



Northern
Territory
Government

DEPARTMENT OF CORPORATE AND INFORMATION SERVICES

Annual Report

2006/2007

Northern Territory Department of Corporate and Information Services
GPO 2391
Darwin NT 0801
www.nt.gov.au/dcis

Published November 2007 by the Northern Territory Department
of Corporate and Information Services

Design and layout by Big Picture Graphic Art

Printed by the Government Printer of the Northern Territory

ISSN 1835-2332

LETTER TO THE MINISTER

Elliot McAdam MLA
Minister for Corporate and Information Services
Parliament House
DARWIN NT 0800

Dear Minister

In accordance with the provisions of section 28 of the *Public Sector Employment and Management Act*, I am pleased to provide you with the annual report of the Department of Corporate and Information Services for 2006-07.

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

- a) proper records of all transactions affecting the Department are kept and the employees under my control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions;
- b) procedures within the Department afford proper internal control and a current description of such procedures is recorded in the 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 or records;
- d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity available to the Department 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 Treasurer's Directions;
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied; and
- g) in respect of my responsibilities pursuant to section 131 of the *Information Act*, I advise that to the best of my knowledge and belief, the Department has implemented processes to achieve compliance with the archives and records management provisions as prescribed in Part 9 of the Act.

As I commenced as Chief Executive of the Department in July 2007, post the 2006-07 financial year, I have sought and obtained appropriate assurances from senior Departmental executives on the above matters.

Yours sincerely



Graham Symons
Chief Executive
26 October 2007

PURPOSE

The Department of Corporate and Information Services was established by an Administrative Arrangements Order on 19 October 1998 to provide a broad range of services to all Northern Territory Government agencies. These services currently include financial, human resources, tendering, procurement policy, information and communications technology, records management, property management, fleet and printing services.

This annual report is prepared in accordance with section 28 of the *Public Sector Employment and Management Act*. It presents the Minister for Corporate and Information Services with a summary of the activities of the Department in 2006-07.

The report provides insight into activities undertaken by the Department towards achieving its business outcomes as identified in the 2006-07 Budget. The report also provides qualitative and quantitative commentary on progress towards achieving Departmental goals.

The aim of the report is to provide Government, employees, organisations and individuals with an understanding of the Department's objectives, activities, measures of its performance and an insight into its future directions.

CONTENTS

CHIEF EXECUTIVE'S REVIEW.....	1
CORPORATE OVERVIEW AND HIGHLIGHTS.....	3
Overview.....	3
Our Organisation.....	3
Our Services.....	5
Our People.....	5
Our Customers.....	6
Our Finances.....	7
Highlights.....	9
Corporate Services Review.....	9
Service Highlights.....	9
Regional Highlights.....	11
Challenges and Directions for 2007-08.....	11
CORPORATE GOVERNANCE.....	12
Corporate Governance Framework.....	12
Executive Board of Management.....	13
Corporate Governance Committees.....	13
Ethical Standards.....	15
Planning.....	15
Communication.....	16
Accountabilities.....	17
Environmental Management.....	19
OUR SERVICES.....	21
Overview.....	21
Financial Services.....	22
Human Resource Services.....	23
Procurement Services.....	25
Information and Communications Technology Services.....	25
Property Management Services.....	26
Archives Services.....	27
Data Centre Services.....	27
NT Fleet.....	27
Government Printing Office.....	28
OUR PEOPLE.....	29
Overview.....	29
Growing Our People.....	31
Supporting Our People.....	33
Key Initiatives in 2006-07.....	36
Initiatives Planned for 2007-08.....	39
Legislative Compliance.....	40

OUR CUSTOMERS.....	43
Overview.....	43
Government Agencies.....	43
Industry.....	49
Other Customers.....	53
OUR PERFORMANCE	56
Overview.....	56
Financial Services.....	57
Human Resource Services.....	59
Procurement Services.....	61
Information and Communications Technology Services.....	64
Property Management Services.....	66
Archives Services.....	68
Data Centre Services.....	69
NT Fleet.....	71
Government Printing Office.....	73
FINANCIAL STATEMENTS	75
The Department.....	77
Data Centre Services.....	105
NT Fleet.....	131
Government Printing Office.....	159
APPENDICES	185
Appendix A List of Acronyms.....	i
Appendix B Executive Board of Management Members Profile.....	ii
Appendix C DCIS Service Price List.....	vi
Appendix D Audits by the Auditor-General.....	viii
Appendix E Internal Reviews.....	x
Appendix F Gifted Furniture, Fittings and Computers.....	xi
Appendix G Gifted and Loaned Vehicles.....	xii
Appendix H Accommodation Costs for Non-Government Organisations.....	xiii
Appendix I NT History Grants.....	xv

CHIEF EXECUTIVE'S REVIEW

This year has been another year of steady achievement for the Department of Corporate and Information Services (DCIS), but it has also been a year in which the seeds have been sown for the next stage in the evolution of the agency.

Some of the highlights of 2006-07 have been:

- Meeting the targets of the NT Government's Jobsplan initiative with over 360 apprentices engaged during the course of the three year program
- The development of the Aboriginal Health Worker Apprenticeship Program with the Department of Health and Community Services - the first apprentices engaged under the program commenced in July 2007
- The seamless transition of the whole of government contract for provision of desktop and laptop computers, associated equipment and support services from CSC to Fujitsu
- Completion of the Local Area Network (LAN) upgrade project which resulted in the successful installation of over 30,000 ports in over 200 sites across the Territory
- Continuation of the myHR rollout across the NTPS with access provided to the Department of Employment, Education and Training, the Department of the Legislative Assembly and the Aboriginal Areas Protection Authority - a particular achievement was the provision of access to employees in schools across the Territory
- Rollout of the web-based Travel Request Information Processing System (TRIPS) to five additional agencies, providing an automated workflow and authorisation solution that streamlines the travel recording process
- Implementation of the increase in the threshold for tenders from \$10,000 to \$50,000 along with associated training and support for agencies
- Development of the first whole of government accommodation plan, providing a comprehensive picture of current accommodation and requirements and enabling Government to maximise accommodation benefits
- The launch of the five-year Northern Territory ICT Industry Strategic Plan by Minister McAdam together with the Australian Information Industries Association
- Enhancement of communications infrastructure with the enabling of an additional six mobile base stations providing close to continuous coverage between Darwin and Katherine, the provision of fibre optic cable to Wadeye, Peppimenarti and Palumpa and installation of ADSL services in Yuendumu and Mutitjulu
- Opening of the new 150 seat 'Zephyr' call centre by Minister McAdam which was established as part of Telstra's industry development commitments under the NT Government's telecommunications contract
- Expansion of Data Centre Services' virtual server environment, providing efficiencies for Government through centralising applications on powerful servers at lower marginal costs

- Achievement of a 6% reduction in greenhouse gas emissions, on 2003-04 levels, by the passenger vehicle fleet through an increase in the proportion of 4 cylinder vehicles and the introduction of hybrid vehicles
- Enhancement of the Government Printing Office service through the introduction of a new Computer to Plate printing system, which also involves significant reduction in the use of chemicals and replacement of a 25 year old large format folder with the latest technology
- Continued participation in NTPS leadership development programs with four staff undertaking the Public Sector Management Program, one the Discovery program, nine staff attended Springboard for Women and two completed the Navigator men's management program
- Development of Payroll School, an intensive training program to develop competent payroll officers and reduce the staff turnover rate in this area
- Commencement of a Staff Rotations policy in September 2006 and commencement of a Return to Work program to smooth re-entry for staff returning from long leave

In November 2006, Government considered the recommendations of a high-level review of corporate services across the NTPS, which examined the scope for improving the efficiency and effectiveness of corporate services. Government approved the establishment of a number of more specific reviews with a view to enhancing end-to-end business processes and considering further investment in automated systems to improve performance. Over the next few years DCIS will face the challenges of implementing major business process and system enhancements to improve performance in areas such as accounting services and payroll and also to improve reporting services to agencies.

DCIS also faces the challenge of identifying other corporate service areas where it can provide more efficient and effective support services to NTPS agencies to help them better deliver on their service mandate to the community.

I take this opportunity to acknowledge the contribution of the previous Chief Executive, Richard Galton, who transferred to the Department of Business, Economic and Regional Development in October 2006 and also of Les Hodgson who ably acted as Chief Executive until July 2007.



Graham Symons

CORPORATE OVERVIEW AND HIGHLIGHTS

Overview

Our Organisation

The Department of Corporate and Information Services (DCIS) is a trusted provider of services to all Northern Territory Government (NTG) agencies, including financial, human resources, tendering, procurement policy, information and communications technology, records management, property management, fleet and printing services (refer pages 21-28 for a more detailed description of these services).

DCIS consists of four entities: the Department of Corporate and Information Services and three Government business divisions (GBDs) named Data Centre Services, NT Fleet and the Government Printing Office.

The diagram on page 4 represents a high-level view of the organisation's structure.

In total the Department and business divisions comprise over 700 staff, with the majority of staff working in the Department (around 590 full-time equivalent staff).

Our total budget for 2006-07 is just over \$104 million, excluding the GBDs, which are separate budget entities. Refer to page 7 for more financial information.

The DCIS service delivery model incorporates principal processing centres in Darwin city, four regional offices in the Territory's main regional centres (Alice Springs, Katherine, Tennant Creek and Nhulunbuy) and service delivery centres in Casuarina and Palmerston.

A glossary of acronyms used throughout this report is available at Appendix A.

Our Critical Success Factors

Our Vision: Do whatever it takes

Our Mission: Providing agencies with improved solutions for better business outcomes

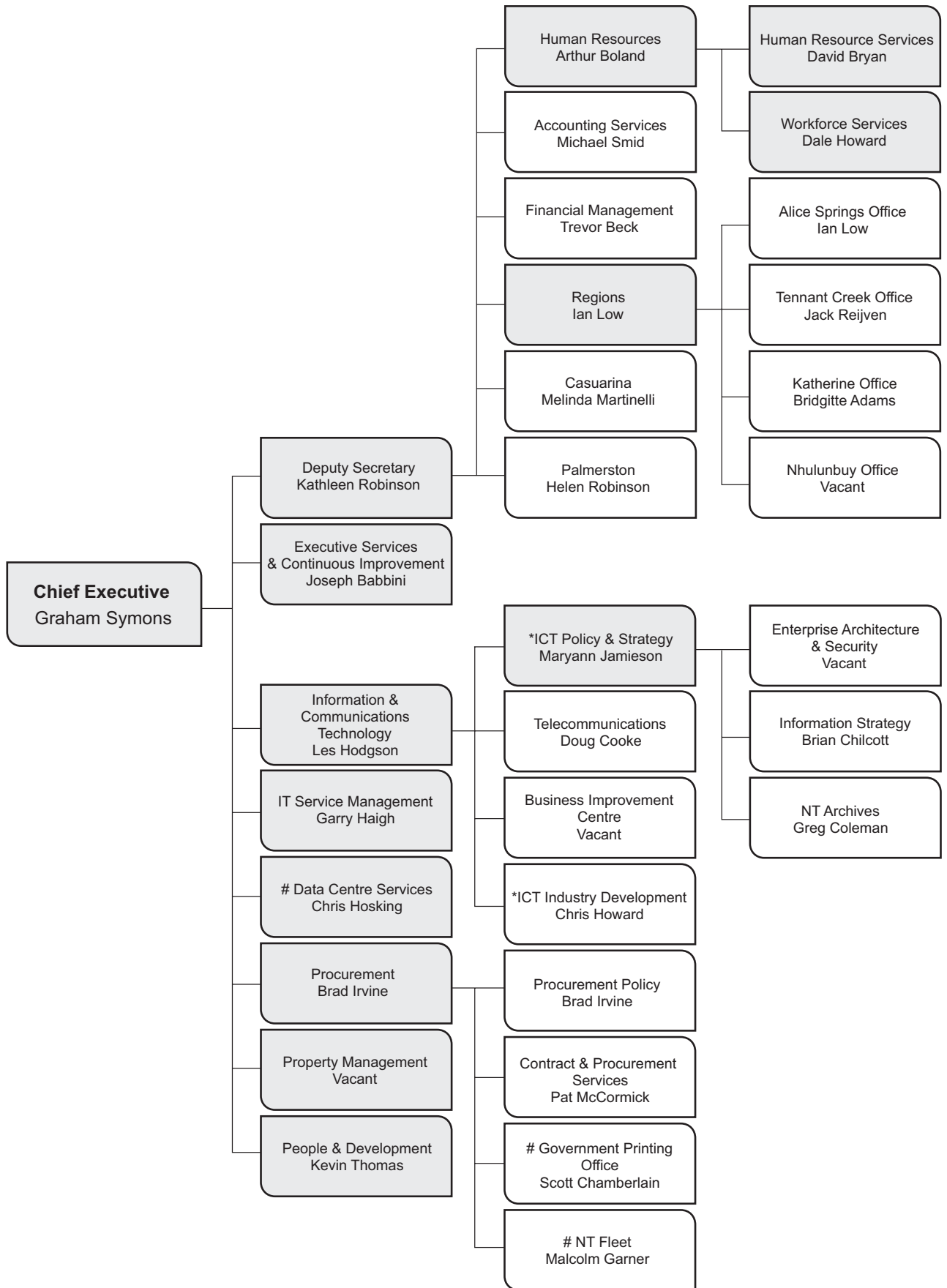
Our Values:

- Accepting personal responsibility
- Friendly and professional behaviour
- Personal growth and development
- Creativity and innovation

Our Objectives

- Professional relationships with our customers, suppliers and stakeholders
- Capable and committed people that contribute to the achievement of outcomes
- Effective and efficient business processes and systems that deliver value for money

Executive Structure July 2007



- # Government Business Divisions
- * ICT - Information and Communications Technology
- █ Executive Board of Management Member Profiles at Appendix B

Our Services

DCIS is a diverse organisation providing a broad range of shared corporate services, including:

- corporate support services to all Government agencies, Government business divisions and other Government bodies in the areas of finance, human resources, tendering services, procurement policy and leased property management
- corporate support systems to enable processing of Government transactions, such as accounts, payroll, recruitment, tendering and records management
- information technology infrastructure and services to support Government business
- archive services to Government and the community.

Through its business divisions DCIS also provides printing services, fleet management and computing services to agencies.

As the NT Government's shared services provider we are a key link in:

- the recruitment and employment of staff within the NT Public Sector (NTPS)
- supporting programs designed to facilitate staff development across the NTPS
- the procurement and payment of goods and services.

The Department has progressed and is continuing to progress a range of initiatives designed to provide cost-effective corporate services that address our customers' needs.

Details of our service performance highlights for 2006-07 and planned initiatives can be found in the service performance reports starting on page 56.

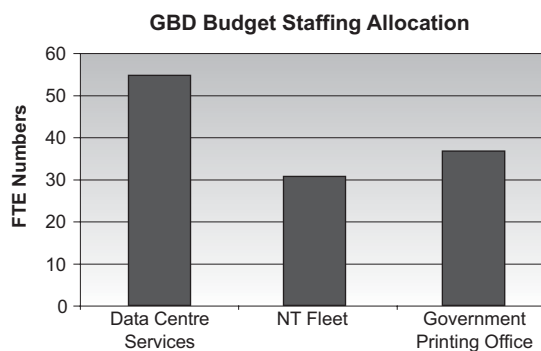
Our People

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

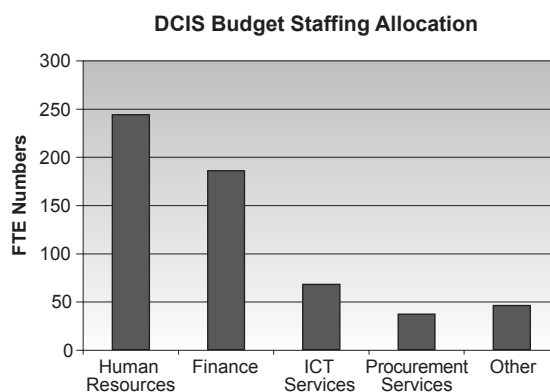
DCIS faces significant and ongoing change and is meeting this challenge through recruiting, developing and supporting capable people who are committed to optimising corporate performance. Additionally, a change management framework has been introduced to ensure a consistent and equitable approach across the Department and to encourage managers to adopt a positive change management culture.

DCIS staffing is allocated across the Department and GBDs as follows (based on budgeted full-time equivalent staff):

- Department - 586
- Data Centre Services - 55
- NT Fleet - 31
- Government Printing Office - 37



Within the Department, the majority of staff work in the two main processing and system areas of Financial Services (187) and Human Resource Services (245), which together account for around 74% of the Department's staff. The remaining 26% of staff work in the areas of procurement services, property management, information and communications technology services and internal corporate management.



Further details of DCIS' staff profile and human resource strategies and achievements are provided in the Our People section starting at page 29.

DCIS promotes staff learning and development through its Capability Management Plan, which facilitates networking and learning opportunities through programs such as DCIS' in-house Support Program and Information Network (SPIN). DCIS continues to support staff through external leadership and development programs, such as Discovery, Navigator, Springboard and the Public Sector Management Program.

Our Customers

DCIS provides corporate services to support Government, agencies and business divisions, with this group representing the largest and predominant customer group for DCIS.

Industry is the second main customer group. Industry benefits indirectly from DCIS' services through suppliers receiving payment for their goods and services provided to Government and through potential suppliers accessing procurement services, including lodgement of quotations and tenders. The information and communications technology (ICT) industry receives more direct benefits arising from major Government ICT contracts for outsourced computing services and local ICT industry development initiatives. Additionally, specific industry sectors have linkages to DCIS' business activities, such as the property management, vehicles and printing industries.

Government employees and prospective employees are key DCIS customer groups, serviced through payroll and recruitment services and apprenticeship programs. The final customer group is the Territory community. While many DCIS services indirectly benefit the community, only some specific services have a direct community focus. These services are archival heritage and telecommunications and broadcasting services. These services develop policies and strategies, provide information directly to the community and coordinate small-scale grants programs.

DCIS' approach and responses are consistent across all customer groups, with an emphasis on prompt and reliable service delivery, open communication and a consultative approach that encourages customer input and feedback. DCIS seeks to build positive and productive working relationships with its customers through delivering service improvements, system enhancements and education programs.

Our Finances

The DCIS group comprises four budget entities, being the Department and three GBDs.

During 2006-07 the Department has continued to maintain a focus on efficiencies and innovation through continuous improvement programs. This is reflected in reduced staffing, employee costs and the Department's underlying financial trends.

DCIS is primarily funded by appropriation from the Central Holding Authority (called Output Revenue) for providing corporate services to general government agencies (around 85% of revenue), with the remaining revenue earned from charges for services.

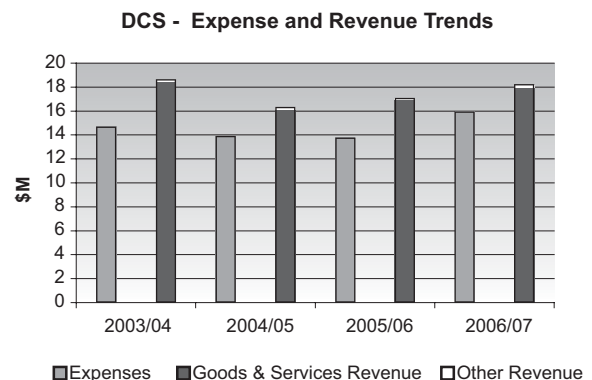
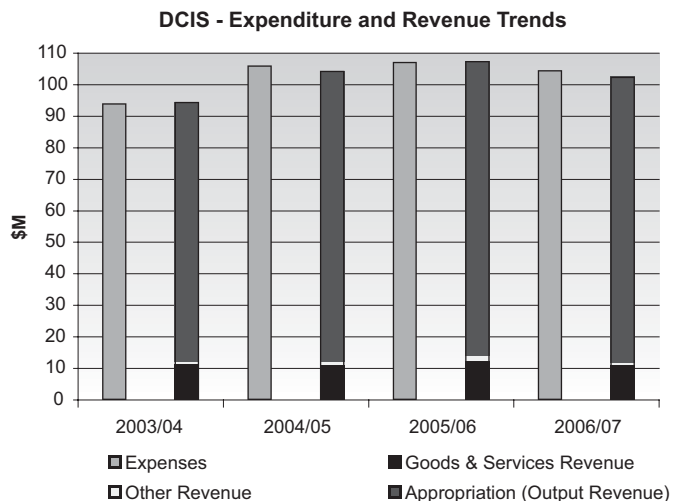
DCIS expenses comprise property leasing costs (increasing to over 40%), employee costs (around 38%) and operational costs (below 20%), which are mostly related to IT support costs to operate and maintain whole of government corporate systems.

DCIS notionally charges Government agencies and actually charges Government business divisions for the services it provides. Our overall aim is to provide cost-effective services, with our service prices based on a cost recovery model. The price list as at 30 June 2007 can be viewed at Appendix C.

Data Centre Services

Data Centre Services revenue continues to grow, primarily due to increasing client demands for data storage and management of business applications. This has generated additional revenue, with some offsetting operational cost increases. A major implementation project has also increased costs for 2006-07.

Data Centre Services net surplus after tax for 2006-07 was \$0.5 million higher than anticipated at \$1.6 million.

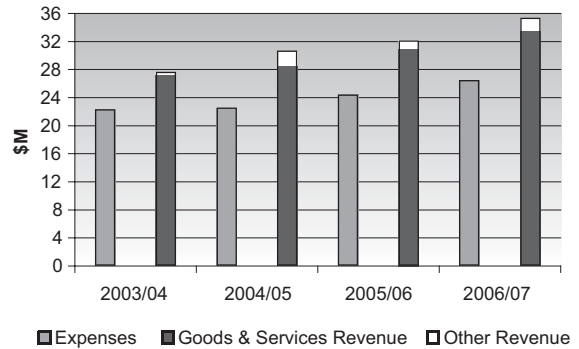


NT Fleet

NT Fleet continues to operate profitably with increased revenue due to more vehicles leased and higher lease charges. Expenses are increasing commensurate with higher depreciation and operating costs for the fleet. NT Fleet commenced a major replacement program for heavy vehicles in 2006-07.

NT Fleet achieved a net surplus after tax of \$6.2 million for 2006-07, some \$0.58 million higher than anticipated.

NT Fleet - Expense and Revenue Trends



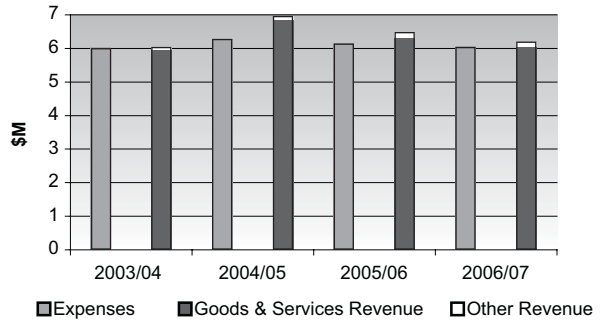
Government Printing Office

Printing revenue is trending down due to reduced demand from client agencies as modern technology improves document publication.

With careful cost restraint, the Government Printing Office has continued to make a profit, achieving a net surplus after tax of \$0.1 million for 2006-07.

During the year the Printing Office upgraded equipment with new technology that will assist with improving production times while reducing operating costs.

GPO - Expense and Revenue Trends



Financial Statements

Financial statements for each of the four budget entities are included in this report commencing at page 75. The audited statements for the three government business divisions received unqualified audit opinions.

Highlights

Corporate Services Review

In 2006 a high level review of corporate services across Government was undertaken. The main objective of the review was to identify opportunities to improve corporate support through standardised and streamlined processes, contemporary systems and reduced service costs.

The review recommended Government-wide improvements to the delivery of corporate services to establish more efficient and streamlined processes. Efficient backroom functions enable more resources to be directed to other Government services which have a direct community benefit, such as core service delivery and infrastructure.

In November 2006, Government endorsed a plan to undertake detailed studies of key corporate services functions to identify improvements and service efficiencies. Consultants have been engaged to conduct some of these studies with the assistance of dedicated resources from DCIS. The reviews are overseen by the Corporate Services Review Steering Committee, comprising the Department of Corporate and Information Services (Chair) and Northern Territory Treasury and recently supplemented with the Department of Primary Industries, Fisheries and Mines as a line-agency representative.

Corporate services reviews completed as at 30 June 2007.

- **Accounts Payable and Accounts Receivable:** Identify process and system improvements for Government payments and receipts systems.
- **Human Resources Information Systems:** Provide high level options for the provision of HR Information Systems for the NT Government into the future.

Corporate services reviews due to be completed in 2007-08.

- **Human Resources Reporting:** Identify a cost effective reporting solution to provide improved HR reports that can better assist agency HR decision making needs.
- **Payroll:** Identify process improvements for paying employees' salary and related payments.
- **Procurement:** Identify process and system improvements for the administration of higher volume/ lower cost goods and services.

Service Highlights

2006-07 marked another busy and productive year for DCIS, with major achievements and highlights across all business units and the Government business divisions.

- Initiation of the Corporate Services Review in 2006-07, as described above, represents arguably the most significant service highlight for DCIS. While the Corporate Services Review is a multi-year reform program, with the bulk of changes anticipated in 2008 and beyond, substantial efforts were devoted to analysis and review requirements in 2006-07 as well as establishing the overall direction for the program.

- Another major achievement was the transition of the contract for provision of desktop and laptop computers, associated equipment and support services from CSC to Fujitsu in 2006. Completing the project on time and with a seamless transition provided the opportunity for a computer hardware refresh program to also be undertaken, which benefited agencies across Government through provision of upgraded computers.
- Increasing the tender threshold represented a substantial change to Government procurement practices, with the threshold rising from \$10,000 to \$50,000. This change enabled improved productivity and reduced costs for both potential suppliers and Government.
- The corporate credit card policy, requiring usage of Government credit cards for purchases below \$500, was fully implemented in 2006-07. This involved establishing an electronic card management system, issuing cards to agencies, changing procedures and advising agencies and stakeholders.
- Recognising the requisite skills and knowledge required within the Payroll Services section, the 'Payroll School' training program was developed and implemented. The aim of this program is to uniformly train new payroll staff in what is a high demand work area, leading to both improved staff retention and improved customer service.
- A focus on making the automated self-service facility for the Government's human resource system, known as myHR, available across Government and easy for employees to use enabled 54% of all payroll transactions to be generated electronically in 2006-07. Correspondingly, a 25% reduction in the number of paper payslips distributed each payday has been achieved as more employees make use of payslip facilities in myHR.
- A new eGovernment strategy, titled 'Service Focused Government – eGovernment Principles 2006 to 2010' was developed with the aim of improving both whole of government service efficiencies and customer support. Tying in with the eGovernment Strategy redevelopment of the whole of government Enterprise Architecture Framework was commenced, in order to establish a consistent framework within which IT applications are developed and operated.
- A whole of government accommodation plan was developed for the first time. The Plan provides a comprehensive picture of current accommodation and requirements that enables cohesive planning and action across Government to maximise accommodation benefits and identify savings. The Plan also allows agencies to develop their own accommodation strategies.
- Working with agencies, NT Fleet again increased the number of 4 cylinder vehicles in use across Government, leading to further reductions in fuel consumption and greenhouse gas emissions, in excess of established targets.
- The Government Printing Office introduced its new Computer to Plate printing system at the beginning of 2007, bringing the Office up to date with the latest technology and reducing its impact on the environment. The technology minimises the need for chemicals and water to wash plates down in the printing process.

Regional Highlights

Of the four regional offices, the Alice Springs office is the largest and delivers most of the range of DCIS services, including finance, human resources, procurement, ICT, fleet and archival services. The other regional offices primarily deliver local accounts payable and receivable services, together with local recruitment and procurement services. The offices provide services relevant to the requirements of the customer agencies represented in each region and commensurate with resourcing levels. The Alice Springs office directly supports the Tennant Creek office, as does Katherine the Nhulunbuy office.

The key achievements of our regional offices during 2006-07 include:

- implementation of the Government's corporate credit card policy and the changed tender thresholds for procurement. Each region played an important role in promoting these changes at the local level, including provision of training and support for regional clients
- active promotion of the Entry Level Recruitment Program to help develop this into a highly regarded service to agencies
- successful transfer of the Alice Springs payroll processing function for southern region employees of the Northern Territory Police, Fire and Emergency Services and much of the Department of Health and Community Services to DCIS' Casuarina office. The transfer was seamless to the clients, with a resultant improvement in efficiency and effectiveness
- significant increase in my HR usage at the regional level through targeted awareness sessions with follow-up training and support
- achievement of the NTPS apprenticeship targets across all regions, with the Tennant Creek region achieving a 100% commencement/completion rate.

Challenges and Directions for 2007-08

The most significant challenge facing DCIS in 2007-08 is implementing the suite of recommendations arising from the Corporate Services Review (see page 9 for details).

Other significant challenges ahead over the next 12-18 months are:

- reviewing the organisation's business model to adopt contemporary better practice in corporate service delivery
- continuing the Department's transition to a more customer-focused organisation through the development and implementation of a customer management framework
- engaging with the public and private sectors in developing a roadmap for the NT Government in managing access to IT services, including establishing and verifying the identities of citizens and businesses needing to interact online with Government.

DCIS will begin reshaping its corporate plan in 2007-08 and setting its strategic direction in order to meet the above challenges and position the organisation as a contemporary, efficient and robust corporate services provider for the Northern Territory Government. Specific initiatives that are planned for 2007-08 and beyond, both across the Department and within individual business units, are described throughout this report.

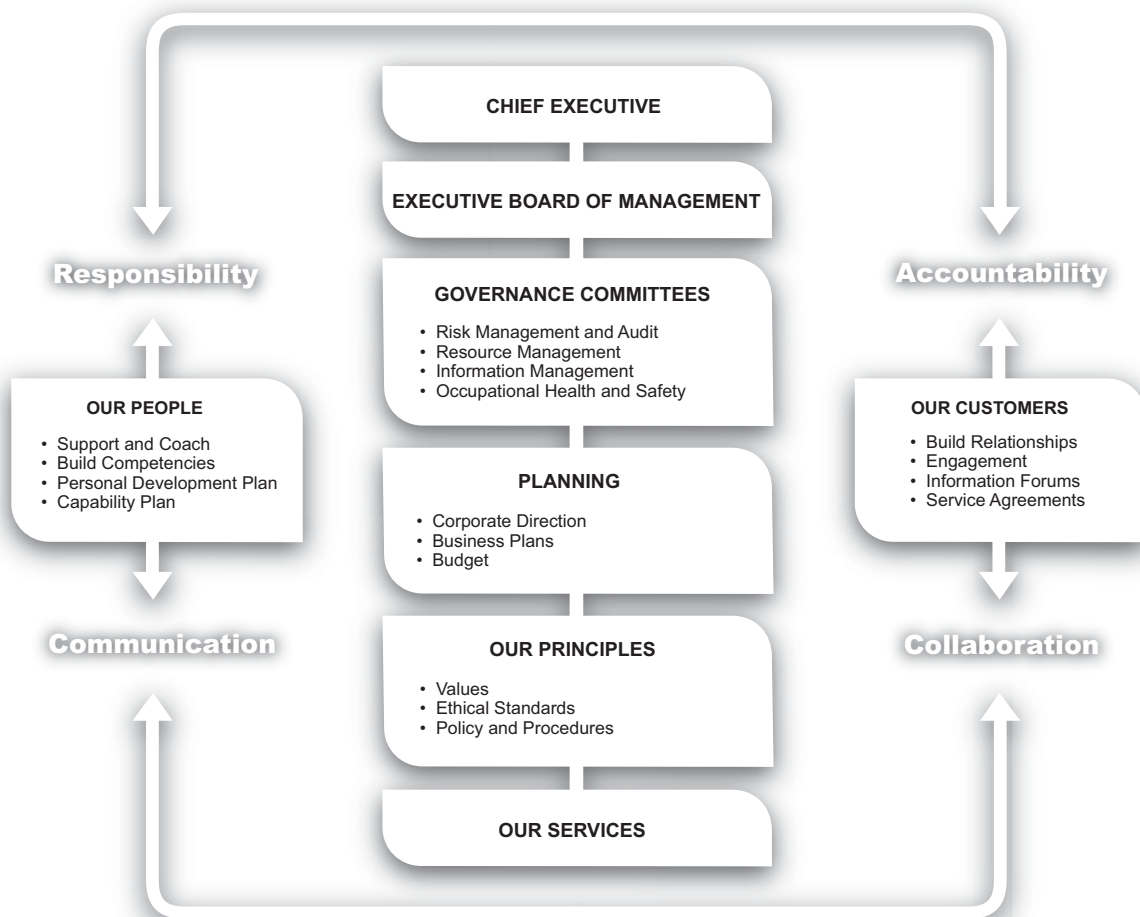
CORPORATE GOVERNANCE

Corporate Governance Framework

The DCIS Governance Framework provides a structured framework through which DCIS is directed, controlled and held to account for its actions. This framework guides how decisions are made, risks are managed and DCIS' future is planned.

The corporate governance framework requires accountability for the stewardship of DCIS' resources while simultaneously encouraging effective and efficient use of these resources. This facilitates and guides the necessary planning, budgeting and management of performance, and supports the Chief Executive and the Executive Board of Management in providing leadership of DCIS.

DCIS Governance Framework



The framework strategically links management, principles and services with our people and customers. This ensures effective leadership, planning and service delivery and allows responsible risk and resource management within the Department.

This section highlights key elements of DCIS' corporate governance framework including leadership and governance structures, risk management, reviews and audits, planning, communication, information management requirements under the *Information Act* and environmental management efforts.

Executive Board of Management

The Executive Board of Management provides advice to the Chief Executive and leadership to DCIS in achieving the objectives and strategies outlined in the DCIS Corporate Plan 2005-08. The Board assists the Chief Executive in governing the Department and meeting statutory responsibilities under the *Public Sector Employment and Management Act*, *Financial Management Act*, and section 9 of the *Information Act*.

The Executive Board of Management is chaired by the Chief Executive and meets monthly to facilitate a cooperative approach to the delivery of organisational strategies and to monitor and review Departmental performance. In the last year, two of these meetings were hosted in regional offices. The minutes of the Board meetings are made available to branch heads for discussion at team meetings with staff. Key decisions are also reported in the Chief Executive's newsletters to staff.

During 2006-07 the Board experienced a number of changes with some staff rotating roles, changes in both the Chief Executive and Deputy Secretary positions and some senior executives transferring or retiring towards the end of the year.

A profile of each of the members of the Executive Board of Management is provided at Appendix B.

