

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES
ANNUAL REPORT 2015-16



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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 2015-16 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*, the department is working in compliance with Part 9 of the *Information Act*.

The financial statements for the department's government business divisions, NT Fleet and Data Centre Services, have been audited by the Auditor-General with unmodified audit opinions on the financial statements received from the Auditor-General on 3 October 2016.



Yours sincerely

Kathleen Robinson
Chief Executive

3 October 2016

OUR REPORT

'The Department of Corporate and Information Services annual report provides a comprehensive record of the department's functions and performance for 2015-16 and progress against the department's strategic goals and priorities.'

The 2015-16 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 in 2015-16 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 2015-16 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.

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CHIEF EXECUTIVE'S FOREWORD

2015-16 IN REVIEW

'The department's staff have demonstrated and again reinforced their ongoing commitment to drive improvements and deliver consistent quality services that contribute to 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 2016. The report provides a comprehensive account of the department's functions and performance against key responsibilities and approved budgets and resources.

A key focus over 2015-16 was the development and rollout of the *DCIS 2016-2018 Strategic Plan*. A client centred approach and a culture of innovation and continuous improvement underpinned the development and engagement of the department's strategic plan, which was launched in February 2016. Extensive consultation was undertaken with staff across the Territory to ensure our future priorities are closely aligned to meeting the needs of our clients and government. This also saw the finalisation of the *2013-2015 Strategic Plan*, with our report card against this plan outlined in the Achievements section of this report.

With our people a key pillar of our department's strategy, the department maintained its commitment to developing strong performance in our leaders and staff through the implementation of its emerging leaders program. We will continue to support, empower and develop staff to drive a culture of collaboration, innovation, engagement and high performance.

The department has an exciting and important leadership role to play in contributing to effective ICT governance across the NTPS. ICT governance continued as a strong focus throughout 2015-16 and remains an area that is demanding significant effort and increasing profile. Telecommunications improvements in remote and regional areas of the Territory remained another major initiative for the department, with new and continuing programs to support this growth. These programs provide valuable opportunities to extend telecommunications in remote parts of the Territory that will provide socio-economic development possibilities; allow access to better health and education services, improve safety and benefit tourism and transport through extended mobile coverage.

During 2015-16, DCIS continued to expand its operations with the addition of a new output: Project Services and a new function of print management services. The department now takes a lead role in the provision of project management services on behalf of agencies to effectively deliver on key ICT projects. The five-year Core Clinical Systems Renewal Program (CCSRP) which transferred to DCIS to project manage on behalf of the Department of Health is the first major project under this output. The print management function, transferred from the Department of the Chief Minister, facilitates the across government contract for printing services and is the primary contact between agencies and industry for print jobs.

The department's staff have demonstrated and again reinforced their ongoing commitment to drive improvements and deliver consistent quality services that contribute to the broader operations of the Northern Territory Government, reflected through the following major achievements in 2015-16:

- CAT Mobile Hotspots Program – all 11 hotspots planned for 2015-16 were delivered and are operational, providing higher than anticipated call volumes. A new grant program to rollout cyclone-proofed hotspots in the Top End was approved.


- NTG/Telstra Co-Investment Program – detailed technical feasibility studies of mobile services for all 11 approved remote sites and the due diligence process were progressed, with construction to commence in 2016-17.
- ASNEX program – the implementation of solutions continued within budget and timeframe, with client agencies already benefiting from the mobile and business intelligence solution. DCIS jointly won a national excellence award for the mobile solution developed for road assets.
- ICT governance reforms – a new ICT series of Treasurer's Directions were developed; the ICT Capability Framework was implemented, and an ICT project management toolkit developed and made available for all agencies.
- Agency projects - continued to monitor agency major ICT projects for the Northern Territory Government ICT Governance Board, with substantial assistance and advice provided to agencies and a reporting portal developed.
- ICT Services Contracting Model - reflecting a strategic procurement approach, the model was approved following industry, agency and Ministerial ICT Advisory Council engagement.
- Procurement reforms – assisted the Department of Business to shape and implement reforms, particularly through configuring Northern Territory Government procurement systems.
- Government Data Centre – progressed this strategic project to improve resiliency, expand capacity and enable Northern Territory Government business continuity through establishing a secondary data centre facility.
- Charles Darwin Centre – five agencies, including DCIS, relocated to the new building with no disruption to services.
- Indigenous employment – DCIS increased Indigenous staff from 8.3% to 12.4%, exceeding the department's target.

Looking ahead to 2016-17, DCIS will continue to focus on providing business improvements, aligned to the DCIS strategic plan, that will reduce overall government costs and deliver value for money shared corporate services. Some of the key activities and initiatives will include:

- CCSRP project management – a substantial body of work that will be top priority for DCIS.
- Remote telecommunications – continuing the two CAT mobile phone hotspots programs and the joint co-investment program with Telstra as it moves into the construction phase.
- Government Data Centre project – complete transition and operationalise the new data centre facility in Millner.
- ASNEX program – progress and deploy solution development, implement the online portal, mobile capability and business intelligence reporting.
- ICT Governance – continue oversight of major agency projects and development of further governance reforms.
- GrantsNT – progress development of the new grants system, including engagement with grant applicants, recipients, businesses and agencies.
- Government administrative changes – coordinate corporate systems and DCIS service changes as required.
- Shared Finance Services – focus our efforts to expand services for our clients, such as introducing virtual card capability; and to assist agencies improve their business processes, such as increasing their payment of invoices within 30 days.
- Payroll and Employment Services – rollout a contemporary administration model to support and sustain effective service delivery into the future.
- Project services – grow this new role through expanding advice and guidance to agencies, to support agencies with their core functions.
- ePASS replacement – progress the three-year program to replace the Northern Territory Government's existing ePASS identity and access management system.

Further details on initiatives achieved and underway, the department's financial performance, and future priorities are presented throughout the report.

I wish to thank staff for their substantial efforts over 2015–16. The department has continued to achieve a great deal this year and I would like to acknowledge the dedication and hard work of all DCIS employees who come to work each day, committed and ready for business. I look forward to working with everyone and continuing to deliver government's priorities in the department's strategic plan.

A handwritten signature in black ink that reads "K. Robinson". The signature is fluid and cursive, with a period at the end.

Kathleen Robinson
Chief Executive
30 September 2016

THE DEPARTMENT



OVERVIEW

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

DCIS is a NTPS 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, procurement services, across government contracts, information and communications technology (ICT) services, property leasing, project services, print management services and management of the government fleet. The department also has an across government ICT governance and digital policy role. DCIS has responsibility across government for service delivery, operational direction setting and advice in these areas.

In 2015-16, 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 2016, DCIS employed 607 full-time equivalent (FTE) staff, with the majority (525) 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 2015-16 was \$192 million, excluding the GBDs, which are separate budget entities. Refer to the Financial Reports section starting at page 91 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 NT 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
- Procurement Services
- ICT Services
- Print Management Services
- Asset Services
- Property Leasing Services
- Project Services
- Vehicle Fleet Services
- Data Centre 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.

Development of the plan is detailed in the Achievements section of this report. Regular reporting against the plan, including a six-month report on progress is provided to the Executive Management Board. Periodic updates will be provided over the life of the plan, including regular communications to staff across the department through the staff newsletter: the 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, regular reviews of the strategic priorities and actions have been built into the reporting program.

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.
	Progress initiatives to improve and strengthen corporate services to deliver better outcomes for government, agencies and users.
	Expand the benefits achievable through consolidated corporate services support for agencies.
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.

Digital services that are innovative and agile	<p>Renew the NT Government ICT Strategy, including supporting strategies and action plans.</p> <p>Establish a new government data centre in Millner providing essential capability, improving resiliency and enabling future data centre capacity planning.</p> <p>Create a central NT Government open data ecosystem so agencies can make their data sets open to the public, enabling innovation and fostering business opportunities.</p> <p>Work with agencies, industry, academia and others to advance the development of an innovation hub in the NT.</p>
DCIS workforce that is skilled, capable and motivated	<p>Continue to increase Indigenous participation in the DCIS workforce, including a focus on management level roles.</p> <p>Nurture and grow potential leaders within the agency, recognising performance and talent. Invest in developing capability including commitment to trainees and graduates.</p> <p>Explore further opportunities to employ more people with disabilities. Provide safe, professional workplaces that encourage employees to perform at their best.</p>

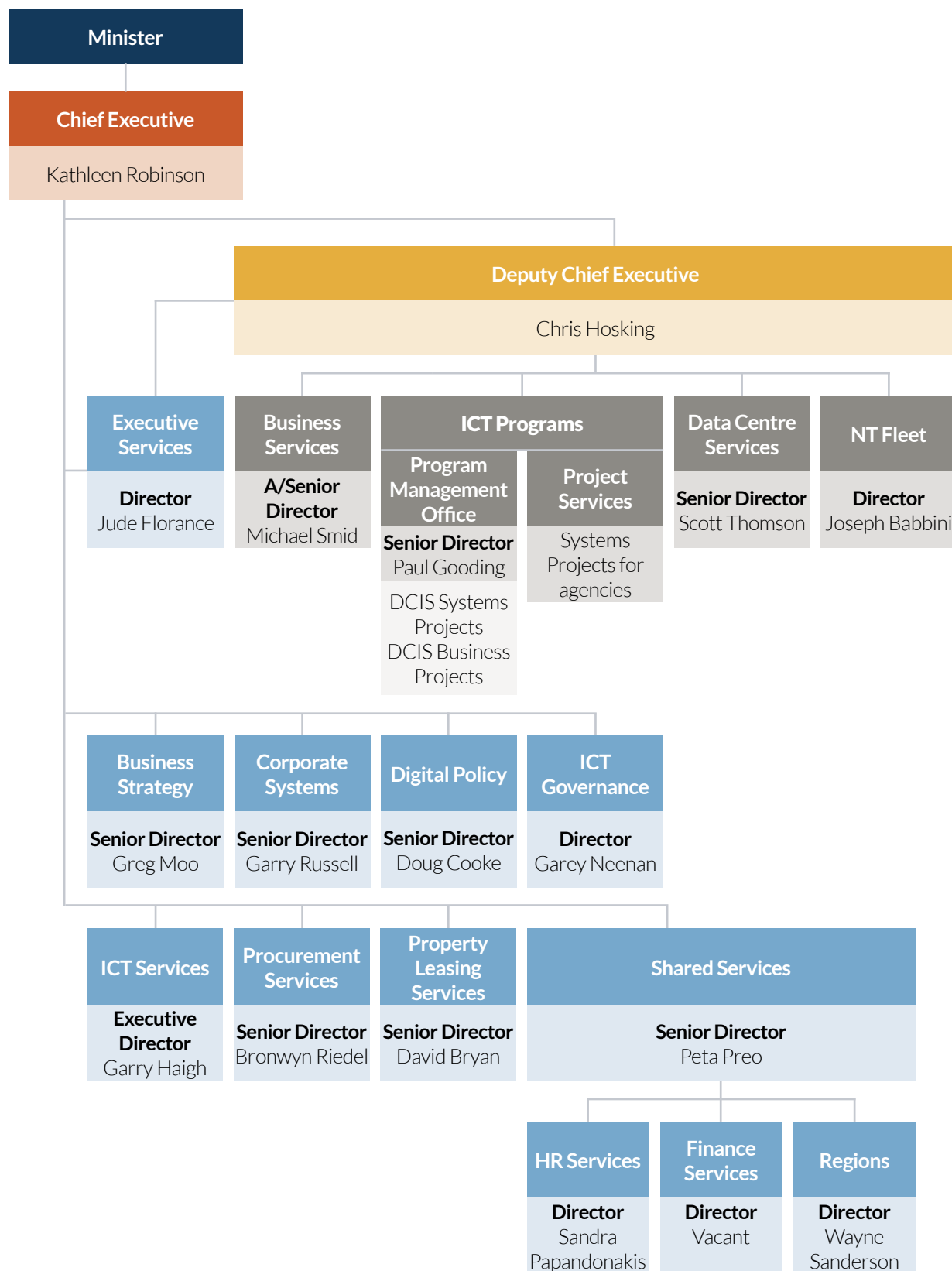
Strategic Plan 2013 - 2015

The *Strategic Plan 2013 - 2015* concluded in December 2015. The final report on achievements against this three-year plan was presented to the Executive Management Board in January 2016, and communicated to all staff as part of the rollout of the new plan.

A final scorecard report on the *2013-2015 Strategic Plan* is outlined in the Achievements section.

ORGANISATION CHART

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



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 cards, taxation services and asset accounting.
- Human Resource Services: payroll and employment services, recruitment services, employment programs and occupation support services.
- Procurement Services: quotations and tenders management, across government contracts and print management services.
- Information and Communications Technology Services: ICT contract management, ICT network infrastructure, ICT cyber security, ICT systems projects, agency ICT services, corporate systems and reporting.
- Asset Services.
- Property Leasing Services and advice to support the accommodation requirements of agencies.

ALL-OF-GOVERNMENT ICT GOVERNANCE

DCIS manages the *NT Government ICT Governance Framework* and oversight of important agency ICT projects. This is supplemented by the development of guidance materials as part of governance reforms to further strengthen agency management of ICT projects. This service line also provides support to the key governance committees and the Ministerial ICT Advisory Council.

ALL-OF-GOVERNMENT DIGITAL POLICY

The department monitors opportunities to improve communications outcomes across the Northern Territory and liaises with the Australian Government which has responsibility for telecommunications and broadcasting. DCIS is also responsible for developing all-of-government ICT policies and standards, including cyber security. This is supplemented with management of related ICT policy settings across the government's ICT environment, information and records management and data communications

PROJECT SERVICES

Recently established to provide project management and support to client agencies in the delivery of significant and / or high-risk projects and initiatives, primarily ICT projects delivering new, upgraded or replacement ICT systems.



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

DCS is a government business division that provides information and communications technology 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, 7 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.

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 equitably 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 4, 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** – arranging the advertising of job vacancies for all agencies; providing advice to applicants; managing the Entry Level Recruitment Program and candidate pools for key job categories and providing vacancy files to agencies.
- **Accounts Receivable Services** – collecting monies owed to agencies and managing debts, including recovery of government employee salary overpayments.



Wayne Sanderson
Director Regions

SERVICES PROVIDED IN ALICE SPRINGS

- recruitment services
- accounts receivable services
- receiver of Territory monies (RTM) services
- workplace injury solutions (worker's compensation administration)
- contracts and procurement services
- information communications and technology services
- leased property services
- vehicle fleet services.

SERVICES PROVIDED IN KATHERINE

- recruitment services
- receiver of Territory monies (RTM) services
- contracts and procurement services
- information communications and technology services.



SERVICES PROVIDED REMOTELY

- Eight staff members work remotely across a range of locations from Jabiru to Perth to provide flexibility for the employee while ensuring the department benefits from the retention of highly skilled employees.

2015-16 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 WiFi in Northern Territory Government premises.
- Adopted energy efficiency procedures 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.
- Continued to expand the delivery of DCIS' corporate systems training to agency staff located in regions across the NT using MS Lync to reduce the need to travel.
- Participated in the Tennant Creek and Alice Springs Skills, Careers and Employment Expos.

THE FOCUS FOR 2016-17

- Integrate agency receipting processes into DCIS systems to reduce double handling of transactions.
- Increase regional participation in training and leadership programs.
- Transition agencies into utilising new or improved DCIS systems and products.
- Continue to expand agency engagement in the regions.
- Conduct agency forums across the regions.

ACHIEVEMENTS



OVERVIEW

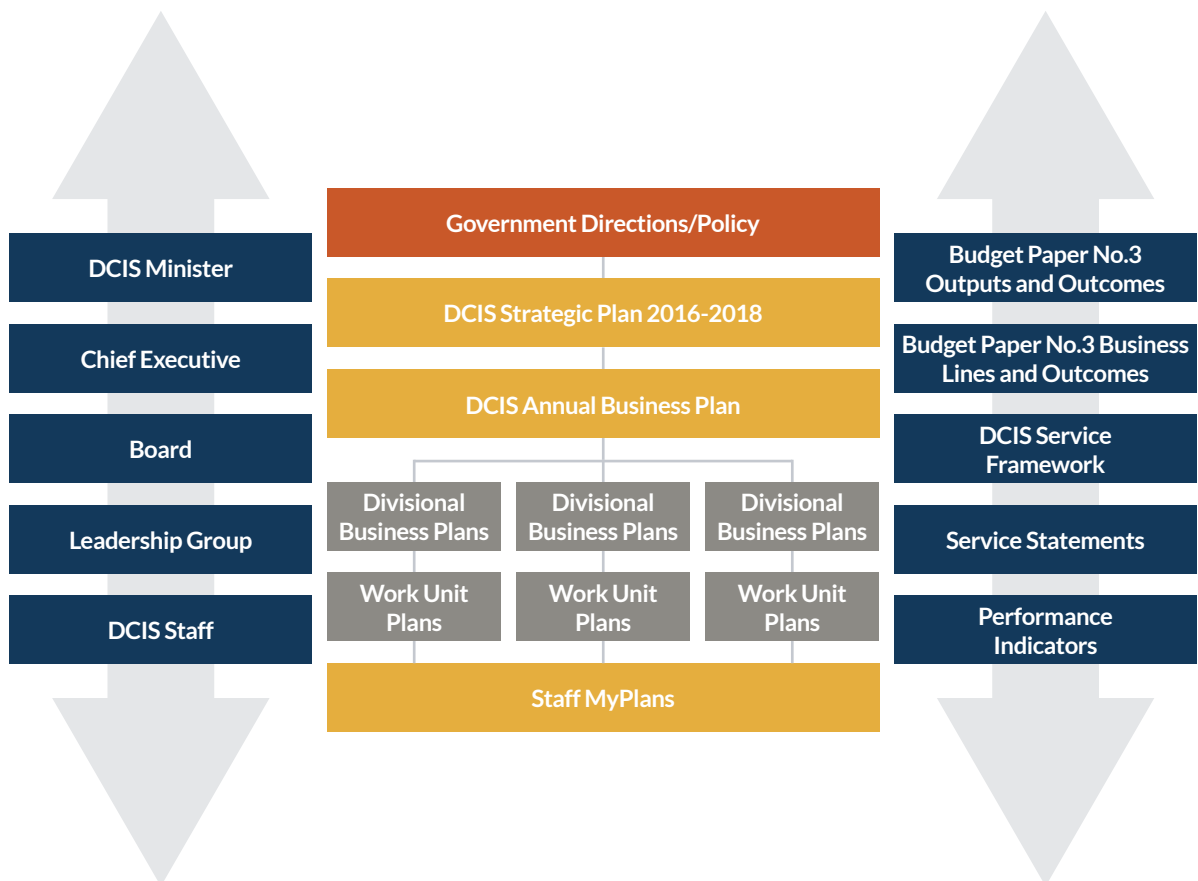
‘Departmental responsibilities are linked to government priorities and directions.’

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

This section reports on DCIS’ performance in delivering outputs and business lines. Information on achievements and key projects is detailed and performance reported against priorities identified in the previous year’s annual report. The Shared Services output group essentially represents DCIS the department, with the two government business divisions reported as separate business lines. Work units within 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

DCIS strives to improve its approach to service delivery and client relationships, in line with our vision to exceed our clients' expectations with high quality corporate services.

Highlighted here are a number of 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 2015 ← → June 2016				
Telecommunications				
• First two mobile hotspot installed at Tropic of Capricorn Roadside Rest Area and Simpson's Gap	• NTG / Telstra Co-investment Program announced		• Feasibility Studies for NTG/Telstra program completed	• 11th mobile hotspot installed for Finke Desert Race
ICT Across Government Services				
• ICT Treasurer's Directions introduced • ICT Industry Engagement Plan developed through MIAC	• Industry-to-Government forum held August 2015 • ICT Capability Framework implemented • MDM rolled out across NTG	• Joint winners with Kinetic IT national and international award for ICT Service Centre • 28 TRM datasets migrated	• Internet Explorer V11 deployed • ICT Project Management Toolkit developed	• ICT Services Contracting Model introduced • Cyber Security Committee established
ICT Projects				
• eRecruit implemented • ICT hub in Alice Springs upgraded	• GAS upgraded • Contrax system acquired	• ASNEX joint winners with Global GBM for mobility solution • TRM upgraded	• GrantsNT project initiated • ASNEX portal developed	• CCSRP project commenced • ePASS replacement approved
Shared Corporate Services				
• Alice Springs Supreme Court Building under construction • myPaysheet online paysheet program rolled out • 1st Katherine IEP program commenced	• Charles Darwin Centre relocation completed • Feenix budget management system implemented	• Regional forums for agencies in Alice Springs and Katherine • Candidate pools and bulk recruitment introduced into eRecruit • 26 across government contracts managed	• Corporate Travel Booking Provider established • Print management unit transferred to DCIS	• Invoices paid within 30 days increased to 87% • Alice Springs School Leaver IEP Program 100% graduated
GBDs				
• New Government Data Centre project commenced	• Online vehicle ordering solution initiated		• Gifting and loans allocation model for vehicles developed	• Government Data Centre designed
DCIS Workforce				
• DCIS Emerging Leaders program commenced • Staff Consultative Committee operational	• Innovation Working Party established	• Employee Screening Policy introduced • Capability Plan implemented	• DCIS increased Indigenous staff to 12.4%	• DCIS Workforce Strategy introduced
DCIS Governance				
• Risk assessment workshops conducted	• Internal Audit Charter updated	• Strategic Plan 2016 – 2018 rolled out across department		• 2016-17 business plans established
July 2015 ← → June 2016				

REPORT CARD AGAINST THE STRATEGIC PLAN 2013-2015

The report card presented below shows a high-level snapshot of actions either achieved (✓) or not achieved (✗). Expanded details of actions and results are reported in this and prior year's annual reports.

Achieved means completion; or advancement of the action; or ongoing activity that has progressed as planned. Not achieved means there was little advancement against the action over the period. Some actions remain an ongoing focus for the department and also feature in the new Strategic Plan 2016 -2018.

Strategic Priorities	Status	Actions
Business efficiency – measures that reduce cost and red tape	✓	Expand the number and value of Across Government Contracts
	✓	Enhance procure-to-pay processes and systems
	✓	Modernise and consolidate the NT Government intranet
	✓	Partner with agencies to contribute to reforms and efficiency projects
Telecommunications that benefit communities across the NT	✓	Oversee expansion of telecommunications infrastructure and services in remote communities
	✗	Develop a digital economy plan for the Northern Territory that maximises benefits to Territorians from advances in technology
ICT services that deliver value for money	✓	Develop and implement across-government ICT governance framework
	✓	Leverage government's role as a major consumer of ICT services to build industry capability
	✗	Renew the ICT Strategy for government
	✓	Explore options to improve resilience of ICT services
Business improvement - corporate services that add value	✓	Renew the business model for workers compensation administration
	✓	Enhance the model for provision of ICT support services to agencies
	✓	Deliver a rolling program to automate more payroll processes
	✓	Upgrade critical across government business systems
	✓	Progress a business model for shared services, including regions
	✓	Develop a sustainable business model for government shared services
Vehicle fleet services that reduce cost	✓	Reduce the cost of the government vehicle fleet
	✓	Implement the NT Government Vehicle Policy Framework
Printing services that are cost efficient	✓	Review the model for delivery of printing services
	✓	Develop and implement a sustainable business model for printing services
Property leasing services that meet government's needs	✓	Develop strategic leased office accommodation plans
	✓	Deliver major leasing projects in Alice Springs and Darwin
	✓	Develop policies to drive efficiency in the leased property portfolio
Asset system services that meet government's needs	✓	Develop a new integrated asset systems solution for government: ASNEX
	✓	Cease the Asset Management System
A workforce that is skilled and capable	✓	Increase Indigenous participation in the DCIS workforce
	✓	Develop leadership capability and nurture potential leaders
	✓	Prepare for future workforce needs through commitment to apprentices, graduates and staff training at all levels

DCIS INNOVATION PROGRAM

The innovation concept was incorporated as a value in the DCIS Corporate Statement in 2013. The Strategic Plan 2013-2015 further supported this value through emphasis on continuous improvement. The introduction of the DCIS Innovation Program highlights the importance of innovation in DCIS, with our progress and achievements reported in annual reports. The newly developed Strategic Plan 2016-2018 and our Corporate Statement promote the importance of innovation.

The 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 and regular updates are provided to staff on project outcomes.

In 2015-16 the program was reviewed and moved from a yearly set program to a rolling program, with a more targeted focus on mentorship and leadership development. Ideas are regularly received and put to the board for consideration; with 13 ideas received from staff in 2015-16; of which five were added to the 2015-16 program (one was completed), three ideas were added to the master log for future consideration and five were not accepted.

The board also endorsed investigating a more deliberate and sustainable approach to innovation in DCIS: Driving Serial Innovation in DCIS. An Innovation Working Party was established to oversight this activity. To further engage with staff on the idea of driving serial innovation, workshops were facilitated by two senior leaders in the department and participants were sourced from the leadership program alumni within the agency. The objective of the workshops was to:

- reflect on the current approach to innovation within DCIS
- discuss what serial innovation would look like within the department
- consider barriers to innovation
- identify key actions needed to achieve the objective.

Next steps

- Continue to promote the program internally.
- Maintain quarterly reporting to the Executive Management Board.
- Implement outcomes from the working party findings.

WHAT WE ACHIEVED BY OUTPUT

Our performance symbols, detailed on page 4 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 and is reported and monitored at Executive Management Board.
- IP** **Innovation Program** links to the department's innovation program and is reported and monitored at Executive Management Board.
- BP** **Business Plan** forms part of the suite of key annual activities and is monitored at the business plan level.

OUTPUT GROUP: SHARED SERVICES

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

FINANCE SERVICES

'Provide finance services to all 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 regular 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 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 Estimate	2015-16 Actual	2016-17 Budget
Payments processed	551 340	549 632	505 209	500 000	494 373	500 000
Debts processed	38 418	40 697	40 368	41 000	45 076	42 000
Processing accuracy	99%	99%	100%	100%	100%	100%
Invoices paid within 30 days	85%	87%	85%	90%	87%	90%
Average number of days to collect debt	55	56	54	55	54	55

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Debts processed - increase in debts processed relates to a one-off surge in requests for services received from agencies.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Debts processed - volume of debts processed expected to return to normal levels in 2016-17.

Invoices paid within 30 days - DCIS continues to work in partnership with agencies to increase the number of invoices paid within 30 days.

TREND ANALYSIS COMMENTS

Payments processed - have reduced significantly from 2013-14 with the decommissioning of the Asset Management System and is expected to remain around 500 000 payments per annum.

Debts processed - increase in debts processed in 2015-16 is expected to be one-off and return to around 42 000 debts per annum from 2016-17.

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
SP BP	Upgrade of GAS delivered.
BP	Feenix budget management system implemented in DCIS.
BP	All-of-government debt management services procured following completion of debt management procedures for agencies.
SP	Third party banking arrangements (Australia Post) introduced in Nhulunbuy and Jabiru regions.

In Progress

Aligned to	Description of achievement	Expected completion
IP BP	Detailed planning for Feenix rollout program to agencies.	mid 2017
BP	Implementing Chart Generator system to enable better management of agency charts of accounts.	end 2016
BP SP	Transferring over 20 000 housing assets to the GAS Fixed Asset Register.	mid 2016

Ongoing

Aligned to	Description of achievement
BP IP	Continuing to assist agencies to improve processing of supplier invoices within the government's 30-day payment policy.
BP	Encouraging and assisting government suppliers to lodge invoices electronically with InvoiceNTG to gain efficiency benefits and increased visibility of payments process.
BP	Developing online tax training packages to guide agency staff.

FAST FACTS



Electronic lodgement of invoices increased from 76% to 86%

Across the NT Government, 87% of undisputed invoices were paid within 30 days

FUTURE PRIORITIES

- Improve the rate of electronic lodgement of supplier invoices and increase the proportion of invoices paid within the 30-day payment policy.
- Establish a contemporary virtual payment card facility for use across government.
- Upgrade the Electronic Card Management System (ECMS) as a licensing requirement.
- Establish a new prepaid payment card facility and commence an agency pilot to improve and expedite one-off emergency payments, such as in the event of a natural disaster.
- Ensure the NTG is compliant with new Australian Taxation Office grants and payments reporting requirements.
- Expand the suite of online tax training packages for agency staff.
- Complete the transfer of the portfolio of housing assets into the Government Accounting System.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

HUMAN RESOURCE SERVICES

'Provide human resource services to all 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 Indigenous employees, with a particular focus on increasing the representation of Indigenous employees within government
- providing support, maintenance and development of the government's core human resource information technology systems, including the employee self-service module (myHR) and the all-of-government payroll system (PIPS)
- coordinating job evaluation services for agencies that determine work value and classification 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 Estimate	2015-16 Actual	2016-17 Budget
Payroll transactions processed	1.2M	1.1M	1.1M	1.2M	1.2M	1.2M
Commencements and terminations processed	14 500	14 000	13 863	14 500	13 883	14 500
Client queries resolved on first contact	n/a	n/a	81%	80%	77%	85%
Vacancies published	n/a	n/a	4 719	4 500	4 645	4 500

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Commencements and terminations processed – decrease is due to lower than anticipated staff turnover across the public sector.

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

Vacancies published – slight change due to increased activity, primarily in the Health Services Networks.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Commencements and terminations processed – 2016-17 budget estimate aligns with 2015-16 estimate and may need to be revised in light of 2015-16 actual results.

Client queries resolved on first contact – increase anticipated as service centre performance improves. The emerging trend of increasingly complex queries coming to the service centre may necessitate the target to be revised.

Vacancies published – budget estimate may need to be revised in light of 2015-16 actual results.

TREND ANALYSIS COMMENTS

Commencements and terminations processed – prior year fluctuations have stabilised in the last two years. Volume is primarily influenced by staffing activity across the public sector.

Client queries resolved on first contact – trend results are influenced by improvements in service centre performance offset by a higher proportion of increasingly complex queries coming to the service centre.

