salaries and superannuation cancelled cheques	59	-	-	59
Accounts payable cancelled cheques	31	-	-	31
RTM unrepresented cheques	22	-	-	22
	112	-	-	112

23. Schedule of Administered Territory Items

DCIS had no schedule of administered Territory items in 2016-17 and 2015-16.

24. Budgetary Information

Comprehensive Operating Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
INCOME				
Appropriation				
Output	142 137	145 407	(3 270)	1
Commonwealth	-	-	-	
Sales of goods and services	65 978	56 558	9 420	2
Other income	916	70	846	
TOTAL INCOME	209 031	202 035	6 996	
EXPENSES				
Employee expenses	53 348	52 982	366	
Administrative expenses				
Purchases of goods and services	131 895	145 471	(13 576)	3
Repairs and maintenance	572	330	242	
Depreciation and amortisation	5 913	5 805	108	
Other administrative expenses	1	0	1	
Grants and subsidies expenses				
Current	-	73	(73)	
Capital	5 145	5 159	(14)	
TOTAL EXPENSES	196 874	209 820	(12 946)	
NET SURPLUS/(DEFICIT)	12 157	(7 785)	19 942	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/deficit				
Changes in asset revaluation reserve	-	-	-	
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	
COMPREHENSIVE RESULT	12 157	(7 785)	19 942	

Notes:

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

1. Transfer of Online Services and Print Management Unit from DCM \$1.5 million, additional leasing requirements from agencies \$0.7 million, offset by funding for major IT projects transferred from 2016-17 to 2017-18 -\$5.6 million.
2. Increases for IT projects \$1.2 million, one off ICT income \$2.7 million and increased demand for DCIS' services \$5.5 million.
3. Transfer of expenses for major IT projects from 2016-17 to 2017-18 -\$13.2 million and lower CPI -\$4.2 million offset by increased demand for DCIS services \$3.7 million.

Balance Sheet	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
ASSETS				
Current assets				
Cash and deposits	46 811	24 352	22 459	1
Receivables	4 125	5 523	(1 398)	
Prepayments	8 441	7 693	748	
Total current assets	59 377	37 568	21 809	
Non-current assets				
Property, plant and equipment	45 956	85 191	(39 235)	2
Total non-current assets	45 956	85 191	(39 235)	
TOTAL ASSETS	105 333	122 759	(17 426)	
LIABILITIES				
Current liabilities				
Deposits held	4 730	20 902	(16 172)	3
Payables	5 872	5 539	333	
Provision for employee benefits	8 150	8 063	87	
Other liabilities	-	-	-	
Total current liabilities	18 752	34 504	(15 752)	
Non-current liabilities				
Provisions	-	-	-	
Total non-current liabilities	-	-	-	
TOTAL LIABILITIES	18 752	34 504	(15 752)	
NET ASSETS	86 581	88 255	(1 674)	
EQUITY				
Capital	81 408	105 559	(24 151)	4
Reserves				
Accumulated funds	5 173	(17 304)	(22 477)	5
TOTAL EQUITY	86 581	88 255	(1 674)	

Notes:

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

- Cash received through appropriation and goods and services income in 2016-17.
- Transfer of costs for IT projects from 2016-17 to 2017-18.
- Opening balance adjustment from 2015-16 -\$12.1 million and reduction in clearing account balances \$4.0 million
- Timing changes for the delivery of IT projects.
- Opening balance adjustment from 2015-16 and a comprehensive operating surplus of \$12.2 million in 2016-17.

Cash Flow Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	142 137	145 407	(3 270)	1
Receipts from sales of goods and services	94 571	56 628	37 943	2
Interest received	-	-	-	
Total operating receipts	236 708	202 035	34 673	
Operating payments				
Payments to employees	52 929	52 982	(53)	
Payments for goods and services	157 684	145 801	11 883	3
Grants and subsidies paid				
Current	-	73	(73)	
Capital	5 145	5 159	(14)	
Total operating payments	215 758	204 015	11 743	
Net cash from/(used in) operating activities	20 950	(1 980)	22 930	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	16 546	57 578	(41 032)	
Total investing payments	16 546	57 578	(41 032)	
Net cash from/(used in) investing activities	(16 546)	(57 578)	41 032	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	(4 092)	-	(4 092)	4
Equity injections				
Capital appropriation	24 803	53 418	(28 615)	5
Total financing receipts	20 711	53 418	(32 707)	
Net cash from/(used in) financing activities	20 711	53 418	(32 707)	
Net increase/(decrease) in cash held	25 115	(6 140)	31 255	
Cash at beginning of financial year	21 696	30 492	(8 796)	
CASH AT END OF FINANCIAL YEAR	46 811	24 352	22 459	

Notes:

- Transfer of Online Services and Print Management Unit from DCM \$1.5 million, additional leasing requirements from agencies \$0.7 million, offset by transfer of funding for major IT projects from 2016-17 to 2017-18 -\$5.6 million.
- GST receipts \$20.6 million and Commonwealth paid parental leave \$5.5 million not budgeted, increases for IT projects \$1.2 million, one off ICT income \$2.7 million and increased demand for DCIS' services \$5.5 million.
- GST payments \$20.7 million and Commonwealth paid parental leave \$4.9 million not budgeted, offset by transfer of expenses for major IT projects from 2016-17 to 2017-18 -\$12.2 million and lower CPI -\$4.2 million offset by increased demand for DCIS' services \$3.7 million.
- AOTA balance and clearing accounts.
- Timing changes for the delivery of IT projects.

25. Administered Territory Items

DCIS has no administered Territory items in 2016-17 and 2015-16.



NT Fleet Financial Report

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Financial Statement Overview	150
Certification of the Financial Statements	153
Independent Auditor's Report	154
Comprehensive Operating Statement	156
Balance Sheet	157
Statement of Changes in Equity	158
Cash Flow Statement	159
Index of Notes to the Financial Statements	160

Financial Statement Overview

For the year ended 30 June 2017

Financial Performance (Comprehensive Operating Statement)

NT Fleet achieved an improved operating result for 2016-17 of \$7.1 million after tax which was \$0.5 million improvement from the final budget.

NT Fleet will pay an income tax equivalent of \$3.0 million and return a dividend of \$3.5 million to government for 2016-17.

Table 1: 2016-17 and 2015-16 Actual and Final Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2017	2016	2017	2016	2017	2016
Income	42 955	41 828	42 411	41 779	544	49
Expenses	32 817	31 939	32 958	31 742	(141)	197
Net Surplus Before Tax	10 138	9 889	9 453	10 037	685	(148)
Income Tax Expense	3 041	2 967	2 836	3 011	205	(44)
Net Surplus After Tax	7 097	6 922	6 617	7 026	480	(104)
Other Comprehensive Income	-	-	-	-	-	-
Comprehensive Result	7 097	6 922	6 617	7 026	480	(104)

The comprehensive result was marginally higher than 2015-16.

Table 2: 2016-17 and 2015-16 Actual Performance

	2017 \$000	2016 \$000	Variation \$000
Income	42 955	41 828	1 127
Expenses	32 817	31 939	878
Net Surplus Before Tax	10 138	9 889	249
Income Tax Expense	3 041	2 967	74
Net Surplus After Tax	7 097	6 922	175
Other Comprehensive Income	-	-	-
Comprehensive Result	7 097	6 922	175

INCOME

NT Fleet's primary income source comes from vehicle lease charges. These services, classified under the income category of goods and services in Table 3 below, represented 90.8% of NT Fleet's total income, with the remainder made up of interest, asset sales and other miscellaneous income. Total income increased by \$1.1 million in 2016-17, primarily resulting from increased goods and services income from vehicle leases and asset sales due to a greater number of vehicles disposed.

Table 3: Income by Category

Year	Goods and Services		Investment		Other Income ¹		Asset Sales		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	39 015	90.8	349	0.8	216	0.5	3 375	7.9	42 955	100
2015-16	38 206	91.3	511	1.2	157	0.4	2 954	7.1	41 828	100
2014-15	37 698	90.2	606	1.5	178	0.4	3 319	7.9	41 801	100

¹ Other includes miscellaneous income such as motor vehicle registration refunds.

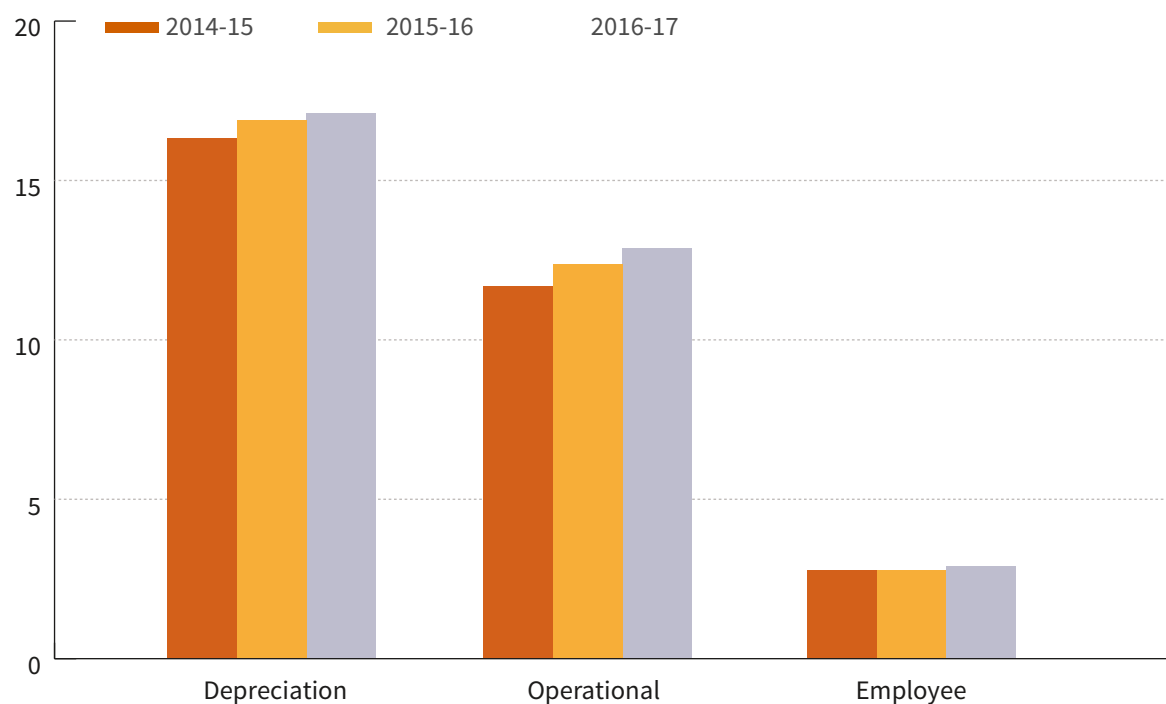
EXPENSES

NT Fleet incurred the majority of its expenses on depreciation and operational costs. Increased operational expenses compared to the previous year reflect costs of disposing a higher number of vehicles, and costs associated with holding passenger and light commercial vehicles longer.

Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	17 076	52.0	12 858	39.2	2 883	8.8	32 817	100
2015-16	16 851	52.8	12 336	38.6	2 752	8.6	31 939	100
2014-15	16 304	53.1	11 656	38.0	2 747	8.9	30 707	100

Figure 1: Expenses (\$million) by Category



Financial Position (Balance Sheet)

NT Fleet's net financial position as at end of 2016-17 was \$116.2 million, which was \$3.6 million higher than the previous year's financial position. The net increase reflects the operating result of \$7.1 million, partially offset by dividend payable to government of \$3.5 million.

The major movements in assets included a \$3.1 million increase in plant and equipment.

Major assets at 30 June 2017 included:

- \$23.9 million cash and deposits;
- \$0.8 million receivables (GST receivable and outstanding service fees);
- \$1.4 million assets held for sale; and
- \$99.5 million property, plant and equipment (mainly motor vehicles).