Corporate Governance Committees

DCIS maintains a suite of governance committees to provide a specific focus and careful monitoring of critical corporate governance requirements. The Committees report to the Chief Executive through the Executive Board of Management.

Risk Management and Audit Committee

The Risk Management and Audit Committee oversees risk management activities, audit and review programs for DCIS and examines recommendations arising from both audits and reviews conducted under these programs. The Committee monitors progress against each recommendation until they have been implemented or addressed. The Committee also oversees reviews which are required under the conditions of the ICT outsourcing contracts.

The external audit program is set by the NT Auditor-General's Office and is monitored by the Committee. The Department's internal review program is developed from recommendations arising from risk assessments of internal controls, consideration of business issues and risk and identification of areas where process improvements and benefits are likely. The Committee has an advisory role in the development of this program as well as its ongoing monitoring role.

During 2006-07 DCIS undertook a strategic business risk management assessment to highlight areas of higher risk and to inform the development of the internal review program. DCIS incorporates detailed risk assessments and monitoring in all major projects and programs as a core requirement of DCIS' project management methodology.

The DCIS Risk Management and Audit Committee is chaired by the Deputy Secretary. The DCIS members are the Chief Executive, Executive Director Human Resource Services and the Director Information Technology Service Management. In addition, a representative of the Department of the Chief Minister with risk management expertise is a member and a representative of the NT Auditor-General's Office participates on the Committee in an observer role.

With DCIS' whole of government roles in providing corporate services and maintaining critical corporate systems, the NT Auditor-General's Office continued its full audit program during 2006-07. The audit findings were mostly satisfactory with some isolated instances of control breakdowns and minor issues noted. A summary of the findings for each of this year's external audits can be viewed at Appendix D.

As part of its lead role with the Corporate Services Review throughout 2006-07, DCIS has undertaken a comprehensive internal review program. This has been supplemented with internally managed business process improvement reviews and expert reviews of specialised areas. A summary of internal reviews conducted in 2006-07 is provided at Appendix E.

Information Management Committee

A strategic review of the DCIS Information Management Committee terms of reference, outcomes and direction was conducted in 2006. As a result of this review, several changes were implemented to focus the Committee on the ICT direction and strategic information management needs of DCIS as a department rather than on whole of government ICT matters.

The Committee is now chaired by the Deputy Secretary with representatives from all DCIS business units and continues to meet monthly. A record of each meeting is provided to the Executive Board of Management.

The Committee has recently endorsed the development of a new ICT governance model and strategic plan for DCIS, which will be completed in 2007-08. Additionally, the Committee is establishing a rigorous framework for identifying and regularly monitoring core business systems and important information management issues.

Resource Management Committee

During 2006-07 DCIS established a Resource Management Committee in recognition of the growing need to actively and cohesively manage human resources and employment strategies across the Department. The Resource Management Committee's charter is to oversee and advise on HR resourcing requirements for DCIS and its business divisions, including review and endorsement of recruitment action and active monitoring of unattached officers.

The Resource Management Committee's membership comprises the Deputy Secretary (chair), Director ICT Policy and Strategy, Executive Director Procurement and the Director People and Development (secretariat). The Committee meets weekly and reports regularly to the Executive Board of Management. Procedures governing the Committee's functions and its terms of reference have been developed and disseminated across the Department and business divisions.

Occupational Health and Safety Steering Committee

The DCIS Occupational Health and Safety (OH&S) Steering Committee has a primary governance role in ensuring that mechanisms are in place to identify and address OH&S issues. This includes ensuring that site-specific OH&S committees meet on a regular basis and that the Department's OH&S guidelines are available and understood by staff.

The Steering Committee is chaired by the Executive Director Human Resource Services and

comprises representatives from each work site, together with a regional representative. Secretariat services are provided by the OH&S Branch within DCIS.

The Committee monitors the Department's OH&S performance, reports to the Executive Board of Management on a quarterly basis and, where required, develops OH&S policy for endorsement by the Board and the Chief Executive.

Ethical Standards

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

The binding nature of the Code of Conduct is explained to all new staff at induction programs. As DCIS is responsible for the collection and retention of sensitive personal information for all NT Government employees, information privacy is highlighted.

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

Planning

Corporate Plan 2005–08

The DCIS Corporate Plan 2005-08 establishes a medium-term view focusing on our customer relationships, our people, effective and efficient processes and espousing common values across DCIS. The Department's vision, mission and values, as described on page 3, were developed and agreed through the corporate planning process. The DCIS Corporate Plan 2005-08 provides strategies and performance measures for meeting our key objectives.

Through the Corporate Plan the Department's three fundamental elements of Customers, People and Processes have been confirmed and clearly articulated. These elements are reinforced throughout the Department's governance, planning, managing and reporting systems to establish a consistent and cohesive frame of reference across DCIS and at all levels of organisational activity.

The process to develop a new three-year Corporate Plan to guide the Department's strategic direction will commence in 2007-08.

Business Plans

The DCIS Corporate Plan 2005-08 provides the overarching strategies and direction for the Department. It is supported by business plans for individual services that provide practical tasks and projects to be completed in the coming year, which contribute to the overall Departmental objectives. These business plans are developed in consultation with staff and stakeholders and progress against

planned projects is reported to the Executive Board of Management on a monthly basis. This provides a regular update on key organisational goals and ensures a coordinated approach to our business initiatives.

In addition, the Board receives twice yearly presentations on the proposed business plans and achievements to date. The Board of Management membership is extended for these meetings to include all the DCIS executive and key regional managers.

Performance Measures

DCIS has developed and adopted specific performance measures which are designed to provide the organisation with an overview of how well each service line is performing in relation to our customers, our people and our processes. The measures are compiled from annual customer and staff sensing and monthly key activity data.

Key Performance Indicators (KPIs) for 2006-07 align with the 2005-08 DCIS Corporate Plan and are transitioning to focus on qualitative and timeliness measures rather than the more traditional quantitative measures. There are also new indicators from some of our services that reflect particular initiatives and strategies.

Our internal monthly reporting has been further refined to address the key objectives and measures in our Corporate and Business Plans. Reporting to the Executive Board of Management on a monthly basis has been tailored to highlight those areas of significant activity, performance concerns and corresponding corrective action. This has assisted in monitoring efficiencies and seeking opportunities to further develop processes to achieve more effective service outcomes.

KPIs comparing actual performance against targets for the 2006-07 year are reported extensively in service performance reporting beginning on page 56.

Communication

Dissemination of timely and clear information across all levels within an agency is paramount for effective corporate governance. DCIS has several mechanisms for ensuring effective internal and external communication.

Communication Plan

During the year a Communication Plan was developed, providing a user-friendly, interactive set of tools to enable staff to self-service information including policies and procedures, roles and responsibilities. The Plan includes a calendar of communication and events to assist in communication planning across DCIS.

Senior Officers' Forum

The Senior Officers' Forum provides a key avenue for communication and information sharing. The forums involve approximately 60 executives and senior managers within the Department, and provide an opportunity for:

- reinforcing a shared vision for the strategic direction of DCIS
- developing a unified approach to the corporate values and objectives
- developing innovative ideas and initiatives to contribute to the DCIS corporate plan and unit business plans
- networking between Darwin and regional staff.

Internet and Intranet

The DCIS internet site is used to present information about DCIS services to the broader community. The DCIS intranet site is accessible by all NT Government agencies, and contains information on services, procedures and forms utilised by both DCIS and agencies in the delivery of corporate services. In addition, DCIS maintains a separate intranet site for use by DCIS staff only, which contains forms and procedures utilised within DCIS and information on employment and news within the Department.

Newsletters

A monthly newsletter is issued by the Chief Executive. This newsletter keeps staff informed of corporate initiatives and developments, key staff achievements, across agency projects and significant customer interactions. The People and Development unit also issues a monthly newsletter, which focuses on human resource related issues within DCIS. Both newsletters are posted on the staff-only intranet site.

Accountabilities

Statutory Accountability

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

The *Carers Recognition Act* came into force on 30 November 2006 to support and formally recognise unpaid carers as an essential partner in the caring role in the community. Although DCIS has determined that it has no direct obligations under this Act and is therefore not required to report under section 7(1) of the Act, we do acknowledge and support employees who identify themselves as carers.

Legislation Administered

DCIS has responsibility for administering the *Procurement Act*, Regulations and Directions.

The *Procurement Act* provides a cohesive framework for the procurement of supplies by Government agencies and aims at achieving value for money from expenditure on supplies by way of procedures and processes that are transparent to all suppliers. The Procurement Directions specify the requirements for agency accountable officers in the procurement of goods or services for their agencies.

Budget and Financial Accountabilities

The DCIS Budget is an accrual output-based budget prepared in accordance with the Territory's fiscal management legislation and framework. Two principal Acts form the framework for the management of the Government's financial resources and ensure that a range of accountability requirements are satisfied:

- *Fiscal Integrity and Transparency Act* – whole of government reporting requirements
- *Financial Management Act* – agency and government business division accountability requirements.

These Acts are supplemented by the annual *Appropriation Act*, which provides legal authority for Government's funding provided to DCIS.

The *Financial Management Act* establishes the Chief Executive as the Accountable Officer for DCIS and requires the Accountable Officer to provide adequate internal controls and management over financial resources. The Act is supplemented by the Treasurer's Directions which specify detailed financial accountability and accounting requirements for agencies. In his covering letter to the Minister at the beginning of this report, the Chief Executive includes advice that internal controls, procedures and reporting are in accordance with the *Financial Management Act* and the Treasurer's Directions.

Within this framework DCIS' budget is developed through the application of parameters (inflaters and deflators) to the budget year on a no-policy change basis. Each year new policy decisions and funding decisions linked to demand or cost growth are added to the budget and forward estimates. These parameter adjustments and decisions are added to the budget base to form DCIS' budget for the year ahead and revise DCIS' forward estimates for future years.

Delegations

DCIS maintains a full suite of delegations covering procurement, financial and human resource management activities. The delegations allow appropriately authorised DCIS staff to undertake specific responsibilities of the Accountable Officer prescribed in the *Financial Management Act*, the *Procurement Act* and the *Public Sector Employment and Management Act*. The delegations are regularly reviewed, with the human resource and procurement delegations recently updated.

Accounting and Property Manual

DCIS has a comprehensive Accounting and Property Manual in accordance with the *Financial Management Act*, that specifies finance procedures and internal control requirements to be observed by DCIS staff. This manual is also made available to other agencies to assist them in meeting their financial accountabilities.

Minor updates to section 19 Procurement and section 18 Reconciliation were completed during 2006-07 to comply with audit recommendations and process improvements. With major changes envisaged to DCIS processes and procedures in 2008 as a result of the Corporate Services Review, it is anticipated that a substantial revision of the Payables and Receivables sections will be required.

Policies and Standard Operating Procedures

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

As the Government's corporate services provider, DCIS has a requirement to develop and maintain policies and procedures that have a whole of government focus, in addition to internal procedures. Policies and procedures with application across Government are provided on the DCIS intranet site, while those specifically directed at DCIS staff are located on the staff-only intranet site. Policy updates are also advised in the Chief Executive's Newsletter.

Legal Services

DCIS has an outposted lawyer from the Solicitor for the Northern Territory (a statutory body managed by the Department of Justice) located full time within our Executive Unit, who is available to give advice, prepare legal documentation and manage any necessary outsourcing of legal services on behalf of DCIS.

Information Act Requests

DCIS received two applications under the *Information Act* to access personal information in 2006-07 with both requests being processed in a timely manner. A third application was received by DCIS, but was transferred to another agency for processing as DCIS did not hold the information being sought by the applicant. In accordance with the Act, freedom of information activity has been reported to the Information Commissioner and this information is incorporated in the Commissioner's annual report.

Ombudsman Enquiries

There were no Ombudsman enquiries in 2006-07.

Environmental Management

Energy Smart Building Policy

The Northern Territory Energy Smart Building Policy requires Government agencies to reduce energy use so that their energy use by 2010-11 is 10% lower than in 2004-05.

DCIS has responsibility for a variety of buildings including normal office buildings; an archives building that requires 24 hours air conditioning and humidity control; and the Government Printing Office and the Chan Data Centre that both have specific requirements.

Reducing fuel consumption and greenhouse gas emissions

Energy Saving Measures

Office buildings

- Building lights and airconditioning have been pre-timed to switch off after office hours and operate on a two-hour timer for outside hours use. Timers have been installed on photocopiers and hot water heaters to reduce after hours' use of electricity. Staff are encouraged to switch off computers and other equipment each night. Other avenues of energy savings to be explored include introduction of zone lighting controls.

Archives Building

- Work carried out by the building owner during 2006-07 in modifying the air conditioning has considerably reduced electricity consumption.

Government Printing Office

- A review of the lighting at the Printing Office recommended it be upgraded to conform to current Australian Standards. This will provide better lighting, reduce energy consumption and should also provide better working conditions for staff. This upgrade project commenced at the end of 2006-07.

Chan Data Centre

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

In addition, NT Property Management has been working with the Department of Planning and Infrastructure to achieve energy efficiencies in Government leased accommodation. Energy usage reports have been prepared for all significant leases, with recommendations implemented during lease negotiations. During 2006-07 Australian Building Greenhouse Rating Certification of 4.5 stars has been achieved in Old Admiralty House, with extensive energy efficiency initiatives implemented in the NAB Building and Energy House.

Other Environmental Management Initiatives

Through the efforts of NT Fleet, there is now a trend developing across Government towards more cost effective, fuel efficient 4 cylinder vehicles. Greenhouse gases from NT Fleet managed vehicles, reduced from 298gm/km in 2003-04 to 281gm/km in 2006-07, while the number of 4 cylinder vehicles in the fleet increased to 50%. NT Fleet, in partnership with agencies, expects this to increase to 52% over the next 12 months with further lowering of gas emissions and minimising operating costs.

The Government Printing Office introduced its new Computer to Plate printing system at the beginning of 2007, bringing the Office up to date with the latest technology and reducing its impact on the environment. The technology minimises the need for chemicals and water to wash plates down in the printing process. Since the introduction of the new printing system, there has been a saving of 300 litres of chemicals. When all of the printing moves across to the new system, there will be a saving of 1000 litres of chemicals a year.

OUR SERVICES

Efficient and reliable corporate services that support our customers in achieving their business objectives.

Overview

DCIS provides a full range of corporate support services to Government agencies and business divisions. These services are broadly grouped along functional lines as described below.

DCIS services include a substantial transactional processing element, particularly in the Financial Services areas of accounts payable and receivable processing and the Human Resource Services areas of payroll and recruitment processing.

To support these processing roles, DCIS operates and maintains three critical whole of government business systems – accounting, personnel and payroll, and the records management system. DCIS also operates the Government’s central data centre and provides a number of smaller business application systems with coverage across Government. Accordingly, DCIS’ role incorporates a significant element for IT system development, administration and maintenance.

In addition, DCIS provides a range of advisory, guidance and strategy development services to assist agencies, Government and the community. These value-adding services include procurement policy and advice, banking and taxation advice, accounting advice, systems training and assistance, ICT advice and ICT policy and strategy development.

The DCIS group encompasses three government business divisions – Data Centre Services, NT Fleet and Government Printing Office. Government business divisions are units which have a more commercial focus than traditional government activities and earn most of their revenue from user charges. In recognition of their commercial operation, government business divisions are categorised within the *Financial Management Act* as separate entities. Government business divisions are treated as distinct budget entities and are required to produce audited financial statements.

A description of DCIS’ services follows, with more detailed information on performance, achievements and planned initiatives of each service line provided throughout the remainder of this report, particularly in the section titled ‘Our Performance’.



*Louise Phillips, Jennette Spermon,
Tracy McIntyre*

Financial Services

Financial Services supports two key activities - Accounting Services and Financial Management.

Accounting Services

The Accounting Services Branch is responsible for delivering quality and cost effective accounting services to Government agencies through the timely and professional delivery of accounts payable, accounts receivable, asset and taxation accounting services.

The Accounts Payable section provides a processing function for payment of supplier invoices and employee claims. The section is also responsible for the management of corporate credit cards including reconciliation, managing credit card limits and monthly reporting.

The Accounts Receivable section encompasses issuing tax compliant invoices, processing receipts, managing Government debtors, banking services and account reconciliations. The section also provides a cash counter service for disbursing and receipting cash and urgent manual cheques.

The Asset Accounting section maintains a register of all land, building, plant and equipment assets, including some major and minor attractive assets. The section records asset purchases, transfers, disposals and write-offs and produces monthly depreciation schedules and reconciliation reports.

The Taxation Services section prepares and submits the Government's taxation returns for Goods and Services Tax (GST), Fringe Benefits Tax (FBT) and Payroll Tax. The section also manages the whole of government tax data set, including preparation of monthly Business Activity Statements and managing Pay As You Go tax arrangements.

Financial Management

The Financial Management Branch is responsible for ensuring that whole of government financial systems are fully-functioning, robust and reliable. The Branch is also responsible for providing agency financial ledgers and financial management reports. Additionally, the Branch has an internal role to provide budget and financial management support to DCIS.

The Financial Systems section provides support, maintenance and development of the Government Accounting System (GAS), a financial reporting warehouse, and a number of smaller corporate financial systems, which are linked to GAS. The key roles of this section are client support, system administration and technical support for GAS and associated systems.

The Client Support unit provides GAS support services for Government agencies including a help desk, problem resolution, system testing, application upgrades, system roll-outs, training schedules and user documentation. The System Administration unit maintains application security, system parameters, job control parameters, system reconciliations, data file transmissions and manages communication with users.

The Technical Support unit manages the GAS IT environment and technical requirements through supporting the job control language, in-house Cobol programs, nightly batch scheduling (including 24 hour call-out), database performance, GAS wizard development and managing the financial reporting warehouse.

The Ledgers section creates, amends and maintains financial ledgers for all agencies. The section

monitors ledgers to ensure each ledger remains in balance and performs a number of reconciliations on a regular basis.

The Financial Reporting section uses Business Objects web reporting tools to provide a wide range of financial and management reports for agencies, including monthly financial statements, reports to assist in taxation reporting, reconciliation reports and adhoc reports requested by agencies.

The Budget section provides specialist advice to DCIS management and staff on a range of budgeting and financial issues that support the Department in achieving its business outcomes. The section ensures that DCIS operates within budget and complies with the financial management frameworks. The section is also responsible for the billing of DCIS services, preparing budget submissions and providing financial information to Treasury.

Human Resource Services

Human Resource Services supports two key activities – Human Resource Services and Workforce Services.

Human Resource Services

The Human Resource Services Branch is responsible for delivering quality and cost effective human resource administration services across Government to assist agencies, employees and prospective employees. This is achieved through the timely and professional delivery of payroll, recruitment, workplace injury solutions and occupational health and safety services.

The Payroll Services section provides an administrative function for the payment and maintenance of salary and related entitlements for NTPS employees, including the maintenance of personnel records. The section processes and oversees payroll adjustments for Government employees in all employment categories, including overtime, allowances and salary payments for casual employees.

The Salary Packaging Section administers those areas of payroll involving the sacrifice of elements of salary to motor vehicles (novated leases), superannuation and laptop computers for NTPS employees. In addition, the section looks after employees engaged under Executive Contracts of Employment or under determinations of external bodies, such as Members of the Legislative Assembly.

The Recruitment Services section provides an administrative function for processing job vacancies, issuing employment contracts and offers of employment and processing staffing related movements, such as higher duties and transfers.

The Health and Safety Risk Management Services section provides integrated injury management services to Government agencies through two units that work in close association on occupational health and safety (OH&S) and workers compensation matters. The Occupational Health and Safety unit provides technical expertise and training, together with assistance in the development and implementation of effective OH&S management systems that identify and treat OH&S risk. The unit compiles and maintains statistics on OH&S incident reporting.

The Workplace Injury Solutions (WIS) unit provides integrated workers compensation and injury management services in partnership with client agencies and the Government's outsourced claims manager, the Territory Insurance Office. WIS services cover compensation claims administration, coordination of rehabilitation and return to work programs, training and information for agency managers.



Member for Goyder, Ted Warren (rear left) and DCIS Chief Executive, Graham Symons (right) pictured with the graduating apprentices in 2006-07.

Workforce Services

The Workforce Services Branch is responsible for providing support services to ensure the continuing and effective operation of the Government's core human resource information system. The Branch is also responsible for coordinating the professional delivery of short course training, employment programs and job evaluation services for Government agencies.

The HR Systems Support section provides management of the integrated personnel information and payroll system (PIPS), the employee self-service interface to PIPS (known as myHR) and the payment disbursement system (PAPMS). In combination, these systems comprise the Government's core IT systems for capturing and processing NTPS employee data and paying employees each fortnight. As such, they represent critical Government business systems and the section's role encompasses system administration, technical and user support, human resources reporting and training for agencies.

The Training and Employment Programs section has a focus on facilitating staff development across Government through two units – the Short Course Training unit and the Employment Programs unit.

The Short Course Training unit coordinates the delivery of quality and cost-effective professional training to Government employees. The unit develops an annual training calendar to cater for general training requirements applicable to all agencies, with calendars set for Darwin, Katherine and Alice Springs and other localities catered for on demand. The unit also facilitates professional trainers for targeted agency training programs and manages the training venues. Both accredited and non accredited training are offered across a wide range of topics and course durations.

The Employment Programs unit provides sector-wide coordination of Government employment programs, including NTPS apprenticeships, graduate development programs, national Indigenous cadetship programs and vacation employment for university students.

The Job Evaluation Services section provides a coordination, advisory and transaction processing service for all Government jobs subject to evaluation under the *Public Sector Employment and Management Act*. The unit provides advice on job evaluation matters, arranges and convenes evaluation panels and provides consultancy services to agencies where required.

New short-course training panel contract with 20 service providers across 50 training dimensions

Procurement Services

Procurement Services supports two key activities - Procurement Policy and Contract and Procurement Services.

Procurement Policy

The Procurement Policy Branch is responsible for implementing whole of government procurement policy reforms and the development and review of policy guidelines. In this context, the Branch manages the *Procurement Act*, including providing advice to agencies on compliance requirements, engaging industry stakeholders and proposing amendments to the legislation.

The Procurement Policy Branch develops and administers the Procurement Directions that come under the *Procurement Act* and are an integral element of the Government's overall procurement policy framework. The Branch also provides secretariat services to the Government's Procurement Review Board.

Contract and Procurement Services

The Contract and Procurement Services Branch provides a centralised tendering, contract award and optional period contract administration service for Government agencies for requirements valued above the public tendering threshold of \$50,000. The Branch also establishes and administers across-Government common use contracts.

A key role for Contract and Procurement Services is the provision of advisory and consulting services to agencies regarding all levels of procurement. This includes advice and assistance with procurement planning, specifying requirements, tender assessment and preparing recommendations.

Information and Communications Technology Services

Information and Communications Technology (ICT) Services supports four key activities – ICT Policy and Strategy, Telecommunications, ICT Industry Development and IT Service Management.

Information and Communications Technology Policy and Strategy

The ICT Policy and Strategy Branch is responsible for developing and maintaining ICT policies, architecture, standards and procedures and formulating whole of government ICT strategies. This policy role encompasses IT systems and data communications, including internet and telephones. The Branch is also responsible for provision of ICT security advice, incident response coordination and management of the NT Government's internet and intranet web sites.

Information and Communications Technology Industry Development

The ICT Industry Development Branch is responsible for identifying economic development opportunities for the ICT industry in the NT and delivering Government components of the NT ICT Industry Strategic Plan to help grow the local ICT industry. In this regard, DCIS has been tasked with managing the delivery of industry and community development programs from the whole of government ICT contracts.

Telecommunications

The Telecommunications Branch is responsible for developing telecommunications and broadcasting policy. This includes establishing policy to facilitate the delivery of improved mobile, broadband and fixed telecommunications, as well as television and radio broadcasting services, particularly to remote communities in the Territory.

The Branch also has a role in coordinating funding submissions to enable the provision of contemporary telecommunications services across the Territory.

IT Service Management

The IT Service Management Branch provides Government agencies with an advisory and facilitation service to support management of their IT requirements and IT environment. The Branch assists agencies with the integration of technology into their business, the development of agency IT policies and strategic plans, and the specification, costing, assessment and selection of IT services. This is achieved through the placement of DCIS-employed IT Directors and IT Managers on site in client agencies.

A crucial role for the Branch is to develop, negotiate and manage highly complex whole of government contracts for the provision of IT infrastructure and services across Government. These contracts include computers and associated equipment, telecommunications (phones, faxes, mobiles), electronic messaging and mainframe applications, along with ongoing user support services under the contracts.

The role incorporates management of relationships between client agencies and service providers, including dispute resolution and ensuring outsourced IT services meet Government agencies' business requirements. The Branch actively monitors the service delivery and compliance of external service providers with service level agreements.

Property Management Services

Property Management Services are provided through the NT Property Management (NTPM) Branch, which is responsible for ensuring cost effective leasing and management of commercial accommodation leased by the NT Government.

The Branch has central responsibility for the procurement and management of the Government's leased accommodation portfolio. The portfolio currently consists of more than 140 leases over approximately 173,000 m² of space leased throughout the Northern Territory. The Branch is also responsible for the development and implementation of Government office accommodation leasing and procurement strategies.

NTPM acts as a provider of corporate real estate services to Government agencies including accommodation strategies, lease negotiation, contract procurement and tenant advocacy. NTPM also manages relationships with landlords and other Government agencies which supply tenancy services.

Property leasing matters are overseen by the Government Office Accommodation Committee (GOAC). GOAC is responsible for providing a whole of government approach in coordinating and managing the office accommodation portfolio. It is comprised of the Chief Executives of DCIS, Treasury, the Department of Planning and Infrastructure and the Commissioner for Public Employment. As secretariat and adviser to this Committee, NTPM is responsible for developing the Whole of Government Leased Accommodation Plan and policies each year for consideration by the Committee and Government.

Archives Services

In 2006-07 the Archives Services Branch undertook two main functions – Archival Heritage and Records Policy and Systems.

The Archival Heritage section manages the collection, transfer and preservation of archives (including Government and community archives) and provides community access to the archives collections. The section also promotes the research and dissemination of Territory history through the NT History Grants program and manages the oral history program, which captures the recollections and experiences of people who have lived and worked in the Territory.

The Records Policy and Systems section provides whole of government records management standards, procedures and systems to support the creation and effective management of agency records. The section also monitors agency compliance with the standards, has responsibilities for the authorisation of disposal of Government records and supports the corporate records management system.

A Government administrative arrangements change in early 2007-08 will see the Archival Heritage section transfer to the Department of Natural Resources, Environment and the Arts. The Records Policy and Systems section remains with DCIS and becomes part of the ICT Policy and Strategy Branch.

Data Centre Services

Data Centre Services is responsible for the Government's central data centre (the Chan Data Centre) and, through this facility, delivers a range of information technology services to Government agencies.

Data Centre Services manages the Government's mainframe and prime mid-range server application environments, which are housed in the Chan Data Centre. The IT services that Data Centre Services provides to agencies include enterprise data storage and management, hosting services for web applications and database administration. Data Centre Services also manages a number of whole-of-government information technology functions, such as Lotus Notes licensing, electronic security and identity management.



Wayne Lindon

NT Fleet

NT Fleet is responsible for management of the Government vehicle fleet for all agencies, except Northern Territory Police, Fire and Emergency Services. The fleet includes both light and heavy vehicles.

NT Fleet's role encompasses vehicle acquisition and disposal, contract management, vehicle usage monitoring, coordination of maintenance and repairs and reporting to agencies. NT Fleet's role also includes policy advice to Government on vehicle fleet matters and fleet planning and operational advice to agencies.

NT Fleet's primary goal is to minimise the operating costs of the Government's vehicle fleet by working closely with agencies towards acquiring a more modern fleet, which is fit for purpose, fuel efficient and environmentally friendly.

Government Printing Office

The Government Printing Office delivers cost-effective printing and publishing services to the Northern Territory Parliament and the Government through a centralised operation in a secure environment.

The Government Printing Office provides the reserve function printing requirements, which include the Daily Hansard, Bills, Acts, subordinate legislation and Government Gazettes. The Printing Office also manages printing needs for Government agencies, including annual reports, budget papers, ballot papers, stationery, brochures, posters, and other reports, publications and promotional material.

“The Northern Territory Auditor-General’s Office is a long-standing client of the Government Printer and we rely on the services they provide to us throughout the year.

Our printing requirements demand high quality, quick turn-round and confidentiality. These requirements are all met through a strong focus on client needs coupled with a high level of technical expertise. We also value the ability to ascertain the progress of our work by contacting the Government Printing Office at anytime.

Over the many years of working with the Government Printing Office, the printing requirements of the NTAGO have been met without fail.”

*Frank McGuinness,
Auditor General*

OUR PEOPLE

‘Capable and committed people that contribute to the achievement of outcomes’

Overview

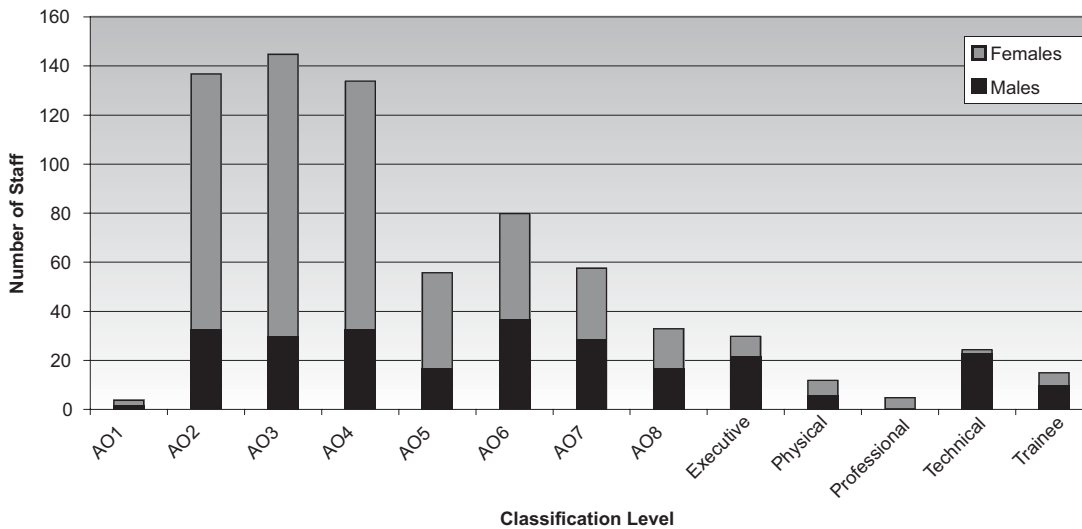
The Department’s services are delivered through its people, who are the foundation through which the Department’s professional relationships are built and maintained, services provided and outcomes successfully achieved.

Our business outcomes are underpinned by the corporate objective of valuing and enabling capable people. As a high performing organisation, we ensure that competent people are committed to optimising corporate performance and the efficient use of resources. Correspondingly, we are committed to supporting and developing our people to guide their performance and build skills and competencies.

Our Staff in Profile

There are over 700 people employed by DCIS and its three Government business divisions across a number of disciplines. Over half of our people range between the AO2 and AO4 designations and 65% of staff are female, as the following chart demonstrates.

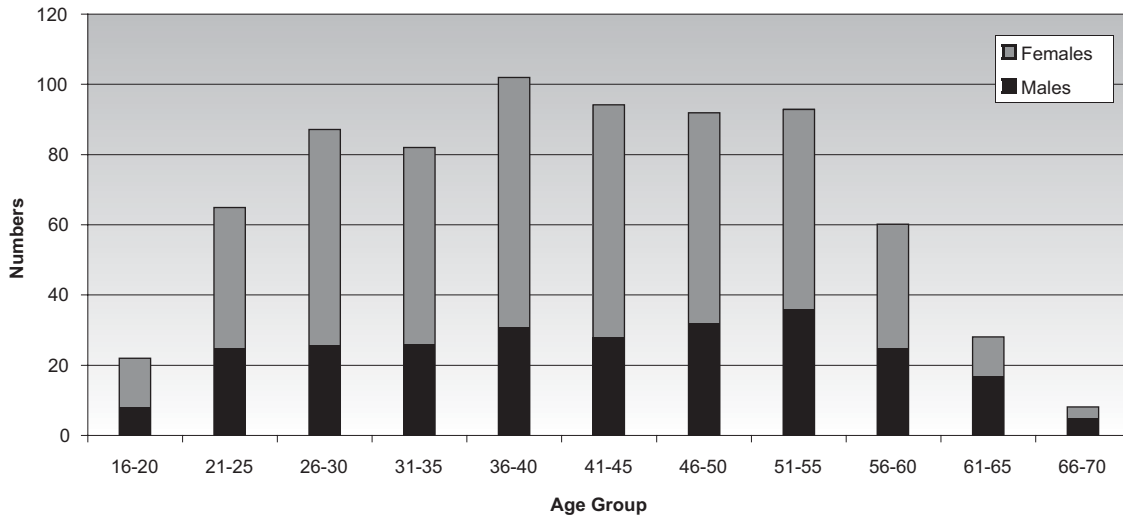
Staffing by Gender and Classification



Acknowledging and rewarding significant individual and team achievements

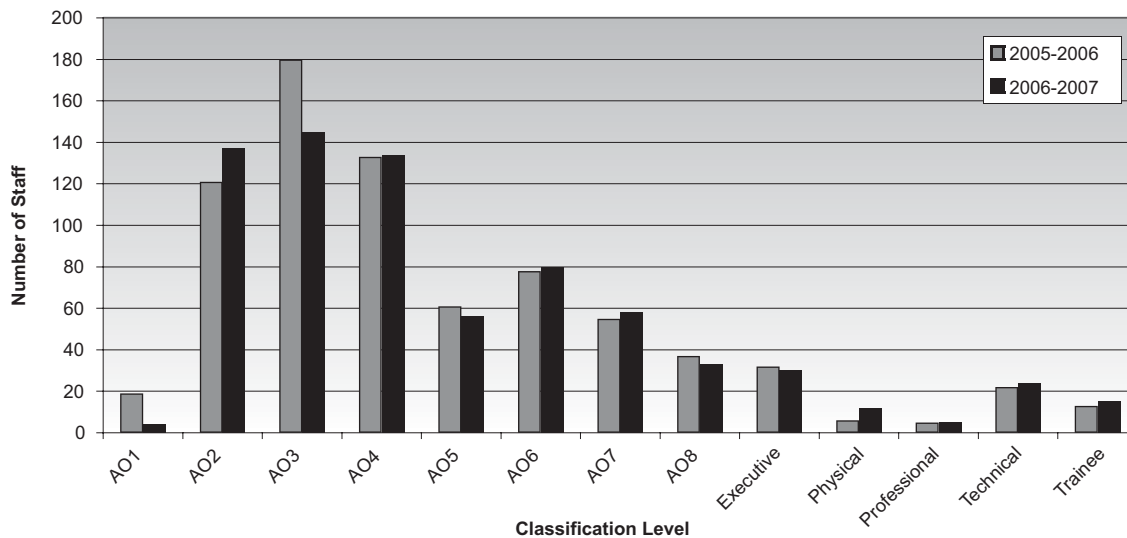
The distribution of age and gender is fairly even across the Department, although there is a slightly younger representation of female staff compared to males.