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

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
BP	Solution for automatic generation of agency organisation charts implemented.
BP	Panel contract for traineeship support and mentoring services to support the NTG Traineeship Program awarded.
BP	Partnerships with external organisations providing employment pathways for Indigenous students strengthened.
BP IP	Enhanced eRecruit system implemented with new capability for managing candidate pools and bulk recruitment campaigns.
SP	Additional features to help job seekers incorporated in eRecruit, such as an SMS service and improved functionality to store, retrieve and edit applications in a secure password controlled environment.
BP	Online supplementary pay advice information for Department of Health employees delivered.

In Progress

Aligned to	Description of achievement	Expected completion
BP	Supporting the Department of Treasury and Finance to streamline the administration of worker's compensation for government employees.	mid 2017
BP	Automating of salary increment payments for employees on higher duties allowance to reduce manual processing effort and error potential.	end 2016
BP	Developing two automated myResignation modules for complex calculations processing and employee self-service.	end 2016
BP	Delivering online Paysheets across employee groups to streamline and improve processing of salary entitlements.	mid 2017
BP	Developing functionality for Indigenous employment candidate pools that agencies can access for short-term development opportunities, in support of the NTG <i>Indigenous Employment Career Development Strategy</i> .	mid 2017

Ongoing

Aligned to	Description of achievement
BP	In partnership with Northern Territory Police, Fire and Emergency Services, progress the development of a Remote Community Policing Indigenous Employment Program.

FAST FACT



295

Indigenous people have been employed through the Indigenous Employment Program since 2009, with a retention rate of 66%

FUTURE PRIORITIES

- Establish Indigenous candidate pools for fixed term career development opportunities.
- Implement the myResignation calculation processing module.
- Rollout myResignation automated self-service module.
- Continue to deliver expanded online Paysheets to further employee groups that are paid based on submission of timesheets.
- Implement a contemporary Payroll and Employment Service administration model to support and sustain effective service delivery into the future.
- Enhance automated processing of leave for shift and part-time officers.
- Expand Indigenous Employment Programs and certificates in response to agency business requirements.
- Commence a technology review to optimise communication tools and methods available for service delivery to regional clients.
- Continue to assist the Department of Treasury and Finance with improvements to worker's compensation administration.

PROCUREMENT SERVICES

'Provide procurement services to all agencies through processes, systems, projects and reports that support agencies in effectively managing their procurement activity and deliver value and efficiencies 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 quotations and tenders with an estimated value of \$100 000 or more
- publishing details of quotations and tenders awarded with an estimated value of \$15 000 or more
- managing the procurement business systems used across government and by businesses
- facilitating the printing services across government contract.

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 focussed on procurements for the region and local business issues.

Key Deliverables Performance	Previous Years			Current Year		Target
	2012-13	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Actual	Estimate	Actual	Budget
Tenders released to market	863	994	884	1 000	938	900
Tender responses processed	3 952	4 672	4 148	4 600	4 889	4 500
Proportion of responses lodged electronically	73%	93%	96%	100%	97%	100%
Contracts awarded	1 214	1 242	1 464	1 200	1 224	1 100
Number of across-government contracts	10	13	20	26	26	27

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Tender responses processed - increase reflects stronger industry interest in government tendering opportunities.

Proportion of responses lodged electronically - estimate reflects target goal.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Tender responses processed - budget estimate may need revision in light of 2015-16 results.

Contracts awarded - original budget estimate will need revision for the final budget.

TREND ANALYSIS COMMENTS

Tenders released to market / Tender responses processed - changes over time relate to business activities across agencies and industry interest in government work.

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

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

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
SP BP	Suite of new across government contracts for air travel and travel booking services established.
SP BP	Transitioned to the new corporate travel booking model across government.
SP BP IP	A new government-wide contracts management system (Contrax) acquired that will facilitate effective management of contracts across the diverse array of government's contracting requirements with integration capability to ASNEX for infrastructure contracts.
BP	Print Management Unit functions transitioned from the Department of the Chief Minister and integrated within DCIS.
SP	All-of-government procurement reforms implemented within procurement systems.

In Progress

Aligned to	Description of achievement	Expected completion
BP IP	Implementing a new Tender Documents Online (TDO) solution to support electronic preparation of complex tender documentation, improve workflows across agencies and deliver efficiencies.	end 2016
SP BP	Considering a category management approach to NTG procurements.	end 2016
SP	Expanding the suite of across government contracts as identified and required across agencies.	mid 2017

Ongoing

Aligned to	Description of achievement
BP SP	Developing and implementing functionality enhancements for the Agencies Purchase Requisitions Online (APRO) system and the Quotations and Tenders Online (QTOL) system as identified and required.
BP	Focusing on contract performance and relationship management processes by engaging and supporting agencies and suppliers.

FAST FACT



150

local businesses
supply to
26 across
government
contracts

FUTURE PRIORITIES

- Rollout Tender Documents Online (TDO) system to agencies.
- Transition contracts managed by DCIS to new Contrax system.
- Support progressive rollout of the Contrax system to agencies across 2016-17 and beyond.
- Embed print management services within the DCIS Services Framework.
- Improve air charter booking processes to deliver efficiencies for agencies.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES

'Provide across government ICT governance, policy and services to all agencies through processes, systems, projects, contract management and reports that support agencies in effectively managing their ICT resources.'

This output is responsible for:

- managing the NT Government ICT Governance Framework including developing all-of government ICT strategies, architecture, policies and standards that encompass ICT systems, information and records management and data communications
- overseeing, through the ICT Governance Board, agencies' major ICT projects and analysing ICT investment proposals as a strategic governance function
- developing and implementing telecommunications and broadcasting plans, covering mobile and fixed telecommunications services, broadband and radio broadcasting services, particularly for remote communities in the Northern Territory
- developing ICT security policy, providing ICT security advice, establishing cyber security measures for government's ICT environment and providing incident response coordination
- reviewing and determining ICT enterprise architecture at a strategic all-of-government level
- coordinating development services for agency business applications
- managing all-of-government identity management
- researching technology trends and focusing on innovative solutions to transform NTG operations
- engaging with agencies and industry on strategic ICT directions
- managing all-of-government outsourced ICT services and security
- providing ICT infrastructure for government that underpins all ICT services and coordinating ICT end user services, including desktop and mobile devices, phones and printers
- providing an advisory service to smaller agencies to support management of their ICT requirements and environments through an out-posted team
- maintaining the government's records management system and providing information and records management system support to agencies.

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

Service delivery is provided from offices in Darwin, Alice Springs and Katherine; 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 Estimate	2015-16 Actual	2016-17 Budget
Laptops/workstations	16 136	16 533	17 329	18 000	18 099	18 400
ICT services provided within agreed service levels	98%	98%	99%	100%	100%	100%
Severe desktop faults restored within service level agreement	95%	99%	98%	100%	100%	100%
Major projects overseen by the ICT Governance Board	n/a	n/a	14	20	21	25

MOVEMENTS BETWEEN ACTUAL AND 2016-17 BUDGET

Laptops/workstations - increase reflects a growing use of mobile computing devices across agencies, such as laptops and tablets used by staff in the field.

Major projects overseen by the ICT Governance Board - increase reflects anticipated future projects believed to be commencing as a result of the annual agency survey.

TREND ANALYSIS COMMENTS

Laptops/workstations - growth reflects trend being experienced across society of greater usage of mobile devices and technology as more online services become available and the workforce becomes more mobile.

Major projects overseen by the ICT Governance Board - growth follows the introduction of the NTG ICT Governance Framework in 2014.

PERFORMANCE ACHIEVEMENTS IN 2015-16



Completed

Aligned to	Description of achievement
SP BP	The first year of the Mobile Phone Hotspots program, coordinated with the Centre for Appropriate Technology, resulting in 11 hotspots installed in Central Australia improving mobile phone coverage in remote areas.
SP	Feasibility studies and due diligence reports for the Telstra/NTG Co-investment program were completed, which confirmed infrastructure, technology requirements and costs for the prioritised communities.
BP	Project to replace ePASS, the NTG's identity management system, approved and planned.
BP SP	ICT Services Contracting Model developed including consultation with agencies, MIAC and the ICT industry. The model defines the principles and approach for future ICT services contracts.
BP	ICT Capability Framework introduced to support recruitment and retention of skilled ICT professionals in the NTG.
BP	ICT Industry Engagement Plan developed through MIAC, continued to be rolled out through hosting an information share forum with the local ICT industry and progressing dialogue with the ICT Industry Association.
BP	Dependencies on MS Windows XP operating system within the NTG environment were removed, enhancing network security and delivering savings to agencies.
BP	Internet Explorer Version 11 deployed across government.
BP	New telephone management system introduced to improve billing and agency reporting and rationalise PABX hardware.
SP	DCIS Cyber Security Committee established to monitor government's cyber security framework and DCIS' security program.
BP	New Virtual Private Network (VPN) protocols introduced, which improves mobile computing services and enhances remote access.
BP	Records Management System review recommendations implemented.
BP SP	ICT Project Management Toolkit published to support agencies to manage their ICT projects.
BP SP	Mobile device management platform commissioned and rolled out to mobile devices requiring access to the NTG network, including the email environment, greatly improving the security of government's network and information.
BP	ICT hub for the NTG's southern region within the Greatorex Building relocated and upgraded as part of refurbishment works in the building.
SP BP	Central email and file storage solution to improve backup and retrieval of records across government established.
SP	2015 Charles Darwin University Code Fair sponsored; with four masters students provided employment experience in DCIS.

Aligned to	Description of achievement
SP IP BP	Territory Records Manager (TRM) system administration centralised from agencies to DCIS to provide consistency of records management practices across government and deliver service improvements.
SP BP	TRM upgraded to contemporary version providing broad efficiencies and improvements to the user experience.
SP BP	28 TRM datasets migrated to an enhanced and supported database environment.



In Progress

Aligned to	Description of achievement	Expected completion
BP	Implementing a reporting portal for agencies to provide regular status updates on their major ICT projects.	mid 2016
BP	Conducting the 2016 survey of agency ICT proposals.	mid 2016
BP SP	Developing an all-of-government Grants Management System (GrantsNT) that will provide a common online system to advertise, respond to, assess and acquit NTG grants.	end 2018
SP BP	Progressing the procurement phase of the ePASS replacement project.	end 2016
BP	Commencing a review of Part 9 of the <i>Information Act</i> , in conjunction with relevant agencies, to identify opportunities for improving the operation of the records management regime.	end 2016
SP	Working with the Department of Business and MIAC to progress research and advice on an ICT innovation incubator that could support new ICT businesses to develop and market innovative products and services.	end 2017
SP BP	Developing and implementing a NTG business classification scheme for use in all TRM datasets to standardise terminology, improve use and support disposal processes.	mid 2017
SP IP BP	Standardising TRM system settings and configuration across the NTG to provide a more consistent and uniform system.	mid 2017
SP BP	Reviewing the information management policy environment to provide contemporary whole of government policies, standards and governance.	mid 2017
BP	Improving mobile ICT services through infrastructure and applications that enhance remote access and mobile computing, including NTG drop box solution.	early 2017
BP	Developing an ICT security reporting framework via a Security Information and Event Management (SIEM) system that enables collation and modelling of ICT events.	end 2016
BP	Implementing a Network Access Control toolset to enhance network security and improve network management and support.	end 2016
BP	Developing a contemporary 'virtual desktop' solution to streamline access to systems and services via multiple device types for the Department of Health's Emergency Department and Operating Theatres.	end 2016
SP BP	Progressing preparatory work for a digital Territory strategy with focus on identifying elements and discussion topics to expand input from the local ICT sector, businesses, community and agencies.	mid 2017
SP	Linking a location intelligence strategic plan for agencies within a broader digital territory strategy, leveraging location intelligence work being done across government. This will provide a framework for ongoing development of geospatial systems to meet agency, business and community needs.	mid 2017

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

Aligned to	Description of achievement
SP BP	Coordinating with Telstra to deliver the the Telstra/NTG Co-investment program to provide improved telecommunications services in remote communities across the Territory, with construction to start in 2016-17.
SP	Continuing to leverage government's role as a major consumer of ICT services to build local industry capacity in partnership with Charles Darwin University.
BP	Engaging with the local ICT industry to foster skills development, innovation and better information sharing.
BP	Continuing to coordinate ICT Governance Board oversight of major agency ICT projects and investment proposals and engagement with agencies to build knowledge of ICT governance.
BP SP	Liaising with agencies to identify and increase use of call centre tools to improve frontline services efficiency and effectiveness.
BP	Maintaining the rolling review program of existing ICT policies and standards and continuous examination of an evolving ICT environment, identifying gaps and mitigating associated risks

FAST FACT



292

*calls of 20
seconds or more
were recorded
via the new
Finke Desert
Race mobile
hotspot over the
race weekend*

FUTURE PRIORITIES

Telecommunications

- Work with Telstra to deliver the second year of the Telstra/NTG Co-investment program to provide improved telecommunications services in remote communities across the Territory, focussing on construction of prioritised locations.
- Coordinate the second year of the Mobile Phone Hotspots program, with the Centre for Appropriate Technology to install 11 hotspots in the Central Australia region to improve mobile phone access in remote areas.
- Extend the Mobile Phone Hotspot program with the Centre for Appropriate Technology to eight 'top end' communities with a cyclone hardened version of the hotspot.

ICT Governance

- Continue the program of ICT industry engagement to provide a greater awareness of industry trends, government initiatives and facilitate a better understanding of requirements across both sectors.
- Develop a database of lessons learnt from ICT projects for use by agency project teams.
- Create frameworks for ICT Project Risk Management, Benefits Realisation, Project Financial Management, Contract Management and ICT Procurement.
- Prepare to establish a government-wide Chief Information Officer role.

Digital Policy

- Progress the preparation work for a digital Territory strategy, including discussion papers, consultation plans, supporting strategies and action plans.
- Finalise the location intelligence strategy within this broader digital strategy context.
- Develop new digital policies and standards related to open data and a digital by default approach, leveraging work done by the Australian Government.
- Sponsor and participate in the 2016 Charles Darwin University ICT Code Fair.
- Update government ICT policies and standards in line with the approved rolling refresh program.

FAST FACT



147 M

More than 85% of all emails received by the NTG were blocked as either virus or spam, this equates to approximately 147 million emails

FAST FACT



84 M

DCIS manages ICT Services contracts with 74 service providers, with an estimated annual spend across the NTG of \$84 million

CYBER SECURITY

- Analyse the current ICT security environment against threat trends and consider possible directions to mitigate potential threats and improve the responsiveness and governance of the cyber security environment.
- Enhance security of government's virtual private network.
- Conduct a Cyber Security Awareness week to increase user awareness both within the NTG and in the local business community.
- Fully implement the Security Information and Event Management software and improve governance reporting.

ICT Services and Projects

- Select a suitable replacement for the NTG's identity management system, ePASS, and commence implementation project.
- Progress development of the all-of-government system for managing grants (GrantsNT) and commence pilot installation.
- Explore the requirements and prerequisites needed to establish improved data analytics capability through a centre.
- Rationalise the government printing environment, including printers and multi-functional devices.
- Implement new Contrax system for the management of ICT Services contracts.
- Investigate options for a full service catalogue system to replace the current hybrid approach.
- Replace core internet filtering and email gateway tools to enhance security.
- Develop a framework for preparing technology roadmaps for DCIS services identifying new business requirements and emerging technologies.
- Research licensing approaches for core software to develop a model that will enhance usage, facilitate compliance and address functional needs.

Records Management

- Rationalise the number of TRM datasets through a system model that readily enables machinery of government changes and product upgrades.
- Implement the records Business Classification Scheme.
- Complete investigation of Part 9 of the *Information Act* in conjunction with relevant agencies and identify recommended improvements.



Simpsons Gap Mobile Hotspot installation

Supporting local industry

11 mobile phone hotspots were installed in Central Australia. The highly innovative unpowered hotspots increase the range of coverage from nearby mobile phone towers by up to 40 km enabling mobile phone coverage in communities and key spots along major highways in the NT (e.g. roadside rest areas). The Centre for Appropriate Technology has received certification to install the hotspots in cyclone prone areas of the NT and work is continuing to identify appropriate sites in the northern half of the NT that would benefit from this technology

*Strategic Priority:
Telecommunications that benefit communities across the Territory*



Karina McLeod Bourne, Kinetic It and Ken Conway, DCIS at the CSIA Awards

Continuing to punch above our weight on a national and international platform

The NTG ICT Service Centre, managed by Kinetic IT through an ICT Services contract, won the:

- national award for Service Excellence in a Service Desk / Help Desk category for the second consecutive year at the Customer Service Institute of Australia Annual Awards; and
- International Council of Customer Services Organisation's 2015 International Service Excellence Award in the internal support services category. This is the sixth major customer service excellence award the government's ICT service centre has won in the past three years.

This is a major achievement for the NTG providing international recognition and shows that we continue to perform at the higher end of the service spectrum.

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 NT 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	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Actual	Estimate	Actual	Budget
Property leases	186	196	189	190	194	190
Area leased (000 m ²)	203	201	207	200	202	200
Average cost per m ²	\$371	\$396	\$412	\$421	\$420	\$430

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Average cost per m² – projected increase relates to standard market escalation across the portfolio.

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 2015-16

Completed

Aligned to	Description of achievement
	Darwin leased office accommodation plan delivered, including improved accommodation for supported non-government organisations.
	All-of-government cleaning services for leased buildings panel contract established.
	Options for potential court facilities in Palmerston tested through an Expression of Interest process that was concluded by government.
	Five agencies relocated to the Charles Darwin Centre with no disruption to services.

In Progress

Aligned to	Description of achievement	Expected completion
	Monitoring the construction and commissioning of the new Supreme Court Building in Alice Springs.	early 2017
	Procuring an all-of-government security services panel contract.	late 2016
	Conducting an Expression of Interest process to identify options for potential office accommodation for the Department of Health.	mid 2016
	Developing a customer portal for leased accommodation.	early 2017

FAST FACT



2582
maintenance
work requests
lodged in 2015-
16, with 83%
of critical and
urgent requests
resolved within
3 days

FUTURE PRIORITIES

- Monitor the construction program for the Alice Springs Supreme Court as it concludes during 2016-17 and ensure the building is operational when required.
- Implement the customer portal for agencies to lodge and keep track of building maintenance issues for leased buildings.
- Transition to a new panel contract for security patrol services.
- Assist the Department of Health with its office accommodation needs for administrative staff according to government direction.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

ASSET SERVICES

'Provide asset services 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 new ASNEX solution for managing and recording 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 Finance Services, Corporate Systems, Corporate Reporting, Program Management Office and Business Services.

Key Deliverables Performance	Previous Years			Current Year		Target
	2012-13	2013-14	2014-15	2015-16	2015-16	2016-17
	Actual	Actual	Actual	Estimate	Actual	Budget
Work orders processed	n/a	110 000	112 879	117 000	117 033	117 000
Reports available	n/a	40	214	235	234	240
Help desk jobs completed within service standards	n/a	99%	100%	100%	98%	100%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Help desk jobs completed within service standards – minor fluctuation due to introduction of a new service delivery management tool and related service level management standards that have been harder to achieve initially.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Reports available – increase relates to new reports for agencies being developed as part of the ASNEX Program.

Help desk jobs completed within service standards – anticipated return to achieving target in 2016-17.

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 transition from the previous asset management system which had few reports to the reports being developed in the ASNEX Program.

Help desk jobs completed within service standards - new service level management standards are setting improved response times.

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
SP	Enhanced mobile solutions deployed assisting agency staff in the field and supporting the effective management of infrastructure assets.
SP	Roads reporting capability expanded to meet operational, management and compliance requirements.
SP	Integrated business intelligence and data repository solution implemented providing a single source of truth and increasing the reporting capability for infrastructure asset information.
SP IP	All-of-government contract management system (Contrax) acquired that will integrate with infrastructure contract management activities and ASNEX requirements.

In Progress

Aligned to	Description of achievement	Expected completion
SP	Developing a web-based portal to provide a single access point for users of ASNEX.	mid 2016 (initial deployment)

Ongoing

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

FAST FACT



\$11B
in government
assets managed
through ASNEX
asset system
supported by
DCIS

FUTURE PRIORITIES

- Expand the ASNEX portal functionality and integration capability to support prioritised business requirements and ASNEX solutions, including external officer and contractor access.
- Expand the ASNEX mobility platforms to enable prioritised innovative business process improvements through information access, verification and capture in the field.
- Increase the spatial (mapping) capability for infrastructure assets and explore opportunities for improved public access.
- Grow the integrated business intelligence and data repository solution to include an additional 15 standard reports and executive dashboards for agencies to manage their infrastructure assets.
- Commence integration of Contrax, the new contract management system, with ASNEX.
- Transform the foundation systems, AIS and RIMS, to a contemporary web-based environment with additional functionality to support agency business processes.

Our Reporting Symbols

SP Strategic Plan **IP** Innovation Program **BP** Business Plan

PROJECT SERVICES

'Provide project management services on behalf of agencies that effectively deliver project outcomes.'

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' IT 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 *NT Government ICT Governance Framework*.

The work units that contribute to this output are 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 Estimate	2015-16 Actual	2016-17 Budget
Major ICT programs managed on behalf of agencies	n/a	n/a	n/a	1	1	1
Projects managed on behalf of agencies	n/a	n/a	n/a	3	5	5
Stage gate reviews undertaken	n/a	n/a	n/a	3	3	7
Projects completed	n/a	n/a	n/a	2	3	3

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Projects managed on behalf of agencies – increase reflects assistance sought on two further ICT projects late in the financial year.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Stage gate reviews undertaken – increase reflects anticipated progress of major ICT programs over 2016-17 where stage gates will be reached and growth in agency projects.

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
SP BP	Successfully progressed the planning phase of the Core Clinical Systems Renewal Program (CCSRP) on behalf of the Department of Health.
SP	Election Commitments Database for the Department of the Chief Minister developed and implemented to deliver a contemporary, web-based system for the management of election commitments and centralised reporting of progress and achievements.
SP	New Library Management System deployed across all Northern Territory library services with project governance advice provided.
SP	Project managed implementation of the NTG's service-based internet site, www.nt.gov.au on behalf of the Department of the Chief Minister.
SP	Comprehensive business case developed to guide the replacement of the Community Care Information System (CCIS) that is used to support case management of child protection activities.

In Progress

Aligned to	Description of achievement	Expected completion
SP BP	Project managing the procurement phase for the acquisition of new clinical ICT systems as part of the CCSRP.	early 2017
BP	Managing implementation of a new ICT system to support and modernise occupational licensing and compliance functions for the Department of Business.	end 2017
BP	Progressing Phase 2 of the Election Commitments Database to deliver enhanced analysis and reporting capability.	end 2016
SP	Providing advice and assistance as required to NT Police, Fire and Emergency Services for the development of a detailed business case to address replacement of the Police Real-time Online Management and Information System (PROMIS).	end 2016

Ongoing

Aligned to	Description of achievement
SP BP	Developing project management tools and capabilities to provide an effective bureau-style service to support agencies.

FUTURE PRIORITIES

- Identify NT Government ICT projects and programs of work that can be strengthened and delivery confidence improved through the pro-active involvement of DCIS Project Services.
- Further review and refine project management systems, processes and tools to ensure DCIS Project Services is well positioned to add value and enhance the successful delivery of agency ICT projects.
- Continue project management and execution of the CCSRP program into the implementation phase on behalf of Department of Health. This is a multi-year business critical program to replace clinical ICT systems across the Northern Territory public health system.
- Manage implementation of the ICT system for occupational licensing functions.

Highlight story

The Core Clinical Systems Renewal Program (CCSRP), a five year program to replace clinical ICT systems across the NT public health system, will improve health outcomes of Territorians by replacing current health ICT systems with one integrated, client-centric electronic health record that supports the provision of patient and client services across the Northern Territory public health system. Implementing the CCSRP will position the Territory as the first jurisdiction in Australia to provide end-to-end clinical information to all public health care providers at the point-of-care.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

OUTPUT GROUP: CORPORATE AND GOVERNANCE

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

Key Deliverables Performance	Previous Years			Current Year		Target
	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Estimate	2015-16 Actual	2016-17 Budget
Accounts paid within 30 days	n/a	95%	95%	100%	97%	100%
Staff performance management plans agreed	n/a	80%	79%	100%	92%	100%
Tenders issued	n/a	18	17	12	9	15
Business continuity plans in place for key services	n/a	100%	100%	100%	100%	100%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Staff performance management plans agreed - actuals were less than targeted due to the timing of staff movements in the performance management cycle.

Tenders issued - actuals were less than estimated due to two contracts transitioning to an existing panel arrangement and one contract being extended pending introduction of the ICT Services Contracting Model.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Staff performance management plans - target is aspirational and the focus will remain on continuing improvement across the department.

Tenders issued - tenders issued will increase due to contract cycles, with a number of ICT tenders planned for 2016-17 under the new ICT Services Contracting Model.










TREND ANALYSIS COMMENTS

Staff performance management plans agreed - proportion of staff performance management plans in place continues to increase due to promotion throughout the department.

Tenders issued - numbers of tenders will fluctuate between years due to contract cycles, agency business requirements and changes to procurement approaches.

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
 	Workforce Strategy developed and introduced across DCIS.
	Risk assessment workshops conducted to update strategic and operational risks across the department and consider mitigations.
	Employment screening policy introduced, as a component of the department's risk management framework, to assist in the assessment of applicants' suitability for employment.
	Department's Internal Audit Charter reviewed and updated to ensure it reflects the role, responsibilities and accountabilities of the internal audit function.
 	Corporate Capability Plan implemented to ensure the workforce is well positioned to respond to changing business requirements.
	New budget management solution, Feenix, implemented in DCIS.
	Information Management Unit reviewed, linked to the Transforming NTG Records System program including centralisation of system administration.



The DCIS Budgets and Finance team were the first to implement the new Feenix budget management system and have embraced it!

Meeting Strategic Priorities:

Creative solutions that reduce red tape.

DCIS workforce that is skilled, capable and motivated.

In Progress

Aligned to	Description of achievement	Expected completion
BP SP IP	Participating in the Transforming NTG Records System program by providing feedback on proposed business classifications scheme for government records.	end 2016
BP	Undertaking an independent strategic risk assessment of the department's work health and safety environment.	end 2016
BP	Redeveloping the DCIS intranet staff site.	mid 2017

Ongoing

Aligned to	Description of achievement
BP	Reviewing and identifying opportunities from the NTPS People Matter Survey which will be implemented via an action plan in consultation with the Staff Consultative Committee.
SP BP	Actively supporting the Traineeship programs, Graduate Program, Indigenous Cadet Support Program and Indigenous Employment Program through ongoing participation.
BP	Maintaining strong focus on exceeding Indigenous employment targets through the DCIS Indigenous Employment Career Development Strategy and ongoing cultural competency training for all staff.
SP	Continuing to engage the Staff Consultative Committee for the consideration of matters affecting department staff.

FAST FACT



12.4%
of DCIS staff
are Indigenous
compared
to the NTPS
average of 10%

FUTURE PRIORITIES

- Consider the outcomes of the strategic risk assessment of the agency's work health and safety environment and commence implementation of accepted recommendations.
- Arrange independent testing of business continuity plans for selected key services.
- Deliver procurement training sessions to agency staff targeted to Tier 1 and 2 procurements and Buy Local requirements.
- Refine and support the Wellness Program to encourage a focus on health conscious behaviours and habits.
- Review the department's MyPlan performance management program and identify opportunities to improve processes.
- Implement the 'My Career' tool to guide Indigenous and early careers staff to explore work and career options and help develop their own career plan.
- Implement an Indigenous Employment Career Development Reference Group to promote and guide IECDS implementation in DCIS.

Our Reporting Symbols

SP Strategic Plan

IP Innovation Program

BP Business Plan

WHAT THE GBD'S ACHIEVED

Government Business Divisions (GBDs) operate on a commercial basis, however they remain subject to the 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 NTG 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 Estimate	2015-16 Actual	2016-17 Budget
Light vehicles managed	2 899	2 831	2 749	2 800	2 895	2 800
Light vehicles disposed	969	591	751	720	665	720
Heavy vehicles managed	777	790	807	810	821	810
Light vehicles meeting fuel and safety standards	n/a	n/a	97%	100%	98%	100%
Light vehicles managed within vehicle life standards	75%	91%	85%	85%	79%	90%

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Light / Heavy vehicles managed - increase is due to additional vehicles required by key service delivery agencies.

Light vehicles disposed - decrease is due to timing of lease contracts and disposals, including retention of some vehicles to meet community service obligation commitments for short term loans.

Light vehicles managed within vehicle life standards - decrease reflects disposal timing and vehicle loan commitments.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Light / Heavy vehicles managed - budget estimates may need to be revised in light of 2015-16 actual results.

Light vehicles disposed - budget estimate reflects timing influence with a return towards normal disposal patterns anticipated in 2016-17. Estimate will be monitored and revised to better align with actual disposals if necessary.

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

TREND ANALYSIS COMMENTS





Light / Heavy vehicles managed - volume is primarily influenced by agency activities across the sector.

Light vehicles disposed - the *Vehicle Policy Framework* introduced from 2013-14 extended the life of passenger and light commercial vehicles which significantly reduced disposals and altered the disposal cycle.






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

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
 BP	Vehicle Policy Framework updated to reflect current thresholds and changes in the vehicle industry since the framework was introduced.
 BP	Vehicle gifting and loans allocation model developed in consultation with key agencies.
 BP	Online registration of fleet vehicles implemented as part of improvements to the fleet business environment.
 BP	Improvements to vehicle service interval notifications and reminders to clients introduced.

In Progress

Aligned to	Description of achievement	Expected completion
 BP	Implementing an acquisitions module as part of the modernisation of the Fleet Business System to streamline processing and deliver efficiencies.	end 2016
 BP	Introducing a maintenance and servicing module to the fleet system to facilitate efficient on-time vehicle servicing with automated notifications and online scheduling.	end 2016
 BP	Integrating a disposal module within the Fleet Business System to increase accuracy and user productivity and reduce time.	mid 2016
 BP	Progressing an online vehicle ordering process with clients to provide productivity gains and enhance the user experience.	early 2017
 BP	Establishing an online solution for short term vehicle hire.	mid 2017

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.