Major liabilities at 30 June 2017 included:

- \$2.6 million payables and accrued expenses;
- \$3.0 million income tax provisions;
- \$0.5 million provisions for employee entitlements; and
- \$3.5 million provisions for dividend.

Table 5: 2016-17 and 2015-16 Actual Financial Position

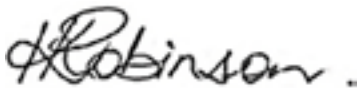
	2017 \$000	2016 \$000	Variation \$000
ASSETS			
Current Assets	26 347	27 134	(787)
Non-Current Assets	99 535	95 949	3 586
TOTAL ASSETS	125 882	123 083	2 799
LIABILITIES			
Current Liabilities	9 649	10 331	(682)
Non-Current Liabilities	-	97	(97)
TOTAL LIABILITIES	9 649	10 428	(779)
NET ASSETS	116 233	112 655	3 578
EQUITY	116 233	112 655	3 578
TOTAL EQUITY	116 233	112 655	3 578

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 2017 and the financial position on that date.

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



Kathleen Robinson
Chief Executive
6 September 2017



Rex Schoolmeester
Chief Finance Officer
6 September 2017



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

Opinion

I have audited the accompanying financial report of NT Fleet, which comprises the balance sheet as at 30 June 2017, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of NT Fleet as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in NT Fleet's financial statement overview for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing NT Fleet's financial reporting process.



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

15 September 2017

Comprehensive Operating Statement

For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
INCOME			
Sales of goods and services		39 015	38 206
Interest revenue		349	511
Gain on disposal of assets	3	3 375	2 954
Other income		216	157
TOTAL INCOME		42 955	41 828
EXPENSES			
Employee expenses		2 883	2 752
Administrative expenses			
Purchases of goods and services	4	12 858	12 336
Depreciation and amortisation	9	17 076	16 851
TOTAL EXPENSES		32 817	31 939
SURPLUS BEFORE INCOME TAX		10 138	9 889
Income tax expense	6	3 041	2 967
NET SURPLUS/(DEFICIT)		7 097	6 922
COMPREHENSIVE RESULT		7 097	6 922

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$000	2016 \$000
ASSETS			
Current Assets			
Cash and deposits	7	23 925	24 013
Receivables	8	842	1 095
Prepayments		142	139
Assets held for sale	9	1 438	1 887
Total Current Assets		26 347	27 134
Non-Current Assets			
Property, plant and equipment	9,10	99 535	95 949
Total Non-Current Assets		99 535	95 949
TOTAL ASSETS		125 882	123 083
LIABILITIES			
Current Liabilities			
Payables	11	2 572	3 213
Income tax liabilities	12	3 041	2 967
Provisions	13	4 013	3 821
Other liabilities	14	23	330
Total Current Liabilities		9 649	10 331
Non-Current Liabilities			
Provisions	13	-	97
Total Non-Current Liabilities		-	97
TOTAL LIABILITIES		9 649	10 428
NET ASSETS		116 233	112 655
EQUITY			
Capital	16	565	536
Accumulated funds	16	115 668	112 119
TOTAL EQUITY		116 233	112 655

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 2017

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2016-17					
Accumulated Funds	16	112 119	7 097	-	119 216
Dividends payable	13	-	-	(3 548)	(3 548)
		112 119	7 097	(3 548)	115 668
Capital – Transactions with Owners					
Equity transfers in	16	536	-	29	565
		536	-	29	565
Total Equity at End of Financial Year		112 655	7 097	(3 519)	116 233
2015-16					
Accumulated Funds	16	108 658	6 922	-	115 580
Dividends payable	13	-	-	(3 461)	(3 461)
		108 658	6 922	(3 461)	112 119
Capital – Transactions with Owners					
Equity transfers in	16	522	-	14	536
		522	-	14	536
Total Equity at End of Financial Year		109 180	6 922	(3 447)	112 655

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 2017

	Note	2017 \$000	2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		39 060	39 583
GST receipts		5 681	5 348
Interest received		354	521
Total Operating Receipts		45 095	45 452
Operating Payments			
Payments to employees		(2 863)	(2 864)
Payments for goods and services		(12 907)	(12 251)
GST payments		(5 569)	(5 508)
Income tax paid		(2 967)	(3 328)
Total Operating Payments		(24 306)	(23 951)
Net Cash From/(Used in) Operating Activities	17	20 789	21 501
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	3	17 489	13 528
Total Investing Receipts		17 489	13 528
Investing Payments			
Purchases of assets		(34 905)	(34 734)
Total Investing Payments		(34 905)	(34 734)
Net Cash From/(Used in) Investing Activities		(17 416)	(21 206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(3 461)	(3 883)
Total Financing Payments		(3 461)	(3 883)
Net Cash From/(Used in) Financing Activities		(3 461)	(3 883)
Net increase/(decrease) in cash held		(88)	(3 588)
Cash at beginning of financial year		24 013	27 601
CASH AT END OF FINANCIAL YEAR	7	23 925	24 013

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

Index of Notes to the Financial Statements

Note

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

INCOME

3. Gain on Disposal of Assets

EXPENSES

4. Purchases of Goods and Services
5. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments
6. Income Tax Expense

ASSETS

7. Cash and Deposits
8. Receivables
9. Property, Plant and Equipment
10. Fair Value Measurement of Non-Financial Assets

LIABILITIES

11. Payables
12. Income Tax Liabilities
13. Provisions
14. Other Liabilities
15. Commitments

EQUITY

16. Equity

OTHER DISCLOSURES

17. Notes to the Cash Flow Statement
18. Financial Instruments
19. Related Parties
20. Contingent Liabilities and Contingent Assets
21. Events Subsequent to Balance Date
22. Budgetary Information

1. Objectives and Funding

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

Key functional responsibilities are:

- delivering a low-cost and fit-for-purpose passenger and light commercial vehicle fleet in accordance with the *Northern Territory Government Vehicle Policy Framework*
- managing supply and service contracts
- managing the disposal of vehicles, plant and equipment.

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

2. Statement of Significant Accounting Policies

a) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* 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 NT Fleet financial statements is to include:

- a Certification of the Financial Statements
- a Comprehensive Operating Statement
- a Balance Sheet
- a Statement of Changes in Equity
- a Cash Flow Statement
- applicable explanatory notes to the financial statements.

b) BASIS OF ACCOUNTING

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

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

The form of NT Fleet 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.

New and Revised Accounting Standards

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17.

AASB 124 Related Party Disclosures

This standard applies to the not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

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

Future Accounting Standards

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.

For lessees with operating leases, a right-of-use asset will now come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value. The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the Comprehensive Operating Statement the operating lease expense will be replaced with a depreciation expense relating to the right-to-use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in the financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

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

c) REPORTING ENTITY

The financial statements cover the NT Fleet as an individual reporting entity.

NT Fleet is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act* Administrative Arrangements Order.

The principal place of business of the GBD is: Lot 5441 Armidale Street, Woolner NT 0820.

d) NT FLEET AND TERRITORY ITEMS

The financial statements of NT Fleet include income, expenses, assets, liabilities and equity over which NT Fleet has control (NT Fleet items). Certain items, while managed by the 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

NT Fleet held no Territory items.

e) COMPARATIVES

Where necessary, comparative information for the 2015-16 financial year has been reclassified to provide consistency with current year disclosures.

f) PRESENTATION AND ROUNDING OF AMOUNTS

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) CHANGES IN ACCOUNTING POLICIES

There have been two changes to the accounting policies adopted in 2016-17 as a result of management decisions. These include changes to:

1. recognise all employee entitlements as current assets rather than arbitrarily splitting them between current and non-current assets; and
2. include related parties disclosures in the statements.

h) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

i) GOODS AND SERVICES TAX (GST)

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

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

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

j) TAXATION

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

k) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

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

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

l) DIVIDENDS

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

m) INCOME RECOGNITION

Income

Income encompasses both revenue and gains.

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

Sale of Goods

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

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

Rendering of Services

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

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

3. Gain on Disposal of Assets

Net proceeds from the disposal of non-current assets

Less: Carrying value of non-current assets disposed

Gain on the disposal of non-current assets

	2017 \$000	2016 \$000
	17 489	13 528
	(14 114)	(10 574)
	3 375	2 954

4. Purchases of Goods and Services

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

Goods and services expenses:

Contractors and consultants¹

Document production

Legal Expenses

Recruitment²

Training and study

Official duty fares

Travelling allowance

Audit fees

	2017 \$000	2016 \$000
	13	13
	5	5
	2	-
	1	1
	9	12
	7	2
	1	1
	47	45

¹ Includes IT contractors and consultants.

² Includes recruitment-related advertising costs.

5. Write-Offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

NT Fleet had no write-offs, postponements, waivers, gifts and ex-gratia payments in 2016-17 and 2015-16.

6. Income Tax Expense

Prima facie income tax expense calculated at 30% of the surplus before income tax

	2017 \$000	2016 \$000
	3 041	2 967
	3 041	2 967

7. Cash and Deposits

Cash on hand
Cash at bank

	2017 \$000	2016 \$000
	4	5
	23 921	24 008
	23 925	24 013

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.

8. Receivables

	2017 \$000	2016 \$000
CURRENT		
Accounts receivable	167	304
Less: Allowance for impairment losses	-	-
Interest receivables	29	34
GST receivables	62	174
Other receivables	584	583
	842	1 095
NON-CURRENT		
Other receivables	-	-
	-	-
Total Receivables	842	1 095

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 NT Fleet estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 18 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

PREPAYMENTS

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

2017	2016
\$000	\$000

9. Property, Plant and Equipment

MOTOR VEHICLES – LIGHT		
At cost	103 192	105 313
Less: Accumulated depreciation	(26 415)	(30 093)
	76 777	75 220
MOTOR VEHICLES – HEAVY		
At cost	41 587	38 677
Less: Accumulated depreciation	(20 138)	(18 696)
	21 449	19 981
COMPUTER SOFTWARE		
At cost	1 715	1 054
Less: Accumulated depreciation	(473)	(337)
	1 242	717
LEASEHOLD IMPROVEMENTS		
At cost	139	92
Less: Accumulated depreciation	(72)	(61)
	67	31
Total Property, Plant and Equipment	99 535	95 949

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016-17 is set out below:

	Motor Vehicles Light \$000	Motor Vehicles Heavy \$000	Leasehold Improvements \$000	Computer Software \$000	Total \$000
Carrying Amount as at 1 July 2016	76 925 ²	20 164 ³	31	717	97 836
Additions	27 965	5 653	18	661	34 297
Disposals	(13 358)	(756)	-	-	(14 114)
Depreciation	(13 459)	(3 469)	(12)	(136)	(17 076)
Assets held for sale ¹	(1 295)	(143)	-	-	(1 438)
Additions/(Disposals) from asset transfers	-	-	30	-	30
Other movements	-	-	-	-	-
Carrying Amount as at 30 June 2017	76 777	21 449	67	1 242	99 535

¹ Light and heavy vehicles held for sale as at 30 June 2017 were reclassified as Current Assets (-\$1.4M).

² The carrying amount as at 1 July 2016 (\$76.9M) = the carrying amount as at 30 Jun 2016 (\$75.2M) + Assets held for sale as at 30 Jun 2016 (\$1.7M).

³ The carrying amount as at 1 July 2016 (\$20.2M) = the carrying amount as at 30 Jun 2016 (\$20.0M) + Assets held for sale as at 30 Jun 2016 (\$0.2M).

2016 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 is set out below:

	Motor Vehicles Light \$000	Motor Vehicles Heavy \$000	Leasehold Improvements \$000	Computer Software \$000	Total \$000
Carrying Amount as at 1 July 2015	70 128 ²	19 653 ³	68	642	90 491
Additions	29 575	4 793	13	390	34 771
Disposals	(9 729)	(843)	-	(2)	(10 574)
Depreciation	(13 049)	(3 440)	(50)	(313)	(16 852)
Assets held for sale ¹	(1 705)	(182)	-	-	(1 887)
Additions/(Disposals) from asset transfers	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying Amount as at 30 June 2016	75 220	19 981	31	717	95 949

¹ Light and heavy vehicles held for sale as at 30 June 2016 were reclassified as Current Assets (-\$1.9M).