Staffing by Gender and Age



Staffing numbers have reduced over the year by 3.8%. The AO3 classification has had the greatest variance in absolute terms with 35 less full-time equivalent (FTE) staff than at the end of 2005-06. Increased efficiency and lower workloads due to initiatives, such as the corporate credit card policy and increasing the public tender threshold, have reduced the requirement for some operational processing roles. Variations in the AO1 and AO2 classifications are primarily due to the review of payroll services and the consequent change in payroll officer classifications. Base grade payroll positions have transitioned from the AO1 to AO2 classification under the Payroll School program.

Variation in Staff Numbers



People and Development Unit

The DCIS People and Development (P&D) Unit is responsible for coordinating human resource management and development across the Department to ensure our objectives and commitments are met.

The unit identifies and facilitates the delivery of learning and development programs and provides human resource consultancy services to DCIS business units. Focal areas include workforce planning, change management, recruitment and case management. The unit also identifies and addresses employment trends and develops policies and procedures for DCIS.

Growing Our People

DCIS recognises the need to develop staff, build skills, make provision for succession planning, facilitate careers and progress knowledge to build a competent, capable workforce.

The mechanisms for growing our people are through the implementation of a Corporate Capability Plan; the Support Program and Information Network (SPIN); supporting participation in leadership programs and executive coaching; facilitating staff rotations; and attracting and supporting graduates and apprentices.

Personal Planning Process (3P)

The personal planning process (known within DCIS as 3P) is a mechanism for staff and their supervisors to establish a shared understanding of work unit objectives and identify personal professional development needs on an annual basis. The *Public Sector Employment and Management Act* requires agencies to have a staff performance management and development system and DCIS meets this requirement through the 3P program.

Learning and professional development needs identified through 3P provide the basis for developing the annual Corporate Capability Plan that addresses key development needs at a corporate level. The completion of a workplan and professional development plan (a component of 3P) by all staff encourages personal responsibility for learning and development needs.

Ultimately, staff learning needs are delivered according to the Plan through such programs as SPIN, the Employee Assistance Program and other training courses.

Corporate Capability Plan

Developed through the capture of learning needs identified by the Executive Board of Management, business planning and through 3P, the DCIS Corporate Capability Plan identifies and maps the Department's capability gaps. The Plan is used throughout the year to guide development initiatives and drive the content and availability of a number of programs.

Focus areas identified for development in the 2006-07 Corporate Capability Plan were leadership, change management and customer service. These areas were addressed through a variety of formal and informal programs. One of the more innovative delivery methods developed within DCIS is the Support Program and Information Network (SPIN).

Support Program and Information Network (SPIN)

The SPIN sessions provide a forum for staff to network and learn through sharing information and experiences related to a specific topic or theme. Sessions are conducted by human resource consultants from the People and Development unit and guest speakers from within DCIS.

To further the experience with peers, sessions are divided into two groups. The operational group includes all staff levels up to AO5 and the strategic group includes all staff at AO6 and above. A collaborative focus session is conducted quarterly with both operational and strategic groups jointly invited to attend.

SPIN session topics during 2006-07 included 'Probation', 'Change Management', 'Recruiting for the Experienced', 'Work Life Balance', 'Bullying and Harassment in the Workplace', 'Building a Customer Focused Workplace', 'The Good, the Bad and the Ugly of Supervision', 'Tricky Entitlements', and 'Fun is Not a Dirty Word'.

Over the year there were 131 attendees at the operational SPIN sessions, 45 at the strategic sessions and 87 at the quarterly sessions. Participants evaluate each SPIN session and the feedback has been consistently and overwhelmingly positive.

Leadership Programs

DCIS has continued to support specialised management programs such as the Public Sector Management Program (PSMP), Discovery, Springboard and Navigator. During 2006-07 four staff undertook PSMP, one staff member the Discovery program, nine staff attended Springboard for women and two completed the Navigator mens' management program. Executive coaching was also identified as another mechanism to enhance the leadership capability within DCIS.

Women in Leadership

DCIS supports women to undertake development programs at different stages of their career. Two targeted programs, Springboard and Discovery, were accessed in conjunction with the Public Sector Management Program.

Springboard is a program directed at women in non-management roles working within the AO4 to AO6 classification range. The purpose of the program is to enable women to assess their development needs and equip them with the skills to take steps towards addressing and meeting these needs. The program is conducted over four days. In August 2006 five staff attended the Springboard program in Darwin and four in Alice Springs.

Discovery – Women as Leaders program is a fifteen-day, intensive leadership program providing a unique personal and professional development opportunity for women in management roles. Participants have the opportunity to gain knowledge of contemporary leadership practices and change the way they view themselves and their career opportunities. The program is designed to facilitate increased participation by women in leadership across the NTPS. One DCIS staff member undertook the Discovery program during 2006-07.

DCIS has continued to support development through tertiary studies with four women undertaking the Public Sector Management Program in 2006-07.

Executive Coaching

DCIS also supports the development of senior managers at Executive Officer Level 1 and above, through an executive coaching program. This program is sponsored by the Chief Executive and involves matching the participant with a coach from one of three panel providers, with additional mentoring and support provided by the Chief Executive. The program is self-directed in consultation with the sponsor and is undertaken over a one year period.

Staff Rotations

In September 2006, DCIS launched a Rotation Policy. The purpose of this policy is to support staff development needs identified through 3P by facilitating an appropriate work placement for a period of three months.

Twenty-eight staff registered an expression of interest for the rotation program. The People and Development unit facilitated six rotations within DCIS and five rotations within the NTPS. A further seven staff received promotions on a temporary or permanent basis. Four staff declined a rotation opportunity or were unavailable for placement due to personal reasons. The rotation program is supplemented by a number of staff transfers and development opportunities undertaken through the usual staff selection processes.

Graduates and Apprentices

DCIS supports an active apprenticeship and graduate program to improve staff retention and build skills and knowledge. Fourteen apprentices placed within DCIS graduated in 2006, and there were seven apprentices continuing or commencing within DCIS in 2007.

Six graduates continued with the graduate program and a further three graduates commenced the two-year program in 2007.



Lukas Sigut

Supporting Our People

DCIS employs a number of mechanisms to support staff, supervisors and managers. These include the development of online toolkits, provision of HR consultancy services and access to employee assistance programs.

Programs and processes that encourage and value staff feedback include the Chief Executive's Rewards and Recognition Scheme, the Over 30's Club, the Chief Executive's monthly newsletter and annual staff feedback mechanisms.

Staff Sensing

DCIS undertakes an annual program to ascertain the views of staff on important and current business issues. This program, known as staff sensing, provides a valuable mechanism for both determining the views of staff across the Department and also facilitating staff input and involvement in developing internal policy and operating principles.

The focus of this year's staff sensing was customer services, with the question posed - 'What do you do that impresses or impacts poorly on the customer experience?' The staff sensing process took the form of focus groups with facilitators from within DCIS. Over 100 staff attended one of 9 focus groups.

The outcomes identified focus areas for training and development programs in skills, behaviours and knowledge related to the delivery of high quality customer service. They also identified that new supervisors needed further information about their role and responsibilities, including how to identify and manage workplace issues.

The needs of new supervisors were further explored through a supervisor survey and workshops held in Darwin, Palmerston and Katherine, where the top 11 concerns relating to team member performance and welfare were identified.

These concerns provided the basis for developing the Supervisors' Workplace Information Toolkit, which was launched in Alice Springs on 2 May 2007 and is available in hard copy booklet and electronically on the DCIS staff-only intranet site.

Another initiative arising from staff sensing was the Return to Work Program. The program targets those employees progressing on long-term leave and identifies the type of assistance they may require on return to work. The framework was approved by the Executive Board of Management on 16 August 2006 and includes:

- establishment and promotion of family friendly rooms
- implementation of a return to work package for employees
- implementation of a return to work package for supervisors
- development of an exit procedure for employees proceeding on long term leave.

Currently, one carer's room is available on the 6th floor of Darwin Plaza, with procedures established for its use. Planning for facilities and support options is continuing.

Rewarding and Recognising Our People

Recognising staff for the work they do is one of the most important things we can do to help make DCIS an 'employer of choice' and to promote behaviours in line with our Corporate Plan objectives and our vision of 'Do whatever it takes'.

Chief Executive's Rewards and Recognition Scheme

In January 2006, the Executive Board of Management approved the Chief Executive's Rewards and Recognition Scheme as a formal mechanism for recognising and showing appreciation to our staff. The Scheme comprises twice yearly awards to acknowledge the most significant individual or team throughout that period as well as a small number of certificates of commendation for other notable achievements.

During 2006-07, two awards processes were conducted. Nominations were accepted for:

- Desktop Transition Team, for completing the seamless transition of contracts and transfer of desktop computing services from CSC to Fujitsu within three months
- combined regions payroll teams for successfully transferring most of the Department of Health and Community Services' payroll services from Alice Springs to Casuarina

- Payroll Services, for relocating the payroll services for NT Police, Fire and Emergency Services from Casuarina to Darwin
- NT Fleet, for pursuing the initiative to increase four cylinder vehicles in the fleet in order to reduce fuel consumption and greenhouse gas emissions, with emission reduction targets exceeded
- IT Services Management, for restructuring to create clusters of expertise and IT manager resourcing around agency groups to deliver better customer service
- the DCIS Social Club - a much appreciated but unsung committee who put an enormous effort into a number of events, such as the staff and kids christmas parties and events raising funds for charity, including participation in Australia's biggest morning tea.

All of these initiatives have involved pre-empting customers' needs and taking steps to deliver positive outcomes before being asked.

The winners of the Chief Executive's awards in 2006-07 were:

- the combined payroll team leading the transfer of the Department of Health and Community Services' payroll services from Alice Springs to Casuarina
- NT Fleet for facilitating the reduction in fuel consumption and exceeding greenhouse gas emission reduction targets.

Individual business units supplement the Chief Executive's Scheme with other approaches to recognise excellent performance specific to the unit. Examples of these business unit approaches include Accounting Services acknowledging individual high performances monthly, and a bi-monthly employee recognition award in Contract and Procurement Services, with a certificate and name added to a permanent plaque. The Government Printing Office recognises staff service achievements at monthly meetings, including twenty-year service presentations to two staff in 2006-07.

The 'Over 30's' Club

The 'Over 30's' Club was an initiative introduced in 2006 to celebrate and recognise DCIS employees with over 30 years of service in the NT Public Sector. The club held its inaugural gathering in July 2006. There are currently 37 members.

Communications

The Chief Executive produces a newsletter each month that is placed on the staff-only intranet site. It is a forum for updating staff on key topics and happenings within DCIS. Many newsletters feature a team profile, which provide an insight into the various teams in the organisation and their function. The profiles include personal interests, work history and roles.

Change Management

In 2006 DCIS implemented a Change Management Framework to provide a guide on how to successfully undertake a change management program. The guiding principles within the framework and the associated documentation are in everyday use by managers and staff throughout DCIS.

Two key components of the framework are – the *Change Management Guide for Supervisors* and the *Change Management Guide for Employees*. The supervisors' guide is focused on leading and facilitating change, while the employees' guide has an operational and personal approach.

The Change Management Framework is being further enhanced in 2007 to include a summary guide and toolkit with quick-reference templates and samples. With the impetus and rate of change affecting the NTPS, easily referenced guides for best-practice change management are recognised as being critical for responsive leadership within DCIS.

The framework was used by four business units in 2006-07 to manage significant change. Both Contract and Procurement Services and the Accounts Payable section required functions to be modified, some positions restructured and overall staffing reduced following the introduction of significant Government initiatives. The Payroll Services section applied the change management framework to assist with the transition of some services between centres and the re-evaluation of functions following the review of payroll positions, with new team structures implemented. Additionally, the framework has been used to manage the transition of the Records Policy and Systems section into the ICT Policy and Strategy Branch.

DCIS' People and Development unit assisted management of affected business units in applying the Change Management Framework. The unit also facilitated consultation with stakeholders, assisted with job matching processes and provided ongoing support to staff, supervisors and managers.

"I have been part of the Government Printing Office for over twenty-five years. In this period the print industry has undergone dramatic and often spectacular technological and ideological changes. During this time I have been engaged in several capacities including Estimating/Client Services, Production Management and more particularly, and essentially, in the Pre-Press area.

I enjoy coming to work, I enjoy the challenges we face and I appreciate and recognise the efforts made by those around me. I know that I am working in an environment where nothing stands still, where every day offers a challenge and where the vast majority of our staff care about what they do and how they do it."

*Scott Sekulich,
Pre-Press Supervisor, Government Printing Office*

Employee Assistance Program

DCIS offers an Employee Assistance Program that provides a confidential range of professional counselling services for staff and their immediate families, independent of both DCIS and the NTPS. DCIS uses two principal providers - Darwin Clinical Psychologists and the Employee Assistance Service.

In close partnership with the People and Development unit, these providers have also delivered training and development courses, facilitated workshops and management planning sessions and provided mediation, career counselling and management coaching.

Key Initiatives in 2006-07

As indicated above, DCIS undertook or progressed a number of corporate initiatives to grow and support our people during 2006-07. In addition to the corporate initiatives outlined, DCIS branches implemented a number of people initiatives specific to their circumstances and consistent with overarching frameworks and policies.

Accounting Services

Following the introduction of the corporate credit card policy, Accounts Payable underwent a full review of staffing levels, structures and processes. To ensure a smooth transition, a change management team was established to facilitate communication, review processes and provide tools to support the new credit card management system.

With fewer transactions to process, staffing levels were reduced with almost all identified positions resolved through normal staff movements. Where this could not be managed, staff were given the opportunity to apply for the position through a job matching process. With the assistance of the People and Development unit, training was provided to staff on how to write a successful application and interview techniques to ensure no-one was disadvantaged during the process. All remaining staff have been placed in positions within Accounting Services Branch.

During the review it was also recognised that the Banking Services unit was at risk of not having adequate multi-skilled resources or diversity of positions to carry out core banking functions and meet internal control requirements. The unit was merged with Accounts Receivable to better align the responsibilities, ensure knowledge transference, manage risk and provide support and career progression.

Human Resource Services

In recognition of the requisite skills and knowledge required to be a competent payroll officer and in response to high turnover rates in the technically demanding payroll field, Payroll Services established a unique induction program called Payroll School.

Payroll School commences with a 6-week intensive training program combining off-the-job face to face learning with on-the-job practical training. Over the duration of the 6-month probation period, Assistant Payroll Officers are brought through a customised competency-based training program that ensures their rapid development into competent and effective payroll officers.

This highly successful program is the only entry point for base grade officers into Payroll Services and is an integral component of the recruitment and retention strategies of the HR Services Branch.

Complementing this initiative has been the comprehensive revision of all payroll positions, work distribution and team structures, which has created clearer career paths and opportunities for payroll officers. A structured development program has also been designed to build the capacity of the Payroll Services management team.

Procurement Services

Following the increase in the public tender threshold, the volume of procurement subject to the tendering process was reduced by approximately 50% per month. The opportunity was taken to re-structure Contract and Procurement Services with the emphasis on efficient service delivery, systems and procedures. This resulted in redefined positions and significantly lower staffing required to provide tendering services. This revised structure is in the process of being implemented.

Addressing skills gaps and building management capabilities

Business Unit Training

Corporate training and development courses are delivered through a range of programs, including structured leadership programs, SPIN sessions and training identified in 3P. Corporate training is supplemented by specific training organised by individual business units across DCIS.

- Accounting Services - in-house development sessions held quarterly covering a range of topics relating to financial systems and designed to provide staff with a broader understanding of activities within the Branch.
- Human Resource Services - Payroll School and payroll services management development program. Workforce Services implemented a cross-skilling and knowledge transfer program for the HR Systems Support unit to expand the knowledge base of team members and ensure there is no single source of knowledge for any aspect of the HR systems.
- Contract and Procurement Services - policy that permanent staff of the Branch have a minimum qualification of Certificate IV in Government (Procurement). Currently fifteen staff have this certification, with six of these staff now having completed the Diploma of Government (Contract Management) and one person having completed the Advanced Diploma of Government (Strategic Procurement).
- Property Management Services – focus on skills building, increasing staff capability and attracting and retaining staff with commercial property management expertise.
- NT Fleet - conducts two seminars a year wherein Darwin and regional staff participate in workshops aimed at developing a common understanding and united approach on fleet management issues. The knowledge sharing during these seminars is invaluable and contributes greatly to the development of staff.
- Government Printing Office - all staff attended information sessions, training courses, seminars or conferences, including Occupational Health and Safety awareness, printing industry seminars, Prism, Printex07 and specialised training on the newly installed Computer to Plate system and large format folding machine.

“There’s never a dull moment in the JES Unit we’re kept busy at all times. Customer service is our highest priority, as we are required to deal with clients from all agencies at different levels and backgrounds. We strive to meet our service level agreement, which is at times quite challenging.

Thanks to support from my Manager and Director I have been encouraged to develop my skills through attending various courses. Since commencing with the JES Unit I am now a qualified evaluator, I enjoy the process of job evaluation and meeting other panel members. I am currently studying for a Diploma in Frontline Management.

I have also enjoyed the challenge of assisting in improving the efficiency of the administrative processes within the work unit, my Manager has allowed me a lot of freedom whilst working on this work assignment and together we hope to complete our goal by the end of 2008.”

*Carolyn Fishburn,
JES Support Officer*

Initiatives Planned for 2007-08

DCIS is committed to providing ongoing training, growth and development opportunities for staff across the Department, further multi-skilling our employees through the encouragement of participation in leadership programs, staff rotations, executive coaching and continuing support for the graduate and apprenticeship programs.

DCIS promotes staff development and training at both a corporate level and within individual branches. At a corporate level, in addition to further enhancing the Change Management Framework and defining the Corporate Capability Plan, one of the key human resource initiatives that DCIS will pursue in 2007-08 is development of the Management Capabilities Framework.

Management Capabilities Framework

Through a number of forums, such as staff sensing, SPIN sessions and various business planning workshops, the roles and responsibilities of supervisors and managers have come under scrutiny. To support the significant change processes throughout DCIS, a Management Capabilities Framework is being developed that will provide definition and clarity around these key roles within the Department.

It is intended that the framework will provide benefits for the Department and staff at a number of levels. Firstly, it will define expectations and provide definition for individuals and units with regard to 'what are the people management skills required at what level?' This will also translate to formal role definitions as provided within job analysis questionnaires and job descriptions.

Secondly, the framework will provide a self-assessment tool for staff in their current role and assist them to identify their capability gap for promotion. Finally, it will also provide a platform for performance management to be used by staff and supervisors in conjunction with the 3P program.

Business Unit Initiatives

In keeping with the Department's commitments to grow and support our people, key initiatives planned for 2007-08 by individual branches across DCIS include:

- Financial Management - develop and implement standardised financial services training packages for our customers and DCIS staff
- Accounting Services - continue to conduct in-house staff skills development sessions quarterly
- Workforce Services - develop a plan to address skills gaps and build management capability
- Human Resource Services - introduce the Payroll Services management training program and maintain the Payroll School program
- Contract and Procurement Services - develop and present short, specific internal staff training courses whenever new standard procedures are introduced or existing procedures significantly updated.

Legislative Compliance

Reporting Against Employment Instructions

Under the *Public Sector Employment and Management Act*, fourteen Employment Instructions have been issued that provide direction to agencies on human resource management matters. Each Employment Instruction specifies the agency action required. DCIS' performance against each instruction is reported below.

Employment Instruction and Agency Requirements	DCIS Action
<p>Number 1 – Recruitment</p> <p>Agency to develop procedures on recruitment and selection for internal use.</p> <p>CE required to report annually on the number of employees in each designation and variations since last report</p>	<p>DCIS has implemented policy and procedures for use by managers and selection panels.</p> <p>The Supervisors' toolkit developed in 2006-07 provides a quick reference guide to managing the recruitment process.</p> <p>Recruitment action undertaken during 2006-07 included 148 vacancies advertised, 148 staff commencing and 158 separations processed.</p> <p>None of the vacancies filled in 2006-07 were appealed.</p>
<p>Number 2 - Probation</p> <p>CE to develop a probationary process for their agency and convey details of the probationary process to employees within their first week of reporting for duty</p>	<p>DCIS probation policy has been implemented and is distributed to staff through workplace induction and DCIS recruitment e-induction program.</p>
<p>Number 3 – Natural Justice</p> <p>The rules of natural justice to be observed in all dealings with employees.</p>	<p>The principles of natural justice are followed in all dealings with employees.</p> <p>The Supervisors' toolkit includes a short guide to natural justice principles.</p>
<p>Number 4 – Performance Management</p> <p>CE to report annually to the Office of the Commissioner for Public Employment (OCPE) on management training and staff development programs.</p> <p>CE to develop and implement performance management systems for their agency.</p>	<p>Management training and staff development activities and performance management are reported through the 3P program, as described in this annual report.</p> <p>Further information on DCIS' staff development programs, including leadership and executive coaching is included in the Growing Our People section of this report.</p>
<p>Number 5 – Medical Incapacity</p> <p>No agency action or reporting requirements.</p>	<p>DCIS managers liaise with the P&D Unit and the OCPE for specific advice on resolving medical incapacity as required and on a case by case basis.</p>

Employment Instruction and Agency Requirements	DCIS Action
<p>Number 6 – Inability to Discharge Duties</p> <p>CE to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>CE may establish procedures regarding inability within their agency.</p>	<p>DCIS managers liaise with the P&D Unit and the OCPE seeking specific advice and assistance as required and on a case by case basis.</p>
<p>Number 7 – Discipline</p> <p>CE to provide OCPE with information on the extent to which this Employment Instruction has been used by the agency.</p> <p>CE may establish procedures regarding discipline within their agency.</p>	<p>DCIS has implemented performance management policy and procedures. The Supervisor’s toolkit provides DCIS supervisors with a quick reference guide to managing the discipline process.</p> <p>There was no formal disciplinary action required in DCIS for 2006-07.</p>
<p>Number 8 – Grievances</p> <p>CE shall establish written procedures for the agency that should outline steps for dealing with grievances and be available to employees.</p>	<p>The Supervisors’ toolkit includes a quick reference guide to managing grievances.</p> <p>Two formal grievances were received in 2006-07– one in relation to bullying and harassment and another in relation to accessing personal records. Both matters were addressed through formal processes.</p> <p>Two informal grievances were managed within DCIS in relation to bullying and harassment.</p>
<p>Number 9 – Now incorporated in Employment Instruction 1</p>	
<p>Number 10 – Employee Records</p> <p>Agencies are required to maintain appropriate employee records and implement procedures for maintaining and accessing these records.</p>	<p>DCIS is responsible for storing NT Government agency personnel files.</p> <p>Any requests by DCIS employees to access their employee records are made through the P&D Unit.</p>
<p>Number 11 – Equal Employment Opportunity</p> <p>CE to devise and implement programs to ensure equal employment opportunities and outcomes are achieved.</p> <p>CE to report annually to the OCPE on programs and initiatives agency has developed. Report should also include reports detailing specific action in relation to Aboriginal employment and career development, and measures to enable employees to balance work and family responsibilities.</p>	<p>DCIS has an Equal Employment Opportunity Committee that monitors and ensures equal opportunity throughout the Department. A mandatory requirement in all DCIS job descriptions allows for the assessment of all applicants against equal employment opportunity principles.</p>

Employment Instruction and Agency Requirements	DCIS Action
<p>Number 12 – Occupational Health and Safety</p> <p>CE to develop programs to ensure employees are consulted in the development and implementation of occupational health and safety programs.</p> <p>CE to report annually to the OCPE on occupational health and safety programs. Records must be kept on risk assessment, maintenance control and information, instruction and training provided to employees.</p>	<p>DCIS has an OH&S framework comprising a representative steering committee and OH&S committees for each work site tasked with monitoring and addressing site-specific OH&S issues. The OH&S framework ensures appropriate monitoring of the health and safety of staff throughout the Department.</p> <p>DCIS management is committed to providing a safe workplace and uses the 10 point OH&S management system. DCIS has also fully funded flu vaccinations for staff who choose to be vaccinated.</p> <p>A mandatory requirement in all DCIS job descriptions allows for the assessment of applicants against OH&S principles.</p>
<p>Number 13 – Code of Conduct</p> <p>CE may issue guidelines regarding acceptance of gifts and benefits to employees. CE may issue agency specific Code of Conduct.</p>	<p>New staff are provided with the NTPS Principles and Code of Conduct as part of their commencement package. DCIS also draws heavily upon the Code when delivering the DCIS Orientation Program that is mandatory for all new DCIS staff.</p>
<p>Number 14 – Part-time Employment</p> <p>CE to advise unions on a six-monthly basis of number of part-time employees by salary stream.</p>	<p>DCIS is supportive of part-time working arrangements and other flexible work arrangements. In the majority of circumstances, senior management approves an employee’s request for part-time work as and when required. DCIS has a policy in this regard as part of the DCIS’ Flexible Work Practices policy.</p>

OUR CUSTOMERS

'Professional relationships with our customers, suppliers and stakeholders'

Overview

DCIS has a broad customer base including NT Government agencies, the business community that tenders for Government contracts and receives Government payments, the ICT industry, NT Government job seekers and the broader community in areas concerning archival heritage and telecommunications.

As a cornerstone of our Corporate Plan, DCIS is focused on building better working relationships with our customers, improving services and supporting our customers to enable them to achieve their business objectives.

Government Agencies

The primary role of DCIS is to provide corporate services to Government agencies and business divisions. As such, agencies represent the major customer group for DCIS. A full suite of corporate services are provided by DCIS to assist agencies in delivering their core business. These services are described in the 'Our Services' section of this report.

In striving to enhance our services to agencies and build better working partnerships with agencies, DCIS maintains a focus on the following key elements:

- implementing service improvements
- developing system improvements
- educating and training agency staff
- regularly communicating with agencies in an open and understandable manner.

Service Improvements

DCIS regularly monitors and evaluates the services it provides to agencies and encourages a focus on enhancing services wherever feasible. Contemporary technology and processes are examined to consider suitability and options for improving services to agencies.

During 2006-07, the Government's outsourced contract for provision of desktop and laptop computers and associated support services was transitioned from CSC to Fujitsu. The transition project went smoothly and was completed successfully, with the new contract incorporating a hardware refresh program, in which a sizeable portion of computers and laptops were replaced with updated equipment. The hardware refresh program has been well received and has appreciably improved services for agency clients, as many have received new and better computing devices.

The most recent improvement in IT services for DCIS' customers is the completion of the Local Area Network upgrade project, which saw over 30,000 network ports successfully installed in over 200 sites throughout the Territory.

Options for migrating the Government to a single messaging product were evaluated. In consultation with agencies a strategic direction was established focusing on greater use of IT collaboration tools such as online portals, workflow and instant messaging. These tools will enable productivity improvements through increased efficiency.

The Government's policy to increase the use of corporate credit cards for payments up to \$500 and for travel and printing expenses was introduced in 2006. DCIS played a major role in implementing this policy, including development of new processes and procedures, arranging provision of more cards to meet agency needs and communicating the new policy and procedure requirements.

A new panel contract for professional trainers to provide short course training across a range of disciplines was established during 2006-07. The panel contract ensures suitable trainers are available to meet contemporary staff development needs across Government. Agency representatives provided a critical role in the assessment processes for the new panel contract, with a total of 24 members from 13 agencies participating in the assessment panels.

Customer service improvements have also been high on the agenda of the Northern Territory Property Management (NTPM) Branch of DCIS in 2006-07. NTPM organised a major new accommodation lease in the NAB Building (Chinatown) for the Department of Planning and Infrastructure and NT Police, Fire and Emergency Services. In collaboration with a number of agencies NTPM has also progressed a co-location strategy for Tourism NT and the Department of Business, Economic and Regional Development to enable these agencies to work together more effectively.

In consultation with customers, NTPM has developed service specifications for leased property management services. These include: whole of government accommodation planning, consultancy services, lease procurement, lease management, inter-agency coordination, facility management and reporting.

NTPM has also been working with the Department of Planning and Infrastructure and building owners to achieve energy efficiencies in Government leased accommodation. Energy usage reports have been prepared for all significant leases, with recommendations implemented during lease negotiations. During 2006-07 Australian Building Greenhouse Rating Certification of 4.5 stars has been achieved in Old Admiralty House and extensive energy efficiency initiatives implemented in the NAB Building and Energy House.

In relation to the provision of Government vehicles, NT Fleet has continued to work closely with agencies to ensure that the most suitable vehicles for effective agency service delivery are acquired and maintained. NT Fleet has also improved its monthly fleet reporting for agencies to raise the level of awareness of motor vehicle requirements and costs. This customer-focused approach has led to NT Fleet being invited by a number of agencies to participate in reviews of their current and future vehicle fleet needs.

"The Power and Water Corporation has a current fleet of 250 light vehicles and 107 heavy vehicles, all leased through the Department of Corporate and Information Services' NT Fleet. NT Fleet staff are very professional when handling customer queries, as they are well trained and competent in all facets of the vehicle industry. NT Fleet staff provide information promptly when requested and the level of customer service and support is of a consistently high standard."

*Mary Marshall
Transport Officer, Power and Water Corporation*

System Improvements

To fulfil its role as the Government's core transactional processing centre, DCIS operates and maintains a series of central whole of government IT systems. These systems capture and record a wide range of information including accounting, employee, recruitment, workers compensation, public tendering, property management, records management and vehicles information. DCIS continually monitors and seeks to enhance these IT systems in order to expand functionality and provide more efficient, contemporary systems to assist both agencies and DCIS in delivering their services.

DCIS developed the Travel Request Information Processing System (TRIPS) for internal use to electronically administer the authorisation, recording and acquittal of official travel. This system incorporates an automated workflow and authorisation solution that streamlines the travel recording process, reduces paper flow and maintains an audit trail. Following requests from some agencies for access to this system, a multi-year program to roll-out TRIPS to agencies was commenced in 2006-07. To date TRIPS has been implemented in nine agencies and roll-out of the system will continue throughout 2007-08. Developing a reporting capability for TRIPS was a key task in 2006-07 with further enhancements planned for 2007-08 to meet agency needs.

To support the corporate credit card policy, during 2006-07 DCIS implemented and rolled-out an Electronic Card Management System. This system facilitates the monitoring, tracking and verification of credit card transactions across Government. Implementation of the system included training for 362 cardholder and verifier users. Ongoing system support and training for agency staff is now provided on a regular basis.

The DCIS' Workforce Services Branch concentrated in 2006-07 on improving the usefulness of the self-service human resource facility, myHR, across Government. Several improvements were introduced to the functionality of this web-based facility, including a mechanism to enable multiple users to access myHR using a shared computer while retaining data confidentiality.

The use of myHR was extended to cover school-based employees of the Department of Employment, Education and Training, as well as the Aboriginal Areas Protection Authority, the Local Government Association of the Northern Territory and the Department of the Legislative Assembly. The roll-out of myHR to DEET schools is a significant and notable achievement and is due to a long-running, collaborative effort from DCIS and DEET. Employees at schools across the Territory are now able to electronically access their personnel records via the Government's intranet.

Across Government, usage of myHR has enabled 54% of all payroll transactions to be generated electronically. There has also been a 25% reduction in the number of paper payslips distributed each payday as more employees make use of payslip facilities in myHR. Human Resource Services has continued to work with agencies to improve their internal HR processes and incorporate myHR as the preferred method of initiating and processing HR transactions. Specific improvements have been made in areas of claiming overtime and initiating temporary transfers.

Data Centre Services has focused on establishing a virtual server network to provide a more efficient and highly reliable support service for agencies' mid-range IT systems and database applications. Through this network, agencies are able to have their in-house systems transferred to high powered servers in the Chan Data Centre and have the systems professionally managed. This application hosting service provides significant benefits to agencies in terms of increased service reliability, efficiency and reduced costs.

Education and Training

Staff turnover in agencies and movement of NTPS employees between positions and agencies means that there is an ongoing requirement to provide a core set of training and awareness sessions for agencies. These include training in modules of the Government Accounting System, tendering and procurement requirements. In addition, specific education and training sessions are conducted when new systems and services are introduced, such as the implementation of the electronic card management system and TRIPS in 2006-07.

DCIS' Financial Systems section delivered a total of 174 training courses with 1,017 attendees, covering all aspects of the Government Accounting System and associated systems including credit cards and travel systems. This training program was conducted in Darwin and the main regional centres, with four visits to Alice Springs during 2006-07.

Procurement Services encourages agency procurement staff to undertake relevant procurement training. To this end, a number of accredited training courses have been established which are available to agency staff in all regions. These courses cover basic procurement modules through to the Advanced Diploma level. During the year two new courses were made available - 'Developing Specifications and Tender Documents' and 'Debriefing Tenderers'. Most of the larger procuring agencies have now set up centralised procurement units staffed by suitably qualified officers.

DCIS' Contract and Procurement Services also provides individually tailored procurement awareness sessions to agencies on request, for example as part of agency induction programs. These sessions cover parts or all of the procurement cycle, including electronic assessment of tenders.

In addition to DCIS specific training delivered by the Department, DCIS has whole of government responsibility for providing short course training across a wide array of topics to develop staff in all agencies. This function is delivered through DCIS' Training and Employment Programs section with over 5,400 half-days of training provided to Government employees in 2006-07.

The section also administers the Government's apprenticeship program and facilitates the training of apprentices in agencies. In this regard the section worked closely with the Department of Health and Community Services (DHCS) in 2006-07 to develop the Aboriginal Health Worker Apprentices Program. Staff from both DHCS and DCIS interviewed interested applicants in a number of regional locations, in conjunction with the local health clinic managers. The successful applicants commence their apprenticeships in July 2007.

In order to assist agencies to comply with the records management provisions of the *Information Act*, a records management training program was developed for NTPS employees. An agreement was reached with Charles Darwin University for the delivery of Certificate III training in records management for NTPS staff and delivery of the training commenced in February 2007.