FUTURE PRIORITIES

- Introduce acquisition, disposal and maintenance modules and rollout digital improvements to agency clients.
- Progress online vehicle ordering solution.
- Improve processes and system for managing short term vehicle hire.
- Deliver dashboard reporting to clients using DCIS' business intelligence toolset and data warehouse capability.
- Implement global positioning system units for safety of drivers operating in remote locations, as approved by agencies.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

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 Chan 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, Identity Management, Architecture and Security, and Application 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 Estimate	2015-16 Actual	2016-17 Budget
Monthly cost per million instructions per second (MIPS)	n/a	n/a	\$1 090	\$1 060	\$1 114	\$1 070
Mainframe computing availability	n/a	n/a	100%	100%	100%	100%
Virtual server computing availability	n/a	n/a	100%	100%	100%	100%
Physical servers hosted in data centre	n/a	n/a	551	425	415	400
Fully managed servers	700	889	1 000	1 200	1 195	1 300
Data storage area network (terabytes)	1 300	1 512	2 100	2 400	2 615	2 900

MOVEMENTS BETWEEN ESTIMATE AND ACTUAL 2015-16

Monthly cost per million instructions per second (MIPS) - increase in software licensing costs resulting from higher transaction processing volumes.

Data storage area network (terabytes) - increase due to continued growth in the volume of digital data across all agencies ICT systems.

MOVEMENTS BETWEEN 2015-16 ACTUAL AND 2016-17 BUDGET

Monthly cost per million instructions per second (MIPS) - cost per MIPS is expected to normalise as software licensing is revised to align with increased transaction workloads.

Fully managed servers - reflects expected agency demand growth.

Data storage area network (terabytes) - anticipated continued growth in digital data retained and managed.

TREND ANALYSIS COMMENTS

Monthly cost per million instructions per second (MIPS) - cost per MIPS increased slightly in 2015-16 as a result of increased computing workloads impacting software licensing costs. Expected to normalise in future years as new software licensing contracts are negotiated.

Physical servers hosted in data centre - 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 DCS. The cost efficiency of virtual server computing has incentivised this trend.

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.

Our Reporting Symbols



Strategic Plan



Innovation Program



Business Plan

PERFORMANCE ACHIEVEMENTS IN 2015-16

Completed

Aligned to	Description of achievement
BP	Comparative benchmarking of cloud computing solutions undertaken to identify opportunities to improve efficiency through use of highly secure public and private cloud technology.
BP	TRM databases converted from Oracle to SQL delivering savings in software licensing and support the Transforming the NTG Records System Program.
BP	Identity management services and mainframe applications development services transitioned to DCIS to align with functional adjustments reflected in 2015-16 Budget.
SP BP	Detailed engineering design of the Government Data Centre facility at Millner finalised and approved.

In Progress

Aligned to	Description of achievement	Expected completion
SP BP	Progressing Stage 1 of the Government Data Centre facility project relating to fit-out of the electrical, mechanical and architectural requirements and systems.	mid 2016
SP BP	Planning for Stage 2 of the Government Data Centre to establish computing services in the facility and provide improved resiliency and disaster recovery capability for critical government ICT services.	early 2017
BP	Analysing and redistributing computing workloads to minimise software licensing costs.	mid 2016
BP	Continuing service improvements through expanding and enhancing real-time integration of data between ICT systems utilising middleware technology.	mid 2017

FAST FACT



72M

Data transactions interfaced via middleware increased from 66 million in 2015 to 72 million in 2016 demonstrating significant improvement in real-time integration between critical government ICT systems

FUTURE PRIORITIES

- Complete the Government Data Centre project with the facility fitted-out and operational.
- Establish a brokering service for cloud computing services that delivers value for money options for agencies and aligns with government's cloud computing policy.
- Further exploit and expand on mobile and web technologies as a key element of the modernisation of mainframe ICT systems.
- Conduct an independent benchmarking assessment of Data Centre Services core services and functions.
- Explore options to improve cost recovery processes through enhancements and automation of billing system data capture.

Highlight story

Significant effort has been undertaken to establishing a contemporary and fit-for-purpose design for the new Government Data Centre. The design is one of the critical components of this program of works. Once operational, the new data centre will strengthen resilience and security of government's ICT services and substantially improve business continuity capability.



eRecruit team from Alice Springs celebrating roll out of the system



Alice Springs IEP participants with Craig Allen, Commissioner for Public Employment

HR Services

The enhanced feature in eRecruit that lets agencies manage candidate pools and bulk recruitment campaigns has seen around 2000 applications lodged since it was introduced in October 2015.

Aligns with our:

Corporate Value: Driving innovation to deliver value for our clients.

Strategic Priority: Creative solutions that reduce red tape.

Procurement Services

More than 29 industry consultations and briefings were held in 2015-16 as part of market research, industry engagement and advice about tendering opportunities.

An example of the DCIS values and principles reflected in our work.

Alice Springs School Leavers Program

"A program that delivers on its promises – with support on the journey and a job at the end"

The Indigenous Employment Program demonstrates the NTG's commitment to providing increased employment opportunities for Indigenous people and is a key initiative in addressing the NTPS Indigenous Employment targets.

Remodelled as a targeted School Leavers program in an effort to break through challenges faced in previous programs within the region, this program is a milestone for the IEP and is the most successful program in Alice Springs to date.

The eight participants commenced in February and graduated in June 2016, with the Commissioner for Public Employment presenting certificates.

FAST FACT



98%
of NT Fleet
light vehicles
comply with
fuel efficiency
threshold

CORPORATE GOVERNANCE



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 and accountability framework is presented below in Figure 1, which provides the framework for responsible and sustainable business practices.

CORPORATE GOVERNANCE PRINCIPLES

DCIS is guided by the following key principles when making decisions and taking operational actions:

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, NTG policies and internal procedures.
Communication	Clear articulation to staff at all levels about the vision and strategy, planning, governance requirements and expectations with respect to the fair and equitable treatment of others in providing professional and responsive services.
Risk management	Applying a detailed risk management framework to identify risks and impacts and determine appropriate risk mitigations.

Figure 1. Corporate governance and accountability framework



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 for this reporting period commenced in May and was finalised in June 2016. Some memberships were expanded in a deliberate move to invest in the next layer of leadership by providing the opportunity to expand knowledge in the business of the department. A new Cyber Security Committee was added to the governance structure to monitor and oversee cyber security activities and readiness across the department to meet its responsibilities for the Northern Territory Government's ICT environment. Some committees began meeting under their revised membership in May / June, while committees that meet quarterly will commence the new membership next reporting year.

Each committee's key functions, performance in 2015-16 and membership as at 30 June 2016 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
Michael Smid, A/Senior Director Business Services
Greg Moo, Senior Director Business Strategy
Bronwyn Riedel, Senior Director Procurement 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)
Two rotational members

Membership changes in 2015-16:

- Off: Senior Director Program Management Office
 On: Senior Director Business Strategy and the Senior Director Business Services
- Rotational Members:
 Helen Perry, Michael Smid, Genevieve Mogridge, Rex Schoolmeester, Lou-anne Duncan, Wayne Sanderson, Garey Neenan and Rachel Dippel.

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.

2015-16 ACHIEVEMENTS

- Approved the Agency Procurement Management Plan; Emergency Leave Policy; Gifts and Benefits Policy; Health and Wellbeing Program; Strategic Risk Register; DCIS Indigenous Employment Career Development Strategy action plan; DCIS Corporate Capability Plan; and Employment Screening (Criminal History) Policy.
- Endorsed the DCIS Business Plan 2015-16; Marketing Communications Plan 2015-16; DCIS Workforce Strategy 2016-2018; Strategic Plan 2016-2018; and divisional business plans for 2016-17.
- Supported and monitored early career programs; graduate development program; DCIS emerging leaders program and leadership programs run by the Office of the Commissioner for Public Employment.
- Provided strategic oversight through the suite of quarterly board reports including KPI reports; progress reports on the Strategic Plan; DCIS 2015-16 Business Plan; Innovation Program; and Strategic Risks.
- Adopted a staff engagement program for each board meeting, including regional meetings.
- Endorsed updates to governance committees in June 2016.



EMB rotational members

Front: Rex Schoolmeester; Garey Neenan; Dale Howard; Waynes Sanderson; Lou-anne Duncan

Back: Joe Babbini; Scott Thomson; Paul MacMillan; Michael Smid; Sandra Papandonakis; Rachel Dippel

AUDIT COMMITTEE

ROLE

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

MEMBERSHIP



Tracey Scott, Assistant Under Treasurer,
Department of Treasury and Finance (Chair)

Monica Birkner, Executive Director Corporate
Services, Department of Infrastructure

Michael Smid, A/Senior Director Business
Services

Garry Russell, Senior Director
Corporate Systems

Bronwyn Riedel, Senior Director
Procurement Services

Rex Schoolmeester, Chief Financial Officer
(Ex-Officio)

David Keirs, Director Governance
(Executive Officer)

Membership changes in 2015-16:

The committee terms of reference were reviewed, updated and approved by the Chief Executive in June 2016, which will see the following membership changes effective from 2016-17:

Off: Deputy Chief Executive

On: Senior Director Business Services

KEY FUNCTIONS

- Monitor external audit outcomes and the implementation of audit recommendations.
- Develop and monitor internal audit and review programs.
- 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.
- Review the financial statements for DCIS and GBDs.
- Review audit programs and monitor outcomes for audit requirements specified in the ICT outsourced contracts.

2015-16 ACHIEVEMENTS

- Implemented an annual financial statement checklist for the department and its GBDs to provide the Chief Executive with further assurance with respect to content and accuracy of financial statements.
- 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.
- Oversaw the review of the department's internal Audit Charter.

RISK MANAGEMENT COMMITTEE

ROLE

To monitor and oversee 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 Procurement Services

Gregory Moo, Senior Director Business Strategy

Bronwyn Lo, Program Director Program Management Office

David Keirs, Director Governance

Greg Connors, Director ICT Infrastructure, Architecture and Security

Joanne Vanderpoll, Governance Officer (Executive Officer)



Membership changes in 2015-16:

Chair: Changed from Senior Director Procurement Services

Off: Senior Director Program Management Office; Director Corporate Reporting and Director Finance Services

On: Senior Director Business Strategy; Program Director Program Management Office; Director ICT Infrastructure, Architecture and Security

KEY FUNCTIONS

- Promote an effective risk management culture across the department.
- Monitor and provide direction on the department's risk management approach.
- Endorse a risk management framework including business continuity management and reporting on compliance.
- Monitor audit findings to identify key risks and ensure appropriate risk management strategies.
- Review and endorse risk assessments and approve risk procedures.

2015-16 ACHIEVEMENTS

- Conducted a biennial strategic risk assessment 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 the rollout of the department's biennial operational risk assessment workshops.
- Reviewed and endorsed the DCIS Gifts and Benefits Policy and Disclosure of Interest Policy and endorsed the DCIS Employment Screening Policy.
- Monitored effectiveness and approved Cyclone and Flood Preparation Plans.
- The committee terms of reference were reviewed, updated and endorsed by the Executive Management Board in June 2016.

WORK HEALTH AND SAFETY COMMITTEE

ROLE

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

MEMBERSHIP



Lou-anne Duncan, Director Commercial Leasing NT Property Management (Chair)

Wayne Sanderson, Director Regions

Joseph Babbini, Director NT Fleet

Dale Howard, Director HR Systems

Michael Crawford, Service Delivery Manager

Caroline Lewis-Driver, A/Manager Mainframe Services

Joanne Staples, Assistant Director Taxation Services

People and Development Senior Consultant (Executive Officer)

Membership changes in 2015-16:

Off: Senior Director NT Property Management (Chair); Regional Manager Shared Services Client Liaison; Senior Director Digital

On: Director Commercial Leasing NT Property Management (Chair); Director Regions; Service Delivery Manager; Assistant Director Taxation Services; A/Manager Mainframe Services

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*.

2015-16 ACHIEVEMENTS

- Monitored and reviewed the department's compliance with WHS legislation.
- Initiated a review of WHS strategic risks for the department.
- Identified and investigated the key areas of WHS risk.
- Reviewed reports from the building committees taking note of any compliance or WHS issues.
- Approved the workstation ergonomics checklist and guide as an aid for staff to correctly set up their workstation.
- The committee terms of reference were reviewed, updated and approved by the Executive Management Board in June 2016.

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

Garry Haigh, Executive Director, ICT Services

Bronwyn Riedel, Senior Director Procurement Services

David Bryan, Senior Director NT Property Management

Jude Florance, Director Executive Services

Ken Conway, Director IT Service Management

Michael Smid, A/Senior Director Business Services

Peta Preo, Senior Director Shared Services

Sam Vulcano, Chief Procurement Officer (Executive Officer)

Membership changes in 2015-16:

On: Senior Director Business Services, Senior Director Shared Services

KEY FUNCTIONS

- Ensure compliance with government procurement legislation and policy.
- Develop the annual procurement 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.
- Review and endorse requests for a Certificate of Exemption.

employee assistance program, traineeship support and mentoring, waste collection and disposal, postal article services, corporate travel provider services, and electricity

- cleaning of Northern Territory Government leased buildings
- property leases
- elevated work platforms
- telephone information management system, F5 hardware/software and support, security information and event management toolset, and GAS Masterpiece license
- contract management system.

2015-16 ACHIEVEMENTS

- Contributed to the review of Northern Territory Government procurement policy.
- Improved procurement practices and quality of procurement documentation across the agency.
- Oversaw 24 procurement actions resulting in contracts totalling over \$158 million, including major procurements across the following areas:
 - across government contracts for staff relocation services, short-haul passenger air charter services, aerial work services,
- Developed the 2016-17 agency procurement management plan.
- The committee terms of reference were reviewed, updated and endorsed by the Executive Management Board in June 2016.

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)

Paul Gooding, Senior Director Program Management Office

Scott Thomson, Senior Director Data Centre Services

Paula Short, Director Project Management Office (ICT Services)

Romi Peerzada, Contract Manager (ICT Services)

Nathan Watts, Director Corporate Reporting

Sheree Hansen, Assistant Director Accounts

Dale Clifford, A/Director HR Automation

Lisa Hill, A/Director People and Information

Tina Matthews, IT Director (ex-officio)

Colleen D'Arcy, Senior Manager ASNEX Systems (Executive Officer)

Membership changes in 2015-16:

Off: Senior Director Shared Services (Chair); Director Finance Services

On: Director Project Management Office; Contract Manager ICT Services; Director Corporate Reporting; Assistant Director Accounts; Director HR Automation; Director People and Information

KEY FUNCTIONS

- Facilitating the strategic planning of ICT requirements.
- Provide input to whole 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 whole of government ICT issues that will or are likely to impact the DCIS ICT environment.
- Monitor the implementation of whole of government ICT and corporate systems projects to manage any impacts on DCIS.

2015-16 ACHIEVEMENTS

- Reviewed DCIS registrations on the Business Applications Register and undertook consultation with agencies on register requirements across government.
- Commenced a rolling review of major DCIS system roadmaps and other key technology roadmaps.
- Monitored ICT projects, operations and usage.
- Reviewed business cases for ICT proposals.
- Monitored IT and mobile data usage.
- Monitored ePASS, machinery of government and environmental technology changes.
- The committee terms of reference were reviewed, updated and endorsed by the Executive Management Board in June 2016.

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



Michael Smid, A/Senior Director Business Services (Chair)

Garry Haigh, Executive Director ICT Services

Rex Schoolmeester, Chief Financial Officer

Jude Florance, Director Executive Services

Sandra Papandonakis, Director Employment and Payroll Services

Lisa Hill, A/Director People and Information

Secretariat: People and Development Unit

Membership changes in 2015-16:

Off: Senior Director Shared Services

On: Senior Director Business Services, Director People and Information

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.

2015-16 ACHIEVEMENTS

- Monitored internal redeployees and unattached officers and referred staff for placement against vacancies with two unattached officers placed in vacancies.
- Endorsed:
147 requests to advertise, including ongoing and fixed period vacancies
36 fixed period contracts (renewals and new)
13 job evaluation requests.
- Public Sector Instrument appointments endorsed:
PSI 11 - 7
PSI 12 - 4
PSI 21 - 23
PSI 1084 - 3.
- The committee terms of reference were reviewed, updated and endorsed by the Executive Management Board in June 2016.

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)

Garry Haigh, Executive Director ICT Services

Doug Cooke, Senior Director Digital Policy

Scott Thomson, Senior Director Data Centre Services

Garry Russell, Senior Director Corporate Systems

Gregory Moo, Senior Director Business Strategy

Greg Connors, Director Infrastructure, Architecture and Security

Garey Neenan, Director ICT Governance

KEY FUNCTIONS

- Oversight the development of the department's cyber security model.
- 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, endorse remediation and liaise with the Australian Signals Directorate.
- Provide advice and support to NTG agencies on cyber security.

2015-16 ACHIEVEMENTS

- The committee commenced in June and met on two occasions during 2015-16.
- Developed the terms of reference for the committee.
- Monitored projects in progress to improve cyber security across government.
- Set a forward program for security projects.
- Commenced planning for an education program to improve cyber security awareness for government employees.

ALL-OF-GOVERNMENT GOVERNANCE ROLES

NTG 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 was supplemented in 2015-16 with 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 22 major ICT projects identified across agencies in 2015-16. Membership of the board is at Appendix VI.

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 Territory community. The Council met four times in 2015-16; membership is at Appendix VII.

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 (payroll); Finance Systems (ledgers and accounts); ICT Services (resetting IT devices and access); Corporate Reporting (BOXI reports); NT Fleet (vehicle records); Procurement Services (tenders and procurement systems); Finance Services (banking and taxation) and agency representatives from affected agencies.

In 2015-16, the working committee was stood-up for the following MOG changes:

- Alcohol and Other Drugs function transferred from Department of Health to Top End Health Services and Central Australian Health Services.
- Defence Industries and Veterans Support function transferred from Department of Business to the Department of the Chief Minister.

Following the announcement of agency changes by the incoming Northern Territory Government, efficiently completing the required MOG changes will be a key project for DCIS in 2016-17.

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 April 2016 to align to the department’s expanding ICT focus, including the new output of Project Services. The updated structure clearly defines the ICT roles and supports a workable business construct aligned with our strategic priorities. Transactional services are given a prominence under the new shared services division; a dedicated internal business division was established; project services created; and reporting lines of some senior directors changed.

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 NTPS values. Being continuous in nature, the corporate statement embeds a values based culture and social integrity platform. The statement was modified recently to reflect innovation in our principles and the importance of innovation as a driver as revealed in the strategic plan review.

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

STRATEGIC PLAN

This reporting period saw the finalisation of the *Strategic Plan 2013 -2015* and the development of the next three-year *Strategic Plan 2016 – 2018*. Expansion on the process undertaken to develop the new plan is detailed in the Achievements section of this report; along with the final report card on the department’s overall achievements against the 2013 -2015 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 more 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. Progress against the actions and priorities is regularly reported to the Executive Management Board with communication updates to all 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 2015-16 business plans were endorsed by the Executive Management Board in June 2015, 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 2016-17 business planning process commenced May 2016, with divisional business plans endorsed by the Executive Management Board mid-year to maintain the planning and accountability cycle into the next year.

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 2015-16, 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 and supplementary procedures which provide staff with the information and tools to manage risks on a day to day basis. A new Employment Screening Policy was implemented in 2015-16 to strengthen the department's risk management framework. In addition, the department continues to enhance its management of business continuity risks by improving various plans for DCIS whole of agency and key services to ensure it is prepared, able to respond and recover disrupted services.

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 were held across the department during 2015-16 in accordance with the two-year cycle for the management of operational risks. Workshops were also held with senior management to assess the department's strategic risks following the release of the *Strategic Plan 2016-2018*.

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 and implement the reporting requirements for the *Strategic Plan 2016 -2018*.
- Develop the DCIS Business Plan 2016-17.
- Review existing and develop new DCIS Service Statements and related service standards to inform of new or amended services.
- Continue the development and improvement of business continuity management practices across the department including the testing of plans.
- Review the department's Fraud Control Policy and identify opportunities to improve fraud awareness.

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 clients which can be accessed at:

<http://ntgcentral.nt.gov.au/online-systems/customer-service-feedback>

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. Time frames to address comments are specified and this process is monitored. Over 2015-16, 31 feedback inquiries were received:

- 42% related to payroll / HR queries
- 45% related to system queries
- 12% were finance or other queries.

EXTERNAL COMMUNICATIONS

External communications include web sites, 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:

- Progressed 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. The NTG/Telstra Co-Investment program was jointly announced by the NT Government and the Telstra Chief Executive in September 2015.
- Progressed joint communications for the mobile phone hotspot program with the Centre for Appropriate Technology, which extends mobile coverage in remote parts of the Territory, including transport corridors, for 11 sites in 2015-16 with a further 11 planned for 2016-17.
- Engaged with the local ICT industry, agencies and the Ministerial ICT Advisory Council, to develop the ICT Industry Engagement Plan. The Plan is aimed at fostering and sustaining a collaborative and constructive relationship between the Northern Territory ICT industry and the NT Government through, incorporating regular forums with the local industry. The Industry-to-Government forum was held August 2015.
- Supported and participated in the ICT Industry Association of the NT Business Technology Conference in April 2016. The conference included 46 exhibitors and 24 presentations on a range of ICT topics, and emerging trends.
- Participated in and supported the Charles Darwin University Code Fair.
- Joint communications with Kinetic IT for the NTG ICT Service Centre model following the centre winning:
 - the national award for Service Excellence in a Service Desk/Help Desk category at the Customer Service Institute of Australia annual awards
 - the International Council of Customer Services Organisation awards in the category of Internal Support Services.

- The ASNEX mobility solution project, a joint winner with the supplier, won the Geospatial Information and Technology Association national award for innovation based on 'Business process with intelligence and mobile GIS'.
- Advertised and supported the government's early career programs through:
 - attending multiple Skills, Employment and Careers Expos across the NT including Jabiru, Nhulunbuy, Katherine, Alice Springs and Tennant Creek, as well as Darwin and a Post School Opportunities Forum for the Palmerston Girls Academy
 - advertising NT Government early career programs across Careers website, newspapers, Facebook, and online ads
 - attending schools and the university to promote NT Government employment programs, including eight senior schools in the Darwin / Palmerston region.
- Conducted stakeholder forums with industry bodies for major procurements in the ICT sector, property leasing and new across government contracts:
 - aviation and travel sector
 - office relocations
 - records management
 - advertising services
 - debt resolution services
 - electricity
 - courier services
 - cleaning services (government leased buildings)
 - security services (government leased buildings)
 - ICT sector for ePASS replacement and CCSRP projects.
- Extensive consultations held with suppliers, local ICT industry, Ministerial ICT Advisory Council members and agencies over 2015-16 as part of developing the ICT Services Contracting Model.

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 web sites, 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 – six-weekly
- Chief Finance Officers Forum – quarterly
- Finance Managers Forum – quarterly
- Chief Information Officers Forum – quarterly
- Property Leasing Managers Forum – quarterly
- Records Managers Forum - quarterly
- Fleet Managers User Group - quarterly
- System User Groups (eg TRIPS, EIMS, TRM, ECMS) – bi-annually
- DCIS regional forums open to all agencies were held in Alice Springs and Katherine to update local agency staff on key DCIS initiatives.

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. A review of the effectiveness of the newsletter was conducted for the purpose of ensuring it was 'hitting its mark', and to look for improvements that staff wanted. The review was conducted through Survey Monkey: with a 19 % response rate; of which, 92% agreed the DCISIntel encompassed the whole agency; and 94% said the balance of corporate and social information was right.

Other communication activities within the department included:

- Executive Management Board – a staff engagement program was introduced, including rotating meetings throughout the various DCIS work sites.
- Executive Leadership Group – met monthly to convey corporate information to the department's senior leadership group, for dissemination to their respective business team meetings.
- Staff Consultative Committee - met four times as a key engagement mechanism to enable more direct input between staff and management; providing input to and feedback on the following:
 - participation in the 2016 Global Corporate Challenge
 - DCIS Employment Screening policy
 - DCIS Indigenous Employment and Career Development Strategy and action plan
 - flexible work practices - update to DCIS policy, procedure and application form
 - internal complaints - discussion/ overview of current support documents
 - recognition of service milestones – discussion of whole of government guidelines, draft updated DCIS policy
 - overview of the MyPlan review presentation and documentation
 - career planning tool - a sub-committee was formed to review and consult with staff who would use the tool.
- Participated and completed the department's requirements for the NT.GOV.AU phase 1 project.
- Made improvements to the all-of-government intranet, NTG Central:
 - Staff noticeboard redevelopment project – improved functionality and aligned with the NTG Central brand
 - Improved the web statistics methodology, for more accurate statistics to inform the continuous improvement program.
- Delivered communications plans for across government for major DCIS projects and initiatives, including implementation of eRecruit, NTGPay, password reset tool, Transforming the NTG Records System project, and the org chart solution.
- Staff poll conducted for the DCIS staff site to inform the development phase of the project; with a 24% response rate.

FUTURE PRIORITIES

- Develop the DCIS Strategic Plan 2016-2018 reporting suite.
- Modernise the DCIS staff site.
- Develop an ongoing program for NTG Central improvements.
- Participate in the second phase of the NT.GOV.AU project.
- Establish a regular agency forum program for the regions.

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* 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 2016.

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 their duties under the various pieces of 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 were updated during the year to reflect organisational structure and policy changes, including amendments to the Northern Territory Government Procurement Framework. The delegations allow appropriately authorised departmental staff to undertake specific responsibilities of the Accountable Officer or Chief Executive as prescribed in the legislation.

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 and senior staff complete a disclosure declaration on an annual basis or 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 2015-16 included the addition of references to the new ICT Governance series of Treasurer's Directions.

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.

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 in the performance of their functions. A Strategic Audit Plan is managed by the internal audit function and monitored by the Audit Committee. In 2015-16, the following audits and reviews to test internal controls and processes were completed.

Internal audit/review	Objective
Re-credited Entitlements	To assess Payroll and Employment Services internal controls and processes for the re-crediting of leave and resetting of leave bonuses.
NTPM Internal controls	To assess the adequacy of internal controls and processes in relation to the management of the Northern Territory Government's leased properties.
Corporate Credit Card compliance	Assess corporate credit card transaction compliance with NTG procurement requirements; Treasurer's Directions; Corporate Credit Card procedures; and DCIS internal controls.
Cabinet Information Security	Annual review of the department's Cabinet information access and handling controls, accountability and security culture.
Air Travel	Assess department travel transactions compliance with the Travel Policy Framework and relevant legislation and policies.
Petty Cash compliance	Review and assess petty cash transaction compliance with relevant legislation, policy and procedures.
External penetration testing	Assess security controls by performing a penetration test on selected government IP address ranges and a review of specified applications found within the IP address ranges.

STANDARD OPERATING PROCEDURES

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

POLICIES AND PROCEDURES

In addition to the above mentioned 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; fraud control; and human resource management.

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

The following department's policies have been updated or developed in 2015-16:

- Gifts and Benefits Policy was reviewed to ensure compliance with the Corporate Tax Policy Advice No.6 and *Fringe Benefits Tax Assessment Act 1986* in relation to the treatment of gifts and benefits received
- Accounting and Property Manual was updated to ensure compliance with Treasurer's Directions
- Disclosure of Interest policy was reviewed with minor amendments to agency specific details
- DCIS Employment Screening Policy was developed as a component of the departments risk management framework to assist in assessing suitability for employment.

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 outsourcing of legal services.

INFORMATION ACT REQUESTS

The *Information Act* allows for access to government and personal information. In 2015-16, the department received 206 Freedom of Information (FOI) applications on behalf of other agencies. Ten FOI requests were received in relation to information held by DCIS for personnel or government information. One request for government information proceeded to a complaint and a second was resolved via mediation.

OMBUDSMAN ENQUIRIES

The Ombudsman made no approaches to the department in 2015-16 relating to complaints.

FUTURE PRIORITIES

- Review the department's Accounting and Property Manual to incorporate changes being made to the Treasurer's Directions.
- Review the department's Risk Management Framework to ensure framework remains contemporary and aligned to the department's operations.
- Complete the review of Payroll and Employment Services standard operating procedures to ensure they support compliance with overarching authority, legislation and policies.
- Commence review of Part 9 of the *Information Act*, in conjunction with the Archives Service and relevant agencies, to identify opportunities for improving the operation of the records management regime.

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. 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 commenced mid-2016.</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 \$28 349 expended on staff visits in 2015-16.</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 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>

Insurable Risk Category	Mitigation strategies
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. NTG 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 2015-16 and 2014-15 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 2015-16. The total cost of premiums for commercial insurance in 2015-16 was \$39 846, compared with \$38 943 in 2014-15.

There were no claims against Data Centre Services' insurance policies in 2015-16 or 2014-15.

NT FLEET

In 2015-16, 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 2015-16 was \$247 182, compared with \$314 970 in 2014-15. The total cost of premiums reduced by \$67 788 primarily due to the fleet decreasing and a reduction in the premium cost per vehicle for the short term hire insurance component.

There were no claims against NT Fleet's insurance policies in 2015-16 or 2014-15.



Members of the Executive Leadership Group

The ELG meet monthly and are a key communication group to convey the department's corporate messages and information back to their respective teams.

OUR PEOPLE



2015-16 HIGHLIGHTS

'DCIS is committed to investing in and supporting a workforce that is skilled, capable and motivated.'