² The carrying amount as at 1 July 2015 (\$70.1M) = the carrying amount as at 30 Jun 2015 (\$69.1M) + Assets held for sale as at 30 Jun 2015 (\$1.0M).

³ The carrying amount as at 1 July 2015 (\$19.7M) = the carrying amount as at 30 Jun 2015 (\$19.5M) + Assets held for sale as at 30 Jun 2015 (\$0.2M).

Acquisitions

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

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics (DIPL) is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for NT Fleet capital works is provided directly to DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to NT Fleet.

IMPAIRMENT

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 NT Fleet assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. 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. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

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

NT Fleet property, plant and equipment assets were assessed for impairment as at 30 June 2017. No impairment adjustments were required as a result of this review.

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:

	2017	2016
Vehicles – Light	3-4 years	3-4 years
Vehicles – Heavy	3-10 years	3-10 years
Leasehold Improvements	10-15 years	10-15 years
Computer Software	2-10 years	2-10 years

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

Assets Held for Sale

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

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

Leased Assets

Leases under which the 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.

Finance Leases

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

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 of the lease expenses over the term of the lease.

10. Fair Value Measurement of Non-Financial Assets

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal NT Fleet adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

NT Fleet does not have any non-current assets at fair value.

11. Payables

Accounts payable

Other accrued expenses and accrued salaries

Total Payables

	2017 \$000	2016 \$000
Accounts payable	2 180	2 712
Other accrued expenses and accrued salaries	392	501
Total Payables	2 572	3 213

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.

12. Income Tax Liabilities

Income tax payable

Total Income tax liabilities

	2017 \$000	2016 \$000
Income tax payable	3 041	2 967
Total Income tax liabilities	3 041	2 967

2017	2016
\$000	\$000

13. Provisions

CURRENT		
<i>Employee benefits</i>		
Recreation leave	315	231
Leave loading	55	44
Other employee benefits	14	8
<i>Other current provisions</i>		
Provision for dividend	3 548	3 461
Provision for fringe benefits tax	5	5
Provision for superannuation	42	45
Provision for payroll tax	28	21
Provision for workers compensation premium	6	6
	4 013	3 821
NON-CURRENT		
<i>Employee benefits</i>		
Recreation leave	-	97
	-	97
Total Provisions	4 013	3 918
RECONCILIATION OF PROVISIONS FOR DIVIDENDS		
Balance as at 1 July	3 461	3 883
Additional provisions recognised	3 548	3 461
Reductions arising from payments	(3 461)	(3 883)
Balance as at 30 June	3 548	3 461

NT Fleet employed 30 employees as at 30 June 2017 and 28 employees as at 30 June 2016.

EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 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
- 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 NT Fleet financial statements.

	2017 \$000	2016 \$000
14. Other Liabilities		
CURRENT		
Other liabilities	23	330
	23	330
NON-CURRENT		
Other liabilities	-	-
	-	-
Total Other Liabilities	23	330

SUPERANNUATION

Employees' superannuation entitlements are provided through the:

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

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.

15. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments

Capital expenditure commitments primarily related to the acquisition of fleet vehicles. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	9 176	-	3 663
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	9 176	-	3 663

(ii) Operating Lease Commitments

NT Fleet leases photocopiers under operating leases which generally provide NT Fleet with a right of renewal at which time all lease terms are renegotiated. Future operating lease commitments not recognised as liabilities are payable as follows:

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	16	-	13
Later than one year and not later than five years	-	32	-	33
Later than five years	-	-	-	-
	-	48	-	46

2017 \$000	2016 \$000
---------------	---------------

16. Equity

CAPITAL

Balance as at 1 July	536	522
<i>Equity Injections</i>		
Equity transfers	29	14
Balance as at 30 June	565	536

ACCUMULATED FUNDS

Balance as at 1 July	112 119	108 658
Surplus for the period	7 097	6 922
Dividends payable	(3 548)	(3 461)
Balance as at 30 June	115 668	112 119
Total Equity	116 233	112 655

17. Notes to the Cash Flow Statement

RECONCILIATION OF CASH

The total of NT Fleet 'Cash and deposits' of \$24 million 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

	2017 \$000	2016 \$000
Net Surplus	7 097	6 922
<i>Non-cash items:</i>		
Depreciation and amortisation	17 076	16 851
(Gain)/Loss on disposal of assets	(3 375)	(2 954)
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	253	1 034
Decrease/(Increase) in prepayments	(3)	(1)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	(33)	34
(Decrease)/Increase in provision for employee benefits	5	(43)
(Decrease)/Increase in other provisions	77	(379)
(Decrease)/Increase in deferred income	(307)	35
Net Cash from Operating Activities	20 790	21 501

18. Financial Instruments

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

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when NT Fleet becomes a party to the contractual provisions of the financial instrument. NT Fleet's financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. NT Fleet's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk.

a) CATEGORISATION OF FINANCIAL INSTRUMENTS

The carrying amounts of NT Fleet's financial assets and liabilities by category are disclosed in the table below:

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss			Financial assets - loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value	Held to maturity investments				
	\$000	\$000	\$000				
Cash and deposits	-	-	-	23 925	-	-	23 925
Receivables ¹	-	-	-	780	-	-	780
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	24 705	-	-	24 705
Deposits held ¹	-	-	-	-	-	-	-
Payables ¹	-	-	-	-	-	2 572	2 572
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	2 572	2 572

¹ Total amounts disclosed here exclude statutory amounts.

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss			Financial assets - loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value	Held to maturity investments				
	\$000	\$000	\$000				
Cash and deposits	-	-	-	24 013	-	-	24 013
Receivables ¹	-	-	-	921	-	-	921
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	24 934	-	-	24 934
Deposits held ¹	-	-	-	-	-	-	-
Payables ¹	-	-	-	-	-	3 213	3 213
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	3 213	3 213

¹Total amounts disclosed here exclude statutory amounts.

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

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.

Internal Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2016-17			
Not overdue	52	-	52
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	11	-	11
Overdue for more than 60 days	-	-	-
Total	63	-	63
2015-16			
Not overdue	74	-	74
Overdue for less than 30 days	160	-	160
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	234	-	234

External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2016-17			
Not overdue	98	-	98
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	6	-	6
Overdue for more than 60 days	-	-	-
Total	104	-	104
2015-16			
Not overdue	-	-	-
Overdue for less than 30 days	70	-	70
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	70	-	70

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 NT Fleet's remaining contractual maturity for its financial assets and liabilities.

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000			
ASSETS									
Cash and deposits	23 921	-	-	-	-	-	4	23 925	1.52
Receivables	-	-	-	-	-	-	780	780	-
Total Financial Assets	23 921	-	-	-	-	-	784	24 705	-
LIABILITIES									
Payables	-	-	-	-	-	-	2 572	2 572	-
Total Financial Liabilities	-	-	-	-	-	-	2 572	2 572	-

2016 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000			
ASSETS									
Cash and deposits	24 008	-	-	-	-	-	5	24 013	1.96
Receivables	-	-	-	-	-	-	921	921	-
Total Financial Assets	24 008	-	-	-	-	-	926	24 934	-
LIABILITIES									
Payables	-	-	-	-	-	-	3 213	3 213	-
Total Financial Liabilities	-	-	-	-	-	-	3 213	3 213	-

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 as NT Fleet's financial assets and financial liabilities, are non interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose NT Fleet to interest rate risk.

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
30 JUNE 2017		
Financial assets – cash at bank	239	(239)
Net Sensitivity	239	(239)
30 JUNE 2016		
Financial assets – cash at bank	240	(240)
Net Sensitivity	240	(240)

(ii) Price Risk

NT Fleet is not exposed to price risk as NT Fleet does not hold units in unit trusts.

(iii) Currency Risk

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

Borrowings

By using cross currency interest rate swap contracts, NT Fleet agrees to exchange specified principal and interest foreign currency amounts at an agreed future date at a specified exchange rate, thereby enabling NT Fleet to mitigate the risk of adverse movements in foreign exchange rates. The quantum and maturity profile of the cross currency interest rate swaps are reflected in the table shown under Liquidity Risk.

e) NET FAIR VALUE

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

Fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by NT Fleet include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal NT Fleet adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	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
2017					
Financial Assets					
Cash and deposits	23 925	23 925	-	-	23 925
Receivables	780	780	-	-	780
Total Financial Assets	24 705	24 705	-	-	24 705
Financial Liabilities					
Payables	2 572	2 572	-	-	2 572
Total Financial Liabilities	2 572	2 572	-	-	2 572
2016					
Financial Assets					
Cash and deposits	24 013	24 013	-	-	24 013
Receivables	921	921	-	-	921
Total Financial Assets	24 934	24 934	-	-	24 934
Financial Liabilities					
Payables	3 213	3 213	-	-	3 213
Total Financial Liabilities	3 213	3 213	-	-	3 213

There were no changes in valuation techniques during the period.

19. Related Parties

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

Key Management Personnel of NT Fleet are those persons having authority and responsibility for planning, directing and controlling the activities of NT Fleet. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS and the two members of the executive team of NT Fleet.

iii) Remuneration of Key Management Personnel

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

The aggregate compensation of key management personnel of NT Fleet is set out below:

	2016-17 \$000
Short-term benefits	211
Post-employment benefits	34
Long-term benefits	-
Termination benefits	-
Total	245

DCIS provides management services to NT Fleet and the amount relating to KMP has been included in the figures above.

iv) Related party transactions

Transactions with Northern Territory Government controlled entities

NT Fleet's primary ongoing source of funding is received from Northern Territory Government controlled entities.

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

2017 Related Party Transactions

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
<i>All NT Government agencies</i>	38 093	7 652	717	7 234
<i>Associates</i>	-	-	-	-
<i>Subsidiaries</i>	-	-	-	-

Other related party transactions

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other party transactions to be reported.

20. Contingent Liabilities and Contingent Assets

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2017 or 30 June 2016.

21. 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.

22. Budgetary Information

Comprehensive Operating Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
INCOME				
Sales of goods and services	39 015	39 344	(329)	
Interest revenue	349	430	(81)	1
Gain on disposal of assets	3 375	2 500	875	2
Other income	216	140	76	3
TOTAL INCOME	42 955	42 414	541	
EXPENSES				
Employee expenses	2 883	2 985	(102)	
Administrative expenses				
Purchases of goods and services	12 858	12 421	437	
Depreciation and amortisation	17 076	17 000	76	
TOTAL EXPENSES	32 817	32 406	411	
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	10 138	10 008	130	
Income tax expense	3 041	3 002	39	
NET SURPLUS	7 097	7 006	91	
COMPREHENSIVE RESULT	7 097	7 006	91	

Notes:

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

1. Lower interest rates during the reporting period.
2. Increased number of vehicles disposed.
3. Increased motor vehicle registration fee refunds.