As part of its customer advisory service, the Government Printing Office educates customers in the processes associated with print procurement through plant familiarisation tours and printing advice. The tours were conducted regularly in 2006-07 and were again a highlight, with excellent feedback received. These tours give customers an insight into the printing technology utilised at the Government Printing Office and printing requirements.

Communication

Communicating with our customer agencies is critically important and DCIS maintains an array of communication mechanisms as outlined throughout this report. We have an emphasis on positive communications at all levels from corporate communication, local contact through DCIS' regional service centres to individual contact between DCIS staff and customers. Agency feedback is valuable and is actively encouraged. Across DCIS the feedback is consistently supportive although it has highlighted some areas where DCIS needs to better engage with customers and to work more closely in partnering on corporate services to support agencies' business.

With the launch of the Corporate Services Review in 2006-07, DCIS' Accounting Services Branch established a Finance Managers Forum to ensure agencies are kept abreast of new or impending developments and changes to financial processes and procedures. The Finance Managers Forum meets six-weekly and includes senior finance staff from all agencies, DCIS and NT Treasury. The Forum provides an opportunity for agencies to raise finance issues with DCIS and Treasury and provide feedback on developments.

The Purchase Order User Group was re-established and will provide an important conduit for agency users as initiatives under the Corporate Services Review are implemented.

Additionally, stakeholder forums in some key DCIS service areas were held in 2006-07 with agency representatives invited to attend. The forums have enabled DCIS to highlight future initiatives, describe the rationale for policies and approaches and to explain operational requirements. These forums and other information sessions also allow two-way communication, with agencies able to raise their queries and concerns. DCIS forums and agency communication sessions in regional centres were well attended and the local feedback was excellent. The focus on regular and open communication with agencies will continue.

A number of DCIS business units maintain a regular program of meetings with agencies. The ICT Policy and Strategy Branch is secretariat to the NT Government's Information Management Committee, which comprises representatives from the major agencies and meets quarterly. The Employment Programs unit implemented an agency visitation schedule in 2006-07. The twice yearly visits commence the planning for Government apprenticeship intakes and provide monitoring and information sharing regarding employment programs.

The Contract and Procurement Services Branch holds regular scheduled meetings with key procurement staff in all agencies and provides assistance and advice on more complex procurement projects. The Government Printing Office's Sales and Services unit also maintains a regular meeting schedule with agencies to coordinate printing requirements and foster professional relationships with key staff.

Surveys are also employed at times to elicit agency feedback on specific issues. During 2006-07 Job Evaluation Services (JES) evaluators in agencies were surveyed regarding participation rates and availability. Feedback was generally positive, with the results provided to the Office of the Commissioner for Public Employment. The Commissioner thanked evaluators for their contributions.

"I have been writing Job Analysis Questionnaires for years for PAWA / DPI and I am also a JES Evaluator. During this time I have always found the staff within the JES unit very helpful and knowledgeable with enquiries regarding all JES processes."

*Debbie Hendry
Policy Officer, Road Network Division
NT Department of Planning and Infrastructure*

Service Agreements

Service agreements between agencies and DCIS for the provision of corporate services were implemented a number of years ago. The agreements concentrate on service or product lines and include detailed pricing schedules. In recent times the benefits of moving to a shared services model for corporate services, which involves agencies and DCIS working in a more collaborative approach, have been recognised. In 2006-07 DCIS began the task of substantially revising its customer management framework and customising the form and content of service agreements with agencies. Progress on this initiative has slowed due to changes arising and anticipated through the Corporate Services Review. The customer management framework, including service agreements and reporting, will continue to be progressed in 2007-08.

Data Centre Services, as a Government business division, has established separate service level agreements with agencies for both its mainframe and mid-range services. These agreements reflect the specific situation and IT infrastructure needs of individual agencies. Service level agreements across mid-range services are in place, with mainframe service level agreements developed and implemented for some pilot agencies. Work on those agreements will continue in 2007-08.

Initiatives Planned for 2007-08

- Continue the focus on customer service improvements across DCIS, with specific initiatives including:
 - undertake market research for an agency budget system to assist agencies in developing and managing their budgets
 - work with agencies to increase usage of myHR for leave, temporary transfers and overtime
 - make myHR shared computer access functionality available to all Government employees, to enable employees such as nurses, bus drivers and physical grades to take advantage of the myHR facility.
- Progress the desktop transformation project across Government, refreshing computers, laptops and other devices that are due for upgrade.
- Make Microsoft Office Suite licences available to NTPS staff under the 'home use' agreement, which will enable approved employees to purchase a low cost licence of the Office Suite for their personal use at home.
- Review procurement services cost structure in December 2007 with a view to passing on efficiencies to our clients in the form of reduced pricing for services.

- Further develop and implement enhancements for whole of government IT systems administered by DCIS including:
 - improve the functionality of the Travel Request Information Processing System (TRIPS) and make the system available to all agencies
 - rewrite DCIS' internal receipting system, known as RePS, to include a security layer, which will allow other agencies to utilise the system
 - upgrade the Local Area Network to 100 Mb, which should result in a 10-fold improvement in network speed
 - automate the reconciliation process for credit cards and pricing systems
 - prepare a business case for the upgrade to TRIM Context version 6 release 2.
- Develop and present information sessions targeting customer needs in the areas of:
 - Electronic Card Management System utilisation
 - managing debt
 - GST and FBT requirements
 - online tutorials for the Government Accounting System covering introductory and enquiry courses
 - Government procurement policy and tendering requirements.
- Revise the records management Certificate III training module and develop Certificate IV training modules to assist agencies to comply with the records management provisions of the *Information Act*.
- The Government Printing Office will implement a customer feedback questionnaire to ascertain customer satisfaction with the Office's services to assist in assessing performance.
- Customer Shared Services Agreements will be further developed to replace existing service level agreements.

Industry

DCIS interacts with most industry sectors in the Territory either directly or indirectly through the corporate services it provides to agencies. This interaction covers the ICT industry, where DCIS has a significant focus and direct involvement, through to potential suppliers to Government as part of the procurement function and existing suppliers for the accounts payment function. Regular interaction is also maintained with particular industry sectors relating to specific areas of DCIS' business, such as property and fleet management and printing services.

DCIS is committed to building and retaining productive working relationships with industry customers and stakeholders. In this regard, DCIS maintains regular and open communication with an array of industry representative groups.

Enhancing corporate IT systems that apply across Government

ICT Industry

DCIS maintains a significant involvement with the ICT industry in the Territory through outsourcing a number of information technology and communications services for Government and facilitating industry development initiatives.

In relation to the whole of government ICT service contracts, 2006-07 saw the transition of the desktop contract to a new provider and the tendering and establishment of a new contract for mainframe applications.

The contract for provision of desktop and laptop computers, associated equipment and support services was successfully transitioned from CSC to Fujitsu in 2006. This was a complex and critical project with the transition progressing smoothly due largely to the cooperation and input of the service providers and Government agencies and the significant efforts of DCIS staff. Completion of the transition project on time allowed a computer hardware refresh program to be commenced providing benefits to agencies across Government.

During 2006-07 a new mainframe application services contract was also successfully implemented. This contract provides support for a number of core business systems across Government and incorporates strengthened service levels and reporting requirements.

Fostering the progress of the local ICT industry remains a key priority for DCIS with ICT industry development managed through a dedicated unit, which encourages industry development initiatives and monitors commitments arising from the whole of government ICT contracts. The unit analyses industry trends and develops innovative strategic policy options to address emerging issues. The local ICT industry is actively encouraged to have input into policy development, initiatives and events. The focus during 2006-07 has been on introducing collaborative and jointly managed programs, enhancing training and career opportunities and improving services.

In November 2006 the DCIS Minister launched the five-year NT ICT Industry Strategic Plan in conjunction with the Australian Information Industries Association (AIIA). One of the issues identified in the Plan is the lack of graduates in ICT-related disciplines and the future employment and resourcing difficulties that this creates. To address this issue, the NT ICT Careers Roadshow commenced at Darwin High School in early 2007. This three year program is co-managed by Fujitsu, DCIS and the local ICT industry and is designed to encourage school leavers to consider a career in ICT, including enrolment in tertiary ICT courses at Charles Darwin University.

In addition, in November 2006 the DCIS Minister officially opened Telstra's new 150 seat 'Zephyr' call centre in the Mitchell Centre, Darwin. This call centre is part of Telstra's industry development commitments within its telecommunications contract with the NT Government.

Another major initiative in 2006-07 was the founding of the Business Improvement Centre, which is a jointly sponsored program comprising DCIS staff and IT personnel from the private companies that hold the major ICT outsourced contracts (desktop, telecommunications, messaging and mainframe applications). The Business Improvement Centre concept is unique and focuses on improving ICT services and finding solutions for specific ICT matters that will improve business processes and outcomes.

Procurement

In relation to procurement activity, dealings with industry centre around Government's procurement policy and ensuring the fairness and equity of procurement processes. Another focal point is the identification of opportunities for industry, particularly local industry, to supply Government. Procurement matters cover the spectrum of Government operations and, accordingly, interaction with industry covers a diverse range of suppliers from major construction companies through to local service providers. Industry interaction is mostly focused on industry representative groups, such as peak councils and industry associations to ensure a broad coverage of interests.

DCIS' Procurement Policy Branch maintains regular contact with a number of industry groups including the Government Procurement Council, Chamber of Commerce, NT Industry Capability Network and Contractor Accreditation Limited, as well as industry associations where required. It is important to maintain good relationships and communications to ensure that the needs of industry are considered when implementing new policy, with input able to be provided and industry kept aware of changes to Government policy. DCIS and the Department of Business, Economic and Regional Development (DBERD) work closely together to ensure that the relationship with industry is fostered to achieve successful outcomes for both sectors.

In this regard, DCIS in conjunction with DBERD, ran Government procurement sessions in all regions during October Business Month in 2006. These sessions were targeted at local businesses seeking to supply to Government and were open to the general public.

Contracts Awarded 2006-07

Agency Name	Actual		Portion of Government Total	
	Number	Value \$000	Number	Value %
Department of Planning and Infrastructure	445	275 368	38.0%	30.2%
Power and Water Corporation	243	364 633	20.7%	40.0%
Department of Health and Community Services	136	33 026	11.6%	3.7%
Department of Corporate and Information Services ¹	95	186 078	8.1%	20.4%
Department of Employment, Education and Training	25	15 200	2.1%	1.7%
All Other Agencies	229	36 715	19.5%	4.0%
TOTAL	1173	911 020	100.0%	100.0%

1. The significant value in DCIS contracts is primarily due to the major whole of government desktop contract and a number of five-year vehicle contracts for NT Fleet.

Procurement Services represents the Government on a number of industry and Government boards and committees, including:

- Leadership Group of the Australian Procurement and Construction Council Inc - the peak council of agencies responsible for procurement, construction and asset management policy for the Australian, State and Territory Governments

- Contractor Accreditation Limited (CAL) - a privately managed Northern Territory organisation jointly owned by the Chamber of Commerce, Territory Construction Association and the Small Business Association. CAL ensures that contractors meet specific accreditation requirements for various levels of work
- Government Procurement Council - purpose is to enable the private sector to have more involvement in the improvement and effectiveness of Government procurement policy.

Other Industry Groups

Supplementing the above major industry groups, some DCIS business units maintain relationships with particular industry groups related to their services. The main examples of this industry specialisation are:

- property owners, developers and managers – NT Property Management for office leasing and ongoing property management requirements
- vehicle sellers, repairers and auctioneers – NT Fleet for vehicle acquisition, maintenance and disposal
- local printing industry – Government Printing Office for outsourcing specialised and overflow print jobs.

The focus in dealing with these specific industry sectors is consistent with DCIS' overall approach to customer and industry relationships. DCIS is focused on building professional and positive working relationships through regular and open communication, with a readiness to listen to industry views and accept input.

A number of communication mechanisms have been established to liaise effectively with these industry groups, including regular discussions with industry peak councils and industry associations, such as the Motor Traders Association. To keep abreast of and have an input to property management matters, NT Property Management is a core member of the Property Council of Australia. Both NT Fleet and NT Property Management are members of benchmarking groups and participate on national public sector groups in their relevant fields.

Initiatives Planned for 2007-08

- Monitor the progress of initiatives incorporated in the NT ICT Strategic plan.
- Review the Government's policy position on intellectual property rights and develop software applications contracting terms with suppliers that enable them to use intellectual property developed within Government in other markets.
- Assist in advising and developing the export capability of the local ICT industry. In 2007-08 an export facility is expected to be opened in Singapore by the NT ICT industry.
- Continue the NT ICT Careers Roadshow as part of the three year program to encourage school leavers to consider a career in ICT.
- Continue monitoring the successful IT maintenance flights of service provider technicians to remote communities. The 'Flying PC doctors' are making a difference in the communities.

- Work closely with the Department of Business, Economic and Regional Development in attending as many industry forums as possible to improve the relationship with potential tenderers and gain feedback to improve tendering systems and processes. Forums already planned are October Business Month, 'Meet the Buyers' in November 2007 and a number of information sessions and training forums conducted by the Darwin Chamber of Commerce.
- Introduce, on a 12-month trial basis, the publishing of assessment criteria weightings for all tenders valued over \$1 million.

Other Customers

Unlike many agencies, DCIS' services are primarily provided within Government, to other agencies. As such, DCIS' direct involvement with the Territory community, excluding industry, is principally in the following service areas:

- Human Resource Services – for paying NTPS employees, recruitment action and coordinating apprentices
- Archives – for access to and provision of archival heritage records
- Telecommunications – for policy and strategies to improve coverage across the Territory, with a focus on remote communities, including ICT skills training
- Community broadcasting services – for Government broadcasting policy and assistance, and evaluation of options to improve household television reception.

On behalf of the Government, DCIS supports various non-government organisations and community groups in delivering a wide range of individual, family and community services across the Territory, through gifting or loaning furniture, fittings, computers and vehicles and by subsidising accommodation. Recipient details for 2006-07 are at Appendices F, G and H respectively.

Human Resource Services

For DCIS' human resource services provided to agencies, particularly payroll and recruitment services, we are cognisant that the needs of a second customer group are also vitally important and must be served – Government employees and prospective employees. DCIS works extensively with agencies to ensure information on relevant DCIS services is provided to employees. Communication mechanisms include the Government internet and intranet sites, brochures on a range of topics and tailored information sessions delivered to employees.

An innovative strategy to encourage skills development in the local community, with potential linkages to future Government employment, is the DCIS scholarships and academic prizes programs. Working in collaboration with Charles Darwin University, DCIS sponsors undergraduate students in both business studies and IT studies. The scholarships are assessed annually and provide \$5,000 to the successful scholarship applicants. DCIS also sponsors annually, through the NT Board of Studies, an award and \$500 prize that recognises the most outstanding academic achievement in Information Technology by a year 12 student.

Archives

The archives centres in Darwin and Alice Springs continued to experience significant patronage with growing customer demand. In 2006-07 some 903 customers visited the Darwin and Alice Springs research rooms and were provided with access to almost 49,000 archival items, an increase of over 5,500 items compared to last year and a 13% increase in the amount of information provided to customers. The archives centres provide archival collection, preservation and community access services.

The Archival Heritage Section also has responsibility for recommending annual history grants to members of the community undertaking worthwhile history and heritage related projects. In 2006-07 history grants totalling \$50,000 were awarded to 14 successful applicants. Recipient and grant details are at Appendix I.

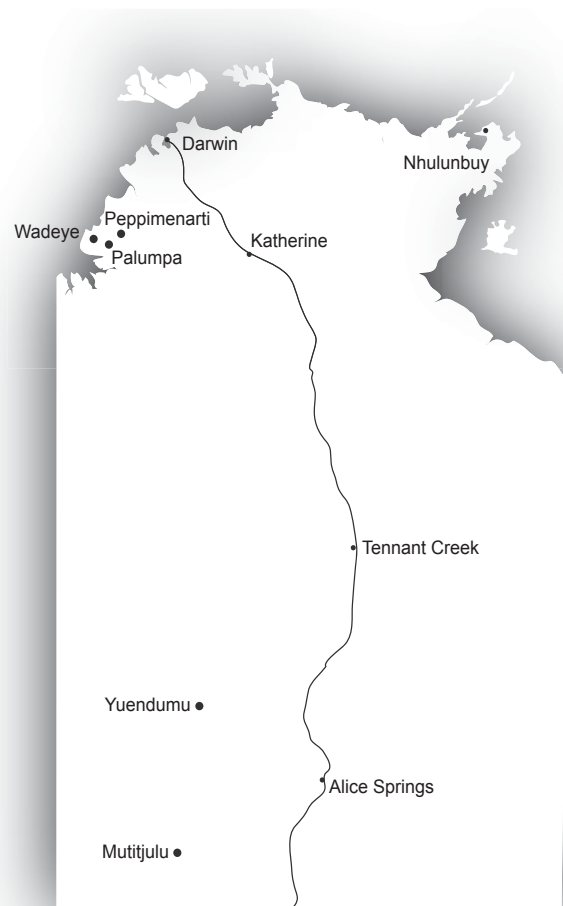
Telecommunications and Broadcasting

Through the year improvements were made to mobile phone and internet data communications coverage and services in the Territory. An additional 6 mobile base stations were enabled providing almost continuous mobile phone coverage between Darwin and Katherine.

The communities of Wadeye, Peppimenarti and Palumpa were reached with fibre optic cable providing state of the art communications, including ADSL services. Wadeye will be enabled with 'Next G' mobile phones in the near future. ADSL was also installed into Yuendumu and Mutitjulu, the first very remote communities to have broadband services. Twelve additional ADSL sites were also enabled in Territory metropolitan and regional centres.

In addition, an advanced ICT training program was initiated across the Territory, with the Local Government Association of the Northern Territory contracted to provide the service. This is an Australian Government funded program, with the aim of raising the level of ICT skills in remote Indigenous communities to enable residents to make full use of the infrastructure and broadband services being delivered. This will also enable community residents to access Australian Government web-based services and programs, such as Centrelink. The program will provide train-the-trainer training and other advanced training.

During 2006-07, DCIS collaborated with the Department of Local Government, Housing and Sport to bid for funding under the Australian Government's Clever Networks program for corporate business systems and ICT for new NT shire councils.



Remote broadcasting saw significant changes to the Territory network with the shift to internet services to link participating radio stations, thereby providing a saving to Government. Territory FM has received Government funding for 18 years. At the end of 2006-07, Territory FM realised the ability to be self-sustaining and has not sought further Government assistance.

Initiatives Planned for 2007-08

- Enable not for profit community groups and non-government organisations to apply for 'refurbished' Government computers at little or no cost.
- Maintain a focus on providing relevant, accurate and user-friendly information to Government employees and prospective employees.
- Continue to encourage skills development and recognise academic achievement in the community by maintaining the monetary scholarships awarded to successful Charles Darwin University business studies and IT studies applicants; and maintain the award and prize for the highest-achieving year 12 Territory high school student in the field of IT studies.
- Following the change in Government administrative arrangements in 2007-08, Archival Heritage will transfer to the Department of Natural Resources, Environment and the Arts. A key initiative for 2007-08 will be to complete this transition smoothly with minimal, or nil, impact on Archives Services customers.
- Archival Heritage in Alice Springs and Darwin will coordinate the planning for the Australian Society of Archivists 2007 Annual Conference in Alice Springs.
- Complete the Advanced Training project, providing train the trainer and advanced ICT skills training in remote communities for Indigenous residents.
- Continue to focus on accessing Australian Government funding for improved telecommunications services in the Territory, including telecommunications infrastructure in remote areas and wholesale competition through a second fibre optic cable connecting the NT to other jurisdictions.
- Through a focused information campaign, improve the uptake of digital TV and reduce the reliance on NT House as a television broadcasting site for Darwin.

*Facilitating ICT training programs for
remote community residents*

OUR PERFORMANCE

'Effective and efficient business processes and systems that deliver value for money'

Overview

2006-07 was both a productive and challenging year for business units across DCIS. Significant initiatives were implemented, with the changes impacting services delivered, business systems and resourcing and having flow-on impacts for DCIS staff and our customers. The major initiatives include:

- introducing a policy for use of corporate credit cards for Government purchases under \$500
- implementing a new team structure for Payroll Services, transferring payroll functions for major agencies between DCIS offices and establishing a Payroll School
- increasing the threshold for calling public tenders for Government procurement from \$10,000 to \$50,000
- transitioning the whole of government desktop computers contract to a new provider
- developing a whole of government accommodation plan for the first time.

With their significant focus and impact on customers and staff, these initiatives are discussed in more detail in the 'Our Customers' and 'Our People' sections of this report.

Additionally, 2006-07 marked the commencement of the Corporate Services Review as a multi-year whole of government reform program that will take a number of years to fully implement. The Corporate Services Review is focused on improving and streamlining back-office functions through a structured business process re-engineering approach. Some initiatives under the Corporate Services Review were identified in 2006-07, with the range of system and process changes expected to be determined in 2007-08 and implementation projects commenced.

In 2006 DCIS had an active continuous improvement program focused on business process reviews of core DCIS functions, including accounting services and human resource services. A number of the performance initiatives described here have emanated from this program. With the commencement of the Corporate Services Review and the close alignment of process reviews, in order to avoid duplication, the program has been temporarily suspended.

DCIS' performance over 2006-07 has been targeted at the dual objectives of:

- maintaining successful day-to-day operations, with high standard services continuing to be delivered
- implementing initiatives in a seamless manner such that they integrate with existing services and improve business outcomes.

Specific performance results of DCIS business units not covered in the 'Our Customers' and 'Our People' sections are outlined below. Actual achievements against targets for 2006-07 for each of the output performance measures published in the Territory Budget (refer to Budget Paper Number 3 'The Budget') are reported in this section.

Financial Services

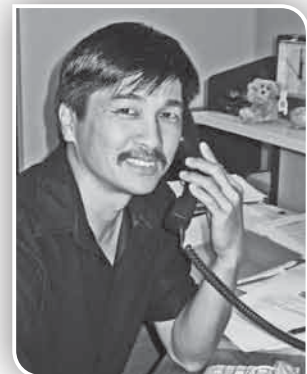
In addition to maintaining core services and implementing the Government's corporate credit card policy, a number of initiatives were identified and progressed through 2006-07. Most initiatives arose from the DCIS business process improvement program.

Development of more enhanced banking services has continued to make it easier and more convenient for customers to pay Government. In conjunction with Westpac, the Government's banker, a present and pay system was implemented to allow customers to pay accounts receivable invoices over the phone. Work commenced in 2006-07 on a project to transition to Westpac's new web-based business banking application, called Corporate Online, for agency electronic banking requirements. This project will be completed in 2007-08.

The functionality of the Receipts Processing System (RePS) was analysed and improvements identified that will provide appropriate security controls in order to enable roll-out to selected client agencies during forthcoming years. Modifications to RePS security controls were commenced in 2006-07 and will continue into 2007-08.

All Government agencies pay payroll tax with the calculations of tax payable undertaken in DCIS through a largely manual process. Following extensive analysis and consultation with Treasury and agencies, the calculation of payroll tax for agencies was automated with the first production run scheduled for the end of July 2007. The benefits of this initiative lie in a reduction in monthly processing time and streamlining of end-of-year processes.

Development of a web-based Ledger Transfer Facility to be included into the Accounts Receivable requisition module was progressed. This email workflow solution will enable agencies to initiate invoices, pay accounts or transfer funds online and seamlessly update their ledgers. When operational this facility will enable cost-efficient processing of inter-Government transactions. The project is scheduled to be completed in 2007-08.



Vernon Lowe

The Vendor Compliance units were relocated from the Darwin and Alice Springs offices to Palmerston. This strategy consolidated and centralised the vendor creation and tax compliancy functions to deliver a more efficient and cohesive service to our customers, as well as positioning DCIS to better respond to future changes in tax legislation.

Following the GAS upgrade last year, the GAS environment was analysed and tuned, which has led to a number of efficiencies. The wizard servers have been reduced from 3 to 2 and web servers reduced from 2 to 1 with corresponding a reduction in mainframe resource requirements.

Financial systems training courses delivered to 1,017 attendees

Financial Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Creditor invoices processed ¹	438 846	350 000	355 820
	Debtor invoices processed	32 025	32 000	31 612
	Assets recorded	15 942	15 000	16 082
	Corporate credit card transactions as a proportion of total payments ²	12%	-	-
	Financial system cost	\$7.2M	\$7.4M	\$7.3M
Quality	Processing error rate	<0.5%	<0.5%	<0.5%
	System availability	100%	100%	100%
Timeliness	Creditor invoices processed <8 days	90%	>90%	96%
	Average days to collect debts ³	33	35	36
	Average days to record assets	10	10	10

Notes:-

1. Increased corporate credit card usage by agencies following the introduction of the corporate credit card policy in 2006 has reduced payments through the Accounts Payable system. The 2006-07 estimate was revised down from 443 000 to 350 000 in recognition of this impact.
2. This quantity measure is more reflective of activity in agencies rather than DCIS' outputs and has been removed.
3. The name of this measure was changed during 2006-07. It was previously named 'Days Sales Outstanding'. The measure itself has not altered.

Initiatives Planned for 2007-08

- Increase the use of electronic information transfer to improve Accounts Payable processing turnaround.
- Finalise implementation of Westpac's Corporate Online application into Government agencies, which will provide web access to bank account information.
- Finalise development and roll-out of the automated Ledger Transfer Facility, which will significantly reduce manual processing time for inter-Government transactions.
- Introduce the Receipts Processing System (RePS) into selected client agencies to assist in reducing manual processing of receipts.
- Continue with development and implementation of Form Trap Phase II, which will enable invoices to be delivered electronically to corporate clients and interfaced with the RePS system via barcode scanning technology.
- Enhance agency extracts and business views in the financial reporting data warehouse to increase efficiency and reduce server requirements.
- Implement Government Accounting System wizard access via the web in order to improve processing and reduce the dependency on specialised software to share information.
- Evaluate electronic registration options for GAS training courses to automate the current manual registration process and remove duplicated data entry.

Human Resource Services

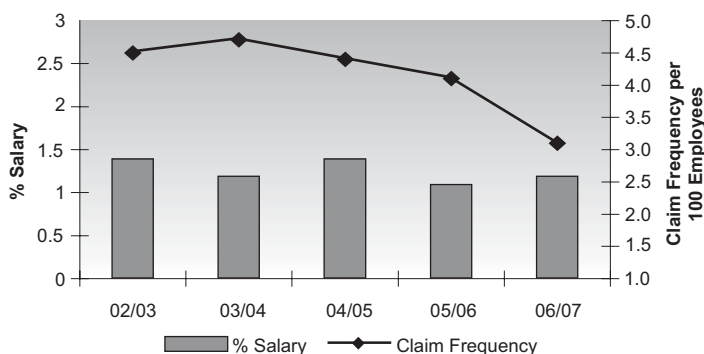
Primary administration and processing roles in Human Resource Services, such as payroll services and recruitment services, continued to perform well throughout 2006-07. While payroll processing functions remained essentially unchanged, substantial transfers and movement in activity and team structures were undertaken to establish appropriate service models and improve overall performance. Payroll services for the two major client agencies with the most complex payrolls, Department of Health and Community Services and NT Police, Fire and Emergency Services, were reconfigured and transferred between DCIS offices. Results to-date from these transfers show improved service levels with more timely and accurate processing of the agencies' payrolls.

This year a business process improvement review of workers compensation services covering both DCIS' Workplace Injury Solutions (WIS) and the Territory Insurance Office (TIO) was undertaken and resulted in the implementation of a Service Level Agreement between the two parties in February 2007. To date the Agreement has realised some improvements in business processes, with more anticipated over 2007-08. The existing protocols, which provide guidance to both WIS and agencies in relation to the management of injured workers and their claims, were also reviewed as part of this process.

As a result of the BPI review several 'quick wins' were identified and the relevant procedural changes were implemented within the first half of the financial year. This has resulted in more streamlined processes, in particular with regard to the provision and payment of legal services.

A combined effort with the Department of Health and Community Services resulted in several long-term workers compensation claims being resolved. This, together with the strengthening of partnerships with other agencies in regard to the management of injured workers, saw a further decline in unfunded compensation liabilities, down another \$5 million this year.

NTG Claim Costs as a % Salary and Claims per 100 Employees



The decline in claim frequency is attributed to agencies acceptance and take-up of early intervention practices and through the implementation of OH&S management plans. Costs have increased marginally due in part to agencies agreeing to the commercial resolution of several long-term claims.

A new panel contract was established for the Short Course Training unit, comprising 20 service providers across 50 training dimensions. In addition, work commenced on a new business system to manage the delivery of short course training. The new system will include functionality to allow online training registrations for Government employees and electronic approval by delegated officers.

The Employment Programs unit has successfully met the targets and objectives of the NT Government's Jobsplan initiative, with over 360 apprentices employed during the three-year program.

The establishment of Jobsplan 3 as a key initiative in the 2007-08 Territory Budget has ensured the continuity of the NTPS Apprenticeship Program. The program target is to employ a total of 200 apprentices over two years within the NT Government, with Jobsplan 3 focusing on the employment of Indigenous apprentices and Territorians from disadvantaged backgrounds.

Compilation of a catalogue of the most frequently requested HR reports from the HR information systems and documenting report details was commenced in 2006-07. A suite of agency-level human resource reports was developed in 2006-07. These reports are designed for chief executives and agency management boards. The reports are published monthly via DCIS' data warehouse.

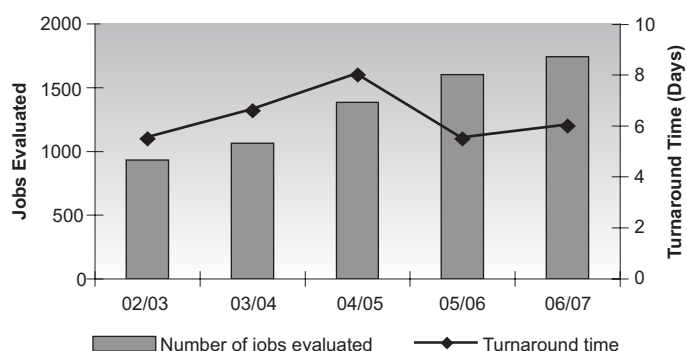
Human Resource Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Employees paid ¹	17 697	17 700	17 881
	Commencements and terminations processed	12 430	13 000	13 133
	Human resource system cost ²	\$6.7M	\$7M	\$6.7M
	Number of half days training delivered ³	6 578	5 000	5 438
Quality	Pay transactions processed:			
	- electronically via myHR ⁴	57%	49%	54%
	- manually via PIPS ⁴	43%	51%	46%
	Number of workers compensation claims processed in statutory time limits	98%	100%	98.9%
Timeliness	Training course satisfaction level	97%	90%	95%
	Pay transactions processed in applicable pay period	98%	98%	98%
	Number of job evaluation system matters processed within 10 days	100%	100%	100%

Notes:-

1. This measure reflects a point-in-time head-count of Government employees and includes staff of entities that are not agencies, such as Power and Water Corporation and the Batchelor Institute of Indigenous Tertiary Education. This head-count measure is different to full-time equivalent (FTE) staffing levels reported elsewhere and is useful as a DCIS performance measure as it is indicative of client demand and activity in HR Services.
2. Original 2006-07 budget estimate of \$6.2 million did not include full costs following PAPMS migration and was revised.
3. Lower performance is due to reduced agency demands and delayed issuance of the training calendar following implementation of the new training contract.
4. Between 2005-06 and 2006-07 the method of collating and determining electronic processing was refined to improve the reliability and accuracy of the data and this has translated to this year's percentage appearing lower than the previous year. The underlying improvement in the use of myHR in 2006-07 was 13.4%. Specifically, processing leave applications through myHR improved by 24%.

Jobs Evaluated



The JES unit has improved the timeliness of its services in recent years. A Technical EBA required all technical jobs not reviewed since 2002 to be re-evaluated, resulting in over 500 technical positions re-evaluated in 2006-07.

Initiatives Planned for 2007-08

- Consider options likely to be identified through a review of payroll processes in 2007-08 as part of the Corporate Services Review program. Initiate action to implement agreed findings where feasible and consult with stakeholders regarding major findings or those with broad implications.
- Continue to monitor the workers compensation Service Level Agreement between DCIS and the Territory Insurance Office and modify where required to improve service efficiency.
- Recruit and place a minimum of 50 apprentices across Government in nominated Jobsplan 3 employment categories of Indigenous, remote or disadvantaged Territorians.
- Complete a public tendering process for a new apprenticeship management service provider.

“The client services provided by the PIPS2 team to NRETA is at a very high standard.

The team is able to communicate clearly with clients in resolving any issues with regard to codes, discussing and providing practical HR reporting to be used as part of agency business and strategic planning, and in relation to PIPS access issues. The team takes the initiative in resolving issues, is never too busy to contact me and keep me informed and completes requests in a timely fashion, often with little notice.

The level of knowledge and expertise within the PIPS2 team has been extremely useful in setting up NRETA’s current HR reporting framework at both the Divisional and Executive Leadership Group levels.”

*Shirley Carne
HR Project Officer, Natural Resources Environment and the Arts*

Procurement Services

During 2006-07 the increase in the public tender threshold represented a major change to the way the Government procures its goods and services. A new level of procurement requirements for goods and services valued between \$10,000 and \$50,000 was introduced and is known as Tier 3. The key agency requirements for Tier 3 are three written quotations to be sought; consultation with the NT Industry Capability Network to maximise local content and provide opportunity for local businesses to compete for business; simple purchase terms and conditions; and quarterly reporting to the Procurement Review Board to ensure equity and fairness in the new process.

The new procedures were rolled out to all agencies and to industry in all regions. The existing Contract and Procurement Services workflow system, Agencies Purchase Requisitions Online (APRO), was enhanced to allow agencies to record details of all Tier 3 procurement activity for information, publication and reporting to the Procurement Review Board. Contract and Procurement Services also provided an easy to use template for use by agencies to produce standard requests for quotation with the conditions included in the document.

Government agencies are required, according to procurement policy, to use the centralised services provided by Contract and Procurement Services for all procurement above the \$50,000 tender threshold. Contract and Procurement Services provides a day-to-day interface between the Government and suppliers who submit tenders for goods and services. This interface is primarily through the issue and receipt of tender documentation.