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

- DCIS Workforce Strategy 2016 – 2018 rolled out January 2016
- IECDS Strategy and action plan developed and introduced from October 2015
- DCIS Emerging Leaders Program launched – 50 staff over 2 cohorts
- 106 staff attended sessions of the Strengthening our People program
- 15 staff accessed OCPE leadership courses
- 545 MyPlans completed, representing a completion rate of 92%
- DCIS supported 32 staff through early career programs
- \$626 845, or 1.2% of total employee costs, invested on training and development

Social responsibility

- Social club, business units and individual staff active in fundraising activities
- Participation in NAIDOC, Harmony Day, R U OK Day, Pink Lipstick Day, NTPS Camp Quality Golf Day
- Zero tolerance for bullying
- Working to our values

Indigenous employment

- 12.4% or 83 Indigenous staff
- 15 Indigenous staff selected under the Special Measures plan from 74 vacancies advertised.

Workforce diversity

- 85% of staff recorded their EEO details in the personnel system; rate slightly higher than the NTPS.

Change management

- Print Management Unit transferred from DCM to DCIS
- 3 business unit reviews conducted
- Supported by an active People and Development unit and management team

Industrial relations

- Engagement with CPSU on all organisational changes
- Nil industrial matters raised in 2015-16
- CPSU attends Staff Consultative Committee Meetings

Supporting our people

- Corporate Capability Plan reviewed and updated following the annual MyPlan process
- Health and Wellbeing Program being expanded
- Combat Bullying program initiated for all staff in response to People Matter Survey 2014 – 510 staff attending 18 courses
- Employee Screening Policy introduced from April 2016
- 3 Orientation Programs run with 54 attendees
- Mental Health Week supported for 2016-17 as part of the Health and Wellbeing Program

Recognising our people

- Worth A Mention awards initiated by DCIS Social Club in May 2016: 7 staff recognised with awards
- DCISIntel profiled 10 staff; 12 Who Am I (get-to-know your leadership group) and 11 business units.
- 39 staff recognised for service milestones.


STAFF SNAPSHOT

Workforce demographic data is presented as headcount at 30 June 2016¹ to provide a full reflection of our workforce.

666 HEADCOUNT
 Represents 3% of NTPS

DCIS
 3% of NTPS

KEY STAFFING DATA

FAST FACT

12.4%
 of DCIS
 workforce are
 Indigenous

	DCIS		NTPS Comparison ²
	Number	%	
Demographics (Headcount)			
Part Time Staff	45	6.75%	10.8%
Full Time Staff	621	93.25%	89.2%
Male:Female ratio	227 : 439	34 : 66%	37 : 63%
Male:Female senior management ratio ³	28 : 18	61 : 39%	51 : 49%
Average Age	41	-	43
Trainees ⁴	13	1.9%	1.0%
Indigenous Staff	83	12.4%	10.0%
Staff with a disability	13	1.9%	1.0%
Turnover			
Commencements	76	11.4%	24.7%
Separations (resignations)	51	7.6%	29.7%
Staff Turnover rate ⁵	128	19.2%	34.3%

1. Numbers as at pay period 27

2. Sourced from OCPD statistician: as at 30 June 2016 (pay period 27)

3. Includes ECOs and SAOs based on paid classification

4. Includes Graduates and Indigenous Cadets

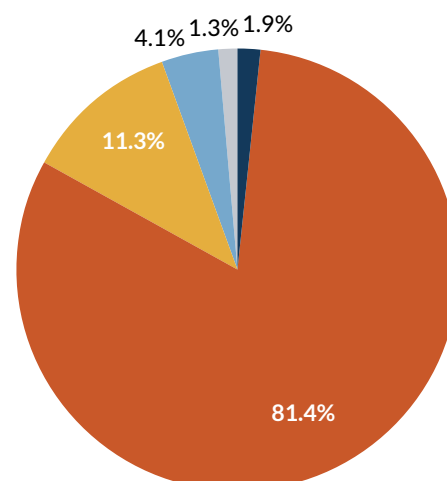
5. Includes separations and inter-agency transfers.

STAFF BY EMPLOYMENT TYPE

Figure 1: Staff by employment type.

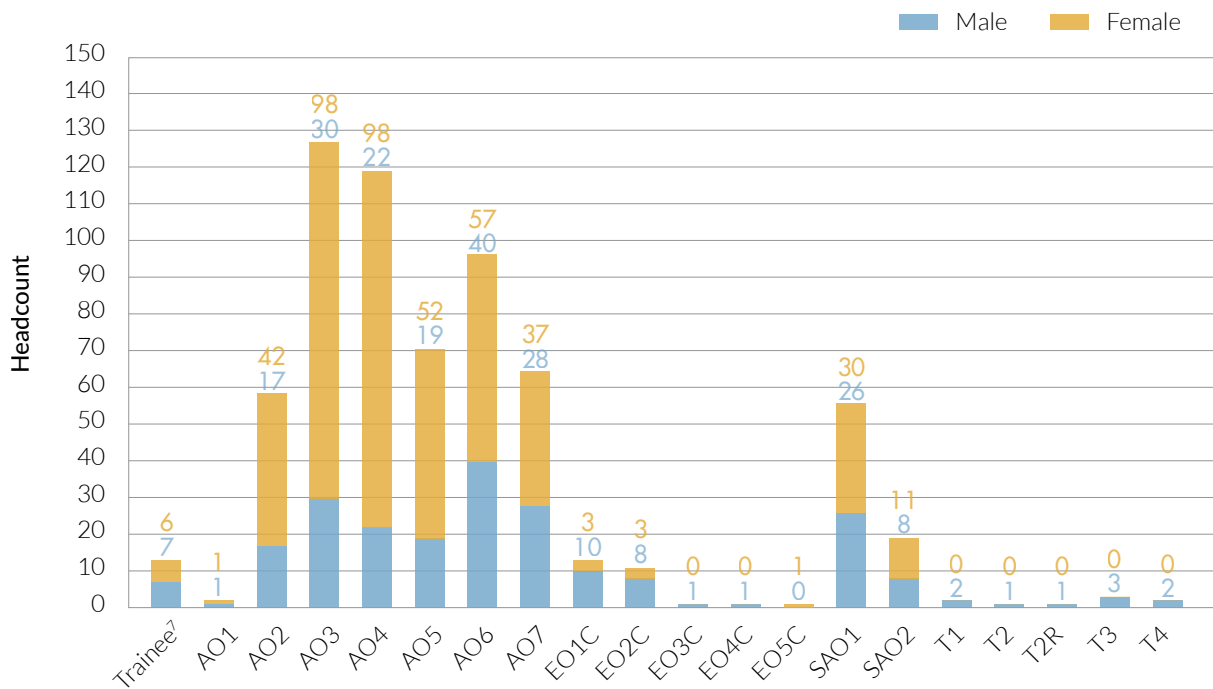
	Headcount	%
Trainee	13	1.9%
Administrative (AO1-AO7)	542	81.4%
Senior Administrative	75	11.3%
Executive	27	4.1%
Technical	9	1.3%
Total	666	100

Figure 2: Staff by employment type.



GENDER AND LEVEL

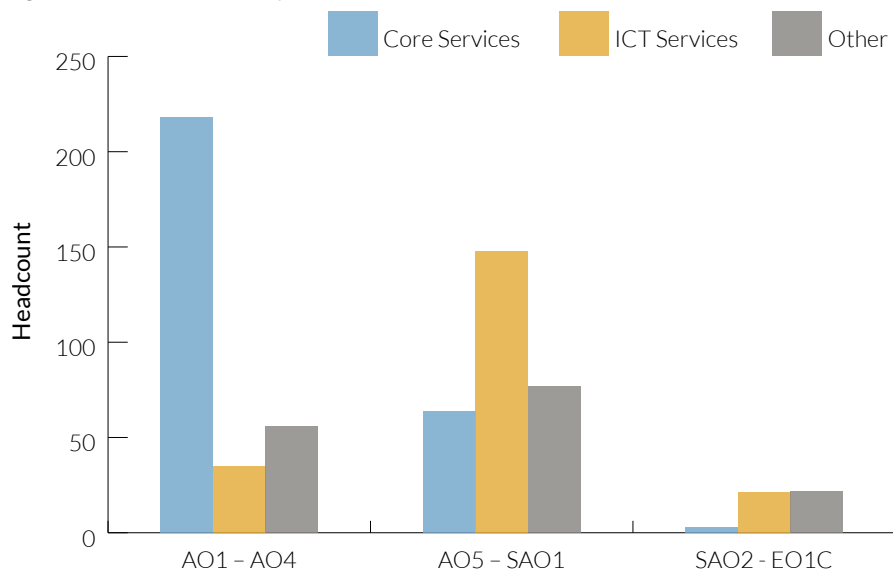
Figure 3: Identifies staff by gender for each classification level⁶



1. Based on paid classification

2. Includes Graduates, Indigenous Cadets and Trainees

Figure 4: Identifies staff by classification level and function⁸



3. Based on paid classification

FAST FACT



37%

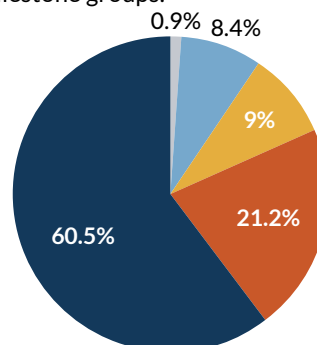
represents the total number of staff at AO3 and AO4 levels

YEARS OF SERVICE

Figure 5: Years of service by gender

	Female	Male	Total	%
<10 Years	269	134	403	60.5%
10-19 Years	87	54	141	21.2%
20-29 Years	44	16	60	9.0%
30-39 Years	35	21	56	8.4%
>40 Years	4	2	6	0.9%
Total	439	227	666	100.0%
%	66%	34%		

Figure 6: Years of service by percentage against milestone groups.



FAST FACT



10+
nearly 40% of DCIS staff have over 10 or more years of service

Staff Recognition

Ann Vincent and Peter Shapcott were recipients of special recognition at the Chief Minister's Awards for Excellence. Ann, for Outstanding Indigenous Leadership and Peter, for more than 50 years of service.

Sue Bresson and Bob Creek had their 40+ years of service recognised at a Chief Minister function for service milestones.

DCIS has internally recognised staff with 30+ years of service with 36 staff receiving certificates from the Chief Executive.

FAST FACT



20+
18% of DCIS staff have over 20 years of service within NTPS



DCIS team at Chief Minister's Awards celebrating with Ann Vincent (4th from right) and Peter Shapcott (far right)

Social Club - when its not always about work!

In 2015-16 DCIS staff supported and raised approximately \$2500 for various charities. Staff from across DCIS participated in many community events including NAIDOC week, Henley on Todd, Jeans for Genes Day, RSPCA Cupcake Day, Harmony Day, Black Friday, R U OK Day, Pink Lipstick Day, Sids and Kids events, Global Corporate Challenge, City to Surf, Dragon Boat World Championship and the NTPS Charity Golf Day.

The active Social Club committee works hard throughout the year organising raffles and events to self-fund DCIS and children's Christmas parties and the annual quiz nite.

AVERAGE AGE

Figure 7: Staff by age and gender

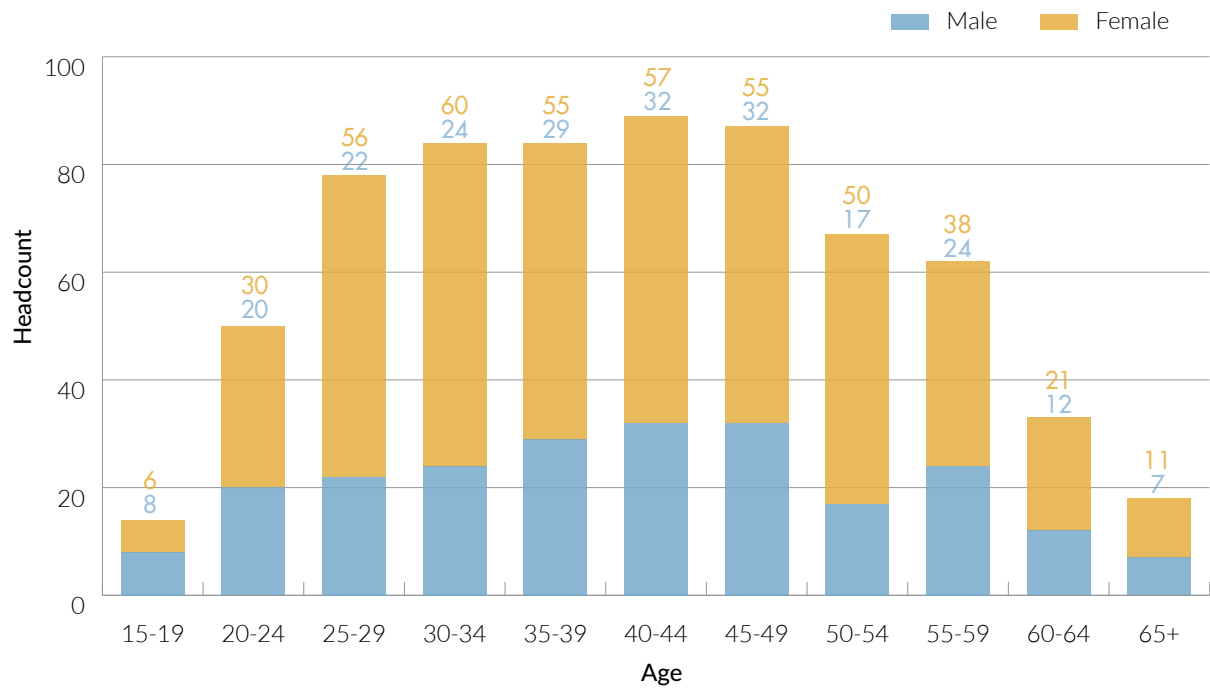
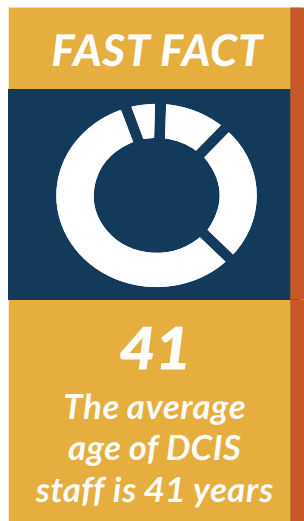
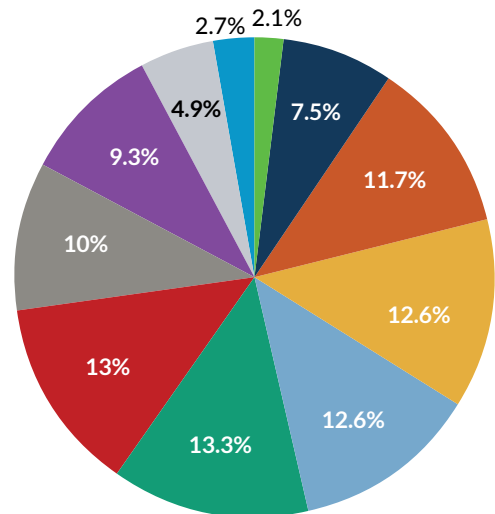


Figure 8: Age profile by percentage



Age	%
15-19	2.1%
20-24	7.5%
25-29	11.7%
30-34	12.6%
35-39	12.6%
40-44	13.3%
45-49	13%
50-54	10%
55-59	9.3%
60-64	4.9%
65+	2.7%



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 OCPE 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 for the next three years 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 was combined with the rollout of the *DCIS Strategic Plan 2016 - 2018*. Action plans to implement the strategy have been developed and reporting back through to Executive Management Board established.

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 Indigenous culture and history so there is a shared understanding across cultures. In the 2015-16 reporting period 104 staff attended cultural competency training, achieving a total participation rate of 93% across the department.

Internal training and development opportunities not outlined elsewhere include:

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

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 conferences, including the Australian Human Resource Institute state conference and Institute of Public Administration Australia conference.

In 2016-17, there will be an increased focus on developing the department's Indigenous workforce through DCIS's Indigenous Employment and Career Development Strategy.

Based on feedback from the 2015 MyPlan data and a gap analysis, a number of new programs are being planned for 2016-17.

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 opportunities identified to advance learning and career development. MyPlans are undertaken in addition to regular workplace performance feedback.

The department requires all staff to complete a MyPlan. In 2015-16, 545 MyPlans were completed, representing a completion rate of 92%. This is an increase of 13% from the previous year and is attributed to information sessions delivered to improve awareness and the efforts by all staff. Reports are provided to the Executive Management Board on progress and completion rates.

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 Indigenous participation; along with growing leadership across the department are our priorities.

STRENGTHENING OUR PEOPLE PROGRAM

The department continued the Strengthening our People program in 2015-16 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, 106 staff attended the following range of interactive sessions:

- managing employee performance
- appropriate workplace behaviour
- inability and discipline
- governance and risk management basics
- managing change
- managing a budget and funded positions
- tiers one to three procurement.

EMERGING LEADERS PROGRAM

Early in 2015-16 the department launched a new Emerging Leaders Program, with the first cohort of 25 emerging leaders piloting the program. Receiving positive evaluations and feedback, a second cohort for 25 staff was run in the second half of 2015-16 and concluded in June 2016.

The program, developed specifically for DCIS, primarily targets AO4 – AO6 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.



Sherronna Nowland – ELP Dux - Cohort 1

Sherronna was a recent graduate from the DCIS Emerging Leaders Program. One of the key points she took away from the program was to identify challenges/issues but more importantly identify solutions.

'A saying that has really stuck with me since the program is - the main role of a leader today is not to create followers but to create more leaders'.

Left: Sherronna Nowland receiving her certificate of completion from the Chief Executive, Kathleen Robinson

Above: Cohort 1 ELP graduates

OTHER LEADERSHIP PROGRAMS

FAST FACT



27+

Chief Executive has recognised more than 27 staff individually and 30 teams in her monthly updates to staff through the DCISIntel

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

DCIS staff accessed the following professional leadership programs through OCPE during 2015-16:

- Public Sector Management Program – three employees
- Executive Leadership program – two employees
- “Discovery” Women in Leadership program – two employees
- “Lookrukin” – Women’s Indigenous Leadership program – three employees
- Future Leaders Program – five employees.

FUTURE LEADERS NETWORK

The Future Leaders Network is a two-year program supported by the NT 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 has four staff members enrolled in the program, two from Darwin and two from Alice Springs, due to complete the program in 2016-17.

WOMEN IN LEADERSHIP

DCIS actively supports female staff participation in leadership programs. Leadership and development programs attended by female staff in 2015-16 included:

- DCIS Strengthening our People program
- Emerging Leaders program
- Future Leaders program
- Public Sector Management program
- Discovery for Women program
- Lookrukin – Women's Indigenous Leadership program
- Machinery of Government program.

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

FAST FACT



39%
18 out of
46 senior
management
positions are
female



DCIS Lookrukin Graduates

Jaclyn Carter, Shiralee Motlop and Kerry Garner received their Diplomas of Management after successfully completing the OCPE's Lookrukin Program during the Graduation Ceremony held at the Darwin Convention Centre on 19 May 2016.

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 2015-16, DCIS expanded its participation in the Indigenous 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 Indigenous Employment and Career Development Strategy initiatives.

INDIGENOUS EMPLOYMENT PROGRAM

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

In 2015-16, DCIS supported nine IEP participants over three program intakes:

- three participants commenced the Certificate II in Business Administration program in July 2015
- two commenced the Certificate II in Business Administration program in Alice Springs in February 2016
- of these four commenced employment with the department and one resigned
- four new participants commenced the Certificate II in Business Administration program in Darwin with expected completion in July 2016.

Success of our Trainees



In April 2016, DCIS had two trainees, through the NTG Traineeship Program, as finalists at the 2016 Group Training Northern Territory Awards Night.

Emma Ganley from CAPS – finalist for Trainee of the Year.

John Cubillo from NT Fleet - finalist for the Indigenous Apprentice or Trainee of the Year.

Special congratulations go to Emma and John who have since secured ongoing employment with the department following the completion of their traineeships in February 2016.

The NTG Traineeship program had a total of five trainees that were nominated at these awards.



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 the 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, two new graduates commenced in January 2016 and two graduates from the 2014 intake successfully completed their program. As at 30 June 2016, the department had five graduates, with one graduate securing ongoing employment within the department. Three are continuing on the second year of the program.



The DCIS Trainees as at 30 June 2016

TRAINEESHIP PROGRAMS

DCIS employs a minimum of 12 trainees each year, across the general, Indigenous 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 20 trainees were working across the department in the areas of business, finance, information technology, banking and fleet:

- seven successfully completed their traineeships
- four resigned to undertake different career paths; and three were cancelled
- four are due to complete the Certificate III in Business Administration and one the Certificate IV in August 2017
- one is due to complete the Certificate III in Information Technology in February 2018
- 100% of the trainees are Indigenous.

WORKFORCE DIVERSITY

'Increasing Indigenous 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, Indigenous Australians, people with a disability, mature aged people, young people and people from culturally diverse backgrounds.

Figure 9: EEO profile within DCIS

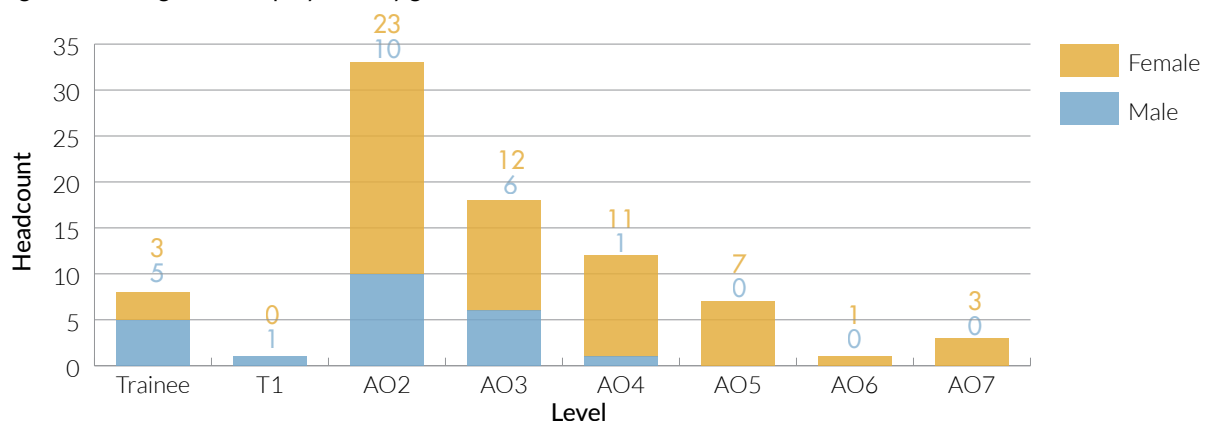
	Male	Female	Total	% of DCIS employees
Aboriginal and Torres Strait Islanders	23	60	83	12.4%
Non-English speaking background	15	40	55	8.2%
People with a disability	3	10	13	1.9%

INDIGENOUS EMPLOYMENT

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

The IECDS encompasses a proactive approach to building our Indigenous workforce, increasing the representation of Indigenous employees from 5.8% in 2013 to 12.4% in 2016. This exceeds the 2020 target established for the agency (12.2%).

Figure 10: Indigenous employment by gender and level





FAST FACT



24.3%
HR Services has 24.3% Indigenous representation.

Making connections

DCIS has been making connections with the Clontarf students from Casuarina Senior College for several years.

In September 2015, 13 Indigenous male students and three teachers from Casuarina High school visited DCIS. The students were provided with a tour of DCIS offices and introduced to staff from various business units providing information about their work and career advice. Following the tour, the boys were able to catch up with Hakon Dyrting, John Cubillo, Peter Bamblett, Matthew Pollard and Joel Sheppard-Greenoff (all former Clontarf graduates from Casuarina Senior College who are now employed with DCIS).

Clontarf Employment Forum 2016

Former Clontarf student Peter Bamblett (pictured) was invited to speak at the forum. Peter has experienced both sides, as a student and now representing an employer. Peter worked with the People and Development unit on the night to promote career pathways in Finance, IT and Business. Peter's employment story was referred to regularly by Clontarf, as a role model to the students.

Figure 11: Indigenous employment under the Special Measures Plan by level (Total jobs advertised = 74)



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

Some key actions undertaken in 2015-16 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 February and April 2016, resulting in 93% total participation, exceeding the target of 90%
- advertising vacancies greater than six months under the NTPS Special Measures requirements to give suitable Indigenous applicants preference in selection

- conducting information sessions so staff are aware of the Special Measures provisions and recruitment process requirements
- promoting a video to highlight successful Indigenous staff in DCIS and their employment journey and development pathways within the department
- highlighting the focus on Indigenous employment in the DCIS orientation program
- setting clear expectations and monitoring Indigenous employment results through strategic and business plan reporting
- continuing Indigenous staff representation and engagement on the Staff Consultative Committee
- implementing the DCIS Indigenous Employment and Career Development Strategy action plan overseen by a Steering Committee made up of Indigenous employees and Indigenous employment champions
- celebrating cultural events, such as NAIDOC week, reconciliation week and harmony day
- actively engaging with the Clontarf Foundation and Girls Academy to promote career paths in business, finance and information technology.

Supporting the Community

Justin Dearing participated in community events raising \$1700 for Life Be In It and St Vinnies with majority of his contributions from DCIS staff.

Employment Programs and WIS units participated in the Biggest Morning Tea, raising a total of \$960.

NT Property Management held a sausage sizzle on Territory Day and raised \$230 to help a young Humpty Doo family purchase an epilepsy sensor mat for their child.

Data Centre Services – raised \$500 for the RSPCA Christmas appeal.

SUPPORTING OUR PEOPLE

'Success is achieved through our people.'

HEALTH AND WELLBEING

FAST FACT



34%
231 or 34%
staff received flu
vaccinations.

DCIS continues to support and provide a healthy work-life balance for staff. The overall concept is about the department promoting a health and wellbeing program, resources and information for staff to consider and access. This can contribute to a healthier workplace and healthier staff, potentially reduce sickness/absenteeism and increase productivity.

The department has focussed on developing a Health and Wellbeing Program in accordance with standard practices in the human resource industry, with initiatives considered for their appropriateness to the DCIS environment. Consultation with staff and the Staff Consultative Committee was undertaken to canvass interest in various health and wellbeing activities. The updated program is expected to be endorsed by the Executive Management Board in 2016-17.

Existing initiatives being supported in the department:

- 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

FAST FACT



150
staff and 300
consultations
were accessed
through the
Employee
Assistance
Program

- Employee Assistance Program - services include professional counselling, training and development workshops, management planning sessions, mediation, career counselling and management coaching
- Flu Vaccination Program
- Combat Bullying training
- Global Corporate Challenge participation
- refreshment facilities for staff e.g. tea, coffee, showers, availability of healthy snacks to be purchased through social club
- mentoring - an effective tool in shaping the development of career changers and new staff recruited through employment programs.

Figure 12: Flexible Work Arrangements supported in 2015-16:

	No	% of workforce
Compressed hours	9	1.3%
Part-time work arrangement	57	8.5%
Home-based work	4	0.6%
Recreation leave at half pay	43	6.4%
Remote work	8	1.2%

WORK HEALTH AND SAFETY FRAMEWORK

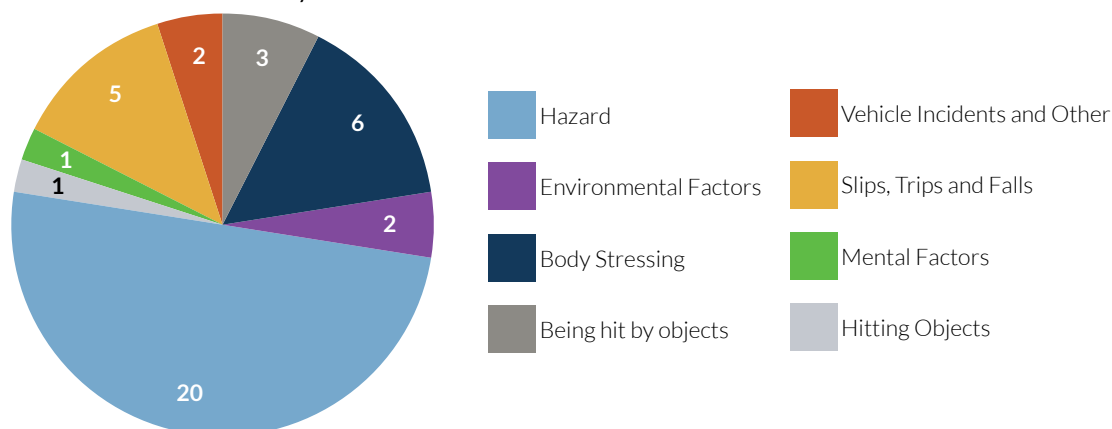
DCIS has a Work Health and Safety (WHS) Committee, as well as eight WHS Building Committees, relating to work locations, including two in the regions. The role and achievements of the WHS committee are reported in the Corporate Governance section.

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 focussed on work health and safety commenced in June 2016.

In 2015-16, 40 WHS incidents were reported (compared to 26 incidents in 2014-15), which resulted in two new worker's compensation claims. The increase in incidents links to relocation of many staff to the new Charles Darwin Centre in 2015 and the related need to properly set up staff work spaces. The majority of WHS 'incidents' related to work station assessments for installation and adjustment of new vario-desks. In total, there were four open claims as at 30 June 2016 with one of the new claims closed and one remaining open.

Figure 13: Number of incidents by mechanism



2014 PEOPLE MATTERS SURVEY

ACTION PLAN COMPLETED

DCIS implemented a response plan for 2015-16 following the 2014 People Matter Survey to recognise and communicate positive results with staff and take action where improvement was required. DCIS' survey indicated a high level of service with a culture of providing feedback; staff felt they were productive, and recognised and valued for making a difference; and our workplace programs were recognised as addressing diversity and workplace flexibility.

The response plan also contained 13 actions to address poor results primarily in relation to the education of human resource matters including the application of the merit principle, simplified recruitment and MyPlan performance management processes; the need for an increased focus on combating bullying and appropriate workplace behaviour; improved communication and participation in change management processes.

At 30 June 2016, all response plan actions were completed or implemented as ongoing business processes such as, the establishment of a Staff Consultative Committee; regular agency DCISIntel newsletters; information and education sessions in relation to internal complaint handling, simplified recruitment, MyPlan performance management and development processes.