Balance Sheet	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
ASSETS				
Current assets				
Cash and deposits	23 925	22 847	1 078	1
Receivables	842	2 131	(1 289)	2
Prepayments	142	137	5	
Assets held for sale	1 438	-	1 438	3
Total current assets	26 347	25 115	1 232	
Non-current assets				
Property, plant and equipment	99 535	101 569	(2 034)	4
Total non-current assets	99 535	101 569	(2 034)	
TOTAL ASSETS	125 882	126 684	(802)	
LIABILITIES				
Current liabilities				
Payables	2 572	3 158	(586)	5
Creditors and accruals	-	-	-	
Income tax liabilities	3 041	-	3 041	6
Provisions	4 013	7 021	(3 008)	6
Other liabilities	23	295	(272)	6
Total current liabilities	9 649	10 474	(825)	
Non-current liabilities				
Provisions	-	-	-	
Total non-current liabilities	-	-	-	
TOTAL LIABILITIES	9 649	10 474	(825)	
NET ASSETS	116 233	116 210	23	
EQUITY				
Capital				
Opening balance	565	536	29	
Accumulated funds	112 119	112 171	(52)	
Opening balance	112 684	112 707	(23)	
Current year surplus(+)/deficit(-)	7 097	7 006	91	
Dividends payable	(3 548)	(3 503)	(45)	
TOTAL EQUITY	116 233	116 210	23	

Notes:

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

1. Improved operating result.
2. Lower number of vehicles sold towards the end of year.
3. Budget for assets held for sale was included in property, plant and equipment.
4. Retention of number of vehicles held for sale as at 30 June 2017.
5. Decrease in payables for goods and services.
6. Budget allocated in provisions.

Cash Flow Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	39 060	39 484	(1 470)	1
GST receipts	5 681	-	5 681	2
Interest received	354	430	(76)	3
Total operating receipts	45 095	39 914	4 135	
Operating payments				
Payments to employees	(2 864)	(2 985)	121	
Payments for goods and services	(12 906)	(12 421)	562	4
GST payments	(5 569)	-	(5 570)	2
Income tax paid	(2 967)	(3 011)	44	
Total operating payments	(24 306)	(18 417)	(4 843)	
Net cash from/(used in) operating activities	20 789	21 497	(708)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	17 489	16 000	1 489	5
Total investing receipts	17 489	16 000	1 489	
Investing payments				
Purchases of assets	34 905	35 000	(95)	
Total investing payments	34 905	35 000	(95)	
Net cash from/(used in) investing activities	(17 416)	(19 000)	1 584	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(3 461)	(3 513)	52	
Total financing payments	(3 461)	(3 513)	52	
Net cash from/(used in) financing activities	(3 461)	(3 513)	52	
Net increase/(decrease) in cash held (Including GST)	(88)	(1 016)	928	
Cash at beginning of financial year	24 013	23 863	150	
CASH AT END OF FINANCIAL YEAR	23 925	22 847	1 078	

Notes:

1. Timing in cash receipts from sales of goods and services.
2. GST receipts and payments not included in original budget.
3. Lower interest rates in the reporting period.
4. Timing in cash payments for purchase of goods and services.
5. Higher than anticipated number of vehicles disposed.



Data Centre Services Financial Report

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Financial Statement Overview	186
Certification of the Financial Statements	190
Independent Auditor's Report	191
Comprehensive Operating Statement	193
Balance Sheet	194
Statement of Changes in Equity	195
Cash Flow Statement	196
Index of Notes to the Financial Statements	197

Financial Statement Overview

For the year ended 30 June 2017

Financial Performance (Comprehensive Operating Statement)

Data Centre Services (DCS) achieved an improved operating result for 2016-17 of \$2.9 million after tax, \$0.6 million above budget expectations. This operating result has been achieved primarily through higher than expected revenue due to increased client demand.

Income was higher than budget in 2016-17 due to an increase in demand for midrange services and an increase in mainframe income. Expenses were lower than budget due to timing changes for asset acquisitions reducing expected depreciation expenses.

DCS will pay an income tax equivalent of \$1.3 million and will return a dividend of \$1.5 million to government for 2016-17.

Table 1: 2016-17 and 2015-16 Actual and Final Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2017	2016	2017	2016	2017	2016
Income	25 583	25 258	24 941	24 892	642	366
Expenses	21 373	20 113	21 534	21 103	161	990
Net Surplus Before Tax	4 210	5 145	3 407	3 789	803	1 356
Income Tax Expense	1 263	1 544	1 022	1 137	(241)	(407)
Net Surplus After Tax	2 947	3 601	2 385	2 652	562	949
Other Comprehensive Income	-	-	-	-	-	-
Comprehensive Result	2 947	3 601	2 385	2 652	562	949

The primary change in DCS' financial performance between 2016-17 and 2015-16 relates to the project to establish a new Government Data Centre in Millner, which is increasing DCS' costs while reducing government's ICT risks.

Table 2: 2016-17 and 2015-16 Actual Performance

	2017 \$000	2016 \$000	Variation \$000
Income	25 583	25 258	325
Expenses	21 373	20 113	(1 260)
Net Surplus Before Tax	4 210	5 145	(935)
Income Tax Expense	1 263	1 544	281
Net Surplus After Tax	2 947	3 601	(654)
Other Comprehensive Income	-	-	-
Comprehensive Result	2 947	3 601	(654)

INCOME

DCS’ primary income source is from the provision of information technology services to clients, predominately government agencies. These services, classified under the income category of goods and services in Table 3 below represented 99.1% of DCS’ total income, with the remainder made up of interest and other miscellaneous income.

Income from mainframe and midrange services had moderate growth due to increased client demand. Enterprise Storage income was lower which was offset by a similar reduction in expenses.

The functions of Identity Management (ePASS) and Application Development have been delivered through the Department of Corporate and Information Services from 2015-16.

Table 3: Income by Business Function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Operations		Identity Management (ePASS)		Application Development		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	10 705	41.8	9 568	37.4	3 118	12.2	2 193	8.6	-	-	-	-	25 583	100
2015-16	10 067	39.9	9 069	35.9	3 652	14.5	2 470	9.7	-	-	-	-	25 258	100
2014-15	10 042	34.8	8 603	29.8	3 181	11.0	2 023	7.1	2 535	8.8	2 457	8.5	28 841	100

EXPENSES

DCS incurred the majority of its expenditure on ICT related expenses for hardware, software and specialist IT contractors, with employee expenses the second largest expense category. Employee costs were slightly lower due to delays in filling vacant positions and decreased overtime and allowance expenditure.

During the year, DCS progressed the works program to prepare for a second data centre. As a result expenses in 2016-17 increased compared to 2015-16 mainly due to property leasing costs and higher depreciation costs related to increased asset acquisitions.

Table 4: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	10 526	49.3	6 568	30.7	882	4.1	1 771	8.3	1 626	7.6	21 373	100
2015-16	9 571	47.6	6 771	33.7	884	4.4	1 454	7.2	1 433	7.1	20 113	100
2014-15	11 223	49.5	7 389	32.6	860	3.8	1 745	7.7	1 454	6.4	22 671	100

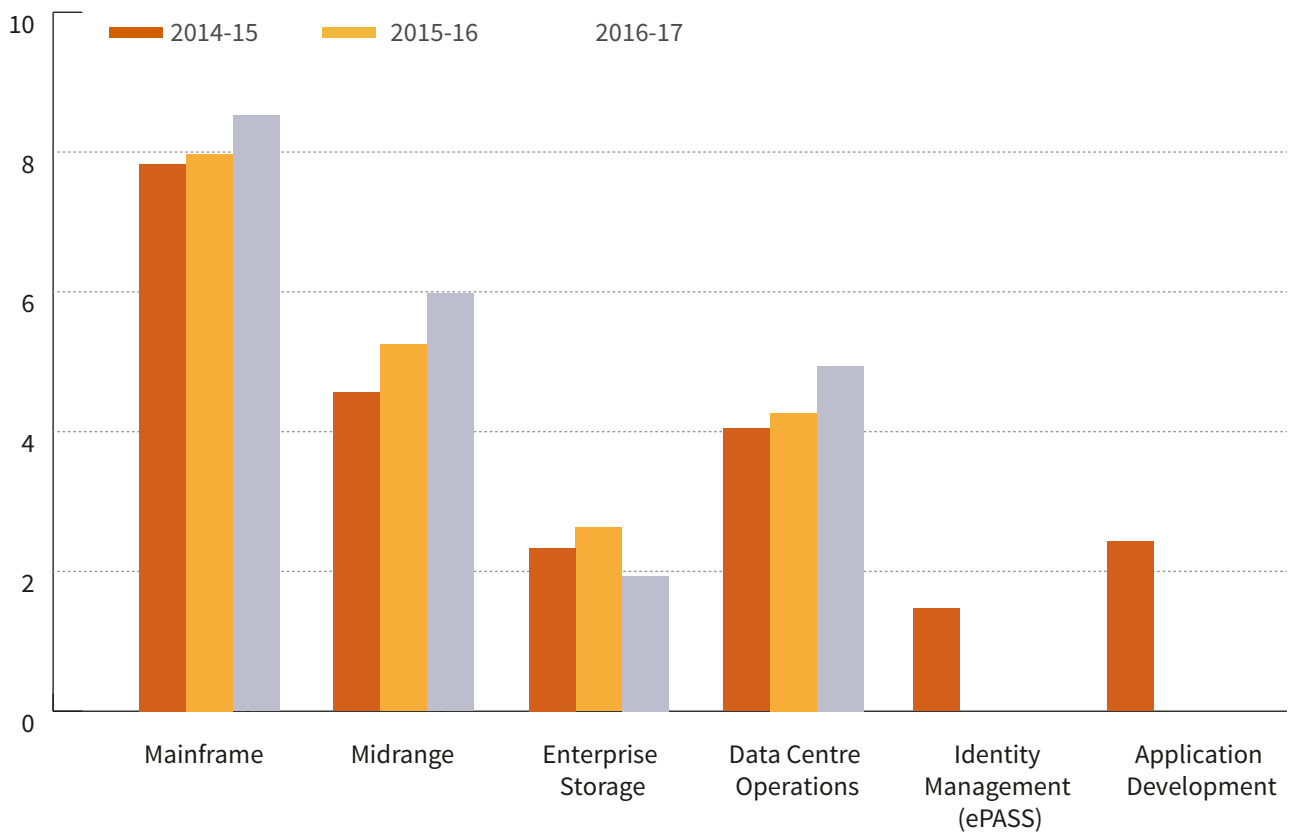
Increased expenditure in mainframe and midrange services reflects increased costs in software licensing, maintenance and additional licenses to cover the growth in service demand of these business functions. Enterprise Storage expenses were lower corresponding to a similar reduction in income. Data Centre Operations costs increased as a result of increased depreciation and property leasing costs for the second data centre site.

The functions of Identity Management (ePASS) and Application Development have been delivered through the Department of Corporate and Information Services from 2015-16.

Table 5: Expenses by Business Function

Year	Mainframe		Midrange		Enterprise Storage		Data Centre Operations		Identity Management (ePASS)		Application Development		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2016-17	8 526	39.9	5 974	28.0	1 934	9.0	4 939	23.1	-	-	-	-	21 373	100
2015-16	7 972	39.6	5 248	26.1	2 628	13.1	4 265	21.2	-	-	-	-	20 113	100
2014-15	7 828	34.5	4 562	20.1	2 338	10.3	4 043	17.8	1 469	6.5	2 431	10.8	22 671	100

Figure 1: Expenses (\$million) by Business Function



Financial Position (Balance Sheet)

DCS' net financial position at the end of 2016-17 was \$23.3 million, which is \$1.5 million higher than the previous year. The net increase reflects the operating result of \$3.0 million less the dividend payable to government of \$1.5 million.

The major movements between 2015-16 and 2016-17 relate to a decrease in cash and deposits offset by an increase in prepayments and purchase of equipment for the new Government Data Centre.

Major assets at 30 June 2017 included:

- \$10.8 million cash and deposits;
- \$2.5 million receivables (outstanding service fees);
- \$5.9 million prepayments (software licensing and maintenance); and
- \$8.6 million property, plant and equipment (including buildings and leasehold improvements).

Major liabilities at 30 June 2017 included:

- \$0.5 million payables and accrued expenses;
- \$1.3 million income tax expense;
- \$1.5 million provision for dividends; and
- \$1.2 million provisions for employee entitlements.