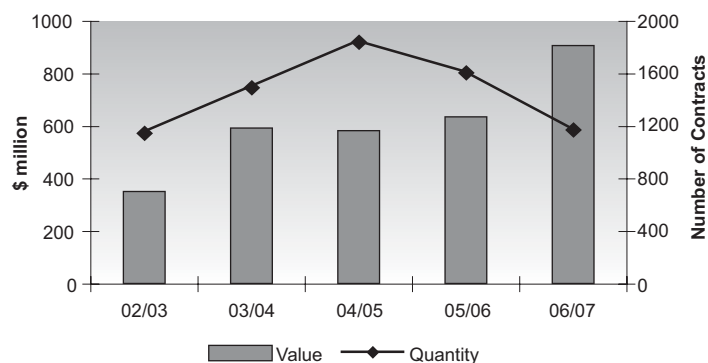
Procurement Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Tenders managed ¹	1455	900	940
	Tenders developed ¹	540	300	348
Quality	Addenda issued	20%	<20%	26%
	Procurement Review Board rejection rate	5%	<5%	3.7%
Timeliness	Average days to issue tenders	3.5	7	4.3
	Average days to prepare papers for the Procurement Review Board	5	5	3.2

Notes:-

- From November 2006 the minimum threshold for procuring via public tender increased from \$50,000 effectively halving the number of tenders managed per month. This resulted in a need to lower the original 2006-07 estimates and also accounted for the reduction in numbers between 2005-06 and 2006-07.

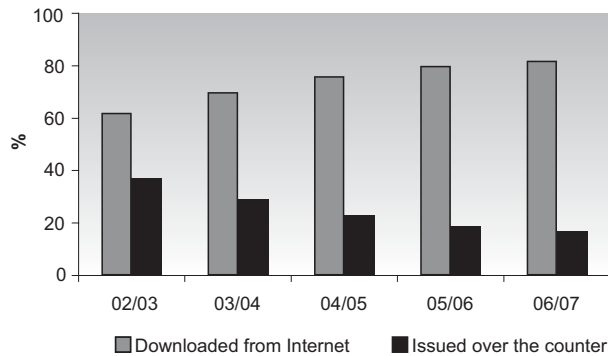
Contracts Awarded



The number of contracts awarded in 2006-07 decreased due to the increase in the tender threshold. However, the value of contracts awarded was significantly higher, mostly due to two large Power and Water Corporation contracts for bulk fuels and construction of a new power station.

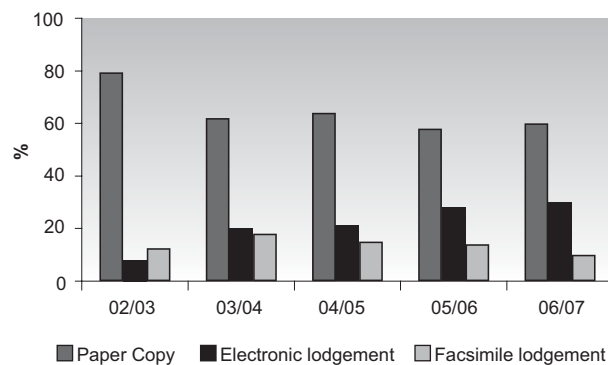
Contract and Procurement Services maintains an effective and highly regarded website for the advertisement, issuing and electronic submission of tender documents known as Tenders Online. Last year 82% of all tender documents available were downloaded electronically from the website, rather than being issued manually. Confidence in the secure electronic lodgement of tenders through the website continues to gradually increase, with approximately 30% of all tenders received in 2006-07 lodged electronically compared to 27% last year. During 2006-07 the NT Government's internet site, including the procurement section, was re-designed on more functional and aesthetic lines, further improving the effectiveness of the Tenders Online facility

Tenders Issued



There has been a steady increase over the past five years in tenderers' use of the internet to obtain tender documents. Consequently fewer tenders are being issued over the counter resulting in less paper and more efficient processes.

Tenders Lodged



Confidence in using the electronic lodgement system is gradually increasing, although most tenderers still prefer to lodge tenders in the tender box. The use of facsimile as a method of lodgement decreased to 10% in 2006-07.

Initiatives Planned for 2007-08

- Continue to develop the APRO system to capture data following tender assessment, incorporate Procurement Review Board approvals workflow and provide enhanced agency reporting. New functionality will be included to ensure the capture of required data at key process stages and provide an industry participation plan workflow for tenders valued above \$5 million.
- Implement changes to standard tender response schedules to simplify and clarify requirements, making it easier for agencies to formulate relevant specifications and for industry to respond to the requirements.
- Develop a business case for interfacing with the Australian Business Register to more efficiently allow tenderers to identify themselves and reduce repetitive data entry when registering to acquire tender documents.

Increased public tender threshold reducing costs for potential suppliers

Information and Communications Technology Services

A key initiative this year was the development and implementation of the e-Government Strategy 2006-10, titled 'Service Focused Government – eGovernment Principles 2006 to 2010'. This strategy is aimed at reducing 'red tape' and improving Government service efficiency and responsiveness to customers through supporting business process improvement activities across Government.

Redevelopment of the whole of government Enterprise Architecture Framework was commenced in 2006-07. When completed, this revised framework will guide agencies and service providers in the development and management of ICT systems. Additionally, a project to develop a strategy to move the Government towards a single online point of access was established with an across-agency group formed for this purpose.

In recognition of the significant business impact of IT changes and the imperative for coordinated change activity, the Change Management Board was founded in September 2006. The Board's main purpose is to synchronise planned changes to the Government's IT environment efficiently and effectively. The Board meets weekly and comprises representatives of all IT service providers (including Data Centre Services). A change management application was recently developed that allows all Board members to view and input data into a repository, giving them the opportunity to have a real-time overview of changes, outages and planned developments.

The Business Improvement Centre which is a joint initiative of DCIS and the IT service providers, progressed the evaluation and development of innovative IT-based business solutions in 2006-07. An interesting project example is the development of remote electronic temperature and condition sensors that can be installed in buildings by attaching to an IT port and provide temperature data electronically to a central system for monitoring and reporting. This innovation, when operational, will replace an intermittent and manually intensive process and will save effort, reduce cost and provide more regular information.

Following engagement with key agencies, the NT Government's internet web sites were progressively moved to a contemporary design focused on users' information needs and updated, relevant information.

5-year ICT Industry Strategic Plan launched

Information and Communications Technology Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Laptops/workstations available at any one time ¹	10 638	10 700	10 451
	Agency information technology support hours ²	35 450	38 400	36 080
	Desktop passwords reset within 1 hour ³	99%	-	-
	Average monthly user service calls to helpdesk ⁴	11 922	14 000	9 042
Quality	Sites connected to the wide area network ⁵	464	-	-
	Agency score card for desktop services (out of 10)	7.5	7.5	7.5
	Outsourced services provided within agreed service levels ⁶	66%	100%	71%
Timeliness	Severe desktop faults restored within the service level agreement (4 hours)	85%	85%	97.5%

Notes:

1. Name of measure changed during 2006-07 but measure not altered. Improved contract management resulted in more accurate billing by new service provider.
2. Actuals achieved are below target due to inability to maintain staffing levels at full capacity for the whole year.
3. This measure not continued as it has become standard practice and is encompassed within other measures.
4. Actual performance has improved due to better than expected service delivery resulting in less queries.
5. This measure replaced, as it is of limited ongoing relevance.
6. Outsourced contracts comprise messaging, desktop and telecommunications. 95% of the messaging contracts were delivered in accordance with contract agreements as were 68% of desktop contracts (up from 53% in 2005-06). However, only 54% of telecommunications services were delivered in accordance with contracted timeframes, thus giving overall compliance of 71% against the target of 100%

Initiatives Planned for 2007-08

- Develop an e-Government balanced scorecard to measure the availability of online services by agencies to customers. Additionally, develop a roadmap for Government in managing the identities of citizens and businesses needing to interact online with us. An application development strategy will also be progressed to lower the cost, and speed up development of applications which support online services.
- Through the Enterprise Architecture Framework, identify efficiencies to be gained where common systems and processes may lead to time and cost savings.
- Develop a unified communications strategy where the investment in ICT is better harnessed through common communication and IT collaboration tools, such as email, portals and instant messaging.
- Progressively review and plan the implementation of electronic records management solutions across Government.
- Develop a sourcing strategy for the 3rd generation of major ICT outsourcing contracts in 2009-10 to ensure maximum benefits to the Government and continued reliability of systems and infrastructure.

Property Management Services

NT Property Management (NTPM) and customers participated in a major whole of government accommodation planning exercise in 2006-07. Working with agencies NTPM carried out a survey of occupational density in NT Government occupied leased buildings and assisted agencies to use this data to develop individual agency accommodation strategies.

The resulting whole of government Accommodation Plan for 2007-12 identified realisable savings over the next 12 to 18 months. The Plan has been endorsed by the Government Office Accommodation Committee, with Government approval to be sought in 2007-08. This whole of government planning exercise will be undertaken on an annual basis.

The delivery of the NAB (Chinatown) office accommodation lease and fitout was achieved in 2006-07 in association with the Department of Planning and Infrastructure and NT Police, Fire and Emergency Services. In addition to providing 4,480m² of office accommodation the lease underpins the development of the \$90 million Chinatown precinct which includes hotel, retail and carparking facilities.

NTPM has been developing a co-location strategy for the Department of Business, Economic and Regional Development and Tourism NT. This strategy will relocate Tourism NT to Development House and enable the agencies to work together more effectively in achieving their business outcomes. The strategy will also achieve ongoing rental savings.

Working with DCIS Contract and Procurement Services Branch, NTPM has been developing tender assessment criteria for building service contracts and leased accommodation. The new assessment criteria are expected to improve contract performance through better tender assessment.

Property Management Budget Performance Indicators

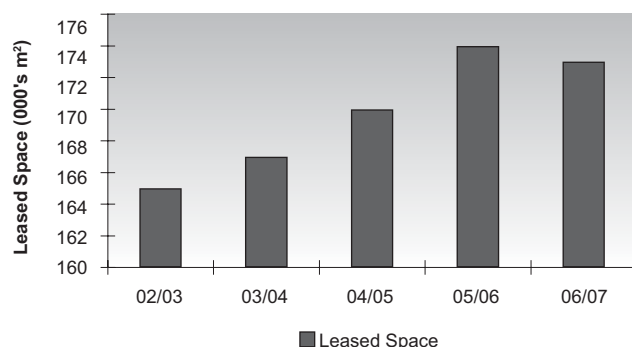
Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Property portfolio leases	148	143	141
	Area leased ('000m ²)	175	174	173
	Average cost per m ² ¹	\$241	\$250	\$252
Quality	Leases renewed before expiry ²	82%	80%	77%
Timeliness	Rental payments made on time	99.8%	99.8%	99.8%

Notes:-

- Reflects expected rental increases due to higher market rates payable on leases. Commencement of Chinatown lease in 2006-07 is principal cause.
- Original estimate not expected to be achieved due to one-off resourcing issue.

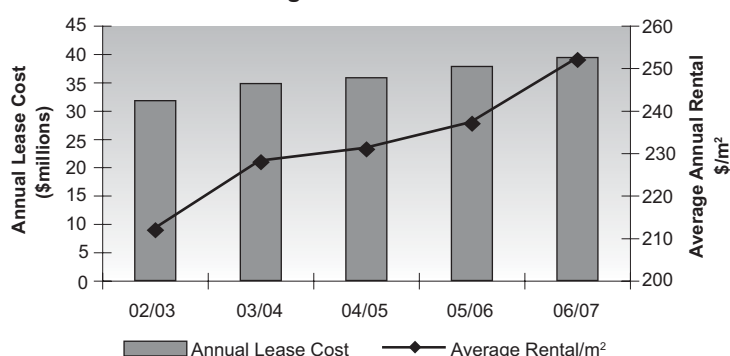
*Achieving energy efficiencies in
Government-leased accommodation*

Leased Space



Growth in overall size of the portfolio has been contained during 2006-07, despite the addition of 4480 m² in the Chinatown development.

Annual Lease and Average Rental Costs



Annual leasing costs are trending higher due to rising market rental values. The average rental cost increased in 2006-07 principally due to the Chinatown lease commencing.

NTPM is a core member of the Property Council of Australia and is represented on the Government Real Estate Group, which is a national working group on government real estate issues operating under the umbrella of the Australian Procurement and Construction Council Inc. Through representation NTPM has access to industry best practice information, including benchmarking data.

In 2007 NTPM participated in the development of an energy efficiency strategy for leased portfolios and hosted the annual Government Real Estate Group conference. NTPM also sponsored professional education forums for the Property Council of Australia.

Initiatives Planned for 2007-08

- In conjunction with the Government Real Estate Group and the Department of Planning and Infrastructure, draft a national sustainability framework for government occupied office premises.
- Implement the 2007-08 whole of government Accommodation Plan and arrange for savings to be realised.
- Develop the 2008-09 whole of government Accommodation Plan in consultation with agencies, and in addition develop an Alice Springs Accommodation Plan to address under-utilised space and provide opportunities to meet increased customer agency needs.
- Review the Government's standard property lease document, the Memorandum of Common Provisions.
- In conjunction with the Business Improvement Centre, develop a business case for the development of remotely monitored environment sensing equipment.
- Evaluate current and future requirements for a leased property management system.

Archives Services

Archives data and contextual information continued to be entered into the archives management system during 2006-07, including the completion of 138 archives series lists and 414 series registrations. Additionally, 136 collections/series of archives were acquired and made available to the public, 21 oral history recordings were deposited and 13 transcriptions were made available for community research. A total of 2,812 archives collections were managed in 2006-07.

DCIS has whole of government responsibility for Part 9 of the Information Act. In accordance with its obligations under section 134(c) of the Act, agency compliance with Government records management standards was monitored, with an 88% response to the third annual e-based compliance survey. Continued improvement in the commitment from agencies was recorded, with an overall compliance rating for agencies of 71%. This was an improvement of 6% from 2005-06.

During 2006-07 archives management standards were prepared and the existing records management standards were reviewed. A new server and database infrastructure for the Government records and document management system was implemented in September 2006, and a contract with Tower Software for the supply and maintenance of the Government records management system (TRIM) was signed in October 2006. This contract provides improved licence and pricing arrangements for agencies.

The Government's records storage contractors reported a continued increase in efficiency and utilisation of their services. In 2006-07, 121,098 containers of Government records were in storage with the Darwin contractor, compared to 109,508 the previous year. Some 22,070 containers of Government records were in storage with the Alice Springs contractor compared to 19,980 the previous year. This represents a 10% growth in both Darwin and Alice Springs.

A Government administrative arrangements change in early 2007-08 will see the Archival Heritage section transfer to the Department of Natural Resources, Environment and the Arts. The Records Policy and Systems section remains with DCIS and becomes part of the ICT Policy and Strategy Branch. Changes to the *Information Act* are required to accommodate the separation of the services and will be made in 2007-08.

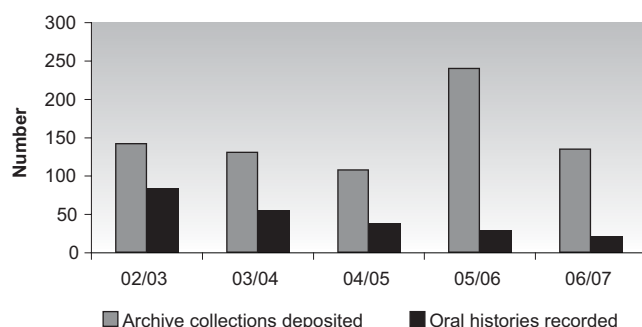
Archives Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Archives collections managed	2 756	2 610	2 812
	Archives issued to researchers ¹	43 391	30 000	48 959
Quality and Timeliness	Research requests satisfied within 1 month	99%	90%	100%
	Records management system availability ²	1 00%	99%	100%
	Records management system work requests resolved within 2 days ²	100%	100%	99%

Notes:-

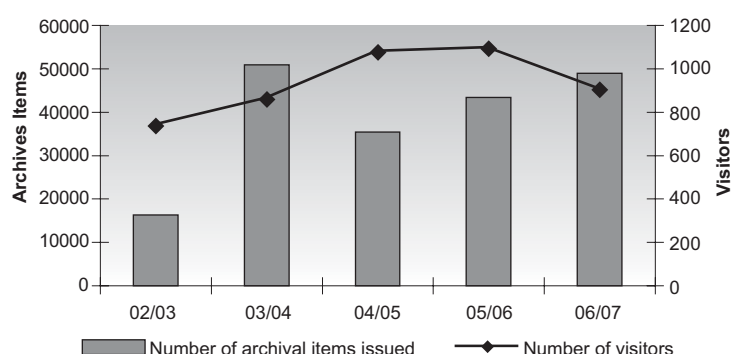
1. Number of archives issued increased considerably due to improved searching procedures and increased customer visits. The 2006-07 estimate was significantly increased in recognition of these higher activity levels and was still exceeded.
2. For the 2007-08 Budget Papers the measures relating to records management are reported as part of the ICT Services output reflecting the repositioning of records policy and systems functions.

Collections Deposited and Oral Histories Recorded



The number of archives collections deposited and oral histories recorded fluctuates each year depending on donations, acquisitions, participants and resourcing. The number of oral histories recorded in the future should remain around current levels.

Access to Archives



Although annual visitor numbers reduced in 2006-07, archival usage increased with over 48,000 archival items made available to visitors.

Initiatives Planned for 2007-08

- Transition Archival Heritage section from DCIS to the Department of Natural Resources, Environment and the Arts.
- Determine a strategy to accommodate additional storage requirements for the Darwin archives repository and determine and recommend requirements for the Alice Springs archives repository.
- Issue new and revised records management standards and archives management standards.
- Consider options for a framework to commence monitoring compliance with records management standards in local government authorities.

Data Centre Services

During 2006-07, Data Centre Services' enterprise storage capability was upgraded to provide an expanded centralised disk and back-up infrastructure for business application servers. The virtual server environment was further expanded and agency business systems were consolidated onto this infrastructure. This virtual server environment provides greater efficiencies for Government through centralising applications on powerful servers at lower marginal costs. Agencies benefit from this managed hosting service by reducing both IT infrastructure and resourcing requirements.

A host environment was developed for Government's shared services portal to facilitate improved services. During this period, Data Centre Services also completed a successful proof of concept for Linux technologies on the Government mainframe. This exercise established that the Linux technologies can operate and perform successfully in the Data Centre Services' mainframe model.

The Chan data network was upgraded and control of this network environment was transferred to Data Centre Services. As the Chan Data Centre houses Government's critical IT systems, measures were identified to strengthen the resiliency of the Centre and mitigate the risks associated with a disaster recovery scenario. A number of measures were implemented in 2006-07, with some measures in progress and a few elements subject to further evaluation.

A contract was awarded to Sun Microsystems in 2006-07 for the development of the Government's electronic passport identification system (ePASS2). The transition to uniform service management processes, procedures and tools in accordance with the IT Infrastructure Library (ITIL) framework was also commenced. Both of these projects were in progress at year-end and will continue into 2007-08.

Data Centre Services Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Billable mainframe (CPU) seconds processed per month	1.88M	1.65M	1.75M
	Servers hosted in secure data centre facility ¹	New measure	350	362
	Servers managed – mid-range services ¹	130	190	220
	Databases hosted – mid-range services ²	357	260	273
	Gigabytes of Storage Area Network (SAN) ³	6 275	10 000	23 783
Quality	Unplanned outages per month – mainframe services	0	0	0
	Unplanned outages per month – mid-range services	5	3	3
Timeliness	Response time for mainframe services (<5 seconds)	98%	98.5%	98.5%
	Performance report for mid-range services provided to clients each month	<10 days	<10 days	<10 days

Notes:-

1. A number of agencies have moved their server management to DCS and opted for virtual server solutions rather than owning hardware. DCS provides efficient solutions and reduces capital expenditure on hardware. This is reflected in numbers of servers and required the original 2006-07 estimates to be substantially increased.
2. DCS provides a utility computing service, which includes hosting of applications and databases and provides cost savings for agencies. An increasing number of agencies are now hosting their databases with DCS. The original 2006-07 estimate was revised upwards to take account of this growth.
3. The significant increases in servers and databases managed have, in turn, substantially increased the number of gigabytes of SAN required. This significant business growth is due to greater agency use of the centralised Chan Data Centre.

Initiatives Planned for 2007-08

- Complete the development of the electronic passport2 (ePASS2) system and implement across Government to achieve standard management processes for all Government employee identity and access requirements and IT service requests.

- Complete the implementation of uniform service management processes, procedures and tools in accordance with the IT Infrastructure Library (ITIL) framework.
- Upgrade one of the existing Z-890 mainframe servers to a Z-9 business class device.
- Implement hosting of Government business systems in the Linux environment on new mainframe hardware.
- Develop a strategic forward plan for future enterprise storage requirements.
- Commence a benchmarking study of midrange services to examine market parity.
- Develop a strategic capital replacement framework for major IT infrastructure over a 4-year rolling replacement program.
- Consider the business case for secondary site capability to provide the ability to maintain business critical systems in response to a disaster level event.

NT Fleet

Through NT Fleet's efforts there is now a trend developing across Government towards more cost effective, fuel efficient 4 cylinder vehicles. Greenhouse gases from NT Fleet managed vehicles reduced from 298gm/km in 2003-04 to 281gm/km in 2006-07, while the number of 4 cylinder vehicles in the fleet increased to 50%. NT Fleet, in partnership with agencies, expects this proportion to increase to 52% over the next 12 months, which will further lower gas emissions and vehicle operating costs.

Fleet services improved its reporting capability during 2006-07 and introduced a detailed vehicle performance report for agencies to accompany the one-page quarterly summary report provided to agency chief executives. The report provides key data which rolls into the summary report enabling agency staff to target problem vehicles and address issues quickly. The report has been well received and instrumental towards initiating agency fleet reviews.

Development of stage 1 of the 'pool vehicle booking system' is complete and implementation is expected to commence early in the 2007-08 with the system to be rolled-out to agencies. This provides an electronic web-based system for booking Government vehicles and recording vehicle usage. The system has an audit trail and will facilitate more complete recording of vehicle movements.

NT Fleet provides 'not for profit' community based organisations with vehicles as a gift or loan following successful application to the Government's Community Benefit Fund. Short term loan of vehicles to similar organisations are arranged directly through NT Fleet. The program is capped and funded by Government agencies through a levy on vehicle hire rates. A list of vehicles gifted or loaned through this Government initiative can be viewed at Appendix G.

Improved vehicle performance reporting to agencies

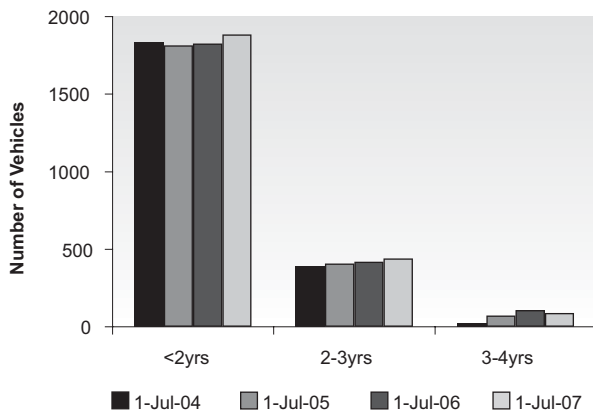
NT Fleet Budget Performance Indicators

Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Light vehicles managed	2 413	2 430	2 462
	Light vehicles disposed	1 004	1 100	1 060
Quality	Age profile of light vehicle fleet (less than 2 years old) ¹	77%	80%	80%
	Four cylinder vehicles in fleet	42%	50%	50%
Timeliness	Vehicles offered for sale within 45 days	85%	95%	86%

Notes:-

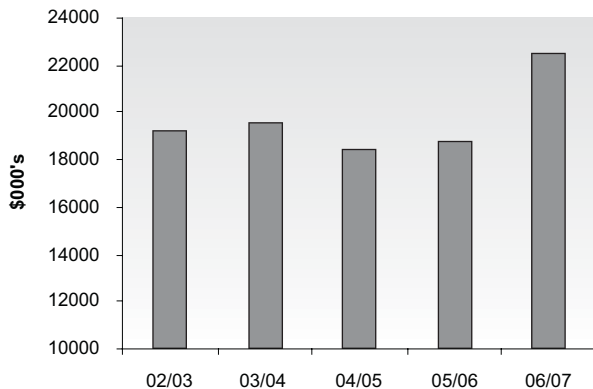
1. Fleet light vehicle ageing improved.

Age Profile



The fleet age profile reflects a modern cost-effective fleet with 1886 vehicles (80%) of the total fleet being less than 2 years old.

Disposals



1060 light vehicles were disposed for a GST exclusive value of \$22.5 million for the year ended 30 June 2007. This represents 107 more vehicles than the previous year.



"I've enjoyed my experience working at NT Fleet and particularly my time as Fleet Service Supervisor where I was able to provide my customers with good quality service. NT Fleet has always been a place where if you put the effort in you can get so much back, like job satisfaction, training, friendship. Here I am on the brink of retirement and I have been given a new challenge as Hire Pool Manager to further develop the expanded hire pool services. I look forward again to the opportunity and will give it my best. While I look forward to retirement there is so much I will miss at NT Fleet but then I have so many good memories."

*Derek Donfeld,
Founding member of NT Fleet team in 1992 in the role of service manager and now short-term hire pool manager.*

Initiatives Planned for 2007-08

- Review NT Fleet business systems to establish the strategic ICT direction.
- Implement the 'pool vehicle booking system' across Government and monitor usage.
- Implement a range of strategies from the 'Fleet Stages of Excellence' model, which is NT Fleet's strategic and operational planning tool and status indicator. The selected strategies will improve the effectiveness of service delivery and strengthen customer relationships.

Government Printing Office

The Government Printing Office is committed to continual review and improvement of printing processes to provide cost effective and efficient services to our customers. This commitment is supplemented by periodic reviews of equipment functionality, with printing equipment upgraded or replaced as necessary.

The focus during 2006-07 was the replacement of major equipment items, which were old and outdated, to modernise the printing office and significantly enhance printing processes. This major capital replacement program was the culmination of some years' planning, preparation and saving. A 25-year old large format folder was replaced with the latest technology and a new Computer to Plate system was installed to replace outdated production methods of film and processed plates. The DCIS Minister unveiled the new machines in May 2007.

These additions position the Government Printing Office as a contemporary facility and enable the Office to better meet customer needs now and into the future through improved quality services. The enhanced technology not only improves printing quality and reduces wastage, it also improves the working environment for Printing Office staff. The new processes use far less chemicals, are safer and thus enhance occupational health and safety.

Increased functionality was also added to the Prism Print Management Information System during 2006-07, through upgrading to a more recent version.

The Government Printing Office continues to work in partnership with the private sector printing industry to outsource a consistent portion of print jobs in order to best meet our customers' specific printing requirements.

Spoilt work was kept to a minimum during 2006-07 with targets met and numerous letters and other expressions of appreciation received from satisfied customers.

Printing Services Budget Performance Indicators

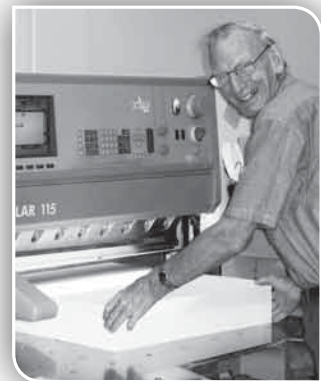
Performance Measures		2005-06 Actual	2006-07 Revised Estimate	2006-07 Actual
Quantity	Jobs undertaken ¹	3 118	3 200	2 942
	Proportion of printing sales outsourced ¹	27%	18%	22%
Quality	Jobs reworked	0.16%	<0.1%	0.09%
Timeliness	Quotes provided within required timeframes	99%	99%	99.5%
	Jobs completed within required timeframes	99%	99%	99.6%

Notes:-

- 1. Variation is due to fluctuating client demand.

Initiatives Planned for 2007-08

- Continue to work in partnership with private sector printing firms to support private industry by outsourcing work fairly and equitably.
- Foster professional relationships with the Office's panel contractors.
- Evaluate and introduce technology relevant to the demands of our customers and seek to reduce printing and distribution costs.
- Continue to improve the Prism Print Management Information System for the benefit of the Government Printing Office and customers.
- Upgrade lighting in production areas to Australian Standards.



Lance Grimwade

Major printing equipment replaced with less chemicals and water now used

FINANCIAL STATEMENTS

The Department 77

Data Centre Services..... 105

NT Fleet 131

Government Printing Office..... 159

Department of Corporate and Information Services
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2007

DCIS is a diverse organisation providing a broad range of shared corporate services including:

- corporate support services to all Government agencies, Government business divisions and other Government bodies in the areas of finance, human resources, leased property, tendering services, and procurement policy;
- corporate support systems to enable processing of Government transactions, such as accounts, payroll, recruitment, tendering and records management;
- information technology infrastructure and services to support Government business; and
- archive services to Government and the community.

Through its business divisions DCIS also provides printing services, fleet management and computing services to agencies.

Financial Performance

DCIS experienced a reduction in both income and expenses between 2005-06 and 2006-07 which caused a significant change in the net result as shown in Table 1 below.

Table 1: Performance by Output Group

	Corporate Services		Office Leasing Management		Total DCIS	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Income	59 158	65 250	43 344	42 284	102 502	107 534
Expenses	61 287	64 950	43 344	42 284	104 631	107 234
Surplus/(Deficit)	(2 129)	300	-	-	(2 129)	300

Higher goods and services income, output revenue and Australian Government grant funding in 2005-06 coupled with a one-off gain on an asset disposal contributed to the income fluctuation. Expenses in 2006-07 in key areas of employee and ICT costs were reduced, although this was partially offset by increased rental costs for property leases and grants.

In relation to the final 2006-07 budget, DCIS actual results showed slightly higher income (0.1%) and expenses (0.3%) resulting in an increased deficit as reflected in Table 2 below.

Table 2: 2006-07 Budget and Actual Performance

	Actual \$'000	Budget \$'000	Variation \$'000
Income	102 502	102 365	137
Expenses	104 631	104 302	(329)
Surplus/(Deficit)	(2 129)	(1 937)	(192)

The above variations arise from normal business activity and are within reasonable margins.

Revenue

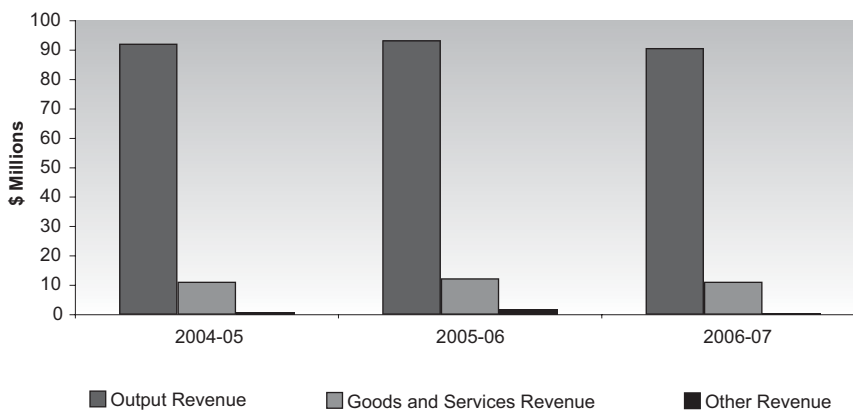
By far the majority of DCIS revenue is sourced from appropriation from the Central Holding Authority (called Output Revenue). The composition of DCIS revenue is shown at Table 3.

Table 3: 2006-07 Revenue by category

Output Revenue \$'000	Goods and Services Revenue \$'000	Grants Revenue \$'000	Other Revenue \$'000	Total \$'000
90 738	11 248	395	121	102 502
88.5%	11.0%	0.4%	0.1%	100%

DCIS services are provided free-of-charge to general government agencies, although notional charges are recorded and reflected in each agency’s budget and output costs. Government business divisions are charged for DCIS services with this revenue included in goods and services revenue. Additionally, the costs for some specific services, such as salary packaging services and training courses, are recouped from the recipients.

Figure 1: Revenue



Expenses

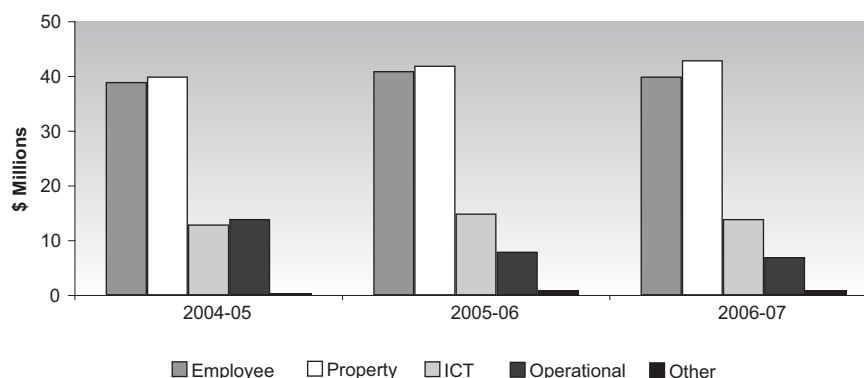
Property costs (primarily office lease rents) comprise the largest expense category for DCIS, with property and ICT costs together forming over 50% of DCIS total expenses. These costs are mostly reflected in longer term fixed contracts. Table 4 below shows the composition of major expense categories.

Table 4: 2006-07 Expenses by category

Property \$'000	Employee \$'000	ICT \$'000	Operational \$'000	Other \$'000	Total \$'000
42 580	39 998	14 032	6 722	1 299	104 631
40.7%	38.2%	13.4%	6.5%	1.2%	100%

Employee costs are the second major expense category with ongoing efforts being made to contain and reduce these costs, as demonstrated by a \$1.3 million (3.3%) decrease in employee expenses from 2005-06 to 2006-07. Initiatives and improvements implemented during 2006-07, particularly the corporate credit card policy and the higher public tender threshold, have enabled DCIS corporate services to client agencies to be provided at a lower resourcing level.

Figure 2: Expenses



Financial Position

DCIS' net asset position at the end of 2006-07 is \$3.7 million, compared with a 2005-06 net asset position of \$16.3 million. This reduction is primarily due to the change in the desktop computer services contract and the transition from one service provider to another around the end of 2005-06, which required the purchase and resale of desktop computer assets. Transactions occurred across June and July 2006, thereby affecting both the 2005-06 and 2006-07 financial years. These assets were purchased from the outgoing service provider in 2005-06 and funded through an equity injection from the Central Holding Authority. The assets were sold to the new service provider in 2005-06, although cash payment was not made until early 2006-07, resulting in a receivable of \$11.5 million recorded in 2005-06. Central Holding Authority funding was returned following cash receipt, reflecting as an equity withdrawal in 2006-07.