A particular focus was put on reducing bullying incidents. While DCIS survey results were not high at 13% of respondents advising a bullying incident, DCIS has a zero tolerance to bullying and efforts have been directed to addressing this matter. The actions related to bullying included conducting a tailored 'Combat Bullying' program for all staff and incorporating additional content into the Strengthening Our Managers and Orientation programs.

COMPLAINT RESOLUTION PROCESS

The department's internal complaint resolution procedure deals with matters fairly, promptly and confidentially. Four internal complaints were received during 2015-16 and all were resolved with further action not required.

The process seeks to address complaints with the assistance of the People and Development unit to provide a prompt and appropriate resolution through a Chief Executive's determination or a decision by the Commissioner for Public Employment in relation to formal grievance action under the *Public Sector Employment and Management Act*.

FAST FACT



3

orientation
programs run with
54 participants

ORIENTATION PROGRAM

An Orientation Program is conducted for new staff to introduce them to working in DCIS. The program provides new employees with the standards and code of behaviour required of staff working in the department and the NTPS. An insight is provided into the business of the department, its 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.

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 implemented across the department in 2015-16. A number of new programs have been developed and will be launched in 2016-17 to build capability in a number of areas and to strengthen DCIS' role as an advisor to government.

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.

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 2015-16, of the 75 Senior Administrative Officers within DCIS, 16 officers (21%) 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 2015-16. The committee was consulted on a number of programs, initiatives and changes to policy that affected DCIS employees. These included the Internal Complaints Procedure, Recognition of Service Milestones, MyPlan Workshops for Managers, Health and Wellbeing Program, Workforce Development Toolkit and the Employment Screening Policy.

The Staff Consultative Committee is increasing engagement with staff across DCIS and providing the opportunity for staff at various levels to submit feedback and have involvement in developing initiatives and policies relevant to all staff.

FAST FACT



12+

More than a dozen DCIS Staff and business units have been thanked by our clients for their services and support including assistance with Cyclone Lam, Cyclone Nathan, Davis Cup, Port Project, Katherine flood, resolving the GST treatment on development and web matters.

FUTURE PRIORITIES

- Continue to implement the DCIS Workforce Development Strategy and action plans.
- Identify within the Corporate Capability Plan training measures to promote problem solving, critical thinking, collaboration, innovation and effective service delivery.
- Continue to implement the DCIS Indigenous Employment and Career Development Strategy and action plans.
- Develop action plan for outcomes of the 2016 NTPS People Matter Survey.
- Continue to implement leadership development programs to strengthen the capability of existing and emerging leaders.
- Continue to expand the DCIS Strengthening our People program.
- Review the DCIS performance management system 'MyPlan' to enhance performance management; and promote and implement new initiatives 'My Development' and 'My Career'.
- Implement the Health and Wellbeing Program, including new initiatives such as Mental Health Week.
- Strengthen the current partnership with the Clontarf Foundation and Girls Academy to engage Indigenous school-leavers and provide information on career pathway options available within DCIS.

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.	<p>Employment screening (criminal history checks) was introduced for all new employees on 4 April 2016 to strengthen the agency's risk management framework.</p> <ul style="list-style-type: none"> • 108 vacancies advertised • 76 staff commenced • 9 employee screening checks • 47 people transferred into DCIS from other agencies • 4 appeals were lodged.
Number 2 – Probation	
Probationary process for the agency.	<p>Managers and new employees are informed about the probation processes.</p> <p>Six month probation reports:</p> <ul style="list-style-type: none"> • 47 employees were confirmed • 2 employees were extended • 2 employees resigned. <p>12 month probation reports:</p> <ul style="list-style-type: none"> • 2 probations carried over from 2014-15 • 2 employees were confirmed.
Number 3 – Natural Justice	
The principles of natural justice to be observed in all dealings with employees.	<p>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.</p> <p>There was one issue raised regarding the application of natural justice principles by DCIS staff which was resolved with no further action required.</p>
Number 4 – Employee Performance Management and Development Systems	
Chief Executive to develop and implement performance management systems for their agency.	<p>Performance management is administered through the annual MyPlan process.</p> <p>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.</p> <ul style="list-style-type: none"> • 545 (92%) MyPlans were completed • 16 (21%) of senior administrative officers Senior Classification Pay Progression applications were received and approved.
Number 5 – Medical Examinations	
The Chief Executive may engage a health practitioner to conduct a medical examination of an employee.	<p>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 DCIS Orientation Program.</p> <p>Two staff were referred for a medical examination.</p>

Employment Instruction and annual reporting requirements	Agency actions
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 were no performance or inability cases in 2015-16.
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 were three discipline cases in 2015-16.
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. Four complaints were made under the DCIS internal complaint handling process during 2015-16; and were resolved without escalating to Section 59 review.
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 the 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.
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; 231 staff participated in 2015-16.
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.

Employment Instruction and annual reporting requirements

Agency actions

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 2015-16, a Combat Bullying Program was rolled out to employees across all regions. A total of 510 employees attended the program.

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 cases addressed in 2015-16.

Global Corporate Challenge (GCC)



As part of promoting a healthy work environment, the department supported 105 staff across 15 teams in the GCC.

The goal: 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. For a period of 100 days starting on 27 May 2015 and finishing September 2015, the DCIS teams:

- walked 105 959 132 steps (a daily average of 11 808)
- cycled the equivalent of 2 578 992 steps
- swam the equivalent of 503 460 steps.

That equates to a combined step total of 112 334 362 or 71 894 km and burning a total of 18 872 173 kilojoules in the process.

The most active team was Walkabout (pic) who covered a total of 7078 km; and the most active individual, Paul Gooding, travelled 1653 km.

The other DCIS teams were:

Keena Cleana Leana
FIT BIT Chics
Reportedly Trim
Happy Feet
Mission Slimpossible
Vicious and Delicious
Walking Warriors
HRBS Steppers
DOMINATORS
DCIS of Life
WII are fit
AP Toads
FEENIX
Don't Call In Sick

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

DCIS is actively participating in the 2016 Challenge with more teams.

FINANCIAL REPORT:

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES



DCIS FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL PERFORMANCE

Actuals compared with budgeted performance

The Department of Corporate and Information Services (DCIS) overall operating performance for the year showed a \$2.7 million surplus which was significantly higher than the final budget estimated surplus of \$0.2 million. The primary reason for the improved result relates to increased goods and services revenues of \$2.5 million, mainly from the provision of payroll services and ICT infrastructure services meeting client needs.

2015-16 Actuals compared with 2014-15 Actuals

The main reasons for increases in income in 2016 relate to \$5 million funding to deliver telecommunications in remote areas; transfer of income for the Core Clinical Systems Renewal Program (CCSRP) of \$4.2 million from the Department of Health; internal transfer of \$3.2 million for ICT shared services for mainframe applications and identity management to be recognised in DCIS; funds transfer between years for the Asset Systems Nexus (ASNEX) project of \$2.9 million; additional shared services transactions required by GBDs and others for \$2 million and \$5 million agency budget transfers and parameters for property leasing.

Expenses increased in line with the increases in income to meet costs relating to the above approved programs, although the increase in expenditure was lower due mostly to timing differences between revenue recognition and related expenses, including for the ASNEX program.

DCIS' comprehensive result is significantly improved over the previous year due to the higher surplus in 2015-16 and the impact on the 2014-15 result of the transfer of the Government Printing Office to the Department of Lands, Planning and the Environment which reduced the asset revaluation reserve by \$1.4 million.

Table 1: 2015-16 Actual and Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2016	2015	2016	2015	2016	2015
Income	195 646	174 712	193 180	173 231	2 466	1 481
Expenses	192 929	174 101	192 997	176 084	(68)	(1 983)
Surplus/(Deficit)	2 717	611	183	(2 853)	2 534	3 464
Other Comprehensive Income	-	(1 354)	-	-	-	(1 354)
Comprehensive Result	2 717	(743)	183	(2 853)	2 534	2 110

Income

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

Output appropriation increased significantly as a result of: funding of \$5 million to deliver telecommunications in remote areas; transfer of CCSRP funding of \$4.2 million from the Department of Health; change in timing of funding for the ASNEX program; transfers from agencies and parameters on the property leasing portfolio of \$1.3 million; off-set by savings and other budget related adjustments of \$2.5 million.

The increase in goods and services income is due to budget transfers from agencies for property leasing of \$3.7 million; transfer of \$3.2 million for ICT shared services for mainframe applications and identity management to be recognised in DCIS; additional shared services transactions required by GBDs and others with \$2 million charges; and other minor budget related adjustments totalling \$1.1 million.

Table 2: Income by Category

Year	Output Appropriation		Goods and Services		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2015-16	136 496	69.8	58 886	30.1	264	0.1	195 646	100
2014-15	125 604	71.9	48 932	28.0	176	0.1	174 712	100

Expenses

Property expenses in 2015-16 increased primarily as a result of lease indexation and market rental reviews and office space required by agencies. Employee expense increases mostly relate to the Enterprise Bargaining Agreement (EBA) increase. ICT expenses were higher in 2015-16 reflecting the significant automation projects being undertaken or project managed by DCIS, including ASNEX, eRecruit, Feenix, Payroll Automation and upgrade to the Government Accounting System.

The rise in grants expense is attributable to the remote telecommunications grant program.

Table 3: Expenses by Category

Year	Property		Employee		ICT		Operational		Grants		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
2015-16	83 500	43.3	50 201	26	43 167	22.4	10 715	5.6	5 346	2.8	192 929	100
2014-15	79 696	45.8	47 519	27.3	36 426	20.9	10 243	5.9	217	0.1	174 101	100

2015-16 Budget and Actual Expenses by Output

Expenses are reported in budget papers and to the Department of Treasury and Finance by outputs. DCIS' major output groups are as follows:

- Property Leasing Services – provide property leasing advice and services to support accommodation requirements of agencies
- Information and Communications Technology Services – provide across government ICT governance, policy and services to all agencies
- Human Resource Services – provide services that support agencies in managing their human resources
- Finance Services – provide services that support agencies in managing their financial resources

Human Resource Services expenditure was higher than budgeted due to increased payroll transaction volumes; additional payroll tax costs at end of financial year relating to 27 pays in 2015-16; growth in apprentice numbers and timing of payroll automation projects.

Property Leasing Services expenditure was lower than initially budgeted due to timing of some market rental decisions and reduced indexation late in the financial year.

ICT Services' slight expenditure increase reflects higher demand from client agencies for ICT equipment and services, including multi-function devices for electorate offices.

Table 4: 2015-16 Budget and Actual Expenses by Output

	Actual \$000	Final Budget \$000	Variation \$000
Shared Services Output Group			
Finance Services	16 638	16 705	(67)
Human Resource Services	32 802	32 073	729
Procurement Services	3 929	3 866	63
Information and Communications Technology Services	36 698	36 302	396
Property Leasing Services	85 920	87 046	(1126)
Asset Services (ASNEX)	7 254	7 117	137
Project Services	4 245	4 217	28
Shared Services - Group Total	187 486	187 326	160
Corporate and Governance Output Group			
Corporate and Governance	4 497	4 691	(194)
Shared Services Provided	945	980	(35)
Corporate and Governance - Group Total	5 442	5 671	(229)
TOTAL	192 928	192 997	(69)

FINANCIAL POSITION

DCIS' net asset position at the end of 2015-16 was \$45.1 million, compared to last year's position of \$25.3 million.

Current assets and current liabilities were lower than last year primarily as a result of timing across years with the recognition of funds in DCIS' accounts to meet salary commitments for GBDs and GOCs that related to the final pay for June 2015.

Non-current assets increased due to the recognition of leasehold improvements (fitout) relating to the Charles Darwin Centre building.

Equity increased largely due to the fitout asset for the Charles Darwin Centre building being transferred to DCIS and the comprehensive operating result for the financial year.

Major assets at 30 June 2016 included:

- \$21.7 million cash and deposits
- \$5.8 million receivables (GST receivable, outstanding service fees and property leasing charges)
- \$7.2 million prepayments (primarily related to the property leasing portfolio)
- \$31.3 million property, plant and equipment (including buildings and leasehold improvements).

Major liabilities at 30 June 2016 included:

- \$8.8 million deposits held in the Accountable Officer's Trust Account (AOTA)
- \$4.1 million payables and accrued expenses
- \$7.9 million provisions for employee entitlements.

Table 5: 2015-16 and 2014-15 Actual Financial Position

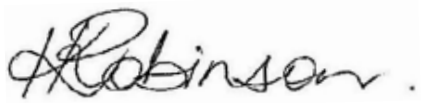
	2016 \$000	2015 \$000	Variation \$000
ASSETS			
Current Assets	34 646	44 148	(9 502)
Non-Current Assets	31 301	15 666	15 635
TOTAL ASSETS	65 947	59 814	6 133
LIABILITIES			
Current Liabilities	18 613	32 108	(13 495)
Non-Current Liabilities	2 200	2 396	(196)
TOTAL LIABILITIES	20 813	34 504	(13 691)
NET ASSETS	45 134	25 310	19 824
EQUITY	45 134	25 310	19 824
TOTAL EQUITY	45 134	25 310	19 824

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 2016 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 2016



Rex Schoolmeester

Chief Finance Officer

31 August 2016

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
INCOME			
Appropriation			
Output		136 496	125 604
Sales of goods and services		58 886	48 932
Gain on disposal of assets	4	-	-
Other income		264	176
TOTAL INCOME	3	195 646	174 712
EXPENSES			
Employee expenses		50 201	47 519
Administrative expenses			
Property management		83 500	79 696
Purchases of goods and services	5	48 674	41 868
Repairs and maintenance		56	236
Depreciation and amortisation	8, 10	5 112	4 565
Other administrative expenses	8	39	-
Grants and subsidies expenses			
Current		285	217
Capital		5 061	-
TOTAL EXPENSES	3	192 929	174 101
NET SURPLUS/(DEFICIT)		2 717	611
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net surplus/deficit			
Changes in asset revaluation reserve		-	(1 354)
TOTAL OTHER COMPREHENSIVE INCOME		-	(1 354)
COMPREHENSIVE RESULT		2 717	(743)

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

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
ASSETS			
Current Assets			
Cash and deposits	6	21 696	30 932
Receivables	7	5 767	5 522
Prepayments		7 183	7 694
Total Current Assets		34 646	44 148
Non-Current Assets			
Property, plant and equipment	8, 10	31 301	15 666
Intangibles	9, 10	-	-
Total Non-Current Assets		31 301	15 666
TOTAL ASSETS		65 947	59 814
LIABILITIES			
Current Liabilities			
Deposits held		8 823	20 909
Payables	11	4 111	5 532
Provisions	12	5 665	5 667
Other liabilities	13	15	-
Total Current Liabilities		18 613	32 108
Non-Current Liabilities			
Provisions	12	2 200	2 396
Total Non-Current Liabilities		2 200	2 396
TOTAL LIABILITIES		20 813	34 504
NET ASSETS		45 134	25 310
EQUITY			
Capital		52 118	35 012
Reserves	14	-	-
Accumulated funds		(6 984)	(9 702)
TOTAL EQUITY		45 134	25 310

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 2016

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2015-16					
Accumulated Funds		(9 702)	2 718		(6 984)
Changes in accounting policy					
Correction of prior period errors					
Transfers from reserves					
Other movements directly to equity					
		(9 702)	2 718	-	(6 984)
Reserves	14				
Asset Revaluation Reserve					
Asset Realisation Reserve					
		-	-	-	-
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
2014-15					
Accumulated Funds		(10 287)	611		(9 676)
Changes in accounting policy					
Correction of prior period errors					
Transfers from reserves			(25)		(25)
Other movements directly to equity					
		(10 287)	586	-	(9 702)
Reserves	14	1 329			1 329
Asset Revaluation Reserve			(1 305)		(1 305)
Asset Realisation Reserve			(24)		(24)
		1 329	(1 329)	-	-
Capital – Transactions with Owners		35 716			35 716
Equity injections					
Capital appropriation				1 979	1 979
Equity transfers in				261	261
Equity withdrawals					
Capital withdrawal					
Equity transfers out				(2 944)	(2 944)
		35 716	-	(704)	35 012
Total Equity at End of Financial Year		26 758	(743)	(704)	25 310

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 2016

	Note	2016 \$000	2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Appropriation			
Output		136 496	125 604
Commonwealth		-	-
Receipts from sales of goods and services		83 985	73 384
Interest received		-	1
Total Operating Receipts		220 481	198 989
Operating Payments			
Payments to employees		(51 554)	(47 233)
Payments for goods and services		(157 054)	(148 967)
Grants and subsidies paid			
Current		(285)	(217)
Capital		(5 061)	-
Total Operating Payments		(213 954)	(196 417)
Net Cash From/(Used in) Operating Activities	15	6 527	2 572
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(6 107)	(3 993)
Total Investing Payments		(6 107)	(3 993)
Net Cash From/(Used in) Investing Activities		(6 107)	(3 993)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of borrowings			
Deposits received		(12 086)	6 644
Equity injections			
Capital appropriation		2 429	1 979
Total Financing Receipts		(9 657)	8 623
Financing Payments			
Equity withdrawals		-	-
Total Financing Payments		-	-
Net Cash From/(Used in) Financing Activities		(9 657)	8 623
Net increase/(decrease) in cash held		(9 237)	7 202
Cash at beginning of financial year		30 932	23 730
CASH AT END OF FINANCIAL YEAR	6	21 696	30 932

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

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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.

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

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

The department has two output groups with nine outputs:

Shared Services

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

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 agency financial statements is to include:

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

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

The following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

AASB 1048 Interpretation of Standards This reflects amended versions of Interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

AASB 2013-9 Amendments to Australian Accounting Standards [Part C Financial Instruments] Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. The standard does not impact the financial statements.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent Amendments are made to AASB 128 Investments in Associates and Joint Ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E - Financial Instruments) Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

The following standards and interpretations are likely to have an insignificant impact on the financial statements for future reporting periods, but the exact impact is yet to be determined:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, 133 and 1057]	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016

The following standards and interpretations are expected to have a potential impact on the financial statements for future reporting periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	1 January 2018	Amends various AAS's to reflect the deferral of the mandatory application date of AASB 9
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and AASB 138]	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	Amends the measurement of trade receivables and the recognition of dividends.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	Amends various AAS's to reflect the changes as a result of AASB 9
AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 and 128]	1 January 2016	Allows an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement at cost or using the equity method.
AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 and 140]	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information elsewhere in the interim financial statements.

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 0800.

d) Agency and Territory Items

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

Central Holding Authority

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

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

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

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of government, these items have been separately disclosed in Note 22 – Schedule of Administered Territory Items.

e) Comparatives

Where necessary, comparative information for the 2014-15 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions.

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. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(v) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Property, Plant and Equipment – Note 2(q): The fair value of land, building, infrastructure and property, plant and equipment are determined on significant assumptions of the exit price and risks in the prospective market participant, using the best information available.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(o), Note 7: Receivables and Note 16: Financial Instruments. The allowance represents debts that are likely to be uncollectible and are considered doubtful. Debtors are grouped according to their aging profile and history of previous financial difficulties.
- Depreciation and Amortisation – Note 2(l), Note 8: Property, Plant and Equipment, and Note 10.

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) Income Recognition

Income encompasses both revenue and gains.

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

Grants and Other Contributions

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

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

Appropriation

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

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in 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 onpassed to the relevant agencies as Commonwealth appropriation.

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

Sale of Goods

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

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

Rendering of Services

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

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

Interest Revenue

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

Goods and Services Received Free of Charge

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

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 4.

Contributions of Assets

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

Administered Income

The department collects taxes, fines and regulatory fees on behalf of the Territory. The department does not gain control over assets arising from these collections, consequently no income is recognised in the department's financial statements. Accordingly, these amounts are disclosed as income in Note 24 Administered Territory Items.

k) Repairs and Maintenance Expense

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

l) Depreciation and Amortisation Expense

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

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

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

	2016	2015
Buildings	50 years	50 years
Plant and Equipment	10 years	10 years
Leased Plant and Equipment	5 years	5 years
Intangibles	10 years	10 years

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

m) Interest Expense

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

n) Cash and Deposits

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

o) Receivables

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

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

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

p) 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.

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

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

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

Complex Assets

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

Subsequent Additional Costs

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

Construction (Work in Progress)

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

r) Revaluations and Impairment

Revaluation of Assets

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

- land
- buildings
- infrastructure assets
- intangibles.

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

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

Impairment of Assets

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

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

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its

recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 14 provides additional information in relation to the asset revaluation surplus.

s) 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.

t) Leased Assets

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

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 is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

u) Payables

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

v) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 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 agency financial statements.

w) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

x) Contributions by and Distributions to Government

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

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

y) Commitments

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

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

z) 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 the agency becomes a party to the contractual provisions of the financial instrument. The agency'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. The agency'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.

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 (FVTPL)
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

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

For details refer to Note 2 (o) but 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

The agency enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The agency 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

The agency, 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.

Note 16 provides additional information on financial instruments.

aa) Fair Value Measurement

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

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

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 the agency 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 agency 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.

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Shared Services		Corporate and Governance		Total	
		2016	2015	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000	\$000
INCOME							
Appropriation							
Output		114 776	115 480	21 720	10 124	136 495	125 604
Commonwealth		-	-	-	-	-	-
Sales of goods and services		58 257	48 281	630	651	58 887	48 932
Gain on disposal of assets	4	-	-	-	-	-	-
Other income		253	167	11	9	264	176
TOTAL INCOME		173 286	163 928	22 361	10 784	195 646	174 712
EXPENSES							
Employee expenses		45 723	43 135	4 478	4 384	50 201	47 519
Administrative expenses							
Property management		83 436	79 680	65	16	83 500	79 696
Purchases of goods and services	5	47 875	40 787	799	1 081	48 674	41 868
Repairs and maintenance		-	-	56	236	56	236
Depreciation and amortisation	8, 10	5 105	4 552	7	13	5 112	4 565
Other administrative expenses	8	-	-	39	-	39	-
Grants and subsidies expenses							
Current		285	217	-	-	285	217
Capital		5 061	-	-	-	5 061	-
TOTAL EXPENSES		187 485	168 371	5 444	5 730	192 929	174 101
NET SURPLUS/(DEFICIT)		(14 199)	(4 443)	16 917	5 054	2 717	611
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified to net surplus/deficit							
Changes in asset revaluation reserve		-	(25)	-	(1 329)	-	(1 354)
TOTAL OTHER COMPREHENSIVE INCOME		-	(25)	-	(1 329)	-	(1 354)
COMPREHENSIVE RESULT		(14 199)	(4 468)	16 917	3 725	2 717	(743)

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

4. GAIN ON DISPOSAL OF ASSETS

Proceeds from sale of minor assets

Total Gain on Disposal of Assets

5. PURCHASES OF GOODS AND SERVICES

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

Goods and services expenses:

	2016 \$000	2015 \$000
Information Technology Charges	13 210	14 036
Information Technology Hardware and Software	14 151	10 039
Telecommunications	986	1 510
Office Leasing	83 545	79 046
Contractors and Consultants ⁽¹⁾	20 104	13 064
Advertising ⁽²⁾	48	52
Marketing and promotion ⁽³⁾	192	110
Document production	99	91
Legal expenses ⁽⁴⁾	158	172
Recruitment ⁽⁵⁾	54	59
Training and study	932	524
Official duty fares	113	63
Travelling allowance	35	23

⁽¹⁾ Includes IT contractors and consultants, marketing, and promotion.

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

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

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

⁽⁵⁾ Includes recruitment-related advertising costs.

6. CASH AND DEPOSITS

Cash on hand

Cash at bank

7. RECEIVABLES

Current

Accounts receivable	2 904	1 725
	2 904	1 725
Interest receivables	-	-
GST receivables	2 413	2 465
Other receivables	451	1 332
	2 864	3 797

Non-Current

Other receivables	-	-
	-	-
Total Receivables	5 767	5 522

	2016 \$000	2015 \$000
8. PROPERTY, PLANT AND EQUIPMENT		
Land		
At fair value	-	-
Buildings		
At fair value	-	5 289
Less: Accumulated depreciation	-	(3 347)
Less: Transfer out	-	(1 942)
	-	-
Plant and Equipment		
At fair value	29 900	18 489
Less: Accumulated depreciation	(6 816)	(8 645)
	23 084	9 844
Computer Software		
At cost	14 983	12 821
Less: Accumulated depreciation	(10 037)	(8 753)
	4 945	4 068
Computer Hardware		
At cost	5 375	4 217
Less: Accumulated depreciation	(2 103)	(2 463)
	3 272	1 754
Total Property, Plant and Equipment	31 301	15 666

Property, Plant and Equipment Valuations

Refer to Note 10: Fair Value Measurement of Non-Financial Assets for additional disclosures.

The revaluations for Land and Buildings 2013-14 reflect valuation independently conducted by the Australian Valuation Office at 30 June 2010. Due to the specialised nature of many of the properties and the consequent lack of market based evidence of fair value, estimates of value have primarily been ascertained using the Depreciated Replacement Cost Approach. This has been supplemented by the Market Value Approach for properties that are readily saleable on the open market and where market sales evidence can be reliably used to determine market values. We do not have any land and buildings.

Impairment of Property, Plant and Equipment

DCIS' property, plant and equipment assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:

	Land \$000	Buildings \$000	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

2015 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2014-15 is set out below:

	Land \$000	Buildings \$000	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2014	2 300	1 942	8 297	5 780	2 107	20 426
Additions	-	-	3 392	-	601	3 993
Disposals	-	-	-	-	-	-
Depreciation/Amortisation	-	-	(1 899)	(1 712)	(954)	(4 565)
Additions/(Disposals) from asset transfers	(2 300)	(1 942)	79	-	-	(4 163)
Revaluation increments/(decrements)	-	-	(25)	-	-	(25)
Impairment losses	-	-	-	-	-	-
Carrying Amount as at 30 June 2015	-	-	9 844	4 068	1 754	15 666

9. INTANGIBLES

Carrying amounts

Intangibles with a finite useful life

Other intangibles

At valuation

Less: Accumulated amortisation

Written down value – 30 June

Total Intangibles

2016	2015
\$000	\$000
-	-
-	-
-	-
-	-

Impairment of Intangibles

Agency intangible assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

INTANGIBLES

Reconciliation of movements

Intangibles with a finite useful life

Other intangibles

Carrying amount at 1 July

Less: Amortisation

Carrying amount as at 30 June

2016	2015
\$000	\$000
-	-
-	-
-	-

10. 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	Level 2	Level 3	Total Fair Value
	\$000	\$000	\$000	\$000
2015-16				
Asset Classes				
Land (Note 8)	-	-	-	-
Buildings (Note 8)	-	-	-	-
Plant and Equipment, Computer Hardware, Computer Software (Note 8)	-	-	31 301	31 301
Total	-	-	31 301	31 301

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
2014-15				
Asset Classes				
Land (Note 8)	-	-	-	-
Buildings (Note 8)	-	-	-	-
Plant and Equipment, Computer Hardware, Computer Software (Note 8)	-	-	15 666	15 666
Total	-	-	15 666	15 666

There were no transfers between Level 1 and Levels 2 or 3 during 2015-16.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2015-16 are:

	Level 2 Techniques	Level 3 Techniques
Asset Classes		
Plant and Equipment, Hardware, Computer Software (Note 8)		Cost approach

There were no changes in valuation techniques from 2014-15 to 2015-16.

The Australian Valuation Office has provided valuations for the land, buildings and Infrastructure assets.

Level 2 fair values of land and buildings were based on market evidence of sales price per square metre of comparable land and buildings.

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
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

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000
2014-15			
Fair value as at 1 July 2014	8 297	5 780	2 107
Additions	3 471	-	601
Disposals	-	-	-
Transfers from Level 2	-	-	-
Transfers to Level 2	-	-	-
Depreciation/Amortisation	(1 899)	(1 712)	(954)
Gains/losses recognised in net surplus/(deficit)	(25)	-	-
Gains/losses recognised in other comprehensive income	-	-	-
Fair value as at 30 June 2015	9 844	4 068	1 754

(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 agency 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.

2016	2015
\$000	\$000

11. PAYABLES

Accounts payable	1 227	2 579
Accrued expenses	2 884	2 953
Total Payables	4 111	5 532

12. PROVISIONS

Current		
<i>Employee benefits</i>		
Recreation leave	3 919	3 804
Leave loading	773	725
Recreation leave airfares	121	152
<i>Other current provisions</i>		
Other provisions	851	986
	5 665	5 667
Non-Current		
<i>Employee benefits</i>		
Recreation leave	2 200	2 396
	2 200	2 396
Total Provisions	7 864	8 063
Reconciliations of Provisions		
Balance as at 1 July	986	1 691
Additional provisions recognised	851	986
Reductions arising from payments	(986)	(1 691)
Balance as at 30 June	851	986

DCIS employed 515 employees as at 30 June 2016 (500 employees as at 30 June 2015).

13. OTHER LIABILITIES

	2016	2015
	\$000	\$000
Current		
Other liabilities <Unearned Revenue>	15	-
Total Other Liabilities	15	-

14. RESERVES

Asset Revaluation Surplus

(i) Nature and purpose of the asset revaluation surplus

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

(ii) Movements in the asset revaluation surplus

	2016 \$000	2015 \$000
Balance as at 1 July	-	1 329
Changes in accounting policies		
Correction of prior period errors		
Increment/(Decrement) – land	-	(900)
Impairment (losses)/reversals – land		
Increment/(Decrement) – buildings	-	(429)
Impairment (losses)/reversals – buildings		
Increment/(Decrement) – infrastructure		
Impairment (losses)/reversals – infrastructure		
Balance as at 30 June	-	-

15. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of DCIS' 'Cash and deposits' of \$21.696 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

	2016 \$000	2015 \$000
Net Surplus	2 717	611
<i>Non-cash items:</i>		
Depreciation and amortisation	5 112	4 565
Asset write-offs/write-downs	38	-
Asset donations/gifts	-	-
(Gain)/Loss on disposal of assets	-	-
Repairs and maintenance – minor new works (non-cash)	-	150
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(245)	577
Decrease/(Increase) in inventories	-	-
Decrease/(Increase) in prepayments	510	(1 346)
Decrease/(Increase) in other assets	-	-
(Decrease)/Increase in payables	(1 421)	(1 378)
(Decrease)/Increase in provision for employee benefits	(64)	99
(Decrease)/Increase in other provisions	(135)	(706)
(Decrease)/Increase in other liabilities	15	-
Net Cash from Operating Activities	6 527	2 572

Non-Cash Financing and Investing Activities

DCIS has no finance lease commitments.