Table 6: 2016-17 and 2015-16 Actual Financial Position

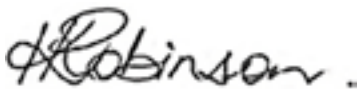
	2017 \$000	2016 \$000	Variation \$000
ASSETS			
Current Assets	17 146	22 486	(5 340)
Non-Current Assets	10 657	4 649	6 008
TOTAL ASSETS	27 803	27 135	668
LIABILITIES			
Current Liabilities	4 549	4 891	(342)
Non-Current Liabilities	-	464	(464)
TOTAL LIABILITIES	4 549	5 355	(806)
NET ASSETS	23 254	21 780	1 474
EQUITY	23 254	21 780	1 474
TOTAL EQUITY	23 254	21 780	1 474

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 2017 and the financial position on that date.

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



Kathleen Robinson
Chief Executive
6 September 2017



Rex Schoolmeester
Chief Finance Officer
6 September 2017



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Information Services
Data Centre Services
Page 1 of 2

Opinion

I have audited the accompanying financial report of Data Centre Services, which comprises the balance sheet as at 30 June 2017, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Data Centre Services as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

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

Other Information

The Chief Executive of the Department of Corporate and Information Services is responsible for the other information. The other information comprises the information included in Data Centre Services' financial statement overview for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

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

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

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

Responsibilities of the Chief Executive for the Financial Report

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

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

Those charged with governance are responsible for overseeing Data Centre Services' financial reporting process.



Auditor-General

Page 2 of 2

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

15 September 2017

Comprehensive Operating Statement

For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
INCOME			
Sales of goods and services		25 354	24 924
Interest revenue		201	328
Other income		28	6
TOTAL INCOME		25 583	25 258
EXPENSES			
Employee expenses		6 568	6 771
Administrative expenses			
Purchases of goods and services	3	13 034	11 888
Depreciation and amortisation	8,9	1 771	1 454
TOTAL EXPENSES		21 373	20 113
SURPLUS/(DEFICIT) BEFORE INCOME TAX		4 210	5 145
Income tax expense	5	1 263	1 544
NET SURPLUS/(DEFICIT)		2 947	3 601
COMPREHENSIVE RESULT		2 947	3 601

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$000	2016 \$000
ASSETS			
Current Assets			
Cash and deposits	6	10 817	16 861
Receivables	7	2 513	2 687
Prepayments		3 816	2 938
Total Current Assets		17 146	22 486
Non-Current Assets			
Prepayments		2 061	-
Property, plant and equipment	8,9	8 596	4 649
Total Non-Current Assets		10 657	4 649
TOTAL ASSETS		27 803	27 135
LIABILITIES			
Current Liabilities			
Payables	10	510	816
Income tax liabilities	11	1 263	1 544
Provisions	12	2 710	2 531
Other liabilities	13	66	-
Total Current Liabilities		4 549	4 891
Non-Current Liabilities			
Provisions	12	-	464
Total Non-Current Liabilities		-	464
TOTAL LIABILITIES		4 549	5 355
NET ASSETS		23 254	21 780
EQUITY			
Capital	15	1 366	1 366
Accumulated funds	15	21 888	20 414
TOTAL EQUITY		23 254	21 780

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 2017

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2016-17					
Accumulated Funds		20 414	2 947	-	23 361
Dividends payable	12	-	-	(1 473)	(1 473)
Transfers from Reserves		-	-	-	-
	15	20 414	2 947	(1 473)	21 888
Capital – Transactions with Owners					
Equity transfers in		1 366	-	-	1 366
		1 366	-	-	1 366
Total Equity at End of Financial Year	15	21 780	2 947	(1 473)	23 254
2015-16					
Accumulated Funds		18 614	3 601	-	22 215
Dividends payable	12	-	-	(1 801)	(1 801)
Transfers from Reserves		-	-	-	-
	15	18 614	3 601	(1 801)	20 414
Capital – Transactions with Owners					
Equity transfers in		1 266	-	100	1 366
	15	1 266	-	100	1 366
Total Equity at End of Financial Year		19 880	3 601	(1 701)	21 780

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 2017

	Note	2017 \$000	2016 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		25 635	25 223
GST receipts		2 551	2 520
Interest received		212	326
Total Operating Receipts		28 398	28 069
Operating Payments			
Payments to employees		(6 508)	(7 070)
Payments for goods and services		(16 296)	(10 768)
GST payments		(2 574)	(2 663)
Income tax paid		(1 544)	(1 851)
Total Operating Payments		(26 922)	(22 352)
Net Cash From/(Used in) Operating Activities	16	1 476	5 717
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(5 719)	(1 655)
Total Investing Payments		(5 719)	(1 655)
Net Cash From/(Used in) Investing Activities		(5 719)	(1 655)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(1 801)	(2 160)
Total Financing Payments		(1 801)	(2 160)
Net Cash From/(Used in) Financing Activities		(1 801)	(2 160)
Net increase/(decrease) in cash held		(6 044)	1 902
Cash at beginning of financial year		16 861	14 959
CASH AT END OF FINANCIAL YEAR	6	10 817	16 861

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

Index of Notes to the Financial Statements

Note

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

EXPENSES

3. Purchases of Goods and Services
4. Write-offs, Postponements, Waivers, Gifts and Ex-Gratia Payments
5. Income Tax Expense

ASSETS

6. Cash and Deposits
7. Receivables
8. Property, Plant and Equipment
9. Fair Value Measurement of Non-Financial Assets

LIABILITIES

10. Payables
11. Income Tax Liabilities
12. Provisions
13. Other Liabilities
14. Commitments

EQUITY

15. Equity

OTHER DISCLOSURES

16. Notes to the Cash Flow Statement
17. Financial Instruments
18. Related Parties
19. Contingent Liabilities and Contingent Assets
20. Events Subsequent to Balance Date
21. Budgetary Information

1. Objectives and Funding

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

DCS is funded through income generated by services provided to Northern Territory Government agencies. The financial statements encompass all funds and resources which DCS controls to undertake its functions.

2. Statement of Significant Accounting Policies

a) STATEMENT OF COMPLIANCE

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

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

b) BASIS OF ACCOUNTING

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

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

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

New and Revised Accounting Standards

The following new and revised accounting standards and interpretations were effective for the first time in 2016-17.

AASB 124 Related Party Disclosures

This standard applies to the not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/conditions and amounts, any guarantees given/received, outstanding receivables/payables, commitments, and any receivables where collection has been assessed as being doubtful.

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

Future Accounting Standards

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have a potential impact on future reporting periods:

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the Balance Sheet.

For lessees with operating leases, a right-of-use asset will now come onto the Balance Sheet together with a lease liability for all leases with a term of more than 12 months, unless the underlying assets are of low value. The Comprehensive Operating Statement will no longer report operating lease rental payments, instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that operating lease commitments will be required to be recognised in the Balance Sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the Comprehensive Operating Statement the operating lease expense will be replaced with a depreciation expense relating to the right to use asset and interest expense relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in the financial statements for the first time in 2019-20.

Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the Balance Sheet after adoption of this standard.

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

c) REPORTING ENTITY

The financial statements cover DCS as an individual reporting entity.

DCS is a Northern Territory Government Business Division (GBD) established under the *Interpretation Act* Administrative Arrangements Order.

The principal place of business of the GBD is: Level 3, Darwin Plaza, Smith Street Mall, Darwin NT 0800.

d) DCS AND TERRITORY ITEMS

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

Central Holding Authority

DCS held no Territory items.

e) COMPARATIVES

Where necessary, comparative information for the 2015-16 financial year has been reclassified to provide consistency with current year disclosures.

f) PRESENTATION AND ROUNDING OF AMOUNTS

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

g) CHANGES IN ACCOUNTING POLICIES

There has been two changes to the accounting policies adopted in 2016-17 as a result of management decisions. These include changes to:

1. recognise all employee entitlements as current assets rather than arbitrarily splitting them between current and non-current assets; and
2. include related parties disclosures in the statements.

h) ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

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

i) GOODS AND SERVICES TAX (GST)

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

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

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

j) TAXATION

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

k) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

DCS may receive contributions from government where the government is acting as owner of 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 provides additional information in relation to contributions by, and distributions to, government.

l) DIVIDENDS

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

m) INCOME RECOGNITION

Income

Income encompasses both revenue and gains.

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

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

Sale of Goods

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

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

Rendering of Services

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

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

3. Purchases of Goods and Services

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

Goods and Services Expenses

Contractors and consultants ¹
Legal expenses ²
Recruitment
Training and study
Official duty fares
Travelling allowance

2017 \$000	2016 \$000
3 389	2 629
2	-
-	6
65	55
3	6
2	8

¹ Includes IT contractors and consultants.

² Includes legal fees, claim and settlement costs.

4. Write-Offs, Postponements, Waivers, Gifts and Ex-Gratia Payments

DCS had no write-offs, postponements, waivers, gifts and ex-gratia payments in 2016-17 and 2015-16.

5. Income Tax Expense

Prima facie income tax expense calculated at 30% of the surplus before income tax

2017 \$000	2016 \$000
1 263	1 544
1 263	1 544

6. Cash and Deposits

Cash at bank

2017 \$000	2016 \$000
10 817	16 861
10 817	16 861

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.

2017	2016
\$000	\$000

7. Receivables

CURRENT		
Accounts receivable	85	477
Less: Allowance for impairment losses	-	-
Interest receivables	14	26
GST receivables	86	62
Other receivables (Accrued Income)	2 328	2 122
Total Receivables	2 513	2 687

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. 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 17 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

PREPAYMENTS

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period. This includes software licenses and related software and hardware support services. Perpetual licenses are expensed in the year they are incurred if their expected life and future economic benefit from their usage cannot be reliably determined.

2017	2016
\$000	\$000

8. Property, Plant and Equipment

PLANT AND EQUIPMENT		
At cost	7 851	4 063
Less: Accumulated depreciation	(2 039)	(1 552)
	5 812	2 511
COMPUTER SOFTWARE		
At cost	860	2 419
Less: Accumulated depreciation	(564)	(2 135)
	296	284
COMPUTER HARDWARE		
At cost	9 312	7 552
Less: Accumulated depreciation	(6 824)	(5 698)
	2 488	1 854
Total Property, Plant and Equipment	8 596	4 649

2017 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016-17 is set out below:

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2016	2 511	284	1 854	4 649
Additions	3 788	171	1 760	5 719
Disposals/ Impairment losses	-	-	-	-
Transfers In/Transfers Out	-	-	-	-
Depreciation/ Amortisation	(487)	(159)	(1 126)	(1 772)
Other movements	-	-	-	-
Carrying Amount as at 30 June 2017	5 812	296	2 488	8 596

2016 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 is set out below:

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2015	2 358	-	1 990	4 348
Additions	390	319	946	1 655
Disposals/ Impairment losses	(12)	-	(595)	(607)
Transfers In/Transfers Out	100	-	-	100
Depreciation/ Amortisation	(337)	(35)	(1 083)	(1 455)
Other movements	12	-	596	608
Carrying Amount as at 30 June 2016	2 511	284	1 854	4 649

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to DCS in future years. DCS expenses license keys associated with computer hardware rather than being capitalised as the future economic benefit derived from the usage of the increased asset capability cannot be reliably assessed or measured. 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 Infrastructure, Planning and Logistics (DIPL) 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 DIPL and the cost of construction work in progress is recognised as an asset of DIPL. Once completed, capital works assets are transferred to DCS.

IMPAIRMENT

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 or whenever there is an indication of impairment. If an indicator of impairment exists, DCS determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

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

DCS' property, plant and equipment assets were assessed for impairment as at 30 June 2017. No impairment adjustments were required as a result of this review.

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:

	2017	2016
Plant and Equipment	2-10 years	2-10 years
Computer Software	2-10 years	2-10 years
Computer Hardware	2-10 years	2-10 years

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

Assets Held for Sale

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

These assets are measured at the lower of the asset's carrying amount and fair value less costs to sell. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

Leased Assets

DCS held no leased assets.

9. Fair Value Measurement of Non-Financial Assets

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal DCS adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

DCS does not have any non-current assets at fair value.