The substantial receivable and equity funding in 2005-06 caused a significant increase in net assets and total equity for that year. Completion of the desktop contract transition requirements in 2006-07 and the associated equity withdrawal have brought the DCIS' net assets and equity positions back to more normal levels.

There were no acquisitions of fixed assets during 2006-07. All other balance sheet movements are the result of normal trading operations.

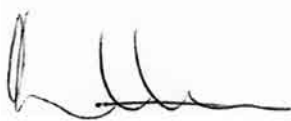
Department of Corporate and Information Services FINANCIAL REPORT

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 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 Department's financial performance and cash flows for the year ended 30 June 2007 and the financial position on that date.

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



.....
Graham Symons
CHIEF EXECUTIVE
11 September 2007



.....
Trevor Beck
CHIEF FINANCE OFFICER
11 September 2007

Department of Corporate and Information Services
OPERATING STATEMENT
For the Year Ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
INCOME			
<i>Grants and Subsidies Revenue</i>			
Current		395	630
Output Revenue		90 738	93 397
Sales of Goods and Services		11 248	12 398
Interest Revenue		26	24
Goods and Services Received Free of Charge	4	-	2
Gain on Disposal of Assets	5	-	1 005
Other Income		95	78
TOTAL INCOME	3	102 502	107 534
EXPENSES			
Employee Expenses		(39 998)	(41 044)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	6	(63 334)	(64 749)
Repairs and Maintenance		(248)	(399)
Depreciation and Amortisation	9	(563)	(588)
Other Administrative Expenses		(5)	(7)
<i>Grants and Subsidies Expenses</i>			
Current		(483)	(440)
Capital		-	(7)
TOTAL EXPENSES	3	104 631	107 234
NET SURPLUS/(DEFICIT)	13	(2 129)	300

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

Department of Corporate and Information Services
BALANCE SHEET
For the Year Ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and Deposits	7	1 508	1 410
Receivables	8	1 513	14 742
Prepayments		2 925	2 484
Total Current Assets		5 946	18 636
Non-Current Assets			
Property Plant and Equipment	9	6 529	7 072
Total Non-Current Assets		6 529	7 072
TOTAL ASSETS		12 475	25 708
LIABILITIES			
Current Liabilities			
Deposits Held		297	333
Payables	10	2 462	2 754
Provisions	11	4 404	4 522
Total Current Liabilities		7 163	7 609
Non-Current Liabilities			
Provisions	11	1 634	1 824
Total Non-Current Liabilities		1 634	1 824
TOTAL LIABILITIES		8 797	9 433
NET ASSETS		3 678	16 275
EQUITY			
Capital	12	3 928	14 396
Reserves		324	324
Accumulated Funds		(574)	1 555
TOTAL EQUITY		3 678	16 275

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

Department of Corporate and Information Services
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
BALANCE OF EQUITY AT 1 JULY		16 275	852
Capital	12		
Balance at 1 July		14 396	(403)
Equity Injections		32	15 090
Equity Withdrawals		(10 500)	(291)
Balance at 30 June		3 928	14 396
Reserves	12		
Balance at 1 July		324	-
Increase in Asset Revaluation Reserve		-	324
Balance at 30 June		324	324
Accumulated Funds	12		
Balance at 1 July		1 555	1 255
Surplus/(Deficit) for the Period	13	(2 129)	300
Balance at 30 June		(574)	1 555
BALANCE OF EQUITY AT 30 JUNE		3 678	16 275

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

Department of Corporate and Information Services

CASH FLOW STATEMENT

For the Year Ended 30 June 2007

	Note	2007 \$'000 (Outflows) / Inflows	2006 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
<i>Grants and Subsidies Received</i>			
Current		395	630
Output Revenue Received		90 738	93 397
Receipts From Sales of Goods And Services		19 368	18 724
Interest Received		24	24
Total Operating Receipts		110 525	112 775
Operating Payments			
Payments to Employees		(40 227)	(41 060)
Payments for Goods and Services		(70 681)	(71 778)
<i>Grants and Subsidies Paid</i>			
Current		(483)	(440)
Capital		-	(7)
Total Operating Payments		(111 391)	(113 285)
Net Cash (Used In) Operating Activities	13	(866)	(510)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from Asset sales		11 500	-
Total Investing Receipts		11 500	-
Investing Payments			
Purchases of Assets		-	(13 225)
Total Investing Payments		-	(13 225)
Net Cash From/(Used In) Investing Activities		11 500	(13 225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Deposits Received		(36)	231
<i>Equity Injections</i>			
Capital Appropriation	12	-	13 150
Other Equity Injections		-	1 781
Total Financing Receipts		(36)	15 162
Financing Payments			
<i>Equity Withdrawals</i>			
Capital Withdrawal		(10 500)	-
Equity Transfers Out		-	(290)
Total Financing Payments		(10 500)	(290)
Net Cash From/(Used In) Financing Activities		(10 536)	14 872
Net Increase in Cash Held		98	1 137
Cash at Beginning of Financial Year		1 410	273
CASH AT END OF FINANCIAL YEAR	7	1 508	1 410

Department of Corporate and Information Services
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2007

Index of Notes to the Financial Statements

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

INCOME

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

EXPENSES

6. Purchases of Goods and Services

ASSETS

7. Cash and Deposits
8. Receivables
9. Property Plant and Equipment

LIABILITIES

10. Payables
11. Provisions

EQUITY

12. Equity

OTHER DISCLOSURES

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

1. OBJECTIVES AND FUNDING

The Department of Corporate and Information Services' mission is to add value to our customers business by providing responsive, high quality and cost effective corporate services throughout the Northern Territory.

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 conduct its functions and deliver outputs. For reporting purposes, outputs delivered by the Agency are summarised into several Output Groups. Note 3 provides summary financial information in the form of an Operating Statement by Output Group.

DCIS has the following output groups and outputs:

Corporate Services

- Financial and Accounting Services
- Human Resource Services
- Procurement Policy and Services
- Information and Communication Technology Services
- Archives Services

Office Leasing Management

- Office Leasing Management.

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Accounting**

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department of Corporate and Information Services 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) an Operating Statement;
- (iii) a Balance Sheet;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The form of Agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Territory Government entities.

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.

(b) Comparatives

Where necessary, comparative information for the 2005-06 financial year has been reclassified to provide consistency with current year disclosures.

(c) 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.

(d) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2006-07 as a result of management decisions.

(e) Goods and Services Tax

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

(f) 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.

Output Revenue

Output revenue represents Government funding for Agency operations and is calculated as the net cost of Agency outputs after taking into account funding from Agency income. The net cost of Agency outputs for Output Appropriation purposes does not include any allowance for major non-cash costs such as depreciation.

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

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.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

Rendering of Services

Revenue from rendering services is recognised on a stage of completion basis.

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 5.

Contributions of Assets

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

(g) Repairs and Maintenance Expenses

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.

(h) Interest Expenses

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

(i) 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 18.

(j) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

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

(k) Property Plant and Equipment***Acquisitions***

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the 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 *Financial Management Framework*, the Department of Planning and Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for the Agency's capital works is provided directly to the Department of Planning and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Agency.

Revaluations

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; and
- Buildings.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms length transaction. Other classes of non-current assets are not subject to revaluation and are measured at cost.

Depreciation and Amortisation

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:

	2007	2006
Buildings	50 Years	50 Years
Plant and Equipment	10 Years	10 Years
Computer Equipment and Software	3-10 Years	3-10 Years

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

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

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

amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve. Note 12 provides additional information in relation to the Asset Revaluation Reserve.

(l) 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 leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

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

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space 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.

(m) 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.

(n) Employee Benefits

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

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

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

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

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

(o) Superannuation

Employees' superannuation entitlements are provided through the:

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

The 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.

(p) 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 and note 12 provide additional information in relation to contributions by, and distributions to, Government.

(q) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 15 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

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

3. OPERATING STATEMENT BY OUTPUT GROUP

	Note	Corporate Services		Office Leasing Management		Total	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
INCOME							
<i>Grants and Subsidies Revenue</i>							
Current		395	630	-	-	395	630
Capital		-	-	-	-	-	-
Output Revenue		51 683	56 387	39 055	37 010	90 738	93 397
Sales of Goods and Services		6 959	7 124	4 289	5 274	11 248	12 398
Interest Revenue		26	24	-	-	26	24
Goods and Services Received Free of Charge	4	-	2	-	-	-	2
Gain on Disposal of Assets	5	-	1 005	-	-	-	1 005
Other Income		95	78	-	-	95	78
TOTAL INCOME		59 158	65 250	43 344	42 284	102 502	107 534
EXPENSES							
Employee Expenses		38 870	40 172	1 128	872	39 998	41 044
<i>Administrative Expenses</i>							
Purchases of Goods and Services	6	21 134	23 352	42 200	41 397	63 334	64 749
Repairs and Maintenance		248	395	-	4	248	399
Depreciation and Amortisation	9	547	577	16	11	563	588
Other Administrative Expenses		5	7	-	-	5	7
<i>Grants and Subsidies Expenses</i>							
Current		483	440	-	-	483	440
Capital		-	7	-	-	-	7
TOTAL EXPENSES		61 287	64 950	43 344	42 284	104 631	107 234
NET SURPLUS/(DEFICIT)	13	(2 129)	300	-	-	(2 129)	300

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

	2007 \$'000	2006 \$'000
4. GOODS AND SERVICES RECEIVED FREE OF CHARGE		
Assets acquired for nil consideration	-	2
Internal audits and reviews	-	-
	<u>-</u>	<u>2</u>
5. GAIN ON DISPOSAL OF ASSETS		
Net proceeds from the disposal of non-current assets	-	1 005
Less: Carrying value of non-current assets disposed	-	-
Gain on the disposal of non-current assets	<u>-</u>	<u>1 005</u>
6. PURCHASES OF GOODS AND SERVICES		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Consultants ⁽¹⁾	2 642	3 142
Advertising ⁽²⁾	416	435
Marketing and Promotion ⁽³⁾	30	38
Document Production	113	109
Legal Expenses ⁽⁴⁾	173	199
Recruitment ⁽⁵⁾	112	111
Training and Study	389	554
Official Duty Fares	142	152
Travelling Allowance	42	74
7. CASH AND DEPOSITS		
Cash on Hand	57	57
Cash at Bank	1 451	1 353
Total Cash and Deposits	<u>1 508</u>	<u>1 410</u>

(1) Includes marketing promotion and IT consultants.

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

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

(4) Includes legal fees claim and settlement costs.

(5) Includes recruitment related advertising costs.

	2007 \$'000	2006 \$'000
8. RECEIVABLES		
Current		
Accounts Receivable	567	880
Less: Allowance for Doubtful Accounts Receivable	-	-
	567	880
Interest Receivables	1	-
GST Receivables	455	1 649
Accrued Revenue	490	12 213
Total Receivables	1 513	14 742
9. PROPERTY PLANT AND EQUIPMENT		
Land		
At Fair Value	1 400	1 400
Buildings		
At Fair Value	5 000	5 000
Less: Accumulated Depreciation	(2 848)	(2 750)
	2 152	2 250
Plant and Equipment		
At Cost	1 100	1 122
Less: Accumulated Depreciation	(715)	(659)
	385	463
Computer Software		
At Cost	3 333	3 333
Less: Accumulated Depreciation	(741)	(379)
	2 592	2 954
Computer Hardware		
At Cost	328	418
Less: Accumulated Depreciation	(328)	(413)
	-	5
Total Property Plant and Equipment	6 529	7 072

Property Plant and Equipment Valuations

An independent valuation of Department of Corporate and Information Services land and buildings was undertaken by the Australian Valuation Office as at 30 June 2006. The fair value of these assets was determined based on any existing restrictions on asset use. Where reliable market values were not available, the fair value of Agency assets was based on their depreciated replacement cost.

Impairment of Property Plant and Equipment

DCIS' property, plant and equipment assets were assessed for impairment as at 30 June 2007. No impairment adjustments were required as a result of this review.

9. PROPERTY PLANT AND EQUIPMENT (Continued)

Property Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2006-07 is set out below:

	Land	Buildings	Plant & Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2006	1 400	2 250	463	2 954	5	7 072
Depreciation and Amortisation	-	(98)	(98)	(362)	(5)	(563)
Additions/(Disposals) from Asset Transfers	-	-	20	-	-	20
Carrying Amount as at 30 June 2007	1 400	2 152	385	2 592	-	6 529

A reconciliation of the carrying amount of property plant and equipment at the beginning and end of 2005-06 is set out below:

	Land	Buildings	Plant & Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2005	1 100	2 327	445	666	15	4 553
Additions	-	-	13	2 650	-	2 663
Depreciation and Amortisation	-	(101)	(115)	(362)	(10)	(588)
Additions/(Disposals) from Asset Transfers	-	-	120	-	-	120
Revaluation Increments/ (Decrements)	300	24	-	-	-	324
Carrying Amount as at 30 June 2006	1 400	2 250	463	2 954	5	7 072

	2007 \$'000	2006 \$'000
10. PAYABLES		
Accounts Payable	443	634
Accrued Expenses	2 019	2 116
Other Payables	-	4
Total Payables	2 462	2 754
11. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	3 064	3 204
Leave Loading	519	539
Other Employee Benefits – Recreation Leave Airfares	251	188
<i>Other Current Provisions</i>		
Other Provisions	570	591
	4 404	4 522
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	1 634	1 824
	1 634	1 824
Total Provisions	6 038	6 346

The Agency employed 561 employees as at 30 June 2007 (601 employees as at 30 June 2006).

12. EQUITY

Equity represents the residual interest in the net assets of the Department of Corporate and Information Services. The Government's ownership interest in the Department of Corporate and Information Services is held in the Central Holding Authority as described in note 2(b).

	2007 \$'000	2006 \$'000
Capital		
Balance as at 1 July	14 396	(403)
<i>Equity Injections</i>		
Capital Appropriation	-	14 931
Equity Transfers In	32	159
<i>Equity Withdrawals</i>		
Capital Withdrawal	(10 500)	-
Equity Transfers Out	-	(291)
Balance as at 30 June	3 928	14 396
Reserves		
Asset Revaluation Reserve		
<i>(i) Nature and Purpose of the Asset Revaluation Reserve</i>		
The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the Asset Revaluation Reserve.		
<i>(ii) Movements in the Asset Revaluation Reserve</i>		
Balance as at 1 July	324	-
Increment/(Decrement) – Land & Buildings	-	324
Balance as at 30 June	324	324
Accumulated Funds		
Balance as at 1 July	1 555	1 255
Surplus /(Deficit) for the Period	(2 129)	300
Balance as at 30 June	(574)	1 555
Total Equity	3 678	16 275

13. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of Agency Cash and Deposits of \$1.51 million recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.

Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities

	2007 \$'000	2006 \$'000
Net Surplus/(Deficit)	(2 129)	300
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	563	588
Asset Write-Offs/Write-Downs	3	7
Non-cash maintenance	9	33
(Gain) on Disposal of Assets	-	(1 005)
Asset acquired nil consideration	-	(2)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	1 729	(919)
Decrease/(Increase) in Prepayments	(441)	119
(Increase) in Other Assets	-	19
(Decrease)/Increase in Payables	(292)	836
(Decrease) in Provision for Employee Benefits	(287)	(15)
(Decrease) in Other Provisions	(21)	(69)
(Decrease) in Other Liabilities	-	(402)
Net Cash From Operating Activities	(866)	(510)

14. FINANCIAL INSTRUMENTS

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

(a) Credit Risk

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

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

(c) Interest Rate Risk

The Department of Corporate and Information Services has limited exposure to interest rate risk as Agency financial assets and financial liabilities, with the exception of a portion of the bank account are non-interest bearing. The Department of Corporate and Information Services exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the start of the year.

14. FINANCIAL INSTRUMENTS (Continued)

	Weighted Average interest rate %	Variable Interest \$'000	Fixed Interest Maturity			Non- Interest Bearing \$'000	Total \$'000
			Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
2007 Financial Assets							
Cash and Deposits	5.89	230	-	-	-	1 278	1 508
Receivables		-	-	-	-	1 513	1 513
Total Financial Assets:		230	-	-	-	2 791	3 021
Financial Liabilities							
Deposits Held		-	-	-	-	297	297
Payables		-	-	-	-	2 462	2 462
Total Financial Liabilities:		-	-	-	-	2 759	2 759
Net Financial Assets/(Liabilities):		230	-	-	-	32	262

	Weighted Average interest rate %	Variable Interest \$'000	Fixed Interest Maturity			Non- Interest Bearing \$'000	Total \$'000
			Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000		
2006 Financial Assets							
Cash and Deposits	5.50	466	-	-	-	944	1 410
Receivables		-	-	-	-	14 742	14 742
Total Financial Assets:		466	-	-	-	15 686	16 152
Financial Liabilities							
Deposits Held		-	-	-	-	333	333
Payables		-	-	-	-	2 754	2 754
Total Financial Liabilities:		-	-	-	-	3 087	3 087
Net Financial Assets/(Liabilities):		466	-	-	-	12 599	13 065

	2007 \$'000	2006 \$'000
15. COMMITMENTS		
(i) Operating Lease Commitments		
The Agency leases property under non-cancellable operating leases expiring from one month to 25 years. Leases generally provide the Agency with a right of renewal at which time all lease terms are renegotiated. The Agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:		
Within one year	33 879	31 142
Later than one year and not later than five years	82 326	81 268
Later than five years	66 770	58 850
	182 975	171 260
(ii) Other Expenditure Commitments		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	-	780
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	780

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**a) Contingent Liabilities**

Agreements for leases or licenses of property, plant or equipment generally contain standard indemnity provisions covering the lessor or licensor for any losses suffered as a result of the lease or license arrangement. The contingent liabilities resulting from the indemnities are unquantifiable. There are no reportable contingent liabilities in this category.

b) Contingent Assets

The Department of Corporate and Information Services had no contingent assets as at 30 June 2007 for 30 June 2006.

17. 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.

18. 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 2006 \$'000	Receipts \$'000	Payments \$'000	Closing Balance 30 June 2007 \$'000
Superannuation Returned Cheques	-	19	16	3
External Organisations Advance Account	30	-	30	-
	30	19	46	3

19. WRITE-OFFS POSTPONEMENTS AND WAIVERS

	2007 \$'000	No. of Trans.	2006 \$'000	No. of Trans.
Write-offs Postponements and Waivers Under the <i>Financial Management Act</i>				
Represented by:				
<u>Amounts written off, waived, and postponed by Delegates</u>				
Public property written off	3	1	7	2
Total written off, waived and postponed by Delegates	3	1	7	2

DCIS had no write-offs, postponements or waivers authorised by the Treasurer in 2005-06 or 2006-07.

20. VARIATION TO THE TREASURER'S ANNUAL FINANCIAL STATEMENT

Agency financial information incorporated into the Treasurer's Annual Financial Statement (TAFS) differs to that provided in these financial statements as a result of the purchase and resale of desktop assets from the previous to the new service provider. A summary of the variation is shown below:

	Agency Financial Statements \$'000	Treasurer's Annual Financial Statement \$'000	Variance \$'000
Cash Flow Statement:			
Receipts from customers	11 783	23 283	(11 500)
Proceeds from asset sales	11 500	-	11 500
Total	23 283	23 283	-

**DATA CENTRE SERVICES
FINANCIAL STATEMENTS**

Data Centre Services
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2007

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

Key functional responsibilities are:

- mainframe application hosting and management;
- mid-range sever application hosting and management;
- database administration;
- enterprise data storage management;
- operation of the Chan Data Centre facility; and
- management of various whole of government information technology functions, such as Lotus Notes licences, electronic security and identity management.

Financial Performance

During the 2006-07 financial year Data Centre Services reported a favourable outcome, achieving a profit after tax of \$1.59 million, resulting in taxes of \$0.68 million and a dividend declared at \$0.79 million to be returned to Government.

Data Centre Services income grew again in 2006-07, with an increase of \$1.2 million achieved over 2005-06 income. However, as a result of additional resources committed to the Identity and Access Management project – ePASSII, Data Centre Services has produced a reduced surplus in 2006-07 compared to the \$2.28 million achieved in 2005-06. ePASSII is a major system development and implementation project with substantial costs being incurred during this initial project implementation phase. The ePASSII system is expected to be operational in mid 2007-08.

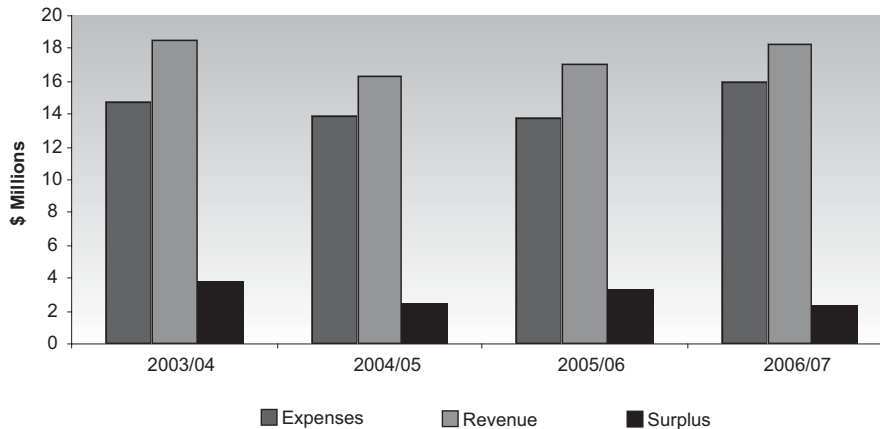
Table 1: 2006-07 Budget and Actual Performance

	Actual \$'000	Budget \$'000	Variation \$'000
Income	18 266	17 978	288
Expenses	16 000	16 457	457
Income Tax Expense	680	456	(224)
Surplus/(Deficit)	1 586	1 065	521

Data Centre Services receives goods and services revenue by providing information technology solutions to Government agencies, with external clients representing around 5% of total revenues. The growth in revenues

experienced over the past two years is largely due to increases in occupancy rates in the data centre and the expansion of business in mid-range computing services. More agencies are accessing the managed computing services that Data Centre Services provides for hosting agency business systems on the centre's mid-range server network.

Figure 1: Operating Results



In the provision of services, Data Centre Services incurs significant expenditure in employee costs, IT contractors and information technology related costs, for software and hardware. Expenditure for Data Centre Services increased from \$13.8 million in 2005-06 to \$16 million in 2006-07, due primarily to the ePASSII implementation project and also the expansion of business in mid-range services. With the completion of the ePASSII project in 2007-08, expenditure is expected to fall with revenue to be generated from the system. Capacity growth in mid-range services is expected to continue with resultant increasing income and expenses. Efficiencies in software licensing and maintenance and exploiting new technologies have contained expenditure growth in mainframe services.

Table 2: 2006-07 Expenses by category

ICT \$'000	Employee \$'000	Operational \$'000	Depreciation \$'000	Property \$'000	Total \$'000
7 938	4 738	982	1 485	857	16 000
49.6%	29.6%	6.1%	9.3%	5.4%	100%

Due to the delayed completion of ePASSII, resources committed to the project in 2006-07 will be carried forward and continue in 2007-08. Depreciation of the new mainframe and the ePASSII expenditure is expected to have a negative impact on the \$1.69 million surplus estimated in the 2007-08 Budget Paper No. 3.

Financial Position

During 2006-07 Data Centre Services acquired assets of around \$1.3 million, including around \$0.6 million in Storage Area Network infrastructure and around \$0.17 million in ePASSII infrastructure, with the remainder in various hardware and components. Subsequent to balance date Data Centre Services committed to the acquisition of a new mainframe valued at \$0.73 million.



AUDITOR-GENERAL

**INDEPENDENT AUDITOR'S REPORT
TO THE MINISTER FOR CORPORATE AND INFORMATION SERVICES
DATA CENTRE SERVICES
YEAR ENDED 30 JUNE 2007**

I have audited the accompanying financial report of Data Centre Services, which comprises the operating statement, balance sheet, statement of changes in equity and cash flow statement, and accompanying notes to the financial statements for the year ended 30 June 2007.

The Responsibility of the Chief Executive 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 (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Data Centre Services as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

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

18 October 2007

Data Centre Services FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly Data Centre Services financial performance and cash flows for the year ended 30 June 2007 and the financial position on that date.

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



.....
Graham Symons
CHIEF EXECUTIVE
11 October 2007



.....
Trevor Beck
CHIEF FINANCE OFFICER
11 October 2007

Data Centre Services
OPERATING STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
INCOME			
Sales of Goods and Services		18 080	16 891
Interest Revenue		184	161
Other Income		2	-
TOTAL INCOME		18 266	17 052
EXPENSES			
Employee Expenses		(4 738)	(4 138)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	3	(9 761)	(8 444)
Depreciation and Amortisation	7	(1 485)	(1 085)
Other Administrative Expenses		8	(64)
Interest Expenses		(24)	(65)
TOTAL EXPENSES		(16 000)	(13 796)
Income Tax Expense	4	(680)	(977)
NET SURPLUS/(DEFICIT)	13	1 586	2 279

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

Data Centre Services
BALANCE SHEET
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and Deposits	5	4 052	3 908
Receivables	6	1 883	1 980
Prepayments		1 035	1 065
Total Current Assets		6 970	6 953
Non-Current Assets			
Property, Plant and Equipment	7	2 610	2 780
Total Non-Current Assets		2 610	2 780
TOTAL ASSETS		9 580	9 733
LIABILITIES			
Current Liabilities			
Payables	8	667	440
Income Tax Liability	9	680	977
Borrowings and Advances	10	-	457
Provisions	11	1 315	1 701
Other Liabilities	12	271	333
Total Current Liabilities		2 933	3 908
Non-Current Liabilities			
Provisions	11	167	144
Total Non-Current Liabilities		167	144
TOTAL LIABILITIES		3 100	4 052
NET ASSETS		6 480	5 681
EQUITY			
	13		
Capital		331	325
Accumulated Funds		6 149	5 356
TOTAL EQUITY		6 480	5 681

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

Data Centre Services
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
BALANCE OF EQUITY AT 1 JULY		5 681	4 541
Capital	13		
Balance at 1 July		325	325
Equity Injections		6	-
Balance at 30 June		331	325
Accumulated Funds	13		
Balance at 1 July		5 356	4 216
Surplus/(Deficit) for the Period		1 586	2 279
Dividends payable		(793)	(1 139)
Balance at 30 June		6 149	5 356
BALANCE OF EQUITY AT 30 JUNE		6 480	5 681

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

Data Centre Services
CASH FLOW STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
		(Outflows) Inflows	(Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts From Sales of Goods And Services		19 003	17 844
GST Receipts		1 639	1 235
Interest Received		184	159
Total Operating Receipts		20 826	19 238
Operating Payments			
Payments to Employees		(4 695)	(4 089)
Payments for Goods and Services		(10 984)	(9 693)
GST Payments		(1 097)	(1 073)
Income Tax Paid		(977)	(725)
Interest Paid		(24)	(65)
Total Operating Payments		(17 777)	(15 645)
Net Cash From/(Used In) Operating Activities	14	3 049	3 593
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets		(1 309)	(2 372)
Total Investing Payments		(1 309)	(2 372)
Net Cash From/(Used In) Investing Activities		(1 309)	(2 372)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Finance Lease Payments	16	(457)	(572)
Dividends Paid	13	(1 139)	(846)
Total Financing Payments		(1 596)	(1 418)
Net Cash From/(Used In) Financing Activities		(1 596)	(1 418)
Net Increase/(Decrease) in Cash Held		144	(197)
Cash at Beginning of Financial Year		3 908	4 105
CASH AT END OF FINANCIAL YEAR	5	4 052	3 908

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

Data Centre Services
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2007

Index of Notes to the Financial Statements

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

EXPENSES

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

ASSETS

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

LIABILITIES

8. Payables
9. Income Tax Liabilities
10. Borrowings and Advances
11. Provisions
12. Other Liabilities

EQUITY

13. Equity

OTHER DISCLOSURES

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

1. OBJECTIVES AND FUNDING

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

The form of agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Northern Territory Government entities.

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.

(b) Agency and Territory Items

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

Central Holding Authority

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

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

(c) Comparatives

Where necessary, comparative information for the 2005-06 financial year has been reclassified to provide consistency with current year disclosures.

(d) 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.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2006-07 as a result of management decisions.

(f) Goods and Services Tax

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

(g) Income Recognition

Income encompasses both income and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax. 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 control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

Rendering of Services

Revenue from rendering services is recognised on a stage of completion basis.

Interest Revenue

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

Disposal of Assets

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

Costs associated with repairs and maintenance works on Data Centre Services' assets are expensed as incurred.

(i) Interest Expenses

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

(j) Taxation

Data Centre Services 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 and the NT Tax Equivalents Regime.

(k) 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.

(l) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

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

(m) Property, Plant and Equipment

Acquisitions

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to Data Centre Services 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.

Revaluations

Plant and Equipment is carried at cost.

Depreciation and Amortisation

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:

	2007	2006
Plant and Equipment	2-5 Years	2-5 Years
Leased Computer Software	3 Years	3 Years
Computer Software and 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.

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 assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, Data Centre Services 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 Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve. Note 13 provides additional information in relation to the Asset Revaluation Reserve.

(n) Leased Assets

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

Finance Leases

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

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

Operating Leases

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

(o) 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 Data Centre Services. Accounts payable are normally settled within 30 days.

(p) Employee Benefits

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

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

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

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

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

(q) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(r) Dividend

Data Centre Services has provided for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy.

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

(s) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 18 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

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

	2007 \$'000	2006 \$'000
3. PURCHASES OF GOODS AND SERVICES		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Consultants ⁽¹⁾	3 254	2 726
Advertising ⁽²⁾	-	3
Marketing and Promotion ⁽³⁾	-	-
Document Production	-	-
Legal Expenses ⁽⁴⁾	23	-
Recruitment ⁽⁵⁾	10	3
Training and Study	75	95
Official Duty Fares	10	9
Travelling Allowance	3	2
Corporate Support from other Agencies	397	506
Audit Fees	32	25
(1) Includes marketing, promotion and IT consultants.		
(2) Does not include recruitment advertising or marketing and promotion advertising.		
(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(4) Includes legal fees, claim and settlement costs.		
(5) Includes recruitment related advertising costs.		
4. INCOME TAX EXPENSE		
Current Year Profit	2 266	3 256
Prima facie income tax expense calculated at 30% on the surplus	680	977
Total Income Tax Expense	680	977
5. CASH AND DEPOSITS		
Cash at Bank	4 052	3 908

	2007 \$'000	2006 \$'000
6. RECEIVABLES		
Current		
Accounts Receivable	424	638
Less: Allowance for Doubtful Accounts Receivable	(57)	(64)
	367	574
Interest Receivable	18	20
Other Receivables	1 498	1 386
Total Receivables	1 883	1 980
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	448	152
Less: Accumulated Depreciation	(63)	(29)
	385	123
Computer Software		
At Cost	6	6
Less: Accumulated Depreciation	(2)	-
	4	6
Leased Computer Software		
At Cost	-	1 698
Less: Accumulated Depreciation	-	(1 132)
	-	566
Computer Hardware		
At Cost	4 123	10 820
Less: Accumulated Depreciation	(1 902)	(8 735)
	2 221	2 085
Total Property, Plant and Equipment	2 610	2 780

Impairment of Property, Plant and Equipment

Data Centre Services' property, plant and equipment assets were assessed for impairment as at 30 June 2007. No impairment adjustments were required as a result of this review.

7. PROPERTY, PLANT AND EQUIPMENT (Continued)**Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2006-07 is set out below:

	Plant & Equipment	Leased Computer Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2006	123	566	6	2 085	2 780
Additions	319	-	-	990	1 309
Transfer in / (out)	(24)	-	-	30	6
Depreciation	(33)	(566)	(2)	(884)	(1 485)
Carrying Amount as at 30 June 2007	385	-	4	2 221	2 610

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2005-06 is set out below:

	Plant & Equipment	Leased Computer Equipment	Computer Software	Computer Hardware	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2005	12	1 132	-	349	1 493
Additions	113	-	7	2 252	2 372
Disposals	-	-	-	(43)	(43)
Depreciation	(2)	(566)	(1)	(516)	(1 085)
Depreciation of Disposals	-	-	-	43	43
Carrying Amount as at 30 June 2006	123	566	6	2 085	2 780

	2007 \$'000	2006 \$'000
8. PAYABLES		
Accounts Payable	262	200
Accrued Expenses	321	39
GST Payable	84	201
	667	440
9. INCOME TAX LIABILITIES		
Income Tax Payable	680	977
10. BORROWINGS AND ADVANCES		
Current		
Finance Lease Liabilities (refer note 15)	-	457
Total Borrowing's and Advances	-	457
11. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	338	296
Leave Loading	87	70
Other Employee Benefits – Recreation Leave Airfares	31	9
<i>Other Current Provisions</i>		
Provision for Dividend	793	1 139
Provision for Fringe Benefits Tax	5	3
Provision for Superannuation	-	77
Provision for Payroll Tax	48	35
Provision for Workers Compensation Premium	13	22
Provision for Public Liability Insurance	-	50
	1 315	1 701
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	167	144
	167	144
Total Provisions	1 482	1 845
Reconciliations of Dividends		
Balance as at 1 July 2006	1 139	846
Reductions Arising from Payments	(1 139)	(846)
Additional Provisions Recognised	793	1 139
Balance as at 30 June 2007	793	1 139

Data Centre Services employed 59 employees as at 30 June 2007 (57 employees as at 30 June 2006).

	2007 \$'000	2006 \$'000
12. OTHER LIABILITIES		
Current		
Deferred Revenue	271	333
13. EQUITY		
Equity represents the residual interest in the net assets of Data Centre Services. The Government's ownership interest in Data Centre Services is held in the Central Holding Authority as described in note 2(b).		
Capital		
Balance as at 1 July	325	325
<i>Equity Adjustments</i>		
Equity Transfers In	6	-
Balance as at 30 June	331	325
Accumulated Funds		
Asset Revaluation Reserve		
Balance as at 1 July	5 356	4 216
Surplus for the Period	1 586	2 279
Dividends Recognised	(793)	(1 139)
Balance as at 30 June	6 149	5 356
Total Equity	6 480	5 681
14. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of Data Centre Services Cash and Deposits of \$4.05 million recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities		
Net Surplus/(Deficit)	1 586	2 279
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	1 485	1 085
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	98	(112)
Decrease/(Increase) in Prepayments	30	(52)
Decrease/(Increase) in Trade Creditors	62	(110)
(Decrease)/Increase in Other Payables	163	-
Increase in Provision for Employee Benefits	105	43
(Decrease)/Increase in Other Provisions	(122)	60
(Decrease)/Increase Income Tax Liabilities	(296)	252
(Decrease)/Increase in Deferred Income	(62)	148
Net Cash From Operating Activities	3 049	3 593

14. NOTES TO THE CASH FLOW STATEMENT (Continued)

Non-Cash Financing and Investing Activities

Finance Lease Transactions

During the financial year the Data Centre Services acquired \$nil (2006: \$nil) 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 Data Centre Services include cash and deposits, receivables, payables and finance leases. Data Centre Services has limited exposure to financial risks as discussed below.