16. FINANCIAL INSTRUMENTS

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

a) Categorisation of Financial Instruments

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

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss						Total \$000
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$000	\$000	\$000	
Cash and deposits				21 696			21 696
Receivables				3 354			3 354
Advances							
Investments loans and placements							
Other financial assets							
Interest rate swaps							
Total Financial Assets				25 050			25 050
Deposits held ¹						8 823	8 823
Payables ¹						4 111	4 111
Advances							
Loans							
Finance Lease Liabilities							
Interest rate swaps							
Total Financial Liabilities						12 934	12 934

¹ Total amounts disclosed here excludes statutory amounts

2014-15 Categorisation of Financial Instruments

	Fair value through profit or loss						Total
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$000	\$000	\$000	
Cash and deposits				30 932			30 932
Receivables				3 057			3 057
Advances							
Investments loans and placements							
Other financial assets							
Interest rate swaps							
Total Financial Assets				33 989			33 989
Deposits held ¹						20 909	20 909
Payables ¹						5 532	5 532
Advances							
Loans							
Finance Lease Liabilities							
Interest rate swaps							
Total Financial Liabilities						26 441	26 441

¹ Total amounts disclosed here excludes statutory amounts

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 the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Receivables

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

Internal Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
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
2014-15			
Not overdue	1 342	-	1 342
Overdue for less than 30 days	8	-	8
Overdue for 30 to 60 days	122	-	122
Overdue for more than 60 days	89	-	89
Total	1 561	-	1 561
External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
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
2014-15			
Not overdue	84	-	84
Overdue for less than 30 days	9	-	9
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	71	-	71
Total	164	-	164

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.

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							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	

2015 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							30 932	30 932	
Receivables							3 057	3 057	
Total Financial Assets							33 989	33 989	
Liabilities									
Deposits held							20 909	20 909	
Payables							5 532	5 532	
Total Financial Liabilities							26 441	26 441	

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.

Fair values of financial instruments categorised by level of inputs used to measure fair value are:

2016	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
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
2015					
Financial Assets					
Cash and deposits	30 932	30 932	-	-	30 932
Receivables	3 057	3 057	-	-	3 057
Total Financial Assets	33 989	33 989	-	-	33 989
Financial Liabilities					
Deposits held	20 909	20 909	-	-	20 909
Payables	5 532	5 532	-	-	5 532
Total Financial Liabilities	26 441	26 441	-	-	26 441

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.

17. COMMITMENTS

(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.

	2016		2015	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	373	72 429	373	72 902
Later than one year and not later than five years	1 089	229 694	1 210	217 999
Later than five years	403	181 953	650	201 775
	1 865	484 076	2 233	492 676

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:

	2016		2015	
	Internal \$000	External \$000	Internal \$000	External \$000
Within one year	-	5	-	31
Later than one year and not later than five years	-	-	-	39
Later than five years	-	-	-	-
	-	5	-	70

(iii) Other Expenditure Commitments

DCIS has no other expenditure commitments.

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

DCIS had no material contingent liabilities or contingent assets as at 30 June 2016 or at 30 June 2015.

19. EVENTS SUBSEQUENT TO BALANCE DATE

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

20. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

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

Nature of Trust Money	Opening Balance 1 July 2015	Receipts	Payments	Closing Balance 30 June 2016
Salaries and Superannuation cancelled cheques	-	59	-	59
Accounts payable cancelled cheques	31	-	-	31
RTM unrepresented cheques	22	-	-	22
	53	59	-	112

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

	Agency 2016 \$000		Agency 2015 \$000		Territory Items 2016 \$000		Territory Items 2015 \$000	
	No. of Trans.		No. of Trans.		No. of Trans.		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	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	1						
<i>Amounts written off, postponed and waived by the Treasurer</i>								
Irrecoverable amounts payable to the Territory or an agency written off								
Losses or deficiencies of money written off								
Public property written off								
Waiver or postponement of right to receive or recover money or property								
Total Written Off, Postponed and Waived by the Treasurer								
Write-offs, Postponements and Waivers Authorised Under Other Legislation								
Gifts Under the <i>Financial Management Act</i>								
Gifts Authorised Under Other Legislation								
Ex-Gratia Payments Under the <i>Financial Management Act</i>								

22. SCHEDULE OF ADMINISTERED TERRITORY ITEMS

The following Territory items are managed by the agency on behalf of the government and are recorded in the Central Holding Authority (refer Note 2(d)).

	2016 \$000	2015 \$000
TERRITORY INCOME AND EXPENSES		
Income		
Other income	-	1 592
Total Income	-	1 592
Expenses		
Central Holding Authority income transferred	-	1 592
Total Expenses	-	1 592
Territory Income less Expenses	-	-

23. BUDGETARY INFORMATION

Comprehensive Operating Statement	2015-16 Actual \$000	2015-16 Original Budget \$000	Variance \$000	Note
INCOME				
Appropriation				
Output	136 496	132 761	3 735	1
Commonwealth				
Sales of goods and services	58 886	50 791	8 095	2
Other income	264	70	194	
TOTAL INCOME	195 646	183 622	12 024	
EXPENSES				
Employee expenses	50 201	48 269	1 932	3
Administrative expenses				
Purchases of goods and services	132 175	129 866	2 309	4
Repairs and maintenance	56	330	(274)	
Depreciation and amortisation	5 112	4 567	545	5
Other administrative expenses	39	-	39	
Grants and subsidies expenses				
Current	285	71	214	
Capital	5 061	3 086	1 975	6
TOTAL EXPENSES	192 929	186 189	6 740	
NET SURPLUS	2 717	(2 567)	5 284	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/deficit				
Changes in asset revaluation reserve				
TOTAL OTHER COMPREHENSIVE INCOME	2 717	(2 567)	5 284	
COMPREHENSIVE RESULT	2 717	(2 567)	5 284	

Notes:

- Variation includes budget increase for Core Clinical Systems Renewal Program (CCSRP) (\$4.2M), telecommunications to remote communities (\$2.0M), transfers from agencies – TRIM administration (\$0.4M) and leased property management from agencies (\$0.7M) offset by transfer of ICT managers to agencies (\$1.0M) and reclassification from appropriation to goods and services income for Health GBDs (\$2.6M).
- Variation includes increased lease property management income (\$1.1M), reclassification from appropriation to goods and services income for the Health GBDs (\$2.6M), ICT infrastructure services (\$0.7M), own sourced revenue across DCIS products (\$1.8M) and infrastructure programs (\$1.1M).
- Variation primarily due to EBA increase and CCSR.
- Variation includes CCSR, lease property management, transfer between years for ASNEX Program and significant automation projects.
- Variation includes depreciation for Charles Darwin Centre fitout.
- Grants for telecommunications services expansion in remote area

Balance Sheet	2015-16	2015-16		Note
	Actual	Original		
	\$000	Budget	Variance	
	\$000	\$000	\$000	
ASSETS				
Current assets				
Cash and deposits	21 696	18 750	2 946	1
Receivables	5 767	6 099	(332)	
Prepayments	7 183	6 348	835	
Total current assets	34 646	31 197	3 449	
Non-current assets				
Property, plant and equipment	31 301	18 163	13 138	2
Total non-current assets	31 301	18 163	13 138	
TOTAL ASSETS	65 947	49 360	16 587	
LIABILITIES				
Current liabilities				
Deposits held	8 823	14 265	(5 442)	
Payables	4 111	6 908	(2 797)	3
Provision for employee benefits	5 665	6 384	(719)	
Other liabilities	15	-	15	
Total current liabilities	18 613	27 557	(8 944)	
Non-current liabilities				
Provisions	2 200	2 287	(87)	
Total non-current liabilities	2 200	2 287	(87)	
TOTAL LIABILITIES	20 813	29 844	(9 030)	
NET ASSETS	45 134	19 516	25 618	
EQUITY				
Capital	52 118	33 894	18 224	4
Reserves		1 329	(1 329)	
Accumulated funds	(6 985)	(15 707)	8 722	5
TOTAL EQUITY	45 134	19 516	25 618	

Notes:

1. Increase relates to the opening balance adjustments from 2014-15 and higher than expected goods and services revenue in 2015-16.
2. Variation includes recognition of the Charles Darwin Centre (CDC) fitout with this asset commencing in 2015-16.
3. Reflects a reduction in outstanding creditors in 2015-16.
4. Equity – Capital increase relates primarily to recognition of CDC fitout and other minor ICT assets.
5. Equity – Accumulated funds improvement relates to an opening balance adjustment from 2014-15 and a Comprehensive operating surplus of \$2.7M in 2015-16

Cash Flow Statement	2015-16	2015-16	Variance	Note
	Actual	Original		
	\$000	Budget \$000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Appropriation				
Output	136 496	132 761	3 735	1
Receipts from sales of goods and services	83 985	50 861	33 124	2
Interest received				
Total operating receipts	220 481	183 622	36 859	
Operating payments				
Payments to employees	51 554	48 269	3 285	3
Payments for goods and services	157 054	130 196	26 858	4
Grants and subsidies paid				
Current	285	71	214	
Capital	5 061	3 086	1 975	5
Total operating payments	213 954	181 622	32 332	
Net cash from/(used in) operating activities	6 527	2 000	4 527	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	(6 107)	(6 919)	812	
Total investing payments	(6 107)	(6 919)	812	
Net cash from/(used in) investing activities	(6 107)	(6 919)	812	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing receipts				
Deposits received	(12 086)		(12 086)	6
Equity injections				
Capital appropriation	2 429	179	2 250	7
Total financing receipts	(9 657)	179	(9 836)	
Net cash from/(used in) financing activities	(9 657)	179	(9 836)	
Net increase/(decrease) in cash held	(9 237)	(4 740)	(4 497)	
Cash at beginning of financial year	30 932	23 490	7 442	
CASH AT END OF FINANCIAL YEAR	21 696	18 750	2 946	

Notes:

- Variation includes budget increase for Core Clinical Systems Renewal Program (CCSRP) (\$4.2M), telecommunications to remote communities (\$2.0M), transfers from agencies – TRIM administration (\$0.4M) and leased property management from agencies (\$0.7M) offset by transfer of ICT managers to agencies (\$1.0M) and reclassification from appropriation to goods and services income for Health GBDs (\$2.6M).
- Variation includes increased lease property management income (\$1.1M), reclassification from appropriation to goods and services income for the Health GBDs (\$2.6M), ICT infrastructure services (\$0.7M), own sourced revenue across DCIS products (\$1.8M) and infrastructure programs (\$1.1M). Other receipts included GST (\$19.8M), Commonwealth paid parental leave commitments (\$5M) and other minor adjustments (\$1.02M).
- Variation primarily due to EBA increase and CCSR.
- Variation includes CCSR (\$3.2M), lease property management (\$1.0M), ICT infrastructure services (\$0.7M), and transfers from agencies – TRIM administration (\$0.4M). Other goods and services payments included GST (\$19.8M) and associated with Commonwealth paid parental leave commitments (\$5.0M) offset by transfer of ASNEX program between years (\$2.0M) and transfer of ICT managers to agencies (\$1.0M).
- Grants for telecommunications services expansion in remote areas.
- AOTA balance and clearing accounts.
- Increase is primarily due to funding for CCSR (\$2M) and NTG Grants System (\$0.2M)

24. ADMINISTERED TERRITORY ITEMS

In addition to the specific departmental operations which are included in the financial statements, DCIS administers or manages other activities and resources on behalf of the Territory such as unclaimed cheques. The transactions relating to these activities are reported as administered items in this note.

Administered Territory Items	2015-16	2015-16		Note
	Actual	Original		
		Budget	Variance	
	\$000	\$000	\$000	
TERRITORY INCOME AND EXPENSES				
Income				
Other income				
Total income				
Expenses				
Central Holding Authority income transferred				
Total expenses				
Territory income less expenses				

Notes:

FINANCIAL REPORT:

NT FLEET



NT FLEET FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL PERFORMANCE

NT Fleet achieved an operating result for 2015-16 of \$6.9 million after tax which was \$0.1 million below budget expectations. This operating result was mainly due to a slight increase in operational expenditure.

NT Fleet will pay an income tax equivalent of \$3 million and return a dividend of \$3.5 million to government for 2015-16.

Table 1: 2015-16 Actual and Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2016	2015	2016	2015	2016	2015
Income	41 828	41 801	41 779	41 903	49	(102)
Expenses	31 939	30 707	31 742	31 118	197	(411)
Net Surplus Before Tax	9 889	11 094	10 037	10 785	(148)	309
Income Tax Expense	2 967	3 328	3 011	3 236	(44)	92
Net Surplus After Tax	6 922	7 766	7 026	7 549	(104)	217

The net surplus before tax decreased by \$1.2 million in 2015-16 when compared to 2014-15 mainly due to decreased revenue from sales of assets compounded by increased depreciation and operating expenses.

Table 2: 2015-16 and 2014-15 Actual Performance

	2016 \$000	2015 \$000	Variation \$000
Income	41 828	41 801	27
Expenses	31 939	30 707	1 232
Net Surplus before Tax	9 889	11 094	(1 205)
Income Tax Expense	2 967	3 328	(361)
Net Surplus after Tax	6 922	7 766	(844)

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 91.3% of NT Fleet's total income, with the remainder made up of interest, asset sales and other miscellaneous income. Total income has increased by \$0.03 million in 2015-16 relating to increased vehicle lease revenue offset by decreased disposal income due to a reduction in the number of vehicles disposed and a decline in disposal sale prices.

Table 3: Income by Category

Year	Goods and Services		Investment ¹		Other Income ²		Asset Sales		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
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
2013-14	38 742	91.5	513	1.2	130	0.3	2 964	7.0	42 349	100

¹ Investment includes interest income.

² Other includes miscellaneous income such as motor vehicle registration refunds.

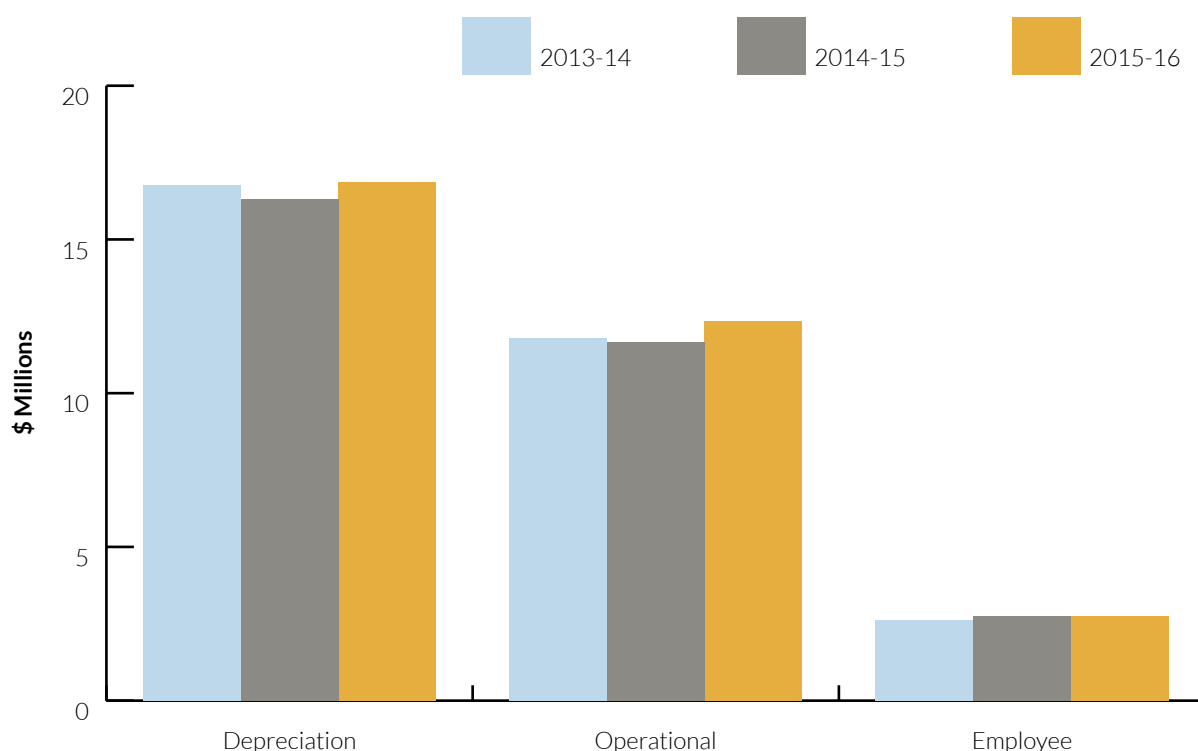
Expenses

NT Fleet incurred the majority of its expenses on depreciation and operational costs. Compared to the previous year, both expense categories have increased as a result of an increased number of vehicles and capitalisation of non-vehicle assets such as fitouts and computer software.

Table 4: Expenses by Category

Year	Depreciation		Operational		Employee		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
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
2013-14	16 767	53.8	11 785	37.8	2 610	8.4	31 162	100

Figure 1: Expense by Category



FINANCIAL POSITION

NT Fleet's net financial position at the end of 2015-16 was \$112.7 million which was \$3.5 million higher than the previous year financial position. The net increase reflects the operating result of \$6.9 million, partially offset by dividend payable to government of \$3.4 million.

The major movements in assets included a \$3.6 million decrease in cash and deposits and a \$6.7 million increase in plant and equipment.

Major assets at 30 June 2016 included:

- \$24 million cash and deposits
- \$1 million receivables (GST receivable and outstanding service fees)
- \$1.9 million assets held for sale
- \$95.9 million property, plant and equipment (mainly motor vehicles).

Major liabilities at 30 June 2016 included:

- \$3.2 million payables and accrued expenses
- \$3 million income tax provisions
- \$0.46 million provisions for employee entitlements
- \$3.5 million provisions for dividend.

Table 5: 2015-16 and 2014-15 Actual Financial Position

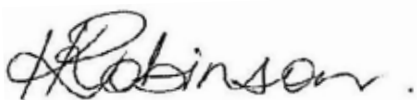
	2016 \$000	2015 \$000	Variation \$000
ASSETS			
Current Assets	27 134	31 087	(3 953)
Non-Current Assets	95 949	89 272	6 677
TOTAL ASSETS	123 083	120 359	2 724
LIABILITIES			
Current Liabilities	10 331	11 057	(726)
Non-Current Liabilities	97	122	(25)
TOTAL LIABILITIES	10 428	11 179	(751)
NET ASSETS	112 655	109 180	3 475
EQUITY	112 655	109 180	3 475
TOTAL EQUITY	112 655	109 180	3 475

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 2016 and the financial position on that date.

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



Kathleen Robinson

Chief Executive

30 September 2016



Rex Schoolmeester

Chief Finance Officer

30 September 2016



Auditor-General

Independent Auditor's Report to the Minister for Corporate and Information Services NT Fleet

I have audited the accompanying financial report of NT Fleet which comprises the balance sheet as at 30 June 2016, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive of the Department of Corporate and Information Services 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.

Auditor's Responsibility

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

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

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

Opinion

In my opinion the financial report gives a true and fair view of the financial position of NT Fleet as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

3 October 2016

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
INCOME			
Sales of goods and services		38 206	37 698
Interest revenue		511	606
Gain on disposal of assets	3	2 954	3 319
Other income		157	178
TOTAL INCOME		41 828	41 801
EXPENSES			
Employee expenses		2 752	2 747
Administrative expenses			
Purchases of goods and services	4	12 336	11 656
Depreciation and amortisation	8, 9	16 851	16 304
TOTAL EXPENSES		31 939	30 707
SURPLUS BEFORE INCOME TAX		9 889	11 094
Income tax expense	5	2 967	3 328
NET SURPLUS/(DEFICIT)		6 922	7 766
COMPREHENSIVE RESULT		6 922	7 766

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

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
ASSETS			
Current Assets			
Cash and deposits	6	24 013	27 601
Receivables	7	1 095	2 129
Prepayments		139	138
Assets held for sale		1 887	1 219
Total Current Assets		27 134	31 087
Non-Current Assets			
Property, plant and equipment	8, 9	95 949	89 272
Total Non-Current Assets		95 949	89 272
TOTAL ASSETS		123 083	120 359
LIABILITIES			
Current Liabilities			
Payables	10	3 213	3 155
Income tax liabilities	11	2 967	3 328
Provisions	12	3 821	4 279
Other liabilities	13	330	295
Total Current Liabilities		10 331	11 057
Non-Current Liabilities			
Provisions	12	97	122
Total Non-Current Liabilities		97	122
TOTAL LIABILITIES		10 428	11 179
NET ASSETS		112 655	109 180
EQUITY			
Capital	14	536	522
Accumulated funds		112 119	108 658
TOTAL EQUITY		112 655	109 180

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 2016

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2015-16					
Accumulated Funds		108 658	6 922	-	115 580
Dividends payable				(3 461)	(3 461)
	14	108 658	6 922	(3 461)	112 119
Capital – Transactions with Owners		522	-	-	522
Equity transfers in				14	14
		522	-	14	536
Total Equity at End of Financial Year	14	109 180	6 922	(3 447)	112 655
2014-15					
Accumulated Funds		104 775	7 766	-	112 542
Dividends payable				(3 883)	(3 883)
	14	104 775	7 766	(3 883)	108 658
Capital – Transactions with Owners		503	-	-	503
Equity transfers in				19	19
		503	-	19	522
	14				
Total Equity at End of Financial Year		105 278	7 766	(3 864)	109 180

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 2016

	Note	2016 \$000	2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		39 583	37 481
GST receipts		5 348	5 170
Interest received		521	607
Total Operating Receipts		45 452	43 258
Operating Payments			
Payments to employees		(2 864)	(2 785)
Payments for goods and services		(12 251)	(11 557)
GST payments		(5 508)	(5 212)
Income tax paid		(3 328)	(3 356)
Total Operating Payments		(23 951)	(22 910)
Net Cash From/(Used in) Operating Activities	15	21 501	20 348
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from asset sales	3	13 528	14 104
Total Investing Receipts		13 528	14 104
Investing Payments			
Purchases of assets		(34 734)	(27 079)
Total Investing Payments		(34 734)	(27 079)
Net Cash From/(Used in) Investing Activities		(21 206)	(12 975)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(3 883)	(3 915)
Total Financing Payments		(3 883)	(3 915)
Net Cash From/(Used in) Financing Activities		(3 883)	(3 915)
Net increase/(decrease) in cash held		(3 588)	3 458
Cash at beginning of financial year		27 601	24 143
CASH AT END OF FINANCIAL YEAR	6	24 013	27 601

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

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1. OBJECTIVES AND FUNDING

NT Fleet manages the light and heavy vehicle fleet for Northern Territory Government agencies, except Northern Territory Police, Fire and Emergency Services. Management of the 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 agency 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.

The following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

AASB 1048 Interpretation of Standards This reflects amended versions of Interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

AASB 2013-9 Amendments to Australian Accounting Standards [Part C Financial Instruments]

Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. The standard does not impact the financial statements.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent Amendments are made to AASB 128 Investments in Associates and Joint Ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E - Financial Instruments) Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

The following standards and interpretations are likely to have an insignificant impact on the financial statements for future reporting periods, but the exact impact is yet to be determined:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, 133 and 1057]	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016

The following standards and interpretations are expected to have a potential impact on the financial statements for future reporting periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	1 January 2018	Amends various AAS's to reflect the deferral of the mandatory application date of AASB 9
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and AASB 138]	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	Amends the measurement of trade receivables and the recognition of dividends.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	Amends various AAS's to reflect the changes as a result of AASB 9
AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 and 128]	1 January 2016	Allows an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement at cost or using the equity method.
AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 and 140]	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information elsewhere in the interim financial statements.

c) Reporting Entity

The financial statements cover the NT Fleet as an individual reporting entity. NT Fleet is a Northern Territory Government Business Division established under the *Interpretation Act Administrative Arrangements Order*.

The principal place of business of the Department is: Lot 5441 Armidale Street, Woolner NT 0820.

d) Agency and Territory Items

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

Central Holding Authority

NT Fleet held no Territory items.

e) Comparatives

Where necessary, comparative information for the 2014-15 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions.

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. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(x) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Property, Plant and Equipment – Note 2(s): The fair value of land, building, infrastructure and property, plant and equipment are determined on significant assumptions of the exit price and risks in the prospective market participant, using the best information available.
- Contingent Liabilities – Note 18: The present value of material quantifiable contingent liabilities are calculated using a discount rate based on the published 10-year government bond rate.
- Allowance for Impairment Losses – Note 2(t), Note 7: Receivables and Note 16: Financial Instruments. The allowance represents debts that are likely to be uncollectible and are considered doubtful. Debtors are grouped according to their aging profile and history of previous financial difficulties.
- Depreciation and Amortisation – Note 2(m), Note 8: Property, Plant and Equipment, and Note 9.

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) Income Recognition

Income encompasses both revenue and gains.

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

Sale of Goods

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

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

Rendering of Services

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

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

Interest Revenue

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

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal. Refer also to Note 3.

Contributions of Assets

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

k) Repairs and Maintenance Expense

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

l) Taxation

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

m) 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:

	2016	2015
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	1-5 years	1-5 years

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

n) Interest Expense

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

o) Cash and Deposits

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

p) Inventories

NT Fleet held no inventory.

q) Receivables

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

The allowance for impairment losses represents the amount of receivables 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 16 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

r) 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.

s) Property, Plant and Equipment

Acquisitions

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

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 (DoI) 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 DoI and the cost of construction work in progress is recognised as an asset of that DoI. Once completed, capital works assets are transferred to NT Fleet.

t) Revaluations and Impairment

Revaluation of Assets

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

- heavy vehicles

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

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

Impairment of Assets

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

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

Impairment losses are recognised in the Comprehensive Operating Statement. 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 9 provides additional information in relation to the asset revaluation surplus.

u) 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 in their present condition, and their sale is highly probable within the next twelve months.

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

v) Leased Assets

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

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 is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

w) Payables

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

x) 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 agency financial statements.

y) 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.

z) 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.

aa) 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.

bb) Commitments

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

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

cc) 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. 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.

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
- 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 (FVTPL)
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

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.

Loans and Receivables

For details refer to Note 2 (q), but 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.

Netting of Swap Transactions

NT Fleet, 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.

Note 16 provides additional information on financial instruments.

dd) Fair Value Measurement

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

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

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 agency 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.

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

2016	2015
\$000	\$000
13 528	14 104
(10 574)	(10 785)
2 954	3 319

	2016 \$000	2015 \$000
4. 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⁾	13	11
Document production	5	4
Recruitment ⁽²⁾	1	1
Training and study	12	10
Official duty fares	2	6
Travelling allowance	1	2
Corporate support from other agencies	572	527
Audit fees	45	37

⁽¹⁾ Includes IT contractors and consultants, marketing, and promotion.

⁽²⁾ Includes recruitment-related advertising costs.

	2016 \$000	2015 \$000
5. INCOME TAX EXPENSE		
Prima facie income tax expense calculated at 30% of the surplus before income tax	2 967	3 328
	2 967	3 328
6. CASH AND DEPOSITS		
Cash on hand	5	13
Cash at bank	24 008	27 588
	24 013	27 601
7. RECEIVABLES		
Current		
Accounts receivable	304	325
Interest receivables	34	43
GST receivables	174	14
Other receivables	583	1 747
Total Receivables	1 095	2 129

	2016 \$000	2015 \$000
8. PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles - Light		
At fair value	105 313	101 815
Less: Accumulated depreciation	(30 093)	(32 735)
	75 220	69 080
Motor vehicles - Heavy		
At fair value	38 677	37 261
Less: Accumulated depreciation	(18 696)	(17 779)
	19 981	19 482
Computer Software		
At fair value	1 054	674
Less: Accumulated depreciation	(337)	(32)
	717	642
Leasehold Improvements		
At fair value	92	78
Less: Accumulated depreciation	(61)	(10)
	31	68
Total Property, Plant and Equipment	95 949	89 272

Impairment of Property, Plant and Equipment

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 31 July 2015 (\$70.1M) = the carrying amount as at 30 Jun 2015 (\$69.1M) + Assets held for sale as at 30 Jun 2015 (\$1M)

(3) The carrying amount as at 31 July 2015 (19.7M) = the carrying amount as at 30 Jun 2015 (\$19.5M) + Assets held for sale as at 30 Jun 2014 (\$0.2M).

2015 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2014-15 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 2014	67 776 ²	20 413 ³	49	350	88 588
Additions	25 701	2 980	-	-	28 681
Disposals	(10 289)	(497)	-	-	(10 786)
Depreciation	(13 060)	(3 243)	(1)	-	(16 304)
Assets held for sale ¹	(1 048)	(171)	-	-	(1 219)
Additions/(Disposals) from asset transfers	-	-	20	-	20
Other movements	-	-	-	292	292
Carrying Amount as at 30 June 2015	69 080	19 482	68	642	89 272

(1) Light and heavy vehicles held for sale as at 30 June 2015 were reclassified as Current Assets (-\$1.2M).

(2) The carrying amount as at 31 July 2014 (\$67.8M) = the carrying amount as at 30 Jun 2014 (\$66.9M) + Assets held for sale as at 30 Jun 2014 (\$0.9M).

(3) The carrying amount as at 31 July 2014 (\$20.4M) = the carrying amount as at 30 Jun 2014 (\$20.3M) + Assets held for sale as at 30 Jun 2014 (\$0.1M).