10. Payables

Accounts payable

Accrued expenses

Total Payables

	2017 \$000	2016 \$000
	134	494
	376	322
	510	816

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.

11. Income Tax Liabilities

	2017 \$000	2016 \$000
Income tax payable	1 263	1 544
Total Income tax liabilities	1 263	1 544

12. Provisions

	2017 \$000	2016 \$000
CURRENT		
<i>Employee benefits</i>		
Recreation leave	940	436
Leave loading	105	114
Other employee benefits	11	-
<i>Other current provisions</i>		
Provision for dividend	1 473	1 801
Provision for fringe benefits tax	2	5
Provision for superannuation	106	98
Provision for payroll tax	73	77
	2 710	2 531
NON-CURRENT		
<i>Employee benefits</i>		
Recreation leave	-	464
	-	464
Total Provisions	2 710	2 995
RECONCILIATIONS OF DIVIDENDS		
Balance as at 1 July	1 801	2 159
Additional provisions recognised	1 473	1 801
Reductions arising from payments	(1 801)	(2 159)
Balance as at 30 June	1 473	1 801

Data Centre Services employed 56 employees as at 30 June 2017 and 55 employees as at 30 June 2016.

EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 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
- 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 DCS' financial statements.

	2017 \$000	2016 \$000
13. Other Liabilities		
CURRENT		
Unearned Revenue	66	-
	66	-
NON-CURRENT		
Other Liabilities	-	-
	-	-
Total Other Liabilities	66	-

SUPERANNUATION

Employees' superannuation entitlements are provided through the:

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

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.

14. Commitments

Disclosures in relation to capital and other commitments, including lease commitments. Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

(i) Capital Expenditure Commitments

Capital expenditure commitments primarily related to the construction of leasehold improvements. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	1 500	-	4 560
Later than one year and not later than five years	-	-	-	-
	-	1 500	-	4 560

(ii) Other Expenditure Commitments

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

	2017		2016	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	3 249	-	-
Later than one year and not later than five years	-	-	-	-
	-	3 249	-	-

15. Equity

Equity represents the residual interest in the net assets of DCS. The Northern Territory Government's ownership interest in DCS is held in the Central Holding Authority.

	2017 \$000	2016 \$000
CAPITAL		
Balance as at 1 July	1 366	1 266
<i>Equity Injections</i>		
Equity transfers in	-	100
Balance as at 30 June	1 366	1 366
ACCUMULATED FUNDS		
Balance as at 1 July	20 414	18 614
Surplus for the period	2 947	3 601
Dividends payable	(1 473)	(1 801)
Balance as at 30 June	21 888	20 414
Total Equity	23 254	21 780

16. Notes to the Cash Flow Statement

RECONCILIATION OF CASH

The total of DCS 'Cash and deposits' of \$10.8 million 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

	2017 \$000	2016 \$000
Net Surplus	2 947	3 601
<i>Non-cash items:</i>		
Depreciation and amortisation	1 771	1 454
Asset write-offs/write-downs	-	-
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	174	254
Decrease/(Increase) in prepayments	(2 939)	1 024
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	(360)	402
(Decrease)/Increase in other payables	54	(532)
(Decrease)/Increase in provision for employee benefits	42	(110)
(Decrease)/Increase in other provisions	2	(26)
(Decrease)/Increase in income tax liability	(281)	(306)
(Decrease)/Increase in unearned income	66	(44)
Net Cash from Operating Activities	1 476	5 717

17. Financial Instruments

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

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised on the Balance Sheet when DCS becomes a party to the contractual provisions of the financial instrument. DCS' financial instruments include cash and deposits; receivables; advances; investments loan and placements; payables; advances received; borrowings and derivatives.

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

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. DCS investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk.

a) CATEGORISATION OF FINANCIAL INSTRUMENTS

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

2016-17 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and deposits	-	-	-	10 817	-	-	10 817
Receivables ¹	-	-	-	2 427	-	-	2 427
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	13 244	-	-	13 244
Deposits held ¹	-	-	-	-	-	-	-
Payables ¹	-	-	-	-	-	510	510
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance Lease Liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	510	510

¹Total amounts disclosed here exclude statutory amounts.

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss		Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial liabilities - amortised cost	Total
	Held for trading	Designated at fair value					
	\$000	\$000					
Cash and deposits	-	-	-	16 861	-	-	16 861
Receivables ¹	-	-	-	2 625	-	-	2 625
Advances	-	-	-	-	-	-	-
Investments loans and placements	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Assets	-	-	-	19 486	-	-	19 486
Deposits held ¹	-	-	-	-	-	-	-
Payables ¹	-	-	-	-	-	816	816
Advances	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Finance Lease Liabilities	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	816	816

¹ Total amounts disclosed here exclude statutory amounts.

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

Financial liabilities at FVTPL include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at FVTPL include short-term securities and bonds.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Comprehensive Operating Statement.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

b) CREDIT RISK

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

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

Receivables

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

Internal Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2016-17			
Not overdue	50	-	50
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	50	-	50
2015-16			
Not overdue	434	-	434
Overdue for less than 30 days	10	-	10
Overdue for 30 to 60 days	10	-	10
Overdue for more than 60 days	-	-	-
Total	454	-	454
External Receivables			
External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2016-17			
Not overdue	26	-	26
Overdue for less than 30 days	6	-	6
Overdue for 30 to 60 days	3	-	3
Overdue for more than 60 days	-	-	-
Total	35	-	35
2015-16			
Not overdue	14	-	14
Overdue for less than 30 days	2	-	2
Overdue for 30 to 60 days	7	-	7
Overdue for more than 60 days	-	-	-
Total	23	-	23

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.

2017 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000			
ASSETS									
Cash and deposits	10 817	-	-	-	-	-	-	10 817	1.52
Receivables	-	-	-	-	-	-	2 427	2 427	-
Total Financial Assets	10 817	-	-	-	-	-	2 427	13 244	-
LIABILITIES									
Payables	-	-	-	-	-	-	510	510	-
Total Financial Liabilities	-	-	-	-	-	-	510	510	-

2016 Maturity analysis for financial assets and liabilities

	Variable Interest Rate			Fixed Interest Rate			Non-Interest Bearing	Total	Weighted Average
	Less than a Year	1 to 5 Years	More than 5 Years	Less than a Year	1 to 5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000			
ASSETS									
Cash and deposits	16 861	-	-	-	-	-	-	16 861	1.96
Receivable	-	-	-	-	-	-	2 625	2 625	-
Total Financial Assets	16 861	-	-	-	-	-	2 625	19 486	-
LIABILITIES									
Payables	-	-	-	-	-	-	816	816	-
Total Financial Liabilities	-	-	-	-	-	-	816	816	-

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 as DCS financial assets and financial liabilities, are non interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose DCS to interest rate risk.

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
30 JUNE 2017		
Financial assets – cash at bank	108	(108)
Net Sensitivity	108	(108)
30 JUNE 2016		
Financial assets – cash at bank	169	(169)
Net Sensitivity	169	(169)

(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

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by DCS include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal DCS adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

- Level 1 – inputs are quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.

	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
2017					
Financial Assets					
Cash and deposits	10 817	10 817	-	-	10 817
Receivables	2 427	2 427	-	-	2 247
Total Financial Assets	13 244	13 244	-	-	13 244
Financial Liabilities					
Payables	510	510	-	-	510
Total Financial Liabilities	510	510	-	-	510
2016					
Financial Assets					
Cash and deposits	16 861	16 861	-	-	16 861
Receivables	2 625	2 625	-	-	2 625
Total Financial Assets	19 486	19 486	-	-	19 486
Financial Liabilities					
Payables	816	816	-	-	816
Total Financial Liabilities	816	816	-	-	816

There were no changes in valuation techniques during the period.

18. Related Parties

i) Related Parties

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

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

ii) Key Management Personnel (KMP)

KMP of DCS are those persons having authority and responsibility for planning, directing and controlling the activities of DCS. These include the Minister for Corporate and Information Services, the Chief Executive Officer of DCIS and the two members of the executive team of DCS.

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits paid/payable to the Minister as the Minister's remuneration and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's Annual Financial Statements.

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

	2016-17 \$000
Short-term benefits	242
Post-employment benefits	36
Long-term benefits	-
Termination benefits	-
Total	278

DCIS provides management services to DCS and the amounts relating to KMP has been included in the figures above.

iv) Related party transactions:

Transactions with Northern Territory Government controlled entities

DCS' primary ongoing source of funding is received from Northern Territory Government controlled entities. The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

2017 Related Party Transactions

Related Party	Revenue from	Payments to	Amounts	Amounts
	related parties	related parties	owed by	owed to
	\$000	\$000	\$000	\$000
All NT Government agencies	25 242	4 546	2 436	3 116
Associates	-	-	-	-
Subsidiaries	-	-	-	-

Other related party transactions:

Given the breadth and depth of Northern Territory Government activities, related parties will transact with the Northern Territory Public Sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. There were no other related party transactions to be reported.

19. Contingent Liabilities and Contingent Assets

DCS had no contingent liabilities or contingent assets as at 30 June 2017 or 30 June 2016.

20. Events Subsequent to Balance Date

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

21. Budgetary Information

Comprehensive Operating Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
INCOME				
Sales of goods and services	25 354	24 641	713	1
Interest revenue	201	300	(99)	
Other income	28	-	28	
TOTAL INCOME	25 583	24 941	642	
EXPENSES				
Employee expenses	6 568	7 159	(591)	2
Administrative expenses				
Purchases of goods and services	13 034	12 075	959	3
Depreciation and amortisation	1 771	2 370	(599)	4
TOTAL EXPENSES	21 373	21 604	(231)	
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	4 210	3 337	873	
Income tax expense	1 263	1 001	262	
NET SURPLUS	2 947	2 336	611	
COMPREHENSIVE RESULT	2 947	2 336	611	

Notes:

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

1. Due to client demand.
2. Delays in filling vacant positions.
3. Additional IT contractors and one-off IT consultancies.
4. Delayed asset acquisition.

Balance Sheet	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
ASSETS				
Current assets				
Cash and deposits	10 817	11 854	(1 037)	1
Receivables	2 513	2 877	(364)	
Prepayments	3 816	3 962	(146)	2
Total current assets	17 146	18 693	(1 547)	
Non-current assets				
Prepayments	2 061	-	2 061	
Property, plant and equipment	8 596	8 205	391	
Total non-current assets	10 657	8 205	2 452	
TOTAL ASSETS	27 803	26 898	905	
LIABILITIES				
Current liabilities				
Creditors and accruals	510	884	(374)	
Income tax liabilities	1 263	-	1 263	3
Provisions	2 710	3 499	(789)	3
Other liabilities	66	42	24	
Total current liabilities	4 549	4 425	124	
Non-current liabilities				
Provisions	-	-	-	
Total non-current liabilities	-	-	-	
TOTAL LIABILITIES	4 549	4 425	124	
NET ASSETS	23 254	22 473	781	
EQUITY				
Capital				
Opening balance	1 366	1 366	-	
Equity injections/withdrawals	-	-	-	
Reserves	-	-	-	
Accumulated funds				
Opening balance	20 414	19 939	475	
Current year surplus(+)/deficit(-)	2 947	2 336	611	4
Dividends payable	(1 473)	(1 168)	(305)	
TOTAL EQUITY	23 254	22 473	781	

Notes:

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

1. Capital expenditure on the new Government Data Centre and the prepayment of software and licensing agreements.
2. Increase in number of software and license renewals.
3. Budget allocated in provisions.
4. Higher than anticipated income.