Data Centre Services' operating account earns monthly interest at a variable interest rate (NT Treasury Corporation's average 11am cash rate less 25 basis points).

Negative cash balances of \$50 000 or less attract the average 11am cash rate for the month plus 50 basis points.

Negative cash balances over \$50 000, which have an overdraft facility or by prior arrangement with NT Treasury Corporation, attract the average 11am cash rate for the month plus 50 basis points.

Negative balances without overdraft facilities or prior arrangement with NT Treasury Corporation will be charged the overdraft rate applied to the Government Bank Account by the Westpac Banking Corporation.

(a) Credit Risk

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

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

(c) Interest Rate Risk

Data Centre Services has limited exposure to interest rate risk as assets and financial liabilities, with the exception of the bank account are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose the Data Centre Services to interest rate risk. Data Centre Service's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities are set out below. The average interest rate is based on the outstanding balance at the end of the year.

15. FINANCIAL INSTRUMENTS (Continued)

	<u>Fixed Interest Maturity</u>					Total \$'000
	Weighted Average interest rate %	Variable Interest \$'000	Under 1 year \$'000	1 to 5 years \$'000	Non-Interest Bearing \$'000	
	2007 Financial Assets					
Cash and Deposits	5.89	4 052	-	-	-	4 052
Receivables		-	-	-	1 883	1 883
Total Financial Assets:		4 052	-	-	1 883	5 935
Financial Liabilities						
Payables		-	-	-	667	667
Employee Benefits		-	-	-	623	623
Income Tax Payable		-	-	-	680	680
Dividend Payable		-	-	-	793	793
Total Financial Liabilities:		-	-	-	2 763	2 763
Net Financial Assets/(Liabilities):		4 052	-	-	(880)	3 172

	<u>Fixed Interest Maturity</u>					Total \$'000
	Weighted Average interest rate %	Variable Interest \$'000	Under 1 year \$'000	1 to 5 years \$'000	Non-Interest Bearing \$'000	
	2006 Financial Assets					
Cash and Deposits	5.50	3 908	-	-	-	3 908
Receivables		-	-	-	1 980	1 980
Total Financial Assets:		3 908	-	-	1 980	5 888
Financial Liabilities						
Payables		-	-	-	440	440
Employee Benefits		-	-	-	519	519
Finance Lease Liabilities		-	457	-	-	457
Dividend Payable		-	-	-	1 139	1 139
Total Financial Liabilities:		-	457	-	2 098	2 555
Net Financial Assets/(Liabilities):		3 908	(457)	-	(118)	(3 333)

	2007 \$'000	2006 \$'000
16. COMMITMENTS		
(i) Other Expenditure Commitments		
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	643	-
	643	-
(ii) Finance Lease Commitments		
Data Centre Services leases plant and equipment under finance leases expiring on 30 June 2007. Finance lease commitments are recognised as liabilities (refer also to note 10) and are payable as follows:		
Within one year	-	470
<i>Total Minimum Finance Lease Payments:</i>	-	470
Less: future lease finance charges	-	(13)
Total Finance Lease Liabilities	-	457
Current (note 10)	-	457
Total Finance Lease Liabilities	-	457

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Data Centre Services had no contingent liabilities or contingent assets as at 30 June 2007 or 30 June 2006.

18. EVENTS SUBSEQUENT TO BALANCE DATE

Data Centre Services made a commitment to the purchase of a new mainframe valued at \$730 000 on the 20th August 2007.

19. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

Data Centre Services had no write offs, postponements or waivers in 2006-07 and 2005-06.

**NT FLEET
FINANCIAL STATEMENTS**

NT Fleet
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2007

NT Fleet provides light and heavy vehicles to all Northern Territory Government agencies, with the exception of NT Police, Fire and Emergency Services. NT Fleet's primary goal is to minimise the operating costs of the Government's vehicle fleet by working closely with agencies towards acquiring a more modern fleet, which is fit for purpose, fuel efficient and environmentally friendly.

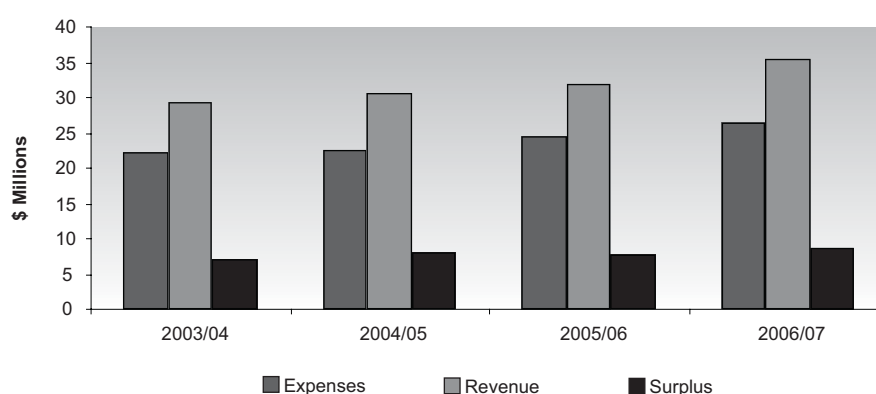
Financial Performance

Table 1: 2006-07 Budget and Actual Performance

	Actual \$'000	Budget \$'000	Variation \$'000
Income	35 341	34 495	846
Expenses	26 505	26 487	(18)
Income Tax Expense	2 651	2 402	(249)
Surplus/(Deficit)	6 185	5 606	579

NT Fleet produced an after tax surplus of \$6.2 million for 2006-07, an increase of \$0.87 million over the previous year's financial result. This improvement is primarily due to increased vehicle hire revenue, partially offset by associated higher expenses. Increases in hire revenue are due to a combination of more vehicles in the fleet (the light vehicle fleet increased in size from 2,413 to 2,462 vehicles in 2006-07) and changes in vehicle hire rates. The size of the fleet is dictated by agency business needs and hire rates are influenced by a number of vehicle-related costs.

Figure 1: Operating Results



The major increases in revenue in 2006-07 were from vehicle contract hire \$1.77 million, vehicle maintenance recovery \$0.79 million, short term hire \$0.17 million and gain on disposal of assets \$0.58 million. The gain on disposals was mainly due to higher than expected prices at auction for commercial vehicles.

Table 2: 2006-07 Revenue by category

Contract Hire	Vehicle Maintenance Recovery	Sale of Assets	Short Term Hire	Other	Total
\$'000	\$'000	'000	\$'000	\$'000	\$'000
30 499	2 399	1 518	718	207	35 341
86.3%	6.7%	4.4%	2%	0.6%	100%

Vehicle hire rates are determined after taking into account a number of interlinked factors, including the vehicle's purchase price, its likely disposal return (affects residual value) and operational costs, including depreciation.

Operational expenses for NT Fleet increased from \$22.5 million in 2005-06 to \$24.4 million in 2006-07. The increase is due to an additional \$1.7 million in depreciation and \$0.36 million in repairs and maintenance costs.

Table 3: 2006-07 Expenses by category

Depreciation	Vehicle R&M	Employee	Operational	Total
\$'000	\$'000	\$'000	\$'000	\$'000
14 447	8 195	2 060	1 803	26 505
54.5%	30.9%	7.8%	6.8%	100%

Depreciation costs are higher in 2006-07 due to an increase in the number of vehicles managed, lower residual values and a younger fleet, including heavy vehicles. Repairs and maintenance costs are approximately 4.6% higher than for the previous year attributable to increased fleet size and supplier prices. Other expense categories, including employee costs, have remained consistent across the two financial years.

Financial Position

NT Fleet's asset position at the end of 2006-07 is \$73.4 million, compared with a 2005-06 net asset position of \$70.3 million. This increase is primarily due to modernisation of the fleet and the heavy vehicle replacement program, which established a rolling capital replacement program for heavy vehicles to improve reliability and maximise value in the provision of a heavy vehicle fleet for Government agencies.

The implementation of the heavy vehicle replacement program was funded by an initial loan from the Northern Territory Treasury Corporation of \$4 million, which reflects as an increase in non-current liabilities. Further funding for the heavy vehicle replacement program in future years is anticipated to be met by NT Fleet.



AUDITOR-GENERAL

**INDEPENDENT AUDITOR'S REPORT
TO THE MINISTER FOR CORPORATE AND INFORMATION SERVICES
NT FLEET
YEAR ENDED 30 JUNE 2007**

I have audited the accompanying financial report of NT Fleet, which comprises the operating statement, balance sheet, statement of changes in equity and cash flow statement, and accompanying notes to the financial statements for the year ended 30 June 2007.

The Responsibility of the Chief Executive 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 (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of NT Fleet as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).

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

18 October 2007

NT Fleet FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly NT Fleet's financial performance and cash flows for the year ended 30 June 2007 and the financial position on that date.

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



.....
Graham Symons
CHIEF EXECUTIVE
11 October 2007



.....
Trevor Beck
CHIEF FINANCE OFFICER
11 October 2007

NT Fleet
OPERATING STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
INCOME			
Sales of Goods and Services		33 625	30 953
Interest Revenue		95	39
Goods and Services Received Free of Charge	3	-	44
Gain on Disposal of Assets	4	1 518	939
Other Income		103	96
TOTAL INCOME		35 341	32 071
EXPENSES			
Employee Expenses		(2 060)	(1 983)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	5	(1 747)	(1 913)
Vehicle Repairs and Maintenance		(8 195)	(7 832)
Depreciation and Amortisation	10	(14 447)	(12 743)
Interest Expenses		(56)	(13)
TOTAL EXPENSES		(26 505)	(24 484)
Income Tax Expense	6	(2 651)	(2 276)
NET SURPLUS/(DEFICIT)	16	6 185	5 311

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

NT Fleet
BALANCE SHEET
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and Deposits	7	4 353	632
Receivables	8	623	485
Inventories	9	8	5
Total Current Assets		4 984	1 122
Non-Current Assets			
Property, Plant and Equipment	10	80 995	76 668
Total Non-Current Assets		80 995	76 668
TOTAL ASSETS		85 979	77 790
LIABILITIES			
Current Liabilities			
Payables	11	2 383	2 028
Income Tax Liabilities	12	2 651	2 276
Provisions	13	3 369	2 927
Other Liabilities	14	-	74
Total Current Liabilities		8 403	7 305
Non-Current Liabilities			
Provisions	13	173	174
Borrowings and Advances	15	4 000	-
Total Non-Current Liabilities		4 173	174
TOTAL LIABILITIES		12 576	7 479
NET ASSETS		73 403	70 311
EQUITY			
Capital	16	528	528
Accumulated Funds		72 875	69 783
TOTAL EQUITY		73 403	70 311

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

NT Fleet
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
BALANCE OF EQUITY AT 1 JULY	16	70 311	67 615
Capital	16		
Balance at 1 July		528	505
Equity Injections		-	23
Balance at 30 June		528	528
Accumulated Funds	16		
Balance at 1 July		69 783	67 110
Correction of Prior Period Errors		-	18
Surplus/(Deficit) for the Period		6 185	5 311
Dividends Payable		(3 093)	(2 656)
Balance at 30 June		72 875	69 783
BALANCE OF EQUITY AT 30 JUNE		73 403	70 311

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

NT Fleet
CASH FLOW STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000 (Outflows) / Inflows	2006 \$'000 (Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Receipts From Sales of Goods And Services		39 071	35 490
Interest Received		83	42
Total Operating Receipts		39 154	35 532
Operating Payments			
Payments to Employees		(2 053)	(1 995)
Payments for Goods and Services		(15 465)	(13 904)
Interest Paid		-	(13)
Income Tax Paid		(2 276)	(2 442)
Total Operating Payments		(19 794)	(18 354)
Net Cash From/(Used In) Operating Activities	17	19 360	17 178
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Receipts			
Proceeds from Asset Sales	4	22 539	18 766
Total Investing Receipts		22 539	18 766
Investing Payments			
Purchases of Assets		(39 523)	(34 573)
Total Investing Payments		(39 523)	(34 573)
Net Cash From/(Used In) Investing Activities		(16 984)	(15 807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Receipts			
Proceeds of Borrowings	15	4 000	-
Total Financing Receipts		4 000	-
Financing Payments			
Dividends Paid	13	(2 655)	(2 849)
Total Financing Payments		(2 655)	(2 849)
Net Cash From/(Used In) Financing Activities		1 345	(2 849)
Net Increase/(Decrease) in Cash Held		3 721	(1 478)
Cash at Beginning of Financial Year		632	2 110
CASH AT END OF FINANCIAL YEAR	7	4 353	632

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

NT Fleet
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2007

Index of Notes to the Financial Statements

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

INCOME

3. Goods and Services Received Free of Charge
4. Gain on Disposal of Assets

EXPENSES

5. Purchases of Goods and Services
6. Income Tax Expense

ASSETS

7. Cash and Deposits
8. Receivables
9. Inventories
10. Property, Plant and Equipment

LIABILITIES

11. Payables
12. Income Tax Liabilities
13. Provisions
14. Other Liabilities
15. Borrowings and Advances

EQUITY

16. Equity

OTHER DISCLOSURES

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

1. OBJECTIVES AND FUNDING

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

Key functional responsibilities are:

- managing the strategic replacement program for the Territory Government's fleet;
- minimising the total cost of fleet ownership;
- administering supply and service contracts, vehicle specifications and delivery programs; and
- managing the disposal of vehicles, plant and equipment.

Funding is provided predominantly via vehicle hire income derived from client agencies.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The 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:

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

The form of agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Northern Territory Government entities.

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 only 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.

(b) Agency and Territory Items

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

Central Holding Authority

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

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

(c) Comparatives

Where necessary, comparative information for the 2005-06 financial year has been reclassified to provide consistency with current year disclosures.

(d) 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.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2006-07 as a result of management decisions.

(f) Goods and Services Tax

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

(g) Income Recognition

Income encompasses both income 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 control of the goods passes to the customer and specific conditions associated with the sale have been satisfied.

Rendering of Services

Revenue from rendering services is recognised on a stage of completion basis.

Interest Income

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 4.

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

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

(i) Interest Expenses

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

(j) 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 and the NT Tax Equivalents Regime.

(k) 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.

(l) Inventories

General inventories are all inventories other than those held for distribution and are carried at the lower of cost and net realisable value. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Inventories held for distribution are those inventories distributed at no or nominal consideration and are carried at the lower of cost and current replacement cost.

(m) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

Accounts receivable and other receivables are generally settled within 14 days.

(n) Property, Plant and Equipment

Acquisitions

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

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.

Software (Work in Progress)

NT Fleet is currently developing software as part of its "CARS" project. The cost of this project has been capitalised.

Revaluations

Plant and equipment is carried at cost.

Depreciation and Amortisation

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:

	2007	2006
Vehicles – light	2 – 3 Years	2 – 3 Years
Vehicles – heavy	3 – 10 Years	3 – 10 Years
Leasehold improvements	10 – 15 Years	10 – 15 Years
Computer software	1 – 5 Years	1 – 5 Years

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

Assets Held for Sale

Assets held for sale consist of those assets, which management has determined are available for immediate sale in their present condition and their sale is highly 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.

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve.

(o) 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 leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

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.

(p) 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.

(q) Borrowings

Government loans are initially recognised at the fair value of the consideration received less directly attributable transaction cost.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method.

(r) Employee Benefits

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

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

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

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

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

(s) Superannuation

Employees' superannuation entitlements are provided through the:

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

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

(t) Dividends

The entity has provided for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy.

(u) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 19 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

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

	2007 \$'000	2006 \$'000
3. GOODS AND SERVICES RECEIVED FREE OF CHARGE		
Assets acquired for nil consideration	-	44
	-	44
4. GAIN ON DISPOSAL OF ASSETS		
Net proceeds from the disposal of non-current assets	22 539	19 063
Less: Carrying value of non-current assets disposed	(21 021)	(18 124)
Gain on the disposal of non-current assets	1 518	939
5. PURCHASES OF GOODS AND SERVICES		
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Document Production	8	5
Recruitment	4	1
Training and Study	17	9
Official Duty Fares	13	8
Travelling Allowance	5	2
Audit Fees	10	61
Corporate support by other agencies	357	384
6. INCOME TAX EXPENSE		
Current Year Profit	8 836	7 587
Prima facie income tax expense calculated at 30% on the surplus	2 651	2 276
Income Tax Expense	2 651	2 276
7. CASH AND DEPOSITS		
Cash on Hand	1	1
Cash at Bank	4 352	631
Total Cash and Deposits	4 353	632

	2007 \$'000	2006 \$'000
8. RECEIVABLES		
Current		
Accounts Receivable	245	244
Interest Receivable	12	1
GST Receivables	-	59
Other Receivables	366	181
Total Receivables	623	485
9. INVENTORIES		
Raw materials and stores	8	5
Total Inventories	8	5
10. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicles - Light		
At Cost	87 475	83 699
At Capitalised Cost	44	44
Less: Accumulated Depreciation	(16 984)	(16 295)
	70 535	67 448
Motor Vehicles - Heavy		
At Fair Value	20 909	19 891
Less: Accumulated Depreciation	(10 631)	(10 826)
	10 278	9 065
Software (Work in Progress)		
At Capitalised Cost	160	132
	160	132
Leasehold Improvements		
At Capitalised Cost	23	23
Less: Accumulated Depreciation	(1)	(-)
	22	23
Total Property, Plant and Equipment	80 995	76 668

Impairment of Property, Plant and Equipment

NT Fleet's property, plant and equipment were assessed for impairment as at 30 June 2007. No impairment adjustments were required as a result of this review.

10. PROPERTY, PLANT AND EQUIPMENT (Continued)

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2006-07 is set out below:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Software (Work in Progress) \$'000	Leasehold Improvements \$'000	Total \$'000
Carrying Amount as at 1 July 2006	67 448	9 065	132	23	76 668
Additions	36 416	3 351	28	-	39 795
Disposals	(32 639)	(2 332)	-	-	(34 971)
Accumulated Depreciation on disposals	12 194	1 756	-	-	13 950
Depreciation	(12 884)	(1 562)	-	(1)	(14 447)
Carrying Amount as at 30 June 2007	70 535	10 278	160	22	80 995

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2005-06 is set out below:

	Motor Vehicles Light \$'000	Motor Vehicles Heavy \$'000	Software (Work in Progress) \$'000	Leasehold Improvements \$'000	Total \$'000
Carrying Amount as at 1 July 2005	64 238	9 310	-	-	73 548
Additions	31 878	1 612	132	23	33 645
Disposals	(27 093)	(1 768)	-	-	(28 862)
Accumulated Depreciation on disposals	9 705	1 330	-	-	11 035
Additions/(Disposals) from Asset Transfers in Depreciation	44	-	-	-	44
	(11 324)	(1 419)	-	-	(12 743)
Carrying Amount as at 30 June 2006	67 448	9 065	132	23	76 668

	2007 \$'000	2006 \$'000
11. PAYABLES		
Accounts Payable	1 866	1 747
Accrued Interest	56	-
Accrued Expenses	270	281
GST Payable	191	-
	2 383	2 028
12. INCOME TAX LIABILITIES		
Income Tax Payable	2 651	2 276
	2 651	2 276
13. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	191	176
Leave Loading	37	39
Recreation Leave Fares	17	20
<i>Other Current Provisions</i>		
Provision for Dividend	3 093	2 655
Provision for Fringe Benefits Tax	2	2
Provision for Payroll Tax	15	19
Provision for Superannuation	6	5
Provision for Workers Compensation Premium	8	11
	3 369	2 927
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	173	174
	173	174
Total Provisions	3 542	3 101
Dividend Provision		
Balance as at 1 July 2006	2 655	2 849
Additional Provisions Recognised	3 093	2 655
Reductions Arising from Payments	(2 655)	(2 849)
Balance as at 30 June 2007	3 093	2 655

NT Fleet employed 32 employees as at 30 June 2007
(32 employees as at 30 June 2006).

	2007 \$'000	2006 \$'000
14. OTHER LIABILITIES		
Current		
Deferred revenue	-	74
	<u>-</u>	<u>74</u>
15. BORROWINGS AND ADVANCES		
Non Current		
Loans and Advances	4 000	-
Total borrowings and advances	<u>4 000</u>	<u>-</u>
16. EQUITY		
Equity represents the residual interest in the net assets of NT Fleet. The Government's ownership interest in NT Fleet is held in the Central Holding Authority as described in note 2(b).		
Capital		
Balance as at 1 July	528	505
<i>Equity Injections</i>		
Equity Transfers In	-	23
Balance as at 30 June	<u>528</u>	<u>528</u>
Accumulated Funds		
Balance as at 1 July	69 783	67 110
Surplus /(Deficit) for the Period	6 185	5 311
Dividends Payable	(3 093)	(2 656)
Correction of Prior Period Errors	-	18
Balance as at 30 June	<u>72 875</u>	<u>69 783</u>
Total Equity	<u>73 403</u>	<u>70 311</u>

	2007 \$'000	2006 \$'000
17. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities		
Net Surplus/(Deficit)	6 185	5 311
Adjustment to prior year due to accounting policy change	-	18
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	14 447	12 743
(Gain) on Disposal of Assets	(1 518)	(939)
Asset acquired at nil consideration	-	(44)
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(1)	390
Decrease/(Increase) in Interest Receivable	(11)	3
(Increase) in Inventories	(3)	(1)
Decrease/(Increase) in Other Assets	(185)	25
(Decrease) in Payables	(96)	(47)
(Decrease)/Increase in Accrued Expenses	(11)	-
(Decrease)/Increase in Provision for Employee Benefits	10	(6)
(Decrease) in Other Provisions	(7)	(6)
(Decrease)/Increase in GST	249	(72)
(Decrease)/Increase in Income Tax Liabilities	375	(166)
(Decrease) in Deferred income	(74)	(31)
Net Cash From Operating Activities	19 360	17 178

18. FINANCIAL INSTRUMENTS

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

NT Fleet's operating account earns monthly interest at a variable interest rate (NT Treasury Corporation's average 11am cash rate less 25 basis points).

Negative cash balances of \$50 000 or less attract the average 11am cash rate for the month plus 50 basis points.

Negative cash balances over \$50 000, which have an overdraft facility or by prior arrangement with NT Treasury Corporation, attract the average 11am cash rate for the month plus 50 basis points.

Negative balances without overdraft facilities or prior arrangement with NT Treasury Corporation will be charged the overdraft rate applied to the Government Bank Account by the Westpac Banking Corporation.

(a) Credit Risk

NT Fleet has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the entity has adopted the 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 provisions for losses, represents the entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

(c) Interest Rate Risk

NT Fleet has limited exposure to interest rate risk as NT Fleet's financial assets and liabilities, with the exception of the bank account, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and, as such, do not expose NT Fleet to interest rate risk. NT Fleet's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities are set out in the following tables. The average interest rate is based on the outstanding balance at the end of the year.

18. FINANCIAL INSTRUMENTS (Continued)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total \$'000
			Under 1 year \$'000	1 to 5 years \$'000	Non- Interest Bearing \$'000	
2007 Financial Assets						
Cash and Deposits	5.89	4 352	-	-	1	4 353
Receivables		-	-	-	623	623
Total Financial Assets:		4 352			624	4 976
Financial Liabilities						
Payables		-	-	-	2 383	2 383
Employee Benefits		-	-	-	418	418
Government Loan	7.10	-	-	4 000	-	4 000
Dividend Payable		-	-	-	3 093	3 093
Total Financial Liabilities:		-	-	4 000	5 894	9 894
Net Financial Assets/(Liabilities):		4 352	-	(4 000)	(5 270)	(4 918)

	Weighted Average Interest Rate %	Variable Interest \$'000	Fixed Interest Maturity			Total \$'000
			Under 1 year \$'000	1 to 5 years \$'000	Non- Interest Bearing \$'000	
2006 Financial Assets						
Cash and Deposits	5.50	631	-	-	1	632
Receivables		-	-	-	485	485
Total Financial Assets:		631			486	1 117
Financial Liabilities						
Payables		-	-	-	2 028	2 028
Employee benefits		-	-	-	409	409
Dividends payable		-	-	-	2 656	2 656
Total Financial Liabilities:		-	-	-	5 093	5 093
Net Financial Assets/(Liabilities):		631	-	-	(4 607)	(3 976)

	2007 \$'000	2006 \$'000
19. COMMITMENTS		
(i) Capital Expenditure Commitments		
Estimated capital expenditure contracted for at balance date but not provided for and payable:		
Within one year	8 772	6 074
	<u>8 772</u>	<u>6 074</u>
(ii) Operating Lease Commitments		
NT Fleet leases office equipment under a non-cancellable operating lease expiring on 30 April 2010. Future operating lease commitments not provided for in the financial statements and payable are as follows:		
Within one year	4	4
Later than one year and not later than five years	7	11
	<u>11</u>	<u>15</u>
(iii) Operating Lease Commitment Receivables		
Received not later than one year	26 439	25 233
Received one year and not later than five years	17 805	15 188
	<u>44 244</u>	<u>40 421</u>

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NT Fleet had no contingent liabilities or contingent assets as at 30 June 2006 or as at 30 June 2007.

21. EVENTS SUBSEQUENT TO BALANCE DATE

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

22. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

NT Fleet had no write-offs, postponements or waivers as at 30 June 2006 or as at 30 June 2007.

**GOVERNMENT PRINTING OFFICE
FINANCIAL STATEMENTS**

Government Printing Office
FINANCIAL REPORT
FINANCIAL STATEMENT OVERVIEW
For the Year Ended 30 June 2007

The Government Printing Office (GPO) is responsible for delivering cost-effective printing and publication services to Parliament and Government agencies in a secure environment.

The GPO applies commercial practices in delivering centralised printing services for Government and utilises local industry as appropriate.

Financial Performance

The Government Printing Office performed well financially and again recorded a modest profit for the 2006-07 financial year, which can be attributed to maintaining professional relationships with customers and suppliers, maintaining effective staffing levels and providing high standard and well-priced services to customers.

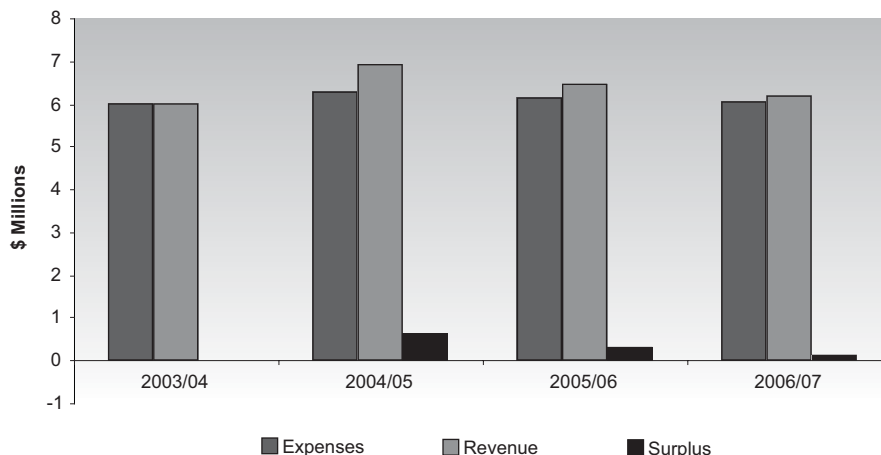
While a profit result was maintained, the net surplus was lower than expected for the year at \$105 000 compared to a final budget target of \$248 000. Sales for the period were less than expected, which was the primary contributing factor to this lower result. Other contributing factors included increased costs in raw materials, increased outsourcing and extra down time in production due to machine maintenance, installation and training.

Table 1: 2006-07 Budget and Actual Performance

	Actual \$'000	Budget \$'000	Variation \$'000
Income	6 203	6 356	(153)
Expenses	6 053	6 001	(52)
Income Tax Expense	45	107	62
Surplus/(Deficit)	105	248	(143)

Revenue has been trending down over recent years and is indicative of fluctuating client demand (Figure 1 refers). Advances in electronic transmission of documents and in personal computing technology are impacting the printing industry globally and leading to specialisation and business changes. Cognisant of the revenue trends, the Government Printing Office has been carefully managing costs and achieving lower expenses each year over the last 2 years. This is a significant achievement in an environment of annually increasing wage costs and inflation, particularly price rises in raw materials such as paper.

Figure 1: Operating Results



Employee costs comprise the largest single expense category for the Government Printing Office. Table 2 below shows the composition of major expense categories.

Table 2: 2006-07 Expenses by category

Employee \$'000	Subcontractors \$'000	Operational \$'000	Raw Materials \$'000	Plant & Equipment \$'000	Total \$'000
2 416	1 328	1 213	565	531	6 053
39.9%	22.0%	20.0%	9.3%	8.8%	100%

Financial Position

The main highlights for this period are the replacement of a large format folder and the installation of contemporary and upgraded Computer to Plate printing and proofing technology. These two major capital equipment items, totalling over \$0.7 million, were acquired through an approved self-funded capital replacement program. The new equipment became operational late in the financial year and will impact on revenue and operating costs from 2007-08. The reduction in cash balance over 2006-07 is largely attributable to this one-off capital replacement program.



AUDITOR-GENERAL

**INDEPENDENT AUDITOR'S REPORT
TO THE MINISTER FOR CORPORATE AND INFORMATION SERVICES
GOVERNMENT PRINTING OFFICE
YEAR ENDED 30 JUNE 2007**

I have audited the accompanying financial report of Government Printing Office, which comprises the operating statement, balance sheet, statement of changes in equity and cash flow statement, and accompanying notes to the financial statements for the year ended 30 June 2007.

The Responsibility of the Chief Executive 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 (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Government Printing Office as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations).


E McGuinness

Auditor-General for the Northern Territory
Darwin, Northern Territory

18 October 2007

Government Printing Office FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

We further state that the information set out in the 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 Agency's financial performance and cash flows for the year ended 30 June 2007 and the financial position on that date.

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



.....
Graham Symons
CHIEF EXECUTIVE
11 October 2007



.....
Trevor Beck
CHIEF FINANCE OFFICER
11 October 2007

Government Printing Office
OPERATING STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
INCOME			
Sales of Goods and Services		6 053	6 323
Interest Revenue		136	137
Gain on Disposal of Assets	3	6	-
Other Income		8	18
TOTAL INCOME		6 203	6 478
EXPENSES			
Employee Expenses		(2 416)	(2 322)
<i>Administrative Expenses</i>			
Purchases of Goods and Services	4	(3 224)	(3 523)
Repairs and Maintenance		(126)	(57)
Depreciation and Amortisation	9	(287)	(240)
TOTAL EXPENSES		(6 053)	(6 142)
Income Tax Expenses	5	(45)	(102)
NET SURPLUS/(DEFICIT)	14	105	234

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

Government Printing Office
BALANCE SHEET
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
ASSETS			
Current Assets			
Cash and Deposits	6	2 035	3 136
Receivables	7	570	479
Inventories	8	218	283
Prepayments		14	17
Total Current Assets		2 837	3 915
Non-Current Assets			
Property, Plant and Equipment	9	1 035	569
Total Non-Current Assets		1 035	569
TOTAL ASSETS		3 872	4 484
LIABILITIES			
Current Liabilities			
Payables	10	314	412
Provisions	12	384	715
Income Tax Liabilities	11	45	102
Other Liabilities	13	-	182
Total Current Liabilities		743	1 411
Non-Current Liabilities			
Provisions	12	160	156
Total Non-Current Liabilities		160	156
TOTAL LIABILITIES		903	1 567
NET ASSETS		2 969	2 917
EQUITY			
Capital	14	373	373
Accumulated Funds	14	2 596	2 544
TOTAL EQUITY		2 969	2 917

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

Government Printing Office
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
BALANCE OF EQUITY AT 1 JULY		2 917	2 802
Capital	14		
Balance at 1 July		373	373
Equity Injections		-	-
Equity Withdrawals		-	-
Balance at 30 June		373	373
Accumulated Funds	14		
Balance at 1 July		2 544	2 429
Surplus/(Deficit) for the Period		105	234
Dividends Payable		(53)	(119)
Balance at 30 June		2 596	2 544
BALANCE OF EQUITY AT 30 JUNE		2 969	2 917

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

Government Printing Office
CASH FLOW STATEMENT
For the Year Ended 30 June 2007

	NOTE	2007 \$'000	2006 \$'000
		(Outflows)/ Inflows	(Outflows) / Inflows
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Operating Receipts</i>			
Receipts From Sales of Goods And Services		6 362	7 104
Interest Received		138	134
Other Operating Receipts		8	19
<i>Total Operating Receipts</i>		6 508	7 257
<i>Operating Payments</i>			
Payments to Employees		(2 358)	(2 448)
Payments for Goods and Services		(3 966)	(4 208)
Income Tax Paid		(102)	(34)
<i>Total Operating Payments</i>		(6 426)	(6 690)
Net Cash From/(Used In) Operating Activities	15	82	567
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Investing Receipts</i>			
Proceeds from Asset Sales	3	6	-
<i>Total Investing Receipts</i>		6	-
<i>Investing Payments</i>			
Purchases of Assets	9	(753)	(51)
<i>Total Investing Payments</i>		(747)	(51)
Net Cash From/(Used In) Investing Activities		(747)	(51)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Financing Payments</i>			
Dividends Paid		(436)	-
<i>Total Financing Payments</i>		(436)	-
Net Cash From/(Used In) Financing Activities		(436)	-
Net Increase/(Decrease) in Cash Held		(1 101)	516
Cash at Beginning of Financial Year		3 136	2 620
CASH AT END OF FINANCIAL YEAR	6	2 035	3 136

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

Government Printing Office
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 30 June 2007

Index of Notes to the Financial Statements

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

INCOME

3. Gain on Disposal of Assets

EXPENSES

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

ASSETS

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

LIABILITIES

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

EQUITY

14. Equity

OTHER DISCLOSURES

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

1. OBJECTIVES AND FUNDING

The Government Printing Office operates as a Government Business Division and delivers cost effective printing and publishing services to the Northern Territory Government from premises located at Parap in a secure environment, specifically designed for efficient production of a diverse range of products and services.

The Government Printing Office is a self-funded organisation. It generates its income from sales of printed products and services to Government agencies.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

The form of agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Northern Territory Government entities.