9. 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
2015-16				
Asset Classes				
Plant and Equipment – Light Vehicles	-	-	75 220	75 220
Plant and Equipment – Heavy Vehicles	-	-	19 981	19 981
Leasehold Improvements	-	-	31	31
Computer Software	-	-	717	717
Total	-	-	95 949	95 949
2014-15				
Asset Classes				
Plant and Equipment – Light Vehicles	-	-	69 080	69 080
Plant and Equipment – Heavy Vehicles	-	-	19 482	19 482
Leasehold Improvements	-	-	68	68
Computer Software	-	-	642	642
Total	-	-	89 272	89 272

There were no transfers between Level 1 and Level 2 or 3 during 2015-16.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2015-16 are:

	Level 2 Techniques	Level 3 Techniques
Asset Classes		
Plant and Equipment – Light Vehicles		Cost approach
Plant and Equipment – Heavy Vehicles		Cost approach
Assets Held for Sale – Light & Heavy		Cost approach
Leasehold Improvements		Cost approach
Computer Software		Cost approach

There were no changes in valuation techniques from 2014-15 to 2015-16.

Plant and equipment – light and heavy vehicles 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 Light Vehicles \$000	Plant and Equipment Heavy Vehicles \$000	Computer Software \$000
2015-16			
Fair value as at 1 July 2015	70 128 ²	19 653 ³	642
Additions	29 575	4 793	390
Disposals	(9 729)	(843)	(2)
Depreciation	(13 049)	(3 440)	(313)
Assets held for sale ¹	(1 705)	(182)	-
Fair value as at 30 June 2016	75 220	19 981	717
2014-15			
Fair value as at 1 July 2014	67 776	20 413	350
Additions	25 701	2 980	292
Disposals	(10 289)	(497)	-
Depreciation	(13 060)	(3 243)	-
Assets held for sale	(1 048)	(171)	-
Fair value as at 30 June 2015	69 080	19 482	642

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 31 July 2015 (\$70.1M) = the carrying amount as at 30 Jun 2015 (\$69.1M) + Assets held for sale as at 30 Jun 2015 (\$1M)

3. The carrying amount as at 31 July 2015 (19.7M) = the carrying amount as at 30 Jun 2015 (\$19.5M) + Assets held for sale as at 30 Jun 2014 (\$0.2M).

(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 NT Fleet 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.

10. PAYABLES

Accounts payable
Other accrued expenses and accrued salaries
Total Payables

2016 \$000	2015 \$000
2 712	2 608
501	547
3 213	3 155
2 967	3 328
2 967	3 328

11. INCOME TAX LIABILITIES

Income tax payable
Total Income tax liabilities

12. PROVISIONS

	2016 \$000	2015 \$000
Current		
<i>Employee benefits</i>		
Recreation leave	231	225
Leave loading	44	50
Other employee benefits	8	25
<i>Other current provisions</i>		
Provision for dividend	3 461	3 883
Provision for fringe benefits tax	5	5
Provision for superannuation	45	58
Provision for payroll tax	21	27
Provision for workers compensation premium	6	6
	3 821	4 279
Non-Current		
<i>Employee benefits</i>		
Recreation leave	97	122
	97	122
Total Provisions	3 918	4 401
Reconciliations of Provisions		
Balance as at 1 July	3 883	3 915
Additional provisions recognised	3 461	3 883
Reductions arising from payments	(3 883)	(3 915)
Balance as at 30 June	3 461	3 883

NT Fleet employed 28 employees as at 30 June 2016 and 31 employees as at 30 June 2015.

13. OTHER LIABILITIES

	2016 \$000	2015 \$000
Current		
Other liabilities	330	295
Total Other Liabilities	330	295

14. EQUITY

	2016 \$000	2015 \$000
Capital		
Balance as at 1 July	522	503
<i>Equity Injections</i>		
Equity transfers	14	19
Balance as at 30 June	536	522
Accumulated funds		
Balance as at 1 July	108 658	104 775
Surplus for the period	6 922	7 766
Dividends payable	(3 461)	(3 883)
Balance as at 30 June	112 119	108 658
Total Equity	112 655	109 180

15. 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

	2016 \$000	2015 \$000
Net Surplus	6 922	7 766
<i>Non-cash items:</i>		
Depreciation and amortisation	16 851	16 304
(Gain)/Loss on disposal of assets	(2 954)	(3 319)
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	1 034	(704)
Decrease/(Increase) in prepayments	(1)	35
Decrease/(Increase) in other assets		
(Decrease)/Increase in payables	34	78
(Decrease)/Increase in provision for employee benefits	(43)	(42)
(Decrease)/Increase in other provisions	(379)	(38)
(Decrease)/Increase in deferred income	35	268
Net Cash from Operating Activities	21 501	20 348

16. FINANCIAL INSTRUMENTS

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

a) Categorisation of Financial Instruments

The carrying amounts of NT Fleet's financial assets and liabilities by category are disclosed in the table below:

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss						Total \$000
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$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

¹. Total amounts disclosed here exclude statutory amounts

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss						Total
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and deposits				27 601			27 601
Receivables ¹				2 115			2 115
Advances							
Investments loans and placements							
Other financial assets							
Interest rate swaps							
Total Financial Assets				29 716			29 716
Deposits held ¹							
Payables ¹						3 155	3 155
Advances							
Loans							
Finance Lease Liabilities							
Interest rate swaps							
Total Financial Liabilities						3 155	3 155

¹. Total amounts disclosed here exclude statutory amounts

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
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
2014-15			
Not overdue	56	-	56
Overdue for less than 30 days	170	-	170
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	226	-	226

External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
2015-16			
Not overdue	0	-	0
Overdue for less than 30 days	70	-	70
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	70	-	70
2014-15			
Not overdue	28	-	28
Overdue for less than 30 days	71	-	71
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	99	-	99

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.

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	\$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	

2015 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	\$000	\$000	%
Assets									
Cash and deposits	27 588						13	27 601	2.35
Receivables	-						2 115	2 115	
Total Financial Assets	27 588	-	-	-	-	-	2 128	29 716	
Liabilities									
Payables							3 155	3 155	
Total Financial Liabilities	-	-	-	-	-	-	3 155	3 155	

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's exposure to interest rate risk by asset and liability classes is disclosed above under liquidity risk.

NT Fleet has limited exposure 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 2016		
Financial assets – cash at bank	240	(240)
Net Sensitivity	240	(240)
30 June 2015		
Financial assets – cash at bank	276	(276)
Net Sensitivity	276	(276)

(ii) Price Risk

NT Fleet is not exposed to price risk as NT Fleet does not hold units in unit trusts.

(iii) Currency Risk

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

e) Net Fair Value

The fair value of financial instruments is 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

2016	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
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

2015	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
Financial Assets					
Cash and deposits	27 601	27 601	-	-	27 601
Receivables	2 115	2 115	-	-	2 115
Total Financial Assets	29 716	29 716	-	-	29 716
Financial Liabilities					
Payables	3 155	3 155	-	-	3 155
Total Financial Liabilities	3 155	3 155	-	-	3 155

There were no changes in valuation techniques during the period.

17. COMMITMENTS

(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:

Within one year	-	3 663	-	8 718
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	3 663	-	8 718

(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:

Within one year	-	13	-	7
Later than one year and not later than five years	-	33	-	12
Later than five years	-	-	-	-
	-	46	-	19

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2016 or 30 June 2015.

19. EVENTS SUBSEQUENT TO BALANCE DATE

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

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

NT Fleet had no write-offs, postponements, waivers, gifts and ex-gratia payments in 2015-16 and 2014-15.

21. BUDGETARY INFORMATION

Comprehensive Operating Statement	2015-16 Actual \$000	2015-16 Original Budget \$000	Variance \$000	Note
INCOME				
Sales of goods and services	38 206	38 551	(345)	1
Interest revenue	511	520	(9)	
Gain on disposal of assets	2 954	3 905	(951)	2
Other income	157	140	17	
TOTAL INCOME	41 828	43 116	(1 288)	
EXPENSES				
Employee expenses	2 752	2 800	(48)	
Administrative expenses				
Purchases of goods and services	12 336	11 919	417	3
Depreciation and amortisation	16 851	16 636	215	4
TOTAL EXPENSES	31 939	31 355	584	
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	9 889	11 761	(1 872)	
Income tax expense	2 967	3 528	(561)	
NET SURPLUS	6 922	8 233	(1 311)	
COMPREHENSIVE RESULT	6 922	8 233	(1 311)	

Notes:

1. The decrease in sales of goods and services income primarily related to lower lease incomes.
2. The decrease in gain on disposal of assets was due to the decreased number of vehicles disposed as well as lower sale prices.
3. The increase in expenses for goods and services reflects higher supplier costs and additional maintenance requirements.
4. The increase in depreciation primarily related to original budget estimate for vehicle costs lower than actual and recognition of non-vehicle assets such as fitouts to the building and software in the reporting year.

Balance Sheet	2015-16 Actual \$000	2015-16 Original Budget \$000	Variance \$000	Note
ASSETS				
Current assets				
Cash and deposits	24 013	31 174	(7 161)	1
Receivables	1 095	1 428	(333)	2
Prepayments	139	173	(34)	
Assets held for sale	1 887		1 887	3
Total current assets	27 134	32 775	(5 641)	
Non-current assets				
Property, plant and equipment	95 949	89 842	6 107	4
Total non-current assets	95 949	89 842	6 107	
TOTAL ASSETS	123 083	122 617	466	
LIABILITIES				
Current liabilities				
Payables	3 213	1 189	2 024	5
Creditors and accruals				
Provisions	7 118	8 214	(1 096)	6
Other liabilities				
Total current liabilities	10 331	9 403	928	
Non-current liabilities				
Provisions	97	26	71	6
Total non-current liabilities	97	26	71	
TOTAL LIABILITIES	10 428	9 429	999	
NET ASSETS	112 655	113 188	(533)	
EQUITY				
Capital				
Opening balance	536	522	14	
Accumulated funds				
Opening balance	108 658	108 549	109	
Current year surplus(+)/deficit(-)	6 922	8 233	(1 311)	
Dividends payable	(3 461)	(4 116)	655	
TOTAL EQUITY	112 655	113 188	(533)	

Notes:

1. The decrease in cash and deposits is mainly due to a significant increase in capital acquisitions.
2. The decrease in receivables mainly related to a lower number of vehicles sold at the end of year.
3. Budgets for assets held for sale was included in property, plant and equipment (reference Note 8)
4. The increase in property, plant and equipment relates to the increased number of vehicles and recognition of non-vehicle assets such as fitouts and computer software recognised in the reporting year.
5. The increase in payables is primarily due to the increase in payables for vehicles.
6. The increase in provisions related to the increase in staff recreation leave entitlement.

Cash Flow Statement	2015-16	2015-16	Variance	Note
	Actual	Original		
	\$000	Budget \$000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	39 583	38 691	892	
GST receipts	5 348	-	5 348	1
Interest received	521	520	1	
Total operating receipts	45 452	39 211	6 241	
Operating payments				
Payments to employees	(2 864)	(2 800)	(64)	
Payments for goods and services	(12 251)	(11 919)	(332)	
GST payments	(5 508)	-	(5 508)	1
Income tax paid	(3 328)	(3 236)	(92)	
Total operating payments	(23 951)	(17 955)	(5 996)	
Net cash from/(used in) operating activities	21 501	21 256	245	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing receipts				
Proceeds from asset sales	13 528	16 000	(2 472)	2
Repayment of advances				
Sales of investments				
Total investing receipts	13 528	16 000	(2 472)	
Investing payments				
Purchases of assets	(34 734)	(30 000)	(4 734)	3
Advances and investing payments				
Total investing payments	(34 734)	(30 000)	(4 734)	
Net cash from/(used in) investing activities	(21 206)	(14 000)	(7 206)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(3 883)	(3 775)	(108)	
Total financing payments				
Net cash from/(used in) financing activities	(3 883)	(3 775)	(108)	
Net increase/(decrease) in cash held (Including GST)	(3 588)	3 481	(7 069)	
Cash at beginning of financial year	27 601	27 693	(92)	
CASH AT END OF FINANCIAL YEAR	24 013	31 174	(7 161)	

Notes:

1. GST receipts and payments were not included in original budget.
2. Actuals were below budget due to timing of vehicle sales with a lower number of vehicles disposed than originally anticipated and vehicle sale prices at reduced levels.
3. Actuals were higher than originally budgeted due to higher number of vehicle replacements and increased demand in both light and heavy vehicles.

FINANCIAL REPORT:

DATA CENTRE SERVICES



DATA CENTRE SERVICES FINANCIAL STATEMENT OVERVIEW

FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL PERFORMANCE

Data Centre Services (DCS) achieved an improved operating result for 2015-16 of \$3.6 million after tax, \$0.9 million above budget expectations. This operating result has been achieved primarily through reduction in depreciation expense due to delayed asset acquisitions.

DCS has recognised income tax of \$1.5 million and will return a dividend of \$1.8 million to government for 2015-16.

Table 1: 2015-16 and 2014-15 Actual and Budget Performance

	Actual \$000		Final Budget \$000		Variation \$000	
	2016	2015	2016	2015	2016	2015
Income	25 258	28 841	24 892	28 961	366	(120)
Expenses	20 113	22 671	21 103	23 515	990	844
Net Surplus before Tax	5 145	6 170	3 789	5 446	1 356	724
Income Tax Expense	1 544	1 851	1 137	1 634	(407)	(217)
Net Surplus after Tax	3 601	4 319	2 652	3 812	949	507
Other Comprehensive Income	-	(9)	-	-	-	(9)
Comprehensive Result	3 601	4 310	2 652	3 812	949	498

The reduction in income and expenses between 2014-2015 and 2015-2016 is due to the transfer of ePASS support and Application Development services to the Department of Corporate and Information Services (DCIS) to better align service delivery.

Revenue was slightly higher than budgeted due to an increase in demand for Midrange and Enterprise Storage services. Expenses were lower than expected due to delayed asset acquisitions, reducing expected depreciation expenses.

Table 2: 2015-16 and 2014-15 Actual Performance

	2016 \$000	2015 \$000	Variation \$000
Income	25 258	28 841	(3 583)
Expenses	20 113	22 671	2 558
Net Surplus before Tax	5 145	6 170	(1 025)
Income Tax Expense	1 544	1 851	307
Net Surplus after Tax	3 601	4 319	(718)
Other Comprehensive Income	-	(9)	9
Comprehensive Result	3 601	4 310	(709)

Income

DCS' primary income source is from the provision of information technology services to clients, primarily government agencies. These services, classified under the income category of goods and services in Table 3 below represented 98.7% of DCS' total income, with the remainder made up of interest and other miscellaneous income.

Table 3: Income by Category

Year	Goods and Services		Interest		Other Income		Total	
	\$000	%	\$000	%	\$000	%	\$000	%
2015-16	24 924	98.7	328	1.3	6	-	25 258	100
2014-15	28 513	98.9	320	1.1	8	-	28 841	100
2013-14	27 343	98.9	276	1.0	41	0.1	27 660	100

Income from Mainframe services has remained stable for the year, with Midrange and Enterprise Storage achieving strong growth of \$0.5 million each for 2015-16. The functions of Identity Management (ePASS) and Application Development were delivered through the Department of Corporate and Information Services in 2015-16.

Table 4: 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	%
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
2013-14	10 064	36.4	8 502	30.7	2 625	9.5	2 103	7.6	2 577	9.3	1 789	6.5	27 660	100

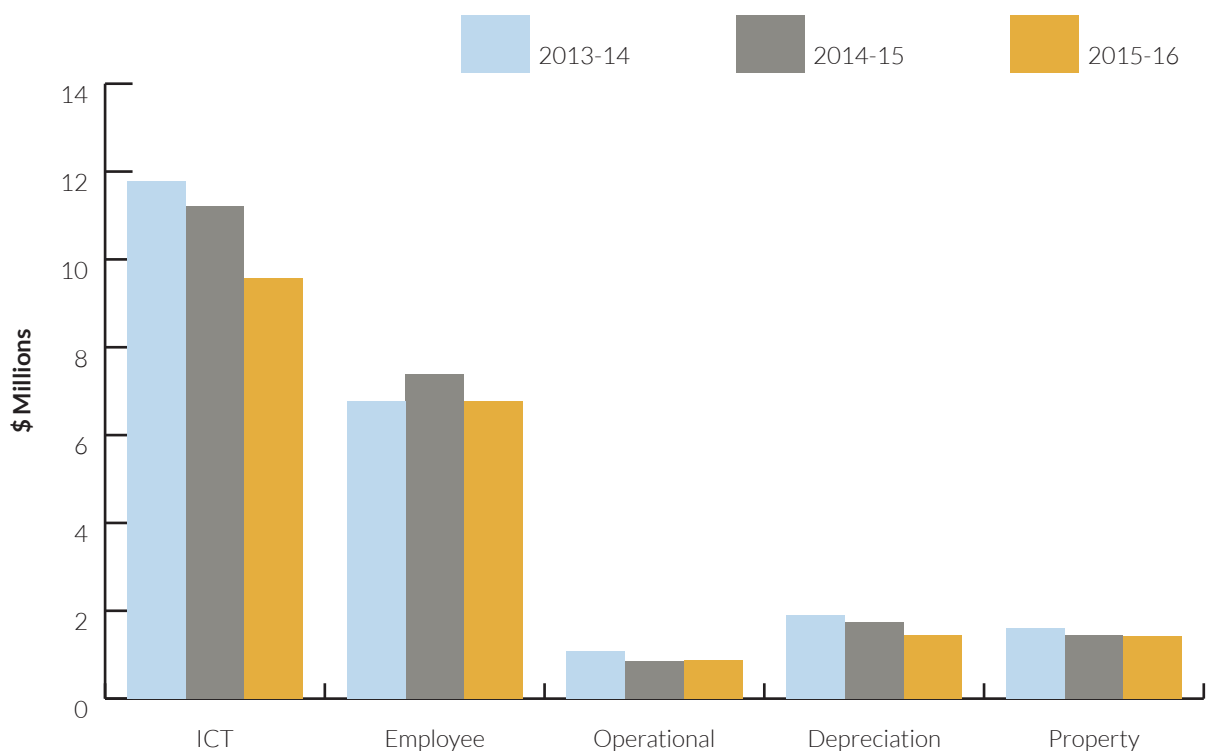
Expenses

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 expenses increased in percentage terms due to the Enterprise Bargaining Agreement (EBA) wage increase. Depreciation costs were lower as a result of the deferral of asset acquisitions. ICT expenses decreased by \$1.7 million due to the transfer of ePASS support and Application Development functions to DCIS in 2015-16.

Table 5: Expenses by Category

Year	ICT		Employee		Operational		Depreciation		Property		Total	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
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
2013-14	11 780	50.9	6 782	29.3	1 084	4.7	1 897	8.2	1 603	6.9	23 146	100

Figure 1: Expense by Category



Expenses by Business Function

Increased expenditure in Midrange Services and Enterprise Storage is due to increased costs in software licensing and maintenance and additional licenses to cover the growth in service demand of these business functions. Identity Management and Application Development expenses decreased due to the transfer of ePASS (\$1.5 million) and Application Development (\$2.4 million) functions to DCIS in 2015-16.

Table 6: 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	%
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
2013-14	7 578	32.7	5 823	25.2	1 869	8.1	4 333	18.7	1 860	8.0	1 683	7.3	23 146	100

FINANCIAL POSITION

DCS' net financial position at the end of 2015-16 was \$21.8 million which is \$1.9 million higher than last year's financial position. The net increase is due to the operating result of \$3.6 million and equity increase of \$0.1 million less the dividend payable to government of \$1.8 million.

DCS continues to improve its financial position with cash and deposits increasing by \$1.9 million. Prepayments have reduced by \$1 million as a result of ePASS support being delivered through DCIS.

Major assets at 30 June 2016 included:

- \$16.9 million cash and deposits
- \$2.7 million receivables (outstanding service fees)
- \$2.9 million prepayments (software licensing and maintenance)
- \$4.6 million property, plant and equipment (including buildings and leasehold improvements).

Major liabilities at 30 June 2016 included:

- \$0.8 million payables and accrued expenses
- \$1.5 million income tax expense
- \$1.8 million provision for dividends
- \$1.2 million provisions for employee entitlements.

Table 7: 2015-16 and 2014-15 Actual Financial Position


	2016 \$000	2015 \$000	Variation \$000
ASSETS			
Current Assets	22 486	21 801	685
Non-Current Assets	4 649	4 348	301
TOTAL ASSETS	27 135	26 149	986
LIABILITIES			
Current Liabilities	4 891	5 796	(905)
Non-Current Liabilities	464	473	(9)
TOTAL LIABILITIES	5 355	6 269	(914)
NET ASSETS	21 780	19 880	1 900
EQUITY	21 780	19 880	1 900
TOTAL EQUITY	21 780	19 880	1 900

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 2016 and the financial position on that date.

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



Kathleen Robinson

Chief Executive

30 September 2016



Rex Schoolmeester

Chief Finance Officer

30 September 2016



Auditor-General
Independent Auditor's Report
to the Minister for Corporate and Information Services
Data Centre Services

I have audited the accompanying financial report of Data Centre Services which comprises the balance sheet as at 30 June 2016, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive.

The Chief Executive's Responsibility for the Financial Report

The Chief Executive of the Department of Corporate and Information Services 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.

Auditor's Responsibility

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

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

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

Opinion

In my opinion the financial report gives a true and fair view of the financial position of Data Centre Services as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

3 October 2016

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
INCOME			
Sales of goods and services		24 924	28 513
Interest revenue		328	320
Other income		6	8
TOTAL INCOME		25 258	28 841
EXPENSES			
Employee expenses		6 771	7 389
Administrative expenses			
Purchases of goods and services	3	11 888	13 546
Depreciation and amortisation	7, 8	1 454	1 745
Other administrative expenses		-	(9)
TOTAL EXPENSES		20 113	22 671
SURPLUS/(DEFICIT) BEFORE INCOME TAX		5 145	6 170
Income tax expense	4	1 544	1 851
NET SURPLUS/(DEFICIT)		3 601	4 319
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net surplus/deficit			
Changes in asset revaluation surplus		-	(9)
TOTAL OTHER COMPREHENSIVE INCOME		-	(9)
		-	-
COMPREHENSIVE RESULT		3 601	4 310

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

BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
ASSETS			
Current Assets			
Cash and deposits	5	16 861	14 959
Receivables	6	2 687	2 879
Prepayments		2 938	3 963
Total Current Assets		22 486	21 801
Non-Current Assets			
Property, plant and equipment	7, 8	4 649	4 348
Total Non-Current Assets		4 649	4 348
TOTAL ASSETS		27 135	26 149
LIABILITIES			
Current Liabilities			
Payables	9	816	885
Income tax liabilities	10	1 544	1 851
Provisions	11	2 531	3 016
Other liabilities	12	-	44
Total Current Liabilities		4 891	5 796
Non-Current Liabilities			
Provisions	11	464	473
Total Non-Current Liabilities		464	473
TOTAL LIABILITIES		5 355	6 269
NET ASSETS		21 780	19 880
EQUITY			
Capital	13	1 366	1 266
Accumulated funds	13	20 414	18 614
TOTAL EQUITY		21 780	19 880

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 2016

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2015-16					
Accumulated Funds	13	18 614	3 601	-	22 215
Dividends payable	11	-	-	(1 801)	(1 801)
Transfers from Reserves		-	-	-	-
		18 614	3 601	(1 801)	20 414
Capital – Transactions with Owners	13	1 266	-	-	1 266
Equity injections					
Equity transfers in		-	-	100	100
		1 266	-	100	1 366
Total Equity at End of Financial Year		19 880	3 601	(1 701)	21 780
2014-15					
Accumulated Funds	13	16 463	4 319	-	20 782
Dividends payable	11	-	-	(2 159)	(2 159)
Transfers from Reserves		-	(9)	-	(9)
		16 463	4 310	(2 159)	18 614
Capital – Transactions with Owners	13	1 266	-	-	1 266
Equity injections					
Equity transfers in		-	-	-	-
		1 266	-	-	1 266
Total Equity at End of Financial Year		17 729	4 310	(2 159)	19 880

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 2016

	Note	2016 \$000	2015 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts from sales of goods and services		25 223	28 848
GST receipts		2 520	3 008
Interest received		326	319
Total Operating Receipts		28 069	32 175
Operating Payments			
Payments to employees		(7 070)	(7 326)
Payments for goods and services		(10 768)	(15 458)
GST payments		(2 663)	(2 917)
Income tax paid		(1 851)	(1 354)
Total Operating Payments		(22 352)	(27 055)
Net Cash From/(Used in) Operating Activities	14	5 717	5 120
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of assets		(1 655)	(1 044)
Total Investing Payments		(1 655)	(1 044)
Net Cash From/(Used in) Investing Activities		(1 655)	(1 044)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Dividends paid		(2 160)	(1 580)
Total Financing Payments		(2 160)	(1 580)
Net Cash From/(Used in) Financing Activities		(2 160)	(1 580)
Net increase/(decrease) in cash held		1 902	2 496
Cash at beginning of financial year		14 959	12 463
CASH AT END OF FINANCIAL YEAR	5	16 861	14 959

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

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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1. OBJECTIVES AND FUNDING

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

The following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

AASB 1048 Interpretation of Standards This reflects amended versions of Interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

AASB 2013-9 Amendments to Australian Accounting Standards [Part C Financial Instruments] Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. The standard does not impact the financial statements.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent Amendments are made to AASB 128 Investments in Associates and Joint Ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part E - Financial Instruments) Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

The following standards and interpretations are likely to have an insignificant impact on the financial statements for future reporting periods, but the exact impact is yet to be determined

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, 133 and 1057]	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016

The following standards and interpretations are expected to have a potential impact on the financial statements for future reporting periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	1 January 2018	Amends various AAS's to reflect the deferral of the mandatory application date of AASB 9
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and AASB 138]	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	Amends the measurement of trade receivables and the recognition of dividends.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	Amends various AAS's to reflect the changes as a result of AASB 9
AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 and 128]	1 January 2016	Allows an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement at cost or using the equity method.
AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 and 140]	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information elsewhere in the interim financial statements.

c) Reporting Entity

The financial statements cover Data Centre Services as an individual reporting entity. Data Centre Services 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 0810.

d) Agency and Territory Items

The financial statements of DCS include income, expenses, assets, liabilities and equity over which DCS has control (agency items). Certain items, while managed by 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 2014-15 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

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

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions.

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. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(v) and Note 11: Provisions in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate government bond rate, estimates of future salary and wage levels and employee periods of service.
- Property, Plant and Equipment – Note 2(q): The fair value of land, building, infrastructure and property, plant and equipment are determined on significant assumptions of the exit price and risks in the prospective market participant, using the best information available.
- Allowance for Impairment Losses – Note 2(r), Note 6: Receivables and Note 15: Financial Instruments. The allowance represents debts that are likely to be uncollectible and are considered doubtful. Debtors are grouped according to their aging profile and history of previous financial difficulties.
- Depreciation and Amortisation – Note 2(l) and Note 7: Property, Plant and Equipment.

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) Income Recognition

Income encompasses both revenue and gains.

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

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

Sale of Goods

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

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

Rendering of Services

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

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

Interest Revenue

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

Contributions of Assets

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

k) Repairs and Maintenance Expense

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

l) Depreciation and Amortisation Expense

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

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

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

	2016	2015
Plant and Equipment	2-10 years	2-10 years
Computer Software	2-5 years	2-5 years
Computer Hardware	2-4 years	2-4 years

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

m) Taxation

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

n) Cash and Deposits

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

o) Receivables

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

The allowance for impairment losses represents the amount of receivables DCS estimates are likely to be uncollectible and are considered doubtful. 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 15 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

p) Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a terms 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 as their expected life and future economic benefit from their usage cannot be reliably determined.

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

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to 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 (DoI) 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 DoI and the cost of construction work in progress is recognised as an asset of DoI. Once completed, capital works assets are transferred to DCS.

r) Revaluations and Impairment

Revaluation of Assets

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

- land
- buildings
- infrastructure assets
- intangibles.

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

Impairment of Assets

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

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, 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.

s) 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.

t) Leased Assets

DCS held no leased assets.

u) Payables

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

v) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities

arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within 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.

w) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

x) Contributions by and Distributions to Government

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

y) 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.

z) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 16.

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

aa) 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'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. DCS 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.

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 (FVTPL)
- financial liabilities at amortised cost.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

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.

DCS did not hold any held-to-maturity investments as at 30 June 2016 or 30 June 2015.

Loans and Receivables

For details refer to Note 2 (o), but 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.

DCS did not hold any available-for-sale financial assets as at 30 June 2016 or 30 June 2015.

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

DCS may enter into a variety of derivative financial instruments to manage its exposure to interest rate risk. DCS 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.

DCS did not engage or hold any derivative financial instruments for the year ended 30 June 2016 or 30 June 2015.

Netting of Swap Transactions

DCS may, from time to time, 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.

DCS did not engage in any structured finance arrangements for the year ended 30 June 2016 or 30 June 2015.

Note 15 provides additional information on financial instruments.

bb) Fair Value Measurement

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

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

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 agency 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.

2016	2015
\$000	\$000

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⁾	2 629	5 472
Legal expenses ⁽²⁾	-	4
Recruitment	6	-
Training and study	55	39
Official duty fares	6	4
Travelling allowance	8	2
Corporate support from other agencies	639	664
Audit fees	20	17

⁽¹⁾ Includes IT contractors and consultants, marketing, and promotion.

⁽²⁾ Includes legal fees, claim and settlement costs.