Cash Flow Statement	2016-17 Actual \$000	2016-17 Original Budget \$000	Variance \$000	Note
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	25 635	24 641	994	1
GST receipts	2 551	-	2 551	2
Interest received	212	300	(88)	
Total operating receipts	28 398	24 941	3 457	
Operating payments				
Payments to employees	(6 508)	(7 159)	651	3
Payments for goods and services	(16 296)	(12 075)	(4 221)	4
GST payments	(2 574)	-	(2 574)	2
Income tax paid	(1 544)	(1 137)	(407)	
Total operating payments	(26 922)	(20 371)	(6 551)	
Net cash from/(used in) operating activities	1 476	4 570	(3 094)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	(5 719)	(4 560)	(1 159)	5
Total investing payments	(5 719)	(4 560)	(1 159)	
Net cash from/(used in) investing activities	(5 719)	(4 560)	(1 159)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(1 801)	(1 326)	(475)	
Total financing payments	(1 801)	(1 326)	(475)	
Net cash from/(used in) financing activities	(1 801)	(1 326)	(475)	
Net increase/(decrease) in cash held	(6 044)	(1 316)	(4 728)	
Cash at beginning of financial year	16 861	13 170	3 691	
CASH AT END OF FINANCIAL YEAR	10 817	11 854	(1 037)	

Notes:

1. Due to client demand.
2. GST receipts were not budgeted.
3. Delays in filling vacant positions.
4. Additional IT contractors and one-off IT consultancies and an increase in level of prepayments.
5. Relates to asset acquisitions for the new Government Data Centre.



Appendices

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6

Appendix I - Shared Corporate Services Price List	222
Appendix II - Audits by the Auditor-General	224
Appendix III - Department Insurance Claims	227
Appendix IV - Accommodation Costs for Non-Government Organisations	228
Appendix V - Gifted and Loaned Vehicles	230
Appendix VI - ICT Governance Board Membership	231
Appendix VII - Ministerial ICT Advisory Council Membership	232
Appendix VIII - Certificate of Exemptions Issued	233
Appendix IX - Glossary	234

Appendix I - Shared Corporate Services Price List

Service	Cost Measure (in general per monthly charge)	Price (\$)
Human Resource Services		
Entry level recruitment	Number of entry-level administrative staff employed in billing month	6.67
Employment programs	Number of apprentices/trainees employed in month	679.53
Human resource system	Number of paid employees	30.97
Job evaluation services	Per position evaluated under JES system	186.33
Payroll services	Number of paid employees	14.86
Payroll manual transactions	Number of manual payroll transactions processed	13.36
Payroll auto transactions	Number of automatic payroll transactions processed	3.71
Employee commencements	Number of employee commencements processed	349.12
Employee cessations	Number of employee cessations processed	290.44
Recruitment advertising	Per advertising request	280.74
Recruit temporary/nominal move	Per temporary or nominal move	20.28
Executive Contract Officers	Number of paid Executive Contract Officers	70.93
Workers compensation claims administration	Per hour worked on claim	100.48
Finance Services		
Payments through interface	Per interfaced payment transaction	0.35
Internet payments	Per internet payment transaction	56.62
Manual payments	Per manual payment transaction	16.98
EIMS payments	Per EIMS payment processed	9.80
Accounts receivable manual invoices	Per accounts receivable manual invoice processed	49.57
Accounts receivable electronic invoices	Per accounts receivable electronic invoice processed	21.24
Advance cheques/petty cash	Per advance cheque/petty cash transaction	23.40
Accounts receivable RTM receipts	Per issue of electronic accounts receivable RTM receipt	8.26
Accounts receivable bank accounts	Per bank account managed	100.13
Manual receipt	Per manual receipt transaction	32.21
Manual ledger transfer	Per manual ledger transfer invoice	27.04
Credit card management	Per corporate credit card issued	34.48
Tax BAS/GST return	Per line per BAS/GST return	0.71
Fringe benefits tax return	Per line per fringe benefit tax return	27.28
Payroll tax return	Per cost code per payroll tax return	8.78
Financial systems	Percentage data storage/usage	7 106.25
Asset disposals	Number of asset disposals	81.50
Asset additions	Number of asset additions	92.13
Asset records maintenance	Number of assets in financial register	5.48

Service	Cost Measure (in general per monthly charge)	Price (\$)
Corporate Reporting		
Human resource corporate reporting	Per full time employee	3.85
General ledger transaction reporting	Per general ledger transaction	0.18
ICT Services		
Agency Services Manager	Per allocation of ICT managers	10 471.63
Agency Services Director	Per allocation of ICT director	14 930.39
Cyber Security	Per ICT equipment	4.23
ICT services contract management	Per ICT equipment	3.47
Contract Services		
Contract administration	Per contract issued	1 326.93
Full tender procurement	Per contract issued	5 985.50
Tier 2 quotations	Per quotation issued	113.71
Tier 3 quotations	Per quotation issued	2 084.12
Tender management	Per tender issued	2 373.80
Across Government Contracts		
Across Government Contracts	Per full time employee	3.57
Records System		
TRM administration	Per full time employee	1.67
Property Management		
Leased property management	Per square metre of leased building	1.17

Appendix II - Audits by the Auditor-General

For the Year Ended 30 June 2017

DCIS End of Year Review (Shared Services) for the year ended 30 June 2016

AUDIT OBJECTIVE: To assess the adequacy of selected aspects of end of financial year controls over accounting and material financial transactions performed by DCIS on the behalf of Northern Territory Government agencies.

The audit focussed on:

- June journal entries
- end-of-year receipting
- prescribed ledger completion processes
- annual leave and long service data provided by Personnel Information Payroll System (PIPS)
- trust accounts
- controls and processes applied by the department to capture year end balances.

AUDIT OUTCOME: No weaknesses in controls were identified during the audit, and accounting and control procedures examined in relation to the end of financial year processes were found to be generally satisfactory. No major matters were identified during the audit.

ACTION: No action required.

DCIS End of Year Review for the year ended 30 June 2016

AUDIT OBJECTIVE: To assess the adequacy of selected aspects of end of financial year controls over reporting, accounting and material financial transactions and balances for DCIS with the primary purpose of providing support to the audit of the Treasurer's Annual Financial Statements (TAFS).

The review focussed on the accrual accounting aspects of the 30 June 2016 financial data contained in DCIS' Government Accounting System (GAS) general ledger and consolidated by the Department of Treasury and Finance (DTF) into the TAFS.

AUDIT OUTCOME: One matter was identified: A full reconciliation of the ICT Clearing Account identifying to whom these amounts are owed at balance date was unable to be provided. The accounting and control procedures were found to be generally satisfactory.

ACTION:

- DCIS contends the account is reconciled with any balances not required to be provided to the Central Holding Authority.
- A clearing account policy has been developed, with DTF endorsement to be sought.

NT Fleet Financial Statement Audit for the year ended 30 June 2016

AUDIT OBJECTIVE: To conduct sufficient audit work to form an opinion on the financial statements of NT Fleet for the year ended 30 June 2016.

AUDIT OUTCOME: An unmodified audit opinion was issued on the NT Fleet financial statements. One matter was identified during the audit: A lack of readily available documents from NT Fleet resulted in delays in completing the audit.

ACTION: NT Fleet's procedures have been changed to improve financial reporting processes.

Data Centre Services Financial Statement Audit for the year ended 30 June 2016

AUDIT OBJECTIVE: To conduct sufficient audit work to form an opinion on the financial statements of Data Centre Services for the year ended 30 June 2016.

AUDIT OUTCOME: An unmodified audit opinion was issued on Data Centre Services financial statements. Two matters were identified during the audit:

- Information requested for audit purposes was not provided on a timely basis.
- Accounting treatment for perpetual licences and license keys requires further consideration to ensure that accounting standards are complied with.

ACTION:

- Data Centre Services procedures have been changed to improve financial reporting processes.
- Advice sought to determine appropriate accounting treatment for IT purchases in line with Australian Accounting Standards.

EFT Accounts Receivable Audit

AUDIT OBJECTIVE: To obtain reliance on the operation of applications and general IT controls relating to the EFT Accounts Receivable (including GAS A/R module and NAB Transact) with a focus on controls over refunds.

AUDIT OUTCOME: There were three matters identified during the audit:

- access security controls over GAS A/R module and NAB Transact administrative access, including segregation of duties could be enhanced
- removal of terminated users' access to GAS A/R module and NAB Transact should be undertaken on a timely basis
- Disaster Recovery Plan and Business Continuity Plan testing has not occurred.

ACTION:

- Administrator access to GAS AR security profiles is reviewed twice a year and a biannual review instigated for NAB Transact profiles. To further enhance controls, DCIS will assess the accounts receivable process to identify and document powerful/sensitive transactions and any segregation of duties requirements, which will be reflected in the GAS AR and NAB Transact security profiles.
- Changes and removal of user access to NAB Transact and GAS AR is the responsibility of each agency. DCIS reminds agencies twice each year to check their user profiles and access are appropriate and advise if changes are required.
- Testing of Business Continuity Plans commenced in June 2017.

Government Accounting System (GAS) Controls Audit for the year ended 30 June 2017

AUDIT OBJECTIVE: To determine whether there is:

- reasonable assurance that there are satisfactory internal controls in respect of the central maintenance of GAS and certain financial services provided to agencies
- adequate and effective communication with agencies with respect to the functions performed for them.

AUDIT OUTCOME: Audit procedures revealed that generally there are satisfactory internal controls in respect of the central maintenance of GAS and over financial services provided to agencies. Two matters were identified during the audit:

- delinquency notices had not been sent out in accordance with standard operating procedures
- control weaknesses were identified around RTM procedures.

ACTION:

- A new process using GAS Accounts Receivable data was implemented to strengthen controls.
- DCIS is working with the Department of Tourism and Culture and government's banking provider, NAB, to strengthen receipting processes.

NT Fleet Interim Financial Statements Audit 2016-17

AUDIT OBJECTIVE: To facilitate the end of year audit of the NT Fleet financial statements required by section 10 of the *Financial Management Act*; identify and examine any significant new issues impacting on the audit for the year ended 30 June 2017; and in accordance with section 13 of the *Audit Act*, address any control and compliance issues arising from an examination of the accounts and records.

AUDIT OUTCOME: The accounting and internal procedures relating to NT Fleet's activities were found to be generally satisfactory. No matters were identified.

ACTION: No action required.

IT Control Environment Review

AUDIT OBJECTIVE: To understand the Information Technology (IT) risks and test the internal controls within the IT environment at Data Centre Services.

Activities in scope for the audit included:

- testing of controls relating to the Business Continuity Planning across DCIS
- testing the design and operating effectiveness of key controls over the management of network security.

AUDIT OUTCOME: No matters were identified during the audit.

ACTION: No action required.

PIPS Controls Compliance Audit for the year ended 30 June 2017

AUDIT OBJECTIVE: To determine whether there is reasonable assurance that there are satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies.

AUDIT OUTCOME: Subject to the exceptions listed, the audit procedures performed revealed that generally there are satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies. One matter was identified: Internal control procedures performed by Employment Services and Payroll could be enhanced.

ACTION:

- Education and awareness activities have resulted in a reduction in instances of exceptions identified from the previous audit.
- Internal control procedures are being reviewed to ensure the correct practice is reflected.

Agency Compliance Audit for the year ended 30 June 2017

AUDIT OBJECTIVE: To examine selected aspects of the systems in use in DCIS that are intended to ensure that requirements set down in the Treasurer's Directions Part 3, Section 1, and by the Procurement Directions, are adhered to, with the objectives of obtaining reasonable assurance that those particular requirements are being achieved.

AUDIT OUTCOME: The accounting and control procedures examined provide reasonable assurance that Accountable Officer's responsibilities will be met if those systems continue to operate in the manner identified in the audit. One instance of non-compliance with the Treasurer's Directions was observed in relation to Property, Plant and Equipment where the fixed assets register report did not include three fields listed in the Treasurer's Directions.

ACTION:

- An asset stocktake has been completed.
- The agency's Fixed Assets Register has been modified and meets the requirements of the Treasurer's Directions.