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 only 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.

(b) Agency Territory Items

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

Central Holding Authority

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

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

(c) Comparatives

Where necessary, comparative information for the 2005-06 financial year has been reclassified to provide consistency with current year disclosures.

(d) 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.

(e) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2006-07 as a result of management decisions.

(f) Goods and Services Tax

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

(g) Income Recognition

Income encompasses both income and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax. 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 control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

Rendering of Services

Revenue from rendering services is recognised on a stage of completion basis.

Interest Revenue

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

Disposal of Assets

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

Contributions of Assets

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

(h) Repairs and Maintenance Expenses

Costs associated with repairs and maintenance works on Agency assets are expensed as incurred.

(i) Taxation

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

(j) 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.

(k) Inventories

General inventories are all inventories other than those held for distribution and are carried at the lower of cost and net realisable value. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal consideration, the cost will be the current replacement cost at date of acquisition.

Inventories held for distribution are those inventories distributed at no or nominal consideration, and are carried at the lower of cost and current replacement cost.

(l) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

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

(m) Property, Plant and Equipment***Acquisitions***

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

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

Complex Assets

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

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the 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.

Revaluations

Plant and equipment is carried at cost.

Depreciation and Amortisation

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:

	2007	2006
Plant and Equipment	2 - 20 Years	2 - 20 Years
Computer Hardware and Software	1 - 5 Years	1 - 5 Years

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

Assets Held for Sale

Assets held for sale consist of those assets which management has determined are available for immediate sale in their present condition, and their sale is highly 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.

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

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve.

(n) 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 leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

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

Operating Leases

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

(o) 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.

(p) Employee Benefits

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

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

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

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

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

(q) Superannuation

Employees' superannuation entitlements are provided through the:

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

The 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.

(r) Dividends

The Government Printing Office has provided for a dividend payable at the rate of 50% of net profit after tax in accordance with the NT Government's dividend policy.

(s) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 17 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

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

	2007 \$'000	2006 \$'000
3. GAIN ON DISPOSAL OF ASSETS		
Net proceeds from the disposal of non-current assets	6	-
Less: Carrying value of non-current assets disposed	-	-
Gain on the disposal of non-current assets	6	-
4. PURCHASES OF GOODS AND SERVICES		
The net surplus has been arrived at after charging the following expenses:		
Goods and Services Expenses:		
Consultants ⁽¹⁾	-	57
Advertising ⁽²⁾	-	-
Marketing and Promotion ⁽³⁾	-	-
Document Production	-	-
Legal Expenses ⁽⁴⁾	-	-
Recruitment ⁽⁵⁾	-	-
Training and Study	5	10
Official Duty Fares	3	1
Travelling Allowance	5	3
Corporate Support from other agencies	94	88
Audit Fees	22	47
(1) Includes marketing, promotion and IT consultants.		
(2) Does not include recruitment advertising or marketing and promotion advertising.		
(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.		
(4) Includes legal fees, claim and settlement costs.		
(5) Includes recruitment related advertising costs.		
5. INCOME TAX EXPENSE		
Current Year Profit	150	336
Prima facie income tax expense calculated at 30% on the surplus	45	102
Income Tax Expense	45	102
6. CASH AND DEPOSITS		
Cash on Hand	12	12
Cash at Bank	2 023	3 124
Total Cash and Deposits	2 035	3 136

	2007 \$'000	2006 \$'000
7. RECEIVABLES		
Current		
Accounts Receivable	561	467
Interest Receivable	9	12
Total Receivables	570	479
8. INVENTORIES		
General Inventories		
At Cost	174	174
At Net Realisable Value	-	-
	174	174
Work in Progress		
At Cost	44	109
At Current Replacement Cost	-	-
	44	109
Total Inventories	218	283
9. PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment		
At Cost	4 637	3 955
Less: Accumulated Depreciation	(3 649)	(3 462)
	988	493
Computer Hardware		
At Fair Value	331	312
Less: Accumulated Depreciation	(290)	(263)
	41	49
Computer Software		
At Fair Value	475	475
Less: Accumulated Depreciation	(469)	(448)
	6	27
Total Property, Plant and Equipment	1 035	569

Impairment of Property, Plant and Equipment

Property, plant and equipment assets were assessed for impairment as at 30 June 2007. No impairment adjustments were required as a result of this review.

9. PROPERTY, PLANT AND EQUIPMENT (Continued)**Property, Plant and Equipment Reconciliations**

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2006-07 is set out below:

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2006	493	27	49	569
Additions	735	-	18	753
Depreciation	(240)	(21)	(26)	(287)
Carrying Amount as at 30 June 2007	988	6	41	1 035

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2005-06 is set out below:

	Plant & Equipment \$'000	Computer Software \$'000	Computer Hardware \$'000	Total \$'000
Carrying Amount as at 1 July 2005	686	40	32	758
Additions	1	11	39	51
Depreciation	(194)	(24)	(22)	(240)
Carrying Amount as at 30 June 2006	493	27	49	569

	2007 \$'000	2006 \$'000
10. PAYABLES		
Accounts Payable	112	142
Accrued Expenses	132	185
GST Payables	70	85
	314	412
11. INCOME TAX LIABILITIES		
Income Tax Payable	45	102
	45	102
12. PROVISIONS		
Current		
<i>Employee Benefits</i>		
Recreation Leave	194	189
Leave Loading	43	51
Other Employee Benefits – Recreation Leave Airfares	69	25
<i>Other Current Provisions</i>		
Provision for Dividends	53	436
Provision for Fringe Benefits Tax	3	5
Provision for Workers Compensation Premium	12	8
Provision for Payroll Tax	10	1
	384	715
Non-Current		
<i>Employee Benefits</i>		
Recreation Leave	160	156
	160	156
Total Provisions	544	871
The Government Printing Office employed 38 employees as at 30 June 2007 (37 employees as at 30 June 2006).		
13. OTHER LIABILITIES		
Current		
Other Liabilities – <i>Deferred Revenue</i>	-	182

	2007 \$'000	2006 \$'000
14. EQUITY		
Equity represents the residual interest in the net assets of the Government Printing Office. The Government's ownership interest in the Government Printing Office is held in the Central Holding Authority as described in note 2(b).		
Capital		
Balance as at 1 July	373	373
Capital Adjustments	-	-
Balance as at 30 June	373	373
Accumulated Funds		
Balance as at 1 July	2 544	2 429
Surplus /(Deficit) for the Period	105	234
Dividend Recognised	(53)	(119)
Balance as at 30 June	2 596	2 544
Total Equity	2 969	2 917
15. NOTES TO THE CASH FLOW STATEMENT		
Reconciliation of Cash		
The total of Government Printing Office Cash and Deposits of \$2.04 million recorded in the Balance Sheet is consistent with that recorded as 'cash' in the Cash Flow Statement.		
Reconciliation of Net Surplus/(Deficit) to Net Cash From Operating Activities		
Net Surplus/(Deficit)	105	234
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	287	240
(Gain) on Disposal of Assets	(6)	-
<i>Changes in Assets and Liabilities:</i>		
Decrease/(Increase) in Receivables	(80)	111
Decrease/(Increase) in Inventories	67	(70)
Decrease in Prepayments	3	26
Decrease/(Increase) in Interest Receivable	3	(4)
Decrease/(Increase) in Other Assets	-	2
Decrease/(Increase) in Accrued Revenue	(15)	51
(Decrease)/Increase in Payables	(98)	15
(Decrease)/Increase in Income Tax Liabilities	(57)	68
Increase in Provision for Employee Benefits	45	13
(Decrease)/Increase in Other Provisions	10	(10)
(Decrease) in Other Liabilities	(182)	(109)
Net Cash From Operating Activities	82	567

16. FINANCIAL INSTRUMENTS

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

(a) Credit Risk

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

(b) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

(c) Interest Rate Risk

The Government Printing Office has limited exposure to interest rate risk as financial assets and financial liabilities, with the exception of the bank account are non-interest bearing. The Government Printing Office's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the start of the year.

16. FINANCIAL INSTRUMENTS (Continued)

	<u>Fixed Interest Maturity</u>						Total \$'000
	Weighted Average interest rate %	Variable Interest \$'000	Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- Interest Bearing \$'000	
	2007 Financial Assets						
Cash and Deposits	5.89	2 023	-	-	-	12	2 035
Receivables		-	-	-	-	570	570
Total Financial Assets:		2 023	-	-	-	582	2 605
Financial Liabilities							
Payables		-	-	-	-	314	314
Employee Benefits		-	-	-	-	466	466
Dividend Payable		-	-	-	-	53	53
Total Financial Liabilities:		-	-	-	-	833	833
Net Financial Assets/(Liabilities):		2 023	-	-	-	(251)	1 772

	<u>Fixed Interest Maturity</u>						Total \$'000
	Weighted Average interest rate %	Variable Interest \$'000	Under 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- Interest Bearing \$'000	
	2006 Financial Assets						
Cash and Deposits	5.50	3 124	-	-	-	12	3 136
Receivables		-	-	-	-	479	479
Total Financial Assets:		3 124	-	-	-	491	3 615
Financial Liabilities							
Payables		-	-	-	-	412	412
Employee Benefits		-	-	-	-	421	421
Dividend Payable		-	-	-	-	436	436
Total Financial Liabilities:		-	-	-	-	1 269	1 269
Net Financial Assets/(Liabilities):		3 124	-	-	-	(778)	2 346

	2007 \$'000	2006 \$'000
17. COMMITMENTS		
Expenditure Commitments		
Non-cancellable expenditure commitments not recognised as liabilities are payable as follows:		
Within one year	25	51
Later than one year and not later than five years	34	51
Later than five years	-	-
	59	102

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Government Printing Office had no contingent liabilities or contingent assets as at 30 June 2007 or 30 June 2006.

19. EVENTS SUBSEQUENT TO BALANCE DATE

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

20. WRITE-OFFS, POSTPONEMENTS AND WAIVERS

The Government Printing Office had no write offs, postponements or waivers in 2006-07 and 2005-06.

APPENDICES

APPENDIX A

List of Acronyms

3P	Personal Planning Process
APRO	Agencies Purchase Requisitions Online (IT system)
BPI	Business Process Improvement
CAPS	Contract and Procurement Services (DCIS business unit)
DBERD	Department of Business, Economic and Regional Development (agency)
DCIS	Department of Corporate and Information Services (the Department)
DCS	Data Centre Services (GBD)
DEET	Department of Employment, Education and Training (agency)
DHCS	Department of Health and Community Services (agency)
DPI	Department of Planning and Infrastructure (agency)
GAS	Government Accounting System (IT system)
GBD	Government Business Division
GOAC	Government Office Accommodation Committee
GST	Goods and Services Tax
FTE	Full Time Equivalent
ICT	Information and Communications Technology
ITIL	Information Technology Infrastructure Library
JES	Job Evaluation System
KPI	Key Performance Indicator
NRETA	Department of Natural Resources, Environment and the Arts (agency)
NTPM	Northern Territory Property Management (DCIS business unit)
NTPS	Northern Territory Public Sector
OCPE	Office of the Commissioner for Public Employment (agency)
OH&S	Occupational Health and Safety
P&D	People and Development (DCIS business unit)
PAPMS	Payroll and Payment Management Services (IT system)
PIPS	Personnel Information and Payroll System (IT system)
PSMP	Public Sector Management Program
RePS	Receipts Processing System (IT system)
SLA	Service Level Agreement
SPIN	Support Program and Information Network (development program)
TRIM	Tower Records and Information Management (IT system)
TRIPS	Travel Request Information Processing System (IT system)

APPENDIX B

Executive Board of Management Members Profile

Members as at July 2007



Graham Symons

Chief Executive

Graham commenced as Chief Executive with DCIS in July 2007. He has previously worked in a range of senior management positions in the NTPS, including Deputy Chief Executive in the Department of the Chief Minister; Treasury; and in Health and Community Services; and Chief Executive of Territory Housing. Graham spent his early years in the Northern Territory and moved back to Darwin in 1984 after studying and working in South Australia. He has tertiary qualifications in Science, Social Administration and Business.



Kathleen Robinson

Acting Deputy Secretary

Kathleen joined DCIS in August 2006 following a long career in the NT Government. Kathleen was responsible for Treasury's Budget Analysis Division from 2002 and she has previously held a lead role in developing and implementing across Government a new NT financial management framework. Kathleen also directed the project to implement GST for the NT Government in 1999-2000. Kathleen has extensive experience in senior positions in Treasury and other agencies primarily focused on financial management, policy and audit roles. Kathleen holds a degree in Business and is a Fellow of CPA Australia.



Les Hodgson

Executive Director Information and Communications Technology

Les has spent much of the last 15 years in senior positions in Strategic Management, Business Development and Customer Management roles. Working for Telstra he led their Retail Strategy and developed multi-billion dollar business plans for Cable TV and Broadband deployment in Australia. He joined the NTPS as Executive Director Information and Communications Technology in 2002 to lead the NT Government's Information and Communications Technology (ICT) Strategy, for Government, the ICT Industry and Territorians. Les has spent a year acting as the Chief Executive for DCIS. He has an Honours Degree in Electrical Engineering and a Graduate Diploma in Business Administration.



Arthur Boland

Executive Director Human Resource Services

Arthur joined DCIS on its formation in October 1998 and has held a range of positions in the NT Government over his 25-year career. Arthur specialises in industrial relations advocacy, human resource, financial and information technology management. He was responsible for several commercial activities in Transport and Works before joining DCIS where he has responsibility for Human Resources. He holds a Bachelor of Arts and postgraduate qualifications in personnel administration.

Members as at July 2007

**Brad Irvine***Executive Director Procurement*

Brad has 30 years technical and management experience in the ICT industry in the Northern Territory in both private and public sectors. Commencing in DCIS in 1998 as a consultant, he joined the Department permanently in 2000. He has project managed the outsourcing of Messaging, Telecommunication and Desktop Services through two tranches valued in excess of \$700 million. Brad now manages Procurement Policy, Contract and Procurement Services, NT Fleet, Government Printing Office and is the chairman of the NT Government Procurement Review Board.

**Maryann Jamieson***Director ICT Policy and Strategy*

Maryann joined DCIS in October 2005 from the private ICT sector where she had undertaken numerous consulting assignments for the NT Government over the past 10 years. Maryann has 20 years ICT experience in a range of roles commencing as a computer programmer and later specialising in ICT Project Management, Systems Integration and Strategic Consulting for private and public sector organisations. Maryann holds postgraduate qualifications in ICT and Management Systems.

**Garry Haigh***Director IT Service Management*

Garry has worked for the NT Government for over 27 years. He has extensive experience in the communications field and his most recent positions include IT Manager, Contract Manager and currently Director IT Service Management for DCIS. For approximately four years, commencing in 1996, Garry worked in the private sector firstly as a Telecommunications Management Consultant and later as an Operations Manager at the Darwin Communications Centre. Garry has completed a Graduate Certificate in Public Sector Management; a Certificate in Basic Electronics and most recently completed the Company Directors course through the Australian Institute of Company Directors.

**Joseph Babbini***Director Executive and Continuous Improvement*

Joseph joined the NT Public Service in November 1982. Before joining DCIS in July 2000, Joseph held positions as Finance Manager and Business Analyst with NT Treasury, Housing and Local Government and Museum and Arts Gallery. Joseph commenced with DCIS as Manager Accounts Receivable before moving to the position of Director Accounting Services in 2005. In June 2007, Joseph transferred to his current position of Director Executive Services and Continuous Improvement. Joseph has completed a Post Graduate Certificate in Public Sector Management.

Members as at July 2007



David Bryan

Director Human Resource Services

David has a varied work history in both the public and private sector. Originally trained as a microbiologist, he worked in a wide range of management positions in the food industry, moved into adult education in the early 1990s and joined the NTPS in 1998 where he has filled a variety of roles. David has Bachelor of Teaching and a post graduate qualification in Public Sector Management.



Ian Low

Director Regions

Ian commenced as Regional Director Alice Springs in late 1999. He joined DCIS from Territory Health Services where he was General Manager Corporate Services in the Central Australia Region. Ian joined the NT Government some 10 years ago after moving from Canberra. In a 24-year career with the Australian Public Service, Ian worked in several departments and agencies, in both Melbourne and Canberra, where his background was in human resource management.



Chris Hosking

Director Data Centre Services

Chris is a long-term Territory resident who joined the NTPS as a school leaver in 1986 and has had a varied career in a number of NT Government agencies. Chris holds postgraduate qualifications in public sector management and his specific areas of expertise encompass human resources more broadly and administration of major IT business systems. Chris joined DCIS upon its formation in 1998 and has worked in a variety of roles. He currently manages Data Centre Services.



Dale Howard

Acting Director Workforce Services

Dale has been with DCIS since its formation and joined the DCIS Executive Board of Management in early 2006. Dale joined the NT Government's NCOM Services as a graduate trainee after completing her Bachelor of Science in 1989. She has a computing background specialising in mainframe technologies, data centre infrastructure and IT service delivery.



Kevin Thomas

Acting Director People and Development

Kevin started in the NT Public Sector in 1987 and has worked in human resource and management areas throughout the public sector. Starting with DCIS on its formation in 1998, Kevin has had a number of roles including Reporting Analyst, Human Resource Consultant, Project Manager and Manager of Palmerston and Casuarina offices. Commencing in the role of Director People and Development in March 2007, Kevin will hold the position until January 2008 when the Director returns from maternity leave. Kevin holds a Business Degree with a double major in Management and Marketing. He is a member of the Charles Darwin University Alumni, the Australian Institute of Management (AIM) and the Institute of Public Administration Australia (IPAA).

Acknowledgements

DCIS acknowledges and thanks those Executive Board of Management members who have retired, resigned or moved on to other opportunities in the NT Public Sector, for their contribution to the leadership and success of the Department during their tenure.

- **Richard Galton** - Appointed Chief Executive of DCIS in August 2004 having held a number of senior management positions within the NTPS, Richard transferred in October 2006 to become the Chief Executive of the Department of Business, Economic and Regional Development.
- **Michael Martin OAM** - Michael retired from the NTPS in March 2007 following a career in government spanning over 40 years. Michael held senior positions in the Department of Transport and Works, NT Treasury and Territory Health Services before joining DCIS in December 2000 where he worked as Deputy Secretary.
- **Katrina Harding** - Having been with DCIS since its inception Katrina was instrumental in the development and implementation of procedures and processes for the introduction of GST and accrual accounting across the NT Government. Following a period as Director Property Management, Katrina transferred to the Department of Employment, Education and Training in July 2007 to take up the role of Chief Financial Officer
- **Bob Creek** - Responsible for managing ICT services and infrastructure since 1990 and formerly Director of Data Centre Services, Bob transferred to the Department of Employment, Education and Training in June 2007 as Director IT Services.
- **Peter Stewart** - Peter joined DCIS in October 2003 as Director Contract and Procurement Services, bringing with him 20 year's procurement experience establishing, managing and administering service and supply contracts. Peter resigned from the NTPS in October 2006 to take up a procurement management position in the mining sector interstate.
- **Sharon Winks** - Experienced in the fields of risk, governance, business planning, review, evaluation and performance reporting, Sharon joined DCIS in mid 2005 as Director Executive and Continuous Improvement. Sharon resigned from her position in June 2007 to pursue a career in consultancy and analytical review roles.

APPENDIX C

DCIS Service Price List

As at 30 June 2007

Service	Cost Measure	Price (\$)
FINANCIAL AND ACCOUNTING SERVICES		
Accounts Payable		
- Invoice processed 1-5 lines	Per invoice	13.10
- Invoice processed 6 -10 lines	Per invoice	25.50
- Invoice processed >10 lines	Per invoice	40.50
- Ledger Transfer	Per invoice	12.00
- Regional travel	Per travel request	20.65
- RTM advance cheques	Per cheque	25.80
- Deskbank payments	Per payment	86.00
- Credit card management	No. of credit cards (pa)	420.00
Accounts Receivable		
- Invoice manual requisition	Per invoice	61.00
- Invoice electronic requisition	Per invoice	25.00
- Receiver statements – manual	Per statement	50.00
- Receiver statements – pay online	Per statement	10.00
- RTM	Per receipt	5.20
- Bank account management	Per bank account (pa)	2 496.00
Asset Accounting		
- Assets managed	Per asset (pa)	81.60
- Disposals	Per asset disposed	28.00
Taxation Services		
- BAS lodgement	Per line per return	0.40
- FBT Tax	Per line comprising FBT liability	22.00
- Payroll Tax	Per cost code per return	6.50
Financial Reporting		
- Auto	Per page produced	1.25
Financial Systems		
	DASD usage (per 1% per annum)	72 000.00
CONTRACT AND PROCUREMENT SERVICES		
CAPS		
- Tender Management	Per tenders managed	2 000.00
- Standard RFT	Per standard RFT	1 500.00
- Complex RFT	Per complex RFT	4 100.00
- Addenda/Extension	Per addenda/extension	540.00
- CAPS Advisory Service	Per no. of paid employees (pa)	20.00
- CAPS Whole of Govt Contracts	Per no. of paid employees (pa)	20.00
- RFQ Administration	Per no. of quotations entered	200.00
Couriers/Despatch		
	Per drop off/ pick up	12.00

Service	Cost Measure	Price (\$)
HUMAN RESOURCE SERVICES		
HR System	Per no. of paid employees (pa)	345.00
Job Evaluation Services	Per JESd position	250.00
Payroll Services		
- Per Employee Charge	Per no. of paid employees (pa)	155.00
- Per PTR Charge - Auto	Per PTR - auto	3.00
- Per PTR Charge - Manual	Per PTR - manual	10.00
- Commencement / Termination	Per commencement / termination	260.00
Recruitment Services		
- New Starter	Per new starter	510.00
- Temporary or Nominal Move	Per temporary or nominal move	30.00
Entry Level Recruitment	Per no. of admin staff (pa)	70.00
Short Courses	Per person / half day	135.00
Employment Programs	No. of apprentices	2 480.00
Venue Management		
- Venue Management - Belvedere House A/S L1	Per half day	50.00
- Venue Management - Belvedere House A/S L2	Per half day	120.00
- Venue Management - Sadgroves Room	Per half day	50.00
- Venue Management - Timor Room	Per half day	100.00
- Venue Management - Frances Bay Room	Per half day	150.00
- Venue Management - Kath Govt Centre	Per half day	90.00
OH&S	Per hour	110.00
Workers Compensation	Per hour	83.00
INFORMATION AND COMMUNICATIONS TECHNOLOGY SERVICES		
ICT Policy & Strategy	Per no. of desktops (pa)	110.00
IT Service Management		
- Contract Services	Per no. of desktops (pa)	165.00
- Agency Services	Allocation of FTE - Managers (pa)	130 000.00
	Allocation of FTE - Directors (pa)	175 000.00
Records Policy & Systems	Per no. of paid employees (pa)	65.00
PROPERTY MANAGEMENT		
Leased Property Management	Overheads	3.47%

APPENDIX D

Audits by the Auditor-General

For year ending 30 June 2007

Audit	Audit Outcome/ Recommendation Summary	Action
Data Centre Services Financial Statements Audit 2005-06	No audit issues raised.	No action required.
DCIS end of year review 2005-06	No audit issues raised.	No action required.
IT Outsourcing – Desktop and Telecommunication Services	<p>Action register should be completed in a timely fashion.</p> <p>DCIS should complete a formal lessons learnt exercise.</p> <p>DCIS should consider the use of automated software to facilitate contract management processes.</p> <p>Compliance Team documentation should be reviewed by the Contract Manager.</p>	Processes and issues are being reviewed and modified as required.
GAS Upgrade	A post implementation review would be beneficial.	Review conducted in February 2007.
Government Printing Office Financial Statements Audit 2005-06	Quotation and invoicing processes should be improved.	Processes modified.
NT Fleet Financial Statements Audit 2005-06	<p>Reconciliations should be signed off by the authorised manager.</p> <p>Payroll anomalies forms to be completed.</p>	Appropriate procedures and controls are now in place.
GAS Controls	<p>Delays in reconciling some ledger accounts.</p> <p>Controls over payment procedures should be enhanced.</p> <p>Follow-up Australian Business Numbers on vendor records.</p> <p>Delays in reviewing GAS security profile report.</p> <p>Update collection status of aged debtors.</p> <p>Noted some instances of RTM advance accounts not evidencing review.</p> <p>Governance processes related to risk and audit should be enhanced.</p>	<p>Documentation and processes modified as required.</p> <p>Regular reviews have been implemented.</p> <p>Comprehensive governance framework in place.</p>

Audit	Audit Outcome/ Recommendation Summary	Action
PIPS Controls	Noted some specific deviations from standard operating procedures with regard to recording the commencement and termination of employees and controls over payroll disbursement.	Processes and procedures are being refined or modified to address.
IT Control Environment	<p>Processes governing user access administration for GAS applications should be standardised.</p> <p>Data Centre Services should give attention to implementing recommendations contained in a 2006 consultant's report on disaster recovery.</p>	<p>Upgraded identity access management system will address.</p> <p>Recommendations are being considered.</p>
NT Fleet Interim Financial Statements Audit 2006-07	<p>Transfer of assets form to be signed by transferor and transferee.</p> <p>Update delegations manual.</p> <p>Conflicting user profile identified.</p>	Processes and documentation modified.

APPENDIX E

Internal Reviews

For year ending 30 June 2007

Review	Description	Outcome
Mainframe Security Controls	Examine the mainframe security controls.	Mainframe security database configuration and management conforms to industry best practice.
Workers Compensation	Joint business process review of functions undertaken by DCIS and TIO in relation to Government workers compensation processes.	Comprehensive Service Level Agreement and service standards implemented.
Payroll	Review of work value of Payroll Services positions.	Payroll Services restructured to address both work value and work load issues.
Corporate Services Business Model	Review of NTG corporate services vision and business model.	Corporate Services vision accepted and business model under consideration.
Accounts Payable	Business process review of Accounts Payable processes across Government.	Detailed analysis of recommendations and consideration of future systems and process changes is being undertaken.
Accounts Receivable	Business process review of Accounts Receivable processes across Government.	Detailed analysis of recommendations and consideration of future systems and process changes is being undertaken.
Human Resource Information System	Strategic review of the Human Resource Information System to consider future direction and options.	Detailed analysis of recommendations and consideration of future systems and options is being undertaken.
HR Reporting	Business process review of Human Resources Reporting to identify a cost effective reporting solution to better meet agency's HR needs.	Review currently in progress.

APPENDIX F

Gifted Furniture, Fittings and Computers

For the period 1 July 2006 to 30 June 2007

Organisation Name	Items Gifted	Value (\$)
Larrakia Nation Aboriginal Corporation	6 x Filing Cabinets	10.00
Surf Lifesaving Northern Territory Inc	10 x Chairs	10.00
	3 x Executive Chairs	15.00
	3 x 2 Drawer Filing Cabinets	10.00
	2 x Mobile Drawer Units	7.50
	1 x Metal Shelf Unit	10.00
	2 x Computer Workstations	15.00
	2 x Arrow-shaped Workstations	10.00
TOTAL		87.50

APPENDIX G

Gifted and Loaned Vehicles

For the period 1 July 2006 to 30 June 2007

Gifted and Loaned Vehicles	Cost (\$)
Gifted Vehicles	
Keep Australia Beautiful Council	66 435
Sub Total	66 435
Loan Vehicles – Short Term	
Music NT	8 682
Darwin Festival	15 877
Yothu Yindi Foundation	30 763
Potter's House Christian Church	1 500
24HR Art	6 371
Art Back NT Arts Touring	4 835
Bass in the Dust	2 250
Darwin Symphony Orchestra	92
Boxing NT Inc	2 500
Tattersall's Finke Desert Race	16 000
Freds Pass Rural Show	800
NT Writers Centre	650
Loan Vehicles – Long Term	
Keep Australia Beautiful Council	24 480
Sub Total	114 800
TOTAL	181 235

APPENDIX H

Accommodation Costs for Non-Government Organisations

For the period 1 July 2006 to 30 June 2007

Non-Government Organisation	Building	Cost (\$)
Amateur Fishing Association of the NT	Malak Shopping Centre	30 195
Asthma Foundation	Eurilpa House, Alice Springs	3 710
Austrade	Development House, Darwin	18 400
Australia Day Council	Darwin Central	20 064
Australian Association of Young People In Care	Casuarina Plaza	9 219
Bushfires Council	Lot 1718/19 Albatross Street, Winnellie	70 686
Camp Quality	Lot 521 Pavonia Place, Nightcliff	39 777
Cancer Council	44 Bath Street, Alice Springs	28 560
Cancer Council	Casi House, Casuarina	48 000
Cancer Council	Randazzo Centre, Katherine	13 725
Child Birth Education	Casuarina Plaza	6 760
Childrens' Services Support Program	Eurilpa House, Alice Springs	25 900
Crisis Line ¹	Lot 1826 Bishop Street, Darwin	17 699
Deaf Association of the NT	Casuarina Plaza	14 473
Downs Syndrome Association	Rapid Creek Shopping Centre	16 905
Duke of Edinburgh Award Scheme	Berrimah Star Centre	70 440
Employee Assistance Services	Eurilpa House, Alice Springs	20 905
Employee Assistance Services ²	Highway Arcade, Stuart Park	25 760
Family Planning Association	Eurilpa House, Alice Springs	13 725
Gagadju Association	Government Centre, Jabiru	16 384
Genealogy Society	Cavenagh Court, Darwin	35 806
Good Beginnings	Randazzo Centre, Katherine	27 450
Greening Australia and Central Land Management Association	Leichhardt Building, Alice Springs	31 857
GROW	Casuarina Plaza	18 438
Health Connections	Government Centre, Katherine	35 482
Heart Foundation	Darwin Central	40 283
Association of Independent Schools of the Northern Territory	Darwin Central	20 064
Keep Australia Beautiful Council	Stuart Park Shopping Centre	36 240
Kidsafe NT and SIDS NT	Rapid Creek Shopping Centre	22 853
Lerrluk Indigenous Housing Advisory Service	Government Centre, Katherine	14 549

Non-Government Organisation	Building	Cost (\$)
L'here Artepe Aboriginal Corporation	Leichhardt Building, Alice Springs	28 620
Mental Health Association of Central Australia	Hansen House, Alice Springs	20 800
Multicultural Community Services of Central Australia	20 Parsons Street, Alice Springs	10 545
Multicultural Council NT and Multilingual Broadcasting Council NT	Malak Shopping Centre	69 584
National Association for the Prevention of Child Abuse and Neglect	Rapid Creek Shopping Centre	7 740
Northern Territory Business Council	Randazzo Centre, Katherine	40 870
Pensioners Workshop	Pensioners' Workshop, Winnellie	23 008
Radio Larrakia	Greek Community Centre, Nightcliff	15 582
Red Cross	Casuarina Recreation Centre	66 400
Relationships Australia ³	Winlow House, Darwin	7 121
Top End Business Development Council	Lot 1718/19 Albatross Street, Winnellie	182 640
Training Advisory Council	Darwin Plaza	63 523
Training Advisory Council	Winlow House, Darwin	137 424
Various Arts Organisations Warehouse	Tiger Place, Winnellie	18 557
Various Community Arts and Craft Groups	96 Winnellie Road, Winnellie	121 122
Victims of Crime NT	La Grande, Darwin	42 997
Volunteers Australia	Darwin Central	40 129
YMCA	Satepak House, Palmerston	72 469
YWCA ⁴	Highway House, Palmerston	17 173
TOTAL		1 780 613

Notes:

- 1) Ceased September 2006
- 2) Ceased December 2006
- 3) Ceased August 2006
- 4) Net of \$15,000/pa contribution by NGO

APPENDIX I

NT History Grants

For the period 1 July 2006 to 30 June 2007

Recipient and Research Project	Grant (\$)
Alan Powell of Darwin - to research a history of sea approaches to Darwin.	5 000
Anne Gardiner of Bathurst Island - to research the history of Our Lady of the Sacred Heart Sisters in the Northern Territory, 1908-2008.	3 000
Judith Lovell of Alice Springs - to record and document the stories of Kathleen Wallace, Eastern Arrernte traditional owner and custodian of Keringke.	5 000
Kathy De La Rue of Palmerston - to research the development of Darwin during the Commonwealth administration, 1911-1978.	6 000
Wendy Beresford-Maning of Darwin - to research the work of missionaries of the Sacred Heart in the Top End.	1 500
Noel Kentish of Brisbane - to research the life and work of Territorian missionary and humanitarian, Leonard Noel Kentish.	5 000
Matthew Stephen of Darwin - to research a comparative study of Aboriginal involvement in cricket in colonial South Australia and the Northern Territory.	2 500
Heather Hancock of Alice Springs - to research midwives' stories and the history of home birth in the Northern Territory.	4 000
Katelyn Hemsley of Alice Springs - to research and record deaths and lone burials in Central Australia.	3 500
Stephen Carleton of Brisbane - to research the history of the Darwin Theatre Company.	3 500
Jason Gibson of Alice Springs - to research the history of communism in Central Australia.	3 000
Adelaide River Primary School Council - to research the history of the Adelaide River Primary School.	3 000
Phil Herdman of Nhulunbuy - to research the origins of early European topographical names in Eastern Arnhem Land.	2 000
Elina Spilia of Melbourne - to record oral histories of the Djapu clan of the Yolngu people of North Eastern Arnhem Land.	3 000
TOTAL	50 000

Contacts

- Darwin Head Office:** 1st Floor, Palm Court, 8 Cavenagh Street
Darwin NT 0800
Telephone: (08) 8999 5511
Facsimile: (08) 8999 1710
- Alice Springs:** 1st Floor, Alice Plaza, Todd Mall
Alice Springs NT 0870
Telephone: (08) 8951 6400
Facsimile: (08) 8951 6406
- Tennant Creek:** Ground Floor, NT Government Centre
Peko Road, Tennant Creek NT 0860
Telephone: (08) 8962 4666
Facsimile: (08) 8962 4600
- Katherine:** 1st Floor, Government Centre, First Street
Katherine NT 0850
Telephone: (08) 8973 8401
Facsimile: (08) 8973 8719
- Nhulunbuy:** Arnhem Village, Arnhem Road
Nhulunbuy NT 0880
Telephone: (08) 8987 0588
Facsimile: (08) 8987 0580
- Internet and email:** <http://www.nt.gov.au/dcis> (world wide web)
<http://uluru.nt.gov.au/dcis> (NT Government intranet only)

Further information about the Department of Corporate and Information Services can be obtained from our web site at <http://www.nt.gov.au/dcis> or by contacting Executive Services on (08) 8999 1704.