4. INCOME TAX EXPENSE

Prima facie income tax expense calculated at 30% of the surplus before income tax	1 544	1 851
	1 544	1 851

	2016 \$000	2015 \$000
5. CASH AND DEPOSITS		
Cash at bank	16 861	14 959
	16 861	14 959
6. RECEIVABLES		
Current		
Accounts receivable	477	543
Less: Allowance for impairment losses	-	-
	477	543
Interest receivables	26	24
GST receivables	62	(80)
Other receivables	2 122	2 392
	2 210	2 336
Total Receivables	2 687	2 879
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At fair value	4 063	3 585
Less: Accumulated depreciation	(1 552)	(1 227)
	2 511	2 358
Computer Software		
At fair value	2 419	2 100
Less: Accumulated depreciation	(2 135)	(2 100)
	284	
Computer Hardware		
At fair value	7 552	7 201
Less: Accumulated depreciation	(5 698)	(5 211)
	1 854	1 990
Total Property, Plant and Equipment	4 649	4 348

Impairment of Property, Plant and Equipment

DCS property, plant and equipment assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Plant and Equipment \$000	Computer Software \$000	Computer Hardware \$000	Total \$000
Carrying Amount as at 1 July 2014	2 590	-	2 467	5 057
Additions	89	-	956	1 045
Disposals/ Impairment losses	(6)	-	-	(6)
Depreciation/ Amortisation	(316)	-	(1 429)	(1 745)
Other movements	1	-	(4)	(3)
Carrying Amount as at 30 June 2015	2 358	-	1 990	4 348

8. 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
2015-16				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 7)	-	-	4 649	4 649
Total	-	-	4 649	4 649
2014-15				
Asset Classes				
Plant and Equipment, Computer Hardware, Computer Software (Note 7)	-	-	4 348	4 348
Total	-	-	4 348	4 348

There were no transfers between Level 1 and Level 2 or 3 during 2015-16.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value in 2015-16 are:

	Level 3 Techniques
Asset Classes	
Plant and Equipment, Computer Hardware, Computer Software (Note 7)	Cost approach

There were no changes in valuation techniques from 2014-15 to 2015-16.

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
2015-16			
Fair value as at 1 July 2015	2 358	-	1 990
Additions	390	319	946
Disposals	(12)	-	(595)
Transfers	100	-	-
Depreciation	(337)	(35)	(1 083)
Gains/losses recognised in other comprehensive income	12	-	596
Fair value as at 30 June 2016	2 511	284	1 854
2014-15			
Fair value as at 1 July 2014	2 590	-	2 467
Additions	89	-	956
Depreciation	(315)	-	(1 433)
Gains/losses recognised in other comprehensive income	(6)	-	-
Fair value as at 30 June 2015	2 358	-	1 990

(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 DCS 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.

9. PAYABLES

Accounts payable
Accrued expenses

Total Payables

10. INCOME TAX LIABILITIES

Income tax payable

Total Income tax liabilities

	2016 \$000	2015 \$000
Accounts payable	494	92
Accrued expenses	322	793
Total Payables	816	885
Income tax payable	1 544	1 851
Total Income tax liabilities	1 544	1 851

11. PROVISIONS

	2016 \$000	2015 \$000
Current		
<i>Employee benefits</i>		
Recreation leave	436	516
Leave loading	114	123
Other employee benefits	-	12
<i>Other current provisions</i>		
Provision for dividend	1 801	2 159
Provision for fringe benefits tax	5	2
Provision for superannuation	98	127
Provision for payroll tax	77	77
	2 531	3 016
Non-Current		
<i>Employee benefits</i>		
Recreation leave	464	473
	464	473
Total Provisions	2 995	3 489
Reconciliations of Dividends		
Balance as at 1 July	2 159	1 580
Additional provisions recognised	1 801	2 159
Reductions arising from payments	(2 159)	(1 580)
Balance as at 30 June	1 801	2 159

Data Centre Services employed 55 employees as at 30 June 2016 (68 employees as at 30 June 2015, which included Application Development and ePASS support staff).

12. OTHER LIABILITIES

	2016 \$000	2015 \$000
Current		
Deferred revenue	-	44
Total Other Liabilities	-	44

2016	2015
\$000	\$000

13. EQUITY

Equity represents the residual interest in the net assets of DCS. The NTG's ownership interest in DCS is held in the Central Holding Authority.

Capital		
Balance as at 1 July	1 266	1 266
<i>Equity Injections</i>		
Equity transfers in	100	-
Balance as at 30 June	1 366	1 266

DCS has made no adjustment to reserves for the year ended 2015-16 or 2014-15.

Accumulated Funds		
Balance as at 1 July	18 614	16 463
Surplus for the period	3 601	4 319
Dividends payable	(1 801)	(2 159)
Transfer from reserves	-	(9)
Balance as at 30 June	20 414	18 614
Total Equity	21 780	19 880

14. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of DCS 'Cash and deposits' of \$16.861 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

Net Surplus	3 601	4 319
<i>Non-cash items:</i>		
R&M – Minor New Works – Non-Cash	-	-
Depreciation and amortisation	1 454	1 745
Asset write-offs/write-downs	-	-
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	254	432
Decrease/(Increase) in prepayments	1 024	(1 718)
Decrease/(Increase) in other assets		
(Decrease)/Increase in payables	402	(135)
(Decrease)/Increase in other payables	(532)	66
(Decrease)/Increase in provision for employee benefits	(110)	9
(Decrease)/Increase in other provisions	(26)	10
(Decrease)/Increase in income tax liability	(306)	497
(Decrease)/Increase in deferred income	(44)	(105)
Net Cash from Operating Activities	5 717	5 120

Non-Cash Financing and Investing Activities

Finance Lease Transactions

During the financial year DCS did not acquire plant and equipment, computer equipment and software by means of finance leases.

15. FINANCIAL INSTRUMENTS

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

a) Categorisation of Financial Instruments

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

2015-16 Categorisation of Financial Instruments

	Fair value through profit or loss						Total \$000
	Held for trading \$000	Designated at fair value \$000	Held to maturity investments \$000	Financial assets - Loans and receivables \$000	Financial assets - available for sale \$000	Financial Liabilities - amortised cost \$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

2014-15 CATEGORISATION OF FINANCIAL INSTRUMENTS

	Fair value through profit or loss						Total \$000
	Held for trading	Designated at fair value	Held to maturity investments	Financial assets - Loans and receivables	Financial assets - available for sale	Financial Liabilities - amortised cost	
	\$000	\$000	\$000	\$000	\$000	\$000	
Cash and deposits				14 959			14 959
Receivables ¹				2 959			2 959
Advances							
Investments loans and placements							
Other financial assets							
Interest rate swaps							
Total Financial Assets				17 918			17 918
Deposits held ¹							
Payables ¹						885	885
Advances							
Loans							
Finance Lease Liabilities							
Interest rate swaps							
Total Financial Liabilities						885	885

¹ Total amounts disclosed here exclude statutory amounts

b) Credit Risk

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

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

Receivables

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

Internal Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
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
2014-15			
Not overdue	511	-	511
Overdue for less than 30 days	12	-	12
Overdue for 30 to 60 days	2	-	2
Overdue for more than 60 days	-	-	-
Total	525	-	525

External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
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
2014-15			
Not overdue	18	-	18
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
Total	18	-	18
Reconciliation of the Allowance for Impairment Losses			
Opening		(9)	
Written off during the year		-	
Recovered during the year		-	
Increase/(Decrease) in allowance recognised in profit or loss		9	
Total		-	

c) Liquidity Risk

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

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

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	\$000	\$000	%
Assets									
Cash and deposits	16 861							16 861	1.96
Receivables							2 625	2 625	
Total Financial Assets	16 861	-	-	-	-	-	2 625	19 486	
Liabilities									
Payables							816	816	
Total Financial Liabilities	-	-	-	-	-	-	816	816	

2015 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	\$000	\$000	%
Assets									
Cash and deposits	14 959							14 959	2.36
Receivables							2 959	2 959	
Total Financial Assets	14 959	-	-	-	-	-	2 959	17 918	
Liabilities									
Payables							885	885	
Total Financial Liabilities	-	-	-	-	-	-	885	885	

d) Market Risk

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

(i) Interest Rate Risk

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

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's profit or loss and equity.

	Profit or Loss and Equity	
	100 basis points increase \$000	100 basis points decrease \$000
30 June 2016		
Financial assets – cash at bank	169	(169)
Net Sensitivity	169	(169)
30 June 2015		
Financial assets – cash at bank	150	(150)
Net Sensitivity	150	(150)

(ii) Price Risk

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

(iii) Currency Risk

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

e) Net Fair Value

The fair value of financial instruments is 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.

2016	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
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

2015	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
Financial Assets					
Cash and Deposits	14 959	14 959	-	-	14 959
Receivables	2 959	2 959	-	-	2 959
Total Financial Assets	17 918	17 918	-	-	17 918
Financial Liabilities					
Payables	885	885	-	-	885
Total Financial Liabilities	885	885	-	-	885

The carrying value of assets and liabilities recorded in the balance sheet approximates their fair values.

There were no changes in valuation techniques during the period.

16. COMMITMENTS

(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:

Within one year

Later than one year and not later than five years

2016		2015	
Internal \$000	External \$000	Internal \$000	External \$000
-	4 560	-	3 000
-	-	-	1 300
-	4 560	-	4 300

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

DCS had no contingent liabilities or contingent assets as at 30 June 2016 or 30 June 2015.

18. 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.

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

	Agency		Agency	
	2016	No. of	2015	No. of
	\$000	Trans.	\$000	Trans.
Write-offs, Postponements and Waivers Under the Financial Management Act				
Represented by:				
<i>Amounts written off, postponed and waived by Delegates</i>				
Public property written off	-	-	-	1
Total Written Off, Postponed and Waived by Delegates	-	-	-	1

20. BUDGETARY INFORMATION

Comprehensive Operating Statement	2015-16	2015-16	Variance	Note
	Actual	Original Budget		
	\$000	\$000	\$000	
INCOME				
Sales of goods and services	24 924	24 649	275	
Interest revenue	328	300	28	
Other income	6	-	6	
TOTAL INCOME	25 258	24 949	309	
EXPENSES				
Employee expenses	6 771	6 931	(160)	
Administrative expenses				
Purchases of goods and services	11 888	11 964	(76)	
Repairs and maintenance	-	22	(22)	
Depreciation and amortisation	1 454	2 223	(769)	1
Other administrative expenses	-	-	-	
TOTAL EXPENSES	20 113	21 140	(1 027)	
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	5 145	3 809	1 336	
Income tax expense	1 544	1 143	401	2
NET SURPLUS/DEFICIT	3 601	2 666	935	
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to net surplus/deficit				
Changes in accounting policies				
Correction of prior period errors				
Transfers from Reserves	-	-	-	
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-	
COMPREHENSIVE RESULT	3 601	2 666	935	

Notes:

1. Lower depreciation due to delayed asset acquisition
2. Increase in income tax expense due to improved operating result

Balance Sheet	2015-16 Actual \$000	2015-16 Original Budget \$000	Variance \$000	Note
ASSETS				
Current assets				
Cash and deposits	16 861	11 771	5 090	1
Receivables	2 687	3 393	(706)	
Prepayments	2 938	2 244	694	2
Total current assets	22 486	17 408	5 078	
Non-current assets				
Property, plant and equipment	4 649	8 530	(3 881)	3
Total non-current assets	4 649	8 530	(3 881)	
TOTAL ASSETS	27 135	25 938	1 197	
LIABILITIES				
Current liabilities				
Creditors and accruals	816	1 035	(219)	
Provisions	4 075	3 786	289	
Other liabilities	-	149	(149)	
Total current liabilities	4 891	4 970	(79)	
Non-current liabilities				
Provisions	464	-	464	
Total non-current liabilities	464	-	464	
TOTAL LIABILITIES	5 355	4 970	385	
NET ASSETS	21 780	20 968	812	
EQUITY				
Capital				
Opening balance	1 266	1 266	-	
Equity injections/withdrawals	100	-	100	
Reserves				
Accumulated funds				
Opening balance	18 614	18 369	245	
Current year surplus(+)/deficit(-)	3 601	2 666	935	4
Dividends payable	(1 801)	(1 333)	(468)	
TOTAL EQUITY	21 780	20 968	812	

Notes:

1. The improvement in cash and deposits is primarily related to delayed expenditure on the new Government Data Centre, which is expected to be complete in 2016-2017.
2. Prepayments have decreased due to delayed negotiation of license renewals.
3. The decrease in property, plant and equipment is due to deferral of asset acquisitions in the current year and reducing value of depreciable assets.
4. The increase is primarily related to higher than anticipated revenue and lower expenditure.

Cash Flow Statement	2015-16	2015-16	Variance	Note
	Actual	Original		
	\$000	Budget \$000	\$000	
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating receipts				
Receipts from sales of goods and services	25 223	24 649	574	1
GST receipts	2 520	-	2 520	2
Interest received	326	300	26	
Total operating receipts	28 069	24 949	3 120	
Operating payments				
Payments to employees	(7 070)	(6 931)	(139)	
Payments for goods and services	(10 768)	(11 986)	1 218	3
GST payments	(2 663)	-	(2 663)	2
Income tax paid	(1 851)	(1 634)	(217)	
Total operating payments	(22 352)	(20 551)	(1 801)	
Net cash from/(used in) operating activities	5 717	4 398	1 319	
CASH FLOWS FROM INVESTING ACTIVITIES				
Investing payments				
Purchases of assets	(1 655)	(5 800)	4 145	4
Total investing payments	(1 655)	(5 800)	4 145	
Net cash from/(used in) investing activities	(1 655)	(5 800)	4 145	
CASH FLOWS FROM FINANCING ACTIVITIES				
Financing payments				
Dividends paid	(2 160)	(1 906)	(254)	
Total financing payments	(2 160)	(1 906)	(254)	
Net cash from/(used in) financing activities	(2 160)	(1 906)	(254)	
Net increase/(decrease) in cash held	1 902	(3 308)	5 210	
Cash at beginning of financial year	14 959	15 079	(120)	
CASH AT END OF FINANCIAL YEAR	16 861	11 771	5 090	

Notes:

1. The increase is primarily related to a higher than expected demand in DCS services.
2. GST receipts and payments were not included in the original budget.
3. The change is primarily related to the opening balance adjustment from 2014-15 offset by movements in prepayments and creditors.
4. The reduction is related to the changed timing for asset acquisitions for the new Government Data Centre.

APPENDICES



APPENDIX I

SHARED CORPORATE SERVICES PRICE LIST

Service	Cost Measure (in general per monthly charge)	Price (\$)
Human Resource Services		
Entry level recruitment	Number of 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
Occupational health and safety advice and assistance	Number of full time employees	4.27
Payroll services	Number of paid employees	14.86
Payroll manual transactions	Manual payroll transactions processed	13.36
Payroll auto transactions	Automatic payroll transactions processed	3.71
Employee commencements	Number of new employee commencements processed	349.12
Payroll terminations	Number of payroll terminations 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
Electronic Invoice Management System (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 tax BAS/GST return	0.71
Fringe benefits tax return	Per line per tax 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 new 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 in agency	10 471.63
Agency Services Director	Per allocation of ICT directors in agency	14 930.39
Security	Per computer, printer, switch and router within agency	4.23
ICT contract management	Per desktop, laptop, printer, router, switch and handset within agency	3.47
Procurement 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
Records System Services		
TRM administration	Per full time employee	1.67
Property Management		
Leased property management	Per square metre of leased building	1.17
Across Government Contracts		
Across Government Contracts	Per full time employee	3.57

APPENDIX II

AUDITS BY THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 2016

END OF YEAR REVIEW PART A FOR THE YEAR ENDED 30 JUNE 2015

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 review, 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.

END-OF-YEAR REVIEW PART B FOR THE YEAR ENDED 30 JUNE 2015

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 Statement (TAFS).

The review focussed on the accrual accounting aspects of the 30 June 2015 financial data contained in DCIS' GAS general ledger and consolidated by the Department of Treasury and Finance into the Treasurer's Annual Financial Statement.

Audit outcome: No material weaknesses in controls were identified during the review and the accounting and control procedures examined in relation to end of year financial processing were found to be generally satisfactory. There were no significant matters identified during audit.

Action: No action required.

NT FLEET FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 30 JUNE 2015

Audit objective: To conduct sufficient audit work to form an opinion on the financial statements of NT Fleet for the year ended 30 June 2015.

Audit outcome: An unqualified audit opinion was issued on the financial report for the year ended 30 June 2015. One matter was identified during the audit; No asset register was available for Leasehold Improvements and Computer Software.

Action: A review of computer software and leasehold improvements was undertaken to assess for any impairment and they have been added to the asset records in the Fleet Business System (FBS).

DATA CENTRE SERVICES FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 30 JUNE 2015

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 2015.

Audit outcome: An unqualified audit opinion was issued on the financial statements for the year ended 30 June 2015.

Action: No action required.

CYBER PREPAREDNESS REVIEW

Audit objective: To examine processes for detecting and managing across-government cyber security incidents.

Audit outcome: The processes for detecting and managing across government cyber security incidents systems were considered to be satisfactory, however, opportunities for improvement were identified:

- a number of key cyber security policies and standards were in draft stage
- there is no ongoing education or awareness training specific to cyber security provided to users, managers and incident management personnel
- scenario based cyber security workshops are not facilitated for DCIS personnel
- the incident management process does not enable trends analysis relating to cyber incidents.

Action:

- Cyber security policies and procedures are in place and continue to undergo cyclical review to ensure alignment with the Australian Government ICT security policy approach. During reviews current policies remain in force.
- The online security awareness quiz was updated to comply with web standards and reloaded on the NTG Central web site. Online learning systems to enhance security awareness and user education plans are being considered for NTG employees.
- DCIS is working with the Australian Cyber Security Centre to workshop mock cyber attack and defence scenarios.
- A central incident management tool is used to log ICT incidents. A Security Incident and Event Management System has been procured and implementation is underway.

myPaysheets REVIEW

Audit objective: To perform a review of Phase 1 of the myPaysheets project, including the examination of:

- design of IT general controls for change management, logical access, backup and recovery, and job scheduling
- effectiveness of change management controls
- effectiveness of logical access controls in relation to new, terminated and privileged users and user authentication
- permissions assigned to users with privileged access
- effectiveness and completeness of controls for data received via interfaces
- system documentation.

Audit outcome: No weakness in controls applicable to Phase 1 of the myPaysheets project however, opportunities for improvement were identified.

- There were instances where segregation of duties between the production and development environments is not appropriately enforced.
- Inappropriate access exists for monitoring of privileged user access.

Action:

- Production deployment process was updated and access to update the production environment was strengthened. Procedures for the promotion of changes to production enhanced to segregate roles and responsibilities.
- The privileged access review process has been strengthened with the final review now performed by the Senior Manager who does not have privileged access to the system.

GOVERNMENT ACCOUNTING SYSTEM (GAS) CONTROLS AUDIT FOR THE YEAR ENDED 30 JUNE 2016

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. One matter was identified during the audit: Due to a printing software issue the Agency was unable to demonstrate whether delinquency notices had been sent out.

Action: Ancillary software used to generate automated delinquency notices was unable to process the quantity of data files received in quick succession, resulting in the error. The process was comprehensively documented and a parallel process implemented to reconcile printed notices to the automated report.

NT FLEET INTERIM FINANCIAL STATEMENTS AUDIT 2015-16

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 2016; 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. Discussions with management and staff have provided an understanding of the key business processes and controls. Overall, it appears NT Fleet has a reasonably strong control environment and controls that will be able to be relied upon to reduce the level of substantive testing during the final audit. 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 mainframe environment at Data Centre Services.

Activities in scope for the audit included:

- conduct IT general control walkthroughs to validate operational effectiveness of 'manage change' controls

- validate the existence of key IT entity level controls
- validate the design and test operating effectiveness of key controls over the management of network security
- validate the control design and operating effectiveness of administration processes within ePASS.

Applications in scope for the audit included the Government Accounting System (GAS), Personnel Information Payroll System (PIPS) and the Payroll and Payment Management System (PAPMS).

Audit outcome: One matter was identified during the audit:

- inadequate PIPS and PAPMS 'manage change' controls.

Action: Formal and appropriate processes exist for PIPS and PAPMS application changes. The audit identified pre-approved routine PIPS changes which did not require Change Advisory Board consideration. New Corporate Systems Change Management Processes have been implemented with the new Alloy Navigator 7 service management system.

PIPS CONTROLS COMPLIANCE AUDIT, YEAR ENDED 30 JUNE 2016

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 below, the audit procedures performed revealed that generally there are satisfactory internal controls in respect of the PIPS payroll and leave recording functions provided to agencies.

- Internal control procedures performed by Employment Services and Payroll could be enhanced.

Action: An improved outcome compared to previous years, in particular the management of overpayments was noted. Continued effort is made to improve staff awareness with respect to the importance of adhering to processes and engaging with agencies to reduce exceptions resulting from delays in advice and provision of documentation.

AGENCY COMPLIANCE AUDIT FOR THE YEAR ENDED 30 JUNE 2016

Audit objective: To examine 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. However, one issue relating to the agency's compliance with the Treasurer's Directions requires attention:

- Individual payment transactions in excess of \$100 000 were not being notified to the Northern Territory Treasury Corporation.

Action: The Treasurer's Directions were updated to reflect the reporting approach in place at the time of the audit and the value increased to payments in excess of \$1 million. Northern Territory Treasury Corporation has access to payments data and reporting improvements are being considered.

FUEL CARD ANALYTICS

Objective: To examine transactions for fuel purchases using Puma cards that were undertaken by DCIS between 1 July 2015 and 31 December 2015 to identify transactions that displayed unusual characteristics that might suggest that the existence of fraud and to provide information about those transactions to the department's management for review and follow up.

Key findings: There were 36 instances, being 9% of the population of 393 transactions, of anomalous information including missing or incorrect odometer readings. There were three instances where less than 15 litres of fuel were purchased, which is considered to be unusual in the context of motor vehicle usage. There were no instances where incorrect fuel was purchased; transactions which were particularly unusual or purchases significantly higher than the reported fuel capacity of the vehicle.

Action: Most of the incorrect odometer readings appear to have missing or incorrect digits primarily due to driver or console operator errors. Staff were reminded of their responsibilities detailed in the NT Fleet Driver Handbook.

APPENDIX III

DEPARTMENT INSURANCE CLAIMS

DEPARTMENTAL SELF INSURANCE

Risk Category	Number of claims		Value of claims (\$)		Average cost of claims (\$)	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Workers compensation ¹	15	7	301 066	25 200	20 086	3 600
Motor vehicles	4	13	7 284	37 708	2 476	2 901

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 2014-15 or 2015-16.

APPENDIX IV

ACCOMMODATION COSTS FOR NON-GOVERNMENT ORGANISATIONS FOR THE YEAR ENDING 30 JUNE 2016

Non-Government Organisation	Building	Cost \$
Amateur Fishing Association of the NT	Malak Shopping Centre	42 700
Association of Independent Schools of the NT	NGO Suite NAB Building Darwin	54 064
Australia Day Council	NGO Suite NAB Building Darwin	50 804
Bushmob	CAT Building Alice Springs	203 531
Camp Quality	Rapid Creek Shopping Centre	44 327
Cancer Council	Anangu House Alice Springs	32 165
Cancer Council	Casi House Casuarina	56 484
Cancer Council	Katherine Government Centre	8 233
Children's Services Support Program	Eurilpa House Alice Springs	41 612
CREATE Foundation	Anangu House Alice Springs	3 393
DeafNT Inc	Casuarina Plaza	15 703
Down Syndrome Association	Rapid Creek Shopping Centre	26 385
Duke of Edinburgh's Award NT	Berrimah Star Centre	88 238
Genealogical Society of NT	Cavenagh Court Darwin	58 895
Good Beginnings	Randazzo Centre Katherine	34 012
Heart Foundation NT	Darwin Central	62 085
Keep Australia Beautiful Council NT	NGO Suite NAB Building Darwin	10 300
Kids & SIDS	Rapid Creek Shopping Centre	14 785
L'here Artepe Aboriginal Corporation	Leichhardt Building Alice Springs	33 125
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	100 674
Multicultural Community Services of Central Australia	20 Parsons Street Alice Springs	48 529
NT Badminton Association Inc	19 Albatross Street Winnellie	152 153
NT Council of Social Services In	Anangu House Alice Springs	4 627
NT Friendship and Support, Disability Respite Centre	Randazzo Centre Katherine	17 006
NT Shelter	Anangu House Alice Springs	4 010
Pensioners Workshop Incorporated	48 Albatross St Winnellie	33 376
Red Cross	Tennant Creek Government Centre	20 480
Red Cross Drop in Centre	Casuarina Recreation Centre	94 813
Training Advisory Councils	Harbourview Plaza Darwin	221 874
Victims of Crime NT	NGO Suite NAB Building Darwin	72 100
YMCA of the Top End	Satepak House	118 722
Total expenditure		1 769 205

APPENDIX V

GIFTED AND LOANED VEHICLES

Gifted Vehicles	\$ (GST Inc)
Alice Springs Volunteer Bushfire Brigade Inc	14 882
Durrmu Arts Aboriginal Corporation	27 503
Gwala Daraniki Association	14 133
MJD Foundation Inc	18 998
NT Friendship and Support	9 286
Tiwi Bombers Football Club Inc	14 710
Tiwi Islands Training and Employment Board	9 039
Woorabinda Scout Camp	8 692
Sub total	117 243
Loaned Vehicles	\$ (GST Inc)
Australia Day Council Northern Territory	703
Barunga Festival	3 052
Beanie Festival Alice Springs	3 481
CanTeen Northern Territory	1 545
Classic Outback Trial In Alice Springs	12 163
Corrugated Iron Youth Arts	2 739
Darwin Festival	56 231
Finke Desert Race	19 068
Fireflies NT	1 902
Freds Pass Rural Show	2 502
Garma Festival/Yothu Yindi Foundation	36 923
Howard Springs Scout Group Jamboree	420
Humpty Doo Scout Group - The Rovers	1 566
Katherine Regional Arts Katherine Arts Muster	5 152
Midnight Basketball	13 291
Music NT	22 047
National Indigenous Music Awards	2 133
NT Writers Section/Wordstorm	2 391
Rapid Ascent Red Centre Mountain Bike Enduro - Redback	5 954
Red Hot Arts - Alice Desert Festival	6 156
SIDS and Kids	6 060
Songlines	1 966
Teachabout	6 894
Tennis Australia/Davis Cup	13 331
Tracks Dance Company	7 790
Sub total	235 460
Total Value of Gifted and Loaned Vehicles	352 703

APPENDIX VI

ICT GOVERNANCE BOARD MEMBERSHIP AT 30 JUNE 2016

Ms Kathleen Robinson, Chief Executive, DCIS (Chair)

Mr Craig Allen, Commissioner for Public Employment, OCPE

Mr Alister Trier, Chief Executive, Department of Primary Industry and Fisheries

Ms Rachel Bacon, Deputy Chief Executive, Department of the Chief Minister

Mr David Braines-Mead, Deputy Under Treasurer, Department of Treasury and Finance

Ms Catherine Weber, Deputy Chief Executive, Department of Education

Mr Andrew Cowan, Deputy Chief Executive, Department of Business

Mr Michael Kalimnios, Chief Operating Officer, Top End Health Service, Department of Health

Mr Chris Hosking, Deputy Chief Executive (Chair of the ICT Leadership Group), DCIS

APPENDIX VII

MINISTERIAL ICT ADVISORY COUNCIL MEMBERSHIP AT 30 JUNE 2016

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 David Bradley, (NT ICT Industry Association representative)

Mr Benjamin Smith, (Australian Computer Society representative)

Ms Kathleen Robinson, (NTG representative)

APPENDIX VIII

ADMINISTRATIVE ARRANGEMENTS ORDER AS AT 12 SEPTEMBER 2016

Agencies that are referenced throughout this report reflect department names as at 30 June 2016. The table below shows the new department names from 12 September 2016.

DEPARTMENTS REFERENCED IN REPORT

Name as at 30 June 2016	New name as at 12 September 2016
Department of Corporate and Information Services	No change
Department of the Chief Minister	No change
Department of Treasury and Finance	No change
Office of the Commissioner for Public Employment	No change
Department of Education	No change
Department of Health	No change
Northern Territory Police, Fire and Emergency Services	No change
Department of Infrastructure	Department of Infrastructure, Planning and Logistics
Department of Business	Department of Trade, Business and Innovation
Department of Primary Industry and Fisheries	Department of Primary Industry and Resources

APPENDIX IX

GLOSSARY

Acronym	In full
AIS	Asset Information System
APRO	Agencies Purchase Requisitions Online
ASNEX	Asset systems nexus
BOXI	Business Objects XI (NTG's finance and HR reporting solution)
CAPS	Contract and Procurement Services
CAT	Centre for Appropriate Technology
CCIS	Community Care Information System
CCSRP	Core Clinical Systems Renewal Program
CPSU	Community and Public Sector Union
DCIS	Department of Corporate and Information Services
DCM	Department of the Chief Minister
DCS	Data Centre Services
ECMS	Electronic Card Management System
EEO	Equal Employment Opportunities
ELP	Emerging Leaders Program
ePASS	Northern Territory Government's identity management system
FOI	Freedom of Information
GAS	Government Accounting System
GBD	Government Business Division
GCC	Global Corporate Challenge
HR	Human Resources
ICT	Information and Communications Technology
IECDS	Indigenous Employment and Career Development Strategy
IEP	Indigenous Employment Program
IGB	ICT Governance Board
JES	Job Evaluation System
KPI	Key Performance Indicator
MIAC	Ministerial ICT Advisory Council
MOG	Machinery of Government
NAIDOC	National Aboriginal and Islander Day Observance Committee
NT	Northern Territory
NTG	Northern Territory Government
NTPS	Northern Territory Public Sector
OCPE	Office of the Commissioner for Public Employment
PIPS	All-of-government payroll system
PROMIS	Police Real-time Online Management and Information System
QTOL	Quotations and Tenders Online
RIMS	Road Information Management System
SIEM	Security Information and Event Management

Acronym	In full
TDO	Tender Documents Online
TRIPS	Travel Request Information Processing System
TRM	Territory Records Manager
VET	Vocational Education and Training
VPN	Virtual Private Network
WHS	Work Health and Safety
WIS	Workplace Injury Solutions