Appendix III - Department Insurance Claims

Departmental Self Insurance

Risk Category	Number of claims		Value of claims (\$)		Average cost of claims (\$)	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Workers compensation ¹	7	6	25 200	24 261	3 600	4 044
Motor vehicles	13	3	37 708	3 428	2 901	1 143

¹ Figures provided are for all claims during the financial year, including new, ongoing and finalised claims.

Government Business Division Commercial Insurance

There have been no claims by NT Fleet or Data Centre Services on their commercial insurance policies in 2015-16 or 2016-17.

Appendix IV - Accommodation Costs for Non-Government Organisations

For the Year Ended 30 June 2017

Non-Government Organisation	Building	Supporting Agency	Cost (\$)
Amateur Fishermen's Association of the Northern Territory	Malak Shopping Centre, Malak	Department of Primary Industry and Resources	42 898
Association of Independent Schools of the Northern Territory	NAB Building, Darwin	Department of Education	78 400
Australia Day Council	NAB Building, Darwin	Department of the Chief Minister	55 493
Bushmob	CAT Building, Alice Springs	Department of Health	204 474
Camp Quality / CanTeen	82 Wood Street, Darwin	Department of Health	38 256
Cancer Council of the Northern Territory	Anangu House, Alice Springs	Department of Health	32 165
Cancer Council of the Northern Territory	Casi House, Casuarina	Department of Health	56 485
Cancer Council of the Northern Territory	Katherine Government Centre, Katherine	Department of Health	8 233
Central Land Management Association	Anangu House, Alice Springs	Department of Environment and Natural Resources	3 025
Clontarf Academy	Goyder Centre, Palmerston	Department of Education	14 973
CREATE Foundation	Anangu House, Alice Springs	Territory Families	3 025
Deaf NT Inc.	Casuarina Plaza, Casuarina	Department of Health	15 703
Down Syndrome Association of NT Inc.	Rapid Creek Shopping Centre, Rapid Creek	Department of Health	26 385
Duke of Edinburgh's Award NT Division	Goyder Centre, Palmerston	Department of Education	29 947
Genealogical Society of the Northern Territory Inc.	84 Smith Street, Darwin	Department of Tourism and Culture	45 000
Girls Academy	Goyder Centre, Palmerston	Department of Education	7 487
Heart Foundation NT	Darwin Central, Darwin	Department of Health	62 085
Keep Australia Beautiful Council Northern Territory	NAB Building, Darwin	Department of the Chief Minister	13 720
SIDS & Kids NT	Rapid Creek Shopping Centre, Rapid Creek	Department of Health	14 785
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	Department of the Chief Minister	33 125
Life Education	Goyder Centre, Palmerston	Department of Education	14 973

Non-Government Organisation	Building	Supporting Agency	Cost (\$)
Multicultural Council of the Northern Territory Inc. and Multilingual Broadcasting Council Northern Territory Inc.	Malak Shopping Centre, Malak	Department of the Chief Minister	101 140
Multicultural Community Services of Central Australia Inc.	Youth and Community Centre, Alice Springs	Department of the Chief Minister	43 500
Northern Territory Badminton Association Inc.	19 Albatross Street, Winnellie	Department of Tourism and Culture	152 153
Northern Territory Council of Social Services Inc.	Anangu House, Alice Springs	Territory Families	4 125
NT Friendship and Support, Disability Respite Centre	Randazzo Centre, Katherine	Department of Health	17 006
Northern Territory Shelter	Anangu House, Alice Springs	Territory Families	3 575
Pensioners Workshop Association Inc.	48 Albatross Street, Winnellie	Department of the Chief Minister	33 377
Red Cross	Tennant Creek Government Centre	Department of Infrastructure, Planning and Logistics	Nil
Red Cross Drop in Centre	Casuarina Recreation Centre, Casuarina	Department of Tourism and Culture	94 814
Top End Women's Legal Service Inc.	17 Lindsay Street, Darwin	Department of the Attorney-General and Justice	66 058
Training Advisory Councils	The Avenue, Parap	Department of Trade, Business and Innovation	223 224
Victims of Crime NT Inc.	NAB Building, Darwin	Department of the Attorney-General and Justice	88 200
YMCA of the Top End	Satepak House, Palmerston	Department of Tourism and Culture	118 722
Total expenditure			1 746 531

Appendix V - Gifted and Loaned Vehicles

Gifted Vehicles	\$ (GST Inc)
Darwin Surf Life Saving	7 014
Fire Protection Professional International Pty Ltd / East Arnhem Aboriginal Trainee Program	13 717
Gove Australia Football League Inc.	17 925
Gove Australia Football League Inc.	26 793
Katherine Integrated Sports Association	24 129
Lhere Artepe Aboriginal Corporation	20 638
Sub Total	110 216

Loaned Vehicles	\$ (GST Inc)
Barunga Festival	5 534
Browns Mart Theatre	1 820
Camp Quality	1 800
CanTeen	603
Corrugated Iron Youth Arts	5 040
Darwin Aboriginal Art Fair Foundation	4 384
Darwin Festival	67 870
Durrmu Arts	18 710
Finke Desert Race	27 442
Freds Pass Rural Show	3 774
Garma Festival/Yothu Yindi Foundation	57 613
Goldinymayin Yijard River Arts and Culture Centre	1 489
Howard Springs Venturer Scouts	4 729
Humpty Doo Scout Group	2 342
Incite Arts, Alice Springs	933
Katherine Regional Arts	9 744
Midnight Basketball Darwin	16 867
Music NT	29 869
National Indigenous Music Awards	1 900
National Remote Indigenous Media Festival	330
Nightcliff Seabreeze Festival	935
Northern Territory Firearms Council Inc.	4 681
NT Writers Festival	1 226
Potters House	1 053
Sids and Kids NT	6 721
Skinnyfish Music and Manmoyi Music for Songlines Series	3 493
Something Somewhere	844
Teachabout	4 890
The Redback Mountain Bike Enduro and Run Larapinta Stage Race	8 216
Tracks Dance Company	7 617
Sub Total	302 469
TOTAL VALUE OF GIFTED AND LOANED VEHICLES	412 685

Appendix VI - ICT Governance Board Membership

At 30 June 2017

Ms Kathleen Robinson, Chief Executive, DCIS (Chair)

Mr Chris Hosking, Deputy Chief Executive, DCIS (Chair of the ICT Leadership Group)

Mr Craig Allen, Commissioner for Public Employment, Office of the Commissioner for Public Employment

Mr Alister Trier, Chief Executive, Department of Primary Industry and Resources

Mr Grant Nicholls, Deputy Commissioner, Capability and Specialist Services, Northern Territory Police, Fire and Emergency Services

Mr David Braines-Mead, Deputy Under Treasurer, Department of Treasury and Finance

Mr Andrew Cowan, Deputy Chief Executive, Department of the Chief Minister

Ms Meredith Day, Deputy Chief Executive, Department of the Attorney-General and Justice

Ms Sibylle Brautigam, Deputy Chief Executive, Department of Trade, Business and Innovation

Ms Lisa Watson, Chief Operating Officer, Corporate Support Bureau, Department of Health

Appendix VII - Ministerial ICT Advisory Council Membership

At 30 June 2017

Mr Steven Rowe (Chair)

Mr Richard Baker

Ms Magdaline Coleman

Mr Daniel Davies

Ms Jude Ellen

Professor Friso De Boer

Ms Karen Hawkes

Dr Steven Rogers

Mr Simon Watt

Mr Scott Wright (NT ICT Industry Association representative)

Mr Benjamin Smith (Australian Computer Society representative)

Ms Kathleen Robinson (NTG representative)

Appendix VIII - Certificate of Exemptions Issued

For the Year Ended 30 June 2017

A Certificate of Exemption is an agency approval that exempts DCIS from using the standard procurement method while approving a defined alternative method to be used.

Description	(\$) Value
Property Lease – U-Turn Re-engagement Centre Katherine	110 000
Property Lease – Youth Outreach Alice Springs	1 205 796
Property Lease – Multicultural Community Services of Central Australia	108 000
Property Lease – Alcoota Megafauna Fossils Alice Springs	1 700 000
Property Lease – Office of Public Guardian	1 753 125
Property Lease – Office Space Johnston Electorate Office	519 195
Property Lease – Office Space Teachers Registration Board	410 000
Property Lease – Office Space Fong Lim Electorate Office	480 000
Property Lease – Office Space Royal Commission staff	530 400
Property Lease – Office Space Genealogical Society	225 000
Property Lease – Office Space Top End Women's Legal Services	300 200

All property leases entered into by the Northern Territory Government are registered at the Lands Title Office. All titles registered at the Lands Title Office are accessible to the public for a small fee.

Appendix IX - Glossary

Acronym	In full
AASB	Australian Accounting Standards Board
ABC	Australian Broadcasting Corporation
AECDS	Aboriginal Employment and Career Development Strategy
AEP	Aboriginal Employment Program
AGD	Department of the Attorney-General and Justice
AIS	Asset Information System
AMSANT	Aboriginal Medical Services Alliance Northern Territory
APRO	Agencies Purchase Requisitions Online
AOG	All-of-Government
AOTA	Accountable Officer's Trust Account
ASNEX	Asset Systems Nexus
ATO	Australian Taxation Office
BDR	Banned Drinker Register
BOXI	Business Objects XI (NTG's Finance and HR Reporting Solution)
CAT	Centre for Appropriate Technology
CBD	Central Business District
CCIS	Community Care Information System
CIO	Chief Information Officer
CSS	Commonwealth Superannuation Scheme
CCSRP	Core Clinical Systems Renewal Program
Chartgen	Chart Generator System
CPSU	Community and Public Sector Union
DCIS	Department of Corporate and Information Services
DCM	Department of the Chief Minister
DCS	Data Centre Services
DIPL	Department of Infrastructure, Planning and Logistics
DoH	Department of Health
DTBI	Department of Trade, Business and Innovation
DTC	Department of Tourism and Culture
DTF	Department of Treasury and Finance
ECMS	Electronic Card Management System
EEO	Equal Employment Opportunities
EIMS	Electronic Invoice Management System
ELP	Emerging Leaders Program
ePASS	Northern Territory Government's Identity Management System
FBT	Fringe Benefit Tax
FOI	Freedom of Information
FVTPL	Fair Value Through Profit or Loss
GAS	Government Accounting System
GBD	Government Business Division
GCC	Global Corporate Challenge

Acronym	In full
GDC	Government Data Centre
GOC	Government Owned Corporations
GPS	Global Positioning System
GST	Goods and Services Tax
HR	Human Resources
ICT	Information and Communications Technology
IGB	ICT Governance Board
JES	Job Evaluation System
KMP	Key Management Personnel
KPI	Key Performance Indicator
MFD	Multi-Function Device
MIAC	Ministerial ICT Advisory Council
MIPS	Million Instructions Per Second
MOG	Machinery of Government
NAIDOC	National Aboriginal and Islander Day Observance Committee
NBN	National Broadband Network
NP	National Partnership
NT	Northern Territory
NTG	Northern Territory Government
NTGPASS	NT Government and Public Authorities' Superannuation Scheme
NTPFES	Northern Territory Police, Fire and Emergency Services
NTPS	Northern Territory Public Sector
NTTC	Northern Territory Treasury Corporation
OCPE	Office of the Commissioner for Public Employment
PHN	Primary Health Networks
PIPS	All-of-Government Payroll System
PMU	Print Management Unit
PROMIS	Police Real-time Online Management and Information System
QTOL	Quotations and Tenders Online System
RIMS	Road Information Management System
SA-NT	South Australia and Northern Territory Strategic Partnership
SIEM	Security Information and Event Management
SSPs	Specific Purpose Payments
TAFS	Treasurer's Annual Financial Statements
TDO	Tender Documents Online System
TF	Territory Families
TRIPS	Travel Request Information Processing System
TRM	Territory Records Manager
VET	Vocational Education and Training
WHS	Work Health and Safety

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES

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